

## Draft Study Material



**Retail Trainee Associate**  
**(Qualification Pack: Ref. Id. RAS/Q0103)**  
**Sector: Organised Retail**  
**(Grade XII)**



**PSS CENTRAL INSTITUTE OF VOCATIONAL EDUCATION**

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## Preface

Vocational Education is a dynamic and evolving field, and ensuring that every student has access to quality learning materials is of paramount importance. The journey of the PSS Central Institute of Vocational Education (PSSCIVE) toward producing comprehensive and inclusive study material is rigorous and time-consuming, requiring thorough research, expert consultation, and publication by the National Council of Educational Research and Training (NCERT). However, the absence of finalized study material should not impede the educational progress of our students. In response to this necessity, we present the draft study material, a provisional yet comprehensive guide, designed to bridge the gap between teaching and learning, until the official version of the study material is made available by the NCERT. The draft study material provides a structured and accessible set of materials for teachers and students to utilize in the interim period. The content is aligned with the prescribed curriculum to ensure that students remain on track with their learning objectives.

The contents of the modules are curated to provide continuity in education and maintain the momentum of teaching-learning in vocational education. It encompasses essential concepts and skills aligned with the curriculum and educational standards. We extend our gratitude to the academicians, vocational educators, subject matter experts, industry experts, academic consultants, and all other people who contributed their expertise and insights to the creation of the draft study material.

Teachers are encouraged to use the draft modules of the study material as a guide and supplement their teaching with additional resources and activities that cater to their students' unique learning styles and needs. Collaboration and feedback are vital; therefore, we welcome suggestions for improvement, especially by the teachers, in improving upon the content of the study material.

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## MODULE 1

# MONITORING AND MAINTAINING STORE SECURE

### Module Overview

In India retail theft and fraud are issues that retailers must wrestle or struggle every day. Securing a business beside break-ins and maintaining inventory safe from shoplifting should be highest priorities for every retailer. In retail, apart from these many more issues are involved.

Security threats deals with direct theft from shoplifters, organized retail crime, dishonest associates, accidental damage and change of product. Digital issues are not the minor concern but also the high-profile attack risks like card skimming, data theft over wireless networks or hackers attack. Retailer and their associates, supervisors and colleagues must have awareness about the complexity of robberies and shopliftings activities and also be aware of the issues of store security. This unit is classified in four sessions.

The first session named “Types of Security Aspects in Stores” covers meaning of risk in store, factors considered for evaluating the security of store, types of risks and securities in retail store and cyber security challenges.

The second session “Security Measures and preventions” includes some key issues such as factors of identifying risks, measures to maintain security, preventions in lieu of security risk and security policy.

Third session “Reporting Security Risk” examines the various issues on which reporting is necessary, situation when associates catch someone, how to work on report security breaches, reporting via equipment, reporting on robbery and reporting on shoplifting.

Session four covers “Company Procedure for Preventing Security Loss”, explains about concept and meaning of audit, various issues on preventing loss where auditing is essential, goals of process and audit, performance of involved team members, important points need to be considered while training for prevention of loss, elements and loss prevention, encompassment of audit in the field of operation and how to deactivate security devices of stores.

### Learning Outcomes

After completing this module, you will be able to:

- List the types of security risks in stores.
- Demonstrate the security measures and follow the preventions for security risk.
- Describe mechanism for reporting the security risks.
- Describe the company procedure for preventing security risk.

### Module Structure

Session 1: Types of Security Risks in Stores

Session 2: Security Measures and Preventions

Session 3: Reporting Security Risk

Session 4: Company Procedure for Preventing Security Loss

### Session 1: Types of Security Risks in Stores

Keeping a store safe and secure is necessary to ensure that employees handle business and shop in a relaxed and inviting atmosphere. There are various problems in which retail store can become unsafe including negligence of floor checks, which can lead to injury. Retail store is as safe as retailer manages it. There are a range of factors to keep in mind when assessing safety of retailer's store. Creating conducive environment requires the participation of all employee management and direct supervisors because it is not an easy going task. Associates often take care of day-to-day operations in a retail store.

There are many security and safety related responsibilities that mainly fall within associates job descriptions. Retailer or associates can get a sense of risk by measuring a threat against their weakness. If they have no threat then there is no risk. Retailer as well as trainee associates need to ensure store security for internal and external theft. They also need to know about the proper maintenance and action procedures for the store. Security of the store premises and all merchandises working in the retail store are equally important.

The size of the retailer shop determines the level of store security required. The scale of operations also determine the level of store security required. A smart independent retailer sometimes does not require real security for his premises; a large departmental retail store may consider security very essential. Security of the store premises is necessary to safeguard the merchandise. Troublemakers intruding into the store security damage merchandise and also steal resulting in loss. Inventory shrinkage may arise due to theft by employees, customers or by error of the store at the time of receiving merchandise.

#### MEANING OF RISK IN STORE

Risk is simply defined as the chance of a negative outcome. Any business handling cash, (whether large or small amounts in village, city or town) is at risk of robbery, theft, etc. Retail stores where items are stored may face trouble because exchangeable items such as retail items are readily accessible. It is mandatory that effective measures be taken to minimize risk and potential threat to the safety.

Well-being of associates and customers from the threat of any activity which is under risk must also be taken care. It is required that all associates in such businesses understand how they should conduct themselves during a theft or robbery.

## FACTORS FOR EVALUATING THE SECURITY OF STORE

Customer service associates should have in mind a variety of aspects when assessing the safety of their store.

**1. Fire Hazards:** Fire hazards are common in any retail shop. Factors such as unprotected wire from lighting computers, electric board etc., open flames in the retail store display and improper chemical packing in a back room or flammable materials left near a risky may result in major fire hazards that could hurt both employees and customers. (Fig. 1.1)



**Fig. 1.1: Fire hazard due to unprotected wire**

Source: <https://bit.ly/2HrWiMc>

**2. User friendly/Not the Mismatching:** This should be pointed that mismatching job requirements to capabilities in stores can result in associates injury or illness. Mismatching job requirements shown in (Fig.1.2).



**Fig. 1.2: Mismatching job requirements can cause injury**

Source: <https://bit.ly/342BWmv>

For example, if retailer or owner hires a short person to lift heavy boxes for hours, at the end, that short person may injure the person.

**3. Air Quality:** Normally Associates work where most of the organized retail stores are often located inside additional buildings like shopping mall, with no holes-in-the-wall to open. In such situations the stores are not airy. In such stores there may be risk due to bacteria, mold, specific vapors, fungus, on the products. Hence proper ventilation must be ensured.

**4. In-visibility in the Premises:** These types of risk may include irregular floor drops that could result in a customer or associates to slip. Misplaced boxes, oil dropped on the floor also is dangerous because people trip and hurt themselves.

**5. Lighting:** It should be noted that low lighting may result in difficulty in seeing retail store and it can produce more accidents or crime. In poor lighting it may be easier to shoplifters to steal products without being clearly seen. Customers or associates also may have obstacles to see objects on the floor and could trip and fall as a result of low light.

**6. Crime:** A retailer may not experience shoplifting or any type of crime in the store, but if such incidents occur in the neighbourhood retail stores, the possibility of such crimes taking place is always there.. Shoplifter shown in (Fig. 1.3).



**Fig.1.3: Stop the Retail Crime**

Source: <https://bit.ly/2HqdTUU>

**7. Natural Disasters:** If location of store is in a region wherever earthquakes storm and floods like calamities are common, it is a risk for retailers. Various types of natural disaster (Fig. 1.4).





**Fig.1.4: Natural disaster**  
 Source: <https://bit.ly/2zpRbYo>

## TYPES OF RISKS AND SECURITIES IN RETAIL STORE

Risk is the chance (high or low) that can be harmed to any retail store. Store work can expose anyone to a number of different risks. They include:

### 1. Grievance of Customers

Grievance of customers is very common in the retail sector. In the retail sector buyers do not have feelings for retailers, when relation would be bitter with a particular retail chain customers react aggressively with that retailer stores. In the aggressive manner they argue with associates and the fight may starts. There may be many issues for which grievance can take place. Customer problem is solving by a retailer (Fig. 1.5).



**Fig.1.5: Solve customer problem timely to avoid grievances**  
 Source: <https://bit.ly/2NBvoW2>

Some customers are waiting for commodity and if they could not wait for more days, months or years' time, then the grievance arises due to which customer

get a chance to recent aggressions against that retail store. In the retail store, customer have frequently seen when associates have to deal with thefts, robberies, troublemakers, angry customers and drunk or drugged customers. Due to such grievance against associates takes place that includes attacks, threats, abuse orally and harassment, which makes associate anxious and stressed.

## 2. Lifting Loads

In retail stores, many activities are performed such as lifting of loads (Fig. 1.6 (a) and (b) from one place to another which take place from time to time as per requirement of its store and customer, or due to change in retail store appearance. It might be possible there is little bit chance of losing the controls by the employees or non-functioning of any lifting machines may have been taken place.



**Fig. 1.6 (a): Lifting loads with hands**  
Source: <https://bit.ly/2HsSQ3P>



**Fig. 1.6 (b): Lifting loads with machines**  
Source: <https://bit.ly/2NyoQYc>

## 3. Sprains and Strains

Associates may be suffering from strains, sprains and from repetitive work. So there is a possibility of risk to work un-cautiously by associate who got sprain or suffering from any strain, and might be a chance of mishandling the assigned work. Tasks such as, lifting, reaching in difficult positions, working with equipment that are hard to use; repetitive and fast movements can give aches and pains to associates (Fig. 1.7).

In some circumstances it can result in harm to backs, joints muscles, tendons, and nerves. When associates are standing for many hours it can be a cause of pains backache and in the legs. Seating for long hours can be painful for the staff members. Supermarket checkout machinists are seating for lengthy hours can be painful for them. Continuous seating and continuous standing

for work result in body pain of the staff members.



**Fig. 1.7: Sprains and strains**  
 Source: <https://bit.ly/341Gpm>

#### 4. Slips, Trips and fall

Falls, trips and slips are a very common cause of injury, both to associates and customers (Fig.1.8).



**Fig. 1.8: Slips, trips and fall**  
 Source: <https://bit.ly/2L3UYjq>

Falls, trips and slips are some miss-happenings, occurred due to following reasons - unsuitable floor coverings, wet floors, uneven floor surfaces, changes

in levels, trailing cables, poor housekeeping, poor lighting, and etc. They may be causes risk for any store.

### 5. Stress, Terrorizing and Sexual Harassment

Associates in addition to customers might be in stress due to reasons such as, their pay-cheques, their jobs, their personal lives, co-workers behavior, dislike the physical environment, long commutes, health, hectic meeting etc. Doing work under stress is again a risk for retailer. Now a days, world is in distress from social unrest, riots and terrorism. Most of the time, whenever terrorists explode any place by any explosive means or involved in riots in public place, unfortunately retail stores become the target.



**Fig.1.9: Stop sexual harassment**

Sexual harassment is bullying or coercion of a sexual environment, or inappropriate promise in interchange for sexual favors. In most modern legal frameworks, sexual harassment is unlawful (Fig. 1.9)

### 6. Dangerous Equipment

Dangerous Equipment: In any store, mishandling of any dangerous equipment like box crushers and slicers of meat may be a cause of risk (Fig. 1.10 (a) and (b)).



**Fig.1.10 (a): Vegetable cutter**

Source: <https://bit.ly/2Phkbwf>



**Fig. 1.10 (b): Knife**

Source: <https://bit.ly/30CG9Lv>

### 7. Risks Associated with Moving and Storing Goods

Common cause of harm among associates is lifting and carrying in a retail store. How far weight has to move by working associates, its frequency, its stability, its shape, size, has to stretch to lift it by them involves risk. Carrying

goods (Fig. 1.11).



**Fig.1.11: Carrying goods**

Source: <https://bit.ly/2Zigbex>

It has also seen that cramped storage areas, unbalanced racking, poor planning of putting heavy loads on top shelves and unsafe ladders will increase the threat of injury.

### **8. Moving Vehicles in Crowded Areas**

It has been seen in metro or crowded cities that the transfer of goods from store for home delivery activities take place at working time or peak time on crowded roads. There is chance of accident causing injuries.

Online retailers do not have many expenses. Thus they need not make the same margin as physical retailers' do. This allows digital stores for charging cheaper prices (and in some cases actually makes more money).

### **9. Data Breaches**

Nevertheless, these thefts have had a major influence on customers. The customers feel insecure due to the possibility that their data might be stolen during shopping and this results in risk for retailer (Fig. 1.12).



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**Fig. 1.12: Data breaches**  
 Source: <https://bit.ly/2ZuLCqj>

### **10. Money Involved in Updating New Security**

Retailers are on targeted list for hackers, who use opportunistic attacks to acquire in, get what they need and quickly get out. For escaping or preventing, retailers are updating their system by installing expensive and latest anti-hacking software. But after some time again this new and expensive software would not work as hackers crack their security codes.

#### **IDENTIFY THE RISKS IN RETAIL STORES**

The right management of dangers faced by commercial enterprise at retail shops boosts competitiveness. The senior control team ought to view threat control as a method to help in making selections regarding the corporation's investments and its sustainability thereof. Hence, we should review the most common dangers faced by means of the retail shops, the auditor's function, and the sufficiency of internal controls to address such dangers.

#### **. A Decline in Customer Spending**

The decline in consumer spending is the first danger faced by retail shops, as it has a material effect on cash flows, which in turn influences the everyday



operations relating to purchases from providers and organizing of the daily duties of the enterprise.

## 2. Popularity Dangers

The retail region is characterized through direct contact with customers and the more serious problems for retail shops is when customers prevent others from shopping from those shops or view them negatively. Further, recognition dangers have multiplied because of social media and the internet. Hence, any shortcomings in consumer satisfaction may additionally effect a store's recognition and as a result its sales.

## 3. Extreme Opposition

Retail enterprises may face extreme opposition due to restrained barriers to access. Increasing competition may also hinder revenue growth. Opposition via product price reduction is a main element in consumer shopping decisions.

## 4. Delivery Chain Failure

Loss of goods for display is a sensitive issue for day-to-day operations and this may result from a failure in the delivery chain.

## 5. Online Purchasing

On-line shopping is the rising danger that could affect growth due to technological deficiencies. Smart phones play a pivotal role in on line shopping growth, as 17% of the respondents buy every week online whilst 28% select traditional retail shops (Fig.1.13).



**Fig.1.13: Online shopping**  
Source: <https://bit.ly/2ZvPzXE>

## CYBER SECURITY CHALLENGES

According to a recent research, data thefts have significant influence on consumer confidence. In case of major violation/breach, for example, the retailer experience a wide percentage drop in profit in the financial quarter after the breach occurs. Retailer should consider the high value of stolen credit

card data. Through online transaction this data can instantly start generating revenue for attackers, causing serious headaches for consumers.

In retailing, customers' bottom line is most important: If retailer holds customer data and by sharing this data with others, retailer is at risk of losing customers in future. It is also noted that damages like financial and reputation can be imposed on a retailer by a major security breach which can be so severe, and so destructive that it may not be manageable to attract the customers again.

Apart from the above list of security fears, others like direct robbery by random shoplifters through planned retail crime and deceitful associates as well as accidental loss and shrinkage of products pose a great threat to retailers. Digital issues are also of concern with high-profile outbreaks like card skimming and data robbery through wireless networks.

### Activities

**Activity 1:** Visit a retail store to identify risk.

**Materials Required:** Pen/pencil, notebook and checklist

**Procedure:**

1. Form groups of 4 students each.
2. Ask them to visit nearby retail store
3. Meet the retail store manager and greet him
4. Tell him the purpose of visit and take the permission for visit.
5. observe each and every section
6. Analyse what are the various risks that store might have, write it.
7. Meet the employees of retail store
8. Ask them about handling of risk
9. Also ask how to handle risk in different situations
10. List out the various situations/ conditions in which risk arises.
11. Note down in notebook and discuss with retail employees
12. Prepare a report on visit
13. Present in the class and submit to the subject teacher.

**Activity 2:** Prepare a chart on different types of risk and security issues in retail store

**Materials Required:** Pen/pencil, notebook, checklist

**Procedure:**

1. Form groups of 4 students each.
2. Ask them to visit nearby retail store.
3. Meet the retail store manager and greet him
4. Tell him the purpose of visit and take the permission for visit.
5. Discuss the following questions with retail representative
  - a) What are various factors to be considered in security and risks?
  - b) Each student prepares a report by mentioning these factors and discuss in class.



- c) What is more important – customer safety or employees safety? Why? Justify your answer.
  - d) What are the various aspects of security in opening a meat shop in a colony?
6. Prepare a chart based on your observation.
  7. Discuss with class mate and teacher.
  8. Present the chart in the class.

**Activity 3:** Learn how to handle cyber security challenges with suitable measures.

**Material required:** Pen/Pencil, drawing sheet, color papers, internet data.

**Procedure:**

1. Form group of four students each.
2. Assign duties with internet facility to all the three participants in each group in the following manner:-
  - a. First student write down at least 5 cyber security challenges facing today and submit to second student.
  - b. Second student categorize all the challenges on the color papers and submit to third student.
  - c. Third student write the solutions on how to handle cyber security challenges.
3. Fourth student has to collect the entire task completed by the remaining three students. And check it by using internet and discussion with teacher. After correcting mistakes all the four students sit together and discuss on cyber challenges.
4. After that take 10 color papers or color white papers in a square shape and write down name of cyber challenges and paste it on the drawing sheet.
5. Write down measures with pictures below each cyber security challenges.
6. All the four students work together to prepare the drawing sheet.
7. Give group presentation in the classroom and submit drawing sheet to the teacher.

### Check Your Progress

#### A. Fill in the Blanks

1. \_\_\_\_\_ can get a sense of risk by measuring a threat in the store.
2. Retailer as well as trainee associates ensure store safety and security from internal and external \_\_\_\_\_.
3. \_\_\_\_\_ is simply defined as the possibility of a negative outcome.
4. It is noted that \_\_\_\_\_ lighting may create difficulty in looking for retail store

5. \_\_\_\_\_ of customers nowadays is very common in the retail sector.

**B. Multiple Choice Questions**

1. Customer service associates should have to keep in mind a variety of factors when evaluating the safety of their store.
  - a) Fire Hazards
  - b) User friendly/Not the Mismatching
  - c) Air Quality
  - d) All of the above
2. There are different types of risks. They include:
  - a) Grievance
  - b) Lifting loads
  - c) Sprains and strains
  - d) None of them
3. Grievance arises due to
  - a) Customers long waiting time for purchasing
  - b) Disrespect the customer
  - c) Proper communication
  - d) While providing information
4. Associates may be suffering from
  - a) Sprains
  - b) Strains
  - c) Repetitive work
  - d) All of the above

**C. State whether the following statements are True or False**

1. The size of the store and the level of operations are not determining the level of security required.
2. Lifting load includes attacks, threats, harassment, and verbal abuse and can make them anxious and stressed.
3. According to a recent research, data violations significantly impact consumer confidence.
4. If retailer holds their data and by sharing the data with others, it must be close to his/her risk losing his/her customers in future.
5. In modern lawful contexts, sexual harassment is unlawful or illegal.
6. Retailer doesn't consider the high value of stolen credit card data.

**D. Short Answer Questions**

1. What is the meaning of risk?
2. Discuss the factors to be kept in mind when evaluating the security issues of store.
3. What are the types of risks?
4. Discuss the cyber security challenges in retail.

**E. Check Your Performance**

1. Demonstrate the security issues of retail store.
2. Make a chart on type of risk.
3. Presentation on cyber security challenges in retail.

## Session 2: Security Measures and Preventions

The only goal for retailers is to focus on selling their products while trainee associate has to understand and provide best services to the consumers or customers but they should also protect themselves and shop materials from any miss-happening. There are various ways of fraud and attacks in the retail industry. A security program should be very essential act of doing retail business for retailers. This program can include many elements such as, safe product delivery, store location, inventory and brand protection, data analysis and trending, external theft, internal theft, countless shoplifting techniques, types of merchandise and market demand, organized retail crime, credit card fraud, gift card fraud, counterfeit, misinterpretation of social media, travel risk etc.

In retail stores losses can be affected by many reasons and through variety of methods. Most of the losses occur in three categories; internal theft, external theft and through errors. There are various situation based modes to eliminate them. For example, to stop entry of shoplifter, retailers must be aware about the kinds of common shoplifting techniques, identify common shoplifters, and identify customers or consumers who exhibit peculiar behavior. Thus, retailer should be finding out the ways to spot a shoplifter.

In this session, we will discuss about identifying risks, security measures, preventions and policy on security.

**FACTORS FOR IDENTIFYING RISK**

Retailer/Associates must realize what measures are to be taken for the safety of staff. This varies according to the operations carried out on the premises of store and the organizational size.

The following are some factors to be considered for identifying risks:

- Type of retail business the retailer is doing
- Types of merchandise stored or sold in retail
- Retailers preferred working hours and range of these these hours' for opening retail store for the public.

- Number and categories of staff working in the premises and their hours of employment in retail store.
- Sitting arrangement of associates and location of the workplace in retail store.
- The physical characteristics of the premises and its surroundings which are considered as risky areas.
- The incidence of crimes in the geographical area where retail store exists
- For robbery/theft cases, retailer should know the past history of robberies of that workplace or similar workplaces in the geographical area.

In brief where-about of shops, tasks, customers and employees are to be taken care for identifying possible risks and accordingly security measures can be decided.

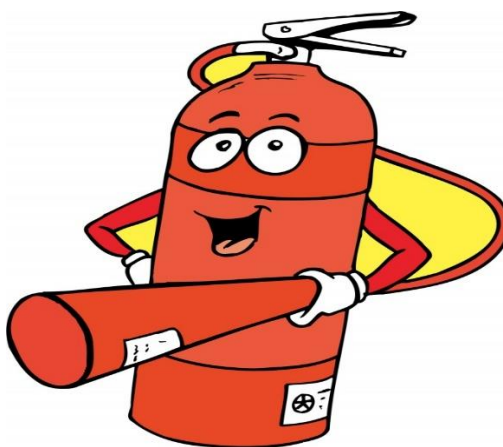
### MEASURES FOR SAFETY OF EMPLOYEES

Security measures for safety of employees, customers and other stakeholders are necessary in retail store. Main measures are given below :

#### 1. Fire Hazards

Customer service associates should ensure the possible preparation for facing any fire hazards. That may be done by keeping following points in mind –

- Always have fire extinguishers in the store and make sure that all associates are trained as to how to practice them.
- Routine check and inspecting of the fire extinguisher to verify that they function properly (Fig.1.14).



**Fig.1.14: Fire Extinguisher**  
Source: <https://bit.ly/2Pbb0gH>

#### 2. Be User friendly/Avoid Mismatching

Retailer should give jobs as per the skills and strengths of the employees. Some jobs require frequent or heavy lifting. Extended awkward positions or situations should not be given where the room temperature is very cold or hot for a long time.

