RETAIL
SERVICES-II

CLASS - **XII**

Students Handbook
NSQF Level - IV

RETAIL SERVICES-II

Students Handbook

NSQF Level - IV

CLASS - **XII**

भारत का संविधान

उद्देशिका

हम, भारत के लोग, भारत को एक सम्पूर्ण [1]प्रभुत्व-संपन्न समाजवादी पंथनिरपेक्ष लोकतंत्रात्मक गणराज्य बनाने के लिए, तथा उसके समस्त नागरिकों को:

सामाजिक, आर्थिक और राजनैतिक न्याय,

विचार, अभिव्यक्ति, विश्वास, धर्म

और उपासना की स्वतंत्रता,

प्रतिष्ठा और अवसर की समता

प्राप्त कराने के लिए

तथा उन सब में व्यक्ति की गरिमा

[2]और राष्ट्र की एकता और अखंडता

सुनिश्चित करने वाली बंधुता बढ़ाने के लिए

दृढ़संकल्प होकर अपनी इस संविधान सभा में आज तारीख 26 नवम्बर, 1949 ई॰ को एतद्द्वारा इस संविधान को अंगीकृत, अधिनियमित और आत्मार्पित करते हैं।

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1. संविधान (बयालीसवां संशोधन) अधिनियम, 1976 की धारा 2 द्वारा (3.1.1977) से "प्रभुत्व-संपन्न लोकतंत्रात्मक गणराज्य" के स्थान पर प्रतिस्थापित।
2. संविधान (बयालीसवां संशोधन) अधिनियम, 1976 की धारा 2 द्वारा (3.1.1977) से "राष्ट्र की एकता" के स्थान पर प्रतिस्थापित।

भाग 4 क

मूल कर्त्तव्य

51 क. मूल कर्त्तव्य – भारत के प्रत्येक नागरिक का यह कर्त्तव्य होगा कि वह –

(क)   संविधान का पालन करे और उसके आदर्शों, संस्थाओं, राष्ट्रध्वज और राष्ट्रगान का आदर करे;

(ख)   स्वतंत्रता के लिए हमारे राष्ट्रीय आंदोलन को प्रेरित करने वाले उच्च आदर्शों को हृदय में संजोए रखे और उनका पालन करे;

(ग)   भारत की प्रभुता, एकता और अखंडता की रक्षा करे और उसे अक्षुण्ण रखे;

(घ)   देश की रक्षा करे और आह्वान किए जाने पर राष्ट्र की सेवा करे;

(ङ)   भारत के सभी लोगों में समरसता और समान भ्रातृत्व की भावना का निर्माण करे जो धर्म, भाषा और प्रदेश या वर्ग पर आधारित सभी भेदभाव से परे हों, ऐसी प्रथाओं का त्याग करे जो स्त्रियों के सम्मान के विरुद्ध हैं;

(च)   हमारी सामासिक संस्कृति की गौरवशाली परंपरा का महत्त्व समझे और उसका परिरक्षण करे;

(छ)   प्राकृतिक पर्यावरण की जिसके अंतर्गत वन, झील, नदी, और वन्य जीव हैं, रक्षा करे और उसका संवर्धन करे तथा प्राणी मात्र के प्रति दयाभाव रखे;

(ज)   वैज्ञानिक दृष्टिकोण, मानववाद और ज्ञानार्जन तथा सुधार की भावना का विकास करे;

(झ)   सार्वजनिक संपत्ति को सुरक्षित रखे और हिंसा से दूर रहे;

(ञ)   व्यक्तिगत और सामूहिक गतिविधियों के सभी क्षेत्रों में उत्कर्ष की ओर बढ़ने का सतत प्रयास करे जिससे राष्ट्र निरंतर बढ़ते हुए प्रयत्न और उपलब्धि की नई उंचाइयों को छू ले;

[1](ट)   यदि माता-पिता या संरक्षक है, छह वर्ष से चौदह वर्ष तक की आयु वाले अपने, यथास्थिति, बालक या प्रतिपाल्य के लिये शिक्षा के अवसर प्रदान करे।

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1. संविधान (छयासीवां संशोधन) अधिनियम, 2002 की धारा 4 द्वारा प्रतिस्थापित।

THE CONSTITUTION OF INDIA

PREAMBLE

WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a [1]**SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC** and to secure to all its citizens :

JUSTICE, social, economic and political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity; and to promote among them all

FRATERNITY assuring the dignity of the individual and the [2]unity and integrity of the Nation;

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.**

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1. Subs, by the Constitution (Forty-Second Amendment) Act. 1976, sec. 2, for "Sovereign Democratic Republic" (w.e.f. 3.1.1977)
2. Subs, by the Constitution (Forty-Second Amendment) Act. 1976, sec. 2, for "unity of the Nation" (w.e.f. 3.1.1977)

THE CONSTITUTION OF INDIA

Chapter IV A

FUNDAMENTAL DUTIES

ARTICLE 51A

Fundamental Duties - It shall be the duty of every citizen of India-

(a) to abide by the Constitution and respect its ideals and institutions, the National Flag and the National Anthem;

(b) to cherish and follow the noble ideals which inspired our national struggle for freedom;

(c) to uphold and protect the sovereignty, unity and integrity of India;

(d) to defend the country and render national service when called upon to do so;

(e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;

(f) to value and preserve the rich heritage of our composite culture;

(g) to protect and improve the natural environment including forests, lakes, rivers, wild life and to have compassion for living creatures;

(h) to develop the scientific temper, humanism and the spirit of inquiry and reform;

(i) to safeguard public property and to abjure violence;

(j) to strive towards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievement;

[1](k) who is a parent or guardian to provide opportunities for education to his/her child or, as the case may be, ward between age of 6 and 14 years.

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1. Subs. by the Constitution (Eighty - Sixth Amendment) Act, 2002

PREFACE

Retail sector plays a vital role in economic development of an economy. It employs a large number of workforce and its contribution to national income is also substantial. In India scenario the retail sector employs about 8% of total working populating. Approximately 40 million people are employed in 6 million retail outlets throughout the country. 22% of national income is accrued from this sector. The retail sector is classified in two categories – unorganised retail sector and ogranised retail sector. The unorganized retail sector comprised various independent shops such as kirana shops, cloth shops, utensil shops, medical stores, etc. These are traditional local shops in a market place or in residential area. The other format of retailing is organised one. The organised retailing in India is relatively new. During last twenty years, this sector has experienced very fast growth. From 5% of total retail in 2005, its present share is 16%. The organised retail format includes department stores, fast food outlets, supermarkets, malls, hypermarkets, specially stores etc.

Our objective to start a vocational course in retailing for class XII is that there are lakhs of students who want to do some job after finishing their schooling. A traditional course in school does not equip the students any specialization in any field. In India there is a huge pool of educated unemployed persons. It is difficult to get a job after passing from schools without having acquired vocational skills necessary for a job. According to an estimate only 12 percent students as are able to go to various colleges in India. Rest 88 percent can be considered as drop-outs after their higher secondary level of schooling. Most of them do not reach to colleges because of financial constrains besides other reasons. Under the circumstances it becomes the responsibility of the concerned government/ authorities to provide meaningful vocational curriculum at the higher secondary school levels. So that after perusing a vocational course a student will be in a better position is join the job markets.

To achieve this objective, CBSE (Central Board of Secondary Education) has started a lot of vocational course in emerging areas for example Retail, IT, Automobile etc. After necessary knowledge in retailing, the students will have an edge over others in getting jobs of their choice in this sector as this sector is growing very fast and lakhs of manpower requirements have been estimated to come up annually.

In the present material on Retail the subject matter has been presented in a student friendly manner by PSSCIVE, Bhopal. Efforts have been made to put before the readers the material in a form that could explain the real world of retailing in an interesting and lucid manner.

Any suggestions, feedback from the readers from improvement in the future editions of the volume shall be heartily welcomed.

Sh. Vineet Joshi
Chairman (CBSE)

ACKNOWLEDGMENTS

CONTENTS

SUPPLEMENTARY READING MATERIAL

UNIT 1 — ADVANCES IN RETAILING

UNIT CODE: RS-401 NQ-2012	UNIT TITLE: ADVANCES IN RETAILING			
Location: **Classrooms, Retail Shop, Super Bazaar, Big Bazaar, Malls, Departmental Store, Retail Marketing, Agencies etc.**	**Duration: 25 Hours**			
	Session 1: Retail Organizational Structure			
	Learning Outcome	**Knowledge Evaluation**	**Performance Evaluation**	**Teaching and Training Method**
	1. Describe the guidelines for retail organizational structure.	1. Describe the meaning of Retail organisational structure. 2. Understand the guidelines for Organisational Structure. 3. Types of organizational structure.	1. Identify the types of organizational structure in retail sector. 2. Apply the guidelines for organizational structure.	**Interactive lecture:** Guidelines for retail organizational structure. **Activity:** Visit to a retail store and analyze its organizational structure.
	2. Identify the factors which are influencing environmental and cultural change.	1. Describe the environment affects on organizations. 2. Understand the factors influencing cultural change.	1. Identify the environmental factors that effects organizational structure. 2. Analyze the which factors mainly influence the cultural change.	**Interactive lecture:** Environment and cultural change. **Activity:** Estimate how the organizational structure is influenced by the environment and cultural change.
	3. Identify the stages in career development.	1. Describe the stages in career development.	1. Identify the stages and analyze which stage is very crucial for career development.	**Interactive lecture:** Stages in career. development. **Activity:** Visit to retail organizations and note down stages in career development process.

	Session 2: Retail Research			
1. Describe the importance of market information system (MIS).	1. Understand the components of MIS. 2. Describe the importance of MIS.	1. Identify the components of MIS. 2. Explain the procedures followed in marketing research & intelligence system.	**Interactive Lecture:** Marketing information system. **Activity:** Visit to marketing research organization and note down how the MIS is important for Retail business.
2. Identify the research methods for retail business.	1. Describe the purpose & research methods. 2. Understand the types of research methods.	1. Analyze the retail managers' decision making process. 2. Identify the research methods which are suitable for retail research.	**Interactive Lecture:** Research methods for retail business. **Activity:** Visit to retail organizations and note down which types of methods are used.
	Session 3: Retail Strategy			
1. Identify the careful considerations for developing retail strategy.	1. Describe the importance of retail strategy. 2. Understand the considerations for developing retail strategy.	1. Analyze how to develop the retail strategy for satisfying the customers. 2. Identify the careful considerations for developing retail strategies.	**Interactive Lecture:** Considerations for developing retail strategy. **Activity:** Visit to the retail stores and observe what kind of considerations are adopted to develop the strategies.
2. Classify the retail strategies & explain how to implement them in retail business.	1. Describe the components of manufacture's retail strategy. 2. Understand the situation analysis.	1. Identify the components of manufacturers retail strategy & select best component. 2. Analyze the SWOT appraisal and find out how to increase the strengths & decrease the weaknesses.	**Interactive Lecture:** Classification of retail strategies and its Implementation. **Activity:** Select one of the retail store & Analyze the SWOT appraisal & prepare a report.

	3. Identify the retailing mix variables and apply strategy to take decisions.	1. Describe the retailing mix variables. 2. Understand the strategy implementation techniques.	1. Identify the retail marketing mix variables. 2. Apply the strategy implementation techniques for taking retail decisions. 3. Evaluate & control the competitive retail operations.	**Interactive Lecture:** • Retailing mix variables. • Group discussion on implementation strategies. **Activity:** Visit to retail hyper market and observe what kind of techniques are adopted to take the key retail decisions.
	4. Identify the growing opportunities in Indian retail business.	1. Describe the scope of Indian retail markets. 2. Understand the skills required for growing retail business. 3. Classify the retail business houses & explain their potential.	1. Estimate the growing scope of Indian retail markets. 2. Identify the skills required to enhance the retail business. 3. List out the retail business houses which are pumping money in the country.	**Interactive Lecture:** • Growing Opportunities in Indian Retail Business. • Group discussion on Growth Engines of Retail Business. **Activity:** Conduct a survey on growing opportunities of Indian Retail and prepare a report.
— **Session 4: Retail Consumer Behaviour**				
	1. Identify the different types of consumer behaviour.	1. Describe the types of consumer behavior. 2. Understand the need for studying consumer behaviour. 3. Understand the consumer purchasing decisions.	1. Identify the types of consumer behaviours. 2. Applying the techniques to understand the consumer behaviour. 3. List out the factors influencing consumer purchasing decisions.	**Interactive Lecture:** Techniques to understand the consumer behaviour. **Group Discussion:** Visit to a retail hyper market & observe retail consumer behaviour & prepare a report.

	2. Describe the forms of customer buying behaviours.	1. Understand the forms of consumer behaviour. 2. Describe the brand differentiation affecting consumers buying behaviours.	1. Identify the forms of consumer behaviour. 2. List out the situations of various consumer buying behaviour towards brand differentiation.	**Interactive Lecture:** Customer buying Behaviour. **Activity:** On-the-job to find out which situation influences the customer buying behaviour.

INTRODUCTION

Retailing as an economic activity involve all the steps in which a product (goods and services) reaches to the final consumer after its production. It is a process of distribution channel.

It must be remembered that satisfaction of consumer / customer is the ultimate goal of all economic activity. Since any other activity e.g. production, exchange, distribution are meaningless if they are not able the provide satisfaction to the consumer.

It is apparent that retailing is the last step of the process in which any product is produced by various factors of production thereafter it is marked to reach to ultimate customer.

Meaning and Importance of Retailing

It must be remembered that satisfaction of consumer/ customer is the ultimate goal of all economic activity. Since any other activity e.g. production, exchange, distribution are meaningless if they are not able the provide satisfaction to the consumer.

It is apparent that retailing is the last step of the process in which any product is produced by various factors of production thereafter it is marked to reach to ultimate customer.

In this unit, we have focused on retail organizational structure, retail research, retail strategy and retail consumer behaviour.

SESSION 1: RETAIL ORGANIZATIONAL STRUCTURE

Relevant Knowledge

Retailing as an economic activity which involves all the steps in which a product (goods and services) reaches to the final consumer after its production. It is a process of distribution channel.

It must be remembered that satisfaction of consumer/ customer is the ultimate goal of all economic activity. Since any other activity e.g. production, exchange, distribution are meaningless if they are not able the provide satisfaction to the consumer.

It is apparent that retailing is the last step of the process in which any product is produced by various factors of production thereafter it is marked to reach to ultimate customer.

The organizational structure of a retail store will vary by the size and type of the business. Most tasks involved with operating a retail business will be the same. However, small or independent retail stores may combine many sectors together under one division, while larger stores create various divisions for each particular function along with many layers of management.

For example, the small specialty shop may have all of its employees under one category called Store Operations. A large department store may have a complete staff consisting of a manager, assistant manager and sales associates for its Sporting Goods department, Home and Garden, Bed and Bath, and each additional department.

In order to define the store's organization, start by specifying all tasks that need to be performed. Then divide those responsibilities among various individuals or channels. Group and classify each task into a job with a title and description. The final step is to develop an organizational chart.

Retailing Structure

The following is a brief outline of some of the divisions in a retail organization.

Owner/CEO or President

Store Operations: Management, Cashier, Sales,

Buyers &
Head Office

Managers

Sales Staff

Customers
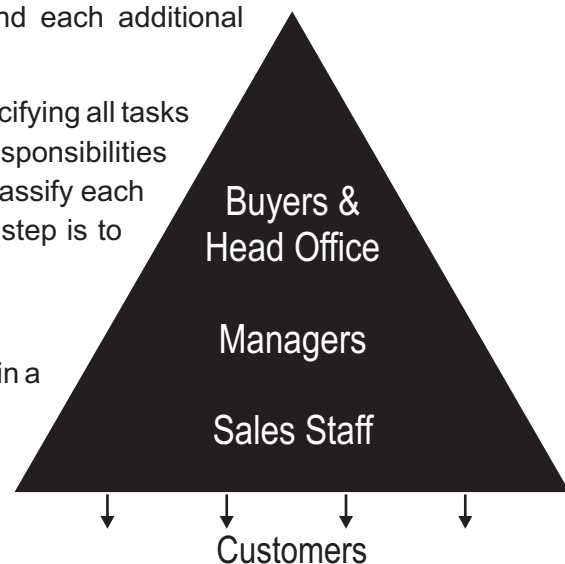
Receiving, Loss Prevention.

Marketing: Visual Displays, Public Relations, Promotions.

Merchandising: Planning, Buying, Inventory Control.

Human Relations: Personnel, Training.

Finance: Accounting, Credit.

Technology: Information Technology.

Customers

Booksellers=Buyers

Managers

Head Office

As the store grows and the retail business evolves, the dynamics of the organization's structure will change too. Therefore it is paramount to redesign the store's organizational chart to support the decision-making, collaboration and leadership capabilities that are essential during and after a growth period.
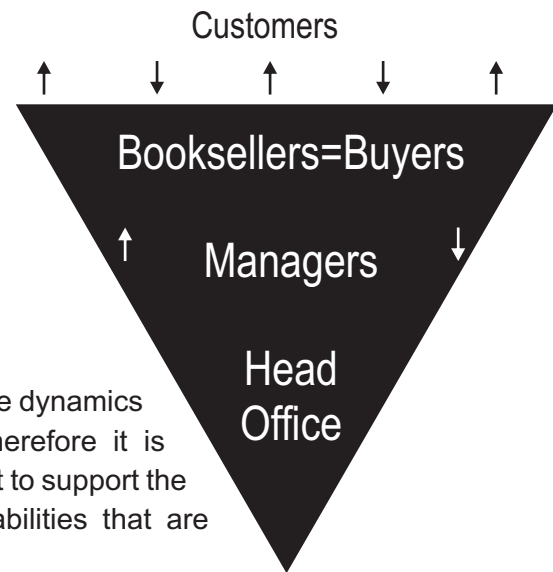
Organizational Structure

Every organization whether big or small needs a organizational design and structure. The organizational Structure is a format system through which a retail firm assigns tasks/ functions, policies, resources, authority responsibilities and rewards to achieve it goals and satisfy the needs of its target market.

Guidelines for Organizational Structure

1. Fulfilling needs of Target market
   - There should be sufficient personnel to provide appropriate customer service.
   - Personnel should be knowledgeable and courteous.
   - Store facilities should be well maintained.
   - The specific needs of branch store customers should to be meet properly.
2. Needs of Employee
   - Positions should be challenging and satisfying adequately.
   - Orderly promotion program.
   - Employee participation in the decision making.
   - Culture and organizational environmental.

The supply chain for Waterstone's is the variety of routes a finished book takes to reach each branch.

Author

Agent

Publisher

Wholesaler   Distributer

Internet   Bookshop   Book Club

Customer

The purpose of Retail business is to sell goods and services to the end users for their personnel or household, consumptions at the right time at the right place.

→ Satisfy the needs of its target market ←

Every organization whether big or small needs a organizational design and structure. The organizational structure is a formal system through which a retail firm assigns tasks / functions policies, resources, authority responsibilities and rewards to achieve its.

Types of Organizational Structure

The various factors influence the creation of organizational structure which may be:

1. Scope and Scale of operation viz. local, regional, national or international.
2. Types and nature of product sold.
3. Types of departmentalization i.e. product wise or location wise.
4. Organizational structures vary from one retailer to another.

Structure of a Retail Store, Chain Departmental Store, etc.

Owner

Owner / Manager

Responsibilities, buying, promotion, sales, human resource, operational, control, general management

Manager

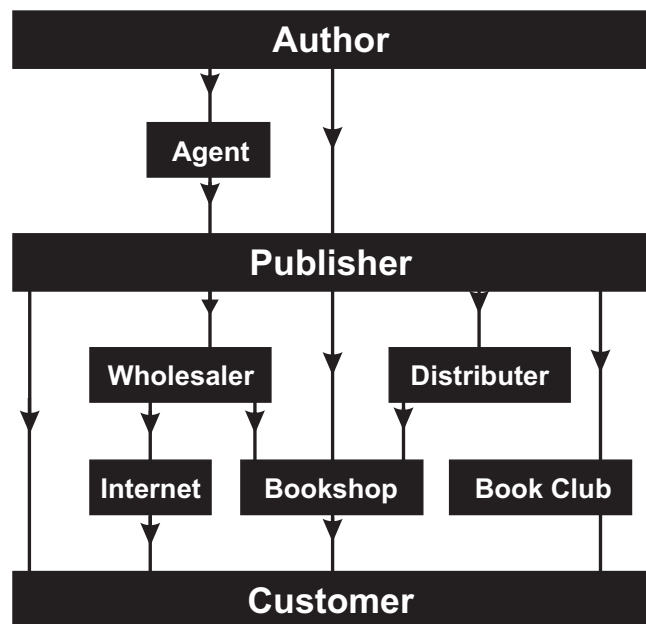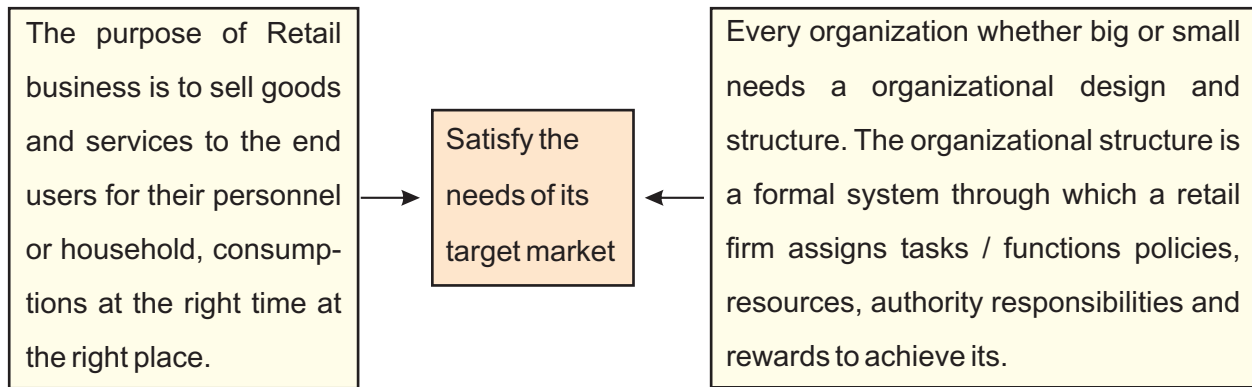| **External Advisors**	**Bank Office Staff**	**Sales Staff**
Lawyers, Chartered Accountant, Banker, etc.	*Responsibilities* Accounting and record keeping, data entry, inventory control, purchase orders, time keeping and payroll facilities management	*Responsibilities* Customer service selling stock control/ display and House Keeping

Culture & Organizational Environment

Meaning: Groups or other organization, which expert pressure and influence the divisions of an organization, comprise its environment. For example, customers who make use of the organization outputs or products, firms which supply inputs, competitions, transport firms are all important environmental units of a departmental store.

For example, customers are the most important groups for a store most of the time. However, some of the stock which sells well, goes down, the suppliers assume an important position.

Factors Influencing Cultural Change

Supplier Firms

Competitors   → Organization   ←   Customers

Policy & Rules   Firms   Users of Organizational Output

Influencing factors

ORGANIZATIONAL ENVIRONMENT
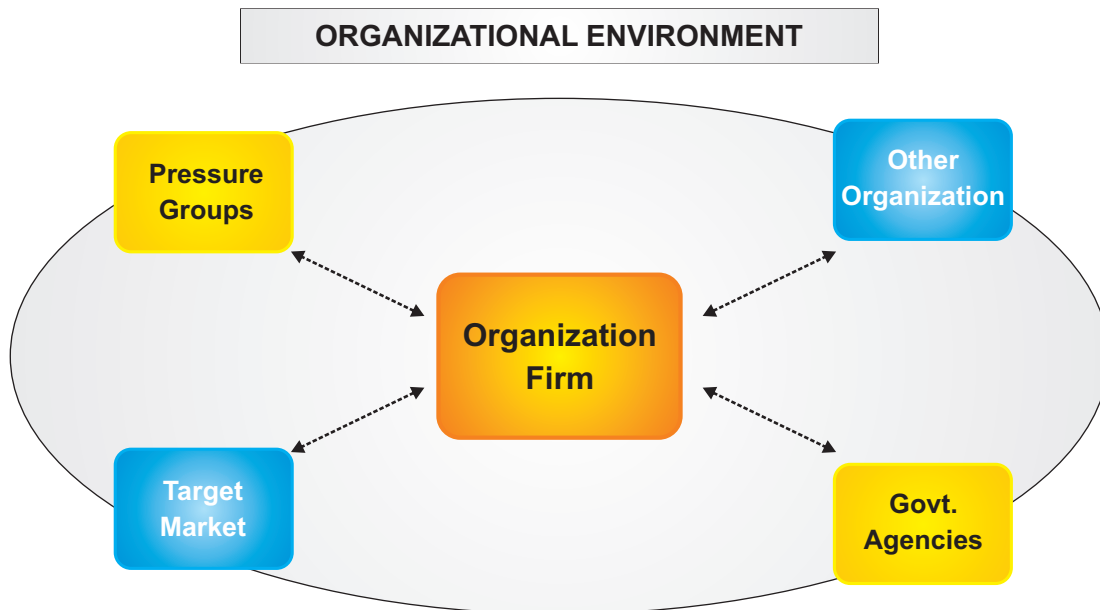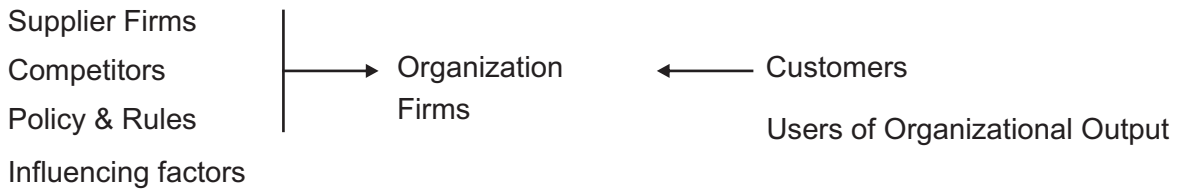
How environment affects Organizations

- ⚡ Stable environment.
- ⚡ Volatile or unstable Environment.
- ⚡ Technology changes.
- ⚡ Flexible dynamic organization.
- ⚡ Differentiation.

One element of the Career Development Framework is Waterstone's unique approach to stock management. The hallmark of decentralisation is the concept of 'freedom to act'. This means that booksellers are actively involved in making day-to-day decisions within the business. From the start of their career each bookseller is given responsibility for a number of sections within their branch, such as fiction, history, politics or travel literature. At a basic level this means that they ensure that the sections are tidy, well-ordered and customer friendly. As they become more experienced, they become directly responsible for monitoring stock quality, display and presentation, controlling budgets and marketing each section.

RETAIL ENTERPRISE ORGANIZATIONAL CHART

SHAREHOLDER

Strategy Committee — **Inspection**

BOARD

Legal Department — **Finance Center** — **Accounting** / **Cashier**

DIRECTOR

Production Department	Technical Department	Marketing Department	Customer Service	Human Resources Department
Production	Product Design Department	Brand / Advertising Creative	Information Department	Training Group
QA Manager	Research / Development Department	Promotions/ Media	Custom Management Department	Recruiting Team
Maintanance		Trade Marketing	Engineering Department	Office Support
Purchasing		Public Relations		Compensation & Benefits
Logistics		Market Analyst		

Stable Environment: Change in such an environment is small and more. This environment has very little effect on the structure and culture. For example, could be a pub in a suburb, with a stable population. The products and sales remain the same for a substantial period of time.

Unstable or Volatile Environment

Changes in the environment are frequent and intensive:

- The sudden appearance of competition.
- The closure appearance of competition.
- Consistent defect in a product.
- A large shift of employees to a new competitor.

What can a retailer do in such situations?

Options are:

- Change defective products with new.
- Comparable brands (with no extra charge).
- Return payment back to customers (change in culture).

→ Inform customers about a comparable brand of about the same price if supplies of a product stop (change in culture).

Technology Changes: Rapid technology changes demand rapid organizational change for example the frequent changes in computers require changing marketing strategies, like the offering of descanted peripherals, or maintenance services quick maintenance.

The Flexible Dynamic Organizations: Volatile markets and changing technology demand loose structures and loose interrelationship with in organization to facilities quick changes in structure & culture.

Differentiation: This refers with the process by which an organization allocates people and resources to organizational tasks and establishes the task authority relationship that allow the organization to achieve its goals or objectives.

Career Development

Stage 1

A new bookseller will be 'buddied' with a colleague through a mentorship. This shared experience enables them to learn the skills of stock management during the first stage.

They will be shown how to use Waterstone's sales and stock database. This system is called Phoenix and booksellers use the information it provides to check the sales of titles in their sections. Phoenix is an Electronic Point Of Sales (EPOS) system, which records the sales history of every book sold in a branch on a certain day. For example, if two copies of a book have sold, Phoenix will offer a recommended order quantity of two. However, the decision to reorder a particular title, and in what quantity, is dependent upon many factors. This is where a bookseller's individual judgment and specialist knowledge are invaluable. As part of their developing experience they would have to consider:

→ how well the title has sold in the past;
→ the number of customer enquiries about the book;
→ whether it had been reviewed recently in newspapers and magazines, as well as whether it;
→ had been the subject of media interest or television coverage;
→ if it was part of an in-store promotion;
→ whether it was in the national best-seller lists.

The fact that booksellers draw upon their wider knowledge and have the power and freedom to act upon it, is crucial to the concept of decentralisation as it:

→ allows branches to respond fully to the needs of customers and local markets;
→ enables branches to run with optimum stock levels. This means that the right quantity of books are in stock and that these are available when customers want to buy them.

Stage 2

Each phase of the Career Development Framework builds upon and consolidates the skills and learning acquired at previous stages. Once the principles and practices behind everyday stock

replenishment have been mastered, a Stage 2 bookseller will begin to develop skills around buying new titles for their sections from publisher's representatives. As booksellers are constantly in contact with customers and listen to their thoughts and recommendations, they are aware of changing views and the current demand for certain areas. This feedback creates market focus as it enables booksellers to develop their range of sections in a way which is tailored to the profile of their local customer base.

Stage 3

During this phase, senior booksellers are encouraged to develop the leadership skills necessary for branch management. At this level, it is important that the skills of individuals around stock management are located within the wider context of the branch, as well as the values of Waterstone's and the culture of the company. One of the ways in which Stage 3 booksellers can increase their knowledge in this area is by organising local promotions, such as 'Branch Bestsellers' or 'booksellers Choice'. These are good ways of combining the enthusiasm of the bookseller with the interests of their customers.

Waterstone's draws the attention of its customers to new titles and promotions through table displays. By working with the marketing department at Head Office, individual booksellers can produce their own leaflets, banners and table signs. This is a clear and active way of signposting titles that have been generated by local demand.

Stages 4 and 5

During stages 4 and 5, senior booksellers are responsible for co-ordinating branch events such as author signings, reading groups or school visits. This provides an opportunity to build community links and obtain first-hand feedback from customers. Booksellers can negotiate greater discount for stock sold at events and also decide upon the best way to use publicity opportunities for the good of their branch.

Supported by the Career Development Framework, decentralisation has enabled employees within Waterstone's to focus their work upon the needs of their customers. It has also empowered each individual to make his/her own contribution, not just to the success of the branch, but also to the business as a whole.

Exercise: Assignment

1. Visit to a retail organization or a shop and understand the procedure of retailing (Ask the following questions and write their reply is not more than 50 words).
2. What are the major influencing factors in designing a structure of the retail organizations?
3. What are the major factors influencing the retail environment & culture in retail organization?

   (i) What are the different categories of product that is being offered for sale in the retail shop?

   _____

   _____

   _____

(ii) What are the demographic characteristics of the customers who visit this shop?

_____

_____

_____

(iii) What are the procedure being used for selling of them in retail organization?

_____

_____

_____

Questions for Customers

(i)   Give reasons whether you feel satisfied while making purchase in the retail shop?

(ii) Give some of the short comings which you suggest to be improved in a retail shop?

Assessment

A. Fill in the blanks

1. _____ is a process of distributions channel.

2. The purpose of retail business is to sell goods and services to the _____.

3. Every organizations whether big or small needs an _____.

4. _____ are the most important group for a retail store.

B. Tick the correct answer

1. A retail organization is goods/ services sold directly to -
    a) Manufacture
    b) Whole Sealer
    c) Producer
    d) Consumer

2. The retail shop changes the format to suit the requirement of -
    a) Wholesaler
    b) Producer
    c) Consumer
    d) Tax payers

3. The retailer is a direct link between -
    a) Consumer and retailer
    b) Manufacturer and wholesaler
    c) Manufacturer & consumer
    d) Middleman the consumer

Checklist for Assessment Activity

Use the following checklist to see if you have met all the requirements for Assessment Activity.

Part A

➥ Identify the need of organizational Structure.

➥ List out the features of organizational Environmental.

➥ Differentiate between organized & unorganized organizational structure.

Part B

Discussed the following in the class:

➥ What is organizational structure?

➥ What is the importance of organizational structure?

➥ How an environment affects organization?

➥ Explain factors that influence factors for cultural change?

➥ What are the advantages of being a organized organization?

Part C

Performance Standards

The performance standard may include, but not limited to:

Performance Standards	Yes	No
List out the features of organizational environmental.		
Able to Identify the need of organizational structure.		
Differentiate between organized & unorganized organizational structure.		

SESSION 2: RETAIL RESEARCH

Relevant Knowledge

Until a few years ago, retailers would go about their job of selling and the task of unraveling the customer's mind was left to market research departments of advertising agencies. However today, the Indian market cannot be addressed as a mass market to be served in a single way.

Retail research is the function that links the customer and public to the markets through information used to identify and define marketing opportunities and problems generated, refine and evaluate marketing actions, monitor marketing performance and improve understanding of marketing as a process.

Retail research specifies the information required to address their issues, designs the method for collection information, manages and implements the data collection process, analyses and communicates the findings and their implications.

Retail research helps to:

●❖ Undertake market situation analysis.

●❖ Work at developing strategy to build competitive advantage.

●❖ Work out specific market development programmes.

●❖ Implement the strategy with measurable objectives.

The marketing environment is undergoing rapid change and the need for real time market information is greater today than at any time before. There is a visible shift in demands of the customers. They are more quality oriented and wish to make marketing a pleasurable experience. They have less time to shop. On the other hand, opening up of economy and globalisation has pumped in so many imported products in the market that domestic products face tough competition. Retail business is now getting organised, and expanding its roots in the national as well international market.

Research Components

Segmentation: Market segment is an important process to divide the mass market into a smaller homogenious semgment on the basis of certain variables. Research can help to know the effective variable prevelant in the retail market. The most common segment variable are as follows:

1. Geographical variable - state, district, division, tehsil, etc.
2. Demographic – age, gender, education, occupation, etc.
3. Behavioural – personality life style.
4. Psychographic – benefits sought, buying readiness stage (AIDA).

Competition: It is integral part of retail market. It is essential that every retail store should know about their competition. This information can be collected by competitive research. In this research we come to know the level of competition in terms of following:

1. Industry competition.
2. Product form competition.
3. Brand competition.
4. Price competition.
5. Promotional competition.

Market Information System (MIS)

MIS is based on three activities:

1. Marketing research system.
2. Marketing intelligence system.
3. Internal company records.

This consists of a system of people, equipment and procedures for collecting and processing information. This operational system manages to collect, sort, analyze, evaluate and distribute the requisite information at the right time to the right person i.e. needed, timely and accurate information to decision maker. There are number of sources for market information records (news items, annual reports, information brochure, audited reports, etc.) intelligence activities, research and analysis.

Developing a Management Information System (MIS)

People

Equipment   Procedures

Operational System

Collect

Sort

Analyse

Evaluate

Distribute

Information Processing

- Needed
- Timely
- Accurate

Information to Decision Maker

Desired Output
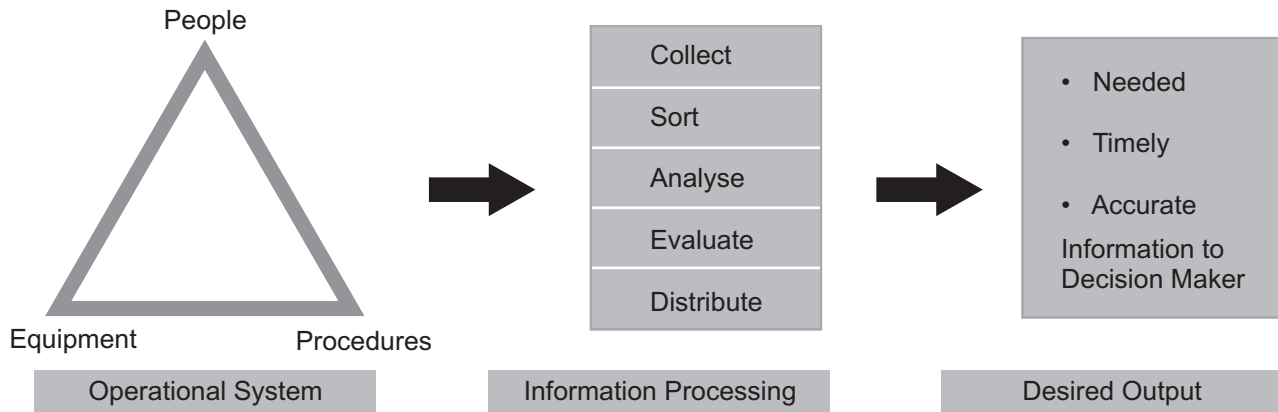
The Company's MIS should provide the information needed by the owner or managers for effective management of store's operations.

It provides answers to questions asked to the manager, like:

➡ What decisions do you regularly make?

➡ What information do you need to make these decisions?

➡ What information do you regularly get?

➡ What special studies do you periodically request?

➡ What information would you want that you are not getting now?

➡ What information would you want daily? Weekly? Monthly? Yearly?

➡ What magazines and trade reports would you like to see on a regular basis?

➡ What topics would you like to be kept informed about?

➡ What data analysis programmes would you want?

➡ What are the four most helpful improvements that could be made in the present marketing information system?

Internal Records

Information is generated from internal reports on orders, sales, prices, costs and inventions, receivables, payables and so on.

➡ The order to payment cycle provides a huge amount of records and information.

➡ The sales department is the custodian of sales, items preferred, items out of stock, money received, number of customers etc.

➡ The receiving department provides data on items received, how much, when and where.

➡ Inventory departments possess data on stock levels.

➥ The shop floor employees provide data on the footfalls, type of customers, customers' preference, customer complaints, product preference, etc. provide daily record are maintained for these items.

Marketing Intelligence

This is a set of procedures and sources used by the owners/managers to obtain regular information about developments and events in the marketing environment.

Information is collected by reading books and journals, newspapers, trade publications, advertisements, talking to customers, suppliers and distributors, and meeting other firm employees.

Information gathering can also occur on the shop floor if the sales persons are alert enough to listen to customers in detail. Distributors can pass on important information since they deal with many other retailers. Information can also be obtained from purchasing competitor products, attending their discount sales, talking to their employees and observing their procedure and technology. This is done discreetly by the owners/ managers.

Some firms set up 'customer advisory panels', consisting of representative customers like the large customers and significant VIPs who buy from them. The panel can meet once in three months or so and advise the company on what they think would be improvements to existing activities. Some company also hold focus group discussions with customers to find a variable strategy for sales enhancement.

An important source is the Internet and websites. Much can be learned about competitors from the source.

Market Intelligence, once collected, is circulated to important company personnel, to obtain their views and ideas on reading or observing the intelligence information.

This information is also verified from the available data from secondary sources like company annual reports, etc.

Purpose and Types of Research Methods

Retail research is the function that links the consumer; customer and public to the markets through information- used to identify and define marketing opportunities and problems; generate, refine and evaluate marketing actions, monitor marketing performance and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyses and communicates the findings and their implication.

The above definition of Marketing Research highlights its role in aiding the process of decision making. An important feature is that of including the specific and interpretation of the needed information. Organizations can also achieve sustainable competitive advantage by making unique or intelligent or creative use of market information. Similarly with the help of retail research, retailers

can analyze the market situation and develop strategies to build up sustainable competitive advantage.

Retail Managers Decision Making Process

Retail Research helps managers to

Undertake market situation analysis

Work at developing strategy to build competitive advantage

Work out specific Market Development Programmes

Implement the strategy with measurable objectives

Retail research can help retailers to take important marketing decisions such as market positioning, which retail format will be most suitable for the particular target market, how best to display merchandise and so on. The retail manager's decision making process takes place in the form of steps analysis - developing strategy - market development programmes - implementation. This is usually a continuous process depending upon the particular market's situational requirement the retailer may be required to alter the decision taken.

At the retail level, research is used for concept testing, business feasibility analysis, identifying the correct product mix, understanding the target markets' profile, understanding and analyzing consumer behaviour and so on. Retail research will help the retailer to have a thorough understanding of how customers make decisions on choice of retail outlets, products of interest/trend, specific target markets need and requirements, competitors moves, selection of the ideal product mix to be used, visual merchandise and merchandising management, the retail marketing mix, store location decisions etc. Retail research will provide the retailers some valuable insights into consumer decision making process and therefore will be useful for' retail management decision making.

Qualitative Research Methods

The qualitative research is used to find out what is in a consumer's mind. Through the qualitative research, the retailer will be able to get oriented to the range and complexity of consumer activity and concerns. Such data usually helps the retailer to know more about things (like feelings, thoughts, intentions, past behaviour etc.) which cannot be directly observed and measured.

For the purpose of developing a product mix, the focus groups are treated as lead segments among the target market and their product preferences are studied. This is carried out by:

⮞ Identifying the most likely product positioning/proposition in the focus or target group.

⮞ Getting cues on the various features which go into the shopping specifics such as ambience,

shopping needs and requirements, style preferences, the certain must have and the don'ts, and so on.

➯ In order to attract the peripheral target group, conduct a negative check on the preferred initiative among the secondary target market.

In qualitative research, the methods used are less structured and more intensive than standardized questionnaire based interviews. Only a small number of respondents are used to represent the target market, making them preludes for structured, large scale field studies.

There are three major categories of acceptable uses of qualitative research methods:

(a) Exploratory Research Method:
   ➯ Defining the problem in detail.
   ➯ Suggesting hypotheses to be tested in subsequent research.
   ➯ Generation of new product or service concepts, problem solutions, product features and so on.
   ➯ Obtaining preliminary reactions to new product concepts.
   ➯ Pretesting of structured questionnaires.

(b) Descriptive Research Method:
   ➯ Getting to know the consumer's best view and vocabulary.
   ➯ Educating the researcher to an unfamiliar environment: wants & needs, satisfaction level, usage situations and problems.
   ➯ Gaining insights of issues which otherwise might be impossible to pursue with structured research methods.

Japanese firms use qualitative data quite heavily. They have a preference of the 'soft data', collected by managers during visits to dealers and customers which is considered to be more realistic and context specific information. Such information helps understand more about consumer attitudes, the way the product has been or will be used.

Qualitative research can take the form of-

Individual In-Depth Interviews (face-to-face with respondent).

