

Unit



Fundamentals of Retailing

The retail industry secures the fifth position as an industry and is the second largest employer after agriculture, providing bright and exciting job opportunities in India.

Retail business is undergoing rapid transformation in its marketing practices. Till a few years ago, we bought most of the daily use products from small shops in our neighbourhood or a nearby market. Generally, a shopkeeper sits in the shop and sells goods — either individually as a sole proprietor or with the help of a few assistants. In the last few years, however, the concept of large departmental stores and malls has come up, which also provide the same products.

Today, supermarkets, departmental stores, hypermarkets, malls and non-store retailing like multilevel marketing and telemarketing, have replaced or co-exist, transacting with traditional retail businesspersons, such as hawkers, grocers, vendors, etc. There are various levels at which retail businesses operate — ranging from small, owner-operated and independent shops to those in the national and international market.

An increase in income levels and the need for new products and services, a rise in standard of living, competition in the market and increasing consumption patterns of customers have contributed to the demand



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for creation of these type stores. The present unit on fundamentals of retailing has been divided into four sessions. The first session discusses the basics of retailing, the second session covers sales associate's services to customers, the third session deals with the skills for handling retailing business and the last session explains duties and responsibilities of sales associates.

SESSION 1: BASICS OF RETAILING

Meaning and significance of retail business

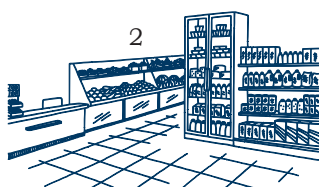
A retailer is a merchant or occasionally an agent or a business enterprise, whose main business is selling directly to ultimate consumers.

A retailer or business enterprise performs many marketing activities, such as buying, selling, grading, and developing information about customer's wants. The retailer is an intermediary in the marketing channel because he or she is both a marketer and customer, who sells to the last person to consume. He or she is a specialist who maintains contact with the consumer and the producer. Though producers may sell directly to consumers, such method of distributing goods to ultimate users is inconvenient, expensive and time-consuming as compared to the job performed by a specialist in the line. Therefore, frequently the manufacturers depend on the retailers to sell their products to the ultimate consumers.

Here, it is also essential to understand the term 'wholesaler', as both the wholesaler and retailer are intermediaries in the distribution channel. Wholesaler sells to individuals or retailers for business or re-sale purpose. The wholesalers buy larger quantities of goods from manufacturers and sell in small quantities to retailers. Thus, in the distribution channel the wholesalers operate between manufacturers and retailers and retailers operate between wholesalers and consumers (Fig.1.1).



Fig. 1.1 Distribution channel



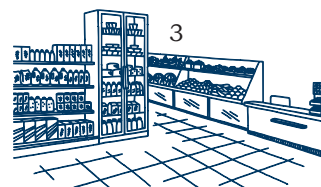
The corner grocer or the *kirana* store is a key element in the retail sector in India due to the unwillingness of people to go long distances for purchasing goods for daily needs. Convenience was indicated by consumers as the most important reason in the choice of groceries and fruit outlets, chemists and lifestyle items while merchandise was indicated as the most important in durables, books and apparel. In recent years, there has been a slow spread of retail chains in some formats like supermarkets, departmental stores, malls and discount stores. Factors facilitating the spread of chains are availability of quality products at lower prices, improved shopping standards, convenient shopping, and display and blending of shopping with entertainment.

With the advancement in Information and Communication Technology (ICT), electronic retailing or e-retailing has become a reality. It is the sale of goods and services through the Internet. E-retailing can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services through subscriptions to website content, or through advertising, and selling products through TV channels for which payments can be made online through credit or debit cards.

A boom in the retail industry has created many employment opportunities; people with varied skills and talent are required in the industry.

Organised and unorganised retail business

The retail sector is undergoing rapid growth in India. Formerly, customers used to purchase goods from *kirana* shops, from mobile vendors or the *mandis*. Now, it has shifted to bigger shops run by individuals with few employees. Gradually, with a development in the standard of living, there has been a rise in the retail sector with more departmental stores coming into existence. This reform in the retail sector has led to the beginning of an organised sector. Therefore, the retail sector can be seen as unorganised and organised retailing. The retail industry is made up of two parts — organised and unorganised retailing.

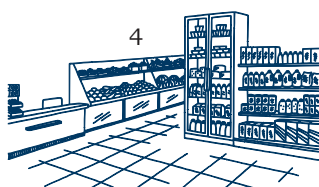


Unorganised retailing: It refers to the traditional formats of low-cost retailing, for example, the local *kirana* shops, owner-manned general stores, paan shops, convenience stores, handcart and pavement vendors, etc. It is featured by poor and old infrastructure, insufficient funds, lack of technology, insufficient upstream processes and absence of skilled manpower (Fig.1.2). It is not registered under any legal provision and does not maintain regular accounts. They are small and scattered units, which sell products at a fixed or mobile location. Traditional units include *mandi*, *haat*, *mela*, the local *baniya*, *kirana* shops, *paanwala* and others like cobbler, fruit and vegetable vendors, etc.



Fig. 1.2 Unorganised retailing

Organised retailing: It refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately-owned large retail businesses. (Fig.1.3). It offers the customers more convenience,



choice and control with an experience of comfort and speed. The examples of organised retailing may be supermarkets, departmental stores, hypermarkets, shopping malls, multilevel marketing, teleshopping, etc.

Organised retailing is capable of generating employment opportunities. It offers huge potential for growth in coming years.



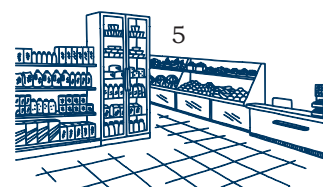
Fig. 1.3 Organised retailing

Difference between organised and unorganised retail business

The difference between organised and unorganised retailing has been given in Table 1.1.