### 3. Air Quality

The retailer should maintain good air quality in the retail store.

- Retail, wholesale and Departmental Store should install a mechanical system that cycles in fresh outdoor air and circulates it throughout the store, both in the main floor area and in any back rooms.
- Check properly whether mechanical air structure is functioning properly or not in the retail store by the retailer or associates. Retailer should also hire a professional person to fix whenever problems arise.

### 4. Inspection of store's premises

Retailer or associates should visually inspect their store's premises again and again to ensure that no dangers are apparent. Associates should make sure that spills are cleaned up properly and remove untidiness from their store's floor. If owner does not plan to stay in the store every day, then train few managers about what to do for keeping store's premises safe (Fig.1.15).



**Fig.1.15: Inspection of store's premises**

Source: <https://bit.ly/2KW:KJyx>

### 5. Natural Disasters

Retailer needs to take special precautions through not stacking inventory on top shelves where it can drop due to earth movement. If storms occur in the area, be prepared with a plan that allows him/her to alert customers immediately to any warnings. Retail store should have safe sub-room built under ground where associates and customers can wait during imminent storm. In case if associates and their customers or consumers are unable to leave their retail store till the natural disaster ends then they should have to keep safety kits which include non-perishable food items and water.

It should be pointed that location of retail store can determine what security measures retailer may want to take in circumstances of occurrence of natural

disasters. In some geographical locations of the country where frequency of natural disaster will be more e.g. Jammu and Kashmir, North-east Mountains, sea areas etc more care should be taken.

## 6. Crime

Associates should also be prepared to identify crime by taking measures like installing a proper security alarm system, locating surveillance cameras in various parts of their retail store and employing a security guard who can monitor their store during business hours.

## 7. Lighting

It is advised to keep good lighting always throughout the retail store's front end and in the stock rooms.

### PROTECTING ASSOCIATES AND CUSTOMERS FROM RISK

After identifying or assessing, the risks/dangers next stage is to develop prevention to protect associates and customers from the identified risks of injury and violent acts.

Some major risks and their preventions are noted here under:

**1. Specific Engineering and Work Practices:** These preventions include specific engineering work practices and controls to address identified losses. The description of this is given below-

- Generally it has been seen no single control or prevention will protect associates and customers. The tools listed are not intended to be a fit for all.
- To provide effective preventions to violence in store, the retailer may wish to use a combination of controls. The major risk of the death or severe injury to retail associates and customers is from robbery-related violence. An effective work program would include, but not be limited to, steps to reduce the risk of robbery.

**2. Engineering Controls and Workplace Adaptation:** Engineering controls remove the losses from the store's premises. The following physical changes in the premises can help to reduce violence-related risks or losses in retail store:

- Retailer or associates should improve visibility at their store's premises, as visibility is important in preventing robbery in two respects: First, associates ought to notice their surroundings, and second, persons outside the store, street view, trees or form of shades that a criminal might use to hide for robbery should be clearly visible.
- Associates should see that signs located in window pane should be either high or low to allow fine visibility into the retail store.

- Associates also ensure that the customer service and the cash register areas ought to be visible commencing outside the establishment. These shelves should be small enough to assure fine visibility throughout the retail store.
- Associate can get a more complete outlook of their surroundings by installing convex mirrors and two-way mirrors.
- Associates should maintain adequate lighting within in addition to outside the store to make the store less alluring to a potential shoplifter.
- Associate or retailer would also realize that the parking area along with the approach to the retail store should be well lighted during night-time. Associates also consider that exterior illumination may want upgrading in order to allow them to notice what is happening outside the retail store.
- Associates use drop safes (a drop safe is a slot or drawer that allows cash or documents to be put into the safe with no opening) to limit the availability of money to robbers. Employers use drop safes so that that the sum of cash in hand is limited.
- Associates or retailer install video scrutiny equipment and CCTV means closed circuit TV to prevent robberies. This may include video equipment. The video recorder used for the CCTV be supposed to be secure and out of sight.
- Posting signs so as to scrutiny equipment that is in use as well as placing the equipment in close proximity to the cash record may increase the efficacy of the deterrence.
- Associates should put height markers on way out doors to help eyewitness provide more complete view of attackers.
- Associates should use door detectors to alert them when persons enter the retail store.
- Associates can control access to the store by listening to the installed door buzzers. Associates use silent and personal alarms to notify police or management in the incident of a problem.

**3. Administrative and Work Practices:** Administrative and work practice preventions affect the way associates perform job. The following examples illustrate work practices and administrative procedures that can help to prevent incidents of workplace violence:

- Associate must integrate violence prevention activities into daily measures, such as security cameras, checking lighting, locks, and, to maintain work site readiness.
- Associates must keep a minimal quantity of cash in each register/cashbox, especially during evening and late at night hours of store operation. In some businesses, transactions with large bills can be prohibited.



- Associates should not carry business receipts unless, it is absolutely necessary.
- Associates should adopt proper emergency procedures in situation of a robbery or security breach.
- Associates should have access to working telephones in each work area, and emergency telephone numbers should be displayed properly.
- Associates adopt procedures for the right use of physical obstacles, such as enclosures in addition to pass through windows.
- Retailer should increase staffing levels at night, if retail stores with a history of robbery or attackers and specially if located in high-crime areas
- Associates should take precautions by seeing that lock doors used for the objective of deliveries and disposal of garbage when not in use. Also, it is desirable to the associates that do not unlock delivery doors until the delivery person is identified
- Associates should keep the doors locked before opening and closing time of business. Retailer establishes procedures to assure the safety of the associate whose duty is to open the store and close it.
- Retailer should restrict the areas of customer right of entry, reduce the hours of business operation, or close portions of the store to limit risk.
- Associate should adopt safety measures and policies for off-site work, such as deliveries.

#### 4. Preventions for Shoplifting

Retailer or associates should have to keep in mind the following points to control shoplifting:

- Associate must have to keep in their mind that merchandise should not be displayed at the entry or exit of the store.
- It is desirable to associates that do not allow the consumers or customers to transmit more items at single time to the trial room.
- Retailer should install CCTVs and cameras to keep eye on the customers. Associates should inspect that all merchandises have a security tag.
- Associates should ask individuals to follow security rules and keep carry bags at the security.
- Retailer must install a generator aimed at power backup in addition to avoiding needless black-outs.
- Associate must keep luxurious products in the closed cabinets.

#### **POLICIES FOR SECURITY MATTERS OR ISSUES IN RETAIL BUSINESS**

A well-defined policy is required to deal with security issues and be available to all associates and other staff members of the store. It should address:

- Identifying, assessing, minimizing, and monitoring risks; key control; protecting the premises; security of various valuable items, cash/drugs etc.



- Access to the premises; training and supervision of associates and other staff members on safety measures relating to security issues.
- Using and maintaining security equipments and ongoing assessment of risks and upgrades all in technology and business practices.
- Action to be taken in the incident of a theft or other issues and helping staff after a robbery or other issue.
- Liaisoning with the police in case of any crime happening in store's premises; and public relationship with the media.
- Security measures are effective only when associates follow and use instructions and preventions properly.
- There is a need of regular monitoring to ensure that associates continue to use proper work practices.
- Retailer is advised to give periodic, constructive feedback to associates. It helps to ensure that they comprehend the safety procedures and their importance.

### Activities

**Activity 1:** Visit a nearby store to observe the measures undertaken in security and follow the preventions for security risk.

**Materials Required:** Notebook, pen, pencil, and checklist

**Procedure:**

1. Visit a nearby store and observe each and every section.
2. Analyse what are the various types of risks and how these risks are prevented.
3. Ask the following questions:
  - a. Ask the security in-charge how frequently he/she checks the security instruments and modify their security policy.
  - b. Collect write-up on different losses occurred in different stores or prepare after visit and enquiry.
  - c. After analysing these losses, write a report what possible preventions measures could reduce these risks.
  - d. Discuss with your subject teacher and classmates.
  - e. Why preventions for security is necessary for any retailer.
  - f. What points should be in consideration in making a suitable security policy?
4. Write a report and discuss with subject teacher as well as classmates.

**Activity 2:** Draw a chart containing the policies for security matters or issues in retail business

**Material required:** Pen/pencil, notebook, checklist for visit, drawing sheet,

**Procedure:**

1. Make four groups, 5 students in each group.
2. Ask them to visit five different retail stores, departmental store, mall etc.
3. Meet retail manager and greet him properly.
4. Tell him the purpose of visit and take permission for visit.

5. Observe the whole retail store and try to find out the policies for security issues.
6. If don't find any written information, ask the manager about the retail policies about the security issues.
7. Prepare notes on observation
8. Prepare report on it and present the report in the class.
9. Compare all four groups outcomes/ reports
10. Present in the class and submit the report to subject teacher.

### Check Your Progress

#### A. Fill in the Blanks

1. A \_\_\_\_\_ program should be very essential act of doing retail business for retailers.
2. In retail stores losses can be affected by many reasons and through variety of \_\_\_\_\_.
3. Retailer must realize what \_\_\_\_\_ are to be taken for the safety of staff.
4. Trainee associates should ensure the possible \_\_\_\_\_ for facing any fire hazards.
5. It is advised to keep good \_\_\_\_\_ always on throughout the store's front end and in the room of stock.

#### B. Multiple Choice Questions

1. Which of the following is not the policy for security matters in retail business?
  - a) Monitoring risk
  - b) Product delivery
  - c) Training and supervision of associates
  - d) Action to be taken against theft during incident.
2. Most of the losses occur in following
  - a) Internal theft
  - b) External theft
  - c) Through errors
  - d) All of the above
3. The following are some factors for identifying risks
  - a) Retailer should identify the sitting arrangement of associates
  - b) Retailer identifies the physical characteristics of the premises

- c) Retailer investigates the incidence of crimes in the geographical area where retail store exists
- d) All of the above
4. Security measures for a safety of employees, customers and other stakeholders are necessary in retail store. Main measures given here under
- a) Fire Hazards
- b) Air Quality
- c) Avoid Mismatching
- d) All of the above
5. Associates should also be prepared to pinch crime by taking measures which may comprise of
- a) Installing a security alarm system
- b) Setting up surveillance cameras
- c) Hiring a security guard
- d) all of the above

**C. State whether the following statements are True or False**

1. Retailer should be finding out the ways for spotting a shoplifter.
2. Security measures for a safety of employees, customers and other stakeholders are not necessary in retail store.
3. Retailer should install CCTVs and cameras to keep a close watch only on the customers.
4. Always have fire extinguishers at right place in their store and retailer must make sure all associates are skilled and trained in how to use them.
5. Retailer should give jobs as per their requirement which include those jobs that require frequent or heavy lifting.

**D. Short Answer Questions**

1. What are the factors of identifying risk?
2. What are the measures to undertaking the security?
3. State the preventions for security and risk.
4. Describe the policies for security matters or issues in retail business.

**E. Check Your Performance**

1. Demonstrate the factors for identifying risk.
2. Prepare a chart on measures undertaking in security.
3. List out preventions for security and risk in retail store
4. Spell out policies for security matters or issues in retail business.

### Session 3: Reporting Security Risk

In retail, carefully applied security measures clearly reduce the risk at retail stores. But retail safety and loss prevention also covers risk areas in retail. With the recent surge within high profile data violations, retailers are acutely alert of the need in the direction of safeguard against a possible safety breach. However, the realism is that in the present digital age, it is difficult to stay ahead of every security threat.

#### COMPANY PROCEDURE FOR REPORTING SECURITY RISK

In many retail stores, theft, robbery and shoplifting incidents take place regularly. The three important areas of concern where any associate can report to concerned authority like vendor theft, customer theft and employee theft. It is the duty of managers or supervisor's duty to carry out regular audits of these reports to prevent losses in retail store.

In the following session some issues are discussed on reporting such as how to investigate and report theft if any by employees, reporting on robbery and reporting by equipment as alarm etc. The currently described retail hazard control research earlier tried to gauge whether and how retail chains segregate stores into danger and vulnerability bands for greater precise shielding help.

**Study Method:** Loss prevention executives from 21 agencies in six categories (mass merchants, department shops, drug stores, garb stores, area of expertise stores, and grocery and dollar stores) finished surveys

**Results:** Almost all the shops we talked to apply a few methods and records to evaluate every store's relative risk and reporting.

#### VARIOUS ISSUES ON WHICH REPORTING IS NECESSARY

- In retail stores the associates implementing various security measures report in manual software or through modern policies/ technical tools. The following are several issues where reporting is necessary:
- Robbery
- Incorrect price signs
- Employee theft
- Unattended price gun
- Unlocked security fixtures
- Known shoplifters
- Security breaches
- Open showcases
- Empty packages
- Mismarked merchandise
- Uncooperative security equipment
- Loose bags or gift boxes accessible to customers
- Prohibit vendors from going into back areas
- Suspicious customers

- Merchandise without security tags
- Employee access to silent and/or audible alarm
- Inoperative Video surveillance systems that capture recorded footage and provide real-time monitoring
- Issues for potential risks in store and its warehouse –
  - Wrong quantity taken for filling an order
  - Wrong product taken for filling an order
  - Wrong stocking location for the products filled
  - Stock put away in the incorrect bin location
  - Confused units of measures
  - Errors in data entry
  - Damaged material mixed with good stock
  - Not maintain record properly of material movement

All the above points are necessary for the safety of retail shop. Above all other issues that need to be considered for reporting.

### **WHAT TO DO IF ASSOCIATE CATCHES SOMEONE**

In most cases, associates must pause till a suspected shoplifter has passed cash register or through door before anyone can be question it. At that point, questions rather than direct allegations may be more productive and less inflammatory. The following points should be kept in mind when any associate catches someone:

1. Associates should know the laws regarding the apprehension in addition to prosecution of shoplifters.
2. Associate generally must be capable to testify that someone taking the merchandise with aim to steal, prove so as to come from the retail store, and then verify that it left unpaid.
3. Associates should take precaution of those laws that customers also have rights for protection against charges to false arrest or allegation.
4. Local police department, a legal representative or some other should provide with this information.
5. Associates should note that the task of catching and holding a suspected shoplifter as far as the police arrive is not a simple task. It is advisable that associate should learn how to do work in pairs and use good judgment.
6. Associate should have courtesy as well as capability to know-how to give a fine description when talking to the police, beginning by gender, race, height weight, clothing, facial, hair, face marks and other characteristics.
7. Associates must know how to make follow-up on an arrest of shoplifter.
8. Associates should realize that just like loyal customer visits again, the shoplifter also may visit as customer. Like our good customers, shoplifter will be back again in the store if they get items what they came in for.

### **REPORTING ON SECURITY BREACHES INVESTIGATE THE SITUATION IMMEDIATELY**

If a security violation occurs an associate in addition to the retail store manager is responsible for it. By reporting these safety breaches, the associate can ensure that reporting is dealt with promptly. This improves the associate's ability to control harm and gives an opportunity to examine the situation immediately that makes it more probable that officials can collect useful evidence quickly.

### REPORTING THROUGH EQUIPMENTS

There are several security measures which can be used to inform or alert the staff or customers. Some of them are listed below for reporting risk security:

- **Electronic Article Surveillance (EAS):** Basically it is an electronic tag that must be removed or de-activated at the check-out counter before the item leaves the store front. This means if any customer or employee takes the product out of the store with the tag on it the sensors alarms the detection beep at the store exit counter. Associates must remove these tags only by removal equipment and not by hand or with ordinary tools.
- **Closed Circuit Televisions (CCTVs):** This form of retail security is the most commonly used in the world. It is a network of cameras installed at key locations (least secure areas) within the store connected to a central television. These cameras are fixed or can be rotated. If any unethical lifting or misbehavior takes place in the store, associate can see the recording of footage and can report to authority. Shoplifter can also do cheating by covering these cameras with an inverted transparent dome or cloth so that the direction in which the camera is facing, is not visible to anyone. CCTV camera with screen (Fig. 1.16).



Fig.1.16: CCTV Camera

Source: <https://bit.ly/3224JWc>

- **Radio Frequency Identification (RFM):** Radio Frequency Identification is indeed a powerful application in retailing industry as it enables access control and security. It helps in migration from a passive security model

to one where active monitoring is made available to the retailer in real time mode. For example - An RFID system can authenticate the kind of laptop that can be carried by persons A, B, C can enter a premises at a point in time. If there are some violations the system will raise an alarm etc. Further, associate can catch that person after listening to alarm sound.



**Fig.1.17: Electronic signature**  
Source: <https://bit.ly/30EvAYm>

- **Digital Signatures (for online retailing):** The usage of digital signatures using PKI (Public Key Infrastructure) as well as encryption technology for vendor/suppliers management, though expensive will go a lengthy way in enhancing online security specific to e-commerce transactions. This technology can help customers and also retailer and can save from security breaches. How to use Electronic signature (Fig. 1.17).

### REPORTING A ROBBERY

It is always better if store has a procedure to be followed for dealing with theft. These security procedures ought to be strictly used at all times.

For responding robbery if the retail store does not require a policy and/or procedure. Associate should decide on their own if faced with such circumstances. The following are the areas on the path to be considered when developing a theft procedure.

- Associates might consider /adapt these to suit their store situation such as –
- Initial response to the offender's demands
- Action should be taken in response to the demands
- Control staff and customers during the incident
- Actions should be taken immediately after the offender leaves the premises



- Reporting procedures for police and other parties

When associates have developed or tailored a robbery response practice they will have to correspond with their implementation plan to every store staff. This incorporates the subsequent step by step process:

- Associates must communicate the plan to the individuals affected by it
- Associates must maintain the plan during the stipulated period
- Associates must monitor the effect of the store losses and staff activities.

### REPORTING ON SHOPLIFTING

In reporting on shoplifting, associate should be keep the following points in mind (Fig.1.18):

- Associates should never give accuses or use discriminatory language (age, race, sex, etc).
- Associates should not make judgments about why customers have stolen.
- Shoplifting is a crime and it must dealt according to the law.
- Associates are advised that in time of filing the case stick to the facts and keep all answers simple and clear.
- Associates describe the following facts:
  - Where it happened?
  - When it happened?
  - What they saw?
  - What they did?
  - What happened? then
  - What was said?



**Fig.1.18: Shoplifting**

Source: <https://bit.ly/2PhLMNT>



- The concerned authority or supervisor/security officer will only hold a customer and call the police when the associate is sure that it has been committed.

The above reporting can be depicted through the following example:

**Legal Position:** A buyer can refuse to check up formality. Associate absolutely certain about the incidence that buyer has committed an offence in order to arrest or search the shopper's possessions.

**Store Procedures:** The associate should not under any circumstances enter into arguments with the customer over a wish to check bags or a suspected theft. Associates in general are not powerfully controlling the customers for checking or keeping customer bags.

**Action:** If any dispute rises the associate should instantly summon the retail storesupervisor. The Supervisor will explain the situations under which the customer comes into the retail store. If the customer repeatedly refuses to obey for checking, then manager may query the customer to leave the store and not return or call to Police station/ officer.

### Activities

**Activity 1:** Visit a retail store to know the various situations breaching security and equipments for reporting security risk

**Materials Required:** Notebook, pen, pencil, and checklist.

**Procedure:**

1. Visit the mall which is nearby to you
2. Observe each and every retail store
3. Ask for various situations breaching security.
4. Analyse what are the various risks sensor or security equipments they install
5. How these equipments may started/operated in emergency to cope up the situations or they alarm on different situations, write it.
6. Collect the write up on different losses occurred in different stores, if not available draft taking information from the shop.
7. After analysing these losses, write a report what possible emergency instruments/technology can reduce these risks and
8. Prepare a report and discuss with subject teacher as well as classmates.

**Activity 2:** Role play on how to report security breaches.

**Materials Required:** Notebook, pen, pencil

**Procedure:**

1. Select 5 students from the class at one time of activity.
2. Ask them to conduct a role play on security matters or issues in retail store.
3. Give them any situation regarding security issues or matters in retail store.
4. Ask them to play different role by students.

5. 1<sup>st</sup> student can play a role of Retail Associate.
6. 2<sup>nd</sup> student can play a role of customer.
7. 3<sup>rd</sup> student can play a role of thief.
8. 4<sup>th</sup> student can play a role of sales person.
9. 5<sup>th</sup> student can play a role of another customer.
10. Create a situation in which customer (theft) stole some goods from the store.
11. Retail associate caught the customer (theft) with the aid of other customers.
12. Ask the other students of the class to note down the issues related to the security like:
  - a) Why reporting on security is necessary for any associate working in store.
  - b) What points should be in consideration in catching a shoplifter?
13. Discuss with subject teachers and classmates.

**Activity 3:** Demonstrate the action when associate catches someone.

**Material required:** Notebook, chair and table, some items like flower pot, stationary items, decorative items etc.

**Procedure:** Make a group of 4 students.

1. First student perform the role of associate, second student perform the role of shoplifter, third student perform the role of security officer and fourth student perform the role of police.
2. Arrange table and chair like a shop. Associate is writing something on a paper and Security officer is taking rest.
3. Suddenly a shoplifter reached to the shop and theft some costly items i.e. flower pot, some decorative items from the shop.
4. When shoplifter ready to go out from the shop, associate caught him/her near the shop.
5. After that associate report to the security guard/officer.
6. Security officer say sorry to associate due to irresponsibility. After that he/she ask to the associate when, where, how the shoplifting happened. The entire incident associate described to the security officer, after that security officer do inspection. And decide in what way punish thief who is a customer of their shop.
7. Prepare a report of shoplifting by the associate to submit it to the sales supervisor.

**Activity 4:** Simulation activity on catch robbery in store and how to report to sales supervisor.

**Material required:** Pen/Papers, diary, tables and chairs.

**Procedure:**

1. Arrange table and chair like a shop.
2. One student performs the role of associate in the store; second student performs the role of theft and third as a sales supervisor.
3. Associate caught theft in the store by stealing precious items of the store.

4. In what way associate behave with robbery in their own way if the retailer does not have policy or procedure of it? Make a plan and act it in the classroom.
5. Associate prepares a robbery report and submits it to the sales supervisor.
6. Both associates and sales supervisor discuss the situation and handle it.
7. Write short report and submit it to the teacher.

**Activity 5:** Prepare a chart on mechanism for reporting the security risks.

**Material required:** Pen/Pencil, color, drawing sheet.

**Procedure:**

1. Take a drawing sheet and divide it into four columns.
2. In the first column write down actions taken by associate when he/she caught thief.
3. In the second column write down points of shoplifting to report sales supervisor.
4. In the third column write down a report to sales supervisor on robbery happened in store.
5. In the fourth column write down report on security breaches.
6. Highlight main points of the report. Prepare a neat and clean chart and submit it to the teacher.