Focus Group Discussion (with a group of respondents such as exploratory focus groups, clinical focus groups and experiencing focus groups).

Projective Techniques (presenting an ambiguous, constructed object, activity or person which a respondent is asked to interpret and explain-word association, completion test, picture interpretation, third person techniques, role playing, case studies etc.).

Quantitative Research through Survey

The survey, in its many forms, is one of the most widely used and well known method for acquiring marketing information by communicating with a group of respondents.

Information can be obtained by asking questions or observing the behaviour of consumers. The term respondent literally means "one who responds, answers".

Quantitative survey studies the 'target demographic groups' by mapping the current market trends according to the need based behaviour of the consumers and thus determine the right profile of the target market. The survey can be used to obtain information from consumers, retailers, industrial users, etc. all those who are knowledgeable about the problem on hand. Consumers are asked questions through personal interviews, telephonic interviews and mail questionnaires. They can be asked for information as either part of a self contained, on-time survey or repetitively as part of a continuing panel. Questionnaires can be used to gather information about the level of knowledge, attitudes, opinions and motivations, or intended behaviour. Specifically put, survey can help to understand the consumer's behaviour such as:

- Current shopping pattern in terms of frequency of shopping, amounts spent, feedback on the retail experience etc.
- To know the size of the target market segment.
- The retail formats currently being used to satisfy the need.
- The size of the core target.

We take a hypothetical example. Say the HDFC bank is considering of providing its current customers a service of direct payment of the credit card bills, electricity bills and other utility bills. For this, the bank will have to undertake a survey study to determine how much the current customers knew about this type of service, their attitudes and opinions about it and whether they intended to use it, it provided with one. Thus the survey can help the researcher to gather the desired information.

The interviews along with knowledge of the shopping routes will help the retailer to gain a better understanding of the underlying reasons behind in-store behaviour.

Observation Method of Research

Observation is another data collection method where the relevant behaviours of customers are observed, but it is limited to providing information on current behaviour only. Although this is a limitation, there are researchers who have preference for observational method and treat ongoing behaviour as an integral part of the research design.

The benefits of observation method is that it is the least expensive and accurate method of collecting information (and data) and can measure consumer behaviour at the point of sale. It will be easy to observe and answer questions such as:

- What is the in store traffic pattern?
- What is the customer's reaction to the displays, visual merchandising, etc.?
- What is the pattern of customer's movement within the store?
- Which are the brands closely examined/preferred by the shoppers?
- What is the customer's reaction to private/in-store labels?
- Which are the frequently asked questions by the customers?
- What is the frequency of visit to the store, by the customers?

Observation of consumers can be done by either having trained observers to discreetly observe

shoppers/shopping pattern of the customers or have a prerecruited shopper be shadowed throughout his shopping exposure (from house to store and back). Or have hidden cameras fixed at the shopping complex which can be operated by remote control.

Globalization

Firms expand their market coverage and boundaries beyond states and nations today as shown in diagram. Organized retailing has made it possible to develop the business systematically and cross national boundaries. This has come about due to the advent of information and communication technologies.

Expansion of a Research of a Firm/ Industry
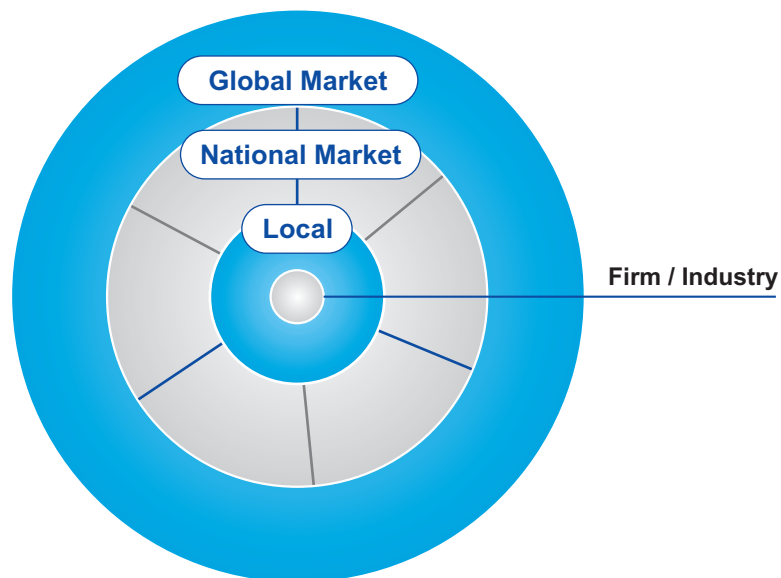
Exercise: Assignment

1. Visit practically to the mall and see how the retail research work is done.
    ➡ Ask questions from the shopkeeper.
    ➡ Which method they are using for research.

2. Work in a group to use the method of survey or research and make a questionnaire which will include 2 to 3 questions like,
    (a) Methods of research used.
    (b) How practicable is your research?
    (c) How your research is done?

3. Study the base of survey in retailing and make a brief note on the same.

4. Practically work in the field if possible and use the methods of research of your own, used in retailing.

Assessment

A. Fill in the blanks

1. Please fill the form properly is a _____ feedback.

2. _____ is another data collection method where the relevant behaviour of customers are observed.

3. _____ the function that links the consumer, customer and public to the market through information.

4. _____ is used to find out what is in a consumer's mind.

5. Information is generated from _____ in retail research.

B. Tick the correct answer

1. Retail research helps to make the work -
   (a) Comfortable
   (b) Uncomfortable
   (c) Measurable
   (d) Un-measurable

2. Retail research is the function that links the customer -
   (a) Customer and public to market
   (b) Public and customer to market
   (c) Market and customers
   (d) Retailers and wholesalers

3. Each of the following is associated with _____ in retailing research -
   (a) Manufacturer
   (b) Producer
   (c) Partnership
   (d) Kirana stores

C. True or false

1. Retail research is the function that links the customer, customer & public to the market.
2. Qualitative research is used and not to find out what is in a consumer's mind.
3. Retail research specifies the information requires to address their issues.
4. The marketing environment is undergoing a rapid change and the need for real time.

D. Answer the following questions (in not more than 3 to 4 lines)

(i) What is retail research? Explain with example.

_____

_____

(ii) What is the purpose of retail research?

_____

_____

_____

(iii) Explain in brief quantitative research through survey.

_____

_____

_____

(iv) What is observation method of research? Explain in brief.

_____

_____

_____

(v) What are the methods used in research method? Explain one method in brief.

_____

_____

_____

(vi) Give some of the benefits of observation method in retail research.

_____

_____

_____

Checklist for Assessment Activity

Use the following checklist to see if you have met all the requirements for Assessment Activity.

Part A
- Difference between the marketing research system and marketing intelligence system.
- Distinguish between qualitative and quantitative resource.
- Difference between internal external records.

Part B
Discussed the following in the class:
- What are the research components?

- ❧ What do you mean by retail research?
- ❧ What is marketing intelligence?
- ❧ Explain the process of qualitative research.
- ❧ How to conduct quantitative research?

Part C

Performance Standards

The performance standard may include, but not limited to:

Performance Standards	Yes	No
Able to identify the types of research methods.		
Differentiate between marketing research system and marketing intelligence system.		
Distinguish between the qualitative and quantitative research methods.		

SESSION 3: RETAIL STRATEGY

Relevant Knowledge

Definition

A marketing plan that details how a business intends to offer its products or services to consumers and influence their purchases. For example, a typical retail strategy might illustrate how best to place and display a company's products in retail outlets and how to attract optimal consumer interest at those locations with such things as price discounts, placement, retailer incentives and signs.

Retailing Strategy

To be successful, a retailer must distinguish itself from other retailers and develop a strategy for satisfying the needs and preferences of a specific consumer group. This strategy, called a retail mix, involves careful consideration of (1) the product to sell, (2) the quantity at which to make the product available, (3) the location at which to sell the product, (4) the time to make the product available, (5) the pricing of the product, and (6) the appeal that can be generated to attract the consumer's interest.

The Product

Retailers strive to offer products that appeal to the tastes of the consumer are of good quality and function properly. Sometimes the product must also provide psychological and emotional benefits, such as prestige or convenience. For example, an expensive watch with a well-known, visible brand name may give its owner a sense of prestige.

Quantity

Unlike wholesalers, who sell goods in quantities that often are too large to be useful for individuals

or families, retailers sell products in small quantities that are more convenient for consumers? For example, wholesalers may sell jeans to retail stores in lots (units) of a dozen pairs each. Retailers then sell consumers jeans by the individual pair.

Location

A retailer's location must be convenient. In locating retail stores, retailers consider the market or town in which they want to establish themselves, the part of town to be in, and the actual site of their store. In some cases, no store is involved because the right location for shopping for a product is the consumer's home or place of business. These retailers without stores, known as non-store retailers, act as direct marketers by contacting customers directly through mail, the internet, television, telephone, or other means.

Timing

Retailers must make their products available at times when consumers are willing and able to buy them. Retailers identify consumer buying patterns and adjust such things as store hours, inventory levels, and promotional programs to accommodate consumers. Retailer's also identify special times that generate opportunities to sell merchandise, such as holidays, changing seasons, and special occasions, such as weddings and school graduations.

Pricing

Retailers use different pricing strategies to attract different consumers. For example, some stores use low or discount prices to attract economy minded consumers, while some stores set higher prices to convey an upscale image.

Appeal

Retailers work hard at creating an image of their store or product that customers find appealing. Retailers use such promotional techniques as advertising and public relations to create awareness and build interest in their products. These techniques also attract customers to the retailer's store, provide valuable information about the retailer, and persuade customers to buy.

Manufacturer Retail Strategy

This service helps manufacturers set up retail operations so as to leverage the returns on their brands/products.

For Whom?

Manufacturer retail strategy service addresses the requirements of:

- Manufacturing companies ideating to venture into the retail space.

- Manufacturers who are looking at the retail space as a part of their growth and diversification strategy.

- Manufacturing companies who believe in value co-creation with customers by controlling the retail operations of their brands.

The Methodology

Why Integrated Retail?

Integrated Retail carries out Manufacturer Retail Strategy based on the following strengths:

➦ Large team with over 200 man-years of retail operations and business experience.

➦ Successful implementation track record of similar projects.

➦ Constantly updated repository of best business practices in retail from across the world.

➦ Data bank of benchmark retail performance data.

➦ Access to macro-economic data impacting overall retail and consumer businesses.

Developing the Retail Strategy

After going through all the above, you should be able to:

1. List the steps involved in strategic retail planning.
2. Understand the concept of an organization's mission statement.
3. Evaluate the issues involved in a situation analysis.
4. Identify the major strategic alternatives available to retailers.
5. Discuss the factors involved in deciding on markets in which to compete.
6. Review the components of retail positioning strategy.
7. Understand the implementation of the strategy.
8. Discuss the issues involved in evaluating and controlling retail operations.

Setting Objectives

Management's task, after agreeing on the mission statement, is to establish objectives. Objectives are statements of results to be achieved. Objectives may include profitability, sales volume, market share, or expansion results.

Conducting a Situation Analysis

Once objectives are set, management must decide on a plan for achieving them within the context of the firm's mission. This plan is based on an analysis of the strengths and weaknesses of the organization and the threats and opportunities in the environment. This assessment of internal strengths and weaknesses and external threats and opportunities is referred to as a **situation analysis**, popularly known as SWOT analysis (strengths, weaknesses, opportunities, and threats).

Table 3.1: SWOT Appraisal	
Internal Appraisal	**External Appraisal**
Strengths	**Opportunities**
☞ What is the firm's present position?	☞ In what areas could success be achieved?
☞ What is the firm good at?	What favourable environmental trends exist?
☞ What major resources/ expertise exist?	☞ How are markets developing?
Weaknesses	*Threats*
☞ What is the firm's present position?	☞ Where is performance likely to suffer?
☞ What are the major problems faced?	☞ What unfortunate environmental trends exist?
☞ What is the firm poor at doing?	☞ How are competitors behaving and developing?
☞ What major resources/expertise deficiencies exist?	
Source: Nigel Piercy, "Analyzing Corporate Mission: Improving Retail Strategy", *Retail and Distribution Management,* March/April 1983, p. 35.	

Market Penetration

Retailers following a strategy of market penetration, which targets existing market segments with existing formats, seek a differential advantage over competition by a strong market presence that borders on saturation. Market penetration is often used by retailers because it builds on the firm's existing strengths, which include knowledge of current customers and their preferences and the firm's familiarity with the merchandising lines. Such a strategy is designed to increase (1) the number of customers, (2) the quantity purchased by customers, and (3) purchase frequency.

Increasing the number of customers

Strategies designed to increase the number of customers is one way of increasing sales and profitability. Adding stores and modifying in-store offerings can lead to more customers. Sears Canada has added new national brands, devoted more space to apparel, and added more private labels to attract more customers to its stores. For years, Sobey's has added new stores in Atlantic Canada to increase its dominant position in this market. Sobey's also continues to remodel existing stores making them brighter and larger-to attract more customers. As well, a penetration strategy could include the use of the retailing mix variables to ensure:

1. The lowest price lines and the lowest prices within the market area.

2. Extensive width and depth of consumer goods such as health and beauty aids and house-wares.

3. Aggregate convenience including location, parking, hours, and ease of purchase; features such as supermarket-like front ends, total merchandise display, wide aisles, easy-to-see-and-locate merchandise groups, shopping carts, and usually a single display floor.

Increasing the quantity purchased

Improving the store layout and merchandise presentation can help to create an atmosphere that is conducive to more spending. Loblaws invests substantial sums to renovate existing stores to provide a comfortable shopping environment, and has expanded produce, seafood, deli, and bakery departments to get more customers into the stores and to increase the quantity purchased. Another approach is to encourage salespeople to cross-sell. Cross-selling involves salespeople from one department attempting to sell complementary merchandise from other departments to their customers. For example, a salesperson who has just sold a pair of dress pants to a customer would take the customer to the shirt and tie area to sell the customer a shirt and tie that complements the pants.

Segmenting Markets

The market segments selected by management must be:

1. Measurable- Is the segment measurable and identifiable?

2. Accessible- Will focusing marketing efforts on a particular market segment has a positive impact on eliciting desired responses?

3. Economically viable- Is the segmentation variable shared by enough potential customers to justify the expense and effort of focusing marketing efforts on that segment?

4. Stable- Are the consumer characteristics stable indicators of market potential?

In strategy development, consumers can be viewed in one of three ways, depending on the product or service offered:

1. **Similarity:** All consumers are viewed as basically similar. Although differences such as age, income, needs, and preference exist among them, these differences are not thought to be important influences on the purchase of the firm's specific product class. A standard product will essentially satisfy most consumers. For example, in retailing, convenience stores provide a merchandise mix, wide variety, and little depth, all of which focus on the customer's primary reason for shopping at the store convenience and ignore the differences.

2. **Differences/similarities:** Consumer differences and similarities are important sources of influence on market demand. These differences and similarities facilitate the grouping of consumers in aggregates and appeal to these aggregates on common bases. For example, most womenswear retailers target specific segments based on various descriptors including age and lifestyle. The Dalmy's chain, which has five store banners to target different segments, has defined its target for the Dalmy's division as younger fashion conscious women in the mid-price market.

3. **Uniqueness:** All consumers are somewhat different. The differences among them make a standardized offering unacceptable. Market offerings must be tailored specifically to the needs of a very narrowly defined group of consumers. For example, high end menswear retailers, like Harry Rosen, provide a made-to-measure service for men wanting custom made suits.

Target Market Selection

No single best way exists for selecting target markets in which to compete. Often, management begins by looking at the entire market in terms of both the size and consumer segments to which it might appeal. From these segments, it identifies a smaller number of segments that hold the most promise for the firm these are the possible targets. Next, management zeros in on these possible targets and applies a set of screening criteria to help select the final targets. A number of variables are normally evaluated for each target to determine the ones most compatible with the organization's resources and skills. Typical criteria are shown in Table 3.1. They include the growth potential of each likely target market, the investment needed to compete, and the strength of the competition. The possible market targets are evaluated by deciding (1) on a weight for each factor and (2) how each possible target rates on each factor. Multiplying the weights by the ratings yields a score that is summed for each target. The total score for each target allows management to objectively evaluate each target. This lets management select targets for further development of marketing strategies. Table 3.2 provides an example of a retailer who has evaluated four targets, with young professionals scored as most attractive and middle-age as least attractive.

Once retailers have chosen target markets in which to compete, a plan must be developed for attracting targeted consumers. The basis for such planning is a thorough understanding of those consumers-their behaviour, values, motives, and expectations.

The importance of developing and maintaining a positioning strategy must be stressed, especially in an era when competition in retailing is fierce. When Zellers' positioning was threatened by the entry of Wal-Mart into Canada, it reconfigured its stores to provide for broader, more competitive merchandise assortments and repriced its merchandise to maintain its dominant position against all competition. The positioning strategy involves the use of retailing mix variables. The retailing mix consists of all variables that can be used as part of a positioning strategy for competing in chosen markets. As shown in Figure, the retailing mix variables include product, price, presentation, promotion, personal selling, and customer service.
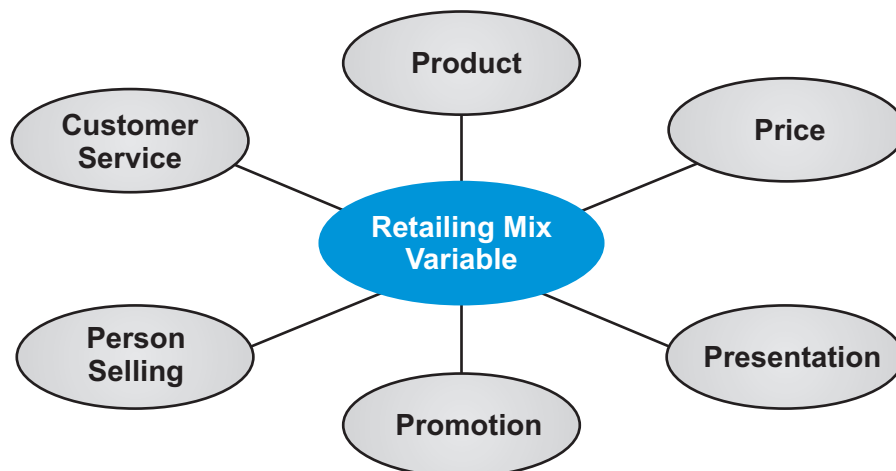
Retailing Mix Variables

Table 3.2: Variables of the Retailing Mix and Types of Decisions	
Variable	**Types of Decisions**
Product	Merchandise lines (width, depth, assortment), Brand lines (national, store, generic), Supplier selection, Inventory levels.
Price	Pricing policy (above, at, below the market), Price levels, Price adjustments.
Presentation	Store design, Store layout, Merchandise presentation.
Promotion	Advertising budget, copy, and media, Sales promotions, Publicity and public relations.
Personal Selling	Selling sales force size, training and compensation, Motivation of staff.
Customer Service	Support services, Credit policies, Returns policies.

Strategy Implementation

A sound strategy is no guarantee of success if it cannot be well executed. To implement a firm's desired positioning effectively, every aspect of the store must be focused on the target market. Merchandising must be single-minded; displays must appeal to the target market; advertising must talk to it; personnel must have empathy for it; and customer service must be designed with the target customer in mind.

The Gap, a popular and profitable specialty clothing chain, will be used to illustrate how the marketing mix variables play a critical role in positioning efforts within target markets. The Gap has over 1,200 stores in the U.S. and Canadian markets, targeting consumers with a simple, yet powerful positioning strategy-good style, good quality, and good value. The blend of some of the retailing mix variables in support of this position strategy is:

Table 3.3: Marketing Mix Variables	
Variable	**Types of Decisions**
Product	The Gap designs its own clothes with the focus on simplicity. New collections hit the stores about every eight weeks and unpopular designs are marked down and quickly sold off.
Price	Strict quality control procedures and using manufacturers in 40 countries ensures high quality, low costs, and a very good price for customers.
Presentation	Merchandise is displayed to emphasize the deep assortment of colours and is laid out on tables and shelves where it can be easily touched.
Promotion	Advertising for The Gap has been striking, including the "Individuals of Style" campaign, a series of black-and-white photos of personalities from Miles Davis to K.D. Lang. The message communicates an individual sense of style.
Personal Selling	Sales staff receives no commission but constant contests are run to motivate the staff to provide quality service.
Customer Service	The Gap accepts all credit cards.

Evaluating and Controlling Operations

Once a strategy is implemented, managers need feedback on the performance of the new strategy. Some types of information are needed on a routine, ongoing basis to help management determine whether objectives have been met.

The effectiveness of the long-term competitive strategy of the firm, however, must also be evaluated periodically. Such an evaluation covers all elements of the plan, as shown in Table 3.4. This type of evaluation guarantees that the firm's plan does not degenerate into fragmented, ad hoc efforts that are not in harmony with the overall competitive strategy of the business. Management can also use the process to decide what changes, if any, should be made in the future to ensure that the combination of retailing mix variables supports the firm's strategy.

Table 3.4: Evaluating Competitive Retail Strategy	
Merchandising Plan	**Financial Plan**
1. What is the growth pattern of existing merchandise lines? 2. Is the merchandise line portfolio balanced? Should merchandise lines be added or deleted? 3. Should product line breadth or depth be modified? 4. What is the strength of the individual brands carried? 5. Are the merchandise lines properly positioned against the competition and in support of the marketing plan? 6. Does the firm have an adequate open-tobuy plan? 7. Are adequate inventory controls in place?	1. Is a profit analysis possible, including a break-even analysis and analysis of ROI and leverage? 2. What are the profit margins by merchandise line? Are they increasing or decreasing? How do they compare to those of the competition? Compare with trade statistics where possible. 3. Does the firm have a sound accounting and information system? 4. What are the trends in such indicators as return on assets, earnings per share, and net profits?
Pricing Plan	**Physical Facilities Plan**
1. What are the profit margins on the merchandise lines carried? Are they increasing or decreasing? How do they compare to those of competition? 2. Are the pricing policies, including price lines (at, equal to, or above the competition), appropriate for each target market? 3. Does pricing have a primary or secondary role in the marketing plan? 4. Is a realistic system for planned markdowns in place?	1. Is adequate emphasis placed on space productivity? 2. Is flexible fixturing used whenever possible? 3. Does signing provide adequate information to shoppers? 4. Do the atmospherics support the other elements of the marketing plan? 5. Is merchandise arranged for easy cross selling whenever possible? 6. Is lighting appropriate for each area?

Advertising and Sales Promotion Plan	The Retail Information System
1. Are the objectives for advertising and sales promotion clearly stated? Do they support the marketing plan? 2. Is the media mix supportive of the marketing plan? 3. Are budgets adequate to accomplish the objectives? How are budgets established? 4. Are the creative strategies compatible with the marketing plan? 5. Does the firm have weekly, monthly, and seasonal plans for such activities in place?	1. Does the merchandise information system provide the information needed for key operating decisions? 2. Is a sound, competitive shopping system in place? 3. Is someone in the firm responsible for evaluating environmental trends that can affect the continuing success of the firm? 4. Are the financial and merchandising ratios of the firm regularly compared to comparable trade statistics?
Distribution and Sales Support Plan	**Human Resources Plan**
1. Are customer service levels such as on warranties and repairs satisfactory? What weaknesses exist? 2. Are mail and telephone sales programs compatible with the overall marketing plan? 3. Are the after-sales delivery programs, if any, compatible with the marketing plan? 4. Are the credit programs offered cost effective? Should credit options be added or deleted? 5. Is the breadth and intensity of market coverage satisfactory for a firm with branches or multiple outlets?	1. Does the firm have the talent to execute its marketing strategies? 2. Is the firm adequately staffed? 3. Are the firm's selection and recruiting efforts and training programs adequate? 4. Are the firm's pay scales adequate? Are opportunities for promotion available? Are performance appraisals and feedback occurring? 5. If several outlets exist, are personnel decisions centralized or decentralized? 6. Are disciplinary procedures in place? 7. Do union/management relations receive adequate attention?

Great Opportunities in Retail in India

Retail Philosophy - *"By The People, For The People and Of The People"*

Retailing involves selling products and services to consumers for their individual or family use. As the final link between consumers and manufacturers, retailers are a vital part of the business world. Retailers add value to products by making it easier for manufactures to sell and consumers to buy.

The Indian Retail Sector can be broadly classified into -

Why should you opt for a Career in Retail?

Retail in India picked up in the 1980s, when the country started to open its economy. Today, the Indian retail industry is evolving at a fast pace.

India ranks first in the 2005 Global Retail Development category, and is rated one of the most attractive emerging retail markets in the world. The share of modern retail is likely to grow from its current 2 percent to 15-20 percent over the next decade, analysts feel. No wonder a heavyweight

like Reliance, The Aditya Birla Group, Spencers and international brands like Wal-Mart, Fossil, Metro are all planning to be in India.

Assessment

Retailing is not just about selling or filling shelves, and by no means are all the job opportunities in the stores themselves. Being a people-oriented business, it is imperative that anybody interested in having a long stint in retail must have the following skills:

- Communication skills.
- Positive Attitude.
- Leadership qualities.
- Analysis and problem-solving skills.
- Attention to detail.
- Keen Business sense.
- People Management Skills.
- Self-confidence.
- Time management skills.
- Team work.

Supermarket & Super Grocery Stores

Apparels & Footwear

Health & Wellness

The Great Indian Retail Sector

Home Furniture Furnishings & House Hold Appliances

Consumer Durables

Lifestyles & Personal Products

A career in retail is truly dynamic. Talented, dedicated people, who possess a wide variety of skills, are needed to effectively run a large retail business. And today considering the tremendous growth of the sector, retail management has emerged as one of the fastest growing careers in the country.

Great Career Options under Retail in the areas of-

- Buying and Merchandising.
- Supply Chain Management.
- Marketing.
- Sales.
- Stores Management as an independent profit centre.

Some of the top Business Houses in the country who are pumping money by the billions :

- Reliance Group.
- ITC Retail.
- Aditya Birla Group.
- Tata Group (Trent & Westside).
- Shopper Stop.
- Futures Group (Big Bazaar, Pantaloon).
- Apparel Chains.
- Raymond's.
- Arvind Brands.
- Lifestyle International.

Top Retailers Worldwide

- Wal-Mart Stores Inc., USA.
- Carre four Group, France.
- The Kroger Co., USA.
- The Home Depot, Inc., USA.
- Metro, Germany.

Emerging Avenues in the Retail Sector

- Corporate Planning.
- Project Management-Store Construction.
- Customer Relationship Management.
- Trend Forecasting.

Fast Growing & Exciting Verticals in Retail in India Today

- Super Market Chains.
- Mega B2B Cash and carry store like The German Giant – Metro.
- Telecom.
- Health & Wellness.
- Lifestyle Stores (Watches, Perfumes, Fashion Products, Accessories).
- Apparels.
- Sports.
- Jewelry.
- Fashion.
- Foot ware.

Retailing is a vertical industry – Positions exist from sales floors to the boardrooms. Through it's strong connections with sectors such as tourism and hospitality, retail has the potential of creating jobs in these sectors.

Exercise: Assignment

1. Visit to a retail shop nearby your locality, interact with the shopkeeper and ask the following questions and come back to your schools and write their reply in not more than 50 words.

Questions for Shopkeeper

(i) What are the different kinds of strategies in retailing a shop keeper can come across while retailing?

_____

_____

(ii) What are the different advantages of Marketing Strategies while retailing in a shop?

_____

_____

Assessment

A. Fill in the blanks

1. Develop a strategy for satisfying _____ and _____ of a specific consumer group.
2. Retailers use different pricing strategies to attract different _____.
3. Retailing involves selling _____ and _____ to customers for their individual or family use.

B. True or false

1. Retailers strive to offer products that appeal to the tastes of the consumer.
2. Retailers sell products in small quantities that are not convenient to the customers.
3. Retailers with out stores called as non-store retailing.

Checklist for Assessment Activity

Use the following checklist to see if you have met all the requirements for Assessment Activity.

Part A

➥ Identify the status of retail strategy.
➥ Specify the essential of retail strategy.
➥ State manufacturing retail strategy.
➥ Why integrated retail.

Part B

Discussed the following in the class:

➥ What is retail strategy?
➥ State some of the essentials of retail strategy?
➥ Why integrated retail explain?
➥ How to develop a retail strategy?
➥ Show the methodology of retail strategy through chart?
➥ What are the requirements of segmentation in retail strategy?

Part C

Performance Standards

The performance standard may include, but not limited to:

Performance Standards	Yes	No
Identify the status of retail strategy.		
Specify the essential of retail strategy.		
State manufacturing retail strategy.		

SESSION 4: RETAIL CONSUMER BEHAVIOUR

Relevant Knowledge

Customers are becoming more powerful, more knowledgeable and more sophisticated, and research into modern consumer behaviour is increasingly important for the retailing sector. Research into retailing and how to attract consumers via better environments, service and policies is an important area of research to improve today's consumer experience to help better understand our modern society and to support retailing organisations to attract and retain customers.

Retail Management and Consumer Behaviour

- **Deshopping/Unethical Consumer Behaviour:** Deshopping is the buying and returning of something after it has fulfilled its purpose e.g. buying a suit for interview and returning it afterwards. This is unethical consumer behaviour. With the growth of online shopping and returns, deshopping online requires further investigation. How can we measure online deshopping? How can we reduce deshopping in retailers? How does deshopping fit with other 'naughty' behaviours? How do these behaviours fit with different ethical perspectives? How do organisations address this? Are their differences in deshopping across cultures? How do retailers manage complaining behaviours?

- **Customer Service:** How do consumers actually perceive the modern customer service experience? How can this be improved?

- **Retail Atmospherics:** How does the retailing environment influence shopping behaviour?

- **Independent Retail Customer Service:** Do small retailers have better expertise and closer relationships with customers and therefore a better experience? How can small retailers improve their service?

- **Male/Female Shopping Behaviours:** How do men and women shop differently? How do retailers cater for these differences?

- **Unethical Consumer Behaviour:** How can we measure unethical consumer behaviour? What are the latest tricks customers are up to? How do retailers reduce shrinkage? How do organisations measure and manage this?

- **Online Consumer Behaviour:** With the growth of online shopping there is much research to be conducted in this area.

The Need for Studying Consumer Behaviour

A key faced by the retailer is creating products and services which would be successful in the market. An accurate understanding of consumer need helps the consumer understanding or an understanding of the consumer buying behaviour is the starting point of strategy creation. It is not only important to understand what consumers know about a product, but also what they do not know. This helps in determining the cannels of communication and the products that need to be created to cater the needs of the customer. Understanding consumer knowledge can also help a firm assess how well it has achieved its product positioning goals.

Retailers need to know the various influences that lead up to a purchase, not just the store where the purchase as made. This includes looking at a host of external and internal influences. The

process starts with:

- Understanding how the need for a product / service was determined.
- Understanding how information was sought by the customer.
- The process of evaluation of various products and stores.
- The payment process.
- The post purchase behavior.

While understanding consumer behaviour completely may not really be possible, it is in the best interest of the retailer to know his customers. The earliest attempts to study consumer behaviour were motivation research, which relied heavily on Freudian techniques. Consumers can be studied in a variety of ways, including through observation, electronic surveillance interview and surveys, experimentation and sales analysis or consumption research. Firms must examine the demographics (even geo demographics) of customers, as well as the role of group influence and personal factors like attitudes beliefs motivations etc. Population is not static in the long term; they move around with population ebbing and flowing like the sea. Growth areas emerge over time, quickly some slowly. Corporations analyze these population trends and start planning to enter or leave markets accordingly. This is the process of analyzing constantly the changing consumer trends competition, external sources of influences and company strengths and weaknesses. This may all sound very sound very easy but in practice it is often very difficult.

It is also important to know how, when and where the customers use the product or service that the retailer sells. An objective analysis of internal strengths and weaknesses must also be made. This is often difficult, for strengths are often overstated, while weaknesses understand. An analysis of the competition is also in order. Some firms welcome competition even trying to locate near competitors so that a critical mass can be created. Finally, the external market factors must be considered notably the economy but also technological and legal / political issues as well.

Understanding Consumer Purchasing Decisions

1. **Outside Influences:** It's amazing how the media, friends, neighbours, co-workers and other influencers all leave impressions on people. Consumers make decisions all the time based on what they think others will think, as well as what they may have seen, experienced or enjoyed from these outside influencers. In your own store, how can you bring this to life for your customers? Engage your customers in conversation to try and identify what may be influencing them to shop. Is it an upcoming party at a friends house? A recent event that they need to buy something for? Maybe a popular celebrity or local activity taking place? The key here is to communicate with your customers to better understand what is motivating them to shop or be persuaded by.

2. **Hands on Experiences:** There is a reason Costco offers product samples daily - people like it, and it increases sales on the products they sample. While you may not be Costco, how can this concept work for your store? Consider demonstrating product, sampling product and letting customers engage with product. Clothing and accessories naturally fall into this category, but for other retail sectors you have to get more creative. The power of all your senses - sight, scent, sound, smell and taste can play a part in this. As the seasons change and your inventory change, remember to mix things up to keep things interesting for returning customers.

3. **Competition:** Competition is healthy, so let's go with that. Assuming you have some local competition and trusting you have online competition, how can you stand out among this crowded party? Strive to be the best in customer service, store experience and inventory options. Accept other store strengths, but also work hard to deserve your place in your marketplace to be a leader.

Knowledge

➥ Without customers there would be no retailing. For attracting customers and influencing them to buy retail products is a crucial role dimension of retail sales personnel. Understanding consumers is essential for retailers.

➥ Indian customers are quite different than outside customers.

Case

'Apporti', a foodstuff department store, stocked three different varieties of rice grain in packets of 1 and 2 kg. The three varieties were similar to those stocked by nearby 'Kirana' shops. The price was no different than the kirana shops. Yet, the rice didn't sell at the super market after considerable analysis the super market realized that most families in the locality preferred buying in bulk i.e. 20 to 25 kg, at a time, with a price advantage, sometimes on credit.

Customer Buying Behaviour

Four forms of purchasing or buying behaviour are observable among consumers.

1. Complex
2. Dissonance
3. Variety seeking
4. Habitual

1. **Complex:** This behaviour occurs when customers get very much involved in the purchase, acquaint themselves with brands and quality differences.
    ➥ Buyer develops beliefs about the product.
    ➥ Attitudes/ willingness to accept get developed in the buyer.
    ➥ A well thought out choice is made.
    ➥ For example, a person wants to buy a PC or Laptop there are too many products features to consider and compare, especially if the buyer is unfamiliar with computers and peripherals.
    ➥ Retailers of products in which high involvement is normal, must understand consumer education and the manner in which he/she gathers information on the product.
    ➥ Strategies to assist the buyer in helping him/her to learn about product attributes and the way in which the firms brand fulfils the consumers requirements will be needed. Personal meetings with the buyer, print media presented in a simple form and regular projection of benefits will have to be adopted by the retailer.

2. **Dissonance Reducing:**
    ➥ In spite of high involvement, the buyer may find in difficult to differentiate between brands.
    ➥ When the product to be purchased is costly, needed infrequently and the purchase is viewed as a high.

↝ The customer does not know much about product category.

↝ After the purchase, the customer may experience some regret, on realizing more about the product and its weak spots. He/she might hear about the comparative advantages of other brands. This regret is also known as dissonance.

↝ Which may develop new beliefs and attitudes among customers.

↝ Retailers have to make customers stick to their bands and must take precautions to make sure that the information they supply will not result in a change of beliefs.

3. **Variety Seeking:** There are some products in which involvement during buying is very low, but it becomes significant later during or after initial consumption.

↝ We might shift from bedekar to priya to 'mother's pickles' just because we needs a change of taste once in a while. Consumer may shift toothpastes frequently for not very significant reasons. Customer is probably seeking variety.

↝ Reminder advertising or significant presence of shelves or stealing customers by price reduction or projecting special and now qualities of competing products.

↝ For example, Compaq computers, a multinational hardware company captured the market by drastically reducing prices and maintaining a low price level for two years.

↝ Reducing commissions to the very minimum possible created the low prices.

↝ The retailer has to keep a close watch on the early behaviour of the customer to classify or categorize him/her.

4. **Habitual:** We never think and apply our minds while making purchases. e.g. - groceries

↝ We have fixed brands, tried and accepted through years of purchasing experience.

↝ We pick always same brand from habit.

↝ The habit and low involvement emerges out of low cost and frequent purchasing.

↝ Brand loyalty – It emerges from considerable thinking and analysis of product features.

↝ Retailers use low price and promotion to create such low involvement habits, T.V. ads are very effective devices. The 'Pizza hut' or 'Lux toilet soap'.

↝ The first is to try to link the product to some involving issue, e.g. a number of toothpastes with gum protection, a cooking oil brand with reducing cholesterol and a detergent with complete removal of food stains.

↝ Using advertisements to evoke strong emotions, like a deodorant, which attracts a long line of girls like the pied piper, or the capacity of a clothes washer to be 'magical' in washing stains from clothes.

↝ A well-used strategy, to add features to a normal good. Availability to clean clothes and also soften the surface.

Exercise: Assignment

1. Visit to a retail hyper market and understand the retail consumer behaviour (Ask the following questions and write their reply is not more than 50 words).

2. What are the major forms influencing the customer buying behaviour?

3. What are the major factors influencing the consumer purchasing decisions?

Assessment

A. Fill in the blanks

1. An accurate understanding of _____ need helps the consumer understanding.
2. Without _____ there would be no retailing.
3. Complex behaviour when _____ get very much involved in the purchase.

B. Multiple choice questions

1. Consumer can be studied in a variable of ways including through-
   (a) Observation
   (b) Interview
   (c) Experimentation
   (d) All the above

2. The following is the form of customer buying behaviours-
   (a) Easy
   (b) Complex
   (c) Moderate
   (d) All the above

Checklist for Assessment Activity

Use the following checklist to see if you have met all the requirements for Assessment Activity.

Part A

- Differentiate between consumer and customer.
- Differentiate between variety seeking behaviour and habitual customer buying behaviour.

Part B

Discussed the following in the class:

- What do you mean by consumer behaviour?
- Explain the how to understand consumer purchasing decisions.
- Examine the forms of customer buying behaviour.

Part C

Performance Standards

The performance standard may include, but not limited to:

Performance Standards	Yes	No
Able to understand consumer purchasing decisions.		
Able to identify the forms of customer buying behaviour.		
Able to differentiate between complex and dissonance forms of customer buying behaviour.		

UNIT 2

DISPLAY OF PRODUCTS AND SATISFY CUSTOMER NEEDS

UNIT CODE: RS-404 NQ-2012	UNIT TITLE: DISPLAY OF PRODUCTS AND SATISFY CUSTOMER NEEDS			
Location: **Classroom, Retail or Departmental Retail Store**	**Duration: 25 Hours**			
	Session 1: Display of Products and Satisfy Customer Needs			
	Learning Outcome	**Knowledge Evaluation**	**Performance Evaluation**	**Teaching and Training Method**
	1. Organize the display of products at the retail store.	1. The products that are sold in the store and how they should be displayed. 2. Regularly check the quality and shelf life of products. 3. Prices of products. 4. Clean and maintain display areas, including refrigerators and chillers.	1. Check that display areas are clean and in the correct condition for the stock to be displayed. 2. Make displays attractive to interest customers. 3. Place specific products in the correct display areas. 4. Regularly check the quality and shelf life of products on display. 5. Take prompt action to deal with items which have little or no shelf life or which have deteriorated in quality. 6. Correctly rotate the stock of items according to their shelf life.	**Interactive lecture:** Organize the display of products at the retail store. **Activity:** Visit a retail store and observe how to organize the display of products at the retail store.

			7. Check that ticketing and coding is accurate and correct. 8. Regularly check the condition and cleanliness of displays and correct them if needed.	
	2. Establishing customer needs.	1. Observe the behavior of customers in a retail environment. 2. Provide facilities to the customers. 3. Measurement and calibration of the quantity and quality of product and supplies that customer wants. 4. Provide logical, intelligent or creative suggestions. 5. Preferences of different types of customers. 6. Provide appropriate assistance, information or advise at appropriate stage.	1. Stay alert to and make unobtrusive observations about customer choices and movements within the store. 2. Need to understand customer queries about the products and supplies. 3. Confirm with customers that the products and supplies being packed, wrapped and billed exactly match their selections. 4. Provide information on variants of product and supplies available in the store and enable customers to make informed purchase decisions.	**Interactive lecture:** Establishing customer needs in retail store. **Activity:** Visit a retail store and observe how to establish customer needs in retail store.

		5. Ensuring that customers fulfill their purchase process smoothly from start to billing by minimizing waiting times at different stages of the process.	
Session 2 : Sale and Delivery of Products			
1. Processing the sale of products.	1. Describe the method(s) of processing payment. 2. Describe the functioning of point of sale billing systems or traditional methods of raising a bill. 3. The appropriate mode of cash and loose cash handling, counting and settlements with the customer. 4. Efficiently conclude the customer purchase process with quick packing / wrapping of customer orders and billing. 5. Operate suitable devices and equipment.	1. Confirm prices of product and supplies with customers and ensure customers are agreeable to the pricing terms and the store's business policies. 2. Process payment or credit in line with store or business policies and ensure accurate accounting of units of purchased product. 3. Ensure safe handling and movement of product and supplies off the racks and through to billing counters. 4. Ensure proper functioning of store processes. 5. Conclude dealing with customers with appropriate and prescribed mannerisms.	**Interactive Lecture:** Processing the sale of products. **Activity:** Visit to the retail store and observe the processing the sale of products.

	2. Delivery of products to customers.	1. Describe the importance of planning an efficient delivery schedule and to follow it. 2. How to transport products and equipment safely and securely. 3. The company procedures. 4. Relevant legal restrictions on who can receive delivery. 5. How to unload goods safely and in ways which protect goods from damage. 6. The records to keep on deliveries and non-deliveries and follow company procedures for completing them.	1. Plan a schedule of deliveries, which makes the best use of time and other resources. 2. Transport products and equipment safely and securely. 3. Deliver products at the times agreed with the customer. 4. Follow company procedures for ensuring that deliveries are left only with individuals who may legally receive them. 5. Unload orders safely and in ways which protect the orders from damage. 6. Update records of delivery and non-delivery promptly and in line with company procedures.	**Interactive Lecture:** Delivery of products to customers. **Activity:** Visit a retail store and observe the delivery of products to customers.
Session 3 : Maintenance of Store Area & Communicate Effectively with Stakeholders			
	1. Maintenance and cleaning of store area.	1. Cleaning procedure, specifications & personal hygiene levels. 2. Appropriate procedures to be followed for dismantling and	1. Acquaint yourself / the service team with cleaning specifications mentioned in the business' product safety management procedures and	**Interactive Lecture:** Maintenance and cleaning of store area. **Activity:** Visit to the retail store and find out the process to maintenance and cleaning of store area.

		re-assembling. 3. Ensuring that the correct procedures for disposing of waste and slurry are followed.	ensure conformance. 2. Ensure the team follows instructions and safe working practices while disassembling, handling and re-assembling shelf /rack/ display / merchandise areas / spaces and other materials. 3. Ensure the use of safe procedures while going about the cleaning process. 4. Identify the problems with shelf / rack / display / merchandise areas / spaces and the correct procedures for reporting them.	
	2. Communicate effectively with stakeholders.	1. The different documents / report formats that you are required to keep. 2. Organization's procedures & policies for preparing and passing on written information. 3. Communication equipments	1. Keep the information in written documents as required by your organization. 2. Make sure the communication equipment you use is working properly, take corrective action as required. 3. Accurately	**Interactive Lecture:** Communicate effectively with stakeholders. **Activity:** Visit to the retail store and observe what communication methods are used effectively with the stakeholders of retail stores.

