Dr. Sinee Sankrusme

International Business Correspondence



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BRIEF CONTENTS

		Page
CHAPTER 1	INTERNATIONAL BUSINESS LETTER WRITING	1
CHAPTER 2	INTERNATIONAL BUSINESS LETTER STRUCTURE	30
CHAPTER 3	SALES LETTER	54
CHAPTER 4	INQUIRY LETTER	101
CHAPTER 5	ORDER LETTER	151
CHAPTER 6	COMPLAINT LETTER	196
CHAPTER 7	ADJUSTMENT LETTER	235
CHAPTER 8	PAYMENT LETTER	276
CHAPTER 9	TRANSPORTATION AND SHIPPING LETTER	322
CHAPTER 10	INSURANCE LETTER	375
CHAPTER 11	BANKING LETTER	420

CONTENTS

		Page
PREFACE		xii
ACKNOWLED	GEMENTS	xiv
ABOUT THE A	UTHOR	XV
CHAPTER 1	INTERNATIONAL BUSINESS LETTER WRITING	1
	Introduction to International Business Letter Writing	1
	International Business Letter Defined	1
	Importance and Purpose of a Business Letter	3
	Important Points to Consider in Writing a Business Letter	5
	How to Create an Effective Business Letter	6
	Planning a Letter	7
	Research the Facts	7
	Consider the Subject and the Reader	7
	Set Your Objective and Make Sure to Accomplish It	8
	Components of an Effective Business Letter	8
	Language	9
	Tone	9
	Focus	10
	Length	11
	Stationary	11
	8 C's of Business Letter	15
	Clarity	15
	Conciseness	16
	Consideration	17
	Courtesy	17

CHAPTER 2

Correctness 18 Character 18 Concreteness 18 Cheerfulness 18 **International Business Letters** 19 19 Sales Letter Inquiry Letter 20 20 Order Letter 20 Complaint Letter Adjustment Letter 20 Payment Letter 21 Transportation and Shipping Letter 21 21 Insurance Letter 22 **Banking Letter** International Business Letter Today and in the Future 22 Researches Support International Business Correspondence 23 27 Notes INTERNATIONAL BUSINESS LETTER STRUCTURE 30 Structure of International Business Letters 30 Heading: letterhead and address 31 Date 31 32 Reference Line Inside Address 33 Attention Line 33 Salutation 33 34 Subject Line

Body of the Letter 35 Complimentary Close 36 Signature 37 **Identification Line** 37 Enclosures 38 Carbon Copy Notation 38 Postscript or P.S. 39 Letter Styles for International Business Correspondence 41 Full Block Form 41 Block Form 41 Semi Block Form 41 Addressing Envelopes 45 **Exercises** 47 Notes 53 **CHAPTER 3 SALES LETTER** 54 Introduction to Sales Letter 54 Sales Letter 55 Advantages of Sales Letter 56 Sales Letter Versus Other Selling Scheme 56 Use and Elements of Sales Letter 57 Uses of Sales Letters 57 The Elements of Sales Letter 58 Effective and Attractive Sales Letter 63 Writing a Prospective Letter 63 The Essence of Persuasion 65 Sales Letter Template and Format 70

	Fundamentals of Effective Sales Letter Writing	73
	Sales Expression	74
	Sales-Reply	75
	Examples of Sales Letter	77
	Sales Vocabulary	97
	Exercises	98
	Notes	99
CHAPTER 4	INQUIRY LETTER	101
	Principles of Inquiry Letter	101
	Solicited Letter	102
	Unsolicited Letter	102
	Guideline of Inquiry letter	104
	The opening	104
	Asking for information or Inquiry Proper	105
	The closing	105
	Topics of Inquiries and Their Corresponding Replies	106
	General Inquiries	107
	Inquiry of Details	108
	Catalogues and Price Lists	109
	Patterns and Samples	110
	Goods on Approval	112
	Routine Quotations and Estimations	115
	Suggesting Terms, Method of Payment and Discounts	120
	Request for Concession	120
	Follow-Up Letters	122
	From the Inquirer	122
	From the Letter Receiver or Supplier	123
	Principal of Inquiry Letter Writing	124
	Enquiry Expression	125
	Enquiry-Reply	126

Examples of Enquiry Letter 128 **Enquiry Vocabulary** 148 149 **Exercises** Notes 150 **CHAPTER 5** ORDER LETTER 151 Principles of Order Letter Writing 151 Making Order Letter 153 153 By Mail Order By Form 154 By Letter 156 Legal Responsibility of the Parties 158 The Buyer's Legal Responsibility 158 The Seller's Legal Responsibility 158 **Acknowledging Orders** 158 Formal Acknowledgment of Routine Orders 159 Acknowledgment of First Order 161 Filling of Order 163 Delays in Delivery 163 Orders Which Cannot be Filled 164 Delivery and Dispatch 166 **Order Expression** 167 Order-Reply 168 **Examples of Order Letter** 170 Order Vocabulary 192 **Exercises** 193 Notes 195

CHAPTER 6	COMPLAINT LETTER	196
	Principles of Complaint Letter Writing	196
	Justified Complaints	197
	Making General Complaints	198
	The Language of Complaints	198
	Specifying the Problem	199
	Suggesting a Solution	200
	Principles of Complaint Letter	200
	Guideline for Complaint Letter	201
	Opening	201
	Contents	201
	Closing	202
	Guideline of Handling Complaints	204
	Asking Time to Investigate	204
	Explaining the Mistake	204
	Solving the Problem	205
	Unjustified Complaints	208
	How to Identify an Unjustified Complaints	208
	Points of Remember	209
	Rejecting the Complaints	210
	Complaint Expression	210
	Examples of Complaint Letter	212
	Complaint Vocabulary	232
	Exercises	233
	Notes	234

CHAPTER 7 ADJUSTMENT LETTER 235 Fundamentals of Adjustment Letter 235 239 What Is Adjustment Letter? Principles of Adjustment Letter 242 Proper Attitude Towards Complaints 242 Analysis of Claims and Complaints and How to Address It 242 Giving the Appropriate Adjustments 245 248 Making and Keeping Your Relationship in Good Terms Principles of Adjustment Letter Writing 249 **Adjustment Expression** 251 Examples of Adjustment Letter 253 Adjustment Vocabulary 273 **Exercises** 274 275 Notes **CHAPTER 8** PAYMENT LETTER 276 276 **Fundamentals of Payment** Methods of Payment 277 Cash in Advance 277 Letter of Credit 277 281 **Documentary Collections** Open Account 281 282 Consignment **Invoices and Statements** 282 Invoice 282 Statement of Account 286 Principles of Payment Letter 287 viii

Request for Payment 287 First Request 287 Second Request 288 Third Request (Final Demand) 289 290 Advice for Payment 292 **Delayed Payment** 294 Acknowledgement of Payment 295 Principles of Payment Letter Writing **Payment Expression** 296 Examples of Payment Letter 298 Payment Vocabulary 318 **Exercises** 319 320 Notes TRANSPORTATION AND SHIPPING LETTER 322 **CHAPTER 9** Types of Carrier for Transport 322 322 Carriage by Road 323 Carriage by Rail Carriage by Sea 323 Carriage by Air 324 **Transport Documentation** 324 Consignment Note or Waybill 324 Carriage by Road 325 Carriage by Rail 325 Carriage by Air 325 326 Bill of Lading 327 Shipping

Types of Vessels for Shipping 327 The Container Service 328 329 Organization for Shipping **Company Instructions and Conditions** 330 **Shipping Documentation** 336 336 Importance of Documentation **Documents Needed For Shipping** 336 338 **Insurance for Shipping** 339 Forwarding Agents Principles of Transportation Letter Writing 348 **Transportation Expression** 349 **Examples of Transportation Letter** 351 371 Transportation Vocabulary **Exercises** 372 Notes 373 375 **CHAPTER 10 INSURANCE LETTER** 375 Fundamentals of Insurance What is Insurance and Its Use 376 Types of Insurance 376 Principles of Insurance Correspondences 380 Insurance Procedure 383 **Insurance Contract** 385 Claims 389 Insurance Coverage 394 Principles of Insurance Letter Writing 395 **Insurance Expression** 396

	Examples of Insurance Letter	398
	Insurance Vocabulary	416
	Exercises	417
	Notes	418
CHAPTER 11	BANKING LETTER	420
	Banking Services	420
	Types of Banks	421
	Types of Bank Accounts	423
	International Banking	429
	Types of Payment in Foreign Trade	429
	Banker's Draft	429
	Banker's Transfer (Mail, Telex, and Telegraphic)	432
	Bills of Exchange	437
	Documentary Credits and Commercial Credits	439
	Principles of Banking Letter Writing	442
	Banking Expression	443
	Examples of Banking Letter	445
	Banking Vocabulary	465
	Exercises	466
	Notes	467
BIBLIOGRAPHY		469

PREFACE

International business correspondences are not simply writing or information exchange. It is something that you want others to know about you. To know about your business and the way you deal with business transactions. It is by the way you create your letter that your reader can identify if you are friendly, rude, or you just simply want to do business. Your letter shows an attitude. This is one reason why it is important to consider your way of writing, write professionally and with courtesy. Success of business transactions is not only dependent on your ability to talk and communicate verbally, but also the way you communicate in letters. How important is leaning the proper way of writing business letters? It is one of the priorities. That's how important it is. You need to learn how to make an effective and successful business letter. This book will help you to make your written communications to improve and to be effective. This is by guiding you through the steps and guidelines of making an effective letter. Aside from that, you will learn to see that planning is important. Gathering information and doing some research will help you. As you go through this book, you'll be able to see the areas of business letters where it is critical to answer complaints, it will save you to make adjustments, it is important and friendly to reply to inquiries, it is good to be precise in your quotations, it is proper to acknowledge placed orders or acknowledge payment, it is worth to check all outgoing orders for shipment and delivery, it is important to have an insurance policy, it is tedious to deal internationally without bank transactions, and it is by connection that you can increase your sales. You need to connect to your customers and readers in order to build a good working relationship. If you are able to establish a good relationship, they will value you as their business partners. Skills in creating business letter are important in the success of your business. Business letter writing skills will also boost your confidence as a businessman and will help boost your business as well.

For globally competitive business firms, writing an effective international business letter is as important as keeping your customer satisfied. Because most part of international transactions are not communicated by talking on the phone all the time, considering overseas calls are expensive, but in written communications. The purpose of this book is to provide a good foundation in making international business correspondences by detailing the facts and providing practical practices involved in international business correspondences.

xii

This book aims to help students to develop their skills and confidence in writing international business letters. This can also be served as a reference for students in the college and university levels.

This book has been designed, compiled and written to help provide help to people who are not only dealing with business in their locality but also internationally. This will not only provide theories but practical examples. The book concentrates on international business letters particularly in the area of Sales, Inquiry, Order, Complaint, Adjustment, Payment, Transportation and Shipment, Insurance, and Banking.

The main text is divided into eleven chapters:

- 1. International Business Letter Writing
- 2. International business letter structure
- 3. Sales letter
- 4. Inquiry letter
- 5. Order letter
- 6. Complaint letter
- 7. Adjustment letter
- 8. Payment letter
- 9. Transportation and Shipping Letter
- 10. Insurance Letter
- 11. Banking Letter

International business transaction is impossible to be done without business letters. It always involves business written communication. As the above topics are to be covered, it is very important to note that business success will continue to come as you allow development and growth in your business. One factor to consider is your written communication. International business correspondence is an essential part of business.

xiii

ACKNOWLEDGEMENTS

International business respondents for all is designed for students of commerce, businessmen and businesswomen, and people from other walks of life. An executive, a department manager, a salesman, a secretary or a specialist in business technology will inevitably have to write English letters. Beyond this, there is a need for communication with many customers who will want to purchase products from abroad. This book presents readers with exemplary letters and phrases quintessential to business matters. The letters in this book cover many areas of international business communication. Although writing is a solitary task, the concerted effort of many individuals is needed to transform an author's words into a book. Many committed and talented people have contributed to the success of this book. It is impossible to thank all of them here, but I sincerely wish to convey my deep appreciation to those who have offered invaluable help. I am very grateful to all who reviewed different portions of the manuscript. Their invaluable suggestions went a long way in making this book a reality. I deeply appreciate all the writers whose works have served as a foundation for ideas and inspirations for this book. I also want to use this opportunity to thank all the business houses and others who were generous enough to provide information for this book. To my family and dear friends, I say a big thank you. Your love and support helped me discover myself and realize my dreams. Finally, my heartfelt appreciation goes to many persons for their kind assistance in reading the manuscript and providing beneficial recommendations while editing and completing this book. I would like to express my gratitude to many of my friends, associates, and all those whose inputs, suggestions, and encouragements contributed to the improvement of this book. This book is a dream come true, thanks to all of you.

Sinee Sankrusme

xiv

ABOUT THE AUTHOR

Dr. Sinee Sankrusme is currently associate professor of international business at department of international business, Faculty of Business Administration, Ramkhamhaeng University, Thailand. She held position as head department of international business. She has authored almost one hundred articles and several books entitled International Business Communication, International Business and Trade Documents, International Business and Effects on Changes, Organizational Behavior and Management, Agribusiness, Agricultural Marketing, Agricultural Business, Management, And Human Resource Management, etc. Most of her research focuses on international business, marketing, human resource, business, organization, and management, etc. She is widely recognized for numerous publications in the international business and also joined the international business conferences.

XV

CHAPTER 1

INTERNATIONAL BUSINESS LETTER WRITING

Business communication is very important. One of the most used business

communication before and now is the business letter. The business letter continues to

circulate locally and overseas for its purpose. A lot of areas in business are using the

business letter, may it be for placing of order, acknowledgement, adjustments, payment,

insurance purposes, or even banking transactions.

International business communication continues to grow, especially this time where

the market is open globally. Business firms aim to be competitive. In order to do this they

will not only try to conquer the market in their area, but also needs to be part of the global

market. One of their means to convey their messages and purposes is the International

Business Letters. It is then safe to say that business letter is inevitable in the business world.

INTRODUCTION TO INTERNATIONAL BUSINESS LETTER WRITING

Small, medium or large business reaches success at some point. There are factors to

consider in order for that success to come. One of which is the use of business letters. To

start with a promotion, to announce an opening, to communicate your products available,

negotiation, to close a sale, and so on, these are just some of the areas where a business letter

is involved. The proper use of business letter will give an affirmative feedback for the

is involved. The proper use of business fetter will give an arminative receduck for the

company. These letters serve as a representative of your company. This book will give you aid and guidelines in considering or writing a business letter. This will particularly be

concentrating on International Business Letters.

International Business Letter Defined

A business letter is a recognized way of communication between people or company

who deals with trading, may it be for goods or in service. The trade between the two entities

is built and progresses as they communicate through the business letter. Business letter is

considered as an official document. It is not like any other thank you letters or postcards.

This letter is issued with authority.² A business letter is also an effective and influential

communications tool in order to have a systematic and structured flow of information between two transacting entities. This is a letter used for essential communications. A wrong impression placed on a letter may result to a negative feedback from a reader. That's why writing a business letter needs a skill. Any person dealing with business letters is seeking for guidelines in order to convey the correct message.³

A business letter is an essential document because it deals with trade concerns. It shows how professional the writer is in conveying what he wants to inform his reader and how the receiver react on the writer's concern.⁴ An International Business Letter is then defined as a business letter that deals with communications not only in one particular country, but internationally. To start a business letter, you have to note that the first thing the reader would like to know is, "what is the letter all about?" The following phrase could be used:

"We are currently looking for an alternative for the model AR-456 for computer cables. We hope that you can be able to accommodate this order."

"We are requesting for your signature on the attached documents."

"The form is attached herein for you to fill-out in order for your application to move on."

Now, that your reader know what the letter is all about, you may end it with a polite request for their prompt reply.⁶ These phrases could help:

"Thank you and we hope to receive your reply by the 30th of June, 2016."

"Your prompt reply is very much appreciated."

"Thank you for sending the form immediately."

Below is an example of an International Business Letter. It is an inquiry letter requesting one organization to be one of the sponsors in one big event:

We are from ADWorld Small Animal Inc. We are an organization that deals with foods and accessories for small animals. We have 40 members as of to-date and our main office is located in Sydney, Australia. Our complete and detailed profile can be found in our website at www.ADWorldOrg.com.

Every two years, we are conducting conferences in different places. This coming year is another year for us to look forward to since we will be conducting the ADWorld 2017 which will be on November 3-5. This time it will be held in the prestigious city of Tokyo, Japan.

We would like to invite to be one of our sponsors for this big event. We are expecting about 2,000 delegates and 100 exhibitors from around the world. This conference aims to provide a platform for new innovations and new inventions for small animal welfare. This is also an opportunity for Veterinarians to come and meet together to share and enjoy experiences that will hone their professions.

This event is expected to have 5 renowned speakers from USA, UK and New Zealand and distinguished speakers from Asia.

Thank you very much and we hope to receive your reply before June 30, 2016. Should you need further information regarding our organization, please don't hesitate to contact us at (+61) 2 123 456 14 or in our email, info@adworld.com.

The above examples could help you see how an international business letter is made. Further and detailed lesson on how to make an effective international business letter can be found in the following chapters.

Importance and Purpose of a Business Letter

There are purposes and importance of business letter. The primary purpose is to communicate to your reader about important facts. You must take note that to communicate it an accurate and precise manner. These facts may affect your reader's schedule or activity. For example, there is a delay in delivery. You must provide the accurate reason for the delay and when will the delivery be received. Your letter may contain the following phrase:

Please accept our apologies for the delay in the delivery of your order. There has been a miscommunication between our dispatch department and the shipping agency. We are currently doing our best to fix this problem.

Please expect your delivery to come in your area in a week. You should be receiving it on the 20th of this month.

Again, we apologize for the inconvenience that may cause you because of this delay. We assure you that this kind of problem will not happen again in the future.

Thank you for your understanding.

The second purpose of a business letter is to prompt the reader regarding an action to be done. The reader is given an instruction that needs to be replied with an action.⁸ Here is an example:

With reference to our previous meeting last 19th of June, 2016, we have agreed to place a discount of 10% from the total amount of our orders.

We are now sending you the order form which needs to be filled-out. Please send this form back to us before the 25th of June so we can arrange the shipment by the 2nd of July, 2016.

The third purpose is to make a decent impression on the reader. A business letter serves as an ambassador of the company who sent it. A good letter is a master key that opens the locked doors. So if your letter gives a good impression on the readers, they would most likely be communicating back to you. But if your letter does not even give interest to the reader then, you lose your chance to build a relationship or a trade. Your letter must form a positive image in the reader's mind. Here are other purpose and importance of business letter.

- 1. It helps to build the business.
- 2. It helps to sell products or services.
- 3. It builds relationship and friendship.
- 4. It catches new customers.
- 5. It opens new markets.
- 6. It wins back lost customers.
- 7. It solves problems and issues between two conflicting organizations.

- 8. It can bring more finances or profits.
- 9. It can be used to collect unpaid debts.
- 10. It builds confidence between two transacting people or organization.

Important Points to Consider in Writing a Business Letter

In writing a business letter, there are also some things to consider in order for this letter to serve its purpose. Here are some pointers:

(1) Consider the relationship

Know your relationship with the receiver of the letter. Are you his customer? Or employer? Or supplier? Or just an acquaintance? By this you would know how to start the letter and what the contents should be.¹³ Create a goodwill with your reader. A goodwill is a friendly feeling or feeling of confidence. Many people will not respond or may not talk to you because their impressions and attitude are formed out of reading your letter. As earlier mentioned, your letter acts as an ambassador. It represents your company.¹⁴

(2) Consider the timing

Is this the right time for you to send the letter? For example, your customer is declared to be bankrupt and they still have an outstanding balance. Is it the right time to send a letter demanding for the payment? Or would you rather send a letter that will comfort your customer and reminding them of the outstanding balance in a polite manner? Consider the timing for sales and promotion. This will help you get a positive feedback. ¹⁵Use a tone that is suited to the occasion. ¹⁶

(3) Consider your reason for writing

Your letter must be clear enough to be understood. You should also use an active voice to ask for a particular response. Your request should be reasonable and legal. Know the purpose of your letter and use this as a guideline in writing your letter.¹⁷ Inform the reader what he needs to know and don't' let him guess between the lines.¹⁸

(4) Consider your reaction if you were the receiver

If you were to receive the letter, will you be pleased? Or will you be irritated? Will you understand right away what you request or written in the letter? Is it politely done? ¹⁹ Put yourself in the shoes of your reader and see if your letter is clear enough to be understood and politely done to be accepted. Don't use jargons your reader is not familiar with. ²⁰Consider the format.

Salutation

In a business letter, your salutation should use the proper form like for a person with position, you can use "Dear Congressman Brown." For your customers or supplier you can use their last name, "Dear Mr. White." If you do not know the gender of the receiver, you can use "Sir" in general, "Dear Sir," or you can also use the name of the department like "Dear Customer Service." But don't use "To Whom It May Concern."²¹

Body

The letter should be clear and easy to understand. But put your emphasis and purpose of your letter in the first paragraph. Then the succeeding paragraph will be the supporting details of your purpose.²²

Closing

Close your letter with polite closing and with expectancy that you will receive a response from your reader.²³

Block

Use the appropriate layout, the right title and the addressee.²⁴ Your signature block is also important. Sign it with black or blue pen, depending on what is the formal color in the country you are sending.²⁵

Enclosures

If there are enclosures to be included, you have to specify them at the end of the letter (space below the signature area). It starts with enclosure, then specify the nature of the attached file and specify how many are to be attached.²⁶

Carbon Copy

If there are other additional person involve in receiving the same letter, then you also need to specify them. Start with CC, then followed by the name or department receiving a copy.

HOW TO CREATE AN EFFECTIVE BUSINESS LETTER

Writing a letter indicates a mirror of who we are and how we perform business transactions. The letter we make helps us to catch customers, maintain customers, communicate with our subordinates or colleague, coordinate with our associates and so on. This is not the same letter that is lengthy or giving sugarcoated words, but it is a professional letter written to will let your reader provide a response. You don't need to write to impress

your reader but you write to give your point, what you need and what is needed to be done. This letter will deal with the situation that requires response. This may even create a series of letter just to finish one transaction and this letter communication may continue to maintain good business relationship. This is a business letter.²⁷

Planning a Letter

One important factor in the success of any business is planning. Preparation and foreseeing all the possible areas of risks, income, and losses are all included in planning. Letter correspondences are also part of it. A business letter without any consideration and plan will surely come to failure. Planning is also a key factor in creating a business letter.²⁸

• Research the Facts

It is always an advantage to do a little research before making your letter. Have a chance to check on previous correspondences and find out everything you need to know your reader. This will help you to get away from creating a poor letter.²⁹ Going through a little research in the previous correspondences, you can list down some things that will help you know your reader. You may be able to know about your reader if they:

- are committed to a business relationship.
- know how to separate professional and personal relationship.
- offer ideas to help improve business relationship and customer services.
- are interested to reduce cost rather than waste money.

After seeing these things, try to imagine and have a visual concept of your reader. After that, have an attention to the topic you want to relay. Another important point is to make your letter simple and understandable, direct but courteous, short but complete.³⁰

• Consider the Subject and the Reader

After the research, you now have an idea of your reader. With this, you can also have an idea of what topic you are going to talk about in the letter. The facts you've gathered from your research will allow you to organize the best letter output. Making an outline is a good method to see the logical order or the idea in general.³¹ Here is an example:

- Paragraph 1: (i) Say thank you for the meeting held.
 - (ii) Be grateful for new ideas shared that can be used for business.
- Paragraph 2: (i) Present the details of the meeting and present the actions to be made.
 - (ii) Verify for correction or any additional topics missed out.

Paragraph 3: (i) Appreciate for their support and hope for reply.

(ii) Suggest another meeting if needed.

One good point to consider is also the interest of the reader. It is good to open your letter with a topic that will attract the interest of the reader.³² The letter you sent must give a good impression to the reader. In order to do this, you can imagine yourself to be the reader. How will you feel or what will be your impression upon reading your letter.³³ Give emphasis on the "You" attitude rather than the "I or We."³⁴ The "You" attitude must be worked out in order to bring the best approach to your reader. One principle to remember here is write letters to a person from a person. Write letter to a person, don't just merely write letter to answer a letter.³⁵ Another area to consider about your reader is, "what is your relationship to the reader?" An employer? A supplier? A customer? A subordinate? These questions will help in the way you make your letter. ³⁶ One good letter maybe is difficult to write because not all people are the same. One apology letter may be accepted by a person because he understood the situation. One may reject the letter because what he cares the most is the business, and no mistake is acceptable. That's why planning and research are very important so that you can send a letter that will really cater to the person who will be reading the letter.³⁷

• Set Your Objective and Make Sure to Accomplish It

A good letter has an objective. Your research will help you find out about your reader and the company. Your outline will give you an idea of the letter as a whole. Your objective will keep you on track and will guide you all throughout while creating the letter. Stay focused on your goal and make sure to accomplish it.³⁸ Your objective should lead you to answer, "What is the letter all about?" The reader wants a clear answer to the question. This will be enhanced by the details you will include in the letter.³⁹ One general objective for all business letters is to avoid confusion, cliché, technobabble, phraseology, and inadequate conclusion that will fail to move the reader to action.⁴⁰

Components of an Effective Business Letter

Aside from planning, an effective and successful business letter should aim to consider that its content corresponds to the proper components of an effective business letter.

• Language

One cause of misunderstanding is the "language barrier." You have to understand that it is not enough that you have given your message, it is also important that your reader understands the message. It is significant to consider that the language you use is also the same language as your reader. This means that what words you use in your letter should be understandable to the reader. Do not use jargons that are not familiar with them. Nor write a letter that your reader does not even have any idea what are you talking about. Your line of communication should be at the same level in such a way that you both understand what you are dealing with. It is not necessary to exaggerate with the use of words, nor decorate our letter in a way that you are moving away from the actual message. Your reader may feel overwhelmed by the use of words. There is no such thing as "business language." Use simple and plain words. Here are some examples:

Avoid these phrases	Use this
Will you be kind enough to	Please
Come to a decision	Decide
Express a preference for	Prefer

Avoid cliché in order to have more focus on the message of your letter. Consider using more natural way to say things instead of using frequently used expressions.⁴³

• Tone

Another factor to consider in your letter is the tone, "pleasant tone." The tone is the sound of the writer's voice, this will propose something different from the literal meaning. The writer's words may imply contrast to the literal meaning of the word. A pleasant tone can be accomplished if you are natural, friendly and courteous. Your letter must be personal. Show your reader that you are not only giving statistics, but you are writing as a person. The tone of your letter should show that the writer has is a human being. The letter has a human touch. If your reader feels that you are sincerely concerned not only about the business, but personal relationships, it is most likely that you will receive a response. One point already mentioned above is the relationship of the writer to the reader. This will also have an effect on the tone of your letter. A boss or employer who is sending a letter to his subordinate will sound different from the supplier sending a letter to his customer. Different letters are written for different purposes. Because of this reason that tonal component is important. With proper use of tone, you can make negative news as positive.

But ignoring your tone, even positive news will come out to be negative.⁴⁷ Here is an example:

The competition in this position is very tough, with many outstanding candidates. Your credentials are very impressive, but we regret to inform you that they did not match with the current position we need. We hope that you will be able to find a position that will match with your skills and experience.

• Focus

The focus of your letter should be on the reader. This is having the "You" attitude. The "You" means you are putting yourself from the standpoint of the reader. With this, you see clearly what are your reader's skills, interests, what he loves to do and hates to do. This gives a human touch on your letter. The "You" attitude must be worked out in order to bring the best approach to your reader. One principle to remember here is write letters to a person from a person. Write letter to a person, don't just merely write letter to answer a letter. There are instances where the writer thought he is focusing on the reader and assumes that his interests and likes are the same with the reader. But the truth is not. Here are some guideline questions that you need in order to know that you are following the "You" attitude: 50

- What motivation will you include for the reader to react positively with your letter?
- What will give interest to the reader?
- What can be the reader's perspective with regards to the topic you detailed in your letter?

At first glance, you may not know the answers to these questions. But if you will do some research and planning, take time to sit down and check in these areas, you will be able to draw clear answers. You must let your reader feel that your letter is of personal value. Here is an example of a letter with a "You" attitude:⁵¹

Dear Mr. Brown:

Thank you very much for considering our agency for your insurance policy.

As your line of service is not covered in the current insurance policy program we have, we are keeping your application on-hold for future reference and further processing once our policy program is updated. We are currently working on this service to be approved. Once the approval is given after six months, we will surely include your application.

Should you request to pull out your application from us, we would appreciate if you will inform us immediately. We would like to inform you that your application is valuable to us. We hope that you will still consider to make partnership with us.

We appreciate your patience and your understanding on this matter.

Length

"The shorter, the better." This is one of the most common rule of thumb, as long as the components of your letter are included. Different letter has different purpose. The purpose of your letter will help you in deciding how long or how short your letter will be.⁵² Here are some sentences to avoid:

Avoid these phrases	Use this
• Please see that an inquisition is conducted to ascertain the source of the fault.	Please find out the reason.
• We would like to express our regret for being unable to fill-in your orders at this time	
considering your prompt request.	immediately.

"Come right to the point," this is another point to consider. Most businessmen are busy and they will not read a very long letter. As much as possible, limit your letter to one page. Put your main topics in the first paragraph. So your reader will know what the letter is all about. Planning will help you limit your letter.⁵³

Stationery

In writing a business letter, it is also good to consider the materials you will be using in making your letter presentable and easy to recognize. You are selling your company by your letter address.⁵⁴ The paper to be used should always be the best quality. It is plain and not full of unrecognizable designs. The paper color vary, some may use shades of gray, brown, or blue. Some may use different color of paper for different departments. But the best to use is white paper.⁵⁵ Before, the paper size used the 8 ½" x 11," but now as the computer

age has governed the business world, A4 size becomes popular. Most printers today are designed for A4 papers. But this does not eliminate the use of the 8 ½ "x 11." The letterhead varies from one business to another. But the most commonly used is designed with business logo, business address, email address, contact number, fax number, website address. ⁵⁶ If the company has a trademark or distinctive symbol, it is advisable to place in on the letterhead. This trademark should also be placed in every paper transaction of the company like the bill and invoices. Normally, letterheads are printed at the top of the paper. Some companies placed some other information at the bottom of the paper aside from their letter head details on top. ⁵⁷

All business letters should be type-written. Proper spacing is important. It should be single-spaced. The font size ranges from 11 to 12 depending on the font. Your font should be formal like Times New Roman or Arial. Do not use decorative fonts. The envelope is also important. This is the first part that your reader will see. It again, creates an impression. The address should be properly placed at the center horizontally and vertically. Also, the address printed on the envelope should be exactly the same as the address printed in your letter. There is no restricted color of the envelope but light colors are preferable. The envelope size that is normally used is the 9" x 4." Others may use the smaller size, 3 ½" x 6." The format for business letter could be: 61

Full Block

This is also called the "complete block." In this format, all the contents including date, salutation, body and ending are all aligned to the left margin. It does not have any paragraph indention but follows the left margin as well.

Block

This is sometimes called "modified block." This is different from full block in the position of the dateline, complimentary close and the signature block.

Semi block

The difference on semi block with modified block is that the semi block format puts an indention on every start of a paragraph.

Standard

This format is formal because it includes an optional subject line. This is ideal for situations in which you need to make a formal response or if it needs to specify the account number or case number.

Full Block Format Business Letter Template

Company Name

Address

Phone

Today's Date

Recipient's Name

Company

Address

Dear Recipient's Name:

All paragraphs are aligned in the left margin. <BODY OF THE LETTER>

Sincerely,

Your First name, Last name

Block Format Business Letter Template

Company Name

Address

Phone

Date

Recipient's Name

Company Name

Address

Dear Recipient's Name:

This is a modified block format. <BODY OF THE LETTER>

Sincerely,

Your First name, Last name

Semi-Block Format Business Letter Template

Company Name

Address

Phone

Date

Recipient's Name

Company

Address

Dear Recipient's Name:

This semi-block business letter format. It has an indention placed in the paragraphs. Paragraphs continues.

Second paragraph is again indented and so on. The first part of every paragraphs are indented.

Sincerely,

Your First name, Last name

Standard Format Business Letter Template

Company Name

Address

Phone

Date

Recipient's Name Company Name

Address

Subject: Type the subject here and underline it.

Dear Recipient's Name:

This standard business letter format. It is also left justified.

Sincerely,

Your First name, Last name cc: Business Partner, Other entity encl: Business letter template

8 C's OF BUSINESS LETTER

In the business world, business letters are widely used and are commonly circulating between transactions. It is known that business letters serve many purposes. It is used for selling, apologizing, seeking explanation, introducing a company or new product, for expressing complaints, for rejecting, for providing an adjustment, for organizing and so on. Your letter must serve its goal and objective and aside from that, you also need to differentiate the good letter from the bad.⁶² You have to understand that a business letter is formal and it involves proper information and documentation.⁶³ There is a way to measure the quality of a letter. The benchmark to use is the 8C's or Eight Characteristics of a business letter. An effective and successful letter must seek to include all these substantial qualities.⁶⁴

(1) Clarity

Vague and unclear letters will only produce confusion or doubts. To clear any doubt or confusion, the letter should be created with the use of precise and familiar words, as well as, the sentences and paragraphs should be constructed coordinately and supporting each other. The following paragraph in your letter should support the first and main paragraph. If you will be talking about another topic in the second or third paragraph, you fail to accomplish "clarity."

Clarity is considered the cornerstone of effective communication. The writer should consider the reader's level of understanding. The letter should be logically and coherently arranged in a way that one idea will not be covering the other idea. Instead, each idea should stand out, but complementing each other. Good letter will produce a good result. ⁶⁶ The message of your letter must needs to be understood without any interpreter or translator. The language you use must be the language that everyone understands. ⁶⁷ It is important to choose the right words to use in your letter. You may have the correct idea and precise thoughts that you want your reader to know, but using inappropriate words will give another meaning to what you mean to say. Some business letters used general words instead of specific words. Most of the time, the general words only create cliché (which you need to avoid). ⁶⁸ Here is an example of using general words:

We believe that if you will implement the use of the Inventory Automation System, it will have a considerable effect on your inventory problems.

You will notice that the writer has used three general words – considerable, effect, problems. The reader will then ask what is considerable and what could be the effect. And what are the problems you are talking about. Now, this is the best time to use specific words. Specify what considerable effect that the system will do. For example, it will make the counting of materials faster, or it will lessen the possible mistake of miscounting. Will it automatically update the inventory every time a new material will come? Mention the specific benefit and effect. And the problems should also be specified. For example, problems on human miscounting, or problem with the number of hours doing the inventory because it is still manual. You can better say it as:

We believe that if you will implement the use of the Inventory Automation System, you can experience the following benefits:

- Fast and efficient materials counting
- Automatic update of the inventory when new materials arrived
- Computer-Generated Monthly Report

And eliminate the problems on

- Error of human counting
- Extra hours added for new materials to be counted and updated in the inventory
- Volume of paper works to check for monthly report

(2) Conciseness

"Time is gold," is a saying that businessmen always consider. So, you must consider it too. Conciseness is very important for busy buyers and sellers. You can help save time and effort by being concise. Using too many words will only delay decision making, just put in the appropriate issue. But note that in using few words, you should consider not to lose the clarity or courtesy. Conciseness is a quality style. To produce a concise letter, use only the necessary information and words for efficient communication. You should not confuse conciseness with being brief. A brief letter means short letter. But a concise letter will only use many words as needed in order to deliver the message accurately and efficiently. And note that, it includes words that will keep you on track, reaching your objective.

Another way to achieve conciseness is when you know how to begin and how to end your letter. If you will just move around the bush and not knowing where to start or end, then your letter will only create a long uninteresting letter.⁷² Note that the opening of the letter is either to announce or to acknowledge. If your letter is not a reply, then you are announcing

or informing your reader about your business. If it is a reply, then acknowledge your correspondent's letter. Once you know the purpose of the letter placed in the opening part, you can add details to explain it further but briefly. Don't waste too many words on unimportant matters. Your ending part is also an important part of your letter. The ending is the most likely part to be remembered. Aside from thanking or appreciating your reader, make sure that you leave your correspondent with a message that he will remember.⁷³

(3) Consideration

Consideration gives emphasis on the "You" attitude rather than the "I or We." The "You" means you are looking at the situation from the standpoint of the reader. It makes you see clearly what are your reader's skills, interests, what he loves to do and hates to do. This gives a human touch on your letter. 75 The "You" attitude is not only done through the use of words, but it is must be worked out in order to bring the best approach to your reader. Remember one principle that you write letters to a person from a person. Don't just answer letters, but write letters to a person.⁷⁶ Effective communication is having an impression that you care about people and at the same giving your best in the business you are dealing with. Interaction is important. If letters are just communicated for business reasons and no human nature interaction, then it will increase the percentage of losing a customer or supplier.⁷⁷ Make your letter conversational. You can write in a casual way and not too strict. It is easier to understand if the letter is conversational and friendly rather than strictly businessoriented.⁷⁸ One way of being considerate is to pay attention to letters that needs an immediate reply. If you cannot deal the problem or issue at the moment, explain why and inform them you will be writing them back again. Try to understand and respect the letter sender and don't react negatively as if you will never do any mistake. Instead, answer him with courtesy and with consideration.⁷⁹

(4) Courtesv

Consideration and courtesy work together. Courtesy will nurture the goodwill and friendliness. Rourtesy is as important as being clear and concise. Most effective and successful letters are done with courtesy. Some business people may tend to be cold and jargoneers when they create a letter. They tend to enclose themselves in the idea of "business writing." But as earlier said, there is no such thing as a business language. Saying "please" and "thank you" is not enough to be courteous. You have to reflect it throughout your letter. Any reader will not be interested to continue reading if he feels the letter is discourteous. Always consider how your reader will feel when he reads your letter. Avoid

negatives in writing as much as possible. Negatives will make a connotation of what not to do. But in business writing, it is best to suggest positive, what to do. A letter with friendly conversation will not only be clear, but also sincere.⁸³

(5) Correctness

Correctness deals with the accuracy of the figures, facts, grammar, spelling, punctuation marks and the format of the letter.⁸⁴ The correctness of your letter can be done by using a grammar and spell check software or proofreading. Proofreading can be done by other people so as to check the other items you might have missed while proofreading your letter. Make sure that you will correct all the errors after checking and proofreading. The final version of the letter should be free from errors.⁸⁵

(6) Character

This area will help your letter special and more interesting. A writer has his own personality and it is unique. Each person has individuality. If your letter is written in your own style, considering of course the necessity of business letter, this will add interest to your letter. Rather than simply copying or stereotyping. Your own style as a writer shows your character, your strong points and how confident you are in what you are saying in your letter. This principle will help you to be more positive in writing and in reaching your objective. You should not be restricted to being like someone, just bring out that distinct personality and communicate it.⁸⁶

(7) Concreteness

In creating a business letter, you also need to consider the words you used within the letter that appeals to the reader's senses. If your letter is dull and uninteresting, the reader may just skim through it and missing the important points. This will not only give you a negative response, but you may end up waiting for nothing.

Aside from that, concreteness also includes the proper use of codes, ratios, and numbers in order for your reader to identify which of the transactions you are referring to. Definitely, there are hundreds of business transactions going on each day, it will help If you can specify the shipping code or any reference number that will point to a specific transaction. ⁸⁷

(8) Cheerfulness

Writing a business letter is not just simply writing a letter in order to receive a response. But, you need to demonstrate a positive attitude and express joy in your letter. If your reader feels that your letter will only be a burden, then the reader will just ignore it. Let

your reader feel that you are glad to have a business transaction with him. Reflect cheerfulness in your letter. Remember that you need to create a good impression to your reader. Everything that will be detailed in your letter is build from the opening. 89

INTERNATIONAL BUSINESS LETTERS

There are nine international business letters that will be discussed in this book. These are:

- 1. Sales Letter
- 2. Inquiry Letter
- 3. Order Letter
- 4. Complaint Letter
- 5. Adjustment Letter
- 6. Payment Letter
- 7. Transportation and Shipping Letter
- 8. Insurance Letter
- 9. Banking Letter

Sales Letter

"Turning words into profits." That's what sales letters do. Sales letters find new customers for you and persuade them to give you a chance. It also keeps your existing customers connected to you and buying more. It brings back customers who have stopped from communicating with you and encourage them to buy from you again. Understanding how sales letters work can give you the power to create a successful business. The sales letter is also used to set-up or confirm appointments, to make announcements regarding sales promotions or store openings, to congratulate salespersons, and to introduce new employees to be part of the team. The sales letter is in itself a sales tool. 90 Sales letter is used to sell, so it should be specific, complete, informative, believable, friendly, and personal. It must direct to the right audience, and appeal to the reader's needs. Paragraphs in a sales letter should be short and contain simple, everyday language. You can enclose a brochure or product sheet if you want to provide further details or add credibility of your product.

Inquiry Letter

Letters of inquiry at some instances may also be referred to as request letters. Most

inquiry or request letters are short. They can be sent by mail, telex, fax, or e-mail. 92 It may be

written as an initial contact in a business transaction. Its objective is to introduce the writer

and to ask a question or to open a concern that needs any specific response. 93 A letter of

inquiry seems quite simple to write, but in actual practice it is not so. Sometimes it is so

confusing that the recipient is almost embarrassed. Hence, be precise, direct and

straightforward, otherwise the recipient might have to write back to ask you to explain

things, or it is just possible your letter won't be read at all.⁹⁴

Order Letter

Order letter deals with orders. Business deal with orders almost every day, may it be

for merchandise, for services or supplies. Communications are done through letter to place

an order or to acknowledge and order. In this communication between a seller and a buyer,

they take it as an opportunity to establish a relationship, then eventually, loyalty that will

build your company's name and will generate more revenues. 95

Complaint Letter

Errors are unavoidable occurrences in business. These usually lead to complaints.

May it be a misunderstanding of the orders or delivery, or errors in the address or delays,

these may lead to complaints. This is where the complaint letter comes in. ⁹⁶

Adjustment Letter

Claim letter or complaint letter is the prerequisite of an adjustment letter. Granted

that the complaint is justifiable, an adjustment will be made, otherwise there will be no

adjustments to be made, but a letter of rejected claim. 97

Payment Letter

Issues regarding payment are what Payment Letter for. There are five major methods of payment for international trade: Cash-in-Advance, Letters of Credit, Documentary Collections, Open Account, and Consignment. During business transactions, there could also be some issues regarding payment like payment may either be too much, short, or delayed. Some payments are lost and are not acknowledged.

Transportation and Shipping Letter

Shipping and transportation may probably the oldest occupation. Letters involved here relate to freight handling agents and companies involved in the transport. Some instances may be companies may send a letter informing the customer about the goods to be transported or rebooking the transport. There are times where circumstances happened like damaged goods reached the customer, then, a letter to inform the company is forwarded. There's several documentation involved in transport activities. There are four means of transporting goods. These are by road, rail, sea, and air. 101

Insurance Letter

Insurance has a big part in the business world. It is a means of protection for individual or companies from financial losses. To understand insurance better is to put it in a perspective where there is a risk. ¹⁰² The primary reason of having insurance is to give payment for those who experience loss or damage. ¹⁰³ Risk is one big factor why insurance must be undertaken. Insurance will help to protect both people and business against a possible risk that will produce losses. Initially, the insurance was only for rich people who would want to protect their fellow businessman and was only given a few rules to maintain. ¹⁰⁴ However, due to globalization, enlargement and development of trade especially, internationally, insurance were considered to be one important factor. The increase in the number of companies applying for insurance opens an opportunity for an insurance market. Now, the insurance business is one of the fast-rising services in business trades. ¹⁰⁵

Banking Letter

Banks may simply be known as storage of money where bank staff looks after it. But

aside from that, banks offer other services like credits, debits, inter-banking and others that

may be related to money. 106 There are also correspondences involved in banking and they are

usually business-related letters. Bank supervisors used letters to build relationships with

banking officials that may be able to help them in their business. Some letters serve as

reminders, applications for an account and others. 107

INTERNATIONAL BUSINESS LETTER TODAY AND IN THE FUTURE

Even before, the business letter was one of the most circulating papers around the

world. The business world has continued with its communication and business transaction

successfully using business correspondences. From announcement, to information relay, to

placing of orders, acknowledgement, payment, complaints, adjustments, insurances, shipping

and transportation, are all doing processing and communication and along with it are, the

business letters. 108 Business letter has been widely used. Skills and sometimes, training are

required for writers in order to make an effective letter. Here are some of the things to

remember about dealing with business letters. 109

Letters are permanent

Whatever is written or said in the letter will be permanently remembered or it can

even be retrieved even if it has already been passed in many years. That's why a lot of

businessmen prefer printout letter aside from emails because this is a permanent document.

Letters are powerful

Letters can be used as an authority. Sales transactions, agreements, legal documents

and likes are made sure to be written in black in white. Because words said verbally can be

changed and can be revocable but not what is written and signed in a black and white paper.

Letters can change one request, it can confirm what has been agreed upon, it can give

authorization to in-cash cheques, it can stop business communication once it is not done

properly. Letters are powerful.

Letters are evidence

Letters are proof that this has been said or this has been agreed to be done. Even in

legal matters, documentation can be used as evidence and secondary proof of what a certain

person has done or has agreed on. Same is through with business, letters are evidences that

this has already been forwarded and received, or this has been agreed to be done within a

specified period of time, or this adjustment has been approved and promised to be given on

the date mentioned.

Businessmen prefer written agreements rather than merely verbal words. A certain

firm cannot deny something that has been written and signed in the business letter. That's

why a written letter is usually sent every after a meeting is done, that is, to confirm all that

has been discussed and agreed upon during the meeting. Then, their signatures and written

acceptance are requested to be given so as to make the written letter or document to be a

binding agreement between them.

Letters reflect communication level

A business letter done poorly and ineffectively reflects its writer. That's why it is very

important to consider a guideline in making a business letter. It will not represent your

company, but it will also represent you as a person and your character. It reflects how well

do you do manage to communicate. Time has changed and so is with business letters. From

long letters to shorter ones. From questionnaires to filling of forms. From longhand to word

processing using computers. Communication technology changes but to produce an effective

business letter is still the same goal we need to achieve and same good relationship we need

to maintain. 110 Even with the advancement of technology and enhancement of methods, as

long as International Business trades continue to exist. Then, business letters will continue to

exist as well. It will continue to circulate, it will continue to be powerful, it will continue to

act as evidence. The business letter will still play a big role in the business world in the

future.

RESEARCHES SUPPORT INTERNATIONAL BUSINESS CORRESPONDENCE

International business correspondence is a global tool for international business.

There are various means of communication between importers and exporters such as

telephone, fax, email, letter, etc. Of all these, business letter stands out as an essential business communication tool because it serves as a proof of international business dealings. It is therefore necessary for importers and exporters to learn how to write business letters. Business correspondence is utilized in many businesses. Below are examples of researches that support international business correspondence.

The research entitled International Business: ASEAN-NAFTA demonstrates total trade, export and import value of Thailand and ASEAN, Thailand and NAFTA, ASEAN and NAFTA.¹¹¹ International business refers to commercial transactions that exist between two or more regions, countries, and nations. Every business activity that involves cross-border transactions of goods, services, and resources between two or more nations comes under the umbrella of International business. Business communication is essential in international business. Likewise, international business correspondence plays a vital role in terms of communication in the business world. Business correspondence or business letter is a written communication between two parties involved in business dealings. Business correspondence occurs between organizations, within organizations or between the customers and the organization. International correspondence is widely used in international trade. The first step taken in international correspondence is the writing of a sales letter to importers. If the importers are interested in the products, they will make enquiries for catalogues, price lists, samples, after which they will make the decision to order. An order letter is written in effect to this. Correspondence generally follows a universally accepted format. Business letters are the most formal method of communication. An import/export business can be kick started at home with a telephone. There is also the need for a file system, business cards, and a machine to answer the phone calls. When the business has been established, a website address or a fax number is needed to boost communication with customers.

What is a good way to build up a successful business? The import/export business may be the right answer. Besides requiring little financial investment to start, it also offers the reputation of working with clients from all over the world. When foreign distributors who will buy the merchandise have been contacted, it is important to have a signed contract with a manufacturer that will deliver the goods. When one of the distributors asks for a firm quotation on the price of a certain quantity of goods, the next step is to go to the manufacturer and get a price quotation on the quantity of goods. The price quotation should be valid for a certain stated period. The manufacturer may agree to deliver the goods to the ship, handling the freight to that point, or arrangements might be made from the factory when necessary.

The import/export business is a high profit enterprise because it involves low overhead and most of the money made in commission goes to the business owner. However, building a truly profitable business requires dedication and a good knowledge of the business.

It is necessary to have many contacts that know about the business and respect the standard or policies of the business, and can recommend it to others. Reliable agents (both home and abroad) that will help in the process of the goods delivery will also help to keep the business running smoothly. Another necessity is a good working relationship with the bank being used for the business and possibly other banks that letters of credit come into as branch transfers from foreign offices.

Orders should be treated carefully, and not with haste. It is important to investigate the manufacturers and distributors to be sure the products and sales methods are reputable. Check out the particulars of shipping and manufacturing from the foreign country. Each culture works in a specific manner. It is important to know how to work with foreign partners.

Not everyone will venture into the import/export business. It is a personal operation that can be run individually without having to answer to anyone. The benefits of negotiating in a foreign country include excitement, a touch of the exotic, and the great profit potentials. The establishment of an import/export business is secured when the proper contacts are established, and proper arrangements are concluded with reputable manufacturers, reliable shipping companies, and responsible distributors.

When all costs have been counted and options have been weighed, a potential business owner needs to sell himself/herself. Next, start making inquiries and contacts. Make attempts. Analyze whether the outcome is good or not. Then make the business succeed. International business correspondence is the key to successful international business. All these steps stated above are crucial in establishing good and sound import/export businesses that will last for a long period of time such as those that exist between Thailand and ASEAN, Thailand and NAFTA, ASEAN and NAFTA.

Tourism business, acts as export products which bring a high international income each year for Thailand. Both cultural tourism¹¹² and health healing tourism¹¹³ have greatly contributed to the economy of Thailand by being a source of great revenue in Thailand.

Thailand has a good reputation for medical care, spa for health as well as interesting cultural tourism worldwide. This increasingly prompts tourists to come to Thailand for health healing. The costs for health healing in Thailand are on the low side; therefore, tourists also have the privilege to spend the rest of their money on cultural tourism given that Thailand also has a lot of cultural tourism attractions that differ from that of other countries. Based on this, business communication is vital for tourism in Thailand. This is because patients will search for information in order to pick out the hospital that seems best to them and also make other enquiries on specific details. International business comes to play in situations like this.

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- 60. See Note 28.
- 61. See Note 28.
- 62. See Note 48.
- 63. See Note 13.
- 64. See Note 48.
- 65. See Note 48.
- 66. See Note 40.
- 67. See Note 35.
- 68. See Note 4.
- 69. See Note 48.
- 70. See Note 4.
- 71. See Note 35.
- 72. See Note 29.
- 73. See Note 35.
- 74. See Note 16.
- 75. See Note 48.
- 76. See Note 35.
- 77. See Note 4.
- 78. See Note 40.
- 79. See Note 16.
- 80. See Note 48.81. See Note 4.
- 82. See Note 35.
- 83. See Note 57.
- 84. See Note 48.

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CHAPTER 2

INTERNATIONAL BUSINESS LETTER STRUCTURE

International business letters are important correspondence tools used among business partners. Besides being a means of communication, the way business men convey a request, reply or complaint in letters reveal their personality. Letter correspondence is very important in business transactions. It establishes relationships and stands to confirm or terminate business transactions. Both the content and the physical form of business letters influence the reader. Thus, it is imperative to pay attention to the layout and structure of a business letter. The structure of international business letter is detailed below.

STRUCTURE OF INTERNATIONAL BUSINESS LETTERS

International business letters are written in such a way that the message conveyed through the letters will be easily understood by the reader. The paragraphs and sentences are concise to avoid any form of misinterpretation. It is very necessary to follow the proper layout of the business letter. Customarily, international business is made up of the following parts: heading, date, inside address, attention line, salutation, body, complimentary, signature, identification line, enclosure, carbon copy notification, and postscript. The initial impact a business letter makes on its recipient, influences the willingness to read and response to the letter's contents. With this in mind, it is important that business letter writers clearly convey their message in an appropriate letter form. Just as a well-dressed executive projects quality image, a well-dressed letter also projects a quality image. In summary, a business letter should be presentable, well written, and well communicated. The various parts of a business letter are arranged in order in such a way that the letter is comprehensible. The structure of business letter consists of heading, opening, body and closing.¹²³

1. Heading: letterhead and address

The letterhead communicates a firm's identity or personality. It can also create an impression about the writer's firm on the mind of the reader. It is used to impart a positive image of the company or firm. Thus, it is very important that the letterhead should be designed by professionals who can make unique and befitting letterheads. Generally, letterheads contain the company name, logo, trademark, address, contact number, fax number, website, and email address. Letterhead contents are usually placed in the middle of the paper. 5

Letterhead as mentioned above, a business letter is usually typed on a printed letterhead paper which carries the name, address, fax number, telephone number, and other details associated with the organization sending the letter mentioned earlier. The letterhead is used only for the first page of the letter. It is not necessary to repeat the information contained in the letter head again in the body of the letter. In cases where the action statement calls for direct communication, the writer can type a direct phone number or personal email address in the letter.

The heading contains the return address. Depending on the necessity, a line can be included after the address, before the date to make room for a phone number, fax number, email address, or any other relevant information. Generally, companies use printed paper which has specially designed heading or letter head at the top of the sheet with all the necessary information about the company's identity imbedded into it.

Best Dairy World Company

122 Alford Forest Road, Allenton, Ashburton, New Zealand Tel: (64) (03) 033-7645 Fax: (64) (03) 033-7646

Website: www. bestdairy.com Email: bestdairy@bdworld.com.nz

2. Date

When writing business letters, the date on which the letter the writer is replying was written should be stated. This enables the recipient to easily find out the exact letter the writer is addressing.⁶ Every international business letter should have a dateline which can be

preferably typed or written on the upper right or left hand section of the letter sheet beneath the letterhead.

Dateline format differs from country to country. The dateline is a very important part of the business letter. Thus, the full spelling of the month is preferred to figures as the use of figures can breed misunderstanding. The most commonly used date formats are American format (Month/Day/Year) and British format (Day/Month/Year). These two formats are used when writing English business letters no matter the format preferred by the writer.

Dates on business letters are very important because business letters are formal documents which are often used in contract situations. The date must be written in full and can be based on any agreement between the parties involved. Business letters are dated the same day on which they are mailed.

When writing the date, the month should be typed in its full spelling while the year is written with all four digits; for example, October 12, 2016 (United State and various other countries), 12 October 2016 (European and many countries).

✓ European and many countries
 1 November, 2016
 1 November 2016
 ✓ USA and many countries
 November 1, 2016

3. Reference Line

Reference line, started with "Re:" This is often used when corresponding with large companies. The reference line can either appear beneath the date, or beneath the recipient's address. You should use a reference line if the recipient has requested specific information, such as a job number or invoice number, or if you're replying to a letter. This makes it easier for the recipient to get a speedy response to you. Reference lines" assist with filing or routing correspondence. A reference line can refer to your files and/or your reader's files.

Our reference: Project #478 Your reference: Invoice #3765

Re: Order #9643

4. Inside Address 9

The inside address contains the name and address of the person or firm to whom the letter is written. The inside address corresponds with the address on the envelope except that the name and number of street may be omitted in some cases, but this is not advised as it may create difficulty in making reference to the letter. ¹⁰ Inside address aids proper routing of the letter to the recipient even in situations where the envelope gets damaged and the address becomes unreadable. It is positioned at the left-hand side of the head of the actual letter and is typed with single space as seen below.

ABC Technology Ltd. 378 Wolverton Road London SW 16 8DN England

5. Attention Line

The use of an attention line is necessary when a letter is specifically sent to an official of a firm or a large organization.¹¹ It allows the writer send an official letter to an organization while directing it to a specific individual, officer, or department. Furthermore, when the writer is directing the letter to a specific person or official in a company, the name or title of the official or both can be used in the attention line. The attention line can be centered, and if pure block form is used, it can be aligned with the left margin. The use of an attention line can be avoided if the writer knows the complete name of the recipient. The name can be written on the first line of the inside address to avoid the use of an attention line.

Attention: Purchase Manager

6. Salutation

Salutation is an essential component of an international business letter. This shows respect towards the recipient. It is important that the writer knows the name of the receiver as this will make it easier to construct salutation. The various words used in salutation include

Dear Sir, Dear Madam, Dear Madam or Sir, Gentlemen and Ladies, Dear Mr.-, Dear Miss-, Dear Mrs-. are acceptable. ¹² If the letter is addressed to an individual, that person's courtesy title, last name used (Dear Mr. Lanbam) where necessary with a comma or colon following the salutation. Examples of salutations are seen below:

Salutation 13	When to Use
Dear Sir, / Dear Sirs,	Male addressee (esp. in British English)
Gentlemen:	Male addressee (esp. in American English)
Dear Madam,	Female addressee (esp. in British English)
Ladies:	female addressee (esp. in American English)
Dear Sir or Madam	Gender unknown (esp. in British English)
Ladies and Gentlemen:	Gender unknown (esp. in American English)
To whom it may concern:	Gender unknown (esp. in American English)

British Style	American Style			
Dear Mr. /Ms. Brown,	Dear Mr. /Ms. Brown:			
Dear Sirs,	Gentlemen:			
Dear Sirs or Madam,	Dear Sirs or Madam:			

It is quite difficult to make appropriate salutations in letters with attention lines or letters addressed to organizations. The use of "Gentlemen" was formerly generally accepted but with the increase of women in the business world, it is safer to use "Ladies and Gentlemen" or "Gentlemen and Ladies." To avoid such complication, the letter can be addressed to a specific person or written in a simplified letter style which auspiciously omits the salutation and complimentary close. While "Dear Sir" is the most acceptable form of salutation, the use of "Sir" is used when addressing public officials and important business men. ¹⁴ The use of "To Whom it May Concern" can also be used to completely avoid the use of salutation especially when the writer doesn't know the recipient of the letter at all.

7. Subject Line

The subject line classifies the content of a letter and is normally used when the letter is written to solely address a particular issue. It should be concise and promptly act as a point of reference for the recipient. It should also be suitable for use as a filing tool for secretaries. Style of subject line placement varies among organizations. The main purpose of the subject

line is to help the reader about and helps in the process of filling according to the subject matter.¹⁵

SUBJECT: AN URGENT ORDER

8. Body of the Letter

This portion of the letter contains the information which the writer intends to communicate to the reader. It is the actual message of the letter. A business letter is typed and never handwritten. The body of the letter requires special attention especially in the arrangement of thoughts in paragraphs. Three paragraphs are below: ¹⁶

- First paragraph: introduction and reason for writing.
- Following paragraphs: explain your reasons for writing in more detail, provide background information etc.
- Last paragraph: summarize your reason for writing again and make clear what you want the recipient to do.

The body of the letter is generally typed using single-spaced format while double spacing is used to separate paragraphs. ¹⁷ Indentation of paragraphs depends on the letter style used. In a situation where the message is very short, double line spacing and indented paragraphs can be used. Regardless of letter format used, skip a line between paragraphs, between the salutation and the body, and between the body and the close. Care should be taken to ensure that the recipient knows who the writer is and what exactly the writer is trying to communicate.

The length of the letter is a function of the how simple or complicated the subject of the letter is. However, the letter should not be too long or too short. The writer has to decide on the right amount of information to include in the letter. Planning the letter in advance can help to decide what to include, in which order and how you are going to express it in the letter. Too many details in a letter can make a reader lose interest while the reader will not be able to comprehend the message if important details are left out of the letter. The body of most letters can be divided into three paragraphs. More paragraphs may be included depending on the necessity. The use of informal language, vernacular, phrasal verbs, idioms and short forms is inappropriate in business letters. The content of the letter should be clear

but courteous, simple but formal. In summary, the KISS (Keep it Short and Simple) formula is the best way to produce a good business letter.

- *Context paragraph*. The first paragraph of the letter characterizes the context with the use of an understandable statement on the letter's topic and purpose. The use of flowery language that does not explain what the letter is about should be avoided.
- Content Paragraphs. Generally, letters are composed of one to three paragraphs which provide appropriate information based on the letter. Each paragraph should address a single topic or point. When writing lengthy letters that cover multiple pages, it is fitting break the information into sections using internal headers or bullets to enhance understanding or clarity.

9. Complimentary Close

The complimentary close follows the last paragraph of the letter. It is the formal way of ending the letter. There are different options for complimentary close but the most widely used and acceptable one is "Sincerely yours." The complimentary close should agree with the salutation based on the level of formality and it must always be followed by a comma. The complimentary close is typed two lines below the last line of the letter.

British style, if used the recipient's name in the salutation, use "sincerely.' If you did not use the recipient's name in the salutation, use "faithfully.' While American style, use 'sincerely', no matter it you used the recipient's name in the salutation or not ('faithfully' is not common in American English). Examples of complimentary close can be seen below:¹⁸

British	American
Yours faithfully,	Very truly yours,
	Sincerely yours,
	Yours very truly,
Yours sincerely,	Sincerely yours,
Yours truly,	Cordially yours,
Sincerely,	Sincerely,

British Style				
Salutation Complimentary Close				
Dear Ms Jones,				
Dear Mr. Doe,				
Dear Dr. Blanco,	Yours sincerely,			
Dear Professor Moldy,				
Dear General Obbara,				
Dear Sir,	Yours faithfully,			

American Style				
Dear Ms Jones: Dear Mr. Doe: Dear Dr. Blanco: Dear Professor Moldy: Dear General Obbara:	Sincerely, / Sincerely yours,			
Gentlemen: Ladies: Ladies and Gentlemen: To whom it may concern:	Sincerely, / Sincerely yours,			

10. Signature

The complimentary close is followed by the signature of the writer. As much as possible, the signature should be legible ¹⁹ Care must be taken to ensure that the correct signature is placed on the letter. The signature is often signed by the hand of the writer while the name is printed.

Very truly yours,	Sincerely yours,
Morton Falchild	Herbert Aberson
Morton Falchild	Herbert Aberson
Manager	

11. Identification Line

It is not compulsory to add the identification line to any letter. The identification line consists of the initials of either the typist, or both the writer and the typist. Most organizations use three capitalized initials for the writer's name and two lowercase initials for the typist's name.

Raymond L. Carter
Raymond L. Carter
Sales Manager
RLC: wa

RLC Raymond L. Carter

wa Wendell Amerson

12. Enclosures

In the situation where the letter has other documents enclosed in it such as forms, or a copy of previous correspondence, or any other relevant document, the writer should clearly indicate using a reference outside the body of the letter. The nature of the attached material should be clearly specified. Reference can also be made in the letter concerning the attached document or material. The writer can also indicate whether the letter has been sent to other recipients at the bottom of the letter. The general format to indicate this is typing "cc:²¹

This enclosure line plays the dual role of reminding the typist to insert the enclosure in the envelope, and reminding the recipient to look for the enclosure (or attachment). The number of enclosures can also be indicated in the enclosure line with references specifically made to an enclosure if need be (Enclosure: Air Waybill 8447). Examples of enclosure indications can be seen below:

Enc.

Bill of exchange (1 copy)

Bill of lading (6 copies)

Enclosures: 1. Invoice No. 47632

2. Air Waybill

3. Insurance certificate

Enclosure: Packing List

13. Carbon Copy Notation

Carbon copy notation is used if the writer of a letter wants the recipient to know those who will also receive copies of the letter. The carbon copy notation indicates the list of courtesy copies (cc) received by other individuals. Carbon copy notation should be aligned flush left and consist of the word "Copy to" (or "Copies to") or the abbreviation "cc" with or without a colon and recipients names. Carbon copy notation can be written as

cc: Production Department

cc: Mr. Jack Darleymon

Copy to Mr. Steven Grahammer

Copies to Mr. Morton Falchid

Mr. Frank Amerson

14. Postscript or P.S.

A Postscript is rarely used in international business letter unless it emphasizes a point or to make a special offer in a sales letter.²² Generally, these are a sign of bad construction, but they may legitimately be used where the subject of the postscript is best separated from the body of the letter.

Below is an example of international business letter which consists of:

1. Heading

2. Date

3. Reference Line

4. Inside Address

5. Attention Line

6. Salutation

7. Subject Line

8. Body.

9. Complimentary Close

10.Signature

11. Identification Line

12. Enclosures

13. Carbon Copy Notation

14. Postscript

Example of International Business Letter

Athen Company

406 Herakliou Ave., 141 Heraklion-Attica, Athens, Greece Tel: 30210 2846530 Fax: 30210 2846540

www.athenordament.com Email: athen@ordament.com.gr

8

June 25, 2016 **2**

Our reference: Project # 7643 Your reference: Invoice #7543

Re: Order #9643

Arm Bangle International Ltd. 5 Rue Petit Coquempot Montreuil sur Mer 62170 France

Attention: Purchase Manager 6

Dear Sir: 6

Subject: Replying for a discount and other information

Thank you for your inquiry regarding a discount on bulk orders of our arm bangles. If you order 400 arm bangles, we can offer you a discount of 10% and a further 5% if payment is received within 10 days. We can supply the order immediately at your request and are pleased to learn of your interest in placing further orders in the future.

8

We are ready to furnish you with further details, should you so require.

Very truly yours, **9**

Jackson L. Kelberton 🛈

Jackson L. Kelberton Sales Manager

JLK: nb **1**

Enc. Price list

cc: Order Department 3

P.S. 🛂

LETTER STYLES FOR INTERNATIONAL BUSINESS CORRESPONDENCE

Several formats and styles are employed in writing an international business letter. Each format has its own specific features. Each format is applicable for different situations. Different formats are appropriate for different letters. The available letter formats and styles are listed below:²³

1. Full Block Form

Another name for full-block format is "complete block." In the full-block format, all the lines of the letter are aligned with the left margin. The paragraphs are aligned left with no indentation. Each paragraph is single spaced with double space in-between different paragraphs.²⁴ The key principle of the full block form is aligning all elements of the letter to the left-hand margin and no indentation of paragraphs.

2. Block Form

The block form is also referred to as the "modified block." As with the full block form, there is no indentation in the paragraphs. The inside address, salutations, paragraphs in this format are arranged in blocks without indentation. The different sections or contents of the letter are separated by spacing. The difference between the block form format and the full block form format is the position of the date, complimentary close, and signature. The Block form is widely used and accepted for business correspondences because it is simple and reflect efficiency.²⁵

3. Semi Block Form

The semi block form is integrates the block form and indented form. It follows the format of the block form, and also uses indentations following the layout of the indented form. A semi-block style letter is a less formal version of a block or a full-block letter with the differences being the sender's address, date, reference or attention line and complimentary closing. In addition, the signature lines are located direct center or slightly right of center, along with indented paragraphs.²⁶

Full Block Form

Asian Joint Export Ltd.

Blk 170, Stirling Road 01-1122, Singapore Tel/ Fax: 65 4731122 Email: Asian@Joint.com

April 30, 20--

Mr. Tan Chong Tsingtao International Ltd. Xujia Town, Rushan City Shandong, China

Dear Mr. Chong:

We have already received your letter dated April 22, 2016, and are pleased to inform you that the products you requested according to your purchase order will be delivered to you promptly. For/On large order, you will be receive with a discount as follows:

500 - 1,000 dozen, will receive a 6% discount 1,001 - 5,000 dozen, will receive a 15% discount 5,001- 10,000 dozen, will receive a 20% discount

We will deliver the products according to purchase order no. 1872 by air freight. It is expected that you will receive them within 2-3 days.

We hope that you will continue to place orders for our products.

Sincerely yours,

Graham Potterson

Graham Potterson Manager

Block Form

Asian Joint Export Ltd.

Blk 170, Stirling Road 01-1122, Singapore Tel/ Fax: 65 4731122 Email: Asian@Joint.com

April 30, 20--

Mr. Tan Chong Tsingtao International Ltd. Xujia Town, Rushan City Shandong, China

Dear Mr. Chong:

We have already received your letter dated April 22, 2016, and are pleased to inform you that the products you requested according to your purchase order will be delivered to you promptly. For/On large order, you will be receive with a discount as follows:

500 - 1,000 dozen, will receive a 6% discount 1,001 - 5,000 dozen, will receive a 15% discount 5,001- 10,000 dozen, will receive a 20% discount

We will deliver the products according to purchase order no. 1872 by air freight. It is expected that you will receive them within 2-3 days.

We hope that you will continue to place orders for our products.

Sincerely yours,

Graham Potterson

Graham Potterson Manager

Semi Block Form

Asian Joint Export Ltd.

