

## Unit 3 ➤

### 1 Match the phrases (1–6) with their definitions (a–f).

- |                    |  |
|--------------------|--|
| 1 High Street shop | a the number of products waiting to be sold in a shop        |
| 2 stock levels     | b a large building for storing products before they are sold |
| 3 goods            | c a shop found on a main street of a town                    |
| 4 warehouse        | d a store where manufacturers sell directly to the public    |
| 5 manufacturer     | e things that are made to be sold                            |
| 6 outlet store     | f a company that makes a particular type of product          |

### 2 First read the title of the article. Guess which sentence (a, b or c) summarises the article. Then read the article quickly to check your answer.

- a Customers buy goods online, receive them, but then decide they don't want them. The goods are returned, but often cannot be sold again at full price.
- b Delivery companies like DHL, FedEx and UPS try to take goods to the customer's house. But the customers are often not at home, and the goods are returned to the warehouse.
- c Because online shopping is growing so fast, the quality of products is going down. Many items have to be returned to the manufacturers because of quality control.

### 3 Read the article carefully. According to the article, which of these things can happen to returned goods?

They can be ...

- 1 damaged by the delivery company that takes them back. ☐
- 2 inspected and cleaned if necessary. ☐
- 3 thrown away. ☐
- 4 given free to people who work for the manufacturer. ☐
- 5 sold again in cheap supermarkets. ☐
- 6 sold in street markets in poor countries. ☐
- 7 sold on eBay. ☐
- 8 sold again by some of the top 20 U.S. retailers. ☐

### 4 Look at the phrases in bold in the article. Then choose the meaning (a or b) of each phrase.

- 1 **a** The goods move from a warehouse by boat.  
**b** The goods move from a warehouse by any kind of transport.
- 2 **a** Eight percent of all bought things, measured by the number of items.  
**b** Eight percent of all bought things, measured by the amount of money that people spend.
- 3 **a** It costs so much money to process the returned items – manufacturers make no profit.  
**b** It costs a lot of money to process the returned items – this reduces the profit a lot.
- 4 **a** Optoro's technology shows the retailer where to sell the goods a second time in order to make the most profit.  
**b** Optoro's technology finds someone else in the same town who really wants the goods.
- 5 **a** Many retailers get 15–30 cents instead of 100 cents.  
**b** Many retailers get 115–130 cents instead of 100 cents.

**5 Write the missing letters to make words from the article.**

- 1 If a High Street shop does not look modern, we can say it is old-fa \_\_\_\_ ed.
- 2 The way that the store is arranged and looks inside is its d \_\_\_\_ gn.
- 3 If a returned product is packaged again, it is \_\_\_\_-packaged.
- 4 If a product is sold at less than the normal price, we can say it is sold at a dis \_\_\_\_ nt price.
- 5 To say 'less than 50 percent', we can say 'less than h \_\_\_\_ f'.
- 6 A website where users give the content – like Optoro, Facebook or YouTube – is called a pl \_\_\_\_ rm.
- 7 If goods are not wanted, we can say they are \_\_\_\_ wanted.
- 8 To say something is two times the size, we can say it is d \_\_\_\_ ble.

**Online retailers face growing problem of returned goods**

It's a well-known story: retail is moving online. Shopping districts in towns and cities are suffering as old-fashioned High Street shops close down. Costs on the High Street are just too high: staffing, rent, store design, transporting goods to the store, managing stock levels, etc. It's so much easier for customers to order online – **'the goods are shipped from a large**

- 5 **warehouse** straight to their home. But wait. There is something that is starting to cause real headaches for online retailers – the increasing number of returned goods.

How big is the problem? Last year, Americans returned \$260 billion in unwanted goods, and that represents <sup>2</sup>**8 percent of all purchases**. But in specific areas the problem is much worse – for example, clothing returns can be up to 40 percent. People order three or four items of  
10 clothing in different colours and sizes when they only plan to buy one. They try them at home, choose one, and return the rest.

- <sup>3</sup>**Returns cut deeply into manufacturers' profits.** The items have to be checked, cleaned if necessary, and then re-packaged to sell again. The processing costs are so high that many goods are simply thrown away. Others are sold at a discount price in cheap supermarkets and outlet  
15 stores, and some find their way onto Amazon or eBay as 'Like new' items. In general, less than half of returned goods bought online are re-sold online at the full price.

- The problem of returned goods is giving new opportunities for start-up companies such as Washington, DC-based Optoro. <sup>4</sup>**They provide a technology platform that finds the 'next best home'** when a product is returned to a warehouse or store. The unwanted goods are sent to  
20 wherever offers the best resale price. Tobin Moore, CEO of Optoro, says <sup>5</sup>**Many retailers are getting 15 cents to 30 cents on the dollar** for these returns because they're having such trouble economically processing them and getting them to the next best markets.' Moore says he can double or triple this figure. Optoro is used by sixteen of the top 20 U.S. retailers.