		4. The regulations or policies that you should follow for using communication system including for private use. 5. How to talk and work with others, to work efficiently without adversely affecting your own work; the difference between hearing and listening. 6. The relevant legislation, organizational policies and procedures that apply to joint working.	interpret and act upon instructions that you receive. 4. Consult with and help your team members to maximise efficiency in carrying out tasks. 5. Give instructions to others clearly and at a pace and in a manner that helps them to understand. 6. Summarize information for customers. 7. Deal with customers in a respectful, helpful and professional way at all times. 8. Understand the roles and responsibilities of the different people you will be working with. 9. Seek appropriate support when you are having difficulty working effectively with staff in other agencies.	
	Session 4 : Duties and Responsibilities of Sales Supervisor			
	1. Identify the functions of Sales Supervisor.	1. Describe the functions of sales supervisor. 2. Importance of	1. Identify the functions of sales supervisor. 2. Practice the	**Interactive Lecture:** Functions of sales supervisor. **Activity:** Visit to a retail store and

		the functions of sales supervisor.	functions in sales supervisor.	observe what kind of functions are performed by a sales supervisor in a retail store.
	2. Describe the duties and responsibilities of Sales supervisor.	1. Describe the duties of sales supervisor. 2. State the responsibilities of sales supervisor.	1. Identify the duties of sales supervisor. 2. Find out the responsibilities of sales supervisor.	**Interactive Lecture:** Duties and responsibilities of sales supervisor. **Activity:** Visit to a retail store and observe the duties and responsibilities of the sales supervisor.

INTRODUCTION

Retail salespeople play an important role in a retailer's marketing mix. Control of human resources is most important of all. This is done through the process of supervision. Super means form above and visions means to see the work of others. Supervision is the activity of overseeing the subordinates at work to ensure that the work is performed as required. Supervision plays an important role in the management set up.

Supervisor is the person who is directly connected with rank and file or subordinates and acts as a vital link between the management and subordinate. The workers require guidance of supervisor at ever step to clear their doubts. He tells them about the proper method of doing a job for better performance. He also acts as a planner and a guide for his subordinates. The supervisor lays down the targets of production for the subordinates and determines the procedures and methods for doing the work and to achieve desired results. Supervisor devotes much of his time in supervision.

The supervision at the firing line is the most important issue since actual work is done at that level. A supervisor compares the actual functions of the subordinates' against the standards laid down and identifies weakness of the workers and suggests corrective measures to overcome them. He makes systematic arrangements of activities and resources for his group. He assigns work to each subordinate and delegate's proper authority to them. The supervisor occupies a strategic position in the hierarchy of the organization. He is directly responsible for enforcing the rules and regulations of an organization. Supervision is the ignition key that starts the engine of the enterprise and keeps the managerial train into motion.

In this Unit, you will learn about the display of products & satisfy customer needs, sale & delivery of products, maintenance of store area & communicate effectively with stakeholders and duties and responsibilities of sales supervisor.

SESSION 1: DISPLAY OF PRODUCTS AND SATISFY CUSTOMER NEEDS

Relevant Knowledge

Organize the Display of Products at the Retail Store Displays that are organized and created to efficiently meet your customers' need will assure continuing business from your existing customers and will entice prospective customers to purchase from you. It is essential to consider what type of professional image you want to convey to the customer and your community when creating and organizing your facility. Consider the following questions when evaluating the image you want to promote in your community:

- What do I want people to think about first when they think about my store?
- How does my store and displays support this image?
- What do I think of first when I think about my store's appearance?
- How do other people respond to my store?
- What do people say when asked about my store's facility, staff and service?
- What frustrates me most about my store or product layout?
- What one word best describes my store?
- What excites me about my facility?
- What have I learned from considering these questions?

Take this opportunity to evaluate all the characteristics about your store's facility and Product layout and create a new environment to showcase your products.

Creating an attractive product display can draw the customer in, promote a slow moving item, announce a sale, or welcome a season. If your store front is fortunate enough to feature one or more windows, then you have one of the most proven (and least expensive) forms of advertising at your disposal.

Some stores located in a mall or other structure may lack windows, but don't despair. There are many places throughout the store to build beautiful displays. Take a look at the flow of traffic in your store. Are there any areas that are a focal point for customers?

Visual Display Tool Box

Before designing a product display, put together a visual display tool box to keep on hand. By having all of these items in one location it will save time in actually preparing the display.

- Scissors, Stapler, Two-Sided Tape, Pins.
- Hot glue sticks and glue gun.
- Monofilament Fishing Line.
- Tape Measure.
- Razor Blade/Utility Knife.
- Hammer, Nails, Screwdriver, Screws.
- Notepad, Pencil, Marker.
- Signage, Sign Holders.

- Glass Cleaner/Paper Towels.
- Props (Non-merchandise Items).

Take time to plan the display. Consider what you want to accomplish, develop a budget and determine a central theme. You may even want to sketch your display on paper. Gather your visual display tool box, the merchandise and any props. Make sure all materials and location (tables, windows, racks) are clean. Choose a slow time of the day or build the display after hours.

Elements of Effective Visual Merchandising

Balance: Asymmetrical rather than symmetrical balance with the display.

Size of Objects: Place the largest object into display first.

Color: Helps set mood and feelings.

Focal Point: Where product and props/signage and background come together.

Lighting: Should accent focal point, if possible.

Simplicity: Less is more so know when to stop and don't add too many items.

Once the display is finished, add appropriate signage. Take photos of the display and keep record of the product sales during the display's existence. Save your information in a file folder for easy reference. By documenting its success, you can re-create the display next year or if it flops, you can make sure you don't repeat the same mistakes.

Like any other aspect of retailing, creating an attractive display takes a little skill and lots of trial and error. As your store changes, so will your opportunities for visual displays. Keep working at designing eye-catching and innovative ways to make your retail store profitable through visual merchandising.

Shelf Placement

Where you place item on your store's shelves can send subtle signals to your customers that impact whether they make a purchase. The priciest products generally sit on the highest shelves, giving rise to the term "top shelf". Lower shelves should contain "destination" products, or those that people seek out and purchase regardless of price or promotion. Reserve the bottom shelf for the least popular or generic products. Shelves that sit at eye level, known as "reach," should contain products which are competitive, have a high impulse-purchase rate, or are most enticing to the customers. For smaller categories where you want to promote generics, place the store brand to the right of the national premium brands. Stock competitive products vertically and related items across from each other, so that your customers can view all of the products without having to move down the aisle.

Promotional Placements

Customers are used to seeing promoted products on your store's end caps, or gondolas, and will usually seek out those bargains. Be sure to place promoted products there that have the highest profit margin for your business, instead of simply the lowest price or best promotion. Use "dump

bins" or "offer bins" for close-out items, as consumers tend to associate these bins with cheap prices. Vestcom marketing vice president Jeff Weidauer recommends including a store-brand product to every end-cap promotion to boost their sales.

Fresh Food Displays

When setting out produce displays, always alternate green vegetables with brightly colored produce, such as carrots or red bell peppers, to engage the consumer's eye. Have bakery display cases with a black backing rather than white, to make sure that the baked goods have a visual pop. Use glass shelves in the display cases, or drape brightly colored fabric over them to complement your merchandising promotion. In all fresh food displays, including the deli, used staggered shelves so that more of the foods are visible to consumers. Use props, such as flowers or bottles of wine, where appropriate to garner an emotional response that prompts consumers to purchase.

Store Planning

Place destination purchases, such as milk, eggs and bread, in the furthest corner of the store. The more products consumers must walk by to get to them, the better the chance for them to purchase additional goods. Always place impulse purchases, such as magazines and candy, near the cash register. As consumers wait to pay for their purchases, these displays may attract them to buy more.

When was the last time you walked out of a grocery store with only one item?

You go to the store to pick up milk. But you come out with several items you didn't plan on buying. This happens to everyone. An overwhelming majority of grocery store purchase decisions are made inside the store. And it's not a coincidence that the displays are masterful.

You can learn a lot about display just by browsing your local supermarket. The best ones to visit are the higher priced gourmet markets. The displays are stunning. And effective. They get shoppers to buy.

You can learn many tips for great displays by visiting the produce department of a gourmet supermarket.

Let's look at three supermarket display techniques that you can borrow:

1. Angled merchandise
2. Colour
3. Containers & Props

1. **Angled Merchandise:** When you browse the produce department, you'll notice that most, if not all of the displays are angled, or tiered. That means the display is lowest at the front, and rises up towards the back. This technique is used to present more merchandise to the customer in a small space.

   Presenting the merchandise this way also makes it look more attractive. You'll notice that these displays look full and bountiful. There are also a number of different types of products arranged in layers. The variety of product makes these displays appear more attractive.

Let's look at the second display technique.

2. **Colour:** Once you start looking for colour in produce displays, you'll start noticing it over and over. Produce is often displayed to make the colours appear more vibrant, attractive and mouth watering. This is done by placing contrasting colours next to each other.

   In a large supermarket, it is rare to see a big cluster of green vegetables all together. You'll see the green interspersed with bright colours. Green lettuce will be next to red leaf lettuce and radicchio. Green peppers next to red and yellow. Green apples next to red.

   The contrasting colours are used in combination with the technique of angled merchandise. The produce department is full of artistic, still life arrangements to tempt us into buying. Yet most shoppers are unaware of how carefully each of these displays is planned to be visually pleasing. The colour in these arrangements is one of the biggest factors in making the produce tempting to shoppers. This brings us to the final technique.

3. **Containers & Props:** Supermarkets use carefully chosen containers and props to present their merchandise. When you browse the produce department you'll see baskets and crates used for display. They are there purely to set the mood for the department. These are the tools the stores use to create the image of farm fresh produce. Although they do help hold the products, these containers serve mainly as props.

   If you look closely at the baskets used in grocery stores, you'll notice they aren't completely filled with product. Most of them either have false bottoms, or are mainly filled with raffia or other filler.

   Why is that? Well, produce looks appealing when it is mounded up and full. Not when you have to peer into the bottom of a basket to find it. Also, produce is heavy. A big basket filled with produce will be causing damage to the ones that are at the bottom. So, supermarkets keep their baskets full and overflowing by restocking them regularly.

Retail Luxury Products Display Methods

What is the key to selling luxury products? Making people want to buy them. Even during these tough economic times, luxury brands are managing to keep their heads above water and continue to sell their unnecessary yet oh-so-desirable items. Keeping the public noticing these luxury brands is vital to their success; people won't buy what they can't see or drool over.

The Window and Storefront Display

↜ Grabbing the consumer's attention while they're walking by, making them want to stop in and spend money, is the main idea behind the window display. And an attractive storefront will further entice them in. The Tiffany and Co. store on Bond Street in London has an air of old world, luxurious charm. Extravagant windows, gold filigree details, a fancy clock, and signature blue Tiffany flags only add to the beautiful jewellery artfully displayed in the windows, so close yet still out of reach much like their prices for many people.

The Gucci store on 5th Avenue in New York uses a similar method of luring shoppers in. A famous architect, James Carpenter, designed their store. All three stories are striking walls of

glass, which allow for a lot of natural light and the ability to see right inside, making the entire store a giant window display. Who wouldn't want to browse these stores and maybe even fork over a big chunk of change on something they'd never planned to buy?

The Celebrity Display

➥ What better way to display and sell your product than to have A-listers promoting them? A must have handbag is only more irresistible when a popular celebrity is toting it around. A smart move by many designers is to give their products to celebrities in hopes of creating a stir and building a demand for these items. Some designers, such as Alexander Wang, are even bringing it to a new level and sending out bags that haven't yet been released. This creates a buzz, and purse lovers will wonder how they can get their hands on these elusive handbags.

The Anywhere, Everywhere Display

➥ Logos, logos, logos. What a genius concept. Even more brilliant? People paying high dollars to carry a brand and advertise it wherever they go. Louis Vitton is the number one luxury company in the world, and their LV logo is highly recognizable. Their monogram print bags are so popular that they are also one of the most highly counterfeited luxury goods. Wherever people go with their bags, whether they bear the LV logos, the Chanel double-Cs, the Gucci interlocking Gs, or any other luxury brand name, it is not only free advertising, but these companies get paid for this advertising by the very people who bought their items.

How Effective Merchandising Helps You?

By studying this chapter on merchandising and the products you sell, you can help increase the entire store's sales. Studying can also help you personally - if you practice what you learn daily. Good merchandising: Makes your selling job easier. Signs, displays and merchandise arrangements do much of your selling job for you. Frees you for genuine selling activities. Effective merchandising encourages most shoppers to serve themselves, thus freeing you to help the big-ticket shopper who really needs your help. Increases your sales per customer. Even when you serve a customer, an attractive merchandise arrangement will stimulate extra sales. This boosts your sales per customer, which makes your sales record run well above the national averages. Raises your total sales. You can only wait on one customer at a time, but many customers can serve themselves at the same time from the displays you build. Makes retail selling more rewarding. Rushing around the sales floor to make small sales can be frustrating. Effective merchandising frees you for activities that challenge your selling skills. Gives you time to develop new skills. Self-service displays give you time to involve yourself with other retailing activities, which increases the speed of your raises, advancements and promotions.

These are only a few of the tangible and personal benefits you gain when you learn to be a good merchandiser.

Specific Merchandising Suggestions

Merchandising is not some mysterious art only a few possess. Merchandising is daily display activities that almost anyone can do if he or she works at it.

The effective hardware store or home centre merchandiser:

- Puts attractive displays, provided by manufacturers and wholesalers, to work for him.
- Uses effectively the many point-of sale pieces he receives.
- Displays related merchandise together for increased impulse sales.
- Features all advertised and promoted items.
- Insures that all displays are neat, well stocked and accessible to shoppers.
- Makes effective use of feature end or end-cap displays.
- Builds attractive departmental displays with creativity and imagination.
- Prices all items consistently. Updates all prices when they change. Makes sure the store is as competitive as possible.
- Allocates space to each department in line with that department's sales.
- Identifies all departments with signs or attractive decor or both.

These are only a few basic merchandising techniques that hardware stores and home centres everywhere find highly effective. Read Do-It-Yourself Retailing and other magazines for merchandising ideas and suggestions. Shop your competitors and other kind of stores - supermarkets, discount chains, specialty shops to see what they do right and wrong. Shop for display ideas you can adapt to your own sales floor.

Relating Space to Sales

For maximum sales, the amount of space a department occupies should relate to the sales the department generates. Sometimes a store owner or manager will let his personal interests color his business judgment. Someone interested in hunting, for example, will maintain a large gun display although there is little interest in the market. Keep in mind that you should display what your customers like. If the store allocates too much space to a department, total sales per square foot drop. If the store allocates too little space, it loses sales. The only way to know how much space you should allocate is to routinely check the store's record of sales per square foot for each department.

Seasonal Effect on Sales: The space a store allocates to a department must, of course, change constantly. The seasons affect all departments of a greater or lesser degree, and in some cases the change is drastic. For example, the typical store sells virtually all seed and fertilizer within about an eight-week period. The most profitable stores allocate high-traffic areas to seasonal merchandise, regularly changing the display with the seasons.

Effective Merchandising: Good merchandising is not simply an attractive display. Merchandising, to be effective, makes the entire sales floor inviting. No store is well merchandised until all areas of its sales floor are appealing and easily accessible to shoppers. Effective merchandising demands: A well-planned sales floor. Assign every department a specific display area. Fixtures and accessories designed for the merchandise they display. Stores waste much space and lose sales per square foot when you do not use the correct shelf profile and accessories for each merchandise category. Adequate aisle space. The best display loses selling power if merchandise blocks the aisles and shoppers cannot reach it; inviting displays. A display is more than merchandise on a

fixture. The items must be clean, the display complete (which means you have to restock the fixture regularly) and the backup stock nearby. Attractive signs and decor. Signs and decor serve two basic purposes: they create a buying and shopping mood and encourage shopping, and they help direct shoppers into all areas of your sales floor. A continuing, overall inviting hopping atmosphere. The best display is destroyed when it does its job attracts shoppers. Building an inviting shopping atmosphere never ends. The only sales floor that does not require attention is one without customers. Study hardware association material on good display techniques. Read Do-It Yourself Retailing each month; the magazine runs pictures of displays from stores around the country. And look through manufacturer literature, a good source of merchandising and display ideas.

Effective Use of End Display: The displays at the end of each gondola run, called feature ends or end caps, are highly effective. As a rule, a feature end will sell merchandise at least twice as well as the same display in another location. The effectiveness, however, depends on:

- The display's attractiveness.
- The merchandise's seasonal nature.
- Location in the store.
- Relationship to surrounding merchandise.
- Price.
- How well it has been advertised or promoted.
- Ease of accessibility.

In actual in-store studies conducted by NRHA, some end displays have moved merchandise up to eight times as fast as an identical display just around the corner. Many manufacturers make special feature end displays and Do-It-Yourself Retailing offers suggestions on how to build such units. Some basic tips: Don't crowd change often feature promoted or seasonal items and keep them neat and clean.

One effective device is to surround an audiovisual projector with the product on an end display so shoppers can see how to use the item.

Effective Use of Shelf Space: Hardware stores and home centres do not waste floor space nearly as often as they waste shelf space on sidewall fixtures and gondolas. Shelf space is wasted when a store:

- Overstocks one item while under stocking another.
- Fails to refill bins or shelves when the basic stock is reduced.
- Stocks the same items in several places.
- Uses the wrong shelf profile.
- Does not relate shelf space to customer demand fluctuations.

You can increase your productivity greatly and your value to the store as you learn to use shelf space properly.

For example, it is more effective to merchandise vertically. That is, display similar goods up and

down, on perfboard and shelves, rather than stretching them out along a gondola. The shopper can stand in one spot and pick what he wants. The display is more attractive and it is a lot easier to reorder and restock. Two exceptions to this advice: Pipe fittings are best displayed horizontally by diameter, vertically by type - Ls and Ts. Also, display bolts this way, horizontally by diameter, vertically by length.

General Display Suggestions

Here are some general tips: First, a pyramid profile, widest shelves at the bottom, lets the shopper see the most merchandise. Shelves with same width are best to mass display items the same size and shape. Second, never place shelves so close together that the top shelf hides binned or boxed merchandise on the lower shelves. Shelves are for display and not for storage. And no top shelf should ever be wider than those below except on a sidewall or gondola over six feet high where the shelf is in fact more for storage than for display.

Point-of-Sale Signs: If you could stand beside a well planned display that was loaded with attractively priced seasonal merchandise and ask each shopper to buy, you would sell many of the items every day. You cannot do this, but a good point of sale sign can. It may not audibly ask for the purchase, but if done well it will stimulate extra purchases. An effective point of sale will:

- Attract the shopper's attention.
- Identify the item or service offered.
- Describe what the item will do for the shopper.
- Give the price and any savings.

Basic Merchandising Rules

Here is a summary to help you remember some of the basic rules this chapter discussed:

- Display slow-moving and low-priced items farthest from the customer's reach.
- Always use prime display space for high-demand, seasonal, impulse, or promotional items.
- Use point-of-sale signs to call attention to hot items in each department.
- The best selling height on any display is between eye and belt level.
- Action, light and colour attract attention to any display.
- No display is fully effective or complete until the merchandise is priced. And not only must the items be priced, but the prices must be consistent.
- If feature displays do not blend with other displays around them, they may repel rather than attract.
- Keeping displays neat and well stocked is one of the most effective "tricks" in merchandising. The last thing you should do every night or the first thing you should do every morning is move packages to the front of the shelf; make your displays look full and neat.

Shop Concepts

If space on your sales floor permits, you can build store traffic and sales by using the shop concept in certain sections. Both garden and photo shops have proven especially effective. A shop is a setting which shows the way the items are used in the typical home. Shops add colour, interest and

build sales and your store image.

Shops sell more than merchandise; they sell ideas and the desire to own. By simulating a home setting, shops encourage a buying decision that might be made later on someone else's sales floor.

Sample Sales-floor Plan

It presents a format called a "loop" layout. It is not typical, but there is no such thing as an average store nor should there be. Every sales floor is different because every store carries different merchandise, sells to different consumers and serves a different community. This plan illustrates many of the good merchandising principles this chapter discussed and several new merchandising concepts. Study it. Put some of the ideas to work on your sales floor. Improve on these basic ideas by adapting them to your store's needs. Note the width of the main aisles and cross aisles. Consider the plan from the shoppers' point of view. Think of the way the traffic flows around the store. You may not sell what you should in a given department simply because very few people pass through it.

This plan makes it easy to move merchandise onto the sales floor, into shopping carts, to the point-of-sale terminal, and into the customer's car. The plan will help you pick up ideas to improve your sales floor's efficiency and selling efforts.

Make Remerchandising Easier

An effective sales floor is not attained, it is maintained. Since the merchandise you sell and the market and shoppers you serve change continuously due to changing needs and interests, it is obvious that you must re-merchandise your sales floor often.

This is a tremendous chore, but when you plan carefully and approach the job in an organized way, you can do it with a minimum of effort.

Here are five rules:

- List all improvements to be made.
- Assign a priority for each job to be done.
- Secure the merchandising aids you need to do the job.
- Advise everyone in the store what you plan and how they may be involved.
- Make each remerchandising project a merchandising training session and practice good merchandising techniques.

Promotional Activities

Although hardware stores and home centres are not as promotional as many retailers, there is no reason why they cannot be and the most successful when promoted regularly. Why promote at all? Because you want to attract more people to the store than would come without the promotion. You are trying to do two things: maintain your average sale per customer and increase the number of sales. The more shoppers who visit your store, the more you will sell.

What can a promotion do? A well planned sale or promotion:

- Can gain new customers for the store.

- Will encourage repeat sales.
- Can counter a competitive move.
- Will introduce new or improved products.
- Can capitalize on seasonal or geographic advantages.
- Can reduce excess inventories.
- Can create enthusiasm among the store's salespeople.

A promotion no matter how well planned cannot:
- Turn overpriced merchandise into profitable volume.
- Overcome the impression of a dirty, disorganized store.
- Compensate for inadequate advertising.
- Reverse a downward sales trend for any length of time.
- Overcome an inadequately trained sales force.

Promotional Objectives

Retailers sometimes confuse advertising with promotion. Advertising is calling favorable attention to your store and the products you sell. The ad announces the promotion "the Anniversary Sale or the Summer-End Sale" it is not the promotion itself. Before any promotion, there are a number of questions you should answer. What are the promotion's specific objectives? What are we trying to accomplish? Build traffic? Clear out end-of-season merchandise? Establish the store as the place to buy hard-to-find tools? Announce a new location? What specifically is the promotion expected to do? Who is the target? What is the competition doing? Is there a seasonal aspect? How long ago was the last promotion?

What promotions can we run?

A hardware store or home centre has a number of promotional opportunities that many other kind of retailers either do not have or are not organized to exploit. For example, you can run a Do-It-Yourself consumer show. You can offer clinics on minor electrical repairs, plumbing repairs, redecorating, and other subjects. You can demonstrate new products and new uses for old products. Many people especially women find a hardware store intimidating, and unless a shopper knows how to use a product, he or she will not buy it.

Preparing the Store for a Sale

Your sales floor should create a sales atmosphere. Make it easy for shoppers to identify the advertised specials with attractive signs and features display. Use departmental signs so customers can find what they want without bothering you for simple directions. A good ad can be wasted if a shopper cannot find what he wants or if the sales people are unprepared or rude. Clear all the aisles and leave them wide enough for shoppers to browse without bumping into each other. Remember that customers do not really want products. It's the old joke: No one wants a drill, but everyone wants a hole. Your advertising will attract two kinds of shoppers, both of whom want a hole; however, the first kind of shopper knows what he wants and wants fast service. He does not demand a lot of conversation and you can serve him best with complete and well-marked displays.

The second kind of shopper needs help. Your promotion attracts him to the store, but he needs help to select the right size, type or model to buy. You serve this customer best by providing courtesy and product knowledge. How else can you prepare the store? Give shoppers a chance to review your offers with ad reprints as they enter.

Put a copy in their bags as they check out. Not everyone who comes into the store during the promotion knows you are having one: Tell them about it. Give shoppers a copy of your ad and encourage them to return for an item they have overlooked. Help featured items get more attention with a counter card that jumps out at a shopper. A bold headline "As Advertised" or "Featured Item" should dominate the card with the item's price, the savings involved, and if space is available, the item's picture as it appeared in the ad. Make one for each featured item. It gives you a professional look at little expense. Everyone likes to save money. A sale price draws customers into a store; however, many "sales" are a deception. The items are not specially priced. Customers have learned this and have become skeptical of the "bargains" some stores offer. To help protect your store's reputation:

- Put a "Sale" tag on every reduced item.
- Show the regular price and the sale price so the shopper can see what he saves by buying during the sale.
- Be sure sale price offers a genuine savings.
- Make sure that identical items carry identical prices. When a shopper finds three different prices on the same product, he wonders about the store's professionalism at the very least and the store's morality at the worst.

Set-up Window Displays

To make shoppers and passers-by aware of your promotion, display your ad and the featured item in your store window, when possible, setting up the display before the ad runs.

Prepare Yourself for the Sale

People make the difference between a successful sale and a flop. The store is not ready for a promotion until every salesperson knows what is advertised. They have to know where the item is located on the sales floor, its regular price and its sale price. And even more important, they have to know how the value of a sale item compares to a comparable item at a regular price.

The shopper may come to the store to look at the 1/4" drill you advertised, but he may really need a 3/8" reversing drill.

The salesperson does the customer and the store a disservice if he does not point out the more expensive drill's benefits. At the same time, he does not criticize the drill on sale, and if the customer decides that is the drill he wants, that is the drill he is sold. But to help customers find the best buy, the salesperson has to know as much as he can about all the products the store sells. Read literature, study product tags, listen to what shoppers say about products, and read all you can about new products in the trade press.

Establishing Customer Needs

Customers have many choices when they think of buying something. The merchandise is seldom the primary reason a shopper selects a particular store.

Many consumers, for example, do not see any difference between a home centre and a discount store; they tend to see home centres as a specialized discount store. One of today's challenges is to make hardware stores and home centres look and feel different from discount chain stores.

Don't be afraid to be creative. Do make your sales-floor and your store an easy, pleasant place to shop. In the next decade the standard performance of the 20th century will not be acceptable and the outstanding performance will be only average.

The ultimate goal of retailing is to bring together supply and demand; to provide consumers with a selection of goods and services that satisfy their needs profitably. During the last 30 years, retailers have made considerable progress on the supply side, developing sophisticated logistical systems to streamline product distribution, manage inventory, allocate shelf space efficiently, and replenish stocks on a just in time basis. Stores can now do a much better job of providing consumers with the right product at the right place at the right time.

Retailers continue to have difficulty creating shopping environments that engage consumers' needs and convert these desires to purchases. One critical concern is with product proliferation and duplication. Manufacturers rely heavily on line extensions to increase volume, and retailers (often mistakenly) believe stocking more products means selling more products.

The 10 Principles of Retail Shoppability

The 40 of The World's Best Stores analysis and as well as an extensive review of prior academic and commercial research identifies 10 principles that can help retailers improve the shoppability of their stores, leading to increased sales and customer loyalty. The most effective application of these important business-building rules results when retailers and manufacturers work closely together to meet the needs of their shared consumers. In contrast to the often misaligned past efforts of stores and their suppliers, these two groups must now cooperate to:

- Show the Product.
- Provide Effective Navigational Aids.
- Simplify Product Organization and Presentation.
- Minimize Clutter.
- Maximize Product Affordance.
- Showcase New Items And New Ideas.
- Make The Shopping Experience Convenient.
- Speak with Authority.
- Maintain Flexibility.
- Measuring and Managing Retail Shoppability.

Unfortunately, most merchants and suppliers do not have the tools required to measure and manage retail shoppability for their unique customers, products, and contexts. Retailers typically

assess store performance using measures like change in same store sales, gross margin, direct product profit, sales per square foot, and return on inventory investment. While these metrics can help guide store operations and improve productivity, they provide little insight into the best ways to improve the customer experience. They have the inherent limitation of being based on sales that have already occurred; that is, realized demand. But what about demand that has not yet been converted to sales? The retailer may lose the opportunity to satisfy consumer demand because it is difficult for shoppers to find the desired merchandise, the store carries the wrong product assortment or presents it in an unappealing way, it charges too high a price, provides poor customer service, or has long lines at the register, among other reasons. Sales data alone provide no insight into these purchase obstacles or the potential level of unrealized demand.

By the time a customer walks into your store, he or she has received several impressions about you from your advertising, word of mouth, your store front, and now your product display. This is your last chance to make a good impression. You can create an effective product display after determining what type of image you want your store to project to your community and your customers. Some dealers prefer to present their merchandise in an informal country store environment and other dealers prefer displaying their merchandise in technically advanced learning or demonstration centres.

Consider the following when creating product displays that work:
- "Live" display products are easier to demonstrate to the consumer.
- Kitchen or Home Theatre vignettes are great ways to display how the product may look in the home.
- Plan how your customers will flow through your store to increase sales in certain products. Showcase products in high traffic areas.
- Product displays should be easy to locate. Proper signage can help guide customers and make it easier and more pleasant for them to find products and services customers to compare size, price, and features of products and makes it easier and convenient for your sales people to sell them. The display should make it easy to step to logical price points.
- Increasing the number of models you display can give your customers the impression that you are committed to the business, your price is competitive, and that they can find what they need in your store. Visit a store to see the effect of what a deep display can do. However, it is critical to keep in mind that reasonable inventory turns must be maintained.
- To maximize space, make use of vertical displaying where appropriate for Built-in Ranges, Microwaves, etc.
- Utilize P.O.P. materials that enhance the sell through of the product such as pointing out key benefits or specials. Be careful not to clutter up the product.
- Your store should be inviting and a comfortable place to shop.
- Use appliance display fixtures and special lighting to enhance your display as well as your image.
- Put in a small children's play area with toys as a convenience to parents while they shop to help them concentrate on a major purchase.

Summary

Customers have many choices when they think of buying something. The merchandise is seldom the primary reason a shopper selects a particular store. Many consumers, for example, do not see any difference between a home centre and a discount store; they tend to see home centres as a specialized discount store. One of today's challenges is to make hardware stores and home centres look and feel different from discount chain stores. Don't be afraid to be creative. Do make your sales floor and your store an easy, pleasant place to shop. In the next decade the standard performance of the 20th century will not be acceptable and the outstanding performance will be only average.

Don't be afraid to learn from the masters of display. Take these techniques and adapt them for your displays.

1. Angled merchandise: Use angled containers or risers to present merchandise.
2. Colour: Contrast colours of products to create irresistible displays.
3. Containers & Props: Mound products in attractive baskets and bins With these display techniques, you can tempt your shoppers to leave your shop with more than just one item in hand.

Your strategic placement of displays clearly states to your customer how you plan to conduct business and how you plan to respond to your customer's unique needs. It also makes it easier for the sales staff to close a sale as well as enhance profitability.

Exercise: Assignment

1. Visit a retail store and observe how to organize the display of products at the retail store.

2. Visit to a retail hyper market on-the-job on how to establishing customer needs and satisfy in them with sales presentation and demonstration.

Assessment

A. Fill in the blanks

1. _____ help in gaining new customers for the store.

2. _____ will encourage repeat sales.

3. Your strategic placement of displays clearly states to your customer how you plan to conduct business.

4. _____ can create enthusiasm among the store's salespeople.

5. To maximize _____ make use of vertical displaying where appropriate for Built-In Ranges, Microwaves, etc.

6. Utilize _____ that enhance the sell-through of the product such as pointing out key benefits or specials.

7. Your store should be _____ and a comfortable place to shop.

8. Use _____ display fixtures and special lighting to enhance your display as well as your image.

B. True or false

1. Display slow-moving and low-priced items nearest from the customer's reach.
2. Always use remote display space for high-demand, seasonal, impulse, or promotional items.
3. Use point-of-sale signs to call attention to hot items in each department.
4. The best selling height on any display is between eye and belt level.
5. Action, light and colour do not attract attention to any display.
6. No display is fully effective or complete until the merchandise is priced.
7. If feature displays do not blend with other displays around them, they may repel rather than attract.
8. Keeping displays neat and well stocked is one of the most effective "tricks" in merchandising.

C. Activity

Suppose that you are working in a retail outlet and a task is assigned to you for framing effective visual merchandising. How you will complete this task?

D. Discuss the following

1. Sample sales floor plan
2. Shelf placement
3. Store planning

Checklist for Assessment Activity

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

Part A

➡ Differentiate between ordinary display and visual display tools and techniques.
➡ Distinguish between general merchandising and visual merchandising.
➡ Analyze the store planning procedures.
➡ Differentiate between customer desires and needs.

Part B

Discussed the following in the class:

➡ What do you mean by display of products?
➡ What are the tools used for visual display?
➡ State the elements of effective visual merchandise.
➡ Elaborate store planning techniques.
➡ What are the display methods using for retail luxury products?
➡ How to evaluate effective merchandising and state the specific merchandising suggestions.
➡ What kind of merchandising rules followed while display of products.
➡ Explain promotional activities to attractive customers.
➡ How to estimate customer needs?

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Distinguish between ordinary and visual display tools and techniques.		
Identify the display techniques in the retail store.		
Able to estimate and establish customer needs.		

SESSION 2: SALE AND DELIVERY OF PRODUCTS

Relevant Knowledge
Processing the Sale of Products

Customers have evolved their shopping practices and use multiple channels to search, compare and purchase products and services. For example, of the 40% of consumers who own smart phones, 70% use them while shopping in stores (Google & IPSOS OTX, April 2011). While online shopping sites provide an array of tools that help customers gain insight during the purchase decision process, retailers provide few such tools in stores. Customers are turning to their own devices to support decision-making in stores, and as such smart phones are becoming an integral part of the shopping experience.

The next big challenge for retail is to determine how to use smart phones to engage with customers and drive purchasing by providing key insight during the purchase decision process. Retailers who can provide effective decision-making tools for in store customers will open up a new channel through which to market and sell.

Traditionally retail technologies have focused on providing business insight to store management. Now that customers are entering stores with technology in hand, the focus must expand to providing product insight to the customer as well. By providing customers with product insight, retailers can provide a differentiated experience that increases loyalty, which can in turn increase revenue.

How do you provide insight during the purchase decision process? By determining a customer's context (see next page) and leveraging that knowledge to provide a customized in-store shopping experience. While customer databases can show what a customer's purchase patterns are, they say little about whom the customer is and what they are trying to achieve. Customer databases provide a view into people who decided to purchase but miss the potential customer who wanted to purchase, visited your store, and left without buying. To better serve customers and increase sales, retailers will need to learn more about who their customers are, what their needs are, and provide them with relevant insight into the products and services available.

Accenture has developed an approach to providing customers with insight that involves combining

new forms of customer data with traditional forms and leveraging this new view of the customer to create a set of services to aid the purchase decision process. This approach uses a combination of social media profile data, customer purchase history, and customer behavior logs as forms of context to describe customers. Social profile data provides a much more descriptive and accurate profile of customers and is a largely untapped source of information. Although customer behaviors are tracked online, routinely very little information is collected about customer behaviors in stores. Combining social profile and customer behavior data with customer purchase history can create a rich picture of the customer, which retailers can use to better segment customers. Based on those segments, decision support services can be created for customers who would-

1. Help them find the right product and customize that product to their needs.
2. Offer more than a sales experience, but a service that places shopping support in the palm of the customer's hand.
3. Establish a new channel that enables direct communication with the retailer. This channel would allow retailers to learn more about the customer continually, and tune the in-store experience accordingly.

Increased "show rooming" – using the physical store to explore the merchandise and subsequently purchasing from the online vendor with the cheapest price suggests customers are not being engaged in physical stores. As a retailer, you can reclaim your customers by engaging with them as they search and evaluate products in store. The first step in our approach is learning who the customer is. Social profiles provide data including gender, employment history, educational background, hobbies, and interests (including TV series, movies, brands, etc.). This contextual information can be used to make inferences about what types of information and products would be of interest to a customer. Logging the actions of customers while they are in the store can further enhance this data. The next step in our approach involves using this enhanced awareness of the customer to create services that support decision-making in the physical store. For example, a tailored experience can be crafted to engage the customer while in store and support her through the stages of the purchase decision process from awareness to purchase. A few strategies to accomplish include:

- personalizing product content.
- using the activities and sentiment of friends (and similar people) to filter product choices and provide opinions.
- providing access to social networks to solicit opinions.

By engaging customers in these ways, you open a new channel for communication, which can be used to drive sales and increase trust. Each of these strategies can be integrated into a service you can make available to your customers. Services Based on Insight Personalized Product Content Retail stores currently provide a consistent experience across customers. Every customer that comes into the store is presented with the same physical space, same information and same products. Furthermore, customers are exposed to all products even though not all of them are relevant. By making the store experience more personal, the customer can better navigate product choices and feel more confident about making purchases in the store. Smart phones provide a

mechanism by which an experience meant for everyone can be personalized with little change to the physical store. Many retailers already provide their customers with mobile apps for their smart phones. By using Face book Connect TM as a login service for the app, the smart phone can be used to collect social profile data to learn more about the customer. With this context, a customer can be classified into one of a few predefined customer segments. For each segment, a custom experience can be designed to address the needs of customers in that segment. Technologies such as augmented reality and QR Codes can be used in the physical store to connect physical products with digital content that is tuned to the user's needs. The smart phone can also be used to collect data on the customer's browsing behavior.

This information can be combined with social profile data and purchase history to further personalize the experience. For example, consider a customer in the market for a new TV. Given her Face book interests in music, movies and gaming, and her recent online browsing of smart TVs, the TV descriptions displayed in the retailer's smart phone app could be tuned to highlight relevant features. This could include displaying the movie and music streaming apps available, and the suitability of the display and audio for gaming and movie watching. Using this strategy, the customer benefits from a more personalized shopping experience and get the support needed to reach a purchase decision in-store. In exchange for some personal information, customers can access an experience that surpasses the traditional one. This can take the form of relevant recommendations, ratings, information presented in the most easily consumable form, access to the experiences of friends, and more. For its part, the retailer gets to differentiate itself from its competitors and increase customer loyalty. The use of a smart phone as a shopping tool in the store provides retailers with access to the behaviors of customers and insight into how they interact with products. This data can be used to make decisions about store configurations and associated product placements. Providing a valued custom service opens up access to a wealth of information that retailers have traditionally found difficult to collect.

Although more information about customers can certainly be useful, retailers must tread carefully where customers' personal data are involved. Some customers may be quite reluctant to provide this type of information to the store, so retailers must avoid asking for more data than they need and must take every measure to protect the customer's privacy. By earning the customer's trust, retailers can enhance the customer experience while increasing their ability to sell. A reputation for sloppy handling of customers' data is one of the fastest ways to at minimum damage relationships with individual customers and even worse the public at large.

Easy Access to Feedback

Most of the feedback we've discussed so far has been "implicit," meaning that the activities of others are provided to customers as a gauge for opinions about that product without any explicit effort on the customer's part. An additional strategy involves providing "explicit" mechanisms for customers to reach out to their social networks to get direct feedback and recommendations. Retailers could enable Tweeting, Face booking and Posting products to other social media directly from the store. This provides additional insight to help the customer make a decision at the point of purchase. For retailers, there's an inherent benefit when customers solicit feedback because they're making

others in their networks aware of attractive products that the retailer sells. Social network users often make requests of their entire network, although only a limited set of people may be able to provide useful feedback. As a result, customers could potentially nudge others into considering the same or similar products, thereby increasing the retailer's reach.

Point-of-Sale Procedures

The 'Point-of-Sale' is where the customer comes to pay for his/her purchase. This will be the last place the customer will remember while in your store. So it is important that you are able to process transactions accurately and efficiently, leaving the best possible impression with the customer. This is where the sales assistant completes the sale using 'Point-of-Sale' equipment is better known as a cash register. There are numerous types of cash registers. The type used by a retailer depends on many factors such as the size of the shop, the information required by management compiled by the cash register, type of products being sold and the age of equipment.

There are several pieces of equipment at the Point-of-Sale. They include:

- Cash register.
- EFTPOS machine.
- Scales.
- Scanners.
- Imprinting machines.
- Conveyor belt.
- Phone or Microphone for announcement/public address system.

Handling Cash: Handling cash is an important part of your work. Here, mistakes (albeit honest ones) can often be made and this needs to be avoided. It costs the store money, upsets customers and damages reputations including yours. When receiving cash or passing over cash to a customer, state the amount 'loud and clear' and ensure that the customer agrees with the cash transfer. This also holds true when dealing with colleagues. For instance, when requesting change from another cash register. Ensure you both agree on the amount being exchanged.

Cash Register Security: Stores have in most cases strict rules when it comes to handling cash, maintaining the security of stock, merchandise on display and other valuable assets. It is unfortunate that there are times when cash and/or merchandise is stolen by dishonest employees. This can lead to immediate dismissal and criminal prosecution. Store opening and closing times are high danger periods for robbers or thieves. Be constantly aware of persons lingering in the store and behaving suspiciously. Immediately alert other staff and managers of your concerns. The Point of-Sale area (with the cash register located there) is often a key target to unscrupulous visitors to the store. There are documented tricks that these persons use to lure you away from the cash register or distract you for long enough to enable them to steal cash from the register. As a security measure follow these simple rules.

- Never leave the cash register open at anytime unless you are using it.
- Never face away from an open cash drawer.

- Never provide your staff code to anyone.
- Always lock the register when leaving the station.
- Never leave the key in an unattended cash register.
- Have the cash cleared on a regular basis so as not to hold too much cash in the register.
- Do not be distracted while using the cash register.
- Never leave cash lying around.
- Never stop to talk with customers or staff while carrying cash from one place to another.
- Use common sense and be alert to suspicious persons or situations.

Delivery of Products to Customers

A "perfect storm" created economic and demographic shifts that "has accelerated the deployment of strategies that act on customer intimacy and innovation imperatives," said Duncan Angove, General Manager and Senior Vice President, Oracle Retail, to more than 120 retail executives at the 2010 Oracle Retail Crosstalk conference. "Now that retailers are not opening as many new stores they are focusing on productivity within existing stores. They are thinking like marketers and acting like merchants." To that end retailers are delivering new brand experiences, through the use of new technologies including mobile applications and social media, and they are reorienting their retail business model around the customers. Customer Intimacy continues to be the latest buzzword. With ever-increasing ways to share information with their peers and retailers, consumers know what they want, when they want it and how they want to receive it and they will settle for no less. Retailers must respond by identifying these demands and meeting them in efficient, effective and innovative ways.

