

Background

Marks & Spencer, the British retail store, **announced** just five years ago it was **withdrawing** from the global market, but now it has recently opened a new store in Shanghai and has plans to open 49 more across China.

M&S is the latest western *retailer to *invest in China, **following in the footsteps** of food giants, Tesco (UK), Carrefour (France), and Walmart (US), as well as clothing firms H&M (Sweden) and C&A (France) which are all already established in Shanghai and beyond. The **scramble** for market position in China is not only because China has 1.3 billion people, but also because more and more of those people are moving into the middle class band and so have more money to spend. Figures suggest that China's middle class is growing by 20% each year, meaning there is always a **ready supply** of cash-rich, yet *time-starved *consumers. It is believed that the Chinese retail market grows *annually by 17%.

The new M&S store on the Nanjing West Road is the company's biggest store outside the UK, with 370 square metres over four floors and employing over 100 people. Its immediate **appeal** will be to the *expat community, especially as the food hall stocks over 1,000 M&S branded

products. Julie Harper, a British economist living in Shanghai was *thrilled when the store opened. 'It's like a dream come true,' said Julie, 'look, there are tea bags, ketchup, and tinned soup – just like at home.' But the company is not basing its sales on expats alone.

'The real target is the Chinese,' states Brigitte Wilson, a market analyst. 'The company's aim is to get people liking and trusting the M&S brand across China. There are eighteen million people in Shanghai – that's a lot of underwear sales.' In order to make sure the new store is a success they have taken **advice** from their colleagues in Hong Kong, where there are already ten Marks & Spencer stores. The food hall has very similar *stock to those found in the UK, but the clothing range had to be **tailored** to fit a different body shape and includes slightly different styles.

So will the new M&S store be a success? Looking at what happened on the opening day when the store was nearly **overwhelmed** by customers then yes, but there is a **cautionary tale**. The stores that M&S opened in Taiwan failed after only eighteen months, so shareholders will be hoping that the necessary lessons have been learnt.

Glossary

**annually* = once every year

**consumers* = people who use or buy products and services

**expats* = people living in a country that is not their own

**invest* = to put money, time, or effort into something to get a profit or an advantage of some kind

**retailer* = a person or business that sells products to the public

**time-starved* = when people do not have much free time because of work and family commitments

**thrilled* = extremely pleased

**stock* = all the products available in a shop

Reading file 9

Exercises

1 Work with a partner and discuss these questions.

- 1 What do you know about the British company Marks & Spencer?
- 2 Is there an M&S store in your country? If yes, have you been there and do you like it?

2 Read the text quickly and choose the best title for the article.

- 1 Marks & Spencer is coming to China
- 2 Western retailers take over China
- 3 China – the new home to Marks & Spencer

3 These numbers all appear in the text. Read the text quickly and find out what each number represents.

- | | |
|----------------------|---------------------------|
| 1 49: _____ | 5 100: _____ |
| 2 1.3 billion: _____ | 6 1,000: _____ |
| 3 20%: _____ | 7 eighteen million: _____ |
| 4 17%: _____ | 8 ten: _____ |

4 Match the words and phrases in **bold** in the text to definitions 1–10.

- 1 to push, fight, or compete with others in order to get or to reach something: _____
- 2 a story or example that gives advice or a warning: _____
- 3 made to fit well or closely: _____
- 4 an amount of something available to be used easily and immediately: _____
- 5 when people have been told something officially, especially about a decision, plans, etc. : _____
- 6 moving back or away from a place or situation: _____
- 7 a quality that makes somebody / something attractive or interesting: _____
- 8 when something or someone has been overpowered, often because of a large amount of something, e.g. customers: _____
- 9 suggestions about what you think someone should do: _____
- 10 to follow the example of someone else or to do the same work as them: _____

5 Work with a partner. Make a new sentence for each word or phrase in 4.

6 Read the text again and answer these questions in your own words.

- 1 Why do western retailers want to open shops in China?
- 2 Why are expats happy that M&S has opened in Shanghai?
- 3 What is the Shanghai store learning from Hong Kong?
- 4 How successful were the stores in Taiwan?

7 Look back at the text and choose three words that you could use in your day-to-day work.

8 Work with a partner. Discuss these questions.

- 1 Do you think M&S will be successful in China? Why? / Why not?
- 2 Are foreign stores popular in your country?
- 3 What possible problems do retail companies need to think about before opening stores in other countries?