

Commercial Correspondence

Department of Materials Management Techniques

Second Year

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Communication and Correspondence

In our day to-day life we exchange our ideas, thoughts and other information with our friends, relatives and other people. Sometimes we directly talk to them and sometimes we also write letters to them. In letters we express our feelings in a few words, we may ask for any information or we may write about a complaint in connection with our problems. Similarly businessmen also exchange ideas, information by writing letters. They communicate business information to customers, suppliers and others and at the same time receive a variety of letters from them.

Communication Concept

According to Webster Dictionary, communication means “*to convey or to transmit something intangible(as information, feeling ,or flavor)*”.The definition of communication found in The American Heritage Dictionary of the English Language “*the exchange of thoughts, messages, or the like as by speech, signals ,or writing*”. Communication is also defined as “*a process that involves a sender who encodes and sends the message, which then carried via the communication channel to the receiver where the receiver decodes the message, process the information and sends an appropriate reply via the same communication channel*”

Kinds of Communication

There are two kinds of scientifically admitted communication, based on channels used for communicating:

A. Verbal Communication

Verbal communication happens through the use of words. It can be further divided into:

1. Oral Communication: It is the process of expressing information in words and transmitting it in speech, and then can be done orally, so it is referred to as spoken communication.
2. Written communication: It is the process of expressing information in words, symbols or a sign, this kind of communication is achieved by writing.

B. Non-Verbal Communication

It is the process of expressing information in symbols, tone of voice, signs, and attitudes...etc. In other words, non-verbal communication includes the overall body language of the person who is speaking. And-in order to avoid misinterpretations of such kind of communication-it has to stem from the same cultural background or to have a common intercultural platform.

Based on style and purpose, there are two kinds of communication:

A. Formal Communication

This type of communication includes “*all sorts of business communication or corporate communication*”. It is characterized by being “*straightforward, official and always precise and has astringent and rigid tone to it.*”

B. Informal Communication

This type of communication includes “*instances of free unrestrained communication between people who share a causal rapport with each other*”. Informal Communication occurs between friends and hence it does not have any rigid rules or guidelines.

Importance of Communication

The importance of communication has been greatly emphasized by all management experts. Communication, like birth, death, growth and decay, is a part of individual life as well as organisational existence. The reasons for the growing significance of communication can be judged from the following:

- **Coordination:** Coordination is viewed as a necessity among groups; channels are vital for efficient functioning of the organisation as a whole. Communication encourages better coordination.
- **Smooth Working:** Smooth and uninterrupted working of an enterprise, largely depends on good communication network. Communication takes on a greater role in this direction.

- **Effective Decision-Making:** It is essential to have a record of past and present data for immediate and effective decision-making. Communication is the primary base by means of which information is supplied to further help in making decisions. Problem-defining, alternative courses of action, selecting the best option available, can be possible with the provision of relevant and adequate information conveyed to the decision-maker.

- **Managerial Efficiency:** Efficiency lays in the manner individuals and groups are assigned their respective targets.. Managerial functions like planning, control, coordination, motivation cannot be discharged without communication.

- **Co-operation:** Co-operation among workers is possible only when there is an exchange of information between individuals and groups and between the management and the employees. This not only promotes the industrial peace but also maximizes production.

- **Effective Leadership:** Leadership implies the presence of a leader and followers. There is always a continuous process of communication between them. Communication is the basis for direction, motivation as well as establishment of effective leadership.

- **Job Satisfaction:** Communication is essential for achieving job satisfaction. Management conveys messages, which promote mutual understanding. Reception and recognition provide job satisfaction to employees.

- **Increase Productivity:** Communication helps the management in achieving maximum productivity with minimum cost and eliminating waste. These are the main objectives of the management.

- **Morale Building:** Morale and good relations in the organisation are essential for achieving goals of the organisation. An effective system of communication builds good morale and improves human relations. Participatory communication is the best technique of morale building and motivation.

- **Achieving Managerial Roles:** A manager's job has been described by assigning three roles, namely inter-personal roles, informational roles and decisional roles. Communication plays a vital role in these three types of role.