Table 1.1: Difference between organised and unorganised retail business

S. No.	Base of Difference	Organised Retail Business	Unorganised Retail Business
1.	Concept	A modern retail business is one where segregated items are brought under one roof. It refers to running the business in a systematic, advanced and scientific manner.	It refers to family-run small traditional retail stores with poor infrastructure, inefficient processes with lack of technology, inadequate funding and absence of skilled manpower.
2.	Registration and maintenance of accounts	Compulsory by law	Not compulsory by law
3.	Number of items	These type of retail units offer large number of items and their varieties.	These type of retail units offer few items and limited or no variety.
4.	Size and layout	The size of a retail outlet is large and the stores and their layout is attractive.	The size is small and, usually, the layout and design of the shop is not organised.
5.	Size and type of employees	The size of employees is large and there are varied categories with different specialisations.	The number of employees is less and an employee is required to perform varied functions.



6.	Capital requirement	The capital requirement is high and ownership may not enjoy perpetual succession.	The capital requirement is less and the business is owned by successors.
7.	Terms of employment	The terms of employment are regular and job security exists in the organised sector as the rules are regulated by the government.	There is no job security in the unorganised sector as the units are small and scattered, which are largely outside the control of the government.
8.	Business style	Business units are run in corporate style.	Business units run on sole-trading or partnership style.
9.	Business network	The network of retailers is vast—number of branches operate at different places.	The business network is narrow and is confined to a particular locality and carries business in a single unit.
10.	Examples	Supermarkets, departmental stores, hypermarkets, shopping malls, multilevel marketing, Internet and teleshopping, etc.	Cobbler, vegetable and fruit vendors, <i>kirana</i> shops, the local <i>baniya</i> , <i>paanwala</i> , shops in <i>mandi</i> , <i>haats</i> , <i>mela</i> , etc.

Different types of retail business establishments

Store retailing is classified in two categories.

1. Based on merchandise offered
2. Based on ownership

Based on merchandise offered

(a) Convenience stores: These are small-sized stores located in residential areas. They are open for long hours and offer a limited line of convenience products like eggs, bread, milk, vegetables, etc. (Fig. 1.4.)



Fig. 1.4 Convenience store



Fig. 1.5 Supermarket

(b) Supermarkets: A supermarket is a self-service shop offering a wide variety of food and household products, organised into aisles (Fig. 1.5).



(c) Hypermarkets: A hypermarket (Fig.1.6) is a retail store that combines a departmental store and a grocery supermarket. Often very large establishments, hypermarkets offer a wide variety of products, such as appliances, clothing and groceries.



Fig. 1.6 Hypermarket



Fig. 1.7 Specialty store

(d) Specialty stores: Consumer outlets, such as furniture, electronics, sports, appliances, jewellery stores, that offer unique, often individualised products or a large amount of products within a particular grouping of consumer goods are considered to be specialty stores. (Fig.1.7).

(e) Departmental stores: A departmental store is a retail establishment offering a wide range of consumer goods in different product categories known as 'departments' (Fig.1.8). Departments are made as per the types of goods to be sold. It requires a lot of capital to maintain different departments and a huge stock of goods. The profit or loss is calculated on the entire stock. It is a combination of decentralised buying and centralised selling. They also establish restaurants inside these stores. They provide home delivery services.



Fig. 1.8 Departmental store



Fig. 1.9 Catalogue showroom

(f) Catalogue showrooms: Catalogue retailers (Fig.1.9), usually, specialise in hard goods (houseware, jewellery, consumer electronics, etc).

In a catalogue showroom (store), the customers view products from printed or online catalogues in the store and fill an order form. This order is then brought to the sales counter, where an associate arranges to retrieve the items from the warehouse. Thus, the catalogue serves to act as an interface between the product and the customer.

(g) Discount store: In this store products are sold at a discounted price, which is less than the actual price of the products.

(h) Shopping mall: A shopping mall is a modern term for a form of shopping centre, in which one or more buildings form a complex of shops, representing merchandisers with interconnecting walkways that enable customers to walk from unit-to-unit.

(i) General store: General store is a retail store in a small town or rural community that carries a wide variety of goods, including groceries. These stores often sell staple food items, such as milk and bread, and various household goods, such as hardware and electrical supplies.

(j) Warehouse store: A warehouse store is a food and grocery retailer that operates stores geared towards offering deeper discounted prices than a traditional supermarket. Warehouse clubs sometimes charge a membership fee also.

(k) Variety store: A variety store is a retail store that sells a wide range of inexpensive household goods.

Based on ownership

(a) Independent retailer: An independent retailer (Fig. 1.10) is a small business, owned and operated by an individual versus a corporation. An independent retailer has direct contact with customers. For example,



local *baniya* or *kirana* store and *paanwala*. He or she decides the retail strategy based on the store location and product mix.



Fig.1.10 Independent retailer



Fig. 1.11 Chain retailer or corporate retail chain

(b) Corporate retail chain: A retail chain is one of a group of stores engaged in the same kind of business in different locations, and under the same ownership and management. Chain stores in malls or shopping centres always look to improve their position and strengthen their brand identity in the marketplace (Fig.1.11). For example, Reliance, Bata, Arrow, Louis Philippe, Food World, etc.

(c) Franchising: Franchising is an arrangement where one party (the franchiser) grants another party (the franchisee) the right to use its trademark or trade-name, as well as, certain business systems and processes to produce and market a good or service according to certain specifications. For example, McDonald's, Pizza Hut, Van Heusen, etc.



Fig. 1.12 Franchise operations

(d) Consumer cooperatives: Consumer cooperatives are enterprises owned and managed by consumers, which aim at fulfilling the needs and aspirations of their members. Consumer cooperatives often take the form of retail outlets owned and operated by their consumers. The customers or consumers of the goods and/or services, the cooperative provides, are often also the individuals who have



Fig.1.13 Consumer cooperative store

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provided the capital required to launch or purchase that enterprise. For example, Apna Bazaars in Mumbai, etc.