The following four strategies highlight some of the most significant ways retailers can become a more meaningful part of their customers' lives:

1. Deliver on the Brand Promise.
2. Embrace Cross-Channel Retailing.
3. Renew Focus on the In-store Shopping Experience.

This white paper will delve into each of the four strategies, highlighting some real world retail examples that will help to catapult retailers successfully into the Merchandising 2.0 world.

1. Deliver on the Brand Promise

Having the right tools in place can go a long way to helping retailers ensure they are delivering the products and pricing that meet the brand promise. If shoppers are more confident that the products will be available and in-stock at the moment they want to buy an item, they will be more likely to return to that retail store and/or brand. "Two years ago the retail industry was losing $90 billion due to out of stocks," said Greg Buzek, President of IHL Services. Some retailers were losing more than seven percent in same store sales due to out-of-stocks, he noted. So retailers responded. "Last year we were quite surprised to see that in-store positions went up even though inventory went down," said Buzek. In order for retailers to successfully balance the out-ofstock/ overstock dilemma, they need to employ the proper tools.

Some of the tools Oracle provides to help improve brand relevance include Oracle Retail Size Profile Optimization, and Oracle Retail Markdown Optimization, all components of an overall Oracle Retail planning and optimization suite.

The Pep Boys is constantly challenged with having the correct auto part available to service whatever type of vehicle that is brought into its service shops. "So we installed our sourcing inside our service work order system," said Ray Harrison, Project Manager, and The Pep Boys. Once the system knows the year, make and model of a vehicle then it can search the stock position of the part needed. "We can see the stock position in that particular store, in a neighboring store or the warehouse and it can be delivered within a few hours or overnight," Harrison noted. "The product transfer is completed seamlessly by the system. In the old days (like a year ago) it was too hard to find an inventory position and service advisors were more likely to make an outside purchase" instead of finding the item within the Pep Boys system. Urban Outfitters, Inc. is implementing an order management system to look at inventory across stores and complete the transaction at the same time; noted Joe Agostino, Manager of Store Systems, Urban Outfitters, Inc. "We also are looking at implementing the system online so shoppers can look at in-store inventories", he added. "This system will cut down on the paper (or e-mail) trail and the possibility of four stores getting an e-mail and potentially sending the item four times to one customer". Nordstrom is using Oracle Retail Size Profile Optimization to create unique store size profiles for its apparel merchandise. "We believe the Oracle Retail Size Profile Optimization application will help us improve how we assort merchandise, helping to ensure we have the right merchandise at the right time for customers", said Jan Walsh, Vice President and Business Information Officer, Nordstrom. The application also is helping Nordstrom cut costs by reducing markdowns and inventory levels. Tesco has been able to better focus on consumer demand for a growing array of merchandise with Oracle Retail Planning.

Now ranked as one of the top three international retailers with a presence in 13 countries and the U.S., Tesco has built an impressive operation to meet consumer demand, focused around proper planning to breed efficiency and the rapid movement of merchandise. The Oracle Retail Planning solution provided Tesco with a system capable of handling the new complexities of non-foods, such as color, size, and style for fashions as well as lead-times of many months. The new system integrates the entire product lifecycle, from building an initial merchandise plan to accommodating markdown optimization and in-season item planning. Wet Seal implemented Oracle Retail Markdown Optimization in order to more efficiently control markdowns running in the more than 400 mall based stores. Oracle Retail Markdown Optimization predicts the impact of markdowns before they are executed and determines the best time for markdowns to occur. This automated system considers customer profiles and shopping behavior. The fast fashion retailer executes two markdowns each week to promote and maintain assortment freshness and increase gross margin and gross sales.

2. **Embrace Cross Channel Retailing**

The bottom line for retailers today: Cross-channel shoppers are more profitable than single-channel shoppers. In 2010, 65% of retailers say cross-channel shoppers are either slightly

more or significantly more profitable than single-channel shoppers, as reported by the National Retail Federation (NRF) and Retail Systems Research (RSR) in the 2010 study titled "The Cross-Channel Wake Up Call." To meet the demands of these cross-channel shoppers, retailers should be focusing on converging their customer and inventory data across channels with the goal of creating a consistent brand experience. Two of the key tools Oracle provides to help create cross-channel consistency include Oracle Retail Store Inventory Management and Oracle Retail Returns Management.

Perry Ellis, both a wholesaler and retailer, sells from its own stores and websites as well as department stores and other outlets. The apparel retailer needed to provide common information across channels in order to become more efficient and meet customer demand. "Any change in inventory must be reflected in all our systems," said Luis Paez, CIO. Using Oracle Retail Store Inventory Management, Perry Ellis' wholesale and retail divisions are connected in order to create transparency between the businesses. Appreciate being provided new, reliable tools to make their jobs easier. These tools provide us accountability and visibility to the transactional item, an improved audit trail and insight to productivity. Customer service is also enhanced given the information we can now provide to our associates on the sales floor, along with the improvement to the overall in stock and inventory management.

Many retailers also are focusing on Oracle Retail Returns Management because it improves the customer experience by enabling quicker, easier and more accurate returns across all channels by providing associates with real-time access to return information. Additionally, returns management can reduce cross-channel fraud by organized criminals who commit same day returns with merchandise stolen from one channel and returned to another.

3. **Renew Focus on the In-Store Shopping Experience**

    The combination of smarter and more demanding shoppers with a down economy is presenting retailers with one of the most challenging retail scenarios in recent years. The smarter consumers push retailers to deliver the most up-to-date and innovative technology solutions, while the down economy forces retailers to find the quickest ROI possible for any implementation.

    "The challenge to provide ROI is the single biggest roadblock to improving the in-store experience and implementing new in-store technologies," according to the RSR study. But there may be a silver lining. "Retailers clearly sense potential for in-store technologies, and despite an inability to quantify results achieved, remain optimistic for future results." As many as 40% see Potential Value in software that schedules the right mix of labor so employees can complete all activities.

    One of the primary Oracle solutions that address the labor issues specifically is Oracle Workforce Management. Particularly in a recessionary economy, improving workforce management is vital for improving in-store service. Many retailers also are focusing on better managing their workforce to create efficiencies and cut costs, in addition to providing better customer service. And there is no better time than the present to focus on the workforce. Sales

per employee were down in 2009 over 2008, according to Retail Horizons. Approximately 49% of retailers surveyed said that employees' top annual sales dropped dramatically, to $50,000 from $100,000 the previous year. In 2009, 47% of survey respondents cite Leadership Development and Associate Training as key initiatives.

What does it mean to be customer-centric?

➥ The organization and the store are built from the customer perspective in, not the retailer perspective out.

➥ The shopping process is easy to understand, and customers have more control over the entire retail experience.

➥ Customer information is appropriately used, by both the retailer and by customers, to enhance the shopping experience.

➥ The shopping experience is tailored to different customer needs and shopping occasions.

The following four strategic imperatives:

1. Build an organization that defines a shopping experience that evolves with changing customer expectations: Retailers need to build a dynamic organization that is aligned to listen to the customer so that it can continuously enhance and sustain customer satisfaction. This requires a commitment to innovate and experiment with new concepts and offerings.

2. Provide a truly convenient shopping experience: Stores need to be designed to create an environment that is easy to shop and provides customers with the necessary tools, information, and services needed to make an informed and confident purchase.

3. Develop an integrated view of the customer: Retailers need to achieve a foundational level of customer information integration that includes eliminating customer data silos and integrating fragmented pieces of data gathered across all customer touch points and channels. This level of integration allows retailers to deliver more seamless shopping experiences and also deliver more relevant offerings to customers.

4. Deliver a flexible product/service offering: Retailers need to be able to tailor their offerings to meet customer needs across different segments, local markets, shopping occasions and product categories. The store should be designed and operated with flexible options that allow customers to shop the way they want to shop.

Further, while it is critically important to embrace these imperatives, achieving an increased focus on the retail customer's perspective requires retailers to focus on execution excellence throughout their organization. In doing so, senior managers should focus on six major aspects of their business operating model: organization, people/process, information, tools/systems, format/merchandise, and IT infrastructure. We provide examples in three selected areas:

Organization: Precise execution comes from clarity of approach and alignment of incentives and performance measures that supports a customer focus. In merchandising, for example, a retailer

could consider moving the focus from products and product managers to customer segments and segment managers.

People/Process: Since store employees are integral part to delivering a customer centric experience, it will be important to reduce non-customer-facing administrative tasks and elevate training policies to emphasize "continuing education" versus a onetime event tied to a new capability rollout. The customer-centric store IBM Business *Consulting Services.*

IT Infrastructure: The next generation store is clearly dependent on a robust, flexible and enabling IT infrastructure. Thus, capabilities, such as the following, need to be provided and supported: new applications easily integrated with existing applications, a diverse range of devices and touch points for store employees and customers that are easily supported, and the ability to scale new applications and services in a timely fashion.

In the constantly evolving retail marketplace, the total retail experience can become a key source of competitive differentiation. By excelling at the strategic customer centric imperatives outlined in this paper, retailers can deliver a superior shopping experience that could result not only in consistently high customer satisfaction, but might also encourage customers to shop more often and spend more with their favored retailers.

Retail Market Complexity: The Rules have Changed

The retail marketplace is polarizing into a "world of extremes" forcing retailers to reorient their core strategies. Mega retailers dominate one end of the competitive spectrum and focused specialists the other. At the same time, increasing customer diversity and individualism is creating significant demand complexity.

Undifferentiated companies in the middle are facing tremendous pressure; many have failed and others are still struggling to find the path back to consistent growth and success. In this environment, the rules for how retailers operate and compete have changed. To a large degree, the traditional means of competitive differentiation can no longer be relied upon. For many retailers, strategies based just on price have been rendered ineffective as mega retailers have mastered the "mass" end of the marketplace with superior scale and efficiency. And traditional levers of competition, such as assortment, service and customer and market segmentation, which were once differentiators, can now be easily copied or competed away, if they are not somehow made proprietary. For example, home installation and repair services like those pioneered by Sears are proliferating across retail as competitors such as Best Buy, Home Depot and Lowe's offer similar services. At the same time, customer expectations continue to rise.

The Internet's nearly unlimited wealth of information has created customers that are accustomed to having instant access to price and product comparisons, independent third party reviews, and tailored recommendations based on their buying history. Their comfort with technology also continues to grow, as witnessed by the proliferation of mobile phones, Personal Digital Assistants (PDAs), video game players and other personal devices. The customer-centric store IBM Business Consulting Services. Furthermore, these information and technology-savvy customers are much more demanding about what they expect from the shopping experience. They are often much more

knowledgeable than store employees about the products, services and prices available in the marketplace, thereby raising the bar for what retailers and their store employees need to know to deliver a superior shopping experience.

Strategic Imperatives for Customer-Centric Retailing

1. Build an organization that defines a shopping experience that evolves with changing customer expectations. Retailers need to focus the entire organization on identifying, satisfying and evolving with their target customers' needs and preferences. Customers' expectations are evolving more rapidly than ever and retailers must be poised to respond. Customers want a store that not only understands how they want to shop today, but also adapts as their needs change over time. To achieve these ends, retailers should focus on three key areas.

    First, retailers must keep a laser-like focus on who their target customers are and how best to meet their needs. To accomplish this, retailers need to develop methods to keep in touch with customers on a regular basis, such as: spending time in the stores to observe who is shopping in the store and how they shop, having store employees capture feedback at point-of-sale (POS) or on the floor while serving customers, or directing customers to online surveys via a purchase receipt.

    Second, retailers need to commit to innovation and experimentation in formats, concepts and product offerings. One way of achieving this goal is too regularly develop prototype or test stores, such as Food Lion's Bloom store or Metro's Store of the Future. Prototype stores enable retailers to test nuances of their new strategies from a total experience perspective and do so without a major commitment in capital and resources. Build an organization that define a shopping experience that evolves with changing customer expectations Provide a truly convenient shopping experience.

    Develop an integrated view of the customer Deliver a flexible Product/service offering the customer-centric store IBM Business Consulting Services.

    Third, retailers need to take greater responsibility for the quality of store employees. Store employees are often a customers' first and last point of interaction in the store, and therefore hiring and developing the right people is essential. Retailers might consider using behavioral testing in the hiring process to determine whether potential store employees are customer-focused and are a good fit with the corporate culture. For example, leading U.K. retailer Marks & Spencer developed a screening process with SHL, a provider of objective people assessment techniques.

2. Provide a truly convenient shopping experience. Retailers need to create a more enjoyable and pleasing shopping experience that will keep customers coming back. Too often, customers wander around a poorly laid out store and exit frustrated and empty-handed because they could not find what they wanted. They abandon their shopping cart because they couldn't find an associate to assist them or the checkout lines were too long. Customers want a store that is easy to shop and allows them to accomplish their shopping goals with less time and effort. At the

same time, they are also looking for a store that provides them with the services and level of information needed to make an informed and confident purchase. Four key changes are necessary to deliver a convenient customer-focused shopping experience.

To begin, retailers need to improve navigation throughout the store via better store design and shopping aids such as store maps and product locators. Retailers could also redesign sections of their stores to better meet the needs of core customer segments or shopping occasions. For example, North Carolina-based Food Lion is testing a convenience offering in its new concept stores (Bloom) by placing certain staple items in the front of the store so shoppers looking to pick up a few essentials can quickly get in and out.

3. Develop an integrated view of the customer. Creating a shopping experience that is consistent and seamless across channels, across departments within the store and across customer touch points (such as call centers, direct mail, or in-store kiosks) is important. Customers are often frustrated with disconnected or interrupted shopping experiences where information is not readily available to enable them to easily complete their transactions. Customers want a store to retain and use relevant information so that they don't need to start over again with each transaction/purchase. Creating this consistent, flowing dialogue requires two key steps.

   First, retailers need to achieve a foundational level of customer information integration. This integration involves eliminating customer data silos which can otherwise lead to inconsistent versions of customer data. It also requires integrating heterogeneous pieces of data gathered across all customer touch points and channels which, when left fragmented, can often be a source of poor customer service and therefore customer frustration. Once this level of integration is in place, retailers can begin to deliver more seamless shopping experiences and more relevant offerings to customers. For instance, integrated customer information allows customers to easily move between different departments within a store (e.g., a store with a separate auto service center and retail store) during a shopping experience and not have to be asked repeatedly for their customer information. Or customers could begin a transaction at home (online) and continue this transaction in the store by accessing their profile through in-store Web access.

   Second, retailers need to let customers decide how much intimacy they want or need. Customer data must be used appropriately, and customer concerns for privacy must be guarded. Some customers feel uncomfortable that the retailer is tracking their shopping behavior to provide personalized offerings and prefer to remain anonymous. Others find real value from sharing demographic and preference data. Therefore, providing customers with the ability to opt-in to new offers and services is important.

4. Deliver a flexible product/service offering. With customer complexity continuing to increase, retailers must consider how to address customer needs and preferences across several areas including target segments, local markets, shopping occasions and product categories. Customers want a store that provides them with different shopping options to meet their particular needs, not a one-size-fits-all offering. The ability to deliver this flexible offering requires retailers to address four key steps.

Transforming the Organization and the Store

As we mentioned earlier, customer centricity is not a one-size-fits-all formula. Each retailer must develop a go forward plan that incorporates its particular value proposition and its target customer needs. Our approach to moving ahead toward building greater customer centricity involves three key steps:

1. **Determine the Customer Experience Vision:** Align your ideal shopping experience with the company's core value proposition and your customers' needs and expectations. Assess any gaps between your customers' perceptions and what you are trying to achieve. Then, assess your ability to deliver on the four customer-centric strategic imperatives. The customer-centric store IBM Business Consulting Services.

2. **Evaluate and Prioritize your Investments:** Identify particular initiatives that can help the company achieve its vision. Understand the ROI for these investments and how they will impact the business in the long and short term. Take a self-funding approach to your investment portfolio. Prioritize "quick hit" projects first to fund longer lead-time initiatives that have higher costs and might initially be out of the scope of the company's abilities.

3. **Develop a Transformation Plan:** Begin execution of a change management and communication plan immediately to help ensure that the transformation of the company will be successful at every level. Assign benefits responsibility to senior leaders and embed realization of benefits into future operating budgets. Finally, determine a set of metrics and governance procedures to measure the impact of the initiatives and manage progress.

Key elements of a successful direct delivery business

� Well-organized customer list management.

➭ Consistent and well-designed marketing materials. These do a good job of highlighting what makes your farm different.

➭ Responsive customer service.

➭ Consistent, high-quality products.

➭ Clean and well-labeled packaging and delivery system.

➭ Proper labeling and licenses.

Most consumer goods are delivered from a point of production (factory or farm) through one or more points of storage (warehouses) to a point-of-sale (retail store), where the consumer buys the good and is responsible for its transportation to point of consumption. There are many variations on this model for specific types of goods and modes of sale. Products sold via catalogue or the Internet may be delivered directly from the manufacturer or warehouse to the consumer's home, or to an automated delivery booth. Small manufacturers may deliver their products directly to retail stores without warehousing. Some manufacturers maintain factory outlets which serve as both warehouse and retail store, selling products directly to consumers at wholesale prices (although many retail stores falsely advertise as factory outlets). Building, construction, landscaping and like

materials are generally delivered to the consumer by a contractor as part of another service. Some highly perishable or hazardous goods, such as radioisotopes used in medical imaging, are delivered directly from manufacturer to consumer. Home delivery is often available for fast food and other convenience products, e.g. pizza delivery. Sometimes home delivery of supermarket goods is possible. A milk float is a small battery electric vehicle (BEV), specifically designed for the delivery of fresh milk. A new form of delivery is emerging on the horizon of the internet age: Delivery by the crowd e.g. crowd delivery. In this concept an individual not necessarily contracted by the vendor performs the delivery of goods to the destination.

Exercise: Assignment

1. "Store employees are critical to an organization's ability to achieve its customer centric vision". Evaluate this statement.

2. Just visit to any retail outlet and observe the following activities:

    ➡ How to operate Point-of-Sale equipment.

    ➡ Clearing cash from the register.

    ➡ Security relating to cash handling.

    ➡ Holding proper amounts of change.

    ➡ Security at the Point-of-Sale.

    ➡ Solving transactional errors.

    ➡ Maintaining documentation stock at the Point-of-Sale.

    ➡ Dealing with delays at the Point-of-Sale.

Assessment

A. Fill in the blanks

1. Most consumer goods are delivered from a point of production through one or more points of _____ to a point of sale (retail store).

2. Products sold via catalogue or the Internet may be delivered directly from the manufacturer or warehouse to the consumer's home, or to an _____.

3. Some highly perishable or hazardous goods, such as radioisotopes used in medical imaging, are delivered _____ from manufacturer to consumer.

4. In _____ concept an individual not necessarily contracted by the vendor performs the delivery of goods to the destination.

B. True and false

1. The 'Point-of-Sale' is where the customer comes to pay for his/her purchase.

2. Retailers should provide greater customer satisfaction and loyalty through providing more relevant offerings to particular customer segments or groups.

3. Retailers should not try to increase basket size by giving customers options to choose the way they want to shop on a given day or for a given occasion.

4. To achieve an increased focus on the customer's perspective, retailers do not need to strategically align and foster execution excellence throughout their organizations.

Checklist for Assessment Activity

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

Part A

➾ Differentiate between delivery of products to customers and transportation of products in retailing.

➾ Analyze the imperatives of customer centric retailing.

Part B

Discussed the following in the class:

➾ What is processing of sale of products?

➾ Explain the point of sale discussions.

➾ What are the ways to delivery of products to customer?

➾ Explain the concept of retail market complexity.

➾ State the imperatives of customer centric retailing.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Demonstrated how to delivery the products to customers.		
Identify ways to delivery of products to customers.		
Able to explain the imperatives of customer centric retailing.		

SESSION 3: MAINTENANCE OF STORE AREAS AND COMMUNICATE EFFECTIVELY WITH STAKEHOLDERS

Relevant Knowledge

Maintenance and Cleaning of Store Area

It includes activities such as housecleaning that is, disposing of rubbish, cleaning dirty surfaces, dusting and vacuuming. It may also involve some outdoor chores, such as removing leaves from rain gutters, washing windows and sweeping doormats. The term housecleaning is often used also figuratively in politics and business, for the removal of unwanted personnel, methods or policies in an effort at reform or improvement.

Housecleaning is done to make the home look better and be safer and easier to live in. Without

housecleaning lime scale can build up on taps, mold grows in wet areas, bacterial action made the garbage disposal and toilet smell and cobwebs accumulate. Tools used in housecleaning include vacuum cleaners, brooms, mops and sponges, together with cleaning products such as detergents, disinfectants and bleach.

Regular cleaning usually involves cleaning everything in sight. However, house cleaning may also involve cleaning hard to reach areas, moving furniture and cleaning things that are not in sight. This can include the inside of an oven, inside of a refrigerator, and moving appliances to get those hard to reach areas.

Goals and Objectives of Maintenance Organizations

The goals and objectives of the maintenance organization determine the type of maintenance organization that is established. If the goals and objectives are progressive and the maintenance organization is recognized as a contributor to the corporate bottom line, variations on some of the more conventional organizational structures can be used.

The typical goals and objectives for a maintenance organization are listed.

Developing performance indicators for managing maintenance maximize production at the lowest cost, the highest quality, and within the optimum safety standards. This statement is very broad, yet maintenance must have a proactive vision to help focus its activities. The statement should be tied to any corporate objectives. It can be broken down into smaller components.

(a) **Maintaining existing equipment and facilities:** This activity is the primary reason for the existence of the maintenance organization. The organization gains no advantage from owning equipment or facilities that are not operating or functional. This component is the "keep-it-running" charter of maintenance.

(b) **Equipment and facilities inspections and services:** These programs are generally referred to as preventive and predictive maintenance (PM and PdM). These activities increase the availability of the equipment and facilities by reducing the number of unexpected breakdown or service interruptions.

(c) **Equipment installations or alterations:** Installing and altering equipment are generally not the charge of the maintenance organization; they are usually performed by outside contract personnel. However, maintenance must still maintain the equipment, so they should be involved in any equipment installations or alterations.

Developing Maintenance and Asset Management Strategies

1. **Objectives of Maintenance Management**
   - Maximum production at the lowest cost, the highest quality, and within optimum safety standards.
   - Identify and implement cost reductions.
   - Provide accurate equipment maintenance records.
   - Collect necessary maintenance cost information.

- Optimize maintenance resources.
- Optimize capital equipment life.
- Minimize energy usage.
- Minimize inventory on hand.
- Maximize Production.

2. **Reducing Costs is Sometimes an Overlooked Aspect of Maintenance:** However, a maintenance organization can help a company reduce costs in many ways. For example, a change in a maintenance policy may lengthen production run times without damaging the equipment. This change reduces maintenance cost and, at the same time, increases production capacity. By examining its practices, maintenance can usually make adjustments in tools, training, repair procedures, and work planning, all of which can reduce the amount of labor or materials that may be required to perform a specific job. Any time gained while making repairs translates into reduced downtime or increased availability. Downtime is more costly than maintenance expenditures. Before making adjustments to reduce costs, studies should be conducted to show the before and after results. This quantifying of improvements builds management support for maintenance activities.

3. **Provide Accurate Equipment Maintenance Records:** Providing accurate equipment maintenance records enables a company to accurately track equipment in such engineering terms as mean time between failure or mean time to repair. Success in this endeavor, however, requires accurate records of each maintenance repair, the duration of the repair, and the run-time between repairs. Larger organizations, for whom this activity produces a tremendous amount of paperwork, typically use some form of a computerized maintenance management system (CMMS) to track this information. But whether or not a computer is used, all of the maintenance data must be accurately tracked. This objective seems almost impossible to achieve at times. Maintenance records are generally collected as work orders and then must be compiled into reports showing meaningful information or trends. The problem is finding enough time to put valuable information on each individual work order. Because excessive amounts of maintenance are performed in a reactive mode, it is difficult to record events after the fact. For example, recording how many times a circuit breaker for a drive motor was reset in one week might seem somewhat insignificant to record on a work order. But, if the overload was due to an increased load on the motor by a worn bearing inside the drive, it could be analyzed and repaired before the equipment experienced a catastrophic failure. Accurate record keeping is mandatory if maintenance is going to fully meet its responsibilities.

4. **Developing Performance Indicators for Managing Maintenance:** Collecting necessary maintenance cost information enables companies to track engineering information. For example, by using life-cycle costing information, companies can purchase assets with the lowest life-cycle costs rather than lowest initial costs. In order to track overall life-cycle costs accurately, all labor, material, contracting, and other miscellaneous costs must be tracked accurately at the equipment level. This tracking is primarily an activity for the maintenance department.

In addition to life cycle costing is the need for maintenance budgeting. If accurate cost histories are not collected, how can the manager budget what next year's expenses will or should be? Maintenance managers cannot simply say to plant management, "we want to reduce maintenance labor by 10 percent next year". When they don't really know how the labor resources were allocated this year. Also if labor figures are only available in dollar amounts, the differences in pay scales may make it difficult to determine how much labor was used in total hours by craft. The information must be collected both in dollars and in hours by craft.

Where is This Information Collected?

Collecting the cost information is again tied to work order control. Knowing the hours spent on the work order times the labor rates of the individuals performing the work allows a more accurate calculation of the labor used for the work order. Adding up these charges over a given time period for all work orders provides the total labor used. Adding up the hours spent by each craft provides an even clearer picture of the labor resources needed. Material costs can also be determined by tracking to each work order what parts were used on the job. Multiplying the number of parts times their dollar value (obtained from stores or purchasing) calculates the total material dollars spent for a given time period. Contractor and other cost information also must be collected at a work order level. Each work order form should have the necessary blanks for filling in this information. Only by tracking the information at the work order level can you roll up costs from equipment to line to department to area and finally to total plant. Collecting the information at this level also provides cost information for equipment types, maintenance crafts, and cost centers. By utilizing the data gathered through the work order, detailed maintenance performance indicators can be developed.

Typical areas of waste in the inventory and purchasing function include:
1. Stocking too many spare parts.
2. Expediting spare part delivery.
3. Allowing shelf life to expire.
4. Single line item purchase orders.
5. Vanished spare parts.

It is important for the maintenance organization to focus on controlling spare parts and their costs. While the goals discussed thus far do not form a comprehensive, all inclusive list, they highlight the impact that a proactive maintenance organization can have on a company. Maintenance is more than a "fix it when it breaks" function. Unless the maintenance organization works with a proactive list of goals and objectives, it will always be sub-optimized.

5. **Equipment Service Level:** Equipment service level indicates the amount of time the equipment is available for its intended service. The amount of service required from the equipment, along with its resultant costs, determines the type of maintenance philosophy a company will adopt.

Maintenance Philosophies
- Reactive Maintenance.

- Corrective Maintenance.
- Preventive Maintenance.
- Predictive Maintenance.
- Maintenance Prevention.

Reactive Maintenance: In far too many cases, equipment is run until it breaks down. There is no preventive maintenance; the technicians react, working only on equipment that is malfunctioning. This approach is the most expensive way to coordinate maintenance. Equipment service level is generally below acceptable levels, and product quality is usually impacted.

Corrective Maintenance: Corrective maintenance activities are generated from PM inspections, routine operational requests, and routine service requirements. These activities make up the maintenance backlog and should be planned and scheduled in advance. This approach is the most cost-effective way to perform maintenance, reducing performance costs by 2 to 4 times compared to reactive maintenance. When the majority of maintenance activities fall into this category, equipment service levels can be maintained.

Preventive Maintenance: Preventive maintenance includes the lubrication program, routine inspections, and adjustments. Many potential problems can thus be corrected before they occur. At this level of maintenance, equipment service levels enter the acceptable range for most operations.

Predictive Maintenance: Predictive maintenance allows failures to be forecast through analysis of the equipment's condition. The analysis is generally conducted through some form of trending of a parameter, such as vibration, temperature, and flow. Preventive maintenance differs from predictive maintenance in that it focuses on manual tasks whereas predictive maintenance uses some form of technology. Predictive maintenance allows equipment to be repaired at times that do not interfere with production schedules, thereby removing one of the largest factors from downtime cost. The equipment service level will be very high under predictive maintenance.

An extension of predictive maintenance is condition-based maintenance, which is maintenance performed as it is needed, with the equipment monitored continually. Some plants have the production automation system directly connected to a computer system in order to monitor the equipment condition in a real-time mode.

This real-time trending allows for the maintenance to be performed in the most cost effective manner. Condition-based maintenance is the optimum maintenance cost vs. equipment service level method available. The startup and installation cost can be very high. Nevertheless, many companies are moving toward this type of maintenance.

Maintenance Prevention: Maintenance prevention activities focus on changing the design of equipment components so they require less maintenance. This type of maintenance uses the data gathered from the previous techniques to design out maintenance requirements. An

analogy of an automobile can be used. If the current day auto is compared to a 1970s vintage auto, a reduction in the maintenance requirements can be clearly seen. Tune ups are one of the main areas. 1970s autos required tune ups every 30,000 to 40,000 miles. New models require tune ups at 100,000 miles, with no degradation in performance. These improvements were studied, reengineered, and implemented. Plant and facility equipment today are no different. Maintenance prevention activities usually are supported by the maintenance engineering group.

Communicate Effectively with Stakeholders

Many applications can be provided to enable Staff Communications and Management, allowing store associates to work together for more effective operations and supply chain management. These communication solutions for retail enterprises include offerings that support associates on the go, including task management, mobile manager and manager dashboard. Other offerings include call box assistance, video analytics and video manager for real-time inventory alerts.

Retailers' communication strategies evolve as consumer media changes. Traditionally, retailers run advertisements and promotions to attract customers to the store. The introduction of loyalty cards gave retailers an opportunity to communicate regularly and build relationships with customers. The growth of social media and mobile communications is opening up new channels to interact with customers and make timely offers when they are close to your store. The most effective communication strategies are:

Awareness: The most important communications strategy is to make potential customers aware of your store and the products you offer. By advertising in local newspapers and printed directories, like the telephone book, you can make it easy for customers to locate your store. The online version of a traditional directory, as well as online consumer review sites and city-based business guides, provides local information for consumers who prefer to search online. You can also set up your own website with details of your location, opening times and product range to communicate with Internet users.

Relationships: To protect your customer base and increase repeat sales, adopt a communications strategy based on a loyalty program. Major retail groups operate programs that utilize loyalty cards. Customers swipe their cards at the checkout and earn reward points to use against future purchases. The cards also enable retailers to capture data on individual customer's purchasing preferences and make personalized offers on products that the customer buys regularly, encouraging their repeat business. You can adopt the principles of a loyalty program, without the database element, by offering customers vouchers or discounts against future purchases.

Mobile: With increasing numbers of consumers using mobile phones to get information on stores, products and local deals, you can develop a mobile merchandising strategy to communicate with consumers in your area. By participating in a service such as Foursquare, you can attract and reward customers by offering mobile coupons, prizes or discounts when

they check in at your store using a mobile phone to register their identity. According to the Foursquare website, an offer like a 5 percent discount on their next purchase will encourage Foursquare members to shop with you. Discount programs, including Groupon and Living Social, also have mobile applications to attract on-the-go customers into your business with a special offer. According to Living Social, 87 percent of customers who use a Living Social deal to visit a restaurant, plan to return to that business.

Social: A social media communication strategy can help you increase dialogue with your customers and get valuable feedback on your products and standards of customer service. You can set up a forum or comments page on your website where customers can share their views. You can also use techniques such as blogs to provide customers with news about your store and its products. "PR Week USA" described how a major entertainment retailer provides customers with a special newsroom where they can find news about entertainment, events at the store or recommendations on entertainment products.

Employees: Don't forget to include employees in your communications strategy. By keeping them informed on developments in the store, special customer offers and other product news, you can be confident that they are communicating the right messages to your customers, according to Chetochine Consulting Group. An electronic newsletter keeps employees up to date, while an employee forum on your website encourages employees to share views and tips on improving customer service. Our experience suggests that an effective contact strategy has six key characteristics:

1. An effective contact strategy combines customer needs, products, commercial requirements and channel skills and capacities.
2. An effective contact strategy spans all products and channels and is driven from centralised planning that transcends traditional product and organisational silos.
3. An effective contact strategy recognises that different channels have different capabilities and, therefore, different uses. For instance, it is possible to undertake much more effective relationship building in inbound channels than through direct mail.
4. An effective contact strategy recognises that the extent of the relationship is different for each customer, and that the content, frequency and objectives of customer conversations should recognise relationship status.
5. An effective contact strategy seeks to find the balance between what's right for the customer and what's right for the organisation.
6. An effective contact strategy aligns incentives and performance goals with commercial objectives and customer needs.

An effective contact strategy is not a PowerPoint presentation or a set of static rules in a database marketing system; it is best evidenced by a new operational debate that aligns commercial requirements with customer need in a fact based and timely manner.

We have been working with many our clients for the last eight years to help them design and implement effective contact strategies that exhibit each of these characteristics. We have found that

there are four critical capabilities that need to be put in place in any situation where effective contact strategy is a goal:

High performance, fully integrated sales planning based on customer need, relationship status and commercial requirements.

Effective contact strategy requires an effective forward planning capability across all marketing activities. This will bring together all relevant information, objectives and constraints in a planning system that supports timely evaluation of future plans and you should be able easily to see the effect of changing core assumptions or introducing new performance constraints.

This system will require streamlined business processes to ensure plans can be developed and modified within short time frames and minimal effort.

Streamlined marketing operations that can routinely drive communications across all channels in the full knowledge of customer needs, relationships and contact history.

With five or six key channels and fifteen products to manage, your processes and systems need to be able to support hundreds of campaigns in parallel, with many executing daily.

Your information management capabilities (people, process and technology) need to be able to react to a full range of lead generation activity, from event recognition through to gathering and using customer volunteered information, on a daily basis.

Highly effective sales and relationship building capabilities within all core channels. By bringing together all of the relevant contextual information and aligning sales targets with customer needs it is possible to boost cross sales activity and increase customer satisfaction, sometimes by as much as 20%.

With thousands of front-line agents managing millions of customer interactions, the opportunities for revenue generation and relationship building are huge. Providing the right information to front-line staff to enable them to deliver the right communications at the point of contact is a business and technological challenge that we have helped many clients to overcome.

Timely and accurate performance management systems that show quickly and accurately not just how your bank is performing against plan, but also which elements of the plan are working and which are underperforming.

You should be able to drill down from an overall view of performance against budget all the way to an individual call centre agent.

In essence, these capabilities combine to form an ever evolving customer management capability.

To organisations who adopt this new capability it provides four clear benefits:

➦ From a revenue standpoint, customer driven planning processes are quicker to execute and always provide better results. Planning efficiency is improved to provide the business with a far greater degree of commercial control and visibility than is possible today with current highly devolved and complex matrix business management approaches. Sales effectiveness is

increased by taking a "customer first" or next-best-activity approach, sometimes by as much as 80%.

✦ From a cost standpoint, clear customer level planning and strong automated information gathering and offer prioritisation mechanisms efficiently delivered into marketing channels significantly reduces the need for localised efforts in data mining and "screen walking". As a result, front-line staff can spend more time building more effective relationships with customers.

✦ From a customer perspective, an effective contact strategy greatly enhances the ability of a Retail Bank to meet expectations by delivering appropriate, coherent sales and relationship building messages across all channels. This improves the strength of the brand, the perceived usage value of the products and the quality of the Customer Experience.

In summary, this is a capability that can be used to continually adapt to new circumstances. It is a capability that is designed to find a new balance between competing objectives with a business balance that senior executives are both fully aware of, and can also be entirely comfortable with the underlying assumptions. This capability has four dimensions:

People and Organisation: The availability of high-calibre, well-trained, motivated people working in an effective organisational structure, is essential to successful contact strategy.

Process: Effective business and technical processes are needed to underpin the streamlined marketing operations, effective and efficient planning and high quality communications required for effective contact strategy delivery.

Information Management: Effective contact strategy is dependent on high-quality information, and on well-designed information management systems.

Supporting Technology: A range of supporting technologies will be required to support effective contact strategy design and delivery.

We generally encounter significant gaps between what is needed to implement an effective contact strategy, as defined above, and that which exists in any given client situation.

The critical issues in these cases are around (i) quantifying the size of the prize and (ii) establishing the most effective route to realising value.

✦ In-Store Communications.

✦ Focusing on the consumer.

While competitive pressures continue to mount, conventional advertising formats are losing their bite. In response, there is a need for new communications channels that not only measure up to changed market conditions but also meets the expectations of today's sophisticated consumers. The overriding goal is to help retailers and service providers fulfill their basic mission: win new customers, build their loyalty, and increase sales.

✦ Flexible communications at the point of sale.

✦ In-Store Communications (IC) from T-Systems is designed for all companies that have brick-

and mortar outlets and that interact with customers face to face. It is a solution that delivers precisely targeted communications at the point-of-sale (POS). IC comprises the following modules:

Digital signage: Your very own in-store TV channel.

Multi-Service Spots: Electronic kiosks, your shop-in-shop.

Take advantage of tomorrow's digital marketing and communications technologies today: with TV formats that are tailored to your customers, and with the interactive payment and/or information services of your choice. Revolutionize customer communications by means of versatile, dynamic channels that provide up-to-the minute information.

Exercise: Assignment

1. Visit to the retail store and find out the process to maintenance and cleaning of store area.
2. Visit to a hyper market and observe what are the communication methods using to effectively communication with stakeholders.

Assessment

A. Fill in the blanks

1. By keeping _____ informed on developments in the store, special customer offers and other product news, you can be confident that they are communicating the right messages to your customers.
2. An _____ keeps employees up to date, while an employee forum on your website encourages employees to share views and tips on improving customer service.
3. An effective _____ combines customer needs, products, commercial requirements and channel skills and capacities.
4. An effective contact strategy spans all products and channels and is driven from _____ that transcends traditional product and organisational silos.

B. True or false

1. An effective contact strategy do not recognises that different channels have different capabilities and, therefore, different uses. For instance, it is possible to undertake much more effective relationship building in inbound channels than through direct mail.
2. An effective contact strategy recognises that the extent of the relationship is different for each customer, and that the content, frequency and objectives of customer conversations should recognise relationship status.
3. An effective contact strategy seeks to find the balance between what's right for the customer and what's right for the organisation.
4. An effective contact strategy does not align incentives and performance goals with commercial objectives and customer needs.

C. Explain the role of following things in effective contact strategy

1. People & organisation
2. Process

3. Information Management
4. Supporting Technology

Checklist for Assessment Activity

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

Part A

➡ Differentiated between maintenance and cleaning of store area.

Part B

Discussed the following in the class:

➡ What are the activities of maintenance and cleaning?

➡ State the objectives of maintenance organizations.

➡ Explain the major strategies of developing maintenance and asset management.

➡ Analyze how to communicate the information effectively with the stakeholders.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Identify the activities of maintenance and cleaning.		
Identify the strategies for developing maintenance and asset management.		
Identify the effective communication tools for communicate the information to the stakeholders.		

SESSION 4: DUTIES & RESPONSIBILITIES OF SALES SUPERVISOR

Relevant Knowledge

Retail store manager hire, fire, train, develops staff, motivates, insure the store makes its sales figures, makes sure all directives are completed in a timely manner, communicates corporate information to staff, usually does schedules, display merchandise, and depending on store and staffing availability does what ever it takes to insure the store runs smoothly, the clients are number 1, and there is a good return of clients and helps bring in new clients, and protects the store merchandise from loss. Also usually opens or closes store and has the responsibility of caring the store key. Has to make sure the store is inviting, clean and delegating projects to staff. Actually there is a lot more their job is endless because when anyone is in customer service industry you need to do whatever it takes to please the client anyone is dealing with clients.

Sales supervisors usually work for retail establishments that sell clothes, appliances, furniture, cell phones, electronics and office supplies. They can also work in the cable or satellite television

industry, at government offices or in financial services. A job description of a sales supervisor usually includes various sales support functions that help the retail salespeople improve their job performance. Sometimes, the job description of a sales supervisor is to assist a sales manager, provided that there is a distinction between the two positions.

Significance: The job description of a sales supervisor mainly includes leading and motivating the sales employees toward achieving the sales objectives of the company or retail establishment. These objectives usually entail driving sales volume in terms of both units and dollars. The job description for a sales supervisor may also entail using existing promotional tools or point-of-purchase materials to increase the stores or company's sales volume.

Identification: A sales supervisor's job description can also include hiring new sales employees, ensuring that they fill out the proper paperwork such as I-9 and W-2 forms and getting them properly trained on sales techniques and the cash register. The job description for a sales supervisor can also include monitoring an employee's progress, conducting performance reviews, creating action plans for sales representatives that are under-performing and, sometimes, firing employee.

Function: The job description of a sales supervisor often include setting work schedules for sales employees, ensuring that all shifts are covered and making sure employees adhere to the dress code and company standards when dealing with customers. The job description for sales supervisors will often have them waiting on customers and up selling, especially during busy hours or at certain times of the year such as holidays.

Other Responsibilities: The job description of a sales supervisor can also include handling customer complaints, counting down registers during shift changes, organizing store displays and merchandise, handling damaged merchandise and returns, managing sales incentive plans for employees, running sales reports for store management and maintaining the highest customer service standards.

Characteristics for a Sales Supervisor

Sales supervisors or managers manage sales employees in an organization. Often, sales managers are former salespeople who move into a management role after achieving success in selling. Sales managers have to demonstrate some traits common to most effective managers while understanding the unique nature of managing and motivating sales employees.

Good Recruiter: The ability to recruit good salespeople is one of the key traits an effective sales supervisor possesses. Sales trainer and Sales Manage Solutions founder Lance Cooper noted it first in his list of top sales manager competency requirements. Sales managers do train, develop and coach salespeople to achieve optimum success, but the ability to recruit and hire the right people into the organization is as important as development. Knowing the type of person who can effectively sell in your organization is critical.

Good Seller: The Bureau of Labor Statistics noted in its 2010-2011 outlooks for "Sales Worker Supervisors" that education and good sales experience are key qualifiers for a sales supervisor position. The Centrax Group also indicated in the article "What Are The Key Characteristics of a

Great Sales Manager?" that salespeople believe someone who has sold successfully makes the best fit for a sales manager. To coach and inspire salespeople, you have to have credibility and a proven ability to sell. Otherwise, it is hard to get buy-in from your sales team.

Goal-Setting: Sales is often a hyper-competitive career, and sales managers need the ability to help salespeople set goals that are challenging, yet attainable. A goaloriented sales manager who works with employees to set sales goals and then reviews those goals periodically for success is more likely to see good results.

Coaching: Sales supervisors are typically more like coaches than traditional managers. Especially with highly talented sales staff, their primary roles are to help with planning and motivation. Cooper suggests that effective sales supervisors should have strong coaching and training skills in three critical areas: sales planning, activity (funnel) management and face-to-face selling skills.