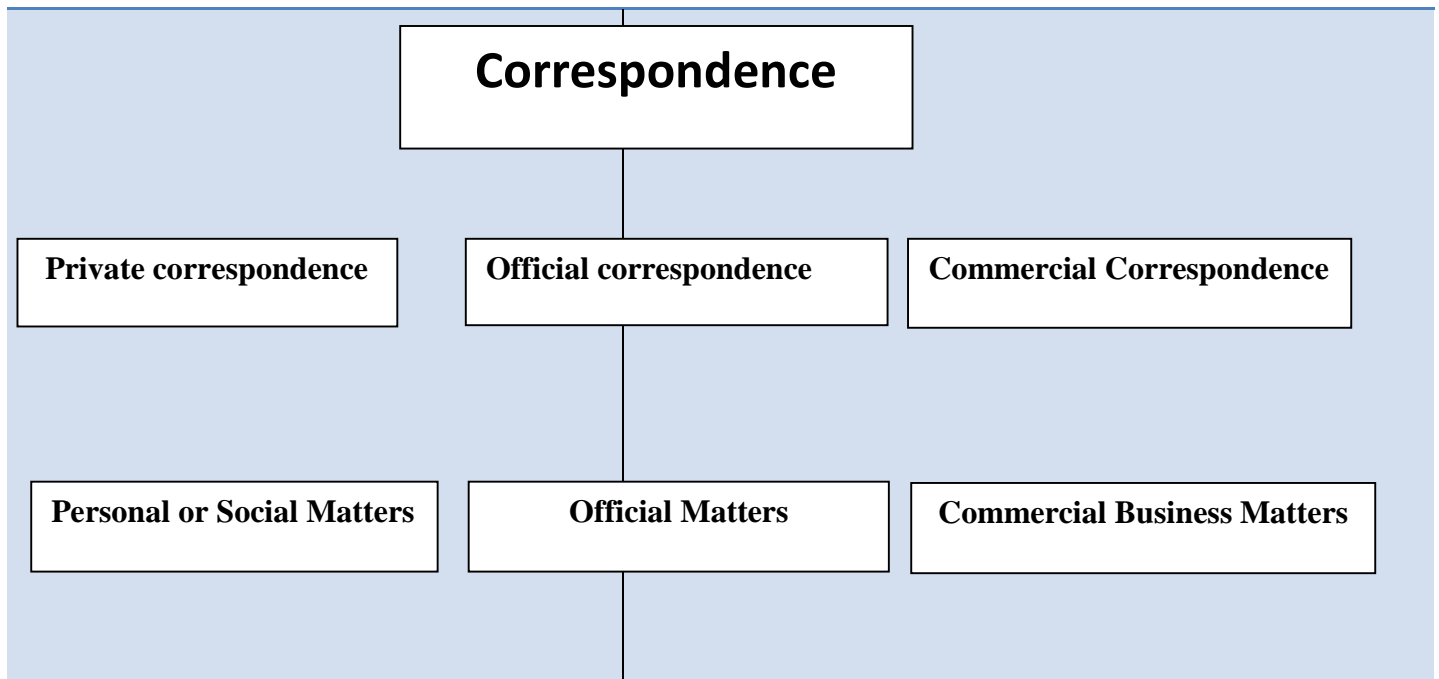
Correspondence

Correspondence or letter writing is the most common means of written communication used by business firms to keep in touch with their customers and suppliers; moreover, it is a direct and reasonable tool for communication.

Correspondence is essential in establishing and confirming transaction in commerce. It is a key aspect of the world of commerce and business. Effective correspondence is considered as an important part of running an efficient business and can promote good relations.

Kinds of Correspondence

To correspond with others, there are three main kinds of correspondence as appear in the following figure:



A. Private (personal) correspondence

It is defined as “letters exchanged among friends, relatives, and acquaintances for personal and social matters.”

B. Official correspondence

It is defined as “letters exchanged among governmental institutions offices or agencies-at the national or local level-concerning official matters”.

C. Commercial Correspondence

It is defined as “*letters exchanged among business firms or businessmen-sellers and buyers-or they are exposed to carry out commercial transactions*”.

Commercial correspondence can be accomplished by one or more of the following means:

A. Letters

B. Faxes

C. E-Mail

Letters are the most common type of written communication in business correspondence. They are the principal means used by a business firm to keep in touch with its customers.

Business Letter

A business letter is defined as “*a message that attempts to influence its reader(recipient) to take some actions or attitudes desired by the sender*”

Another definition of a business letter “*It is the primary means by which goods and services are exchanged freely throughout the world*”. Business letters can also be defined as “*written message people write to each other in regard to their commercial, financial, occupational or trading transactions*”.

Importance of Business Correspondence

The importance of letters has increased because of vast expansion of business, increase in demand as well as supply of goods. Let us learn about the importance of business letters.

1. Help in maintaining proper relationship

Nowadays business activities are not confined to any one area or locality. The businessmen as well as customers are scattered throughout the country. Thus, there is a need to maintain proper relationship among them by using appropriate means of communication. Here business letters play an important role. The customers can write letters to the businessman seeking information about products and businessmen also supply various information to customers. This helps them to carry on business on national and international basis.

2. Inexpensive and convenient mode

Though there are other modes of communication like telephone, telex, fax, etc. but business information can be provided and obtained economically and conveniently through letters.

3. Create and maintain goodwill

Sometimes business letters are written to create and enhance goodwill. Businessmen at times send letters to enquire about complaints and suggestions of their customers. They also send letters to inform the customers about the availability of a new product, clearance sale etc. All this results in cordial relations with the customers, which enhances the goodwill of the business.

4. Serves as evidence

We cannot expect a trader to memorise all facts and figures in a conversation that normally takes place among businessmen. Through letters, he can keep a record of all facts. Thus, letters can serve as evidence in case of dispute between two parties.

5. Help in expansion of business

Business requires information regarding competing products, prevailing prices, promotion, market activities, etc. If the trader has to run from place to place to get information, he will end up doing nothing. It will simply result in loss of time. But through business letters, he can make all enquiries about the products and the markets. He can also receive orders from different countries and, thus enhance sales.