Other modern retailers

(a) E-retailers: E-retailing is a form of electronic commerce, which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumers find a product of interest by visiting the website of an e-retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. E-retailers, for example, Amazon, Flipkart, etc., accept the payment online or at the time of delivery but the customer receives product directly from the manufacturer or wholesaler. It is ideal for the customers who do not want to visit the retail stores. However, the customers should be careful of defective products and non-secure credit card transactions.

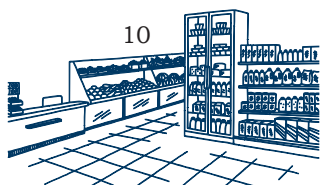
(b) Vending machines: A vending machine is a machine from which products are sold. The customer inserts money in a slot, selects a product from the menu and the product is dispensed from the machine.

(c) Automated retail stores: Automated retail is the category of self-service, standalone kiosks in heavily trafficked locations, such as airports, malls and convenience stores. They accept credit cards and are usually open 24 hours throughout the week. For example, Zoom shops, Red-box.

Functions of retailer

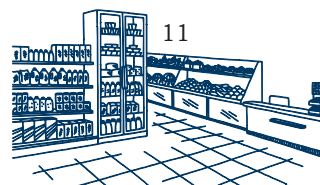
Retailers buy varieties of goods from various manufacturers or wholesalers after estimating customer demand. Thus, a retailer provides a wide range of choice enabling the consumers to select the products of their choice. There are four main functions of retailer.

- **Breaking bulk into small quantities:** To reduce cost of long distance transportation, producers ship the goods in large quantities; middlemen



including retailers, open these large packages and make the products available in smaller quantities to the consumers as per their needs.

- **Providing products information to customers:** For retailers, product knowledge can mean more sales. To effectively sell to a customer, the retailer shows how a particular product will address his or her needs.
- **Providing customer services:** Good customer service means helping customers efficiently in a friendly manner. It is essential to be able to handle issues for customers and do your best to ensure they are satisfied. Nowadays, services may include free home delivery, gift wrapping, credit facility and after-sales services.
- **Creating a convenient, comfortable and pleasant shopping experience for consumers:** The aim of the retailer is to make the products required by the consumer conveniently available. Convenience is about speed, being in the right place at the right time and delivering everything that a customer needs there and then. The sales increase when the environment inside the retail store is friendly and pleasant. A warm welcome from the owner, offering the right products at relevant times with exceptional customer service, playing soft music, proper lighting, space for easy movement, courteous and well-dressed employees, etc., create a positive environment for customers.
- **Providing feedback to producers about customer needs:** To keep the product in demand and make it available to buyers at a competitive price, manufacturers have to constantly obtain feedback from users and improve the product. Due to their first-hand interaction with the customers, retailers have a good understanding of the customer needs. They share this information in the form of feedback with the producers.



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Essential requirements of retailers

Listed below are the essential requirements of retailers. The retailer should

- establish the shop where customers are attracted.
- stock the goods which are needed by the customers.
- sell quality goods at competitive prices.
- be up-to-date about the latest trends in the market.
- ensure window and counter display to promote sales.
- always be accessible to customers.

Retailers' services to customers

Retailers provide a wide variety of services, which boosts the business. Some of them are

- selling of goods in little quantities as per their need at reasonable prices,
- meeting the consumer demand and making available the required stock,
- providing the consumer necessary information for buying goods,
- guiding on replacement conditions for the damages,
- displaying and demonstrating goods to attract the customers, and
- offering credit facility to regular and reliable customers.

Practical Exercise

Activity 1

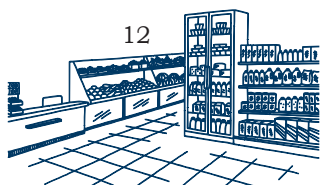
A field visit to learn fundamentals of retailing

Material required

Checklist, notebook and pen or pencils

Procedure

1. Visit a nearby retail/*kirana*/general store in your locality.
2. Interact with the shopkeeper and customers.
3. Record the responses of the following questions in 50 words.



A. Questions for shopkeeper or his or her representative on counter

a. What are the different items and their varieties available for sale in your shop?

S. No.	Item	Variety					
		1	2	3	4	5	6
1.	Bathing Soap	Lux	Hamam	Rexona	Breeze	Pears	Medimix
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							

b. The customers coming to the shop are from which areas?

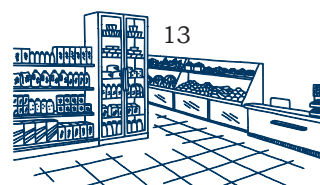
c. Which modern methods of retail business have you adopted in your shop?

d. What steps have you taken to satisfy your customers?

e. On an average, how many customers visit your shop every day?

B. Questions for customers— (interact with at least five customers and write consolidated remarks)

a. How often do you visit the shop?



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b. What types of services are offered by the retailer in the store?

c. Do you wish to see new improvements in the shop services?

d. List the names of retailers of your locality — town/city which come under the following categories:

Franchise

Chain retailer

Consumer cooperatives

Independent retailer

Convenience store

General store

Mall (if available)



Departmental store

Discount store

- e. Visit a retail outlet of an organised sector in your locality and note down the following:

Name: _____

Which commodities are sold in the shop?

What facilities are available for customers?

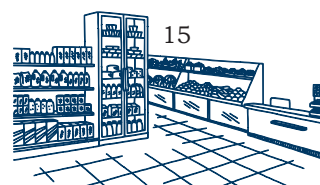
How does a consumer feel about retail stores? (Write after asking at least five customers.)

What suggestions are offered by the customers? (Write after asking at least five customers)

What are the developmental plans of the businessman?

