

Unit-1: Introduction

INTRODUCTION

The retail industry is one of the fastest growing industries in the country. It is changing its nature from an unorganized industry to an organized one, offering bright and exciting career opportunities.

Meaning and importance of Retailing

In the ancient days, people fulfilled their needs by either making or producing things they required for their use, or by bartering things they made or produced, with others. Money was not invented in those days and trade used to be conducted by the Barter System. The barter system is that system where goods are exchanged for goods. For example, a farmer who grew 500 kgs of wheat would keep 100 kgs for his own family's food. But he and his family needed other things- clothes, utensils, pulses, salt etc. He would therefore exchange the balance 400 kgs wheat with other people who made or produced other things. Trade also took place in village markets or haats where people exchanged goods with each other.



In modern times, we use money to buy things that we need for our day to day life. We buy these things from 'Retailers'. This is because it is no longer possible to approach all the people who manufacture the goods you need directly. Also with improvement in transport system, goods that are manufactured far away, even overseas, are available in your neighbourhood.

The first thing which you must understand is the meaning of the 'Retailing'. Let us start looking for the origin of the word "retailer". The word retail is derived from the French word 'retailer' which means "to cut a piece off" or "to break the bulk". Retailing is the process of distribution of goods (products) for the day to day use by the people. It can also be described as the process of marketing



i.e., sale of **goods** and **services** to **customer** to fulfill their **needs and wants**. Alternatively, you can say that retailing is a process of **matching the demand of different kinds of consumers with supplies** from different manufacturers.

Till a few years ago, we bought most items of daily use from small shops in our neighbourhood or a market close by. These shops such as Kirana stores or general stores are owned by individuals, who usually sit in the shop themselves and sell

their goods with the help of a few assistants. In the last few years, however, the concept of large departmental stores and malls has been introduced, which also provide us with the same products. A number of these stores or (chain of stores) is owned by large corporations and the sale is carried out by employees- managers and sales personnel. Thus retail sector has now got more organized.

Retail is one of the fastest growing and dynamic sectors of the world economy. It promises a fast paced and exciting career options. With the growth of consumer needs and wants, the growth in retail sector is inevitable.

Exercise

Activity

1. **Define the following in one line:**
 - a) Retail
 - b) Retailing
2. Ask the students to visit a General store or a Kirana merchant in their neighbourhood and find out how these shops receive their goods.

SESSION-1

IDENTIFYING PRODUCTS IN RETAILING

Relevant Knowledge

This unit will enable you to understand the meaning of retail and the key aspects related to the retail industry in India. It will also help you to understand the emerging trends and the challenges faced by retailers.

Let us now try to understand the meaning and types of products (merchandise) that the retailers usually sell from the retail outlet.



Types of Product

Products can be classified into broad categories. For example, based on who uses them can be classified as consumer products and the industrial products.

a) Consumer Products

It is the merchandise or other item of common or daily use, bought by individuals or households for private consumption. These goods or products are not meant for resale. These goods can be further classified on the basis of how consumers buy them: Let us now discuss each of them.

- i) **Convenience products:** Convenience products are products purchased frequently by customers without making any comparison and shopping efforts. These products are generally low priced and widely available.

Examples are laundry soaps, toilet soaps, washing powder, hair oil, tooth brush, toothpaste, etc. Convenience products can again be subdivided into three categories: staples, impulse and emergency products.



★ **Staples** are the products purchased regularly and out of necessity. Examples are flour, cookies, pulses, soap, detergents, toothpaste, etc.

★ **Impulse products** are purchased without planning which are also widely available e.g. chocolates, toys, and magazines. As the name implies, these products are bought on impulse.

★ **Emergency products** are bought when there is an urgent need. For example, pain killers, salines, room heaters, etc.

- ii) **Shopping products:** Shopping products are not purchased frequently as customers plan and compare the brands, price, quality and style before they buy the product. Consumers devote much time and effort in obtaining information and making comparisons in case of buying these shopping products. The examples are, refrigerators, air coolers, televisions, washing machines and clothing and other highly priced goods.

b) Industrial Products

Industrial products are the products purchased by companies to make goods, which they then sell. For example steel, cement, cotton, iron, minerals, chemicals, etc.