Good Communicator: Salespeople also need strong verbal and written communication skills, according to the BLS. This is what enables them to successfully coach and inspire salespeople to achieve optimum performance. It also helps them approach what Cooper calls "mavericks" as well as poor performing salespeople. Mavericks are those who believe they can do it alone with little or no guidance or team-orientation. Poor performers need to understand expectations and know how to reach them.

Duties of Sales Supervisor

1. To assist the Sales Manager in leading, directing and motivating the sales team in order to achieve the overall corporate sales objectives.
2. To assist the Sales Manager in revising and implementing the sales strategies plans.
3. To assist the Sales Manager in generating sales opportunities by identifying appropriate business targets.
4. To assist the Sales Manager in providing a professional and excellent level of customer service with existing and new customers.
5. Supervise the shift that you are scheduled.
6. Assist Sales Manager by completing all assigned duties.
7. Clean up stations and facilities throughout shift and ensure bathroom products are adequately stocked.
8. Handle customer issues, resolution and communicate escalated issues to the Sales Manager.
9. Supervise Sales Representatives.
10. Assist with sales rep questions, concerns and product/service questions.
11. Create reports showing sales %, install %, adherence, and attendance etc.
12. Make sure all employees adhere to company policies and procedures (example: dress code, eating food at station, cell phone usage, etc.).
13. Deliver positive feedback, Employee Rewards and Customer Recognitions to employee.
14. Communicate all employee relations issues, concerns, and incidents to Sales Manager.
15. Monitors calls, provide feedback to reps and assist reps on sales %, install %, and quality assurance goals.

Responsibilities of Sales Supervisor

1. Orients, trains, schedules, monitors, evaluate and provide direction to store staff and volunteers; complete time sheets and attendance records.
2. Promotes the store by performing duties such as placing advertisements in newspapers, on radio and television and attending trade shows.
3. Purchases products for sale and purchases supplies.
4. Receives product donations and prepares them for display in the store according to established policies by performing duties such as sorting, pricing, folding, hanging and maintaining related records.
5. Maintains or changes product displays including those required for periodic sale events.
6. Performs product inventory in accordance with established policies and maintains related records.
7. Greets and assists customers with product selection.
8. Operates cash register and processes cash, debit card, and credit card sale transactions.
9. Handles cash and receipts for the sale of merchandise by performing duties such as counting the float, balancing cash, providing change, sorting and securing cash.
10. Prepares and makes bank deposits; maintains financial records such as the daily journal.
11. Opens and closes the store by performing duties such as placing and removing signage, opening and closing tills, unlocking and securing the store.
12. Provides information about the retail store(s) and service(s) to members of the public in person and over the phone.
13. Maintains the cleanliness of the store by ensuring that maintenance duties are completed and by performing duties such as cleaning windows, sweeping floors and dusting product shelves as required.
14. Performs other related duties as required.

Hotel Supervisor

The hotel supervisor, or front office supervisor, oversees front office operations, helping coordinate guest arrivals and departures. While the hotel manager handles more complicated guest requests and special needs, the supervisor approaches guests to ensure they are enjoying their stay and makes sure any guest complaint or request gets handled immediately by front office, housekeeping or dining room staff. The supervisor also oversees and confers with all other guest service agents, like concierge and bellmen.

General Duties: The supervisor assists with and oversees guest check-in and check-out of the hotel. The supervisor ensures that all front desk employees engage politely and attentively with incoming and departing guests. She assists with cashier functions, including taking large cash amounts and handling invoices for groups and large parties.

The supervisor also assists the front office team in making reservations and answers incoming telephone calls. Other duties include assisting guests with special requests. When the front desk

manager takes a break or is out for the day, the supervisor can generally assist guests as the manager on duty.

Guest Services: Always be attentive and compassionate to guest requests and complaints, the supervisor is one of the first people besides the manager on duty to respond to guest requests. The supervisor follows up with guest requests and reports more complicated needs like negotiating prices and rooms to hotel management. The supervisor also directs guests to areas in the hotel and offers services like hotel and restaurant tours and booking reservations.

Front Desk Supervisor

The front desk supervisor is in charge of the staff that directly assists hotel guests. They are responsible for the smooth operation of check-ins and check-outs, guest services, guest satisfaction and rectifying any issues that arise. The front desk staff reports to the front desk supervisor, and he or she is responsible for scheduling the staff and is expected to be knowledgeable and capable of performing all front desk tasks. The front desk supervisor reports directly to the general hotel manager.

General Responsibilities: A front desk supervisor hires and trains employees and is in charge of the front desk staff. The supervisor is ultimately responsible for ensuring the happiness and satisfaction of the guests, including accurate billing services, swift and efficient registration services and fostering a convivial and professional atmosphere.

Daily Duties: Supervisors are responsible for all aspects of record keeping, such as the work schedule for the staff, cash accounting for the front desk and paying vendors. The supervisor also acts as the front office manager when the manager is not in the office.

Food & Beverage Supervisor

Food and beverage supervisors oversee the day-to-day operations of dining facilities. This includes the recruitment, training and management of staff, the procurement of services and inventory, and providing excellent customer service. Food and beverage supervisors can find employment in a variety of environments including restaurants, hotels, banquet halls, office complexes, academic institutions and hospitals.

Industry Overview: According to a report issued by the United States Bureau of Labor Statistics, in 2006 food and beverage supervisors were employed in approximately 350,000 jobs, 38 percent of which were in full-service and fast-food restaurants, as well as cafeterias. Forty-five percent of food and beverage supervisors were self-employed, owning dining and food services. The remaining members were employed in a variety of places including: "hotels; amusement, gambling, and recreation industries; nursing care facilities; and hospitals."

Job Responsibilities: A food and beverage supervisor attends to customer complaints or issues, resolving matters as expediently as possible. Supervisors also oversee food preparation, food storage and dining areas, ensuring that the facility remains in compliance with safety regulation and health codes. A food and beverage supervisor performs the duties of a human resources manager, recruiting, hiring, training and terminating staff members. Performance management and disciplinary actions are administered as required. Supervisors also schedule employees for work. They also maintain employee records and administer payroll and benefits. Also, the management of incoming funds and accounts payable are often the responsibility of the food and beverage supervisor.

Personal Qualities Essential for Success: To successfully perform the duties of a food and beverage supervisor, an individual must possess a drive to provide exceptional customer service. Supervisors must be reliable and self-motivated. Supervisors must be excellent communicators because they manage a team in a high-volume environment and carry out multiple tasks at the same time. Additionally, a degree of physical fitness is required, as many supervisors stand for long periods of time and lift heavy items.

Hospitality Floor Supervisor

A hospitality floor supervisor is responsible for all front desk workers and assistants at a hotel. She ensures that all guests' needs are met and that the hotel is running smoothly. She also makes sure that all areas of the hotel are clean.

Skills: Becoming a hospitality floor supervisor requires 4 to 5 years of experience and a background in housekeeping and hotel management. Customer service skills are necessary to perform this job.

Responsibilities: Responsibilities include managing the hotel, assisting in the training of front desk workers and producing financial statements.

Guest services: Ensuring guest satisfaction is critical, as is promoting great customer service and maintaining and implementing all hotel standards and policies.

Safety and security: The hospitality floor supervisor follows all mandated laws in regards to health and safety codes, promotes a safe environment and has a strong understanding of policies and procedures.

Human Resource: The hospitality floor supervisor recruits and interviews potential staff makes sure that all employees follow the company's objectives and documents turnover levels in efforts to reduce them.

Housekeeping Supervisor

Housekeeping supervisors manage the housekeeping department of a company. They work in hotels, hospitals, apartment buildings, offices and nursing homes. They supervise the housekeepers and ensure that the job is done safely and correctly.

Hire and Train New Employees: In some cases, the housekeeping supervisor would have to review job applications, interview candidates, hire and train them. The supervisor would also show the new employees the different tasks that must be completed by the end of the day and answer any questions they may have.

Tours the Area: Housekeeping supervisors also check their employees' work by visiting the assigned rooms and making sure that the tasks were completed correctly. For example, the supervisor in a hotel may inform an employee that some of the toilets weren't cleaned thoroughly.

Cleaning Duties: The housekeeping supervisor also performs cleaning duties. For example, a hotel housekeeping supervisor may spend part of the day washing towels and bringing clean ones back to the rooms, and then spend the rest of the day replacing trash bags.

Training: A housekeeping supervisor usually has a high-school diploma and often starts out as a housekeeper but gets promoted to this position after a few months on the job. The supervisor may be required to take company sponsored courses that focus on housekeeping techniques.

Functions & Responsibilities of Sales Manager

The functions of a sales manager are many and varied. They may be classified under the following three heads:
1. Managerial /executive functions
2. Administrative functions
3. Miscellaneous functions

1. **Managerial / Executive Functions**

   The main function of the sales manager is the management of sales operations including sales programmes and sales personnel. The management of sales programmes includes establishment and developing short-term and long-term sales policies and sales objectives, in consultation with other heads of related departments. He develops detailed sales programmes for his department designed to improve competitive positions, to minimize re-distribution costs and to achieve predetermined sales goals in terms of amount and quantity. For this purpose he should review and approve and if necessary, improve sales strategies, sales policies, sales objectives and pricing policies of the respective products.

   The management of sales personnel function includes recruitment, selection, training, direction, supervision motivation and control of sales personnel in the best interest of the organization. In smaller organizations, the top executive of the sales department sales manager himself, performs this function. However, in large organizations, services of staff specialists are made useful. He fixes sales territory and sales quota for every salesman, watches his performance and takes necessary timely action to correct hi - performance.

2. **Administrative Function**

The administrative head of sales department is Sales Manager who is having full control over the staff of the department and administering the sales office. He establishes an effective plan of sales organization and also controls the activities of the entire sales staff working under his control. He is the leader of the sales personnel at all levels and guides, directs and provides them proper incentive so as to perform their duties effectively.

Administration of sales office is one of the important functions of the sales manager. It involves considerable amount of paper work and record-keeping, depending on the nature of activities assigned to sales department.

3. **Miscellaneous Functions**
   1. Maintenance of cordial and effective relationship with the heads of other department within the company.
   2. To ensure that long-term customer relationship is maintained so as to achieve the goals of the enterprise.
   3. To conduct selling personally so as to increase the sales volume. For this purpose he plans, develops and implements the field sales strategy, supervisor the sales personnel and coordinates and controls the sales efforts of sales personnel.
   4. To study the market conditions, problems of competition and the substitutes coming into the market. He is required to inform the top management of these facts along with his suggestions.
   5. To maintain discipline in the sales organization.
   6. To organize activities relating to sales promotion, such as, contests, seminars, conferences and provide incentives to the sales staff and the customers.
   7. To plan and organize distribution channel in consultation with top management.
   8. To analyze the market thoroughly from time to time.
   9. To undertake advertising campaign keeping in view the cost and sales requirements.
   10. To plan sales targets in consultation with other departments, such as production department.
   11. To prepare sales budget of a given period.
   12. Thus the sales manager performs a number of functions depending on the nature of products and the size of the enterprise.

Responsibilities of Sales Manager

The responsibilities of a manager can be grouped under five heads:
1. Responsibility to himself.
2. Responsibility towards organization.
3. Responsibility towards customers.
4. Responsibility towards his staff and.
5. Miscellaneous.

They may be elaborated as under:

1. **Responsibility to self:** The foremost responsibility of the sales manager is to make him competent for the work assigned to him by the enterprise. In this connection he must evaluate himself from time to time and take make necessary improvements accordingly. The following are the responsibilities towards him:

   - To increase managerial abilities.
   - To increase and develop selling abilities.
   - To keep himself in contact with regional changes and developments.
   - To have knowledge of latest marketing techniques.
   - To have detailed knowledge of the products.
   - To make continuous and sincere efforts for removing his weaknesses.
   - To develop the spirit of cooperation posses progressive outlook and have good temperament.

2. **Responsibility towards Organization:** Since Sales Manager is a vita; part of the entire organization, he has a number of responsibilities towards the organization. They may be summarized as under:

   - To maintain and also increase the goodwill of the enterprise among his customers.
   - To prepare the records and reports etc. of his department regularly and present the same before the top management accordingly.
   - To take steps of reducing sales cost.
   - To keep a constant watch on the activities of the competitors and keep the top management aware of them along with his suggestions.
   - To make sincere efforts at achieving sales targets.
   - To coordinate and cooperate with the other departments.
   - To feel proud of the organization.
   - To keep the organization in touch with the changes that are taking place in his region, department etc.
   - To seek and also provide assistance and cooperation to the enterprise as and when required. To maintain true and complete accounts of his department.

3. **Responsibility towards Customers**

   - To remain in constant touch with the customers through sales promotion and advertisement.
   - To explain to the customers the advantages that they can have by keeping themselves in touch with the company.
   - To provide information to the customers about the miscellaneous uses of the products.
   - To keep himself in touch particularly with those salesmen who command influence on customers.

♦ To take interest and listen to the complaints of the customers and make sincere efforts for solving the same satisfactorily.

4. **Responsibility towards Salesmen**

♦ To explain the techniques of presenting the products in such a way before the customers which is less time consuming, cheaper and more effective?

♦ To recruit, select, train, supervise, control, re-numerate, motivate and promote the sales force so that it may perform the duties more efficiently and effectively.

♦ To explain the methods of dealing with the customer's complaints effectively.

♦ To provide the detailed knowledge about the products.

♦ To arrange and plan salesmen's tours, allocate sales territories, fix sales quotas of each salesman and check the compliance from time to time.

♦ To listen and remove the grievances complaints and problems of the sales force and take necessary timely steps for solving the same. He must see that no clash of interest takes place.

5. **Miscellaneous**

♦ Responsibility as to maintenance of public relations.

♦ Responsibility as to office management.

♦ Responsibility as to sales planning, sales targets sales policies sales forecasting sales research etc.

♦ Responsibility as to reducing sales costs in view of sales volume.

♦ Responsibility is to collect and analyze statistics in connection with marketing research, product research and consumer research etc.

Critical Leadership Attributes in the Retail Industry

During a recent 2nd Retail Executive Forum focused on retail leadership, approximately 250 South Australian retail industry stakeholders worked together at their 27 tables to define the attributes and skills required of retail leaders from 2010 forward. Participants were asked by Derek Stamoulis of Learning Leadership Dynamics to list their 10 top critical leadership attributes and skills. A summary of the results has been compiled by Leadership Learning Dynamics and Service Skills below.

The clustering of these skills is an attempt to gather together the data to give an indication of the most critical leadership attributes. While the data has been clustered into attributes for the purposes of providing meaning for retail leadership.

The key leadership attributes for current and prospective leaders in the retail sector include:

♦ **Personal Effectiveness:** The ability to understand and manage self, show empathy and manage relationships.

♦ **Drive:** The ability to inject high energy and enthusiasm into achieving results.

♦ **Communication:** The ability to use effective communication to build relationships and enable others to deliver results.

- **Credibility:** The ability to lead by example and be a role model for others.
- **People Developer:** The ability to coach, mentor and build the capabilities of people.
- **Inspiration:** The ability to inspire and motivate others to perform at their best.
- **Strategy:** The ability to set direction and create possibilities.
- **Managerial/Technical Skills:** The ability to utilise management skills to run the business.
- **Entrepreneurship:** The ability to "think outside the square" in order to create new opportunities for the business.
- **Customer Centric:** The ability to understand and meet the needs of customers.

Applying a Whole Brain Thinking approach to the future of leadership in the retail sector, it would appear clear from the responses of stakeholders that current and future retail leaders will need to demonstrate competency in attributes and skills that can be described as more right brain than left brain dominant. These attributes, which include effective communication, credibility, inspiration, drive, personal effectiveness and the building of relationships, may arguably be the very factors that motivate people to perform at their best and that distinguish leaders from managers. Industry stakeholders, for example, cited the following as essential leadership attributes:

- Personal effectiveness.
- Communication.
- Credibility.
- Building relationships with and developing with others.
- Inspiring and motivating employees.

The findings from this forum are not inconsistent with current trends and research on leadership at an international level. Research is tending to suggest that more people today appear to be seeking leaders who:

- Are effective communicators.
- Are credible.
- Build relationships.
- Engage and inspire their people.
- Encourage innovation.
- Lead by example.

These are characteristics that have, for some time, been admired and valued by people across all industries, yet have not always been delivered by managers and those in positions of responsibility. Produced by Service Skills SA and Leadership Learning The graph "Leadership Attributes" shows that the attributes relating to capability demonstration and people skills cover about three quarters of the critical attributes listed compared to the more obvious process and knowledge skills. These results have significant implications for providers of leadership training.

Whereas many management courses today focus largely on text and classroom learning of management techniques, knowledge and processes, this will not be enough to equip leaders for future success. Arguably, there is a need and a place for dedicated leadership training designed to build the capabilities of current and future leaders to deliver on the attributes and skills highlighted at this forum.

This paper provides considerable opportunity for individuals and training organizations to redesign their learning/training programs that build leader capability by mapping them against the critical attributes and skills listed in this paper. This requires work to be completed on:

1. How to develop a learning strategy that will deliver the required attributes and skill.
2. How to acquire and/or deliver the attributes that are missing, particularly when many of these tend to be the less "tangible" demonstration and people skills.
3. How to measure the demonstration of these critical attributes across the retail sector.

In responding to the second question, one may argue that this is where work based projects, team activities, mentoring, coaching and peer based activities are so critical. We would like to acknowledge the following Retail Executive Partners & Forum Sponsors for making this possible. Partners Forum Sponsors Service Skills SA in conjunction with Leadership Learning Dynamics is proposing to hold a workshop in early 2011 on how to embed leadership attributes into high level training. The outcomes of this will be delivered at the 2011 Retail Executive Forum.

Table of Retail Leadership Attributes

Below is a list of critical leadership skills that were identified at the second Retail Executive Forum. They have been clustered into attributes to aid analysis.

Communication Responses %	
Effective communication skills	22 8.1
Good listener	8 3.0
Acknowledges others	1 0.4
Able to negotiate / resolve conflict	1 0.4
Total	**331.9**
Customer Centric Responses %	
Customer driven – Builds customer loyalty	8 3.0
Relationship Management	1 0.4
Total	**93.4**
Drive Responses %	
Passion/enthusiasm	14 5.2
Determination/purpose/persistent/tenacity	10 3.7
Personal drive	7 2.6
Commitment/dedication	3 1.1

Rises to the challenge	1 0.4
High work ethic	1 0.4
Achieve targets	1 0.4
Total	**383.8**
Entrepreneurship Responses %	
Being Innovative	9 3.3
Lead/ open minded to change	7 2.6
Forward-focused	1 0.4
Total	**176.3**
Inspiration Responses %	
Motivates others	9 3.3
Inspires/build steams	5 1.8
Belief in people/self – putting people first	4 1.5
Empowers others	2 0.7
Engages others – knowing your people	2 0.7
Recognizes + rewards others	1 0.4
Creates positive environment	1 0.4
Total	**248.8**
Credibility Responses %	
Trustworthy/Honesty	8 3.0
Leads by example	7 2.6
Integrity	7 2.6
Accountable / Responsible	3 1.1
Fair & Equitable	2 0.7
Loyalty	1 0.4
Reliable	1 0.4
Ethical	1 0.4
Social responsibility / Corporate Citizenship	1 0.4
Total	**321.6**

People Developer Responses %	
Coaches, supports & mentors people	11 4.1
Builds peoples' capability – knowledge & skills	11 4.1
Provides training and development opportunities	3 1.1
Manages talent	2 0.7
Manages people performance	2 0.7
Total	**300.7**

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Personal Effectiveness Responses %	
Self-management – time, goal setting, delegating, organizing	14 5.2
Empathy - sincerity	8 3.0
Sense of humour/fun – energetic & personality	6 2.2
Approachable/ Flexible / Resilient	6 2.2
Develop self – life long learner	4 1.5
Perception / Insight	3 1.1
Positive attitude	3 1.1
Develop relationships – rapport/camaraderie/ networking	3 1.1
Self-regulation – composure/calmness/organization	3 1.1
Total	**518.5**

Strategy Responses %	
Visionary	10 3.7
Think strategically	6 2.2
Growth/diversification focused	2 0.7
Analytical/critical thinking	2 0.7
Solutions-focused	2 0.7
Total	**228**

Managerial/Technical Skills Responses %	
Financial management/skills	4 1.5

Able to solve problems	4 1.5
Business Acumen	3 1.1
IT savvy - keeps up with learning technologies	3 1.1
Decision making skills	2 0.7
Product/Industry knowledge	2 0.7
Ability to implement	1 0.4
Common sense	1 0.4
Total	**207.4**

An employee is a supervisor if he has the power and authority to do the following actions (according to the Ontario Ministry of Labor):

� Give instructions and/or orders to subordinates.

� Be held responsible for the work and actions of other employees.

If an employee cannot do the above, legally he or she is probably not a supervisor, but in some other category, such as lead hand.

A supervisor is first and foremost an overseer whose main responsibility is to ensure that a group of subordinates get out the assigned amount of production, when they are supposed to do it and within acceptable levels of quality, costs and safety.

A supervisor is responsible for the productivity and actions of a small group of employees. The supervisor has several manager like roles, responsibilities and powers. Two of the key differences between a supervisor and a manager are (1) the supervisor does not typically have "hire and fire" authority, and (2) the supervisor does not have budget authority.

Lacking "hire and fire" authority means that a supervisor may not recruit the employees working in the supervisor's group nor does the supervisor have the authority to terminate an employee. The supervisor may participate in the hiring process as part of interviewing and assessing candidates, but the actual hiring authority rests in the hands of a Human Resource Manager. The supervisor may recommend to management that a particular employee be terminated and the supervisor may be the one who documents the behaviors leading to the recommendation but the actual firing authority rests in the hands of a manager.

Lacking budget authority means that a supervisor is provided a budget developed by management within which constraints the supervisor is expected to provide a productive environment for the employees of the supervisor's work group. A supervisor will usually have the authority to make purchases within specified limits. A supervisor is also given the power to approve work hours and other payroll issues.

Normally, budget affecting requests such as travel will require not only the supervisor's approval but the approval of one or more layers of management.

As a member of management, a supervisor's main job is more concerned with orchestrating and controlling work rather than performing it directly.

Exercise: Assignment

A. Visit to your nearest retail store and observe how retail supervisor helps customers by providing information; answering questions; obtaining merchandise requested; completing payment transaction and preparing merchandise for delivery.

B. Just imagine and find out what are the attributes do you have which are related with leadership?

Assessment

A. Fill in the blanks

1. The job description of sales supervisor mainly includes _____ and _____ the sales employees towards achieving the sales objectives of retail store.
2. Sales supers are typically more like _____ than traditional managers.
3. Sales people are need strong _____ and _____ communication skills.
4. The main function of the sales manager is the _____ of sales operations.
5. Maintains product _____ including those required for periodic sales events is the duty of sales supervisor.

B. True or false

1. Retail supervisor should promotes the store by performing duties such as placing advertisements in newspapers, on radio and television and attending trade shows.
2. Retail supervisor is not responsible for purchases products for sale and purchases supplies.
3. Retail supervisor is responsible for maintenance or change in product displays including those required for periodic sale events.
4. The ability to recruit good sales people is one of the key traits an effective sales supervisor possesses.
5. The responsibilities towards customers is to maintain and also increase the good will of the enterprise among his customers.

Checklist for Assessment Activity

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

Part A

➡ Differentiated between the duties of sales supervisor and sales manager.

➡ Distinguish between the functions and duties of sales supervisors.

Part B

Discussed the following in the class:

➡ What are the characteristics of sales supervisor?

➡ What are the duties of sales supervisor?

➥ Explain the functions of sales manager.

➥ What are the responsibilities of sales manager?

➥ Explain the leadership attributes for current and prospective leaders in the retail sector.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Identify the role and functions of the sales supervisors.		
Identify the characteristics of the sales supervisors.		
List out the responsibilities of sales managers.		
Find out the leadership attributes in retail sector.		
Analyze the functions of sales managers.		
Evaluate.		

UNIT 3 — NON-STORE RETAILING

UNIT CODE: RS-406 NQ-2012	UNIT TITLE: NON-STORE RETAILING			
Location:	**Duration: 25 Hours**			
Classroom, Call Center	**Session 1: E-Retailing Logistics**			
	Learning Outcome	**Knowledge Evaluation**	**Performance Evaluation**	**Teaching and Training Method**
	1. Explain the meaning, advantages and shortcomings of e-retailing.	1. Concept of e-retailing. 2. Describe the advantages of e-retailing. 3. Shortcomings of e-retailing.	1. Explain basic concept of e-retailing. 2. Enlist the advantages of e-retailing. 3. Find out the various limitations of e- retailing.	**Interactive Lecture:** Advantages and shortcomings of e-retailing. **Activity:** Visit to the e-retailing centre & list out to the products/ services offered in e-retailing.
	2. Identify relevance of e-retailing resources, information & communication technology.	1. Various e-retailing resources. 2. Significance & role of ICT in e-retailing.	1. Enlist the different resources for e-retailing. 2. Explain the importance of ICT.	**Interactive lecture:** e-retailing resources and ICT. **Activity:** Make a brief report on impact of ICT on educational services.
	3. Identify success factors for e-retailing.	1. Factors that contribute to success of e-retailing.	1. Identify the factors responsible for the success of e-retailing. 2. Practice e- retailing activities.	**Interactive Lecture:** Success factors for e-retailing. **Activity:** Hold a group discussion on factors contributing to the success in e-retailing.
	Session 2: E-Marketing			
	1. Discuss the concept of e-marketing.	1. Meaning of e-marketing. 2. Various objectives of e-marketing.	1. Explain the meaning of e-marketing. 2. Enlist objectives of e-marketing.	**Interactive Lecture:** Concept and objectives of e-marketing. **Activity:** Make a

			brief note on 5 companies which are engaged in e-marketing.
2. State importance, advantages and shortcomings of e-marketing.	1. Significance of e-marketing. 2. Advantages and shortcomings of e-marketing.	1. Analyze the importance of e-marketing. 2. Enlist various advantages and limitations of e-marketing.	**Interactive Lecture:** Importance, advantages and short-comings of e-marketing. **Activity:** Hold a group discussion on merits and demerits of e-marketing & prepare a report.
3. Differentiate e-marketing v/s traditional marketing.	1. Discuss how to compare traditional marketing with e-marketing. 2. Differences in traditional & e-marketing.	1. Make distinction between e-marketing and traditional marketing. 2. Identify the steps involved in traditional & e-marketing.	**Interactive Lecture:** Traditional marketing v/s e-marketing. **Activity:** Conduct a seminar on transition of traditional marketing into e-marketing.
Session 3: Telemarketing			
1. Discuss the concept, advantages and shortcomings of telemarketing.	1. Concept of telemarketing. 2. Advantages and dis-advantages of telemarketing.	1. Explain the concept of telemarketing. 2. Enlist merits and demerits of telemarketing.	**Interactive Lecture:** Telemarketing its advantages and disadvantages. **Activity:** 1. Write a brief note on merits & demerits of telemarketing. 2. Conduct group discussion on merits & demerits of telemarketing.
2. Identify the various telemarketing technologies.	1. Telemarketing technologies.	1. Enlist telemarketing technologies. 2. Practice the telemarketing techniques.	**Interactive Lecture:** Telemarketing technologies. **Activity:** Hold a group discussion to discuss the use of telemarketing technologies & prepare a report.

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	3. Categorize the telemarketing activities.	1. State the B2B process of telemarketing. 2. State B2C process of telemarketing.	1. Explain B2B category of telemarketing. 2. Analyze B2C category of telemarketing. 3. Practice & find out steps involved.	**Interactive Lecture:** Telemarketing categories. **Activity:** Visit a call center, make observation on categories and write a small report on B2C and B2B telemarketing.

Session 4: Internet Business				
1. Apprise the concept of internet business and its objectives.	1. Concept of internet business. 2. Classify various objectives of internet business.	1. Enlist the objectives of internet business. 2. Practice the different objectives.	**Interactive Lecture:** Internet business and its objectives. **Activity:** Buy a product through the website and observe how companies sell their products through internet.
2. Identify internet business subsets.	1. Important subsets of internet business. 2. Classification of subsets. 3. Internal business Systems. 4. Enterprise communication collaboration. 5. e-commerce system.	1. Express internal business systems as IB subset. 2. Examine Enterprise communication and collaboration. 3. Analyze the significance of e-commerce in the e-retailing processes.	**Interactive Lecture:** Internet Business Subsets. **Activity:** On-the-job in Internet business and practice with different subsets of internet business.
3. Discuss various issues on internet business.	1. Classify the issues. 2. Describe main issues of security, privacy, non repudiation, authenticity, data integrity, access control & availability.	1. Explain the problems of security and privacy in internet business. 2. Compile a list of challenges of non repudiation, authenticity, data integrity, access control and availability in internet business.	**Interactive Lecture:** Issues of internet business. **Activity:** On-the-job Internet Business Centers and handle the problems to run the e-retailing through internet business.

INTRODUCTION

In this era of rapid globalization, the online form of retailing has emerged as a strong tool to sell products, directly to the customers, and is growing much quickly. As anyone with a computer or Smartphone can attest, online retailing is by now pervasive, penetrating every demographic group and retail segment to varying degrees.

As a matter of fact, just like developed nations, the retail sector in India too, is going through the phase of tremendous transformation. The impact of the alterations in the format of the retail sector changed the lifestyle of the Indian consumers drastically. Nowadays the Indian consumers are well versed with the concepts about quality of products and services. These demands are the visible impacts of the Retail Sector of Indian Economy.

Meaning of E–Retailing

Online retailing also known as online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over online channels primarily the Internet using a web browser. Online retail is decidedly convenient due to its 24-hour availability, global reach and generally efficient customer service.

Online retailing is a subset of e-commerce and refers to the purchase and sale of goods between consumers and retailers using the internet - also referred to as the business to consumer (or B2C) market. Other terms are interchanged for online retailing including e-tailing. Online retailing establishments are taking the form of 'pure plays' in which businesses provide online only services in particular retail categories or as part of multi-channel establishments where online activities are combined with bricks and mortar operations. The growth of online shopping has occurred in the context of greater familiarity with, and confidence in, the use of the internet across a range of activities. This reflects a substantial cultural change in how the community is conducting economic transactions.

The increasing use by the community of the internet for e-commerce is facilitated by growing household access to the internet and improvements in the technical capability of internet infrastructure. To Some extent, e-retailing can be attributed to new forms of goods and services with no direct analogue in the physical retail sector think apps and online gaming. But for the most part, these internet-based sales are simply capturing market share of items that previously were sold either through catalogues over the phone or by traditional bricks-and-mortar retailers in physical stores.

In this unit, the student will learn about e-retailing logistics, e-marketing concepts, telemarketing aspects and internet business.

SESSION 1: E-RETAILING LOGISTICS

Relevant Knowledge

Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine.

Once a particular product has been found on the website of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to adjust quantities, like filling a physical shopping cart or basket in a conventional store. A "checkout" process follows (continuing the physical-store analogy) in which payment and delivery information is collected, if necessary. Some stores allow consumers to sign up for a permanent online account so that some or all of this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete.

Less sophisticated stores may rely on consumers to phone or e-mail their orders (although full credit card numbers, expiry date, and Card Security Code, or bank account and routing number should not be accepted by e-mail, for reasons of security).

Payment Methods in E–Retailing

Online shoppers commonly use a credit card or a PayPal account in order to make payments. However, some systems enable users to create accounts and pay by alternative means, such as:

- Billing to mobile phones and landlines.
- Cash on delivery (C.O.D.).
- Cheque/ Check.
- Debit card.
- Direct debit in some countries.
- Electronic money of various types.
- Gift cards.
- Postal money order.
- Wire transfer/delivery on payment.
- Invoice, especially popular in some markets/countries, such as Switzerland.

Some online shops will not accept international credit cards. Some require both the purchaser's billing and shipping address to be in the same country as the online shop's base of operation. Other online shops allow customers from any country to send gifts anywhere.

The financial part of a transaction may be processed in real time (e.g. letting the consumer know their credit card was declined before they log off), or may be done later as part of the fulfilment process.

Product Delivery

Once a payment has been accepted, the goods or services can be delivered in the following ways:

- **Downloading:** The method often used for digital media products such as software, music, movies, or images.

- **Drop shipping:** The order is passed to the manufacturer or third-party distributor, who then ships the item directly to the consumer, bypassing the retailer's physical location to save time, money, and space.

- **In-store pick-up:** The customer selects a local store using locator software and picks up the delivered product at the selected location. This is the method often used in the bricks and clicks-business model.

- **Printing out:** A provision of a code for, or e-mailing of such items as admission tickets and scrip (e.g., gift certificates and coupons). The tickets, codes, or coupons may be redeemed at the appropriate physical or online premises and their content reviewed to verify their eligibility (e.g., assurances that the right of admission or use is redeemed at the correct time and place, for the correct dollar amount, and for the correct number of uses).

- **Shipping:** The product is shipped to a customer-designated address.

- **Will call, ICOBO (In Care Of Box Office), or "at the door" pickup:** The patron picks up pre-purchased tickets for an event, such as a play, sporting event, or concert, either just before the event or in advance. With the onset of the Internet and e-commerce sites, which allow customers to buy tickets online, the popularity of this service has increased.

Customer Needs and Expectations

A successful web-store is not just a good looking website with dynamic technical features, listed in

many search engines. In addition to disseminating information, it is also about building a relationship with customers and making money.

Businesses often attempt to adopt online shopping techniques without understanding them and/or without a sound business model; often times, businesses produce webstores that support the organizations' culture and brand name without satisfying consumer expectations. User-centered design is critical. Understanding the customer's wants and needs is essential. Living up to the company's promises gives customers a reason to come back and meeting their expectations gives them a reason to stay. It is important that the website communicates how much the company values its customers.

Customer needs and expectations are not the same for all customers. Age, gender, experience and culture are all important factors. For example, Japanese cultural norms may lead users there to feel privacy is especially critical on shopping sites and emotional involvement is highly important on financial pension sites. Users with more online experience focus more on the variables that directly influence the task, while novice users focus on understanding the information.

To increase online purchases, businesses must expend significant time and money to define, design, develop, test, implement, and maintain the web-store. It is easier to lose a customer than to gain one. Even a "top-rated" website will not succeed if the organization fails to practice common etiquette such as returning e-mails in a timely fashion, notifying customers of problems, being honest, and being good stewards of the customers' data. Because it is so important to eliminate mistakes and be more appealing to online shoppers, many web-shop designers study research on consumer expectations.

Advantages and Shortcomings of E-retailing

Advantages of e-retailing for Retailers

- Location is unimportant.
- Size does not matter.
- Saves on the wages and premises costs.
- Reach a larger audience.
- Higher disposable income profile than average.
- Accepts orders 24-hours a day.
- More opportunities for
    - CRM and micro-marketing.
    - Cross and up-selling.

Disadvantages of e-retailing for Retailers

- May lack know-how and technology.
- Substantial set-up, investment and ongoing costs.
- Complex logistics of fulfillment.

- E-selling less powerful than face-to-face.
- Uptake slows for goods selected by taste or smell.
- Less impulse purchases.
- Legal problems.
- Less role for traditional high street retail expertise.
- Pressure on margins and prices in-store.
- After-sales care difficulties.

Benefits of e-Retailing to the Customer

- Convenience.
- Better information.
- Competitive pricing.
- Customization.
- Shopping anywhere, anytime.

Disadvantage of e-Shopping for Consumers

- Credit card and security worries.
- Lack of personal and social interaction.
- Can't see or feel the merchandise.
- Don't know how.
- Can't be in to receive delivery.
- Premium charged for delivery.
- Difficulties with returning goods for refund.

The Role of Information and Communication Technologies (ICTs) There is little doubt about the role of ICT in driving the global economy and reshaping existing business structures. Business to Business (B2B) transactions comprise 95 percent of all e commerce. ICTs have been particularly influential in the retail of services. The Internet has allowed companies to out source activities and services to more cost-effective locations or access new clients in foreign markets. Rapid growth in retail activities and increasing consumer base is resulting in an increased amount of daily

transactions, thereby forcing retail players to implement IT services.

There is a huge opportunity for mobile and ICT solutions in Indian retail. ICT Solutions based on technologies like M2M, smart buildings, etc., being offered by many telecom companies have a great potential in the industry to monitor usage patterns, rescue emissions, and spawn new innovative and sustainable products. For example, according to an article in Indian Management, Visi Coolers installed at most retailers for soft drink vending can send feedback to the server at the parent company on how many times the door was opened in a day or the fluctuations in temperature and energy usage as a result.

ICT is a key enabler for sustainability and it can help the companies adapt quickly to the new standards of sustainability thereby ensuring a more level playing field.

Success Factors for E-retailing

E-retailing site can attract the visitors if it is able to cater to the requirements of the users in a convenient manner. For sites that exist primarily to sell products, it's very easy to look at sales and have a measuring stick to use when evaluating the success of the website. However, there are many numbers of factors that can influence the success of e-retailing and identifying areas of strength and weakness is not always so simple. People do site promotion, SEO, affiliate marketing, and many other things but the goal is same to get clients and sell the products or services of the company. Following are the success factors for e-retailing with special focus on managing eretailing site:

> **Important features of an E-shop:**
> 1. Online catalogue for goods, linked to the order process.
> 2. Provision of a search engine for products.
> 3. Shopping cart, for good selection and automatic price update.
> 4. Personalization of store layouts, promotions and marketing.
> 5. An online contact person.
> 6. Order status checking facility.
> 7. Use of forums and customer communities.

1. **Search Engine Optimization**
   - Search engines are much better at indexing static pages, and don't do a good job of following hyperlinks that contain query strings. SEO friendly URLs help them to be indexed.
   - Ability to add HTML titles and META tags, Meta description and Meta keywords for search engine optimization.
   - Google sitemaps help webmasters to get their new stuff crawled by Googlebot faster than before.
   - Auto-generated keyword-rich URLs based on product and category names.

2. **Site Management**
   - Administration permission roles and users.
   - Independent Systems develops sales tax calculation by state and zip code in designated states.

➠ Automatic upgrades when hosted in data center.

➠ Entries can be posted with an expiry date to display content that will automatically expire; ideal for mentioning sales and specials, etc. Advanced content management system for informational pages.

3. Marketing Promotions and Tools

➠ Flexible price management with ability to restrict by product and price-level (retail, wholesale) : Percent discount, Fixed amount discount and Free shipping.

➠ Entries can be sorted by Recent, Most Commented, Most Viewed.

➠ Multi-tier pricing for quantity discounts.

➠ RSS feed allow users to subscribe to your content feeds.

➠ Support for multiple product feeds.

➠ Send to a friend.

4. Shopping Cart

➠ Customer management.

➠ Product management.

➠ Variety of payment and shipping modules.

➠ Order receipt emails.

➠ Ability to use SSL secure layers for ordering process.

5. Checkout

➠ SSL security.

➠ Express/guest checkout.

➠ Address book.

➠ Automatically apply customer balance to order.

➠ Sales tax by state, country, municipality based on zip code.

6. Content Managed Pages

➠ Add unlimited pages to your website.

➠ Create unlimited web forms.

➠ Customizable navigation.

➠ Organize your pages into unlimited sections (categories).

7. Security

➠ PCI-DSS Compliant and CISP Certified Level 1.

➠ Daily backups.

➥ Multiple database version backups.

➥ Fail over/cluster hardware firewalls.

➥ Biometric access control to data center.

➥ Free BSD operating system.

8. Content Management (CMS) Components

➥ Add/edit/delete unlimited categories, products and information pages on your site.

➥ Dynamic categories.

➥ Easy-to-use product navigation.

➥ Product detail page.

➥ Related items.

➥ "Best Sellers" facility.

➥ WYSIWYG content tools.

9. Multi Store

➥ Manage more than one store for the same product, at different price, in different language, for different locations, and from same admin panel.

➥ To deal with different products or different brands of a certain product.

➥ Higher chances of giving customers what they are looking for.

➥ Gives you a lot of inbound links coming from your niche sites.

10. Reporting

➥ Sophisticated ready-to-go reporting, no need to add any code to your web pages.

➥ Track abandon rates and where customers abandon in online shop.

➥ Tracking Sales, Payment, Shipping Options and discount Codes.

➥ Report on Detailed visitors including new Vs returning.

➥ Products can be searched/filtered and added to the order.

➥ Currency can be selected per order.

Fraud and Security Concerns

Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud than face-to-face transactions. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase.

However, merchants face less risk from physical theft by using a warehouse instead of a retail storefront. Secure Sockets Layer (SSL) encryption has generally solved the problem of credit card numbers being intercepted in transit between the consumer and the merchant. However, one must still trust the merchant (and employees) not to use the credit card information subsequently for their own purchases, and not to pass the information to others. Also, hackers might break into a merchant's web site and steal names, addresses and credit card numbers, although the Payment

Card Industry Data Security Standard is intended to minimize the impact of such breaches. Identity theft is still a concern for consumers. A number of high-profile break-ins in the 2000s has prompted some U.S. states to require disclosure to consumers when this happens. Computer security has thus become a major concern for merchants and e-commerce service providers, who deploy countermeasures such as firewalls and anti-virus software to protect their networks.

Phishing is another danger, where consumers are fooled into thinking they are dealing with a reputable retailer, when they have actually been manipulated into feeding private information to a system operated by a malicious party. Denial of service attacks are a minor risk for merchants, as are server and network outages.

Quality seals can be placed on the Shop web page if it has undergone an independent assessment and meets all requirements of the company issuing the seal. The purpose of these seals is to increase the confidence of online shoppers. However, the existence of many different seals, or seals unfamiliar to consumers, may foil this effort to a certain extent. A number of resources offer advice on how consumers can protect themselves when using online retailer services. These include:

- Sticking with known stores, or attempting to find independent consumer reviews of their experiences; also ensuring that there is comprehensive contact information on the website before using the service, and noting if the retailer has enrolled in industry oversight programs such as a trust mark or a trust seal.

- Before buying from a new company, evaluate the website by considering issues such as: the professionalism and user-friendliness of the site; whether or not the company lists a telephone number and/or street address along with e-contact information; whether a fair and reasonable refund and return policy is clearly stated; and whether there are hidden price inflators, such as excessive shipping and handling charges.

- Ensuring that the retailer has an acceptable privacy policy posted. For example note if the retailer does not explicitly state that it will not share private information with others without consent.

- Ensuring that the vendor address is protected with SSL (see above) when entering credit card information. If it does the address on the credit card information entry screen will start with "HTTPS".

- Using strong passwords, without personal information. Another option is a "pass phrase," which might be something along the lines: "I shop 4 good a buy!!" These are difficult to hack, and provides a variety of upper, lower, and special characters and could be site specific and easy to remember.

Although the benefits of online shopping are considerable, when the process goes poorly it can create a thorny situation. A few problems that shoppers potentially face include identity theft, faulty products, and the accumulation of spyware. Whenever users purchase a product, they are required

to put in their credit card information and billing/shipping address. If the website is not secure, customer information can be accessible to anyone who knows how to obtain it. Most large online corporations are inventing new ways to make fraud more difficult. However, criminals are constantly responding to these developments with new ways to manipulate the system. Even though online retailers are making efforts to protect consumer information, it is a constant fight to maintain the lead. It is advisable to be aware of the most current technology and scams protect consumer identity and finances.