### Check Your Progress

#### A. Fill in the Blanks

1. In retail, carefully applied \_\_\_\_\_ measures clearly reduce the risk at retail store.
2. It is the \_\_\_\_\_ responsibility to carry out regular audits of these reports to prevent losses in retail store.
3. Associates should know the \_\_\_\_\_ concerning the uneasiness and prosecution of shoplifters.
4. If a security \_\_\_\_\_ occurs an associate's with the store manager are responsible for it.
5. It is probable that store has a process for dealing with \_\_\_\_\_.

#### B. Multiple Choice Questions

1. The following are some issues where-in reporting is necessary-
  - a) Robbery
  - b) Employee theft
  - c) Security breaches
  - d) All of the above
2. Issues for potential risks in store and its warehouse

- a) Products packed from the wrong stocking location.
  - b) Stock pack away in the wrong bin location.
  - c) Confused or misrepresented unit of measures.
  - d) All of the above
3. Which is not the security measures for reporting risk security
    - a) Electronic Article Surveillance
    - b) Physical Signatures
    - c) Closed Circuit Televisions
    - d) Radio Frequency Identification
  4. In reporting on shoplifting, associate should be keeping the following points in minds. Associates:
    - a) use discriminatory language
    - b) never accuse
    - c) do not make judgments about why customers have stolen
    - d) do not hide facts while filing case
  5. The following section to be carefully considered when developing a theft procedure. Associates might consider/adapt these to suit their store situation such as:
    - a) Initial response to the offender's demands
    - b) Action should be taken in response to the demands
    - c) Reporting procedures for police and other parties
    - d) All of the above
  6. The reporting can be depicting through the following example
    - a) Legal Position
    - b) Store Procedures
    - c) Action
    - d) All of the above

**C. State whether the following statements are True or False**

1. Security procedures are taking a lot of time period and energy to develop and due to their significance they should be strictly followed at all times.
2. When associates have developed a robbery response process they will not need to communicate their execution plan to all the store staff.
3. Associates are advised that in time of filling the case, stick to the facts and keep all answers simple and clear.

4. The associate should under any situations enter into an argument with the customer over a wish to check bags or a suspected theft.
5. If any dispute rises the associate should call in the store supervisor after the dispute.

#### D. Match the Columns

	Column A		Column B
1	Radio Frequency Identification	A	must be removed or de-activated at the check-out counter
2	Closed Circuit Televisions	B	for online retailing
3	Digital Signatures	C	enables access control and security
4	Electronic Article Surveillance	D	cameras installed at key locations

#### E. Short Answer Questions

1. What are the important points to be kept in mind when associate catches a customer in shoplifting case?
2. Why security equipment is important today in protecting retail store safely?
3. Discuss procedure of reporting in robbery case in retail store.
4. Explain the different factors should be kept in mind when associate reports on shoplifting.

#### F. Check Your Performance

1. Demonstrate how associate catch a customer in shoplifting case.
2. Prepare a chart on security equipments used in current type.
3. Presentation on procedure of reporting in robbery case in retail store.
4. Spell out the different factors should have to keep in mind when associate reports on shoplifting.

### Session 4: Company Procedure for Preventing Security Loss

Adaptation and auditing is an ongoing process. As retailers begin on the way to use more easy, high-tech return loss-prevention systems, attackers in turn devise various ways to either keep away from or to take advantage of them. A fact most store retailers understand and accept it, "As technology evolves," this will happen.

In all facets of big business, adequate record-keeping can be a powerful tool for reducing court case risk. In the loss-prevention framework, retailers should give vigilant thought to the kind of paper work so as to prepare when a purchaser or customer is captured. Generally, associates are required to create a periodical written record of every incident, required to provide the narrative description of this process by which all of them came to observe in addition to hold the customer. Those reports stored in a central location, should be

reviewed by supervisors in favor of sufficiency and identification of the deliberate unintended employee misconduct.

A business enterprise that takes care of documents and its loss-prevention activities must review and evaluate documentation on a cyclic basis.

The media is already warning shoppers of a shift in policy as a consequence of fraud losses, and suggesting ways to avoid problems at the stores.

Accept strict rules to prevent losses. Do auditing time to time for loss prevention and to activate safety devices in a systematic and objective manner. Retailers can stay one footstep ahead of attackers, and protect the store. Retailers are also advised to invest on training and awareness programs to all associates for the objective of loss prevention. They need to be trained as to how to activate/deactivate security devices and retailers should announce a reward program for associates who report unfair activities.

### **MEANING OF AUDIT**

Once the loss prevention programmes have been defined and implemented by retailer. Associates conduct an audit programme which serves as retailer “watchdog” to verify and maintain fulfillment of audit activities in the field.

Audit programme assumes a certain degree of policy deficiencies. The concept would exist merely to reward, not to correct. The objective of audit is to find out the significant deviations from standards.

### **AUDITING IS NECESSARY FOR VARIOUS ISSUES ON LOSS PREVENTION**

Before auditing loss prevention policy, following key points should be kept in mind:

- If retailer/associate is a shoplifter what would he/she steal?
- Highly desirable new products are in stock.
- All displays must be reloaded and observed properly.
- All cabinets/internal doors must be locked and secure.
- All high value products must have security tagged.
- Security gates must be working properly.
- Is the store CCTV working properly?
- All stores branded shopping bags must keep in a secure area.
- Is the de-tagger secure?
- Associates must use empty display boxes for high risk products, e.g. display of highly expensive mobile phone set empty boxes in place of real mobile set.
- Associates do regular spot checks of high risk products and it should be included in routine work.
- Associates do not overstock high value items on the shop floor.
- Retailer should allocate areas of responsibility to associates and other staff members (Fig. 1.19).



**Fig.1.19: Auditing**  
<https://bit.ly/2LgXH9E>

### **GOALS OF AUDIT AND PROCESS**

The following tips should be noted when team members of store or management in the auditing process:

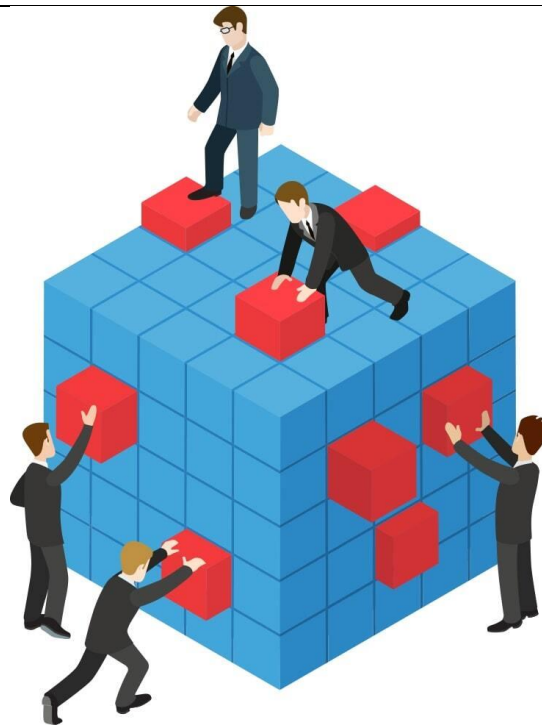
- They uncover valuable information about a loss
- They should ensure that those providing feedback comprehend the importance of their role
- Retailer creates an atmosphere in which associates has freedom to give feedback and involving them in process of auditing.
- By auditing multiple store locations, lessons learned from each can be leveraged across retailer's business by collecting and disseminating information to all locations that, creating a wide set of solutions for store.

### **TEAM MEMBERS AND THEIR ACTIONS**

**1. Actions:** In auditing the following actions should be taken by retailer-

- Retailer should audit the procedures and systems that contributed to the loss and take suitable actions so that in future the losses can be minimized.
- Retailer should provide the opportunities for employee feedback via informal discussions and/or confidential surveys.





**Fig. 1.20 Team members and their actions**

Source: <https://bit.ly/2NEAkJ>

## 2. Involved Team Members

The retailer should involve the following members in his team (Fig.1.20) for the objective and purpose of auditing–

- Executive management person such as CEO and/or CFO
- Head of merchandising and operations, who will provide in store perspective
- Head of loss prevention and internal audit, Head of distribution, who will provide insight into shrink before product reaches the store
- Select the members of retailer’s executive team
- Schedule regular monthly meetings
- Set the agenda, which should include:
  - Retailer develops on-going action plans to reduce shrink.
  - Retailer evaluate results of action plans
  - Retailer maintains a list of common shrinkage-causing factors
  - Retailer communicates findings across the enterprise

### **IMPORTANT POINTS TO BE CONSIDERED WHILE PROVIDING TRAINING TO ASSOCIATES ON AUDITING PREVENTION OF LOSS IN STORE**

The retailer should consider and keep in mind the following points while providing training to associates -

1. Training ensures competence so that his/her associates are able to meet retailer's expectations. Also, if a task is abstract, it would not get done without training.
2. Retailer should also consider that in person training is best. If that is not possible, web conference tools are quite adequate training. Additionally, if possible, smaller class sizes of 5-10 trainee participants will be more attentive.
3. Retailer wants associates to use limited number of exception reports – i.e. simple reports targeted at high-risk transactions. Review each report, its purpose, customers or employees behavior to search for in the video clip.
4. Retailer should also consider that hands-on learning experience is most effective.

### **FIVE ELEMENTS OF LOSS PREVENTION**

When in field operation, the auditing of loss preventions has five elements as follows: (Fig. 1.21).

1. Physical security of the location.
2. An audit of the cash control procedures
3. Procedural review
4. Utilization of the report to challenge unusual register transactions; and
5. Overall merchandise standards on selling floor and in the stockroom.



**Fig.1.21: Five Elements of Loss Prevention**

### **SHUT OFF SECURITY DEVICES OF RETAIL STORES**

When store's opens till the closing time, it has been seen that all the security devices are on. At the time of closing the store, associates should take the following precautions:

- All the devices except CCTV, magnetic EAS etc. should not be deactivate as in case of theft in night time CCTV can record the attackers' face as well as their tricky actions.
- Magnetic EAS can give alarm so that security guards who are outside the store can be alerted, promptly come and check the unwanted incidents.
- Associates can switch off other security devices using the buttons on the devices.

### **Points to be considered while operating and deactivating security devices are as follows:**

- Electronic article surveillance (EAS) is a technological method for preventing shoplifting and pilferage of material from retail stores.
- Associates involved in security committee tags special label/bar code and magnetic tags to secure merchandise.
- For several years Magnetic EAS (Electronic Article Surveillance) systems has been popular in retail stores to protect items which are not sold or taken by shoplifters.
- These systems emit magnetic fields to identify tags or labels that comprise polarized magnetic material.
- The label and tags are making inactive at the point of sell by making contact with a magnetic pad.
- As associates stick some magnetic tags, and as system contains magnetic materials, it may interfere with point of sale terminals and computers software.

It has been seen that the sensors at exit may be activated when metal objects pass. Associate should take precaution in this case because sometimes customer embarrassment is the result if the labels or tags are not deactivating after the merchandise is sold.

Unfortunately, even though store retailers spend more time and energy for the loss prevention strategies as well as technologies, petty criminals are often skilled for defeating these measures.

### **Here are just a few of the means that offenders can bypass electronic article surveillance:**

- Some attackers indulge in disarming RFID tags by simply making a slit in them.

- By waving a strong magnet close to articles' tag, electro-magnetic strips can be disabled.
- It is also be seen that less sophisticated thieves who have been identified to use the previous trick of sewing hidden pockets into their clothing to improve merchandise.
- From searching through websites like Google, anybody can find many online videos that give you an idea about customers using freezers, rubber bands, screwdrivers, and other hardware to get free of dye packs from clothing.
- Retailer should realized that many companies also manufacture and sell their own security tag detaching keys, which often make their way to auction sites.
- It has been seen that smart thieves also test the efficacy of certain stores' EAS devices.
- It is also seen that many general credit cards also contain RFID chips that thieves are capable to scan with no even having material possession of the card.
- In today's environment of digital economy and development of latest technology, at the well-liked department stores in addition to malls, sophisticated shoplift have been identified to install ATM "Skimmers" which capture personal data and credit card.

Associates also see and check that it is becoming increasingly common in favor of petty thieves in the direction of use self-checkout machines to steal by misrepresenting substance, scanning a lower-priced item or failing to scan them.

It is also being happened that former retail employees know the loop holes of last organization and can without difficulty be bypassed after doing some nuisances.

However, if store retailers are intelligent enough about their loss avoidance strategy, they explore best practices counsel by experts, train associates properly and implement an advanced video surveillance system boosted by analytics and big business intelligence, their hard work are far more possible to deter potential shoplift and disarm associates who are taking into account using their inside information for financial gain.

## Activities

**Activity 1:** Visit a retail store to know how to make inactive security devices.

**Materials Required:** Notebook, pen, pencil, and checklist

**Procedure:**

1. Visit a store nearby your home
2. Search the latest security devices used by Indian retailers
3. Find out any barriers which can be faced by Indian retailer by installing and using these devices.
4. Checkout the different security devices installed in it.

5. By taking the permission from concerned officer,
6. Ask how they work and how they deactivated.
7. Write a report on it and discuss in class with your subject teacher and classmates.

**Activity 2:** Prepare Chart on the important points should have to be keep in mind while training on preventions of losses in retail store.

**Materials Required:** Notebook, pen, pencil, and checklist

**Procedure:**

1. Make groups of 5 students each.
2. Ask them to visit retail store
3. Meet the manager and greet him
4. Tell him the purpose of visit and take permission for visit
5. Meet the sales associate and ask to him about the training on preventions of losses
6. What actions they take while preventing from the loss
7. Also ask about the auditing of losses
8. Make a report on visit.
9. Discuss in class and submit to subject teacher.

### Check Your Progress

**A. Fill in the Blanks**

1. Adaptation and \_\_\_\_\_ is an ongoing process.
2. A business enterprise takes care to document its \_\_\_\_\_ activities.
3. By \_\_\_\_\_ loss prevention and deactivating security devices pinpoint deceptive activities in a systematic and objective manner.
4. Retailers can stay one stage ahead of \_\_\_\_\_ and protect the store.
5. Train how to activate/deactivate security \_\_\_\_\_.
6. Retailers should announce a \_\_\_\_\_ program for associates who report deceitful activities.
7. Audit programme assumes a certain degree of policy \_\_\_\_\_.
8. Retailer should allocate areas of \_\_\_\_\_ to associates and other staff members.

**B. Multiple Choice questions**

1. Before auditing loss prevention policy, following necessary points should have to be keep in mind

- a) If retailer/associate is a shoplifter what would he/she steal?
  - b) Highly desirable new products are in stock
  - c) All displays must be reloaded and observed properly
  - d) All of the above
2. The following points should be notified when team members of store or management in the process of auditing:
- a) They uncover valuable information about a loss providing feedback
  - b) understand the importance of their role
  - c) Freedom to give feedback and involving them in process of auditing.
  - d) All of the above
3. The retailer should not involve the member in his team for the purpose of auditing:
- a) Executive management person such as CEO and/or CFO
  - b) Head of merchandising and operations.
  - c) Store operation assistant.
  - d) Head of loss prevention and internal audit.
4. The auditing of loss preventions has elements as follows:
- a) Physical security of the location
  - b) An audit of the cash control procedures
  - c) Procedural review
  - d) All of the above
5. In case of closing the store, associates should take following precautions:
- a) All the devices except CCTV, magnetic EAS etc. should not be deactivate as in case of theft in night time CCTV can records the attackers' face as well as their nuisances
  - b) Magnetic EAS can give alarm so that security guards who are outside the store can be alert, promptly come and check the incidence.
  - c) Associates can off other security devices by switched off buttons of them.
  - d) All of the above

**C. State whether the following statements are true or false**

1. Associates are required to make a periodical written record of each incident.

2. Retailers advised not to invest on training and awareness programs to all associates for the purpose of loss prevention.
3. The purpose of audit is to determine the significant deviations from standards
4. They should ensure that those providing feedback understand the importance of their role.
5. Associates should not involve in security committee tags special label/bar code and magnetic tags to secure merchandise.
6. Associates cannot off other security devices by switch off buttons of them.

#### **D. Short Answer Questions**

1. Why auditing prevention loss is necessary activity of any retailer for his/her store?
2. What are the various issues or matters on loss prevention where reviewing and auditing is necessary?
3. Discuss important points that have to be keeping in mind while providing training to associates on prevention loss.
4. Explain how to deactivate security devices of stores.

#### **E. Check Your Performance**

1. How to check the auditing prevention loss is necessary activity of any retailer for his/her store.
2. Demonstrate the various issues or matters on loss prevention where auditing is necessary.

Spell out the points that have to be keeping in mind while giving training on loss prevention.

PSSCIVE Draft



**MODULE 2****LOYALTY SCHEMES FOR CUSTOMERS****Module Overview**

In the era of escalating competition and increasing options, the chances of the customers switching from one option to other have also increased. In such a situation, companies aim to convert their customers into 'loyal customers'. It is much profitable to maintain and retain a customer rather than making a new customer. The retained customers are the loyal customers. They repeatedly buy similar brands or buy from same store. Loyalty programmes help a company to successfully retain customers.

Loyalty programmes results in more frequent customer visits and heavy purchasing. Thus, we can understand that increase in profitability is single of the resultant of loyalty programmes. Loyalty programmes include monetary benefits in the mode of discounts, cash coupons and other benefits such as gifts and prizes on repeat purchases.

It is very essential to understand the customer requirements to design a successful loyalty programme. Focusing only on single factor in faithfulness programmes such as discount can lead to failure of the programme. A successful loyalty programme leads to increased market reputation whereas a failed loyalty programme may lead to 'lost sale' forever.

This unit entitled 'Providing loyalty schemes to customers' aims at explaining the overall execution of loyalty programme schedule in the retail sector.

**Learning Outcomes**

After completing this module, you will be able to:

- Describe the loyalty schemes goals, features, benefits and sources of information.
- Describe the mechanism for propagation of loyalty schemes.
- Explain the procedure of membership drive for loyalty schemes.
- List the components of customer relationship management (CRM) and its impact on sales.

**Module Structure**

Session 1: Loyalty Schemes

Session 2: Propagating Loyalty Schemes

Session 3: Membership Drive for Loyalty Schemes

Session 4: Customer Relationship Management

## Session 1: Loyalty Schemes

### MEANING OF LOYALTY SCHEMES

Loyalty is a phenomenon of being devoted or faithful towards a cause, relationship, group or person. Customer loyalty is explained as a quality of being faithful towards a specific brand or store due to various personal reasons.

Companies and retail stores launch loyalty programmes to prevent customers from switching to the competitor's brands or stores. It is very significant to entice customers to return to the store for repeated purchase. Loyalty programmes are the rewards or benefits offered to the customers on being dedicated purchasers from the store. In simpler terms, loyalty programmes involve the exclusive products, discounts or promotions offered by the company to the customer for being engaged with the company.

The customer gets into a steady relationship with the brand/store through loyalty programmes. These customers become loyal customers for the store. Customers become loyal to any brand or retail outlet because they are satisfied with the service, its convenience or performance, or simply familiarity and comfort with the brand.

### GOALS OF THE LOYALTY PROGRAMME

Customers do not get attracted towards the loyalty programmes only for discounts. Thus, it is very important to understand customer's requirement before designing the loyalty programme of the store. The basic objective of the loyalty programmes should be very clear. The goals of the loyalty programme are presented in the following (Fig.2.1).



Fig. 2.1: Goals of Loyalty Programmes

**TYPES OF CUSTOMER LOYALTY PROGRAMMES**

Customers earn various types of rewards under the customer loyalty programme in the store retail industry. These can be financial or financial in nature. Some of the important loyalty programmes are discussed below:

<b>Loyalty Programme</b>	<b>Feature</b>	<b>Pros</b>	<b>Cons</b>
Rebate /Cash back	Customer earns money back from the prior purchases and can redeem them after a certain time period	It is easy to explain to the customer Customer derive value from this type of offer.	May be expensive for the company May not attract infrequent buyers
Discount Programme	A certain percentage of amount is deducted from the overall bill or on a certain product	There is instant fulfilment It is easy for customers and companies	Margin of the company gets reduced Gives an impression that initial prices were high, also provides benefits to infrequent buyers
Club or Punch card Programmes	Buy 3 and get 1 free offer Make membership card and get privilege points	It is easy for customer to understand. Makes customer a permanent member by issuing card	Carrying card is necessary to avail benefits. Customer might punch in cards for multiple buyers and use points alone.
Point Programme	Reward points are given to the customer which he/she can use for purchase in future	Easy to understand by the customer Price discounts not required	Customers have to be reminded for usage of reward points There is no instant fulfilment of this offer
Tier	Same as reward points but customers can upgrade their status such as gold class customer and	Customers purchase more to avail facilities of higher class	Companies might have to lose on their margins.

	platinum class customer		
Free Shipping	Free delivery is provided to the customer. Generally followed by the e-commerce companies for example, Amazon and Flip kart	Customers find it attractive as saves their cost of travelling and courier	Companies have to compromise with their margins
Free Gifts	Providing additional gifts to the customer on the buying of certain product or above certain bill amount	Customers find it attractive Instant fulfilment of the reward offer gives more customer satisfaction	Companies have to compromise on the margins
Flexible return policies	Providing free return period. Customers can return their purchased products without any hassle within the given time. Various e-commerce companies are using this option for e.g. 30 day return policy of Home shop 18	Customers, especially who shop online, have greater satisfaction as they can try and then return the product in any problematic situation.	The forecasting of the company can be distorted. Sometimes customers return the products without any valid reasons too.
Free services	Providing free after sales service for purchase of product	Customers get more satisfaction as they save on maintenance cost	Companies have to incur extra expenditure/ loose on their margins
Auto-Upgrade	Upgrade the status of the customer above a certain bill amount	Customers draw psychological satisfaction	Carrying card is necessary to avail benefits

	It can be considered as a part of tier system	through up gradation offers	Customer might punch in cards for multiple buyers
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### FEATURES OF A GOOD CUSTOMER LOYALTY PROGRAMME

With increasing competition, every company is offering some or the other type of customer loyalty programme schedule for attracting the target customer. In such a situation it is a challenge to attract, retain and engage the customers in one's reward programme. To ensure continuous customer engagement following features should be present in the loyalty programme (Fig.2.2).

1. **Easy to understand:** Customers should find it easy to use and understand. Employees should be comfortable in integrating the programme with the system.
2. **Realistic:** The rewards system should be meaningful and realistic. It should offer substantial tangible benefits to attract customers.
3. **Data Based:** The loyalty system should be data driven. This would help to convince the customer about the benefits which is accruing from the purchases.
4. **Engaging:** Customers should feel connected to the brand and rewarded for their loyalty through the programme.
5. **Measurable:** Customer and company should be capable to measure the benefits they accrue through the programme.