- f. Visit a retail outlet of an unorganised sector in your locality and note down the following:

Name: _____



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Which commodities are sold in the shop?

What facilities are available to the customers?

How do consumers feel about the store? (Write after asking at least five customers.)

What are the suggestions of the customers? (Write after asking at least five customers.)

What are the developmental plans of the businessman?

- g. Collect the details, discuss with friends, teachers, officials of the retail store, and then, finalise your report and submit to your subject teacher.

Check Your Progress

A. Fill in the blanks

1. The goods sold in a retail store are for _____ use.
2. Wholesalers operate between _____ and retailer.
3. Unorganised retail is featured by _____ and _____ units.
4. The local *baniya* or *kirana* shop comes under _____ retailing.
5. All items are provided under one roof in _____ retailing.
6. Retail is the sale of _____ and _____ from individuals to the end-user.
7. _____ combines the features of supermarkets and general merchandise stores.



B. Multiple choice questions

1. The purpose of retail business is to _____.
 (a) go for partnership
 (b) make maximum promotion
 (c) extend to other localities
 (d) offer products and services
2. Place utility is making the products available at _____.
 (a) showrooms
 (b) convenient location
 (c) distant places
 (d) regional stores
3. The retail store changes format to suit the requirements of _____.
 (a) wholesalers
 (b) producers
 (c) consumers
 (d) tax payers
4. Under organised retailing, the most common feature is that _____.
 (a) number of brands and products are large
 (b) purchases are on credit basis
 (c) few employees exist
 (d) All of the above
5. Unorganised retail is confined to _____.
 (a) particular locality
 (b) different branches
 (c) chain of stores
 (d) All of the above
6. The unorganised retail units operate based on _____.
 (a) partnership
 (b) sole-trader
 (c) chain stores
 (d) All of the above
7. Retail stores offer sale of goods and services from individuals to _____.
 (a) end-user
 (b) consumers
 (c) ultimate user
 (d) All of the above
8. Retail has changed our lives and changed the way we _____.
 (a) speak
 (b) eat
 (c) live
 (d) None of the above



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C. State whether the following statements are True or False

1. Retailing is the final step in the distribution of goods.
2. Wholesalers are not intermediaries in the distribution channel.
3. *Kirana* store is a form of unorganised retailing.
4. Size of employees is more in unorganised retail business.
5. Providing customer services is not a function of retailer.

D. Match the Columns

	Column A		Column B
1.	Wholesaler	A	Convenience stores
2.	<i>Kirana</i> shops are the best examples of	B	Centralised buying and decentralised selling
3.	Provides different types of products under one roof	C	Automated retail stores
4.	Small stores located near residential areas are called	D	Organised retail sector
5.	Hypermarket refers to	E	Customers drop money and acquire product from automated equipment
6.	Departmental stores refer to	F	Operates between manufacturer and retailer
7.	Vending machines	G	Unorganised retail sector
8.	Red-box is an example of	H	Supermarket and general merchandise store

E. Short answer questions

1. What is retailing?
2. Who are the intermediaries in the distribution channel?
3. What is unorganised retailing?
4. What is organised retailing?
5. What is modern retailing?
6. List some essential requirements of retailers.

F. Long answer questions

1. Differentiate between organised and unorganised retail with examples.
2. Explain the types of retail business establishments.



3. Narrate the functions of a retailer.

F. Check your performance

1. Demonstrate the functions of retailers.
2. Differentiate between organised and unorganised retail business.

SESSION 2: SALES ASSOCIATE SERVICES TO CUSTOMERS

Concept of customer

In business and commerce, a customer is an individual or business that purchases the goods or services produced by a business. Customers may belong to two broad segments.

1. An entrepreneur, who purchases goods for resale.
2. An end-user, who does not sell but is the actual consumer of the goods.

Difference between customer and consumer

There is a difference between customers and consumers. A customer buys products from businesses, while a consumer uses the business products. You can actually be both a customer and a consumer in a business transaction.

One who buys goods is a customer but who consumes goods is consumer (Fig.1.14).

Customers play the most significant part in business. Customer is the one who uses the products and services and judges the quality of those products and services. Hence, it is important for an organisation to retain customers or make new customers and flourish its business. To manage customers, organisations should divide their customers into groups because each customer has to be considered valuable and profitable. Customers can be of the following types:



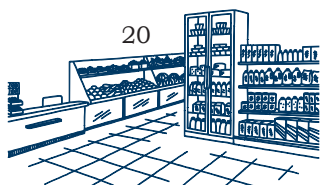
Fig. 1.14 Customers in a retail store

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- (a) **Loyal customers:** These types of customers are less in number but promote more sales and profit as compared to other customers. These customers revisit the organisation over time, hence, it is crucial to interact and keep in touch with them on a regular basis and invest much time and effort with them.
- (b) **Discount customers:** Discount customers are also frequent visitors but they are only a part of business when offered with discounts on regular products and brands or they buy only low-cost products.
- (c) **Impulsive customers:** These customers do not have any specific item into their product list but an urge to buy what they find good and productive at that point of time. Handling these customers is a challenge as they are not particularly looking for a product and want the supplier to display all useful products they have so that they can buy what they like.
- (d) **Need-based customers:** These customers are product specific and only tend to buy items to which they are habitual or have a specific need for. These are frequent customers but do not indulge in buying most of the time so it is difficult to satisfy them.
- (e) **Wandering customers:** These customers are normally new in the industry and most of the time visit suppliers only for confirming their needs on products. They investigate features of the most prominent products in the market but do not buy any of those or show least interest in buying.

Concept of customer service

Customer service is always going to be one of the top factors that impact how shoppers perceive a brand. It is the task of identifying and fulfilling a customer's needs in a friendly and helpful manner. Retail customer service is the act of providing customers with assistance, answering their queries and helping them solve problems. Customer services include providing and delivering goods to customers and assistance before, during and after sales (Fig.1.15).