Product delivery is also a main concern of online shopping. Most companies offer shipping insurance in case the product is lost or damaged. Some shipping companies will offer refunds or compensation for the damage, but this is up to their discretion.

Exercise: Assignment

1. Visit an e-retailing centre, meet the manager or supervisor of the store and interview him to know the following:
   - Range of products offered.
   - Scope of coverage (geographical coverage by the centre e.g. Local, national, international, global).
   - Issues and challenges of electronic methods of retailing in day to day course of business.

2. Make a brief report on impact of ICT on educational services consisting of following information:
   - ICT based educational services.
   - Comparison of traditional and ICT based educational services.
   - Transformation of educational services with advancement of ICT.
   - Positive and negative effects of ICT on educational services in new era.

3. Write a detailed note on fraud and security concerns in e-retailing:

   _____

   _____

   _____

Assessment

A. Fill in the blanks

1. Although the benefits of _____ are considerable, when the process goes _____ it can create a thorny situation.

2. Entries can be posted with an _____ to display content that will automatically expire; ideal for mentioning sales and specials, etc. Advanced content management system for _____ pages.

3. There is little doubt about the role of _____ in driving the global economy and reshaping existing business structures.

4. _____ encryption has generally solved the problem of credit card numbers being intercepted in transit between the _____ and the merchant. (Secure Sockets Layer.

5. E-retailing site can attract the _____ if it is able to cater to the requirements of the users in a _____ manner.

B. Multiple choice questions

1. Which one of the following is not the sub feature of shopping cart?

   a) SSL Security

   b) Customer management

   c) Product management

   d) Variety of payment and shipping modules

2. Benefits of e-retailing for customers include:

   a) Pressure on margins and prices in-store

   b) After sales care difficulties

   c) Better information

   d) Premium charged for delivery

3. Purchase and sale of goods between consumers and retailers using the internet is also referred to as the:

   a) B2B Market

   b) B2C Market

   c) B2A Market

   d) B2K Market

4. Which one of the following is the feature of marketing promotion and tools in e-retailing website?

   a) RSS feed allow users to subscribe to the content feeds

   b) Multiple database version backups

   c) Fail over/cluster hardware firewalls

   d) Biometric access control to data center

Checklist for Assessment Activity

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

Part A

- Understand the meaning and basic concepts of e-retailing.
- Identify the importance of e-retailing with its drawbacks.

👉 Identify relevance of information and communication technologies in e-retailing.

👉 Enlist various success factors for e-retailing.

Part B

Discussed the following in the class:

👉 What is e-retailing?

👉 How is e-retailing becoming effective way to reach to the final consumer?

👉 What are the advantages and disadvantages of e-retailing for retailers?

👉 What are the advantages and disadvantages of e-retailing for consumers?

👉 State various success factors of e-retailing.

Part C

Performance Standards

Students demonstrate the generic, technical, professional and organizational knowledge and skills in order to perform up to the required standards. The performance standards may include but not limited to:

Performance Standards	Yes	No
Able to know the meaning of e-retailing.		
Able to identify the advantages of e-retailing.		
Able to identify the disadvantages of e-retailing.		
Able to discuss the importance of ICT.		
Able to specify success factors for e-retailing.		

EXHIBIT 1

Online retailers like Jabong, Myntra emerge as important sales channels for consumer brands in India - Radhika P Nair, ET Bureau May 22, 2013, 05.38AM IST Bangalore: Online retailers are emerging as important sales channels for consumer brands in the country as more Indians take to shopping on the Internet. Apparel and accessory brands, such as Puma, Nike and Wrangler, have recorded a big spurt in online sales in the past year, led largely by purchases from smaller towns and cities with consumers paying the full price for these products."Three years ago, about 1% of total sales came from online channels. Now, that number stands at 15%," said Rajiv Mehta, MD of Puma for South Asia. "Today, no brand can ignore the online channel." In turn, e-commerce companies selling the brands are seeing a boost in growth. For instance, multi-brand retail accounts for 90% of the business at fashion e-tailer Myntra, which expects to double revenues to 800 crore in FY14."Earlier, top brands were sceptical about online retail. Now, it has become part of their mainstream strategy," said Mukesh Bansal, who co-founded Myntra in 2007.

ONLINE CHANNELS SEE BIG JUMP

In fact, for Puma, the online channel is bigger than the offline multi-brand retail channel. "Puma grew by around 35% last year, and our online channel grew by 60%," said Mehta. Denim brand Wrangler, which currently clocks 3.5% of sales from online sites, expects this channel to be significant contributor to overall revenue in five years. "Online channels have grown by many multiples in recent months. It has been amazing," said Puneet Khosla, a business head for Wrangler.

Online retail in India is expected to grow to $76 billion (4,18,304 crore) by 2021, accounting for over 5% of the Indian retail industry, according to a report by advisory services firm Technopak. This projected growth is pushing more large companies to sell aggressively online. "Initially, the mobile brands showed a lot of interest in selling online. Now, there is interest from ayurveda brands to jewellery and fashion," said Shubhankar Sarkar, chief operating officer of Indiatimes Shopping. Two years ago, the company became Nokia's online partner and now runs the online store for Gitanjali Jewels. Experts reckon much of this growth will come from the rising purchasing power of consumers in smaller cities, who do not have access to offline stores stocking high-end brands. "About 50% of sales for online sites come from cities and towns beyond the top eight metros," said Pragya Singh, associate director at Technopak. Large companies are also appointing preferred online partners. "When we become the preferred partner, the brand's marketing and planning team work closely with our team. The brand also invests resources, gives us pick of products, does exclusive launches and promotions," said Ganesh Subramanian, Chief Merchandising Officer at Myntra. For instance, footwear brand Nike works only with online retailers such as Myntra and Jabong. And in a first-of-its-kind initiative, it recently launched its new range of cricket gear on Jabong. Such partnerships work well as online retailers provide greater visibility than a physical store. "Our online store can carry around 10,000 options, while a brick-and-mortar store can carry only 20% of a given range," said Shivanandan Pare, head of ecommerce at Madura Lifestyle & Fashion.

Source: *http://articles.economictimes.indiatimes.com/2013-05-22/news/39445483_1 myntra-mukesh-bansal-online-sales.*

SESSION 2: E-MARKETING

Relevant Knowledge

Introduction to E-marketing

E-marketing must be defined to include the management of the consumer's online experience of the product, from first encounter through purchase to delivery and beyond. Digital marketers should care about the consumer's online experiences for the simple reason that all of them good, bad, or indifferent influence consumer perceptions of a product or a brand. The web offers companies' ownership and control of all interactions with customers and thus creates both the ability and the need to improve their overall experience.

An e-marketing effort supports the customer base almost round the clock. The helpdesk and support desk facilities, trouble ticket raising options are making it more and more convenient for the clients to opt outsourcing services online. Most of the marketing efforts that cater to the organized sector are open 24 hours and 7 days a week. Moreover, the reach is global and customers feel convenient to shop/communicate anytime they want to.
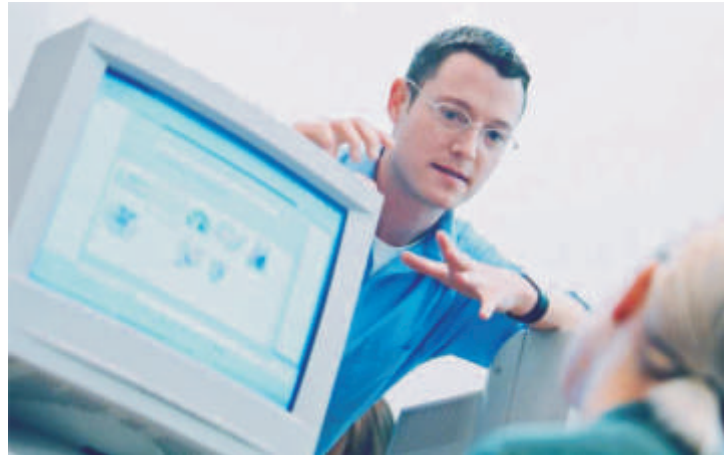
In e-marketing, automated tools and/or software does the whole thing. Your clients are updated immediately about any new modifications and alternations in information through RSS feeds. RSS feeds are brilliant way to update information and news in businesses that are information sensitive.

Creating interactive platforms, initiating discussions and bloggers community are the best things that endorse co-operative marketing efforts through collaboration and networking. Unlike an offline business, you do not always need a physical space to initiate and promote communication among similar minds. Virtual presence makes you visible and established in your business domain.

Attributes of E-marketing

1. **One-to-one approach:** The targeted user typically browses the Internet alone, so the marketing messages can reach them personally. This approach is used in search marketing, where the advertisements are based on search engine keywords entered by the user.

2. **Appeal to specific interests:** E-marketing places an emphasis on marketing those appeals to a specific behavior or interest, rather than reaching out to a broadly defined demographic. "On and Off-line" marketers typically segment their markets according to age group, gender, geography, and other general factors. Internet marketing differs from magazine advertisements, where the goal is to appeal to the projected demographic of the periodical.

   Because the advertiser has knowledge of the target audience - people who engage in certain activities (e.g., uploading pictures, contributing to blogs) - the company does not rely on the expectation that a certain group of people will be interested in its new product or service.

3. **Geo targeting:** Geo targeting (in internet marketing) and geo marketing are the methods of determining the geolocation (the physical location) of a website visitor with geolocation software, and delivering different content to that visitor based on his or her location, such as country, region/state, city, metro code/zip code, organization, Internet Protocol (IP) address, ISP or other criteria

4. **Different content by choice:** A typical example for different content by choice in geo targeting

is the FedEx website at FedEx.com where users have the choice to select their country location first and are then presented with different site or article content depending on their selection.

5. **Automated content:** With automated different content in internet marketing the delivery of different content based on the geographical and other personal information is automated.

E-mail Marketing Types

E-mail marketing can be carried out through different types of e-mails:

Transactional e-mails: Transactional e-mails are usually triggered based on a customer's action with a company. Triggered transactional messages include dropped basket messages, purchase or order confirmation e-mails and e-mail receipts.

The primary purpose of a transactional e-mail is to convey information regarding the action that triggered it. But, due to its high open rates (51.3% compared to 36.6% for email newsletters) transactional e-mails are a golden opportunity to engage customers; to introduce or extend the email relationship with customers or subscribers, to anticipate and answer questions or to cross-sell or up-sell products or services.

Many e-mail newsletter software vendors offer transactional e-mail support, which gives companies the ability to include promotional messages within the body of transactional e-mails. There are also software vendors that offer specialized transactional e-mail marketing services, which include providing targeted and personalized transactional e-mail messages and running specific marketing campaigns (such as customer referral programs).

Direct e-mails: Direct e-mail involves sending an e-mail solely to communicate a promotional message (for example, an announcement of a special offer or a catalog of products). Companies usually collect a list of customer or prospect e-mail addresses to send direct promotional messages to, or they can also rent a list of e-mail addresses from service companies.

Advantages and Disadvantages of E-retailing

Advantages

1. In any business organization, advertisement cost constitutes a major expense in the operations of the business organization. However, Internet marketing has promised to significantly reduce the cost of advertisement. For example accumulating e-mail addresses and sending newsletters through the Internet is relatively cheaper compared to traditional marketing strategies.

2. Due to the popularity of the Internet in the modern world, almost all organizations have a

website. Making good use of the website can significantly reduce the cost of advertisement.

3. The ability of the organization to track the rate of return on investment. For example, click-through feedbacks as well as responses to e-mails from customers enable the organization to rate the effectiveness of their marketing strategies.

4. The instant delivery of the message enables organizations to make their marketing campaigns faster and facilitates immediate responses or communications between the customer care department and the customers.

5. It enables an organization to personalize messages or more effectively select the targeted clientele. For example, different electronic marketing strategies can be employed for the youths, professionals and other categories of customers.

6. It can easily and effectively be integrated with the traditional marketing strategies. For example, a brief advertisement on the print media can guide a potential customer to the company's website for more detailed information on the product.

Disadvantages

1. Electronic marketing is limited by the ability of the consumer to access and use Internet services. Although there is an increased popularity of Internet services in the modern world, a large number of consumers are unable to use or have no access to Internet services.

2. It is important to note that spam filters that have become very essential to majority of the users are a major limitation to the effectiveness of e-marketing. There are concerns over the high number of commercial messages being filtered because the spam filters consider them illegitimate.

3. It has intensified competition which is a major barrier to new entrants in the global market.

Opt in E–marketing

Opt-in e-mail advertising, or permission marketing, is a method of advertising via email whereby the recipient of the advertisement has consented to receive it. This method is one of several developed by marketers to eliminate the disadvantages of e-mail marketing.

Opt-in e-mail marketing may evolve into a technology that uses a handshake protocol between the sender and receiver. This system is intended to eventually result in a high degree of satisfaction between consumers and marketers. If opt-in e-mail advertising is used, the material that is emailed to consumers will be "anticipated". It is assumed that the consumer wants to receive it, which makes it unlike unsolicited advertisements sent to the consumer. Ideally, opt-in e-mail advertisements will be more personal and relevant to the consumer than untargeted advertisements.

A common example of permission marketing is a newsletter sent to an advertising firm's customers. Such newsletters inform customers of upcoming events or promotions, or new products. In this type of advertising, a company that wants to send a newsletter to their customers may ask them at the point of purchase if they would like to receive the newsletter.

With a foundation of opted-in contact information stored in their database, marketers can send out promotional materials automatically it is known as Drip Marketing. They can also segment their promotions to specific market segments.

The Seven C's of E-marketing

The Internet allows for the entire sales cycle to be conducted on one medium, nearly instantaneously. From making the consumer aware of the product to providing additional information to transacting the final purchase, the Internet can accomplish it all. The Internet is like one big point-of-sales display, with easy access to products and the ability for impulse shopping. Impulse shoppers have found a true friend in the Internet. Within seconds from being made aware of a product, consumers can purchase it online. Further, with the targeting techniques available to advertisers, consumers who turn down a product because of the price can be identified and served a special offer more likely to result in a purchase. In the right hands, with the right tools, the Internet really is an advertiser's dream come true.

As opposed to the 4 Ps of brick-and-mortar marketing, the changing outlook in the area of e-marketing can be explained on the basis of 7 Cs of e-marketing.

C1 - Contract: The e-marketer's first goal is to communicate a core promise for a truly distinctive value proposition appealing to the target customers.

C2 - Content: refers to whatever appears on the website itself and on hot linked websites. If chosen appropriately, it can increase both the rates at which browsers are converted into buyers and their transactions.

C3 - Construction: The promises made by e-marketers are not unique to the Internet, but the medium's interactive capabilities make it easier for them to deliver on their promises quickly, reliably, and rewardingly. In practice, this means that promises must be translated into specific interactive functions and Web design features collectively giving consumers a seamless experience. Such design features as one-click ordering and automated shopping help deliver the promise of convenience.

C4 - Community: Through site-to-user and user-to-user forms of interactivity (such as chat rooms), e-marketers can develop a core of dedicated customers who become avid marketers of the site too.

C5 - Concentration: Targeting through online behavioral profiling. Advertisers have known for some time that behavioral targeting (a.k.a., profiling) is vastly superior to simple demographic targeting. Knowledge of a consumer's past purchases interests, likes/dislikes, and behavior in general allows an advertiser to target an

advertisement much more effectively. Department stores have long kept track of consumers' past purchases. They are thus able to project what other types of products a consumer might be interested in and then send an appropriate coupon or sale offer. Credit card companies are the ultimate gatherers of behavioral targeting information. They maintain vast databases of cardholders' past transactions, and they sell lists of this data to advertisers. The same type of behavioral model is forming on the Internet. Publishers and advertisement networks monitor the items that a consumer has expressed interest in or purchased on a site (or network of sites) in the past and target advertisements based on this information.

C6 - Convergence: We will soon enter the next round of the e-marketing battle as broadband reaches the masses. The Internet will become more ubiquitous and wireless; televisions will become more interactive; video/data/voice appliances will converge; brand advertising and direct marketing practices will integrate; domestic brands, commerce and marketing will become even more global; and big marketing spenders will spend more money online. Many companies that are well positioned today will need to continue to evolve to take advantage of the opportunities. The success of Internet advertising companies will largely be driven by how they maneuver among the coming developments.

Rich media, brought on by broadband, will allow advertisers much greater creativity by bringing in new types of advertising to the Internet, as well as enhancing some of the more traditional forms. Broadband technology will allow the convergence of television and the Internet. Dubbed "interactive TV," in its simplest form, will consist of a television with some interactive capabilities. Basically, a user will see a television screen that is three-quarters traditional television, but with a frame that has Internet capabilities. This frame will allow users to access up-to-the-minute sports scores or news on the Web, for example. More importantly for e- marketers, it would allow viewers to immediately leap to the website of an advertiser whose ad was being shown. The user could find out more information or order the product right there.

C7 - Commerce: The last emerging fundamental of e-marketing is commerce, whether it includes offering goods and services directly, or marketing those of another company for a fee, thus helping to cover the fixed costs of site operations and to offset customer acquisition costs.

To be successful on the Internet, e-marketers will have to do more than reproduce their off-line business models on line because these business models work only at considerable scale.

Traditional Marketing Vs E-marketing

Technology affects traditional ways of marketing in three ways. IT increases efficiency in marketing, it transforms marketing strategies and it changes the consumer behavior due to the power shift from firms to those who use technology.

Benefits of e–marketing over traditional marketing are:

E-mail marketing (on the Internet) is popular with companies for several reasons:

- An exact return on investment can be tracked ("track to basket") and has proven to be high when

done properly. E-mail marketing is often reported as second only to search marketing as the most effective online marketing tactic.

 E-mail Marketing is significantly cheaper and faster than traditional mail, mainly because of high cost and time required in a traditional mail campaign for producing the artwork, printing, addressing and mailing.

 Advertisers can reach substantial numbers of e-mail subscribers who have opted in (i.e., consented) to receive email communications on subjects of interest to them.

 Almost half of American Internet users check or send e-mail on a typical day, with e-mail blasts that are delivered between 1 am and 5 am local time outperforming those sent at other times in open and click rates.

 E-mail is popular with digital marketers, rising an estimated 15% in 2009 to £292m in the UK.

Disadvantages over Traditional Marketing are:

A report issued by the e-mail services company Return Path, as of mid-2008 e-mail deliverability is still an issue for legitimate marketers. According to the report, legitimate e-mail servers averaged a delivery rate of 56%; 20% of the messages were rejected, and 8% were filtered.

Companies considering the use of an e-mail marketing program must make sure that their program does not violate spam laws such as the United States' Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM), the European Privacy and Electronic Communications Regulations 2003, or their Internet service provider's acceptable use policy

Further, there are a number of differences that we can show through are view of some of what distinguishes E-Marketing with Traditional Marketing comparison, which can be summarized as:

The Differences	E-Marketing	Traditional Marketing
Contact	Interactive ease of communication and direct customer contact received a referrer of customers in terms of requests and inquiries and complaints. To ensure continuous interaction with them.	Contact from one side

Relationship	Build long-term.	Implementation of one deal.
Display of goods	Offering goods or services you want to marketing via its website no matter the number or variety.	Cannot be done in the traditional marketing if the amount of space does not permit this.
Information	Provide them with information of value for goods and services directly.	The limited information provided about the product or services.
Cost	Methods of digital marketing is less expensive and easy in implementation.	Traditional marketing methods more expensive.
Target customers	Accessible to the client where the target was.	Difficulty in reaching the targeted customers.
Band	Digital marketing open field in front of everyone no matter their experience or their potential to market their goods without distinction between capital companies and the average person or small company Ltd.	Limited range.
Promotion	Helping customers to access you out of local border to international markets is unlimited. Thereby bypassing the territorial limits of his whereabouts which ensure a more popular for that good or service.	Specified for that particular time and place.
Measuring return	Easy to measure the return on investment.	Difficult to measure return on investment.
Measuring Success	Evaluate and measure the success of any advertising campaign and to identify the strengths and.	Difficult to measure when the use of traditional marketing.

Source: *http://www.expressarab.net/en/digital-marketing/the-difference-between e-marketing-traditional-marketing.*

Exercise: Assignment

1. Conduct a seminar with your batch mates to discuss the concepts, advantages, disadvantages and evolution of e-marketing from traditional marketing and write a detailed report on your learning from the seminar.

2. What are various attributes of e-marketing? Discuss with the help of suitable examples.

_____

_____

3. Explain types of e-marketing.

_____

_____

_____

Assessment

A. Fill up the blanks

1. Rich media, brought on by _____, will allow advertisers much greater creativity by bringing in new types of _____ to the Internet, as well as enhancing some of the more traditional forms. Broadband technology will allow the convergence of television and the Internet.

2. _____ can reach substantial numbers of email subscribers who have opted in (i.e., consented) to receive e-mail _____ on subjects of interest to them.

3. A common example of _____ is a newsletter sent to an advertising firm's _____.

4. With _____ different content in internet marketing the delivery of different content based on the _____ and other personal information is automated.

B. True or false

1. Electronic marketing is limited by the ability of the consumer to access and use Internet services.

2. Traditional marketing methods enable an organization to personalize messages or more effectively select the targeted clientele.

3. E-marketing has weakened the competition which has removed a major barrier to new entrants in the global market.

4. E-marketing can easily and effectively be integrated with the traditional marketing strategies.

5. Due to the unpopularity of the Internet in the modern world, only a few organizations have a website.

6. As opposed to the 4 P's of brick-and-mortar marketing, the changing outlook in the area of e-marketing can be explained on the basis of 6 C's of e-marketing.

Checklist for Assessment Activity

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

Part A

➡ Understand the meaning of e-marketing.

➥ Know the attributes of e-marketing.

➥ Discuss advantages and disadvantages of e-marketing.

➥ State 7 C's of e-marketing.

➥ Distinguish between traditional marketing and e-marketing.

Part B

Discussed the following in the class:

➥ What is e-marketing?

➥ What are various attributes of e-marketing?

➥ Discuss various advantages and disadvantages of e-marketing?

➥ What are the 7 C's of e-marketing?

➥ Distinguish between traditional marketing and e-marketing.

Part C

Performance Standards

Students demonstrate the generic, technical, professional and organizational knowledge and skills in order to perform up to the required standards. The performance standards may include but not limited to:

Performance Standards	Yes	No
Able to know the meaning of e-marketing.		
Able to discuss the attributes of e-marketing.		
Able to identify the advantages of e-marketing.		
Able to identify the disadvantages of e-marketing.		
Able to explain 7 C's of e-marketing.		
Able to discuss the evolution of e-marketing from traditional marketing.		

EXHIBIT 2
Relevancy Becomes More Relevant to Emailers – *Al Urbansky May 13, 2013, Direct Marketing News*
Making e-mail more relevant to consumers is harder for e-commerce marketers than driving conversion rates, according to a survey of more than 200 online retailers and brand marketers conducted by Bronto at its recent customer summit. Asked to cite their biggest challenge in deriving more revenue from emails, 31% replied "making email targeted and relevant", compared to 24% who said "driving orders".

"They're all familiar with what relevancy means, but they're still wrestling with how to execute it", says Kevin Skurski, director of marketing communications for Bronto. "How to get people to open e-mails they've been talking about that for so long. Driving relevance is a little fuzzier to them".

Conversion rate had no equal as the key driver of e-mail revenue, named by 58% of attendees, though list growth had a strong showing at 30%. How respondents answered, however, seems to depend on whether marketers defined "key revenue driver" in the present or the future. "A lot of these people have done a great job optimizing conversion rates", Skurski says. "But there is a growing segment of them who say, 'If we could keep converting at the same rate but grow our list". The issue of relevancy, interestingly, became nearly irrelevant when email marketers were asked what they saw as the biggest benefit of marketing automation. Half said "triggered messages" and a third responded "less work for me". Delivery of relevant messages was named by fewer than 20%. "When we ask our customers what their biggest marketing challenges are, one of the first things they say is that they don't have the time or the resources to do what they'd like to do. So it wasn't a surprise to see many of them answer 'less work', Skurski says. "But their response could also speak to their understanding of what marketing automation can really do". e-mailers have surely recognized that the desktop PC is no longer the sole repository of their messaging. Seventy percent said that the most important function of using mobile marketing methods is reaching consumers on their preferred devices. Attesting to the heavy representation of e-coms in attendance, only 5% said that location-based messaging was mobile's greatest contribution to the marketer's toolbox. Geolocation of prospects, meanwhile, becomes ever more important as a traffic driver for their brick-and-mortar brethren.

Source: *http://www.dmnews.com/relevancy-becomes-more-relevant-to-emailers/article/ 293176/*

SESSION 3: TELEMARKETING

Relevant Knowledge

Introduction

Telemarketing has been around for a number of years, but still remains a very powerful lead generation and sales tool, if it is done well. Telemarketing can give immediate results and can be used to reach a wide range of objectives; whether it is lead generation, appointment setting, attendees to seminars, customer surveys or data cleansing. It is a chance to talk to other businesses in a non-threatening, non-sales environment. Telemarketing is, quite simply, marketing through telecommunications.

What is Telemarketing?

While telemarketing tends to be most strongly associated with thick skinned individual hammering their way through a list in search of sales leads, it is actually a very broad term that applies to a multiplicity of both inbound and outbound telephone marketing. The often quoted growth in telemarketing is due largely to the huge increase in the number of call centres handling high volume inbound and outbound business/consumer calls. This work includes for example, handling

responses to an advertising campaign, or calling existing customers to offer additional services. Generally a differing set of skills are required for inbound and outbound telemarketing, but this article concentrates on the latter, which tends to involve a wider range of selling skills.

Importance of Telemarketing

Very few companies can survive without sales and for many companies telemarketing is, or should be, the first stage of the sales process. It can be used for database building, lead generation, customer retention, cross selling and market research, the list of the benefits of telemarketing is long. There are also many downsides to telemarketing if it is done badly, expensive, high staff turnover, poor results and ultimately brand damage and lower sales.

Telemarketing delivers reliable information quickly, allowing your sales team to make the most effective use of their time. Telemarketing gathers the specifics that your field sales team need in a non-threatening, non-sales environment. Telemarketing identifies the needs and exact requirements of your customers and prospects. The results of telemarketing are completely measurable, accurate and immediate. You will always get a response, whether you make the sale or not, which helps with data gathering and data records. Records of these responses will aid when planning your customer relationship management.

Telemarketing is a completely interactive medium. It is an excellent way to speak to the right people and let them know exactly who you are and what you do. Then when it comes to contacting them in the future they will have a good awareness and understanding of yourselves. Unlike mass marketing, there is no delay between the implementation and the response; it is immediate. The communication is completely one-to-one and personalised. Because it is so targeted you know exactly who you are contacting and therefore can refer to them by their name and their past contact.

Personalisation is known to increase success rates by three times more than non personalised messages. Also 80% of customers like to do business by phone. The marketer can tailor the telemarketing script for the individual to encourage maximum success rates. For example, special offers for new and valuable customers. Telemarketing's characteristics allows relationship marketing to occur and an increase in loyalty. You can get a lot of information across if the script is properly structured. Telemarketing allows questions/queries to be asked and answered during the conversation which establishes trust and understanding.

Telemarketing is very effective when integrated. Using telemarketing to follow up the leads produced from an e-mail marketing campaign or direct marketing campaigns will increase the leads by at least ten fold.

Whilst using telemarketing, multiple objectives can be fulfilled at the same time. For example a telemarketing team can ring a contact and check their data is correct in the system (data cleansing) while doing this, they can then go onto making a sales call.

Telemarketing Procedure

Telemarketing may be done from a company office, from a call centre, or from home. It may involve either a live operatoroice broadcasting which is most frequently associated with political messages.

An effective telemarketing process often involves two or more calls. The first call (or series of calls) determines the customer's needs. The final call (or series prospective customers are identified by various means, including past purchase history, previous requests for information, credit limit, competition entry forms, and application forms. Names may also be purchased from another company's consumer database or obtained from a telephone directory or another public list. The qualification process is intended to determine which customers are most likely to purchase the product or service.

Charitable organizations, alumni associations, and political parties often use telemarketing to solicit donations. Marketing research companies use telemarketing techniques to survey the prospective or past customers of a client's business in order to assess market acceptance of or satisfaction with a particular product, service, brand, or company. Public opinion polls are conducted in a similar manner.

Telemarketing techniques are also applied to other forms of electronic marketing using e-mail or fax messages, in which case they are frequently considered spam by receivers.

Call Centers – The Telemarketing Imperative

A call centre or call center is a centralised office used for the purpose of receiving or transmitting a large volume of requests by telephone. An inbound call centre is operated by a company to administer incoming product support or information inquiries from consumers. Outbound call centers are operated for telemarketing, solicitation of charitable or political donations, debt collection and market research. In addition to a call centre, collective handling of letter, fax, live chat, and email at one location is known as a contact centre.

A call centre is operated through an extensive open workspace for call centre agents, with work stations that include a computer for each agent, a telephone set/headset connected to a telecom switch, and one or more supervisor stations. It can be independently operated or networked with additional centres, often linked to a corporate computer network, including mainframes, micro computers and LANs. Increasingly, the voice and data pathways into the centre are linked through a set of new technologies called Computer Telephony Integration (CTI).

A contact centre, also known as customer interaction centre is a central point of any organization from which all customer contacts are managed. Through contact centres, valuable information about company are routed to appropriate people, contacts to be tracked and data to be gathered. It is generally a part of company's Customer Relationship Management (CRM). Today, customers contact companies by telephone, e-mail, online chat, fax, and instant message.

Call Center Technology

Call centre technology is subject to improvements and innovations. Some of these technologies include speech recognition software to allow computers to handle first level of customer support, text mining and natural language processing to allow better customer handling, agent training by automatic mining of best practices from past interactions, support automation and many other technologies to improve agent productivity and customer satisfaction. Automatic lead selection or lead steering is also intended to improve efficiencies, both for inbound and outbound campaigns, whereby inbound calls are intended to quickly land with the appropriate agent to handle the task, whilst minimizing wait times and long lists of irrelevant options for people calling in, as well as for outbound calls, where lead selection allows management to designate what type of leads go to which agent based on factors including skill, socio-economic factors and past performance and percentage likelihood of closing a sale per lead.

The concept of the Universal Queue standardizes the processing of communications across multiple technologies such as fax, phone, and e-mail whilst the concept of a Virtual queue provides callers with an alternative to waiting on hold when no agents are available to handle inbound call demand.

Premise-based Call Centre Technology: Historically, call centres have been built on PBX equipment that is owned and hosted by the call centre operator. The PBX might provide functions such as Automatic Call Distribution, Interactive Voice Response and Skills-Based Routing. The call centre operator would be responsible for the maintenance of the equipment and necessary software upgrades as released by the vendor.

Virtual Call Centre Technology: With the advent of the Software as a service technology delivery model, the virtual call centre has emerged. In a virtual call centre model, the call centres operator does not own, operate or host the equipment that the call centre runs on. Instead, they subscribe to a service for a monthly or annual fee with a service provider that hosts the call centre telephony equipment in their own data centre. Such a vendor may host many call centres on their equipment. Agents connect to the vendor's equipment through traditional PSTN telephone lines, or over Voice over IP. Calls to and from prospects or contacts originate from or terminate at the vendor's data centre, rather than at the call centre operator's premise. The vendor's telephony equipment then connects the calls to the call centre operator's agents.

Virtual Call Centre Technology allows people to work from home, instead of in a traditional, centralised, call centre location, which increasingly allows people with physical or other disabilities that prevent them from leaving the house, to work.

Cloud Computing for Call Centres: Cloud computing for call centres extends cloud computing to Software as a service, or hosted, on-demand call centres by providing application programming interfaces (APIs) on the call centre cloud computing platform that allow call centre functionality to be integrated with cloud based Customer relationship management, such as Salesforce.com or Oracle CRM and leads management and other applications.

The APIs typically provide programmatic access to two key groups of features in the call centre platform:

Computer Telephony Integration (CTI) APIs provide developers with access to basic telephony controls and sophisticated call handling on the call centre platform from a separate application.

Configuration APIs provide programmatic control of administrative functions of the call centre platform which are typically accessed by a human administrator through a Graphical User Interface (GUI).

Advantages and Disadvantages of Telemarketing

Benefits of using Telemarketing: The main benefit of using telemarketing to promote your business is that it allows you to immediately gauge your customer's level of interest in your product or service. Additionally it allows you to do the following:

➥ Provide a more interactive and personal sale service.

➥ Create an immediate rapport with your customers.

➥ Explain technical issues more clearly.

➥ Generate leads and appointments.

➥ Sell from a distance to increase your sales territory.

➥ Reach more customers than with in-person sales calls.

➥ Sell to both existing and new customers.

➥ Achieve results that are measurable.

Disadvantages of Telemarketing: There can be as many negatives using telemarketing as there are positives. In particular, you need to consider that:

➥ Telemarketing can be resented-particularly when dealing with business-to-consumer customers, and when calls are made in the evenings.

➥ Customer lists may not always be clean and opted-out this leaves you with a potential risk of breaking the law.

➥ Customer lists can be very costly.

➥ Telemarketing has a negative image that could damage your business' reputation - if carried out poorly.

➥ Telemarketing has the potential to replace a sales team and this could lead to negative feelings among employees.

➥ Training staff can be time-consuming and costly.

➥ You may need to prepare a script.

➥ An outside service provider can result in your losing control over your sales processes because the people doing the work aren't your employees.

Business to Business Telemarketing

Telemarketing can form an integral part of a sales and marketing campaign, either as a tool for gathering the data that will be the foundation for your direct marketing approaches, as a follow up to other forms of direct marketing, or as an up-front weapon for identifying your best sales prospects. The most common functions of business to business outbound telemarketing include:

Improving marketing data: At a basic level this may include gathering the contact details of decision makers and their usage of products and services relevant to your market, but further probing can deliver more in-depth information perhaps on distribution channels for example.

Tele-cleaning your existing data: It's your data, but is it a valuable asset? Only if it's clean and accurate. A professional team of telemarketers can ensure that your data doesn't embarass you or let you down.

Lead generation: Using a team of dedicated telemarketers to do this tough, up-front work can make more cost-effective use of your often highly paid field sales or telesales executives by allowing them to focus on closing sales rather than chasing prospects.

Event planning: If you're investing money in marketing events - perhaps a seminar to introduce your company to likely sales prospects in your target market, or presenting a new product or service to potential customers. Telemarketing is an effective way to ensure the right people turn up in the right numbers. This method is often used as a follow up to a targeted mailing.

Direct mail follow-up: Telephone follow up to mailings is proven to increase returns, by between three and seven times as much in some cases.

Point-of-sale promotion: For those distributing products through multiple channels, regular contact with distributors or resellers has numerous benefits. It can ensure that they are familiar with your products and have the right marketing materials to sell them successfully, but can also achieve the difficult goal of keeping your product/service at the forefront of their minds.

Company profiling: This offers the opportunity to go beyond the type of superficial prospect data held by most businesses and gain a full understanding of how potential customers operate. Information on aspects such as their decision making processes and who they currently purchase from enables much better tailoring of sales and marketing approaches.

Customer contact: While all of the above functions are relevant to existing and potential customers, there is scope for more creative uses of telemarketing that have particular relevance to previous/existing customers. For example: you've set up a new website - so call your customers to introduce them to this new way of doing business with them. Or if you change location or company

name - as well as writing to your customers, call them and perhaps take the opportunity to pass on new product information and/or a special offer.

B2C Strategies

B2C marketing strategies as also discussed in previous sections can be defined as the company that provides goods or services to a consumer based market. B2C marketing examples include targeted marketing to the retail consumer online stores purchases, etc the term discount marketing 'B2C' is rarely used these days, but undoubtedly played an important role in the rapid growth and development of commerce at the end of the 20th century. Later, when the capital markets slowed, many companies marketing B2C transformed into the marketing Business to Business (B2B) companies.

Some Useful B2C Marketing Strategies

It is clear that the basis of these strategies should be oriented to the consumer as already explained above, and only then become successful marketing strategies. Below are some of the strategies that embrace the houses of business for successful commercialization in order to reach the target consumer market.

- Marketing campaigns: publicity always helps to reach the target market in terms of awareness of the characteristics and the USP of the products. Successful marketing campaigns also arise some jobs marketing B2C, as a representative of the company that goes directly to the potential consumers and gives to know the products/services offered by the company. This is mainly done in the B2C marketing offline.

- Online advertising strategies: strategies of advertising online such as PPC and Podcast are some of the sources more effective and efficient advertising online in various search engines.

- Other strategies like social marketing, channel marketing etc. are also useful to generate awareness amongst buyers about the respective brands.

Success Factors of Telemarketing

Some people are skeptical of the cost effectiveness of certain types of telemarketing, and many marketers feel it is most appropriate to dealings with existing customers. But those who close their minds to wider opportunities risk missing out. Steve Massie, Marketing Manager of Desktop Engineering is clear about its overall value: 'Done properly, telemarketing will give you better quality market information than any other source. The whole point about telemarketing is that it allows you to talk to people on a one to one basis and gather information of a depth and accuracy you might not otherwise be able to get.' But Steve feels too many squander these opportunities: 'The problem is that most people don't do it properly. They don't target enough and misuse the technique which only ends up annoying people.'

Wijnand Mes, Marketing Manager for IBM Software Group UK, is also unimpressed by the overall standard of telemarketing calls he receives: 'Most are of poor quality by inexperienced individuals. I think telemarketing works best when supported by a personalised direct mailing as part of an integrated marketing communications process.'

So what makes for a successful telemarketing campaign? Of course the pioneers of telemarketing operated in less sophisticated markets and were able to throw together programmes of pretty much any sort to catch people's attention; they did not need the highly developed skills that today's telemarketers must have to extract valuable information from call weary prospects.

Getting a good return from your telemarketing investment will require:

Planning: Company needs to consider its budget, its objectives for the volume/quality of data they want and their in-house resources, in terms of manpower, skills and equipment compared to the cost of using an outside agency.

Telemarketing rarely stands on its own: Organization needs to establish how it integrates with its other sales and marketing activities.

Accurate data: As with all direct marketing methods, accurate data is the essential foundation for success. Naturally, successful targeting rests on speaking to the right decision makers and getting data that includes this information may cost more but the outcomes are consistently more profitable.

A good script: An effective telemarketing script is actually not a script at all but a guide for the discussion that steers the listener in the direction you want him/her to go. It must be tailored to the target audience, must grab the attention of the listener within a few seconds of the conversation, and must be highly interactive; long presentations of information can be frustrating for the listener who is then less likely to focus on the issue being presented. The guide/script should be refined in the early stages of a campaign according to quality of responses received.

Skilled telemarketers: No matter how well targeted the call is nor how well thought out the script, a wooden and inflexible caller will not deliver the goods. To achieve the desired outcomes the telemarketer must have a good knowledge of the company and product/service they represent, be able to talk intelligently around the structure of the script without getting side tracked, absorb all the negative responses, and talk persuasively to people at all levels.

Exercise: Assignment

1. Visit a call center in your city, observe the patterns of work, tasks and activities performed by employees and write a detailed report on findings.

2. Explain the business to business telemarketing with suitable real life example of some successful telemarketing concern.

_____

_____

_____

_____

_____

Assessment

A. Fill in the blanks

1. Telemarketing can form an integral part of a _____, either as a tool for gathering the data that will be the foundation for your _____ approaches.

2. _____ APIs provide developers with access to basic telephony controls and sophisticated call handling on the _____ platform from a separate application.

3. _____ allows people to work from home, instead of in a traditional, centralised, call centre location, which increasingly allows people with _____ that prevent them from leaving the house, to work.

4. An effective _____ is actually not a script at all but a guide for the that _____ steers the listener in the direction you want him/her to go.

B. Multiple choice questions

1. Getting a good return from telemarketing investment will require:
   a) Logistic supplies
   b) Call center technologies
   c) Brand loyalty
   d) Planning

2. The most common functions of business to business outbound telemarketing does not include:
   a) Lead generation
   b) Contract management
   c) Event planning
   d) Company profiling

3. Which one of the following is not the advantage of telemarketing?
   a) Sell from a distance to increase your sales territory
   b) Reach more customers than with in-person sales calls
   c) Sell to both existing and new customers
   d) You may need to prepare a script

4. Which one of the following is the call center technology?
   a) Virtual call center technology
   b) Direct mail follow up
   c) Point-of-sale promotion
   d) Skilled telemarketers

Checklist for Assessment Activity

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

Part A

- Understand the meaning of telemarketing.
- Identify the importance, advantages and disadvantages of telemarketing.
- Analyze the procedure of telemarketing.
- Identify the telemarketing technologies.
- Distinguish between B2B and B2C methods of telemarketing.
- Understand the success factors of telemarketing.

Part B

Discussed the following in the class:

- What is telemarketing?
- Importance of telemarketing and associated issues.
- Telemarketing technology concerns.
- B2B and B2C telemarketing strategies.
- Success factors of telemarketing.

Part C

Performance Standards

Students demonstrate the generic, technical, professional and organizational knowledge and skills in order to perform up to the required standards. The performance standards may include but not limited to:

Performance Standards	Yes	No
Able to know the meaning of telemarketing.		
Able to discuss the importance of telemarketing.		
Able to identify the telemarketing technologies.		
Able to identify the advantages and disadvantages of telemarketing.		
Able to distinguish B2B and B2C strategies.		
Able to discuss the success factors of telemarketing.		

EXHIBIT 3

TELEMARKETING - New Age Technology Turns Telemarketers into Tech

November 2001 by Sharon Cole for Target Marketing

Live chat rooms aren't just for Internet happy friends who tap and click their way through conversations. It seems some telemarketers also are wiring into this popular resource as a way to communicate with customers wanting quick, real-time responses to basic inquiries. At least this is the case for USA-800, Kansas City, MO. With new tech-savvy tools such as live chat, e-mail, instant Web-page pushing and click-to-call options, the primarily inbound contact center is able to service customers using a keyboard and a mouse.

"Our conversion from a call center to a contact center is defined by flat growth rates in toll free phone usage and an increasing rate of Internet use", says USA-800 president and CEO Tom Davis. "Because of this shift, I'm encouraging more direct marketers to set up interactive Web sites that incorporate tools that humanize their customers' online experience".

The Human Touch

Through live chat, customers navigating a direct marketer's Web site are able to get on demand responses. Not only that, but "chatting" agents can handle three or four customer requests at one time-something they can't do on the phone. Davis explains that many Internet-adept users prefer the convenience even if they have to give up some human interaction. For those wanting a more personal connection, however, the click-to-call option exists.

"This allows Web-browsing consumers to input their phone numbers and then click the option triggering a telemarketing agent to call them immediately", Davis says.

