

## What is this workbook about?

This workbook is about understanding the different aspects of the business of retail, including different types of retail outlets and career choices.

## How to use this workbook

This workbook is split into sections to help you build your learning in logical steps.

This workbook has been split into four sections:

**Section 1: Understanding retail**

**Section 2: The retail supply chain**

**Section 3: Retail ethical and environmental issues**

**Section 4: Working in retail**

## Assessment

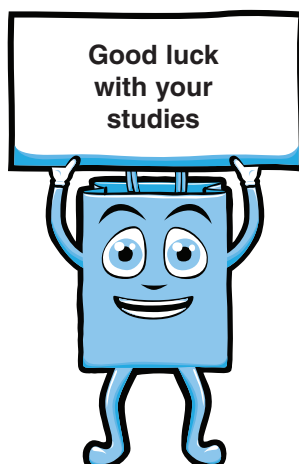
As you read through this workbook you will see that there are activities for you to complete.

These are not part of your formal assessment but they do help you prepare for them.

When you have completed this workbook, you can complete the formal assessment for the appropriate unit(s).

Ask your tutor if you are not sure which assessment you should complete or if you need assistance.

At the end of the workbook you will find multiple-choice questions to help test your knowledge.



## Understanding retail

In this section you will learn about:

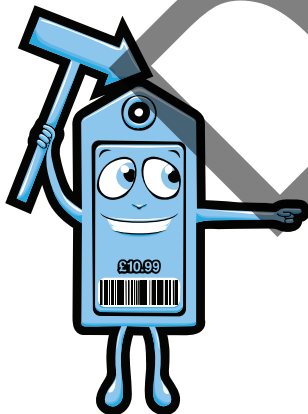
- **The retail industry**
- **The nature of retail**
- **Retail channels**
- **Types of retail outlet**

## The retail industry

The retail industry is a substantial one and makes a critical contribution to the wealth of the country.

According to the Department for Business Innovation and Skills the UK retail industry is the third largest in the world, after the USA and Japan.

Nearly 8% of the UK's Gross Domestic Product (GDP) comes from the retail industry. That's 8% of the value of all of the goods and services produced and sold by the UK as a country.



### Fact file

In 2010:

- ❖ **Retail sales were over £293 billion.**
- ❖ **8% of sales are over the internet.**
- ❖ **Over 2.9 million people worked in retail.**
- ❖ **There are 450,000 shops in the UK owned by 300,000 organisations.**

*Sources:*

*British Retail Consortium website 2011*

*Department for Business Innovation and Skills Website 2011*

More than a third of money spent by ordinary people is spent in the retail sector.

Nearly 11% of the UK's workforce is employed in the retail sector and current predictions are that employment will continue to grow.

Retail also plays an important role in regeneration. Leading retailers are major constructors in the UK, investing in not just shops but houses, infrastructure and even civic centres.

This makes UK retail one of the world's most competitive and innovative industries.

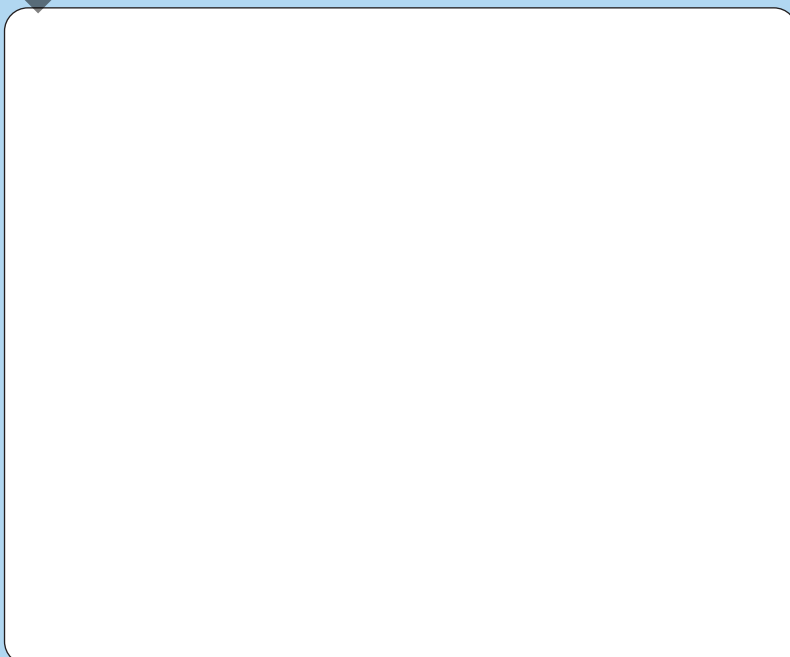
## The nature of retail

Retail is often defined as:

'the selling of goods to consumers; usually in small quantities and not for resale'.