Blk 170, Stirling Road 01-1122, Singapore Tel/ Fax: 65 4731122 Email: Asian@Joint.com

April 30, 20--

Mr. Tan Chong Tsingtao International Ltd. Xujia Town, Rushan City Shandong, China

Dear Mr. Chong:

We have already received your letter dated April 22, 2016, and are pleased to inform you that the products you requested according to your purchase order will be delivered to you promptly. For/On large order, you will be receive with a discount as follows:

```
500 - 1,000 dozen, will receive a 6% discount
1,001 - 5,000 dozen, will receive a 15% discount
5,001- 10,000 dozen, will receive a 20% discount
```

We will deliver the products according to purchase order no. 1872 by air freight. It is expected that you will receive them within 2-3 days.

We hope that you will continue to place orders for our products.

Sincerely yours,

Graham Potterson

Graham Potterson Manager

ADRESSING ENVELOPES

The final appearance of a letter is a function of the envelope. Although the letter contents may be important, it is also necessary that the letter should be presentable enough to make a good impression on the receiver. The envelope layout should match the degree of formality of the letter. The address on the envelope should be the same as the address in the letter. The addressee's name should have the company name and the company's address on the following line. The entire address including the zip code should be typed. In a situation where the addressee is a company, you can place the company's name on the first line followed by the department name or attention line on the next line. The sender's full name and address should be placed at the upper-left corner of the letter.

A stamp is another component of the envelope which is placed on the upper-right section of the envelope. Special mailing remarks such as "REGISTERED MAIL," "SPECIAL DELIVERY," "CERTIFIED MAIL," or "AIR MAIL," should be written in capital letters. Such remarks should be placed on the upper-right section of the envelope but care must be taken to ensure that they do not cover the stamp. The special remark "CONFIDENTIAL," can be placed on an envelope in a situation where the letter should only be read by the addressee.

It is also important that the envelope size suits the quality, size and color of the letter head. Customarily, the standard business envelopes used are white No. 10 size (9.5" x 4.5"). Other envelope sizes can also be used, given that they will be able to contain and present the letter in a formal and professional manner. The return address should be printed on the upper-left corner of the envelope. As previously stated, the receiver's address on the letter should match the address typed in the center of the envelope. Three things to take heed of about the printing details in an envelope are: its appearance should make a good impression, it should be legible, and it should be accurate.

3.5x 6.5 inches

ABC Shaving Cream Company

67 Robert Street

Auckland

New Zealand

Mr. Davis Bakery

Toronto Business Ltd.
138 Marmora Street

Weston, Ontario

CONFIDENTIAL

Canada

4.5 x 9.5 inches

Sivapriva Impex Company

229 Arjun Nagar, Safdarjung Enclave, New Delhi India

> Colonial Company 19750 Fairweather Street Santa Claria, CA 91351 U.S.A.

Attention: Mr. Thomas Bebllor

EXERCISES

Exercise 1: Heading, Date, Inside Address, Attention Line, Salutation, Subject Line

Α.	Instructions: Choose the best answer and write i	t in	the snace provided.				
1.4	1. What can you see in the letterhead?		one space provided.				
	a.) Company logo, company signature, address						
	b.) Company name, company logo, address, contact details						
	c.) Company Name, company logo, n						
	d.) Company logo, trademark, contact details						
	2. To be able to have distinction and appropriateness, the letter head should						
	be	Г	,				
	a.) designed by specialist	b.)	colorful and attractive				
	c.) designed by any person in the firm	d.)	full of volume and theme				
	3. The correct way of writing the date in Br	itish	Style is				
	b.) March 11, 2015	b.)	11 th March, 2015				
	d.) 11 th March 2015	d.)	03-11-2015				
	4. The inside address consists of and is placed on						
	a.) The name and address of the correspondent, right side						
	b.) The company name and logo of the writer, left side						
	c.) The name and address of the correspondent, left side						
	d.) The name and address of the reader, right side						
	5. When is the attention line necessary?						
	a.) When addressing a specific person b.) When the message is urgent						
	c.) When addressing a problem d.) When the message is long						
	6. What is the best way to put in the s	alut	ation if the reader's name is				
	unknown?						
	a.) Dear Sir/Madam, b.) Dear Sir/Madam:						
	c.) To Whom It May Concern:	d.)	To the Manager:				
	7. December 15, 2015. This date format follows the						
	a.) Normal Style	b.)	American Style				
	c.) British Style	d.)	New Generation Style				

8. Which one is correct in using the attention line?					
a.) Attn: Linda Moorn	b.) Attention: Mrs. Moorn				
c.) Attention, Mrs. Linda Moor	n d.) Att: Mrs. Moorn				
9. What are the characteristics of the	e subject line?				
a.) Short and serve as an immediate reference					
b.) long and serve as a reference					
c.) Short and clear					
d.) long but understandable					
10. International letters needs	_; and this is followed by a				
a.) date, name	b.) salutation, colon				
c.) salutation, comma d.) letterhead, signature					

B1. Instructions: Arrange the following data in their proper order and correct the mistakes by putting the appropriate format or punctuation. Use the block letter form.

- Dear Mr. Barker / AD World Co. Inc. / January 2 1014 / 45/7 Stane Street / Chichester, England /
- Mr. Peter Park / 15 December 2013 / CEO / Subject Audit for the year 2013 / Trendy Management Co. / 45 Otome Road / Tel. No. (+81) 3 123 456 23 / Tokyo, Japan / Dear Mr. Peter /
- 3. California, U.S.A. / Attention, Mr. Speel / InterWorld Co. Ltd: / Alameda St; / February 5, '16 /
- 4. 2014 March 18 / Dear Sir/Madam, / QuestBook International Inc. / Attention: Book Quest 2017 / P.O. box 240 / South Shore Road, Northtfield / New Jersey, U.S.A. / Subject: Mr. Harold Roberts /
- Subject, Annual Meeting / 2015 December 20 / Dear Professor Morn, / Bookworm
 Co., Ltd. / P.O. Box 123 / Seymour Street, Vancouver / Australia
- B2. Instructions: Arrange the following data in their proper order and correct the mistakes by putting the appropriate format or punctuation. Use the full block letter form.
 - 6. Australia /Subject, Delayed Order Delivery / January 2016, 15 / Dear Mr. Lee, / Hyancinth Tiles Co. Ltd / 143 Cambie Street, Vancouver /

A.

7.	Korea /Subject,	De	elayed Order D	eliv	ery /	January	2016	, 15	5 / 1	Dear M	lr. Kyo), /
	Candi Tehran Cl	otł	ning Co. Ltd / D	ong	gdaem	un Stree	t, Seo	ul .	/			
8.	The Manager	/	Rending Timb	oer	Co /	20/02/2	010	/	17	Stane	Street	,

Chichester, England /

- 9. 20th June 2012 / Dear Mr. Howard, / Dasa Book International / Attention: Mr. Philip Howard / Gulfport, Mississipi / U.S.A. / Subject, Urgent Order Needed /
- 10. Bangkok, Thailand. / ProCongress Co / Ladprao 71 / March 2, '16 / Dear Madam' /

Exercise 2: Opening and Ending, Body of Letter, Complimentary Close, Signature, Enclosures

Instructions: Choose the best answer and write	it in the space provided.
1. The body of the letter is usually	and has
between paragraphs.	
a.) single-spaced, single spaced	b.) single-spaced, double spacing
e.) double-spaced, 1.5 spacing	d.) double-spaced, double
spacing	
2. The complimentary close should mate	ch the in its degree of
formality.	
a.) Salutation	b.) attention line
c.) business letter	d.) documentary
3. The best partners for the salutation and o	complimentary close are
a.) Dear Sir:, Yours faithfully,	b.) Dear Mr. Heidi: , Thank you,
c.) Dear Madam: , Sincerely yours	d.) Dear Mrs. Gail: , Sincerely,
4. The signature should be signed with the	e
a.) computer Software	b.) printer
c.) writer's own hands	d.) stamp pad
5. This is used in signatures when signing	letters on behalf of the company.
a.) p.p InterCon Company	b.) p.p Harold Wayne
c.) w.p InterCon Company	d.) w.p Harold Wayne

6. This is the proper way of using the enclosure.					
a.) Enclosure: Bill of lading (3 co	pies) b.) enc. 1 copy				
c.) Encl. Invoice	d.) encs. Packing list				
7. This is the proper way of using	the carbon copy.				
a.) cc: to Accounting Department	b.) cc. Accounting Department				
c.) copy: Administration Departs	ment d.) copies: Mr. Andrew Ho				
	Mr. Robert Son				
8. This is optional. It consists of the initials of the typist or the writer.					
a.) Attention Line	b.) Subject Line				
c.) Salutation	d.) Identification Line				
9. Choose the correct salutation for a person with a profession.					
a.) Dear Dr. Howard:	b.) Dear Mr. Smith:				
c.) Dear Robert:	d.) Dear Sir:				
10. This is one of the most commonly used complimentary close.					
a.) Its Me,	b.) Yours,				
c) Sincerely	d) Sincerely yours				

B. Instructions: Imagine yourself as the writer. Provide the proper salutation and complimentary close for the following:

- 1. Mr. Harbor of AD World Co. Inc. is your regular supplier of computer parts.
- 2. Mr. Peter Park is the CEO of the Trendy Management Co.
- 3. You want to inquire about routers available in Inter World Co. Ltd. You don't have any idea who could the receiver be.
- 4. QuestBook International Inc. is managed by Mr. Harold Roberts.
- 5. You receive an order from a new customer, Mr. Bob Holmes, and you want to acknowledge it.

C. Construct a simple and brief letter for the following. Consider to include the proper letter structure.

 Send a letter to Hyancinth Tiles Co. Ltd with the Subject: Delayed Order Delivery. This letter is directed to Mr. Lee. Other details are date: January 2016, 15; Address: 143 Cambie Street, Vancouver, Australia

- Acknowledge an order you have received today from Mr. Kyo, the Purchasing Administrator of Candi Tehran Clothing Co. Ltd. located in Dongdaemun Street, Seoul, Korea.
- Send a letter of inquiry to the Manager of Rending Timber Co dated 20/02/2010.
 Their address is at 17 Stane Street, Chichester, England
- 4. Send a letter dated 20th June, 2012 to Dear Mr. Howard of Dasa Book International reminding them of their payment due for the month of May 2012. Their address is at Gulfport, Mississippi, U.S.A.
- 5. Send a letter to ProCongress Co located at Ladprao 71, Bangkok, Thailand dated March 2, 2016 acknowledging their payment for first quarter.

Exercise 3: Format, contents and lay-out.

Situation and Instructions: The first part is a letter sent by Mr. Harry Hearth, the Managing Director of the ADE Bodycover Clothing Co. located in Tamson, Plaza, 115 Wai Yip Street, Kowloon, Hongkong. He wants to inform his regular customer, Mr. Bobby Ferry, the Sales Director of Atelier 50 located at Serdar-I Ekrem Sokak 50, Karakoy, Istanbul, Turkey, regarding a price increase of their linen dresses and shirts due to the increase of the price of the materials. The second part is Mr. Ferry's reply to Mr. Hearth. Check Mr. Hearth's and Mr. Ferry's letter. Correct the errors in the format and layout, put the proper punctuation, salutation and complimentary close.

A. We regret to inform you that due to the rapidly rising costs for raw materials it is necessitate increasing our price for all linen dresses and shirts by 10%, effective on the 1 August 2016 We have made every effort to avoid the increase but this may compromise the quality And we don't want that to happen This is our only recourse We think you will agree that the quality of our product should not be sacrificed We look forward to another year of association with you cc: Accounting Department

B. Thank you very much for informing us in advance We understand that you want to keep the quality and that's what we want as well Our customers are expecting the same quality as what they previously been receiving We shall note of that increase and we will inform our customers about this too Once again thank you and we look forward to continue our business transactions with you

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CHAPTER 3

SALES LETTER

Sales and profit, these two words are inseparable. Business makes their effort in order to have profit. At times, they would have to spend money to invest then looking forward for a better and bigger return. For business firms, having a method to make profit and to improve their sales is one of their never ending endeavor. They would have to formulate and discover new ways of introducing their products or services. Advertisement and promotion is one that can help them for awareness purposes. Another old method that has always been effective and communicative is to send sales letters. This is even wider in scope now because of the global market that they also need to conquer. International sales letter writing has been and still is one of the circulating means of communication for business transactions.

INTRODUCTION TO SALES LETTER

For starters in the business or even firms who have been operating for a long time, business plan is one essential factor in the strategic method of selling. Your planning will help you see all the possible areas that you need to take into consideration before launching into the market. Some of the areas you may need to see are:

- Who are the group of people you intend to cover? Is it the children? College students? Employees? You need to know your target so you can circulate your steps within that group of people.
- How can you get to them? How can you let them see what you want to sell?
- What promotional activity could possibly interest them? You cannot make the same promotional activity or marketing language to children to that of an adult.
 Definitely, their line of interest differs from each other.
- Are you going to concentrate on one area? Locally? Internationally? You need to know how big your market is. With this, you can prepare your finances while planning.

After going over these questions, you have to formulate steps on how to provide an answer, strategic answer. One effective method to do your promotion and sales is the use of the sales letter. The sales letter is a great tool for profit and selling if it is used properly and wisely. Especially for small to medium sized business, a good and effective letter passed on to the right audience will give you a high return.² Sales letter will be discussed further in the following topics.

SALES LETTER

Sales letter aims to provide information regarding a product or service and at the same time, to persuade your reader to respond to you.³ It is defined as the written message to endorse and further sales. It covers introducing a new product or service, promotion, persuasion and eventually, business partners. The sales letter should be precise, comprehensive, courteous and personal. It has to be directly appealing to the right target of people. Sales letter may sometimes be sent along with a brochure or a catalogue for the reader's reference.⁴

"Turning words into profit." That is what the sales letter gave you after you have sent them to your target. Using the sales letter in its fullest and proper way will give you the success you want for your business. If your sales letter is able to convince and persuade, you can gain new customers and you can stay connected with your existing customers

The sales letter is not only concentrated on the local market but is also effective and efficient to use for international market. Especially, with the technology that we have today, in just a snap, you can send your promotions and letters to thousands of your targets. Here are some aspects to consider when writing a sales letter:

- Check your letter for precision and correctness. A typographical error may just be a simple mistake, but it can change the meaning of your message. Check and recheck.
- You know your target, then, you also need to know their need. This will give you an edge in getting their interest to what you offer.
- Make your letter clear and understandable. Do not assume that your reader will read between the lines. Make your letter easy to understand. Specify what is the letter all about, what do you offer, what should the reader need to do.
- Make your letter friendly and not demanding.

Advantages of Sales Letter

As a sales letter is defined to promote sales, there are also other benefits of using the sales letter. Here are the advantages:⁷

- 1. It is the most discerning of all advertising media. It caters to any kind of people, whatever their age, profession or status may be. As long as your letter emphasizes well about your offer and it appeals to their needs, this will draw your reader's attention.
- 2. It is considered less expensive than promotion and advertisements in magazine or in ads. As human, we are prone to accept things if we can see it working, with our own eyes. That's why ads and advertisements are an effective way of promotion and marketing. However, because of it high cost, business firms look for an alternative. And so the sales letter comes into the picture. Your skills in writing will help in making your product or service worth a try.
- 3. In using the sales letter, there is no other provided option for your reader to look into except for the things you offer in your letter. Not like the magazine or ads where there are a lot of items displayed that may catch the customer's attention.
- 4. Sales letter is concentrating on a group of target, thus, making all its effort to persuade the intended audience.

The sales letter is not only given at one time. There could be a possibility that for you to be able to really get your reader's attention is to send a follow-up letter. Writing a series of letter will help to remind your reader about your previous offer just in case they forgot or ignore your first letter. Or may be during the time that you sent your letter, your offer is not yet applicable to them. Then, your second letter may be the chance where they finally need your product or service. It is important to note that for your sales letter to reach its aim, a series of letters may be needed.⁸

SALES LETTER VERSUS OTHER SELLING SCHEME

There are other schemes used for selling aside from using the sales letter. However, we can specify some of the things here to describe how a sales letter is better to use than the other schemes. With the use of sales letter compared with direct phone calls, the following benefits can be achieved:⁹

• Sales letter will give you more allowance to introduce yourself and your product or service to the potential customers. The customer or reader will have a chance to see about

what you're offering is more appropriate for him. Whereas, in phone calls aside from it is expensive, especially for international calls, you may rush in your conversation to save time and money.

- In using sales letters, the possibility of being in a situation to be hung up on can be eradicated.
 - The sales letter will be given directly to the right person.
 - In using the sales letter, you can give an advance notice for a possible meeting or visit.
 - A sales letter is more private and personal in approach.

Another scheme used is the use of advertisement or magazine. This is expensive and it does not give you the specific target you want. This will be just given to any group and those who will respond will most likely be in a small percentage.¹⁰

Sales letter compared with other schemes of selling is more personal. If you have encountered a new customer, using the sales letter will help you to continue to communicate and appreciate his patronage to your product. And you can further encourage him to continue to do business transactions with you. If you use sales letter wisely and properly, you can maintain to have your new customers to be loyal to you. Also, if you have a prospect customer, you can customize your letter to be more personal and the reader will feel that you are really interested in his response of having a business deal with you. Whereas, advertisement and ads will target a wide audience, but you will never know who your real customers will be.¹¹ Letter is still the best documentation. This is a written proof of your conversation or transactions. If your sales transaction requires a signature, a written letter is still the best to use.¹²

USES AND ELEMENTS OF SALES LETTER

The use of sales letter may have already been seen from the previous chapter. There are more of its use that will be discussed further here. There are also elements of the sales letter that needs to be studied. This will help you in creating an effective and successful sales letter.

Uses of Sales Letters

Sales letters have five primary uses: 13

1. It is used to sell by mail

To contact firms directly to introduce your product or service, a sales letter is needed so as to make yourself known and to understand what you offer. You can include sending a brochure or catalog as a reference. With this, the reader will have an idea of how it looks like and how much is the cost of the item.

2. It is used to generate sales inquiries

A sales letter can be sent to encourage inquiries regarding your product or service you offer. You may want to request for a personal meeting if necessary.

3. It is used to follow up sales inquiries

As earlier discussed, sales letter may not only be sent once. But you may need to send a follow-up letter in order to get your reader's attention. They may have responded at one time, then, after you have answered their queries, you do not receive another reply. With the use of sales letter, you can send another letter to verify and to follow-up about your initial conversation.

4. It is used to encourage possible customers to visit your store

Sales letter done in an attractive and persuasive way can entice your reader to visit your store and check on your products. This is an opportunity for you to showcase your product and to offer sales promotions that will help boost your sale.

5. To develop a good relationship

Letters are used to thank and appreciate your customers for buyers for their support to your company. You may send them season's greetings, or you may even ask their suggestions in order to improve your service. The sales letter should be courteous and friendly so as to make a good impression. Your letter reflects you as a person. If you your reader find your letter to be unfriendly or demanding, they would most likely conclude that your personality is just merely business-oriented. It is important to build a good rapport in every conversation you make.

The Elements of Sales Letter

The essential element in the sales letter aims to make your readers respond favorably to the message you've conveyed in your letter. There are other elements that will help in achieving this aim. You must take into consideration that you need to attract your reader to get his attention, then, you need to create a desire that he would need your product or service, next is to persuade him to believe in what you said, and the last step is to make your

reader act to buy or try your service. These elements will assist to check if your letter is on the right track. Here are the elements: 14

1. Stimulate Interest to the Readers

The opening paragraph is where this part should be. Upon reading the first part of your letter, your reader must already be interested in what you have to offer and will continue to read along.¹⁵ You must take note that businessmen are busy and they don't have time to read uninteresting letters. You may start with a form of a question arousing your reader's curiosity.¹⁶ Below are some examples that will serve as your guide:¹⁷

(a) An appeal to self-esteem

Do you feel uncomfortable for standing in front knowing that your shirt is showing your wet back and wet armpit? If so, this letter will help you in gaining your confidence with the clothes you wear.

(b) An appeal to economy

Are you getting stressed with the high cost of fuel? And wondering how can you reduce your use for fuel? Please read on and you will find an answer.

(c) An appeal to health

Does your colds and cough gets better or worse each day? Don't you want to get up feeling great and free from illness? Take time to read and you will feel better knowing you have a solution to take.

(d) An appeal to fear

More than 60% of women in their late 30's are gaining weight. Are you one of them? Do you want to stay away from the risk of being overweight? This is letter is for you. Read further to know the proper guidelines to stay fit.

To arouse interest, you can also consider to include the current weather in your place, is it summer, or winter? Then you can catch their attention by giving a phrase that will quench their desire to feel cool during summer or feel hot when it's winter. Make your opening paragraph stimulate an interest, otherwise, your whole letter fails. You post a phrase or question that will make your reader read further and make a move to contact you or to reply. In the state of the contact you are to reply.

2. Your letter should create a desire

Once you have stimulated the interest to your readers, your next step is to generate a desire for them to buy your product or to try your service. You can do this by stressing the benefits that they can get upon using your product or service.

Identify if your reader does not know anything about your product then you must describe it comprehensively or provide a picture of it. That's why a brochure or catalog may also be necessary. ²⁰

To claim that a particular automation system is 'the top on the market' or 'the latest in electronic technology' will not enhance the effect of your sales promotion. Put a stress on the quality and the special features instead. Here is an example:

This inventory system is carefully designed to manage your inventory in just a click. All the things you need for your inventory is incorporated into this one-step installation program. Your need for inventory list and updates, checking and counting of incoming materials, monitoring of outgoing materials, documentation and reports, all you need is here!

Your letter should give comfort and promise to the reader knowing that their problems or issues can be answered by what you offer.²¹

3. Convince your reader to respond

Your next step is to convince your reader to move further by inquiring more about what you offer. You must provide an assurance that what you claim is really what your product does. You can support your claim with evidence – providing more facts, stating your years of service, giving testimonies of those who have used it or you can actually invite your reader to come and visit your office for an actual demo.²²

Sample phrase:

"Sometimes the scent of seasonal hand wash is all we need to rouse our holiday spirits. Available in an array of festive fragrances, our naturally derived gel hand wash will leave your hands soft, clean and ready to explore to any parts of the world. It really is the most wonderful time of the year."

You can provide more facts and additional proofs if you know your product very well. You, as the seller, should be familiar with what your product or service can do. With this, you have the confidence to answer any queries that your reader may give you.²³

You also need to note however that it is against the law to make false or exaggerated claims. So, honesty is still the best policy. Always claim the truth about your product or service. Never claim something to elevate your business just to make a sale. Remember to make a good name and to have a good reputation. ²⁴

4. Encourage your reader to make an action

The last paragraph must persuade the reader to make an action, most likely, it should be a favorable action. It may be a request to visit your showroom, to place an order, to contact you to make an appointment. Any affirmative response means you have reached your goal. You may include a part where the reader may return a slip for further information or for orders. ²⁵

Sample phrases:

"If you will return the enclosed request slip, we will show you how you can your fuel for 25% each day."

"This special offer is only offered until 31st of May, 2016. So hurry, place your order now and take advantage of this limited offer!"

You may also use phrases like "you can contact us in this number...." or provide an option where they can give their contact details and one of your colleagues or a representative will contact the reader.²⁶

Sales Letter Incorporating All The Elements Of Sales Letter

Now more than ever, there is nothing more important than our health. It pays to be informed about the impact the food we eat has on our health. But with so many competing theories, how can we keep know which one is real and right? Now there is a way.

Stimulate interest

The nutrition department of AD Harvard University publishes a nutrition newsletter each month that addresses the answers to questions such as: How can I stop free radicals from destroying healthy cells? Is eating fat really taboo? Which diet is most conducive to a long life? What is the greatest amount of weight that we may lose per week and still remain healthy and energetic? Are thin people healthier? Such questions are only a few of today's hottest debated topics.

Create a desire

Return the enclosed card today and receive the first issue free. If not completely satisfied, you may cancel your order and keep your first copy. Otherwise, you will continue to receive a newsletter each month. If you return the card now, you qualify for the introductory offer of \$12 per year. Don't wait, act today. Take control of your health.

Convince your reader to respond and to make an action

EFFECTIVE AND ATTRACTIVE SALES LETTER

Planning and knowing the basic guidelines for a sales letter is not enough. You also need to consider making your sales letter generate an active result. It should be effective and attractive. One thing you need to consider is you are not only making a sale, but you are making customers and you need to maintain them as long as possible.²⁷

Writing a Prospective Letter

To start a letter, you need to have a guideline and right track to follow. Have time to sit down and list the things you need to consider in your letter. One good point to start is, "What is your selling point?" Jot down what makes your product or service unique and outstanding among your competitors. If all air conditioners are used for cooling, what could make your product different and what special features does it have to make your customer desire to have it. ²⁸

Aside from the selling point, you also need to consider the length of your letter. Businessmen nowadays are busy and they don't have time to read a 10-page letter. The important thing here is to make your letter draw attention, creates a desire and will ignite a favorable action from your reader.²⁹

Here are some guide questions that can help you while you're in the planning stage of creating your sales letter.³⁰

- 1. To Whom Am I Writing? You need to know your audience. This will simplify your letter.
- 2. Why Am I Writing? You need to know the reason and purpose of your letter. You will be guided properly if you know the purpose and you know your limitations will be.
- 3. What is the Principal Appeal of the Product? Know the most influential feature of your product or service you intend to sell in your letter.
- 4. Is Proof of Satisfaction Available? To make a sales letter convincing, the writer sometimes needs to include facts like the reputation of the company, the quality materials of the product, the records and product performance, and other pertinent information that will help boost your selling point. But then again, always remember to provide information that is honest and not exaggerations.
- 5. What Enclosures are Available? Put yourself in the shoes of your reader, will it help if you will provide a picture or a sample of the product? Do you need to include your

brochure or catalog for further details? Check for enclosures that you can include along with your letter to be able to be more convincing.

After taking time to sit and listing down the things to consider in your letter. It is now time to make a successful letter. Think on these pointers while doing your letter:

- •Intimidation may be an obstacle for you. But don't be intimidated or scared of the process of writing. Not all has writers started as professionals and experts. Learning comes in process of time and in gaining skills.
- Know your product or service well. You may also need to think beyond what your product really is. What is its unique feature and what benefit can it do that differs from its like products.
- •Organize your idea and your materials. You may need enclosures like a brochure or a catalog, pictures, quotations, references, and the likes.
- •Think about selling. Remember that you are selling your product or service in written form. You may be good in verbal conversation, then, try to make it in writing as well.
- •Just write what's in your mind. Don't worry about writing the letter from start to finish in one sitting. You can just put it in blocks then you can re-read and organize when you find the right time to sit again and write the letter.
- Avoid perfectionism and strictness. Though we want our sales letter to be effective and successful, we don't need to be too stiff and strict with regards to the rules and approach. As your reader may vary, your approach and creativity will help to make it more personal and friendly. At times, the more you make it perfect, the more dull it is and the more boring it becomes. Write with diligence, but be sure to make your letter conversational, friendly and courteous.

Here is a short and simple example:

Are you in the business writing? Would you like to write like a professional? Are you at a loss for words when starting that important letter? Do you have an idea, but the right phrases just don't come to mind? The solution to your problem is Write Assist Software, an innovative breakthrough in letter writing that provides expert help, as if you had a professional writer by your side. To get the word out, we are mailing samples FREE. Just pay \$5.00 for shipping and handling. Call now at 123-4567.

Let's try to analyze if this short sales letter could be effective using the above guidelines.

1. To Whom Am I Writing? Your audiences are from people who want to make their writing move to a higher level.

2. Why Am I Writing? The letter is written to attract customers who want easier and faster assistance with regard to business writing.

3. What is the Principal Appeal of the Product? With the use of the phrase, "as if you had a professional writer by your side" entails that the product would like to tell the reader that it is not only easy to use but also convenient and comfortable. As if you have somebody assisting you all throughout your letter writing.

4. *Is Proof of Satisfaction Available?* The guarantee provided here is the free sample of usage. The writer is very confident that his product is very effective to the point of allowing the first use to be free. With this, the reader can make try if the product is really helpful and beneficial for him. The amount to be paid is very minimal, thus, the reader will not be afraid of trying the sample without wasting huge amount of money.

5. What Enclosures are Available? The enclosure could be a printed sample of the software functions so the reader can see right away what the software can do. If you could also notice, the sales letter sample above is not too long and strict. It seems that the writer is simply talking to his reader about a product that could be beneficial to him.

The Essence of Persuasion

Taking the four elements of the sales letter into consideration in creating your letter will already make your letter effective and successful.

The four essential elements of sales letter are:

1. Stimulate interest to the readers.

2. Your letter should create a desire.

3. Convince your reader to respond.

4. Encourage your reader to make an action.

To stimulate your reader's interest is to provide a catching phrase or sentence in the opening paragraph. If you fail to get your reader's attention in the first part, then your letter is a failure.³¹ One good thing to do in the first part of your letter is to come right directly to the point, but in a friendly and courteous tone.³² After stimulating your reader's interest, your

next step is to make your reader desire to have your product or your service. You can do create a desire by stressing on the benefits and comfort that your product or service can provide. You may also need to describe what you offer comprehensively or provide a picture, or you may attach a brochure or catalog for customers who have no idea of what your product is all about.³³

After the second element, you now have to convince your reader to respond. You must support your claim by providing more facts and proofs. If you know your product very well, you have the confidence to answer any queries that your reader may give you.³⁴ Take note that it is against the law to make false or exaggerated claims. So, honesty is still the best you can offer to your customers. If they know you're honest then, they can trust you with any business deal.³⁵ And the final step is to encourage your reader to make an action. That is what sales and promotion letters are for. Not only to create and desire, but more importantly, to take an action, a favorable one.³⁶ It may be a request for more information, a visit your store, to place an order, to contact you to make an appointment. Any positive action coming from your customer means you have reached your goal. You may include a part where the reader may return a slip for further information or for orders.³⁷

These elements are essential and a must for a sales letter. To enhance your letter and to go further steps to make your letter persuasive is another thing. Complete sales letter may not be enough, persuasive and enticing letter is also needed. Here are general sales strategies that will guide and help you to make an effective, successful and persuasive letter:

1. Explore and probe the product or service

A complete and systematic understanding of your product or service is the best way to be confident about selling it. It will be difficult to sell something you are not even convinced of its full functionality or know about its totality. Your sales effort should start with exploring and probing what you want to sell.

Asking questions can help you in analyzing your item. What was your product or service designed to do? Why was it created in the first place? Will it be beneficial to anyone? Talking with the engineers or designers may help you better understand about the product. Their idea behind the outcome will give you a clear view why the product came out to be like that and why did it has to come out at this time. The more information you gather, the better. You may never know what kind of questions you will encounter soon if a customer comes to you. It is better to be prepared.

The overall question you need to answer is "What will this do to a person?" Will it necessarily be eliminating their old ways of doing things or a job? Will there be security? If a person feels that a certain part of his used lifestyle will be endangered or eliminated, insecurity will come. No one would like to try something without any assurance of its functionality and assurance of benefits it can give. With confidence, you must inform your reader about how it will make their job easier and how it will change the way they do things in a complicated way. And note to make it easy for them to understand as well. A technology will indeed make our lives easier, however, if you will try to communicate that with a 70 or 80 year old person and using the techy words, this may sound hard for them. Analyze your product and see what it can do to them, and make sure that you make the message sound easy. So

Know about the physical feature of the item, the actual size, the composition, the shaper, the available colors, and so on. You also need to know about its psychological description. Psychological description tells about the benefits and ease the readers could get from using the item. This will be a powerful part of selling. The promise you give to your customer is what they expect to get.⁴⁰

Put yourself in the situation of your customer. Your sales letter needs to detail the benefits that you're going to receive. Ask yourself upon reading your letter, "Will I be convinced to buy this product?" Will it give me satisfaction and ease? So before starting to sell, be sure that you know everything there is to know about the items you sell.

2. Locating the prospects

How will you know your real prospects? Your prospects could either be one of the following:

- A person who needs your product or service.
- A person who is capable of paying the price of your item.
- A person who does not have your product or has not even tried your service.

In looking for the prospect, you may start with an assumption that everybody is your prospect. Then after determining that they need your product, you also need to know if they are capable of paying it. You don't want to give your product away without assurance of payment. As much as the customer needs assurance with the benefits and promise of the product they bought, you, as the seller, need security as well with regard to the payment. Logical analysis is also important in determining your prospect. You need to sell a product or service to the right audience. You will not sell expensive central air conditioning unit in a

retirement community. Now you will not sell sleeveless shirts to people in Alaska. Logical analysis also includes the proper timing of selling. You will not sell rain coats during the summer season, nor sell swimming items during the winter.

Other things to consider are the age, gender, status, geographical location. These considerations are very simple yet you need to remember it every time you do a sales letter. To be able to obtain a mailing list of prospects, the following options are available: 42

- The yellow pages of the directories.
- Rent a service of clipping with names.
- You can make your own mailing list based from your current customers, acquaintances, referrals, etc.
- Inquire from business companies who are involved in renting or selling mailing lists. Wherever you get your mailing list, either you make them, you rent or buy them, you have to make sure that the names, or companies and their corresponding addresses are accurate. You don't want to waste time and money for sending letters to those addresses that will not give you any return or respond.⁴³

3. Stressing the appeal

Now that you know all about your product, you cannot put them all in just one letter. Choose your main selling point or the appeal of the product that will most likely be applicable to your chosen prospect. Then point that out in your letter. Your selling point should answer the main theme of the letter which is "What is the main feature of your product that will entice your prospect to buy your product?" Your supporting selling point will support your main theme and this should be related to each other as you build your letter.

This is also where trust and belief of your customer are built for you and to your product. When you stress on your selling point, you are also giving them a promise, a commitment that what you said your product will do for them, will exactly do as promised. In stressing your selling point, you must also show an evidence to make it more convincing. Evidences may be proven facts like results from laboratory test or results from sales statistics, or results of actual surveys. 45

You may request your current customers to make testimonials. This is also a powerful selling point, because it is a living proof. Someone has proven it to be effective. This will give an interest for new customers to experience the benefits by themselves. Another approach that you can do for selling is to cite a problem, a situation where there is a

dilemma. With this, you can draw your reader's attention. After citing a problem, provide the solution. And that's where your selling point comes in, the solution that your product can give.

4. Spotting the exact goal

Knowing all the things there is to know about your product, you've identified your prospect and you've known your selling point, is not the end of your effective letter. You must have a goal that you want your reader should do. Aside from the general purpose of selling, what is the action that you intend your reader should do? Do you want him to call you back? Do you want him to request for an appointment? Do you want your reader to request for additional information like a booklet or brochure? Do you intend that he will request a visit to your store? You need to spot the exact goal and make it happen. ⁴⁶

This part could be seen in the closing paragraph of your letter. You must make the steps easier for your reader. If you want him to place an order or to make an appointment, you can provide a tear-off slip where he can write his order or write his appointment date and time.⁴⁷ You must ask your reader to take an action like to visit your website, complete a form, fill-up an order form, register, and the likes. If you are not going to invoke an action that needs to be done, your reader will not do anything. Always remember to provide a reason why they need to reply.

Persuasion is one important key to make an effective and successful sales letter. No matter how complete and brief your letter could be, if it lacks persuasion, you may not get the results you want. To make sales is also to make customers. So, your customers are very important, they are the reason why you want to improve and develop your product. So make a connection to them, don't treat them just simply as your customers. They are your partners, they patronage your product or service. They can be your living advertisement, through their word-of-mouth. Make your letter personal and not merely for business purpose. You can make connections if the tone of our letter is courteous and friendly. Aim to make connection and good relationship with your customers. In the end, you will still seek them and you need them for your business transactions to be successful.

Remember your first step is to have a powerful headline. Catch your reader's attention and let them desire for your product. Again, your whole letter is a failure if you fail to invoke an interest to your reader. Your opening paragraph is very important and critical. Don't forget to stress on your main selling point and support it with facts and testimonials. Be honest and make your promise and commitment to your reader a serious business. And to

end your letter with an aim to make your reader do an action is your ultimate goal. If you fail to encourage a response from your reader, then you will never get your prospect customer. 48 In all these things, you and your customer is what matters in any business deal. You, as the seller or writer, provide the product or service, and your reader or customer is the user or beneficiary of your product or service.

SALES LETTER TEMPLATE AND FORMAT

To write a sales letter, you should make sure that you have the formatting down. It will help you create a sales letter that is professional and easy to read. Writing a good sales letter, it takes time and effort, it is important to choose the correct wording and the right details. Just as vital is the format of your letter. Make sure you use a professional and proper sales letter format and template. The below are sales letter template and format.

Sales Letter Template

Client Name or Company Name

Address of Client Contact Details

<Letter Head>

Date

Dear Client Name:

We heard from you that you are having problems with our product that you purchased last month. We, from this company, offer always good quality products with good service life.

As our product caused inconvenience, our company offers you a free service in order to make sure that everything is working in order and you are satisfied with it. Soon, a officer will be at your doors to take care of our product.

For additional information, you can call us at our customer service desk or visit our website.

Yours truly,

Name

Designation

Sales Letter Format

<Letter Head>

Client's Name Client's Title Client's or Client's Company Address

Date

Dear Client's Name:

1st paragraph: The introduction should be able to bind the attention of the reader to the letter. In here you could mention about a particular problem a client may have and how your product could help resolve it. Introduce your company and your specialization.

2nd paragraph: Provide an introduction to your product or the service and explain the ways the client could benefit by using your product or service. You could make your offer very attractive to the client but be careful not to promise the impossible.

3rd paragraph: Provide your contact information and how client could find more details of your offer.

Yours truly,

Your name or whoever is the authorized person to sign from your company

Designation

FUNDAMENTALS OF EFFECTIVE SALES LETTER WRITING

In a broad sense, international business letters are sales letters. The usual sales letter, however, is one designed to sell a product or service or lead up to such a sale. There are three factors of success in writing a sales letter. The first, the service or product which is being sold is attractive. The second, the list of prospects is carefully selected. The third, the sales letter is effectively written. The purposes of sales letter are: to build good will, to make direct sales, to induce sales inquiries, to follow up sales inquiries about products and services, to announce new products, etc. To write sales letters, you must first identify the specific purpose of the letter. Successful sales letters should be consist of:⁴⁹

- 1. Attract attention. The opening of the sales letter is especially important. The opening must attract the reader's attention enough to encourage him to read on. Make the opening paragraph brief and attractive. Besides attracting the reader's attention, the letter must hold his interest for what you have to tell him.
- 2. Create a desire. Continue to write from the point of view of reader, and appeal to his desires and needs. This part is designed to convince the prospective buyer that he must have this product or service.
- 3. Implant conviction. Stress the benefits of the offer to the reader. Convince the reader that the product or service is the best of its kinds. Convincing the reader to act immediately is easier after he or she has been benefits of and become interested in the product.
- 4. Motivate action. Make action seem important and easy to the prospective customer. The principle objective of the sales letter is to induce action. The final paragraph should suggest action on the part of the reader. The first paragraph attracts the reader's attention; the second and third paragraphs arouse his desire; the fourth paragraph attempts to convince him; and the two paragraph stimulate him to act. A good sales letter will get the reader's attention, hold his interest, create a desire for the product or service offer, and stimulate action. The following topics deal with sales letters.
 - Offering products to foreign market.
 - Offer to a newly established trader, a regular customer, a former customer.
 - Offer of demonstration.
 - Offer of a quality product.

- Offer to a new product.
- Offering products for sale.
- Introducing a product to a new market.
- Announcing a large range of product and price reduction.
- Announcing a new line of products.
- Sales appeal to economy, efficiency, security, comfort, leisure, pride, self-esteem, health.

SALES EXPRESSION

Opening

- I am sending you a copy of our catalogue and price list.
- I am writing to introduce our new line of products.
- I am replying to your request.
- May we draw your attention that we are providing a special discount to our most valued customers.
- We have pleasure in notifying you that...

Body

- We hope you will be interested in this new line of product.
- Owing to the high quality but moderate price of our goods, we sincerely hope that it will induce you to entrust us with a trial order.
- We hope that you might satisfy yourselves that our products are well worth of the confidence you have placed in us.
- We are offering a free trail period of 30 days, so that you may compare it to the applications you are currently using.
- We are hoping to find long term established long term demand for our product.
- Quality products and high customer service is our motto.
- We are sure, you'll find our goods excellently suited to your requirement.
- We are confident that you will find these products in great demand.

- We believe that you will find these products in great demand.
- We believe that you will find a ready market for this product.
- We have been very happy to serve you in the past and look forward to receive orders from you in the future.

Closing

- I look forward to hearing from you soon.
- Please do not hesitate to contact me.
- Please let us know of your interest in our products.
- I await your further interest.
- We look forward to continue our valued business relationship into the future.

Sales-Reply

Opening

- Thank you for your interest in our company...
- We would like to acknowledge and thank you for your invitation to join your investment.
- With reference to your letter, we are pleased to confirm our interest in dealing with your company.
- We thank you for your letter dated 22nd March, 2016 together with a catalogue of your publication.
- We refer to your letter regarding you new line of products.

Body

- We are prepared to place a trail order with you.
- We are interested in buying or importing.
- At this stage we are not interested in your products.
- I thank you in advance for...

- I would appreciate if you could...
- We are certain we can count on your cooperation.

Closing

- We would like to give you our utmost attention.
- We look forward to your next order.
- We hope to be hearing from you soon.
- We look forward to continuing our valued business relationship.
- We are sure, you'll find our goods excellently suited to your requirement.
- Your early reply will be appreciated.
- We would appreciate your cooperation on this matter.
- Awaiting your prompt reply.
- We shall be very grateful for any assistance you can give us in this matter.

EXAMPLES OF SALES LETTER

Situation 1: Write a letter for John Burns who is opening up Prestige Automobiles Importing Company in Cleveland, England. The business is in partnership with Monza Quality Cars, Rome. He needs to send out an advertisement **announcing this new business opening,** to Parkline Auto Centre, Australia, as they have a very vast fleet of cars for their personnel.

Prestige Automobile Importing Company

18-25 North Road, Middlesbrough, Cleveland, England Tel: 01642242154 Fax: 01642240116

Email: prestige@automobile.co.uk, Website: www.prestige.co.uk Facebook: www.facebook.com/PrestigeAutoUK/

January 2, 20--

Parkline Auto Centre 2432 Paramatta Rd., Concord NSW 2137, Australia

Dear Sirs:

It is our pleasure to notify you that we have just opened our new car yard of luxury European cars, which will stamp us as the most modern and quality car dealer in the United Kingdom.

May we draw to your attention that we are providing for the first three months of operation a free test drive of all our vehicles. We are hoping you will take advantage of this offer, as we believe you will greatly value this experience, and it will establish a trend for your fleet of company cars.

We trade in the most reputable brands of cars, such as BMW, Mercedes Benz, Ferrari, Porsche, Lamborghini and lots of reputable cars brands.

Please do not hesitate to contact us, as we await you interest.

Very truly yours,

John Burns

John Burns

Reply Situation 1:

Parkline Auto Centre

2432 Paramatta Rd., Concord, NSW 2137, Australia Tel: +61 28741 3000, Email: parkline@auto.com.au Website: www.parkline.com.au, Facebook:www.facebook.com/ParklineAustralia

January 11, 20--

Mr. John Burns Prestige Automobile Importing Company 18-25 North Road, Middlesbrough Cleveland, England

Dear Mr. Burns:

Thank you for sending us a notification regarding your newly opened luxury car yard. This is a timely offer since we are currently looking into buying a new car in replacement of our 2003 BMW model.

We would surely like to try the free test drive you are offering. We are interested in more details of this. We would appreciate if you could provide us assistance for some information that we will need to avail the free drive test and the promotion you offer on this aspect.

My colleague, Mr. Robert Ram, will be going to your office on Thursday morning at 9:00 A.M. to discuss further on this matter. Please inform us if it will be convenient to meet with you.

Once again, thank you very much and we are looking forward to have a good working relationship with your company.

Sincerely yours,

Edwin Kante

Edwin Kante

Situation 2: Bulson Inc., California is **announcing a special discount offer** on the purchase of their mechanical kitchenware products in bulk. Write a letter to their long-term established client in Athens, Sergio Clamenta, the Purchasing Officer of Cerveza Import Company, Greece.

Bulson Inc.

18708 Fairweather Street, Santa Clarita, California, U.S.A.

Tel: 1-877-523-6130 Fax: 1-661-251-9593

email: bulson@bulsoninc.com, www.bulson.com

Facebook: www.facebook.com/BulsonUSA/

March 7, 20--

Mr. Sergio Clamenta Purchasing Officer Cerveza Import Company 23 Diakou Street Athens, Greece

Dear Mr. Clamenta:

May we draw your attention to special discounts which we are providing to our most valued customers for bulk order purchases.

These discounts comprises of 5% for orders over \$10,000, 10% for orders over \$50,000 and 15% for orders over \$100,000. As your company has always placed very sizable orders with us, we hope you take advantage of this special discount offer.

We look forward to continue our valued business relationship with you in the future.

Sincerely yours,

Raymond Alberton

Raymond Alberton

Reply Situation 2:

Cerveza Import Co., Ltd.

23 Diakou Street, Athens, Greece Tel:+30 210 9233166, 9233266 Fax: +30 210 9232008 Email: cerveza@import.gr, website: www.cervezaco.co.gr Facebook: www.facebook.com/CervezacoImportGreek/

March 12, 20--

Mr. Raymond Alberton Bulson Inc. 18708 Fairweather Street Santa Clarita, California U.S.A.

Dear Mr. Alberton:

We appreciate you for informing us about your special discount for bulk orders. This is indeed is a great news for us!

As you may know that we have been regularly sending you bulk orders and we would like to take advantage of this discount. Our order and dispatch department will contact you later regarding our orders.

We shall contact you again once the orders are sent. We will be expecting the discount to be given as you've mentioned.

Thank you very much.

Sincerely yours,

Sergio Clamenta

Sergio Clamenta

Situation 3: Julie Delpy, General Manager of Westline Cookson Industries Ltd., England sends a closing down sale advertisement letter to the Manager of Feeby Bros. Inc., California, outlining the goods and plant machinery that will be on sale. The reason for the sale is that Ms. Delpy's business has gone into receivership, and on advice of the creditors, a dispersal sale is needed before the closing down of the business. Write this letter for Ms. Delpy.

Westline Cookson Industries Ltd.

10 Drayhorse Rd., Ramsey, Cambridgeshire, England Tel: 01353 664515 Fax: 01353 666032

E-mail:westline@cookson.co.uk, website:www.westlinecookson.co.uk Facebook: www.facebook.com/WestlineLtdUK/

February 8, 20--

Manager Feeby Bros. Inc. 26012 Bouquet Canyon Rd. Santa Clarita, California 91350 U.S.A.

Dear Sir:

I wish to inform you that we are having a dispersal sale on Monday, 18th of January, to be held at our premises in Dublin, due to the unfortunate account that we have been placed into receivership.

The sale will consist of all items on our premises including, stock, plant machinery, company vehicles, office furniture, computers, shelving and general equipment. The details of our dispersal sale catalogue is enclose for your attention.

I would like to personally thank you, for your support that you have gave our company over some years that we have been associated.

I hope to see you at our sale.

Very truly yours,

Julie Delpy

Julie Delpy General Manager

Reply Situation 3:

Feeby Bros. Inc.

26012 Bouquet Canyon Rd., Santa Clarita, CA 91350, U.S.A.

Phone: (661) 284-6664 Fax: (661) 284-6665 Email: feeby@bros.com, website: www.feebybros.com Facebook: www.facebook.com/FeebyBrosIncUSA/

February 12, 20--

Ms. Julie Delpy General Manager Westline Cookson Industries Ltd. 10 Drayhorse Rd., Ramsey Cambridgeshire, England

Dear Ms. Delpy:

We have received your letter regarding the dispersal sale and the catalogue enclosed. We are very sorry to hear about your situation being into the receivership.

We are interested to see the items you are selling. One of our colleagues will be in touch with your office to discuss the things we are interested to buy.

I would also like to thank you for letting us to know about your situation. We are hoping that you may be able to cope and start again. Until then, we are very happy and looking forward to be in business with you again.

We are wishing you good luck in your future endeavor.

Sincerely yours,

Max Haven

Max Haven Manager **Situation 4:** Gerry Rice, Export Sales Director of BTR Plc, London is wishing to write a sales letter introducing a product to a new market, due to the company's discovery and release of cure for cancer research, that will revolutionize the world health industry. Help Mr. Rice construct this letter sent to the Purchasing Officer of Wilhiem Pharmaceutical Company, Munich.

BTR Plc.

744 High Road, Finchley, London N12 OBQ, England Tel. 0044-208-369-5220 Fax. 0044-2081-369 Email: btrplc@btr.co.uk, website: www.btrplcengland.com Facebook: www.facebook.com/BTRPlcEngland/

August 14, 20--

Purchasing Officer Wilhiem Pharmaceutical Company Braunstrasse 6, Munich Bavaria, Germany

Dear Sir or Madam:

I am writing to inform you about a new line of product that your company will take great interest in.

After many years of exhaustive research by our team of scientists, our company has discovered a cure for bowel cancer, which will revolutionize the medical treatment of cancer patients worldwide.

This remedy will take the form of a tablet, consisting of a three-month treatment, under the formal observation of a cancer specialist. All of the exact details to these are covered in our prospectus, which you will find enclosed with this letter.

We are sure you will be very excited in this cancer treatment benefit, as we are.

Very truly yours,

Gerry Rice

Gerry Rice Export Sales Director

Reply Situation 4:

Wilhiem Pharmaceutical Company

Braunstrasse 6, Munich , Bavaria, Germany Telephone +49 (0)89 370 530 0 Fax +49 (0)89 370 530 911

Email: wilhiempharmco@wilhiem.co.de Website: www.wilhiemphamco.com.de Facebook: www.facebook.com/WilhiemPharmaceuticalGermany/

August 22, 20--

Mr. Gerry Rice
Export Sales Director
BTR Plc.
744 High Road, Finchley
London N12 OBQ, England

Dear Mr. Rice:

Thank you very much for your letter and considering us to be one of the recipients of your newly discovered medicine. This is indeed remarkable and great news!

This has been one of the illnesses that had been affecting many people. This medical treatment will surely be of benefit to us, many medical practitioners and medical institutions alike.

We have read the prospectus and we are interested in procuring 500 tablets as initial order to be used as product testing. Since this is to be considered as product testing, may we request for the payment to be sent to you once all the tablets are disposed. If you would agree in this arrangement, please let us know. Once the product is proven to be effective, expect that we will continue to order more medicines from you.

Thank you and we hope that you will consider our request.

Sincerely yours,

Edgar Hicken

Edgar Hicken Purchasing Officer **Situation 5:** A request for sales information is needed by Mr. Jikte Rubins of Bufag Marketing, Company, Singapore from Gatehouse Designs Inc., California, about their full Spring/Summer collection of garments for 2016. Mr. Rubins is inquiring into the pricing and the availability of the goods, for his past Fashion Show.

Bufag Marketing Company

23A Upper Thomson Rd., Singapore Tel: 6564759288 Fax: 6562341355

Email: bufagmarketing@bufag.co.sg Website: www.bufagmarketingco.com.sg

Facebook: www.facebook.com/BufagMarketingSingapore/, Line: 6564759289

June 5, 20--

Gatehouse Designs Inc. 3478 Santa Rosa Avenue Santa Rosa, California 95407 U.S.A.

Dear Sir:

Being the Director of Bufag Marketing, I am in-charge of the 2016 Singapore International Fashion Show. I would like to inquire for information that could be of help for the success of the show. As your fashion house was one of the entrants of the 2016 Fashion show, I would be grateful if you could provide me the following information:

- What is the full range of the Spring/Summer collection of the garments you have showcased?
- How long will the garments be delivered after orders are sent?
- Prices of your garments, as they were missing from your catalogue.

Your quick reply would be most appreciated.

Very truly yours,

Jikte Rubins

Jikte Rubins Purchasing Manager

Reply Situation 5:

Gatehouse Designs Inc.

3478 Santa Rosa Avenue, Santa Rosa, CA 95407, U.S.A.

Phone: (707) 585-1221 Fax: (707) 585-0129 Email: gatehouse@designs.com

Website: www.gatehousedesign.com

Facebook: www.facebook.com/GatehouseDesignsUSA/

June 17, 20--

Mr. Jikte Rubins Bufag Marketing, Company 23A Upper Thomson Rd. Singapore

Dear Mr. Rubins:

We have received your inquiry letter asking about details of our Spring/Summer Collection of Garments for 2016. We are more than willing to provide to you the information you need. Please see our reply below:

• What is the full range of the Spring/Summer collection of the garments you have showcased?

The full range of the Spring/Summer collection of garments will cover the whole last week of March until the second week of April.

• How long will the garments be delivered after orders are sent?

The delivery will be two weeks after the order is given.

Prices of your garments, as they were missing from your catalogue.
 We will be sending another catalogue with the prices on the garments. Please see the new enclosed catalogue.

We hope that we have given you the answers you needed. Please don't hesitate to contact us again if you need further details.

Thank you very much.

Sincerely yours,

Fred Blaker

Fred Blaker

Situation 6: Write a sales letter announcing a large range of product and price reductions, that the Ford Motor Company, Singapore is offering to Miguel Samson, Parts Manager of Samurai Ford Car Dealership and Service Centre, Hong Kong. Due to the closing down of their Industrial Glazing and Parts Division in the Asia-Pacific region, the products offered are engine and underbody car parts that will be able to be used on all Ford Models. Because of the nature of this dispersal sale, all the car parts will be offered at a severely reduced price.

Ford Motor Company

7A Jalan Grisek, Singapore
Tel: 6593801275 Fax: 6562341355
Email: fordmotorhk@fordmotor.co.sg
Website: www.fordmotorsingapore.com.sg
Facebook: www.facebook.com/FordMotorSingapore/

July 18, 20--

Mr. Miguel Samson Parts Manager Samurai Ford Car Dealership and Service Centre 6-9 Harbour Road, Wan Chai Hong Kong

Dear Mr. Samson:

As we are coming near to the closing of our Asian-Pacific Industrial Glazing and Part Division, we are offering car parts at a discount of 70%.

The products we offer consist mainly of engine and underbody car parts. As you are one of the leading Ford Service Centers in your region, we are sure that these products will be appropriate for your requirements since these are suitable and compatible for all Ford Models. Enclosed is a price list and catalogue for the engine and car parts we offer.

I look forward to hearing from you soon.

Sincerely yours,

Harry Gray

Harry Gray

Reply Situation 6:

Samurai Ford Car Dealership and Service Centre

6-9 Harbour Road, Wanchai, Hong Kong Tel: (852) 2879 1888 Fax: +86 (21) 6386 7070

E-mail: samurai@fordcar.com.hk, Line: 852 2879 1899 Website: www.samuraifordhongkong.com

Facebook: www.facebook.com/SamuraiFordHongKongCentre/

July 24, 20--

Mr. Harry Gray Sales Manager Ford Motor Company 7A Jalan Grisek Singapore

Dear Mr. Gray:

We have received your letter regarding the closing of your Asian-Pacific Industrial Glazing and Part Division. As much as we needed engine and underbody car parts for our company, we are also saddened to hear about the closing of your division. Your company has been one of our prompt and reliable suppliers.

We have seen the catalogue you have sent us, the given prices are substantially discounted which persuaded us to buy many of the items listed. It is timely that a lot of our customers have been coming to inquire about most of the items in your list.

Expect that by tomorrow, we will be sending the final list of items we will be procuring and we will be contacting our bank as well, for the arrangement of payment.

It is a pleasure working with you and if there is any help that we can offer, please don't hesitate to contact us. We are more than willing to extend a hand for your company and we hope that you can start again.

Good luck to your company and to your future plans.

Sincerely yours,

Trving Oldkam

Irving Oldkam

Situation 7: Due to the acquisition of a rival competitor, Osco Ltd., Stanley Mining Equipment Ltd., South Africa needs to advertise their new stock that they now have in supply. These products are of a similar quality and standard to that of their own designed goods. Construct this letter, by sending a **notice of a new line of products** to Stanley's most established client in Brian Mann, Mining Director of East Africa Mines Ltd., Sierra Leone.

Stanley Mining Equipment Ltd.

Rubinek House 223, Main Street, Johannesburg 2001, South Africa Tel/Fax: +27 (011) 334 8637

> Email: stanleyminingltd@stanley.com Website: www.stanleyminingltd.com

Facebook: www.facebook.com/StanleyMiningEquipmentAfrica/

July 15, 20--

Mr. Brian Mann Mining Director East Africa Mines Ltd. 685 Sierra Ave, Sierra Leone Africa

Dear Mr. Mann:

I am sure that you are well aware of our takeover of the Osco Ltd. This acquirement has been completed successfully. In lieu of this new acquirement, we would like to inform you that we are going to do our trading under the name Stanley Mining Equipment Ltd. except for a new line of products. But we assure you that these are of the same quality as what you have been given by Osco Ltd.

These names and services of the products of our company have somehow changed and increased, hence I am enclosing an updated catalogue and price list for your review.

We hope this attainment will gather your interest, as East Africa Mines Ltd., has been a valued customer to our company.

Sincerely yours,

Richard Nelson

Richard Nelson Sales Manager

Reply Situation 7:

East Africa Mines Ltd.

685 Sierra Ave, Sierra Leone, Africa Phone +431-894058210 Fax +431-894058240

Email: eastafricamines@eastafrica.com
Website: www.eastafricaltd.com
Facebook: www.facebook.com/EastAfricaMinesLtd/

July 23, 20--

Mr. Richard Nelson Sales Manager Stanley Mining Equipment Ltd. Rubinek House 223, Main Street Johannesburg 2001 South Africa

Dear Mr. Nelson:

Thank you for your letter. We have been informed earlier regarding the possible transfer of ownership. We are glad to hear from you.

We have seen the updated catalogue and we have noticed the changes and updates you've mentioned. We are interested in some of the items included. Our purchase department will get in touch with you for the orders we plan to take.

In the meantime, we would like to take this opportunity to welcome you as one of our suppliers. We are looking forward to have a good working relationship with you as we had with the Osco Ltd.

For anything you might need related to our transactions, please let us know.

Once again, thank you and good day.

Sincerely yours,

Edgar Waber

Edgar Waber

Situation 8: Colzlstewz Inc., Switzerland is conducting its annual watch promotion. The Sales Director is sending out letters to customers who participated in the **promotional campaign** of the previous year. Send a letter to Tilleys Corporation, Indiana, promoting and asking of their interest in this year's promotion.

Colzlstewz Inc.

98 Rue Saint Jean, 1201 Geneva, Switzerland Telephone/ Fax: 41-22-906 5250, 41-22-738 7287

Email: colzlstewzinc@colzbusiness.co.ch Website: www.colzbusinessinc.com Facebook: www.facebook.com/ColzlstewzIncSwitzerland/

May 14, 20--

Tilleys Corporation 1115 Mount Auburn Rd. Evansville, Indiana 47720 U.S.A.

Dear Sir:

I would like to inform you, that due to the success of last year's watch promotion, we are continuing with the same idea this year. As your company held a great stake in last year's campaign, we would like to cordially invite you to join us once again.

The campaign will be the same as last year. Your company's logo will be placed onto our watches, and the competition will be conducted, with winners winning our watches. For this advertising space on the watches and on the promotional billboards, we are asking for your company's investment of US\$150,000.

We keenly await your interest in this year's campaign.

Very truly yours,

Steven Organ

Steven Organ Sales Director

Reply Situation 8:

Tilleys Corporation

1115 Mount Auburn Rd, Evansville, Indiana 47720, U.S.A.

Phone: 812-424-8284; Fax: 812-426-7928 Lines: 812-424-8284 Email: tilleys@corporation.com

Website: www.tilleyscorpus.com Facebook: www.facebook.com/TilleysCorpUSA/

May 22, 20--

Mr. Steven Organ Sales Director Colzlstewz Inc. 98 Rue Saint Jean 1201 Geneva, Switzerland

Dear Mr. Organ:

Thank you for your invitation for this year's promotion campaign. Our participation in the previous year's campaign had indeed done a great deal to us and had helped in the increase of awareness regarding our products. As a result, we were able to gain customers and sales from them.

Please allow us to check our current status so we may be able to decide about participating in this year's campaign. I am sure this campaign will again give a great impact to us.

Our team will be having a meeting on Thursday; we will be including this matter in our agenda. Until then, we can't make a decision yet. We really appreciate if you can give us ample time to decide on this.

In the meantime, please accept our congratulations to your company for being able to create another platform of opportunity for a promotional campaign.

Once again, thank you and we are looking, hoping for your affirmative response to our request. More power to your company!

Sincerely yours,

Elton Blake

Elton Blake

Situation 9: A promotional sales letter is to be written by John Kenne, Sales Manager of Kinley Watson Manufacturing Ltd., Sydney. The promotion consists of for every product purchased in May, one will be provided for free. Write this letter to ACI Industrial, Jakarta.

Kinley Watson Manufacturing Ltd.

49 Winbourne Road, Brookvale, Sydney, Australia
Tel: 0299058288 Fax:02 99056108
Email: kinleywatsonltd@kinley.co.au
Website: www.kinleywatsonltd.com.au
Facebook: www.facebook.com/KinleyWatsonAustralia/

March 18, 20--

ACI Industrial Sapta Taruna Raya No.16 Ps.Jumat - Rd., Pinang Jakarta Selatan Indonesia 12310

Dear Sir:

We are pleased to notify you, that we are having a promotional sale in May, and are offering a "buy one get one" of all items in our store.

As you have been a long-term customer of our company, we hope you will take advantage of our offer.

Very truly yours,

John Kenne

John Kenne Sales Manager

Reply Situation 9:

ACI Industrial

Sapta Taruna Raya No.16, Ps. Jumat -Rd. Pinang Jakarta Selatan, Indonesia 12310

Telephone: +628123277345; Fax: +62-31-8922768
Email: aci@industrial.com, Line: +628123277344
Website: www.aciindustrial.com
Facebook: www.facebook.com/ACIIndustrialIndo/

March 25, 20--

Mr. John Kenne Sales Manager Kinley Watson Manufacturing Ltd. 49 Winbourne Road, Brookvale Sydney, Australia

Dear Mr. Kenne:

We have received your letter regarding your promotional sale in May. We are glad to hear about it!

The month of May has always provided us with a good sale, especially for summer outfits and summer products. This is a great opportunity for us to avail of your "buy one get one" promotional sale in order to obtain more products to offer our customers at a lower price. Our Purchasing Department is currently looking into the products that we may be interested to buy. Mr. Robert Brown, our Purchase Admin, will contact you then once the orders are ready.

Thank you and we look forward to a continuous and satisfying working relationship with you.

Sincerely yours,

Ralp Druckton

Ralp Druckton

Situation 10: Write **an offer letter from an exporter**, Hammond Gems Ltd., Bangkok to the Manager of Swansea Jewelers Ltd., London, explaining the reasons in which their goods are of extra value and quality. A very special deal is to be offered to the Manager of Swansea Jewelers, that he will not refuse.

Hammond Gems Ltd.

448/2 Lad Phrao Rd., Bangkapi, Bangkok, Thailand Tel/ Fax: 02-5301533

Email: hammondgems@hammondbusiness.co.th, Line: 0853015444
Website: www.hammondgemsth.com.th
Facebook: www.facebook.com/HammondGemsThailand/

June 17, 20--

Manager Swansea Jewelers Ltd. 171 Farringdon Road, EC1M 3JF London, England

Dear Sir:

I would like to draw to your attention on our special offer of "once in a lifetime" opportunity to visit our store in the heart of the gem capital of the world, Bangkok, Thailand.

We have been awarded as a leader in high quality and valuable gems. With this, we are confident that you will be charmed and delighted once you see our gems in person. This offer will give us an opportunity to establish a long term business relationship. We are enclosing here the complete itinerary of this special offer. You can also have an initial glance of our precious gems in the enclosed catalogue.

We await your response to this irresistible offer. Please contact us if you need further details.

Very truly yours,

Somsak Cherdchai

Somsak Cherdchai Exporting Manager

Reply Situation 10:

Swansea Jewelers Ltd.

171 Farringdon Road, London EC1M 3JF, England Tel Fax: 020 7186 9500 Email: swansea@jewelers.org.uk Website: www.swanseajewelersltd.org.uk Facebook: www.facebook.com/SwanseaJewelersEngland/

June 24, 20--

Mr. Somsak Cherdchai Exporting Manager Hammond Gems Ltd. 448/2 Lad Phrao Rd., Bangkapi Bangkok, Thailand

Dear Mr. Cherdchai:

Thank you very much for your letter and invitation to visit your store in Bangkok. We have heard about how your gems that they are of good quality and of high standard. With this, we are interested to see and experience that first hand.

We have seen the catalogue and we are attracted to the special offer you've mentioned. We would like to have further details and we appreciate if you can provide us with complete information on this special offer reflected in a catalogue or brochure. We can also allow one of our colleagues to have a particular schedule of teleconferencing if that would be necessary.

Thank you once again. We look forward to your reply and we hope to have a good working relationship with you.

Sincerely yours,

Daniel Faven

Daniel Faven

SALES VOCABULARY

Discount Total sales

Guarantee Advertising

Bargain Competitive

Premium Brochure

Sales pitch Price cut

Expensive Catalogue

Supply Details

Exclusive offer Demand

Enterprising Sales figure

Goods Export sales

Import Price freeze

Flat rate Potential sales

Purchase order Reduced price

Cheap Inexpensive

Stock Wholesale

Payment Resale

Selling price Retail

Price list Quality

Purchase price Market price

EXERCISES

- 1. An offer letter from an exporter Tony Carbone, as the Export Manager of Milan Fashions Export Ltd., 12 Bourolesi Rd., Milan 0442, Italy, is wanting to offer his garments to Big W Stores Inc., P.O. Box 7728, Richmond, South Dakota 34426, U.S.A. He does not know the Buying Manager's name or of Big W's interest in his product. Write an offer letter explaining Mr. Carbone's needs and also a letter of reply from the Buying Manager of Big W Stores Inc.
- 2. Tung-Jai Sing, General Manager of Taipai Petroleum Company Limited, G.P.O. Box 8063, Kowloon, Hong Kong, requires to open new markets from the current established clients that have supported his company to the mantle of Asian Oil industry. Due to the recent success of exploration in the South China Sea, Mr. Sing believes that Australia will be a valued and emerging market for his company to target. So write a letter to his counterpart in Mr. Tom Mahar of North Shelf Refinery Ltd., 34 Blackman Road, Karatta, W.A. 6879, Australia. Mr. Sing should expect a reply.
- 3. Write a letter to a company from Allied Art Ltd. about the new acquisition of a large range of new stock, due to their takeover of Bronson Art International Ltd., another business in the local area. As a result of this expansion, the prices of the new and old stock will be reduced.
- 4. BDI Glass Industrial, Lot 4, 371 Hastings Drive, Denver, Colorado 35497, U.S.A., have just purchased a new die setting machine, which will now allow them to produce wine bottles, to add to their current main seller of soft drink bottles. Suppose you are Philip Bronston, the Marketing Manager, and you have to send out a notice to prospective clients or companies in the international market.
- 5. Mary Bilge has been asked to update the catalogue, something that has not been done in the last three years. As Ms. Bilge works for Korps Stationery Supplies, 45 Oxford St., London N.W.1., she needs to contact the Manager of Bunt Pens Ltd., 536 Balch Spring Road, Mesquit, Texas for the new range of stationery that they supply Mary's company. Help her construct this letter.

NOTES

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- 37. See Note 17.
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- 45.See Note 39.
- 46. See Note 8.
- 47. See Note 39.
- 48. See Note 8.
- 49. See Note 39.

CHAPTER 4

INQUIRY LETTER

Inquiry letters are sent to ask details regarding a certain product or service. This may also an inquiry regarding further information if there has already been a previous letter exchange done. Inquiry letters are usually short and brief. Letters of inquiry aims to seek information needed by a person or a firm. Sometimes, it can be simply sent via email. Especially for international communications, it is preferable to send letters via email. Signatures are just captured and attached in the signature area of the letter. With this method, communications are faster and easier. Though some answers to inquiries may not be directly answered by an email. An example could be, when a company asked for a brochure or a catalogue, this has to be sent by mail.

Letters of inquiry at some instances may also be referred to as request letters. Most inquiry or request letters are short. They can be sent by mail, telex, fax, or e-mail. It is necessary though that when you sent them, include information about what type of company you are and how you heard about the company that you are writing to. With this, the inquiry letter will be clear and understood. It may be written as an initial contact in a business transaction. Its objective is to introduce the writer and to ask a question or to open a concern that needs some specific response. A Letter of inquiry seems quite simple to write, but in actual practice it is not so. Sometimes it is so confusing that the recipient is almost embarrassed. Hence, be precise, direct and straight forward, otherwise the recipient might have to write back to ask you to explain things, or it is just possible your letter won't be read at all.¹

PRINCIPLES OF INQUIRY LETTER

Of all the types of international business letter, the most frequently used is the letter of inquiry. This letter seeks information such as the price of certain products, the details on operation of machinery, the construction of various models, details of financing or any other information of similar subjects. Inquiry letter can be classified into two kinds: (1) Solicited letter and, (2) Unsolicited letter:²

Solicited Letter

This is usually a response to an advertisement inviting the reader to write in for further information and details. The inquirer should be careful to include his address if he uses paper without a letterhead. Advertisers testify unanimously to the large number of requests which can never be granted because writers forget to include addresses.