At this point, instant Web page pushing can be enabled. While conversing, the agent can push through a Web page that is pertinent to the browsing consumer's inquiry. "We call this 'Web collaboration'," Davis says. "We can even use our wipe board technology that enables the agent to draw on the screen that is seen by the agent and customer simultaneously".

By clicking on an option to send an inquiry via e-mail, consumers can expect a response within 24 to 48 hours-an accepted time frame for e-mail users.

Because of this diversification, Davis says business is growing and revenues are up. And because direct marketers are pouring money into new web sites, they need to outsource their high-traffic online customer queries, he adds. In addition, they need to move the perpetual costs of changing technology to a contact center that can spread the cost across its client base.

"Our customers want to focus on their core competencies so they are letting us handle the advancing technology", Davis says. "Now we are much more integrated with our clients' marketing programs and we've become the experts who can give them advice".

Positive effects on the staff also have resulted from the new technology. Davis reports that employee morale has boosted while turnover rates have declined, which he attributes to

increased responsibility, new challenges and job variation. "Agents are developing new skill sets to handle Internet communication", says Davis. "Instead of spending eight hours on the telephone, reps spend time on the Internet, the phone and researching inquiries".

Telephone Technology

At The Telemarketing Co. (TTC), Chicago, IL, telemarketing reps are Internet accessible in a different way. According to TTC's vice president of sales and marketing Bob Aloisio, Telephone Service Representatives (TSRs) receive phone calls and input order information that is then automatically sent to the cataloger via the Internet. While direct marketers appreciate the quick reporting provided through the Internet, Aloisio says, it's TTC's new telephone technology that is getting the most praise. Such technology includes an Interactive Voice Response (IVR) system, a Computer Telephone Integration (CTI) link for inbound callers and a sophisticated recording system to monitor calls for quality assurance.

"IVR is the voice message callers hear when they initially contact our center. It tells the caller which number to press to get the information they are looking for," Aloisio says. Acting as a screening device, IVR allows more qualified calls to come through to the center, while diverting other calls to their appropriate location. "This results in increased responses and makes for greater efficiency in our center", Aloisio says. "It also brings down billing for our clients since reps are not spending unnecessary phone time with a customer they cannot directly assist".

With a CTI link on inbound calls, Aloisio explains that the computer reads the dialed number and activates the correct order entry form to instantly appear on the telemarketer's screen. "By the time the call is routed to an available operator, that rep will be able to see what the customer is calling for and can then handle it appropriately and efficiently", he says.

To ensure the quality of service, TTC also has incorporated monitoring systems through which it can record conversations to be sent to clients digitally through e-mail. "The calls are monitored and recorded to detect a rep's strengths and weaknesses in call handling", Aloisio says. "In addition, recorded conversations can be sent to clients for further quality assurance or for specific inquiries regarding their business".

Total Response, Indianapolis, IL, also uses IVR to better service its clients, including providing member authorizations for EyeMed Vision Care, a national provider of vision health coverage with a four million member network. To handle the overload, Jodonna Hunter, director of marketing, says that steps were taken to add online vision benefit authorization for EyeMed, allowing providers access to pertinent information via the company's Web site.

Through IVR, providers are prompted to enter the required information for authorizations through their phone keypad. Providers without complete information are routed to Total Response where call center representatives are on hand to answer questions and determine vision authorization coverage benefits. "Total Response was able to do this by connecting the Total Response and EyeMed networks via a 56k leased line allowing agents for both companies access to real-time data", Hunter explains.

Advantages for Direct Marketers

Finding a contact center that could align its computer system with EyeMed's own system was at the top of EyeMed's wish list of call center capabilities. And, according to Stanley Staiger, EyeMed's senior manager of operations, Total Response's networking capabilities and technical expertise fulfilled that desire. "The key to Total Response handling our authorizations calls was its ability to link our respective AS/400 systems", Staiger says. "It's customer service reps literally saw the exact information our service reps saw which facilitated training, communication and quality control".

Staiger adds that the IVR system significantly reduced EyeMed's operator-assisted call volume which resulted in better response times and more satisfied customers. For the American Historic Society, Westlake Village, CA, it is TTC's upgraded telephone system that has been a great advantage.

"The Telemarketing Company's IVR system asks our customers whether they have a customer service question or if they want to order something and, if they need customer service, the call is hot transferred to our California center" says Don Baker, vice president of marketing at the American Historical Society. "This technology allows three companies to appear as one which makes it much easier for our customers". In addition, Baker says it saves his company money since the customer doesn't have to talk to two or three reps before getting an answer. "And that increases our customer satisfaction, which increases ordering", he adds.

TTC's recorded monitoring system also receives kudos from Baker. "Their technology allows them to digitally send us, via e-mail, any recorded question a customer needs answered by us personally", Baker says. "That has proven to be an important customer satisfaction tool for us". Baker adds that being able to log on and monitor a live situation has also been helpful. "We are able to listen to calls and instantly make adjustments, such as a change in upsells, which has tremendously improved our sales", he says.

Source: *http://www.targetmarketingmag.com/article/telemarketing-new-age-technologyturns-telemarketers-into-tech-29020/1*

SESSION 4: INTERNET BUSINESS

Relevant Knowledge

Introduction

Electronic business, or e-business, may be defined as the application of Information and Communication Technologies (ICT) in support of all the activities of business. Commerce constitutes the exchange of products and services between businesses, groups and individuals and can be seen as one of the essential activities of any business. Electronic commerce focuses on the use of ICT to enable the external activities and relationships of the business with individuals, groups and other businesses.

E-business may be defined as the conduct of industry, trade and commerce using the computer networks. The term "e-business" was coined by IBM's marketing and Internet teams in 1996.

Electronic business methods enable companies to link their internal and external data processing systems more efficiently and flexibly, to work more closely with suppliers and partners, and to better satisfy the needs and expectations of their customers. The internet is a public through way. Firms use more private and hence more secure networks for more effective and efficient management of their internal functions.

In practice, e-business is more than just e-commerce. While e-business refers to more strategic focus with an emphasis on the functions that occurs using electronic capabilities, e-commerce is a subset of an overall e-business strategy. e-commerce seeks to add revenue streams using the World Wide Web or the Internet to build and enhance relationships with clients and partners and to improve efficiency using the Empty Vessel strategy. Often, e-commerce involves the application of knowledge management systems.

E-business involves business processes spanning the entire value chain: electronic purchasing and supply chain management, processing orders electronically, handling customer service, and cooperating with business partners. Special technical standards.

For e-business facilitate the exchange of data between companies. E-business software solutions allow the integration of intra and inter firm business processes. E-business can be conducted using the web, the Internet, intranets, extranets, or some combination of these.

Basically, Electronic Commerce (EC) is the process of buying, transferring, or exchanging products, services and/or information via computer networks, including the internet. EC can also be beneficial from many perspectives including business process, service, learning, collaborative, community. EC is often confused with e-business.

Internet Business Subsets

Applications can be divided into three categories:

1. Internal Business Systems:
    - Customer Relationship Management (CRM)
    - Enterprise Resource Planning (ERP)
    - Document Management System (DMS)
    - Human Resources Management (HRM)

2. Enterprise Communication and Collaboration:
   - VoIP
   - Content Management System
   - E-mail
   - Voicemail
   - Web Conferencing
   - Digital work flows (or business process management)

3. Electronic Commerce: Business-to-business electronic commerce (B2B) or business-to-consumer electronic commerce (B2C):
   - Internet shop
   - Supply chain management
   - Online marketing
   - Offline marketing

Internet Business Models

When organizations go online, they have to decide which e-business models best suit their goals. A business model is defined as the organization of product, service and information flows, and the source of revenues and benefits for suppliers and customers. The concept of e-business model is the same but used in the online presence. The following is a list of the currently most adopted e-business models such as:

- E-shops
- E-commerce
- E-procurement
- E-malls
- E-auctions
- Virtual Communities

Classification by provider and consumer

Roughly dividing the world into providers/producers and consumers/clients one can classify e-businesses into the following categories:

- Business-to-Business (B2B)
- Business-to-Consumer (B2C)

- Business-to-Employee (B2E)
- Business-to-Government (B2G)
- Government-to-Business (G2B)
- Government-to-Government (G2G)
- Government-to-Citizen (G2C)
- Consumer-to-Consumer (C2C)
- Consumer-to-Business (C2B)

It is notable that there are comparably less connections pointing "upwards" than "downwards" (few employee/consumer/citizen-to-X models).

Internet Business Issues

While much has been written of the economic advantages of Internet-enabled commerce, there is also evidence that some aspects of the internet such as maps and location-aware services may serve to reinforce economic inequality and the digital divide. Electronic commerce may be responsible for consolidation and the decline of mom-and-pop, brick and mortar businesses resulting in increases in income inequality.

Security

E-business systems naturally have greater security risks than traditional business systems, therefore it is important for e-business systems to be fully protected against these risks. A far greater number of people have access to e-businesses through the internet than would have access to a traditional business. Customers, suppliers, employees, and numerous other people use any particular e-business system daily and expect their confidential information to stay secure. Hackers are one of the great threats to the security of e-businesses. Some common security concerns for e-Businesses include keeping business and customer information private and confidential, authenticity of data, and data integrity. Some of the methods of protecting e-business security and keeping information secure include physical security measures as well as data storage, data transmission, anti-virus software, firewalls, and encryption to list a few.

Privacy and Confidentiality: Confidentiality is the extent to which businesses makes personal information available to other businesses and individuals. With any business, confidential information must remain secure and only be accessible to the intended recipient. However, this becomes even more difficult when dealing with e-businesses specifically. To keep such information secure means protecting any electronic records and files from unauthorized access, as well as ensuring safe transmission and data storage of such information. Tools such as encryption and firewalls manage this specific concern within e-business.

Authenticity: E-business transactions pose greater challenges for establishing authenticity due to

the ease with which electronic information may be altered and copied. Both parties in an e-business transaction want to have the assurance that the other party is who they claim to be, especially when a customer places an order and then submits a payment electronically. One common way to ensure this is to limit access to a network or trusted parties by using a virtual private network (VPN) technology. The establishment of authenticity is even greater when a combination of techniques are used, and such techniques involve checking "something you know" (i.e. password or PIN), "something you need" (i.e. credit card), or "something you are" (i.e. digital signatures or voice recognition methods). Many times in e-business, however, "something you are" is pretty strongly verified by checking the purchaser's "something you have" (i.e. credit card) and "something you know" (i.e. card number).

Data integrity: Data integrity answers the question "Can the information be changed or corrupted in any way?" This leads to the assurance that the message received is identical to the message sent. A business needs to be confident that data is not changed in transit, whether deliberately or by accident. To help with data integrity, firewalls protect stored data against unauthorized access, while simply backing up data allows recovery should the data or equipment be damaged.

Non-repudiation: This concern deals with the existence of proof in a transaction. A business must have assurance that the receiving party or purchaser cannot deny that a transaction has occurred, and this means having sufficient evidence to prove the transaction. One way to address non-repudiation is using digital signatures. A digital signature not only ensures that a message or document has been electronically signed by the person, but since a digital signature can only be created by one person, it also ensures that this person cannot later deny that they provided their signature.

Access control: When certain electronic resources and information is limited to only a few authorized individuals, a business and its customers must have the assurance that no one else can access the systems or information. Fortunately, there are a variety of techniques to address this concern including firewalls, access privileges, user identification and authentication techniques (such as passwords and digital certificates), Virtual Private Networks (VPN), and much more.

Availability: This concern is specifically pertinent to a business' customers as certain information must be available when customers need it. Messages must be delivered in a reliable and timely fashion, and information must be stored and retrieved as required. Because availability of service is important for all e-business websites, steps must be taken to prevent disruption of service by events such as power outages and damage to physical infrastructure. Examples to address this include data backup, fire-suppression systems, Uninterrupted Power Supply (UPS) systems, virus protection, as well as making sure that there is sufficient capacity to handle the demands posed by heavy network traffic.

Common security measures

Many different forms of security exist for e-businesses. Some general security guidelines include areas in physical security, data storage, data transmission, application development, and system administration.

Physical security: Despite e-business being business done online, there are still physical security measures that can be taken to protect the business as a whole. Even though business is done online, the building that houses the servers and computers must be protected and have limited access to employees and other persons. For example, this room should only allow authorized users to enter, and should ensure that "windows, dropped ceilings, large air ducts, and raised floors" do not allow easy access to unauthorized persons. Preferably these important items would be kept in an air-conditioned room without any windows.

Protecting against the environment is equally important in physical security as protecting against unauthorized users. The room may protect the equipment against flooding by keeping all equipment raised off of the floor. In addition, the room should contain a fire extinguisher in case of fire. The organization should have a fire plan in case this situation arises.

In addition to keeping the servers and computers safe, physical security of confidential information is important. This includes client information such as credit card numbers, checks, phone numbers, etc. It also includes any of the organization's private information. Locking physical and electronic copies of this data in a drawer or cabinet is one additional measure of security. Doors and windows leading into this area should also be securely locked. Only employees that need to use this information as part of their job should be given keys.

Important information can also be kept secure by keeping backups of files and updating them on a regular basis. It is best to keep these backups in a separate secure location in case there is a natural disaster or breach of security at the main location.

"Failover sites" can be built in case there is a problem with the main location. This site should be just like the main location in terms of hardware, software, and security features. This site can be used in case of fire or natural disaster at the original site. It is also important to test the "failover site" to ensure it will actually work if the need arises.

State of the art security systems, such as the one used at Tidepoint's headquarters, might include access control, alarm systems, and closed-circuit television. One form of access control is face (or another feature) recognition systems. This allows only authorized personnel to enter, and also serves the purpose of convenience for employees who don't have to carry keys or cards. Cameras can also be placed throughout the building and at all points of entry. Alarm systems also serve as an added measure of protection against theft.

Data storage: Storing data in a secure manner is very important to all businesses, but especially to e-businesses where most of the data is stored in an electronic manner. Data that is confidential should not be stored on the e-business' server, but instead moved to another physical machine to be stored. If possible this machine should not be directly connected to the internet, and should also be stored in a safe location. The information should be stored in an encrypted format.

Any highly sensitive information should not be stored if it is possible. If it does need to be stored, it should be kept on only a few reliable machines to prevent easy access. Extra security measures should be taken to protect this information (such as private keys) if possible. Additionally,

information should only be kept for a short period of time, and once it is no longer necessary it should be deleted to prevent it from falling into the wrong hands. Similarly, backups and copies of information should be kept secure with the same security measures as the original information. Once a backup is no longer needed, it should be carefully but thoroughly destroyed.

Data transmission and application development: All sensitive information being transmitted should be encrypted. Businesses can opt to refuse clients who can't accept this level of encryption. Confidential and sensitive information should also never be sent through e-mail. If it must be, then it should also be encrypted.

Transferring and displaying secure information should be kept to a minimum. This can be done by never displaying a full credit card number for example. Only a few of the numbers may be shown, and changes to this information can be done without displaying the full number. It should also be impossible to retrieve this information online.

Source code should also be kept in a secure location. It should not be visible to the public.

Applications and changes should be tested before they are placed online for reliability and compatibility.

System administration: Security on default operating systems should be increased immediately. Patches and software updates should be applied in a timely manner. All system configuration changes should be kept in a log and promptly updated.

System administrators should keep watch for suspicious activity within the business by inspecting log files and researching repeated logon failures. They can also audit their e-business system and look for any holes in the security measures. It is important to make sure plans for security are in place but also to test the security measures to make sure they actually work. With the use of social engineering, the wrong people can get a hold of confidential information. To protect against this, staff can be made aware of social engineering and trained to properly deal with sensitive information.

E-businesses may use passwords for employee logons, accessing secure information, or by customers. Passwords should be made impossible to guess. They should consist of both letters and numbers, and be at least seven to eight digits long. They should not contain any names, birth dates, etc. Passwords should be changed frequently and should be unique each time. Only the password's user should know the password and it should never be written down or stored anywhere. Users should also be locked out of the system after a certain number of failed logon attempts to prevent guessing of passwords.

Security Solutions

When it comes to security solutions, there are some main goals that are to be met. These goals are data integrity, strong authentication, and privacy.

Access and data integrity: There are several different ways to prevent access to the data that is kept online. One way is to use anti-virus software. This is something that most people use to protect their networks regardless of the data they have. E-businesses should use this because they can then be sure that the information sent and received to their system is clean. A second way to protect the data is to use firewalls and network protection. A firewall is used to restrict access to private networks, as well as public networks that a company may use.

The firewall also has the ability to log attempts into the network and provide warnings as it is happening. They are very beneficial to keep third-parties out of the network. Businesses that use Wi-Fi need to consider different forms of protection because these networks are easier for someone to access. They should look into protected access, virtual private networks, or internet protocol security. Another option they have is an intrusion detection system.

This system alerts when there are possible intrusions. Some companies set up traps or "hot spots" to attract people and are then able to know when someone is trying to hack into that area.

Source: http://www.executivesupportsystems.com/DataIntegrity.aspx
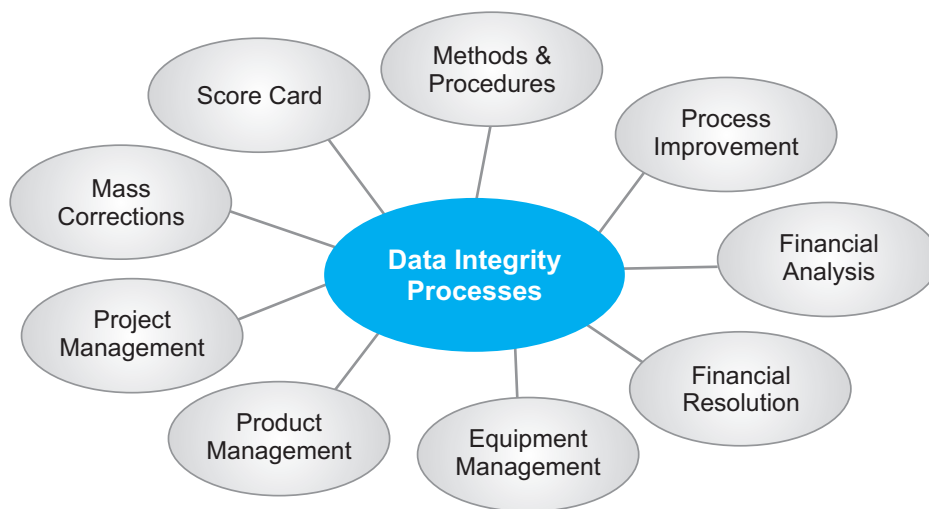
Encryption: Encryption, which is actually a part of cryptography, involves transforming texts or messages into a code which is unreadable. These messages have to be decrypted in order to be understandable or usable for someone. There is a key that identifies the data to a certain person or company. With public key encryption, there are actually two keys used. One is public and one is private. The public one is used for encryption, and the private for decryption. The level of the actual encryption can be adjusted and should be based on the information. The key can be just a simple slide of letters or a completely random mix-up of letters. This is relatively easy to implement

because there is software that a company can purchase. A company needs to be sure that their keys are registered with a certificate authority.

Digital certificates: The point of a digital certificate is to identify the owner of a document. This way the receiver knows that it is an authentic document. Companies can use these certificates in several different ways. They can be used as a replacement for user names and passwords. Each employee can be given these to access the documents that they need from wherever they are. These certificates also use encryption. They are a little more complicated than normal encryption however. They actually used important information within the code. They do this in order to assure authenticity of the documents as well as confidentiality and data integrity which always accompany encryption. Digital certificates are not commonly used because they are confusing for people to implement. There can be complications when using different browsers, which means they need to use multiple certificates. The process is being adjusted so that it is easier to use.

Digital signatures: A final way to secure information online would be to use a digital signature. If a document has a digital signature on it, no one else is able to edit the information without being detected. That way if it is edited, it may be adjusted for reliability after the fact. In order to use a digital signature, one must use a combination of cryptography and a message digest. A message digest is used to give the document a unique value. That value is then encrypted with the sender's private key.

Web browser discrimination: Vendors of e-commerce are able to determine the type of browser that is used by the customer. Some vendors offer different pricing which they determine based on the browser that the customer is using.

Exercise: Assignment

1. Discuss in detail, the telemarketing technologies required by organizations.

   _____

   _____

   _____

2. Write a note on issues related to the internet marketing in today's context.

   _____

   _____

   _____

3. Explain internet business models with the help of suitable examples.

   _____

   _____

   _____

Assessment

A. Fill up the blanks

1. _____ concern deals with the existence of proof in a transaction.

2. Data that is _____ should not be stored on the e-business' server, but instead moved to another _____ to be stored.

3. Despite e-business being business done _____, there are still physical security measures that can be taken to _____ the business as a whole.

4. _____ is the extent to which businesses makes personal information available to other _____ and individuals.

5. While _____ refers to more strategic focus with an emphasis on the functions that occur using electronic capabilities, _____ is a subset of an overall e-business strategy.

B. True or false

1. Encryption, which is actually a part of cryptography, does not involve transforming texts or messages into a code which is unreadable.

2. E-businesses may use passwords for employee logons, accessing secure information, or by customers.

3. E-business transactions pose no challenges for establishing authenticity due to the ease with which electronic information may be altered and copied.

4. Storing data in a secure manner is very important for few e-Businesses, where most of the data is stored in an electronic manner.

5. It is best to keep these backups in a separate secure location in case there is a natural disaster or breach of security at the main location.

Checklist for Assessment Activity

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

Part A

➡ Understand the meaning of e-business.

➡ Know the subsets of e-business.

➡ Discuss the internet business models of various types.

➡ Analyze number of issues associated with internet business.

Part B

Discussed the following in the class:

➡ What is e-business or internet business?

- What are various subsets of internet business?
- Discuss various issues related to internet business in today's business scenario.

Part C

Performance Standards

Students demonstrate the generic, technical, professional and organizational knowledge and skills in order to perform up to the required standards. The performance standards may include but not limited to:

Performance Standards	Yes	No
Able to know the meaning of e-business.		
Able to discuss the importance of e-business.		
Able to identify the e-business subsets.		
Able to identify the e-business models.		
Able to explain various e-business issues.		

EXHIBIT - 4
Snapdeal, Bright Lifecare get Intel funding
*PTI	Jun 7, 2013, 07.15 PM IST, Times of India*

New Delhi: Intel Capital, Intel Corp's global investment and M&A unit, today said it will invest $16 million in three e-commerce ventures across Asia, including two Indian firms - Bright Lifecare and Snap deal. Intel Capital would invest in three e-commerce firms seeking to scale up and extend their businesses in Asia, Intel Capital said in a statement.

The three beneficiaries include India's Bright Lifecare, a distributor of nutrition, health and wellness products; Snapdeal.com, a consumer goods marketplace in India; and existing portfolio company Singapore's Reebonz.com, one of Asia's largest private luxury goods retailers.

"Intel Capital focuses on adding unique and differentiated value beyond just financial investments by providing entrepreneurs strategic expertise, a global network and business development programmes to help them reach new customers and successfully scale businesses for a global economy", Intel Capital president and Intel executive vice president Arvind Sodhani said. Sodhani further added that "these three exciting and innovative companies are delivering new e-commerce experiences to an ever-increasing customer base. We look forward to helping them grow and succeed through our resources and their passion".

Growth in Asia's middle-class, overall expansion of its economy and ever improving internet connectivity in the region has given rise to a considerable online retail market opportunity for

these firms. "We are glad to have a leading venture capitalist like Intel Capital as our investor as we gear for the next level of growth", Bright Lifecare co-founders Prashant Tandon and Sameer Maheshwari said.

Commenting on the investment, Kunal Bahl, co-founder & CEO of Snapdeal.com said, "We look forward to building a successful enterprise that rewards the entire ecosystem of our buyers, sellers, team members and shareholders, by gaining from Intel Capital's knowledge in this space which they have gained through their diverse global portfolio".

Source: *http://timesofindia.indiatimes.com/tech/tech-news/internet/Snapdeal-Bright-Lifecare-get-Intel-funding/articleshow/20479454.cms?*

UNIT 4 — EVENT MANAGEMENT IN RETAILING

UNIT CODE: RS-407 NQ-2012	UNIT TITLE: EVENT MANAGEMENT IN RETAILING			
Location: **Classroom, Retail or Departmental Store**	**Duration: 25 Hours**			
	Session 1: Understanding Event Management			
	Learning Outcome	**Knowledge Evaluation**	**Performance Evaluation**	**Teaching and Training Method**
	1. Planning and Designing Event.	1. Describe the plan to organize the events. 2. Describe the arrangements for organizing the events. 3. Describe the manpower requirements for the event. 4. Describe the work formulated for execution of the event.	1. Ability to forecast the work related to the event. 2. Ability to assess the capabilities of staff to entrust the work. 3. Ability to motivate and coordinate the staff. 4. Ability to assess the manpower/ resources requirements. 5. Ability to formulate the work design. 6. Ability to identify the opportunities of events.	**Interactive Lecture:** Planning and Designing Event. **Activity:** Visit a retail store and enlist various problems in planning and designing in event management.
	Session 2: Documentation for Conducting Events			
	1. Monitoring Records & collecting feedback.	1. Describe the various records that are maintained for monitoring event management activities. 2. Describe the	1. Ability to guide the staff in the preparation of maintaining records. 2. Ability to develop feedback forms to get opinions	**Interactive lecture:** Monitoring Records & collecting feedback in retailing. **Activity:** 1. On-the-job and monitor the

		contents of feedback forms that are useful for correction and further maintaining long term relations with the clients.	from clients and service providers. 3. Ability to analyze contents of feedback and initiating corrective actions.	legal rules and regulations followed in event management. 2. Analyse the situations that enforce legal compliances receiving from the customers.
Session 3: Logistics & Standard Operating Procedures (SOP)				
	1. Legal and Statutory Aspects (Advanced) & Standard Operating Procedures (SOP).	1. Describe the legal and statutory aspects relating to the event management. 2. Describe the risks and contingencies that are likely to arise during the event. 3. Describe the conflicts that arise between clients, firm and service providers. 4. Describe the conflict management machinery useful to deal with conflicts.	1. Ability to understand the various laws, rules and regulations. 2. Identify the risks that are likely to arise in the event management. 3. Identify the conflicts that are likely to arise between firms, service providers and clients.	**Interactive Lecture:** Legal and Statutory Aspects (Advanced) & Standard Operating Procedures. **Activity:** On-the-Job Supervision & Coordinating with various agencies & reporting.
Session 4 : Supervising Events				
	1. Identify the activities for smoothly conducting events.	1. Describe the steps in the execution of events. 2. Describe the duties and responsibilities being.	1. Ability to supervise the work for smooth flow of events. 2. Ability to allocate the duties and	**Interactive lecture:** Supervision of events to identify the activities for smoothly conducting events. **Activity:** Visit to an event place and

		delegated to staff for execution of an event. 3. Describe the social and cultural aspects required in the execution of an event. 4. Describe the public relations required. 5. Describe different media available. 6. Describe the choice of the media selection.	responsibilities to the right person. 3. Ability to coordinate social gatherings and cultural programmes in the event management. 4. Ability to manage public relations constantly. 5. Ability to decide /select the best media for promotion.	observe how to supervise the event management activities.

Introduction

Today in the business world Event Management is considered one of the tools in creating relations with the client and it is a marketing weapon and communication tools by companies of all sizes. There are many companies which are promoting products and services through launching an event and attract the customer's attention. Here through the event management, the company organised programmes like Fashion shows, Launching of products and services, Birthday parties, Marriages, Receptions, Sports events, Arrangements of Meetings, Press conferences etc. They might target their audience by using the news media, hoping to generate media coverage which will reach thousands or millions of people. If they want to reach at the concrete event, they should invite their audience to their events.

Meaning: Event Management is the application of Project Management for creation and development of festivals events and conferences. Event Management involves identifying the target audience, devising the event concept, planning the logistics and coordinating the technical aspects before actually executing the modalities of the proposed event.
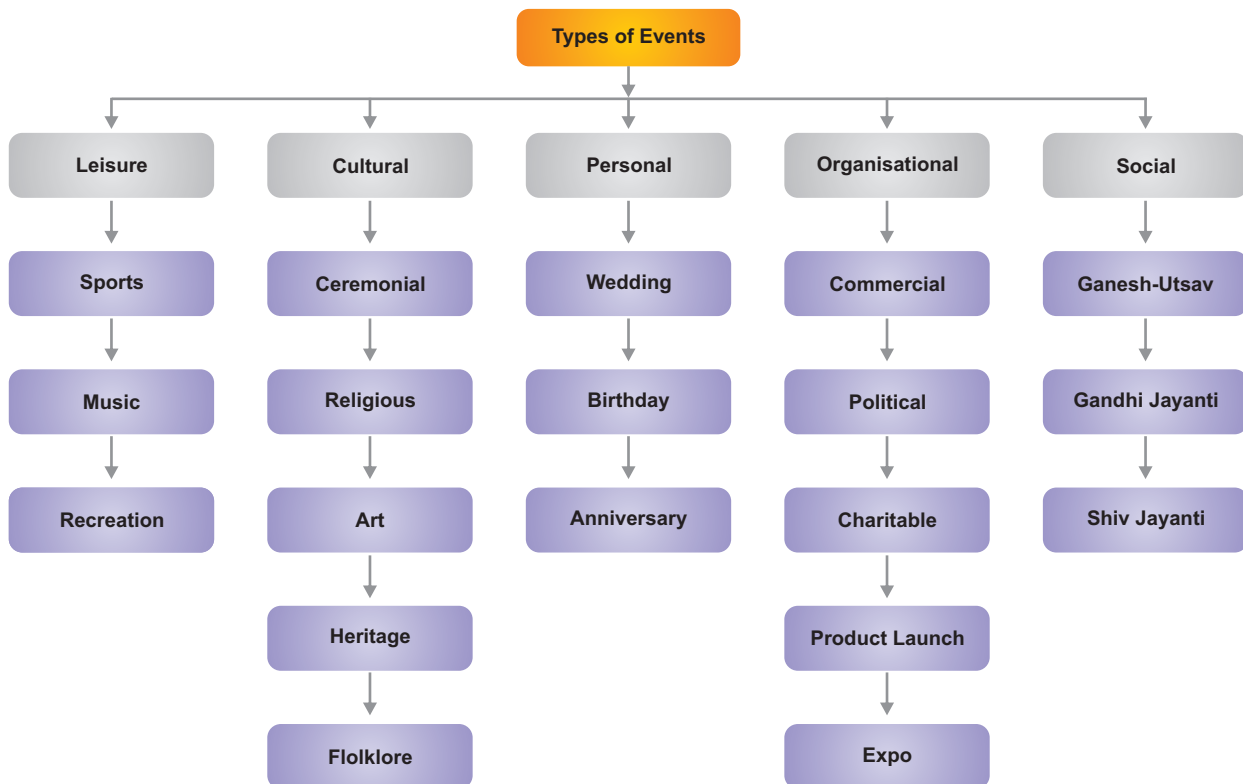
Event Management is the process of organising, analyzing, planning, assembling of resources, marketing, promoting and producing an event. It is a different way of promoting a product, service or idea. It provides satisfaction, pleasure and relaxation from the work to the clients.

Importance: Handling Event Management in retailing is very difficult task if the company wants to give more satisfaction to the clients they have to create proper communication with the clients. For retailers, trade spending can be a powerful way to improve promotions and boost sales. Events have taken over as the preferred means of brand promotional activity. A growth of TV channels and newspapers mean that advertisers should adopt the marketing activities on large scale; it shows the direct connections with the consumer through an event. This is more likely to get better and quicker results than the traditional form of advertising.

Event Management involves studying the details of the brand, identifying the audience, devising the event concept, planning the logistics and coordinating the technical aspects before actually launching the event. Post-event analysis and ensuring a return on investment have become significant drivers for the event industry. There are the companies those who are conducting Event Management for Retail, enables retailers to streamline their vendor trade programs to maximize profits.

The Event Management includes of all types of events from the Olympics down to a breakfast meeting for ten business people. Many interest groups will hold events of all sizes in order to market themselves, build business relationships, raise money and check the satisfaction of the clients.

Types of Events

Leisure	Cultural	Personal	Organisational	Social
Sports	Ceremonial	Wedding	Commercial	Ganesh-Utsav
Music	Religious	Birthday	Political	Gandhi Jayanti
Recreation	Art	Anniversary	Charitable	Shiv Jayanti
	Heritage		Product Launch	
	Flolklore		Expo	

Types of Events: Events can be classified into four broad categories based on their purpose and objective:

1. Leisure events e.g. leisure sport, music, recreation.

2. Cultural events e.g. ceremonial, religious, art, heritage, and folklore.

3. Personal events e.g. weddings, birthdays, anniversaries.

4. Organizational events e.g. commercial, political, charitable, sales, product launch, expo.

5. Social events e.g. Ganesh-utsav, Gandhi jayanti, Shiv-jayanti.

In this unit, you will be learn about understanding of Event Management documentation for conducting events, logistics and standard operating procedures and supervising events.

SESSION 1 : UNDERSTANDING EVENT MANAGEMENT

Relevant Knowledge

Planning and Designing Event

The Written Plan

The production of the event management plan is a constantly evolving cycle which involves initial proposals, information gathering, consultation and decision making before the production of the first draft of a detailed plan for the management and operation of the event comprehensive event management plan.

All event organizations should be kept informed of the plan content to the company, client and the manpower. The plan structure should be clear, brief and easy to read. All recommendations and suggestions given by the statutory agencies, emergency services etc. should be incorporated and should be considered in the event plan.

A comprehensive Event Management plan contains four distinct sections; each section deals with a particular aspect of the event, a basic plan should contain elements of each section:

- Event details
- Event safety
- Emergency action
- Appendices as required

The size, type, duration and complexity of the event will determine the level of detail required for each section.

When the draft plan is complete, it will allow the agencies with responsibility for public safety to examine and offer advice on the conduct of the event and will form part of the license application and/or approval to hold an event. The following steps are included in the event plan.

Steps in Event

1. Research / Concept	6. Sales & Registration	7. Logistic / Administration
2. Planning, Budget & Control	5. Marketing & Promotions	8. On-site Management
3. Resources & Alliances	4. Production of Collaterals	9. Post-event & review

Research / Concept: The event to be organized is studied in detail and arrangement for resources required. Make clear the concept of the concerned event and find out the objectives which client wants to achieve.

Planning for Budget and Control: The budget for event is prepared by event manager including the element like, expenses on food, decoration, venue, logistic, supervision, labour etc. The budget should be under control of the firm so it reduces the wastage of resources.

Resources and Alliances: According to the event, assemble the resources which are required. Arrange the manpower.

Production of Collateral: To find out the government norms and policies regarding Event Management. To find out environmental rules regarding to the events so the clients cannot exploit the environment.

Marketing and Promotions: If it is a commercial event there is a need of marketing and promotions. In that case various media can be selected according to the pros and cons of the media. But if the event is social then there is no need of promotions.

Sales and Registration: Some of the events require sales promotion for instance, cricket match. Here the event has to be planned to be advertised and registered with the government and concern authority.

Logistic and Administration: Resources required for the event should be carried to the venue. It should be placed in a proper place in proper manner. The resources are allocated at the proper position as per requirement with the help of ideal administration.

Onsite Management: Onsite management or supervision on the event has to be done by the key person.

Post Event and Review: The Event Manager should look after the post event of the concerned programme and take a feedback from the client. If any issues take place they should be sorted out

under the supervision of the legal advisor. They have to pay the bills to the owners of resources and clear the account of every person.

Retail Promotion Tips: Following tips should be followed by the event organizer:

1. Select advertisement and a promotion that fits for the event, target audience and that suit the objectives of the event.
2. Maintain a diary of all planned and actual promotional events.
3. Don't forget to include local community events in the planning.
4. Try to schedule events 3-6 months in advance to create an effective promotion.
5. Create a folder and file for each event to maintain records.
6. Review the final results.
7. Increase your open-to-buy and purchase extra inventory for special events.

Understanding

Understanding the Event Management: Event Management companies can be a one-man operation or a set up of organization with multiple manpower. In this small scale business there is a need of small capital to start the business. The business does not have much risk as compared to the other business. For those who are planning to enter this industry, here are some techniques:-

➡ **Learn Planning and Time Management Technique:** In this business, time management is very essential. In short period one has to manage many events. Although everyone could benefit from better time management, the need for this is more critical in the Events Management business where so many things will be happening at almost the same time. Here, too, the ability to plan for the smallest details is a vital skill needed to pull off a successful event.

➡ **Profit Sources:** The event organization gets payment besides the fees of the client there are many other possible sources of revenue. For instance sponsors or be a supplier of some items or services in the event.

➡ **Pattern to Draft Contracts for the Client:** As in most industries, there are standard contracts that are specifically written for event organizers. It is a legal documentation between event organization and the client most likely that the contract has provisions that will protect you from a lot of problems.

➡ **Prepare Detailed Checklists:** Do not rely on memory. Everything that needs to be checked should be written to ensure that it is not forgotten. They should be prepared one check-list for the tick-marking.

➡ **Safety Needs:** The safety of attendees is your responsibility. You need to know the necessary safety procedures and safeguards.

➡ **Legal Aspects related to events:** There are many laws regarding the conduct of events. This is more critical for big events where the potential for accidents is greater. Nevertheless, even the smallest events must have the proper safety and legal precautions.

- **Have Multiple Back-ups:** They should always keep back-up equipment for avoiding chaos. Two of the items that must have back-ups are the power supply and sound system.

- **Learn how to Estimate the Needed Budget for an event:** One of the first things a potential client would ask is what would be the budget for the event. It is also very possible that you would be given a budget to work with. Know how to cost and price everything so that you would end up with a reasonable profit.

Event Management Services

There are many Event Management Services given by firms to their clients and these include business advisory, corporate shows, corporate event organizers, product launchings and corporate communication, niche events, product launches and promotions, conferencing, exhibitions and marketing. Also they offer Integrated Marketing Solutions like events (creating memorable moments), promos (hands-on-experience), interactive (your digital personality), connect (establishing dialouge), retail & exhibitions. Each service undertaken by us is accompanied with the guarantee of efficient execution and timely completion.

Exercise: Assignment

Make a complete plan for any one of the following Event which you like

1. Wedding

2. Birthday-party

3. Exhibition of electronic products

4. Meeting of an organization

5. Ganesh-Utsav

_____

_____

_____

Assessment

A. Fill in the blanks

1. There are many companies which are promoting _____ and _____ through launching an event and attract the customer's attention.

2. _____ is the application of Project Management to the creation and development of festivals events and conferences.

3. All event organizations should be kept informed of the plan content to the _____, _____ and _____.

4. Environmental rules are studied so that the clients cannot exploit the _____.

5. The resources are allocated at the proper position as per requirement with the help of ideal _____.

B. True or false

1. There are many laws regarding the conduct of events.

2. There should not be back-up equipment for avoiding chaos.

3. Event management offer Integrated Marketing Solutions like creating memorable moments.

4. In Event Management time management is not so important.

5. Event Manager should prepare a check-list for Tick-Marking.

C. Match the columns

Section 'A'	Section 'B'
1. Leisure events	(a) Ganesh-utsav, Gandhi or Shiv-jayanti
2. Cultural events	(b) Leisure sport, music, recreation
3. Personal events	(c) Commercial, political, charitable, sales
4. Organizational events	(d) Weddings, birthdays, anniversaries
5. Social events	(e) Ceremonial, religious, art, heritage, etc.

Checklist for Assessment Activity

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

Part A

➡ What do you mean by Event Management?

➡ State the steps involved in the Event Management.

↩ List out the various Retail Promotional Tips of Event Management.

↩ What are the techniques adopted by Event Manager for organizing the event?

↩ What types of back-up are required while organizing events?

↩ Explain the services provided by the Event Manager.

Part B

Discussed the following in the class:

↩ What are the steps in conducting the event?

↩ How to understand the process of Event Management?

↩ What do you mean by Event Management?

↩ What types of back-up are required while organizing events?

↩ Explain the services provided by the Event Manager.

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Identify the steps required to conducting events.		
List retail promotional tips in Event Management.		

SESSION 2: DOCUMENTATION FOR CONDUCTING EVENTS

Relevant Knowledge

For conducting any event in the business or social world, organizer should arrange various documents for the authenticity of that particular event. Document is an evidence for conducting and completion of the event in successful manner.

List of Documents

Contract: This is the paper or document of agreement between organizer of the event and the client, where the client puts some conditions and organizer should follow the condition for organizing that particular event. Following documents are essential at the time of organizing event:

AV Cue Sheet: AV cue sheet means written sheet about Audio Visual team with a detailed cue sheet which helps them to succeed.

Budget: It is a document which keeps control over the expenses of the event and gives saving tips through it.

Celebrity Participation Document: This document makes us understand that who are the celebrities participating in the event. Confirming celebrities at a charity event is something that takes a lot of effort, and follow-up. This one-sheet will make the event manager's job easier.

Master Spreadsheet: It is also called conference management tool. If event manager wants to keep track of hundreds of guests for an upcoming corporate event than he should prepare one master spread-sheet in which he has the liberty to add or delete the columns as per the event and the column required.

Conference Timeline: Every event includes sub events where the timeline should be followed by the Event Manager. This timeline has to scheduled and followed to make the event a success.

Lunch/Dinner Party Budget: Event Manager has certain budget for the cuisine. It depends on the type of event and client's option and his capacity to spend. Event Manager should keep a track on the budget and try to save the expenses.

Event Summary Form: Once the event is over just a few more hours will ensure Event Manager to remember what went well, and what to change next time. Event Wrap Ups are also great documents to share with the head of marketing, executive host and the one who controls the budgets.

Event Vendors One Sheet: There are more than one vendors required to manage one Event. One list has to be prepared with all vendors' Name, Address, and Mobile number in order to avoid chaos and get them in contact when required. This document should be distributed to all team members to make the work easy.

Menu Card Template: In this document whatever is going to be served at the table is listed which helps the guest choose their menu. This gives a custom touch to the event. There are hundreds of styles, for e.g. version for a seated dinner that you can print in Size 5.5 x 8.5 inches.

Thank you Note-card: After the event is over a Thank You note is delivered at the gate as it is a token of gratitude. It is optional.

Press Release: Before beginning of the event, Event Manager should promote event through the press release. Such events include charity event, Leisure events, Cultural events, Organizational events and Social events. After the event is over a press note is given to the press in order to conclude the event. For this journalists are invited for important events.

Tent Rental card: When looking into an event, tent rental card has many questions and options including design of the tent. Tent rent is basically depends on its design complications.

Venue Check List: Selecting a venue is a very important decision, and a difficult one. The Venue Check List provides ideas to be considered so the Event Manager can select the event venue that best fits your needs.

Video Production Cost Savings: Video productions are a critical investment in conferences or in any social or commercial event. Budget depends on client's attitude and design of the video-maker.

Wedding/Event Budget Tool: Planning a wedding, "the best day of your life", can become a stressful process often due to money. While this wedding budget template won't add funds, it will help you assess all expenses and decide how best to allocate your funds.

Exercise: Assignment

1. Collect various documents included in any one event and explain their importance.

Assessment

A. Fill in the blanks

1. _____ is an evidence for conducting and completion of the event in successful manner.