Products can also be classified based on the tangibility (whether they can be physically touched and felt or not), namely tangible and intangible products.

c) Tangible Products

Tangible goods are those which, can be seen, touched, felt, held, stored, transferred, and include other physical treatments.

b) Intangible Products

Intangible products are those which do not have physical entity like products. For example, services provided by a hair dresser, a beauty salon, hotel/airline reservations, schools etc. These are generally categorized as 'Services', and not 'Goods'.

SESSION-1

IDENTIFYING PRODUCTS IN RETAILING

Exercise

Assignment

1. Visit a retail shop or departmental store and identify the products and categorize them as follows:
 - a) Consumer products
 - b) Tangible products
 - c) Intangible products

You may use the following table to categorize the products:

S. No.	Consumer Product	Tangible products	Intangible products

Submit the assignment to your teacher for evaluation.

2. Name the products that are prepared from the following industrial products for use by the consumers.

S. No.	Industrial Product	Consumer product
1.	Steel	
2.	Cotton	
3.	Cement	
4.	Chemicals	
5.	Leather	

3. Given below is the list of some of the durable and non-durable goods. Tick mark in the right column to identify whether it is durable or non-durable.

S. No.	Goods	Durable	Non-durable
1.	Furniture		
2.	Gold		

3.	Bricks		
4.	Food		
5.	Refrigerator		
6.	Vacuum Cleaner		
7.	Microwave		
8.	Ice cream		
9.	Telephone		
10.	Televisions		
11.	Mobile SIM card		
12.	Cars and motorcycle		
13.	Eggs		
14.	Kitchen utensils		
15.	Books		
16.	Face wash		
17.	Gardening tools		
18.	Air Conditioner		
19.	Petrol/Diesel		
20.	Steel		
21.	Digital camera		
22.	Textiles		

SESSION-1

IDENTIFYING PRODUCTS IN RETAILING

Assessment

Answer the following questions

(Use additional sheets of paper if necessary)

A. Fill in the blanks

- _____ is a process of distribution of goods for the day to day use by the people.



2. Based on the use, products can be classified into two broad categories, namely the _____ products and the industrial products.
3. Convenience products are purchased by customers _____ without making any comparison and shopping efforts.
4. Staples, impulse and emergency products are _____ products.
5. _____ products are the consumer products that are not purchased frequently.
6. _____ goods are those which, can be seen, touched, felt, held, stored, transferred, and include other physical treatments.

B. State whether the statement is true or false

1. Staple goods are intangible goods –
2. Impulse goods are tangible goods –
3. Refrigerator is an example of intangible good –

SESSION-1

IDENTIFYING PRODUCTS IN RETAILING

Checklist for Assessment Activity

Use the following checklist to see if you've met all the requirements for assessment activity.

Part-A

- a) Differentiate between consumer and industrial products.
- b) Differentiate between tangible and intangible products.

Part-B

Discuss in class the following:

- a) What is product?
- b) What are the different types of product?

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to identify 5 different types of consumer products		
Able to categorize products into tangible and intangible products		

SESSION-2

IDENTIFYING ELEMENTS OF RETAILING

Relevant Knowledge

Perishable Products

Primarily, there are 6 elements of retailing. These are:

1. Merchandise (Product) Assortment (What are you selling?)
2. Price (At What price?)
3. Location (Where are you selling?)
4. Communication Mix (Promotion- How will you tell your customer about what are you are selling?)
5. Stores Design and Display (Physical Environment- How will you arrange the items you are selling)
6. Customer Service (Process- How will you serve the customer)



Let us try to understand the characteristics of each of these elements.

Non-perishable Products

1. **Merchandise Assortment (Product)**(What are you selling?): The products are of two types, namely Fast Moving Consumer Goods (FMCG) and Consumer Durables. FMCG can be further divided into **perishable** and **non-perishable** products.

The perishable and durable goods sold by the retailers are covered under the product. The food items like fresh meat, seafood, and ripe fruits are called as the perishable products. These are products which spoil or go bad in a short time. Items like canned goods, sugar, flour, curls (and chips if air-sealed), spices, etc., which can be stored for a longer time without spoiling are called **durable** products.