### Activity 1

Think about the shopping area in your local town or city. Make a list of the type of retail outlets you can find there.



You may have quite a long list. They could include:

- supermarkets
- phone shops
- shoe shops
- bakers
- chemists
- jewellery stores
- fishmongers
- petrol stations
- newsagents
- music stores
- games and toys shops.

All these retail outlets have one thing in common. Their main function is selling goods to consumers.

You may also have identified other types of outlets in your shopping area such as:

- hairdressers
- restaurants and cafes
- public houses
- florists
- fast food shops
- repair centres
- hotels.

Strictly speaking, these are not retail outlets as they are not selling goods to consumers, but providing a service. For example, cutting hair is a personal service, as is providing a prepared meal or snack.

Organisations that sell to other businesses such as wholesalers would not be considered retailers either, as they do not sell to the main consumer.

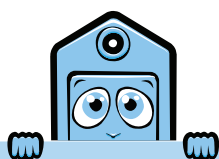
## Retail channels

A retail channel is a trading route or method used by the retail business to present itself and its goods to consumers.

There are many channels including:

- stores/shops
- catalogues
- markets
- internet shopping
- teleshopping
- showrooms

Each type of channel has features that will make it more or less attractive to particular types of consumers



### Activity 2

Think about the retail channels above and identify their main features.

Retail channel	Positive features	Negative features
Stores/shops		
Catalogues		
Markets		
Internet shopping		
Teleshopping		
Showrooms		

Your answers could have included:

Retail channel	Positive features	Negative features
<b>Stores/shops</b>	Local location. Immediate purchase. Can see product.	Parking can be difficult. Opening hours may be limited.
<b>Catalogues</b>	Convenience.	Cannot see product. Delayed purchase.
<b>Markets</b>	Local location. Price.	Limited choice. Parking can be difficult.
<b>Internet shopping</b>	Convenience. Technology. Can compare prices more easily. May be better price.	Cannot see product. Payment security. Delayed purchase.
<b>Teleshopping</b>	Convenience. Technology.	Cannot see product. Payment security. Delayed purchase.
<b>Showrooms</b>	Can see product. Location.	Parking can be difficult. Opening hours may be limited. Choice may be limited to one brand.



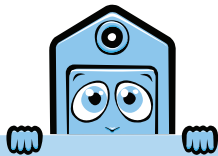
## Types of retail outlet

Physical retail outlets come in many sizes and types. They can be small like a kiosk, or very large like a hypermarket.

They can be found in a variety of locations such as high streets, shopping centres and retail business parks.

Retail outlets are usually classified as:

<b>Independent</b>	Independently owned outlets, usually small to medium sized.
<b>Chain</b>	Part of a chain or group of stores. This could all trade under one name, or be part of a larger group like the A A Watson Group who own Superdrug, Savers, The Perfume Shop and 3 – the mobile phone shop.



### Activity 3

Make a list of as many types of retail outlet you can think of.

Type	Size

Below are some of the different sorts of retail outlets you might have listed:

Type	Size	Ownership
Department stores	Medium/large	Mostly chain
Market stall	Small	Independent
Hypermarket	Large	Mostly chain
Independent retailer	Small/medium	Independent
Chain store	Medium	Chain
Corner shop	Small/medium	Mostly independent
Convenience store	Small/medium	Mostly chain
Supermarket	Large	Mostly chain
General store	Medium	Chain/ independent

Other types of retail outlets include those without an immediate physical presence such as internet shops, mail order organisations and teleshopping.

Whilst most of these tend to be independent, this is changing as more and more retail organisations, even big chain store groups such as Marks and Spencer and Tesco have an internet retail channel to attract internet customers.





## The retail supply chain

In this section you will learn about:

- Understanding a supply chain
- Parts of the supply chain
- Bringing the supply chain to life

## Understanding a supply chain

The last section of the workbook defined retail as the selling of goods to consumers; usually in small quantities and not for resale.

**Supply chain = the movement of materials as they flow from their source to the end customer.**

The goods can be varied and include, food products, electrical items, fashion clothing and many others.