Unsolicited Letter

In this letter, the writer takes the first step in asking for information. This letter is more complicated and much more in detailed. Since the writer is asking a favor, he should do his utmost effort to his inquiry easy to answer. This can best be achieved by making the questions as direct and specific as possible. Or if the inquiry content is long, he can make it easier by tabulating the questions or by using an arrangement in which they may be answered by "yes" or "no" or by checking. No writer of an unsolicited letter of inquiry should expect a complete stranger to spend several hours answering questions of a general nature; instead, he must phrase his queries so carefully that answering them in the shortest possible time. Courtesy demands that a stamp or self-addressed, stamped envelope should be enclosed if the inquiry is addressed to an individual or to a small firm; if it is sent to a large company with its own mailing department, the stamp should not be included because it will probably interfere with the regular mailing routine.

To help the reader to answer intelligently and easily, the well-planned unsolicited inquiry usually contains:

- A precise statement of the information needed or the problem involved. This should include:
 - -What is needed?
 - -Who needs it?
 - -Why is it needed?
 - A tabulation of questions or a reference to enclose questionnaire
 - An Expression of appreciation

To ensure getting the maximum amount of information from his letter, the writer of an unsolicited inquiry should:

• Ask few questions as possible.

• Phrase them so that they are clear, direct, and easy to answer.

• Where confidential information is requested, promise to keep it confidential.

• Try to send the inquiry at those seasons when the pressure of business is least heavy.

• If possible, stress the way in which the recipient will benefit by answering the questions.

With this given kinds of inquiry letter, we will be giving more details and concentration on the solicited inquiry letter.

The solicited inquiry letter or let's just simply say Inquiry Letter is written when you want to ask for more information concerning a product or service that interest you. The inquiry is often made in response to an advertisement that you have seen in the newspaper, a magazine or a commercial on television.³

There are rules to be observed in writing an inquiry letter in order to be clear and understandable, below are the rules to be considered.⁴

•Start with the question or questions you want to ask; your reader then knows right then what your inquiry is all about.

•Put your request in the form of a question, instead of a statement. Don't say, "I would like to know in what shades you can supply stockings." Say instead, "In what shades can you supply the stockings?"

•Make your inquiry short and direct to the point. Say what needs to be said and then stop.

If the inquiry is very short, like, saying it in one phrase or one sentence, you can use a postcard. In this regard, you may then omit salutation and complimentary close without seeming impolite.⁵

Guideline of Inquiry Letter

If the inquiry needs to be explained in more than two sentences then this should be written in a letter. In doing so, there are three parts that will serve as guideline in making a comprehensive inquiry letter: (1) The opening, (2) Asking for information, and (3) The closing.⁶

The opening

In this part, tell your writer what sort of firm you are, or how have you heard about them. You can even mention references to make it more credible. The opening will give the reader the idea where or who the writer is. A good opening will make the reader go further in reading the whole letter. The table below shows examples of opening phrases you can use.

Opening Guideline	Sample Phrase		
Tell what sort of firm you are	"Our company is under the Procter & Gamble Corporation, which specialize in the area of" "We are one of the main producers of silicon materials in France, and we are interested in making a business transaction with you"		
How did you hear about the firm	"You were highly recommended to us by Mr. Jollie McDon" "We were advised by AD company of London that you were interested in supplying arts materials"		
Use other references	"We were impressed by the selection of car accessories that were displayed on your stand at this year's exhibition" "Our associate in the production department speak highly of your machines and we would like to have more information about them"		

Ask for Information or Inquiry Proper

This part indicates what you want to inquire from your reader. It could be about a certain product, a catalogue or any details you need from your reader. There are several topics that can be under this inquiry letter part. The topics covered are indicated below. We will further discuss these topics in the following chapter of this paper.

- General Inquiry
- Inquiry of Details
- Catalogs and Price Lists
- Patterns and Samples
- Routine Quotations and Estimations
- Goods on Approval
- Suggesting Terms, Method of Payment and Discounts

The Closing

The closing part is important as you will be leaving an impression to your reader. This is usually short and simple phrase; however, this part shows your courtesy and if there is, your commitment to your reader. Below are examples of phrases you can use for the closing part.

Closing Guideline	Sample Phrase		
	"Thank you for your attention. We hope to hear		
	from you in the near future."		
Simple thank you or prompt reply	"Your prompt reply is appreciated."		
	"Prompt delivery would be necessary as we have		
	bulk of orders waiting to be delivered."		
	"If the product is satisfactory and up to our		
	standard, we will continue to place orders with		
	you."		
Indicate further business or state	"If the prices and quotes are competitive, we will		
terms and commitment	be your regular customer."		
	"Provided you can offer reasonable quotations,		
	we will place regular orders with you and we will		
	recommend you to our sister company."		

As these three parts of the inquiry letter may be a guideline in preparing the letter, the contents of each part will make the letter worth reading. The more comprehensive and clearer the inquiry is, the more suitable the answer will be received. It may also provide helpful business information and the chance to save money or to formulate a profit. ⁷

TOPICS OF INQUIRIES AND THEIR CORRESPONDING REPLIES

The Inquiry letter is the initial communication between two entity especially those who are engaged in business transactions. If the inquiry letter has been clear from the start, the reply will also be clear and will usually end with a contract or successful sale. The contents of inquiry will help in the initial understanding of business transactions. The contents will depend on three things: how well you know the supplier, whether the supplier is based in your country or abroad, and the type of goods or services you are inquiring about. This makes a difference on the way you approach the letter. There is a difference between asking an electronics company about the details of the installation of a new equipment and asking a computer company about the price of their latest laptop.

As inquiries are considered important, the reply is also as important. For every inquiry letter received, it demands the courtesy of an immediate answer. Guidelines in replying to letters of inquiry are further detailed below. Consider that since this is just a guideline, the respondent of an inquiry may not use all the steps given, maybe consider one or two (except opening and closing, as this part is a must for every letter) depended on the objective of the reply.¹⁰

- Opening In replying an inquiry letter, mention the prospective customer's name in the opening. Thank the writer for his inquiry. Mention the date of the inquiry letter and quote any references that appear.
- Confirm an offer of help Inform the inquirer as soon as possible if the product is available or if the service requested can be provided. It would be frustrating for the readers to read a long letter only to find out that the firm is unable to offer a help.
- *Sell your product* This part of reply is to persuade the prospective customer to make business transactions with the firm. The writer of the reply will include one or two of the product or service selling points, or even offer a guarantee.

• Suggest Alternatives – If the product inquired is not available, offer the inquirer an alternative. But make sure not to criticize the product he had initially requested.

• Refer to others – In some cases where the inquiry may not be handled or if the

product requested cannot be offered, the firm can refer the inquirer elsewhere.

• Provide inquiry request – The firm is able to provide the information, product or service asked by the inquirer. This maybe in a form of a letter or a slip or the actual request

(e.g. catalogue, brochure)

• Closing – Always thank the customer for sending the inquiry. The firm can also

encourage more inquiries.

There are several topics that will classify inquiries. Topics and corresponding replies

are discussed further below:

General Inquiries

Some inquiry letters received will not actually provide any benefit or if there is, only

little return for the firm. This case may be an inquiry that is asking for information they

needed for private or business research. For example, a senior college student may write to

an organization for information he wishes to include in a research paper; a professor may ask

a national magazine for a copy of an article appeared in a previous month issue; a CEO may

request information about employee-suggestion plan from the CEO of another company.

In general inquiry, the writer should clearly state the reason why the information

requested is necessary and why he has selected the reader as his source. The writer should

also state his awareness of the burden his request may incur and give his appreciation or he

can offer a give back to the company as a sign of his gratitude. It will be of benefit for the

inquiry to be replied if the writer will make an effort to be brief and clear so as not to waste

the reader's time. 11

Here is a sample letter contents of a possible customer requesting for assistance from

an organization inquiry. In some cases where the company would like to inform the writer

about the confidentiality of the files or information released, then a brief letter may also go

along.

Dear Sir/Madam:

I am a medium-sized business company starting to engage in an international trade for tiles distribution and sale. As part of my opening, I am currently looking for a good quality of tiles for distribution and sale.

Please let me know if you can supply the following items. If so, please quote your price with terms and conditions.

- 1. T03Beige 75X75
- 2. T03Blue 75X75
- 3. T03Green 75X75

On receipt of information, we may place an order with you for the above mentioned items.

Very truly yours, (Writer's Name)

Corresponding Reply

To provide the information the writer requested is sufficient to reply a general.

Inquiry of Details

This is usually triggered by an advertisement seen or read. In making this inquiry, the writer should indicate from where did he read or saw the advertisement and further ask for details. Aside from that, it will be of great help for the reader if you could indicate or quote references or department number if there are any given. The following data will help you when responding to an advertisement or read brochures and catalogues.¹²

Useful tips to consider in making an inquiry for details				
Responding to an advertisement	Ordering through a catalogue, brochure or prospectus			
- Specify the journal or the paper where you saw the advertisement, mention the date, and specify any given box number or department number	- Specify the given reference number.			
Example: Dept. TE-031; Box. No. 21	Example: Syl. No. B2456; Item no. 1234; Ref. No. 362			

Sample Inquiry Sentence:

"I am replying to your advertisement in the May Edition of "International Business Trade." I would like to know more about the training materials you may be offering for starters like me in line with International trade."

"I would like to have a complete details of the product no. TE256 shown in your brochure."

When the data above will be mentioned in your inquiry letter, the reader will be able to prepare and know right away on how and who will be responsible for the reply you need.¹³

Corresponding Reply

In replying this kind of inquiry, the firm may send you a letter explaining the details you need or it may also be in a form of a pamphlet or brochure. Some may even refer you to a website where the details of their product are displayed and given with corresponding details.

Catalogues and Price Lists

In requesting for a copy of catalogue and price lists, you don't need to provide a lot of information about yourself. This kind of request can be done through fax or even by email. However, you should not forget to include your address in your request letter. Here are some sample sentences of asking catalogue and price lists.¹⁴

Sample Inquiry Sentence:

"Could you please send the catalogues and price lists of your latest distributed furniture? We are interested in buying new styles of furniture for our customers."

"I am planning to come and have a further training regarding business trade, particularly, International Trade. I would appreciate your help in sending me details of your fees or any requirements needed."

Corresponding Reply

A written reply is not usually necessary for this kind of inquiry. Sometimes the requested catalogue and price lists will just be attached with a compliments slip. ¹⁵ In sending these items, the firm must inform the inquirer about any possible change in pricing. ¹⁶ It is also important to note that in providing the customers the catalogues requested, the catalogue plays an important role in the company especially in the promotion period and placing of orders. The catalogue may also act as an advertisement. Though printing catalogue are expensive, business organizations are still accepting the release of it because items or products are better illustrated in catalogues. Thus, the firm needs to give attention in preparing an attractive catalogue. Below are indicators of a well-prepared catalogue: ¹⁷

- It has index that will classify the different classes of products sold.
- It has included illustrations in colored print.
- •It contains written descriptions of the items and well defined technical terms used.
- It has a clear statement on the set up of the condition of sale, delivery and payment.

For goods that are standardized, the catalogue is often replaced by a Prices Current. (Prices Current is a periodical list showing the prices prevailing on the date of issue. It represents the approximate prices at which the supplier is prepared to sell). Price Current should not be confused with a Price List- a list of prices, usually manufactured goods, intended to remain in force for a period of time, and representing the actual prices.¹⁸

Patterns and Samples

Before placing an order, you might want to see what materials or item looks like. Most suppliers are willing to provide samples or patterns that you can make a selection with. There are some cases that supplier may ask you or invite you to visit their showroom instead.

Or they will send a representative to explain the details to you. This is especially for machineries.¹⁹

This letter will have to be short, but it must be precise and clear on what the he is inquiring for.²⁰ An example of this request letter is as follows:

Dear Sirs:

We have seen your advertisement in the Index Home magazine (Italy) and should be glad if you could send us samples of your tiles that are appropriate for Living Area.

Thank you.

Very truly yours,

Sample Inquiry Sentence:

"Before distributing new toys to our worldwide sellers we prefer to test them for safety. Could you therefore send us at least two examples for each toy?"

"We would appreciate if you could contact your distributor branch here in Milan to send some samples of the materials so that we can examine the texture and quality."

Corresponding Reply

A firm that will receive a request for patterns and sample is a great opportunity to present his products. The reply will draw the attention to the good qualities of their product. However, the firm has to be very careful not to overstate his statement about his product because under English law goods supplied must correspond in every respect not only with sample submitted, but also with the description supplied with the sample.²¹

Corresponding Reply

A firm that will receive a request for patterns and sample is a great opportunity to present his products. The reply will draw the attention to the good qualities of their product. However, the firm has to be very careful not to overstate his statement about his product

because under English law goods supplied must correspond in every respect not only with sample submitted, but also with the description supplied with the sample.²²

Here is an example of reply to this kind of request:

Dear Sirs:

We refer to your inquiry dated 12th July about our tile samples. We have contacted our distributor branch in Milan, which I believe is close to your area, to provide you with a wide selection of our best selling and recommended tiles. Included therein is the price. All of which we can supply from our stock.

Costs have been rising steadily lately, but we have not yet raised our prices, but may have to do so in the coming months. If you could place your orders earlier than September then you can still avail of the original price.

Thank you.

Very truly yours,

Goods on Approval

There are some instances where wholesalers and retailers want to see how a line will sell before placing an order with the supplier. This can be done by requesting goods on approval on a sale or return basis. Either way, the supplier would have to know the customer well would want trade reference. The supplier must also place a time limit on when the goods must be returned or paid for.²³

A customer who will receive the goods on approval must return the goods within the allotted time. If not then, it is assumed that the customer have bought it and cannot compel the supplier to take them back. If the customer decides not to keep the goods, then he must inform the supplier right away. When a supplier sends for inspection goods not requested for, the customer is not obliged to buy them or to return them. However, he must take care of the goods until the supplier gives instructions as to disposal. Here is an example of a letter requesting for goods on approval:²⁴

Dear Sir/Madam:

Several of my customers have recently expressed an interest in your remotecontrolled window blinds, and have enquired about its quality.

As we are a wide distributor of window blinds both in Asia and in the Pacific Area, if quality and price are satisfactory, there are prospects of good sales here. However, before placing an order I should be glad if you would send me on 20 days' approval a selection of your remote-controlled window blinds. Any of the items unsold at the end of this period and which I decide not to keep as stock would be returned at my expense.

I hope to hear from you soon.

Very truly yours,

Corresponding Reply

The supplier may send a reply seeking for protection by asking for references. This is usually done when the writer of the request is new to the supplier. The supplier may request for a returnable deposit or a third-party guarantee. It is important to safeguard oneself and yet not to offend customers by implying lack of trust. A good reply for the request letter given above could be:²⁵

Dear Mrs. Brown:

I was very pleased to receive your request dated 1 April for remote-controlled window blinds for approval.

As this is our first time to do business together, may we request if you could send either the usual trade references or the name of a bank to which we may refer. If these details are satisfactorily settled, we shall be glad to send you a selection of the items.

I sincerely hope that this will be a beginning of a long and pleasant business association with you.

Sincerely yours,

Once the satisfactory references are received, the supplier sends a confident, direct and helpful letter. In the reply letter written below, the supplier mentioned about the low prices to dispel any suspicion the customer may have that goods are of low or poor quality.²⁶

Dear Mrs. Brown:

I have now received the references we require from you. We are more than pleased to send you a good selection of our remote-controlled window blinds as requested in your letter 1 April.

The selection includes several new and attractive designs in which qualities have been approved by a special process.

We are also pleased to inform you that since we are in promotion for these new items, the price is placed at 20% lower than its original price. You can avail of this discount once you place your order after the testing period.

I hope this first selection will meet your requirements. If you would like a further selection, please do not hesitate to let me know.

Sincerely yours,

As a good customer, it is also good to send a letter to inform the supplier about the goods to be kept and enclose the payment.²⁷

Dear Mr. Richard:

This is in reference to the selection of remote-controlled window blinds you've sent for approval.

The price and quality are both satisfactory and I have arranged to keep the items you initially sent. An attached cheque for 25,000 baht is enclosed in settlement.

Thank you for the prompt and considerate way in which you have handled this transaction.

Sincerely yours,

Routine Quotations and Estimations

A request for quotation usually is sent when a certain buyer has an interest in buying good. A quotation contains details of the price at which a certain goods are available. It also contains a description of the goods and at times, the definite price. The insurance to be paid and the freight terms are also mention in a quotation.²⁸

A quotation is not an "offer" in the legal sense that it is a promise to supply goods of the terms stated. If the seller provided a quotation and later decides not to sell, the buyer has no legal remedy. But in real life situations, a supplier will not risk his reputation by providing a quotation and then eventually abolish it.²⁹ Estimates are quotations to complete a job, e.g. putting a new door on a factory of installing a machine.³⁰

When a buyer request for a quotation and estimates, he must be careful to protect himself by clarifying whether the prices placed in the quotation are to include additional charges as carriage and insurance. Failure to clarify this matter may lead to serious disagreement, especially when the other charges are extremely high to pay.³¹

Here is an example of a letter requesting for a quotation

Dear Sirs:

I would like to request for a quotation for silicon used in automobile keypads with the following park number:

K0A11164B - 100,000pcs. K0A50473A - 200,000pcs.

We require the keypads be appropriate to use for Mercedes Benz and Ford. It is appreciated if you could state your prices, including delivery at our works, and give us samples. Delivery would be required within three weeks from order date.

Thank you.

Very truly yours,

• It explains what the keypad is for (This will help the supplier to quote for keypads of the right quality).

- It states the approximate amount required (This is important because it will affect the quantity upon price).
- It states when delivery is required (This is important condition in any contract for the purchase of goods).
- It eliminates any doubts as to what the price is to cover.

Corresponding Reply

A good reply for request of quotation is to send it promptly. For some firms, they send quotation reply on the day of inquiry itself.

Here is a reply for the above sample request letter:³²

Dear Sirs:

Thank you for your inquiry. As requested, here is the quotation and enclosed are samples.

K0A11164B - 100,000pcs. - @ \$1.3/pc - \$130,000 K0A50473A - 200,000pcs. - @ \$1.2/pc - \$120,000

These keypads are of good quality and quite suitable for both Mercedes Benz and Ford. We guarantee you that of the high quality of these items.

We can promise delivery within one week from receiving order and hope you will find both samples and prices satisfactory.

Very truly yours,

In providing quotations, quotations may be subject to conditions of acceptance. It may also come in a tabulated form.

• Quotation Subject to Conditions of Acceptance

Conditions may vary with the circumstance and the type of business. It is related to a stated time which the quotation must be accepted or to goods of which suppliers are limited and cannot be repeated.

The supplier should make it clear if the goods are limited supply or when offering the same goods to more than one buyer, that he is offering them subject to their being available when the order is received. Here are some sentences used in stating a condition:

Sample Condition Sentence:

- "This offer is valid within ten days."
- "For acceptance within five-working days."
- "This offer apply only for so long as stocks last."
- "The prices will change after the 5th of September."

• Quotations in Tabulated Form

Quotations are either tabulated or prepared in forms. The advantage of a tabulated quotation is that it is clear and presents its information in a readily understood manner. Another one is, it is complete since the important information is not omitted and if ever it is omitted, it can easily be spotted. In providing a quotation in either tabulated or in form type, a cover letter should be written. The covering letter should will contain:

- A thank you to the inquirer.
- Give good comments on the goods.
- Draw attention to other products that will interest the buyer.
- Encourage for another order.

Example of a letter with an enclosed tabulated quotation:

Brightlight Co., Ltd.

125 Queen St, FOB 1734, Auckland, New Zealand Tel: +64 9-3793777 Fax: +64 9-358-3383 Email: learn@english.co.nz Web: www.english.co.nz

March 23, 20--

C&W Company 2346 Brunn am Gebirge Austria

Dear Sirs:

Thank you for sending your inquiry regarding our tiles. We are pleased to send you our quotation for the tiles you have specified. The quotation includes the tiles which we can deliver from our stock immediately and also, tiles that may be delivered later (dates of delivery are approximate). But we will assure you that the delivery will not exceed two months.

All items we have quoted are made from very best quality tiles and can be supplied in a range of designs and colors wide enough to meet your requirements.

We look forward to receiving your order. We also enclosed a copy of our catalogue as we feel you may be interested in some of our other designs. The catalogue will give you all essential facts about our distributed tiles. For any other query, please don't hesitate to contact us.

Enclosed here is the quotation as you've requested.

Very truly yours,

V. Moresno

V. Moresno

Tabulated Quotation

Registered No. 125689 Thailand

Ad Ttiles Company Samsen, Bangkok, Thailand

Telegrams: Tiles Thailand, QA54 A77

Directors: Telephone:

A. Dorothy (Managing)

02-123456

A. Deborah, C.E.O.

Cassai Brent & Co 15th November 20--15 Leber Avenue Milan, Italy

Reference No.	Description	Delivery (approx.)	Quantity	Price (\$)
TE123	75X75 Beige	15 Dec. urgent	100pcs	5.00
NE001	60x60 Parquet	15 Jan. 2014	300pcs.	7.00
NE002	60x60 Marmol	15 Jan. 2014	300pcs.	7.50
TE500	30x30 Blue	15 Dec. urgent	200pcs.	5.00

For acceptance within 28 days

Delivery: FEDEX

Terms: 5% one month; 3 % two months

for AD TILES COMPANY

V Moreno

V. Moresno Secretary

Suggesting Terms, Method of Payment and Discounts

These items may not be directly requested by the inquirer, these are usually provided by the firm who is replying for an inquiry of product or service. After mentioning about the details of products or service, then comes the terms, method of payments and the provided discounts if any.

Corresponding Reply

Fixed Terms and Negotiable Terms

In sending a reply, the firm may quote terms in two ways: by stating your price and discounts without leaving room for negotiation, or by stating that the customer could write again and discuss about it. ³³

Method of Payment

The firm may require or at least suggest any of several methods of payment. It may be by letter of credit, bill of exchange, payment by cash, etc. ³⁴

Discounts

Manufacturers and wholesalers, at times, provide discounts to be deducted from the net or gross price. They can provide trade discounts to sellers in similar trades, or a quantity discount for orders over a certain amount. Some may give cash discount if payment is made within a certain time, e.g. 3 days.³⁵

Request for Concession

This kind of request is given when:

- The customers ask for good that are no longer available.
- Requesting for special terms.
- Requesting for sole distribution rights, this request should be handled carefully to avoid giving offence or losing business.

Here is an example of a request asking for sole distribution rights.³⁶

Dear Sir/Madam:

We are the biggest and widest distributor of home appliances and office equipment and accessories here in Asia and in Asia Pacific. We have currently opened a new branch in New Zealand.

We are particularly interested in your remote-controlled window blinds and should be glad if you could send us your trade catalogue and terms of sale and payment.

Your products are not yet offered by any other dealer in our area. And if we decide to introduce them we should like to request a sole distribution of your product.

I hope to hear from you soon.

Very truly yours,

Corresponding Reply

Replies given to requests on concession depends upon the writer tend to ask. In the example given above, requesting sole distribution right above, the supplier has the option to accept or to decline the request. Here is a reply for declining the request:³⁷

Here are some guidelines you can consider to be able to get the attention of your reader:³⁸

Dear Mr. Sanderson:

Thank you for your letter of 15 October enquiring about our remote-controlled window blinds.

As this is a new released product of our company, we have made an effort to make it one of the best blinds available. With this reason, the manufacturing cost is higher than that of the materials used in the regular blinds. We then, would like to keep down the manufacturing costs, I am sure you will understand that an increase in sales would be a big help in keeping the cost down.

To increase the sales, we must open the distribution as many outlets as possible. Our current dealers are satisfied with their sales under this arrangement, and it is working well.

We are looking forward to receiving your orders soon, and will be glad to include your company name in our list of approved dealers, with your permission.

I look forward to your kind reply.

Sincerely yours,

FOLLOW-UP LETTERS

Follow up letters are also an important area in business correspondences. This is one way of pursuing after a customer or a supplier. Creating one good follow-up letter will yield into grant of request (for an inquirer) or additional sales (for a supplier).

From the Inquirer

There are times where you have to send more than one request letter. Sometimes the reader of your request letter may not be interested or his attention was not caught by your request at all. He may have read it but from his point of view, this request is not necessary to be replied to. With this, you have to make a follow-up letter and persuade your reader to reply and to do what you ask for. That's why this kind of letter is also called the persuasive letter (you persuade your reader to respond to your request). Present some facts if possible to show that your request is useful to others even if it does not have direct benefits to them. Here are some guidelines you can consider to be able to get the attention of your reader:³⁹

(1) Start with catching the reader's attention

- Draw your reader's attention to an opening emphasizing his point of interest. In this way the reader will continue to read on because he wants to know what is in the letter for him.
- Relate the rest of the letter with the getting attention sentence in the opening. Don't exaggerate and don't give foolish questions.
 - Work out for stating the request. Don't begin directly with the request.
- A question is a good attention-getter. When posting a question be sure that it is not to be answered with just yes or no, you want your reader to pause and think about it.

(2) Provide a background about your request

Try to give a good explanation why you are sending the request. State how the reader will benefit or others will as well. Develop a request letter that your reader will eagerly grant your request.

(3) State the request

Make the request clear and specific. Let your reader identify what you really want to get from him.

(4) End with a polite action close

Tell politely about the action you want your reader to do.

From the Letter Receiver or Supplier

Follow-up letters may not only come from the inquirer but from the suppliers as well. If letters or requests were already sent and the supplier has not received any feedback even after an acknowledgement from the inquirer, then a follow-up letter should be sent. For firms who really mean business will not just allow a matter to sit but will make a way to finish a transaction done initially.⁴⁰

Especially for those request you've received asking for quotation and prices, they are a prospective buyers. It is then essential to send a follow-up letter for those who have not been responding for a long period of time. If you have mentioned about a discount or lower price in your initial quotation and letter, remind them of the impending lost they will get if they will not to reply to you right away.

PRINCIPLES OF INQUIRY LETTER WRITING

Among the types of international business letter most frequently received is the letter of inquiry. Transactions will in most cases be found to begin with an inquiry for prices. This letter seeks information such varied matters as the price of products, the details of products, the mode of payment, transportation and insurance. ⁴¹

In a letter of enquiry state simple, clearly and concisely what you want-general information, a catalogue or price list, a sample, a quotation, etc. Buyers who write inquiries are just as eager to have answer. They want to receive the information quickly before they lost interest or decide to buy elsewhere. Whenever possible, therefore, a reply is written the same day the inquiry is received. Enquiries in briefly take the form of fax or telephone requests for information. For fuller enquiries, write a letter. The products required should be described in detail if the buyer is quite clear on the subject of his needs.

An enquiry must be acknowledged in terms that establish good will if an immediate sale is not possible. Inquiry letters should be brief, specific, and complete as possible. Assume the person you write to is busy and thus prefers short and specific inquiry letters that don't waste his time or require further clarification.

The reply of inquiry letter should be clear, concise, and easy to read. When you write a reply to an inquiry, express appreciate for inquiry then please the customer with specific and complete to all his questions. Make the letter clear, attractive, friendly conversational. Try to hold the customer's interest by favorable comment about the products. Letters of inquiry will naturally vary with the product concerned. When customers ask for information, generally they expect it will react favorable to their request. When you reply to a letter of inquiry, do so according to these principles: politely, promptly, personally, specifically, appreciatively, and enthusiastically.

A prospective buyer in a foreign country usually begins a transaction by asking if a particular product is available and at what price. A letter of inquiry is usually the first communication in the procedure which ends in a contract for shipping. A contract for shipping is a business transaction in which the buyer agree to buy and the seller agrees to sell at a definite price. Enquiry letters deal with the following topics:

- A general enquiry
- Inquiry of details concerning products
- Asking for a discount and other information

- A first enquiry for products
- Request for price list
- Request for prospectus
- Request for samples
- Request for goods on approval
- Request for clarification of terms

INQUIRY EXPRESSION

Opening

- With reference to your advertising in the last week's Illustrated Cosmetic Week, please send us your catalogue and price list.
- We are interested in buying/ importing from your company in the future, could you
 please provide further details for this request.
- We are interested in your new style of garments, but we require your terms of payment.
- We have heard of your products...
- I read your advertisement.

Body

- The information is not sufficient, we should appreciate more details; price list, sample and payment.
- Please send us some samples of your products and a price list. We would also like to have more details.
- We need your catalogue, showing us the range of your stock.
- Please quote your best price and terms of payment for your products. If you offer a
 competitive price to meet our quality expectation and our consumer's approval, we
 would like to have regular orders with your company.
- We would be obliged if you could provide these details, together with an updated price list.
- Could you please quote your prices as low as possible.

- We would be very much obliged if you could inform us...
- We would be pleased to hear from you concerning...
- I would be very grateful if you could explain me...
- I wonder of you could give me some information about...

Closing

- We should be obliged for a reply at your earliest convenience.
- Thank you in advance, for any information please contact immediately.
- An early reply would be appreciated.
- We look forward to receiving your catalogue, price list, quotation, response as soon as possible.
- We hope you can deal promptly with this request.

INQUIRY-REPLY

Opening

- With reference to your letter dated 23rd February 2016, we wish to inform you that...
- Thank you for your inquiry of 22nd July.
- In reply to your letter of...... we are glad to inform you that...
- With reference to your letter dated...... we are pleased to confirm that...
- We are pleased to inform you that...

Body

- We enclose a price list of our...... together with samples for your consideration.
- We are certain that we are offering a sound article at a moderate price, and we according look forward to your advice at your earliest convenience.
- The prices quoted are exceptionally low when compared with our competitors.
- Enclosed you will find a sample.

- In reply to your request, we are willing to allow you an extra discount of 20% on this order.
- We have enclosed a price list of our product, together with samples for your consideration.
- We enclose a catalogue of different kinds of handbags, together with two dozens handbags of samples.
- We are sorry we are unable to meet your request.
- We are glad to learn from your letter that you are interested in our product range.
- I regret that I cannot give you more complete information.

Closing

- We are ready to furnish you further details, if you require.
- We should be very grateful if you would....
- We ask you.....
- We will be pleased to send you more information upon your request.
- Please do not hesitate to contact us if you require further information.

EXAMPLES OF INQUIRY LETTER

Situation 1: The General Manager of Great Central Ltd., Australia, is about to place an order for 15 million tons of high-grade iron ore from BHP Ltd., Argentina. Help the General Manager write a letter to BHP requiring the **terms of delivery** policy, including; the forwarding agent, customs clearance, the mode of delivery, date of expected delivery and the insurance costs, before he can place this order.

Great Central Ltd.

Suite B, 46 Bryants Road, Loganholme, Queensland, Australia Phone: 61 -7- 3806 5588 Fax: 61 -7- 3806 5599

> Email: great@central.com.au Email: greatcentral@business.co.au Website: www.greatcentralltd.co.au

Facebook: www.facebook.com/GreatCentralLtdAustralia/

July 23, 20--

BHP Ltd., San Jose 1516 B1651GGD-San Andres Argentina, U.S.A.

Dear Sir:

We are planning to place an order of 15 million tons of high-grade iron ore to your company. But prior to that, we would like to request for the terms of your delivery policy which should cover the following details:

- Forwarding agent
- Custom clearance
- The mode of delivery
- Date of expected delivery
- Insurance costs

We would be grateful if you could provide these details promptly.

Very truly yours,

Barry Jones

Barry Jones General Manager

Reply Situation 1:

BHP Ltd.

San Jose 1516, B1651GGD-San Andres, Argentina, U.S.A. Telephone: 1-423-265-0307 Fax: 1-423-265-9030

Email: bhpltd@business.com Website: www.bhpltd.com

Facebook: www.facebook.com/BHPLtdUSA/

July 29, 20---

Mr. Barry Jones General Manager Great Central Ltd. Suite B, 46 Bryants Road Loganholme, Queensland Australia

Dear Mr. Jones:

We have received your letter requiring us to send you details of delivery before placing your order with us. We are more than willing to supply them for you.

Please find the attached forms and documents containing the following:

- Forwarding Agents Name and Contact details
- Custom Clearance Certificate and Form
- Terms of delivery policy which details the mode of delivery, date of expected delivery and the insurance cost.

Kindly let us know if this provided document and forms are sufficient. For further information, don't hesitate to contact us again.

Thank you and we look forward to your orders soon.

Sincerely yours,

John Gray

John Gray

Situation 2: Freight charges vary so much, as Gerber Shetzen, Marketing Manager of Amsterdam Beer Supplies knows. An upcoming promotion by the beer company is giving away many prizes and gifts. So Mr. Shetzen is inquiring into the freight charges for his order of 250 x 18" racing bicycles from Eastern Cycles, Shanghai, hoping that they will not be extravagant, so he can keep his promotion down to his budgetary requirements. Write this letter.

Amsterdam Beer Supplies

22 Shorncliffe Road, Unit 3, Toronto, Ontario, Canada Phone: (416) 233-1900 Fax: (416) 233-1915

Email: Amsterdam@beer.com Website: www.Amsterdambeer.com

Facebook: www.facebook.com/AmsterdamBeerSuppliesCanada/

March 12, 20--

Eastern Cycles Shanghai Office, Apong Building 3D 585 Ling Ling Road Shanghai, China

Gentlemen:

Our company has an upcoming promotion, and we are very interested in using your bicycles as prize giveaways for this competition.

We are interested in importing 250 x 18" racing bicycles from your company in the near future. However, we are very much concerned with two things. One is the cost it will incur for the delivery. Please let us know the amount of the delivery.

Another thing is, we would like to gain your permission to use these bicycles in our promotion, and as this will be free advertising for your company's products, we are hoping that you will not object to this proposal.

We greatly appreciate your help to us in providing these details.

Yours very truly,

Gerber Shetzen

Gerber Shetzen Marketing Manager

Reply Situation 2:

Eastern Cycles

Shanghai Office, Apong Building 3D 585 Ling Ling Road, Shanghai, China

Phone: (8621) 6486 8877. Fax: (8621) 6469 1116 Email: easterncycles@business.co.ch Website: www.easterncyclesch.co.ch

Facebook: www.facebook.com/EasternCyclesChina/

March 19, 20--

Mr. Gerber Shetzen Marketing Manager Amsterdam Beer Supplies 22 Shorncliffe Road, Unit 3 Toronto, Ontario Canada

Dear Mr. Shetzen:

We have received your letter regarding your promotion. We would like to congratulate you for this promotion activity. This is a big event to look forward to.

As per your inquiry, please find the answers here:

1.) Cost of the Freight Charges

The price will be dependent on the number of bicycles to be shipped. If the items are less than 5, the freight cost is \$650 for 5-10 items, the cost is \$1,000 For more than 10 items, it has to be negotiated with the forwarding agent.

2.) Permission to use the bicycle for promotion

This is great news for us! We are more than happy to allow you to use our bicycles for promotion. In this case, we can offer you a discount of 15% per bicycle in exchange for the free promotion and advertisement you will do us.

We hope that we were able to provide you with the information you need. For any further details, please don't hesitate to contact us again.

Thank you very much and we hope for the success of your promotion activity.

Sincerely yours,

Casey Ford

Casey Ford

Situation 3: Harold Walters, purchasing officer for Eastern Meat Supply Ltd., Hong Kong is inquiring into the **insurance policy** for an international shipment of beef from LJ Hooker Ltd., Sydney. Mr. Walters needs to be insured for all risks of physical loss or damage, including; theft, pilferage, spillage, pirating and hijacking, fire, environmental damage and non-delivery during the delivery of his order. Please write Mr. Walters' inquiry letter for him.

Eastern Meat Supply Ltd.

705 Castle Peak Rd., Lai Chi, Kowloon, Hong Kong Tel: 852 24936991 Fax: 852 24936965

el: 852 24936991 Fax: 852 24936965 Email: easternmeat@business.co.hk

Website: www.easternmeatltd.co.hk, Line: 852 24936888 Facebook: www.facebook.com/EasternMeatSupplyLtdHK/

May 2, 20--

LJ Hooker Ltd. 49 Winbourne Road Brookvale, Sydney Australia

Dear Sir:

I would like to request for the insurance policy of your company, before I place our company's order of 1250 kg of prime beef.

Please consider that we are requiring to be insured for all risks of physical loss or damage, including; theft, pilferage, spillage, pirating and hijacking, fire, environmental damage and non-delivery during the delivery of this order.

An early reply would be appreciated before we can organize this order.

Very truly yours,

Harold Walters

Harold Walters Purchasing Officer

Reply Situation 3:

LJ Hooker Ltd.

49 Winbourne Road, Brookvale, Sydney, Australia Phone: (02) 9938 3244 Fax: (02) 9939 2972

Email: ljhooker@hook.co.au Website: www.ljhookerltd.co.au Facebook: www.facebook.com/LjHookerAustralia/

May 9, 20--Mr. Harold Walters Purchasing Officer Eastern Meat Supply Ltd. 705 Castle Peak Rd., Lai Chi Kowloon, Hong Kong

Dear Mr. Walters:

This is in reference to your letter requesting for the insurance policy of our company.

As per your requirement, we are more than pleased to inform you that our company has been operating with an insurance policy that covers all risks. As there is a confidential part of the document, I am enclosing a part of the insurance policy we are currently into. This signifies the coverage of the insurance.

We hope that we were able to answer your query and have given you peace in making a business transaction with us. We assure that of the high quality of our products. Along with the insurance policy, I am also attaching the brochure of the product we offer, you might be interested to order other goods aside from beef.

Thank you and we look forward to receiving your order soon.

Sincerely yours,

Roy Renwick

Roy Renwick

Situation 4: Paul Radison, Purchasing Manager for Billiton Office Supplies, Scotland is inquiring into the supply of 45 x XJ 564 Canon Copiers that he ordered previously, from Canon (UK) Ltd., London, but they were out of stock. Help him write this inquiry letter in to the availability of these items for his next order or to any similar adjusted alternatives that can be made.

Billiton Office Supplies

Historic Scotland, Longmore House, Salisbury Place, Edinburgh, Scotland Tel: 01494 565180 Fax: 01494 565487 Email: billitonoffice@supplies.co.uk Website: www.billiton.co.uk

Facebook: www.facebook.com/BillitonOfficeSuppliesUK/

May 13, 20--

Canon (UK) Ltd. 52 Stroud Green Road London N4 3EF England

Dear Sir:

I am inquiring into the supply of 45 x XJ 564 Canon Copiers that were out of stock in our preceding order.

We are requesting the availability of these goods for our upcoming order or to any other similar stock you have in stock, as we need to fill our own orders urgently.

We hope you can deal promptly with this request.

Very truly yours,

Paul Radison

Paul Radison Purchasing Manager

Reply Situation 4:

Canon (UK) Ltd.

52 Stroud Green Road, London N4 3EF, England Tel: +44 (0) 20 72724889 Fax: +44 (0) 2072814662

Email:canon@(uk).co.uk Website : www.billiton.co.uk

Facebook: www.facebook.com/BillitonOfficeSuppliesUK/

May 19, 20--

Mr.Paul Radison Purchasing Manager Billiton Office Supplies Historic Scotland Longmore House, Salisbury Place Edinburgh, Scotland

Dear Mr. Radison:

This is in reference to your letter regarding the 45 x XJ 564 Canon Copiers you have initially ordered. Again, we apologize for the inconvenience that caused you due to its unavailability.

Unfortunately, as of to-date, the 45x XJ 564 Canon Copiers are still out of stock in spite of our constant communication with our supplier to provide us once the items are available. But, we are sorry to tell you that we have not received any update from our supplier.

We would like to suggest an alternative for this. We have the "Image Runner Advance C5045" model which is closely similar to 45 x XJ 564 except for the enhance features which you can read from the brochure attached herewith. Since this is a newer model, the price, however, is higher. There is a cost difference of \$250. If you would agree to put your order for this new model, we can give you a 10% discount from the total price.

Kindly let us know about your decision regarding the alternative model. Should you need more details, please don't hesitate to inform us.

We would like to keep you as our customer and we value our transactions professionally.

Thank you very much.

Sincerely yours,

Andrea Stoney

Andrea Stoney

Situation 5: The Manager of Samuels Shipping Company, Perth, Australia, is requesting **product information** about nylon ropes from Jannagu Moorings Ltd., Singapore. Write this letter for the manager that outlines his needs; the sizes, elasticity tensions and lengths of the full range of ropes that they have in supply.

Samuels Shipping Company

Floor 165 Adelaide Terrace, East Perth WA 6004, Australia

Telephone: (08) 9421-1100 Fax: (08) 9421-1022 Email: samuelshipping@company.co.au Website: www.samuelshipping.co.au

Facebook: www.facebook.com/SamuelsShippingCoAustralia/

April 22, 20--

Jannagu Moorings Ltd. 22 Pasir Ris Farmway II Singapore

Dear Sir:

We would be very grateful if you could provide information regarding the nylon ropes that your company supplies.

We request information about the following: - sizes, elasticity tensions, and lengths.

We hope you can quickly respond to this request.

Very truly yours,

John Osborn

John Osborn Manager

Reply Situation 5:

Jannagu Moorings Ltd.

22 Pasir Ris Farmway II, Singapore Tel: (65) 6581 3688 Fax: (65) 6581 3735

Email: jannagu@mooring.co.sg Website : www.jannagumoorings.co.sg

Facebook: www.facebook.com/JannaguMooringsLtdSingapore/

April 29, 20--

Mr. John Osborn Manager Samuels Shipping Company Floor 165 Adelaide Terrace East Perth WA 6004, Australia

Dear Mr. Osborn:

We have received your letter inquiring about our nylon ropes. We are more than willing to provide you with the information you need.

Just for a short introduction, we are the leading nylon supplier here in Singapore. We were awarded as the no.1 Nylon Company in this year's "Business Yearly Award." We only offer the best and world class nylon ropes. Be rest assured that our ropes are tested and of high quality.

As per your query, we have enclosed our latest brochure in which I am sure you can find the answers to your questions. The nylon ropes can be seen on pages 10-20 of the brochure. The complete description of each rope is also specified therein. We also offer other products as you may see in the brochure which you might be interested in looking into it.

Kindly let us know if this information is enough. Should you need more details, we are willing to give you answers and offer our best assistance.

Thank you and we look forward to hearing from you again.

Sincerely yours,

Earle Spencer

Earle Spencer

Situation 6: Write a letter for Mr. Joan Barry of Strickers International Ltd., England, about the availability of a **discount offered** when ordering in bulk quantities, from the Manager of Buick Inc., New York. The letter should include information for the trade discount rate and the required quantity to be ordered to qualify for any discount.

Strickers International Ltd.

155 Johns Road, Newbold, Chesterfield, Derbyshire, England Tel: 01246456676 Fax: 01642 240115

Email: strickersint@company.co.uk Website: www.strickersinternational.co.uk

Facebook: www.facebook.com/StrickersInternationalLtdUK/

June 14, 20--

Manager Buick Inc. 57 East 57th Street New York, U.S.A.

Dear Sir:

I would like to request for discount information, as I am interested in placing a bulk order with your company.

I am hoping that you provide this service, and if you do, could you please provide the rate of discount, as well as the quantity that needs to be ordered to qualify for a trade discount.

I would be very grateful if you could provide these details at the earliest possible time.

Very truly yours,

Joan Barry

Joan Barry

Reply Situation 6:

Buick Inc.

57 East 57th Street, New York, U.S.A. Tel/Fax: 212-989-2533

Email: buickinc@business.com
Website: www.buickinc.com
Facebook: www.facebook.com/BuickIncUSA/

June 20, 20--

Ms. Joan Barry Strickers International Ltd. 155 Johns Road, Newbold Chesterfield, Derbyshire England

Dear Ms. Barry:

Thank you for sending your letter and inquiry. We are happy to let you know that we are giving discounts for bulk orders given to us.

For more information about the discount policy, here are the details:

Quantity	Discount (%)
100 - 250	3%
251 - 350	5%
351 - 500	7%
500 - 800	10 %
800 - 1000	12%
> 1000	15%

We hope that we have provided you with enough information you need. For further details, please don't hesitate to contact us again.

Thank you and we look forward to receiving your orders soon.

Sincerely yours,

William Kiesler

William Kiesler

Manager

Situation 7: Joe Senguetti of Empori Fashions Ltd., Milan, is **requesting samples** of the full range of fabrics that J.W. Singh and Sons Ltd., Mumbai, India, offer. Also, can they provide design samples of each of their main lines, so Mr. Senguetti can do a survey for his outsourcing requirements. Write this letter outlining this information.

Empori Fashions Ltd.

Milan Agenzia Ebraica 35, Moltecucoli 20148, Milan, Italy

Telephone: 0039 - 02 - 8057691 Fax: 0039 - 02 - 72002226 Email: emporifashions@company.com

Website: www.emporifashionsltd.com Facebook: www.facebook.com/Empori FashionsLtdItaly/

April 23, 20--

J.W. Singh and Sons Ltd. 3467 Bourolesi, Mumbai India

Dear Sirs:

It is that time of year when I am required to do my outsourcing surveys, and I was wondering if you could provide samples of the full range of fabrics that you supply. Off cuts or a sample book would be sufficient.

Also, I am requesting the availability of design samples of your more popular fabric lines.

I would be very thankful if you could send these samples to us before we place our next order.

Very truly yours,

Joe Senguetti

Joe Senguetti

Reply Situation 7:

J.W. Singh and Sons Ltd.

3467 Bourolesi, Mumbai, India Phone: +91 (22) 6777 9000 Fax: +91 (22) 6777 9001

Email: jw@singh.co.in Website: www.jwsinghandsons.co.in Facebook: www.facebook.com/JWSinghAndSonsIndia/

April 29, 20--

Mr. Joe Senguetti Empori Fashions Ltd. Milan Agenzia Ebraica 35 Moltecucoli 20148 Milan, Italy

Dear Mr. Senguetti:

We have received your letter requesting for the samples of our fabric lines. We are willing to provide the samples including our popular fabric lines.

Please find here attached the brochure of all our fabrics available as well as their descriptions and pertinent information. As for the samples, our dispatch department is currently working on it for shipment. It should be available and ready for shipment by Friday. It will take one week of shipment. So if without any risk or unavoidable circumstances, you should be receiving the samples by Saturday, 10th May 2016.

Thank you very much for your interest to see our samples. We will provide you with further information if the brochure will not suffice your query.

We look forward to receive the orders from you soon.

Sincerely yours,

Edward Jones

Edward Jones

Situation 8: Mr. Peter Forrest, Manager of Seismic Supplies, England, is wanting to place an order with Raythburnz Industries, Germany, for 125 x 600m rolls of copper wiring, but as it is his first order with this company, he needs to know the **terms of payment** and the conditions that go with them. Help Mr. Forrest write this letter.

Seismic Supplies

12 High Street, Ingatestones, Essex, England Tel: 01277 350900 Fax: 01277 350 901 Email: seismicsupplies@business.co.uk Website: www.seismicsupplies.co.uk Facebook: www.facebook.com/SeismicSuppliesUK/

May 17, 20--

Raythburnz Industries Finckensteinallee 23 - 27, D-12205 Berlin, Germany

Dear Sir:

We are interested in placing an order for 125 x 600m rolls of copper wiring new, but we require your terms of payment conditions, as this will be our first order with your company.

Also, if you offer a competitive price to meet our quality expectation and our consumer's approval, we would like to have regular orders with your company.

We hope you can deal promptly with this request.

Very truly yours,

Peter Forrest

Peter Forrest Manager

Reply Situation 8:

Raythburnz Industries

Finckensteinallee 23 - 27, D-12205, Berlin, Germany

Tel: (030) 84 38 89-0. Fax: (030) 84 38 89-79 Email:raythburz@industries.de

Website: www.raythburnz.co.de

Face book: www.face book.com/Raythnurnz Industries Germany/

May 29, 20--

Mr. Peter Forrest Manager Seismic Supplies 12 High Street, Ingatestones Essex, England

Dear Mr. Forrest:

We have received your letter inquiring about our terms of payment. As you've mentioned, this is your first time to place an order with us. We would like to take this opportunity to thank you for choosing our company. We assure you of professionalism and efficiency of our service as well as the best quality of our products.

We have attached the information detailing the terms of payment herein. We have also included our updated brochure containing our products, their description and prices. Should you need other information, please don't hesitate to contact us and we will be more than willing to give assistance.

Thank you once again and we hope to hear from you again. We are looking forward for a good business relationship with you.

Sincerely yours,

Robert Lane

Robert Lane

Situation 9: W. J. Matheson Ltd., Scotland, wants to expand into the Asian market place, **seeking the services of a sales agent** to market, promote and sell their products. They are inquiring into the availability of Bickswergd Incorporated, Hong Kong, who are a company of very similar standing, to become their sales agent in Asia. Write a letter, discussing these details.

W. J. Matheson Ltd.

43 - 45 Circus Lane, Edinburgh EH3 6SU, Scotland Telephone: 00 44 + (0) 131 226 5262 Fax: 00 44 + (0) 131 343 6507

Email: wj@matheson.co.uk Website: www.wjmathesonltd.co.uk

Facebook: www.facebook.com/WJMathesonLtdUK/

March 15, 20--

Bickswergd Incorporated 146 Hennessy Rd., Wanchai Hong Kong

Dear Sirs:

As we have developed into one of Europe's main producers of cosmetics and toiletries, we are seeking to expand into the ever flourishing Asian market, as our company's name is becoming synonymous throughout the cosmetics and toiletries industry.

We are asking your company to become a sales agent for us in the Asian region, marketing, promoting and selling our products. We have been very highly impressed by Bickswergd Inc., recent record of marketing and distributing products throughout the Asian continent.

If you join our invitation, the rewards will be greatly amassed.

Very truly yours,

Harry Cohen

Harry Cohen

Reply Situation 9:

Bickswergd Incorporated

146 Hennessy Rd., Wanchai, Hong Kong Tel: +852 8103 8688. Fax: +852 3582 3310

Email: bickswergd@incorporated.org
Website: www.bickswergd.org.
Facebook: www.facebook.com/BickswergIncHK/

March 25, 20--

Mr. Harry Cohen W. J. Matheson Ltd. 43 - 45 Circus Lane Edinburgh EH3 6SU Scotland

Dear Mr. Cohen:

Please accept our congratulations to your company for being one of Europe's main producers of cosmetics and toiletries. We believe it is tough and yet rewarding to reach that point. And now, you are on your way to open your store in the Asian market. We share the same view that to flourish and to continue to be on top, expansion and extension is necessary.

Thank you for recognizing our company to be part of your expansion by choosing us to be your sales agent. Being one of the top in marketing and distributing as yourself, we accept your offer. We assure of our best and professional service.

Kindly let us know the documents you require in order to make this partnership finalized. We could also send one or two of our colleagues to meet with you in order to further discuss about this matter.

We look forward to being your partner here in Asia. Good luck to you!

Sincerely yours,

Jeffrey Carstern

Jeffrey Carstern

Situation 10: Walter Hunnington, Marketing Manager of Suncorp Ltd., England is requiring a **classification of the terms** of payment to provide to his directors, so he can place an initial order with Gesso Industrial Appliances Ltd., France this letter.

Suncorp Ltd.

12 Drayhorse Road, Ramsey, Huntindon, Cambridge, England

Tel/ Fax: 440 148 814168

Email: suncorp@company.co.uk Website: www.suncorpltd.co.uk

Facebook: www.facebook.com/SuncorpLtdUk/

January 23, 20--

Gesso Industrial Appliances Ltd. 3 Rue Petit Coquempot Montreuil sur Mer 62170 France

Dear Sir:

As I am about to place our initial order with your company, I am requesting the classification of your terms of payment schedule.

I would appreciate a hasty reply.

Very truly yours,

Walter Hunnington

Walter Hunnington Marketing Manager

Reply Situation 10:

Gesso Industrial Appliances Ltd.

3 Rue Petit Coquempot, Montreuil sur Mer 62170, France

Phone: 333 21060536 Fax: 333 21060536 Email: gessoindustrial@appliance.fr Website: www.gessoindustrialltd.co.fr Facebook: www.facebook.com/GgessoIndustrialLtdFrance/

January 29, 20--

Mr. Walter Hunnington Marketing Manager Suncorp Ltd. 12 Drayhorse Road Ramsey, Huntindon Cambridge, England

Dear Mr. Hunnington:

We have received your letter inquiring about the classification of our terms of payment. Being our first time customer, we would like to take this opportunity to thank you for choosing our company.

As per your query, please find here attached the documents stating the classification of terms of payment. Should you need more information, please don't hesitate to contact us and we will be willing to provide them for you.

Thank you once again and we hope to hear from you again. We are looking forward to receiving your orders soon.

Sincerely yours,

Rudoff Day

Rudoff Day

INQUIRY VOCABULARY

Information Assistance Interested Quote Availability Insurance Estimate Suggest Remittance Terms of delivery Condition of payment Quotation of price Method of transportation Availability of goods Freight charges **Export inquiry** Method of payment Import inquiry Invoice number Customs clearance Delivery instructions Consignment note Delivery terms and deadlines Request for product and sample

Brochures and catalogues

EXERCISES

- 1. Mr. Rex Swindlehurst, General Manager of the Ministry of Education, Supply Division, 45 Gipps Street, Wellington, 6452, New Zealand, needs to inquire from Barkly Paints, Rosemount Rd., Newcastle 2560, N.S.W., Australia, if he can have 10ml samples of the five main colors which to provide the schools, to be tested as a suitable product for their requirement. Mr. Swindlehurst also requires information from the Manager, about price discount when purchasing in bulk, and if the paint safe and suitable for children. Write this letter.
- 2. A recent adverting in the Bangkok Post newspaper, offered fax paper for a Xerox 32-17A fax machine. Mr. Robin Coats, a manager of Homemaker Company based in Singapore, has the similar model of the 33-17A, and wants to know from Stanley Office Products Part. Ltd., 9/353 Silom Road, Bangkok, if the advertised fax paper is compatible with his machine. Write this letter.
- 3. Bob Beetham, on his recent visit to England, noticed, that Grimsby Chemicals Ltd., 312 Exford Road, Manchester, W21E7, England, is the largest and most successful of its kind south of the border. Mr. Beetham, a Sales Agent from Switzerland, is requesting directly to the General Manager of Grimsby, to the availability of him becoming an agent for them, as the local competitor chemical company recently went in receivership, and the market now in Switzerland without a leading chemical producer. Construct this letter.
- 4. As an Advertising Sales Manager for a leading newspaper, The Vancouver Times, 456 Becks Ave., Vancouver 54800, Canada, you need to provide each sales rep with an update mobile phone. If by ordering 350 phones from Quexel Communications Co., Market Boulevard, San Francisco 38744, California, will this account for a discount, on the handset due to the bulk order. Also, information about call costs and mobile services are requested. Write this letter.
- 5. Mr. Johnson Arciero requires information of the terms of payment, and if a discount is provided by making early payment on the purchase of goods from Willow Shoes Inc., 64 Shunxi Road, Beijing, China, for his Western Shoe Store, 635 Harm Hwy, Santa Monica, California 87648, U.S.A. Write this letter.

NOTES

- 1. Kishore, B. R. (2005). Dynamic Business Letter Writing. New Delhi: Diamond Pocket Books Ltd.
- 2. Shurter, Robert L. (1954). Effective Letters in Business. Bombay: Tata McGraw-Hill.
- 3. Nimnual, Watcharaporn. (2006). Business Correspondence. Bangkok: Triple Education Co., Ltd.
- 4. Parisuthiman, Sumtum. (2005). *Business Communication: A Functional Approach*. Bangkok: Thammasat University Press.
- 5. See Note 4.
- 6. Ashley, A. (1987). A Handbook of Commercial Correspondence. Oxford: Oxford Press.
- 7. Janis, J. Harold. (1972). Business Writing. New York: Barnes & Noble Books.
- 8. Reynolds, Atkinson. (1970). *Business Writing and Procedures*. New York: American Book Company.
- 9. Ashley, A. (2003). Oxford Handbook of Commercial Correspondence. Oxford: Oxford University Press.
- 10. See Note 8.
- 11. See Note 7.
- 12. See Note 9.
- 13. See Note 9.
- 14. See Note 9.
- 15. Gartside, L. (1982). *Model Business Letters*. Great Britain: Richard Clay (The Chaucer Press) Ltd.
- 16. See Note 9.
- 17. Gartside, L. (1985). Model Business Letters. Great Britain: The Chaucer Press.
- 18. See Note 17.
- 19. See Note 9.
- 20. See Note 17.
- 21. See Note 17.
- 22. See Note 17.
- 23. See Note 9.
- 24. See Note 17.
- 25. See Note 17.
- 26. See Note 17.
- 27. See Note 17.
- 28. See Note 8.
- 29. See Note 17.
- 30. See Note 9.
- 31. See Note 17.
- 32. See Note 17.
- 33. See Note 9.
- 34. See Note 9.35. See Note 9.
- 36. See Note 17.
- 37. See Note 17.
- 38. See Note 4.
- 39. See Note 4.
- 40. See Note 17.
- 41. Naterop, Bertha J. (1978). Business Letter for All. London: Oxford University Press.

CHAPTER 5

ORDER LETTER

Order letters specific what and how you are purchasing a product. Before an

international business transaction becomes a contract there will have been several

communications exchanged between the buyer and the seller. But he buyer has bought and

the seller has sold at the time when the buyer places his order in the mail. Much businesses

activity revolves around the preparation of letters dealing with orders for and payments for

merchandise. The seller has sold his goods at his quoted price, and the buyer has purchased

the goods at the seller's price. If the quotation submitted by a trader meets with his

customer's approval, an order will result. Orders are often placed on a basis of a sales letter,

a newspaper announcement.

PRINCIPLES OF ORDER LETTER WRITING

The nucleus of the order letter is a listing of the items the sender wishes to purchase.

It is essential to give a full description of the products designed, for the supplier must be able

to identify the description in the letter with his products. Most businesses will use special

order forms rather than embody their requirements in a letter. Orders placed by telephone

should be confirmed in writing to avoid misunderstanding. The essential qualities of an

order-letter are accuracy and clarity.

When you write an order letter, it should consist of:

• Outline what you want.

• Give detail about the item-order number, catalogue page, model, size, color,

quantity.

• Provide shipping instructions.

• Specify your method of payment.

• Include special instructions.

When sending an order by letter: (1) Include full details of description, quantities and

prices and quote catalogue number, (2) State your requirements as to delivery-place, date,

mode of transportation, (3) Confirm the tern of payment. Before orders are placed, it is

essential that the quantities should checked, and that no doubt should remain as to the exact quality of the goods. Detailed description at this stage will save considerable trouble later.

The essential qualities of an order-letter needed to be correct, complete, and definite so that he reader may fill it exact as the writer wishes. The order letters include details of description, quantities and prices and quote catalogue numbers, state your requirements as to delivery-place, date, mode of transportation, and confirm the terms of payment agreed in preliminary negotiations. Most business will use special order forms rather than embody their requirements in a letter.

Orders are usually written on a company's official order form which has a date and a reference number that should be quoted in any correspondence which refers to the order. As soon as an order is received by a supplier, it should be acknowledged. A letter of acknowledgement offers the opportunity to say "thank you" to a new customer and to make them feel that his business is valued.

The letter will often open with a reference to the order form which may be identified by its number, the date it bears, and the articles which it specifies. Letter of this may be close with the hope that: (1) the high quality of the goods will lead to further business, (2) this will be the first of many orders we will be placing with you.

Order letters should be exact, and replies to them should be tactful and cordial. Under ordinary conditions, an order letter does not require a reply. Such instances occur when a customer places an initial order or requests confirmation of an order, when an order is lacking in clarity, and when an order can not be filled. Order letters deal with following topics:

- Order based on seller's quotations
- Covering with order form
- Order from a new customer
- Order with condition attached
- Formal acknowledgement of routine order
- Acknowledgement of a "first" order
- An urgent order
- Placing an order
- Orders of products due to rebate

MAKING ORDER LETTER

People who are engaged in a business deal with orders almost every day, may it be for merchandise, for services or supplies.¹ To consider ordering, two ways can be done: (1) as impersonal or as part of document chore; (2) as an opportunity for business but done in a pleasant and kind manner. Both methods can give the necessary information that is needed to convey but the difference is in the detail information that each method provides. An impersonal note conveys that the writer is just one of the many customers they are dealing with. A personalized or businesslike done in a pleasant and kind manner, convey that they are not only dealing with a company but with a fellow human being. With this, they are made aware that the writer is communicating and making a business with a person, not just with a storage of money.² Every business communication is an opportunity to sell. In selling a product, you are also selling a service and same as selling your company. Every communication is an opportunity to establish a relationship, then eventually, loyalty that will build your company's name and will generate more revenues.³ One of this business communication done is placing of orders. There are three ways by which placing of orders can be done:

By Mail Order

For people who are busy and has only limited time in placing their orders, one of their helpful options is to place their orders by mail. Mail orders provide convenience, detailed information, guarantees, return policies and good service. To place an order via mail order, the customer may be provided with an order form that you need to fill-out and send it directly to the company or orders may be sent via the company's website. Here are the details that may be needed in placing an order via mail order:⁴

- •State the source, maybe the date on a catalog or number that may identify your order.
- •State the complete description of the product mention the color, quantity, size, model, or other distinctive characteristics of your order.
- •State the method of payment maybe by cheque or via credit card or cash on delivery. Mention how your payment can be made.

- •Provide the shipping address make sure that your address is accurate and complete to avoid delay in delivering your goods.
- •You may also specify the method of shipment Usually a company will choose the regular way of shipping but if you may prefer to do the special or urgent method then you can inform them that you can pay the added amount for selecting the other method of delivery.

After accomplishing all the details and submitting the form, you will be given an acknowledgement form or message that your order has been received. Here is an example of mail order done via company's website:

	ssed while you wait. A copy of this page will be sent for your records. Customer Information			
First name:	John	Last name:	Brown	
Street:	Any Street	City:	Bigsmoke	
Province / State:	B.C.	1		
Postal code:	V8S 1Y9	1		
Country:	Canada	E-mail Addres	s: [jb@nomail.com	
Telephone:	250-111-3322	Confirm E-ma	il: [jb@nomail.com	
User news: Sub	scribe to newsletter?	Yes 🤇	No O	
Catalogue item #	± 243001	# of items 1		
Cost of item \$ 100.00 Click here to order more items				
Credit card: Visa Mastercard AMEX				
Credit card: # 12345678910 Name on card: John Brown				

Source: University of Victoria (n.d.). Order Form.

Retrieved from: http://web2.uvcs.uvic.ca/elc/sample/beginner/wt/wt 32.htm.

By Form

Sometimes placing of orders does not need any correspondence or letter at all. Very often, an order form is filled in by the purchasing department or the buyer. ⁵ This is true for basically large routine orders. Here are the advantages of using printed forms for placing an order: ⁶

- The forms are given with numbers or references so it is easy to use and to refer to.
- Vital details are not overlooked.
- The conditions and terms are printed at the back of the form. This will not give any reason for the one placing the order to be.

An Example of a Purchase Order Form

XYZ, Inc.				PURCHASE ORDER			
Name City, State,	Zip						
The following number must appear on all invoices, bills of lading, and acknowledgements relating to this PO: PURCHASE ORDER:			ids):	P.O. DATE TERMS F.O.B. SHIP VIA ADDRESS CORRESPONDENCE TO:			
5/763				Name		20	
Sales Tax I	Rate	5.00%		E-mail Phone FAX#			
QTY	UNIT	The second second	DESCRIPTION		UNIT PRICE	AMOUNT	
2	Dozen	Product			12.50	25.0	
43	Case	Product			0.45	19.3	
43	Case Tube	Product Product			0.45 4.50	100	
	Tube PLEASE NO			SHIPPING TAX	2000	19.3 76.5 120.8 16.0 6.0	

Source: Biodatasheet (n.d.).12 Purchase Order Form Sample. Retrieved from: http://www.biodatasheet.com/12-purchase-order-form-sample/.

As can be seen in the above example of order form⁷, the details provided is almost the same as with the details provided for mail order. These two methods, mail order and order form, are alike in the details or information it provides. The main difference may be in the form they have to fill out. In the mail order, the form is basically placed on the website, or the form is printed that the customer just needs to fill out and send directly to the supplier, whereas, in using by form, this may still require the letter head of the company and the signature of the authorized person. Order by form is mostly applicable for big companies where bulk of orders is given and where regular customers are being catered by the supplier.

Order by form, can itself be considered as placing an order. There are some instances, however, where the order form is sent with a covering letter especially if there are other details needed to be conveyed that the order form cannot reflect. Here are some guidelines and examples of covering letter.⁸

By Letter

The vital qualities of an order-letter are accuracy and clarity. If these things are not met, these may lead to problem that may later cause delay and misunderstanding. 9 Below are pointers to remember in sending an order-letter. 10

- State the full description, quantities, and prices. Specify any reference number if there are any.
- Include the date of delivery, place and the mode of transport.
- State the terms of payment or discount which were previously agreed upon.

Here is an example of an order-letter:

An Example of an Order-Letter 11

Bayern Co., Ltd.

210 Waltham Rd., Christchurch, New Zealand Tel: 64 03 379 1699 Fax: 64 03 379 1698

www. Bayern.com Email: Bayern@gmail.com

June 1, 20--

Mr. Troy Glove Glove Kitchen Equipment 156/2 Herald St. Herald City, London United Kingdom

Dear Mr. Glove:

We would like to purchase thirty (30) stand mixers (Model #4567), all in color blue.

We would like to charge this purchase to the preexisting account that we have with you, Business Account #57571.

We hope to receive this order not later than Friday, July 3, 2016 in our shipping address as previously been sent to you. We prefer the same shipping method.

Please confirm that you received this order by calling us at +44 222-231-4561 anytime during business hours, Monday to Friday.

Thank you for your cooperation.

Sincerely yours,

Robert Brown

Robert Brown

LEGAL RESPONSIBILITY OF THE PARTIES

As placing an order is a transaction between two parties, the buyer and the seller,

there are some legal obligation for each of them. Here are their obligations and

responsibilities: 12

The Buyer's Legal Responsibility

The buyer is required by law to do the following when they in a binding agreement:

• Recognize the products supplied, provided they meet the terms of the order.

•Pay the goods upon delivery, unless there is another agreement done between the

two parties.

•Verify the goods immediately upon delivery and if there are faults, report it right

away to the seller. Failure to provide immediate notice of faults to the seller will be

considered as accepted goods.

The Seller's Legal Responsibility

The seller is required to:

• Assure that the goods are to be delivered in the exact kind of order and on the

agreed date and time.

• Assure that the goods are free of faults of which the buyer could not be aware at the

time of procurement.

ACKNOWLEDGING ORDERS

In mundane conditions, order letter does not necessarily be required to have an

acknowledgement. However, there are instances where a reply is needed and valuable. Under

this instance could be when an initial order is given, the customer requested for a reply,

when order sent needed clarification, and when orders cannot be filled. Giving your

affirmation of receipt will allow the sender to understand that their orders are already in

process. This acknowledgement requires simple letter which we will further discuss below. ¹³ Acknowledgement can also be given in a short note called "Acknowledgement Slip." This is usually attached to the order form and when the supplier receives the order form, the order is acknowledged by writing the date and reference number in the slip, and will be sent back to the customer. ¹⁴

Formal Acknowledgment of Routine Orders

Routine orders are items that have regularly been ordered by customers. This can be acknowledged by a slip or a simple letter. ¹⁵ Here is an example of an acknowledgment slip: ¹⁶

adm Corporation 765 Boulevard S Coney City, ST. P.O. Number: 12	t. 10235						
Acknowledgment Slip							
Acknowledgment Sup							
Order No.		Date					
		Received					
	Name:						
Received by	Signature :						
•							
Comments:							
	I ah (n d) Dagaint Tamplatas						

Source: Template Lab (n.d.). Receipt Templates.

Retrieved from: http://templatelab.com/receipt-templates/.

Below is a formal acknowledgement of routine orders:¹⁷

Haver Co., Ltd.

27720 Bouquet Canyon Rd., Santa Clarita, California, U.S.A.

Tel: 661 254 2899 Fax: 661 254 2899

July 23, 20--

Zenith Co., Ltd

689 Marmora Street

Weston, Ontario, Canada

Dear Sir:

We refer to order No. 123. We are pleased to receive your orders for winter jackets. All items are in our stock and we have already arranged the dispatch so you may be able to receive them by tomorrow.

Thank you very much for your continued trust to us and to our products.

Very truly yours,

Steve Biger

Steve Biger

Acknowledgment of First Order

First order is orders from new customers. This should be acknowledged by letter. The letter should include. 18

- Communicate that it is a pleasure to receive his/her order.
- Include a complimentary comment on the product ordered.
- Mention an assurance of timely and careful consideration.
- Provide other products that may likely be of his interest.
- Mention an anticipation of further orders.

Here is an example of an acknowledgement letter:

Magic Company

1-6 Whale Drive, Dawson, Ontario, Canada

Tel: (613) 238 7899 Fax: (613) 238 7900

Email: magic@gmail.com

December 7, 20--

KBY Ltd. S5-Bb-44 Nanyang Avenue Singapore

Dear Sir:

It is a pleasure to receive your order for 400 pcs. mittens and 400 pcs. of leggings. Your order is now being packed for shipment. You should be able to receive the items on or before December 21 as you have mentioned.