2. **(At what) Price:** There are several components of the price of a product. These are discussed as below:
 - ☆ **MRP:** You must have noticed that products you purchase have MRP (which is the Maximum Retail Price) printed on the label.
 - ☆ **Final Price:** Many retailers offer the products by giving a discount over the final price. The MRP minus the discount at which the product is sold, is the final price.
 - ☆ **Installment:** It is the option where the Final price is divided into easy installments on which you can buy a product (EMI)



3. **Location (Place-Where you are selling):** The fundamental rule is that a store should be located at a convenient location having enough parking place for the customers. Also, the product must be available in the right place (Product Category), at the right time and in the right quantity. In other words, the distribution or placement of products is necessary to ensure that goods are not out of stock and are always available in the desired quantity.
4. **Communication Mix (Promotion- How will you tell the customer what you are selling):** This refers to various tools used for communicating about the sales and other messages to your potential customers about your products. This includes:
 - ☆ advertising
 - ☆ sales promotion
 - ☆ public relations
 - ☆ events
 - ☆ Special offers
5. **Stores Design and Display (Physical Environment- How will you arrange the items you are selling):** It includes the external and internal design of the store and the type of layout which has been used to display the merchandise or the goods.
6. **Customer Service (Process- How will you serve the customer):** Customer service includes all the activities an organization carries out for its customers. Excellent customer service means putting the customer first. It refers to service like assisting the customer, billing, delivery, complaint handling, inventory management and so on. It is usually a sequence of actions required to complete an event. The staff should be friendly, helpful and knowledgeable about products and services.

Exercise:

Activity 1: Divide the class into two groups. Ask one group to visit a Kirana store, and the other to visit a supermarket or a mall. Each group should identify the six elements at these places. Each group should present how these six elements are implemented at these places.

Activity 2: Divide the class in four groups. Allot one category of goods to each group- suggested categories are-Vegetables, Groceries, Cosmetics, Books, Stationery, and Garments etc. Ask each group to discuss how they will implement each of the six elements in selling their category of goods.

Activity 3: Ask the students to visit the school canteen/bookshop/ uniform shop. They should study the six elements at either of these places and discuss steps that can be taken to improve each of these elements.

SESSION-2

IDENTIFYING ELEMENTS OF RETAILING

Exercise

1. Name three retailers in your area that are small independent stores.

i)

ii)

iii)

2. List the products or services that they are selling.

SESSION-2

IDENTIFYING ELEMENTS OF RETAILING

Assessment

Fill in the Blanks

1. Primarily, there are _____ elements of retail sector.
2. Product is also known as _____.
3. Customer service is a _____.
4. The abbreviation FMCG stands for Fast _____ Consumer Goods.
5. FMCG can be further divided into _____ and non-perishable products.
6. Fresh meat, seafood, and ripe fruits are examples of _____ products.



7. Refrigerator is an example of _____ product.
8. _____ represents the number of merchandise categories a retailer offers.
9. _____ is the number of different items in a merchandise category.
10. Communication _____ refers to tools used for communicating about the sales and other messages to your potential customers about your products.
11. Stores Design and display includes the _____ and internal design of the store and the type of layout for displaying the merchandise.
12. Excellent customer service means putting the customer _____.

SESSION-2

IDENTIFYING ELEMENTS OF RETAILING

Checklist of Assessment

Use the following checklist to see if you've met all the requirements for assessment activity.

Part-A

- a) Differentiate between perishable and non-perishable products.

Part-B

Discuss in class the following:

- a) What is merchandise assortment?
- b) Why products are assorted before display?
- c) What are the factors that need to be considered while choosing a location for the store?
- d) What is communication mix?
- e) How communication mix is useful in promoting the products?

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to identify 5 perishable products		
Able to identify 5 non-perishable products		
Able to identify the element of retailing in a given scenario		

SESSION-3

IDENTIFYING MAJOR RETAILERS

Relevant Knowledge

Retail industry is one of the fastest growing industries in India and the fifth largest in the world comprising both organized and unorganized sectors. This industry has grown immensely especially over the last few years.

There are three types of retailers:

1. **Store retailers:** They are divided into Departmental Stores, Discount Stores, Specialty Stores, Convenience Stores, Off-Price Retailers, and Warehouse Clubs.

- a) **Department stores** are retailers that carry a broad variety and deep assortment of goods. They organize their stores into distinctly separate departments for displaying merchandise.