Fig. 2.2: Features of Customer Loyalty Programme

### BENEFITS OF CUSTOMER LOYALTY PROGRAMME

Every loyalty programme contains numerous benefits for the customers to attract them. Some of the main benefits attached with the loyalty schemes are mentioned below:

#### Benefits for the retail company

The retail organization can avail following benefits with the loyalty Programmes:

1. Convert potential customers into loyal or permanent customers.
2. Build trust based relationship between the customer or consumers and store. Customers show impulsive purchasing behavior (more purchase) under loyalty programmes.

3. Cost of building new customer base is saved as per a research it is 6-7 times more expensive to acquire a new customer than it is to retain an old customer.
  4. Builds a stable flow of income through steady foot falls of the customers.
  5. Customers develop a feeling of acknowledgement, respect and gratitude towards the store when the rewards are granted.
  6. With a regular loyalty programme, it is much easier to predict the sales figures for the store. Leads to overall growth in sales and profitability of the store
- Benefits for the customers.

### **Benefits for the Customers**

Customers can avail following benefits with the loyalty programmes:

1. Customer earn discounts and freebies which they consider as value for money
2. Maximizing the rewards is at times an activity of entertainment and ego satisfaction for the customers. e.g. Earning Gold Class status benefits to achieve self-satisfaction and social recognition
3. Being a component of certain product clubs make the customers feel important
4. Increased purchasing power and standard of living among customers through price offers availed under loyalty programme

### **SOURCES OF INFORMATION FOR CUSTOMER LOYALTY PROGRAMME**

Sources of information for loyalty Programmes mean the various avenues from where we can get information about what type of loyalty programme to be designed? What is the expectation of the customer regarding the loyalty programme? (Fig. 2.3).

They serve the following purpose

1. Provides information related to the customer preference regarding the loyalty schemes
2. Share information regarding the offers provided by the competitors
3. Creates awareness about best practices in the industry
4. Help in designing a perfect loyalty programme for the retail store.

Various sources of information available for understanding and designing a good loyalty programmes are as follows:

**Analyzing the Customer data:** This involves going through the, available customer data and making due decisions about choice and preferences of customers regarding the reward they accept. e.g. people who buy more electronic products from the electronics section of a retail store shop tend to get persuaded by 'free after sales' offer provided by the store.

Similarly, people spending more on apparel, prefer 'free return days' over 'cash back' offer. Customer data is either collected through questionnaire by analyzing the bill records of the retail section.

**Feedback from Customers:** This involves taking direct feedback or comment from the customer regarding their choice of loyalty programme. Feedback can be collected from the customers through various mediums, such as:

- a) Questionnaires



- b) Suggestion and complaint boxes
- c) e-formats
- d) Telephonic conversation



**Fig. 2.3: Sources of Information for Loyalty Programme**

- 1. Member's suggestions:** This involves taking suggestions from members during the annual members meet. Members are already loyal customers and can help in improving loyalty programmes based on their experience.
- 2. Internet:** Using information on internet to collect information about innovative ways of designing loyalty programmes.
- 3. Market research agencies:** Hiring services of a market research agency and paying fee for their services.
- 4. Observation of competitors:** Observing the practices of successful rivals can be a valuable resource.

### **MEMBERSHIP OF LOYALTY SCHEMES**

Customer or consumer loyalty is a patron's readiness to buy or purchase repeatedly, and loyalty is the end consequence of a positive patron enjoys, consumer pride, and the fee of the goods and services the purchaser gets from the deal or transaction.



Customer loyalty is something that everyone organization ought to aspire to honestly through distinctive feature of their lifestyles: the point of beginning a for-income enterprise is to grab the attention of and maintain glad customers who purchase your merchandise to force revenue. Customers are dependent to spend too more with manufacturers, who are reliable, and they inform their friends and colleagues about those manufacturers, which facilitates free referrals.

### 1. Ask customer about the membership of loyalty schemes

After created sales and providing services to the customers, associates should have to think about customer loyalty program. Business should have to discover a way to reward their customers for his/her loyalty with specific and extra benefits. With the increasing competitive and crowded enterprise it is necessary to provide loyalty facilities to the customers to retain them for long period of time. Participants of customer loyalty applications generally spend up to 18% (extra) than other customer. But this is not the only reason to provide membership of loyalty schemes to the customers. It also makes customer satisfied, and retain for long period of time.

- a. **Better Customer Retention:** Customer loyalty programs assist to preserve customers engaged with business or enterprise, which plays a significant function in how probable customers are to moving round, and what sort of they are going to spend. In this point in time, customers are making buy selections primarily based on greater than simply the exceptional price - they're making buying selections based totally on shared values, engagement, and the emotional connection. Customer loyalty program is a wonderful method to attach with customers past simply the point of purchase or buy, to provide even greater fee to customers, to interface on shared values, and making them pleased and much more probably to retain for long time.
- b. **More Customer Referrals:** If the customers revel in the blessings of customer loyalty application, they will tell their friends and circle of relations approximately it - the unmarried more depended on shape of advertising and marketing. Referrals bring about new clients which can be loose to collect.

### 2. Respond Positively to Customer

Responding to happy customers regularly and attracting people who already get pleasure from the products/services is the appropriate way to construct a loyal subsequent and a powerful referral community.

- a. **Reinforce the Positive:** Trust the reviewer about the quality of the products and services and take them and point out the behind-the-scenes reasons they had an exceptional customer service. Hence, you can build buzz about your enterprise and logo call. Even more, you could sell other product and involve in a variety of functions to serve customers.
- b. **Share Customer Success with the Team:** Suitable reviews build a fine online recognition. And it additionally gives a sturdy motivation to the employees. Identify the personnel performance with true review praise them. It'll make other readers need to check his or her competencies for themselves. Test out

how signature kitchen and tub layout and mentions a happy crew of personnel dedicated to consumer achievement.

### 3. Help Customer in Decision Making

Customers tend to buy online and offline both. They want to save the money while purchasing the product. They also want to purchase the quality product. Prior to purchase the product online customers are involved to get the complete information about them. Whenever customers go for shopping in store employees assist them to take the purchase decision. Customers have choices available in the stores, but they are unable to select them, in such situation seller helps the customer to select the products and taking the overall decision related to purchase and usage of the product.

### 4. Provide Relevant Information

An ultimate chain to deliver is the retail. Retail is the area in which the products and merchandise are offered to the quit users. Retailer purchases items and merchandise from manufacturers in large portions and in turn put up for sales them to customers in smaller quantities. It is considerably very essential for the retailers to communicate well with the supplier and the customer. From the producer, the retailer ought to understand the subsequent retailer ought to realize when a new product/service is launched or else whether the manufacturer is introducing a brand-new version for the prevailing product.

Outlets have to get an everyday schooling from the manufacturer regarding logo-new merchandise and fresh generation. A retailer must have information well in advance about any coming near pricing trade. Store ought to also know approximately sales forecast from producer for given line of product.

### 5. Build and Promote Goodwill

When business persons are providing products and services according to their promises made to the buyers then it builds and promote goodwill. Good will make customers feel comfortable and suitable about the company. It assists to construct positive relationships and positive image that makes long-term achievement of the business.

## Activities

**Activity 1:** Visit a retail store to know about the different types of loyalty programmes prevalent in the retail sector.

**Materials Required:** Notebook, pen, pencil and checklist

**Procedure:**

1. Visit a retail outlet nearby your locality
2. Observe and write a report based on following points:

#### (a) Observe in the retail store

- What kind of loyalty programmes are being run in the retail outlet?

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- Make a list of the loyalty programmes and collect the printed material or brochure relevant to the programme, if printed by the store.

**(b) Questions from the store manager**

- How is the store being benefited through the loyalty programme?

- What are the criteria they consider to decide upon which loyalty programme is to be offered by the store?

**(c) Questions for Customers** (Interview any one customer who is subscribing to the loyalty programme)

- (i) Do you find the loyalty programme attractive?

- (ii) How often do you practice the loyalty programme benefits?

- (iii) Have you used any loyalty programme benefit in past?

- (i) What are your expectations from the loyalty programmes?

**Activity 2:** Draw a chart containing features of loyalty schemes and their benefits.

**Material required:** Pen/Pencil, drawing sheet, color papers, color pen, scissor

**Procedure:**

1. Write down the features of loyalty schemes and their benefits on the drawing sheet.

2. Use color pen, color papers to make an attractive chart.
3. Prepare a presentation and present chart in the classroom.

**Activity 3:** Visit a shopping mall and identify the sources of information for loyalty programs in given situation

**Material required:** Notebook, Pen

**Procedure:**

1. Make a group of three students each and visit a shopping mall.
2. Take the permission from manager to accomplish your activity.
3. Ask manager to introduce with the promotion manager or marketing manager.
4. Ask the following questions to the marketing manager:
  - a. How they are giving information to the customers regarding the loyalty schemes?
  - b. How they are creating awareness about best practices in the industry?
  - c. How they are giving information regarding offers of their products/services?
- d. Are their shopping mall differs from their competitors regarding loyalty schemes?
5. Write down the answers of all the questions and prepare a group report and submit to the teacher.

**Activity 4:** Demonstrate how to treat customer regarding membership of loyalty schemes.

**Material required:** Notebook, pen and pencil, (optional item mobile phone)

**Procedure:**

1. Make a group of two students.
2. Write down the name and contact number of their friends or family members.
3. Call or meet with at least 5 friends or family members who are doing regularly shopping.
4. Greet them and ask following questions to them:
  - a. Where are you doing shopping for your household items?
  - b. Are you getting any membership card or loyalty schemes from shop?
  - c. What are the benefits they are getting in their shopping mall or retail shop?
  - d. What are the methods they are adopted to provide loyalty schemes?
5. After survey prepare a brief report and submit to the teacher.

## Check Your Progress

### A. Fill in the Blanks

1. \_\_\_\_\_ is a phenomenon of being devoted or faithful towards a cause, relationship, group or person
2. The customer gets into a \_\_\_\_\_ relationship with the brand/store through loyalty programs.
3. It is a challenge to attract and involve the customers in one's \_\_\_\_\_ program.

4. The \_\_\_\_\_ goals of the loyalty programs should be very clear.
5. Customers earn different types of rewards under the customer loyalty programme in the \_\_\_\_\_ industry.
6. \_\_\_\_\_ should be comfortable in integrating the program with the system.

### B. Multiple Choice Questions

1. Which is not a goals of the loyalty program
  - a) Distract right customer
  - b) Long term relationship with customer
  - c) Create profitability and increased purchase
  - d) Collect database for customer
2. The important loyalty programs are discussed below
  - a) Rebate /Cash back
  - b) Discount Programme
  - c) Club or Punch card Programmes
  - d) All of the above
3. To ensure continuous customer engagement following features should be present in the loyalty program
  - a) Realistic
  - b) Measurable
  - c) Both a) and b)
  - d) None of them
4. The retail organization can avail following benefits with the loyalty programs:
  - a) Customers into loyal and regular customers
  - b) Build trust based relationship between the customer and store
  - c) Customers show impulsive purchasing behavior
  - d) All of the above
5. Which is not a sources of information for loyalty programs
  - a) Provide data and information about the customer preference regarding the loyalty schemes
  - b) Not Share information regarding the offers provided by the competitors
  - c) Creates awareness about best practices in the industry

d) Help in designing a perfect loyalty program for the retail store.

**C. State whether the following are True or False**

1. Customers get to attract towards the loyalty programs only for discounts.
2. Loyalty programs cannot be non-monetary in nature.
3. The rewards system should be meaningful and realistic.
4. Customer and company should be able to measure the benefits they accrue through the program.
5. Every loyalty program contains few benefits for the customers to attract them.
6. Customer earns discounts and freebies which they consider as value for nothing.

**D. Match the Columns**

	Column A		Column B
1	Free Gifts	A	Providing free after sales service for purchase of product
2	Flexible return policies	B	Upgrade the status of the customer above a certain bill amount It can be considered as a part of tier system
3	Free services	C	Providing additional gifts to the customer or purchaser on the purchase of certain product or above certain bill amount
4	Auto-Upgrade	D	It Provides free return period. Customers can return their purchased products without any hassle within the given time.

**E. Short Answer Questions**

1. What are loyalty programmes?
2. Discuss the benefits of introducing loyalty programmes in a retail store.
3. What are the various types of loyalty programmes prevalent in retailing sector?
4. What are the features of a good loyalty programme?
5. What sources of information should be refereed while designing a successful loyalty programme?

**F. Check Your Performance**

1. Make a presentation on different types of loyalty programs prevalent in the retail sector,
2. Draw a chart containing features of loyalty programmes and their benefits

3. Identify and make a report on the sources of information for loyalty programs in given situations.

## Session 2 : Propagating Loyalty Schemes

### CONCEPT OF PROPAGATION OF LOYALTY PROGRAMME

Loyalty programme is an effective mechanism to convert potential or new customers into loyal or regular customers. Loyalty programmes are designed for customers, targeted at customers and used by customers.

Thus, these are directed from the retail outlets to the customers. The aim of loyalty programmes is realized only when these reach the target audience in correct form and customers respond towards them in the favorable manner. The idea of propagation is depicted in the subsequent figure.

The most important process that promotes loyalty among customers is effective communication of loyalty programmes offered by the retail company to customers. Desired positive response of customers towards the loyalty programme depends on how effectively the programme is communicated to them. Use correct medium to communicate the key for successful propagation of the programme. Success of loyalty programmes depends on how well it is communicated and perceived by the customer.

### NEED FOR PROPAGATE THE LOYALTY PROGRAMMES

Proper communication of loyalty programmes is needed for the following reasons-

1. To inform about new loyalty programmes launched by the brand/store with the customer.
2. To fight with the competition and create interest of the customer in the brand.
3. To give tough fight to competitors by making a long lasting and strong impression on customer's mind by effective propagation techniques.
4. To create loyal customers out of potential customers.
5. Propagating loyalty programmes during off season may create artificial demand among customers and help in selling the dead/held stock.

The need to propagate programmes (Fig. 2.4).





Fig. 2.4: Need of Propagation of Loyalty Programmes

### METHODS OF PROPAGATING LOYALTY PROGRAMMES AMONG THE CUSTOMERS

Customers have to be reached in the most effective manner through the most productive and effective medium to ensure accomplishment of loyalty programme goals. The medium should have a thoughtful effect on the mind of the customer and should be attractive enough to attract the desired response from the consumer. There are various mediums of communicating programmes to customers. These include physical, personal as well as technology based mediums. Various mediums used for communicating the loyalty programmes to customers are explained below:

**1. Social Media:** Social media is an internet technology based tool used for sharing ideas, concepts, information and other form of expression. In the era of internet driven world, it is the most effective and productive medium of sharing information and promoting retail loyalty programmes. Companies get wider reach and immediate response through this medium. It also has a wide outreach but with increasing influence of internet, it is losing its impact. (social media tools (Fig.2.5).



**Picture 2.5: Social Media Tools**  
<https://rb.gy/eqwra9>

**Social media tools are:**

- Facebook
- WhatsApp
- Instagram
- Twitter
- Pinterest
- LinkedIn
- Google+
- YouTube
- Viber
- Snapchat
- WeChat

**2. Print Media:** Print media is one of the ancient forms of promotions. It involves usage of any kind of printed material for promotion and information dissemination. It also has a wide outreach but with increasing influence of internet, it is losing its impact (Fig. 2.6).

**Print media tools are:**

- Newspapers, magazine
- Books, catalogues
- Brochures, posters,
- Flyers, directories
- Direct mail items like letters and postcards.



**Fig. 2.6 (a): Magazine**  
**URL: [shorturl.at/xAHN6](https://shorturl.at/xAHN6)**



**Fig. 2.6 (b): Brochure**  
**URL: [shorturl.at/ezMV2](https://shorturl.at/ezMV2)**

**3. Mobile App Propagation:** Mobile apps are considered as the most favored and easy to handle medium of communication. Mobiles have an easy and all time access and also the retention of information is longer. SMS are also used as powerful tools for information dissemination to regular customers. Retail chains like Pantaloons and Hyper city share special offers regularly through messages sent to customers from their database. Various e-commerce companies such as Myntra, Jabong and Shopclues are successfully operating through mobile apps.

**4. Personal Interaction:** Promotion can be done or perform by the marketing executives of the store shop either at the doorstep of customer or in the store (at billing desk) or at prominent visit places such as in a mall's lobby. They can

personally promote schemes and solve customers' queries on the spot. (Fig. 2.7)



**Fig. 2.7: Personal interaction**  
 Source: <https://bit.ly/2ZgpDUG>

of information would help in reaching the right customer or purchaser at the right time.

### **GAIN CUSTOMER COMMITMENT TO THE LOYALTY SCHEMES**

Constructing purchaser loyalty gives you a excessive go back on the time, attempt and cash put money into supplying precise customer service. Loyal customers purchase repeatedly and the value of promoting to them is low. And they will often endorse commercial enterprise to others.

Expertise client needs, providing right carrier, handling customer proceedings nicely and staying in regular contact all help enhance patron loyalty.

#### **Make purchaser care a key part of the business strategy**

- Powerful patron relationship management method is organizing the business to give recognition on the desires of clients.
- Set out the levels of service that intend to offer one-of-a-kind customer sorts. As an instance, business would possibly assign key account managers for the maximum profitable customers.

#### **Make lifestyle for the customers more convenient by providing best service.**

Try to shop the customer inconvenience at every level of the shopping for enjoy. For instance, provide a easy system for returning unwanted items. Deal with supplying excellent carrier in key regions. For example, customers regularly complain that deliveries fail to reach your destination on time. Provide best service to customers ( Fig. 2.8 and Fig. 2.9.) to make them satisfy.



**Fig. 2.8: Telemarketing Executive of a call centre**  
 Source: <https://bit.ly/327KhnF>



**Fig. 2.9 Customer service**  
 Source: [shorturl.at/gpRTY](http://shorturl.at/gpRTY)

### **Recognize customer interest**

Evaluation is a tool to understand customers, perceive their choices, and accompany them, profitably, along the entire consumer adventure.

With retail analytics, retailers are able to understand the customer's interest. Behaviour of the seller before purchase and after purchase is very important to understand by the seller. Thus, it is vital to understand the psychological behavior of the customer. What are the interests of the customer and what the product they like are the way to keep and increase customers.

### **Get signs of interest to sign loyalty schemes**



Loyal customers spend 60% times by visiting the business organisation. And their repeat purchases keep the customers 90% extra regularly. In truth, are 70% customers are dependent on their habits to purchase ([www.bigcommerce.com](http://www.bigcommerce.com)). 50% of existing customers interested in new products and they do expenditure 30% more than the new customers ([blog.hubspot.com/service/customer-loyalty](http://blog.hubspot.com/service/customer-loyalty)).

### **Fill membership form**

Running an online commercial enterprise has in no way been this handy. Make it possible using this on-line purchasing order form. Manage, save and organize orders inside this online purchasing form.

It collects all the necessary information needed to make a successful order shape online keep. Embedded customer shape via putting the HTML code for online purchasing form into your e-commerce web page. This is a buying form that is ideal for commercial enterprise minded people.

### **Give customer proof of membership**

- With customer's pleasure falling in retail, it can be tempting to make sweeping adjustments to the business stores. But, constant minor improvements will have as massive an impact as tremendous modifications.
- As a store, consumers maximum in all likelihood don't have a diploma in psychology, however many successful outlets frequently use psychology to attraction to capability consumers.
- It sounds complex, but it boils all the way down to the reality that each single individual essentially has the same intellectual triggers that force actions. At a simple degree, all human beings need to hold off from ache and are looking for satisfaction. This serves because the base of all human motion in the path of every single day, and is something that stores need to hold in thoughts.
- That pain could come within the shape of a high rate, while the pride could be a need to-have object or even just a loose snack while they keep. Job or work as a retailer is to discern out what pride drives your customer's and what they respond or react to. Combining those persuasive or impressive psychological triggers with smartly and effectively advertising will be retail owner means to promoting achievement.

### **Check customer detail for documentation**

- Collecting and storing facts about customers is critical to tailoring organizations customer service application and developing the business. But, there are prisons necessities regarding what to do with the records business manager got accrued. Any purchaser records which customer collect ought to comply with privacy laws, whether customer use this record or know not.
- The legal guidelines additionally cover how retail store could keep and use the information. Whilst keeping records of clients, attempt to search out what they purchaser or customers are shopping for, why they are buying, and the way often they are buying. Encompass any capacity customers who have made inquiries approximately your items or services.

## Activities

**Activity 1:** Visit a retail store to identify the various methods used by them for propagating their loyalty programmes.

**Materials Required:** Notebook, pen, pencil

**Procedure:**

1. Visit nearby retail stores and observe any two famous retail stores in your town/city.
2. Also observe the various methods used by them for propagating their loyalty programmes.
3. Make a report on the basis of following points:

- (i) What product segments are they dealing in?

Store A	Store B

- (ii) Different Loyalty programmes run by the stores:

Store A	Store B

- (iii) Different methods of propagating loyalty programmes followed by the stores:

Store A	Store B




(iv) Which are the most effective propagation methods?

Store A	Store B

(v) Can these methods be used repetitively or one time?

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(vi) Do they think propagation of programmes is a very important aspect? Why?

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**Activity 2:** Visit a shopping mall and Identify the mechanism of propagation of loyalty programmes in given situations.

**Material required:** Notebook, pen, paper

**Procedure:**

1. Visit the shopping mall and greet the manager.
2. Take the permission from manager to ask questions from sales supervisor.
3. Ask sales supervisor about mechanism adopted for propagation of loyalty programmes in their shopping mall.
4. Write down the procedure for propagation of loyalty programmes.
5. Ask sales supervisor how they are changing loyalty schemes under different situations.
6. Prepare a short report and submit it to the teacher.

**Activity 3:** Demonstrate the whole process of gain customer commitment to the loyalty schemes.

**Material required:** notebook, pen and paper

**Procedure:**

1. Visit a shop and take permission from manager for customer survey.
2. Meet retailer and greet them. Take at least 10 customers surveys.
3. Ask following questions to the customers:

s.no.	Questions	Feedback of customers to check their commitment level to the loyalty schemes (Rating from 1 to 5 points)				
	Answers the questions Rating 1=very poor Rating 2=poor Rating 3= Average Rating 4=Good Rating 5=Excellent	1	2	3	4	5
1	Are you satisfied with the services provided by the shop?					
2	Are your problems easily handled in the shop?					
3	Are you satisfied with the loyalty schemes of the shop?					
4	Are you satisfied with the information's provided by the shop regarding loyalty schemes?					
5	Are you satisfied with the timely service of the shop?					
6. Any other information customer wants to give regarding customer loyalty schemes. ..... .....						