Characteristics of a Good Business Letter

A good business letter refers to the quality of language, its presentation, etc. These facilitate quick processing of the request and that leads to prompt action. Let us discuss the various inner qualities of a good business letter.

1. Simplicity - Simple and easy language should be used for writing business letters. Difficult words should be strictly avoided, as one cannot expect the reader to refer to the dictionary every time while reading letter.

2. Clarity - The language should be clear, so that the receiver will understand the message immediately, easily and correctly. Ambiguous language creates confusion. The letter will serve the purpose if the receiver understands it in the same manner in which it is intended by the sender.

3. Accuracy - The statements written in the letter should be accurate to the best of the sender's knowledge. Accuracy demands that there are no errors in the usage of language - in grammar, spellings, punctuations etc. An accurate letter is always appreciated.

4. Completeness - A complete letter is one that provides all necessary information to the users. For example, while sending an order we should mention the desirable features of the goods, i.e., their quality, shape, colour, design, quantity, date of delivery, mode of transportation, etc.

5. Relevance - The letter should contain only essential information. Irrelevant information should not be mentioned while sending any business letter.

6. Courtesy - Courtesy wins the heart of the reader. In business letters, courtesy can be shown/expressed by using words like please, thank you, etc.

7. Neatness - A neat letter is always impressive. A letter either handwritten or typed, should be neat and attractive in appearance. Overwriting and cuttings should be avoided.

Parts of a Business Letter

There are different parts of a business letter. They are as follow:

1. **Heading** -The heading of a business letter usually contains the name and postal address of the business, E-mail address, Web-site address, Telephone Number, Fax Number, Trade Mark or logo of the business (if any)

2. **Date** - The date is normally written on the right hand side corner after the heading as the day, month and years. Some examples are 28th Feb., 2003 or Feb. 28, 2003.

3. **Reference**- It indicates letter number and the department from where the letter is being sent and the year. It helps in future reference. This reference number is given on the left hand corner after the heading. For example, we can write reference number as AB/FADept./2003/27.

4. **Inside address** - This includes the name and full address of the person or the firm to whom the letter is to be sent. This is written on the left hand side of the sheet below the reference number. Letters should be addressed to the responsible head e.g., the Secretary, the Principal, the Chairman, the Manager etc. Example:

5. **Subject** - It is a statement in brief, that indicates the matter to which the letter relates. It attracts the attention of the receiver immediately and helps him to know quickly what the letter is about. For example,

Subject: Your order No. C317/8 dated 12th March 2003.

M/S Bharat Fans
Bharat Complex
Hyderabad Industrial Complex
Hyderabad
Andhra Pradesh – 500032

The Chief Manager,
State Bank of India
Utkal University Campus
Bhubaneswar,
Orissa- 751007

Subject: Enquiry about Samsung television

Subject: Fire Insurance policy

6. Salutation - This is placed below the inside address. It is usually followed by a comma (,). Various forms of salutation are:

Sir/Madam: For official and formal correspondence

Dear Sir/Madam: For addressing an individual

Dear Sirs/Dear Madam: For addressing a firm or company.

7. Body of the letter- This comes after salutation. This is the main part of the letter and it contains the actual message of the sender. It is divided into three parts:

a. Opening part - It is the introductory part of the letter. In this part, attention of the reader should be drawn to the previous correspondence, if any. For example **with reference to your letter no. 326 dated. 12th March 2003, I would like to draw your attention towards the new brand of television.**

b. Main part - This part usually contains the subject matter of the letter. It should be precise and written in clear words.

c. Concluding Part - It contains a statement the of sender's intentions, hopes or expectations concerning the next step to be taken. Further, the sender should always look forward to getting a positive response. At the end, terms like **Thank you, with regards, with warm regards** may be used.

8. Complimentary close - It is merely a polite way of ending a letter. It must be in accordance with the salutation. For example:

Salutation

Complementary close

Parts of a business letter:

1. Heading
2. Date
3. Reference
4. Inside Address
5. Subject
6. Salutation
7. Body of the letter
8. Complimentary close
9. Signature
10. Enclosures
11. Copy Circulation
12. Post Script

BUSINESS LETTER Styles

There are several styles that may be used in arranging a business letter, but only three basic styles are generally recognized in typing business letters.

1. The Full- Block Style

In the Full -block style all parts of the letter begin at the left margin without any indentation. Divisions between units are indicated by double space and a single space within the units. Figure (2) represents the main parts of a business letter using the full-block style.

(Heading)	_____ _____ _____
(Date)	_____
(Inside address)	_____ _____ _____
(Salutation)	_____
(Body)	
First paragraph	_____ _____ _____
Second paragraph	_____ _____ _____
Third paragraph	_____ _____ _____
(Complimentary close)	_____
(Signature)	_____

Figure (2) The Full- Block Style

2. Block Style

The Block Style is a style of organizing parts of a letter that is seen frequently in business correspondence today. It is similar to full block, except that the heading, the date, the complimentary closing, and the signature are placed to the right of the center line of the letter. The spacing between parts

remains the same. Figure (3) represents the main parts of a business letter using the block style.