- b) **Specialty stores** concentrate on a limited number of complementary merchandise categories and provide a high level of service in relatively small stores. Drugstores are specialty stores that concentrate on health and personal grooming merchandise eg. Apollo Pharmacy.
- c) **Convenience stores** provide a limited variety and assortment of merchandise at a convenient location in 2,000-3,000 square foot stores with speedy checkout. They are the modern version of the neighborhood store or *kirana* shops.

2. **Non-store retailers:** These types of retailer use various methods, such as direct response advertising, etc. for selling their products. They are categorized as Direct Selling, Electronic Retailing, Direct Marketing, Automatic Vending and Buying Service.

- a) **Direct selling** is done by contacting customers directly in a convenient location and demonstrating merchandise benefits and taking an order and delivering the merchandise or performing the service. Oriflamme used this model quite successfully for many years.
- b) **Electronic Retailing** (also called e-tailing, online retailing, and Internet retailing) This is a retail format in which the retailers communicate with customers and offer products and service for sale over the Internet. eg. -jabong.com
- c) **Television home shopping** is a retail format in which customers watch a TV program that demonstrates merchandise and then place orders for the merchandise by telephone.

3. **Corporate chain stores:** These retail organizations own two or more outlets commonly owned and controlled by corporate. They are engaged in central buying and merchandising, and selling similar lines of merchandise. They generally store products in the warehouse before selling them at the retail store. They have greater purchasing power, wider brand recognition and better trained employees. Some of the major stores and the name of the corporate engaged in corporate retailing are given in the table below:

S. No.	Name of the Store	Name of Company
1.	MORE	Aditya Birla Group
2.	IN & OUT	
3.	FABINDIA	BPCL
4.	CASH & CARRY	German Metro
5.	SHOPPERS STOP, CROSSWORD, HYPER CITY, IN ORBIT MALL	K Raheja Corp Group
6.	LIFESTYLE, MAX, HOME CENTRE, FUN CITY AND INTERNATIONAL FRANCHISE BRAND STORES	Lifestyle International
7.	NILGIRIS' SUPERMARKET CHAIN, PANTALOOON, BIG BAZAAR, FASHION STATION, DEPOT, BRAND FACTORY, ALL, E-Zone	Nilgiris
8.	EASY DAY	Bharti Wal Mart
9.	RELIANCE FRESH	Reliance Retail
10.	BOOKS & BEYOND, DAILY & FRESH MUSIC WORLD, SPENCER'S SUPER, SPENCER'S HYPER	RPG Retail
11.	SHOPRITE HYPER	Shoprite Holdings
12.	STAR INDIA BAZAAR, LANDMARK, WESTSIDE, WORLD OF TITANS (TITAN INDUSTRIES), STEEL JUNCTION, TANISHQ OUTLETS, CHROMA.	The Tata Group
13.	VISHAL MEGA MART	Vishal Retail Group
14.	VIVEKS SERVICE CENTRE	Vivek Limited Retail

Activity – Individual Assignment: Ask the students to identify and list the major retail brands in their neighbourhood.

Activity – Group Assignment: Divide the class into groups of 2-4 students. From the list of major retail brands prepared above, allocate one brand to each group. Ask each group to prepare a 3-5 minutes presentation on the allotted brand. Some guidelines about what to cover can include – whether it is a national or global brand, when was it established, which areas/regions does it cover, what kind of products do they sell, what are some of the promotional schemes they have offered recently etc.

Some Leading Retail Groups/Chains: Some of the leading groups operating in the country are described in the following sections:

Future Group (Pantaloon): Pantaloon is one of the largest retailers in India. Pantaloon launched the country's first hypermarket with the name Big Bazaar. This company has introduced the following retail segments:

- ★ Food and Grocery: Big Bazaar and Food Bazaar
- ★ Home Solutions: Hometown, Furniture Bazaar and Collection-I
- ★ Consumer Electronics: E-zone
- ★ Shoes: Shoe Factory
- ★ Books, Gifts and Music: Depot
- ★ Health and Beauty Care: Star and Sitara
- ★ E-tailing: Futurebazaar.com
- ★ Entertainment: Bowling Co.



TATA Group: Tata group is one of the foremost retailers of India. Trent is its subsidiary and operates Westside and Star India Bazaar. This retail house was established in 1998. Tata group acquired 'Landmark'; the largest Indian retail enterprise in the field of books and music in 2005.