As you are a new customer, we are glad to inform you that we will be giving you a discount by augmenting the fee for shipment. Rest assured that we will do everything to provide you with the best quality of our products and professional service.

Included here is our complete catalogue. May you find it convenient for reference for other products that may be interest you.

Thank you very much and we look forward to the opportunity of serving you again soon.

Very truly yours,

Raymond Amerson

Raymond Amerson

Filling of Order

A reply for orders which can be supplied should be given to customers, so as to let them know that you have your attention on their orders. A short letter stating that the company has already arranged the date of dispatch and delivery can also be given to the customers. The letter should contain a thank you to the customers for his order and refer to the date of the order and the order number. Specify the delivery date and method of shipment. Consider to include an invitation for more orders. ¹⁹

Delays in Delivery 20

If there are products for delivery that may not satisfy the customer request, inform the customer. Here is an example.

This is in reference to your Order No. 345. We would like to inform you that your orders will be delayed for 2 weeks since 5 of our machines have been sorely damaged. Nonetheless, we have transferred your order to our nearest branch for processing. We apologize for this delay. Rest assured that we are in great attention on making sure that no further delays will occur.

Or if the products are being held up, contact the customer and let them know what has happened, how it happened and what are the steps you are currently doing to help in the situation.

We apologize for the delay of your goods. We have tracked the goods and have found out that there has been a dispute on the cargo ship APD Hawaii on which your goods had been loaded. We are now trying to transfer the goods to APD Hawaii which should sail for California by Saturday. We shall get in touch with you for any update on your goods.

Again, we deeply apologize for this delay which was due to circumstances that is beyond our control.

Orders Which Cannot be Filled

There is a possibility where orders cannot be filled in. Such situations are:

•Orders are not complete or not clear

The supplier who received the order will send a letter or make a call to verify the orders sent. After verification, request the customer to resent the order.²¹

• Out of stock

The product requested may be out of stock or it is no longer manufactured. Take this opportunity to sell an alternative product, but take note not to condemn the product you can no longer provide. Here are samples you can use. ²²

We would like to thank you for sending your order. We are very sorry to inform you that these products are out of stock at this time and it will take about 2 months before we get our next delivery. Please contact us again after 2 months.

Thank you for your order for the winter boots ref. no. 032, but unfortunately we are no longer manufacturing this product since last year. We are pleased, however, to inform that we have a new product of winter boots ref. no. 987 which has the same material used for ref. no. 032. Please refer to the attached for the detailed information regarding this new product.

We hope this product will satisfy the requirement you need. Kindly contact us back to place an order.

In the process of time, prices may change for products that are usually sent to customers. Whenever this happens, inform the customer about the price change before sending the product. This will allow them to check if the order will have to push through or maybe some adjustments may be needed.²³

This is in reference to product no. 34. Our supplier has informed us that there is a price increase due to the increase in the price of materials used for this product. In this regard, we would like to inform you that the price for product no. 34 will increase by 5%.

Kindly let us know if you will agree to this price change. Until then, we will delay the delivery.

• Bad reputation

The customer may have a bad reputation for settling their accounts. Or for retailers, their products may have a poor quality which in return would cause a bad effect on your reputation. Whichever the case may be, it is always right to find ways of refusing them in a diplomatic way.²⁴ Examples are found below

(a) From supplier to customers:

Thank you for sending your order. Please be informed that we could only supply on a cash basis.

We are very sorry to let you know that we won't be able to deliver your order as we have full order books at present. We cannot assure you of any definite delivery date.

Thank you for reminding us to re-order for the electrical extensions and wires. Unfortunately, we will not place an order for this month as we have bulk of stocks in our warehouse at the present. At any rate, we will contact you again if any order will be

• Unfavorable terms:

The supplier may decline an order if the supplier may not agree with the terms the customer has asked for. The terms may be in line with deliver, discounts or payment. ²⁵

Delivery:

We understand the urgency of your request, however, your requested delivery date is not possible to meet as we have to get raw materials from our suppliers and this will take a minimum of 1 month.

• Discount:

Thank you for your letter. We regret to inform you that we cannot give you the discount you asked as this is more than what we offer to any of our customers.

We appreciate your desire to make a business transaction with us. Unfortunately, we never offer credit terms for new customers even if you can provide reliable references. We might consider this sort of credit once we have already established a trading relationship.

Letters declining orders must be written with courtesy and concern and with an eye to good will and future business transactions. Here are some pointers to consider when sending your letter ²⁶

- Apologize for your inability to meet the customer's needs.
- Provide an alternative product is their ordered product is not available.
- Mention that you are looking and hoping for an opportunity to be of service to them again in the future.

DELIVERY AND DISPATCH

After all the terms are agreed upon between the supplier and customer, advice for delivery and dispatch is the next step. The products are arranged for shipment. Then, the customer is informed and also given the details of the delivery.²⁷Here are some examples of details given to the customer once the products are ready for dispatch and delivery.

Please be advised that your order no. KL450 has now been placed on board the APD Hawaii on 10 December and will be arriving Queensland on 20 December. The shipping documents have already been sent to your bank in Queensland for collection.

We are pleased to advise you that the bracelets and necklace you ordered with Order no. 23 and Order no. 24, respectively, were put on flight TG 531 leaving Thailand @ 12:15AM, 10 June and will be arriving London 06:20AM. Enclosed here is the air way-bill TR125/2 and copies of invoice AD21/7.

ORDER EXPRESSION

Opening

- In compliance with your order dated 23-8-2016...
- We thank you for your letter dated 25th January, 2016.
- We thank you very much for your letter dated 5th March, 2016, placing with us an order for 10 gross HB 2 micro ray.
- With reference to your quotation, we enclose our order for immediate delivery.
- In accordance with your order of 15 boxes...

Body

- We trust that the high quality of products will induce to place trial order.
- Please confirm that you can send/ supply us the mentioned products by the required date.
- We accept your offer and would like to order immediately.
- We should be greatly appreciated for delivery by the end of the month, since the products are urgently required.
- We are sure that a sample order will convince you that our products are graceful in design and refine quality.
- Will our order be completed by the stipulated date...
- We trust that you will make every effort to accommodate us as we intend to place regular orders with you in the near future.
- We are sure, you'll find our goods excellently suited to your requirement.
- With further reference to the personnel visit of your representative to our office, we are pleased to place our following order with you:-
- We hope you find the goods satisfactory to your needs.

Closing

- We value friendly relations between our customers and ourselves.
- We trust that you will make every effort to accommodate us, as we intend to place regular orders with you in the near future.

- We hope to have the pleasure of doing business with you again.
- It is a pleasure doing business with your firm.
- We are sure, you'll find our goods excellently suited to your requirement.

ORDER-REPLY

Opening

- We thank you for your order, dated 4th March for...
- In compliance with your order dated 23rd January 2016 we have pleasure in informing you that the goods are available in stock.
- We thank you for your order no.4743.
- We were very glad to receive your order of 3rd October for...
- Thank you for your letter of 15th October enclosing your order for...
- We were pleased to receive your order of 25th October.

Body

- We are sure that a sample order will convince you that our products are graceful in design and refine quality.
- We are pleased to tell you that your samples have proved satisfactory to us, and the
 discount terms set out in your letter of 25th October have met with our approval and that
 we are in consequence prepared to place a trial order with you.
- We have carefully studied your samples of fancy clocks and are pleased to inform you that they have impressed us very favorably.
- We are prepared to place a trail order with you.
- We are interested in buying or importing.
- We want to say how pleased we were to receive your order of 15th June for televisions and welcome you as one of our customers.
- We are pleased to inform you that your order is in stock and will reach you by the end of the month.

- We trust that the items will be satisfactory to your needs and reach you in good time.
- We regret that we cannot supply the goods that were ordered. However, we can offer you
 another model of similar quality and size.
- Your order will be filled, as soon as we receive the stock from our manufactures.

Closing

- We trust that you will make every effort to accommodate us, as we intend to place regular orders with you in the near future.
- If you ever have any problems with these goods, feel free to contact us for help.
- As soon as we hear from you we will process the order.
- We are sure, you'll find our goods excellently suited to your requirement.
- You can be assured that we will give you order a most careful attention.

EXAMPLES OF ORDER LETTER

Situation 1: Ravi Shastri, Manager of Persian Carpets International Ltd., Calcutta, is refusing an order no. 4589573, received from Benson Carpet Co., England, due to their failure to pay their account on their previous order. Write this letter.

Persian Carpets International Ltd.

3A Gurusaday Road, Calcutta 700 019, India
Telephone: +91 33 22 83 79 70 Fax: +91 33 22 83 79 63
Email: persiancarpetsint@carpetbusiness.com
Website: www.persiancarpetindia.com
Facebook: www.facebook.com/PersianCarpetIntIndia/

December 2, 20--

Benson Carpet Company 234 Mariposa Street London EC4V 78H England

Dear Sir:

In reference to your order no. 4589573, we regret to inform you that we cannot supply the goods that were stated therein due to an outstanding balance from your preceding order. So far we have received no reply from you concerning this outstanding amount.

We are very disappointed about this fact, and hope that you can help us to clear out this problem, very soon. Should you have any comments regarding payment, we would appreciate hearing from you.

Please give this matter an immediate attention. We, therefore, expect to receive remittance without any further delay, before we can process future orders from your company.

Very truly yours,

Ravi Shastri

Ravi Shastri Manager

Reply Situation 1:

Benson Carpet Company

234 Mariposa Street, London EC4V 78H, England Phone: 020 7601 4878 Fax: 020 7601 4771

Email: benson@carpet.co.uk

Website: www.bensoncarpetco.co.uk,

Facebook: www.facebook.com/BensonCarpetCoEngland/

December 14, 20--

Mr. Ravi Shastri Manager Persian Carpets International Ltd. 3A Gurusaday Road Calcutta 700 019, India

Dear Mr. Shastri:

We receive your letter reminding us of our outstanding balance from our previous orders. Please accept our sincere apologies for this delay. We don't have any intention to avoid the payment. Unavoidable circumstances came up that cause us to overlook this outstanding balance.

We would appreciate if you could send us a copy of the purchase order indicating the amount due. We will be arranging the payment by bank transfer.

As per our new order, kindly put it on-hold and in your file for the meantime while we are fixing this problem.

Once again, we are sorry for this delay and we assure you that this kind of problem will not happen again.

Thank you very much for your understanding and we value our business partnership. We are hoping that this will not cause any dispute between us.

Sincerely yours,

Rudolf Henry

Rudolf Henry

Situation 2: Bill Morgan, Purchasing Officer of Rayleigh Transport International Ltd., Ireland, urgently requires 100 x sets of XF745 28" Radial Tyres from Bridgestone Ltd., England, order no. 982612, to cover his orders for their own clientele. Construct this letter in the form of an **urgent order**.

Rayleigh Transport International Ltd.

Unit 2 Waveney House, Harbour Road, Dublin, Ireland
Telephone: +44 (0)1384 446789 Fax: +44 (0)1384 446799
Email: rayleigh@transportbusi.com
Website: www.rayleightransportireland.com
Facebook: www.facebook.com/RayleighTransportIntIreland/

July 3, 20--

Bridgestone Ltd. 3467 Cooper Lane London K2P 2H8 England

Dear Sir:

We are placing order no. 982612 that consists of 100 x sets of XF745 28" Radial Tyres. We would really appreciate if you can deliver by the end of the month, since the products are urgently required.

Please confirm that you can send/ supply us the mentioned products by the required date.

We trust that you will make every effort to accommodate us, as we intend to place regular orders with you in the near future.

Very truly yours,

Bill Morgan

Bill Morgan Purchasing Officer

Reply Situation 2:

Bridgestone Ltd.

3467 Cooper Lane, London K2P 2H8, England
Telephone: +44 (0) 20 7583 5000. Fax: +44 (0) 8700 540 333
Email: bridgestone@company.com
Website: bridgestoneltdengland.com
Facebook:www.facebook.com/BridgestoneLtdEngland/

July 12, 20--

Mr. Bill Morgan Purchasing Officer Rayleigh Transport International Ltd. Unit 2 Waveney House, Harbour Road Dublin, Ireland

Dear Mr. Morgan:

We received your letter placing the order no. 982612 indicating a 100 x sets of XF745 Radial Tyres. We recognized that this is an urgent order and we are glad to inform you that we can be able to give you the items and deliver it by the end of the month.

Our orders and dispatch department are currently working on it and we shall give you the delivery details by the 26^{th} of this month. By then, the delivery can also reach you by the 30^{th} of the month.

Thank you and we hope to receive more orders and to have good business transactions with you.

Sincerely yours,

Steven Covim

Steven Covim

Situation 3: The Store Manager of Wilson Inc, Washington needs to write a letter to the Purchasing Officer of Bezckests Ltd., New Zealand, reminding about the late delivery of their order, due to problems with the trade union strike that has shut down the whole transport industry in the country. Help the Store Manager with the writing of this letter.

Wilson Inc.

1825 K Street, N.W. Suite 1120 Washington, U.S.A. Telephone: Fax (1-202) 955.5613, (1-202) 296.0826

E-mail: bustillo@cepal.org
Website: www.wilsoninc.com
Facebook: www.facebook.com/WilsonIncUSA/

May 14, 20--

Purchasing Officer Bezckests Ltd. 19 Westbrook Ave. Takanin, Auckland New Zealand

Dear Sir:

As we wrote you previously about the delays in the delivery of your order, the situation is still the same, the trade union strike is on-going. We apologize for this occurrence, but there is not much that we can do to rectify this, as it is out of our hands.

The strike has disrupted our business immensely, as it has to others.

We again apologize and regret the delay in delivery of your order.

Very truly yours,

Jenny Whittaker

Jenny Whittaker Store Manager

Reply Situation 3:

Bezckests Ltd

19 Westbrook Ave., Takanin, Auckland, New Zealand Phone: 09) 2689253 Fax: (09) 2696082 Email: bezckestsltd@bezckests.co.nz Website: www.bezckestsltd.co.nz

Facebook: www.facebook.com/BezckestsLtdNZ/

May 29, 20--

Ms. Jenny Whittaker Store Manager Wilson Inc. 1825 K Street, N.W. Suite 1120 Washington, U.S.A.

Dear Ms. Whittake:

Thank you for your concern and in communicating with us in spite of your situation there. We understand that there had been commotion and strike going on in your area. We have been updated by you and the news is also giving details about what is happening there.

We have already contacted our customers regarding this and so, they expect delays in the delivery.

Kindly dispatch our goods right away once your situation becomes clear. We appreciate your constant communication with us.

Let's hope that your situation will be better in the next days.

Sincerely yours,

Arnold Dennis

Arnold Dennis

Situation 4: Wes Fellows, General Manager of Grobys Inc., Chicago is placing an import order with Lee Tung of the Wang Jou Corporation, South Korea, for 1200mtrs of Chrushall Superior leather. Write this letter for Mr. Fellows, that he is hoping this initial order will go well, continuing onto more orders in the future.

Grobys Inc.

1155 E. 58th St. Chicago, IL. 60637, U.S.A. Telephone: 773-702-9514 Fax: 773-702-9853 Email: grosbyinc@grosby.com
Website: www.grosbyinc.com

Facebook: www.facebook.com/GrosbyIncUSA/

November 30, 20--

Mr. Lee Tung Wang Jou Corporation 658 Shinduk ri Weaseo Myoun Suncheon Shi, Chullanam-Do South Korea

Dear Mr. Tung:

It is my pleasure to inform you of our company's first order with the Wang Jou Corporation. We hope that this initial order will flourish into a long and happy business relationship.

The order no. 3893347 which consist of: - 1200mtrs of Chrushall Superior leather.

We trust that you will make every effort to accommodate us, as we intend to place regular orders with you in the near future.

Sincerely yours,

Wes Fellows

Wes Fellows General Manager

Reply Situation 4:

Wang Jou Corporation

658 Shinduk ri Weaseo Myoun, Suncheon Shi Chullanam-Do, South Korea

Tel: +82 2 6050-3325 Fax: +82 2 6050-3319

Email: wangjou@corporation.co.kr Website: www.wangjou.co.kr, Line: +82 2 6050-3326 Facebook: www.facebook.com/WangjouLtdkorea/

November 30, 20--

Mr. Wes Fellows General Manager Grobys Inc. 1155 E. 58th St., Chicago IL. 60637, U.S.A.

Dear Mr. Fellows:

We received your letter placing Order No. 3893347 which consists of 1200mtrs of Chrushall Superior leather. Since this is your first time to place your order with us, please allow me to thank you. We also take pleasure in serving you and to have a business transaction with you.

Also, as part of our customer service promotion to our new customers, we are offering 5% discount for any products you bought with us. We will be taking off 5% discount from the total amount of your order in this matter.

Our dispatch department is currently preparing for your order and it should reach you within two weeks from your order date.

Once again, thank you and we look forward to receiving more orders from you. We hope that this will be a beginning of a good partnership between us.

Sincerely yours,

Milton Garcia

Milton Garcia

Situation 5: Wilson Pickett, from CJ Electrical Import Company, Seattle, is **placing an order** for 170 x 34" TV's, 230 x VCR's and 480 x VCD's from Sanyo, Japan. Help Mr. Wilson Pickett write this letter.

CJ Electrical Import Company

389 Commerce Drive, Seattle 25689, U.S.A.
Telephone: 206-553-5443 Fax: 206-553-1576
Email: cjelectrical@importco.com
Website: www.cjelectricalimport.com

Facebook: www.facebook.com/CJElectricalImportCoUSA/

March 12, 20--

Sanyo Company 60 Kitayama Street Tokyo, Japan

Gentlemen:

With reference to your quotation, we are enclosing our order of 170 x 34" TV's, 230 x VCR's and 480 x VCD's, for your immediate attention. Please confirm the delivery date and the method of transportation of our order.

An early reply would be most appreciated.

Very truly yours,

Wilson Pickett

Wilson Pickett Manager

Reply Situation 5:

Sanyo Company

60 Kitayama Street, Tokyo, Japan Tel/Fax: +81-3-3802-3294

Email: sanyo@company.jp.net Website: www.sanyoco.com, Line: +81-3-3802-3395 Facebook: www.facebook.com/SanyoCoJapan/

March 22, 20--

Mr. Wilson Pickett Manager CJ Electrical Import Company 389 Commerce Drive Seattle 25689, U.S.A.

Dear Mr. Pickett:

We received your letter placing your orders for the following:

Description	Quantity	
34" TV	170	
VCR	230	
VCD	480	

Usually, if without delay or unavoidable circumstances, the delivery will took three weeks to reach your area. We are currently preparing the items to be delivered on the 6th of this month. In that case, you can be able to receive the items by the 18th of this month. We will send it via cargo ship.

We shall be sending you the delivery details once we took the items for delivery to the cargo shipment office. Should you need further details aside from what I have provided today, please don't hesitate to contact us.

We want to thank you for choosing our company for these orders. We assure you that our products are of high standards. We hope that this will be a start of our friendship and good business partnership.

Sincerely yours,

Frank Kendall

Frank Kendall

Situation 6: Larcolm Engineering Company, Canada, has received an order no. 73351 of 75 x 1000m spools of Carbon Fibre Optic Cable from Telecom UK Company, England. Write a letter thanking and **acknowledging this order.**

Larcolm Engineering Company

3650 Bonneville Place, Burnably, British Columbia, Canada

Tel: 604 4213100 Fax: 604 421 32107
Email: Larcolm@engineering.com
Website: www.larcolmengineeringca.com
Facebook: www.facebook.com/LarcolmEngineeringCanada/

July 15, 20--

Telecom UK Company 2023 Harry Street London ES34 IJF United Kingdom England

Dear Sir:

We thank you for order no. 73351, 75 x 1000m spools of Carbon Fibre Optic Cable, which we have received and are now filling for immediate delivery. We are sure that you'll find our goods excellently suited to your requirement. We have acknowledged your order and it is now being processed.

We hope to have the pleasure of doing business with you again.

Very truly yours,

Linda Schultz

Linda Schultz Manager

Reply Situation 6:

Telecom UK Company

2023 Harry Street, London ES34 IJF United Kingdom, England Tel: +44 (0)20 7631 5600 Fax: +44 (0)20 7631 5800

Email: telecom@uk.com Website: www.telecomuk.co.uk Facebook: www.facebook.com/telecomUK/

July 29, 20--

Ms. Linda Schultz Manager Larcolm Engineering Company 3650 Bonneville Place, Burnably British Columbia, Canada

Dear Ms. Schultz:

Thank you for your immediate response and acknowledgement of our order no. 73351 consisting of 75 x 1000m spools of Carbon Fibre Optic Cable.

Kindly send us the delivery details once the items are already shipped. We hope to receive the items by the end of this month.

Once again, thank you and more power to your company!

Sincerely yours,

Gary Mark

Gary Mark

Situation 7: The Purchasing Officer of Nusuji Corporation, Tokyo, is placing an order with Shimanzo Fielding Equipment Company, South Korea, of the following: - 25 x GPS 357's @ 235,000 yen per unit, 40 x GPS 450's @ 342,000 yen per unit, 65 x GPS Long-Range 328's @ 255,000 yen per unit. The order number is 8270A and is required urgently. Please construct this information for the Purchasing Officer of Nusuji Corporation onto an **order form**.

Nusuji Corporation

398 Naomi Street, Tokyo, Japan Telephone: 2415736, Fax:2415735 E-mail: nusuji@loxinfo.co.jp Website: www.nusuji.co.jp, Line: 2415777

Facebook: www.facebook.com/NusujiCorpJapan/

May 23, 20--

Shimanzo Fielding Equipment Company 69 Lee Tung Street Chai Yo, South Korea

Gentlemen:

We are pleased to present to you, our order no. 8270A as detailed in the attached order form. Please inform us if you couldn't deliver as soon as possible, as the goods are urgently required.

Yours very truly,

Yamada Kondo

Yamada Kondo Purchasing Officer

ORDER FORM

	25 x GPS 357's @	235,000 yen per unit	5,875,000
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40 x GPS 450's @ 342,000 yen per unit 13,680,000

65 x GPS long-range 328's @ 255,000 yen per unit 16,575,000

Total 36,130,000

Reply Situation 7:

Shimanzo Fielding Equipment Company

69 Lee Tung Street, Chai Yo, South Korea Phone: 604-437-8217 Fax: 604-437-8605 Email: shimanzofiledingco@equipment.co.kr Website: www.shimanzofieldingcompany.co.kr, Line: 604-437-8222

Facebook: www.facebook.com/ShimanzoFieldingEquipKorea/

May 29, 20--

Mr. Yamada Kondo Purchasing Officer Nusuji Corporation 398 Naomi Street Tokyo, Japan

Dear Mr. Kondo:

We have received your letter dated May 23, 2016 with the order no. 8270A enclosed with an order form.

We are glad to inform you that we can be able to supply you with the items you've ordered. Since this is an urgent order as you've mentioned, we are doing our best to deliver them to you by the date you require.

Our orders and dispatch department are now processing the order. Rest assured that we only offer the best products. We hope that you can find our items suitable to your needs. We have also attached herein our update brochure. There may be items that will interest you.

Thank you and we hope to receive more orders from you in the future. We value you as our customer, so if you should need further details, kindly let us know.

Sincerely yours,

Ray Hall

Ray Hall

Situation 8: Martin King, the Sales Manager of Huntingtons Plc, Canada, has received order no. 57369 from Berry Juice Company, Chicago, of 25000 x 235ml containers. Mr. King needs to write a letter to Berry, to report that the 235ml container is a **discontinued item**, and it cannot be filled in its current form. However, he wants to inform them of the new 250ml container that has replaced the old stock of the 235ml container. Write this letter.

Huntingtons Plc.

17 Shorncliffe Road, Toronto, Ontario, Canada Tel: 416 233 1900 Fax: 416 2331915 Email: huntingtonsplc@business.com

Website: www.huntingtonsplc.com Facebook: www.facebook.com/HuntingtonsPlcCanada/

July 14, 20--

Berry Juice Company 630 Chicago Avenue Chicago, U.S.A.

Dear Sir:

We thank you for your order no. 57369; however, we regret to inform you that we cannot supply the 235ml containers since this item has not been produced for over 3 months now.

But we can offer you another container of similar quality and size, the 250ml container, which is now universally accepted and has replaced the 235ml container.

We hope that the arrangements we have offered will be satisfactory for you. Please confirm if you will accept this arrangement.

Thank you and we look forward to receiving your order from you in the future.

Very truly yours,

Martin King

Martin King

Sales Manager

Reply Situation 8:

Berry Juice Company

630 Chicago Avenue, Chicago, U.S.A.
Phone: 800-354-7993 Fax: 888-796-4445
Email: berryjouice@juicecom.co.us
Website: www.berryjuiceus.co.us
Facebook: www.facebook.com/BerryJuiceCoUSA/

July 14, 20--

Mr. Martin King Sales Manager Huntingtons Plc. 17 Shorncliffe Road Toronto, Ontario, Canada

Dear Mr. King:

With reference to your letter regarding the order no. 57369, we would like to take your offer of replacing the 235ml container with the new model, 250ml container.

However, before doing so, we would like to know how much is the new model? We hope that the price will not be of high difference with that of the 235ml container. If so, we would like to pursue with the new model. But if the price difference would be high, please let us know right away before shipping because we have to discuss this matter to our manager. As cost difference would also affect the price we offer to our customers. We hope you understand our concern.

Thank you and we hope to receive your prompt response regarding this.

Sincerely yours,

Wilbert Moore

Wilbert Moore

Situation 9: The Sales Director of De Beers Mining, South Africa is sending an **export order** to the Sherenji Makatonomo, Manager of Osaka Jewelers Inc. The order consists of 5,000 uncut diamonds, which Tokyo Jewelers Inc., buy when they become available. This is due to the investment that they committed to at the Quanstock Diamond Mine. When there are 5,000 uncut diamonds ready for distribution, all the investors of the mine are required to accept the diamonds. Construct this letter for De Beers Mining.

De Beers Mining

8th floor, 4 Jetty Street, Foreshore, Cape Town 8000, South Africa Tel/Fax: +27 (21) 4286582

> Email: debeers@mining.co.de Website: www.debeersmining.co.de Facebook: www.facebook.com/DeBeersMiningAfrica/

September 21, 20--

Mr. Sherenji Makatonomo Manager Osaka Jewelers Inc. 235 Naraba, Sakai Osaka, Japan

Dear Mr. Makatonomo:

We would like to place an order on behalf of Tokyo Jewelers Inc. Please reserve 5,000 uncut diamonds and once it is available, Tokyo Jewelers will surely buy it to be forwarded at the Quanstock Diamond Mine. We really appreciate if you could accommodate this order.

Also, kindly inform us of your delivery instructions and insurance recommendations so we can arrange immediate payment arrangement with our Tokyo Jewelers Inc.

Sincerely yours,

Robin Parkam

Robin Parkam Sales Manager

Reply Situation 9:

Osaka Jewelers Inc.

235 Naraba, Sakai, Osaka, Japan Tel: 072-235-8745 Fax: 072-236-7292

Email: osakajewel@jewelers.co.jp Website: www.osakajewelers.co.jp, Line: 072-235-8777 Facebook: www.facebook.com/OsakaJewelersJapan/

September 28, 20--

Mr. Robin Parkam Sales Manager De Beers Mining 8th floor, 4 Jetty Street Foreshore, Cape Town 8000 South Africa

Dear Mr. Parkam:

Thank you for your letter and for the export order you placed for Tokyo Jewelers Inc. We shall let you know once the 5000 uncut diamonds becomes available.

Please find here attached our delivery instructions and insurance details. Should you need further information, please don't hesitate to contact us again. We will be more than willing to provide them for you.

Sincerely yours,

Arther Evans

Arther Evans

Situation 10: Jim Watson of Watson Car Sales Company, Lot 75, Gordon Highway, Sydney, is ordering the following: - 237 x Camry @ AUD\$28,000 per car, 130 x Landcruiser @ AUD\$47,000 per car, 245 x Corolla @ AUD\$23,000 per car, from Toyota (Singapore) Inc., Singapore. The order number is E43629 and requires to be shipped as soon as possible. Please fill this order out on a **purchase order form** with a placement order letter.

Watson Car Sales Company

Lot 75, Gordon Highway, Sydney, Australia Tel: 61 73423 1888 Fax: 61 734230711

Email: watsoncar@carsales.co.au Website: www.watsoncarsalesco.co.au Facebook: www.facebook.com/WatsonCarCoAustralia/

March 16, 20--

Toyota (Singapore) Inc. 22 Woodlands Terrace Woodlands East Industrial Estate Singapore

Dear Sir:

Enclosed is Purchase Order No. E43629, which we request to be shipped urgently.

We hope you can accommodate our order and if you ever have any problems with these goods, feel free to contact us.

Very truly yours,

Jim Watson

Jim Watson Purchasing Manager

Watson Car Sales Company

Lot 75, Gordon Highway, Sydney, Australia

PURCHASE ORDER No. E43629

Order Date: March 16, 20--

Supplier:

Toyota (Singapore) Inc.

22 Woodlands Terrace

Woodlands East Industrial Estate

Singapore Ship by: Gordy Shipping Company

Conditions of delivery: immediately

Please supply:

Quantity	Unit Price	Model	Total Price	Currency
Quantity	Unit Price	Total price	Total Frice	(AUD)
237	Camry		\$28,000 per car	6,636,000
130	Landcruiser		\$47,000 per car	6,110,000
245	Corolla		\$23,000 per car	5,635,000
Pre-tax total	18,381,000			
Tax + 15%	2,757,150	AUD		
Sub-total	21,138,150			
Discount	1,585,361.25			
Discount	1,585,361.25		Less	7.5%
Total	19,552,788.75		Grand	

Reply Situation 10:

Toyota (Singapore) Inc.

22 Woodlands Terrace, Woodlands East Industrial Estate, Singapore Tel: 65-6-758.753 Fax: 65-6-759.3023

Email: Toyota@singapore.co.sg Website: www.toyotainc.co.sg, Line: 65-6-758755 Facebook: www.facebook.com/ToyotaIncSingapore/

March 25, 20--

Mr. Jim Watson Purchasing Manager Watson Car Sales Company Lot 75, Gordon Highway Sydney, Australia

Dear Mr. Watson:

We have received your letter dated March 16, 2016 enclosed with purchase form order no. E43629. We are glad to inform you that we can accommodate to give you all the cars listed in the form. Since this is an urgent order as you've mentioned, we are doing our best to deliver them to you by the date you require.

Our orders and dispatch department are now processing the order. Rest assured that we only offer the best model cars. We hope that you can find our cars suitable to your needs. In the meantime, may we request for your insurance policy and bank details. We appreciate your prompt reply regarding this matter since these documents will help us with the shipment clearance we need to process.

Thank you and we hope to receive more orders from you in the future. We value you as our customer.

Sincerely yours,

Phillip Long

Phillip Long

ORDER VOCABULARY

Supply Purchase Price Negotiate Substitute Delivery Transportation Quotation Catalogue **Export** Shipment Collect Import order Invoice Confirmation Quantity Enclosed printed order **Express** Forward Freight Insurance Supplier Out of stock Item number Availability Cargo Dispatched Delivery instructions Duplicate

EXERCISES

- 1. Monty Dwyer, Store Manager of Currey International Ltd., 15 Sturgess Lane, Vancouver, Canada, received an order of 127 x 18" Mongoose Bicycles, from Stones Cycles Co., 536/2 Bucket St., Seattle, Washington State 56623. Bob Bitchum, owner of Stones Cycles Company, needs to know whether his order has been received and when he can expect shipment. Write an acknowledgement letter, confirming the expected delivery date of the goods.
- 2. Haughtons Inc., P.O. Box 8465IC, New York, needs to place an urgent order for 15 Caterpillar E22 Cranes, due to the recent contract they have gained to construct an industrial park. Write a letter to Caterpillar Ltd., 390 Jillings Road, London, in England for this request, quoting availability and the expected delivery date
- 3. Write a letter and a reply from Junxia Etching Supplies Ltd., 45 Belgravia Road, Repulse Bay, Hong Kong on the following information.

Customer : Ms. Patty Smith

Address : Tunnel Vision Promotions Ltd.

71 Wilson Court

Sydney, N.S.W. 2945.

Order Number : 71237

Date : January 15, 2016

Description of goods : 10" x 5" Slick Etching Plates

Quantity : 2,500

Unit price : HK\$1.75 per plate

Delivery instructions : Post – HK\$225

Date of delivery : By the end of February

Payment : Cheque

Instructions:

- 1. Out of stock
- 2. 9' x 6' available, similar size, HK\$1.70 per unit
- 3. Sample enclosed
- 4. Praraporn Benjanavee, the purchasing officer for Yannawa Honda Cycles Part. Ltd., 415/3 Charoen Krung Road, Yannawa, Bangkok 10120, ordering motorcycles from Honda (Japan) Co., 56711 Mutjki Chome, Tokyo, Japan. He is requiring the following:-
- 10 x Dream 100 (100cc) 3 x blue, 4 x red, 3 x silver unit price 25,780 baht
 24 x Wave 125 S (125cc) 6 x blue, 6 x red, 3 x silver, 3 x green, 6 x black unit price
 32,980 baht
 - 8 x Phantom (200cc) 8 x black 45, 540 baht
- 12 x Wave 110 S (110cc) 3 x red, 3 x blue, 3 x yellow, 3 x black unit price 29,980 baht
- 15 x Nice 110 New (110cc) 6 x red, 5 x red, 2 x black, 2 x green unit price 28, 980 baht
- 12 x Nova Dash (125cc) 4 x red, 4 x blue, 2 x green, 2 x black unit price 33.540 baht
- 24 x Tena (110cc) 6 x blue, 6 x red, 3 x yellow, 6 x silver, 3 x black unit price 32, 780 baht
- 15 x Nova Sonic (125cc) 4 x red, 6 x red, 3 x black, 2 x green unit price 35, 750 baht

The order number is 4512C and is requested as soon as possible by road transport. Write this order on a purchase order form.

5. Anna Downey, Purchasing Manager of Downey Enterprise located at Toronto, Canada, received their order of 100 gloves, 150 winter socks and 200 winter wool jackets from Forsee Manufacturing in Vietnam. Write an acknowledgement letter, confirming the delivered goods.

NOTES

- 1. Love, Charles, & Tinervia, Joseph. (1986). Commercial Correspondence. London: McGraw-Hill.
- 2. Ramundo, Michael. (1995). *The Complete Customer Service Model Letter & Memo* Book New Jersey: Prentice Hall.
- 3. See Note 2.
- 4. Roberts, Sheryl Lindsell. (2004). *Strategic Business Letters and E-mail: Hundreds of Model Letters*. Boston, MA: Hough Miffin Company.
- 5. Naterop, Bertha J., Weis, Erich, & Haberfellner, Eva. (1978). *Business Letters for All*. Oxford: Oxford University Press.
- 6. Gartside, L. (1982). *Model Business Letters*. Great Britain: Richard Clay (The Chaucer Press) Ltd.
- 7. Radice, Francis W. (1970). *English Business Letters for Thai Students*. Bangkok: Chulalongkorn University, Faculty of Commerce and Accountancy.
- 8. Ashley, A. (2003). Oxford Handbook of Commercial Correspondence. Oxford: Oxford University Press.
- 9. Gartside, L. (1985). Model Business Letters. Great Britain: The Chaucer Press.
- 10. Ashley, A. (1984). A Handbook of Commercial Correspondence. Oxford: Oxford University.
- 11. Ashley, A. (1987). A Handbook of Commercial Correspondence. Oxford: Oxford University Press.
- 12. Gartside, L. (1985). Model Business Letters. Great Britain: The Chaucer Press.
- 13. Janis, J. Harold. (1972). Business Writing. New York: Barnes & Noble Books.
- 14. See Note 7.
- 15. See Note 11.
- 16. See Note 7.
- 17. See Note 11.
- 18. See Note 11.
- 19. Parisuthiman, Sumtum. (2005). *Business Communication: A Functional Approach*. Bangkok: Thammasat University Press.
- 20. See Note 10.
- 21. See Note 18.
- 22. See Note 10.
- 23. See Note 18.
- 24. See Note 10.
- 25. See Note 10.
- 26. See Note 11.
- 27. See Note 10.

CHAPTER 6

COMPLAINT LETTER

Letters of complaining about delays, wrong shipments, damaged goods, missing parts, defective merchandise, billing errors, late deliveries, faulty equipment, community problems, are usually written by dissatisfied, indignant or angry customers seeking redress. In writing such letters you must provide a clear description or explanation of what is wrong with the delivery, product or service. If an appliance is faulty, also provide exact information about the model and serial number; order and delivery dates; and invoice or account numbers. Also describe the inconvenience that this has caused you and the steps you expect the company to undertake to solve the problems promptly or else refund the purchase price. The language and tone in a letter of complaint should be firm, reasonable, and courteous.¹

PRINCIPLES OF COMPLAINT LETTER WRITING

Regardless of how good you and your company are, you will concessionary receive a complaint letter. No business companies operate without making mistakes. Mistakes will happen anytime in international business, and these give cause for complaint. At other times you will probably write a complaint letter. Therefore, you should know how to best write them, receive them, and response to them. To have to complaint is annoying, but to complain without good reason will also annoy your correspondent. If you complain, make sure you get your facts right ² Complaint letters may be concerning the wrong goods may have been sent, the quality may not be satisfactory, the goods may have been delivered damaged or late, the prices charged may complaint concerning be excessive or not as agreed. Sometimes these problems are relatively minor and cause only temporary inconvenience. What do they complain in complaint letters?

- 1. Complaint concerning wrong products
- 2. Complaint concerning non-delivery
- 3. Complaint concerning quality
- 4. Complaint concerning goods not to sample
- 5. Complaint concerning uncompleted work

- 6. Complaint concerning delivery charges
- 7. Complaint concerning damaged goods
- 8. Complaint concerning quantity
- 9. Complaint concerning bad service

When you have a complaint you may feel angry, but you must not show this in the letter you write. You begin by regretting the need to complaint, mention the date of the order, the date of delivery and the goods complaint about, state your reasons for being dissatisfied and ask for an explanation, refer to the convenience caused, and suggest how the matter should be put right. Many complaint letters fail because the writer is not in a problemsolving mood. So give yourself a couple of days to cool off before you sit down at the typewriter. If you want to ensure that your letter will be receiving a quick response. Guidelines for success are: (1) Keep cool, (2) Write to the right person, (3) Summarize the problem, (4) Present the background details, and (5) Ask for adjustment. The writer should proceed to explain in the circumstances which caused the trouble. Complaint letter will be effective if the purposes of writing are conveying information and creating good will. The principles for writing these letters will be based on the need to create goodwill. No matter how hard businesses try to satisfy their customers. Businessmen know that they must satisfy their customers to get repeat business and good word mouth advertising. To notify a company that it has an error, customers write complaint letters. The writer must provide all the specific details need, present the facts clearly, and address the recipient politely.

JUSTIFIED COMPLAINTS

Errors are unavoidable occurrences in business. These usually lead to complaints. May it be a misunderstanding of the orders or delivery, or errors in the address or delays, these may lead to complaints. Though this error or mistake may cause one to be angry, there is no need to be rude in dealing with it, especially with the company or customers who had committed the mistake. There is always a proper way of relaying your complaint.³ Here are some pointers to help you in giving your complaint and the following topic will give you an aid in how to handle complaints.

1. Making General Complaints

When you want to inform the supplier regarding a problem or dissatisfaction, a complaint starts here.⁴ Also, you need to consider whether it is proper to send your complaint using fax or email, where privacy is not safe or to send it using a formal letter, to make sure that the right person will receive and be able to read it.⁵

The Language of Complaints

There is a proper language to use in expressing your complaints. Terms such as disgusted, infuriated, or amazed are terms not appropriate to use. There are many causes of complaints, as a sensible and professional customer, you will realize the problem and will write your supplier about your complaint in a calm, polite and reasonable manner. Here are some examples of sentences you can use:

"Please make sure that this kind of problem will not take place again in the future."

"This is the second time this error has occurred and we are no longer satisfied with the service that you offer."

"Once you will conform efficiently in the future, we are considering changing to another contractor."

Here are points where you need to avoid in expressing your complaints:⁷

• Do not be impolite, rude or personal. At times, letters are sent between employees in a certain department where individuals are defensive and dealing the problem with anger. The letter is sent as a way of pointing the mistake as personal grudge, which is not supposed to be. Do not use the following phrases:

"You made an error in the calculation and you must correct it as soon as possible."

"You did not understand the agreed discount procedures. We have already informed you about the deduction from the net price. Please consider this immediately."

• "Your fault," "our fault," or blame should not also be used as they are inappropriate and immature way of saying the complaint.

"The fault is not in us, it's probably the fault of your shipping department."

Instead, you may better rephrase it as below:

"The mistake could not have been within our area. May you help to check, it must be connected with the dispatch department prior to shipping the goods to us."

• *Do not blame your own employee*. Specify the issue and tell your reader about the problem and where you think the problem lies and not telling them that your staff is at fault.

Specifying the Problem

You probably have known where the mistake was made, then, you may politely state this to your supplier. At times, you may be able to see why the problems are frequently occurring than the company you are dealing with. These sentences are appropriate in specifying and explaining the problem source or the problem itself:⁸

"Could you ask your accounts department to check my code for the next billing statement? I have enclosed a copy of my account code which is 789-586, but my billing statement is being sent to account code 586-789."

"I believe the error in wrong sizes that is being sent to me is, I am using the metric measurement, whereas you are sending me in sizes measured in feet and inches. Could I please ask you to look into this matter?"

Suggestion a Solution

You can offer help to your supplier by suggesting a solution to the existing problem. Always remember to give your suggestion in a polite manner. Allow them to realize your suggestion.

"May I suggest that instead of sending a credit note please send us a replacement of the same order you have sent us in 10 units. We would appreciate your consideration on this."

"I think the best solution to this matter would be to send you another debit note in the amount of \$1,000 as payment for the wrong items you have sent. We can use these goods anyway for our next open house next month."

Take note that these are just suggestions. Do not imply that you wanted to impose it. Give your suggestion and wait for your reader to reply and comment if he agreed or not.

2. Principles of Complaint Letter

Complaints from customers may deal with one of the following areas: 10

Goods or merchandise

Complaints may come out when orders are:

- •Not filled correctly
- Not in the quality or standard expected
- Damaged or some are missing
- Wrong delivered goods
- •Excessive from the given number of orders

Matters of money

Complaints may come out when there is:

- An error in the accounts statement and invoices
- A misunderstanding in the price, discount, and terms of payment

Related with Service

Complaints may come out when there is:

- •Delay in the filing of order or shipment.
- There is no reply for any enquiry or verification given.
- There is no proper recognition of the person in-charge when problem arises.

In making complaints, there are certain rules to be observed.¹¹

- As soon as you recognize the problem, it is better to make your complaint as early
 as possible. Delay dwindle your position and makes it difficult for suppliers to find
 out where and why the error occurred.
- Make the assumption that your supplier wants to correct the mistake.
- •Don't make an assumption of putting the blame to your suppliers.
- •Define your complaint clearly and politely ask your supplier what they propose to do about the problem.
- •Do not be rude, be polite. Rudeness may cause the supplier to be unwilling to help.

3. Guideline for Complaint Letter

The following discussion will guide you in making a formal complaint letter. 12

Opening

The opening of your complaint letter should not allow the reader to be agitated, rather, it should alarm them in a way that there is a problem that needed an attention and will allow them to read your letter further to be able to know the real issue.

You may begin with regretting the need to complain. Then mention the date when the problem happened or maybe a reference number if there is.¹³

"I regret to tender this complaint letter, however, there has been a mistake in the delivered goods."

"I am sorry to have to complain to you regarding the delay in the delivery of our order no. 123. Last September 15, 2016, I sent an order of five hundred shirts to be delivered to us before October 10, 2016. But until to-date, the goods have not been delivered."

"We have been a loyal customer of your company, but we have been dissatisfied today about the service rendered by your Shipping Department."

Contents

After stating the problem in the opening of your letter, you can now specify the reasons for being dissatisfied and ask for an explanation. You may also state the inconvenience it has caused you or it will cause if the mistake will not be corrected.¹⁴

Closing

You can end your letter with a suggestion on how to correct the mistake. You should also an appreciation for their attention on the error you have mentioned. You may add a request of prompt response so as not to cause prolonged inconvenience for you.¹⁵

"The wrong delivery of the goods had caused inconvenience to us as there are customers waiting for their orders to be given within this week."

"The delay in the delivery of these goods had caused serious inconvenience to us. Many of our customers had already cancelled their orders as they are expecting to get the items prior to October 10, 2016."

"Thank you very much for looking into this matter the soonest possible time."

"May I ask what possible solution you suggest to correct the problem of the undelivered goods as many of our customers have already cancelled their order? We appreciate your consideration and looking onto this matter."

Using the three parts of a complaint letter mentioned above, here is a complete example of a formal complaint letter:

Amcor Ltd.

564 Meaadowbank, Auckland, New Zealand Tel: 64 9 570 6997 Fax: 64 9 570 6999

July 22, 20--

AVB Company 169 Marmora Street Weston, Ontario

Canada

Dear Sirs:

After carefully examining the dress materials supplied to our order last 20th of June, we express surprise of disappointment at their quality. They definitely do not match the samples you have sent us earlier. Some of them are of poor quality.

The materials have quite unsuited to the needs of our Customers and we have no choice but to ask you to take them back and replace them with materials of the quality we have ordered. If this is not possible, then I am afraid we shall have to ask you to cancel our order.

We do not wish to embarrass you and if you can replace the materials, we are willing to give you an allowance of 2 weeks to supply the materials we need. Thank you and we hope that you will look into this matter.

Very truly yours,

Robert Brown

Robert Brown

This area is one of the most delicate parts of business correspondences. It is necessary to reply to this type of letter the soonest possible so as not to cause agitated and angry customers.¹⁶ There are times where you will have to go an extra mile to be able to pacify the situation and to make your customer happy after committing a mistake.¹⁷ When responding to complaints, it is not only managing to correct the damage but it is also a great opportunity to build and strengthen an affirmative relationship with your customers. Three principal things should be your goal in giving your response:¹⁸

- •Your commitment to offer help
- Your ability to help
- •Your commitment to the relationship

4. Guideline of Handling Complaints

Here are guidelines of handling complaints:

4.1. Asking Time to Investigate

As earlier mentioned, complaints should be addressed quickly, however, if you think you cannot deal with it immediately, as the issues needs time for investigation, inform your customer about it. Quickly reply to them that you have received their complaint. Your customer should not be left waiting, inform them that you are looking into it and you just need more time to investigate. Give them a full reply once your clarification and investigations were done. Examples of sentences related to this can be found below:¹⁹

"Thank you very much for informing us about this problem. We have already contacted the department in-charge of this. Please give us more time as we are now looking into it. We will contact you again later."

"We apologize for this delay. While we cannot give you a concrete reply as of this moment, our shipping and transport representative is currently getting in-touch with the freight carrier company for any issues occurred during the transport. We shall get back to you again shortly."

4.2. Explaining the Mistake

After your investigation and verification, give details on how the mistake took place and if it is coming from you, inform the customer that you are responsible for the errors and ready to correct it.²⁰

"The problem arises due to an error in our calculations. This has now been corrected."

"This kind of issue has not happened before and it is very unusual. However, it has already been dealt with."

"There has been an error occur in our database of orders causing your order no. 234 to be mixed up with other customer's orders."

4.3. Solving the Problem

After admitting your mistake and informing your customer about the source and cause of the problem, provide a solution to correct the mistake. Letting your customer know that you are willing to do something about the problem will reassure them that their issue is not taken for granted and you are considering them as a valuable customer. The best way to pacify your angry customer is to inform them that your solution is fast and will be given the soonest possible time. Your solution may even offer a discount or additional items included. Any of these may help to encourage your customer that any mistake or error is not of your liking to happen.

Using the sample sentences used above, here are some helpful examples of sentences to inform your customer that you are solving the problem:²¹

"The problem arises due to an error in our calculations. This has now been corrected. We shall prepare a new invoice and will send them to you again."

"This kind of issue has not happened before and it is very unusual. However, it has already been dealt with and we assure you that our service will continue to be improved to the satisfaction of our customers."

"There has been an error occur in our database of orders causing your order no. 234 to be mixed up with other customer's order. This has already been sorted out and we will send the items to your address as mentioned."

Here are examples of showing to your customer that you are doing something about the issue and making sure that it will not happen again:

Despite the care we take in packing records, there have recently been several reports of damages. To avoid further inconvenience and annoyance to our customers, we seek advice from a Packaging Consultant. Our employees are currently undergoing a seminar for improving our packing system. This will help to improve our methods of handling. We regret the need for you to write to us and we hope that the steps we are taking now will ensure safety arrival of goods in the future.

"Immediately after we received your letter, we dispatched twenty (20) items as replacement. It shall reach you tomorrow afternoon."

This is an example of a complete reply to a complaint letter:

Indus Co., Ltd.

47 Parramatta Rd., Concord, NSW 2137, Australia

Phone: 61 3 9866 0654 Fax: 61 3 9866 0656 Email: indus@co.com Website: indus.com

August 24, 20--

Explorica Company 235 Defu Lane 12 Prime Building Level 1, Room 5 Singapore

Dear Sirs:

Thank you for your recent letter regarding the damaged Laptop cabinet. This has been investigated and was found that the damaged occur while shipping your order. We are pleased to inform you that to correct this problem, we have already ordered a new replacement of the damaged Laptop Cabinet directly from our supplier in Sweden. They should dispatch the new cabinet to your address shortly.

We apologize for this inconvenience and we hope to continue to receive orders from you.

Very truly yours,

Alice Bell

Alice Bell

In closing your letter, it is a good idea to ask for apologize and leave that will encourage your customer not to lost hope and trust in you, rather, to stay loyal to your company.²²

UNJUSTIFIED COMPLAINTS

For customers, complaints are irritating. On the other hand, for suppliers, complaints without good reasons are also infuriating. Knowing how to deal with complaints is a very difficult skill to master. It's even harder when the complaint is unjustified.²³ At times, complaints management isn't just about handling an actual product or service errors, but even employee-customer interactions. Before reacting and making some comments, make sure to identify if the complaints sent is even an issue or not. Below are some guidelines in identifying an unjustified complaints and how to deal with it.²⁴

How to Identify an Unjustified Complaints

We label complaints without an actual ground for error as unjustified complaints. Here is an example of an obvious unjustified complaint:²⁵

Complaint from Customer:

"I have received another statement stating that I have a balance of \$36. I have already sent a cheque in the amount of \$215 as payment for the items I have ordered. I refuse to pay this extra charge."

Reply from Supplier:

"We received your letter regarding the extra charge you've mentioned in the amount of \$36. I think if you will check your statement, the amount to be paid is supposed to be \$251 which would correspond to the balance of \$36 difference. Please find an attached copy of your statement here.

Thank you very much."

As you may notice from the above example, the customer may have overlooked his statement. The customer mistakenly had seen the amount to be \$215 instead of \$251. This is

an unjustified complaint, as the mistake is not actually an issue to be resolved but a mistake from the customer.²⁶

Points of Remember

Here are some pointers to remember in dealing with unjustified complaints:²⁷

(1) Is the Customer Always Right? This is both a "yes" and a "no." Yes in the sense that customer complaints should always be given weight and attention and should always be replied to-regardless of the actual complaint. So both justified and unjustified complaints are valued because you should strive to keep a healthy customer relationship. On the other hand, customers can be wrong, but note that you should not tell them that they are wrong. Some complaints may be about customers who use a product wrong and mistake that for a product failure. Others still might have different expectations about what a product does-say they wanted a fountain pen that writes in black and red and yours only comes in black. In this case, the customer obviously misread or misunderstood what exactly your product offered, and so technically is wrong. In these examples given, they are obviously unjustified, but you have to respond to them politely. The second pointer will continue to guide you in making your reply friendly.

(2) Keeping It Friendly. Complaints come from dissatisfied and angry customers, so they must be handled with great care. The best thing you can do is to respond to each complaint in a personalized, helpful, and friendly manner, remembering to show your customer with respect and importance. Don't be overly wordy or don't be too technical. An angry customer hates being made to feel ignorant. Also, don't seem rushed or busy, your customer deserves your attention. The volume of your voice, professionalism, and even body language or facial expressions will affect how your customer sees you. Better to keep things friendly than to make things worse.

(3) Don't Apologize When You Don't Need To. The point of the matter is that most unjustified complaints do not actually warrant an apology; in fact, apologizing to the customer makes it seem like you should've provided a service where you did not. Like the example given above about the mistakenly seen the statement of payment. Instead of \$521, the customer thought to be \$512. If you could notice in the reply, the supplier did not ask for an apology, but the letter implies a very polite manner of informing the customer about the correct amount. To admit a fault where there is none is unprofessional, and should be avoided when dealing with complaints.

(4) What Should You Tell Your Customer? Thank the customers for their comment. This expresses a sense of professionalism and politeness and shows your customer that you value them.

Rejecting the Complaints

Unjustified complaints can be rejected. But again, do it firmly with care and politeness. Even if you don't need to do something about it or you don't have any responsibility about the complaints, always try to give an explanation so as to keep a good relationship with the customer. Here are some examples:²⁸

"Our operation and quality control department have examined the device you sent back to us. Their report shows that the device has not been properly maintained. The manual of the device will guide you and it was mentioned that a quarterly maintenance of it is necessary to keep the function at its best. We will then return back the machine to your address again. Kindly ask your technician to check and clean the device."

"Our technician has inspected the laptop you have returned last week, and he has informed us that the wrong cable had been inserted into your USB port. We can do the repair for you, but we may charge you for this for this kind of error is not under our guarantee. Please let us know if you will agree with the charge, then we will do the repair. Without your consent by tomorrow, we will send back the laptop to your office."

COMPLAINT EXPRESSION

Opening

- Referring to our order of the 2nd September 2016, the amount of goods received, are incorrect.
- We are sorry to report that a number of items were missing from the order.
- We thank you prompt delivery of our order no.4743, but we regret to tell you that many packages were found to be damaged.
- We are writing to inform you that our order is not up to your usual standards.
- In accordance with our order 7347, there are mistakes on the invoice, which we want rectified.

Body

- We are disappointed to find that the quality of the products you supplied does not correspond with that of the samples submitted.
- To prove our statement we are enclosing one of these samples and a cutting of the material received yesterday.
- On unpacking the order, we found that a number of goods were missing.
- We have not received our order yet, even though we were promised delivery by the end
 of the month.
- The order we received does not correspond with the invoice.
- We are prepared to retain these unsuitable goods, but only at a substantially reduce price.
- We would appreciate if you could make an adjustment for this discrepancy.
- Unfortunately you have not completed our order, the following are missing.
- As we need these goods to complete our deliveries to our customers, could you please send replacements immediately?
- We would like you to credit our account for the difference in this discrepancy.
- The goods are not to your usual standards, we will only accept them of you are prepared to give them to us at a reduced price.

Closing

- We look forward to you dealing with these questions without delay.
- We shall be very grateful for any assistance you can give us in this matter.
- We should be very glad if you would attend to this problem.
- Please do your best to bring this matter to a fast positive end.
- Will you please examine the matter and supply the missing quantity.

Examples of Complaint Letter

Situation 1: A letter of complaint was received by Julian Walshoy, Sales Director of Baron Seaside Fabrication Industries, Vancouver, demonstrating that an Overhead Boom Crane purchased recently was defective and is totally unacceptable to the requirements of Fischer Instruments Inc., Chicago. The writer of the complaint letter, Tom Stanzeniek, indicated the need for an urgent adjustment to this matter, as it is holding up the progress of his company. Write this letter of **complaint about the faulty goods** that were supplied.

Fischer Instruments Inc.

360 N. Michigan Avenue, Chicago, IL 60601 Telephone: 312-649-5279 Fax: 312-649-5280 Email: fischerinstrument@fisher.com

Website: www.fischerinstrumentinc.com Facebook: www.facebook.com/FischerInstrumentIncUSA/

March 25, 20--

Mr. Julian Walshoy Sales Director Baron Seaside Fabrication Industries 1348 Robson Street, British Columbia Vancouver, Canada

Dear Mr. Walshoy:

We are disappointed to find that the operation of the crane that you supplied does not correspond with that of the brochure that you sent to us.

We have had an electrician investigate into the faulty crane, and he found that the wiring has many errors in its make up, and without the electrical plans he cannot rectify this. As the crane you manufactured for us is under warranty, we require immediate service to the crane, as it is cause a severe inconvenience to the ongoing project of our business.

We look forward to you dealing with this problem without any delay.

Sincerely yours,

7om Stanzeniek

Tom Stanzeniek

Reply Situation 1:

Baron Seaside Fabrication Industries

1348 Robson Street, British Columbia, Vancouver, Canada Tel: +1 604 683 1234 Fax: +1 604 689 370 Email: fabricationindustries@fabrication.co.ca Website: www.fabricationindustries.co.ca

Facebook: www.facebook.com/FabricationIndustriesCanada/

March 29, 20--

Mr. Tom Stanzeniek Fischer Instruments Inc 360 N. Michigan Avenue Chicago, IL 60601

Dear Mr. Stanzeniek:

We have received your complaint letter regarding the faulty crane we supplied to you. Please accept our sincere apologies for this matter. We would like to correct this and make it up to you.

We would like to request if you could keep the crane as is, we are going to arrange a schedule to send one of our colleagues in your area to check the crane. In the meantime, we are also preparing a replacement for the faulty crane and ready to be delivered by Friday. We hope that this time, the crane will be up to the standard and as described in the brochure.

Again, we apologize and we are doing our best to check every crane to make sure that this kind of problem will not happen again in the future.

We value you as our customer and we would like to keep our business relationship.

Thank you very much.

Sincerely yours,

Julian Walshoy

Julian Walshoy Sales Director **Situation 2:** The goods that John Bryson, Store Manager of Westjean, Michigan, received were of a substandard nature to that of the previous order. The quality of the sheepskins that were ordered and delivered, are falling apart and have a strange pungent aroma to them. Write a complaint letter about these **unsatisfactory goods** to Cumberzealand Company, New Zealand, for Mr. Bryson.

Westjean Store

525 W. Allegan Lansing, Michigan 48933, U.S.A. Telephone: Fax: (517) 373-8118, (517) 241-4502 E-mail: westjean@michigan.com
Website: www.westjeanmichigan.com

Facebook: www.facebook.com/WestjeanStoreUSA/

December 14, 20--

Cumberzealand Company 42 Anzac Avenue, Auckland 1 New Zealand

Dear Sirs:

We are writing to inform you that our order is not up to your usual standards and that the quality of the sheepskins were of an inferior standard to that of the previous order.

The skins have a strange pungent smell and are easily to be broken apart. To prove our statement we are enclosing a material cutting sample of one of the sheepskins ordered.

We are prepared to retain these unsuitable goods, but only at a substantially reduced price, as we can use these damaged skins as off-cuts and samples. We can assure you, that we cannot use these sheepskins in the manufacturing of our garments.

We look forward to you dealing with this matter without delay.

Very truly yours,

John Bryson

John Bryson Store Manager

Reply Situation 2:

Cumberzealand Company

42 Anzac Avenue, Auckland 1, New Zealand Phone: 61 7 3267 9888. Fax: 61 7 3267 1116

E-mail: westjean@michigan.com Website: www.westjeanmichigan.com Facebook: www.facebook.com/WestjeanStoreUSA/

December 19, 20--

Mr. John Bryson Store Manager Westjean Store 525 W. Allegan Lansing Michigan 48933, U.S.A.

Dear Mr. Bryson:

This is in reference to your complaint letter regarding the delivered sheepskins. We apologize that the delivered sheepskin is not up to the standard you expect from us.

We have tried our other supplier of sheepskin since we were out of stock when your order came. We have been informed of its quality to be the same as what we had previously. Upon receiving the sheepskin, we shipped it right away without checking the quality since we trust our supplier. But it is a disappointment to know that you have received an inferior standard from what we usually give you. We apologize for this mistake.

In this regard, may we request for the sheepskins to be shipped back to us so we can return them to the supplier and ask for replacement. You can deduct the payment for the shipment from the payment you intent to give us for this order.

We had also contacted our supplier for the high standard quality and they had replied with an affirmative response that they will do their best to supply us with the same quality. We are awaiting for their reply about the delivery details. Once we got the sheepskin, we will check it and will immediately ship them to you.

We apologize for this error once again and we hope for your consideration to this matter. We assure you that this kind of problem will be dealt with in our area first before it will even reach you.

Thank you very much for your understanding.

Sincerely yours,

Ronald Cook

Ronald Cook

Situation 3: Write a letter of complaint from Gordanzo International Supplies, Barcelona, to Bigots Wholesalers, England, about the carrier company's actions. Every time an order is received form Gordanzo, it is left on their doorstep, without any personnel signing the consignment note. The letter is requesting remedial action to be given to Gordanzo.

Gordanzo International Supplies

San Pedro Claver 12, 08017, Barcelona, Spain Telephone: +34 93 252 40 20 Fax: +34 93 252 40 22

Email: gordanzo@intersupply.com
Website: www.gordanzointernationalsupplies.com
Facebook: www.facebook.com/GordanzoInternationalSuppliesSpain/

April 3, 20--

Bigots Wholesalers 12 High Street, Ingatesone, Essex, England

Dear Sir:

I would like to lodge an objection with you that has been ongoing with the orders that are delivered to by your carrier.

We find our order, placed on the doorstep of our offices, when we arrive at our premises in the morning. Each time we have made a complaint directly to the carrier, as it is mandatory for the delivery driver to have the consignment note signed by one of our personnel. We have inspected the order on each occasion, and have found no evidence of signatures or of the consignment note. But these complaints to the carrier have not rectified the situation, as we found our recent order with you on our doorstep this morning.

We are very concerned about these happenings, as the goods are of value and hold importance to our own deliveries and customers. We do not want to harm our good business relationship, but if these incidents keep occurring, we will be forced to seek other alternatives.

We shall be very grateful for any assistance you can give us in this matter.

Very truly yours,

Paul Spender

Paul Spender

Reply Situation 3:

Bigots Wholesalers

12 High Street, Ingatesone, Essex, England Tel: 01277 351981 Fax: 01277 351982

E-mail: bigotswholesalers@essex.co.uk Website: www.bigotswholesalers.co.uk Facebook: www.facebook.com/BigotsWholesalersUK/

April 9, 20--

Mr. Paul Spender Gordanzo International Supplies San Pedro Claver 12, 08017 Barcelona, Spain

Dear Mr. Spender:

Thank you very much for getting this matter into our attention. We are very sorry to hear that the proper procedure for delivery has not been followed and met by our carrier. We understand your concern regarding the value of the goods and its importance. Please accept our apologies for this inappropriate performance of delivery.

We shall contact our carrier immediately about this matter. It is indeed mandatory to have the consignment note to be signed as part of the procedure.

Rest assured that this incident will not happen again in the next delivery.

Thank you once again for sending this letter and we hope that this will not cause any change in our business relationship.

Sincerely yours,

Max King

Max King

Situation 4: A letter about an incorrect invoice was received by the Accounts Department of the Broadwater Construction Company, Hawaii. The complaint referred to the work that was completed on the Gardens Shopping Centre, for the Westfield Corporation, Osaka. As the contract stated the total price for the work performed, was US\$12million, instead of the US\$14million that was invoiced. Write a letter about this **incorrect invoice** and ask for an immediate correction.

Broadwater Construction Company

2525 Correa Road, Honolulu, Hawaii 96822, U.S.A.

Telephone: 956-6651 Fax: 956-5308
Email: broadwater@contrucy.com
Website: www.broadwaterconstructionco.com
Facebook: www.facebook.com/BroadwaterConstructionCoLtdUSA/

June 23, 20--

Westfield Corporation 7-12-22 Minamitsumori Nishinari-ku, Osaka Japan

Dear Sirs:

We would like to inform you of a discrepancy that we have found with our invoice, for the construction work we performed on the Gardens Shopping Centre.

The invoice reads for US\$12million, instead of the US\$14 million that was quoted, and signed for in the contract. Enclosed is a copy of the quotation and contract. We believe this is just an oversight, but we need the statement to be corrected before we can make remittance.

Could you please attend to this error at your earliest convenience.

Very truly yours,

Henry Sweeter

Henry Sweeter

Accounts Department

Reply Situation 4:

Westfield Corporation

7-12-22 Minamitsumori, Nishinari-ku, Osaka, Japan

Tel: +81(0)6-6652-8000 Fax: +81(0)6-6652-8894 E-mail: westfieldcorp@westfield.co.jp

Website: www.westfieldcorp.co.jp, Line: +81(0)6-6652-8111 Facebook: www.facebook.com/WestfieldCorporationJapan/

June 28, 20--

Mr. Henry Sweeter Accounts Department Broadwater Construction Company 2525 Correa Road, Honolulu Hawaii 96822, U.S.A.

Dear Mr. Sweeter:

Thank you very much for informing us about the discrepancy in the invoice. We are indeed sorry about this. We have oversight the amount of US\$12 million instead of US\$14 million.

We have attached herein the rectified invoice indicating the correct amount of U\$S14 million. Please ignore the invoice that we initially issued.

Once again, thank you.

Sincerely yours,

George Barry

George Barry

Situation 5: Norgay Guzping, Manager of Doupeay Sands Ltd., New Delhi, India, received a complaint about the **wrong amount of goods delivered** to Bucketts International Ltd. Can you write this letter of complaint for Mr. Joe Wilson, Manager of Bucketts International Ltd., Sydney, as he only received 920 x 20kg bags of porcelain mix, instead of the 1300 bags that were ordered. An adjustment arrangement is requested as soon as possible.

Bucketts International Ltd.

13 Winbourne Rd., Brookvale, Sydney, Australia Tel/ Fax: 02 9905 8288

E-mail: buckettsinternational@bucketts.co.au
Website: www.buckettsinternationalltd.co.au
Facebook: www.facebook.com/BuckettsInternationalLtdAustralia/

July 6, 20--

Mr. Norgay Guzping Manager Doupeay Sands Ltd. C-54 Greater Kailash New Delhi, India

Dear Mr. Guzping:

We are disappointed to inform you that unfortunately you have not completed our order. We refer to the order of 1300 x 20kg bags of porcelain mix.

The amount of goods received are incorrect, as we have only received and been invoiced for 920 bags.

I think you have misinterpreted our order, as it clearly states 1300 bags. I am enclosing a copy of the purchase order form. Could you please supply the remaining 380 bags immediately, as we need these for our own deliveries.

We should be very glad if you would attend to this matter.

Sincerely yours,

Joe Wilson

Joe Wilson Manager

Reply Situation 5:

Doupeay Sands Ltd.

C-54 Greater Kailash, New Delhi, India
Tel: +91-11-4069-2000 Fax: +91 11 2681 1053
E-mail: doupeaysands@doupeay.co.in
Website: www.doupeaysandsltd.co.in, Line: +91-11-4069-2111
Facebook: www.facebook.com/DoupeaySandsLtdIndia/

July11, 20--

Mr. Joe Wilson Manager Bucketts International Ltd. 13 Winbourne Rd., Brookvale Sydney, Australia

Dear Mr. Wilson:

We apologize for the mistake of sending you 920 bags of porcelain mix instead of 1300 bags.

We shall send you the 380 bags deficient right away. Our dispatch department is now working on this and we assure you that the shipment will be done in a week. You will be receiving the 380 bags along with the invoice by the 20th of this month.

We will be contacting you again for the delivery details.

Again, we apologize for this error. We value you as our customer and we will do our best that errors like these will not happen again in our future transactions.

Sincerely yours,

Norgay Guzping

Norgay Guzping Manager **Situation 6:** An **acknowledgement of complaint** letter is received by Harold Cutter, Manager of Cutter Industries Ltd., England, from Jickzy Inc., Switzerland. Write this letter to Mr. Cutter, apologizing for the mishap that had happened to his order, and that delivery will be made in the very near future.

Jickzy Inc.

Rue de Lausanne 154, 1211 Geneva 21, Switzerland Telephone: +41 22 739 5426 Fax: +41-22-739 57 63

E-mail: jickzyinc@jickzy.co.ch Website: www.jickzyinc.co.ch Facebook: www.facebook.com/JickzyIncSwitzerland/

March 25, 20--

Mr. Harold Cutter Manager Cutter Industries Ltd. 20-26 North Rd. Middlesbrough, Cleveland England

Dear Mr. Cutter:

We are very sorry for the mishap that happened with your order and please accept our apologies for this occurrence as it was misplaced in transit.

We have made a complete copy of the order, which we have pleasure in informing you that the delayed delivery is on its way and that you should receive it shortly.

We very much regret this delayed delivery and the inconvenience it has caused your company and hope that the delayed order will not affect our future business relationship.

Sincerely yours,

Raymond Aberson

Raymond Aberson

Reply Situation 6:

Cutter Industries Ltd.

