STRANDS AND STANDARDS
RETAILING

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Course Description

This course will prepare the student to operate businesses that sell, rent, or lease goods and services. This course will provide insight into the theory and application of merchandise/service assortment, pricing, promotion mix, location, store layout, and customer service activities necessary for successful retail operations. Students taking marketing related courses should have the opportunity to participate in a related CTSO organization.

Intended Grade Level	10-12
Units of Credit	0.5
Core Code	37.01.00.00.240
Concurrent Enrollment Core Code	37.01.00.13.240
Prerequisite	None
Skill Certification Test Number	407
Test Weight	0.5
License Area of Concentration	CTE and/or Secondary Education 6-12
Required Endorsement(s)	
Endorsement 1	Business & Marketing (CTE/ General)
Endorsement 2	Business & Marketing Essentials

STRAND 1
Operations Management - Students will understand the importance of planning, controlling, and securing both a retail and e-commerce business.

Standard 1
Students will understand the planning process for a retail business.
Planning a retail business begins with making essential decisions for the business.

Determine the primary operation of the business
- **Food operations**: product assortment includes food or beverage items that account for the largest percentage of items sold
- **Retail operations**: non-food items or services account for the largest percentage of gross sales

Identify and define the types of store locations
- **Freestanding**: any stand-alone building
- **Brick-and-mortar**: a business that operates conventionally rather than over the internet
- **Unplanned business district**: when two or more stores are close together
- **Centrally planned business district**: a centrally located area within a city for general retail shopping, personal and professional services, educational institutions, entertainment establishments, restaurants and other business
- **Pop-up**: retail business opened temporarily to take advantage of a faddish trend or seasonal demand
- **Kiosk stores**: a small, temporary, stand-alone booth used in high-traffic areas such as in malls
- **E-commerce sites**: internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions

Explain location-selection criteria for physical stores
- **Zoning**: laws define how structures can be built on a property and how those structures can be used
- **Visibility**: the overall presence of a brand or its products in the general consumer environment
- **Storefront**: the part of a store that faces the street, usually a glass front
- **Traffic**: the number of customers that enter a store, mall, or location during a given period of time
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Explain essential decisions for an e-commerce store's
- **Social commerce**: the entire shopping experience from product discovery and research to the check out process takes place right on a social media platform
- **Call to action**: the buttons throughout a site that tell your customers what to do, where to click and what to buy
- **Mobile friendliness**: includes multiple elements, the design, navigation, layout, site speed and general user experience. Consumers expect an intuitive experience
- **Updated and accurate inventory**: the correct sizes, price, and quantities available
- **Consistent branding tone and design elements**: the online site should reflect the customer experience in a physical store and deliver on the unique value proposition of the brand
- Introduce common KPIs (Key Performance Indicators), SEO (Search Engine Optimization), SERP (Search Engine Results Page), and Cart Abandonment Rate
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Describe **multichannel retailing** as the practice of making products available to consumers on more than one sales channel.

Explain the user's experience through **omni-channel** defined as an approach to sales that focus on providing seamless customer experience whether the client is shopping online from a mobile device, a laptop or in a

brick-and-mortar store. Omni-channel connects all channels and means customers have a seamless experience across all channels.

- **Touchpoints:** where customers and businesses engage to exchange information, provide service, or handle transactions. It is your brand's point of customer contact, from start to finish. For example, customers may find your business online or in an ad, see ratings and reviews, visit your website, shop at your retail store, or contact your customer service.

Standard 2

Describe the importance of internal controls for a retail business.

Explain how retailers evaluate their performance through performance through financial goals such as:

- **UPT** - Unit Per Transaction, a sales metric used to measure the average number of items that customers purchase in any given transaction. The higher the UPT, the more items customers are purchasing for every visit.
- **DPT** - Dollar Per Transaction, a sales metric used to measure the average number of items that customers purchase in any given transaction. The higher the DPT, the more items customers are purchasing for every visit.
- **Compare daily sales against last year's sales**: Today's Sales – Last Year's Sales = Amount over or under compared to last year

Cash handling policies and procedures: checks and balances for employees and management to ensure that standards are kept throughout the business

Explain the use of the following financial statements

- **POS**: Point Of Sale, a software system where a customer executes the payment
- **Digital Payments**: the transfer of value from one payment account to another through electronic means
- **Balance sheet**: a financial statement that reports a business's assets, liabilities and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating its capital structure
- **Income statement**: also known as the profit and loss statement or the statement of revenue and expense, the income statement primarily focuses on the business's revenues and expenses during a particular period

Cash flow statement: financial statement that summarizes the amount of cash and cash equivalents entering and leaving a business. It measures how well a business generates cash to pay its debt obligations and fund its operating expenses.