	(Heading) _____ _____ _____	
		(Date) _____
(Inside address) _____ _____ _____		
(Salutation) _____		
(Body)		
First paragraph _____ _____ _____		
Second paragraph _____ _____ _____		
Third paragraph _____ _____ _____		
		(Complimentary close) _____
		(Signature) _____ _____

Figure (3)
The Block Style

2. The Semi- Block Style

The Semi- Block Style was very popular a few years ago, but it is not used too often today in the business. It is exactly the same as the block format except that the first line of each paragraph is indented at least five spaces as shown in figure (4)

	(Heading)

	(Date)

(Inside address)	

(Salutation)	

(Body)	
First paragraph	_____

Second paragraph	_____

Third paragraph	_____

	(Complimentary close)

	(Signature)

Figure (4)
The Semi- Block Style

Format of a Business Letter

Tel.

Name of the firm

E-mail:

Fax.
Ref.
To

Postal Address

Website:
Dated:

Name and address of the person to whom letter is sent

Subject:

Salutation,

Opening part _____
_____.

Main part _____
_____.

Concluding part _____
_____.

Complementary close
Signature
(name)
Designation

Encl.
C.C.
P.S.

Styles of Punctuation

In business letters the mostly used punctuation marks: The period or full stop (.), the semi colon (;), the colon (:). On the other hand there are three punctuation styles in used business letters.

1.Open-Style Punctuation

In this style of punctuation ,except of the body of the letter in which the usual punctuation marks (commas and full stops) are used, you will notice a complete absence of punctuation marks in the :the date, the salutation, the complementary close, and the ends of lines forming the heading and inside address.

2.Close-Style Punctuation

In this style of punctuation, every lines of heading and inside address is followed by a comma, except the last line which followed by a period (full stop).A comma (or sometimes a colon or a semi colon) follows the salutation, and a comma follows the complementary close, the body is also punctuated by commas and full stops.

3.Mix-Style Punctuation

In the Mix-Style Punctuation (also called standard Punctuation Style),a comma follows the salutation, and the complementary close, and follows the last line of inside address. The body is also punctuated by commas and full stops.

Types of Business Letters

Business letters are written for the fulfillment of several purposes. The purpose may be to enquire about a product to know its price , quality, availability, etc. This purpose is served if you write a letter of enquiry to the supplier. After receiving your letter, the supplier may send you details about the product as per your query. If satisfied, you may give order for supply of goods as per your requirement. After receiving the items, if you find that the product is defective or damaged, you may lodge a complaint. These are the few instances in which business correspondence takes place. Let us learn the details about some important business letters.

1. Business Enquiry Letter (Definition)

Enquiry Letter is a message that ask for information like price, quotations, terms of payment, services available, personal data, leaflets or catalogues, articles or special data, availability of goods, delivery terms, insurance, and method of transportation . In order to write inquiries that will ask the proper questions and receive appropriate replies use the four-point plan:

1. State the subject of your inquiry;
2. Add any explanatory material you feel will be helpful (details, Definitions, descriptions, questions);
3. Briefly give the reason for your inquiry, making it clear why the message is addressed to the reader;
4. End courteously.

Usually before this you may

- **Tell your supplier what sort of organization you are:**

- We are a co-operative whole sales society based in Zurich.

-Our company is a subsidiary of Universal Business Machines and we specialize in .. .

-We are one of the main producers of industrial chemicals in Germany and we are interested In....

- Letters of enquiry should clearly state the information required, which may be asking for a price list or a sample.
- Write specifically about the design, size, quantity, quality, etc. about the product or service in which the buyer is interested.
- The period or the date, till which information is required, may also be mentioned.

Generally speaking an *inquiry letter* consists of the following:

Introduction

Paragraph 1 - reason for writing, thanking

Main Body

Paragraphs 2-3 - describe our problem/ask for help

Conclusion

Final Paragraph - closing remarks

Opening remarks:

- I am writing to inquire about.....
- I want you to tell me.....
- I am writing to ask for information about.....
- I am writing to inquire in connection with.....
- I would like to enquire about.....

Closing remarks:

- We hope to hear from you in the near future.
- We would be grateful for an early reply.

Useful Language for *inquiry letters*

hearing from you /receiving your reply.

- I would appreciate it if you could inform me as soon as possible.
- Your early reply will be appreciated.

To introduce request, the following may be used

- Could you possibly send.....

- I look forward to

*usually inquiry
involves asking
about
Catalogue
Price
Advertisement*

- I would be grateful if you could.....
- Would it be possible for you to send us some samples/patterns for.....
- please send us your catalogue and price list

Iraqi Trading Company,
Sa'adoun Street,
Baghdad,
Iraq.

8th February, 2005

The Electrical Equipment Ltd.,
7 Main Street,
LondonSW2,
England.

Dear Sir,

We are in the market for electrical household equipment and are interested in your quickie hairdryers. Please send us your catalogue and price list.

We would be grateful for an early reply.