20-26 North Rd., Middlesbrough, Cleveland, England Tel: 0952-290350 Fax: 0952-290353

E-mail: cutterindustriesltd@cutter.co.uk Website: www.cutterindustriesltd.co.uk Facebook: www.facebook.com/CutterIndustriesLtdUK/

March 29, 20--

Mr. Raymond Aberson Jickzy Inc. Rue de Lausanne 154 1211 Geneva 21, Switzerland

Dear Mr. Aberson:

Thank you very much for looking into this matter. We appreciate the effort you put in to help speed up the delayed delivery. Though it has already caused inconvenience on our part because our customers are also expecting to receive their order on the date we promise them.

We greatly appreciate if this kind of delays will not happen again in our future orders.

Thank you again and we hope to receive the orders as you've mentioned.

Sincerely yours,

Harold Cutter

Harold Cutter

Situation 7: Write a letter of complaint about the **delivery of damaged goods** that were found in Mr. Harry Whaite, Manager of Bicks Industrial Inc., Florida order no. 8635. Mr. Whaite had found 76 broken die sty cylinders in the order from Cylinder Industrial Company, Hong Kong. Mr. Whaite requires these goods to be urgently replaced.

Bicks Industrial Inc.

1522 South Dixie Highway, Coral Gables, Florida 33146, U.S.A.

Telephone/ Fax: (305) 665-3004
E-mail: bicksindustrialinc@bicks.com
Website: www.bicksindustrialinc.com
Facebook: www.facebook.com/BicksIndustrialIncUSA/

January 12, 20--

Cylinder Industrial Company 6-9 Harbour Rd., Wan Chai Hong Kong

Gentlemen:

We thank you for the prompt delivery of our order No. 8635, but we regret to inform you that 76 die sty cylinders were found to be broken or severely damaged. As these goods were urgently required to complete our deliveries to our customers, we are requesting immediate replacements.

We have boxed the broken cylinders and are returning them to you for your investigation.

We should be very glad if you would attend to this problem.

Very truly yours,

Harry Whaite

Harry Whaite Manager

Reply Situation 7:

Cylinder Industrial Company

6-9 Harbour Rd., Wan Chai, Hong Kong Tel: (852) 2802 011 Fax: (852) 2802 9063

E-mail: cylinder@industrial.co.hk Website: www.cylinderindustrial.co.hk, Line: (852) 2802 111 Facebook: www.facebook.com/CylinderIndustrialCoHongkong/

January 18, 20--

Mr. Harry Whaite Manager Bicks Industrial Inc. 1522 South Dixie Highway Coral Gables, FL 33146 U.S.A.

Dear Mr. Whaite:

This is in reference to your complaint letter regarding the 76 broken sty cylinders. We would be more than willing to replace the broken items. However, may we request for your kind consideration to give us about two weeks more before sending the replacement.

We will do some checking and investigation about this since our dispatch department made sure that the cylinders were not damaged when we gave them to the carrier. We will check with the carriers as well on which area had the damaged took place.

We will assure you that we will look into this problem and will give you the proper answer and respond as soon as we're done with the investigation.

Thank you very much for your consideration of this request.

Sincerely yours,

Wendell Adler

Wendell Adler

Situation 8: Write a letter of complaint concerning an **invoicing error** in the account of Freidel Logistics Ltd., Germany, this being of \$494,800, instead of \$449,800. This error occurred on invoice no. 489576 and the purchase order number was 04589. The complaint should be addressed to the Accounting Department of Burncut International Ltd., Scotland.

Freidel Logistics Ltd.

Finckensteinallee 23 - 27, D-12205, Berlin, Germany Telephone: 49 9565 2512 Fax: 49 9565 2788 E-mail: freidellogisticsltd@freidel.co.gr Website: www.westjeanmichigan.com

Facebook: www.facebook.com/WestjeanStoreUSA/

September 23, 20--

The Accounting Department
Burncut International Ltd.
2346 Historic Scotland
Longmore House, Salisbury Place
Edinburgh, EH9 1SH
Scotland

Dear Sir:

In accordance with our purchase order no. 04589 and received invoce no. 489576, there is a mistake on the invoice, which we want to be rectified before we can submit payment.

By our calculations, the statement total reads \$494,800; instead it should be \$449,800. We are sure this is just a typing error

We would appreciate if you could make a quick adjustment for this discrepancy

Very truly yours,

Bernard Spinder

Bernard Spinder

Reply Situation 8:

Burncut International Ltd.

2346 Historic Scotland, Longmore House, Salisbury Place Edinburgh, EH9 1SH, Scotland

Tel: 0131 668 8693 Fax: 0131 668 8699
E-mail: burncutinternationalltd@burncut.com
Website: www.burncutinternationalltd.com
Facebook: www.facebook.com/BurncutInternationalLtdScotland/

September 29, 20--

Mr. Bernard Spinder Freidel Logistics Ltd. Finckensteinallee 23 – 27 D-12205, Berlin Germany

Dear Mr. Spinder:

Thank you very much for sending your letter and getting this issue to our attention. We greatly apologize for this mistake. We have also re-calculated the orders and it came out to be \$494,800. We take responsibility to the miscalculations made.

We have attached here the rectified invoice which indicates the correct calculations.

Again, we are sorry for this mistake. We appreciate your honesty in informing us about the wrong amount.

We will make sure that this will not happen again in our future transactions. More power to your company!

Sincerely yours,

Thomas Nelson

Thomas Nelson

Situation 9: After checking his recent order from Graeshon Inc., Stockholm, Gary Turner, the Manager Turner Tele Sales, Wisconsin, found that 3 TV's were missing from the 34 that were ordered. Write a letter of complaint to Graeshon Inc., about the **missing goods** and what adjustment can he expect.

Turner Tele Sales

174 Rosecrans Street, Wausau, Wisconsin, U.S.A. Telephone: 608-224-4872 Fax: 608-224-4903

E-mail: turnertelesales@telesales.com Website: www.turnertelesales.com Facebook: www.facebook.com/TurnerTeleSalesUSA/

August 12, 20--

Graeshon Inc. Kaplansbacken 14 106 35 Stockholm Stockholm Sweden

Gentlemen:

Thank you for the fast dispatch of our order, but I regret to inform you that, unfortunately you have not completed our order, three of the televisions were missing, and only 34 were received.

We are happy to receive a credit for the missing goods or for you to send us the difference of three televisions in this discrepancy.

We look forward to your reply.

Very truly yours,

Gary Turner

Gary Turner Manager

Reply Situation 9:

Graeshon Inc.

Kaplansbacken 14, 106 35 Stockholm, Sweden Phone :+46 8-658 05 39. Fax: +46 8-508 37 00.

E-mail: graeson@stockholm.co.se Website: www.graesoninc.co.se Facebook: www.facebook.com/GraeshonIncSweden/

August 19, 20--

Mr. Gary Turner Turner Tele Sales 174 Rosecrans Street Wausau, Wisconsin U.S.A.

Dear Mr. Turner:

This is in reference to your letter concerning the missing 3 TV's from our recent delivery. We are sincerely sorry about this matter. We are willing to correct this mistake.

Our dispatch department is currently looking into it and trying to fix the problem. They have asked for one day in order to properly check where the error had happened. Please give us until tomorrow to answer your request. We will surely give you the proper and just rectification in order to correct this mistake.

We hope that our business relationship will not be affected by this. We assure you that issues like this will not occur again in the future.

Thank you very much and we look forward to your consideration on this matter.

Sincerely yours,

Marshall Wood

Marshall Wood

Situation 10: Write a complaint about the **wrong merchandise** that was delivered to Cruz Control Company, Seattle, from Shenji Electronics, Osaka. The Sales Manager of Cruz Control Company, ordered black bodied solar boxes, but clear type were received, and he is quite annoyed at this mistake, and cannot believe that this, is the second occasion that this has happened, in the last four orders that have been place with Shenji Electronics.

Cruz Control Company

1200 Third Avenue, 22nd Floor Seattle, WA 98101, U.S.A.

Tel/Fax: 1-(206)-389-7301
Email: cruzcontrol@company.com
Website: www.cruzcontrolco.com
Facebook: www.facebook.com/CruzcontrolCoUSA/

September 22, 20--

Shenji Electronics 7-740 Konda Habikino Osaka, Japan

Dear Sir:

We would like to inform you that the solar boxes that we received are clear types, instead of the black bodied type, which we ordered. This is the second occasion that this has occurred in our last four orders, and we are not very impressed. Since we did not order this product, we would like to return them for credit.

We need these goods to complete our deliveries to our customers, could you please send replacements immediately.

We should be very glad if you would attend to this problem at your earliest convenience.

Very truly yours,

Donald Walzerson

Donald Walzerson Sales Manger

Reply Situation 10:

Shenji Electronics

7-740 Konda Habikino, Osaka, Japan Tel: 072-937-3355 Fax:072-937-1080

> Email: shenji@electronic.or.jp Website: www.shenjielectronics.co.jp

Facebook: www.facebook.com/ShenjiElectronicsJapan/

September 28, 20--

Mr. Donald Walzerson Sales Manager Cruz Control Company 1200 Third Avenue, 22nd Floor Seattle, WA 98101, U.S.A.

Dear Mr. Walzerson:

We are very sorry to hear about your complaint regarding the mistake in the goods you've received. And we are very apologetic knowing that this kind of issue had happened to you for two times. We are doing our best to make it up to you and to correct this mistake.

Our order and dispatch department has already taken an action to make sure that you will receive the correct product you order. The shipment will be out by Friday and you should be receiving them by the 25th of this month.

We value you as our customer. We know that this has caused inconvenience on your part. And to make it up to you, we will offer a 5% discount from the total amount for this next shipment we will be sending you.

Again, we are sorry for this error. We assure you that this kind of error will not happen again in the next delivery. We hope that we can still maintain our good relationship with you.

Thank you very much for your consideration.

Sincerely yours,

Paul Walker

Paul Walker

COMPLAINT VOCABULARY

Faulty equipment Investigating

Mistake Inconvenience

Unsuitable goods Damaged goods

Delayed delivery Insurance

Non delivery Item shortage

Misunderstanding Breakage/broken

Seriously damaged Discrepancy

Inferior quality Imperfection

Incorrect statement Omitted product

Invoicing errors Lodge an objection

Misplaced in transit Oversight

Misinterpreted out order

EXERCISES

- 1. Ben Walter, Manager of Walter Wine Merchants, 25 Henry St., London, N.W.1., England, ordered from Bunton Winery Inc., 30 Grapevine Lane, Napa Valley, California 21624, U.S.A. 240 cases of wine, made up of: 60 cases of Chardonnay, 60 cases of Riesling, 60 cases of Cabernet Sauvignon and 60 cases of Merlot, all of 1999 vintage. On receiving the order by sea-freight, Mr. Walter found, that two cases of Riesling and five cases of Merlot were missing from the order. Write a complaint and ask for the appropriate adjustment.
- 2. Same situation as above, but Mr. Walter on unpacking the cases, found that a total of 17 bottles were broken, nine Chardonnay and eight Merlot bottles. Write a complaint letter.
- 3. Mr. Walter found that 12 of the cases Merlot were of 1999 vintage, which was a disastrously bad year, and as a result, he still has plenty of Merlot in stock. Write the complaint letter and ask for action.
- 4. The situation is the same as number 1, while Mr. Walter was checking the order, he discovered that there were in fact 30 cases of Riesling and thus, 90 cases of Cabernet Sauvignon. Riesling is half the price of Cabernet Sauvignon. Write a complaint letter.
- 5. Mr. Walter is still waiting on his delivery, which was promised by today. Mr. Walter requires the wine for an upcoming wine festival. Write a letter to Bunton Winery Inc., informing them of non-delivery and that this will affect Mr. Walter's business.

NOTES

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- 2. Geffner, Andrea B. (2007). *How to Write Better Business Letters*. New York: Barron's Educational Series, Inc.
- 3. Naterop, Bertha J., Weis, Erich, & Haberfellner, Eva. (1978). *Business Letters for All*. Oxford: Oxford University Press.
- 4. Nimnual, Watcharaporn. (2006). Business Correspondence. Bangkok: Triple Education Co., Ltd.
- 5. Ashley, A. (2003). Oxford Handbook of Commercial Correspondence. Oxford: Oxford University Press.
- 6. Parisuthiman, Sumtum. (1996). *Business Communication: A Functional Approach*. Bangkok: Thammasat University Press.
- 7. See Note 5.
- 8. See Note 5.
- 9. See Note 5.
- 10 See Note 6.
- 11 Taylor, Shirley, & Gartside, L. (2004). *Model Business Letters. E-mail & Other Business Documents*. New York: Prentice Hall.
- 12. Ashley, A. (1987). A Handbook of Commercial Correspondence. Hong Kong: Oxford Press.
- 13. See Note 12.
- 14. See Note 12.
- 15. See Note 12.
- 16. Ellenbogen, Abraham. (1978). Letter Perfect: A Business Person's Guide to More Effective Correspondence. New York: Macmillan Publishing.
- 17. Werz, Edward W., & Germany, Sally. (1993). *The Complete Customer Service Letter Book*. New York: McGraw-Hill.
- 18. Ramundo, Michael. (1995). The Complete Customer Service Model Letter & Memo Book New Jersey: Prentice Hall.
- 19. See Note 5.
- 20. See Note 5.
- 21. See Note 5.
- 22. See Note 5.
- 23. See Note 17.
- 24. Ashley, A. (1984). A Handbook of Commercial Correspondence. Oxford: Oxford University.
- 25. See Note 24.
- 26. See Note 24.
- 27. Evans, P. (2014). Reacting To Unjustified Complaints. Retrieved from:

http://www.coretec.com.au/blog/reacting-to-unjustified-complaints.

28. Ashley, A. (1987). A Handbook of Commercial Correspondence. Oxford: Oxford University Press.

CHAPTER 7

ADJUSTMENT LETTER

The writing of courteous and reasonable adjustment letters to respond to letters of complaint must be done with care, tact, and restraint in order to keep the customer happy. ¹ If you think you know how the mistake was made, you may politely point this out to your supplier. Sometimes, when a mistake occurs several times, you may be able to work out why it is happening more quickly than the company you are dealing with. ² Most businesses take the attitude that the customer is right until he is proved wrong, but they must carefully investigate each complaint before responding. If the customer what he want whether it is his money back, new products for the missing or damaged goods, etc. the letter is called an adjustment grant.³

FUNDAMENTALS OF ADJUSTMENT LETTER

Experts from the business world are very much aware that they must satisfy their customers to be able to have a good business partner and referrals, which will act as advertising. Even when an error or mistake happens, companies are willing to do something in order to correct the mistake. Even, if at times, an error caused by the customers.⁴ Furthermore, business firms understand that errors are inevitable so this part of business correspondence requires an attention and careful handling.⁵ In order for an error to be known by the company, customers will forward a *claim letter* or *complaint letter*. The notion behind an acceptable claim letter is for it to be granted. Thus, the writer must give all the necessary details to present the facts clearly and it must be presented in a polite manner.⁶ To help your supplier with your claims, your letter should contain the following:⁷

- 1. Opening
 - (a) Begin directly, identify the error or mistake.
 - (b) Provide the specific details of the item, give a reference number if there is any.
- 2. Body
 - (a) Explain the facts enough to permit a decision.

(b) Seek corrective action by stating what you want or letting the reader decide what to do.

3. Closing

- (a) End positively, friendly but fair.
- (b) Always remember to address your reader politely. A successful claim letter does not accuse, but it provides an explanation of the needed data. As an old saying goes, Do not do unto others what you don't want others to do unto you.

There are different schemes in giving your claim, however, it is good if your claim can persuade your reader to grant it. There are instances where the supplier does not have any legal obligations to take action. However, the customer believes that in fairness or for moral obligation, the company will recompense for the loss. In this regard, the claim letter needs to persuade the reader. More details are necessary. The customer may try to put a weight on being a regular customer and have an intention of remaining to be a customer.⁸

Below are sample format and an actual example of a claim letter:

[Company Name] [Complete Address with Zip] [Optional – email address]	
[Today's Date]	
[Name of Recipient] [Title] [Company] [Complete Address with Zip]	
Dear Name of Recipient:	
[Short introduction. Provide details about the product or service that is the subject of the complaint or claim. Include dates, location and the specifics about the item or service. Include account number if there is, but be careful with credit card numbers!]	Opening Body
[State the issue with item or service. Indicate details of the cause. This may be due to malfunctions, billing issues, delayed delivery, wrong delivery, etc.]	
[Indicate how you would like to resolve the problem. This may be reimbursement, replacement, repair, etc.]	Body
[Indicate you are including copies of the transaction documents. This may be copies of receipts, warranties, serial number, etc.]	
[Indicate you look forward to their reply within a specific time period. Inform them that you will wait for them before pursuing other options such as legal counsel or customer protection assistance.]	Closing
[You may indicate your contact number just in case they need to contact you.]	
Sincerely yours,	
[Name]	

Aeroson Co., Ltd.

25 Astidamantos, Athen, Greece Tel: 30 31 565432 Fax; 30 32 87654 Email: aeroson@company.co.gr www.aeroson.co.gr

November 3, 20--

Goral Co., Ltd. Spui 27, 1219 WX Amsterdam Netherlands

Dear Sirs:

We would like to draw your attention on the consignment of our hosiery goods reference no. 451 and reference no. 654 sent from Amsterdam on October 20, 2016 was damaged during the transit.

This fact has been duly certified by the cargo chip clerk at the Siam Seaport from whom we received the consignment. His remarks are enclosed herewith. We are writing to request for compensation for our losses.

These damaged hosiery goods have resulted in huge losses for us. We have enclosed an itemized list of the lost items along with their costs. We would like to ask for a reimbursement of the total amount indicated.

We have been your regular customer since 2010 and we intend to do more business transactions with you. We would like to request for fair compensation as these items cannot be disposed to our customers.

We are looking forward to your reply to this claim.

Very truly yours,

Bobby Rod

Bobby Rod Managing Director

WHAT IS ADJUSTMENT LETTER?

A complaint or claim letter will be responded by the supplier with an adjustment letter. If the supplier made a check and the fault is with them, then they will send an adjustment letter to grant their claim. Aside from that, an adjustment letter should also give an apology and will try to re-establish the trust of the customer to the company. Adjustment letter must be handled carefully, especially when the requested compensation cannot be granted. Refusal of compensation tests your diplomacy and tact as a writer. Here are some suggestions that may help you write either type of adjustment letter: 10

- 1. Begin with a reference to the date of the original letter of complaint and to the purpose of your letter. Take note that, if the claim will not be granted, do not state the refusal right away unless you can do so tactfully.
- 2. State your concern about the writer's issue and your appreciation that he has written you. Sincerity is a factor in giving your apology.
 - 3. Don't refer to the complaint as such, call it a "request" or "misunderstanding."
- 4. Never delay your reply to the customer's letter. If you need more time, then write them and tell them you need time to investigate and inform them how soon they can get a reply.
- 5. If you deny the request, explain the reasons why the request cannot be granted in as cordial and non-argumentative manner as possible. If you grant the request, don't sound as if you are doing so in a begrudging way.
- 6.If you deny the request, try to offer some partial or substitute compensation or offer some friendly advice (to take the sting out of the denial).
- 7. If the claim is not in your policy, then don't be afraid to refuse a claim or request. Explain to them the policy you have, the customer has the right to know why he is denied.
- 8. Conclude the letter cordially, perhaps expressing confidence that you and the writer will continue doing business.

The absolute task of an adjustment letter is to restore the customer's trust in the company. In doing so, do not make claims that you may not be able to satisfy just to please your customer. It will also help if you will redirect your customer regarding the strong features of your product or service. Always give them an assurance that for any mistake that will come out anytime soon, will be taken into your attention and you are going to do something about it. This part of adjustment letter will be further discussed in the following

parts of this study.¹¹ To give you an example of an adjustment letter, we will be using the claim letter example above to provide a response and show the adjustments made. Below is a good example of an adjustment letter in reply to it:

Example of an Adjustment Letter

Aeroson Co., Ltd

25 Karystou Street 8, Saint Anna Rentis, Athen, Greece Tel +30 210 345 3487 Fax +30 210 981 0694 Email: contact@aeroson.com Website: www.aeroson.com

November 25, 20--

Mr. Bobby Rod Goral Co., Ltd. Spui 27, 1219 WX Amsterdam Netherlands

Dear Mr. Rod:

We thank you for your letter dated November 3, 2016 regarding the damaged goods reference no. 451 and reference no. 654 you have received. Please accept our apologies for this incident.

We had made an investigation on this issue and we have received the report just today. The report shows that the consignment forwarded to you was the wrong one full of defective clothes. It was a mistake from our dispatch section and we regret this mistake which caused you both embarrassment and inconvenience. We have already sent the replacement today. You can be sure of the quality of the cloths we have sent.

You can, of course, return the damaged goods to us and debit our account for the loss and expenses that had been incurred and will be paid upon sending back the damaged goods to us. We again regret for the inconvenience caused by this mistake and we assure you that this kind of incident will be avoided in the future.

We are more than happy to be of service to you and be your business partner again in the future.

Sincerely yours,

Drew Blue

Drew Blue Managing Director

PRINCIPLES OF ADJUSTMENT LETTER

We have seen how adjustment letter can be constructed from a claim letter. We will further provide details regarding the things you need to consider in dealing with Adjustment Letters. The below topics will help you more in how to manage your adjustment letters and how to deal with your customer's claims appropriately. 12

Proper Attitude Towards Complaints

As had been mentioned previously, complaints should be handled with care as errors and mistake is inevitable in the business world. If complaints are administered with sincerity and reasonably, it can turn out to be an advantage to you as a supplier or if not, it can cause irreparable damage. Proper attitude towards complaints is very important. Here are two reasons why complaints should not be taken lightly or negatively, but view it in a positive way:

- (1) It provides a way of finding out the loopholes in your service or defective in your goods and correcting it.
- (2) It provides an opportunity to prove to your customers that you can be trusted in any way as a business partner. Not only during the good times, but whenever an error or mistake comes out, you can do something about it.

Companies who want to grow knew the value of complaints and they appreciate their customers in informing them. Since some of dissatisfied customers will just pull out without communicating back to suppliers and seeks to find a better supplier who can satisfy their needs ¹⁴

Analysis of Claims and Complaints and How to Address It

When a complaint letter reached you, there are two things that you need to identify after investigating all the necessary data. One, identify if the complaint is justified or unjustified. Second, identify if an adjustment could be done or not. In an analysis of these two, it will greatly help you on how to address the complaint. If the complaint is not justified, there is no need to have any adjustment at all. You will just have to be tactful in informing your customer about it so as not to create a bigger problem. If not, the customer will feel that you are just ignoring his claims. ¹⁵ Knowing how to deal with complaints is a

very difficult skill to master. It's even harder when the complaint is unjustified.¹⁶ Unjustified complaints are the ones without an actual ground for error. These kinds of complaints should be handled carefully so as not to offend your customer.¹⁷ Here is an example of a complaint:

Here is an example of a reply to be given from the above example of complaint, and informing the customer that their claim cannot be granted:

"Our operation and quality control department have examined the device you sent back to us. Their report shows that the device has not been properly maintained. The manual of the device will guide you and it was mentioned that a quarterly maintenance of it is necessary to keep the function at its best. We will then return back the machine to your address again. Kindly ask your technician to check and clean the device."

"We have received our order with reference no. 4565 last 4 December, 2016. It has been working well for 8 months not until Monday where the device just stopped and no longer working even if we have let it be rested for a few hours. It has been causing loss and delay in our production. We have shipped back this device and would like to ask for an immediate replacement so as not to cause further delay in our production process.

Thank you and we hope for your response and action the soonest possible time."

One of the guidelines given for making an adjustment letter is to specify your policy, if the claim that has been given is not in your policy then, there are no adjustments to be done. Inform your customer about it and explain in a tactful and friendly manner about rejecting their claim. Here is another example of a reply indicating about the company's policy informing the client that their claim cannot be granted:

Emanda Ltd.

75 Farway Road, Bolovin, Mississippi 44345, U.S.A. Tel:+1303527-4931 Fax:+1 303 527-4944

August 15, 20--

Sunshine Ltd. 36 Pasir Ris Farmway Singapore

Dear Customer:

We have received your claim letter dated August 11, 2016 with shipment dated August 5, 2016 on air bill number 355255655.

We regret any inconvenience or loss you have experienced on this shipment. However, we are unable to honor the claim made on this shipment. A review of your claim indicates that the contents of this shipment are fragile. As stated in our policy and guidelines under "Restrictions," our company assumes no liability for fragile shipments, and packaging for all fragile articles should be pre-approved by our company's Packaging Design and Development Department.

We value your business and appreciate your understanding in this matter. We look forward to serving you again in your future shipping needs.

Sincerely yours,

Danny Brown

Danny Brown General Manager The customer may have missed reading the policy completely or may be due to negligence, thus, missing the point where fragile rules were indicated. This kind of example shows that even if the claim may seem to be justified, investigating further will show that the customer's claim cannot be granted due to the stated policy set by the company. It is very important to read the complaint or claim properly and do some investigation if it is needed before sending your reply to the customer. With proper analysis of the letter received, you can be able to know if you need to grant the claim or you reject it.¹⁹ The next topic will be discussing on how provide the adjustment to a claim.

Giving the Appropriate Adjustments

After analysis, you can now identify that the claims to be granted are those that are justified. In conferring an adjustment, it may involve.²⁰

- Money refund or discount
- Replacement or providing a new merchandise
- Extended service
- Just simply admitting your mistake and give an assurance of not letting this mistake to happen again.

The following guidelines will help you to make your letter sincere and plausible:²¹

(1) Addressed the complaints immediately

The customer is dissatisfied that's why he sent a complaint. If you are going to let him wait for a period of time, his dissatisfaction may be further added and become irritated. A prompt reply will pacify your customer and make him feel that you are looking into the issue and you are not ignoring his letter.²² If you think the adjustment to be done needs more time, then inform your customer about it and you may specify a date when will it be given.²³

Dear Sir:

Please accept our apologies for the mistake we made in shipping you the wrong bicycle. We take orders fulfillment very seriously, and are investigating the cause of this incident.

In the meantime, we wish to send you the bicycle you ordered, along with a prepaid voucher to send back the incorrect bike. As a token of appreciation, we also want to include a \$250 gift voucher that can be used on any product in our store.

Again, we hope you accept our apologies and the corrections to the mistake done.

Very truly yours,

"Thank you very much for informing us about this problem. We are currently coordinating this issue with our branch in California and they will be giving us their feedback by tomorrow. Until then, we will inform you about the details shortly."

"We apologize for this mistake. Our dispatch and shipping department is now working on sending you the correct items. It shall reach you by tomorrow afternoon. Please let us know the amount that cost you for this mistake. We will be more than willing to send the amount to your account."

2) Give clarity to the issue

Provide details of how the error had transpired. Your may start from your side then going to the customer's side. With this, you can clearly see on which area did the mistake started.²⁴ Also, by doing this, the customer will know that you are working on the problem and making sure that things will be checked properly and son in the future, same issue will not happen again.²⁵ Using the sample letter above regarding the damaged goods:

We had made an investigation on this issue and we have received the report just today. The report shows that the consignment forwarded to you was the wrong one full of deflective clothes. It was a mistake from our dispatch section and we regret this mistake which caused you both embarrassment and in convenience. We have already sent the replacement today. You can be sure of the quality of the cloths we have sent."

This part shows how you have done your investigations. You have checked your area and found out that the error was actually from your dispatch section. The customer will then know that you have not let the issue sit but you have done something about it and you are also offering an adjustment for that mistake.

(3) Accept the mistake gracefully, do not be defensive.

Most customers will pardon suppliers if he admits the blame for the mistake readily. Rather than blaming your subordinates or any employee, admit the mistake if it really is and offer an apology.²⁶

(4) Be sensitive and discreet

Upon receiving the complaint letter, reply to your customer informing them that you understand the problem and again, offer an apology. There is nothing more to irritate a dissatisfied customer than a rude answer to his request. Try to be in their shoes especially if there are other people who are affected by the mistake and you are to take the blame. Be sensitive with your customer's feelings. Remember that your customers may also have customers to satisfy. Thus, if there was a mistake in your transaction, this will make a ripple to them and will affect their business as well. Be discreet in relaying the possible adjustments you can do to be able to pay off whatever losses and damaged the mistake may have caused.²⁷

Here is one good example of a very apologetic and sensitive supplier:

Dear Mrs. Boyle:

I have just received your April 24 letter about the damaged shipment you received through Purple Air Freight and regret the inconvenience that it has caused you.

From your account of the problem, I am quite sure that your request for the \$240 adjustment on the damage to the 2 crates of Valjean Crystal stemware will be granted. A certain amount of breakage of this sort does unavoidably occur in cross-country shipping; I am sorry that it was your company that had to be the one to suffer the delay.

I must remind you to keep the damaged crates in the same condition in which you received them until one of our representatives can inspect them. That inspection should take place within 2 weeks.

If all is in order, as it sounds to be in your letter, you can expect the full reimbursement within 2 weeks after our representative's inspection. I hope this unfortunate accident will keep you from having merchandise shipped by Purple Air Freight in the future.

Sincerely,

Making and Keeping Your Relationship in Good Terms

In the business world, no company can be expected to achieve precision and perfection. Misunderstanding and error will come one way or another. It is therefore a good idea for companies to always have a way of keeping and maintaining their good relationship with their customers. One way of doing this is to have the capability to write courteous, satisfying, sincere and credible adjustment letters. An effective adjustment letter can not only repair any damage done but also restore the customer's confidence in your company. You may have already seen and understand how complaints and claims should be analyzed properly before giving your reply. Unjustified ones will be given an appropriate response and this kind of letter requires skills in writing. As customers may either feel comforted or fell more aggravated. It depends on how you put it into words. Guidelines for making an adjustment letter for justified complaints were also given in this study. Even if the claim is granted, it does not mean that you have already solved the problem. Always take into consideration the feelings of your customer. You may have given your consent to their request but, they may feel that you have just give-in just to make things right and not out of

sincerity to maintain a good relationship with them. Remember one of the guidelines, "If you grant the request, don't sound as if you are doing so in a begrudging way."²⁹

Two big factors to consider in order to for a relationship to be in good terms with your customer are "Apology" and "Thank you." If you cannot admit your mistake, you may create a bigger problem and may lead to irreparable issue. To offer an apology for mistakes done will pacify an aggravate customer. Another factor is appreciation. Appreciate your customer for informing you about the issue. Let your customer feel that you know and understand their issue. Then, you can give help and adjustments. Conclude your letter with an anticipation that you are willing to be of service to your customers and any further complaints will be taken care of. Finally, make sure that issues solved will not be repeated in the future.³⁰

Take a look at the sample letter below, the supplier does not only offer the amount for returning the merchandise but also extended an additional amount as gift voucher. This kind of letter shows that the supplier is really apologetic and is willing to go further to win back the customer:

PRINCIPLES OF ADJUSTMENT LETTER WRITING

Goods may be damaged or unsatisfactory; order may be filled improperly or incompletely; misunderstanding may arise over discounts, bills, credit terms, and exchanges. The letters written to bring these errors to the attention of those who must take the responsibility for them are known as claim letters; those written to take action on such claim are called adjustment letters. A problem arises in an international business transaction, it is often most effective to deal with the problem in writing. When a company receives a letter asking for an adjustment, such a letter is never called complaint. Since a customer would never like to be a complainer. Instead, this letter is called service requests or claim letters. If a customer is dissatisfied with something, he tells them rather than talk to his friends and neighbors about it or quit buying from the company. Therefore, the reply letter is an opportunity to determine the cause of the trouble and rebuild the good feeling between customers and company. The letter may show in what respects is failing to give customers exactly what they want and thus point ways of improving products or service. The company should answers requests for adjustments graciously and promptly.³¹ When an importer writes

a request for an adjustment, the suggestions are: (1) Don't express disgust or anger, don't argue or threaten, (2) Explain of the disappointment which brought about your request for an adjustment, (3) Detail date, place and from whom purchased, terms of payment, and a sale slip or other evidence of purchase if possible.

How an exporter replies this letter, here are the suggestions: (1) Explain him that his goodwill and friendship are more important to you than the money involved and that he can always depend on the company to take good care of its customers, (2) Stress the effort the company is making to prevent a recurrence of customer dissatisfaction, (3) Welcome this opportunity to set things right between you. If possible, also tell him how his letter has helped the company in some way to improve its products or service.

Principles of responding to any kind of complaint are: (1) Answer it promptly, (2) Gather the facts and state them, (3) Admit your mistake, if wrong, (4) Don't argue with the customer, (5) Empathize with the customer, (6) Be courteous, (7) Specify action to be taken. Suggestions to reply to the complaint letters are: (1) Acknowledge that you have received the complaint, and thank you your customer to inform you, (2) Getting time to investigate the complaint, (3) Explaining the mistake, (4) Solving the problem. Adjustment letters deal with the following topics:

- Adjustment concerning quality
- Adjustment concerning wrong products
- Adjustment concerning non-delivery
- Adjustment concerning damaged goods
- Adjustment concerning quantity
- Adjustment concerning delivery charges
- Adjustment concerning uncompleted work
- Adjustment concerning goods not to sample
- Adjustment concerning bad service

ADJUSTMENT EXPRESSION

Opening

- We apologize for the errors in the invoice.
- We offer apologies for the broken goods that you received in order no. 3549.
- Please accept our apologies for the mistake in the order.
- We are very sorry for the delays in delivery.
- With further reference to your letter dated 15th June 2016 and our telephone call of this morning, we confirm your complaint and will deal with it as soon as possible.

Body

- We are pleased to inform you that the mistake has been rectified.
- We have pleasure in informing you that the delayed delivery is on its way.
- We are changing our packaging procedures.
- We can offer a discount to you in the future, due to our error.
- We will credit your account with the difference in price between the goods.
- We sincerely trust that the replacement goods will arrive in time to meet your requirements.
- We hope that the arrangements we have made are satisfactory and we look forward to receive orders from you in the future.
- We are very much regretful for the delayed delivery and the inconvenience it has caused your company. We are sending you replacements at a discounted rate.
- We hope that the delayed delivery will not affect our future business relationship.

Closing

- We are most grateful to you for settling this matter in such a friendly way.
- We regret any inconvenience that we may have caused your company.
- If you ever have more any problems with this product, feel free to contact us for help.

- We assure you of our best service at all times.
- We are extremely sorry for this error in judgment.

Examples of Adjustment Letter

Situation 1: Bill Thompson, Sales Manager of Taubmans Paint Supplies Ltd., England, received an order from Guzztling International Company, Holland, for 450 x 20ltr of Welshings Exterior Acrylic Paint. Mr. Thompson, needs to write a letter to the Manager of Guzzling, explaining that the paint ordered is **out of stock**, and would he the prefer to be offered the similar paint of Taubmans Wet and Dry Acrylic Paint at the same pricing or wait for the arrival of the Welshings Paint, which is due in about three weeks. Write this adjustment letter for Mr. Thompson.

Taubmans Paint Supplies Ltd.

345 Stocking Fen Rd., Ramsey, Huntingdon, England
Tel: 01487 800 011 Fax: 01487 812075
Email: taubmanspaint@supplies.co.uk
Website: www.taubmanspaint.com.uk
Facebook: www.facebook.com/TaubmansPaintSuppliesLtdUK/

February 20, 20--

Guzztling International Company Volderstraat 29 3961 BA Wijk bij Duurstede Holland

Dear Sir:

Thank you for your paint order, but I regret to inform you that the Welshings Exterior Acrylic Paint is out of stock at the moment, and will be available in the next three weeks.

We are offering an alternative, Taubmans Wet and Dry Acrylic Paint, which is of similar price and quality. We are sure you'll find our paint excellently suited to your requirements.

Please inform us of your decision about this matter.

Very truly yours,

Bill Thompson

Bill Thompson Sales Manager

Reply Situation 1

Guzztling International Company

Volderstraat 29, 3961 BA Wijk bij Duurstede, Holland

Telephone: (0343) 59 26 59 Fax: (0343) 59 28 26
E-Mail: guzztling@international.com
Website: www.guzztlinginternational.com
Facebook: www.facebook.com/GuzztlingInternationalHolland/

February 28, 20--

Mr. Bill Thompson Sales Manager Taubmans Paint Supplies Ltd. 345 Stocking Fen Rd., Ramsey Huntingdon, England

Dear Mr. Thompson:

This is in reference to your letter informing us of the out of stock Welshings Exterior Acrylic Paint. We appreciate your assistance of offering us an alternative.

Since you have been our best supplier of paints and longtime business friend, we believe that you know the quality and standard we are looking for. We trust that you will be giving us an alternative that will meet the requirements we need.

Please send the Tuabmans Wet and Dry Acrylic Paint to our office because this is an urgent order. A lot of our customers are waiting for their ordered paint.

Thank you very much.

Sincerely yours,

Donald Bolom

Donald Bolom

Situation 2: Bill Johnson of Gap Installations Inc., Dallas wrote complaint letter to Billija Wood and Carvings Ltd., Malaysia, stating that he was genuinely unhappy with the quality of the teakwood that they supplied, as the previous ordered teakwood was of the highest standards. Please write a letter from Billija about the **unsatisfactory goods received**, giving an appropriate adjustment.

Billija Wood and Carvings Ltd.

257 Chulan, Kuala Lumpur 06-10, Malaysia Tel: 03-2026 0081 Fax: 03-2070 9878 Email: billija@wood.co.my Website: www.billija.co.my, Line: 03-2026 0099

Facebook: www.facebook.com/TaubmansPaintSuppliesLtdUK/

March 22, 20--

Mr. Bill Johnson Gap Installations Inc. 202 West First Street Dallas, Texas U.S.A.

Dear Mr. Johnson:

We are very sorry to hear that the teakwood supplied is not up to your standard, and we regret the problems that this has caused you.

We are sending the replacements at once and wish to inform you that we will be offering you these at a 10% less for the earlier blemish. If you ever have any problem with this product, please feel free to contact us for help.

As the freight charges are very expensive to your country, and the return of the inferior quality teakwood will be astronomical, I am asking if you would like the initial order of teakwood at a discounted rate of 50%.

We hope that the arrangements we have made are satisfactory to your needs and we look forward to receive orders from you in the future, and trust that this delivery will not jeopardize our good business standing.

Sincerely yours,

Marshal Baron

Marshal Baron

Reply Situation 2:

Gap Installations Inc.,

202 West First Street, Dallas, Texas, U.S.A. Tel/ Fax: (202) 653-6203

Email: gapins@gap.com Website: www.gapins.com Facebook: www.facebook.com/GapInstallationsIncUSA/

March 29, 20--

Mr. Marshal Baron Billija Wood and Carvings Ltd. 257 Chulan, Kuala Lumpur 06-10 Malaysia

Dear Mr. Baron:

Thank you for offering the discount and we are very pleased with the arrangement you've made. We would like to accept your offer.

Kindly rectify the invoice you've sent us initially in order to reflect the 10% discount for the replacement Teakwood and the 50% discount in the initial Teakwood we received.

We shall then expect for the replacement of the product. Please send us the delivery details once the shipment has been made.

Thank you very much again and we assure that we will continue to send our orders to your company.

Sincerely yours,

Bill Johnson

Bill Johnson

Situation 3: Wendy Doohlan, Sales Director of Harpic Solutions Company, London, is annoyed at the late delivery of her order no. 9832W, from Boullier Croux Company, France, that was due to arrive by the end of last week. Write a letter to Ms. Doohlan, apologizing for the **late delivery of goods**, and that as an adjustment, a 20% discount will be given on the next order.

Boullier Croux Company

BB. 2 6219 La Modelaine sous Montreuil, France Tel:03.21.06.07.22 Fax: 03.21. 86.36.37

Email: boulliercrouxco@boullier.co.fr
Website: www.boulliercroux.co.fr
Facebook: www.facebook.com/BoullierCrouxCoFrance/

March 23, 20--

Ms.Wendy Doohlan
Sales Director
Harpic Solutions Company
6 Hans Crescent, London
England

Dear Ms. Doohlan:

We are very sorry for the delay in the delivery of order no.9832, which we are very much regretful.

We have pleasure in informing you that the delayed delivery is on its way and hope that this delay in dispatching the order will not affect our future business relationship. Also, we promise to enhance shipment of future orders that you place with us as quickly as possible.

We are offering your company a 20% discount on your next order, for the inconvenience that we may have caused your company.

Sincerely yours,

Max Amerson

Max Amerson Sales Director

Reply Situation 3:

Harpic Solutions Company

6 Hans Crescent, London, England
Telephone: (20) 7584-1367 Fax: (20) 7823-9701
Email: harpicsolutionscoltd@harpicsolutions.co.uk
Website: www.harpicsolutionscoltd.co.uk
Facebook: www.facebook.com/HarpicSolutionsCompanyIncUK/

March 29, 20--

Mr. Max Amerson Sales Director Boullier Croux Company BB. 2 6219 La Modelaine sous Montreuil France

Dear Mr. Amerson:

We are pleased to hear that finally the delivery of the order no. 9832 is already on the way. We are, however, being reprimanded by our customers due to this delay and as initially mentioned in our complaint letter, it caused us inconvenience.

We would like to make a negotiation of your offer. Can we split the 20% discount into two where 10% discount will be given to the order no. 9832 and the other 10% to be applied in our next order? The reason for this is, we want to give a complimentary item to our customers in lieu of the inconvenience and delay we caused them.

Thank you very much and we hope that you can consider our request.

Sincerely yours,

Wendy Doohlan

Wendy Doohlan

Situation 4: Johahn Dezry, Purchasing Officer of Buenhar Electronics Company, Holland, is disappointed with Danyoo Corporation, South Korea, about the receiving of 120x 34" flat screen TV's, instead of the 48" that were ordered. Mr. Dezry wants a formal apology and a quick adjustment, as this debacle has harmed his business, with his own deliveries needing to be placed with his clients. Write this letter of adjustment to for the **wrong merchandise** from Danyoo Corporation.

Danyoo Corporation

648 Shinduk ri Weaseo Myoun, Suncheon Shi Chullanam-Do, South Korea

Tel: 82-61-755-8077 Fax: 82-61-755-8044 Email: danyoocorp@danyo.co.kr

Website: www.danyocorp.co.kr, Line: 82-61-755-8777 Facebook: www.facebook.com/DanyooCorporationKorea/

December 21, 20--

Mr. Johahn Dezry Purchasing Officer Buenhar Electronics Company 1973 Young Street Holland

Dear Mr. Dezry:

I wish to formally apologize for the wrongful delivery of the 34" Flat Screen Televisions.

We are sending you the replacement 48" Flat Screen Televisions immediately at a discounted rate of 10% and we sincerely trust that the replacement goods will arrive in time to meet your requirements.

I have severely reprimanded our Stores Manager over this incident, and we can assure that this mistake will not happen again. We are very much regretful for the delayed delivery, due to the dispatching of the incorrect size of television, and the inconvenience it has caused your company.

Once again, please accept our sincere apologies for this mistake.

Sincerely yours,

Alexander Brown

Alexander Brown

Reply Situation 4:

Buenhar Electronics Company

1973 Young Street, Holland

Tel: (44) 1642 710580 Fax: (44) 1642 710667 Email: buenharelectronics@buenhar.com

Website: www.buenharelectronics.com

Facebook: www.facebook.com/BuenharElectronincsHolland/

December 26, 20--

Mr. Alexander Brown
Danyoo Corporation
648 Shinduk ri Weaseo Myoun,
Suncheon Shi, Chullanam-Do
South Korea

Dear Mr. Brown:

Thank you very for the adjustment you have made for us. This is very much appreciated and we sincerely accept your apology.

We trust you because of the good business relationship you had established with us. We also hope and believe that this kind of incident will not happen again in our future orders.

Expect that we will still be sending our orders to you in the future.

Sincerely yours,

Johahn Dezry

Johahn Dezry

Situation 5: A letter of adjustment is to be written to Ken Casey, Manager of Wilton Industrial Sales Inc., San Francisco, for 8 x Celto Turbines that were missing from his order no. 4765. Schzenoust Mechanical Company, Athens, is sending the 8 turbines with this letter of the **missing goods**.

Schzenoust Mechanical Company

1256 Paragrati, Athens, Greece Tel: 32 10 7216513 Fax: 32 10 7216516

Email: schzenoustmechanicalco@schzenoust.com Website: www.schzenoustmechanical.com

Facebook: www.facebook.com/SchzenoustMecahnicalCoGreece/

April 24, 20--

Mr. Ken Casey Wilton Industrial Sales Inc. 35 San Antonio Street, Silicon Valley San Francisco, U.S.A.

Dear Mr. Casey:

Please accept our apologies for the Turbines that we mistakenly left out of your order no.4765.

We are enclosing this letter with the 8 x Celto Turbines and we regret any disturbance we may have caused your business.

We can assure you that this will not happen again as we value you as a business partner.

Sincerely yours,

Filley Bacon

Filley Bacon

Reply Situation 5:

Wilton Industrial Sales Inc.

35 San Antonio Street, Silicon Valley, San Francisco, U.S.A.
Phone: +1 650-253-0000 Fax: +61 2 9374 4001
Email: wiltonindutrialsales@wiltonsales.com
Website: www.wiltonindustrialsalesinc.com
Facebook: www.facebook.com/WiltonIndustrialSalesIncUSA/

April 29, 20--

Mr. Filley Bacon Schzenoust Mechanical Company 1256 Paragrati, Athens, Greece

Dear Mr. Bacon:

We appreciate you for sending the missing Turbines. Our customers had already been given notice of the short delay of delivery. We believe that they can wait for your shipment.

We hope that this mistake will not happen again.

Thank you very much.

Sincerely yours,

Ken Casey

Ken Casey

Situation 6: The Wiltshire Organization, London, received the 230 cartons of their order of Encyclopedia's, that were printed by Oriental Offset and Laser Printing Ltd., Hong Kong, but 45 cartons were found to be damaged and waterlogged. Write an adjustment letter for the **delivery of damaged goods**, from the printers to the Wiltshire Organization.

Oriental Offset and Laser Printing Ltd.

6-9 Harbour Rd., Wanchai, Hong Kong Tel: : (852) 3157-1822 Fax: : (852) 3016-9737 Email: orientaloffset@laserprinting.co.hk

Website: www.orientaloffset.co.hk, Line: (852) 3157-1822 Facebook: www.facebook.com/OrientalOffsetandLaserPrintingHK/

March 20, 20--

The Wiltshire Organization 27 Bloomsbury Street Bloomsbury 6DX London, England

Dear Sir:

We are regrettably sorry for the damaged and waterlogged Encyclopedias that you received.

We are now in the process of printing a further 45 cartons of the books, which will be dispatched to you once they are off the press.

We have consulted the carrier about this incident and they are making changes to rectify from this happening again. Also, we are transforming our packaging procedures, as we do not want this occurrence to happen again.

We regret the disturbance that we have caused your organization.

Very truly yours,

Dixon Calpin

Dixon Calpin

Reply Situation 6:

The Wiltshire Organization

27 Bloomsbury Street, Bloomsbury 6DX, London Tel: +44(0) 20 7828 0111 Fax: +44(0) 20 7834 3442 E-mail: wilshire@organization.co.uk Website: www.wiltshireorganization.co.uk

Facebook: www.facebook.com/WiltshireOrganizationUK/

March 25, 20--

Mr. Dixon Calpin Oriental Offset and Laser Printing Ltd. 6-9 Harbour Rd. Wan Chai, Hong Kong

Dear Mr. Calpin:

We appreciate the actions you have taken in order to correct this damaged. We have received replies from our customers. Some of them understand the situation and informed us that they are willing to wait for the next printing. However, there are some that are not happy for the damaged that caused delay on their part.

We hope and trust that you will make a way that the occurrence of such situation will not happen again in the future.

Thank you very much.

Sincerely yours,

Henry Barry

Henry Barry

Situation 7: Write an adjustment letter for **ordered goods that are no longer available**, to Brullille Company., France, from Westside Optical Ltd., London. Brullille were requesting 200 x Wilcotts Wide Rimmed Eye Ware Frames, but Sales Manager of Westside is reporting that they are a discontinued item, as Wilcotts Vision Company, is no longer a trading entity. But the Sales Manager is offering the similar quality and design of Westside Optical Visions Ltd.'s own model of the Westside Classic Wide Rimmed Eye Ware Frame.

Westside Optical Ltd.

21 Essex Road, Islington, London
Telephone: 0207 226 3272 Fax: 0207 226 3572
Email: westsideoptical@westside.co.uk
Website: www.westsideoptical.co.uk

Facebook: www.facebook.com/WestsideOpticalLtdUK/

September 24, 20--

Brullille Company 36 Rue Petit Coquepot Montreuil France

Dear Sir:

We regret to notify you that the goods that you have ordered are no longer available, as Wilcotts Vision Co., is no longer trading, And hence, Wilcotts Wide Rimmed Eye Ware Frames are a discontinued item.

We can offer you our Westside Classic Wide Rimmed Eye Ware Frame, which is of comparable design and quality.

Please inform us, if you would like to make changes to your order.

Very truly yours,

Adler Beery

Adler Beery Sales Manager

Reply Situation 7:

Brullille Company

36 Rue Petit Cocquepot, Montreuil Sur Mer, France Tél/Fax: (+33) 09 52 54 15 66 • E-mail: brullile.com Website: www.brullile.co.fr Facebook: www.facebook.com/BrullilleCoFrance/

September 29, 20--

Ms. Adler Beery Westside Optical Ltd 21 Essex Road, Islington, London England

Dear Ms. Beery:

We have received your letter regarding the unavailability of our order. We are very saddened to know that the company is no longer in trade as we are very much impressed with the quality and design of the Wilcotts Vision Company.

With reference to your offer of alternative product, we would like to see a sample in order for us to check and verify the product. We are very much concern with the quality and design as our customers are expecting to receive the Wilcotts Wide Rimmed Eye Ware Frames. Furthermore, we would also like to present them to our customers for them to see the new product and decide if they will accept the new one or cancel their order.

Thank you very much and we hope that you can be able to provide us with the samples we need.

Sincerely yours,

Jackson Brown

Jackson Brown

Situation 8: Write a letter of adjustment for the **faulty goods** that were received by Neeson Industries Inc, Maine, U.S.A. An apology from the Manager of Nippon Computer Company, Japan for the wiring fault in the hard drive of all 72 computers received, is to be well stated and that the exchange of these computers is to be made immediately.

Neeson Industries Inc

9718 Heald Highway, Union, Maine, U.S.A. 04862 Phone: 207-947-7345 Fax: 207-941-0849

Email: neesonindustries@Neeson.com
Website: www.neesonindustries.com
Facebook: www.facebook.com/NeesonIndustriesIncUSA/

October 12, 20--

Nippon Computer Company 169 Naraba, Sakai, Osaka, Japan

Dear Sir:

We are happy to know about the delivered hard drives which are shipped immediately. However, we are disappointed with the faulty hard drives delivered as this has caused delays in our preparation for an important event where these computers are to be used.

We have already arranged the shipping of the faulty hard drives to be sent back to you. We are hoping that we can be able to receive the goods before the 5th of this month. Otherwise, we will be delayed in our preparation. In this case, we would like to firmly request that we should receive the goods on prior to the date mentioned.

Thank you very much for your cooperation.

Very truly yours,

Davis Grady

Davis Grady

Reply Situation 8:

Nippon Computer Company

169 Naraba, Sakai, Osaka, Japan Tel. 072-235-8745 Fax: 072-236-7292

Email: nipponcomputerco@nippon.co.jp Website: www.nipponcomputerco.co.jp, Line: 072-235-8755 Facebook: www.facebook.com/NipponComputerCompanyJapan/

Mr. Davis Grady Neeson Industries Inc 9718 Heald Highway Union, Maine, U.S.A. 04862

October 20, 20--

Dear Mr. Grady:

Please accept our sincere apologies for the hindrance we have caused your company by sending you faulty hard drives.

We are dispatching the replacement hard drives immediately. We will be waiting for the box to return to us, as we will organize and cover the charges for this return.

We regret any inconvenience that we may have caused your company and we assure you of our best service at all times.

Sincerely yours,

Tanaki Homiko

Tanaki Homiko Manager **Situation 9:** An adjustment letter about the **wrong amount of goods received** is sought by Siongtel Ltd., Hong Kong, for the 370 x 8210 Nokia mobile phones that were received instead of the 8810 model, from Nokia Ltd., Singapore. Write a letter outlining a suitable adjustment to be given to Siongtel.

Nokia Ltd.

205 Upper Thomason Rd., Singapore Tel: 65 64759270 Fax: 65 6234 1355

Email: nokialtd@nokia.co.sg Website: www.neesonindustries.com, Line: 65 64759271 Facebook: www.facebook.com/NokiaLtdSingapore/

November 21, 20--

Siongtel Ltd. 6/F., CDW Bldg. Tsuen Wan, N.T. Hong Kong

Dear Sir:

We are very sorry for the error caused by us in sending you the wrong model of mobile phone.

We are gathering the 370 x 8210 Nokia mobile phones, which will be sent to you immediately. We sincerely trust that the replacement goods will arrive in time to meet your requirements

Due to our blunder, we can offer a discount of 15% to you in your next order.

We assure you of our best service at all times and are extremely sorry for this lapse.

Very truly yours,

Daniel Bennis

Daniel Bennis

Reply Situation 9:

Siongtel Ltd

6/F., CDW Bldg, Tsuen Wan, N.T., Hong Kong
Tel: (852) 2476 9779 Fax: (852) 2412 1562
Email: siongtelltd@siongtel.co.hk
Website: www.siongtelltd.co.hk Line: (852) 2476 9999
Facebook: www.facebook.com/SiongtelLtdHongkong/

November 27, 20--

Mr. Daniel Bennis Nokia Ltd. 205 Upper Thomason Rd. Singapore

Dear Mr. Bennis:

Thank you very much for sending the right model we need as ordered. We appreciate your offer of 15% discount and we hope that this will be reflected in the invoice you will send to us.

Please make sure that this mistake will not occur again in the future. We appreciate your assistance to us in this matter.

Sincerely yours,

Morton Bell

Morton Bell

Situation 10: According to the Accounting Department of Shenji Dynamics Company, Japan, the invoice they received for order no. F74932 from Crayson Engineering Inc., Canada, indicates that the quantity ordered differs to that of the invoice. The purchase order of 250 x 100m rolls of Teflon Sheeting was correctly received, yet Shenji were billed for 1250 rolls. Write an adjustment letter for this **invoicing error.**

Crayson Engineering Inc.

12 Shorncliffe Rd., Toronto, Ontario, Canada Tel: 416 233-1900 Fax: 416 233-1915

Email: craysonenginnering@crayson.com.ca
Website: www.craysonengineering.co.ca
Facebook: www.facebook.com/CraysonEngineeringIncCanada/

August 24, 20--

The Accounting Department Shenji Dynamics Company 1-2-18 Sannon Nishinari-ku Osako, Japan

Dear Sirs:

We apologize for the invoice error that was given to you on you statement. We have rectified this mistake and are enclosing the correct invoice.

The fault was a typing error and in no way where we're trying to mislead your company.

We regret this inconvenience we have given you.

Very truly yours,

Bennis Dalton

Bennis Dalton

Reply Situation 10:

Shenji Dynamics Company

1-2-18 Sannon Nishinari-ku, Osako, Japan Tel: 48-647-2500 Fax: 48-647-2500

Email: shenjidynamicsco@shenji.co.jp Website: www.shenjidynamicsco.co.jp, Line: 48-647 2555 Facebook: www.facebook.com/ShenjiDynamicsCoJapan/

August 29, 20--

Mr. Bennis Dalton Crayson Engineering Inc. 12 Shorncliffe Rd., Toronto Ontario, Canada

Dear Mr. Dalton:

Thank you for sending the rectified invoice. We shall arrange the payment. Our Accounts Department will contact you regarding this matter.

We hope to receive an accurate and correct invoice every time we send an order. We appreciate your cooperation.

Sincerely yours,

Ioan Gilbert

Joan Gilbert

ADJUSTMENT VOCABULARY

Credit note Verify

Sincere apology Replacement

Rate of discount Deduct

Free of charge Regret

Modify Return goods

Prompt delivery Reduced rate

Credit an amount to an account Adjusting of account

Compensation claim Rectified invoice

Settlement of claims Implement changes

EXERCISES

- 1. Gavin Bunton, Sales Director of Bunton Winery Inc., received a letter of complaint from Walter Wine Merchants, outlining that on delivery of their order, they only received a total of 233 cases of wine, and in fact two cases of Riesling and five cases of Merlot were missing. Write an apology to the complaint giving a suitable adjustment.
- 2. Mr. Bunton received a letter from Mr. Walter complaining that nine bottles of Chardonnay and eight bottles of Merlot, were found broken on delivery. Write a reply to the complaint, informing of the adjustment given.
- 3. Mr. Bunton received a letter of complaint from Mr. Walter, that he was dispatched 12 cases of 1997 vintage Merlot, instead of the 1999 vintage that was ordered. Write a letter in reply to the complaint, admit to the mistake and give Mr. Walter a suitable adjustment.
- 4. Bunton Winery Inc. received a letter of complaint from, Walter Wine Merchants, that they were invoiced with 30 cases of Riesling, instead of the correct 60 cases, and as a result, they were charged for 90 cases of Cabernet Sauvignon, instead of the 60 cases that were ordered and delivered. Write a letter of reply to the complaint and offer a formal adjustment solution.
- 5. Mr. Bunton has received a letter complaining of non-delivery for the order of Walter Wine Merchants. Write a reply and a reason for non-delivery.

NOTES

- 1. Bond, Aland. (2005). Over 300 Successful Business Letters for All Occasions. New York: Barron's Educational Series, Inc.
- 2. Ashley, A. (2003). Oxford Handbook of Commercial Correspondence. Oxford: Oxford University Press.
- 3. Parisuthiman, Sumtum. (1996). *Business Communication: A Functional Approach*. Bangkok: Thammasat University Press.
- 4. Love, Charles, & Tinervia, Joseph. (1986). Commercial Correspondence. London: McGraw-Hill.
- 5. Janis, J. Harold. (1972). Business Writing. New York: Barnes & Noble Books.
- 6. Gartside, L. (1982). Model Business Letters. Great Britain: Richard Clay (The Chaucer Press) Ltd.
- 7. See Note 4.
- 8. See Note 4.
- 9. See Note 4.
- 10. Frailey, L. E. (1989). *Handbook of Business Letters*. Englewood Cliffs, New Jersey: Prentice-Hall.
- 11. See Note 4.
- 12. See Note 5.
- 13. See Note 5.
- 14. See Note 5.
- 15. See Note 5.
- 16. Werz, Edward W., & Germany, Sally. (1993). *The Complete Customer Service Letter Book*. New York: McGraw-Hill.
- 17. Ashley, A. (1987). A Handbook of Commercial Correspondence. Oxford: Oxford University Press.
- 18. See Note 4.
- 19. See Note 5.
- 20. See Note 5.
- 21. See Note 5.
- 22. See Note 5.
- 23. See Note 2.24. See Note 5.
- 25. See Note 2.
- 26. See Note 5.
- 27. See Note 5.
- 28. See Note 4.
- 29. See Note 10.
- 30. See Note 5.
- 31 Geffner, Andrea B. (2007). *How to Write Better Business Letters*. New York: Barron's Educational Series, Inc.

CHAPTER 8

PAYMENT LETTER

Business transactions always deal with payments. Either by cash, cheque or bank transfers. These payments may be given to settle for orders, payment for insurances, payment for adjustments or payments for damages. Payment is one important and critical factor in business transactions. That's why business firms are making sure that their terms and conditions regarding payments are clear enough before pushing through.

Business firms also make sure that whenever payment is done, a letter is sent to confirm it and another letter is expected to acknowledge it. Payment letters are not only forwarded for the purpose of settling a certain amount, but also to inform about a delay, reminder, excess amount, or acknowledgement. The letters circulating for payment issues are not only seen locally but internationally. International business letters for payment is a significant letter needed in every transaction made in the business world.

FUNDAMENTALS OF PAYMENT

Issues regarding payment sometimes arise in a business transaction. Payment may either be too much, short, or delayed. Some payments are lost and are not acknowledged yet customers claimed they sent it. One of the considerations to solve this issue is to have an appropriate method of payment. For every sale, its major objective is to be able to get a full payment on time. In order for this to happen, a suitable payment method should be undertaken so as to reduce the risk in payment, but at the same time you also have to consider that the needs of the buyer should be met. There are five major methods of payment for international trade. During the business transaction between the seller and buyer, the seller should be able to recognize which of the major payment methods are appropriate for him and the customer. ²

METHODS OF PAYMENT

1. Cash-in-Advance

This is the method that is most favorable to the side of the seller. As they already have the amount even prior to the delivery of the goods.³ For international sales, to send the money as payment via cash transfers and credit cards are most common ways of payment in advance. As our technology today, sending money is very convenient and fast. Another option available is the *escrow services*. An escrow is a monetary instrument held by a third party on behalf of the other two parties in a transaction. The finances are held by the screw until it receives the authorized written or oral directives.⁴

The cash-in-advance payment method is the least attractive for buyers because they will be required to give an amount even before even seeing or handling the goods they bought. This is a risk for them. Buyers may even have the concern that the merchandise may not be delivered. In this case, sellers who are persistent in requiring cash-in-advance payment may lose their sales at some point for some competitors who are offering a better mode of payment.⁵

2. Letters of Credit

One of the most protected methods of payment for international trade is the letters of credit (LCs). A letter of credit is a document issued by a bank indicating that a seller (Beneficiary) will receive payment up to the amount indicated in the letter of credit provided that the terms and conditions described in the L/C have been met. In the event that the buyer (Applicant) is unable to make payment on the procured item, the seller or the Beneficiary may make a demand for payment to the bank. The bank will study the seller or Beneficiary's demand and if it complies with the terms of the letter of credit, then the demand will be granted.⁶

An L/C is useful when reliable credit information about a foreign buyer is difficult to obtain, but the exporter is satisfied with the creditworthiness of the buyer's foreign bank. An L/C also protects the buyer since no payment obligation arises until the goods have been shipped as promised.⁷

The L/C has an advantage for both the seller and the buyer. For the seller, they can be assured that the payment is guaranteed and there are only few apprehensions regarding the

buyer's ability to pay. For the buyer, though this kind of payment is more expensive than the other forms of payment, the buyer is certain that any documents concerning a bought items will not be paid unless the seller conform to the terms of the L/C. The buyer is then secured that no payment is given without proper documentation.⁸ There are kinds of L/C:

2.1. Irrevocable and revocable letters of credit

An irrevocable letter of credit cannot be changed or cancelled unless everyone involved agrees. This letter of credit is more secured than revocable letters. A revocable letter of credit can be changed or cancelled at any time and for any reason by the bank that issued it. 10

2.2.Confirmed and unconfirmed letters of credit

A Confirmed L/C is when an advising bank or another bank adds its additional guarantee to assure the payment. By agreeing to add confirmation, the advising bank will become the confirming bank and carry out to pay the seller provided all the terms and conditions of the L/C are met. If the seller does not seek the second guarantee, the document would be called an unconfirmed letter of credit.¹¹

An unconfirmed letter has not been guaranteed by any other bank aside from the bank that opens it.¹²

A confirmed letter of credit provides more security than an unconfirmed letter of credit. 13

2.3. Transferable letters of credit

A transferable letter of credit can be passed from one 'beneficiary' (person receiving payment) to others. They're commonly used when intermediaries are involved in a transaction.¹⁴

The transfer will only happen if the applicant for the letter of credit (buyer) gives the consent. In a transferable L/C, the claims and responsibilities of the beneficiary are transferred to another party, usually a manufacturer or wholesaler. The transfer can be stated to be full or partial. Most transfers happen when a seller, also the beneficiary of the letter of credit, has an awaiting sale, but is unable to buy the product from the manufacturer on open account.

When a portion of the export L/C is transferred to the manufacturer, brokers then have a chance to pull the buyer's banker's credit by giving the manufacturer an assurance of payment as long as the manufacturer act upon the terms and conditions of the transferred

L/C. The criteria for transfer differs from bank to bank, here are some general requirements for transfer:

- The party who will do the transfer should be a customer of the transferring bank.
- The transferring bank is the only one allowed for a suggestion of compromise.
- The issuing bank is the correspondent of the transferring bank.
- Transferring bank has a standard and all terms and conditions of the credit are aligned to it.

In case the L/C does not meet the bank's criteria, the bank has the right to decline the request of transfer. Any adjustments or changes to be made in the letter of credit should approved by the buyer, the buyer's bank, and the beneficiary who is requesting the transfer. The banks retain the right to decline any transfer request. The details to be changed once the transfer is approved, is only limited to the following as stated in UCP 600 Article 48:¹⁵

- The L/C amount previously indicated may be lessened.
- The unit prices may also be lessened.
- The expiry and latest shipping dates may be shortened.
- The period after the shipment date for presenting documents to the bank may also be shortened.
- The name of the beneficiary is replaced for the name of the applicant (buyer), but if the applicant's name is required to be declared in any document other than the invoice, this requirement should be followed.
- The coverage of the L/C is increased if an insurance may be required.
- The address of the transferee would be the new place of payment.

A Transferable Letter of Credit may be transferred only once. The Second Beneficiary cannot make any transfer of any portion of a Transferable Letter of Credit to a third beneficiary. However, transfer can be done to more than one second beneficiary. In this case, the L/C must state that partial shipments are permissible.¹⁶

The following is a simplified example of a Transferable Letter of Credit transaction:¹⁷

Importer: AD International Buyer, Thailand

Intermediary Party (Middleman): U.S.A. Trading Company Ltd

Supplier: RAD Supplier Company Ltd, U.S.A.

Issuing Bank: Interworld Bank

Transferring Bank: Real Able Bank, U.S.A. PLC

2.4. Standby letters of credit

A standby letter of credit (SLC) is an assurance of payment issued by a bank on behalf of a client. This is used if the client fall-short to execute a contractual commitment with a supplier or seller. SLC is also known as a "non-performing letter of credit." ¹⁸

An SLC is a written commitment that an issuing bank will pay an amount of money to a beneficiary on behalf of their client in the circumstance that their client is does not pay the beneficiary. SLC also covers the fact that the issuing bank's commitment to pay is not dependent on the subsistence and legality of its customer's obligation but it is the obligation of the issuing bank to pay the beneficiary regardless of the relationship terms (even if it is not in good terms) between their customer and the beneficiary. This kind of transaction between the customer and issuing bank to come up with an SLC is private and it should not be taken to any public trading.¹⁹

There are entities involve in the SLC. They are the following:²⁰

- (a) The Customer or Applicant He approaches the bank to apply for an SLC. He needs to provide a collateral and proven to have adequate credit.
 - (b) The Issuing Bank: This is the bank that provides the SLC.
 - (c) The Beneficiary: The receiver of the instrument specified in the SLC.
- (d) Confirming Bank: This is a bank usually located near the beneficiary that consented to pay the beneficiary. An amount is paid to the confirming bank in doing a service for the beneficiary because it acts like a middle man between the beneficiary and the issuing bank. The confirming bank collects the amount from the issuing bank to give to the beneficiary.
- (f) Advising Bank: It represents the beneficiary, it can act as the receiver of the SLC and collect any amount on behalf of the beneficiary. In some instances, the advising bank is the same as the confirming bank.