Retailers need to obtain the goods before they can sell them to consumers.

The system that gets the goods from their raw stage to the retailer and then on to the consumer is called a **supply chain**.

## Parts of a supply chain



### Activity 4

Look at the diagram below. Number the boxes in the order you think they appear in the supply chain.

Retail outlet

Consumers

Warehouses or distribution centres

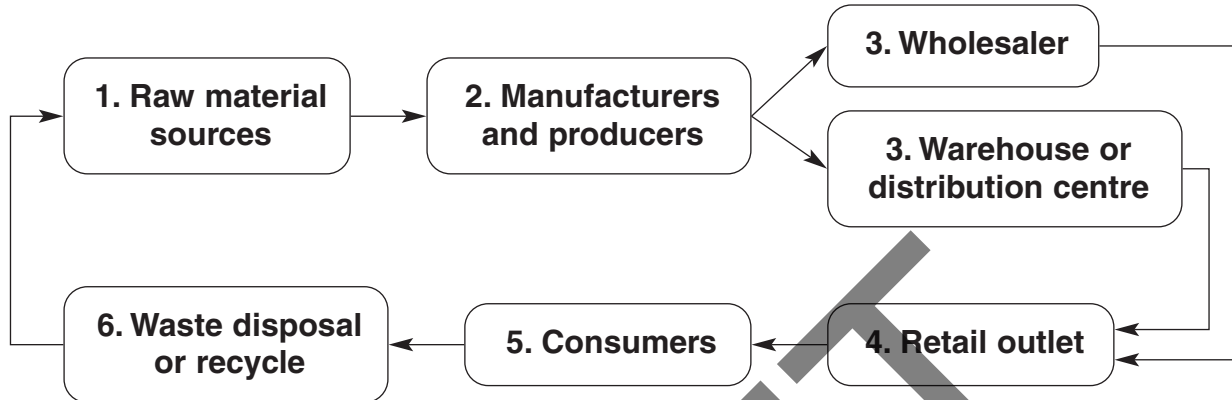
Waste disposal and recycling

Wholesaler

Manufacturers and producers

Raw material sources

How did you get on with Activity 4? Your answer should have looked like this.



Each part of the supply chain has a specific role to play:

### Raw material sources

Raw materials are the basic elements that make up the goods consumers buy. These can be wheat, milk, cotton, metals, oil and so on. Examples of typical sources of raw materials include farmers, growers, mines and fisheries.

Some raw materials may go straight from the producer of the raw materials to the retailer without being manufactured in any way. For example, small supermarkets and grocers may purchase fresh fruit and vegetables from growers direct.

### Manufacturers and producers

Take the raw materials and process them in some way to 'make' the goods. Sometimes more than one manufacturer or producer may be involved.

For example, to create clothing there may be one manufacturer to turn the cotton into material and another to turn the material into the clothes you wear.

Sometimes retailers buy from the manufacturer direct.

**Wholesaler**

A wholesaler buys from manufacturers in bulk and then sells on to retailers in smaller amounts.

**Warehouses or distribution centres**

Many large organisations often buy in bulk from wholesalers, or from manufacturers direct and then store the goods in a distribution centre or warehouse, before sending them to the shops.

**Retail outlet**

The individual outlet that offers the goods for sale to the consumer.

**Consumers**

The individual customer who purchases the goods to consume or use.

**Waste disposal and recycling**

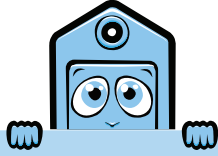
There is a lot of legislation today about the need to dispose of waste in certain ways.

Electrical goods need to be disposed of in a particular way to make sure that recycling takes place.

Manufacturers need to pay for the collection, treatment, recovery and environmentally sound disposal of the market share of household waste electrical and electronic equipment.

Retailers of electrical and electronic equipment to ordinary household consumers must enable these customers to return waste electrical and electronic equipment products on a like-for-like basis, when they purchase a new product. This is known as 'retailer take back'.

Recycling enables components parts of goods and products to become raw materials again, and re-enter the supply chain without depleting natural resources or damaging the environment.