### Check Your Progress

**A. Fill in the Blanks**

1. Loyalty program is an effective mechanism to convert potential customers into \_\_\_\_\_ customers.
2. \_\_\_\_\_ are consider as the most favored and easy to handle medium of communication.
3. \_\_\_\_\_ media is one of the ancient forms of promotions.
4. Disseminating \_\_\_\_\_ about the loyalty programs through radio channel is one of the most prevalent medium today.
5. Retail chains like Pantaloons and Hyper city share special offers regularly through messages sent to customers from their \_\_\_\_\_.

**B. Multiple Choice Questions**

1. Following are the features of a successful loyalty program -
  - a) Easy

- b) Realistic  
c) Measurable  
d) All the above
2. Which of this is a benefit of a loyalty program  
a) Increased profits  
b) Increased purchases by the buyer  
c) Both a & b  
d) None of the above
3. Various mediums used for communicating the loyalty programs to customers are explained below  
a) Social media  
b) Print Media  
c) Mobile App Propagation  
d) All of the above
4. Proper communication of loyalty programs is not needed for the following reasons-  
a) To share information about new loyalty programs  
b) To invoke interest of customer in the brand/store  
c) To help competitors  
d) To give tough fight to competitors
5. Loyalty programs aim to  
a) Make occasional customers store's permanent customer  
b) Provide customer satisfaction  
c) Provide value for money to the customer  
d) All the above

**C. State whether the following statements are True or False**

1. Loyalty program are designed for customer, targeted at customers and used by customers.  
2. SMS are not used as powerful tools for information dissemination to regular customers.  
3. Propagating loyalty programs during off season may create artificial demand among customers and help in selling the dead/held stock.  
4. There are very less mediums of communicating programs to customers.  
5. Companies get narrow reach and immediate response through social media.

**D. Match the Columns**

	Column A		Column B
1	Social Media	A	FM channels
2	Print Media	B	Internet technology
3	Telephonic Marketing	C	Newspaper
4	Radio Marketing	D	Recorded telephonic message or personal calls

**E. Short Answer Questions**

1. What is the meaning of propagation of loyalty schemes?

2. How does it help in retailing sector?
3. How social media helps in propagation of loyalty schemes?
4. Discuss the importance of personal interaction & telephonic conversation as a tool to propagate loyalty schemes.
5. What are different tools to propagate the loyalty schemes apart from social and print media?
6. What are the benefits of using radio marketing for propagating loyalty schemes?

#### **F. Check Your Performance**

1. Identify the mechanism of propagation of loyalty programmes and prepare a chart on it
2. Demonstrate the methods used in propagation of loyalty programmes.

### **Session 3: Membership Drive for Loyalty Schemes**

#### **MEANING OF MEMBERSHIP DRIVE**

Loyal customers are the people who show a repetitive purchasing behavior. They often patronize same brand or store whenever requirement arises. In order to make these customers a regular and integral part of selling process they are made 'members' of the store. Members are the special status holders who get better offers and privileges as compared to the other regular customers. A regular customer might not be a member necessarily. Members own a proof of membership for e.g. a membership card, which he/she uses every time to avail membership benefits.

A store maintains a complete record/database of its members and uses this data for various reasons such as market research, wishing the members on special occasion etc. Converting a customer into a member assures the long term relationship between the store and the shopper. Membership means continued sale in the store. Thus, making members is a profitable activity for any store.

The process or steps followed by the store to convert a customer into member is called as a 'membership drive'.

#### **STEPS FOLLOWED DURING A MEMBERSHIP DRIVE**

The steps followed during membership drive are divided into following 3 stages:

<b>Stage</b>	<b>Aim</b>	<b>Functions</b>
Pre-membership Stage	To attract customer	Providing information about schemes through various promotional mediums and personal interaction.
Membership Stage	To register customer as member	Enrolling members, collecting member database, issuing membership data

Post Membership Stage	To provide benefits and accrue customer satisfaction	Delivering membership benefits and retaining the members
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Each of the stage is explained in detail as under:

### 1. Pre-membership Stage

- a. Promotion of membership schemes through various mediums such as personal interaction, print media, social media, word-of-mouth promotion, radio promotion, social event etc. [All of these mediums have been discussed in detail in session 2]

- b. Interaction with the customers

Interaction with the customer involved having a face to face interface with the customers. The store staff/marketing team has an active role at this stage.

#### Who will interact?

- Customer care executive of the store
- Hired marketing executives

#### Where to interact?

- Interact at the store premises
- At the kiosks/stalls setup at malls, trade fairs or other public places
- Or at the doorstep of the customer as suitable

#### With whom to interact?

Interaction can be with 3 types of customers:

- Present members- to understand their satisfaction level and requirements/feedback if any.
- Prospective members- first time or new customers are prospective members. Convert them as a permanent member.
- Lost Members- to understand the point of dissatisfaction and convincing them to re-enroll themselves as members.

- What is to interact?
2. Take opportunity to ask the customer if they are participants or members of any loyalty scheme and if they are concerned in joining.

Explain customers the features of the store's membership drive and the benefit attached with joining the membership.

- Patiently handle the doubts of the customers regarding the scheme or objections of the prospective member.
- Give necessary information to the customer so that he/she can decide to join the membership scheme.
- Politely accept the complaints of lost members or the existing members and resolving their issues.
- Recognize the interest of customers in joining the scheme and follow up.

### 3. Membership Stage

It is the most vital stage as the customer database is created during this stage for further use of the company.

It involved following steps:

- a. Enrolment of the interested customers through membership forms.
  - Collect the customer data using the enrolment form.
  - Assist customers in filling up the details
- b. Explain to customers about terms and conditions attached with the membership status if any.
  - Form should be ready physically or electronically (e-form) as convenient to the customer
  - Cross checking the detail of the form with the customers for any errors
  - Forms can be available to the customers (who are not willing to fill it now) for future use.
  - Save the data of the form in the system so as to create customer database.
- c) Make provisions for maintaining privacy of the customer. Design proper privacy guidelines to assure customer data security. Pledge to the customer that data provided by them shall not be revealed to anybody.

#### **Membership Form - Things to remember**

- Form should be short and simple
- Avoid descriptive questions
- Avoid personal questions
- Add important dates columns such as anniversary and birthdays to use for public relation activities
- Form should not be too lengthy and confusing
- Give option to tick so as to make filling process easy
- Explain all the terms and conditions attached with the membership card.

- Name
- Address
- Marital status
- Date of birth
- Anniversary date
- Education (if necessary)
- Kind of benefits looking forward from the store (option based)

- Design a separate form for an associate card to be issued along with a main card.

d. *Issuance* of proof of membership to the enrolled customers in the form of membership card.

- Membership card should make available to the customer as the proof of his membership. It is issued to the enrolled customers (Fig.2.10).
- It is to explain customers about how to do usage of card. For example, mention collection and redemption of reward points in card.
- Different membership card can be issued by the same store.
- Explaining the customer the importance of different cards and the privileges attached with different card types e.g. store can have bronze, silver and gold class customers. Customers can upgrade from bronze to gold class with accumulation of reward points.
- Customers should be promoted to upgrade their status/card type with time.



**Fig 2.10: Membership card**  
Source: [shorturl.at/uvXY9](http://shorturl.at/uvXY9)

e. Reissuance of membership card to the lost members-

- The members who had exited, can be re counseled to re-enroll for the membership
- A form for lost card must be filled by the customer.
- Reissue the cards to the past members to convert them into active members

#### 4. Post Membership Stage

This stage is considered as the stage of performance delivery. The promised privileges are delivered to the members. This stage can be called as the stage of member retention. Following two important functions are executed at this level:

##### a. Providing membership benefits (Fig. 2.11)





**Fig. 2.11: Membership benefits for customers**

Source: <https://bit.ly/2ZsOsId>

- Various financial, psychological and physical benefits are provided to the members to accrue member satisfaction.
- Financial benefits include cash discounts, reward points, cash back, pay-back points.
- Psychological benefits include giving special privilege status to the member as compared to normal customer, sending personalized cards on important days of the member, recognizing his loyalty towards our store through timely awards (declaring customer of the quarter) etc.
- Physical benefits include providing gifts and tokens for recognizing the special status of the member e.g. sweets on special occasions, free gifts on purchase above certain bill amount etc.

#### **b. Membership up-gradation-**

Upgrade the existing members in terms of their standard based on their purchasing behavior and loyalty towards the store. For e.g. upgrade silver card holders to gold class and extending the periphery of their benefits.

Personal interaction, enrolment of members, issuance of cards and providing deliverables are important functions executed during the membership drive. Flawless operations of store staff at these levels lead to member satisfaction. A satisfied member acts as the promotional medium for the store and attracts more members.

Membership drive aims to create a long term association with customers thereby ensuring regular sales and profitability.

### Activity

**Activity 1:** Visit a retail store to identify the various types of membership programmes used by the retail store

**Materials Required:** Notebook, pen, pencil, and checklist

**Procedure:**

1. Make a group of five students
2. Ask them to visit a retail store/ departmental store/mall
3. Meet with manager and greet him.
4. Tell the purpose of visit and take the permission for the visit retail store
5. Collect following information from the member retail store:

i. The customer is member of which retail store?

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ii. What is the category of his membership?

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iii. Does the membership have some validity?

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iv. What benefits is he/she accruing out of the membership?

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v. Discuss with him, if such membership drives are successful mediums of attaining his/her loyalty?

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**Activity 2:** Draw a chart containing steps followed during a membership drive.

**Material required:** Drawing sheet, pen, pencil, color

**Procedure:**

1. Take a drawing sheet, pen, pencil, and color.
2. Write down the steps followed during membership drive. Three steps are:
  - a) Pre-membership Stage
  - b) Membership stage
  - c) Post membership stage
  - d) Write down main points of all the stages.
3. Draw pictures according to the steps or paste photos from newspapers or magazines on the drawing sheet.
4. You can also collect membership card, membership form, interaction pictures, reward points photos and paste it on the drawing sheet.
4. Make attractive chart and submit to the teacher.

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

1. \_\_\_\_\_ are the special status holders who get better offers and privileges as compared to the other regular customer.
2. Interaction with the customer involves having a \_\_\_\_\_ interface with the customers.
3. Interested members are enrolled through \_\_\_\_\_ forms.
4. \_\_\_\_\_ Stage can be called as the stage of member retention.
5. Membership \_\_\_\_\_ are issued as a proof of membership to the customer.

**B. Multiple Choice Questions**

1. Providing information about schemes through various promotional mediums and personal interaction are the functions of \_\_\_\_\_.
  - a) Pre-membership Stage
  - b) Membership Stage
  - c) Post Membership
  - d) All of the above
2. Delivering membership benefits and retaining the members are functions of \_\_\_\_\_.
  - a) Pre-membership Stage
  - b) Membership Stage
  - c) Post Membership

- d) All of the above
3. Enrolling members, collecting member database, issuing membership data are functions of \_\_\_\_\_
- a) Pre-membership Stage  
b) Membership Stage  
c) Post Membership  
d) All of the above
4. The process or steps followed by the store to convert a customer into member is called as a
- a) Pre-membership Stage  
b) Membership Stage  
c) Post Membership  
d) Membership drive
5. Details included in the Membership form
- a) Name and Address  
b) Marital status  
c) Date of birth and Anniversary date  
d) All of the above

**C. State whether the following statements are True or False**

1. Converting a customer into a member assures the long term relationship between the store and the shopper.
2. You can only interact at the store premises for converting customers into members.
3. Post-membership stage is the stage of delivery.
4. Giving a proof of membership is compulsory.
5. The service associate should explain the terms and conditions attached with the membership before issuing membership.
6. Privacy of customer's data is not the responsibility of the store.

**D. Match the Columns**

	Column A		Column B
1	Pre-membership Stage	A	Convert a customer into member
2	Membership Stage	B	To attract customer
3	Post Membership Stage	C	To register customer as member

4	Membership drive'	D	To provide benefits and accrue customer satisfaction
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### E. Short Answer Questions

1. What is meant by loyalty membership drive?
2. Discuss in short the steps involved in successful completion of the membership drive?
3. What points have to be considered while framing and filling the membership form?
4. What functions have to be performed at the post membership stage? Is it important stage?

### F. Check Your Performance

1. Role play on different membership drives for loyalty schemes  
Draw a chart containing steps followed during a membership drive.

## Session 4: Customer Relationship Management

### CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Today's customers are engaged customers. They are rational and are well connected with various sources of information like internet, publications, friends, community etc. In such a scenario, it is a challenge to accrue customer satisfaction. For any retail store, it is very important to achieve customer loyalty. The basic aim of any retail management function is to build long term and stable relationship and connection with the customer. CRM is the tool to achieve this objective. Simple retail marketing strategy aims at increasing sales; CRM aims at building long term customer relationship and achieve customer loyalty.

### OBJECTIVES OF CRM

CRM is defined as a "planned approach of managing, developing, and maintaining a profitable relationship with customers."

CRM objective is to boost customer loyalty, simplify processes and increase overall profitability. These are fulfilled by logical use of customer database and information technology tools (Fig. 2.12).



**Fig. 2.12: Basic Objectives of CRM**

There are various other objectives of using CRM in a retail outlet. These are discussed as follows:

*Customer Satisfaction* – Aim of CRM is to achieve customer satisfaction. It helps in providing many services to the customer such as solving customer queries, order/delivery management and information sharing. Satisfied customers remain faithful to the business and spread good word-of-mouth.

*Expand the Customer Base* to manage CRM– CRM not only works for existing customers as well as prospective customers. For this it creates database for the prospective customers. This manages the existing or present customers but also produce database for the prospective customers.

*Improves sales*– Customer relationship management functions to achieve increased sales and suggestion selling and improve forecast accuracy. CRM helps to build new sales chance or opportunity and increasing profitability.

*Improve Workforce Productivity* – CRM systematizes the whole system of sales and marketing management. Sales staff can easily manage customer data and track sales team performance or work outcomes. The salespersons can deal with the customer investigation speedily and determine their problems.



**Fig. 2.13: Components of CRM**

Source: <https://bit.ly/329tn7q>

Successful CRM is based on high quality purchaser or customer data and information technology (IT). It has a much wider approach as compared to general marketing. It assists marketing, sales, order management and customer support (Fig. 2.13).

## CRM AND CUSTOMER LOYALTY

CRM initiatives are directed towards customers. The basic aim of attaining customer loyalty is achieved using the CRM techniques. CRM initiatives work to improve customer experience in the store there by achieving customer satisfaction. The final destination of a successful CRM is customer loyalty. It is reached due to following features of a CRM program:

Keep in touch strategy- CRM ensures a continuous contact with the customer at multiple points making customer a part of store life and vice-versa. Understanding what customer wants and providing exactly in the following manner:

- Maintaining the customer data and using it logically at various junctures like sending personalized cards to the customers on their special occasions.
- Make the buying or purchasing experience very convenient and personal by streamlining the processes in the store.
- Rewarding the customers with their growing association with the store.

### BENEFITS OF CRM

Any customer loyalty programme of a retail store shop can be successfully operated only through well planned CRM initiatives. Retail stores in addition to customers draw various benefits from CRM. These are discussed as follows:

#### Benefits for Companies

**Organizational effectiveness:** CRM leads to greater co-ordination among various departments by effective implementation of technological applications. It promotes a collaborative working environment.

1. **Effective information management:** It provides a centralized database collection system, where entire customer and sales related data can be stored and processes as and when required.
2. **Enhanced customer loyalty:** Basic purpose of CRM is to achieve customer loyalty. Continuous concentration is on achieving customer satisfaction and converting regular customer into loyal customer.
3. **Reduced cost of operation:** Due to automation and information management overall cost of operation is reduces especially the cost of marketing
4. **Decision support:** The operation of decision making becomes much faster, fact based and efficient by application of CRM.
5. **Maximized revenues and profits:** Reduced cost of operation, increased customer satisfaction and enhanced customer loyalty induces to maximized sales and profits.
6. **Strengthen leadership in market:** With effective implementation of CRM, companies can beat the customers and develop a favorable image in market.



**BENEFITS FOR CUSTOMERS**

- 1. Decreased cost for customers:** As the overall cost of operation for companies reduces, the benefits are approved on to the customers. Thus, customers also get to pay reduced cost for their purchases.
- 2. Timely Delivery:** With automation of entire process, the time management becomes easier. Thus, delivery time can be reduced and managed efficiently using CRM.
- 3. Personalization and closeness:** Accurate customer database is maintained under CRM. Thus, a more healthy relation with the customers can be maintained. e.g. automatic generation of birthday greeting mail for the customer though CRM tool creates a personal relationship between store and customer.
- 4. Effective query and complaint management:** Customer queries are handled effectively under CRM system. Timely and helpful solution provides satisfaction to the customer.
- 5. Increased Satisfaction:** Due to decreased cost, timely delivery, personalized approach and effective query solution, customers draw maximum satisfaction.

<b>Benefits for Company</b>	<b>Benefits for Customers</b>
<ul style="list-style-type: none"> <li>• Organizational effectiveness</li> <li>• Effective information management</li> <li>• Enhanced customer loyalty</li> <li>• Reduced cost of operation</li> <li>• Decision support</li> <li>• Maximized revenues and profits</li> <li>• Strengthen leadership in market</li> </ul>	<ul style="list-style-type: none"> <li>• Decreased cost for customers</li> <li>• Timely Delivery</li> <li>• Personalization and closeness</li> <li>• Effective query and complaint management</li> <li>• Increased Satisfaction</li> </ul>

**ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT (E-CRM)**

The recent development in the field of CRM is E-CRM. With the increased usage of desktops, smart phones, tablets and laptops, and CRM is also becoming technology oriented. The objective of E-CRM is to develop and establish all CRM functions with the use of communication tools such as e-mail, instant messaging, forums chatrooms etc.

**CHARACTERISTICS OF E-CRM**

- It allows the businesses to cooperate and interact with their customers and employers by using internet.
- E-CRM proposes flawless combination of CRM procedures.
- E-CRM is quick and reliable.
- It has high security features attached to it leading to better security of data.

### DIFFERENCE BETWEEN CRM AND E-CRM

CRM	E-CRM
Uses conventional technology tools such as fax, telephone	Uses high speed internet
It involves the company taking care of customer via internet	Customer can take care of himself via internet. Like self-generation of complaint form
Supporting apps have to be downloaded to work	No such requirement
It is product and function oriented	It is customer oriented
Time and cost for maintenance is high	Time and cost of maintenance is much lesser as compared to traditional CRM

### Activity

**Activity 1:** Visit a retail store and identify the components of CRM

**Materials Required:** Notebook, pen, pencil

**Procedure:**

1. Make groups of five students each.
2. Ask them to visit a retail store/ departmental store/mall
3. Meet with manager and greet him.
4. Tell the purpose of visit and take the permission for the visit retail store
5. Discuss what benefits are they drawing out of CRM with store representative?
6. Note down the answers in notebook.
7. Prepare a report on visit and submit to subject teacher.

**Activity 2:** Draw a chart contains the objectives of CRM.

**Material required:** Drawing sheet, pen, pencil, color.

**Procedure**

1. Take all the materials and draw a chart on objectives of CRM.
2. Prepare a neat and clean chart and submit to the teacher.

**Activity 3:** Role plays on the non-store retailing process in a given situation.

**Material Required:** take items like books, stationary items, food items, decorative items.

**Procedure:**

1. Make a group of 4 students.
2. One student play the role of customer, second student play the role of associate, third student play the role of non-store retail manager.
3. Customer needs some stationary items. He/she ordered online.
4. After few minutes associate got message regarding requirement of stationary items to the customer.
5. Associate reached to the customer and deliver stationary items.
6. After that customer started his/her work.
7. Customer became hungry. He/she picked mobile and ordered pizza in another non-retail shop.
8. After some time associate received message about pizza order.
9. Associate delivers pizza to the customer.
10. Customer became happy for timely and good service.
11. Customer received message regarding feedback form on the mobile phone.
12. Customer gave excellent customer service feedback.

### Check Your Progress

**A. Fill in the Blank**

1. CRM aims at building long term \_\_\_\_\_ relationship and achieve customer \_\_\_\_\_
2. Objective of CRM is to simplify \_\_\_\_\_ and increase overall \_\_\_\_\_
3. Due to automation and information management overall cost of operation is \_\_\_\_\_ under CRM.
4. Technology oriented form of CRM is called as \_\_\_\_\_.
5. CRM aim to achieve customer \_\_\_\_\_.

**B. Multiple Choice Questions**

1. Customers are rational and are well connected with different sources of information like \_\_\_\_\_
  - a) Internet
  - b) Publications
  - c) Friends and community
  - d) All of the above
2. The final destination of a successful CRM is customer \_\_\_\_\_

- a) Loyalty  
b) Satisfaction  
c) Services  
d) None of above
3. The basic purpose of any retail management function is
- a) To build long term relationship and connection with the customer  
b) To build stable relationship with the purchaser or customer.  
c) To provide information from customer  
d) All of the above
4. Which is not the objective of using CRM in a retail outlet
- a) Improve Customer Satisfaction  
b) Reduce Business Sales  
c) Enlarge the Customer Base  
d) Improve Workforce Productivity
5. Benefits of CRM for companies
- a) Leads to greater co-ordination  
b) Provides a centralized database  
c) Achieve customer loyalty  
d) All of the above

**C. State whether the following statements are True or False**

1. Basic Objectives of CRM are fulfilled by logical use of customer database and information technology tools.  
2. E-CRM is more speedy and reliable than CRM.  
3. Supporting apps have to download in case of e-CRM.  
4. CRM only manages the current or existing customers.  
5. Effective CRM can lead to defeated competitors.  
6. CRM is based on high quality customer data and information technology.

**D. Match the Columns**

	<b>Column A</b>		<b>Column B</b>
1	Benefits of CRM for companies	A	It is customer oriented
2	Benefits of CRM for customer	B	Enhanced customer loyalty

3	E-CRM	C	It is product and function oriented
4	CRM	D	Timely Delivery

**E. Short Answer Questions**

1. What is meant by CRM?
2. Discuss in goals of implementing CRM in a retail outlet?
3. What benefits are accrued by retailers and customers through E-CRM?
4. What benefits are accrued by retailers and customers through E- CRM?
5. What is E-CRM? In what ways does it differ from CRM?

**F. Check Your Performance**

1. Identify the components of CRM and make a presentation on it
2. Draw a chart contain the objectives of CRM
3. Role plays on different benefits of CRM
4. Role play on the non-store retailing process in a given situation.

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**MODULE 3****CUSTOMER INFORMATION SYSTEM  
AND CUSTOMER RETENTION****Module Overview**

Customer retention means to the actions and activities companies and associations or organizations take to decrease the number of customer defections. The objective of customer retention programs is to retain as various customers as likely, often by the customer or consumer and brand loyalty idea. It is vital to remember so as to customer retention begins with the initial contact of a consumer and it maintains relationship with the customer through out the lifetime.