2.5. Revolving letters of credit

An L/C becomes a revolving letter when one single letter of credit can be used again for a scheduled shipment over a period of time. The letter could either be used revolving in the value or in time.²¹ It also allow to use a specific amount of credit and once it is all used up, it will be replenished with the same amount as specified and be used again in the coming shipments. Revolving L/C can either be cumulative or non-cumulative. Cumulative will allow flexibility in the amount left unused in the credit to be added up to the amount to be used for the next shipment. Non-cumulative will only allow a fixed amount of credit for each period of shipment.²²

2.6. Back-to-back letters of credit

This kind of SLC consists of two letters to finance a seller in purchasing a product from a subcontractor. The first L/C is from the buyers bank and the second one comes from the seller's bank indicating that the beneficiary is the subcontractor. With back-to back L/C, the subcontractor is assured of the payment.²³

In back-to- back L/C, the consent of the buyer or the issuing bank is not compulsory unlike with transferable L/C. Back-to-back L/C is primarily used to veil the identity of the real supplier.²⁴

3. Documentary Collections

Documentary collection (D/C) is an international trade transaction in which the exporters (usually the seller) will entrust the collection of payment to their bank (remitting bank). The remitting bank will then send a payment document and payment instructions to the importer's bank.²⁵ The payment is made by involving the banks in the collection and in remittance of payment. D/C also includes preparing a draft informing the importer's bank to pay either by sight or on a specified date. This draft will also serve as instructions and contain details needed for the transfer of title of the merchandise. There is a disadvantage of D/C however, even though the transactions involve banks, this does not give any authentication process, thus, it does not offer maximum security in the event of unpaid merchandise. D/C is far less expensive than using the L/C. ²⁶

4. Open Account

This is a method of payment where sale transaction is made and the merchandise is shipped and delivered to the buyer even before payment is made. Payment will take place usually in 30 to 90 days. This is considered to be of high risk on the part of the exporter, because the goods are considered sold and will reach the buyer even without any payment given. But on the part of the importers, this is an advantage since they can have the goods and make an initial cash flow and then eventually give the payment to their seller.²⁷

In spite of the high risk, sellers still opt to give an open account payment method to their customers since competition in the market is very strong. If their competitors provide more convenient and more attractive package, then an exporter may lose sales. One way that exporters seek as a means of protection and security in their open account method is an export credit insurance.²⁸

5. Consignment

This method is a like an open account except for a difference in the way of payment. The importer will receive the merchandise first and sell them to their customers. After the goods are sold, then the payment will be given to the exporter. This is like an agreement in which the importer or foreign distributor receives the goods and sell the goods for the exporter. This method is also risky since the exporter is does not have any security for the payment. In order to reduce the risk and be able to use the consignment, the seller needs to have an honest, trustworthy and dependable foreign distributor.²⁹

One advantage of using consignment is sellers become more competitive in the area of availability of the goods and its fast delivery. Another advantage is it helps to minimize the cost of storage and inventory management. Like the open account, sellers also seek for insurance in order to have protection and security.³⁰

INVOICES AND STATEMENTS

Invoice

Invoices does not only represent a payment, but also serves as a record of transactions for both the buyer and seller indicating what product has been bought, the amount, quantity, details of the terms and other important details. In some cases, invoice comes with a covering letter.³¹ For the seller, an invoice is seen as sales invoice but for the buyer, it is seen as purchase invoice.³² Here is a sample template of an invoice:

Invoice

	 	1	
Company Name and logo	IN	VOICE	
Company Address		Date:	
		Invoice #:	
		Customer ID:	
BILL TO			
Customer Name:			
Customer Address:			
Customer Fluoress.			
Des	scription	Qty	Amount
		Subtotal:	
Comments:	I	Tax:	
		Others:	
		Others.	
		TOTAL T	
		TOTAL:	
"7	hank you for your trust and patronage."		
Authorized signature:			
	Company Name and Address	1	
	1 V		

Source: Printable Calendar Templates (n.d.). Free Invoice Template. Retrieved from: http://printablecalendartemplates.com/free-invoice-templates/.

A sample of a letter to send to your invoice receiver informing them of the items to be delivered and invoice to be received:

Dear Sir:

We have enclosed the invoice of your purchase, Invoice No. 234 in the amount of \$1050.

We are pleased to inform you that all the products are in good condition and we hope that you will be satisfied with the use of it.

We are looking forward to receive more orders from you in the future.

Very truly yours,

Pro-forma Invoices

This is not the real invoice. It is only used by sellers to send to the buyers to inform them of a shipment or delivery of merchandise and to make sure that the quotation initially agreed upon is not changed. It will also specify the amount to be paid and how it will be paid.³³ Pro-forma invoice declares the details about the product, like what kind of product it is, the quantity, the weight, the value and other charges involved. It is important to note that pro-forma invoice is not a request for payment nor an account receivable but it is only a document stating the seller's commitment to provide the merchandise to the buyer at a certain amount specified therein. This document is also used for custom purposes.³⁴ A proforma invoice when sent may be accompanied by a covering letter:

Dear Sir:

We are sending you the Pro-forma Invoice No. 4455 for your Order No. AD1234. This will serve as a confirmation of our quotation. The total of \$5,857.00 includes cost, insurance and freight.

Thank you and we look forward to continue a good working relationship with you.

Very truly yours,

Here is a sample format of a pro-forma invoice:

COMPANY LETTER HEAD Sender's Name Address Contact No.									
			IMPORTER'S DETAILS Name Address Contact No. Fax. No.						
PRO-FORMA INVOICE									
Invoice Number	Invoice Number: Invoice Date:								
Qty.	Description	Net Wt.		riff ode	Country of Manufacture	Currency	Unit Value	Subtotal	
Total Weight: Kgs					Total Value:				
Reason for Exp	oort:				Currency:				
For Pro-forma Invoices only: (Statement for Custom Purposes) GOODS NOT FOR RE-SALE, GOODS OF NOR COMMERCIAL VALUE. GOODS SUPPLIED FREE OF CHARGE									
Original Company Stamp Sender's Original Signature									
•									

Source: Report template. (2011). Invoice Template. Retrieved from: http://reporttemplate.info/4-proforma-invoice-template/.

Statement of Account

An alternative for sellers to have sales with their buyers is to allow them to have a credit in the form of an open account. This is to have agreement of payment in a period of time, maybe a month or quarterly. When the specified time period is reached, the seller will send a statement of account to their customers specifying all the transactions done within that period. The Account Rendered (balance from the previous period) is included in the statement. While invoices and debit notes are included and payments and credit notes are subtracted. Statement of Account is for customers to be able to see their payables, however, there are instances that a cover letter is given if there are specific point to convey to customers.³⁵ Here is a sample template of a statement of account:

(MAY INCLU	UDE COM	NY LETTER HEAD OR LOGO GAN, COMPANY ADDRES	SS, CONTAC	T NO.)	Date: Statement No: Customer No. Page:	E	
Bill To:					Account Sur	nmar	y
Name				Previo	ous balance:	\$	
Company 1	Name			Credi	t:	\$	
Address				New o	charges:	\$	
Contact No).			Total	Balance Due:	\$	
				Paym	ent Due Date:		
Date	Invoi No.	Description	Cha	ges	Credits		Total
					Balance:	S	

Source: Spreadsheet123 (n.d.). Account Statement Template. Retrieved from:

http://printablecalendartemplates.com/free-invoice-templates/.

Here is a cover letter sample in sending a statement of account:

Dear Sir:

Enclosed here is your statement of account as of September 30, 2016. May I remind you of your outstanding balance last quarter in the amount of \$400.00. Kindly settle this amount within 10 days so as not to cause confusion on the next account statement.

Thank you very much.

Very truly yours,

PRINCIPLES OF PAYMENT LETTER

One of the toughest jobs of sellers is to ask for payment settlement especially for stubborn customers. There lies a principle of sending a request for payment. Below are principles and pointers to consider:

Request for Payment

At times, there may be an instance where the client will not pay their due on time. They may have forgotten to pay or there could be some unavoidable circumstance where they were not able to send their payment. For some customers, they may have overlooked the date, thus, they were not able to send the payment on time.³⁶ A seller then may remind the client of his failure to pay. He will do it in a form of a letter, a letter of request for payment.³⁷ In making a letter of request for payment, you should consider including all necessary details such as the customer's account, the amount to be paid and when should he pay it. Make sure that your letter is specific and firm but polite and professional. There are series of letters to be given if the client will not respond to your warnings.³⁸

First Request

Since this is a first request, make the letter seems to be like a polite enquiry. The customer may have just forgotten or at any circumstances, he was not able to receive your statement.³⁹ The first request must be short just to remind your customer about his due and inform him that he needs to give the payment right away. Also, you can inform your customer to ignore your letter once the payment has been made.⁴⁰ Here is an example:

Dear Sir:

This is a payment reminder letter to formally inform you that your payment of \$250.54 is now past due. The full payment was supposed to be paid on or before November 3, 2012 for account number 258369147. Please submit the amount due including your account number by return mail.

I have enclosed a copy of your invoice. Also, I have enclosed an addressed, stamped envelope for your convenience.

Kindly disregard this reminder letter if you've already submitted your payment by credit card or mail. If you've not yet made your payment, however, please do so without delay.

Thank you for your quick response to this matter. You are a valued customer and we appreciate your business.

Very truly yours,

Second Request

A second request letter is sent to the customers if he does not reply at all. This request is like the first request, except that this time it is tougher and firm. You can indicate that you have already sent previous correspondences regarding the payment due and decisively demand for the payment.⁴¹

Usually, a second letter should be sent after 10 days from the initial letter. It is also addressed to a senior management, and labeled with the word "confidential" on its envelope. Your tone should be firmer but still polite and professional.⁴² You can also include a copy of the invoices, statements and your first request letter. This will help your customer see that you have included all necessary documents to justify your second request letter.⁴³ Here is a sample letter:

Dear Sir:

This is with reference to your existing outstanding balance which was delayed for 3 weeks now.

Please be advised that since our last letter request dated 24 June 2016 (refer to attached letter) we have not received any response and payment from you.

I once again enclose a copy of your invoice and statements showing your outstanding balance. We are requesting for your payment immediately.

Kindly disregard this reminder letter if you've already submitted your payment by credit card or mail.

Thank you for your quick response to this matter.

Very truly yours,

,

Third Request (Final Demand)

If the customer has ignored your two request letters, it is proper to think that the customer is unable to pay the amount due. You are now ready to send a final warning.⁴⁴ You can specify the following in your letter so the customer will know the action that you will be doing if this third letter will again be ignored.⁴⁵

- •Go back from where the amount should have been paid.
- •Mention that you have been patient with them stating that this is the third time you are sending a request.
- •State the steps you plan to do if this third and final demand is ignored, you may even mention taking a legal action.

Here is an example of a third request letter including all the 3 points mentioned above:

Dear Sir:

After sending two request letters dated 24 June 2016 and 4 July 2016 and have sent copies of your account statements and invoices regarding your outstanding balance, still we have not received any reply or payment in our account. This is our third and final request.

Your account is now seriously past due and it is clear that our efforts to work with you to collect the invoice amicably are not working. I regret to inform you that unless we receive payment in full by 15 August 2016, we will have to turn over your invoice to our attorney.

I hope to hear from you before this action must be taken to avoid damage to your credit rating or to our future business relationship. Please contact me immediately at 088-255-5995 if you intend to settle this matter.

Advice for Payment

Very truly yours,

This part is for the buyer when they have received invoices and account statements to be paid. The buyer will send a letter of notification to their seller informing them that the payment has already been forwarded and they need a confirmation of receipt.⁴⁶ Here are some examples:

Example

Dear Sir:

Thank you for sending our orders promptly.

We would like to inform you that we have arranged for a credit transfer through our bank, Inter World Bank, for \$650.34 in payment for the Invoice No. 4789.

Kindly send us a confirmation upon receipt of this mentioned amount.

Once again, thank you very much.

Very truly yours,

Dear Sir:

We have settled the items listed below with the enclosed check for payment.

Invoice Doc	Invoice Ref	Invoice Date	Invoice Amount
1800231	6523	12/23/2015	\$502.00
1800332	4562	01/06/2016	\$600.00
		Total :	\$1,102.00

It is appreciated if you could send your confirmation upon receiving this letter and the check for payment.

Thank you and looking forward for another fruitful and pleasant business transaction with you.

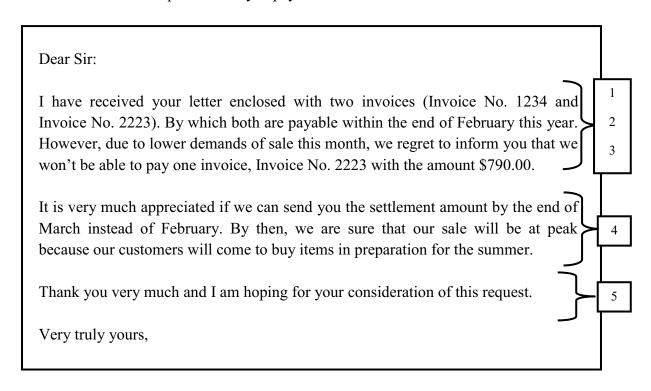
Very truly yours,

Delayed Payment

There are some instances when there is a need for sending a letter to a seller explaining the difficulty in paying the amount due on the specified date.⁴⁷ In making this letter, here are some guidelines to make your letter credible:

- State or mention the account or invoice number that cannot be paid at the moment.⁴⁸
- Ask for an apology for not being able to settle the amount on the date specified.
- Explain your reason, but do not be too dramatic. 50
- Give your suggestion on the extension of the period of payment.⁵¹
- End with a hope that your request will be granted. 52

Here is an example of a delayed payment letter:



As a seller, you have three ways on how to respond to a request of delayed payment. You can either:

1. Grant the request

If you think the reason is fair, you may want to grant your customer's request. Besides, they are your customers. If you want to build a good relationship with them, granting their request may help you.⁵³

Dear Sir:

I have received your letter and we are sorry to hear about your difficulties in pulling up your sales. Therefore, we have already adjusted your payment due date on 31 March 2016.

We value our relationship with you as our customer.

Very truly yours,

2. Refuse the request

If you think you needed the amount and the reason is not acceptable, then inform your customer about your refusal the soonest possible time. Informing them right away will give them time to make a solution on how to settle the payment. You also need to have a firmer stand about your reason to get the payment on time. Give your clear process for your accounts. And note to inform your customer with politeness. There are ways you can demand for the payment while still being pleasant. ⁵⁴

Dear Sir:

I have received your letter regarding the statement that cannot be cleared within the end of February. We certainly understand your predicament, however, we also have to pay our own suppliers on the 1st of March. Therefore, we would like to request for your understanding on this.

Thank you and we look forward to receive your payment on the date specified on your invoice and statement.

Very truly yours,

3. Suggest an alternative solution or a compromise

You may also give your suggestion or offer a compromise where you and the customer will both benefit. For example, you may ask for 50% payment then, the other 50% will be paid on the date your customer suggested. 55

Acknowledgement of Payment

As a seller or the receiver of the payment sent, you should also send a letter of acknowledgement upon your receipt of the payment. This will give comfort and relief to your customers knowing that their payment has already been recognized.⁵⁶ Here is an example of a letter informing your buyer about the received payment:

Dear Sir:

This is in reference to the payment we have received in the amount of \$1,203.56 via cheque no. 1112233 dated 28 February 2016 drawn on AD from Inter Corporation Ltd.

Thank you for your prompt payment and we look forward to receive orders again from you in the future.

Very truly yours,

Here is a sample letter for acknowledging a delayed payment:

Dear Sir:

We are writing to inform you that we have received your payment that was due last month. Thank you for remitting this payment.

We acknowledge the receipt of \$470.00 (Four Hundred Seventy Dollars) via cheque no. 3334455 dated 15 March 2015.

However, from now on, please make sure that you settle your account every first week of the month as specified in the invoice. Any customer who fails to comply will be charged with an additional 3% of the bill.

Thank you very much and we look forward to another set of orders from you.

Very truly yours,

PRINCIPLES OF PAYMENT LETTER WRITING

There are several good reasons why a customer fails to pay on time, some of them deserving of sympathy. Whenever the cause of a customer's failure to pay promptly, it is always annoying to the supplier. Payment letters continue the correspondence such as delayed and inability payment. There are three methods of payment. They are: (1) Cash, (2) Payments through post office, and (3) Payments through banks.

International businessmen should know principles of request for payment. If a reply to the first application is not received, a second application, firmer in tone but still polite, should be sent after about ten days. Nothing must be said to cause annoyance or ill will. You want your customer's co-operation and won't get it by annoying him. Just what tone to adopt depends upon individual circumstances. If payment is not still made and if no explanation has been received, a third letter becomes necessary. The writer will show that he intends to take steps to enforce payment. The steps he will take depend upon individual circumstances.

A first request should be in the form of a polite enquiry. Do not immediate assume that your customer has no intention of paying. He may not have received your statement. He may be have sent a cheque which has been lost. He might have just overlooked the account. You make a second request when the acknowledges still does not pay, or does not answer your letter at all. Third requests should be final demand. Review the situation form the time the account should have been paid, but do not threaten legal action unless you intend to take it. Payment letters relate to the following topics:

- Making a payment.
- Acknowledgement of payment.
- Customer explains inability to pay.
- Customer explains late payment.
- Remind to customer who has already paid.
- First notice for payment.
- Second notice for payment.
- Final notice for payment.
- Reminder to customer who has already paid.

- Extension of credit.
- Request for an extension of credit.
- Refusing an extension of credit.
- Replying to requests for more time.

PAYMENT EXPRESSION

Opening

- Referring to your statement of 20th October 2016,...
- We are sorry to have to remind you that we have not received your remittance.
- We regret to inform you that payment has not been made yet for order no.6456.
- This is to inform you that our terms of payment are monthly and by bank cheque.
- We would like to notify you that payment has not yet been received from you, even though you promised by the end of last month.
- I assure you that we will be able to make our future payments on time.
- We assure you that payment has been made on the 24th of this month.
- Thank you for writing to us frankly about your inability to pay your debt, due to May 30.
- I am replying to your letter of 5th September in which you ask for an extension of credit on your account for two to three months.
- Referring to your letter of payment terms, we enclose the following information:

Body

- Payment will be made by bank transfer/cheque.
- In settlement of your invoice no.30016, we enclosed our cheque for \$20000.
- In payment of your account is being made by enclosing sight draft in settlement of your invoice for \$10,000 we have opened a letter of credit with the Thai Farmer Bank.
- We normally pay by letter of credit.
- So far we gave received no reply from you.

- We are most disturbed that you will not be able to make payment for this month again.
- Should you have any comments regarding payment, we would very much appreciate hearing from you.
- I hope that all is going well with your company, as you have seemed to overlooked your outstanding amount on your account.
- We are very disappointed about this fact, and hope that you can help us to clear out this very strange situation.
- We hope that you'll settle the matter to our full satisfaction.

Closing

- Kindly send us your remittances as soon as possible.
- Please give the matter your immediate attention and let us have your payment by 16th
 May.
- Please do your best to bring this matter to a fast positive end.
- We are looking forward to hearing from you.
- We hope you can understand that this worries us a lot.
- We'll do our best to bring this matter to a fast positive end.
- Can assure you that it will not happen again.
- We shall be very grateful for any assistance you can give us in this matter.
- We value you as a business partner.

Examples of Payment Letter

Situation 1: Wilson Tuckey, Accounts Payable Manager of BTR Plc, London received a letter from Bell Inc., Chicago, concerning the terms of payment for order no. 57236340. Write this letter to Mr. Tuckey about the conditions of making this payment.

Bell Inc.

366 N. Michigan Avenue, Chicago, IL 60601, U.S.A. Tel. 312-649-5279 Fax: 312-649- 5281

Email: bellinc@bell.com
Website: www.bellinc.com
Facebook: www.facebook.com/BellIncUSA/

June 10, 20--

Mr. Wilson Tuckey
Accounts Payable Manager
BTR Plc.
57 London Road , High Wycombe
Berkshire, HP11 1B
London, England

Dear Mr. Tuckey:

We are writing in reference to your inquiry regarding our terms of payment for order no. 57236340. Please find the details as follows:

- Monthly settlement of no more than 30 days net
- Payments accepted by bank draft and company cheques only.
- 7.5% discount for payment within 14 days of receipt of order.

Please do not hesitate to contact me if you have any further queries.

We expect your payment soon.

Sincerely yours,

Perrow Marr

Perrow Marr

Reply Situation 1:

BTR Plc.

57 London Road , High Wycombe, Berkshire HP11 1B, London, England

Telephone: 01753 533165 Fax: 01753 557063

Email: btrplc@btr.*co.uk* Website: www.btrplc.co.uk

Facebook: www.facebook.com/BTRPlcUK/

June 15, 20--Mr. Perrow Marr Bell Inc. 366 N. Michigan Avenue Chicago, IL 60601 U.S.A.

Dear Mr. Marr:

Thank you very much for your reply. We would like to avail of the 7.5% discount for our order's payment. We are now arranging the amount to be sent and we hope that you can be able to receive the payment within the period required for the discount. Our Accounting Department will further communicate with you regarding the movement of the payment.

We appreciate your kind assistance to us in our inquiry and in our orders. We hope to have a good and long business relationship with you.

Sincerely yours,

Wilson Tuckey

Wilson Tuckey Account Payable Manager **Situation 2:** The same situation as no. 1, but this is the second notice about the unpaid invoice. In this letter Mr. Bennett is being a little sterner and hinting legal action, as there was no reply from the Accounts Dept. of Grousing Bourgehouse Ltd., Belgium to the first reminder. Write this letter.

ABC Advance Connected Exporting Co., Ltd. 1884 Fairweather Street, Santa Clarita, CA 91351, U.S.A.

Phone: 1-877-523-6130 Fax: 1-661-251-9593
Email: abcadvance@export.com
Website: www.abcadvanceexport.com
Facebook: www.facebook.com/ABCAdvanceExportingCoLtdUSA/

October 7, 20--

The Accounts Dept. Grousing Bourgehouse Ltd. Koolmijnlaan 351 B-3550 Heusden-Zolder Belgium

Dear Sir:

We regret to inform you that payment of 7,585 euros has not been made for order no. 3038.

We sent your company a reminder notice three weeks ago, and so far we have received no reply from you. We are very disappointed about this fact, and hope that you can help us to clear this amount.

I hope that all is going well with your company, as you have seemed to overlooked this outstanding amount on your account.

Please give the matter your immediate attention and let us have your payment by the end of the month.

Very truly yours,

Thomas Bennett

Thomas Bennett

Reply Situation 2:

Grousing Bourgehouse Ltd.

Koolmijnlaan 351, B-3550 Heusden-Zolder, Belgium Tel +32 11 57 95 00 Fax +32 11 57 95 01

Email: grousing@bourgehouse.co.be Website: www.grousingbourgehouse.co.be

Facebook: www.facebook.com/GrousingBourgehouseLtdBelgium/

October 12, 20--

Mr. Thomas Bennett ABC Advance Connected Exporting Co., Ltd. 1884 Fairweather Street, Santa Clarita CA 91351, U.S.A.

Dear Mr Bennett:

We sincerely apologize for the delay of payment for our order no. 3038. We are currently doing some inventory and at the same preparing for a big event this coming month for our marketing and promotion. We have overlooked the reminder and the invoice you have previously sent us. We do not intend to ignore to pay you.

Our Accounts Department is now fixing the amount to be sent to you before the end of this month.

Again, we are sorry for this and we hope that this will not affect our good working relationship. We assure that this kind of situation will be taken into action immediately so as not to cause further inconvenience on your part.

Thank you very much for your understanding.

Sincerely yours,

Abigail Han

Abigail Han

Situation 3: The same situation as no. 2, but this is the final notice about an unpaid invoice. Mr. Bennet is totally dismayed to Grousing Bourgehouse Ltd.'s non-reply to his second notice of payment, as they had promised remittance in the first reminder notice. Mr. Bennett is indicating that legal action will be taken, if the payment of 7,585euros for order no. 3038 is not made within 14 days. Write this letter, remembering to be writing in a formal and stern context.

ABC Advance Connected Exporting Co., Ltd.

1884 Fairweather Street, Santa Clarita, CA 91351, U.S.A.

Phone: 1-877-523-6130 Fax: 1-661-251-9593

Email: abcadvance@export.com
Website: www.abcadvanceexport.com

Facebook: www.facebook.com/ABCAdvanceExportingCoLtdUSA/

December 2, 20--

The Accounts Dept. Grousing Bourgehouse Ltd. Koolmijnlaan 351 B-3550 Heusden-Zolder Belgium

Dear Sir:

We would like to notify you that payment has not yet been received from you, even though you promised payment by the end of last month.

We have asked you repeatedly to settle this outstanding amount for 7,585euros. We have not received or heard reply from you. Unless we receive payment within 14 days, we will be forced to take legal action against you.

We still hope that your overdue payment will be paid within the limit we have set for you.

Please give this matter your most urgent regard and settle the matter to our full satisfaction.

Very truly yours,

Thomas Bennett

Thomas Bennett

Reply Situation 3:

Grousing Bourgehouse Ltd.

Koolmijnlaan 351, B-3550 Heusden-Zolder, Belgium Tel +32 11 57 95 00 Fax +32 11 57 95 01

Email: grousing@bourgehouse.co.be
Website: www.grousingbourgehouse.co.be
Facebook: www.facebook.com/GrousingBourgehouseLtdBelgium/

December 9, 20--

Mr. Thomas Bennett ABC Advance Connected Exporting Co., Ltd. 1884 Fairweather Street, Santa Clarita CA 91351, U.S.A.

Dear Mr. Bennett:

We sincerely apologize for the delay of payment in the amount of 7,585 euros.

We are currently experiencing business trouble at this time and our finances have been deeply affected. We do not intend to run away from this obligation, we would like to ask for your consideration if you could give us another month of leeway in order for us to make a way in clearing this debt.

We are sorry to give you this reason. We hope that you can be considerate to us in our down moment. We assure you that we will not allow damage to be made in our established relationship with you.

Thank you very much and we hope for your consideration and understanding.

Sincerely yours,

David Haze

David Haze

Situation 4: Peirre Borvourie, the General Manager of French company Boucketts International Ltd., is requesting an extension of credit, corresponding to order no. 45756, from Tucson Silver Supplies, Arizona, as Mr. Borvourie's company is waiting on his own clientele to pay an outstanding substantial sum. Write this letter of request, asking for a deferment of 3 months before payment can be made.

Boucketts International Ltd.

29 Rue General de Gaulle, France Tel: 33.2.47.57.04.92 Fax: 33.2.47.23.18.66

Email: bouckettsinternationalltd@boucketts.co.fr
Website: www.bouckettsinternationalltd.co.fr
Facebook: www.facebook.com/GBouckettsInternationalLtdFrance/

July 10, 20--

Tucson Silver Supplies 4094 E Huntington Drive Flagstaff, Arizona U.S.A.

Dear Sir:

We are writing to request for an extension of credit, regarding our order no. 45756.

We are unfortunately hard pressed to make payment, as we have a huge outstanding debt owed to us by one of our customers.

I assure you that we will be able to make our future payments on time.

We shall be very grateful for any assistance you can give us in this matter.

Very truly yours,

Peirre Borvourie

Peirre Borvourie General Manager

Reply Situation 4:

Tucson Silver Supplies

4094 E Huntington Drive, Flagstaff, Arizona, U.S.A. Phone: 928-213-1231. Fax: 928-213-55064183

Email: tucsonsilver@supplies.com Website: www.tucsonsilversupplies.com Facebook: www.facebook.com/TucsonSilverSuppliesUSA/

July 18, 20--

Mr. Peirre Borvourie General Manager Boucketts International Ltd. 29 Rue General de Gaulle France

Dear Mr. Borvourie:

We are sorry to hear that one of your customers has caused the outstanding debt you are in right now. We understand the situation that you are in. However, we can only give you up to two months to settle this amount. We apologize that this is the only leeway we can give you as we also need to run our business through finances.

We hope that you can be able to cope up with your debts and we look forward to receive your payment in two months.

Thank you very much for your understanding.

Sincerely yours,

Beck Carroll

Beck Carroll

Credit Manager

Situation 5: The situation is the same as number 4, except that the Credit Manager of Tucson Silver Supplies, has received a letter from Peirre Borvourie, the General Manager of Boucketts International Ltd., asking for an extension of credit, which he is granting. This is due to Boucketts International Ltd.'s excellent record in the past of up to date payment, and the Credit Manager of Tucson Silver Supplies knows too well that the default of payments by others, can reflect badly on an honest company. Write this letter.

Tucson Silver Supplies

4094 E Huntington Drive, Flagstaff, Arizona, U.S.A. Phone: 928-213-1231 Fax: 928-213-55064183

Email: tucsonsilver@supplies.com Website: www.tucsonsilversupplies.com Facebook: www.facebook.com/TucsonSilverSuppliesUSA/

May 2, 20--

Mr. Peirre Borvourie General Manager Boucketts International Ltd. 29 Rue General de Gaulle France

Dear Mr. Borvourie:

I am replying to your letter as regards to your request in which you ask for an extension of credit on your account for three months.

Thank you for informing us about your inability to pay your account at this time. We understand your predicament, and thus, we are granting you a postponement of payment on your account for 90 days from the due date of payment, since you have always met your obligations with us in the past

We value you as a business partner and trust your circumstances improve.

Sincerely yours,

Beck Carroll

Beck Carroll

Reply Situation 5:

Boucketts International Ltd.

29 Rue General de Gaulle, France Tel: 33.2.47.57.04.92 Fax: 33.2.47.23.18.66

Email: bouckettsinternationalltd@boucketts.co.fr
Website: www.bouckettsinternationalltd.co.fr
Facebook: www.facebook.com/GBouckettsInternationalLtdFrance/

May 10, 20--

Ms. Beck Carroll Tucson Silver Supplies 4094 E Huntington Drive Flagstaff, Arizona U.S.A.

Dear Ms. Carroll:

Thank you very much for granting our request. We really appreciate your trust and continuous support to our company. We assure that your invested trust and confidence upon us will not fail.

We will give you the payment in three months.

Once again, thank you and we hope for our long and good relationship to continue.

Sincerely yours,

Pierre Borvourie

Pierre Borvourie General Manager **Situation 6:** The situation is the same as number 4. Except that the Credit Manager of Tucson Silver Supplies, Arizona is refusing to grant an extension of credit to Boucketts International Ltd., for the order no. 45756, as all company's are treated equal and Tucson Silver Supplies terms of payment cannot be compromised. Please construct this letter for the General Manager, because of the French company's past record of slow remittance and outstanding payments.

Tucson Silver Supplies

4094 E Huntington Drive, Flagstaff, Arizona, U.S.A. Phone: 928-213-1231 Fax: 928-213-55064183

Email: tucsonsilver@supplies.com Website: www.tucsonsilversupplies.com Facebook: www.facebook.com/TucsonSilverSuppliesUSA/

April 3, 2016

Mr. Peirre Borvourie General Manager Boucketts International Ltd. 29 Rue General de Gaulle France

Dear Mr. Boryourie:

After considering your application for an extension of credit for order no. 45756, we are unfortunately unable to grant you this line of credit, as your past record of payments have been of slow and outstanding amounts.

Therefore, would you please make payment immediately, or we will be forced to take legal action.

Sincerely yours,

Beck Carroll

Beck Carroll Credit Manager

Reply Situation 6:

Boucketts International Ltd.

29 Rue General de Gaulle, France Tel: 33.2.47.57.04.92 Fax: 33.2.47.23.18.66

Email: bouckettsinternationalltd@boucketts.co.fr Website: www.bouckettsinternationalltd.co.fr

Facebook: www.facebook.com/GBouckettsInternationalLtdFrance/

April 8, 20--

Ms. Beck Carroll Credit Manager Tucson Silver Supplies 4094 E Huntington Drive Flagstaff, Arizona U.S.A.

Dear Ms. Carroll:

We have received your letter declining our request of credit extension. We are sorry to hear that, we just hope that you can be able to extend your leeway for us.

Since this has not been granted, kindly consider our payment of the first 50% and we shall give you the other 50% by the end of this month.

Please be considerate to us. We are doing our best to make the payment as soon as possible, but the situation is becoming stiff for us at this time.

We hope and sincerely ask for your consideration.

Thank you very much.

Sincerely yours,

Peirre Borvourie

Peirre Borvourie

Situation 7: The situation is the same as number 4, except that the General Manager of Boucketts International Ltd., has requested an increase in credit, which the Credit Manager of Tucson Silver Supplies is rejecting, because of the French company's past record of slow remittance and outstanding payments. Write this rejection letter from the Credit Manager of Tucson Silver to the General Manager of Boucketts International Ltd.

Tucson Silver Supplies

4094 E Huntington Drive, Flagstaff, Arizona, U.S.A. Phone: 928-213-1231 Fax: 928-213-55064183

Email: tucsonsilver@supplies.com Website: www.tucsonsilversupplies.com

Facebook: www.facebook.com/TucsonSilverSuppliesUSA/

May 12, 20--

Mr. Peirre Borvourie General Manager Boucketts International Ltd. 29 Rue General de Gaulle France

Dear Mr. Borvourie:

We are writing in regard to your request for a credit increase with our company.

As we have allowed you a fairly substantial line of credit over the past, slow remittances as well as outstanding amounts have been the norm. Hence, we cannot grant a further increase in credit.

We value your company as a business partner, and if payment of remittances comply with the conditions of our terms of payment, we will then reconsider an increase of credit.

Sincerely yours,

Beck Carroll

Beck Carroll Credit Manager

Reply Situation 7:

Boucketts International Ltd.

29 Rue General de Gaulle, France Tel: 33.2.47.57.04.92 Fax: 33.2.47.23.18.66

Email: bouckettsinternationalltd@boucketts.co.fr
Website: www.bouckettsinternationalltd.co.fr
Facebook: www.facebook.com/GBouckettsInternationalLtdFrance/

May 19, 20--

Ms. Beck Carroll Credit Manager Tucson Silver Supplies 4094 E Huntington Drive Flagstaff, Arizona U.S.A.

Dear Ms. Carroll:

Thank you for your reply. We understand your reason for not granting our request of credit increase.

We will try our best to pay you on the agreed date for every transaction we will do with you. We hope that we can be able to gain your trust and be able to grant us our request soon.

Once again, thank you and we look forward to have a long business relationship with you.

Sincerely yours,

Peirre Borvourie

Peirre Borvourie

Situation 8: The situation is the same as number 4, except that the Credit Manager of Tucson Silver Supplies, is accepting the payment proposal suggested by Peirre Borvourie, the General Manager of Boucketts International Ltd. The proposal consists of paying off the outstanding amount, by making a payment of 1,517 euros every week for the next five weeks. Write this letter for the Credit Manager of Tucson Silver Supplies.

Tucson Silver Supplies

4094 E Huntington Drive, Flagstaff, Arizona, U.S.A.

Phone: 928-213-1231 Fax: 928-213-55064183 Email: tucsonsilver@supplies.com

Website: www.tucsonsilversupplies.com Facebook: www.facebook.com/TucsonSilverSuppliesUSA/

September 2, 20--

Mr. Peirre Borvourie General Manager Boucketts International Ltd. 29 Rue General de Gaulle France

Dear Mr. Borvourie:

We are pleased to accept your payment proposal, which you had requested in your previous letter.

The repayment in lots of 1,517 euros, every week for the next five weeks is fully accepted by us, but we stress that if payment will not be done properly as per schedule, we will not consent to any other similar requests.

We hope and trust that your financial position will improve soon.

Sincerely yours,

Beck Carroll

Beck Carroll Credit Manager

Reply Situation 8:

Boucketts International Ltd.

29 Rue General de Gaulle, France Tel: 33.2.47.57.04.92 Fax: 33.2.47.23.18.66

Email: bouckettsinternationalltd@boucketts.co.fr
Website: www.bouckettsinternationalltd.co.fr
Facebook: www.facebook.com/GBouckettsInternationalLtdFrance/

September9, 20--

Ms. Beck Carroll
Credit Manager
Tucson Silver Supplies
4094 E Huntington Drive
Flagstaff, Arizona
U.S.A.

Dear Ms. Carroll:

We appreciate you granting our request of the staggered payment to be done every week.

We understand your reason as you also need to run your business. We assure you that this request is only done for this time as our situation is not allowing us to pay you in full. We will do our best to give the payment in accordance with your terms and conditions in our future transactions.

Thank you very much for being considerate and for your trust to our company. We hope that our good and long business relationship will continue.

Sincerely yours,

Peirre Borvourie

Peirre Borvourie

Situation 9: Tony Bennett, Accounting Director of United Forcer Company Ltd., London, is sending a letter to the Accounts Dept. of Grousing Bourgehouse Ltd., Belgium, about the non-payment of 7,585 euros for order no. 3038. Write this letter about this first reminder of the unpaid invoice for Mr. Bennett.

United Forcer Company Ltd.

2034 Canada Square London, United Kingdom
Telephone: 44 (0) 20 7991 8888 Fax: 44(0)20 7991 8889
Email: unitedforcerco@unitedforcer.co.uk
Website: www.unitedforcercoltd.co.uk
Facebook: www.facebook.com/UnitedForcerCoLtdUK/

November 5, 20--

Accounts Dept. Grousing Bourgehouse Ltd. 69 Rue Eg Van Ophem 1180 Bruxelles Belgium

Dear Sir:

We are sorry to have to remind you that we have not received your remittance of 7,585euros for order no. 3038.

This is to inform you that our terms of payment are monthly and by bank cheque. Should you have any comments regarding payment, we would very much appreciate hearing from you.

Kindly send us your payment as soon as possible.

Very truly yours,

7ony Bennett

Tony Bennett Accounts Director

Reply Situation 9:

Grousing Bourgehouse Ltd.

69 Rue Eg Van Ophem 1180 Bruxelles, Belgium Phone: +32 2 629 22 07 Fax: +32 2 629 21

Email: grousingbourgehouseltd@grousing.co.be Website: www.grousingbourgehouseltd.co.be

Facebook: www.facebook.com/GrousingBourgehouseLtdBelgium/

November 11, 20--

Mr. Tony Bennett Accounts Director United Forcer Company Ltd. 2034 Canada Square London United Kingdom

Dear Mr. Bennett:

We sincerely apologize for the delay of payment for our order no. 3038. We have overlooked the due date of the payment submission. We do not intend to ignore to pay you.

We are currently arranging for the amount to be sent to you immediately.

Again, we are sorry about this and we hope that this will not affect our good working relationship. We assure you that this kind of situation will be taken into action immediately.

Thank you very much for your understanding.

Sincerely yours,

Bell Ben

Bell Ben

Situation 10: Berhand Gravelle, Sales Manger of Federation Fabrics Ltd., France, received 12 x 50m rolls of Primed Duck Silk from Densree Augustus Wares Company, Mumbai, India. Write a letter acknowledging payment by Federation Fabrics Ltd., of US\$3,098 for the silk order no. 64320 and freight charges.

Densree Augustus Wares Company

Express Building, 1st Floor 14-e Road Churchgate Station, Mumbai, India Tel.: +9122 3032 7000 Fax: +9122 3032 7202

Email: densree@augustwares.co.in Website: www.densreeaugustuswaresco.co.in, Line: +9122 3032 7111 Facebook: www.facebook.com/DensreeAugustusWaresCoIndia/

August 6, 20--

Mr. Berhand Gravelle Sales Manager Federation Fabrics Ltd. 362 Ave Saint- Exupery Callais, France

Dear Mr. Gravelle:

We thank you for bank draft of US\$3,098 for order no. 64320 including the freight charges.

We hope to receive your next order soon.

Sincerely yours,

Ralp Brown

Ralp Brown

Reply Situation 10:

Federation Fabrics Ltd.

362 Ave Saint- Exupery, Callais, France Tel: 033 3 21 46 05 05 Fax: 033 3 21 46 05 04

Email: federationfabricsltd@co.fr Website: www.federationfabrics.co.fr Facebook: www.facebook.com/FederationFabricsLtdFrance/

August 15, 20--

Mr. Ralp Brown Densree Augustus Wares Company Express Building, 1st Floor 14-e Road Churchgate Station Mumbai, India

Dear Mr. Brown:

We appreciate you sending an acknowledgment of our bank draft for our order no. 64320.

We look forward to receive the same treatment, efficient and kind service from you in our next transaction.

Thank you very much and expect that we will send you our next order soon.

Sincerely yours,

Berhand Gravelle

Berhand Gravelle Sales Manger

PAYMENT VOCABULARY

Cash in advance Free of charge 30 days net Tax Settlement of account Letter of credit Remittance Overdue payment Duty-paid Receive payment Reminder notice Second notice Repayment Final notice Trade-discount Cheque enclosed Unpaid interest Terms of payment Cash on delivery (c.o.d.) Outstanding amount Acknowledging payment Collection of outstanding debts Payable on delivery

EXERCISES

Directions: write a letter concerning the following:-

- 1. Making a Payment
- 2. Acknowledging a payment
- 3. Reminder notice
- 4: Second notice
- 5: Final notice

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CHAPTER 9

TRANSPORTATION AND SHIPPING LETTER

Transportation in business industry may probably the oldest occupation. Letters involved here are related to freight handling agents and companies involved in the transport. Some instances may be companies may send a letter informing the customer about the goods to be transported or rebooking the transport. There are times where circumstances happened like damaged goods reached the customer, then, a letter to inform the company is forwarded. There's several documentation involved in transport activities. There are four major methods of transporting or carriers for goods. These are road, rail, sea, and air. Carriers may either be:²

Common Carriers

- This carrier is open to anyone.
- Common carrier is liable, with certain exceptions, for all loss or damage goods it carries, even though he is not negligent.

Private Carriers

- This carrier has an option to choose their customers.
- Private carrier in only liable when he is negligent.

Some companies in some cases prefer to deal with freight forwarding agents rather than directly with the carrier.³

TYPES OF CARRIER FOR TRANSPORT

Carriage by Road

This kind of carrier is cheaper and more direct compared to rail for small deliveries. ⁴ The main advantages of carriage by road are as follows: ⁵

- It is flexible in such a way that is can be easily adjusted to any situation.
- Provides a direct delivery service.
- Routes can be easily changed depending on the flow of traffic.

 It is safer for fragile goods and it requires minimal packaging compared to sending it by rail.

It is easier for loading and unloading.

However, carriage by road is usually used for local delivery and collection.⁶ Under the carriage by road, any vehicles which are sealed under the TIR (Transports Internationaux Routiers) can pass through customs without being searched.⁷

Carriage by Rail

As carriage by road is cheaper than rail with regard to small consignment, carriage by rail is cheaper for big and bulk consignments. Some instance may occur where road and rail may be linked. Examples of this are many in the European countries which use the Channel Tunnel.⁸ These kinds of link were created to solve the problem of delay in transport.⁹

Carriage by Sea

Carriage by sea has now been become one of the mostly used transport for transferring goods. The major attributes of the development in the shipment by sea are as follows: 10

• Ships are made to be bigger in sizes and faster in speed than before.

• Old ships which use coal-fire are now changed to oil-fire.

• There is a possibility of building ships that will classify the cargoes to be carried like cargo for oil, cargo for meat and poultry, cargo for fruits, etc.

• The use of container has been increasing.

Ships are classified into liners and tramps. Liners are vessel which operates a regular scheduled service on a fixed or set route. Tramps are ship which does not have a fixed schedule or published ports of call. As opposed to freight liners, tramp ships trade on the spot market with no fixed schedule or itinerary or ports-of-call(s). Liners are further classified as either passenger liners or cargo liners. Passenger liners primary function is to carry passengers with limited accommodation of cargos. Cargo liners provide a limited

accommodation for passengers and give more spaces for cargos. Tramps, on the other hand, carries boat ready to voyage at any time. 12

Carriage by Air

There are goods that lose or depreciate its value in time. These kinds of merchandise have to be transported the fastest way possible and that's where carriage by air comes in. Air transport is used for speed over long distances. In this case the insurance is lesser as the consignments spend less time in travel. One thing however is to be considered in using the air cargo, especially for bulk consignments. The charges are expensive compared to the other three described transports. The fees are by weight or volume. So the heavier your cargo is, the more expensive it can be.¹³

TRANSPORT DOCUMENTATION

There are several papers to be prepared and needed in doing the transport. These are documents which are legally significant and necessary for documentation and safety reasons. The moment the merchandise or goods are given to a carrier, a contract of carriage is considered in the form of consignment note or waybill for carriage by road, rail or air and Bill of Lading are used commonly for carriage by sea.¹⁴

Consignment Note or Waybill

The original copy of this document is with the consignor (company, person or seller who will hand over the goods to a carrier) to serve as their receipt. The carrier company will also have a copy and then another copy will be given to the consignee (receiver of the goods, usually a customer). A consignment note or waybill is not documents of title in contrast with the Bill of Lading. Documents and correspondences in transport are between consignors and freight companies or between consignors and forwarding agents (who send goods on behalf of the consignor). The consignee or customers are also informed about the coming goods by means of Advice Notes. The Advice Note contains details of the packing and when will it be received. Specific and other documents needed for each transport is specified below.

Carriage by Road

As mentioned above, one of the documents needed for transport by road is the Road

Consignment Note. Aside from that, Delivery Notes are also sent with the consignments.

This will be signed by the consignee indicating that the goods have been checked and they

are accepting the goods in good condition or they can also indicate that "contents are not

examined," as a safety measure for receiving possible damaged consignments. 16 The road

consignment note is also:

• Proof of receipt of the goods for transportation by road.

• Evidence of the contract of carriage.

• An invoice for the freight, reflecting the shipper, the consignee and the goods being

shipped, as well as the full freight amount.

• A guide to the road hauler for the handling, dispatch and delivery of the

consignment.

• A means of clearing the goods through customs.

To clear the goods through customs, the road consignment note will have to be

accompanied by a commercial invoice, a packing list and any other documentation relevant

for clearing purposes (such as phytosanitary documents, etc.).

Carriage by Rail

For carriage by rail, the document needed is the Rail Consignment Note. Again, this

is not a document of title.¹⁷

Carriage by Air

The major paper for air transport is the Air Waybill. Air Waybill has twelve copies

which will be distributed to the following: 18

• One for the airline

• One for the consignor

• One for the consignee

• Other copies are sent to customers and handling.

Air Waybill is only a receipt and not a document of title. No other than the consignee can declare the consignments, and they need to indicate the bill number upon declaring. ¹⁹

Bill of Lading

The Bill of Lading (BOL or B/L) is a document of title. This can be used to transfer the ownership of the goods from one person to another.²⁰ A B/L is one of the oldest and most common forms of transportation in use even today. This is a document that specifies the terms of a contract between a shipping company and the exporters/shippers (or a freight forwarder). This contract also indicates that freight is to be transferred between specified points for a specified charge.²¹

The following are pointers to remember about the use of B/L:

- The B/L is a legal contract between the shipper (normally the exporter) and carrier.
- As a legal document, the B/L plays an important role in releasing payment from the bank in conjunction with the Letter of Credit.
- A B/L is a document issued by a carrier, e.g. a ship's master or by the carrier's shipping department, or a representative of either of these two.
 - The B/L must be signed or authenticated by the person issuing the document.
 - The B/L must name the ship/vessel carrying the goods.
- The B/L does not afford the holder of the document any ownership of the goods listed in the document (it is not a negotiable document) but if there are written "TO ORDER" in the consignee box then it is a negotiable document and can be traded.
- The B/L acknowledges that specified goods have been received on board as cargo for conveyance.
 - The B/L specifies both the ports of loading and discharge.
 - The B/L normally has a named consignee.
 - The B/L will specify the goods to be conveyed, their number, weight and volume
- •B/Ls are usually issued in three originals; one for the exporter/shipper, one for the shipping line and one for receiver/consignee of the goods

Bill of Lading may either be "Clean" or "Clause." F Clean indicates that the load was taken on board in good condition while clause indicates that after inspection, something is not right with the goods, maybe damaged or some are missing. There is also a "Multimodal Bill of Lading" when containers are transferred from one kind of transport to another. An example could be from train to truck and then to ship. Multimodal is also known as Through or Combined Transport Bill. Another Bill of Lading is the Bolero Bill of Lading. This is computer-to-computer shipping and bank documents.²²

SHIPPING

Shipping is the common way of getting goods from one place to another, or from one person to another. It is also the process of transporting goods. Transport and shipping are closely related to the function that they do. While shipping acts to transfer goods, transport is the means by which these goods will be transferred.²³ There are types of vessels used in shipping, these are as follows:

Types of Vessels for Shipping

There are different types of vessels used for shipping, and these are as follows:²⁴

(1) Passenger Liners

Passenger liners are ships that have a scheduled route and its primary function is to carry passengers with limited accommodation of cargos.

(2) Passenger Cargo Vessels

Cargo liners provide a limited accommodation for passengers and give more spaces for cargos.

(3) Tramps

Tramps are ship which does not have a fixed schedule or published ports of call. It carries boat ready to voyage at any time.

4) Tankers and Bulk Carriers

Tankers carry oil and bulk carrier transports bulk consignments such as ores, grain or wheat.

(5) Container Vessels

This vessel has facilities to shift containers from one country to another. It has a special lifting device and storage room for big steel containers.

(6) Roll-on Roll-off Ferries

This vessel can contain cars and trucks to drive on at one port and off at a new port without a need for loading and unloading the shipment.

(7) Bargers

These are big horizontal bottomed boats that move goods inland passing through canals and waterways.

(8) Lighters

It is almost similar with bargers except that it is used to transport goods from a port to a ship or from ship to a port.

The Container Service

To transport consignments more efficiently, the container service has been provided. It can be used by any carriage (road, rail, sea or air). Its main advantage is the cost of using the container service is practically lessened. These containers are built out of metal. The standard length ranges from 10 to 40 feet about 3 to 12 meters in size. The load that a 20ft container can carry can be up to 20 tons and a 40 ft container can carry 26 tons. The ways of loading can be done in three ways: top, front or side. An exceptional tool is used to move the loaded containers. Container contents are rated in units "Tue." A 20 ft container is equivalent to 1 Tue and a 40 ft is equivalent to 2 Tue. A Full Container Load (FCL) is charged at a box rate no matter what the weight and volume may be. In some cases, a single container may be loaded with smaller goods from different exporters. This is termed as *Consolidation* or *Groupage* and the charge of this container is less than FCL. There is also known as *Container Freight Stations* to ascribe Container bases for imports.

Other advantages of using the container service are as follows²⁸

- Risk of losing goods or mislaid in transport is minimized.
- Cargoes that need temperature-controlled containers are provided.
- These containers can be loaded and locked in the industrial unit area.
- Transferring of goods is reduced in costs and the risk of danger is minimized.

• The time spent for ships in ports are reduced because of the mechanical handling of containers enables cargoes to be loaded in just few hours rather than days.

Organization for Shipping

There are two choices for doing exporting. Exporters may use a company which is a member of the Shipping Conference or one that are a member of the Baltic Exchange.²⁹

(1) The Shipping Conference

This is an international organization of ship proprietors who have decided to fix prices for transporting goods or people. They are having a meeting from time to time to set costs for renting their vessels. One benefit of their customers is the cost of shipment is not fluctuating over a short period of time. Aside from that, the price is also universal, price quotes are the same for all members. Customers may also claim discounts if they will ship goods by bulk. Moreover, vessels under the Shipping Conference follow a scheduled route, so customers may arrange a booking in advance. 31

(2) The Baltic Exchange

The Baltic Exchange offers facilities for exporters to hire ships and aircrafts through Shipbrokers. Shipbrokers are working by commission basis. They have learned and specialized in the movement of ships and aircraft. They also have the most rates.

The role of shipbrokers comes in once they have been contacted for a shipment, the broker will then seek for a ship owner who are ready to rent a vessel on either *Voyage Charter* or *Time Charter*.

• Voyage Charter. Charges are computed on a tonnage value of the cargo, that is, there is a certain amount given for a ton then it is multiplied by the total value of how much tons the ship can carry. Example of computation is given below:

-A ship can carry 400 tons of wheat

-A ton of wheat is charged at \$9.50

- Charge: $$9.50 \times 400 = $3,800$

• *Time Charter*. Charges are computed on the tonnage size of the ship plus its operation cost, except the wages.

- The larger the ship, the more payment is given, regardless is the cargo is 400 tons or 4,000 tons.

Charter Party is known to be the contract between a ship owner and the hirer. Ships under the Baltic Exchange do not move on scheduled routes and their charges changes on every company depending on the supply and demand. Confirmation of transaction is done by letters. For other communication purposes, telephone, fax or cables are being used.³²

Company Instructions and Conditions

Before engaging in a transaction, hirers and brokers are encouraged to know the company instructions and conditions so as to avoid misunderstanding later when the shipment is already in process. A Shipping Instruction is a document advising details of cargo and exporter's requirements of its physical movement. This is a document sent by an exporter giving details of how goods are to be shipped and delivered. It also provides basic information to draw up the Bill of Lading. Instructions and conditions may vary depending on the company. Some instructions and conditions may even reach from 1 page to 10 pages or even more. Some use a form just to present all necessary details needed.³³

Below are examples of shipping instructions and conditions.

- Shipping instructions and conditions of Maersk using only one page.
- Shipping instructions and conditions from Brigg Renewable Energy Plant.

MAERSK LINE

Shipping Instructions - What we need from YOU

Shipping instructions need to be submitted at the latest on the day of sailing. You can provide this information on maerskline.com or by email to GBRSIS@maersk.com.

Your shipping instructions should always include the following vital information to ensure we can manifest your bills:

Shipper/Exporter	Place of Delivery
Consignee	Container Numbers
Notify Party	No of Packages
Booking Number	Description of Packages & Goods
Place of receipt	Gross Weight
Vessel/Voyage	Measurements
Port of Loading	Terms of Payment
Port of Discharge	Documentation Types

Timelines to Remember

Shipping Instructions Latest by Day of Sailing

Amendments Latest by at least 10 days prior to vessel arrival Approving Bills Latest within 48 hours from receipt of bills

Customer Contact Team

Tel: 0870 333 0801

Email: GBRDOCEXP@maersk.com

Customer Contact Team Leader: Kiran Vegad

Customer Contact Team: Richard Heron Stephen Tym Vicky Phillips

Bobby McDougall

Rachael McDermott

Documentation Manager: Jignesh Patel

Email Address: GBRDOCMNG@maersk.com **Direct Line:** +44 (0) 151 243 6121

Should you have any queries regarding documentation, approval of bills of lading or anything other, please do not hesitate to contact us.

Please remember to use www.maerskline.com to input any amendments to your bills of lading, or email directly to GBRSIS@maersk.com.

Source: Maersk Line. (2013). Terms, Shipping Instructions. Copenhagen. Retrieved from: http://www.maerskline.com/~/media/maersk-line/Countries/gb/siadvisory.pdf.

SHIPPING INSTRUCTIONS

General information

These instructions state BWE's minimum requirements for packing, marking and shipping documents. Shipping documents consist of:

- Delivery note one note per transport, e.g. a lorry
- Packing list one list per packing, e.g. a pallet

The objective of the instruction is to ensure that goods are safely transported between Supplier and construction site, correctly packed, marked, handled and stored. It lies with the Supplier alone, unless otherwise stated in the Contract, to ensure that the actual arrangement of packing is sufficient taking into consideration the chosen method of transportation and storage conditions on the construction site. The packing shall be suitable for the mode of transport indicated in the Contract, and it must be possible to stack the packaging.

Packing

The packing shall comply with all relevant standards and laws, both in the country of origin and in the country of destination, and shall protect the supply against external influences, such as dust, dirt, saltwater, rain, high air humidity, condensed water and consequent corrosion damages. The packing must be of a materiel, which can be disposed off easily without environmental risk or damages. In case of wooden packing of non-processed wood material (plywood, particle board etc.), the packing must follow the guidelines for phytosanitary measures if required by authorities in destination country, and in any way be in accordance with the international standard ISPM 15 in order to avoid the spread of pests. This requirement goes both for the packing material, the pallet and for used dunnage. No packing must be done by the Supplier without BWE has had the opportunity to finally inspect the goods, or BWE specifically has released the goods for packing. In order to reduce transport costs and assembly of parts on site, the parts shall wherever possible, be supplied to an as high assembly degree as possible. However, regards must be paid to volume and weight of the part, ensuring that these do not exceed the standard gauge and maximum weight for the chosen type of transport, both in the country of origin and in the country of destination. In order to avoid loss during transport, small packages and unpacked items shall be avoided. Considering the mode of transport, loose items shall to the highest extent possible, be packed together. If the standard gauge or maximum weight for the method of shipment is exceeded for a package, BWE shall be contacted for acceptance of size and weight of packages.

Marking

All packages shall be marked no matter whether they are packed or unpacked. The marking is to be clearly readable and made of durable materials and be able to withstand changing climates. The marking must not be put directly on painted surfaces. BWE distinguishes between three types of marking described as follows:

Identification marking

All items and material supplied to site shall be clearly marked with a label with the following information's

- Name or Plant owner
- Name and address of supplier
- BWE order no
- Description of goods
- QR scan code no. level (H) error correction
- QR scan code
- Material code generated according to the BWE system



Dimensions of the label must be no less than 80 x 120 mm

The label must be protected against rain and weather by lamination or by inserting in a plastic pocket. The label must be placed in a easy accessible place and so that it can be easy

If more equipment or materials are packed together in one package, each material in the package must be marked with the label above.

Shipping marking

For a safe handling of the packages on site pictorial markings must be applied to each handable package according to the EN/ISO 780 standard, of which some is shown below.













On packed materials the shipping markings are to be placed on both end faces as well as one of the sides of the package as a minimum. On unpacked materials, the marking is to be placed at the most visible place, minimum in two places e.g. at the top and at the end.

Marking for handling and storage

In order to avoid damage by wrong handling and storing of the packages shall be marked with relevant standard markings stated in EN/ISO 780. Packages with a gross weight of more than 1,000 kg shall be marked with the gross weight in kg.

Packages with a gross weight of more than 2,000 kg are furthermore, to be equipped with markings for lifting positions and center of gravity according to EN/ISO 780.

Procedure for notification of readiness and shipment of the supply

The enclosed front page and packing list are to be filled in and returned by e-mail or uploaded to the BWE project website at least 14 days before the time of delivery or as stated in the Contract and addressed to the contact person stated in the contract.

The Delivery Note can also serve as pre-notification of the shipment and must be forwarded to BWE on request.

The Delivery Note is made per lorry, per container, per ship or the like. The Delivery Note is a shipment apron to the packing lists covering the shipment.

Delivery Notes shall be filled in by the shipping responsible company, in most cases the supplier.

The DN shall include the following information's per list:

- Delivery Note no. (QR scan code level H)
- Delivery address
 Supplier name and address
 BWE order no.
- Packing list nos. included
- Shipping date - Expected Date of Arrival Signature

Furthermore, it shall include the following information's per package:

- Package no (progressive no.)
- Description
- Type of package (pallet, drum, cradle, loose, box, container etc.)
 Package list no.
- Gross weight

No transport must leave the workshop or factory before notification and approval by BWE.

BWE points out that the date shall be exact as it will form part of BWE transport planning (in case BWE is responsible for the transport). If the Supply or part thereof is not ready for shipment as confirmed by Supplier, all cost in connection with the mobilization of transport to be on Suppliers account.

If BWE does not arrange the transportation, the dates of dispatch (ETD) and expected arrival at the destination (ETA) as well as the BWE Contract No. have to be submitted to

Packing List

There will be one Packing List per package on the lorry or ship or barge.

The key nos. linking the Packing List to the Master Material List is

- Contract no.
- Packing List no.
- Material Code

Packing lists shall be filled in by the supplier, which is obliged to use the form requested by BWE, as indicated in the following.

The PL shall include the following information's per list:

- Packing list no. (QR scan code level H)
- Delivery address
- Supplier name and address
- Order no.
- Dimensions (length x width x height) cm
- Weight net/gross (kg)
- Volume (m3)
- Storage code (outdoor, sheltered, indoor, indoor heated, indoor air cond.)
- Package type (loose, bundle, wooden case, crate, pallet, cartoon box, parcel, drum, etc.)

All information in the packing list has to come from the Supplier, and the Supplier shall have the full responsibility for it. BWE will not contribute to the packing list information. Furthermore, it shall include the following information's per parcel:

- Material code
- Quantity
- Description
- Part no.
- General Arrangement drawing no.
- QR scan code

Dangerous goods

Dangerous goods are always to be packed separately, carefully and in accordance with present regulations, both in the country of origin and in the country of destination. For example and with specific reference to the Danish regulations, BWE refers to IMDG, ADR, RID and DGR concerning sea, lorry, train and air transportation respectively. Dangerous goods are always to be marked in accordance with present regulations and it lies with Supplier to take care of this. Moreover, it is required that supplier of dangerous goods clearly classifies the goods as being dangerous in the packing list and issues the necessary safety cards according to present regulations.

Intrastate reporting

If the materiel/equipment contracted will be exported/imported to the location of the construction site from/to other EU-Countries it is Supplier's obligation to send necessary information to BWE enabling BWE to make reporting to INTRASTAT-authorities.

The information must be sent at the time of transportation, at the latest, and the following is to be included:

- Price or value of materials supplied
- Country of Export
- Net Weight
- Description of materials
- Customs tariff number (B.T.N. No.)
- Contract references

Source: BWE (n.d.). Projects. Instructions. Shipping Instructions. Retrieved from: http://www.bwe.dk/en/projects/brigg/instructions/shipping_instructions/.

SHIPPING INSTRUCTION SHEET

Shipper:						
			S/O No.			
0.0000			·			
CTC:	TEL					
Consignee:			U	GLBOAL LOGI nit 12 8/F Waysi #28 Connauç el:2542-1849 Fa	ght W.H.K	
Norify Party:						
Freight Payable	Place of Receipt					
Freight NO: Port of Lading		DECLAR	ED FOR CUSTOME	S I	INSURANCE	
Port of Discharge	Place of Delivery	(Y)	(N) LICENCE	(Y) (N)		
Marks and Numbder of Ce	ntainer or Package	Kind of pockages: Des	cription of goods	Gross weight Kgs.	Measurements CBM	
AIRLINE COUN	TERSIGN: YES ()NO()		1		
COMMERCIAL INV	OICE () P	ACKING LIST	()	1		
CUSTOMS INVOIC	E () E	XPORT LICENCE	()			
CERTIFICATE OF (ORIGIN ()			PA	YABLE AT	
	DESCRIPTION (OF CHARGES		PP	CC	
AIR FREIGHT	-5000-500-500-500	No telephone de la company			7	
CARTAGE FEE HANDLING FEE CFS CHARGE AWB PREP.FEE	ERMINAL CHARG	Έ				
OTHER CHARGE						

SHIPPER MUST MAKE DECLARATION WITHIN 14 DAYS FROM DEPARTURE OF SHIPMENT BY YOURSELF

Source: Seiyo (n.d.). Booking Form. Shipping Instruction Sheet. Retrieved from: http://www.seiyo.com.hk/images/shipping%20instruction.pdf.

Shipping Documentation

For every business transaction and any business-related activities, documentation plays an important role. Here are the reasons why documentation is very important:³⁴

Importance of Documentation

- (1)A good business person should keep and maintain written records for reference and future use.
- (2) Government officials of an exporting and importing country demand certain written documents.
- (3) The seller or supplier needs a receipt for the merchandise which are being transported.
 - (4) The customer needs a written evidence of what he bought.

Documents Needed For Shipping

The following are the main documents used in shipping for International Trade:³⁵

(1) Purchase Order

International transactions are based on purchase orders. The international purchase order is usually an outcome of negotiation between an exporter and importer with respect to the price, quality and quantity of products, etc. At times, especially in large commercial transactions, the international purchase is often the main contract form. The purchase order may represent a binding offer or a binding acceptance, depending on the circumstances.

(2) **CMR**

CMR stands for "Convention relative au contrat de transport international de Marchandises par route," the French name for the convention that governs its definitions and application. The CMR transport document is an international consignment note used by drivers, operators and forwarders alike that governs the responsibilities and liabilities of the parties to a contract for the carriage of goods by road internationally.

(3) Commercial Invoice

The International Commercial Invoice contains all pertinent data the sale like the Item, quantity, price for the products/services sold, delivery and payment conditions, as well

as the taxes and other expense cost that might be included in the sale.

(4) Airway Bill (AWB)

This is transport document that is non-negotiable which covers transport of cargo from airport to airport. The Air Waybill must name a consignee (who can be the buyer), and it should not be required to be issued "to order" and/or "to be endorsed." This is not a title of property of the merchandise.

(5) Packing List

The packing list is a more detailed version of the commercial invoice except that it does not contain the price details. The packing list must contain the following details: invoice number, quantity and description of the goods, weight of the goods, number of packages, and shipping marks and numbers. A copy of the Packing List is attached to the consignment and another copy is sent directly to the consignee to help in checking the consignment once they received it.

(6) Bill of Lading (B/L)

A Bill of Lading (B/L) is a document issued by the agent of a carrier to a shipper, signed by the captain, agent, or owner of a vessel, furnishing written evidence regarding receipt of the goods (cargo), the conditions on which transportation is made (contract of carriage), and the engagement to deliver goods at the prescribed port of destination to the lawful holder of the bill of lading. A Bill of Lading is both a receipt for merchandise and a contract to deliver it as freight.

(7) Letter of Credit (L/C)

In an Irrevocable Letter of Credit (L/C) the importer's bank agrees to the exporter (called "the beneficiary") that the exporter will get paid if it can prove it has shipped the proper goods by providing the corresponding documents required by the Letter of Credit. Exporters like Letters of Credit because the advance assurance of payment ensures the seller that it will not waste time preparing or shipping an order to a buyer who ultimately refuse to accept or pay for the goods. An Irrevocable Letter of Credit cannot be amended or cancelled without the consent of all parties.

(8) Multimodal Bill of Lading

A Multimodal Bill of Lading is an international transport document covering two or more modes of transport, such as shipping by road and by sea. It is also used as a carriage contract and receipt that the goods have been received. When it is issued "to the order," the Multimodal Bill of Lading is title of ownership of the goods and can therefore be negotiated.

Only authorized forwarders integrated into FIATA (International Federation of Freight Forwarders Associations) can issue this document. It is addressed to the exporter, Multimodal Transport Operator on destination country, and the importer.

(9) Certificate of Origin

The Certificate of Origin certifies the country in which the goods originated or in which the preponderance of manufacturing or value was added. It also constitutes a declaration by the exporter. Virtually every country in the world considers the origin of imported goods when determining what duty will be assessed on the goods. Nevertheless the exporter's own certification on company letterhead will suffice. In most countries, Chambers of Commerce are the key agent in the delivery of certificates or origin. However, in some countries, this privilege may also be extended to other entities such as ministries or customs authorities.

(10) Inspection Certificate

The Inspection Certificate for pre-shipment inspection is a document issued by an authority indicating that the goods have been inspected (typically according to a set of industry, customer, government, or carrier specifications) prior to shipment and the results of the inspection. Inspection certificates are generally obtained from neutral testing organizations (e.g., a government entity or independent service company). In some cases the Inspection Certificate can come from the manufacturer or shipper, but not from the forwarder or logistics firm.

Insurance for Shipping

Under certain conditions, there is a liability on the shoulder of the shipping companies for loss or damage to the consignment. This rule is governed by the Hague Rules which was signed in 1924 at the Brussels Convention. The following conditions show that shipping companies will not be held responsible under these.³⁶

(1) Negligence - The shipping company is liable for loss or damage when the merchandise have not been correctly packed, or when the merchandise was in bad condition when packed.

(2) Acts of war, riots or any civil disturbances.

(3) Force majeure – these are inevitable and unavoidable circumstances such as storms, abnormal disturbances or unusual hazards.

(4) Inherent Vice – When merchandise are deteriorating in nature such as fishes, wood or metal.

Another rule was made in 1978 which is the Hamburg Rules where it extends the liability for damage or delay under the responsibility of the shipping companies unless they can prove that they have taken all the necessary and pertinent actions to avoid the damage or delay.

For safety reasons, most companies have taken the insurance for consignments under *all risk cover* which will protect them from unforeseen events that may cause danger to their shipment. Special *war insurance* is necessary for dangerous zones.³⁷

There is also what we call the "Marine Insurance" used in international trade. This insurance is acquired to protect the owner's investment on the merchandise. It can be obtained by the buyer or the seller. Several countries may demand that insurance must be obtained in the country of the importer.³⁸

Forwarding Agents

Forwarding agents are either a person or company that specialized in shipments for individual person or for a company. They pick-up goods from the sender (manufacturer of producer, customer) and deliver the goods to its final point of destination.³⁹ Forwarding agents are contacted by exporters and importers to help them in the following services.⁴⁰

• Pick-up of consignments

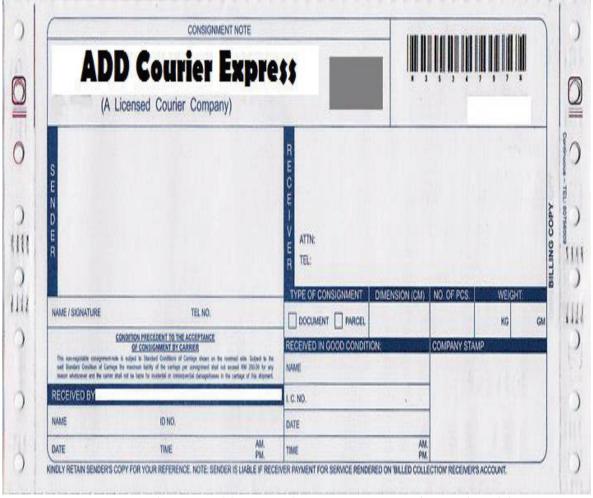
Arrange shipment

• Packing and handling of documents

Forwarding agents also specialize in the methods of packing for a particular type of goods. They also assist in providing the most suitable packing to use for the country to which the merchandise are being sent.⁴¹

Sample Forms Used for Shipping and Transport

Consignment Note



Source: GD Express (n.d.). E-Tracking. Consignment Note Sample. Retrieved from: http://www.gdexpress.com/malaysia/e-tracking.