Yours faithfully,
Iraqi Trading Company
Purchasing Manager

Iraqi Trading Company,
Nidal Street.
Baghdad,
Iraq.

12th March, 2007

The Plastic Furniture Co. Ltd.,
67 Bruno Road,
Rome,

House No.4-13-335,
Palestine Street,
Baghdad,
Iraq.

4th April, 2008

The Language Study Center,
12King Street,
LondonW1X3FE,
England.

Majid Enterprises
Grant Road
Bombay
India

1st July, 2011

Panton Manufacturing Ltd.,
Panton Works ,Hounslow
London,WIX3FE.
UK.

2. Quotation Letter

A quotation is a reply to an inquiry. It is often a letter written keeping in view the information asked for like price list, catalogue, samples, brochures,

mode of payment, discount to be allowed or any other information required.
Businessman should reply to the inquiries carefully and promptly.

An Outline for a Quotation

1. Opening sentences (Thanks for enquiry)
2. Quotation(Description)
 - a. quantity
 - b. quality
 - c. price
 - d. packing
3. Terms of delivery-time-mode-place
4. Terms of payment-time-method
5. Closing sentences

Opening Remarks

Here are some suggested opening lines for quotations:

-With reference to your letter inquiring aboutfor which we thank you and have a pleasure to quote you as follow: (list)

-Thank you very much for your enquiry No..... of....we can supply for immediate delivery (list)

-We are pleased to receive your enquiry of for.....and are glad to give you the following prices and terms..... (List)

-As to your inquiry dated..... forwe are informing you that...

-In reply to your enquiry datedfor.....we are pleased to submit the following quotation/price(List)

Closing Remarks

To close a quotation you can use one of the following phrases:

1. Please let us have your order as soon as possible as our supplies are limited

2. We are sure our goods will meet you requirements and we look forward to your first order.
3. We look forward to being of service to you.
4. We recommend your early order to ensure speedy delivery.

Glaston Poteries Ltd.
Clayfield,Burnley,BB10 IRQ
UK
Tel:+44(0)128246125
Email:j.merton.@glaston.co.uk

21th June, 2011

Mr.M.Pierson
Pierson &Co.
Louis Drive
Dawson,Ontario
Canada

Dear Mr. Pierson,

Replying to your enquiry of 2nd June for a further supply of our crockery, we are pleased to send you our quotation for the crockery you inquired about.

These prices include packing and delivery, but crates are charged for, with an allowance for their return in a good condition.

We can deliver from stock and will allow you a discount of 5% but only on items ordered in quantities of 100 or more. We hope you will find these items satisfactory and look forward to the pleasure of your order.

Yours sincerely
John Merton
John Merton
Sales Manager

Encl:Quotation Form

Glaston Poteries Ltd.
Clayfield,Burnley,BB10 IRQ
UK
Tel:+44(0)128246125
Email:j.merton.@glaston.co.uk

21th June, 2011

Mr. M. Pierson

Demand Letter Definition:

A letter from a lawyer, on behalf of a client, that demands payment or some other action, which is allegedly due or in default.

It can also be defined as a formal notice demanding that the person to whom the letter is addressed perform an alleged legal obligation such as rectifying some identified problem, paying a sum of money or acting on a contractual commitment.

Demand letters can be formal letters written by an attorney on behalf of a client demanding payment or some other action from another party. They can also be less formal and written by one individual to another demanding payment. In both instances they are an attempt to avoid litigation and expedite a resolution.

In **general**, a demand letter **states** (1) what payment or action is demanded, (2) why, (3) how the payment or action may be effected, and (4) a time limit. It usually also carries an express or implied **threat** that otherwise a **court** case will be instituted forthwith.

Demand letters are often used in business contexts because they are a courtesy attempt to maintain some goodwill between business parties and they often prompt payment, avoiding expensive litigation.

A demand letter often contains the "threat" that if it is not adhered to, the next communication between the parties will be through a court of law in the form of formal legal action (i.e. pleadings).

Although it is almost always a good initiative to send a demand letter before instituting legal proceedings, demand letters are not generally prerequisites for a legal action. But there are exceptions such as legal action on promissory notes or if the contract requires it.

A demand letter should include the phrase without prejudice to ensure that the contents of the letter are not later used against the sender. Where libel or slander has occurred, it is good practice to demand an apology and a retraction before taking legal action.

“Without Prejudice” Definition:

A reservation made on a statement suggesting that it cannot be used against the publishing party in future dealings or litigation.

An example of a demand letter would be in the situation of defamation. The plaintiff's lawyer would write to the alleged defaming person and demand a retraction and an apology.

Demand letters are powerful tools in a lawyer's arsenal.

A demand letter must contain the following information:

- the date, the recipient's contact information, and the legal phrase *WITHOUT PREJUDICE* to protect the sender with regard to the contents of the letter;
- a summary of the matter at issue;
- a demand for a specific relief or payment;
- a deadline by which the matter must be settled;
- the sender's contact information and signature; and
- the term demand letter stated in the body of the letter to direct the recipient to act accordingly.