The 4Ps of customer service

How a customer is treated has a direct impact on the bottom line of a business. Happy customers come back for more and also promote the brand, and that's how a business grows. Customer service means meeting the needs and desires of the customers. The features of good customer service or the 4Ps of customer service include:



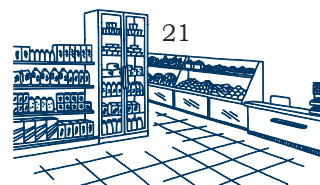
Fig. 1.15 Customer service in retail

- (a) Promptness:** A retailer should fulfill his/her promises by delivering products on time. There should be no delay in delivering the products or in case of cancellation.
- (b) Politeness:** Politeness here means putting the customers' needs before your own. It means consistently being welcoming, using their name, being respectful and interested in the customers. It means listening to them and watching the language being used around the customers.
- (c) Professionalism:** All customer interactions should be professional. A retailer should demonstrate competence, knowledge and expertise in the field, and should avoid demonstrating anxiety, frustration, fear or weakness.
- (d) Personalisation:** A retailer should personalise a customer's experience. Clients appreciate when a business owner remembers their name, preferences and unique needs. Personalisation should be incorporated wherever possible in service delivery. It makes the clients feel valued, and increases their loyalty and engagement towards the business.

Customer service functions

A sales associate deals with customers and also solves their problems quickly. The person engages in providing different types of services to the customers. Customer service functions include:

- (a) Customer support:** Interacting with potential customers, answering their questions related to



products and services; suggesting information about other products and services.

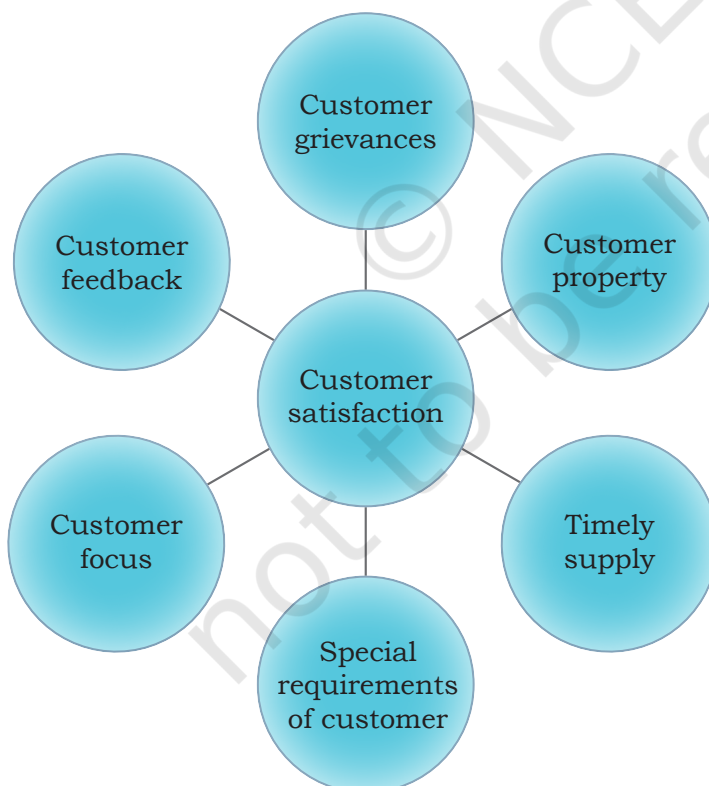
(b) Pre-sales: Providing necessary information to customers regarding the products.

(c) Marketing: Marketing is done by responding to the customers effectively, replying to mails, telemarketing, management of marketing campaigns, conducting surveys and polling.

(d) Sales: Sales include physical as well as e-selling.

(e) Technical support: Customers require and want different technical support services, such as data verification, address update, application support and problem resolution.

(f) Social media customer services: It is a strategy of providing customer service through social media channels like Facebook and Twitter. Due to the potential for high engagement between brands and customers, social media and customer service, when handled properly, work well together.



Customer satisfaction

Customer satisfaction occurs when the value and customer service provided through a retailing experience meets or exceeds consumer expectations (Fig. 1.16).

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation.

Importance of customer satisfaction

Customer satisfaction plays a significant role within the business. It is not only a leading indicator to measure customer loyalty, identify unhappy customers and increase

Fig. 1.16 Customer satisfaction circle



revenue but also helps to attract new customers in a competitive business environment. The values of customer satisfaction are as follows:

- It indicates consumer repurchase intentions and loyalty.
- It shows point of discrimination.
- It reduces customer retrenchment.
- It increases the lifetime value of customer.
- It reduces the negative word of mouth.
- It helps in retaining customers.

(a) Customer retention strategies: The business may incur losses if a retail store fails to attend to customer relationships. Some customer retention strategies are as follows:

- writing blogs for educating customers
- sending email for special promotions
- conducting customer satisfaction surveys for promotion
- offering personalised experience to customers
- setting customer expectations early
- using social media to build group of engaged customers
- increasing customer retention by learning from the best
- developing questionnaires and conducting surveys

There may be several other techniques which can be utilised in the business as per the product, type of customers, resources available with the firm, etc.

Practical Exercise

Activity 1

A field visit to learn the services offered to customers

Material required

Checklist, notebook, list of retail stores and pen or pencils



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Procedure

1. Visit a nearby unorganised retail outlet, interact with the shopkeeper and customers (about 5) and write responses to the following questions in 50 words.

A. Interaction with shopkeeper/customer

- a. What steps have been taken for customer support or satisfaction?

- b. How are pre-sale enquires dealt with?

- c. What type of after-sale services are provided?

- d. Is any technical support provided to the customer?

- e. Do you maintain any record of customer service?
If so, how?

- f. What strategies have you adopted for customer retention?