**Bringing the supply chain to life**

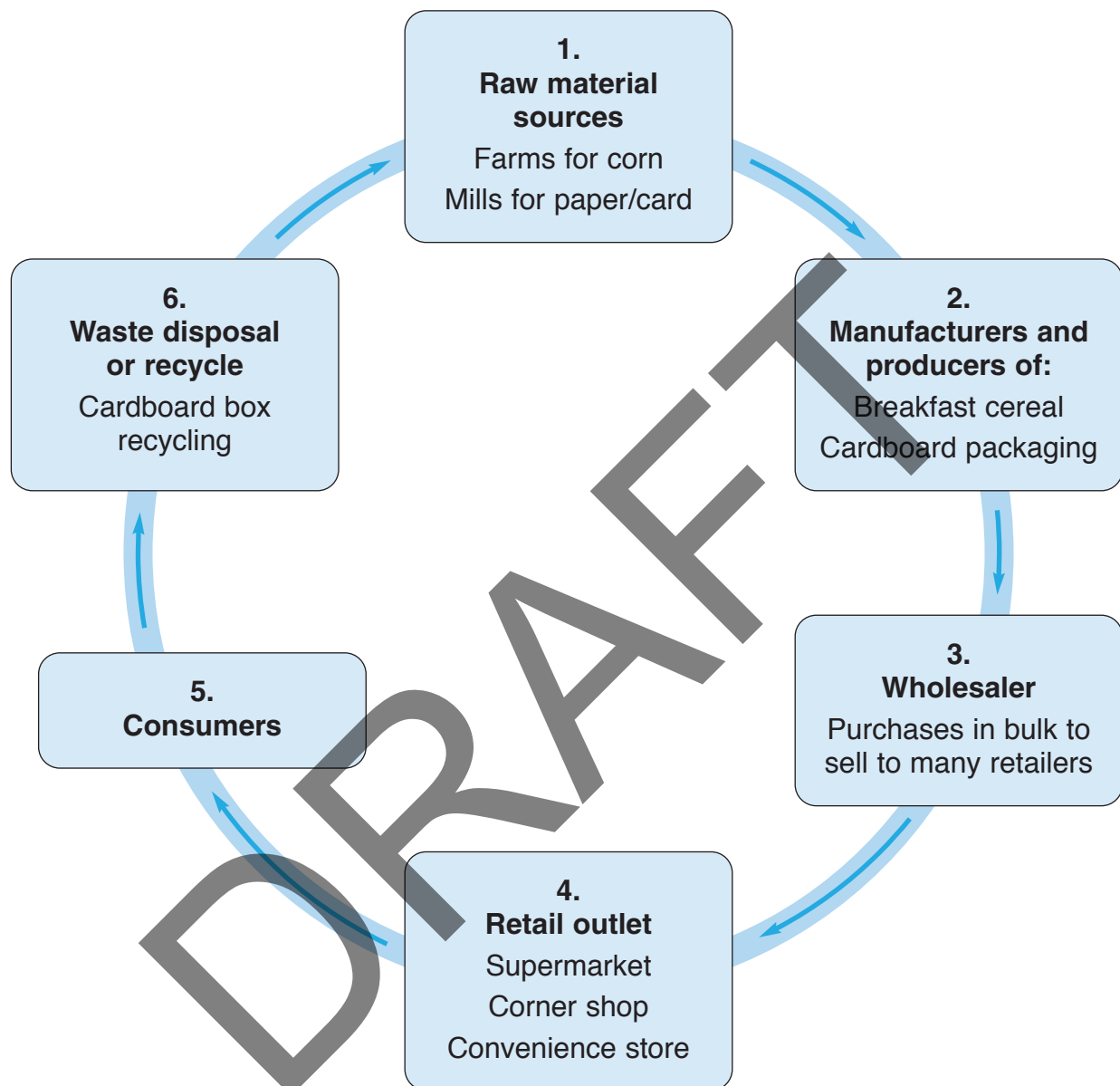
Sometimes it is easier to understand the supply chain system with a practical example.

**Activity 5**

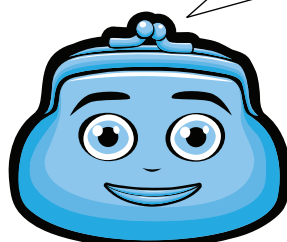
Think of an item you regularly buy and try to draw a diagram of its supply chain.

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To give you some ideas here is an example of a typical supply chain for a breakfast cereal.



Example of  
a typical  
supply chain



## Retail ethical and environmental issues

In this section you will learn about:

- **Understanding ethics**
- **Ethics in retail**
- **Understanding the environment**
- **Environmental issues in retail**
- **Responding to consumer concerns**

### Understanding ethics

Ethics is about what we consider to be good, right and proper behaviour. This is often defined by values.