A retail organization can retain their customers by providing information and advice to customer, by handling customer complaints, by creating positive image of self and organization in the customer mind and by satisfying customer through team work.

This unit is divided into four sessions. The first session deals with providing information and advices to customers, second session explains about how to manage the customers complaints, third session describes about to create a positive image in customers mind and fourth session discusses the customer retention strategies.

**Learning Outcomes**

After completing this module, you will be able to:

- Identify the customer information and advices to customers.
- Explain the mechanism for managing customer's complaints.
- Follow the guidelines to recognize the customer needs.
- Customer retention.

**Module Structure**

Session 1: Providing Information And Advices To Customer

Session 2: Manage The Customer Complaints

Session 3: Create A Positive Image In Customer Mind

Session 4: Customer Retention Strategies

**Session 1: Providing Information and Advices to Customer****INFORMATION NEED OF A CUSTOMER**

The retail industry greatly analyze and using information to drive its day-to-day activities. In this industry not only retailer but also customer requires

information about the different aspects of the products (Fig. 3.1).

Good products/service is the easy fact is that no-one will purchase it, if they don't need or want this. And customer don't encourage anyone that they want to purchase what they're offering unless retailer clearly understands what their customers really want. But every customer wants or needs information about the different aspects of the product. Customer needs information about the following:

- Product
- After sales services
- Availability of product
- Price of the product
- Product variety



**Fig. 3.1 Providing information's to customers**

**Source:** <https://bit.ly/344xBz7>

It is the duty of every retailer to provide the clear and accurate information about the products whenever it is demanded by the customer. Retailer should also checks whether customer understanding about products or services is in right way. Sometimes retailer is not able to provide adequate or sufficient information about any specific product or service to their customer, in that they should get the information from the reliable sources and forwarded to customer.

### **NEED OF COMMUNICATING INFORMATION TO CUSTOMER**

Retailers need to communicate with the supplier in addition to the consumer. From the manufacturer, the retail store should identify the subsequent:

- Retailer or owner should be familiar with when unique product is launched or else whether the manufacturer or producer is start a new alternate for the current or existing product.
- Retailers should get a usual training from the producer or manufacturer



about brand original or new products and fresh technology.

- Retailer should have information well in advance about any impending pricing change.
- Retailer should also know about sales forecast from producer for given line of product.

### **RETAILERS POLICY FOR CUSTOMER SERVICE INFORMATION**

The finest time is to set up policies and procedures for retail shop or business is during the planning stages. By supposing problems before open the doors, every retailer can strategize how they'll handle special circumstances, and the normal day for working or operations. This helps keep away from creating errors or mistakes once they're faced with customers.

#### Types of Payment

- What forms of money or currency do you accept?
- What information is necessary from a consumer or customer paying by check?
- Do you widen credit or propose terms to customers?
- In what way you handle returned checks?
- Which credit cards do you receive or accept?
- How far currency or money will you keep in the till?

#### Product Pricing

- What is your store's markup?
- Have you created a pricing strategy?
- Do you propose discounts on bulk purchases?
- Do you offer or propose employee discounts?

#### Layaway

- Will you allow layaway purchases?
- How much will the consumer or customer be necessary to pay down?
- How long do you permit items to endure on layaway?
- Where will you store layaway items?
- What variety of paper trail will you put into practice to track layaways?

#### Returns and Exchanges

- Do you sell any goods or merchandise where returns are restricted by law?
- How open-minded are you on returns and exchanges?
- In what way the goods or merchandise be returned?
- Is there a time period for which a thing may be refunded or exchanged?
- Will you need or want proof to buy before exchanging or refunding?
- What data and information will you gather from the consumer or customer on the Merchandise Return Form?
- Where will your return policy be posted?

### Special Orders

- Will you have any special order merchandise or goods for customers?
- How far, if any, will you have need of as a deposit?
- What will you act if the customer doesn't come back for the item?

### Hours of Operation

- What are the ordinary hours of procedure?
- Will you have extensive hours during the public holiday shopping season?
- What holidays will the store close?

### Other Store Policies and Procedures

- Who will be in charge for the common housekeeping of the retail store?
- Will you offer or propose gift wrap? If yes, at what cost?
- Will your retail store have a gift registry?
- What's the policy for groups soliciting donations?
- How will you handle product loss due to damage?
- What is your shoplifting policies and procedures?
- Will your retail store have a gift or offer registry?
- What customer service practices will your retail store incorporate?
- Does your retail store offer delivery service?
- What will you make sure of in the event of a power failure?

Every retail organization follows their store policies and procedures to direct, rather than being set in stone. In order to rationally satisfy and delight the customer, some circumstances may call for twisting the rules and regulations. Validate forms of expense, layaways, returns, and other policies and procedures are clearly posted for consumers or customers to see.

This will allow a retailer with no trouble and confidently enforce store rules. As retail business grows and adds more experience functioning retail business or enterprise, periodically assessment and revise policies and procedures as necessary.

### **Retailer's policy for providing information and advice to customer**

Customer service is the important part of sales and loyalty in retail, yet lots of traders preserve to under estimate simply how powerful it could be. Head to the mall and also see that many groups still fall quick when it move toward to serving and delighting purchasers. Try to provide extraordinary customer support and make sure that every team members are willing to head above the past services provided to the customers.

### **Acknowledge customers**

One of the most important things that make retail shop so interesting and fun is the fact that retailers may come upon an array of characters at shop. From easy-going consumers who make small talk, to clients on an undertaking who

just want to get inside and outside of the shop, outlets address diverse varieties of people on an everyday foundation.

And as any accurate merchant knows, there isn't one single solution or pleasant exercise for converting all sorts of customers. Every client comes along with his/her own set of tendencies, and shops must acknowledge those differences and tailor their processes therefore.

### **Identify customer need for information**

Earlier the business start promoting its commercial enterprise owner need to realize what his/her clients need and why. Good customer studies enable business work out a way to inform and persuade your customers that they need its product/services.

### **Perceive your customers.**

The first step of consumer studies is identifying your customers. Business market studies need to provide assistance to recognize the potential customers. In addition, consumer research let develop business a more designated image of them and recognize a way to goal them. It is going to also spotlight key characteristics business client's proportion, together with:

- gender
- age
- career
- disposable profits
- residential area
- Leisure sports.

### **Communicate information and advice to customer**

Communication competencies outline the way business organization progress in addition to professional existence. Organizations might have a brilliant concept for a new commercial enterprise, but if retailers are not able to speak with the investors, it will be shut down.

If the retailer may 'convince customers about organizations products or services, business will virtually flow in the right direction. Verbal exchange occurs from ads to hoardings, emails to the messages and now-a-days, on the social media websites like Facebook and Twitter.

At the similar time as powerful verbal exchange competencies have to be embedded in all employees of an agency, carrier representatives who deal directly with customers face a bigger undertaking than their opposite numbers that cope with customers online or through cellphone. The shortage of key service capabilities can risk placing the enterprise in embarrassing situations or worse yet; the commercial enterprise should grow to be dropping customers due to bad customer support.

Right here are some conversation concepts that all businesses can use to communicate effectively with the patron, delighting him and growing customer pleasure and loyalty.

### Features of information

Many people consider factor of point of sale (POS) systems as a cash sign in for rising up sales. A characteristic-wealthy solution, which include shopkeeper, is just a sturdy POS solution, however a completely integrated retail management system which could provide a real omni-channel experience for clients. (Omni-channel — is a completely-integrated technique to commerce that offers customers a unified enjoys across on-line and offline channels).

### Information meets with customer's needs

However, exact business products/services is the easy fact is that nobody will purchase it if they don't need it or faith they do not need it. Thus, customers might not know what they want until business organization or retailer understands what they want. Understanding and know-how customer wishes is the focus of every retailer. Retailer persuades customers easily to their existing customers. This guide tells retailer what they need to recognize approximately about their customers, to sell customers extra efficiently, and the way to win commercial enterprise from its competitors.

### Ways to help customer

Retail store keeps various representatives to help customers. Just a few changes allow them to attract new or prospective customers and stand proud of their competitors. Business needs to create change within the time period. At the time of welcoming patron it has to provide excellent services. It has to be search ideas out of their competition and ask stakeholders about what they need and what they supply (Fig. 3.2).



**Fig. 3.2: Support Service**  
Source: <https://bit.ly/2Nw9vYe>

### Refer to right person

Purchaser referrals are one of the effective ways to promote, advertising and marketing the goods and services. In fact, the first-class supply of recent

commercial enterprise is a referral from a happy patron. Other studies additionally show that the customers additionally say that referrals are most important in figuring out from where they purchase and what they purchase. Given the commercial enterprise capability from storing customer referrals, it's critical to recognize the way to get true word-of-mouth from customers regularly. Being able to build a high percentage of enterprise from customers, or even prospects, through referrals is an enviable feature of tremendous income specialists. There is an art to inquiring for referrals – and getting them.

### Activities

**Activity 1:** Role plays on different techniques used to provide customer information.

**Material required:** notebook, paper, Pen

**Procedure:**

1. Make a group of 4 students.
2. Decide the name of the business organization.
3. Write down the name of the products and services of your company.
4. Prepare a list of information's that you need to provide customers.
5. Discuss the techniques you adopted to provide various types of information's to customers.
6. Write down the policies and procedure your company adopted to handle customer service.
7. Now start role play. Play the role of associates and Meet other students or inform them about your products and services. Sometimes other students play the role of existing customer and sometimes prospective or new customers.
8. Enjoy the activity. After the activity prepare a brief report and write down what you learnt from this.

**Activity 2:** visit a retail store to know the retailers policy for customer service information and what type of services they needed

**Materials Required:** Pen / pencil, notebook, checklist

**Procedure:**

1. Make a group of five students
2. Ask them to visit a retail store/ departmental store/ mall
3. Meet with manager and greet him.
4. Tell the purpose of visit and take the permission for the visit retail store
5. Conduct a survey with help of questionnaire.
6. Prepare a report on it.
  - a. What types of information required by the customer?
  - b. How retail store communicate the information as required by customer?
  - c. How retail organization check that provided information is meets the customer needs?

### Check Your Progress

#### A. Fill in the Blanks

1. \_\_\_\_\_ should check whether customer understanding about product of service is in right way.
2. Products/services is the simple \_\_\_\_\_ is that no-one will purchase it they don't need it.
3. The duty of retailer is to provide the clear and accurate \_\_\_\_\_ about the products whenever it is demanded by customer.
4. Retailer should know when new or prospective goods are launched or whether the manufacturer is \_\_\_\_\_ a new variant for the existing product.
5. It is very important for the retailer to \_\_\_\_\_ with the supplier as well as the customer.

### B. Multiple Choice Questions

1. From the manufacturer, the retailer should know the following things:-
  - a) About the launching of new product
  - b) Get regular training
  - c) Have information in advance from producer
  - d) All of the above
2. Retailer never make policies for customer service information regarding:
  - a) Types of payment
  - b) Purchasing of customer
  - c) Product pricing
  - d) Returns and exchanges
3. Store Policies and Procedures reveal out about
  - a) Who will be responsible for the general housekeeping of the store?
  - b) Will you offer or propose gift wrap? If yes, at what cost?
  - c) Will your store have a gift registry?
  - d) All of the above
4. Customer needs information about the
  - a) Product
  - b) After sales services
  - c) Price of the products
  - d) All of the above
5. Which is the correct sentence
  - a) Retailer do not need to understand customer every time



- b) Retailer should have to take care of customer
- c) Retailer give all the information's to the customers about product and services
- d) b and c

### C. State whether the following statements are True or False

1. It is very important for the retailer to communicate only supplier.
2. Retailer also checks whether customer understanding about product or service is in right way.
3. The best time to establish policies and procedures for retail store business is during the execution stages.
4. Retailer should have information well in advance about any impending price change.
5. The best time period is to establish policies and procedures for the retail business are in the course of planning stages.
6. Many people consider factor of point of sale (POS) systems as a cash sign in for ringing up sales.

### D. Short Answer Questions

1. What is need of customer information?
2. Discuss the need of communicate customer information.
3. State the five main policies for customer service information.

### E. Check Your Performance

1. Demonstrate the main policies for customer service information.
2. Prepare a chart on need of communicate customer information.

## Session 2: Manage the Customer Complaints

Without paying customers, there is no business. The massive task of record-keeping, phone conversations, in-person communications, service recalls emails, follow-ups and taking care by means of all of the data and information might be scary task, if it does not managed by a strong systems. This tends to fail as there is repetition of data and information entry, particularly with basic customer or consumer contact information.

### MEANING OF CUSTOMER COMPLAINTS

A customer complaint is an expression of discontent or dissatisfaction of customers. It can also be explained in an affirmative or positive sense as a report or note from a customer giving documentation about a difficulty with a product or service.

### Consumer Protection Act (1986)

Under the Consumer Protection Act 1986, "complaint" means any claim or allegation in writing is prepared through a complainant that—

1. An unfair trade practice may take up by any business owner or service provider.



2. The goods purchased by customers feel pain from one or extra shortcoming.
3. The services availed of or hired off by customers endure from shortage in any respect;
  - A service provider, as the situation may be, has charged for the goods or services declared in the complaint a price charge in extra of the price-fixed by any rules and regulation for the time period being in power.
  - Extra price charge are displayed by the retailer or under any rules and regulations for the moment in time period being in force.
  - Agreed between the parties.
  - Goods which will be dangerous to life and security when being offered for sale to the public.

In the year 2019 new consumer protection Act passed which are mentioned in the exhibit 1 below.

#### **Exhibit 1: Consumer Protection Act, 2019**

The consumer protection Act passed on 7 August 2019, which works for the protection of the interests of consumers and purposes at establishing authorities to address the grievances of the consumers and resolve consumer-related disputes. The establishments will also convey timely and effective redressals of consumer disputes.

Section 2 of the consumer protection Act, 2019 explains a complaint as any written allegation made by a consumer to get relief under the consumer protection Act in the case of an discriminating or unfair contract, unfair trade practice, deficiency of services, defective goods, restrictive trade practice.

A consumer complaint can be filed by one or more consumers any registered voluntary consumer association the central or state government, heirs or legal representatives of the consumer. Where the consumer is minor, the complaint can be filed by his parent or legal guardian.

#### **MACHINERY FOR COMPLAINTS HANDLING**

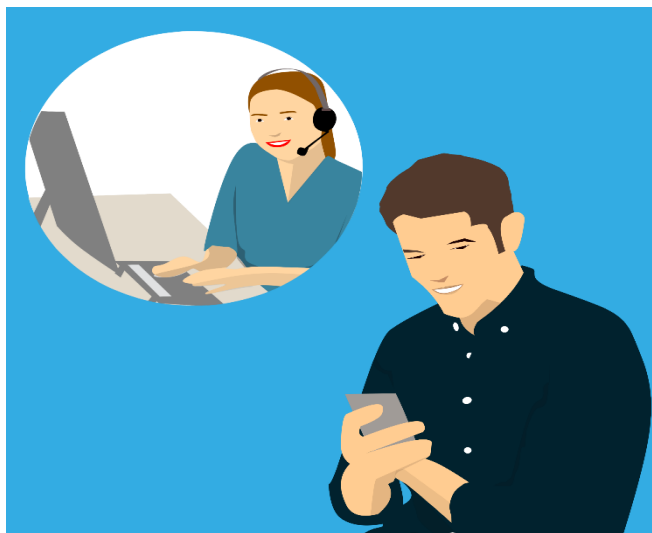
Complaint handling mechanism is the part and package of the system of the administration. No administration can maintain to be accountable, reactive and user-friendly unless this has established the effective and efficient grievance redressal machinery. Grievance redressal machinery of any organization or association plays a vital role to measure its effectiveness or efficiency and as it provides or offers important feedback on the functioning of the administration. Every complaint is different but the steps for dealing with them should be the same in retail store (Fig. 3.3).

**1. Listen to the complaint:** Accept ownership of the difficulty.

**2. Apologies:** Don't blame others. Say thanks to the customer for bringing the

trouble to service provider's attention.

3. **Be sympathetic:** Keep in mind, the person who is irritable from the business, not only due to service provider individually. Be calm, cheerful and supportive. Where possible, let all the customers know that business organization will have to take or handling responsibility and resolve the customer complaint.



**Fig. 3.3: Handle customer complaint**

Source: [shorturl.at/fMNX9](http://shorturl.at/fMNX9)

4. **Record the complaint:** Details of the complaint must be recorded so that retail manager and other staff know accurately what the difficulty is. Have one place on the way to record complaints and all the actions or steps taken to resolve them. Retail manager have to see any complaint come out over time. Complaints about a specific process or product may indicate that changes want to be made. Employees can also see what was completed to resolve grievances in the past.
5. **Make sure store have all the facts:** Check that organization comprehend the details while customer is making the grievance or complaint, and ask questions whenever necessary. This will also allow them to know that retailer is taking their grievance seriously.
6. **Discuss options for locating the problem:** Sincere apology cost nothing thus it should be. But think on what type of this complaint is? Could it cost you in missing business or a complaint and objection to the Equal Opportunity Commission?. Retailer can give a free product or discount a potential service.
7. **Keep your promises:** Don't guarantee things that the business organization is unable to deliver. In handling criticism and complaint it is enhanced to under-promise and over-deliver.
8. **Be speedy:** If complaints take numerous days to solve problem, they can go up.
9. **Follow up:** Record the entire customer's contact information and follow up in the direction to see if they were cheerful with how their written and oral

complaint was handled. Let them know what the retailer or service providers are doing to avoid problems in the future.

- 10. Reward staff or employee:** Encourage and reward staff for dealing with unhappy customers and resolving their complaints in a well manner.

### **RIGHTS OF CUSTOMER REGARDING COMPLAINTS**

Consumers play an important role in the financial system of any nation. Consumers are the key performers or players in the marketplace in addition to this their consumption patterns very much influence by the society with the economy. In the modern philosophy of marketing, consumer is thought to be the 'king' and business is predictable to offer maximum likely satisfaction to customers. Every consumer has certain rights with look upon to the products they purchase. They also have a grievance redressal mechanism to help. All your consumers have to do is to be attentive and practice their rights.

**Right of Returning the Goods:** Under this right every consumer has the legal legitimate to decline any product within given period of time. Like consumer reject something defective within the limit of 30 days of purchasing it - and in utmost circumstances get a full repayment. (This is known as consumers 'short-term right to reject'.)

This right every consumer has the right to reject any product within given period of time. Like consumer reject something faulty within 30 days of buying it - and in most cases get a full refund. (This is called your 'short-term right to reject'.)

**Right to Redressal:** The right to look for redressal against unfair business or trade practices or dishonest exploitation of consumers.

**Right to File Complaint:** Every customer has the legal right to file a complaint in opposition to unfair trade practices.

**Right to Track complaint:** Consumer has the legal right to track their complaint to know that where their complaint application is stand and how time it will take (Fig. 3.4).



**Fig. 3.4: Customer Right to File Complaint**

Source: <https://bit.ly/2Zt6cs9>

### **DUTIES OF CUSTOMER REGARDING COMPLAINTS**

There are duties/responsibilities that a customer has which are outlined:

- **Responsibility of Proof of Transaction:** A customer may complain about unfair fees charged by the retailer or any other transactions made between the consumer and a retailer. However, he/ she must be able for

providing proof of all documentation. This is important to enable him/her to get assistance based on the evidence.

- **Responsibility of Proper Claims:** A Customer should have to keep in mind that in creating complaints for injury or loss, he / she should not create irrational claims for no valid reasons. This is considered an act of irresponsibility and it should be avoided.
- **Responsibility of appropriate use of Service:** This responsibility is a consequence to the need to put into practice financial and sustainable use of electricity and water. A customer must not merely consider himself/herself in the exercise of electricity and water, but must stand other users in mind. A Customer ought to utilize the services offered to him / her sensibly and responsibly, with all precaution. He/she should be conscious of some other tasks and responsibilities when utilizing the service provided. For example, he/ she ought not to interfere with electricity/water meters and service supplier installations. Tampering with electricity may consequence in an outage which may influence nearby property, residence, and other significant possessions.
- **Responsibility for payment of services:** In line with the actions to be served with goods and services is the customers' responsibility to reimburse for the services offered to him/her. 'No service no payment' and, 'no payment no service', maxim applies.

A Customer should have to keep in mind that they can only exercise legal rights only when they are interested to fulfill their tasks and responsibilities.

### **RIGHTS OF RETAILER REGARDING COMPLAINTS**

Like customer, every retailer has some rights for handling customer's complaints, which are as follows:

- A retailer has the legal right to put their view on customer complaints.
- They can also file complaint against customer in case of providing wrong complaint of customer.

### **DUTIES OF RETAILER REGARDING COMPLAINTS**

Rights come with responsibilities. There are certain duties which should be done by every retailer:

- Sellers responsibilities to provide information to their customer on demand.
- Every product should have label for customer reference.
- Damaged goods should not be kept in store at selling side.
- Retailer should not give wrong information through advertising guide.
- Complaint handling guidelines are supposed to be arranged in retail outlets.

**How to file a Complaint?**

- The complaint can be written on a paper and submitted to the concerned person.
- There is no need of stamp paper for declaration.
- Complaint includes detail procedure of the complainant and the opposition party.
- It can be registered through complainant or authorized agent or may be by post that is addressed to the grievances redressal agency.
- It may not necessary to engage a legal representative to file circumstances.
- Very nominal fees charged depend conforming to the value of the claim.

**HELP CUSTOMER SORT OUT COMPLAINTS**

A trainee associate deals with customers to offer and satisfy their wishes concerning retail products. Further, they deal and help in resolving purchaser proceedings. For instance, a sales/patron companion might also help patron customers to remedy their problem. Commonly, customer service accomplice collects information the usage of telephone call. The obligations of trainee partner are defined right here-beneath:

**1. Copying with problems**

Purchaser inquiries contain complaint manage by using trainee associate. Once in a while, trainee pals solve customer trouble and solve a few answers. Trainee associate should ensure that complaints report through customers are valid and clear up within the bounds of their authority.

**2. Helping in income**

Promoting agency's merchandise to patron is part of their activity. Few provide product records to clients in buy selection of product. Trainee associate should also assist to generate income.

**3. Clerical obligations**

Trainee partner has e clerical responsibilities. Wherein trainee buddies deal with customers on cell phone and transfers.

**4. Job precise duties**

All trainee associate accomplice obligations depend upon form of retail shop. Once in a while they should carry out responsibilities like financial institution tellers, counting money, cashing exams and servicing money owed.