2. Confirming _____ at a charity event is something that takes a lot of effort.

3. In this _____ whatever is going to be served at the table is been listed which helps the guest choose their menu.

4. After the event is over a _____ is delivered at the gate as it is a token of gratitude.

5. When looking into an event, _____ are many questions and options including design of the tent.

B. Multiple choice questions

1. AV cue sheet means _____ sheet.
    a) Assessment and visual
    b) Audio and visual
    c) Audio and venue
    d) None of these

2. _____ is also called Conference Management Tool.
    a) Master Spread sheet
    b) Conference timeline
    c) Menu card
    d) Press Note

3. _____ are also great documents to share with the head of Marketing, executive host and the one who controls the budgets.
    a) Venue check list
    b) Thank you Note
    c) Event Wrap Ups
    d) Wedding Budget Tool

4. After the event is over a _____ is given to the press in order to conclude the event.
    a) Conference Timeline

    b) Venue Check List

    c) Thank you

    d) Press note

5. In the _____ document budget is depends on client's attitude and design of the video-maker.

    a) Video Production Cost

    b) Event Wrap Ups

    c) Wedding Budget Tool

    d) AV cue sheet

C. Match the column

Section 'A'	Section 'B'
1. Contracts	(a) Time schedule of the event
2. Budget	(b) Conference Management Tool
3. Master Spread Sheet	(c) Documents which keeps control
4. Conference Time line	(d) Over expenses
5. Event Signage List	(e) List of basic Signs
	(f) Agreement between client and event organizer

Checklist for Assessment Activity

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

Part A

↦   List out the documents used in the Event Management.

↦   How Master Spread sheet helps the Event Manager to conduct event?

↦   Why is it necessary to make contract while organizing Event Management?

↦   How Budget Note helps in controlling expenses?

↦   Why is it necessary to make list of Event Vendors?

Part B

Discussed the following in the class:

↦   What are the documents used for conducting events?

↦   How to store the documents in Event Management?

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Identify the documents required for conducting the events.		
Find the storage facilities to keep the documents in the Event Management.		

SESSION 3: LOGISTICS AND STANDARD OPERATING PROCEDURES (SOP)

Relevant Knowledge

Meaning and Concept of Logistics

Logistics refers to the act of coordinating and managing the transfer of goods from a source to a specific destination. Transportation is a vital part of logistics as it requires the use of trucks or ships in moving the goods.

In the Event Management Logistic plays a vital role, at the event venue transportation provides all the resources in proper time and proper destination.

As with most events, certain logistics need to be planned and arranged - lighting, staging and sound equipment to name a few. No matter what entertainment you require, entertainment can provide the full set up to ensure your event runs smoothly.

Event and venue dressing is very important if the Event Manager wants to impress his guests. Event dressing can be as simple or extravagant as he likes and any one can work with him to ensure it fits with the theme he would like to create for the client's event.

Principles of Event Management

Following principles are followed by the Event Manager while organising any one event:

1. **Excellent local knowledge of the regions:** It is important to help the Event Manager to choose the most suitable hotels, restaurants and places available to hire for client's event. Their price negotiations and their daily collaboration with the local partners who share their customer service values: seminar hotels, conference centres, restaurants and venues for cocktails parties and evening events.

2. **Professional guarantees:** The knowledge about logistic organisation, the travel agency licence, bank guarantee, professional liability insurance, membership of travel agents etc.

3. **Information about type of event:** Event manager should know the type of the event like seminar or conference, incentive event, team building activity, executive committee meeting, VIP event or reward trip etc.

4. **Advice and booking:** Booking of all kinds of accommodation, from plush five star hotels to high

mountain shelters, including castles, seminar hotels and charming back country hotels, according to client's objectives and budget has to be done by Event Manager.

5. **Booking of entertainment places:** Private hire of prestige premises, such as villas, museums, abbeys, yachts etc. or original places such as a zoos, theme park, castle, observatory, etc. and organisation of meals with caterers, gala dinners and evenings, cocktail parties and organised activities should be considered by the Event Manager.

6. **Hotel information:** Event Manager should know managing teams of receptionists, logistical organisation of hotel reception and transfers, reception desks in hotels, interpreters booking meeting rooms and the logistics of fitting them out according to clients' specifications.

7. **Sports or recreational activities:** For client incentive or team building programmes, Event Manager should be supervised by qualified guides and instructors. Original activities for non-participating partners, or all participants, including cultural visits, well being programmes and artistic or sport activities in several languages should be supervised by qualified conference guides .

Contacting trainers, actors or sports personalities who can give personal accounts or give coaching talks on themes specifically relating to performance in the business world.

Legal and Statutory Aspects

➡ **Licences and permissions:** Different types of licences are required for different events. For e.g. structure having no roof, or a retractable roof, in a tent or other similar temporary structure will have different types of licences.

➡ **Permission for sound:** The event is comprised of music, dancing, displays of public entertainment and other similar activities. So it requires the permission of the authority and should to be carried out according to rules and regulations of local body for e.g. 60 decibel sound is permit-able for an event.

➡ **Media:** Newspaper advertisement not less than 16 weeks' notice should be sent to local authority. Submit draft event management plan. Consultation process with statutory authorities. Payment of application fee and standard charges for local authority services for the media like Newspaper.

➡ **Proof:** Proof of Insurance, newspaper advertisement and venue owners consent certification

and specification of temporary structures, indoor event name have to be submitted to the local authority.

⇨ **Venue:** The event consists of a performance, which takes place wholly, or mainly in a building, comprises music, singing, dancing or displays of entertainment. Outdoor event licence regulations are not applicable for venue selection.

⇨ **Fire authority:** Application is submitted to the fire authorities or person designated by the fire authorities.

⇨ **Fireworks:** Permission for use of fireworks has to be procured. For storage of fireworks an event manager should get permission from the fire authorities.

⇨ **Temporary road closure:** The Event Manager has to take permission of local authority for the closure of the public highway to vehicular traffic for a specified period at the time of event.

⇨ **Preparation and/or sale of food products and health issues:** In case of exhibition, Health board permission is required where meat or meat products (other than fish or fish products) are sold or where food is prepared, cooked or heated for sale directly to the public, including soft ice cream stalls, hot dog/baked potato stalls, burger/fried fish/chip stalls, Chinese and other ethnic food stalls. Stall owner must submit a completed application form for the licensing of the food stall to the Health Board two months prior to the commencement of the event.

⇨ **Use of public space:** If event activities are to take place either whole or in part on public property e.g. roadways/ footpaths, parks, public squares, then submission of event details, consultation process, supply insurance, indemnities certification and specification of temporary structures, event advertising should be submitted to the local authority

⇨ **Advertising issues:** The placing of advertising banners/ signage/flags in a public place and/or on a public building and the distribution in a public place of advertising literature than the application is given to the local authority for written approval. Typically signage, advertising banners, flags, bunting, and canopies are used. No substantive item should be fixed to a structure without agreement of the inspecting engineer.

⇨ **Accumulation of rubbish:** Accumulation of rubbish and debris under a structure is unsightly, unhealthy and can constitute a fire hazard. The Event Manager has to take care of it.

⇨ **Barriers sharp edges:** Many steel structures, especially new barriers can have sharp edges, usually left from the galvanising process. These can be hazardous, and in the case of barriers, they are often at face level for small children. The Event Manager should consider about it.

⇨ **Openings and gaps:** The Event Manager should take care of the gaps and beware of openings or gaps in barriers that a child could fall through. Bars Horizontal bars of barriers offer footholds for persons. Plywood lining to the sides (inside face) of walkways or ramps can eliminate gaps and footholds.

Exercise: Assignment

1. List out the principles of logistics in detail.

_____

_____

2. Observe any one event and find out the legal constraints.

_____

_____

Assessment

A. Fill in the blanks

1. Excellent local knowledge of the _____ is important to help the Event Manager to choose the most suitable hotel.

2. Different types of _____ are required for different events.

3. Application is made to the _____ for fire hazards.

4. The Event Manager has to take permission of _____ for the closure of the public highway.

5. For storage of _____ an Event Manager should get permission from the fire authorities.

B. Multiple choice questions

1. Newspaper advertisement not less than _____ notice to local authority.
   a) 8 days
   b) 16 days
   c) 1 month
   d) 6 months

2. Health board permission is required for selling the _____.
   a) Flowers
   b) Fish Products
   c) Decorative Material
   d) Meat and Meat Products

3. Contacting trainers, actors or sports personalities who can give personal accounts or give _____ on themes specifically relating to performance in the business world.
   a) Coaching talks
   b) Legal advice
   c) Documents
   d) Bye laws

4. The consumption of alcohol in a public place, application to the revenue commissioners for licence should be given _____ to local authority to relax provisions of bye-laws.
   a) 6 weeks prior
   b) 8 weeks prior

c) 1 Month prior

d) 3 weeks prior

5. The placing of advertising banners/signage/flags in a public place and/or on a _____ than the application is given to the local authority for written approval.

a) Private room

b) Public building

c) Private building

d) Hut

C. True or false

1. Stall owner must submit a completed application form for the licensing of the food stall to the Health Board two months prior to the commencement of the event.

2. Road closure order if necessary then prior to application, provide insurance indemnity, public advertisement standard fee, plus other charges to be determined in relation to road usage.

3. Indoor event licence regulations are not applicable for venue selection.

4. In logistics Booking of Entertainment places are included.

5. Sports dressing is very important if the Event Manager wants to impress his guests.

Checklist for Assessment Activity

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

Part A

➡ State the principles of Logistics.

➡ Which permissions are to be procured before conducting the event?

➡ What precautions are to taken for children at the event venue?

➡ How will you handle the health issues in Event Management concerning food?

➡ How garbage issue is handling in the Event Management?

Part B

Discussed the following in the class:

➡ What are the logistics required for conducting events?

➡ What are the legal and statutory aspects required in event management?

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Identify the logistics for conducting the events.		
Identify the legal and statutory aspects required in Event Management.		

SESSION 4: SUPERVISING EVENTS

Relevant Knowledge

It is an observation task by the Event Manager, on the event organized by his company for the client so he will reduce the loop-holes and improve the event's success. The following check-list is useful for the Event Manager for the better development of the event.

Check-list for Event Manager

Site Selection

→ Research Venues: Event Manager should check the Perfect location of venues.

→ Get proposals: He should look after the proposals of the clients.

→ Negotiate contract: Negotiation should be develop according to the client and his requirement.

→ Sign contract: If the contract is mutual than the Event Manager should sign contract.

Vendor Selection: An Event Manager should find out best vendors for the event like:

→ Technology: (audiovisual, lighting, live streaming).

→ Decoration: Negotiation with the best designer.

→ Staging: Negotiate with best.

→ Photography/ Videography: Contract with the Photographers and Videographer.

→ Entertainment: Look after the entertainment group and making arrangement of the artists.

→ Speakers: Find out the best speakers for the events.

Venue Management

→ Monitor and adjust room block: Make arrangements of rooms available at the venue place.

→ Meeting and registration area room set up: Give priority to Meeting and Registration place.

→ Menu selection for food and beverage events: It is according to the client's choice.

Legal Aspects

→ Fire Hazards: Give application to the Fire Local authority.

→ Food and Health: Selling food items, permission has to be taken and take care of the disposal of the garbage.

- Sound pollution: Give application to the local authority about sound.
- Traffic Problems: Take permission on Traffic Problems.

Miscellaneous

- On-site Event Management
- Vendor Management
- Event Set Up and Tear Down
- Speaker Management
- Back channel Monitoring (Twitter, Social Media)

This will allow you to concentrate on the profit producing aspects of your event and your business, such as marketing and promoting your event, and creating products for your clients to buy.

Event supervisor should check the following list and some specific duties will always depend on the type of event so he will supervise the following checklist of common logistical responsibilities:

1. **Logistics Budget:** For most events, many of the costs incurred in arranging the event will centre on logistics. From renting sound and lighting equipment, arranging venues, setting up staging, booking catering and so on, it is very easy to spend money in this area. At the time of supervision if event manager has a limited budget he should consider organizing "contra deals" with vendors and companies. Due to this he will avoid overspending.

2. **Documentation:** What sort of documentation he needs to run the event? For example, if it is an outdoor festival, he will definitely need to consult the local council for permits, traffic arrangements, road closures, security etc. Obtain the correct documentation before starting the event.

3. **Legal matters:** Event supervisor will supervise the legal issues and sort out, or avoid it. For example, if he intends to broadcast music or a film at a charity show, he will need copyright issues or Consult a legal expert for further advice.

4. **Venues:** He will supervise that where will charity event be held and how much will client spend on the venue? Does the venue have adequate facilities for your charity event (i.e. projection screen, seating arrangements, room capacity etc)? Do venue owners have insurance? This is one of the first things he will need to lock in; otherwise he will set back the rest of the charity event team.

5. **Provisions:** The Logistics department is responsible for all the provisions that will be necessary to pull off the event. This will include arranging catering (for all your guests and staff), equipment hire, (i.e. AV equipment, furnishings, flowers, table cloths) signage for the event, communication tools and even the name tags if they're required. A little attention to detail can go a long way and will add a significant touch to the event that will distinguish it from the rest.

6. **Communication:** How will you communicate with event staff, contractors and volunteers on the day (i.e. via radio or walkie talkies)? Do you intend to use a sound system to address the

crowd? How much will it cost to hire sound equipment? You may even want to consider hiring a professional event photographer to document the event, especially if you're looking to use these images for marketing purposes in the future.

7. **Running Order:** How is everything going to run on the day? This includes every minute from set up to breakdown. If you have deliveries and pickups going to and from the venue directly, ensure stagger them appropriately so the event managers won't have issues with loading. Account for contractors, volunteers, cleaners, every personnel who will be in and out throughout the day.

8. **Insurance:** This may include: public liability, property, workers' compensation and professional indemnity liability (particularly if hiring contractors). Make sure venues and property owners, volunteers and so on are insured. Seek expert advice on the various types of insurance the event will need if you are not sure. Helpful Hint: Get at least 3 quotes for anything (i.e. rentals, catering, venues etc) so he can better understand the clients' options. Even if a place will do it for free or on contra, he will want to make sure that he is getting the best value for his event.

Keep this series of tips in mind when organizing an event.

1. Tip 1 – Knowledge is Power

2. Tip 2 – Set the Stage

3. Tip 3 – Prepare Today, Execute Tomorrow

4. Tip 4 – Time it Right

5. Tip 5 – Tools of the Trade

6. Tip 6 – Don't Break the Rules

7. Tip 7 – No "I" in Teamwork

8. Tip 8 – "If anything can go wrong, it will"

9. Tip 9 – Safety is Paramount

10. Tip 10 – Smile

Exercise: Assignment

1. Supervise an event and find out the loop-holes and suggest the development.

_____

_____

_____

_____

_____

Assessment

A. Fill in the blanks

1. For _____ events one has to consult the local authority for permits traffic arrangements etc.

2. _____ are the legal issues to be sort out.

3. Renting, sound and lighting equipments, arranging venues, set up of stage etc. are the functions of _____.

4. At the time of supervision if the event manager has limited budget he should consider organizing _____ with vendors and companies.

5. _____ is the place where event takes place.

B. True or false

1. Event Manager is the supervisor of the event.

2. Budget is the main element of the event management.

3. There is no need of taking sanction of local authority while conducting social event.

4. Site selection is done without consultation of the clients.

5. Logistic department is responsible for all the provisions concerning events.

C. Match the column

'A'	'B'
1. Site selection	(i) Cheapest and effective
2. Decoration	(ii) Designer
3. Vendor selection	(iii) Direction and motivation
4. Legal aspect	(iv) Clients' convenience
5. Supervision	(v) Sound pollution

Checklist for Assessment Activity

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

Part A

➡ How will you communicate with event staff contractor and volunteers?

➡ What types of insurance are to be taken while conducting events?

➡ State the elements of venue management?

➡ Which are the points to be consider in vendors selection?

➡ State the features of site selections.

Part B

Discussed the following in the class:

➥ What are the duties and responsibilities of event supervisor?

➥ How to supervise the events with supporting staff?

Part C

Performance Standards

The performance standards may include but not limited to:

Performance Standards	Yes	No
Identify the check list activities while supervising the events.		
Demonstrate to the impart the event assistants for easily conducting the events.		

Supplementary Reading Material

UNIT 5
VISUAL MERCHANDISE

Introduction

Visual merchandising, briefly defined, is the presentation of a store and its merchandise in ways that will attract the attention of potential customers and motivate them to make purchases. The role of the visual merchandiser in this effort is to carry out the merchandising concepts as formulated by the management. These merchandising plans include what items are to be featured and in which locations they should be placed. The visual merchandiser, guided by these decisions and using all of his or her creative talents, sets out to present the best possible visual effects.

VISUAL MERCHANDISE: IDEAS

Relevant Knowledge

Let us discuss some creative ideas related to the presentation of the merchandise in a retail store.

1. Window Displays ideas!

Special emphasis should be placed on a store's window displays because they are the information link to the potential customer. As many as one in every four sales could be the result of a good window display. Window displays should attract attention, create interest and invite people into the store to purchase goods. There is less than 11 seconds to accomplish this, as that is the average amount of time an individual will spend looking at a window display.

Lets discuss few key types of window displays

(a) Enclosed windows

Enclosed windows are once which have walls on three sides and glass on one side to view the window display.

(b) Open back windows

Retailers who believe that the entire store should be visible to the consumer from

Fig 7: Enclosed Windows

the outside, yet feel the need to feature conventional window displays, often choose the open-back window structure.

(c) Windowless windows

The thought behind these windows is that with the ample open frontage, the shopper can get the impression of the store's merchandise and will enter the premise without being attracted by a window.

Fig 8: Open Back Window

(d) Shadow box windows

Store that features small items such as jeweler require window structure that enables close inspection of the merchandise. Windows of such nature are elevated so that comfortable clear viewing is possible.
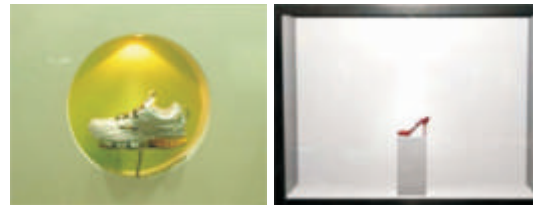

Fig 9: Windowless Window   Fig:10 Shadow Box Window

In Store presentation ideas!

After looking at various windows, next important place is inside the store displays.

(a) One item display

A one item display is just the showing advancement of a single garment or any single item. It features only one piece of merchandise–designer gown, automobile, piece of jewellery etc.

Fig 11: One Item Display

(b) Line at goods display

It's a kind of display in which only one type of merchandise is shown, although they may be in a variety of designs and various colours.

(c) Holiday display

While Christmas or Diwali is the major holiday of the year for the majority of the retailing world, the display should be in sync with the holiday. Like Diwali display will have lot of lighting and crackers displayed.

Fig 12: Line at Goods Display

(d) Seasonal display

Each season brings with its particular merchandise to feature and nature suggests general settings in which to show it. The cold winter, the budding and blooming flowers in the spring, the warmth of the summer each provide a
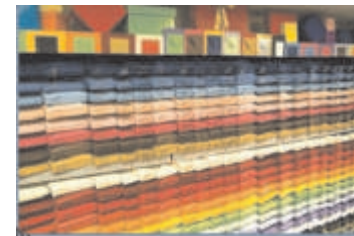

Fig 13: Spring Display

unique opportunity to encourage customers to start thinking about what they need for the next season.

(e) Unusual display

People love novelty, something they haven't seen before. You can search for some visual merchandising ideas in the internet. Collect different ideas, combine them together then modify. It is collect, combine and modify.

Fig 14: Unusual Display

Assessment

Exercise

What is a window display?

_____

_____

_____

What is shadow box window display and how is it different from open back window display?

_____

_____

_____

To do exercise

Visit the nearest modern retail store and identify various presentation techniques. Make a list of these different techniques with a brief description of the same.

_____

_____

_____

Checklist for Assessment Activity

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

Part A

� Differentiate between displays and seasonal displays.

Part B

Discussed the following in the class:

➥ Window display ideas.

➥ In store presentation ideas.

Part C

Performance Standards

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

Performance Standards	Yes	No
The student is able to organize window display.		

UNDERSTANDING STORE FIXTURES

Fixtures

Fixture is the furniture that holds and displays the majority of the merchandise. In retail merchandising it is one of the most difficult subject to address because every store has different needs to show its merchandise.

Goods can be effectively displayed on a variety of fixtures such as gondolas, tables, cubes, mannequins, waterfalls and other racks, display cases, and manufacturer point-of-purchase displays.

A fixture should not only complement the merchandise, but also the atmosphere created in the store. Each fixture should present the merchandise to the public and thereby act as a silent salesperson.

One of the most common fixtures in stores are gondolas; movable shelving approachable from all sides used in self-service retail stores to display merchandise.

They can be lined up in rows as in grocery, hardware and drug stores, or used singly to create an island. End-caps are units at the end of aisles. End-caps are important selling locations and should be used for high-profit impulse or seasonal merchandise.

Different Type of Fixtures

A) Handing Fixtures

T Stands

T stands are placed on aisles to indicate the potential customer the type of merchandise found in the area and what some of the new fashion statements are.

Six ways

It has six adjustable arms, which can be a combination of straight and slanted. Six way is effective for larger group of merchandise including several colours or coordinated with a choice in style of various pieces.

Fig 7: T–Stand

Because of its large size, the Six way should be placed towards the middle of the department, where it will not create a barrier to incoming traffic.

Round Racks

Round racks or rounders are the workhorses of the merchandising. They are seldom surpassed in their ability to hold large quantities of merchandise. Rounders generally has a flat circular surface in the centre of the top which can be used for the display.

Fig 8: Six Ways   Fig 9: Round Rack

Multi-feature Fixtures

There are many multi-feature fixtures available now, which may not be able to hold as much merchandise as a six way but it offers more flexibility.

Fig 10: Multi-feature Fixure   Fig 11: Vitrine

Vitrines

It is a glass enclosed display pedestal that enable that shopper to see the merchandise from all sides. Used generally for jewellery, sunglasses, belts, evening bags etc.

B) Non Hanging Fixtures

Tables

Tables are a good presentation fixture when the merchandise has little hanger appeal and does not fold or stack neatly. Tables are often placed in aisle, to feature advertised items. The style of the table should fit the store's mood.

Fig 12: Different Types of Tables

Counters

Counter fixture serves many purposes, glass counters safely display out-of-reach small and expensive merchandise, such as jewellary perfume handbags etc. protecting them from theft and accidental damage.

Fig 13: A Glass Counter

Gondolas

Gondolas are basically a series of free standing shelves and are used primarily for folded and packaged merchandise such as shirts, sweaters etc. Arrangement in a gondola let the customers know about an item's features without opening the packaging or unfolding the merchandise.

Key thoughts while selecting Fixtures?

➡ Fixtures suiting the scale and size of the merchandise should be selected. For example when a retailer has to sell vegetables and fresh, he doesn't need a glass counter for his merchandise.

➡ Cost of the fixtures should be considered as compared to the possible revenue generated out of it.

➡ It is important to assure before selecting the fixtures that weather that will be able to carry the weights of the merchandise to be displayed on it.

Fig 14: A Glass Counter

Assessment

Exercise

a) What is a fixture in a retail store?

_____

_____

_____

b) What are the key considerations while finalizing fixtures for a retail store?

_____

_____

_____

To do activity: Visit the nearest retail store and make a list of different types of fixtures you can identify. In case you find a new type of fixture, try and find the details of the fixture from the retailer.

_____

_____

_____

Checklist for Assessment Activity

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

Part A

- What are Gondolas?
- Name any two handing type fixtures?

Part B

Discussed the following in the class:

- What is a Vitrines?
- What kind of merchandise can be displayed on it?

Part C

Performance standards

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

Performance Standards	Yes	No
Able to understand basic of fixtures in a retail store.		
Able to understand and explain the importance and types of different fixtures used in a retail store.		

UNIT 6 — RETAIL POINT-OF-SALE: AN OVERVIEW

Relevant Knowledge

A retail POS (Point-of-Sale) is the first and last interaction that customers have in a store, and it is the center of all phone calls and computer work. It needs to be functional, inviting and well-designed in order to meet the needs of the customers and the employees.

So in short we can say that a 'Point-of-Sale' refers to the area of a store where customers can pay for their purchases. The term is normally used to describe systems that record financial transactions.

Point-of-sale (POS) (also referred to as point-of-purchase (POP) or checkout, is the location where a transaction occurs. A "checkout" refers to a POS (Point-of-Sale) terminal or more generally to the hardware and software used for checkouts, the equivalent of an electronic cash register. A POS terminal manages the selling process by a salesperson accessible interface. The same system allows the creation and printing of the receipt. In 1992 Martin Goodwin and Bob Henry created the first point of sale software that could run on the Microsoft Windows platform named IT-Retail. Since then a wide range of POS applications have been developed on platforms such as Windows and UNIX. The availability of local processing power, local data storage, networking, and graphical user interface made it possible to develop flexible and highly functional POS systems. Cost of such systems has also declined, as all the components can now be purchased off-the-shelf. The key requirements that must be met by modern POS systems include: high and consistent operating speed, reliability, ease of use, remote supportability, low cost, and rich functionality. Retailers can reasonably expect to acquire such systems.

UNDERSTANDING COMPONENTS OF POINT-OF-SALES

Relevant Knowledge

Computerized Point-of-Sale (POS) systems provide a retail business with the ability to monitor sales and control inventory in real time, by using checkout registers to categorize sales as they occur. They typically run on standard computer hardware, connecting with specialized peripherals to speed the sales process.

The oldest and simplest POS system is the cash register, but there are many limitations to only monitoring cash flow i.e. cash register can help a retailer in monitoring only the cash inflow and out flow but apart from that there are many other kind of key information which he may be needed hence comes in the picture 'POS'.

POS systems use the ability of databases and specialized data entry to instantly categorize sales by type, taxation status and inventory impact. They may integrate with marketing systems to allow immediate sale to customers, recommending impulse purchases at the register based on current and past purchase history.

There are two broad categories of POS systems:

➡ The hardware and software combination and

➡ The target business segment of the POS system.

Most POS software runs on computer hardware, but is differentiated by the accessories that are applied to each system. Data entry can be done with a standard keyboard (inexpensive, but prone to data entry errors and slow use), electronic scanners, a touch-screen LCD or a wireless hand-held device carried by the sales staff (e.g., a waiter). Information distribution required to make the sale (e.g., transmitting an order to the kitchen) can be done with specialized software or paper receipt printers. Finally, the purchase itself can be processed with integrated credit card readers and a computerized cash drawer.

Point to remember

We have to understand that POS systems also differentiate themselves through their target markets i.e. the sales needs of a retail business differ greatly from those of a restaurant or a hotel. These differences are handled through specialized software for each market segment, which minimizes complexity by only displaying relevant business information to each employee and manager in the business operation. It means the Point-of-Sale differ in a retail store than in a restaurant.

Let us try and understand each component of a Point-of-Sale (POS) in detail-

a) Back Office Server

The back office server is the brain. The back office server is essentially the main computer where pertinent company information, such as prices and sales reports, are programed and stored. This component also acts as the main information source for the network if multiple units are in use throughout the establishment. No matter how many computers are included in the business network, the back office server will be the component where all applicable software is downloaded.

b) Monitors

Monitors are essential POS components. The monitor is the screen where sales staff views sales information as a transaction is in progress. As items are added, staff can view the list of accumulated items, price, tax, savings, subtotals, totals and any other applicable information related to the type of business being conducted. The monitor operates in conjunction with the back office server and other components such as a mouse, cash drawer, printer and sometimes a keyboard (unless a touch-screen monitor is installed that all allows for keyless entries).

c) Bar-Code Scanner

Bar code scanners retrieve coded pricing information using a laser beam for various items. These components are often flat glass at the base of the counter near the cash register, with a laser beam beneath the glass to capture the bar code. Some bar code scanners are hand-held, enabling salespeople to scan items that are too large or heavy to be lifted to a counter.

Interesting Fact About Bar Codes

a) The first commercial barcode scanning operation took place in 1974 in Troy, Ohio (US) at Marsh's Supermarket. The item was a Wrigley's Doublemint Gum.

b) There are over a hundred of different bar code symbols were invented, however, only a half-dozen are used regularly.

c) Statistically, the typical typist will make one mistake in 300 keystrokes. The chance of a misread bar code symbol is somewhere between one in a million and one in four trillion!

d) Cash Drawer

Most retail POS systems have electronic cash drawers. POS systems at retail stores will most often have an electronic cash drawer. It is used to hold money collected for goods or services.

e) Keyboards

Keyboards is used with the back office server. The keyboard is used to enter items, pricing information, updates and all other information essential to running the business. Even when touch-screen monitors are used at work-station terminals, keyboards may still be useful in entering any notes, details or modifications to the purchased goods or services.

> **Interesting Facts about Keyboard**
> • Most modern keyboards use the "qwerty" layout. This name comes from the first five letters on the top row.
> • The qwerty layout was designed for manual typewriters initially by Christopher Sholes all the way back in 1872.

f) Printer

One small printer is usually added to the POS system. This component can be programmed from the back office server to produce customized receipts or invoices for customer use. The printer may also be used for printing sales reports or employee time cards.

g) Magnetic stripe readers

Credit card payments are a must. Magnetic stripe readers (MSR) are used to capture credit or debit card information to process sales. An MSR component can be attached to the work station terminal to enable a customer to swipe a credit card at the time of payment.

Wasn't it was interesting to know the key components of a POS system. Let's hope that next time when you go to a retail store you will notice and observe all these key instruments carefully.

Assessment

Exercise

(a) What is a bar code scanner and what are its key functions?

_____

_____

(b) Identify the following instruments and the key function performed by them.

1) _____

_____

_____

2) _____

_____

_____

3) _____

_____

_____

Checklist for Assessment Activity

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

Part A

➻ What is point-of-sale in a retail store?

➻ What are the key constituents of a computerized point-of-sales system?

Part B

Discussed the following in the class:

➻ What is a back office server?

➻ What is a Key board?

➻ What is Point-of-Purchase?

Part C

Performance Standards

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

| Performance Standards	Yes	No
Able to understand and identify different POS constituents in a retail store.		
Able to understand and explain the concept of Point-of-Sale and its importance in a retail store.		

UNDERSTANDING THE PROCESS OF POINT-OF-SALE

Relevant Knowledge

After knowing the key components of a POS system, let us now try and understand that how all these components work together in synchronization to give the best results to a retailer.

Step 1: Scanning the Products

When you go to the last destination in a retail store, the final action is making payments to what you have purchased. You will notice that the person standing at the POS system scan all the products with a bar code scanner to log the prices and qualities in their machine. Bar code scanner uses a laser beam to read the information coded in the bar code.
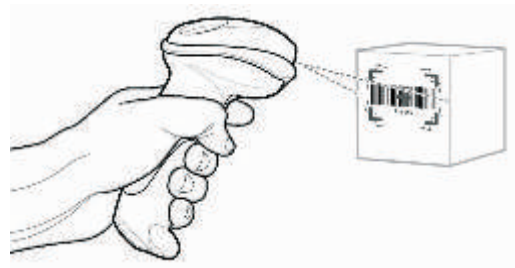
Step 2: Receiving Payments

Merchants use point-of-sale (POS) systems to take customer payments by credit card[1]/debit card or cash. Payments are collected immediately in a store that uses a POS system to run the payment. The terminals that are used in POS systems are typically connected directly to a bank that can credit the user's account and show payment on the merchant's books. A financial tracking system is connected to POS terminals through systems that process credit and debit card payments.

Step 3: Printing the Bill

POS equipment can print copies of the sale for the customer and the merchant. Exchanges and refunds also can be run through the system, and the bill can be printed when a merchant has a printer attached to the system.

Step 4: Cash Drawer

Merchants running POS systems usually attach a cash drawer to the system to hold the credit card receipts. POS systems also tie in cash payments through the same program and open the cash draw when each transaction is completed.

And the transaction is complete! Isn't that so simple and in a logical sequence.

Assessment

Exercise

Visit a near by Retail store and note down the steps in Point-of-Sale.

Activity

(a) Write the correct sequence in completing a POS activity.

_____

_____

Fill in the blanks

(a) All the prices and quantities are logged in the system through a _____.

(b) Copy of the transaction is printed by a _____.

(c) Merchant on the POS collect the payment from the customers through _____, _____ and _____.

1A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them later.

Checklist for Assessment Activity

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

Part A

➥ What is the first step on a POS counter?

➥ Bar code reader uses-to read the encoded information in a bar code.

Part B

Discussed the following in the class:

➥ What is a cash drawer?

➥ What is a credit card?

Part C

Performance standards

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

Performance Standards	Yes	No
Able to understand how transaction at POS happens.		
Able to understand the key steps involved in POS transaction.		

LEARNING POINT OF SALE MARKETING

Relevant Knowledge

Point of sale marketing, commonly known as point-of-purchase advertising, attracts retail shoppers at the point-of-a-purchase. In other words, point-of-sale (POS) marketing attracts shoppers into buying additional products or services at checkout. Point-of-sale marketing utilizes display to catch a shopper's attention; displays can range from signs and banners to coupon dispensers and video advertisements at the cash register. Regardless of the type of display, POS marketing often results in impulsive purchases.

Types of Point-of-Sale Marketing

Point-of-sale displays come in many shapes and forms; regardless of type, they often are eye-catching and engaging. Traditional displays and signage are the most widely and commonly used in retail stores today. These types of POS displays include specific shelf signage, kiosks, coupon dispensers and banners.

Digital signage emerged in the late 2000s and has replaced many traditional print display tactics.

Free samples or enticing discounts and offers often accompany POS displays.

Importance of POS Marketing

Point-of-sale marketing generates new product awareness, trial and ultimately purchase. While most shoppers purchase an item they found on the shelf, offers, discounts and samples near the point-of-purchase often lead to shoppers switching brands.

Interesting way to measure the success of POS Marketing: Eye Tracking

Advances in eye-tracking technology have allowed researchers to track shopper eye movement along store shelves and POS displays. A study conducted for the Journal of Consumer Research explored the correlation between eye fixation and purchase, finding that consumers look at brands in one of two ways-either noting the brand (a simple look) or gazing at the brand (viewing it over the course of several seconds). The study found that POS displays that coincide with brand recall and gaze more often lead to impulsive purchases.

Assessment

Activity

A) Make a visit to your nearest modern retail store and make a list of products kept near the POS area.

_____

_____

_____

_____

Exercise

Why is POS marketing important?

Fill in the blanks

(a) Point-of-sale marketing utilizes _____ to catch a shopper's attention'.

(b) Point-of-sale marketing, commonly known as _____ .

(c) POS marketing often results in impulsive _____ .

(d) Various types of POS displays include _____, _____, _____ and _____.

Checklist for Assessment Activity

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

Part A

➡ What is POS Marketing?

➡ What is impulse buying?

Part B

Discussed the following in the class**:**

➡ Why POS marketing is important?

➡ What technique is used to measure the success of a POS marketing?

Part C

Performance standards

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

Performance Standards	Yes	No
Able to understand basics of POS Marketing.		
Able to understand the important of POS marketing and its significance in retail business.		

UNIT 7 — RETAIL INFORMATION SYSTEMS (RIS)

Introduction

Retail Information System (RIS) is a system which provides the information needed by retail managers by collecting, organizing and storage of relevant data on a regular basis and subsequently directing the information to the appropriate managers.

Its importance can be understood from the fact that it provides renewed information on a regular basis for smooth retail operations.

The following points need to be kept in mind for implementation of RIS:

- How the information is going to be collected?
- How and where the information is going to be stored and processed?
- How the information will be retrieved or in what formats the reports will be generated?

KNOWING THE RETAIL INFORMATION SYSTEM

Relevant Knowledge

The Retail Information System (RIS) is a flexible tool that enables you to collect, aggregate and analyze data from retailing activities.

RIS facilitates the process of decision making by analyzing and utilizing retail information gathered during formal and informal market/consumer research on an ongoing basis.

Uses of RIS

RIS can be used in following activities

- Point-of-sale (POS) terminals.
- Inventory management & billing software.
- MIS reports to aid managers in decision making.

Benefits of RIS

A good RIS system does real time collection of data and organizes it in a way which is useful at several levels.

I.   It also ensures the integration of the retail management plan.

ii. It supports the supply chain and thus helps in avoiding stock out situations.

iii. It helps Customer Relationship Management (CRM) function by aiding in customer satisfaction through smooth functioning and integration of various processes.

iv. It helps in collecting the raw data and converting it into usable information.

v. RIS also helps in supporting strategic decision like customer loyalty programs, choosing a vendor, selecting an appropriate inventory management program.

vi. Integration between payments, inventory and transactions improves operations and reduces costs by preventing duplication of entries.

vii. This decreases the response time for customer requests. By being able to respond quickly service can be improved, customer base can be expanded and profits can be increased.

Types of RIS

Retail management information systems can be customized for fashion industry, department store, supermarket etc. Some systems support multiple languages, currencies, tax systems and cost structures.

RIS can be divided mainly into three types

1. **Transaction Processing Systems (TPS)**

   It is used to facilitate routine business processes such as customer transactions and employee record keeping. It became the major input to other systems.

2. **Management Information Systems (MIS)**

   It assists middle managers in their monitoring, controlling and decision making activities by providing them routine summaries and exception reports.

3. **Decision Support Systems (DSS)**

   It is designed to assist senior managers in non-routine decision making and 'what if' analysis. It combines the use of models and data from multiple sources.

To support RIS, effective and efficient database management systems are required. These four steps should be followed to ensure the same.

1. Determine information needs and accordingly plan and organize the required database.
2. Collect the relevant information.
3. Regularly update the database.
4. Analyze the database.

Assessment
Exercise

(a) What is Retail information system?

_____

_____

_____

(b) At what places RIS is used?

_____

_____

(c) What are the types of Retail information available?

_____

_____

_____

(d) A good RIS system does _____ collection of data and organizes it in a way which is useful at several levels.

Checklist for Assessment Activity

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

Part A

(a) How Retail information system helps in Decision making?

_____

_____

(b) What is Transaction Processing Systems?

_____

_____

Part B

Discussed the following in the class**:**

➡ Enumerate various advantages of RIS in a retail business.

Part C

Performance Standards

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

Performance Standards	Yes	No
Able to understand the basic concept of Retail Information system.		
Able to identify the advantages associated with RIS.		

UNDERSTANDING IT APPLICATION IN RETAIL: DATA MINING & WAREHOUSING

Relevant Knowledge

Data mining is a process of extracting patterns from data. In the internet age there is excess of data and finding the relevant data and converting it into relevant information is critical.

Data warehousing in a browser context includes business intelligence tools to extract, transform and load data into the repository for data management & retrieval. It should also ensure that data is reliable, consolidated, unique and integrated in a way that it can be used at different levels of decision making.

Several challenges are faced during implementation of data warehousing which include -

(a) Data preparation

(b) Affordability

(c) Training employees to utilize data warehouses

(d) Lack of vendor support in implementation and so on.

Information Technology (IT) provides information which delivers economic value to the entire range of retail activities including customer service, logistics and supply chain, billing, inventory and so on.

IT based software helps in making analytical & well informed decisions. IT also integrates so that the retail operations can be carried out in the most effective and efficient manner.

Benefits of IT in Retailing

- ➥ Reduction in Operating cost
- ➥ Improved Inventory Management
- ➥ Reduction in stock outs
- ➥ Increase in transaction speed
- ➥ Availability of additional selling space
- ➥ Improved forecast of sales
- ➥ Can be used for developing loyalty programs

2 7 0 1 1 0 0 3 5 0 0 3 8 6 2

193
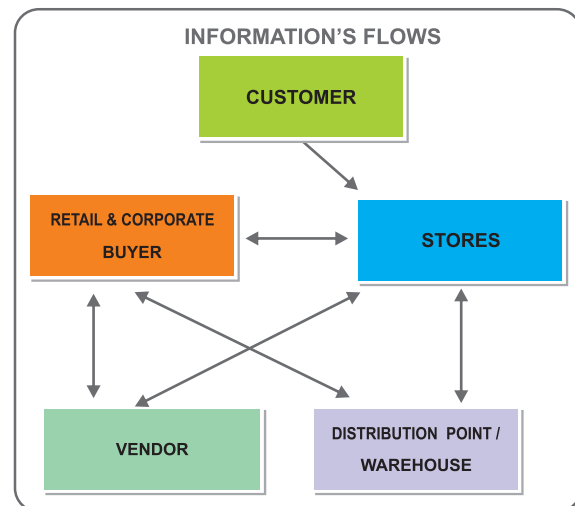
- Faster response to changing market conditions
- Shorter queues for customers

Universal Product Code (UPC) or Barcode

A typical retail store offers a few hundred kinds of products to the customers. It is not humanly possible to remember all these varieties over a period of time. In order to identify the products a machine readable, system has been developed which is known as barcode system. Bar coding is one of the IT tools used for automatic data capture. Bar coding enables data capture with 100 per cent accuracy and in micro-seconds.

The Universal Product Code or the barcode is basically a product identifier, made up of a series of bars and spaces, which represents alphanumeric information.

- Identifies the category and SKU for each product.
- Accepted in most part of the world.

First 3 digits identify the country code, next 4 company code, next 5 product code.

Electronic Data Interchange (EDI)

EDI means the exchange of data between two firms or individuals electronically. EDI data transmissions use a standard format for communication of data and it uses specific symbols for vendor name, shipping address, purchase order number and so on.

The Benefits of EDI

Better record keeping and thus improving the overall communication quality.

- Data is in a format which is computer readable, easy to analyze and can be used for multiple purposes.
- Quicker flow of information.
- The cycle time is reduced (the time between placing the order and actual receipt of merchandise).
- It also facilitates collaboration between retailers and vendors.

Radio Frequency Identification (RFID)

Radio Frequency Identification (RFID) is a technology which helps a person or object in identifying from a distance using radio waves. The devices or tags are put on shipping cartons or sometimes merchandise also.

Benefits of RFID

RFID benefits the retail organization in the following ways;

1. Inventory management.

2. Reduced out of stock conditions.

3. Reduced Thefts.

4. Reduced Costs.

5. Reduce point-of-sale (POS) Costs.

Business Data Communications

Data is exchanged among merchandisers, vendors, distribution centers and other departments like inventory, finance and so on.

Assessment

Exercise

(a) Data mining is a process of extracting _____ from data.

(b) Information Technology (IT) provides _____ which delivers economic value to the entire range of retail activities.

(c) What is Electronic Data Interchange?

_____

_____

(d) Enumerate the key advantages of Information & Technology (IT) in retail.

_____

_____

Checklist for Assessment Activity

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

Part A

➡ What are the key challenges in Data warehousing?

➡ What is RFID? What are its advantages?

Part B

Discussed the following in the class:

➡ Write down a short discussion note on the use and advantages of IT in the modern retail business.

Part C

Performance Standards

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

Performance Standards	Yes	No
Able to understand basic IT used in retail business.		
Able to identify the advantages of IT in Retail business.		

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