Sample letter of demand 1

Meena Vishwana
12/32 Campbell Street
Blacktown NSW 2148

15 October 2009

Ms Fiona Frame
Fantastic Florists
Shop 7, Blacktown Mall
108 Black Street
Blacktown NSW 2148

Dear Fiona

RE: OUTSTANDING MONEY

I am writing about my fees for the last three months.

The total amount owing is now \$3 792. This amount relates to website maintenance and IT support services I provided by agreement with you for 20 hours each month in the months of May, June and July 2009. I refer to my invoice dated 10 August 2009 that was due for payment by 10 September 2009.

I ask that you pay me the amount of invoices, \$3 792, by 29 October 2009. If you don't pay me this amount, I may start legal action against you to recover the debt without further notice. Legal costs and interest may be added to the debt.

Yours sincerely

M. Vishwana

Meena Vishwana

Sample letter of demand 2

Charlie Ling
37 Blue Street
Bathurst NSW 2638

15 August 2009

Ms Kylie Ransom
12/45 Brown Street
Bathurst NSW 2638

Dear Kylie

RE: OUTSTANDING MONEY

I am writing to you about the \$2 000 I lent to you on 25 June 2008. On the day I lent you the money we agreed that you would repay the loan by 25 December 2008.

You still have not repaid any of the loan. I have tried to call you to talk about this but you have not answered my calls or returned my messages.

I really need the money so I want you to pay it back to me by 31 August 2009. If you don't pay me by then, I will make a claim against you in the Local Court. You might have to pay legal costs and interest as well.

My telephone number is 02 8765 4321.

Yours sincerely
Charlie Ling
Charlie Ling

Complaint Letter

A complaint letter is written when the purchaser does not find the goods up to his satisfaction. It is normally written by the purchaser when he receives wrong, defective or damaged goods or receives incorrect quantity of goods. It can also be written directly to the transit authority when the goods are damaged in transit. Thus, we may define a letter of complaint as the letter that draws the attention of the supplier or any other party on account of supply of defective or damaged goods.

Points to be considered while writing a complaint letter:

- Complaint letters should be written immediately after receiving the defective goods.
- Mistakes as well as difficulty due to mistake should be mentioned clearly
- Proposal to correct the mistakes should be made.
- Suggestions on how the complaint should be dealt with, i.e., mention of compensation, replacement, discount, cancellation etc, should be made.
- Mention period in which the corrective action should be taken.
- Request to be careful in future.

Useful language

- On receiving Order №... we found that... were missing (damaged, badly packed).

-We regret to inform you that (a consignment, a cargo) only contains... instead of... entered on invoice.

-We have to point out that the goods have arrived later than the agreed date.

-We have to draw your attention to point out that these articles were ordered subject to their arriving by (date).

-Unfortunately, on opening (checking) we found that a consignment contained different articles from those ordered.

Specimen of Complaint Letter

Tel. 3241053
Fax. 3244155

Ref. PR/F/2002/27

M/s Acron Electricals
22/c, Main Road
Darya Ganj, New Delhi-2
Date: September 5, 2002
E-mail: elc@acr.vsnl.net.in

M/s Bharat Fans
Bharat Complex
Hyderabad Industrial Estate
Hyderabad – 500032

Subject: Complaint regarding fans
Dear Sir,

I would like to draw your attention to the fact that some fans are found missing in the parcel, dispatched by you, which I received today. It appears that the following items were not included.

Bharat fan super quality 3 (Three)

Bharat fan standard 2 (Two)

We will appreciate if the above fans are sent to us or the amount credited to our account.

Yours faithfully
For M/s Acron Electrical
Sd/-
(A.B.Kumar)
Partner

Sample Letter of Complaint of damage

F. Lynch & Co. Ltd.
Nesson House,
Newell Street,
Birmingham B 3 3EL
Telephone No.: 021 236 6571
Fax: 021 236 8592 Telex: 431641

Satex S.p.A
Via di Pietra Papa
00146 Roma
Italy

15 August 20_____

Dear Mr Causio,
Our Order № 14478

I am writing you to complain about shipment of sweaters we received yesterday against the above order.

The boxes in which the sweaters were packed were damaged, and looked as if they had been broken open in transit. From your invoice № 18871 we estimate that thirty garments have been stolen to the value of £ 150.00. And because of the rummaging in the boxes, quite a few other garments were crushed or stained and cannot be sold as new articles in our shops.

As the sale was on a c.i.f. basis and the forwarding company your agents/ we suggest you contact them with regard to compensation.

You will find a list of the damaged and missing articles attached, and the consignment will be put to one side until we receive your instructions.

Yours sincerely,
L. Crane
L. Crane

Chief Buyer

Adjustment Letter

In dealing with the complaints, the seller-if the complaint is justified-must try hard to satisfy the buyer in order to return his confidence, and convince him **that mistake** rarely occurs and this is exceptional case. All of this can be done by sending a letter of adjustment to the buyer.