- g. Do you take any feedback on customer satisfaction with the product?

B. Interaction with customers — (at least 5)

- a. Usually, how many questions do you ask before purchasing a commodity?



- b. What percentage of the customers are satisfied with the products and services of the shop?

Product: _____ (Name)

Service of the shop: _____

- c. Any suggestions for better service by the retailer and/or improvement of the product

Suggestions for product improvement

Suggestions for better service by the retailer

2. Based on the views expressed by the shopkeepers and customers, make your assessment of services provided in retail stores.
3. Collect the details, discuss with friends, teachers, officials of retail store, and then, finalise and submit your field visit report to your subject teacher.

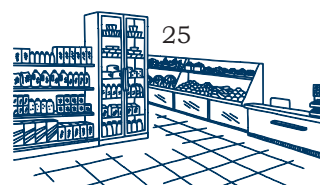
Check Your Progress

A. Fill in the blanks

1. A customer becomes the consumer of a commodity when the goods are purchased for _____.
2. _____ is a measure of how products and services supplied by a company meet or surpass customer expectation.
3. _____ customers do not have any specific item into their product list but urge to buy what they find good and productive at that point of time.

B. Multiple choice questions

1. Which of these is a feature of good customer service?
 - (a) Politeness
 - (b) Personalisation
 - (c) Promptness
 - (d) All of the above
2. A dealer who purchases goods for re-sale is called _____.
 - (a) retailer
 - (b) intermediary
 - (c) consumer
 - (d) None of the above



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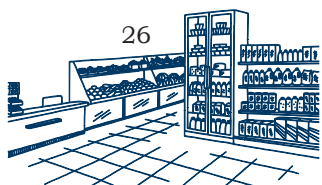
3. A person who regularly buys milk from the supermarket is a _____.
 (a) loyal customer
 (b) wandering customer
 (c) impulsive customer
 (d) All of the above
4. Which type of customers are normally new in the industry and most of the times visit suppliers only for confirming their needs on products?
 (a) loyal customer
 (b) wandering customer
 (c) impulse customer
 (d) None of the above
5. Which of the following is a customer service feature?
 (a) Technical support
 (b) Pre-sales education
 (c) Social media customer service
 (d) All of the above
6. Which of the following comes under customer retention strategy?
 (a) Conducting customer surveys
 (b) Sending postcards on new products
 (c) Using social media to build customers
 (d) All of the above

C. State whether the following statements are True or False

1. In customer service, emails are used to send special promotions.
2. Customer satisfaction surveys are not important in retailing.
3. Customer satisfaction increases customer churn.
4. Social media, such as Facebook, is used to build a community of engaged customers.
5. Technical support is not required by customers.
6. Answering customer questions comes under pre-sales.
7. There is no need to treat customers professionally.

D. Match the columns

Column A		Column B	
1.	Customer	A	Delivery on the committed time
2.	Not customers	B	Educate customers
3.	Non-customers	C	Past customers
4.	External customers	D	Active in different market segments
5.	Promptness	E	Recipient of good, service or an idea
6.	Technical support	F	Not directly connected
7.	Blogs	G	Personalised services
8.	Customer delight	H	Data verification



E. Short answer questions

1. Who is a customer?
2. Differentiate between loyal and impulsive customers.
3. What is meant by 'customer services'?
4. Define the term 'customer satisfaction'.
5. What is the importance of customer satisfaction?

F. Long answer questions

1. How do you classify a customer? Explain.
2. Explain the 4Ps of customer service.
3. Discuss the various customer service functions of a sales associate.
4. Explain the strategies followed by the retailer to retain customers.

G. Check your performance

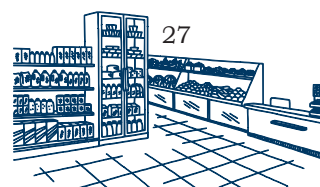
1. Demonstrate the functions of a sales associate.
2. Spell out the various customer services for convincing and satisfying the customer.

SESSION 3: SKILLS FOR HANDLING RETAIL BUSINESS**Meaning of skill**

'Skill' is an ability to do a task with pre-determined results within a given period of time, energy, or both. It is the ability to do work with expertise. Skills may be general or specific. General skills include time management, teamwork and leadership, self-motivation for the work and domain-specific skills used in certain jobs. Knowing which skills a person possesses helps determine whether their training and experience have prepared them for a specific type of workplace activity. For example, requirement of carpentry skills for a carpenter's job.

Essentials of skill development

Skill development is an important instrument to increase the efficacy and quality of labour for improved productivity and economic growth. Skill building is a powerful tool to empower individuals and improve their social acceptance.



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In terms of retail, it encompasses:

- (a) Taking stock of the retail store:** Assessing where the retailer stands and managing development and taking realistic inventory of personal and professional assets.
- (b) Creating a plan:** Creating a plan for development, it enables the retailer to reach one's goals.
- (c) Creating environment for development:** For creating an environment for self-improvement, consider the following strategies:
 - practice consistently and self-directed learning
 - make a note of problems or mistakes
 - interact with peers at a professional level
 - pay attention to health

Skills for sales associate: Customer services

Sales associates have broad and flexible responsibilities that often include acting as cashier, customer service representative, stocker and stepping into other roles, sometimes multiple roles, in a single day. Here are some of the most important skills you will need to become a sales associate.

- (a) Patience:** Patience is a necessary and often overlooked virtue for retail employees. Not all customers are exceptionally kind and retail associates must have the patience to diffuse tough situations with difficult customers.
- (b) Attentiveness:** A sales associate is bound to spend at least a portion of his or her day operating a point of sale (POS) system or arranging merchandise. Both of these key roles require a high level of accuracy. A sales associate must focus his or her attention to detail to ensure that transactions are processed accurately and the sales floor looks its best.
- (c) Communication skills:** The required skills include listening effectively and explaining the specific benefits of various products and services to customers. A sales associate must also clearly



explain the information and processes to customer needs to complete a transaction. At the same time, the person must maintain a pleasant and approachable demeanor.