Values can be about a number of things such as:

- truth
- justice
- honesty
- efficiency
- thrift
- health
- variety
- patience
- attractiveness
- desirability.



The real dilemma is that often we have to make choices between values that compete or conflict with each other.

At a personal level, the goods in the shop may be highly desirable, but the only way to acquire them might be through theft. Here a balance must be struck between attractiveness and honesty.

At a business level, the need to be efficient and thrifty may encourage moving production units to countries with cheap labour. However, this has to be balanced against loss of jobs in the UK or the use of child labour or exploitation of disadvantaged countries.

Our final choices are often shaped by the social and moral values that are strongest at the time of our decision.

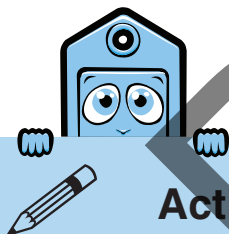
Today we would consider the use of child labour unethical, but three generations ago in the time of our great-grandfathers, child labour was quite normal in the UK.

### Ethics in retail

Ethics are becoming important in the retail industry for a number of reasons.

Firstly, governments are more inclined to ethical policies such as recycling and reducing car pollution. This affects the retail industry because it makes building out of town shops and disposing of packaging more difficult.

Secondly, people are more socially and politically aware, demanding that products and how they are sold do not conflict with their personal and society's values.



#### Activity 6

**Make a list of all the current ethical issues you can think of that affect retail organisations.**

You may have quite a long list.

Here are some you may have thought of:

- Child labour.
- Animal testing.
- Genetically modified (GM) foods.
- Unfair trading with poorer countries or other suppliers.
- Organic products.
- Processed foods.
- Animal cruelty – free range eggs, etc.
- Trading with exploitative or violent political regimes such as apartheid, genocide, etc.

More and more retail consumers demand GM-free, or organically produced food. The effect of customer ethics has led to a considerable increase in free-range eggs, for example.

Many individuals will not deal with organisations that exploit third world countries, use child labour or buy products from countries led by dictators.

## Understanding the environment

What we call the **environment** is all the living and non-living things that occur naturally on Earth.

This includes things like:

- vegetation
- animals
- rocks
- atmosphere
- natural resources – such as oil, gas, coal, metals, etc.
- air
- water
- climate.





Environmental issues are what is commonly referred to as those areas of the environment where the result of human activity is causing negative effects on our natural surroundings.

Many scientists and people now believe these effects will be very detrimental to our health and survival in the near future.

### Environmental issues in retail

As with ethical issues both governments, society and individuals are increasingly concerned about the environment and the direct effect our behaviours have on the world around us.



#### Activity 7

**Make a list of all the current environment issues you can think of that affect retail organisations.**

A large, empty rectangular box with a light blue border, intended for students to write their list of environmental issues.

Here are some of the issues you may have identified.

- Carbon footprint.
- Food production not using chemicals.
- Using sustainable resources – for example, sustainable forests for wood.
- Excess packaging.
- Plastic bags.
- Recycling.

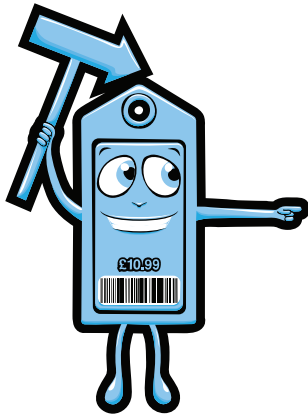
A carbon footprint is the measurement of how our activities affect the environment – especially the climate – by how much greenhouse gas we produce.

We create greenhouse gas as a by-product of burning fuel for heating light, electricity, etc, and as a result of many manufacturing process and exhaust fumes from cars and lorries.

It is believed that greenhouse gas contributes to increases in the overall temperature of the earth – global warming.

Retail consumers are increasingly concerned about global warming and expect retail organisation to take steps to reduce their carbon footprint by ensuring their processes and buildings are energy efficient and by taking action such as:

- Ensuring packaging is reduced and carbon friendly. This reduces the amount of fuels burned in production and lightens lorry loads so that they use less fuel.
- Sourcing products made in energy efficient organisations.
- Reducing ‘carbon miles’ by purchasing goods closer to home.
- Not using plastic, including plastic bags where possible.