When you write a letter of adjustment, remember the following points:

- a. Answer the complaint letter immediately, otherwise, write an acknowledgement of complaint as soon as you receive the complaint letter, and tell the complainant that you have received his complaint, and it receiving you care, with a promise to send a letter of adjustment including a satisfactory solution.
- b. Answer your letter personally to the particular customer.
- c. Express your appreciation of the complainant's letter for calling your attention to the problem.
- d. If the complaint is reasonable, apologize for the problem and inconvenience caused, and explain briefly how it was occurred, then offer adjustment graciously.
- e. Inform the complaint of the preventive procedures you have taken and assure him that he will not be put to any such inconvenience in future.
- f. Offer further cooperation and assurance of satisfaction, this will promote goodwill for your company and sustain your relation with the customer.
- g. If the complaint is unreasonable or not valid, state clearly why you are refusing or only partially accepting the complaint ,and in the same time show the complainant that you understand his problems and try to convince him of the justness of your decision.

Useful language

- Please accept our apologies once again for the inconvenience you had.
- We are very/extremely sorry ...
- We must apology for ...

- We would like to apology for the problem you had.

- We were sorry to receive your complaint that ...

- We hope you will be satisfied with the replacements.

- Please accept our apologies for the delay and the inconvenience it has caused you; it was due to reasons entirely beyond our control.
- We hasten to offer our sincere apologies for this mistake.
- We apologize once more for this most regrettable mistake and have taken measures to prevent a reoccurrence of similar errors in future.

Sample Letter of Reply to Complaint of damage (Adjustment Letter)

Satex S.p.A.
Via di Pietra Papa, 00146
Roma
Telephone: Roma 769910
Telefax: (06) 6815473

Mr L.Grane, Chief Buyer
F.Lynch & Co. Ltd.
Nesson House
Newell Street
Birmingham B3 3EL
United Kingdom

24 August 20 _____

Dear Mr Grane,

Thank you for informing us about the damage to our consignment (Inv. № 18871).

From our previous transactions you will realize that this sort of problem is quite unusual. Nevertheless, we are sorry about the inconvenience it has caused you.

Please would you return the whole consignment to us, postage and packing forward, and we will ask the shipping company to come and inspect the damage so that they can arrange compensation. It is unlikely that our insurance company needs to be trouble with this case.

If you want us to send you another shipment as per your order № 14478, please let us know. We have the garments in stock and it would be no trouble to send them within the next fortnight.

Yours sincerely,
D.Causio
D.Causio

Common Delivery Terms

Terms of delivery include the place and the time in which goods are to be delivered to the buyer. The following are some common terms of delivery

- **FAS- Free alongside the ship:** According to this term, goods are delivered to the buyer on the docks of the seller's port. The seller bears the expenses of portage, cartage and carriage. These are also included in the price of the goods. The buyer pays the other expenses.
 - **FOB- Free On Board:** Under this term, the goods are delivered to the buyer on board of the ship at the seller's port. The seller bears the expenses of portage, cartage and carriage and loading.
 - **C&F and CIF- Cost, Insurance, Freight:** Both mean that the goods are delivered at the port of the buyer. The seller bears the expenses of portage, cartage and carriage and loading. There is a difference between **C&F** and **CIF**. In **CIF**, Insurance is paid by the seller. In **C&F** Insurance is paid by the buyer.
 - **FOT-Free on truck:** According to this term, goods are transferred directly by truck from the seller's place to the customs warehouse of the buyer.
 - **FCA- Free Carrier** The seller's obligation is to hand over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point. If no precise point is indicated by the buyer, the seller may choose within the place or range stipulated where the carrier shall take the goods into his charge. When the seller's assistance is required in making the contract with the carrier the seller may act at the buyer's risk and expense. This term can be used across all modes of transport.
 - **CPT-Carriage Paid To** The seller pays the freight for the carriage of goods to the named destination. The risk of loss or damage to the goods occurring after the delivery has been made to the carrier is transferred from the seller to the buyer. This term requires the seller to clear the goods for export and can be used across all modes of transport.
- ❖ **Portage:** This is the cost of carrying goods by hand.
 - ❖ **Cartage:** This is the cost of carrying goods by car or lorry.
 - ❖ **Carriage:** This is the cost of carrying goods by train.
 - ❖ **Freight:** This is the cost of carrying goods by ship from the port of the seller to the port of the buyer.
 - ❖ **Loading expenses(charge):** These cover the cost of lifting the goods from the docks onto the ship.
 - ❖ **Customs duties:** These are taxes imposed on imported goods.

Common Payment Terms

The terms of payment generally used in foreign trade are:

- **COD - Cash on delivery:** According to this term, the buyer pays the money either to the post office and receives the parcel or to the bank and receives the shipping documents. These documents help him to get the goods.
- **CAD- Cash against delivery:** According to this term, the buyer pays a sight draft drawn on him by the seller. Then he receives the shipping documents. This term is known as D/P(documents against payment.)
- **D/A-Documents against acceptance:** According to this term, the buyer receives the shipping documents when he accept the Bill of Exchange drawn on him by the seller.
- **CWO - Cash with order:** According to this term, the buyer sends the money with order.
- **CND - Cash next delivery**
- **CBS - Cash before shipment**
- **CIA - Cash in advance**

The Invoice

The invoice is defined as “*document which a seller sends to a buyer. It shows the amount payable and gives details of the goods sold*”. It is also defined as a detailed list of goods sold, showing their nature, quantity, price and terms of sale and delivery”

An invoice is defined in a Webster's dictionary as "*an itemized bill for goods sold or services provided, containing individual prices, the total charge, and the terms.*"

Another definition of an invoice “It is a nonnegotiable **commercial instrument** issued by a seller to a **buyer**. It identifies both the **trading parties** and lists, describes, and quantifies the **items** sold, shows the date of **shipment** and **mode of transport**, **prices** and **discounts** (if any), and **delivery** and **payment terms**.”