		CO	MI	MERC	IA	LINV	OI!	CE		
Date					Inv	oice No				
Exporter Address City/State/ZIP Cod Country Phone/Fax Contact Person	e				Add City Cor Pho	nsignee dress y/State/ZIP (untry one/Fax ntact Person				
Tax ID No (EIN)	Total Gross Weight Transporta			nsportation		Tax ID No (EIN)			Terms of Sale:	
Other	Total # of Pie	Fotal # of Pieces AWB/BL#		/B/BL#		Currency				
Commodity D	escription	HS		Country of Manufactu		Qty	U	OM	Unit Price	Total Amount
These commoditie	s, technologies.	or softw	arares v	were export	ed	Subtotal				
from the United St	ates in accorda	nce with	ехро	rt		Freight Co	st			
administration reg law prohibited. W						Insurance				
and correct.						Total Invoi	ice Val	ue		
	y that the infor	mation o	n this	s invoice is t	rue	and correct	and t	hat th	e contents of thi	s shipment are as
stated above.		Si	ignatı	ure				Date		

 $Source: Sample \ Templates \ (n.d.). \ Invoice. \ Templates. \ Retrieved \ from: \\ https://www.sampletemplates.com/invoice-templates/commercial-invoice.html.$

Bill of Lading Order#:	#: Date: #: PO#: signor:	Date: PO#:					
Consignee:_			96 - 36				
Instructions:		12 10 10 12 10 10	-%-32				
Item Code	Details	Quantity	Weight (Unit)				
3			(OIIII)				
3							
3							
2							
	Total	30					
Terms	Prepaid Collect Other						
	Prepaid Collect Other Carrier: Pick Up Date: Carrier: Pick Up Date	e:					
Shipper							
Shipper signature: this section is to lescribed, package e transported	Signature: make it sure that all materials are properly classified, ged, marked and labeled and are in good condition to and according to the applicable regulations of noted.	ckages and that	they are				
Shipper ignature: his section is to escribed, package transported	Signature: make it sure that all materials are properly classified, ged, marked and labeled and are in good condition to and according to the applicable regulations of noted.	ckages and that	they are				
ignature: This section is to lescribed, packa	Carrier: Pick Up Date: Signature: make it sure that all materials are properly classified, ged, marked and labeled and are in good condition to and according to the applicable regulations of artment.	ckages and that	they are				

Source: Costa, C (n.d.). Bill of Lading Short Form. Retrieved from: http://cvservis.swanndvr.net/bill-of-lading-short-form-pdf.html.

edex International	Air Wayı	bill			Sender's C
From Please point and press hard. Sender's FedEx Date Account Number				4 Express Package Service Packages up to 199 Bs./ (Why for perspense) 199 Bs. (Why for	Not all services and options are evallable to all destinations. Desgenous goods ca-
Sender's Name	Phone			FedEx Intl. Economy Intl. Seaton on FedEx Intl. International Control of Control International Control Interna	be shipped using this Air Waybill.
Company			_	Packaging These ones from horse only passed group an position in facts for Facts on Proofs only FedEx Pak FedEx Dax FedEx Note	
Address			-	☐ Other ☐ FeeEx 10kg Box* ☐ FeeEx 29kg Box* 6 Special Handling	
Attress	State Province			HOLD at FedEx Location SATURDAY Delivery Assume to select house for final and Proving only 7 Payment Complete Servine selected from the final and Proving Servine selected from the Servine selected from	
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64 SEPPCIALISMA I schodyroped	ands are mat in the consider	tion and provide C1.	AA	Sender's Signature: The is not authorizone is define this observer without a recipient appealure.	568
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Source: Refund Retriever. (2013). Shipping Internationally. Retrieved from: http://www.refundretriever.com/blog/2013/07/16/shipping-internationally-be-sure-dot-your-is-and-cross-your-ts.

			SHIP \ F.O.B.	DATE: DATE: /IA: SHIPPING POINT:			
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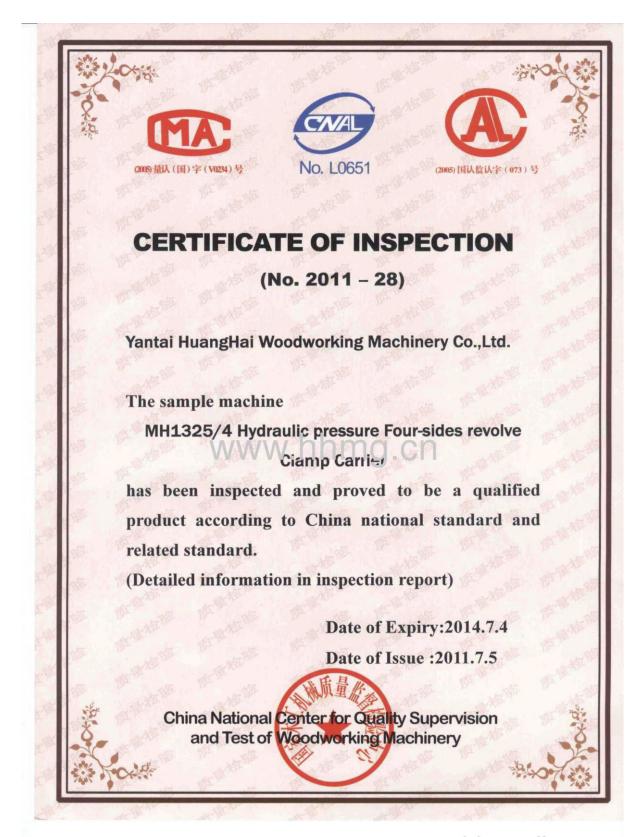
Source: Template.net (n.d.). Business. Word Templates. Retrieved from: https://www.template.net/business/word-templates/packing-list-template/.

EXHIBIT C IRREVOCABLE LETTER OF CREDIT TOWNSHIP OF RAPHO DATE: TO: 971 North Colebrook Road L/C #: Manheim, PA 17545 AMOUNT: EXPIRATION DATE: ___ FROM: ON BEHALF OF: Name of developer Address Phone (hereinafter called "Bank") hereby issues to the Township of Rapho (hereinafter called "Municipality") on behalf of ____ (hereinafter called "Developer"), its irrevocable letter of credit (hereinafter called "Letter") in the amount This Letter is issued on behalf of Developer and is intended to secure the completion of the public improvements shown in the final plan and related documents submitted by developer prepared by _____, dated _____, Project No. _____ and intended for immediate recording (hereinafter called "Final Plan"). This Letter shall expire _____ (not prior to one year after its date) and shall thereafter be automatically renewed, without amendment being issued, for successive one year period(s) upon such date and each anniversary of such date, unless at least 30 days prior to such date or each anniversary of such date, Bank notifies Municipality in writing by certified mail to the address stated above that Bank elects not to renew this Letter. For each one-year period that this Letter of Credit is automatically extended beyond the expiration date, the amount of this Letter of Credit shall be increased by an additional ten percent (10%) for each oneyear period beyond the first anniversary date from the posting of this Letter of Credit. April 20, 2000 A-23 Rapho Township Subdivision and Land Development Ordinance

Source: High Speed Money. (2000). Retrieved from: https://highspeedmoney.files.wordpress.com/2014/02/a-23.jpg.

	J.S. DEPARTME Bureau of Cust					OMB No See back of for work Reduction				
	TH AMERICA CERTIF		RADE AGR F ORIGIN	EEMEN	Т					
Please print or type			FR 181.11, 181.22 Bill of Lading / Air Waybill No. :							
. EXPORTER NAME AND ADDRESS		2. BLANKET PERIOD								
		TO 4. IMPORTER NAME AND ADDRESS								
AX IDENTIFICATION NUMBER: PRODUCER NAME AND ADDRESS										
PRODUCER NAME AND ADDRESS										
AX IDENTIFICATION NUMBER:		TAX IDENTI	FICATION NUMBER:							
5. DESCRIPTION OF GOOD(6. HS TARIFF CLASSIFICATION	7. PREFERENCE CRITERION	8. PRODUCER	9. NET COST	10. COUNTR OF ORIG				
			NUMBER							
CERTIFY THAT: THE INFORMATION ON THIS DOCUMENT IS THE REPRESENTATIONS. I UNDERSTAND THAT I A CONNECTION WITH THIS DOCUMENT; I AGREE TO MAINTAIN AND PRESENT UPON INFORM, IN WRITING, ALL PERSONS TO WHOM OR VALIDITY OF THIS CERTIFICATE;	M LIABLE FOR ANY REQUEST, DOCUM	FALSE STATE	MENTS OR MATE	PPORT THIS	SIONS MADE	ON OR IN	ΣΥ			
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11e. DATE (MMIDD/YYYY)	11f. TELEPHONE NUMBER	(Volce)		(Fac	csimile)					
				:						

Source NAFTA. (1997). Document Forms. Retrieved from: https://www.cbp.gov/sites/default/files/assets/documents/2017-Mar/CBP%20Form%20434.pdf.



www.hisupplier.com

Source: www.hisupplier.com.

PRINCIPLES OF TRANSPORTATION LETTER WRITING

There are a variety of vessels available for exporters to use when shipping goods. The three main method of transporting goods, besides shipping which we will deal with in a separate section, are road, sea and air. Air transportation has the advantage of saving time, so goods arrive faster, in a better condition, and can be sold quicker, particular over long distances. Correspondence in transport is generally between the sellers and freight firms, or sellers and forwarding agents, who send goods on behalf of the seller.

Before arranging for goods to be shipped, the consignor will require shipping company for freight rates and date of sailing. When notified by the supplier that the goods are ready, the agent either will arrange to collect them and dispatch them to the docks, or will ask the supplier to do so. He will then return the shipping form to the shipping company making arrangements for the goods to be received at the docks.

A shipping or forwarding agent carriers out all the duties connected with collection and deliveries his client's goods. His services are particularly valuable in foreign trade because of the complicated arrangements that have to be made. For exporters he collects the goods, makes all arrangements for shipping them and notifies their dispatch to the forwarding agent in the importing country. The latter takes delivery of the goods and either forwards them to the buyer or arranges for them to be warehouse if the buyer does not want them immediately. In responding to the following transportation letter, you might deal with:

- Agent issues forwarding instruction.
- Enquiry for sailing and freight rates.
- Advice of shipment to buyer.
- Advice of shipment to forwarding agent in buyer's country.
- Forwarding agent seeks buyer's instructions.
- Supplier seeks quotation from forwarding agent.
- Require the delivery instructions for urgent order.
- Outline the packaging requirement and the mode of delivery.
- Complaint that goods have not arrived.
- Request for freight rebate.
- Request for information on container service.

- Enquiry for a time character.
- Enquiry for a voyage character.
- Request for a quotation for delivery by road.

TRANSPORTATION EXPRESSION

Opening

- We have pleasure in notifying you that, your credit was confirmed by our bank yesterday,
 so we can complete shipment by the required date.
- In reply to your letter of freight charges, we are glad to inform you that they will be covered by us.
- We are pleased to inform that the products' specified in your Order Form No. 4580 have been forwarded by sea freight.
- We are requesting our order to be in quality and stable packaging arrangements.
- In answer to your queries about the shipment of your goods, we are intending to do the following:-

Body

- Your last shipment of five thousand yards of printed shirting has proved highly satisfactory to us, and has met with a quite favorable reception in this country.
- We enclose packing lists, bill of lading, invoice, certificate of origin and import license.
- Would you kindly pay the freight and/or warehousing charges and debt them to our account?
- The shipping documents have been sent to the Thai Farmer Bank with a sight draft for \$5,000.
- We are surprised that we have not yet received the goods.
- The shipping instructions are as following:-
- We will take great care in the shipment of your order.
- Shipment will be ex-warehouse to our forwarding agent. They will deliver this on the vessel named, M.V. Cannon fodder.

- Our company provide a door to door service, including a security guard.
- The packaging of the vases, is to be individually put into air sealed reinforced cartons.

Closing

- Your endeavor to expedite the delivery of the goods will be most appreciated by us.
- I look forward to cooperating with you on this new venture.
- Please give us the opportunity of serving you again in any way we can.
- We value you as a business partner.
- We would like to maintain cooperation with you.

Examples of Transportation Letter

Situation 1: Write a letter from Bughouse Inc., New York, confirming the delivery instructions for an order that was placed by Toolebuc Industries Plc, London. The manager of Bughouse Inc., is also, replying to the inquiries of the mode of transportation and the expected delivery date. This letter should contain all the details to these inquiries made by Toolebuc Industries Plc.

Bughouse Inc.

59 E. 59th Street New York, NY 10022, U.S.A.

Telephone: (212) 935-3340 Fax: (212) 688-0633
Email: bughouse@incorporated.com
Website: www.bughouse.com
Facebook: www.facebook.com/BughouseIncUSA/

February 21, 20--

Toolebuc Industries Plc. 28 Bloomsbury Street Bloomsbury 6DX London, England

Dear Sirs:

We thank you for your inquiries regarding the delivery of your order.

We confirm the delivery instructions are to be carried out as follows: -

ex-warehouse (New York) > forwarding agent (Fed Ex) > sea freight (ANA Shipping Line) >customs clearance for three weeks (UK Customs House) > road transport (Warwick's Trans Ltd.) > Toolebuc Industries Plc, London.

All agents and carriers have been contacted, and the order is ready to proceed. ANA Shipping Line will carry the order on the ship named the MV Westburner. The expected delivery date is April 24, 2016.

We will take great care in the shipment of your order.

Please give us the opportunity of serving you again in any way we can.

Very truly yours,

Churchill Costa

Churchill Costa Manager

Reply Situation 1:

Toolebuc Industries Plc.

28 Bloomsbury Street, Bloomsbury 6DX, London, England Tel: (+44)20/78333691 Fax: (+44)20/78373485 Email:toolebuc@industries.com

Website: www.toolebucindustries.com Facebook: www.facebook.com/ToolebucIndustriesPlcUK/

February 28, 20--

Mr. Churchill Costa Manager Bughouse Inc. 59 E. 59th Street New York NY 10022, U.S.A.

Dear Mr. Costa:

We thank you for your prompt and detailed response. You are able to provide us with sufficient details regarding our delivery. We also appreciate your efficient delivery as we will be receiving our order in the date we requested.

Your service and handling of orders are of high-quality. We hope to receive the same service and treatment every time we have transactions with you.

Thank you again and expect to receive more orders from us.

Sincerely yours,

Sue Brown

Sue Brown

Situation 2: The purchasing officer of Harres Scalle Corporation, Paris, needs confirmation that the delivery advice note and the mode of transportation were received from the SIA International, Singapore. This information is required immediately for the urgent order no. E47636, that was placed on the 23rd March 2016. Write this letter to SIA International.

Harres Scalle Corporation

28, rue Notre-Dame-des-Champs, Paris F-75006, France Telephone: +33 1 49 54 52 63 Fax: +33 1 49 54 52 51

Email: harresscalle@corporation.co.fr Website: www.harresscallefr.co.fr Facebook: www.facebook.com/HarresScalleCorpFrance/

March 3, 20--

SIA International 18 Woodland Terrace Woodlands East Industrial Estate Singapore

Dear Sir:

I am writing in the hope that you have received our delivery advice note. I have not received any reply from you up to-date. This is concerning the order no. E47636, which was placed with your company on the 23rd March, 2016.

I also require confirmation, on the mode of transportation that the order will be shipped, so I can complete my documentation. Your endeavor to expedite the delivery of the goods will be most appreciated.

Could you please contact us at your earliest regarding this information.

I expect your prompt reply.

Very truly yours,

Bennis Coons

Bennis Coons Purchasing Officer

Reply Situation 2:

SIA International

18 Woodland Terrace, Woodlands East Industrial Estate, Singapore
Tel/ Fax: 65-6-773.6209 Email: sia@international.sg
Website: www.siainternational.co.sg Line: 65-6-773.6222
Facebook: www.facebook.com/SIAInternationalSG/

March 10, 20--

Mr. Bennis Coons Purchasing Officer Harres Scalle Corporation 28, rue Notre-Dame-des-Champs Paris F-75006, France

Dear Mr. Coons:

With reference to your letter regarding the order no. E47636, please accept our apology for not replying too soon. We have already received the delivery note.

The mode of transportation will be by cargo ship. We will be providing you with the complete delivery details once the goods are to be delivered.

Thank you for your patience. We look forward to receive more orders from you.

Sincerely yours,

Victor Sahn

Victor Sahn

Situation 3: A letter of the confirmation of the dispatch of goods is to be made by the Sales Manager of Petty Dealer Company, Boston, to Sierra Madre Construction Company, Mexico City. The order number is 79334 and consists of 24,000 Helico Aligning Clips. Write this letter.

Petty Dealer Company

85 East Newton Street Suite 802, Boston, U.S.A. Telephone: (617) 638-8014 Fax: (617) 414-1975 Email: pettydealer@company.com
Website: www.pettydealerco.com

Facebook: www.facebook.com/PettyDealerCoUSA/

November 4, 20--

Sierra Madre Construction Company Main Office, Paseo de la Reforma 156 Col Juarez 06600, Mexico

Gentlemen:

We are pleased to report to you that your order no. 79334 of 24,000 Helico Aligning Clips has been dispatched and will arrive to you by the end of this month.

Please give us the opportunity of serving you again.

Very truly yours,

Cron Bilard

Cron Bilard Sales Manager

Reply Situation 3:

Sierra Madre Construction Company

Main Office Paseo de la Reforma 156, Col Juarez 06600, Mexico Tel: 1-978-794-1117 Fax:1-978-794-4910

Email: sierramadrecons@business.com
Website: www.sierramadrecons.com
Facebook: www.facebook.com/SierraMadreConstructionsCOMexico/

November 14, 20--

Mr. Cron Bilard Sales Manager Petty Dealer Company 85 East Newton Street, Suite 802 Boston, U.S.A.

Dear Mr. Bilard:

Thank you for your confirmation of delivery. We appreciate your efficient and high-quality service.

We look forward to continue our business transactions with your company.

Sincerely yours,

Robert Addey

Robert Addey

Situation 4: Write a letter to Mr. Howard Marks, General Manager of Billiton International Ltd., England, reminding him about the late delivery of his order no. 20484 of 250 x 100m rolls of 180cm Heesian, from Willermonz Corporation, Rotterdam, due to a mechanical mishap.

Willermonz Corporation

Burgemeester Oudlaan 50, Rotterdam, Netherlands Telephone: +31 10 408 2611 Fax: +31 10 452 9509

Email: willermonzco@willermonz.com
Website: www.willermonzco.com
Facebook: www.facebook.com/WillermonzCoNe/

December 5, 20--

Mr. Howard Marks General Manager Billiton International Ltd. 354 Newport Rd. Middlesbrough, England

Dear Mr. Marks:

As per telephone conversation with you this afternoon, this is to confirm that your order no. 20484 of 250 x 100m rolls of 180cm Heesian will be delivered late, owing to the unfortunate breakdown of our binding loom.

We are very apologetic for this delay and the inconvenience that this has caused your company.

Sincerely yours,

Nelson Raven

Nelson Raven

Reply Situation 4:

Billiton International Ltd.

354 Newport Rd., Middlesbrough, England
Tel: 01642-243002 . Fax: 01642-688301
Email billion@international.co.uk
Website: www.billitoninternationalltd.co.uk
Facebook: www.facebook.com/BillitonInternationalLtdUK/

December 12, 20--

Mr. Nelson Raven Willermonz Corporation Burgemeester Oudlaan 50 Rotterdam, Netherlands

Dear Mr. Raven:

We are sorry to hear about the breakdown of your binding loom. As per our conversation, please deliver the items immediately once they are ready for our customers are waiting for their orders as well.

Thank you and we hope that this kind of incident will not cause any delays again in the future.

Sincerely yours,

Howard Marks

Howard Marks General Manager **Situation 5:** The situation is the same as no. 2, except that Mr. Marks is rejecting the late delivery of the goods, as he needs them to fill his own orders and deliveries. He is apologizing to Willermonz Corporation for this decision, as it will not disrupt their business relationship in the future.

Iceberg.com Ltd.

10 Drayhorse Road, Cambridgeshire PE17 1SD, England

Phone/Fax: +44(0)1487 814168
Email: icebergltd@company.co.uk
Website: www.icebergltd.co.uk
Facebook: www.facebook.com/IcebergLtdUK/

August 14, 20--

Willermonz Corporation 360 Bonneville Place Burnaby, British Columbia Canada

Dear Sir:

We regret to inform you that we cannot accept late delivery for our order, as we need this product urgently to process our own deliveries and orders. We are, therefore, wishing to cancel this order no. 20484 of 250 x 100m rolls of 180cm Heesian.

We hope your machinery breakdown is rectified soon, and that it does not cause your company too much hindrance.

We trust that you will make every effort to accommodate us again the next time we will send our orders. We intend to place regular orders with you in the near future

Very truly yours,

Burke Marks

Burke Marks

Reply Situation 5:

Willermonz Corporation

360 Bonneville Place, Burnaby, British Columbia, Canada

Telephone/ Fax: (604) 875-0566 Email: willermonzco@willermonz.com Website: www.willermonzco.com

Facebook: www.facebook.com/WillermonzCorporationCA/

August 19, 20--

Mr. Burke Marks Iceberg.com Ltd. 10 Drayhorse Road Cambridgeshire PE17 1SD England

Dear Mr. Marks:

We are very sorry to hear that you will be cancelling your order placed with us. However, we also understand the predicament you are in for the delayed delivery.

Please allow us to help you in this regard. Our sister company is also selling this kind of item. We have already contacted them and they are ready to provide you with your needs. We hope that you can consider this and upon your approval, the delivery will be arranged immediately.

Thank you and we hope for your prompt response.

Sincerely yours,

Jennifer Anton

Jennifer Anton

Situation 6: The situation is the same as no. 2. Mr. Marks is in no real hurry for the goods at this stage and is writing an acceptance letter of the delayed delivery of the ordered goods. Write this letter to Willermonz Corporation.

Iceberg.com Ltd.

10 Drayhorse Road, Cambridgeshire PE17 1SD, England Phone/Fax: + 44(0)1487 814168

Email: icebergltd@company.co.uk Website: www.icebergltd.co.uk Facebook: www.facebook.com/IcebergLtdUK/

July 14, 20--

Willermonz Corporation 360 Bonneville Place Burnaby, British Columbia Canada

Dear Sir:

Upon receiving your letter informing us about our delayed order, we would like to inform that our order is not urgent and that we are accepting the delayed delivery.

If there are further delays to this order, could you please inform us at your earliest convenience.

Very truly yours,

Burke Marks

Burke Marks

Reply Situation 6:

Willermonz Corporation

360 Bonneville Place, Burnaby, British Columbia, Canada

Tel/ Fax: (604) 875-0566

Email: willermonzco@willermonz.com Website: www.willermonzco.com

Facebook: www.facebook.com/WillermonzCorporationCA/

July 20, 20--

Mr. Burke Marks Iceberg.com Ltd. 10 Drayhorse Road Cambridgeshire PE17 1SD England

Dear Mr. Marks:

Thank you very much for your consideration of the delayed delivery.

We assure you that this kind of delays will not happen again in the future.

Thank you again and we value you as our customer.

Sincerely yours,

Alice Mendy

Alice Mendy

Situation 7: The Manager of Locus Engineering Company, Ontario, requires quality packaging during the shipment of order no.340489, as the previous order sent by Waojing Instruments, Singapore, arrived partly damaged. Write this letter to the Singaporean company.

Locus Engineering Company

14 Shorncliffe Rd., Toronto, Ontario, Canada Tel: (416) 233-1900 Fax: (416) 233-1915

Email: locusengineeringco@locus.co.ca Website: www.engineeringco.co.ca

Facebook: www.facebook.com/LocusEngineeringCoCanada/

March 5, 20--

Waojing Instruments 67 Balestier Rd. Singapore

Dear Sirs:

We are ready to place an order with your company, but we require the packaging of this order to be sturdier than the preceding order, as you well know that we received it partly damaged.

We are enclosing our purchase order form, but if you cannot comply with our request, we do not want this order to be filled.

We trust you can accommodate our requirement, and hope to receive the order shortly and in good condition.

Very truly yours,

Posner Murry

Posner Murry Manager

Reply Situation 7:

Waojing Instruments

67 Balestier Rd., Singapore Tel: (65)291-6430 Fax: (65)292-4517

Email: waojinginstruments@waojing.co.sg Website: www.waojinginstruments.co.sg, Line: (65)291-6433 Facebook: www.facebook.com/WaojingInstrumentsSingapore/

March14, 20--

Mr. Posner Murry Manager Locus Engineering Company 14 Shorncliffe Rd., Toronto Ontario, Canada

Dear Mr. Murry:

We apologize for the error on your previous order. We are very glad that you are placing another order with us in spite of the damaged done earlier.

Please be assured that we are doing our best so that the packaging will be more safe and intact. We are pleased to inform you that our staff has undergone additional training in order to prevent such situation like this to happen again.

This time, expect to receive your goods in good condition.

Thank you for your trust and confidence in our company. We look forward to maintain our good working relationship with your company.

Sincerely yours,

Blenda Bail

Blenda Bail

Situation 8: John Barnes of Tungsten Steel Ltd., Newcastle, England is inquiring into the expected time frame of customs clearance for the order that was made with Glorzinque Minerals, South Africa. Mr. Barnes needs this information urgently, to ascertain his company's own orders. Please write this letter for Mr. Barnes to the Supply Manager of Glorzinque Minerals.

Tungsten Steel Ltd.

390 Redhall Drive, Newcastle, England
Telephone: +44 (0)191 266 6321 Fax: +44 (0)191 259 9003
Email: tungstensteelltd@tungsten.co.uk
Website: www.tungstensteelltd.co.uk
Facebook: www.facebook.com/TungstenSteelLtdUK/

November 22, 20--

Supply Manager Glorzinque Minerals 2456 Century City, Cape Town South Africa

Dear Sir:

We are inquiring into the amount of time that our order of Carbide Tungsten is going sit in customs. It has been in customs for three weeks already, and we have had no answer why there is a hold up to delivery.

We require this order immediately, as we have to cover our own orders.

Your prompt reply will be most appreciated.

Very truly yours,

John Barnes

John Barnes

Reply Situation 8:

Glorzinque Minerals

2456 Century City, Cape Town, South Africa Phone: +27 (21) 528 1700 Fax: +27 (11) 235 6001 Email: glorzinqueminerals@glorzinque.com Website: www.glorzinqueminerals.com Facebook: www.facebook.com/GlorzinqueMineralsAfrica/

November 29, 20--

Mr. John Barnes Tungsten Steel Ltd. 390 Redhall Drive Newcastle, England

Dear Mr. Barnes:

We deeply apologize for the inconvenience it has caused you because of this custom related issue. As per our Accountant, the custom clearance should only take one week and at a maximum of two weeks. We are currently investigating on this matter. We also wonder what is causing the goods to stay longer with the custom.

Please give us more time to check on this. We are constantly doing our checking. One of my colleagues went to the customs office to verify and ask for this matter. Once we got any update from him, we shall inform you.

Again, we are sorry for this. Let's hope that we can be able to claim the goods the earliest possible time.

Thank you for your understanding.

Sincerely yours,

Marshal Baron

Marshal Baron Supply Manager **Situation 9:** The situation is the same as no. 8, except that the Supply Manager of Glorzinque Minerals, is suggesting that Mr. Barnes contact the forwarding agent, Dezriiks Logistics Ltd., South Africa, as the order is in their possession. Customs Clearance is delayed due to a mishap with the forwarding agent and the Supply Manager of Glorzinque Minerals, wants the forwarding agents to explain to Tungsten Steel Ltd., the reasons for this delay. Construct this letter for the Supply Manager of Glorzinque Minerals to Mr. Barnes.

Glorzingue Minerals

2456 Century City, Cape Town, South Africa Phone: +27 (21) 528 1700 Fax: +27 (11) 235 6001

Email: glorzinqueminerals@glorzinque.com Website: www.glorzinqueminerals.com Facebook: www.facebook.com/GlorzinqueMineralsAfrica/

March 7, 20--

Mr. John Barnes Tungsten Steel Ltd. 390 Redhall Drive Newcastle, England

Dear Mr. Barnes:

We regret to inform you that your order is stalled in customs, which is due to a mishap with the forwarding agent, Dezriiks Logistics Ltd. Here are the details:

Dezriiks Logistics Ltd.

65 NMR Ave., Durban Central, Kwazulu Natal, South Africa *Tel*: +27 (0) 31 301-1551 *Fax*: +27 (0) 31 301-1552

Due to the nature of this mishap, which is causing your order to be delayed, I cannot divulge the details of this mishap. We suggest that you contact the Shipping Manager of Dezriiks Logistics Ltd., directly to ascertain the complete details to this mishap.

Please accept our apologies for this delay, but it is out of our hands.

Sincerely yours,

Marshall Baron

Marshall Baron Supply Manager

Reply Situation 9:

Tungsten Steel Ltd.

390 Redhall Drive, Newcastle, England Telephone: +44 (0)191 266 6321 Fax: +44 (0)191 259 9003 Email: tungstensteelltd@tungsten.co.uk

Website: www.tungstensteelltd.co.uk Facebook: www.facebook.com/TungstenSteelLtdUK/

March 12, 20--

Mr. Marshall Baron Supply Manager Glorzinque Minerals 2456 Century City, Cape Town South Africa

Dear Mr. Baron:

We appreciate you for informing us about the cause of the delay.

We shall contact Dezriiks Logistics Ltd. further to verify on this matter.

Thank you very much for your assistance to us.

Sincerely yours,

John Barnes

John Barnes

Situation 10: Gerhard Swenson, Sales Manager of Bosch Industrial, Germany, requires confirmation of the expected arrival date of delivery, from Javid Supplies, Mumbai. Mr. Swenson needs to know that, due to the war in the Indian Ocean, does this mean that a longer alternative route will be taken. He needs to know about this matter, as the order is urgently required. Write this letter for the Sales Manager of Bosch Industrial, Germany to Javid Supplies, Mumbai.

Bosch Industrial

Olshausentr 40, D-24118 Kiel, Germany Telephone: +49-0-431-880-3196 Fax: +49-0-431-880-1625

Email: boschindustrial@bosch.co.gr Website: www.boschindustrial.co.gr Facebook: www.facebook.com/BoschIndustrialGermany/

May 14, 20--

Javid Supplies Dharam Jyot 96 Kazi Syed Street Mumbai, India

Dear Sir:

We are inquiring into the delivery date of our urgent order that we have placed with your company.

We are concerned that the ongoing war in the Indian Ocean, will have a detrimental effect on the expected date of delivery that your company quoted to us. If there is to be a longer alternative route taken, this will affect the time of arrival of our order, which we cannot comply with, as our order is extremely urgent.

Could you please expedite a reply to these inquiries at the earliest.

Very truly yours,

Gerhard Swenson

Gerhard Swenson Sales Manager

Reply Situation 10:

Javid Supplies

Dharam Jyot 96, Kazi Syed Street, Mumbai, India Tel: 91-22-23426759 Fax: 91-22-23420638 Email: javidsupplies@javid.co.in

Website: www.javidsupplies.co.in, Line: 91-22023426799 Facebook: www.facebook.com/JavidSuppliesIndia/

May 22, 20--

Mr. Gerhard Swenson Sales Manager Bosch Industrial Olshausentr. 40, D-24118 Kiel Germany

Dear Mr. Swenson:

We received your letter regarding the possible delay of delivery. We understand your concern as your orders are urgent.

We are pleased to inform you that we have already taken that event into consideration. So our delivery will not be affected as we are able to secure for an alternate route for our shipment.

Please do not worry about this matter. We assure you that your goods will be delivered on time.

Thank you very much for your trust to our company. We value our customers and we will continue to provide you with our best service.

Sincerely yours,

Abigail Han

Abigail Han

TRANSPORTATION VOCABULARY

Cargo Air mail

Container Freight

Logistics Consignee

Dispatch note Maritime

Shipment Ship broker

Sea-freight Carrier

Consignment note Air-freight

Forwarding agent Freight charges

Customs clearance Road transport

Shipping documents Terms of delivery

Delivery instructions Storage of cargo

Shipping instruction Packaging services

Inland transit Ex-warehouse

Packing list Rail freight services

EXERCISES

- 1. Write a letter requiring the delivery instructions for an urgent order that was placed with JJ Thompson and Sons Pty Ltd., 433 Brooks Rd., Leicester, England, of 1250 meters of Organza Silk from Mayfair Wedding Gowns Inc., 457 Park Avenue, New York 34840, U.S.A.
- 2. Write a letter outlining the packaging requirements and the mode of delivery of 15 Ming Dynasty vases that were placed by Oriental Supplies, 15 Pitt St., Sydney 2003, Australia, to the supplier, Jingsing International, 7153 Nanjing Road, Shanghai, China. A quick reply is needed to confirm the availability of the packaging requirements an extra security during delivery.
- **3.**Write a letter for the manager of Wrizhson Industries Ltd., Switzerland, outlining the delivery instructions that are required for order no. 495674, that they are placing with Gregory Plc., London. The instructions are: ex-warehouse (London) to forwarding agent (Fed Ex by road transport to Stuttgart) then change carrier (Bohnzous Transportation Company) then by road to (Wrizhson Industries Ltd. Geneva). The manager expects confirmation of these delivery instructions in reply.
- **4.**Write a letter to Mr. Tanaka Nakanishi, General Manager of Birzelligenz Ltd., Japan, reminding him about the late delivery of his order no. 96347 of 120 cartons of cigarettes from Sterling Co. Ltd., London, due to a mechanical breakdown with the truck carrying the goods. Mr. Zars needs a reply written for him acknowledging the late delivery.
- **5.** The Manager of Zerkey's Instruments Co. Ltd., Illinois, requires quality packaging during the shipment of order no. 4668904 as the previous order sent by Bruzzer Parts Inc, Singapore, arrived partly damaged. Write this letter to the American company.

NOTES

- 1. Aslin, Roger. (1988). Creative Correspondence. Bangkok: United Production Partnership.
- 2. Gartside, L. (1982). Model Business Letters. Great Britain: Richard Clay (The Chaucer Press) Ltd.
- 3. See Note 1.
- 4. Ashley, A. (2003). Oxford Handbook of Commercial Correspondence. Oxford: Oxford University Press.
- 5. Taylor, Shirley, & Gartside, L. (2004). *Model Business Letters. E-mail & Other Business Documents*. New York: Prentice Hall.
- 6. See Note 5.
- 7. See Note 2.
- 8. See Note 4.
- 9. Ashley, A. (1987). A *Handbook of Commercial Correspondence*. Oxford: Oxford University Press.
- 10. See Note 2.
- 11. See Note 5.
- 12. See Note 2.
- 13. See Note 4.
- 14. See Note 2.
- 15. See Note 4.
- 16. See Note 4.
- 17. See Note 4.
- 18. See Note 4.
- 19. See Note 4.
- 20. See Note 2.
- 21. See Note 4.
- 22. See Note 4.
- 23. Radice, Francis W. (1970). *English Business Letters for Thai Students*. Bangkok: Chulalongkorn University, Faculty of Commerce and Accountancy.
- 24. See Note 4.
- 25. See Note 4.
- 26. See Note 5.
- 27. See Note 4.
- 28. See Note 5.
- 29. See Note 9.
- 30. See Note 9.
- 31. See Note 4.
- 32. See Note 4.
- 33. Reynolds, Atkinson. (1970). Business Writing and Procedures. New York: American Book Company.
- 34. See Note 33.
- 35.globalnegotiator.com.
- 36. See Note 9.
- 37. See Note 9.
- 38. See Note 33.
- 39. See Note 5.

- 40. See Note 9.
- 41. See Note 5.

CHAPTER 10

INSURANCE LETTER

Risk is one factor that is inevitable. May it be for business or for personal matters. And a normal reaction to risk is to have protection. Businesses are most likely to be faced with different threats and risk. One of their ways of safeguarding themselves is to secure for insurance. With this, they are given policy options where they can choose the risk involved that they want to be protected with.

International business transactions are also being offered with insurance policy so as to make sure that whenever a risk or threat will come, even if their firm is not in that area, they can still claim for protection. For globally competitive firms, insurance is one their priority to have because they are aware of the possibilities of existing threats and risks in the market. Insurance letters are then involved to exchange information regarding inquiry, confirmation, application or any other details that need to be conveyed to the insurance company or to the firm.

FUNDAMENTALS OF INSURANCE

It is usual for companies to protect themselves against misfortune by taking out insurance. A proposal form is completed which gives details of what is to be insured, how long, how much for and for what risks. Insurance was originally applied to loss at sea, where risks were always great, but is now provide to cover almost any kind of occurrence that may result in loss. A small loss he might bear, but this large loss might mean ruin. He therefore ready to use the services of a professional risk-bearer who in return for a fee know as a premium-will compensate him should loss or damage occur. In every business opportunity, either in selling or in rendering services, losses are inevitable. With this, it opens risks for both sellers and customers. Companies then seek to make a way to have security and protection. One the security and protection available for them is having an insurance.

What Is Insurance and Its Use

Insurance has a big part in the business world. It is a means of protection for individual or companies from financial losses. To understand insurance better is to put it in a perspective where there is a risk.³ The primary reason of having insurance is to give payment for those who experience loss or damage.⁴

Risk is one big factor why insurance must be undertaken. Insurance will help to protect both people and business against a possible risk that will produce losses. Initially, insurance was only for rich people who would want to protect their fellow businessman and was only given a few rules to maintain.⁵ However, due to globalization, enlargement and development of trade especially internationally, insurance was considered to be one important factor. The increase in the number of companies applying for insurance opens an opportunity for an insurance market. Now, the insurance business is one of the fast-rising services in business trades.⁶

Insurance involves a contract between two entities. These are the "Insurer" and the "Insured." The Insurer is able to offer protection against financial loss. The Insurer will pay a claim whenever a contingency occurs such as death, damage, or shipment loss. The company who applied for insurance will pay a premium amount to the Insurer in order to be "Insured" and be able to avail of the benefits. The risks normally insured are unintentional, either due to the actions of nature or the involuntary penalty of human mistake.⁷

Insurance has advantages.8

- Loss is distributed among many.
- Offers social security.
- Provides tax allowance.
- Contributes to economy development.
- It can be considered as fund investment.
- Provides compensation and protection.

Types of insurance

Here are the commonly used insurance in the export business:

1. Credit insurance

This is the most applied for by companies. It is favorable for business, especially for international buyers. Credit insurance protects buyers from becoming in debt or not capable of paying the amount they owed from a seller. Credit insurance offers the highest percentage of recovery, that is, from 80-90 percent.

Credit insurance also provides information and support for businesses that are targeting new clients. They help by providing a recommendation and an endorsement.

Nowadays, credit insurance is became harder to maintain since the global economic dropping. The insurance companies are being vigilant and becoming more cautious in approving insurances.

The benefit of using the credit insurance is the exporters are secured that their business in not at risk if ever something happens to the buyer.⁹

2. Political risk insurance

This is a kind of insurance provide the companies with security with risk connected with overseas government that interfere in your investments. Political risk insurance includes protection from:

- . Government seizing or nationalizing the company's assets. 10
- The risk that a country will be at fault in transferring the money paid by the buyer who is a resident of that country to the insured country.¹¹
- Risk from war and violence connected with politics (e.g. riots, civil wars, coup d'etat) basically those that are beyond the investor's control.¹²
- A government buyer or country restricting an execution of a transaction or failure to pay the obliged amount in time. ¹³
- Cancellation of export license. 14
- Government negligence of obligations on international law¹⁵

RPI are provided by both commercial and public agencies. But, a public agency can provide more protection, especially for problems related to government-to-government relationship.¹⁶

3. Marine insurance

This insurance is best offered to exporters of goods or merchandise. This is an insurance protecting the shipment of merchandise and products. Marine insurance in not only limited to sea cargoes but also shipment done over the air, land or post.¹⁷

Marine insurance is under the International Underwriting Association's (IUA) which has three main clauses called Institute Cargo Clauses. ¹⁸

- Clause A. This is the most common, expansive and most expensive clause among the three because it covers all risks.
- Clause B. This is less expensive but has a limited offer.
- Clause C. This is also cheaper and has a limited offer.

These clauses must be understood properly so as to know the protection coverage of the shipment cargo.

There are also Marine policies, these are as follows:

• Valued Policy

This based on the values that had initially been agreed upon and are stated in the policy. ¹⁹ This is usually dependent upon the invoice given in addition to the insurance and freight as well as an extra percentage computed from the value of the goods. ²⁰

• Unvalued Policy

The insurance is not agreed to or stated in advance, but it is based on what is left to be evaluated if there are instances of loss.²¹ In case of damage or loss, the compensation will have to be computed based on the market price of the goods.²²

• Voyage Policy

This only covers a particular ship for a definite and fixed shipment.²³

• Time Policy

This covers a particular ship based on a pre-defined time of shipment but not to exceed up to twelve months.²⁴

• Mixed Policy

This is a combination of time and voyage policies.²⁵ These policies are issued with a particular clause mentioned above so as to know the risk coverage and the insurance to be compensated.²⁶

4. Currency insurance

This insurance covers the losses that might occur if there are currency exchange changes. Currency insurance is usually a long-range contract.²⁷ Fluctuations in the currency values directly affect the international investments. At times, the fluctuations could be beneficial to investors, especially when the buying rate in your country at that instance is of high percentage. The disadvantage, however, comes when it is lower. In spite of the high risk

on investment of currency, many companies still engage in this business, they apply for insurance for them to be compensated at least. One of the ways investors do to be able to minimize their lost in case of fluctuations is using the "hedging" with currency futures. One way hedging is done by taking a risk in order to offset another risk. That is, buying currency at the moment in advance speculating that in the future the exchange percentage will go up. When this happens, the investor will take advantage of the high exchange rates. He can be able to gain more in selling the currency that he bought previously. The risk, however, with this strategy is when the future changes will be lower than the previous rate.²⁸

5. Product liability insurance

This insurance covers the risk involves a lawsuit or cost of products that are recalled when the products are found and proven to be defective or does not pass the standard convention.

Companies who export products will have to comply with rules concerning the proper selling and distributing of products. Otherwise, when found guilty, the insurance company will not compensate any loss.²⁹

Companies that are engage in business designs, manufacturing or supplies physical product should consider product liability insurance. Any injuries or damage caused by a faulty product, the company who sold it is held liable or legally responsible even if they were not the manufacturer.³⁰

Product liability insurance will protect companies from compensation cost for.³¹

- Personal injuries caused by the defective product.
- Damage to property caused by the defective product.
- Unpredicted situations that the quality control could not identify.

The following are not covered by the Product liability insurance.³²

- Defective product is caused by bad composition of the product.
- Financial losses to a business or person caused by you're the defective product.

If the company is only a distributor and not a manufacturer, the insurance can compensate the company as long as the following can be proven.³³

- The product was already defective when delivered to the company.
- The company provided safety instructions and warning about misuse.
- Terms are indicated for the return of the defective product.
- Company has an effective and efficient quality control and record-keeping systems.

PRINCIPLES OF INSURANCE CORRESPONDENCES

Insurance is important in every aspect either for personal or business. It serves as a protection and security for them. Companies get in touch with insurance companies in order to secure insurance for their products and shipments. Insurance activities involve forms and formal letters in order to state the terms and conditions. Included in the contract is also the claims and compensation to be received if damage or loss will occur.³⁴

A company may have the option to inquire about the insurance available, the premium or the compensation. With this, the company will do an inquiry letter to the insurance agency, to secure such data before deciding to make a formal application of insurance. Examples of inquiry letters are found below.³⁵

Tridel Co., Ltd.

5, 1st Tverskaya-Yamskaya, Moscow, 125047, Russia

Tel/ Fax: (347) 261-62-62 E-mail: tridel@company.ru

September 3, 20--

Paramount Co., Ltd. Porkkalankatu 1 00180 Helsinki Finland

Dear Sir:

Our company is currently looking into insurance for our products (clothing and shoes) and for our shipment. We have been informed that your agency is processing such and you have been highly recommended by our sister company.

In this regard, we would like to inquire and ask about details regarding the premium you require and the benefits or compensation you offer for these kinds of goods and shipment. It is appreciated if you could supply us with complete information regarding this matter.

Thank you and we look forward to have a good working relationship with you.

Very truly yours,

Peter Stogbill

Peter Stogbill

A company inquiring for a comprehensive and competitive insurance offers:

Tridel Co., Ltd.

5, 1st Tverskaya-Yamskaya, Moscow, 125047, Russia

Tel/ Fax: (347) 261-62-62 E-mail: tridel@company.ru

September 3, 20--

Paramount Co., Ltd. Porkkalankatu 1 00180 Helsinki Finland

Dear Sir:

We would like to inquire about a comprehensive insurance policy covering our company against fire, theft, flood and accident.

Our company is dealing with import and export of dry and canned goods and kitchen equipment. We have fifty staff and working from 8 a.m. to 4 p.m. weekly in a large building, with our office and warehouse located in the same building.

Please consider the following in calculating the premium:

- The electrical wirings are just 4 years old.
- There is a minimum fire risk as there is no open fire on the premises.
- The canteen uses cooking gas but is located away from the main building.
- Flood danger is also at a minimum as we are located on a high ground.

Our present insurance with an insurance agency will expire on 2nd June which is next month. We are considering changing insurance company because the present one has increased its premium.

We would appreciate it if you give us a competitive package to offer. It better is you could send someone over to our office in order to have a clear discussion regarding our case.

Thank you very much and we look forward to receive a response from you.

Very truly yours,

Peter Stogbill

Peter Stogbill

Insurance Procedure

The following are the steps in processing insurance:³⁶

- The client will have to complete a proposal form. This form indicates the following:
 - Things to be insured.
 - How much is the worth?
 - How long will the contract last?
 - Conditions when the insurance will be effective.

The client must provide an accurate and convincing detail in the form as this is the initial basis for their insurance application.

- The insurance company will compute for the premium. This is done in percentage.
- •The insurance company will check the information provided by the client in the proposal form. If it is satisfactory, the insurance company will issue a cover note to the client. This note acts as an agreement that the goods are covered until the policy is prepared.
- Once the policy is prepared and ready, the client will receive a copy. The policy will inform that client regarding the compensation against loss, damage or injury under certain conditions as indicated. It should be understood that items being insured are only insured at one time and its value as stated in the policy should be followed. The compensation to be given to the insured company will be based on the item's current value in the market. For example, a ship is insured and its original price is \$100,000. After 6 years, it has been damaged or wrecked. The insured company will not receive \$100,000 as compensation but the amount will be computed on the current value of the ship in the market, that is, considering the depreciation cost of the ship after being used for 6 years. Say, the depreciation is 10%, then \$100,000 will be deducted with 10% and that is the compensation amount that the insured company will receive. After paying the compensation, the insurance agency has the right to take the wrecked ship and maybe sell it. There are also some insurance agencies that offer compensation at their original price or may replace the item. Household policies are the ones offering this kind of insurance.³⁷

For injury or death, the person who is injured will receive compensation. If the injured person leads to death, their beneficiary will receive the compensation. For life

insurance, the beneficiary is paid according to the contributions and interest earned while investing.³⁸ Here is an example of a proposal form:

SAMPLE PROPOSAL FORM											
Insurance Company Name Address, Contact no., logo											
1. POLICY I	HOLDER :										
2. ABN AND ITC DETAILS:											
3. BUSINESS DESCRIPTION : (PLEA ACTI				I	FULL DESCF	RIPTION OF	Al	LL YOUR	BUSINESS		
PLEASE ENCIRCLE THE YOUR ANSWER:											
4. IS THE POLICY HOLDER A BUSINESS OR A CORPORATION? IF YES, GO TO 4A YES NO								NO			
AA IS THE GENED AT INSTIDANCE DOLLO				V VOLUADE CONCIDEDING EOD LISE OD					NO		
4A. IS THE GENERAL INSURANCE POLICY YOU ARE CONSIDERING FOR USE OR IN CONNECTION WITH A SMALL BUSINESS THAT IS A MANUFACTURING BUSINESS WITH 100 EMPLOYEES OR LESS?							YES	NO			
4B. OR ANY OTHER BUSINESS WITH 20 EMPLOYEES OR LESS?						YES	NO				
5. PERIOD OF INSURANCE			From:	From:							
			To:	То:							
PLEASE CHECK WHAT IS APPROPRIATE:											
6. COVER REQUIRED				ALL BUSINESS TRAVEL (OUTSIDE 100 km AND OVERSEAS)							
				INTERSTATE AND OVERSE					AS ONLY		
				OVERSEAS ONLY							
7. TRAVEL DETAILS											
,, Har, 52	Overseas		eas	_	Interstate		_	Beyond 100 km			
		No. of Individual Trips	Ave. Duration		No. of Individual Trips	Ave. Duration		No. of Individual Trips	Ave. Duration		
Directors – Employees											
Spouses / Partners											
Dependent Children											
Any Others											
Please advise usual destinations of overseas travel :											

Source: Efoza (n.d.). Insurance Proposal Template. Insurance Quote Proposal Form Sample. Retrieved from: http://www.efoza.com/post_insurance-proposal-template_649721/.

Usually, a proposal form consists of 4 or 5 pages, the above sample is only the first page. The form contains all information regarding the policy, previous claims history, cover required, declaration and other pertinent information.

Once a proposal form has already been checked and approved by the insurance company, they will send an approval letter to the client. A sample letter can be found below:

Dear Sir:

Thank you for your application and in sending your proposal form to us for Cargo Insurance Policy B234. We are pleased to inform you that your proposal has been accepted. Please remit your first premium to us in the amount of \$1000 within 30 days from the date of this letter.

Once again, thank you very much.

Very truly yours,

Insurance Contract

The insurance contract is an agreement between two parties:

- Insurer: the one who accepts the risk.
- Insured: the one who is desiring to be protected from risk.

The Insured will be given a computed amount to be paid, called the premium and the Insurer will pay in return a declared or proportioned amount if an event of loss or damage, even death, or injury will occur.

Before a contract will be prepared, the insured must go through the process of the Insurance Procedure. Upon approval, the Insurance contract is prepared and agreed upon between the two parties.³⁹

Most common insurance contracts are "Indemnity Contracts." This contract applies for loss and damage and computed in terms of money. Indemnity Contract declares that the insurer will pay compensation no more than the actual loss incurred. When loss happened, the insurer will calculate the amount to be given to the insured entity in a form of money may the insured be a car, ship or goods.

There are also insurance contract that are not considered indemnity contract. These are life insurances and most of the personal accident insurance contracts.⁴⁰

After the contract has already been received and signed by both parties, the payment of premium will start from the insured entity. In case where the insured company forgot or ignored to pay the premium, the insurance company can send a letter to remind the insured. Below is a sample letter:

Dear Sir:

Please be reminded that your premium payment for the month of March was due on the 15th. But until to-date, we have not received your payment. Kindly remit your payment to us in the amount of \$1000 immediately.

Once you remit your payment, please ignore this letter.

Thank you very much.

Very truly yours,

There is also an instance where a client is no longer happy with the service that his current insurance company offers, thus, he would like to cancel his policy and connection with them. Here is an example:

Brookfield Co., Ltd.

Floriana 3/5 PL-04-664 Warsaw Poland Tel: 022613 0012 Fax: 022812 1327

April 24, 20--

Bridgewater Co., Ltd. 36 Jacksonville Rd, Towaco New Jersey 07082-0195 U.S.A.

Dear Sir:

We wish to inform you of our decision to cancel our policy, Policy No. CP1234/67, with your agency. This is due to claims that we were not able to receive.

Over the past two years, we made four claims of which not even one has been settled. It is an excuse of file misplacement, unfinished report or technical issues. We are very sorry to say that we have not been pleased with this kind of procedures and transactions. We would then like to cancel our policy and please refund any amount due to our account.

Thank you very much.

Very truly yours,

Gail Fear

Gail Fear

Here is a sample letter for a request for change of policy:

Blackburn Co., Ltd.

Novo Nordisk A/S Novo Allé, 2880 Bagsvaerd Denmark Tel: +45 4444 8888 Fax: +45 3393 1621

May 15, 20--

Torstar Co., Ltd. Ceskolipska 9 Litomerice 412 01 Czech Republic

Dear Sir:

We would like to request for a change in our current policy. We feel that there is a need to increase our premium and to add more security to our goods and shipment since the orders and delivery is steadily increasing from the past years.

We deem to request for a change in order to cover other possible risk. We would appreciate if you could send someone in our office to further discuss about this and to make a clarification if there is.

We appreciate your service and we would like to continue with our insurance policy to be under your care.

Thank you very much and we look forward to your response to this request.

Very truly yours,

Frederick Simton

Frederick Simton

CLAIMS

When loss, damage or accident happens, any insured company or individual may claim compensation to their respective insurance agency.⁴¹

In order for a claimant to receive the compensation, a due procedure is done. The claimant should be able to submit a complete claim form detailing what has happened. Once the insurer received this form, they may also proceed with an investigation to check the credibility of the contents prior to releasing the compensation.⁴² On the other hand, the claimant should be accurate and be able to justify his claim. With this, the claimant will be ensured of a positive response from the insurer.⁴³

Claims may be rejected due to the following reasons:⁴⁴

- (1) The client was negligent and allow the policy to lapse. A client who fails to pay his premium on time will cause the claim to be rejected.
- (2) The client had an injury or loss not specified in the policy.
- (3)Providing false information or lack of information in the claim form. As earlier mentioned, the claimant should provide accurate and complete information. Any false details provided may cause his claim to be rejected. Providing wrong personal information is also a cause of rejection. Any unjustifiable details written in the claim form may be rejected.
- (4) Covering information that may affect your premium or insurance application. Claimant at the start should have already specified his lifestyle habits because this is also a factor to consider in determining the premium amount. Risk with person who has smoking or drinking habits has higher percentage than those who are not.
- (5) Pre-existing Ailments. The client should also specify any pre-existing ailments as this will have an effect on the premium and on the policy to be declared.

When a client sent a claim letter, the insurer may approve it or reject it. Depending on the investigation's outcome that the insurer performed after a claim is received. The insurer may also offer less compensation that what the claimant is asking. And if the claimant disagrees, they usually invite an independent assessor to check on the claims of both sides. At a worst case, this may be taken to court. But for small and reasonable amount, the insurance company compensates without any further inquiry. Examples of letters connected with claims are given below.

Here is a letter sample from a company requesting for a claim:

Winpak Co., Ltd.

Brampton, Ontario L6T 5K5, Canada Tel.: (905) 792-9700 Fax: (905) 792-9547

June 24, 20--

Linamar Co., Ltd. Kanavaranta 1 FOB 309, 00101 Helsinki Finland

Dear Sir:

We have received your shipment of 10 boxes containing 100 tiles per box amounting to 1000 pieces of 8x8 beige tiles yesterday. One of our staff has recorded and checked theses boxes and they were all complete. We have not claimed the boxes right away because this has to be delivered to one of our customers the following week. Our 10 boxes were stored in the warehouse for another week.

Unfortunately, just now, we have received a message from our customer that they have only counted 8 boxes received from the delivery. We have taken all possible means to check and locate the missing 2 boxes.

This is a "disappearance" that cannot be accounted for. We would like to come to your attention to ask for a claim as we know that this term is under our policy insurance. The value of the missing boxes is \$3,000 as specified in the bill of lading.

We would appreciate if you could assist us in providing further instructions to do and send us any form to be completed in order to process our claim.

Thank you very much in advance for your assistance to us in this matter.

Very truly yours,

John Smith

John Smith Manager Upon the receipt of the letter, the insurance company will reply immediately but postponing the approval of claim until verifications or investigations has been done to make sure that the claim is justified.

Here is a reply from the insurance company, this is also a letter sample of claim verification:

Linamar Co., Ltd.

Kanavaranta 1, FOB 309, 00101 Helsinki, Finland Phone: +54 911 4532 Fax +46 8 106 020

August 19, 20--

Mr. John Smith Winpak Co., Ltd. Brampton, Ontario L6T 5K5 Canada

Dear Mr. Smith:

We have received your letter requesting for a claim of loss for two missing boxes amounting to \$3,000.

We would be glad to be of assistance to you in providing you the claim you've mentioned, however, until we have investigated the incident further and come out with a clear report regarding the loss, we cannot release the amount to you.

I am certain that we will cover the loss. But for the meantime, we have already placed the matter to our dispatch and packing department to check and investigate about this. As soon as we get a clear report then, we will send you the necessary form you need to complete.

Thank you very much and we are requesting for your patience and understanding about this matter.

Sincerely yours,

Richard Soom

Richard Soom Manager Here is a sample of an approved claim:

Linamar Co., Ltd.

Kanavaranta 1, FOB 309, 00101 Helsinki, Finland Phone: +54 911 4532 Fax +46 8 106 020

August 19, 20--

Mr. John Smith

Winpak Co., Ltd. Brampton, Ontario L6T 5K5 Canada

Dear Mr. Smith:

This is in reference to your letter claim last March 19, 2016 regarding a claim of loss in the amount of \$3,000. I have the report of your case prepared by one of our staff who has done the investigation and checking.

From the report, it shows that the loss was done within our premise while your boxes are in our warehouse. With this, we are going to compensate the amount specified in your claim. Please complete the claim form attached herein and send it back to us as soon as possible.

Once the claim form is completed, we would be sending the payment to your account

Thank you very much.

Sincerely,

Richard Soom

Richard Soom Manager Here is a sample of a rejected claim:

(Note: This example is no longer related to the above sample letters)

Banff Co., Ltd.

25, Ermou St. GR 145 64 Nea Kifissia, Greece Athens Tel: +30 210 8184300. Fax: +30 210 8184922 e-mail: info@banff.gr

July 17, 20--

Telus Co., Ltd. 166/4, 13th Main Road Vasanthnagar, Bangalore-560052 India

Dear Sir:

We have received your claim form no. 12345 in which you are claiming to be compensated in the amount of \$375 for damage of goods.

I regret to inform you that we cannot pay you the compensation in this case as the damage was caused by factors outside the terms of the policy. If you will check your policy, you will find that you are covered for damage from our packaging or dispatch or in the shipment. However, upon our investigation, we found out that the damage was within your premise. Your staff were not careful in handling the delivery goods causing the contents to be damaged.

If you still have doubts, I can send you the report of our dispatch and delivery department indicating that the goods has been packed and dispatch in good condition.

We value you as our customer, we hope for your understanding regarding this matter.

Thank you very much.

Very truly yours

Virgie Mesh

Virgie Mesh Manager

INSURANCE COVERAGE

In planning to have a business in the international trade, it is important to prepare for protection and security. Because, business in the international trade is open to a lot of risks. Aside from the possible risk that may come from customers, there will also be a possible risks coming from the countries you will be connected or associated with while operating your business. Possible loss, damage, injury to your cash flow, faulty goods and services may come. You may name all risks you can think, but you have to note that in all business areas, risks are inevitable. But that's what makes your ability to offer a good risk management system. One of the best steps to do is to have insurance as a protection and will help in the compensation if risks mentioned above will occur.⁴⁶

And in having insurance, you also need to understand what scope or coverage does the policy you will be engaging to offers. This is what we call *Insurance Coverage*. Insurance coverage is the liability covered for an individual or a company. This is done by insurance services or an Insurer.⁴⁷

Insurance coverage for export shipments is usually offered by an insurance company that works on ocean and air cargo. There are three types of coverage provided for export shipments:

- •*Peril* This insurance is only limited to probable cause such as earthquake, flood, theft or fire. The insurance company will specify this coverage in the contract. ⁴⁸
- •Broad-named Perils This is another limited insurance where the policy will specify what risk will only be covered. These are usually tornadoes, burglaries, civil disturbances, but not flood. This policy will only cover the most likely events.⁴⁹
- •All-Risk This policy covers all physical loss or damage from an external circumstance, but not including loss or damage caused by riots, war, or strikes.⁵⁰

Insurance coverage varies depending on the goods or the destination of the shipment. Clients may ask for coverage from port-to-port or from factory to customers. You just have to let your insurance company specify the coverage clearly in the policy and you need to understand it as well. So in cases where risk comes, you know what coverage will you be compensated.

You also need to note that there is no insurance that protects you from customer's refusal to accept the cargo or against your client's delay to secure an import license, which in

return cause delay for your shipment to be accepted and be cleared. In cases like these, here are some guidelines that may help you to secure air or marine insurance.⁵¹

- (1)Choose for policy that will give you enough protection decide what kind of coverage you plan to have once your cargo get lost or damaged.
- (2) Specify who will acquire the insurance you have to know how much control you have over your shipment. Should you decide to have your liability as seller ends when the shipment arrives and let your customer handle the insurance after that. This should be decided so as to know how claims should be processed later once loss or damage occurs.
- (3) Choose who will pay for the insurance At times, customers will take the responsibility of paying for the insurance sometimes they won't. The financial responsibility should be clearly decided and be placed on the policy. As a seller or a customer, you need to stand in a situation where you will know you can be protected and secured no matter what happen (win-win situation).
- (4)Be sure to have all in transactions and negotiations be placed in paper whatever decisions made for insurance payments, make sure to have it documented and clear to both parties. These documents may be needed in applying for a claim later on. Always remember that it is important to document and file all transactions done for future references.

Insurance coverage is determined by numerous factors, but it is actually pointing to the probability of the insured to be protected and compensated enough when a risk will occur that may cause loss, damage or injury. ⁵²

PRINCIPLES OF INSURANCE LETTER WRITING

Companies protect themselves against loss, damage by taking out insurance policies, are contacts against possible future risks. Insurance was originally applied to losses at sea, where risks were always great, but it is now provided to cover almost any kind of occurrence that may result in loss. Business companies are therefore ready to use the services of a professional risk-bearer who in return for a fee -known as premium- will compensate them should losses or damage occur. Insurance companies provide compensation for those who suffer from loss or damage. Physical loss or damage includes theft, pilferage, spillage, pirating and hijacking, fire, environmental damage and non-delivery. Insurance letters relate to the following topics:

- Application for householder's insurance
- Application for an open policy
- Applications for insurance cover
- Request for reduction in premium
- Requests to brokers to arrange insurance
- Request for increase in cover
- Request for an all risk policy
- Request for information concerning cover
- Request for partial cover
- Request for cover pending issue of policy
- Renewal of an open policy
- Request to insurance goods at docks
- Enquiry for a Fidelity Guarantee policy
- Enquiries for insurance rates
- Insurer declines to meet claim in full
- Claim for injury to workman
- Claim for damage by fire
- Claim for damage to house property
- Holiday insurance-application and claim
- Notice of increase in premium
- Buyer requests seller to make claim

INSURANCE EXPRESSION

Opening

- We acknowledge the receipt of your letter dated 26th March regarding nomination/ assignment of the above policy.
- With reference to your letter dated 29th December 2016,...
- With further reference to your claim form and our survey's report we sending a cheque for \$5000 in full and final settlement.

- Please could you confirm the details of our claim that we had made, concerning order 44-089.
- As the goods were insured during delivery, we would like to claim 45 cartons under the insurance agreement that we signed. Enclosed is the insurance claim form.

Body

- We need to be insured for all risks of physical loss or damage, including; theft, pilferage, spillage, pirating and hijacking, fire, environmental damage and non-delivery.
- We cannot accept your point of view for the following reasons:
- We are of a different opinion.
- We are sorry we are unable to meet your request.
- I regret that I cannot give you more complete information.
- The claim that has been made will be dealt with the supervisor.
- Our policy allows for our decision on the claim to be final.
- We require further details in reference to claim no.456548.
- The conditions of the policy you had signed for, so our decision is final.
- With regard to the damaged goods, could you please send these on to us, so we can
 evaluate your claim.

Closing

- Please acknowledge the receipt and issue the necessary policies.
- An early compliance is requested.
- Will you please look into the matter and do the needful by return?
- Please let me know the necessary procedure and formalities to be observed.
- Please send us your official receipt for the amount.
- We shall be very grateful for any assistance you can give us in this matter.

Examples of Insurance Letter

Situation 1: The Managing Director of Bickwicks Solar Systems Inc., Florida, has received the quotation of insurance for his company's important upcoming shipment of a satellite from Jeztsui Scientific Installations Company, Japan. Write a letter to the insurance company, AIU Insurance Brokers Ltd., London accepting this quotation.

Bickwicks Solar System Inc.

606 North Ashley Drive – Tampa Florida 33602, U.S.A.

Phone: (813) 274-8130 Fax: (813) 274-8732 Email: bickwicks@solarsystem.com

Facebook: www.facebook.com/BickwicksSolarSystemUSA/

Website: www.bickwicksinc.com

May 2, 20--

AIU Insurance Brokers Ltd. 345 London United Kingdom

Gentlemen:

We have received the quotation of the satellite from Jeztsui Scientific Installations Company. We accept this quotation, and are happy to arrange the necessary documents and cheque needed in order to pursue with the transaction and shipment. Please acknowledge this letter as an acceptance of the quotation and issue the necessary payment to Jetzui Scientific Installations Co, in our behalf.

Please let us know if you need other details regarding this matter.

Yours very truly,

Adams Brown

Adams Brown Managing Director

cc: Mr. Jefferey Cole (Jeztsui Scientific Installations Company)

Reply Situation 1:

AIU Insurance Brokers Ltd.

345 London, United Kingdom

Phone: +44 (20) 274-8130 Fax: +44(20) 274-8732 Email: aiuinsurance@brokerbiz.co.uk

Website: www.aiuinsurance.co.uk

Facebook: www.facebook.com/AIUInsuranceBrokersLtdUK/

May 10, 20--

Mr. Adams Brown
Managing Director
Bickwicks Solar Systems Inc.
606 North Ashley Drive – Tampa
Florida 33602, U.S.A.

Dear Mr. Brown:

Thank you for accepting our quotation. We received your payment for the insurance.

As a new member of our insurance agency, please observe the attached procedure and policies. Additional document is also attached herein for the payment terms and conditions and other pertinent information you need in order to fully understand the insurance policy.

We would like to welcome you to our family. We hope that you will find our service of your standard.

Once again, thank you and we look forward to have a good and long business relationship with you.

Sincerely yours,

Robert Scott

Robert Scott

Situation 2: The situation is the same as no. 1, except that the Managing Director of Bickwicks Solar Systems Inc., is accepting the quotation given by AIU Insurance Brokers Ltd., but only with certain conditions that need to be addressed first. These conditions are that the replacement value of the satellite will increase to US\$720 million from the US\$650 million upon arrival in England. Also, the ship carrying the satellite, needs to be insured for its own self, as the satellite will only be insured for all risks of physical loss or damage including; theft, pilferage, pirating and hijacking, fire, environmental damage and non-delivery and not the for the ship in its self. Write this letter to AIU Insurance Brokers Ltd.

Bickwicks Solar Systems Inc.

606 North Ashley Drive - Tampa, Florida 33602, U.S.A.

Phone: (813) 274-8130 Fax: (813) 274-8732
Email: bickwicks@solarsystem.com
Website: www.bickwicksinc.com
Facebook: www.facebook.com/BickwicksSolarSystemUSA/

April 4, 20--

AIU Insurance Brokers Ltd. 3rd Floor, 1 Victoria Street London, England

Gentlemen:

We have received your quote for insurance of our imminent satellite shipment from Japan. We are willing to accept your quote, but we have some conditions that need to be clarified first.

Firstly, once our order has embanked in the United Kingdom, our satellite will increase in value from US\$650 million to US\$720 million. So, we require the replacement value clause in your quotation to be adjusted accordingly.

Secondly, we require the ship carrier to be insured as their entity, and we will not subscribe to cover them in our policy. We only want to be insured for all risks of physical loss or damage including; theft, pilferage, pirating and hijacking, fire, environmental damage and non-delivery and not the for the ship carrier in any form.

We would be very pleased if you could accommodate our requirements into this policy.

Very truly yours,

Adams Brown

Adams Brown Managing Director

Reply Situation 2:

AIU Insurance Brokers Ltd.

3rd Floor, 1 Victory Street, London, England Tel: 020 7215 4796 Fax: 020 7215 2834

Email: aiuinsurance@brokerbiz.co.uk
Website: www.aiuinsurance.co.uk
Facebook: www.facebook.com/AIUInsuranceBrokersLtdUK/

April 11, 20--

Mr. Adams Brown Managing Director Bickwicks Solar Systems Inc. 606 North Ashley Drive - Tampa Florida 33602, U.S.A.

Dear Mr. Brown:

We have received your letter, thank you for accepting our quotation. As per you conditions, we believe we can accommodate those two. We will contact our bank in the United Kingdom to change the amount to US\$750 million. One of our colleagues will get in touch with you eventually to confirm the adjustment to be made.

For the risks you want to apply for, we can specify it in the insurance documents. Please check the attached file for the risks covered and also the terms and conditions of the insurance policy. For further information or clarification, please don't hesitate to contact us again.

Thank you again and we look forward for a long and to have a good working relationship with your company.

Sincerely yours,

Robert Scott

Robert Scott

Situation 3: Insurance Agent, Gerry Rice for Glockspiel Insurers Ltd., Australia, is rejecting a complaint made by Samuels Ltd., England, that goods received were faulty. After his investigation, Mr. Rice found that the inspection seals to the packagers of the goods were broken, and with the claim being 17 days after receipt of delivery, these two actions break the conditions of the insurance policy. Write this letter rejecting the insurance claim to Samuels Ltd.

Glockspiel Insurers Ltd.

102-114 Edinburgh Rd., Marrickville, Australia Tel: 61 2 9550 4044 Fax: 61 2 9550 3733

Email: glockspielins@insurancebiz.co.au Website: www.glockspielins.co.uk

Facebook: www.facebook.com/GlockspielInsurersLtdUK/

August 10, 20--

Samuels Ltd. 18-34 North Rd., Middlesbrough Cleveland, England

Dear Sir:

This is in reference to your insurance claim of receiving damaged good on delivery. After investigation was made, we are declining your claim. It has been checked that two items were not satisfied as per our policy.