### Fact file

- ❖ 10 billion plastic bags were given out in 2008 in the UK.
- ❖ Thousands of marine animals and more than one million birds die each year as a result of plastic pollution.
- ❖ Plastic bags cause litter and block drains and pipes contributing to critical flood conditions.
- ❖ Plastic bags never fully break down in landfill. The remaining dangerous and toxic particles can still end up in the food chain.
- ❖ A huge amount of harmful emissions are emitted during manufacture, shipment and recycling of plastic bags.

Source: [www.fizbag.com](http://www.fizbag.com)



There has also been consumer pressure in respect of pollution and landfill which has led to increased concern about plastic bag and packaging use. There is also legislation to ensure that recycling takes place, for example, electrical and electronic goods.

Consumer action has also led to increased amounts of organic food availability to avoid chemicals and to the use of sustainable wood to prevent destroying the world forests, which are essential to maintaining the quality of our air.

### Responding to customer concerns

Embracing business ethics and environmental concerns can represent a real competitive edge for organisations. It can create increased **customer loyalty** and bring **new customers** to the business.

Even though some of the new products and processes may cost a little more it results in extra business, improved profits, financial stability and better employment prospects.



### Activity 8

**Think carefully about business ethics. Identify at least two retail organisations that are embracing ethics or environmental issues in a public way.**

Area for writing answers to Activity 8.

You may have thought about many examples.

You could have included Tesco and Sainsbury who now stock a large range of organic foods and offer facilities to recycle plastic bags.

You can also think of the opportunities to introduce new products that have enabled retailers to gain new customers and have encouraged consumer loyalty.

For example:

- Organic ranges of foods.
- Fair trade ranges of food and products.
- Products not tested on animals.
- Ethical products.

The Body Shop use only natural products, avoids animal testing and support economic development in less developed countries. The Co-operative society has made business ethics the core of their mission statement.

## Working in retail

In this section you will learn about:

- **Retail as an opportunity**
- **Roles and occupations**
- **Different sizes of organisations**
- **Developing a retail career**

## Retail as an opportunity

Retail encompasses a wide range of professions and is at the forefront of workplace skills development.

The retail industry employs around 3m people. One in ten of those in employment currently work in the retail sector – the highest proportion of UK private sector employment.

The 2009 Labour Force Survey predicts that during 2007 and 2017, 185,000 new retail jobs will be created, and 983,000 vacancies will arise as people already working in retail progress to other opportunities.

With a wide range of jobs and products sold, retail offers good employment opportunities.



## Roles and occupations

The career opportunities in retail are many and very varied.



### Activity 9

**Think about your local retail outlets. Make a list of the sort of jobs you think exist.**

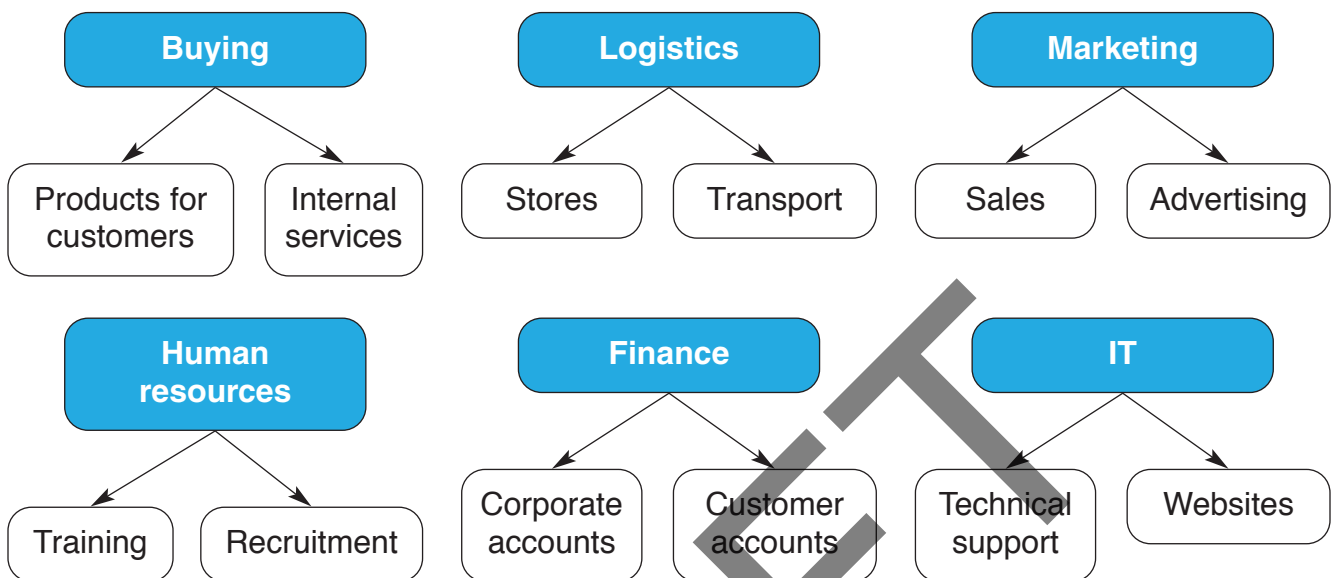
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You may have thought of many job roles including:

- sales assistant
- cashier
- stockroom assistant
- visual merchandiser – creating displays
- shelf stacker
- security assistant
- team leader
- manager.

The structure of the retail industry means that there are many occupations that you may not automatically think of as 'retail jobs'.

Below are typical non-shop floor departments within larger retail organisations.



### Activity 10

Think about the diagram above. Identify at least six different job roles that might exist in these departments.

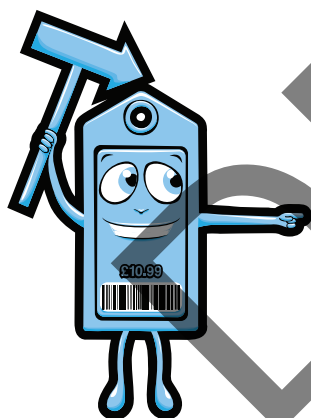
Blank area for writing answers.

There are many you could have chosen.

Here are some:

Buyer	Driver	Accountant
Negotiator	Stores person	Bookkeeper
Contracts manager	Trainer	Credit controller
Personnel officer	Public relations officer	Administrator
IT help desk	Website designer	Store designer

As well as different occupations, there are different roles such as team leader, line manager, department manager, store manager, or regional manager that provide **progression routes through promotion** within any of the occupations.



### Fact file

**Fiction:** retail means just stacking shelves.

**Fact:** from buying the latest products from abroad to designing store layouts there are many different types of jobs in many different departments.

The type of products and services sold can also add additional opportunities and enable you to have a career in a field that interests you.

Retail is also one of the few industries that provide opportunities to work in areas that interest you. For example music, fashion, games, IT or books.



## Different sizes of organisations

Working in an organisation retailing mobile phones and other telecommunications would be very different to working in one that retails art supplies, or in a large supermarket.



### Activity 11

Think about the differences between working for a large supermarket, a medium-sized clothes shop and a small arts supply shop.

You may have thought about many differences.

**In a large organisation** there is a bigger **range of occupations** to choose from, and the opportunities for **promotion are greater**. The organisation will expect you to comply with their **standard systems and procedures**. They are also more likely to provide and support training for further advancement.

**In a medium-sized organisation** there may be less opportunities as **most roles are on the shop floor** and **promotion may take longer**. Job roles will be more **interesting** as you may have to cover more than one type of work or product area and will be expected to **use your initiative** more.

**In a smaller organisation** there will be **fewer types of job roles**, but there will be **greater expectations** from you in terms of **responsibility** and your own **work will be more varied** and interesting. On the downside, **progression will be limited** unless you change employer.

So in the main, the differences will be about:

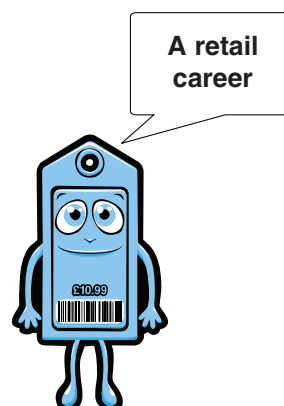
- Expectations.
- Levels of responsibilities.
- Standardisation of systems and procedures.
- Progression opportunities.
- Variety of jobs on offer.

## Developing a retail career

The very first step in achieving a career in retail is to secure your first job.

To do this you need to be aware of:

- The places retail organisation advertise their vacancies.
- The entry points for various occupations.
- The skill requirements for different occupations.



## Finding vacancies



### Activity 12

**Make a list of the different places where you might find out about retail job vacancies.**

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There are a variety of places you could discover job opportunities. In larger retail organisation you may find out about them from adverts in-store, or on the organisation's website.