An invoice typically identifies the following information:

- The invoice number
- The name and address of the seller
- The name and address of the buyer
- The date of shipment or when services were delivered
- A description of the items purchased
- The quantities and total costs of the items purchased
- Any sales taxes owed
- The grand total owed
- Payment terms

In certain [cases](#) (especially when it is signed by the seller or [seller's agent](#)), an invoice [serves](#) as a [demand](#) for [payment](#) and becomes a [document of title](#) when [paid in full](#). There are different types of invoices, such as [commercial invoice](#), [consular invoice](#), [customs invoice](#), and [pro forma invoice](#).

Invoices are important business documents that keep a record of the cost of goods and services sold to the purchaser by the seller. They may be used by large organizations as well as by individuals and small businesses.

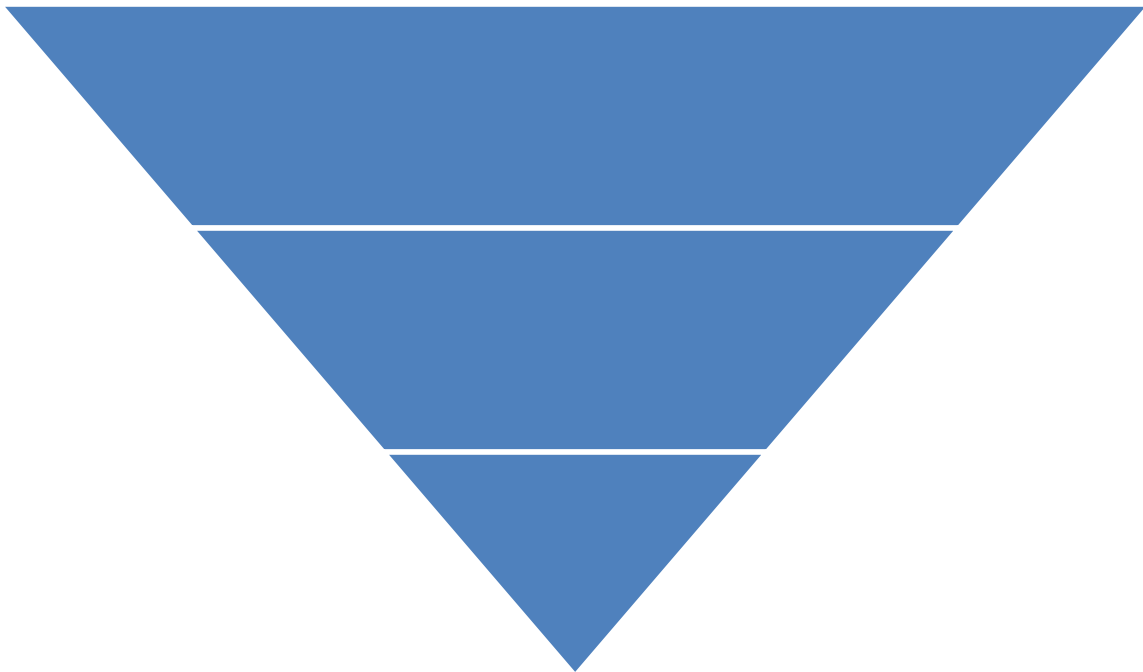
A commercial invoice is required in case of foreign trade and it helps determine the exact cost of the imported goods. It is filled by the exporter and the foreign purchaser should possess it to prove that he owns the imported goods and the exact cost of the goods

A consular [invoice](#) is a document certifying a shipment of goods and shows information such as the consignor, consignee and value of the shipment. It can be obtained through a consular representative of the country you're shipping to. The consular invoice is required by some countries to facilitate customs and collection of taxes.

Extended form of commercial invoice required by customs (often in a specified format) in which the exporter states the description, quantity and selling price, freight, insurance, and packing costs, terms of delivery and payment, weight and/or volume of the goods for the purpose of determining customs import value at the port of destination.

A pro forma is a type that is used by many professional institutions as a preliminary invoice. It is a financial document issued by a supplier or a seller to the consumer or the buyer as a guarantee that a fixed quantity and description of goods or services will be sold at a certain price.

The following are examples of different forms of invoices



PROFORMA INVOICE EXAMPLE

_____ Insert this page on your company letterhead _____

Ship To: _____

PROFORMA INVOICE # _____

Item	Description	Quantity	Unit Price	Total Value
Total :				

Value: No Charge
Total value for Customs purposes only.

Country of Origin: _____

Additional Remarks: _____