Standard 3

Understand the measures used in securing a retail business.
Explain the importance of security policies and safety precautions for a retail business.

Describe internal and external theft in a retail business.

- **Internal theft**: also known as employee theft, consists of any stealing, embezzlement, fraud, or taking of business property without permission
- **External theft**: often called shoplifting, break-ins, robberies or other acts by persons with no connection to the business

Discuss methods of **loss prevention** as any actions taken to reduce the amount of theft, breakage, or wastage in a business. This includes poor record keeping and inventory management.

Explain how consumers can be assured of an e-commerce site's security.
- **Http**: not secured site
- **Https**: secured Site
- **Current**: check that the site is updated regularly

Performance Skills - Choose One
- Create a balance sheet, income statement, or cash flow statement to evaluate the performance of a retail business for a period of time.
- Conduct an audit on a social media or an e-commerce site and use common KPIs to try and improve your results and drive traffic.
- Review and discuss a retail business' security policies and procedures and create a plan for improvement.

STRAND 2
Buying and Merchandising - Students will understand the role and responsibilities of a retail buyer and apply key concepts of buying and merchandising to a retail business.

Standard 1
Retail buyer: the person responsible for planning, selecting and purchasing quantities of goods and merchandise that are sold in retail stores. They source and review existing goods to ensure their products remain competitive.

Examine and discuss the key components of strategic planning and buying in retail.
- **Inventory control**: process of ensuring that appropriate amounts of stock are maintained by a business, so as to be able to meet customer demand without delay while keeping the costs associated with holding stock to a minimum
- **Forecasting**: attempts to determine the supply of and demand for various products and services
- **Lead time**: the amount of time between recognition that an order needs to placed and the point at which the merchandise arrives in the store
- **Stock turnover**: the number of times inventory is sold or used in a certain time period
- **Perishability**: how long something can be stored before it begins to "Go bad" (Expired, become ruined, become obsolete)
- **Supply chain management**: the process of ensuring that product arrives to business in a timely manner. This includes aspects such as planning, sourcing, manufacturing, delivery and logistics, and returning products deemed defective, in-excess,or unwanted.

Standard 2
Analyze and apply the five components of a Merchandise Plan.
- **Merchandise Plan**: a systematic approach to planning, buying, and selling merchandise to maximize your return on investment while simultaneously making merchandise available at the places, times, prices and quantities that the market demands
- Describe the components of a merchandise plan. Explain how merchandise plans work in the retail industry.
  - **Product**: anything and everything that a business decides to offer as product or service.
  - **Price**: amount of money requested or exchanged for a product, should cover expenses and allow for a profit
    - **Perceived value**: a customer's own perception of a product or service's merit or worth
    - **Overhead**: the general, fixed cost of running a business, as rent, lighting, and heating expenses,

which cannot be charged or attributed to a specific product or part of the work operation
- **Cost per unit**: the combination of all expenses/costs to produce a single unit
- **Profit**: money from revenue after all expenses are taken into account
- **Markup**: the amount added to the cost price of goods to cover overhead and profit
- **Markdown**: discounting a product in order to try to recoup purchasing costs
- **Break even point**: defined as the point when sales revenue (income) equals the cost (expenses) of making and distributing the product
- **ROI**: Return on Investment, the measure of profitability of a retail item

- **Range**: refers to width/breadth and depth of products offered for sale in a retail establishment
  - **Product items**: a specific version of a product that can be designated as a distinct offering among a business's products
  - **Product lines**: a group of closely related product items
  - **Product width/breadth**: number of different product lines carried by the business
  - **Product depth**: the total number of variations for each product. Variations can include size, flavor and any other distinguishing characteristic.
- **Assortment**: how many brands you offer within the same product
  - Example: if your establishment decides to carry spearmint gum how many brands will you carry: Five, Extra, Trident, Bubblicious?
- **Space**: most limiting part of a merchandise plan. You need to know where to put it in order to present the product to the customer in a visually appealing and effective manner. There is only so much physical space in a retail store and page space on an ecommerce site before it becomes cluttered.
  - **Store layout**: the design of a store's floor space and the placement of items within that store
  - **Planogram**: a diagram that shows how and where specific retail products should be placed on retail shelves or displays in order to increase customer purchases
  - **Page layout**: the arrangement or organization of visual elements on a web page
  - **Above the fold**: the space visible on a mobile/web site without scrolling