It was established that the inspection seals of the order were found to be broken, when our Insurance Agent, Mr. Gerry Rice, examined the packages of this order. The breaking of these inspection seals has clearly contaminated the order and does not comply with clause 13b of the insurance policy. These seals are to help us maintain that no more damage or contamination happens to the order in question of an insurance claim.

Also, as the claim was made 17 days after the receipt of the goods, this breaks the conditions of clause 29a of the insurance policy. It states "all claims are to be made 14 days from the receipt of the order."

The non-compliance of these clauses of the insurance policy allows our decision on the claim's rejection to be final.

Very truly yours,

Gerry Rice

Gerry Ricer Insurance Agent **Situation 4:** Milton Berlson, Mining Manager of Centaur Mining Ltd., Indonesia, is accepting the delayed payment of his company's insurance claim, due to an appeal made by Radiation Australia Ltd. Write a letter to Mercy Insurance Company, Perth, Australia, from Mr. Berlson accepting this delayed payment.

Centaur Mining Ltd.

49 Ulak Karang Street, Padang, Sumatera Barat, Indonesia Telephone: 62-751-36221 Fax: 62-751-36293

Email: centaur@miningbiz.com Website: www.centaurminingindo.com, Line: 62-751-36222 Facebook: www.facebook.com/CentaurMiningLtdIndonesia/

January 2, 20--

Mercy Insurance Company 5677 Spa, 32 Richardson Street West Perth, Australia

Dear Sir:

In reference to your letter concerning the delayed payment of our insurance claim, we accept this delay, as we were fully prepared for an appeal by Radiation Australia Ltd.

Could you please keep us updated about the developments of this appeal and quickly notify us of any changes to the present situation.

We thank you for your correspondence and the help you have provided our company.

Very truly yours,

Milton Berlson

Milton Berlson Mining Manage

Reply Situation 4:

Mercy Insurance Company

5677 Spa, 32 Richardson Street, West Perth, Australia Tel: +(618) 9217 8888. Fax: +(618) 9214 3931 Email: mercyinsurance@insurancebiz.co.au

Website: www.mercyinsurance.co.au Facebook: www.facebook.com/MercyInsuranceCoAustralia/

January 12, 20--

Mr. Milton Berlson Centaur Mining Ltd. 49 Ulak Karang Street Padang, Sumatera Barat Indonesia

Dear Mr. Berlson:

Thank you very much for your understanding. We will surely provide you with an update if there is any development in the appeal.

We appreciate your trust and confidence in us. We will continue to provide you with our service in the best way we can.

Sincerely yours,

Regina May

Regina May

Situation 5: FAI Insurance Ltd., Sydney, has received a claim from Keels and Rigging Company, Singapore, about the damage done to a keel during delivery, by the carrier Fox Shipping and Transport Ltd., Australia. Tom Gullikson, the Insurance Investigator for FAI Insurance Ltd., is rejecting this claim about the damaged keel, as the consignment note and customs clearance documents were fully signed for and completed. Write this insurance claim rejection letter to Keels and Rigging Company.

FAI Insurance Ltd

14 Park Street, Sydney, NSW 2000, Australia Telephone: 61 2 9955 4200 Fax: 61 2 9349 3597 Email: faiinsurance@insurancebiz.co.au

Website: www.faiinsurance.co.au Facebook: www.facebook.com/FaiInsuranceLtdAustralia/

December 5, 20--

Keels and Rigging Company 55 Defu Lane 3 Singapore

Dear Sir:

We are writing in reference to your insurance claim, regarding the damaged order from Keels and Rigging Company, Singapore, and shipped by the carrier Fox Shipping and Transport Ltd., Australia.

We are rejecting this claim upon the investigations by Mr. Tom Gullikson, the Insurance Investigator assigned to your case. He found that, even though there is evidence of substantial damage to the delivered keel, the consignment note and customs clearance documents were fully completed, without any report of damage to the delivered goods.

One of the conditions of the policy you had signed for was the immediate reporting of any signs of damage to goods during the receipt of delivery, and as these important documents registered no complaint of damage, this strikes out your insurance claim. Our decision is final.

We hope this judgment settles the matter.

Very truly yours,

7om Gullikson

Tom Gullikson Insurance Investigator

Situation 6: Tom Howard, Chief Broker of Civil Aviation Insurance Ltd., England, is sending an acknowledgment letter of an insurance claim, from Lauda Air, Switzerland, but he is also asking for more information to process this claim. The claim is for the delayed delivery of Lauda Air's two new Jumbo 747's that were ordered from Boeing International Company, Chicago. Help Mr. Howard prepare and write this letter.

Civil Aviation Insurance Ltd.

144 John Rd., Newbold, Chesterfield, England Tel: 01246 456676 Fax: 01246 456472

Email: civilaviation@insurancebiz.co.uk Website: www.civilaviationinsurance.co.uk Facebook: www.facebook.com/CivilAviationIsuranceUK/

November 2, 20--

Lauda Air Seilergraben 53 CH-8001 Zurich Switzerland

Dear Sir:

We are writing to acknowledge your claim on the delayed delivery of two new Jumbo 747's that were purchased from the Boeing International Company. Whist we have begun investigations into this claim, we seek further details to process the claim. We need more documents to support the claim, we are then requesting for the following to be forwarded to us:

- purchase order from
- terms of delivery that you were quoted for
- the received consignment note
- any relevant documentation that will enhance your claim

An early compliance to this information is requested so we can complete your claim.

Very truly yours,

70m Howard

Tom Howard Chief Broker

Reply Situation 6:

Lauda Air

Seilergraben 53, CH-8001 Zurich, Switzerland Tel: +41 44 213 62 45 - Fax: +41 43 456 97 11

Email: laudaair@insurancebiz.co.ch Website: www.laudaair.co.ch Facebook: www.facebook.com/LaudaAirSwitzerland/

November 14, 20--

Mr. Tom Howard Chief Broker Civil Aviation Insurance Ltd. 144 John Rd., Newbold Chesterfield, England

Dear Mr. Howard:

Thank you for your prompt response to our letter. As per your request, we have attached the documents you need: Purchase Order Form, Terms stating the terms of delivery quoted, the received Consignment Note. We are also attaching a copy of the letter where you clearly state that the delivery will be made according to the date we agreed upon.

We hope that you can process the claim the earliest possible time.

Thank you very much for your assistance to us in this matter.

Sincerely yours,

David Shanfar

David Shanfar

Situation 7: Write a letter to FAI Insurance, Sydney, disagreeing with the action taken against the Dayoo Motor Company, South Korea and awarded to Munday Car Sales Ltd., Melbourne. The writer of the letter, Mr. Kim Dao-Song, General Manager of the car-maker, feels that the decision made is unjust, as the delivery was delayed due to a wharf strike on the dock front of Melbourne. Write this letter of disagreement to FAI Insurance, outlining Mr. Dao-Song's feelings.

Dayoo Motor Company

456 Kookminseogwan Bldg., Kongduk-dong, Seoul, Korea Tel: 82-2-701-8775 Fax: 82-2-701-8778

Email: dayoomotor@motorcomp.co.kr Website: www.dayoomotor.co.kr, Line: 82-2-701-8555 Facebook: www.facebook.com/DayooMotorCompKorea/

May 3, 20--

FAI Insurance Suite 706, 16-20 Barrack St. Sydney, NSW, 2000. Australia

Dear Sir:

I am writing to strongly disagree with the action that you have taken against our company, concerning the delivery of our cars to Munday Car Sales Ltd., Melbourne.

The claim that was put forward by Munday Car Sales Ltd., was that we had delivered the cars four weeks after the promised date of delivery. This delay had nothing to do with our company, as the goods were dispatched on time and well ahead of schedule to arrive before the promised delivery date.

The strike action that was taken by the Waterside Workers Union, on the wharves of Melbourne held up our order to Munday Car Sales Ltd., for five weeks. We had many cars on this shipment to be completed to other car yards and they had understood the circumstances. There was nothing that our customers or we could do to hasten up the delivery of our cars.

This whole matter that was caused by the strike, has already added significant financial burden to our company, and we do not want this claim by Munday Car Sales Ltd., to add further financial strain to our company.

We shall be very grateful for any assistance you can give us in this matter.

Very truly yours,

Kim Dao-Song

Kim Dao-Song General Manager

Reply Situation 7:

FAI Insurance

Suite 706, 16-20 Barrack St, Sydney, NSW, 2000, Australia Telephone (02) 6260 9302 Fax (02) 6239 6174 Email: faiinsurancesydney@insurancebiz.co.au Website: www.faiinsurancesydney.co.au

Facebook: www.facebook.com/FaiInsuranceLtdSydAustralia/

May 15, 20--

Mr. Kim Dao-Song General Manager Dayoo Motor Company 456 Kookminseogwan Bldg Kongduk-dong Seoul, Korea

Dear Mr. Dao-Song:

We have received your letter regarding your claim. We have done further investigation on this matter and found out that the delay was not really on your part, but caused by the wharf strike on the dock of Melbourne. We apologize for this mistake.

We will try our best to make the correction and we will inform you of the result later.

We will contact Munday Car Sales Ltd and inform them of the possible reinstatement of the claim we have previously awarded to them.

We would like to ask for your patience and understanding in the result since Munday Car Sales will surely make their own claims as well.

Once the matter is already cleared, we will contact you again. We are hoping that we can be able to save our relationship with you as well as with Munday.

Thank you very much for your consideration.

Sincerely yours,

Steven Belder

Steven Belder

Situation 8: The General Manager of Torgay Dugshey Company, Norway, sends a rejection of quotation letter of the insurance policy to Air Insurers Ltd., Singapore. The reason being that it is simply far too costly for Torgay Dugshey Company, to accept, and they will think of other alternatives. Write this letter to Air Insurers Ltd., Singapore.

Torgay Dugshey Company

Pb 7800 N-5020 Bergen, Norway Phone: +47 5530 8800 Fax: +47 5530 8801 Email: torgaydugshey@bizniz.co.com Website: www.torgaydugshey.com Facebook: www.facebook.com/TorgayDugsheyNorway/

February 12, 20--

Air Insurers Ltd. 80 Stirling Rd. Singapore

Dear Sir:

We thank you for your insurance quotation, but we regret to inform you that we are declining your offer, as it is too costly for us to maintain.

We will seek other arrangements.

We are grateful for your effort to keep a competitive price, but please understand that we are only a small company.

Very truly yours,

Aderson Bower

Aderson Bower General Manager

Reply Situation 8:

Air Insurers Ltd.

80 Stirling Rd., Singapore Phone:(65) 9850-2655 Fax:(65) 6640-1351 Email: airinsurance@insurancebiz.co.sg

Website: www.airinsuranceltd.co.sg Facebook: www.facebook.com/AirInsuranceLtdSingapore/

February 19, 20--

Mr. Aderson Bower Torgay Dugshey Company Pb 7800 N-5020 Bergen Norway

Dear Mr. Bower:

We are sorry to hear that the quotation we sent you is not the amount you expect to afford. May we request for your reconsideration and take a look at our second quotation attached herein.

This is the quotation we provide for small scale companies such as you are. Kindly discard the first quotation and check this new quotation.

We believe we can make arrangements that will satisfy your need. Please don't hesitate to contact us again in case you need further information or any clarification.

Thank you and we look forward to have you as one of our clients.

Sincerely yours,

Josy Buck

Josy Buck

Situation 9: Write a letter of action taken, to Mr. Robert Diperdemenico, Manager of Copper Cradling Inc., Los Angeles, confirming that their claim for the missing order no. 5763, will be re-instated in its entirety, by the supplier Hengshui Company, Shanghai.

Hengshui Company

Unit 305, Union Building, Yan An East Road Huangpu District, Shanghai, China

Tel: +86 (0)21 6374 . 8162 Fax: +86 (0)21 639 5986 Email: hengshuicomp@business.co.cn

Website: www.hengshuicomp.co.cn Facebook: www.facebook.com/HengshuiCompanyChina/

October 4, 20--

Mr. Robert Diperdemenico Manager Copper Crading Inc. 337 S. Figueroa Street Los Angeles, U.S.A.

Dear Mr. Diperdemenico:

We are happy to inform you that your missing order (no. 5763) will be replaced and sent to you as soon as possible.

We could not locate the order and it has clearly no signs of showing up. We request that you quote claim no. 354790 on all subsequent and corresponding paperwork.

Thank you very much and we hope for your understanding on this matter, we have done our best to locate it but to no avail.

Sincerely yours,

Rhonda Emmeron

Rhonda Emmeron Manager

Reply Situation 9:

Copper Cradling Inc.

337 S. Figueroa Street, Los Angeles, U.S.A. Telephone: 213-617-1133 FAX: 213-613-0291 Email: cradlinginc@insurancebiz.com
Website: www.cradlinginc.com

Facebook: www.facebook.com/CradlingIncUSA/

October 10, 20--

Mr. Rhonda Emmeron Manager Hengshui Company Unit 305, Union Building, Yan An, East Road, Huangpu District Shanghai, China

Dear Mr. Emmeron:

We appreciate your prompt action on this matter. Thank you very much for making the replacement. We look forward to receive the goods this time.

We shall change all subsequent and corresponding paperwork to claim no. 354790.

Thank you once again and we look forward in continuing our working relationship with your company.

Sincerely yours,

Robert Diperdemenico

Robert Diperdemenico

Situation 10: A confirmation of the agreement is the letter you must write for Buick Inc., Chicago, to Walton Brokers Ltd., London, on the insurance policy used by Buick Inc., in their shipping of items to the United Kingdom.

Buick Inc.

456 Michigan Avenue, Chicago, U.S.A.
Tel. 312-649-5279 Fax: 312-649-5288
Email: buick@incorporated.com
Website: www.buickinc.com

Facebook: www.facebook.com/BuickIncUSA/

March 3, 20--

Walton Brokers Ltd. 59 London Road, High Wycombe Berkshire, HP11 1BS London, England

Dear Sirs:

We acknowledge the receipt of the agreement of the insurance policy and are glad to inform you that we are countersigning it with no restrictions.

Please forward the remaining documents to us.

Very truly yours,

Parker Martin

Parker Martin

Reply Situation 10:

Walton Brokers Ltd.

59 London Road, High Wycombe, Berkshire, HP11 1BS London, England

Telephone: 01753 533165 Fax: 01753 557063
Email: waltonbrokers@insurance.co.uk
Website: www.waltonbrokersinc.co.uk
Facebook: www.facebook.com/WaltonBrokersLtdEngland/

March 12, 20--

Mr. Parker Martin Buick Inc. 456 ichigan Avenue Chicago, U.S.A.

Dear Mr. Martin:

We are pleased to know that you are accepting the insurance policy we have prepared for you.

We are attaching the remaining documents needed to complete the agreement. For further details or clarification regarding the documents, please don't hesitate to contact us and we will be more than willing to assist you.

Thank you very much for your trust and your confidence in us to facilitate your insurance. We will assure you of our best service.

Sincerely yours,

Edward Cole

Edward Cole

INSURANCE VOCABULARY

A claimant Merchandise

Accident insurance Original position

All risk Pilferage

An insurance certificate Premium

Compensation Property insurance

Cover Proposal form

Dispute Salvage

Endorsing Venture

EXERCISES

- 1. Due to the huge amount of orders and increasing demands of customers, you have decided to renovate your manufacturing warehouse doubling its size. The renovation can be done in 60 days. Send a letter to your insurance company asking to provide you a revised policy increasing your coverage from the original \$40,000 to \$80,000.
- 2. A fire has devoured your basement area. Write a letter to your insurance company to meet with their representative in order for the inspection to be done and for your claim to be submitted as soon as possible.
- 3. The Management Insurance Company has sent a quotation for the insurance covering the shipment of chair woods from Houston, Texas going to Dublin, Ireland. Send a letter to the Management Insurance Company accepting the quotation.
- 4. You have received a request from Trend Management Company to include the "War Risk" in the shipment to Turkey. Write a reply letter stating that the "War Risk" will be included in the policy provided that there should be an increase of 4% in the premium payment.
- 5. As an insurance company serving your client for 8 years now, new policies and an increase in the insurance policy would be necessary due to the increase in the administrative expenses and other management related expenses. Write a letter to your client informing them of this new policy increase.

NOTES

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CHAPTER 11

BANKING LETTER

Bank transactions are being widely used for international transactions, especially in

terms of payment. This method helps the business firms to safeguard their payment and as

well to make payment faster and efficient. Communications between bank and business

firms involves letters or forms. This is dependent on the transaction they are dealing with.

Banks usually sends the documents needed to be filled-out by the firms.

Internationally, there are different documents required for bank transfer or any bank

transactions. Usually, a firm will communicate with a bank via a letter to inquire for the

needed requirements. The bank will eventually reply and send the requirements. Once the

requirements are met, the bank and the firm will have an agreement. For whatever purpose

the firm needs the bank for, it will be indicated in the agreement. International business

letters for banking are also considered one of the most used and in demand letter, especially

in the global business.

BANKING SERVICES

Banks may simply be known as storage of money where bank staff looks after it. But

aside from that, banks offer other services like credits, debits, inter-banking and others that

may be related with money. Like the commercial banks, for example, they offer services

like:2

• Deals with client's deposits.

Works with loans application and processing.

• Accepts and rejects cheques from customers.

There are also correspondences involved in banking and they are usually business-

related letters. Bank supervisors used letters to build relationships with banking officials that

may be able to help them in their business. Some letters serve as reminders, applications for

an account and others.³

In dealing with banks, it is sensible to separate your personal to that of your business

matters. It is good to have separate accounts for your personal and another account that will

be used solely for your business transactions. This will help you not to be confused with your financial statements later on.⁴

Types of Banks

There are different types of banks available and it categorized according to the services they offer. Here are the types of banks.⁵

1. Retail Banks

This bank offer services that are basic for clients. Its services include:⁶

- Checking and savings accounting
- Safe deposit boxes
- Mortgages
- Personal car loans
- Certificate of deposits or CD's

Banks or organizations under the retail are:⁷

- Savings and loan associations
- Recurring and fixed deposits
- Savings banks

Retail banks are the most familiar and common type of banks. In retail banking, consumers are considered to be clients. ⁸

2. Commercial Banks

Commercial banks are also called the "Clearing Banks." If retails banks focus on consumers, commercial banks concentrate on business organizations. 10

Commercial banks encourage businesses to use their credit and debit cards, deposit and savings accounts, or even their secured and unsecured loans. The banks will lend money to clients and will provide securities on it in the form of overdrafts and loans or by paying the accounts regularly or by transfer credits.¹¹

Commercial banks are considered to be a mediator for finances to their clients. These banks will raise funds from depositors and on the other they lend them to their clients. The liquidity of the money for depositors are higher since the banks are expected to receive deposits at once while for the borrowers, it will take time before it will be liquefied because the bank cannot reclaim the owed money from borrowers immediately.¹²

Commercial banks also offer the following.¹³

 Telephone Banking – this is a 24/7 customer service given for clients who wish to know the details of their accounts or any transactions they've made that is connected with banks.

• Online Banking-this is provided to help the clients to be free from lining to a long queue and spending time to travel just to pay their bills. Clients can now just do it via the internet. Commercial banks can also be either in the public sector or in private: 14

Public Sector Banks – banks that have a major stock holders from the government and it emphasizes more on the welfare of the people and its social environment rather than on the profit to gain.

Private Sector – banks that are managed and owned by private businessmen and they can operate depending on the drive on the market.

3. Cooperative Banks

These banks are established in order to cater to Cooperative Organizations. Its objective is to provide credit to its members and to allow the payment of this credit at a minimum amount per remittance. Cooperative banks are a good source of rural credit, especially in the area of agriculture.¹⁵

4. Investment Banks

This is a financial establishment that helps clients in accumulating a capital. This is done by acting as an agent and endorser. The Investment Bank may also act a consulting agent for companies who wishes to merge or for clients who will be acquiring and plan to manage a public asset.

An investment bank may also assist companies in providing auxiliary services like such as creating a market, buy and sell of derivatives, foreign exchange, commodities, and equity securities.¹⁶

5. Specialized Banks

These kinds of bank provide financial support to companies and projects even at foreign business transactions. Specialized banks could be the following:¹⁷

- Development banks
- Foreign exchange banks

•Industrial banks

Import and export banks

6. Central Banks

Central banks are considered to be the banks of the bankers. Central banks provide stability with regard to monetary and financial policy. It also has a big part in the economy of a country. Central banks have functions which are as follows.¹⁸

• Employ monetary policy.

• Administrating foreign exchange.

• Makes decisions in relation to official interest rates.

Acting as banker to the government and other banks.

Monitoring and managing the banking industry.

The Central bank of any country oversees and regulates the transactions of all the commercial banks of that country. The Central bank also acts as a government banker. It manages and synchronizes currency and credit activities of any country.¹⁹

The Central bank also regulates and monopolizes the release of money paper. They are the only authorized entity to issue valid money to be used by their country. They also help in the government debt and at times it will lend money to commercial banks, but they are the last resort for this matter.²⁰

Types of Bank Accounts

Banks offer a lot of services and accounts for both individual and business entities. A bank account concerns with finances maintained by a financial institution (banks) for clients. Clients have funds and will entrust them to the banks and from which the client can make withdrawals, or make loan or just kept them in there for a period of time for an interest. Rules and policies for opening an account depend on the country. The bank will explain the rules to any clients who wish to open an account. The rules may include who are qualified to open an account, how the signatures can be identified, deposit and withdrawal policies, loans or credit availability and any other matters.

There are different types of account that the bank offers that will cater to the customers. Here are the commonly used types of bank accounts:

1. Current Account

This type of bank account is usually applies to by firms, companies, public enterprises, business persons, etc. This account is not intended for investment or savings.

Banks consider this type of account to be the most liquid and there are no restrictions for transactions to be done per day. In using this account, there are no interests computed while the money is in the bank, but the bank may collect a fee from the client as a service charge. Since this is a non-stop basis accounts, there is no fixed maturity that can be drawn.²¹

One advantage of using current account is the payment could be done by cheque. However, for security reasons, in paying by cheque, the client needs to use a *cheque card* which indicates that the bank is responsible for the cheque approved up to the limit as mentioned in the card. The card may also act as a "*cash card*." Cash card allows the use of money withdrawn using the card even when the bank is closed. Some banks may offer overdraft but at a minimal amount. For big amounts, the bank will require manager's agreement.

Big companies usually have more than one current account depending on their needs. Some may have two, one for paying their employees and another one for paying their suppliers. Opening a current account is up to the client's wish or need.²² With reference to the relationship of currents accounts in its country, it is good to know that the current is an also a significant gauge on economy's status. An affirmative status of current account balance signifies that the country is considered a net lender while a negative account balance shows that the country is a net borrower. It is recommended then that to maintain positive current accounts can help in maintaining a healthy economy.²³

2. Savings Account

This account can be availed by either an individual or joint and it is meant for saving. One good thing in using this account is an interest is being paid by the bank. The rate of interest may vary, but it will range from 2 to 6 percent per annum.

Most working employees are engaged in a savings account. They can withdraw money directly from their account using an ATM card or over the counter. There are no restrictions regarding the number and amount of deposits, but some banks may limit the withdrawals by setting a minimum amount to be kept in the account in order to maintain it otherwise a charge may be given.²⁴

Some savings accounts have a passbook where transactions made are recorded in detail. Some may have a monthly or quarterly statement showing all the transactions made within that period. As earlier mentioned, you can withdraw and deposit to this account but, it is not allowed to write a cheque.²⁵

3. Recurring Deposit Account

This account, like the savings account, can be opened by individual or joint. Recurring Deposit (RD) Account is recommended for people who want to save money on a regular basis within a period of time. RD account also offers a higher interest than a savings account. The owner of the account will have to deposit a fixed amount every month within a specified period of time. After the specified time, the owner will be repaid with interest.

Usually the period of time starts at a minimum of six months and at a maximum of ten years. The interest rate is dependent on the amount the client wants to save and the how long will he wants to deposit the fixed amount (period of time). Some banks may also specify other policies regarding the interest rates and the payback.

RD account does not allow money withdrawal not until it reaches its maturity date. One danger of this is the account may be closed even before its maturity date. In this case, before starting your RD account, you need to be cleared with the terms and condition as well as the policies of the bank you are dealing with. ²⁶

Banks also offer a "Nomination facility." This means that the owner of the account may nominate a beneficiary for his money just in case he will die before the maturity date of his payback.²⁷

4. Standing Orders and Direct Debits

These kinds of accounts are usually availed by clients who make regular payment. The account owner will ask the bank to transfer the amount to a specified receiver. By using the Standing Order, the amount to be transferred is specified by the account owner in advance, then, the bank will forward that amount to the receiver. While for Direct debit, the bank will transfer the amount in accordance to the amount specified by the receiver. Standing Order is under the control of the account owner as he is the one to specify the amount and frequency of payment either weekly, monthly or quarterly. On the other hand, Direct debit is under the control of the receiver of the payment. The receiver will be the one to indicate the amount and how often will he wants to receive the payment. The account owner has to comply with the receiver. 29

5. Loans and Overdrafts

This will require a formal agreement. After a negotiation is done and both parties agree with the policy, then the money to loan is deposited immediately in the client's account. If there are any overdrafts, the bank will inform the client. The client will then give his consent to overdraw an account up to a certain limit.³⁰

6. Certificates of Deposits (CDs)

This account is also called the "time deposits." With this account, the account owner will make an agreement with the bank to keep his money for a specified time (may be around 1 month to six years). The money will be kept and will not be accessible to the owner until it reaches the specified time. There will be a penalty for early withdrawal. ³¹

The interest is dependent on the length of time and the amount of money deposited. The larger the amount and the longer period of time, the higher interest will incur.

CDs are issued by commercial banks. The CD specifies that the account owner will be receiving an interest upon payment of an amount within a specified period of time. ³²

There are times when the bank may send a letter to their clients in order to encourage them to open a Certificate of Deposit. Here is a sample letter from a bank:

j.	(M)	招商银 CHINA MERCHA	行 ANTS BANK	LEVEL 26 4618 JIN TIAN IROA FUTIAN DISTRICT SHENDHEN STROS CHINA.
0	Ce	rtificate o	f Depos	it No. 096182
Depositor's	Name:	MR. GABRIEL	LAUREN PETERS	
Total 4 ou	y: "SIX MILLI	ON TWO HUNDRED TH (US\$6,200,0	OUSAND UNITED S	TATES DOLLARS
Date of Dep	<u> </u>	24TH FEBRUA	RY, 2001	
Hundred Th 9039256675 given to the I Diplomatic a	ouse a United S CMBc As Acce Deposita of the I	ve name mentioned (D States Dollars (US\$6,26 ss Code: 888 CMB-HK Funds. This is under st it Matters of 1982, for t tor,	0,000.00) Only with This Transaction atutory Deposit law	Transaction Number Number is legitimater of Act 9, Section 104 o
Ro	ON	8		Dans

Source: 419Bittenus (n.d.).Certificates of Deposit. Retrieved from: http://419.bittenus.com/certdeposit/china.htm.

Cbid Company

Via Martiri Della LIberta, 17, Torbole Casaglla 25030, Italy Tel. +39 030 215 9511 Fax: +39 215 9595 Email: cbid@cbid.com Website: www.cbid.com

December 26, 20--

Mr. Tom Reedy Borgamyri 7, Saudarkroki 550 Iceland

Dear Mr. Reedy:

Bank is glad to have you as part of our financial family. We, as your partner, would like to give you all the right tools to build a strong foundation for establishing financial security. One of these tools is a Certificate of Deposit.

Certificates of Deposit (CDs) are a secure way to get a fixed return on your savings. With a CD investment, you agree to deposit a specific for a specific period you choose. When you invest in a CD, your money will grow and be there at the end of your term.

Some other great benefits of CDs include:

- You earn higher interest rates than a savings account, so your savings grow faster
- CD laddering allows you to take advantage of the best rates while keeping your money accessible after the maturity date
- Your interest rate is fixed for the duration of your term, no matter what happens to interest rates
- You have the flexibility to choose how long your CD Term lasts

For further details or any clarification you can always call us at 100.455.1234 or visit us online at www.adworldbank.com.

Sincerely yours,

Jones Massa

Jones Massa

INTERNATIONAL BANKING

The long existence and implementation of globalization in the business world has influenced the business world in a lot of ways. The banking industry is not left out in this as banks engage in international transactions. This has made payments, loans, insurances, financing and other bank transactions easily accessible for international client. Besides the banking industry, financial bodies and resources such as the market, sales, shipment, and financial enterprises have been defined and modified by globalization. Banks often play the role of intermediary for financial obligations when companies transact business with other companies. Transaction of money and funds from countries to countries are also carried out by banks. This is referred to as International banking. This eliminates the need of direct money transfer or payment to partner companies involved in business transactions even on the international level. Some functions of international business are listed below³³:

- International banking acts as a bridge which connects borrowers and lenders from different countries.
- It creates room for international transactions between customers and business establishments.
- It occupies the dual position of a lender to borrowers from different countries and a recipient of money form savers.
- It reduces expenditures related to business transaction and risk of failure investments.
- It can boost market financial liquidity.
- International business creates a platform for new and up to date financial tools that can lead to financial advancement.

Types of Payment in Foreign Trade

1. Banker's Draft

Banker's draft is also named bank cheque in Canada or cashier's check in the U.S. This kind of payment is done by instructing the financial institution to send the payment.³⁴ Banker's draft, as seen by some business people, is considered as cash. The reason behind it is because of the assurance that the bank will only issue the amount if the account owner has enough funds to pay for the draft amount. The only person or entity to receive the amount stated in the draft is the payee. So the receiver and the account owner can be secured that the

money will be given to the right person. Amidst the advantages that the Banker's Draft offers, there are also disadvantages of using it. Below are identified disadvantages in the Banker's Draft:

• Though banker's draft will not bounce, the survival of the draft is also dependent on the survival of the bank. So even if the account owner may have enough funds in his account if the bank cannot be able to produce the exact amount needed, then this may create a problem for both the receiver and the account owner.

• Banker's draft should be cleared before the amount will be released and the clearance can take up to six working days. So the money cannot be used right away even upon receiving the receipt. It has to go through a process of clearance.

• Banker's draft can be stopped even if the account owner has enough funds. So the draft may not be too reliable.

If you plan to use banker's draft, then you have to make sure that the banker's draft or cheque is already with the receiver six days before the money is needed. This will allow enough time for clearance and then the payment will be received exactly on the date needed.³⁵

There are correspondences involved in dealing with a banker's draft. Examples of these letters are shown below.³⁶ Letter sent by the exporter to request for the payment of the outstanding balance:

Dear Mr. Haze:

Please find here your statement for the month of February 2016. This is in reference to your outstanding balance in the amount of US600.00.

Please send your payment by banker's draft. With your consent, we will draw on you the amount at 30 d/s and will send you the draft for acceptance.

Thank you very much and we value your partnership with us.

Sincerely yours,

Importer's Reply to Exporter's Request

Dear Mr. Bail:

We have received your letter dated 03 March 2016. Thank you for your offer to take the payment by drawing on us at 30 d/s. We are more than willing to take that offer.

We shall wait for your draft and once we receive it, we will accept it immediately payable at HJK Bank International, San Francisco.

Thank you once again.

Sincerely yours,

Dear Mr. Haze:

As per your letter dated 10 March 2016, you have accepted our offer to draw on you at 30 d/s in the amount of US\$600. We are enclosing here the draft for your acceptance.

Once we received the accepted draft, we will present this draft to our banker's for payment. We shall send you a copy of the amount paid after all clearances are done.

Thank you very much.

Sincerely yours,

This letter is from a company requesting their bank to issue a banker's draft in payment to a company abroad.

Dear Sir:

We have enclosed here cheque no. 12345, dated 20th September 20 in the amount of US\$1,450 in your favor.

Please issue us a bank draft for US\$1,450 in the name of Ms. Jane Kelly & Sons and make it payable at your branch located at Yinching Road, Taiwan.

The draft may please be marked "A/C Payee only."

Thank you very much for your assistance.

Very truly yours,

2. Banker's Transfer (Mail, Telex, and Telegraphic)

The banker's transfer is considered to be a safe method of sending money abroad. When a debtor of another country wants to pay his creditor in another country, he can do so by simply using the banker's transfer. The debtor will just instruct his bank to transfer a specified amount as payment to his creditor's bank. The instruction may come as a letter or in a form.

Once the debtor's bank received the instruction, it will then arrange to transfer the amount equivalent to the local currency of the creditor's country. Conversion of currency is dependent on the current exchange. The communication between the two banks can be done through a letter and sent by fax, telegraphic transfer or email.³⁷

One advantage of using the banker's transfer is the receiver of the amount doesn't have to wait for the mail or cheques to in-cash, the funds are readily available.³⁸

Here is a sample letter for informing the bank about the money transfer:

Nexen Co., Ltd.

Mikonkatu 17 A, 00100 Helsinki, Finland

Tel.: +358 (0)9 341 751 78 Fax: +358 (0)3 822 1215 Email: nexen@company.fi

December 23, 20--

Memotec Bank 92105 Boulogne Billancourt Cedex France

Dear Sir:

With reference to the monthly statement you have sent to us dated 3 June 2016, we have checked it to be in accordance with our accounts. As per your instructions, we have already communicated with our bankers, ADWorld Bank, San Diego to transfer the amount of US\$3,450.00 for the credit on your account at State Inter Bank, London.

This wired amount will clear our monthly bill for May 2016. It is appreciated if you can send us confirmation once the payment has been received.

Thank you very much.

Very truly yours,

Gabby Honk

Gabby Honk

Here is another sample letter granting a credit as a reward for being a good customer:

BAE Co., Ltd.

21 Toh Guan Rd. 9-22 Singapore 608609 Tel: 65-63167292 Fax: (65) 6836 1709

September 7, 20--

Katz Co. Ltd. 147, Piso 10 Colonia Roma Norte 06700 Mexico

Dear Sir:

Thank you very much for your order sent dated 5 June 2016. We would like to congratulate you for the fine credit record your company has established.

We have arranged the shipment of your order by express today and you should be able to receive the goods by next week. As has been agreed upon earlier, we will bill you on the 12th of each month for goods purchased the previous month. Furthermore, we are glad to inform you that you can avail a 5% discount if your payment be given within 12 days of the date of our invoice.

We hope that you will continue to do business with us. For our part, we shall do everything we can to deserve the confidence you have placed in us.

Once again, thank you very much.

Very truly yours,

Claire Blank

Claire Blank

Managing Director

Here is an example of a simple form indicating a transfer:

WIRE TRANSFER INSTRUCTIONS							
Please include the following information on all wire transfer to our bank account:							
REMIT TO BANK NAME							
BANK ADDRESS							
ABA NUMBER / SWIFT NUMBER							
ACCOUNT NUMBER							
FRO CREDIT TO							
FOR FURTHER CREDIT TO							
ACCOUNT NUMBER							
REFERENCE (E.G. INVOICE NO.)							
AMOUNT AND CURRENCY							
Please contact our Account Manager,, at or by email at should you encounter any difficulties.							
Thank you.							
Name:							
Title:							
Phone:							
Fax:							
Email:							

Source: Biztree (n.d.). Banking. Business Forms. Retrieved from: http://www.biztree.com/doc/wire-transfer-instructions-form-D302.

Here is one comprehensive example of a wire transfer form:

WIRE TRANSFER FORM								
(Sender's Bank logo here)	TO:(cree	litor's bank)	Fax:	Date of Fax:				
Sender's Bank Template ID:								
Booked RATS ID (if applicable):			Sender's Bank FAX:					
Effective date (dd/mm/yy):	of payment	Destination of Country:	For Sender's Bank Use Only:					
Client			Amount:					
Name: Client no.			Currency:					
Debit Transit:		Charges:						
			Booked/OFFSET:					
Account:		() debit account or () other	Booking Bank:					
			DR or Value Date:					
			Paid by cheque: () Yes ()	No				
Amount:								
Currency:			Additional Info:					
Amount in Words:								
Details of Paymer no.)	nt (e.g., invoice							
Beneficiary Client's Account #:			Beneficiary Client's Name (as it appears on their account):					
Beneficiary Client Address:			Beneficiary Bank Address:					
Solution, Class Address.								
Beneficiary Bank N	lame:							
Beneficiary Bank C	ode:							
Intermediary Bank (optional):								
			•					
Signatures of Signin	Signatures of Signing Officers:							
Signature 1			Signature 2					
Date of Signature:								

Source: University of Saskatchewan . (2011). Financial Services. Procedures and Guidelines. Retrieved from:

https://www.usask.ca/fsd/resources/guidelines/procedures/completing_a_wire_transfer_form.php.

3. Bills of Exchange

Transaction done with Bills of Exchange is confined entirely to foreign trade. Though there are other options available for payment, especially in bank credits, Bills of Exchange are still widely being used.³⁹

A Bill of Exchange (B/E) is an instruction in writing from the DRAWER (this could be the exporter or the person asking for the payment) to the DRAWEE (this could be the importer or the person who is going to make the payment) indicating that the DRAWEE will give the payment for the amount and time specified in the bill. Before the bill of exchange will be sent, the DRAWEE will receive a copy of the bill and if he agrees, he will sign it and send it back to his bank who prepared the bill. Once it is signed, it becomes post-dated check and a binding contract.⁴⁰

The Bill of Exchange (B/E) also requires a PAYEE (the one who is entitled to receive the payment). The Bill of Exchange works in the process shown in the following steps. 41

- •Exporter/DRAWER will require the importer/DRAWEE to arrange for the bill to be accepted by a bank or any financial institution.
 - a. The bill prepared will be accepted by the importer and sign it.
 - b. The Exporter will make sure that the bill must be marked with "payable at (name of the bank for payment)."
- c. After placing the markings, the holder/PAYEE must present the bill to the bank for payment.

Once all the steps above are done, the bill becomes "Bills domiciled." It can now be accepted by the bank as payment.

Here is an example of a bill of exchange to be accepted and used as payment:

DRAWER : Mr. Johnson Bill

DRAWEE: Mr. Robert Brown

PAYEE : Kelly and Sons Co.

No. 4546

17th September 20--

Accepted Payable at

ADWorld Bank

US\$1,220.00

45 days after the date pay to Kelly and Sons Co. or order the amount of One Thousand Two Hundred and Twenty Dollars, value received.

To Mr. Robert Brown Queensland

Robert Brown
Mr. Robert Brown

Johnson Bill Mr. John Bill

Source: Gartside. (1985). Banking-Payment in Foreign Trade. Bill of Exchange. p.333.

The marked "payable at" is very important because it will make the bill accepted as payment. Even is the importer accepts the bill, the mark will still be required by the exporter to make it valid and be honored by the bank.

For buying or selling or goods, there are correspondences sent in order to inform customers or sellers regarding the payment to be made (by the buyer) or to be received (by the seller). Here is an example for a transaction informing the customer about the goods to be delivered and the bill of exchange to be accepted:

Dear Sir:

With reference to your order dated 5 July 2016 for 100 pieces of Joggers to be shipped in your store, we have already arranged for the dispatch of the goods and expect to receive the shipment prior to the date you've mentioned, 5 August 2016.

We are also enclosing here the draft drawn at 30 days as we've initially agreed upon. Please accept this and send it back to us immediately upon approval.

Thank you very much.

Very truly yours,

4. Documentary Credits and Commercial Credits

Documentary Credits are widely used in International Trade. There are letters of credits prepared to be prepared along with other pertinent documents needed.⁴²

Documentary credits were made available since the bill of exchange may at times be risky since it can be cancelled and be dishonored. This documentary credit is the use of Letter of credit (L/C) accompanied by documents. L/C is used in order to acquire money from foreign banks. The process of doing this is as follows:⁴³

- A client will inform his home bank to open an L/C in their favor. (The client needs to specify the amount to be debited).
- The home bank will make a draft that will allow the client to draw money on foreign banks.
- The foreign bank will draw, in return, the amount taken by the client to their home bank as payment.

The above steps may look simple and easy, however, payment cannot be done unless the required documents are complete and cleared. Documentary credits provide security for both the exporter and importer. The importer or seller will have an assurance of payment when he will show the documents needed as specified in the terms and condition of the L/C. On the other hand, the buyer or the exporter will be assured that no payment will be released from the bank not until the documents required are complete and cleared. Here is a more comprehensive procedure of a documentary credit:⁴⁴

- Both exporter and importer have agreed on a sales contract.
- The importer or the seller will initiate the preparation of the Documentary Credit by informing his bank to open the credit.
- The importer's bank will issue the credit (this makes the importer's bank as the "Issuing Bank"). The credit is sent to the buyer or exporter or to exporter's bank located in their country.
- For sales contract and/or documentary credit, the exporter's bank will be requested to confirm the documentary credit. They should abide by the terms of the credit stated therein. The exporter may insist to confirm the credit only when they have a reliable and trusted local payment.
 - The exporter's beneficiary will be informed of the credit availability.
- Once the exporter agrees with the terms of the credit, the goods will be shipped.

 After the goods arrived and received by the exporter, the exporter will inform the bank to 439

give the payment and present the documents as required by the importer. The exporter usually presents a bill of exchange or draft.

• The bank will check and verify the documents. Once it does comply with the terms of the credit, the bank will prepare a documentary "discrepancy" that will notify the exporter. The bank will also hold the payment. The exporter who will receive the document discrepancy will correct the mistake or can obtain a waiver of discrepancy from the importer. On the other hand, if the documents complied with the terms of credit, the payment will push through as initially agreed upon.

Here is an example of a letter specifying the payment done by Documentary or Commercial Credit:

Chong International Ltd

Unit 3005-3008, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong Tel: (852) 2724-4873 Fax: (852) 2987-5019 Email: cil_hk@chong.com.hk

February 2, 20--

Helcim Co., Ltd. No.2A, Jln. Nelayan 19/A 40000 S. Alam, Sel, Malaysia

Dear Sir:

We would like to place an order for 200 pcs. of tiles for the following

- Reference no. BE234
- Reference No. BL123

This is an urgent need at this time and it is very much appreciated if we can get the shipment as soon as possible.

We have already communicated with the ADWorld Bank in San Francisco to open a credit in the amount of US\$3,200 in your favor effective until 15 March 2016. The credit will be confirmed by ADFD International Bank, Beirut (This bank will do the letter of credit to be issued to 340Tiles Export Co.) who will accept your draft for them at 30 days for the full amount of your invoice. The following documents are required to be attached with your draft:

- -Bill of Lading (in duplicate)
- -Invoice, c.i.f. Tripoli (in triplicate)

The credit we have arranged is sufficient to cover the invoice cost and any other charges.

Kindly inform us as soon as the shipment is known.

Very truly yours,

Fuad Barbir

Fuad Barbir

PRINCIPLES OF BANKING LETTER WRITING

Payments in foreign trade are often complicated. There are various methods of payment used in international trade. When businessmen deal with banks, the opening of account must be considered. Exporters sometimes ask their bank to forward bills to importers' bank. Buyer requests extension of time or request for payment by bank's draft.

Correspondence between the bank and its customers tends to be standardized and formal. A bank provides the customer with a periodical statement in loose-left form in which are recorded all transactions affecting the customer's current account and the balance after each day's transactions. A bank is usually willing to provide the customer with a statement at any time on request. Banking letters deal with the following topics.

- Notification of signatures to bank
- Request for bank statement
- Request to open an account
- Complaint concerning bank charges
- Complaint concerning dishonored cheque
- Transfer from current to deposit account
- Drawer stops payment of cheque
- Request for open-credit facilities
- Request for payment by banker's draft
- Request for bank reference
- Request for overdraft facilities
- Request for extension of loan
- Request for loan with security
- Request for repayment of overdue loan
- Buyer requests extension of time

BANKING EXPRESSION

Opening

- With reference to your statement of account for the month,...
- With reference to your letter, we have pleasure in enclosing a saving account opening form.
- I am enclosing cheque no. 345645 dated 14thJuly, 2016 for \$500.
- Thank you for your letter no. Ig87/439 dated 23rd November,...
- We thank you for letter dated 23rd March, 2016, informing us regarding the due payment \$500.
- We thank you for your letter no. 18 dated 18thOctober, 2016, regarding overdraft facilities.
- I am replying your letter of...and now enclose a cheque for \$560 in full settlement of your invoice no.563 with my apologies for the late payment.

Body

- We take pleasure in enclosing our cheque for \$5000 towards part payment of your bill no.123 dated 24th June, 2016.
- We are enclosing our cheque no. KP-0077/76/876/78 date 14.12.2016 for \$400.
- We thank you for your letter dated 15.11.2016 together with a cheque for \$440 in full and final settlement of our bill no.245 dated 4.11.2016.
- In compliance with your order dated 11.11.2016- we sent the goods per and forward the documents through your bankers.
- We enclose a draft no. KJ567543 dated 2nd July 2016 for US\$ 45,000.
- With reference to your letter no....dated.....please note that the payment of the cheque under reference has been stopped.
- We are enclosing a cheque for \$800 which please credit to our account.
- We thank you for your letter no....dated.... together with a cheque for \$3,990.
- Please deliver these document to.....Company against full payment.
- We are enclosing two copies of our foreign bill no. 222 dated 22nd for \$6980.
- We have received your statement for the quarter ends 30th October.

- I am replying to your letter of 5th September in which you ask for an extension of credit on your account for two to three months.
- I am pleased to send you with this letter my promissory note for repayment at two month of your loans of \$4000 on 15th July 2016, together with interest 7% per annum, making total of \$679.50.

Closing

- We request you to please release the document immediately.
- I thank you in advance for...
- Please note that...
- Let me inform you that...
- We look forward to your reply.
- Your early reply will be appreciated.
- We would appreciate your cooperation on this matter.
- Awaiting your prompt reply.
- We shall be very grateful for any assistance you can give us in this matter.

Examples of Banking Letter

Situation 1: Wesley Newton, General Manager of Crimmins-Obayhashi Corporation, Singapore, needs a capital increase to support the massive outlay of machinery and materials for the new construction of a Department Mall in Hong Kong. Write a letter for Mr. Newton requesting an increase in credit limit from Hong Kong Shanghai Banking Corporation, Singapore.

Crimmins-Obayhashi Corporation

22 Pasir Ris Farmway II, Singapore Tel: 65 6582 2222 Fax: 65 6583 4986

Email: crimmins-obayhashico@crimmins.co.sg

Website: www.crimmins-obayhashico.co.sg, Line: 65 6582 3333 Facebook: www.facebook.com/Crimmins-ObayhashiCoSingapore/

September 2, 20--

Hong Kong Shanghai Banking Corporation 42 Lim Chu Kang Agrotech Park Lane 4 Hong Kong

Dear Sir:

We have gained an impressive construction contract of a Department Mall in the CBD of Hong Kong. We have outlayed a magnitude of funds for machinery and materials that will be used on this project.

Due to this massive outlay, we are requesting for an increase in our company's credit limit from US\$30 million to US\$50 millon.

We shall be very grateful for your assistance to us in this matter.

Very truly yours,

Wesley Newton

Wesley Newton General Manager

Reply Situation 1:

Hong Kong Shanghai Banking Corporation

42 Lim Chu Kang, Agrotech Park Lane 4, Hong Kong Phone: +852 2442 4199 Fax: +852 2477 9314

Email:banking@corporation.com.hk

Website: www.hongkongshanghaibanking.com.hk Facebook: www.facebook.com/HongKongShanghaiBankingCoHK/

September 10, 20--

Mr. Wesley Newton General Manager Crimmins-Obayhashi Corporation 22 Pasir Ris Farmway II, Singapore

Dear Mr. Newton:

This is in reference to your request of increase in your credit limit. We understand your situation as your new project will be needing new machineries and materials has increased. However, due to our company policy, we only allow a maximum of US\$30 million for a credit limit.

We apologize that we cannot be of help to you at this time. We assure you that we are ready to give you the US\$30 million the moment you need it.

Thank you and we hope for your understanding.

Sincerely yours,

Morse Jones

Morse Jones

Situation 2: The situation is the same as no 1., except that this letter is a confirmation of an increase in the credit limit given to Crimmins-Obayhashi Corporation from Hong Kong Shanghai Banking Corporation. Write this acknowledgement and acceptance letter to the General Manager of Crimmins-Obayhashi Corporation.

Hong Kong Shanghai Banking Corporation

42 Lim Chu Kang, Agrotech Park Lane 4, Hong Kong

Phone: +852 2442 4199 Fax: +852 2477 9314 Email:banking@corporation.com.hk Website: www.hongkongshanghaibanking.com.hk

Facebook: www.facebook.com/HongKongShanghaiBankingCoHK/

September 22, 20--

Mr. Wesley Newton General Manager Crimmins-Obayhashi Corporation 22 Pasir Ris Farmway II Singapore

Dear Mr. Newton:

With reference to your letter, we have pleasure in announcing the acceptance of an increase in your company's credit limit. However, we must report that the interest rate will increase from 6.5% to .75%.

We are interested in any developments that take place with your exciting contract.

We value you as one of our business partners.

Sincerely yours,

Morse Jones

Morse Jones

Reply Situation 2:

Crimmins-Obayhashi Corporation

22 Pasir Ris Farmway II, Singapore Tel: 65 6582 2222 Fax: 65 6583 4986

Email: crimmins-obayhashico@crimmins.co.sg Website: www.crimmins-obayhashico.co.sg, Line: 65 6582 3333 Facebook: www.facebook.com/Crimmins-ObayhashiCoSingapore/

September 27, 20--

Mr. Morse Jones Hong Kong Shanghai Banking Corporation 42 Lim Chu Kang, Agrotech Park Lane 4 Hong Kong

Dear Mr. Jones:

We have received your letter granting us our request for the increase in our credit limit. We would like to thank you for this.

With reference to the increase of the interest, we would like to negotiate if it is possible to have the 7% increase instead of 7.5%. We believe that the 0.5% percent increase is sufficient to cover any expenses to be incurred by the additional credit limit.

Thank you once again. We hope that you can consider our request.

Sincerely yours,

Wesley Newton

Wesley Newton General Manager **Situation 3:** The situation is the same as no. 1, except that this is a rejection letter to the request from General Manager of Crimmins-Obayhashi Corporation for an increase in credit. The Hong Kong Shanghai Banking Corporation reasons for reusing this request, this is that the credit limit of US\$30 million is the maximum limit that HSBC provides. The Finance Manager of HSBC is suggesting that a merchant loan be taken out and applied for. Write this letter to the General Manager of Crimmins-Obayhashi Corporation.

Hong Kong Shanghai Banking Corporation

42 Lim Chu Kang, Agrotech Park Lane 4, Hong Kong

Phone: +852 2442 4199 Fax: +852 2477 9314
Email:banking@corporation.com.hk
Website: www.hongkongshanghaibanking.com.hk
Facebook: www.facebook.com/HongKongShanghaiBankingCoHK/

October 22, 20--

Mr. Wesley Newton General Manager Crimmins-Obayhashi Corporation 22 Pasir Ris Farmway II Singapore

Dear Mr. Newton:

In reply to your letter of a request for an increase in your company's credit limit, we regret to inform you that we are refusing this application, as the maximum credit limit has been reached. We do not provide credit to our customers of more than US\$30 million.

Therefore, we are suggesting that your company apply for a merchant loan with our bank, which we could provide to your company. Enclosed are the terms, details and application form for this merchant loan.

If you have any further queries, please feel free to contact us.

Sincerely yours,

Morse Jones

Morse Jones

Reply Situation 3:

Crimmins-Obayhashi Corporation

22 Pasir Ris Farmway II, Singapore Tel: 65 6582 2222 Fax: 65 6583 4986

Email: crimmins-obayhashico@crimmins.co.sg Website: www.crimmins-obayhashico.co.sg, Line: 65 6582 3333 Facebook: www.facebook.com/Crimmins-ObayhashiCoSingapore/

October 31, 20--

Mr. Morse Jones Hong Kong Shanghai Banking Corporation 42 Lim Chu Kang, Agrotech Park Lane 4 Hong Kong

Dear Mr. Jones:

We appreciate the option you have provided for our request. We understand about company policies and we want to abide by it. Since you only allow a maximum of US\$30 million for the credit, then we would like to apply for the merchant loan as you've mentioned.

We have read the terms and conditions of the merchant loan and we are willing to follow the terms. We are now enclosing here the application form and other requirements for your approval.

Kindly let us know if you need more details or further information to verify our application.

Thank you very much and we look forward to your reply soon.

Sincerely yours,

Wesley Newton

Wesley Newton General Manager **Situation 4:** Wenzer Girmish, Accounts Manager of Bavarian Finance Ltd., Germany, is sending a notice of an account that is to be closed to Fullshorpz Co. Ltd., Belgium. This account has a zero balance and has been inactive for over three months. Write this letter for Mr. Girmish to Fullshorpz Co. Ltd.

Bavarian Finance Ltd.

Olshausentr 40, D-24118 Kiel, Germany Telephone: +49-0-431-880-3196 Fax: +49-0-431-880-1625

Email: bavarianfinanceltd@bavarian.co.gr Website: www.bavarianfinanceltd.co.gr Facebook: www.facebook.com/BavarianFinanceLtdGermany/

November 3, 20--

Fullshorpz Co., Ltd. 69 Rue Eg Van Ophem 1180 Bruxelles, Belgium

Dear Sir:

We are writing to inform you that we are intending to close your account with our company, as it has been inactive for over three months and it has a zero balance.

We are giving you 14 days to reply to our intentions. If you still require your account to be left open, please do not hesitate to contact us. Or if you require the account to be closed, then please disregard this letter.

We expect your prompt reply.

Very truly yours,

Wenzer Girmish

Wenzer Girmish Accounts Manager

Reply Situation 4:

Fullshorpz Co., Ltd.

69 Rue Egide Van Ophem 1180 Bruxelles, Belgium

Tel/ Fax: 00 32 2 370 46 00 Email: fullshorpzcoltd@fullshorpz.co.be Website: www. fullshorpzcoltd.co.be

Facebook: www.facebook.com/FullshorpzCoLtdBelgium/

November 11, 20--

Mr. Wenzer Girmish Accounts Manager Bavarian Finance Ltd. Olshausentr 40, D-24118 Kiel Germany

Dear Mr. Girmish:

We have received your letter informing us of the possibility of our accounts to be closed. We apologize for not getting in touch with you for the past three months. We have been busy with a new project that requires most of our time.

Kindly retain our accounts with you. Our Accounts Department will be communicating further with you regarding the amount to be deposited. We will need our account for our future transactions.

Thank you very much.

Sincerely yours,

Wendell Wardzer

Wendell Wardzer

Situation 5: William MacIntosh, Highland Banking Corporation, Scotland, requires the full list of Widgets Ltd.'s personnel, which have permission to sign company cheques. Mr. MacIntosh has received a cheque, no. 495757, from the English company, but the signature is not allocated on the signature status form that Widgets Ltd. provided to the bank. Write this letter requiring this information.

Highland Banking Corporation

10 Victoria Street, Craigellachie AB38 9SR, Scotland

Telephone: 01340 881446 Fax: 01340 881520
Email: highlandbankingco@banking.com
Website: www.highlandbankingco.com
Facebook: www.facebook.com/HighlandBankingCoScotland/

June 23, 20--

Widgets Ltd. 24 Bartholomew Lane London, EC2R 8AH England

Dear Sir:

We are writing to inform you that we have received a company cheque from you, but we are uncertain of the signature. For you reference the cheque number is 495757, which is enclosed with this letter.

We are requesting your company's signature permission manifest, so we can correct this situation.

An immediate reply would be most welcome.

Very truly yours,

William Mac Intosh

William MacIntosh

Reply Situation 5:

Widget Ltd.

24 Bartholomew Lane, London, EC2R 8AH, England Tel: 020 7601 4411 Fax: 020 7601 4771

Email: widgetsltd@widgets.co.uk
Website: www.widgetsltd.co.uk
Facebook: www.facebook.com/WidgetsLtdUK/

June 29, 20--

Mr. William MacIntosh Highland Banking Corporation 10 Victoria Street Craigellachie AB38 9SR Scotland

Dear Mr. MacIntosh:

We appreciate you for verifying the cheque no. 495757 with us. We are then certain that you will not allow any fraud to come between us.

Due to the long absence and leave of our Accounts Manager, our General Manger is now the authorized person to sign any cheque to be given out from our company. The signature on the cheque no. 495757 is identified to be our General Manager's signature. Kindly include this signature in our signature status.

Thank you and we appreciate your assistance to us in this matter.

Sincerely yours,

Bernard Aberson

Bernard Aberson

Situation 6: John Robertson, Finance Manager of Barclays Bank, London, has received cheque number F84654 from Ferzgell United Industries Ltd., Switzerland. This cheque has bounced, as there is nsufficient funds to clear this cheque. The cheque amount is for 2,078,000 euros and there is a balance of only 1,956,083 euros. Mr. Robertson is sending this letter to inform Ferzgell United Industries Ltd., that another cheque has to be represented for a lower amount or a deposit of further funds needs to be made to cover this cheque. Write this letter for Mr. Robertson.

Barclays Bank

2-9 Austin Friars, London, EC2N 2HD, England Tel: 020 7628 1287 Fax: 020 7628 1678 Email: barclaysbank@barclays.co.uk Website: www.barclaysbank.co.uk Facebook: www.facebook.com/BarclaysBankUK/

October 4, 20--

Ferzgell United Industries Ltd. Bernerstrasse-Nord 182 CH-8064 Zurich Switzerland

Dear Sir:

We are writing to inform you that we have received your cheque no. F84654 for the amount of 2,078,000 euros, but we regret to report that there are insufficient funds in your account to cover this cheque, as there is only a balance of 1,956,083 euros.

We are sure that this is just an oversight on your behalf, and that the matter will surprise you.

We require you to change the amount on the cheque, and represent it. Or, could you please make a deposit to cover the cheque amount.

We await your prompt reply.

Very truly yours,

John Robertson

John Robertson Finance Manager

Reply Situation 6:

Ferzgell United Industries Ltd.

Bernerstrasse-Nord 182, CH-8064 Zurich, Switzerland

Tel./Fax: +41 44 432 32 30

Email: ferzgellunited@industries.co.ch Website: www.ferzgellunited.co.ch

Facebook: www.facebook.com/FerzgellUnitedIndustriesSwit/

October 11, 20--

Mr. John Robertson Finance Manager Barclays Bank 2-9 Austin Friars London, EC2N 2HD England

Dear Mr. Robertson:

We deeply apologize for this mistake. We don't intend to provide you with insufficient fund cheque.

Our Accounts Department is communicating with our bank to deposit additional fund to correspond to the amount stated in the cheque. It should be ready by tomorrow. Kindly check the account by tomorrow afternoon, if it will still cause an error, please let us know.

Again, we are sorry for this mistake. We look forward to have a long business relationship with you.

Sincerely yours,

Adler Corder

Adler Corder

Situation 7: The situation is the same as no. 6, except that the General Manger of Ferzgell United Industries Ltd., is replying to John Robertson, Finance Manager of Barclays Bank, that another cheque is being represented with this letter, with an alternative amount. The General Manager apologies for this mishap, and the inconvenience 2,078,000 euros that it has caused. Write this letter to Mr. Robertson.

Ferzgell United Industries Ltd.

Bernerstrasse-Nord 182, CH-8064 Zurich, Switzerland Tel./Fax: +41 44 432 32 30

Email: ferzgellunited@industries.co.ch Website: www.ferzgellunited.co.ch

Facebook: www.facebook.com/FerzgellUnitedIndustriesSwit/

January 7, 20--

Mr. John Robertson Finance Manager Barclays Bank 2-9 Austin Friars London, EC2N 2HD England

Dear Mr. Robertson:

We wish to apologize for the error in our cheque that we presented to your Bank. It was an error in our paperwork, which resulted in the wrong written amount on the cheque.

We are enclosing a new cheque for the adjusted amount of 207,800 euros.

We are sorry for the inconvenience that we have caused you.

Sincerely yours,

Adler Corder

Adler Corder General Manger

Reply Situation 7:

Barclays Bank

2-9 Austin Friars, London, EC2N 2HD, England

Tel: 020 7628 1287 Fax: 020 7628 1678 Email: barclaysbank@barclays.co.uk Website: www.barclaysbank.co.uk Facebook: www.facebook.com/BarclaysBankUK/

January 15, 20--

Mr. Adler Corder General Manger Ferzgell United Industries Ltd. Bernerstrasse-Nord 182 CH-8064 Zurich Switzerland

Dear Mr. Corder:

Thank you for sending the rectified cheque. We have discarded the initial cheque and will consider this new cheque with the correct amount indicated.

We appreciate your immediate action on this matter.

Sincerely yours,

John Robertson

John Robertson Finance Manager **Situation 8:** Frenzel Gibzsen, Chief Accountant of Deloittes Company, Switzerland, is requesting to look into the financial status of Broomsfield Ltd., London. This audit by Mr. Gibzsen is required by Roazeks Inc., Switzerland, as they are intending to buy the Broomsfield company. Notice of accountant's right to view. Please write this letter of the accountant's right to view Broomsfield Ltd.

Deloittes Company

Seilergraben 57, CH-8001 Zurich, Switzerland Tel. +41 - 44 634 4013 Fax: +41 - 44 634 4360

Email: deloittes@business.co.ch Website: www.deloittes.co.ch Facebook: www.facebook.com/DeloittesSwitzerland/

September 8, 20--

Broomsfield Ltd. 2346 North Acton Business Park Wales Farm Road London, England

Dear Sir:

As our client, Roazeks Inc., Switzerland has requested us, I wish to make appointment with your company to ascertain the company's financial viability. As you are well aware that Roazeks Inc., have the intention of purchasing your company.

This audit will take me about a week to complete, so I am requesting for your permission to have a visit to your company's premises, as soon as it can be arranged.

For any clarification, please do not hesitate to contact me.

Very truly yours,

Frenzel Gibzsen

Frenzel Gibzsen Chief Accountant

Reply Situation 8:

Broomsfield Ltd.

2346 North Acton Business Park, Wales Farm Road, London, England

Tel: 020 8896 5000 Fax: 020 8896 5001 Email: broomsfieldltd@broomsfield.co.uk Website: www.broomsfieldltd.co.uk Facebook: www.facebook.com/BroomsfieldLtdUK/

September 12, 20--

Mr. Frenzel Gibzsen Chief Accountant Deloittes Company Seilergraben 57, CH-8001 Zurich, Switzerland

Dear Mr. Gibzsen:

With reference to your letter making an appointment to meet with us regarding the company's financial viability, we are pleased to inform you that you can come and make an audit on Monday, 15th of July, 2010.

As you've mentioned that this will take a week to be completed, our Accounts Department is expecting to have you from Monday to Saturday, July 15-19, 2010. Kindly let us know if there are documents to be prepared for your visit.

Thank you and we look forward to have you with us this coming week.

Sincerely yours,

Daniel Bohner

Daniel Bohner

Situation 9: Marty Zellman, Corporate Director of Youngson Inc., New York, is writing a letter of acceptance of the forthcoming payment schedule, that Wuzgenut Holdings Ltd., Germany, have offered to Youngson Inc. The payment schedule is legally binding by both companies and is as follows: - US\$36,000 per month for the first six months, then US\$48,000 per month for the following 18 months, giving a total of US\$1,070,000. Write this letter for Mr. Zellman.

Youngson Inc.

59 East 57th Street, New York, U.S.A. Tel.\ Fax: (518) 471-4778

Email: youngsoninc@corporation.com Website: www.youngsoninc.com

Facebook: www.facebook.com/YoungsonIncUSA/

August 24, 20--

Wuzgenut Holdings Ltd. Kurfürstendamm 170, D-10707 Berlin, Germany

Dear Sir:

With reference to your letter regarding your proposed payment schedule, we have pleasure in informing you that we are accepting your proposal.

We confirm that the payment schedule is as follows: -

US\$36,000 per month for the first six months US\$48,000 per month for the following 18 months

Total: US\$1,070,000

We acknowledge your efforts to make this as legally binding agreement.

We thank your company for this proposal and for your effort to make payment.

Very truly yours,

Marty Zellman

Marty Zellman Corporate Director

Reply Situation 9:

Wuzgenut Holdings Ltd.

Kurfürstendamm 170, D-10707, Berlin, Germany
Tel: (0049) 30 20607900 Fax: (0049) 30 2060790444
Email: wuzgenutholdingsltd@wuzgenut.co.gr
Website: www.wuzgenutholdings.co.gr
Facebook: www.facebook.com/WuzgenutHoldingsLtdGermany/

August 28, 20--

Mr. Marty Zellman Corporate Director Youngson Inc. 59 East 57th Street New York, U.S.A.

Dear Mr. Zellman:

We appreciate your approval of our proposal regarding the payment scheme schedule. Our Accounts Department is working to make sure that this schedule will be followed and that no delays will happen.

We value our business relationship. We hope that this good relationship will continue.

Thank you very much and we assure that this schedule will be followed accordingly.

Sincerely yours,

George Bionne

George Bionne

Situation 10: The situation is the same as no. 9, except that Mr. Zellman is accepting a delayed payment schedule from Wuzgenut Holdings Ltd. This involves paying off the US\$1,070,000 amount in full in six months time on the 30 June 2002. Please write this letter of acceptance to Wuzgenut Holdings Ltd.

Youngson Inc.

59 East 57th Street, New York, U.S.A.

Tel.\ Fax: (518) 471-4778 Email: youngsoninc@corporation.com Website: www.youngsoninc.com

Facebook: www.facebook.com/YoungsonIncUSA/

March 2, 20--

Wuzgenut Holdings Ltd. Kurfurstendamm 170, D-10707 Berlin, Germany

Dear Sir:

In reference to your letter concerning delayed payment, we wish to inform you that we are accepting your proposal.

The only condition we want to add to your proposal, is that, if there would be delayed payment beyond what has been agreed upon in the payment schedule and if there is no proper notice given then, we will be forced to seek legal action against your company.

Very truly yours,

Marty Zellman

Marty Zellman Corporate Director

Reply Situation 10:

Wuzgenut Holdings Ltd.

rstendamm 170, D-10707, Berlin, Germany
Tel: (0049) 30 20607900 Fax: (0049) 30 2060790444
Email: wuzgenutholdingsltd@wuzgenut.co.gr
Website: www.wuzgenutholdings.co.gr
Facebook: www.facebook.com/WuzgenutHoldingsLtdGermany/

March 10, 20--

Mr. Marty Zellman Corporate Director Youngson Inc. 59 East 57th Street New York, U.S.A.

Dear Mr. Zellman:

With reference to your letter of approval on our delayed payment proposal, we would like to thank you for this.

We understand your predicament in case this schedule will not be followed. Legal action on this matter is needed as you've mentioned. We agree with you on this.

Rest assured that we will keep your trust and confidence in us by faithfully paying our credit as scheduled.

Once again, thank you for your trust and support to us. We will try our best to keep our business relationship in good terms.

Sincerely yours,

Peter Roberton

Peter Roberton

BANKING VOCABULARY

Currency Loan

Credit Debit

Financial Deposit

Overdraft Withdrawal

Cheque account Account payable

Bank cheque Transfer funds

Investment As per account

Statement Bank draft

Interest on capital Current account

Credit references Credit balance

To cash a cheque Unpaid interest

Working capital Interest on capital

Compound interest Accounts receivable

Bank balance Statement of account

Draw a cheque Credit an amount of an account

International money order Foreign exchange rate

Exercises

- 1. Mr. Peter Morris, General Manager of Western Light Industries, Sydney, needs an injection of funds to support new construction and refurbishment of their headquarters. Write a letter for Mr. Morris is requesting for an increase in credit from Capital Finance Ltd., London.
- 2. The situation is the same as no 1., except that this letter is a confirmation of an increase in the credit limit given to Western Light Industries, Sydney Capital Finance, London. Write this acknowledgement and acceptance letter to the General Manager of Western Light Industries, Sydney from Capital Finance, London.
- **3.** The situation is the same as no. 1, except that this is a rejection letter to the request from Mr. Peter Morris, General Manager of Western Light Industries, Sydney. Capital Finance Ltd's reasons for refusing this request, is that the credit limit of AUD\$12million is the maximum limit that their institution provides. Write this letter to the General Manager of Western Light Industries.
- **4.** Pauls Jeunne, Finance Manager of Parisbas Bank, France, has received company cheque number k12008 from Garjirison Tiles Ltd., Singapore. There are insufficient funds to clear this cheque, as the cheque amount is for 12,368euros and there is a balance of only 9456euros. Mr. Jeunne is sending this letter to inform Garjirison Tiles Ltd., that another cheque has to be represented for a lower amount or a deposit of further funds needs to be made to cover this cheque. Write this letter for Mr.Pauls Jeunne.
- **5.** Sally Crools, Managing Director of Foodstuf Inc., Canada, is writing a letter outling the a payment schedule, that Harris Scarfe Ltd., London, have offered to Foodstuf Inc. The payment schedule is legally binding by both companies and is as follows: 45,000 pounds per quarter for the first year and 72,000 pounds per quarter for the following three years. Write this letter for Ms. Crools.

NOTES

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- 6. See Note 5.
- 7. See Note 5.
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- 11. See Note 9.
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- 13. See Note 9.
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- 15. See Note 5.
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- 17. See Note 5.
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- 31. See Note 25.
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- 40. See Note 9.
- 41. See Note 36.
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- 43. See Note 9.
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