(d) Product knowledge: One can never answer customer questions or provide accurate information without fully understanding the products that one is selling. A sales associate should read all about the product.

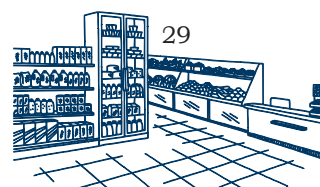
(e) Use 'positive language': Language is a part of persuasion. Customers create perceptions about a retailer based on his or her language. Minor changes in conversational patterns go a long way in creating happy customers.

(f) Acting skills: Sometimes, retailer comes across people who he or she will never be able to make a happy customer. Sometimes, retailer will have to deal with boring, angry and complaining customers. Every sales associate must have basic action skills necessary to deal with and maintain one's customers.

(g) Time management skills: The retailer may be busy in much research-backed production activities. However, he or she must have the capability to solve customer problems in limited time so that he or she can think of some additional improvement in the retail business.

(h) Goal oriented: The retailer sets goals and then uses strategies to attain them. Goal orientation is the degree to which a person or organisation focuses on tasks and the end results of those tasks.

(i) Resilience: Each day is packed with small and large challenges. It may simply mean running out of time to meet a sales goal or being understaffed on an unexpectedly busy day. To do this, a sales associate should learn to think clearly, make quick decisions and not take things too personally.



Practical Exercise

Activity 1

A field visit to learn the skills for handling retail business

Material required

Checklist, questionnaire, notebook, list of retail stores and pen or pencils

Procedure

1. Visit a nearby retail *kirana* or general store of your locality and interact with the shopkeeper or counter person and at least 5–10 customers. Write down the responses to the following questions in 50 words.

A Questions for the shopkeeper or his or her representative at the counter

- a. In what manner does the shopkeeper respond to the customer returning or exchanging goods?

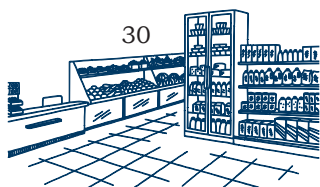
- b. What skill(s) are involved in it?

- c. In what manner are the new products introduced to the customers?

- d. What skill(s) are involved in it?

- e. Mention a situation where the shopkeeper is seen using 'patience' skill.

- f. Mention a situation which indicates the shopkeeper's alertness skill.



B Questions related to the customers

- a. Mention a situation where clear communication skill was needed on the part of the shopkeeper.

- b. Observe the customers' queries and mention the situations where the shopkeeper lacked knowledge about the product.

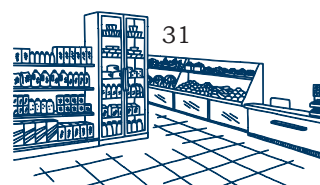
- c. Observe the customer and shopkeeper interaction for about half-an-hour and identify the skills used:

- | | | |
|----------|----------|-----------|
| 1. _____ | 5. _____ | 9. _____ |
| 2. _____ | 6. _____ | 10. _____ |
| 3. _____ | 7. _____ | 11. _____ |
| 4. _____ | 8. _____ | 12. _____ |

2. List out the different skills you find in sales associates in organised and unorganised retail shops.

S.No.	Skills	Organised shop	Unorganised shop
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

3. Collect the details.
 4. Discuss with friends, teachers, officials of retail store and then finalise.
 5. Submit your field visit report to the subject teacher.



Check Your Progress**A. Fill in the blanks**

1. _____ is the degree to which a person or organisation focuses on tasks and the end results of those tasks.
2. A sales associate must explain the information and processes the customer needs to complete a _____.
3. _____ is a necessary and often overlooked virtue for retail employees.

B. Multiple choice questions

1. Why is there a need to have skillful sales associates?
 - (a) For displaying merchandise
 - (b) For interacting with customers
 - (c) For promoting loyalty among customers
 - (d) All of the above
2. The ability to readily listen to a complaining customer and to understand him or her comes under which skill?
 - (a) Patience
 - (b) Attentiveness
 - (c) Communication
 - (d) Resilience
3. Skill is a(n) _____.
 - (a) inborn ability
 - (b) learned ability
 - (c) Both of the above
 - (d) None of the above
4. Some customers go on enquiring about a product and you have insufficient time, which of the following skill will you use here?
 - (a) Patience
 - (b) Attentiveness
 - (c) Goal orientation
 - (d) None of the above
5. Which of these is not a skill?
 - (a) Carpentry
 - (b) Reading and writing
 - (c) Cooking
 - (d) Rising up
6. Which of these is a specific skill?
 - (a) Teamwork
 - (b) Time management
 - (c) Barber work
 - (d) None of the above



7. Which of these is an essential step of skill development?

- (a) Taking stock of yourself
- (b) Creating a plan
- (c) Creating an environment for development
- (d) All of the above

C. State whether the following are True or False

1. It is not important to have goal in handling retail business.
2. Customer service representatives should possess the skill of patience.
3. Attentiveness is the ability to listen to the customers carefully.
4. Communication skills are not required for customer service.

D. Match the columns

Column A		Column B	
1.	Skills	A	Maintaining cool
2.	Attentiveness	B	Solve customer problems in timeframe
3.	Calming presence	C	End conversation with satisfaction
4.	Time management skills	D	Listen to customers carefully
5.	Closing ability	E	Ability to carry out a task

E. Short answer questions

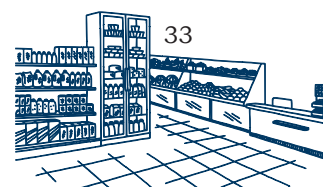
1. Define skills.
2. How are time management skills important for a sales associate?
3. Why are communication skills necessary for a sales associate?