Standard 3

Analyze components of vendors and vendor negotiation.
- Define **vendors** as a general term used to describe any supplier of goods or services who intends to sell them to another business.
- Discuss examples of vendors used in retail and why vendors are used.
- Discuss the idea of dropshipping for retail.
  - **Dropshipping**: a type of retail fulfillment method, where instead of a store stocking products, it purchases the products from a third-party supplier. The products are then shipped directly to the consumer. This way, the seller doesn't have to handle the product directly.
- Analyze and identify parts of a purchase order and how they apply to a retail business.
  - **Purchase order**: An official document issued by a buyer to a seller indicating types, quantities, and agreed prices for products or services they wish to buy.
  - **Shipping terms**: an agreement between buyer and seller on how the product will be shipped, who is responsible for payment, and when ownership is transferred.
- Understand elements associated with accounts payable and early payment discounts.
  - Define **accounts payable** as money owed by a business to its creditors.
  - Calculate common discounts given for early payment such as 2/10 - n/30 and explain what these terms would mean. (2% discount given if paid in 10 days, net must be paid in 30 days.)

Standard 4

Explain key components of the receiving process and stock handling.

Receiving process: The process of matching items shipped against items ordered on a purchase order

- Discuss what happens when the product shipped to you does not match the purchase order or if the product shipped is damaged.
- Discuss inventory counts and how numbers being off could affect the ability to fulfill customer orders.

Perpetual inventory: an inventory determined by keeping a continuous record of increases, decreases, and the balance on hand of each item of merchandise. Usually kept through a point of sales system

Physical inventory: when a periodic inventory is conducted by counting, weighing, or measuring items of merchandise on hand

Performance Skills - Choose One

- Complete an audit of a retail store's merchandise plan. Recommend change or improvements for the store based on market research and observation.
- Evaluate new product ideas for a store and determine appropriate pricing strategies for them. Calculate ROI, Break-Even Point, and markup for a product.
- Create and apply strategies and promotions for dealing with low stock turnover rates or perishable products not selling well in a retail location.

STRAND 3

Customer Experience - Students will understand the importance of customer relations or the ways that a retailer will engage with its customers to improve the customer experience.

Standard 1

Understand and examine merchandise planning in retailing.

- **Visual merchandising**: is the practice in the retail industry of optimizing the presentation of products and services to better highlight their features and benefits. The purpose of visual merchandising is to attract, engage, and motivate the customer towards making a purchase.
- **Store image**: the image or impression of a store in the minds of customers. The goal of retailing is a good overall impression in terms of the products available in the store, the store itself and the experience they expect when shopping at the store. Understand that store image also relates to online content, images, layout and total e-commerce experience.

Standard 2

Understand the essential need for good customer service.

- **Customer service:** the direct one-on-one interaction between a consumer making a purchase and a representative of the business that is selling it. This interaction is a critical factor in ensuring buyer satisfaction and encouraging repeat business. Employees play a critical role in meeting customer needs and expectations.
- **Customer satisfaction ratings:** known as customer satisfaction score, indicates how well products and services meet expectations. This is usually determined by taking the number of happy ratings and dividing it by the /number of total ratings.
- **Net promoter score:** calculation that measures the likelihood of a customer recommending your business. % of promoters - % of detractors
- **Word of mouth**: is when consumer's interest in a business, product or service is directly reflected in their daily dialogues. It is essentially free advertising triggered by customer experiences. It can include something as informal as conversations and as formal as online reviews.

Performance Skills - Choose One
- Evaluate the customer service experience at a retail store, brick-and-mortar or online.
- Evaluate and analyze the visual merchandising used at a retail store, both brick-and-mortar and online.
- Research and evaluate a product or retail store's customer satisfaction ratings, net promoter score, and word of mouth ratings.

STRAND 4
Sales and Promotions - Students will understand the importance of sales and promotions in retail businesses and design sales and promotion strategies for a retail business.

Standard 1
Plan selling strategies for a retail business.

Determine customer needs.
- Know that retailers group customers into **market segments** to make approachable subset groups based on different characteristics like geographic, demographic, psychographic, and behavioral.

Explain the importance of customer traffic for a retail business to turn visitors into customers.
- **Retail conversion rate**: the percentage of visitors to a retail business who make a purchase (this applies to online and in-person)

Demonstrate suggestion selling.
- **Suggestion-selling**: a sales technique where an employee asks a customer if they would like to include an additional purchase that might suit the customer

Explain the process for documenting sales and how the tracking of sales impacts the retail business.

Discuss the process of returns and exchanges policies.