RPG Group: RPG group is amongst the oldest retail groups in India. This group entered into food and grocery retailing in 1996 with its retail Food World Stores, now renamed as Spencers. The RPG group also opened pharmacy and beauty care outlets 'Health & Glow'.



Reliance: Reliance is one of the biggest retailers in India with Fresh Stores and Reliance Electronics.



Aditya Birla Group: Aditya Birla Group is the biggest apparel retailer in India with the brands like Louis Phillip, Allen Solly, Van Heusen and Peter England. This group is coming up with retail outlets in other segments of retail also.



K Raheja Group: The group began its retail operations with Shoppers Stop, India's first departmental store in 2001. Other chains owned by the group include Crossword bookstores, Homes Stop Home Solutions) and Mother care (childcare).



Easy Day: It is a 50:50 joint venture between Bharti group of India and Walmart of USA.



Retailing in India

India is one of the fastest growing economies in the world. It is witnessing a change in several areas which has enabled the people to spend more and thus gives an opportunity for retail business to flourish in India. Some of the factors responsible are:

- ☆ Better job opportunities and rising incomes where purchase decisions are made by the younger generation, who are willing to spend more to buy goods.
- ☆ Younger people have higher aspirations and demands.
- ☆ Shift in consumer demands to foreign brands eg.- Sony, Panasonic, McDonalds, KFC etc.
- ☆ Increasing number of women professionals- With more women going out of the house and working, the overall income of the family has increased. Also, working women may have a greater say in buying goods for their household.

Retail business in India is the largest private industry and is only second to agriculture in terms of providing employment to the people. Retail sector in India consists mainly of small, independent and owner managed shops.

In India, more and more people are entering into the retail business with the emergence of malls, supermarkets,, departmental stores, and are changing the traditional formats of old stores. The entrepreneurs are not only targeting the metros but also cities like Ahmedabad, Baroda, Chandigarh, Ludhiana and Pune etc. The cities of South India have adopted the practice of buying daily use products from supermarkets and this practice is influencing other regions of the country also.

Emerging Trends in Indian Retailing

Like the rest of the world, the Indian retail industry is facing new trends in the market. Various types of retail ownership are being seen. Each of them has their own advantages and disadvantages. Some of these ownership models are given below:

Independent Retailer

An independent retailer is one who builds up his / her business from scratch. All the operations ranging from business planning stage to business opening day are done by the independent retail owner. He may hire different persons as consultants and staff to assist him / her in operating the business. The owner has endless opportunities.

Exercise

Activity: Ask the students to visit their neighbourhood market and identify 5 independent retailers. Ask the learners to share their experience in 500 words.

Existing Retail Business

These retailers inherit or buy an existing business. They then operate this business on their own. The base and the market value for this business has already been laid out by the previous owner. For example, if the owner of stationery shops in your neighbourhood sells his business to another person, or hands over the shop to his son to run.

Franchise

Large companies sell their franchises to either individuals or the small companies or retail units who give them the assurance that they can maintain the standard of quality, customer satisfaction, etc. Thus buying a franchise means purchasing the right to use name, product, concept and business plan of a particular company or organization known as franchiser. For example, you may have seen lots of McDonalds outlets. All these outlets are not directly owned by McDonalds. Most of them are franchisees, owned by individuals or smaller companies who run the day to day business. However, the running of each of these outlets is in accordance with the guidelines and systems laid down by McDonalds. All of the employees wear similar uniforms, the snacks offered are the same, the way they are prepared are laid down by McDonalds. Training to the employees is provided by McDonalds, and representatives of the company visit each outlet frequently to ensure that all the guidelines are being followed and standards of service are being maintained.

Exercise

Activity: Ask the students to visit a petrol pump in their neighbourhood and find out how the franchise system works there.

Dealership

Dealership means a deal between a small retailer and a large company - generally the manufacturer who allows the small retailer to sell the products of the large company and becomes authorized seller of the products of large firm (manufacturer). Dealership is different from franchise because a dealer cannot recreate the products or trademark of the manufacturing company. For example, Maruti Suzuki Ltd has a number of dealers across India who sells its cars but they do not



manufacture cars themselves. The dealers may or may not sell products of many companies depending upon the agreement. For example, a dealer of LG products can also sell the products of Samsung, Videocon, Thomson, etc. Dealerships may or may not be identified as an authorized seller or by the company's trademark.