**Identify the nature of complaints**

There are some common court cases that customers make regarding products and services. Processes of solving complaints in locality that find answers to common place proceedings will help to resolve problems fast and successfully. Fulfill customer's requirements and ensure that these are possible low cost the

enterprise. Understand that the worth of a short-term concession is well worth keeping a long-time relationship.

### **Acknowledge the complaint**

Trainee need to acknowledge receipt of each complaint immediately by means of e-mail. The first response need to be an electronic mail message (or telephone call. They have to realize the complainant that grievance received and it is taking with full consideration to solve it. Make assure him/her customer service team operating to resolve the customer problems and issues.

### **Follow legal requirements**

- Given the legal responsibilities of an online store, one is probably forgiven for idea that the law is illogically twisted towards the consumer. However, consumer regulation by means of implication also allows protecting honest retailers, supporting within the introduction of a nice surroundings in which to change.
- General rules govern all contractual relationships between consumers and online retailers. They're supposed to promote a phase playing field in order that retailers do no longer experience more positive phrase on the value of purchasers.

### **COMPANY POLICIES & PROCEDURES**

Each and every organization design their own rules and regulation for their customer which help them to deal with their customers equally. Regardless of how retailer provides these agreements to customers and in spite of whether business has only a retail store, a physical retail and online store, business may require the following legal agreements:

- **Privacy Policy:** Whenever a customer complains to any retail store regarding the product or any employees, it should keep confidential. Every retail organization should maintain their privacy policy.
- **Return policy:** Return Policy can differ drastically as of store to store; some don't permit returns of sale product in some departments. Because of this range of procedure and policies from store to store, this is always something customers will want to know about it. Some return policy describes stocking fees for come again merchandise or a time boundary on all returns.
- **Refund Policy:** Refund Policy can be different radically from retail store to retail store from no return what so ever, so full repayment or refund up to some years after purchase, and all in between.
- **Exchange policy:** Retail stores with a severe no exchange policy also tend toward keep a small note near the record to let customers know that once they finish this purchase, they cannot reverse it.
- **Compensation policy:** Retail stores should also keep one more policy, i.e., compensation policy. If a customer purchase a product from retailer



and consume it and it harms him/her in that case retailer must be clear about his/her next step for compensation

- **Terms and Conditions:** For protecting business and informing customers to know what is expected of them terms and a condition is very helpful.

Business-to-consumer – refers to trade between a business and an individual patron. This refers to an association between a store and a manufacturer in which the store transfers purchaser orders to the producer, which then ships the products without delay to the customer. Whilst using a drop shipping technique, the retailer doesn't preserve the products in inventory. The order and shipment data is just passed directly to the producer. Now and again referred to as direct shipping. The following is the format of filing a customer

<b>Customer Complaints Form</b>			
<b>CUSTOMER</b>			
<b>ADDRESS</b>			
<b>PHONE (HOME):</b>	<b>EMAIL</b>		
<b>PHONE (WORK):</b>			
<b>DATA COMPLAINT RECEIVED : .../.../20..</b>			
<b>PERSON RECEIVING THE COMPLAINT</b>			
<b>HOW WAS THE COMPLAINT RECEIVED</b>	<b>PHONE</b>	<b>IN PERSON</b>	<b>IN WRITING</b>
<b>DESCRIBE THE GOODS AND SERVICES</b>			
<b>DESCRIBE THE PROBLEM/ COMPLAINT</b>			
<b>WHAT WAS THE CUSTOMER WANT DONE?</b>			
<b>WHAT IS THE BUSINESS POLICY FOR THIS COMPLAINT?</b>			
<b>WHAT IS THE SOLUTION?</b>			
<b>ACTION REQUIRED:</b>			
<b>DATE ACTION COMPLETED</b>			
<b>RECORD OF ACTION TAKEN:</b>			
<b>DATE COMPLAINT RESOLVED:</b>			
			<b>SIGNATURE</b>

complaint.



**Procedure of referral:** Getting referrals whether through online websites, personally by present consumers. Present consumer's works as an effective advertising weapons and tools in the store.

### Activities

**Activity 1:** Visit the retail store to know mechanism and machinery for handling complaints.

**Materials Required:** Notebook, pen, pencil, checklist and questionnaire if required

**Procedure:**

1. Make a group of five students.
2. Ask them to visit a retail store/ departmental store/ mall alone with self-developed questionnaire.
3. Meet with manager and greet him.
4. Tell the purpose of visit and take the permission for the visit of retail store.
5. The self-developed questionnaire about how retail employees manage the customer regarding:

- a. Exchange the goods

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- b. Refund the amount

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- c. Return Policy

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- d. Complaint redressal procedure

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- i. Is there any complaint or grievance redressal process in retail store?

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ii. What is the process of redressal complaint file by computer?

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iii. How you solve the problems?

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iv. How to settle the Customer problem?

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**Activity 2:** Draw a chart on containing rights and duties of retailer.

**Materials Required:** Notebook, pen, pencil

**Procedure:**

1. Make a group of five students
2. Ask them to visit a retail store/ departmental store/ mall
3. Meet with manager and greet him.
4. Tell the purpose of visit and take the permission for the visit retail store
5. Ask to retail representative about the customer rights and duties
6. Also ask about the rights and duties of retailers
7. Prepare a chart on findings.
8. Present the chart in the class.
9. Submit to the subject teacher.

**Activity 3:** Role play on different duties of retailers regarding handling complaints.

**Material required:** Notebook, pen, paper, any product (mobile, stationary items, register etc.)

**Procedure:**

1. Make a group of 6 students.
2. Four students play the role of retailer and remaining two as a customer.
3. Assign following duties to all four students:-
  - a. 1st retailer handles responsibility to provide information to their customers on demand.
  - b. 2nd retailer handles exchange system of the products.
  - c. 3<sup>rd</sup> retailer handles complaint on telephone
  - d. 4<sup>th</sup> retailer face the customers and solve the query.
4. First retailer faces the situation. On demand he/she received a complaint of damage product received. Retailer solves the complaint by giving customer solution to exchange product. And good product will be reached to customers home.
5. Second retailer handle situation of a customer who do not like the product and want to exchange. Customer purchased register from shop now he/she go to exchange it. Retailer gives information about exchange policy and returned the item.

6. Third retailer received a phone call of a customer. Customer asked how to operate new model washing machine that he/she purchased. Retailer respond customer that technician will come and show the demonstration.
7. Fourth retailer does face-face interaction with the customer. Customer brings mobile phone to the shop due to some technical problem in the handset. Then retailer solves the query of the customer.
8. In this way, all the retailer perform different duties of retailer one by one.
9. After the role play give a presentation on the duties of retailer to handle customer complaint.

**Activity 4:** Demonstrate how retailer helps customers to sort out complaints.

**Material required:** Dress material, notebook, mobile phone, table and chairs.

**Procedure:**

1. Two students demonstrate how retailers help customers to sort out complaints.
2. One student act as a retailer and another one act as a customer.
3. First customer takes dress material and shows it to retailer and asks to change the product because by mistake retailer packed another product that she/he did not purchase.
4. Now retailer needs to respond customer patiently. First say sorry and tell him/her that by mistake this happened. Retailer offer tea or coffee to customer and greet him/her.
5. Retailer changed the dress material and gives the right product. Now retailer also gives information about latest offer of his/her shop.
6. Customer say thanks to retailer.
7. Retailer gives all the details and information of the shop to the customer and say whenever any query is there he/she can contact and mail him/her.

### Check Your Progress

#### 1. Fill in the Blanks

1. Without \_\_\_\_\_ there is no business.
2. A \_\_\_\_\_ is an expression of dissatisfaction lying on a consumer's behalf to a responsible party.
3. Complaint handling Mechanism is an essential part of the machinery of any \_\_\_\_\_.
4. Every complaint is different but the steps for dealing with them should be the \_\_\_\_\_ in retail store.
5. \_\_\_\_\_ Policy describes stocking fees for returned merchandise at a time limit.
6. Every consumer has the \_\_\_\_\_ a complaint in opposition to unfair trade practices.

#### B. Multiple Choice Questions

1. A customer complaint is an expression of \_\_\_\_\_

- a) Dissatisfaction
  - b) Satisfaction
  - c) Both a) and b)
  - d) None of above
2. Complaint handling Mechanism is an essential part of the machinery of any
- a) Administration
  - b) Management
  - c) Both a) and b)
  - d) None of above
3. There are duties and responsibilities that a customer has which are outlined
- a) Proof of Transaction
  - b) Proper Claims
  - c) Proper Use of Service
  - d) All of the above
4. Every retailer has some rights for handling customer's complaints, which are as follows
- a) Retailer has the legal right to put their view on customer complaints.
  - b) They can also file complaint against customer in case of proving wrong complaint of customer.
  - c) Both a) and b)
  - d) None of above
5. The duties which should be done by every retailer:
- a) To provide information to their customer on demand
  - b) Every product should have label for customer reference.
  - c) Damaged goods should not be kept in store at selling side.
  - d) All of the above

**C. State whether the following statements are True or False**

1. Thank the customer for bringing the problem to retail store attention.
2. A customer can't complain about unfair fees charged by the retailer.
3. Retailer has the right to put their view on customer complaints.

4. It is not responsibility of retailer to provide information to their customer on demand.
5. Damaged goods should not be kept in store at selling side.
6. The complaint can't be filed on a plain paper.
7. Complaint handling guidelines should be kept in retail outlets.

#### **D. Short Answer Questions**

1. What is the meaning of customer complaints?
2. Discuss the mechanism for complaints handling.
3. What are the legal rights of retailer?
4. What are the duties of retailers regarding complaints?
5. Explain the company policy on customer complaints.

#### **E. Check Your Performance**

1. Demonstrate the mechanism while complaints handling.
2. Make a chart on rights of retailer.
3. Spell out the duties of retailers regarding complaints.
4. Demonstrate the company policies on customer complaints.

### **Session 3: Create a Positive Image in Customer Mind**

Searching for customers is known as prospecting. Prospecting implies finding out prospects. In other words, it connotes the collection of names and addresses of persons who are probable to buy. It is the search or hunt for the needy who can be changed into buyers. Here a prospect is an individual or an institution that is likely to be gained benefit by the product. Salesman wants to put up for sale and can afford to buy it. Prospecting encompasses even the finding of special needs as well as multiplying the sales by means of existing clientele.

#### **SIGNIFICANCE OF RECOGNIZING CUSTOMERS**

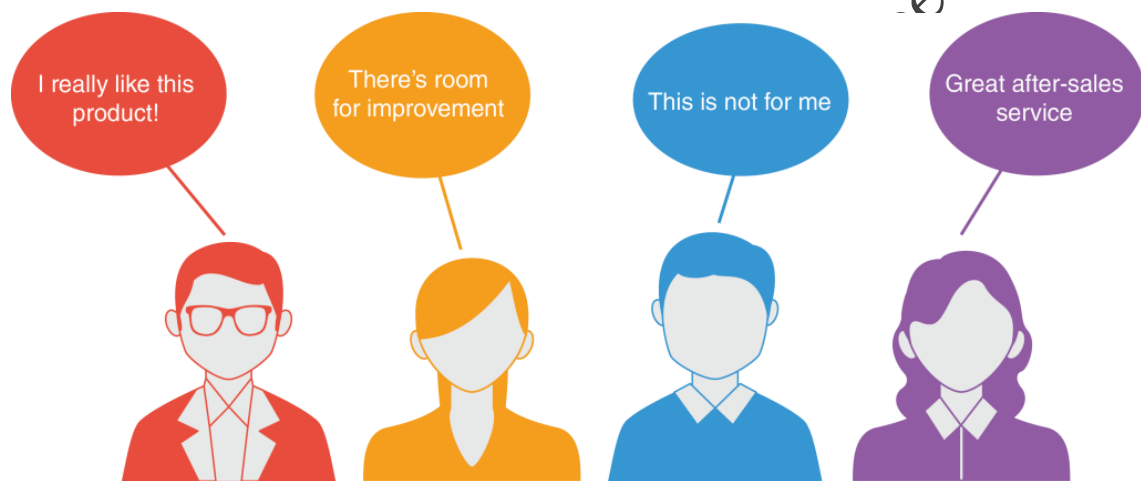
The key to the success of selling is successful prospecting. Prospecting is the starting point in the route of an order. Much stress is given on prospecting because it enables the salesman to sell more. An effective, prospecting eliminate waste from the very start than having a trial and error. Prospecting is not same things in terms of importance to different types of salesmen. Thus, a retail salesman has no work of prospecting as customers come to him. Even the wholesaler, who calls on his retailers, has title to do his prospecting. There are salesmen who are to call on the customers, are to undertake the work of prospecting. For instance, travelling, specialty and the pioneer salesman have a bundle of work to do with this. The prospecting encourages aggressiveness and creativity as it aims at building a reserve of larger number of customers. An effective prospecting means better use of retailer's talents, better rewards for his/her efforts and improvement in his efficiently as it has a productivity tough.

#### **GUIDELINES FOR HOW TO RECOGNIZE CUSTOMER NEEDS**

### Understand the Customer Needs

Organization should collect information about the customers. They need to search out what their customers want. Once they have identified most valuable or potential customers they can target highest levels of customer care towards them. Retail organization can collect information from:

- Records of their contacts with the business - phone calls, meetings and so on
- Direct feedback - if retailers ask questions to customers they will give response about what they want or expect.
- Feedback about the existing performance what to do and what does not do.
- Enquiries about probable new products or services, the number of contacts with a customer each month (Fig. 3.6).



**Fig. 3.6: Understand customer need**

Source: <https://bit.ly/2MJFgNU>

### Responding Customer Timely

Effective communication isn't simply a one-way proposition. Responding is directed toward the customer is important, but problem from the customer is probably even more important. Consistently providing response to customer is very vital to retain them for longer period of time.



**Fig.3.7 Respond customer timely**

Source: <https://bit.ly/2ZkPCul>

In a company devoted to customer responding, there is no place whatsoever for an attitude of "that's not my job" (Fig. 3.7).

There are several informal ways to responding customer for effective customer service. One of the easy and simple ways is merely to respond customers themselves how well they think you're doing. This can be achieved by using such basic tools customer satisfaction survey cards, exit interviews with customers, etc.

### **Advantages of Responding the Customer on Time**

There are various advantages of responding customers on time are as follows:

- Serve customer in a better way.
- Increase customer revenues.
- Acquiring new customers.
- Sale products more effectively.
- Help sales staff close transactions faster and make call centers more proficient.
- Developing or enhancing the value proposition offered to customers.
- Enhancing customer loyalty and retain customers to increase profits.
- Focused customer delivery & support based on customer's segment.
- Designing strategic solutions for enhancing effectiveness of promotions & loyalty programs.

### **Respond Effectively with Customers**

There are many ways to respond customers in effective way



- 1. Direct Communication:** Through direct communication retailer communicate with their customer about the products availability of products which meets customer expectation.
- 2. Through Telephonic conversation:** Retailer can also communicate through telephone to their customer. It saves their money and time too along with their efforts and provides immediate feedback to their customers.
- 3. Through mail:** It is one of the means to respond customer effectively. And it is also work as proof of response to customer expectation.
- 4. Through SMS:** It is most popular and cheapest way to inform customers about their expectations. SMS is used by not only physical retail store but also e-retailers.

### Activities

**Activity 1:** Role plays on how to recognize customers in a significant way in different situation.

**Material required:** Some products like ear phone, DVDs, pen drive, etc., notebook, pen, paper.

**Procedure:**

1. Make a group of 5 students.
2. Four students play the role of customers and one student as a trainee associate.
3. Arrange table and chair and all the products like a shop.
4. All the four customers have different needs for the product. Two customers visited shop at a time.
5. First two customers ask for ear phone. Both customers are different from each other. One customer asks for costly earphone and another one cheaper earphone. Firstly both customer visited shop and ask for earphone. Trainee associate has to understand both the customer and react accordingly. Finally both the customer purchased the product.
6. Next two customers visited shop. One brings pen drive to exchange it. And another one asks for DVDs of super heroes. Trainee associate has to deal with one existing customer who asks to change pen drive. And another one is potential customer who asks for DVDs. Handle timely and attentively both the customer at a time.
7. Assure both the customer to give right quality of product. And give quick response.
8. Enjoy the activity as a customer and trainee associate.

**Activity 2:** Demonstrate the organizational guidelines are steps to respond to customers in given conditions.

**Material Required:** some products (electronic products, FMCG goods), paper and pen.

**Procedure:**

1. Ask the students to demonstrate the organizational guidelines to respond to customers in the following conditions.
  - a. Customer 'A' purchased mobile phone from a retail shop. He found some problem in the mobile phone and reached the retail shop to solve his/her problem.
  - b. Customer 'B' purchased laptop and he/she found no software available in the laptop. He/she went to retail shop.
  - c. Customer 'C' purchased laptop two years back from a shop. He/she found some technical problem then he/she went to shop to resolve his/her problem.
2. Ask the students to demonstrate above all situations and show best method to resolve above problems.

**Activity 3:** Case study on identifying and resolving customer problem.

**Material Required:** Pen, pencil, notebook, checklist.

**Procedure:**

1. A retailer sold a smart mobile handset to Mr Raman one month back. The warranty of this set was one year from the date of selling by retailer.
2. At the time of purchasing Mr Raman did not ask about the service centre location, as he purchased a reputed brand mobile handset. After one month, the handset has some problem in its touch screen. Mr Raman reached at retail outlet and lodged a complaint. The retailer told him that the service centre of that company is not located in this city and it should be sent to its service centre, which is about 500 kilometres from this place, and it will take about one week to repair and to get back from service centre. Now Mr Raman was upset. He has given his set and got it after one week.
3. Prepare a feedback form for getting information from this type of customers and also suggest the probable solutions to rectify this type of problem and does not occur in future.

**Activity 4:** Collecting service feedback survey of customers.

**Material Required:** Pen, pencil, notebook, checklist.

**Procedure:**

1. Prepare a questionnaire.
2. Visit the store and greet the manager.
3. Take permission from the manager for collecting the feedback from the customers.
4. Distribute the questionnaire to customers and collect feedback on getting the services from the retail while buying the products from this retail outlet.

5. Ask following questions to the customers:
  - a) Are you satisfied with the retail service to customers?
  - b) Do you feel worry due to delay service?
  - c) What strategy retail shop follows to solve customer problems?
  - d) What are the ways followed by the retail shop to respond customer affectively?
6. Collect the information from the customers.
7. Analyze and make a report on the basis of customer response.

### Check Your Progress

#### A. Fill in the Blanks

1. Searching for prospects (customers) is known as \_\_\_\_\_.
2. An effective, prospecting eliminate waste from the very start than having a trial and \_\_\_\_\_.
3. \_\_\_\_\_ should collect information about the customers.
4. Consistently providing \_\_\_\_\_ to customer is very significant to retain them for longer period of time.
5. Retailer can also \_\_\_\_\_ through telephone to their customer.

#### B. Multiple Choice Questions

1. Advantages of responding the customer on time are
  - a) Serve customers in a better way
  - b) Acquiring new customers
  - c) Enhancing customer loyalty
  - d) All of the above
2. Ways to respond with customers are
  - a) Direct communication
  - b) Telephonic conversation
  - c) Mail and sms
  - d) All of the above
3. Searching for customers is called as
  - a) Customer
  - b) Dancing
  - c) Prospecting
  - d) Searching
4. Which of the following is not significance of recognizing customers
  - a) It enables the salesman to sell more
  - b) It builds a large number of customers.

- c) It does not give benefits to the retailer
- d) It use talents, better rewards for business efforts.

5. Which of the following is correct

- a) Customers should not treated well
- b) Retailers job is not to satisfy customers
- c) Trainee associate should not focus on customers' requirements
- d) Organization should collect information about the customers

### C. State whether the following statements are True or False

1. Prospecting is same things in terms of importance to different types of salesmen.
2. There are several informal ways to responding customer for effective customer service.
3. Effective communication is simply a one-way proposition.
4. Mail is also work as proof of response to customer expectation.
5. SMS is used by not only physical retail store but also e-retailers also.

### D. Short Answer Questions

1. How to recognize the customer?
2. What are the guidelines to recognize the potential customers?
3. Discuss the significance of recognizing customers.
4. What are the advantages of responding customers timely?

### E. Check Your Performance

1. Perform how to recognize the customer.
2. Make chart on guidelines to recognize the potential customers.
3. Demonstrate the advantages of responding customers timely.

## Session 4: Customer Retention Strategies

Customer is the vital person ever to an organization. He must be contacted in person, by mail or by telephone or any other popular media. He is not depending on organization, but organization is depending on him/her. He/she is not a disturbance for organization but he/she is the fundamental reason behind it. He is favoring the organization by allowing it to serve him/her. Customers bring their needs to the organization and the companies' job is to cater for them, thereby profiting the customers as well as organization.

Therefore, customer service is an opportunity that can produce huge benefits for any organization to be marketed companies must be customer-driven. To increase market share individual customers must want to come back, time and again and spend more with a company than with its competitors. This means

that share of customers is for many business, becoming more important than 'share of market'.

The share of customer can be increased through customer loyalty. Customer loyalty is the inclination of the customer to stay in business with the particular supplier and buy the products regularly. This is usually seen while a customer is satisfied by the supplier and re-visits the organization for business transaction or when he/she is intended for re-buying a particular product branded over times by that supplier. To continue the customer loyalty, the vital aspect of a business organization should focus on customer satisfaction. The customer satisfaction leads to customer retention. A loyal customer is always sticking to a particular brand/product as far as his/her basic wants and needs continue to be properly satisfied. He/she does not choose for taking a risk in going for a novel product, more is the likelihood to retain customers, and in addition to the more is likelihood of net growth of organizational business.

### **DEFINITION OF CUSTOMER RETENTION**

The customer retention is defined as follows:

1. It is a planned strategic practice to retain current or existing customers and not allowing them to deviate other suppliers or and organization for business.
2. It is an activity so as towards a selling organization commences within the order toward the customer, defections, successful customer retention starts with the initial contact of an organization have which a customer in addition to continues all over the whole life time of the relationship.
3. It is the process of retaining customers in the customer inventory aimed at an unending period by meeting the wants, needs and exceeding the expectations of those customers (Fig. 3.8).
4. It is the method of the organization to convert a causal customer/purchaser into a committed customer.



**Fig. 3.8: Customer retention**

Source: <https://bit.ly/2ZxYI1V>

### DEFINITION OF CUSTOMER RETENTION MANAGEMENT

The customer retention management refers to planning, organizing, co-ordinating, directing and controlling the activities to retain the existing customers and not letting them to defect to other organizations business.

The customer retention management enables to buildup customer loyalty and retention. It develops a long term relationship between the customer and the organization.