Standard 2
Demonstrate promotional activities for a retail business.
- Understand promotional strategy. (Refer to Marketing 1 Strands & Standards)
  - **Promotional mix** is an integration of selling, sales promotion, and public relations, advertising.
  - **Selling** is a process of persuasion to get potential customers to take action.
  - **Sales promotion** is a marketing strategy where the product is promoted using short-term attractive initiatives such as discounts, free shipping, flash sale, product giveaways, price match, loyalty points, BOGO (buy one, get one free), holiday promotions.
  - **Public relations** in a retail business setting is to create public awareness of the business, brand, products, or services through media coverage and other forms of communication. It is often part of a marketing campaign.
  - **Advertising media** is used for communicating a promotional message. Examples include online banners, radio spots, social media, billboards, television advertisements, print media, in-game advertising, and many more.
    - Understand that there are pros and cons of each advertising media based on the business and marketing strategy.
- Analyze the use of visual merchandising in retailing (brick-and-mortar and online)
- Formulate cross-merchandising techniques.
  - **Cross-merchandising** marketing or displaying products from different categories together, in orderto generate additional revenue.

- Measure success of promotional efforts by using key metrics, a statistic by which a business' performance is measured. (Such as profits, sales volume, customer reviews, conversion rates and achievement of goals.)

Performance Skills - Choose One
- Students will create a promotional campaign for a retail business. They will create it for a specific market segment and incorporate promotional mix items.
- Students will perform a selling scenario that would happen in a retail setting. They will incorporate the selling steps, objections, and suggestion-selling in their performance.

STRAND 5
Employability - Students will explore career options and employability skills needed for gaining and maintaining employment in retail and ecommerce.

Standard 1
Explore career paths and opportunities associated with the retail industry.
- Cashier
- Store Manager
- Buyer
- Sales Management
- Marketing Management
- Visual Merchandiser (both instore and online)

Standard 2
Apply self-development techniques and interpersonal skills to accomplish retail management objectives. Develop employability skills needed to be successful in the retail marketing industry, such as:
- **Communication** - the exchange of information, both verbal and noverbal, between individuals or groups within an business
- **Problem solving** - the ability to handle difficult or unexpected situations
- **Teamwork** - when two or more people work together through idea sharing and thinking to accomplish a common goal
- **Critical thinking** - effectively diagnosing problems and identifying possible solutions
- **Dependability** - producing consistent work and following workplace policies
- **Accountability** - responsibility of employees to complete the tasks assigned in order to achieve the goals of the business

Demonstrate effective interpersonal and team-building skills involving situations with coworkers, supervisors, managers, and customers

Standard 3
Demonstrate an understanding of the role of the retail manager for recruiting, hiring, training, supervising, and terminating employees as well as maintaining the everyday operation of a business to ensure that it functions efficiently and meets established goals.
Explain how store managers recruit, select, motivate, train, and evaluate their employees.
- **Recruiting:** the process of finding and hiring the right job candidates for the retail sector
- **Hiring process:** the writing job descriptions, reviewing resumes, conducting interviews, and selecting

candidates for hire.
- **Onboarding:** the action or process of integrating a new employee into a business or familiarizing a new customer or client with one's products or services.
- **Employee training:** the formal or informal mission to quickly and efficiently prepare a new employee to perform their job well
- **Employee retention:** the business' concerted efforts to retain their existing staff. Relate the elements of a positive working environment and motivational techniques to minimize employee turnover.
  - **Employee incentive program**: the structured use of rewards and recognition to motivate desired behavior from employees
- **Employee performance evaluation**: a tool used by managers and human resource departments to review an employee's performance during a set period of time.
- **Employee productivity**: the amount of work (or output) produced by an employee in a specific period of time.
- **Termination**: the end of an employee's work with a business.
  - **Voluntary**: when a worker leaves of their own accord
  - **Involuntary:** when a business downsizes or layoff, or if an employee is fired.

Describe how to keep proper documentation, practice **job rotation**, and involve employees in the decision-making process.
- **Job rotation** is the practice of moving employees between different tasks to promote experience and variety.

Performance Skills - Choose One
- Prepare a resume, which includes: personal information, position you are seeking, work experience, education, involvement in extra activities, and references. Word document, PDF, or a LinkedIn Profile are acceptable
- Research available retail careers in the local area and identify skills, education and job outlook required. Using print, online, and/or personal interview sources, develop a career profile for at least three occupations (managerial level or above) found in national or international retail businesses.
- Student will complete SBE Standard related to human resource management in the DECA School Based Enterprise Certification
- Students will complete periodic Performance Reviews for their SBE Job.

Skill Certification Test Points by Strand

Test Name	Test #	Number of Test Points by Strand										Total Points	Total Questions
		1	2	3	4	5	6	7	8	9	10		

Skill Certification Test Percentage by Strand

Test Name	Test #	Number of Test Percentage by Strand										Total Percentage	Total Questions
		1	2	3	4	5	6	7	8	9	10		