Activity: Ask the students to discuss the difference between Franchise and Dealerships. What are the major differences between the two models?

Exercise

Define the following in few lines.

- a) Franchise
- b) Dealership
- c) Network Marketing

Global Retailers: Retailing in more than one countries can be termed as Global retailing. It could also be considered that global retailers are those who have a global strategy in place, designed to have operations covering much of the global retail market. Global retailing is therefore, defined as the physical number of stores and countries where operations exist. There are a number of global retail players. Some of them are:

Global Retailers in World:

Wal-Mart: It was started by Sam Walton in 1962. Now, it is the largest retail organization in the world. It deals with several products like power sector, food and milk, apparel etc. It operates in several developed countries like USA, UK, Europe and other countries like India and China etc. It has several divisions i.e.,

- ☆ Neighbourhood Market
- ☆ Wal-Mart Supermarket
- ☆ Wal-Mart Express
- ☆ Sam's Club



Carrefour: It was started by a group of Marcel Fournier, Denis Defforey and Jacques Defforey on 1st January 1958. Now, it operates in many developed, developing and underdeveloped countries.

Tesco: It is a British multinational grocery and general merchandise retailer.



JC Penney: It is a chain of mid ranges department stores and operates mainly in US and Puerto Rico. The stores are located mainly in suburban shopping malls and the first store was called Golden Rule store.

Sears: This is also known as Sears Roebuck and co. It is a chain of department stores founded by RW Sears.



Kmart: Kmart or K-Mart is a chain of discount stores. It acquired Sears in 2005. Started in 1962, it is the third largest discount store chain in the world after Walmart and Target. Its outlets are mainly in North America and Australia.

Target Corporation: It is the second largest discount chain stores in the world and the outlets are mainly in North America and Australia.



Nanz: A German retail chain which also started in India in association with Escorts group failed and was shut down. It was one of the pioneers of the supermarket concept in India.

SESSION-3

IDENTIFYING MAJOR RETAILERS

Exercise

1. Visit three retail stores around your school or home and fill the information in the table given below:

S. No.	Name of the Store	Name of the Items being sold	Type of store
1.			
2.			
3.			
4.			
5.			
6.			
7.			

SESSION-3

IDENTIFYING MAJOR RETAILERS

Assessment

Fill in the Blanks

1. Retail industry is _____ largest industry in the world.
2. In India Retail Industry comprises of both _____ and unorganized sectors.



3. The retailers that operate on a fixed point of sale are known as _____ retailers.
4. Departmental store is an example of _____ retailer.
5. Speciality store are a type of _____ retailer
6. Direct marketing is an example of _____ retailer.
7. Retailers engaged in central buying and merchandising, and selling similar lines of merchandise are known as _____ chain stores

SESSION-3

IDENTIFYING MAJOR RETAILERS

Checklist for Assessment

Use the following checklist to see if you've met all the requirements for assessment activity.

Part-A

- a) Differentiate between different types of retailer.

Part -B

Discussed in class the following:

- a) What is retailing?
- b) What are the functions of retailing?
- c) What are the services to be rendered by the retailers?

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to identify the type of store		

SESSION-4

IDENTIFYING KEY ACTIVITIES IN RETAIL

Relevant Knowledge

Let us now try to identify the major activities that take place in retail sector.

A) Retail Planning

In retail planning, a business plan and retail strategy is prepared for setting up a retail store. A business plan is a complex multi-page document. The purpose of the business plan is to

determine how much finance will be required for setting up a retail business. The business plan is important from the point of view of convincing a financing company for the loan. It has the following components:

1. Executive Summary
2. Business Analysis
3. Marketing Strategy
4. Products and Services
5. Management Plan
6. Financial Plan

B) Inventory Management

For any successful shopkeeper it is essential to know exactly what he/she has in stock and where to find it. At the heart of every good retail store, there lies a powerful inventory management system. An inventory management system lets you know what you have, what you need, and when you need it. An inventory management system tracks which items are selling and which aren't. With an inventory management system, you can get a report about stock in hand, stock on order, and in transit. You can also see which items are frequently purchased.

C) Merchandising

Merchandising is taking/ buying the product (or merchandise) from a company, and selling it to the customer. To make sure that the merchandise actually sells, the products are displayed in such a manner that they are visible in stores and presented in an appealing fashion.