Vacancies are also advertised in:

- Local and national newspapers.
- Job centres.
- Career centres.
- Shopping centre noticeboards.
- Retail trade magazines.
- Specialist magazines, for example, IT or HR magazines.

Many of these publications are available at your local library.

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## Finding the right entry point

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Depending on your level of experience you may need to look for a particular level of **entry point** for a career and **progression routes**.

For example:

**Trainee, assistant and apprentice** are all good starting points for people new to the industry.

**Team leader or supervisor** roles are a suitable entry point for people with **some experience** in retail and proven ability.

**Deputy manager or manager** entry points are good roles for the **very experienced**.

**Graduate trainee posts or internships** are suitable for those **recently leaving university** with a relevant degree.

**Therefore, a sales assistant** may start their career and progress to a team leader as they gain experience and training.

**A store manager may start their career as a graduate trainee** and will progress to regional manager as they gain experience and qualification.

**Progression opportunities come with experience, performance, training and qualifications.**

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## Understanding skills requirement

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Different jobs at different entry point will require different skills.

It is useful to understand this so that you can:

- Apply for positions that are suitable for you.
- Undertake the right training beforehand if you are considering training or courses.
- Promote yourself in the best light to a prospective employer.



### Activity 13

Undertake some research to find out what skills or personal qualities might be needed for the following retail posts.

#### Sales assistant

Skills:

Personal qualities:

#### Stockroom assistant

Skills:

Personal qualities:

#### Deputy store manager

Skills:

Personal qualities:



You may have discovered many different skills and levels of experience are required.

Typically these might include:

Job	Skills	Personal qualities
<b>Trainee sales assistant</b>	Customer service. Payment handling. Sales. Communication. Product knowledge. Merchandising.	Positive attitude. Approachable. Clean and tidy appearance. Polite. Honest.
<b>Stockroom assistant</b>	Communication. Organised. Numeracy. Product knowledge. Stock taking.	Positive attitude. Approachable. Clean and tidy appearance. Polite. Honest.
<b>Deputy store manager</b>	Communication. Organised. Disciplined. People management. Financial. Customer service. Knowledge of products.	Positive attitude. Approachable. Clean and tidy appearance. Polite. Honest. Motivated.



Other specialist jobs, such as IT help-desk support or human Resources Office will need extra skills such as computer skills or professional qualifications.

## Workbook summary

In this workbook you have learned about understanding the different aspects of the business of retail, including different types of retail outlets and career choices.

The main points from this workbook are:

- The UK retail industry is the **third largest in the world employing 11 of the population.**
- There is a wide **variety of types of retail outlet.**
- Retail stores get their products from many sources in a **supply chain.**
- There is a **wide variety of career opportunities** within retail.
- Retail organisations benefit from listening to customers' **ethical and environmental concerns.**

### ***Congratulations!***

**You have finished this workbook and can now proceed to the assessment for this unit/s.**

When you have completed this workbook, you can complete the formal assessment for the appropriate unit(s).

Ask your tutor if you are not sure which assessment you should complete or if you need assistance.

At the end of the workbook you will find multiple-choice questions to help test your knowledge.



**Test your knowledge**

Each question in this exercise is followed by three or more possible answers. Only one answer is correct. Circle the answer you think is correct. When you have completed all the questions, you can compare your answers with those on the following page.

**Q1. The number of people working in retail are:**

- a) 200 – 250 thousand
- b) 1.8 million
- c) Nearly 3 million

**Q2. The value of retail sales in the UK is estimated at:**

- a) 2% of GDP
- b) £3 million
- c) £3 billion

**Q3. Which of the following is NOT a retail outlet:**

- a) Bakery
- b) Cafe
- c) Butchers

**Q4. Which of the following ARE retail channels:**

- a) Internet, catalogue, high street shops
- b) Market stalls garages, restaurants
- c) Independent stores, retail chains

**Q5. Which of the following describes the retail supply chain:**

- a) The movement of materials as they flow from their source to end customer
- b) A stockroom security system
- c) A system for managing suppliers

**Q6. Which of the following is a good entry point for a sales assistant role?**

- a) Trainee
- b) Graduate entry
- c) Supervisor



**Test your knowledge – answers**

**Q1 – c**

**Q2 – c**

**Q3 – b**

**Q4 – a**

**Q5 – a**

**Q6 – a**

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