F. Long answer questions

1. Discuss the essentials of skill development for a sales associate.
2. Explain the skills required by a sales associate.

G. Check your performance

1. Demonstrate the skills required by a sales associate.
2. Draw a chart highlighting the various skills of sales associate.



SESSION 4: DUTIES AND RESPONSIBILITIES OF A SALES ASSOCIATE

A sales associate is responsible for all sales activities and job duties, from greeting customers to answering questions, offering assistance, suggesting items, lending opinions and providing product information. Individual responsibilities as a sales associate may include demonstrating outstanding customer service and selling skills, keeping the selling floor stocked with merchandise, assisting in display of merchandise or organising the selling floor and stock areas.

Duties of a sales associate

A sales associate deals with customers to provide for their needs regarding retail products. They also deal with and help in resolving customer complaints. For instance, a sales or customer associate may assist customers to resolve their problems. Usually, a sales or customer service associate gathers information through a telephone call.

The duties of a sales associate are as given below.

- (a) Handling problems:** Customer inquiries involve complaint handling by sales associates. Sometimes, the sales associates solve customer problems or propose some solutions. They must ensure that the complaints filed by customers are valid and solved within the bounds of their authority.
- (b) Assisting sales:** Sales associates help customers identify and purchase products they desire. Their duties include selling, restocking and merchandising. The goal is to provide high-class customer service and increase company's growth and revenue through sales maximisation.
- (c) Clerical tasks:** A sales associate, many a time, is required to undertake clerical responsibilities, such as obtaining or receiving merchandise, totalling bills, accepting payments, taking orders, etc.
- (d) Job specific responsibilities:** All duties of a sales associate largely depend on the type of retail store. But the duties which are specific to their job role



include greeting customers, responding to questions, improving engagement with merchandise and providing outstanding customer service, operating cash registers, managing financial transactions and balancing drawers.

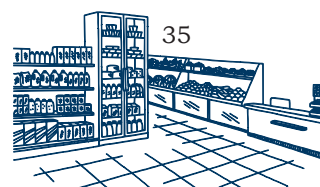
Responsibilities of sales associates

- (a) Interact with customers:** Sales associates may deal with customers face-to-face or may assist them over phone or via email or chat. Some phone- and Internet-based associates may work remotely from home.
- (b) Working directly with customers:** A sales associate deals with customers in retail store.
- (c) Resolve the issues of customers:** Customers approach sales associates when they face issues, such as incorrect price listed for a product, returns, etc.
- (d) Listen to customers:** Every sales associate must listen to the customer. Effective listening helps in solving customer problems easily and quickly.
- (e) Remain friendly and polite:** The sales associate must behave politely with customers.

Special activities of sales associate

- Prepare for customer inquiries
- Respond to customer inquiries
- Document customer inquiries
- Improve quality service
- Identify new products
- Update job knowledge
- Participate in educational opportunities

A sales associate requires skills, such as product knowledge, ability to inform customers, data entry, analysing information, verbal communication, reporting skills, managing processes, general consulting and multitasking skills.



Practical Exercise

Activity 1

A field visit to learn the skills for handling retail business

Material required

Checklist, questionnaire, notebook, list of retail stores and pen or pencils

Procedure

1. Visit a mall or organised store and ask the manager to fill the open-ended questionnaire.

A. Questions for the employer

- a. What qualities do you think a customer service associate must possess?

- b. What is the nature of job for a customer service associate in the store?

B. Questions for employee sales associates

- a. What are your responsibilities in this store?

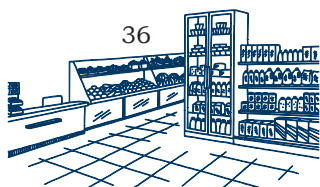
- b. What are the duties and functions that you need to perform in this store?

- c. What is your method of operation to deal with customers?

2. Collect the details

3. Discuss with friends, teachers, officials of the retail store and then finalise.

4. Submit the field visit report to your teacher.



Check Your Progress

NOTES

A. Fill in the blanks

1. A sales associate always renders services to the _____.
2. A sales service associate gathers one's _____ via a telephone call.
3. Most sales associates work at the _____ location.

B. Multiple choice questions

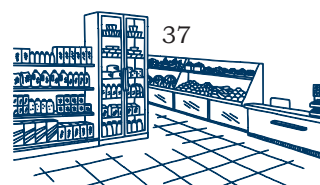
1. A sales associate who works in retail may have similar duties to bank tellers which is (are) _____.
(a) counting money
(b) cashing cheques
(c) servicing accounts
(d) All of the above
2. Sales associates may interact _____ with customers in the retail store itself.
(a) face-to-face
(b) over the phone
(c) via email
(d) None of the above

C. State whether the following are True or False

1. When customers have issues that need to be resolved, they cannot approach a sales associate.
2. A sales associate deals directly with customers.
3. Selling a company's product is not a part of the sales associate's duties.

D. Match the columns

	Column A		Column B
1.	Customer inquiries	A	Return an item or refund
2.	Clerical tasks	B	Studying products, services and customer processes
3.	Issue	C	Complaints
4.	Preparation for customer inquiries	D	Documenting inquiry
5.	Recording of customer's inquiry	E	Transferring calls



NOTES

E. Short answer questions

1. What are job specific responsibilities?
2. Handling problems is one of the important duties of a sales associate. Why?
3. How do sales associates undertake the responsibility of resolving issues of customers?
4. What are the clerical tasks of a sales associate?

F. Long answer questions

1. Explain the duties of a sales associate in a retail store.
2. Discuss the responsibilities of a sales associate in a retail store.
3. What are the special activities undertaken by sales associates in a retail organisation?

G. Check your performance

1. Demonstrate the duties of a sales associate in a retail store.
2. Perform the responsibilities of a sales associate in a retail store.