D) Selling

Selling is offering to exchange something of value for something else. The something of value being offered may be tangible or intangible. The something else, usually money, is most often seen by the seller as being of equal or greater value than that being offered for sale. A number of specific selling strategies come under the umbrella of sales or selling, which include personal selling strategies.

E) Retail Loss Prevention

Retail loss prevention refers to the collective measures taken by a retail company to prevent potential losses and to protect its profitability. It includes external threats like shoplifting and refund frauds.



F) Retail Administration

The retail administration is responsible for the performance or management of business operations, including important decision making with regard to planning, budgeting, organizing, coordinating, staffing, directing, reviewing and controlling.

G) Retail Finance

Retail finance includes loan from finance companies, retail lease system, retail hire purchase, term deposit and loan against shares.

H) Operations

Retail operation is concerned with the work that individuals do to keep the retail store functioning. It includes retail salespeople and managers in small or big stores.

I) Publicity

Retail publicity includes strategy for making wide and regular publicity of retail store.

J) Human Resource Management

Human resource management (HRM or simply HR) is the management of an organization's workforce or human resources. It is responsible for the selection, training, assessment, and rewarding of employees, while also overseeing organizational leadership and culture, and ensuring compliance with employment and labour laws.

SESSION-4
IDENTIFYING KEY ACTIVITIES IN RETAIL

Exercise

1. What is Inventory Management.

Activity

With the help of your mother try and plan stocks (ration) for the coming month. Make a chart and explain.

SESSION-4

IDENTIFYING KEY ACTIVITIES IN RETAIL

Assessment

Fill in the blanks:

1. In retail planning, a _____ plan and retail _____ is prepared for setting up a retail store.
2. A _____ strategy is developed for retail business to penetrate the target market.
3. A _____ plan is developed to show the necessary staff to be employed, including employment policies and procedures.
4. A _____ plan shows the assessment of the amount of capital the retail business will need, as well as the proposed use of these funds and the expected future earnings.
5. An _____ management system lets you know what you have, what you need, and when you need it.
6. _____ is taking the product (or merchandise) from a company, and selling it to the customer.
7. _____ is offering to exchange something of value for something else.
8. The retail _____ is responsible for the performance or management of business operations, including important decision making with regard to planning, budgeting, organizing, coordinating, staffing, directing, reviewing and controlling.

SESSION-4

IDENTIFYING KEY ACTIVITIES IN RETAIL

Checklist of Assessment

Use the following checklist to see if you've met all the requirements for assessment activity.

Part-A

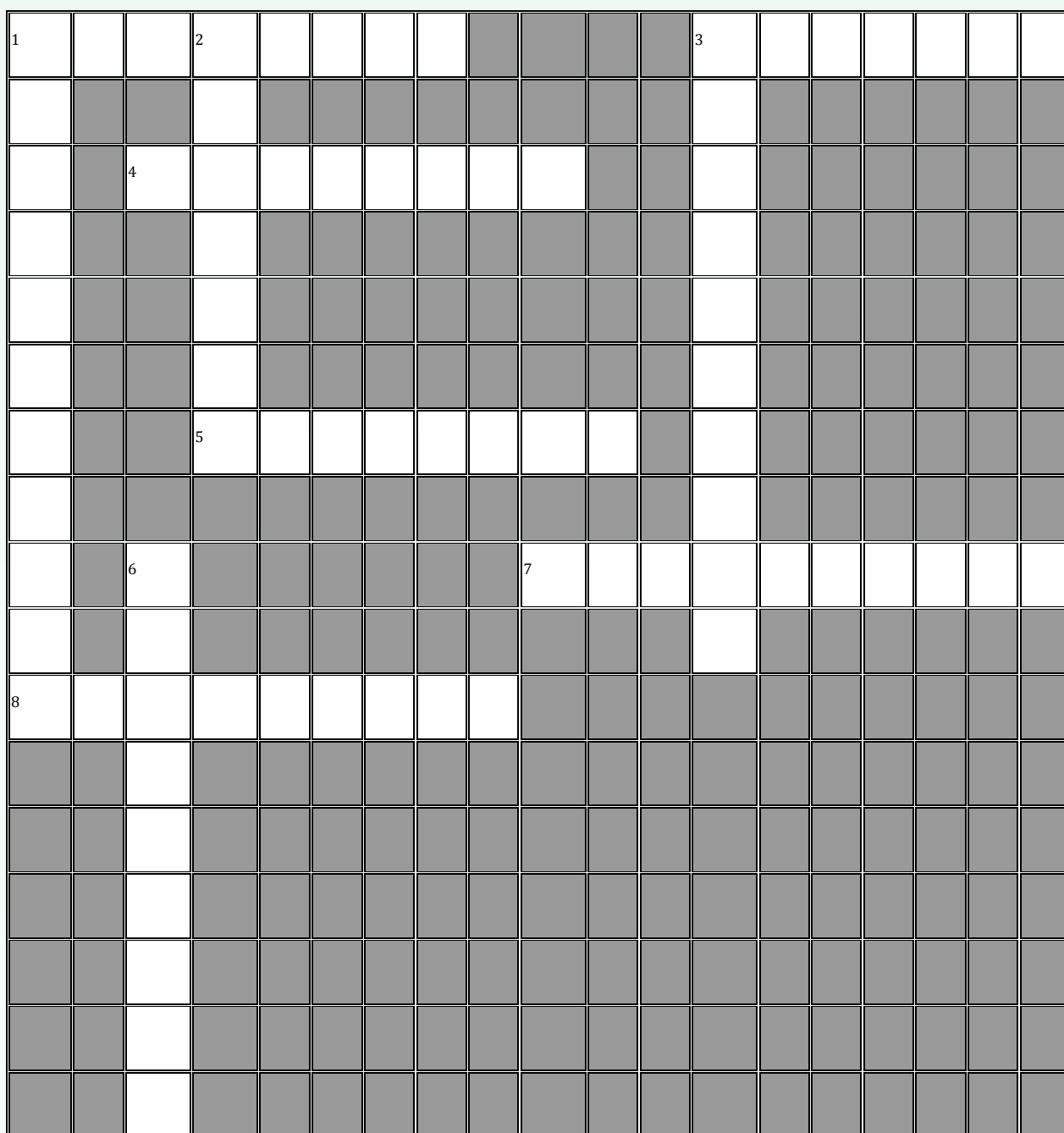
- a) Differentiated between different elements of retailing.

Part-B

Discussed in class the following:

- a) What is retail planning?
- b) What is merchandising?
- c) What is inventory management?
- d) What is human resource management?





ACROSS

1. product means any article, or component part thereof, produced or distributed for sale to a consumer.
3. products are purchased without planning which are also widely available
4. goods are those which, can be seen, touched, felt, held, stored, transferred, and include other physical treatments.

5. products are not purchased frequently as customers plan and compare carefully the brands, price, quality and style before they buy the product.
7. stores are retailers that carry a broad variety and deep assortment, offer customer services, and organize their stores into distinctly separate departments for displaying merchandise.
8. products are bought when there is an urgent need

DOWN

1. products are purchased by customers frequently without making any comparison and shopping efforts.
2. are the products purchased regularly and out of necessity.
3. products are the ones that the companies purchase to make other products, which they then sell.
6. stores concentrate on a limited number of complementary merchandise categories and provide a high level of service in relatively small stores

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to identify the various elements of retailing in a given scenario or store.		

Glossary

Manufacturers: Manufacturers are the ones who are involved in production of goods with the help of machines, labour and raw materials.

Wholesaler: The wholesaler is the one who purchases the goods from the manufacturers and sells to the retailers in large numbers but at a lower price. A wholesaler never sells goods directly to the end users.

Retailer: A retailer comes at the end of the supply chain who sells the products in small quantities to the end users as per their requirement and need.

Consumables products: These are the products that are used up and then replaced on a regular basis, such as food, washing powder (unlike durable items, such as furniture, clothes, electrical goods)

Consumer: Consumer is the end user goes to the retailer to buy the goods (products) in small quantities to satisfy his needs and demands. The complete process is also called as Shopping.



Shopping: The process of purchasing products by the consumer is called as shopping. However there are certain cases where shopping does not always end in buying of products. Sometimes individuals do go for shopping but return home empty handed. Such a shopping is merely for fun and is called window shopping. In window shopping, individuals generally go to the market, check out various options and their prices but do not buy anything. This kind of shopping helps to break the monotony.