### IMPORTANCE OF CUSTOMER RETENTION

Under the present competitive environment all the organizations have been focusing on customer retention than simply on customer acquisition on account of the benefits derived from customer retention which is as under:

- Converts casual customers into loyal customers
- Becomes an asset
- Minimize expenses
- Develops long term relationship
- Customers spend more on organizational offerings
- Spread positive image
- Customers are less price sensitive
- Indicates predictable revenue

The overall objective of providing value to customers continuously and more effectively than the competitors is attained through the concept of 'cluster retention is highly useful to the organization and the customer. Customer retention management is gaining importance in the present competitive environment.

### CUSTOMER RETENTION STRATEGIES



**Fig. 3.9: Customer retention strategies**



During customer's acquisition, the companies focus on market share, customer retention and differentiated services to the customers. All the customers are not equal in their attitude and behavior towards the products offered by the company. The company should put in efforts to retain the good and valuable customers. For this purpose, the company categorizes all its customers into four categories and customer retention strategies revolve around these categories of customers (Fig. 3.9).

In first category, we have loyal and profitable customers. The organization has to put in efforts to retain these customers by reinforcing their loyalty and bondage with them.

In second category, we have profitable but not loyal customers. The organization must undertake measures to strengthen relationships with them with appropriate strategies.

The third categories of customers are loyal but not profitable. The organization has to initiate measures to improve its position with such customers.

In last category, we find customers who are neither gainful nor loyal. Such category of customers must be left out to the competitors, and concentrate more on customer retention policies and strategies of first and second categories of customers.

Berry and Parasuram, the two staunch advocates of Relationship Marketing have developed a framework for understanding the customer retention strategies. The framework suggests that retention marketing can occur at different levels and strategy at each successive level brings customer closer to the organization. The four types of customer retention and maintaining strategies useful for the organization.

### **1. Level-I Financial Bonds**

At level-I, the customer is tied up with firm primarily through financial incentives or bonds. The various financial bonds offered to the customers are volume & frequency rewards, stable pricing and building & cross selling. The firm may offer lower prices for greater volume of purchases or lower prices to those customers who are with the firm for a quite long time. These programmes are very easy to initiate and result in short term profits or gains to the firm.

### **2. Level-II Social Bonds**

At level-II, the customer is knotted up with firm through social, inter-personal and financial bonds. The various strategies adopted by the firm at level-2 are maintaining customer relationships, personal relationships and social bond among the customers. The firm views the customers as their clients rather than make customers. Firm is expected to understand the wants, interests and needs of the customers and they have to design the product to suit their requirements. Services offered by the firm should fit into the needs and desire of customers to develop social bonds with them.

### **3. Level-III Customization Bonds**

At level-III, the customer needs and desires are to be studied thoroughly to deliver customized value added products and services. This strategy



involves more than social ties and financial incentives to the customers. The various customized bonds used by the firm are customer intimacy, mass customization and anticipation or innovation. These approaches suggest that customer/buyer loyalty can be stimulated through intimate knowledge of individual customers and through development of one to one solutions that fit individual customer needs.

#### 4. Level-IV Structural Bonds

At this level, the strategies adopted by the firm are most difficult to imitate and involves structural in addition to financial, social and customization bonds between the customer/purchaser and the firm. The firm adopts integrated information system, joint investment and shared process and equipment strategies in developing structural bonds with its customers. It involves the usage of an organization's resources to deliver something of worth to the customers. Providing technology based services to its customers makes the customer more productive and often creates structural bonds.

### Activities

**Activity 1:** Visit a retail store to know how a retailer retain the customer and then conduct a role play

**Materials required:** Notebook, pen, pencil, and checklist

**Procedure:**

1. Visit a retail store
2. Observe how the retailer is adopting retention strategies.
3. Also observe the sales persons how to communicate information to the customers.
4. Observe effective measures adopted by the retailer for retention of customers.
5. Prepare a report on it and conduct a role play in class room
6. In which, one student play a role of customer
7. Another student play the role of sales person
8. Create a situation in which sales person deal with customer and try to satisfy his/her needs.
9. Sales person also tell the new or upcoming offers to customer for visiting the retail store again. Other students of the class observe the role play and note down the points in their notebook. Teacher gives the feedback to the students.

**Activity 2:** Draw a chart on customer retention.

**Material required:** Paper, pen, pencil, eraser, color

**Procedure:**

1. Search various customer retention strategies of the companies on the internet. Search at least 2 companies.
2. Draw a chart on paper or drawing sheet on the retention strategies of the companies.
3. Submit the chart to the teacher.

## Check Your Progress

### A. Fill in the Blanks

1. \_\_\_\_\_ is the most important person ever to an organization
2. The share of customer can be \_\_\_\_\_ through customer loyalty.
3. It is an activity that a selling organization undertakes in order to \_\_\_\_\_ customer defections.
4. The customer retention management enables to buildup customer \_\_\_\_\_ and retention.
5. The organization has to \_\_\_\_\_ measures to improve its position with such customers.

### B. Multiple Choice Questions

1. Importance of customer retention are :
  - a) Convert casual customers into loyal customers
  - b) Minimize expenses
  - c) Spread positive image
  - d) All of the above
2. Customer retention strategies are
  - a) Social bond
  - b) Customization bonds
  - c) Financial bond
  - d) All of the above
3. Strategic practice to retain current customers is known as
  - a) Customer retention
  - b) Prospecting
  - c) Current customers
  - d) None of the above
4. Which of the following statement is incorrect
  - a) Customer is a vital person for the organization.
  - b) Customer service is not important for the organizational growth.
  - c) Customer retention is the practice to keep existing customers
  - d) Customer retention is the strategy to improve customer loyalty.
5. Customer retention management means:
  - a) Planning, organizing, co-coordinating, directing and controlling the activities to retain the existing customers.
  - b) Reducing customers
  - c) Do not allow customers in managing things

d) None of the above

**C. State whether the following statements are True or False**

1. Customer is not depending on organization, but organization is depending on customer.
2. Customer retention management is gaining importance in the past competitive environment.
3. The company should put in efforts to retain the good and valuable customers.
4. All the customers are not equal in their attitude and behavior towards the products obtainable by the company.
5. The organization has to put in efforts to retain these customers by reinforcing their loyalty and bondage with them.

**D. Match the Columns**

	Column A		Column B
1	Financial Bonds	A	integrated information system, joint investment and shared process and equipment strategies
2	Social Bonds	B	firm may offer lower prices
3	Customization Bonds	C	customer intimacy, mass customization and anticipation or innovation
4	Structural Bonds	D	customer relationships, personal relationships and social bond among the customers

**E. Short Answer Questions**

1. What is the meaning of customer retention?
2. What do you mean by customer retentions strategies?
3. Explain the importance of customer importance.
4. Discuss the process of customer retention.

**F. Check Your Performance**

1. Demonstrate the customer retention strategies.
2. Draw a chart showing process of customer retention.

**MODULE 4****PROCESS OF CREDIT APPLICATION****Module Overview**

It is the responsibility of every retailer and their representatives to ensure that retailer operates in a professional and legal manner. Both the law and store/company policies need to strictly control the sale of age related or restricted products.

In other way, the law holds retailers personally responsible for sell of goods on credit. There are many terms and conditions will help retailers and its staff for sell of goods on credit basis and the retailers have to follow them.

Retailers sell the goods on credit with a goal to increase the sales. This enables retailer to increase their profits and attract retail customers.

The credit requisition contains information on desired products, details of possible vendors, delivery instructions; accounting details, contact information etc. The trainee associate has to follow the criteria in processing credit sale application. Before credit sales are permitted, the sales associate or the retailer has to obtain credit worthiness of buyer. He/She has to receive credit application, check with publicly available information and by credit evaluation tools, determining credit worthiness of customer.

This unit deals with the features of credit sales, credit sales agreement, retail credit facility flexibility, terms and conditions. It also covers the difference between sales and agreement to sale. Contract of sales, conditions and warranties also contribute much for sale of goods on credit. Credit checks and getting authorization is another important task in sell of goods on credit. There is a laid down procedure for credit check of prospective customer. While granting customer credit, the sales associate has to follow certain steps which include creation of credit policy, obtaining credit application, checking customer references, getting a personal guarantee, run a credit check, setting limits of credit and payment terms.

With this background in view the present unit entitled 'process of credit application' divided into four sessions. The first session deals with features and conditions for credit sales and covers retail credit facility, terms and conditions in credit sales. The second session is on credit checks and getting authorization. It will focus on the legal and company procedures for carrying out credit checks and getting authorization. The third session is devoted to processing credit requisitions and deals with documentation requirements. The last i.e., fourth session deals with techniques determining credit worthiness.

## Learning Outcomes

After completing this module, you will be able to:

- List the features and conditions for credit sales
- Identify the credit checks and getting authorization
- Describe the process of credit requisitions
- Demonstrate the techniques for determining credit worthiness

## Module Structure

Session 1: Features and Conditions for Credit Sales

Session 2: Credit Checks and Getting Authorization

Session 3: Processing Credit Requisitions

Session 4: Techniques for Determining Credit Worthiness

## Session 1: Features and Conditions for Credit Sales

Sellers who sell the goods on credits to fellow users via the credit selling feature. Credit sales means inventory which is sale on credit (not on cash), and the amount will receive in the future. It becomes important means of business transactions between buyer and seller. In credit sales, customer pays against his purchasing in future. A credit sale is made between seller and buyer with buyer agrees to pay in installments or lumpsum offer for particular period of time. Thus, credit sales) due amount may be collected in different forms such as lump sum payment, Hire Purchase system and Installment Purchase System. Retail firms need to sell goods on credit in order to get following benefits.

- It is highly available with no special arrangement. So smaller companies prefer this.
- It leads to increase in firm's sale.
- In general terms are less restrictive.

### FEATURES OF CREDIT SALES

Credit sale is selling goods to customer by transferring from seller to customer without paying the money immediately. Payment of goods can be done as per the agreement.

The features of credit sale:

- The transferor is usually dealing in goods;
- The credit seller had title before making credit.
- It is created through credit sale not cash sale.
- There are fewer formalities especially in case of open account.
- Usually extended for three months.
- It depends on terms impose by seller.

- No security is required.
- It can be given by different financial institutions with easy term and at a uninterrupted rate.
- Almost half of short financial requirement of retail is met from this type of mutual trust and good relation.

### **CREDIT SALE AGREEMENT**

An agreement is sale on price pay in installments. A credit facility is a type of loan made in business or corporate finance and retail context.

### **DEFINITION OF RETAIL CREDIT FACILITY'**

It is a financing method which provides loan facility to consumers for purchase goods. Retail credit facilities lend funds to purchase high valued items. Retail credits facilities give option of consume now and pay in future. The risk of default is mainly one on factor that interest rate that retail credit facilities charge.

### **TERMS AND STRUCTURE OF A CREDIT FACILITY**

A credit agreement details borrower's responsibilities. It includes loan duration, loan warranties, lending amounts, default penalties, interest rates, repayment terms, and conditions. The contract includes basic information of customer. It also includes purpose of loan.

### **Repayment Terms of Credit Facility**

Terms of credit also includes the repayment of money by customer. It also includes the interest rate, maturity period and repayment and mode of repayment.

### **CONDITIONS USED FOR SALE OF GOODS ON CREDIT**

There are many conditions in credit agreement. The details of legal provisions of credit facility are discussed below:

- Contract of sale in which seller transfers goods to buyer on a price.
- Contract of sale made when there is a proposal to buy or sell goods on a price and getting of such offer or proposal is also there.
- It can make in writing or by word of mouth.
- Contract of sale is common or generic term, which comprises: (a) Sale and (b) Agreement to sell.

**Sale.** When goods transfer from seller to buyer, it is termed a sale. Thus, sale is transfer of ownership of goods from seller to customer. A sale is an executed contract.

### **Agreement to sell**

Agreement to sell means a contract of sale under which the transfer of goods takes place in future date or subject to some conditions thereafter to be fulfilled.

### **ESSENTIALS OF CONTRACT OF SALE**

The essential aspects of contract of sale are as follows:

1. **Bilateral Contract:** It must have at least two parties. A sale is bilateral since the goods pass starting from one person to other. Seller and buyer must be two different persons.
2. **Transfer of property:** Transfer ownership of goods.
3. **Goods:** The contract must be in goods.
4. **Money Consideration:** Price is consideration of goods. The consideration of sale of contract necessarily to be 'money'.
5. **Essential Elements of Contract:** All other essentials of valid contract as per the Indian Contract Act, 1872 must be present. The parties to contract must be competent of contract, the consent of parties must be free, and the object of contract must be lawful and so on.

### Condition and Warranty Distinguished

The differences are as follows;

1. **Value:** Condition is requirement which is essential to main purpose of contract. Warranty is a provision which is guarantee of main purpose of contract.
2. **Breach:** Breach of condition is aggrieved party do not repudiate contract and claim for damages. But in warranty buyer can claim damages and contract cannot be repudiated.
3. **Treatment:** A breach of situation may be treated as a breach of warranty. But a breach of warranty cannot be treated as a breach of condition.

## Activities

**Activity 1:** A Role Play to Learn the Process of Credit sales in Retail Business

**Material Required:** Check-list, note pads and pen/pencils.

**Procedure:**

1. Divide class into groups, 3 students in each group and ask them to perform the following activities in the retail lab.
2. Role Play - Situation: A customer enters into the retail store and asked the retailer to sell the goods on credit to him and CSA decided to sell the goods on credit to him.
  - 1<sup>st</sup> student: A customer seeking for credit.
  - 2<sup>nd</sup> student: Customer Trainee Associate (Retailer).
  - 3<sup>rd</sup> student: Store Manager.
3. Finish the play within stipulated time allotted to you.
4. Discuss learning from the activity and points to be covered.
5. Share your views before and after the Role Play activity.

**Activity 2:** A Field visit to learn terms and condition adopted by retailers for credit sales and draw a chart.

**Material Required:** Check-list to Visit notes, list of retail stores and notes pad pen/pencils.



**Procedure:**

1. Visit a nearby Retail Store.
2. Examine terms and conditions adopted by the Retailers for creditsal
3. Discuss the findings with your teacher.
4. Prepare and submit a chart based on your observation.

**Activity 3:** Field visit to learn features of Credit sales.

**Material Required:** Check-list to Visit notes, Questionnaires, list of retail stores and notes pad pen/pencils.

**Procedure:**

1. Visit to retail stores near your home or school.
2. Observe for the following activity or situation exists at the stores.
3. Tick mark at the appropriate.

Sr. No.	Activity or Situation	Yes	No
1.	Whether the retailer is selling goods on Credit Basis to Customers		
2.	Do the retail store is keeping any conditions for credit sales		
3.	Do the retailer is selling goods on Installment Purchase system		

4. Identify what are the customer's needs for credit facilities
5. Identify the need of customers form credit facility.
6. Understand how a retail firms is selling goods on credit basis.
7. Study what are terms and conditions stipulated for sale of goods on credit.
8. Collect the details.
9. Discuss with friends, teachers, officials of retail store and then Finalize.
10. Submit field visit report to your Teacher.

### Check Your Progress

**Fill in the Blanks**

1. When goods are sold without receiving immediate \_\_\_\_\_, it is called a credit sale.
2. Credit sales are made between a \_\_\_\_\_ and a \_\_\_\_\_ with buyer agreeing to pay by installment.
3. \_\_\_\_\_ to sell means a contract of sale under which the transfer of goods takes place in future date or subject to some conditions thereafter to be fulfilled.

4. \_\_\_\_\_ of sale is in which seller transfers goods to buyer on a price.
5. \_\_\_\_\_ contract must have at least two parties.

### B. Multiple Choice Questions

1. Condition is a stipulation whereas warranty is \_\_\_\_\_
- Collateral to the main purpose
  - Agreement
  - Treatment
  - None of the above
2. Which one is the essential of contract of sale?
- Transfer of property
  - Money consideration
  - Goods
  - All a), b) and c)
3. \_\_\_\_\_ sale means inventory which is sale on credit (not on cash), and the amount will receive in the future.
- Invoice
  - Rate
  - Credit
  - None of the Above
4. \_\_\_\_\_ is consideration of goods.
- Property
  - Purchase
  - a and b
  - Price
5. A \_\_\_\_\_ of situation may be treated as a breach of warranty.
- Breach
  - Guarantee
  - Sales
  - None of the Above

### State whether the following statements are True or False

- There must be at least three parties for contract of sale.
- Barter is goods exchanged in consideration of goods.
- All stipulations in the contract can be treated under same footing.
- Agreement to sale means a contract of sale.
- Credit sales increase customers.

### D. Match the Columns:

	Column A		Column B
1	Condition	A	Stipulated collateral
2	Warranty	B	Consideration of contract of sale
3	Transfer of property	C	Executed contract
4	Sale	D	Stipulation essential
5	Price	E	Transfer of ownership

### E. Short Answer Questions

1. Define credit sales.
2. What are the benefits of credit sales?
3. What is credit sale agreement?
4. What is retail credit facility?
5. What is agreement to sell?
6. What is condition?
7. What is meant by warranty?

### F. Long Answer Questions

1. Explain the features of credit sales.
2. What conditions are used for sale of goods on credit?
3. Differentiate sale and agreement to sale.
4. Differentiate conditions and warranties
5. What are the essentials of contract of sale?

### G. Check Your Performance

1. Demonstrate the essentials of contract of sale.
2. Spell out the features of credit sales.

## Session 2: Credit Checks and Getting Authorization

Any retail store primary aim is to increase profits. Therefore, there is need to identify the potential customers for making credit sales. By keeping this in mind creditors must make credit check in order to comprehend whether customer is having repaying capacity or not. This can reduce risk of bad debts to the retailing firm.

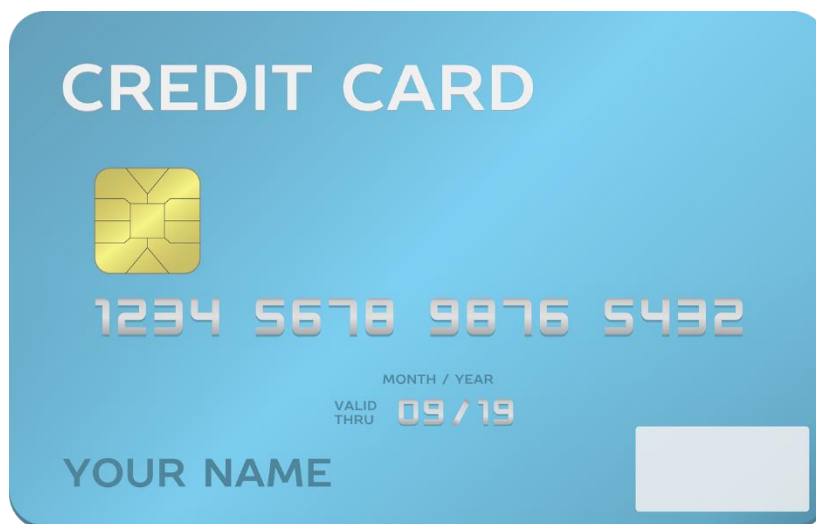
### MEANING AND DEFINITION OF CREDIT CHECK

Credit check is some sort of search performed by retailer to evaluate suitability of customer for credit. Retailer can assess how customer can handle his money matters and fulfill their requirements for credit. Basically, a credit check provides necessary information of an applicant's creditworthiness. It also provides information to alter creditor of level of risk.

### NEED FOR CREDIT CHECKING

The need for credit check is as follows:

1. Credit check need to protect interests of parties. It also ensures that each party has capacity to enter into deal.
2. Retail firms need to have credit check run on customers any time whenever the customers apply for a loan, hire purchase, credit card, store card or line of credit.
3. It provides information about customer's mortgage, credit cards (Fig. 4.1), arranged overdrafts, personal loans, car finance, hire purchases, and repayment history of customer's phone and power accounts.



**Fig.4.1: Credit card**  
**Source: [shorturl.at/cvCMT](http://shorturl.at/cvCMT)**

4. A credit record is basically an account of any type of credit of the customer given for the last six years. It reveals how much money is being accessed by customer and if customer has unsuccessful to make any obligations etc.
5. When applying for credit, the customers will be asked by lender for his consent to check the customer's credit file. This allows them to see number of things such as address of the customer, current commitments of the customer, reliability of customer.

The criteria vary from customer to customer. It is based on financial profile and credit history. Customer information on account of occupation, age, a homeowner etc., also takes place.

### **Positive credit reporting**

In the past, credit check includes “negative” behavior, which takes place when customer failed to meet his obligations. They calculate credit score from this information and with other credit activity on customer file, such as previous enquiries from credit providers. This change will provide clear Figure of customer's finances, and will show if you have recovered from any credit difficulties in the past.

### **PROCEDURE FOR CREDIT CHECK ON A PROSPECTIVE CUSTOMER**

Before retail firms extend credit to customer, it is the practice to check customer's credit history.

Credit checks strategy adopted by retailers to check risk of bad debt. Before offering a customer credit, filled and sign a credit application form.

Gather following informations from individual customers:

- Signature confirmed that customer has read and comprehend all terms and conditions agree with it.
- Identification and contact details.
- Approval for conduct credit checks if necessary.
- Ask business firm's legal or financial adviser can provide necessary advice in these matters.

### **LEGAL AND COMPANY PROCEDURES FOR GETTING AUTHORIZATION**

A person credit history is private. Therefore, retail firms have authority from customer before making any access to the information legally.

### **HOW TO GET CREDIT REPORT**

Customer provides necessary information for credit purchase. Retailer access information and make report. Retailers can directly ask customer for their credit worthiness and write down in credit report (Fig. 4.2).



**Fig. 4.2: Credit report**  
Source: <https://bit.ly/34df170>

### **STEPS TO FOLLOW BEFORE GRANTING A CUSTOMER CREDIT**

If the business firms decide to offer credit terms to the customers, Firms should do everything to try to ensure that these customers will be both willing and able to pay in accordance with agreed-upon terms. Experts recommend the business firm to follow structured process (Fig. 4.3).



**Fig. 4.3: Steps to follow before granting a customer credit**

- **Create credit policy:** Every retail store must create their credit policy. It will help them in running retail business. It includes payment policies and expectations.
- **Customers must complete credit application:** The application should provide key information about the customer's.
- **Check the customer's references:** Asking customers to list references does little good if retailer doesn't follow through and call them.
- **Run credit check:** It will help in reveal out if any exceptional/outstanding judgments against customer.
- **Request personal guarantee from customer:** It is not necessary in retail store for personal guarantee from customer.
- **Take security interest in products:** Customer can refuse to pay according to agreed upon terms.
- **Set credit limits and payment terms:** Set limit for customer which our business feels to be creditworthy. Also decide how many days after delivery/supply of the products/goods full payment will be due to the business.

### Activities

**Activity 1:** A Role Play to Learn the Process of Credit sales in Retail Business.

**Material Required:** Check-list, note pads and pen/pencils.

**Procedure:**

1. Divide class into groups, 3 students in each group and ask them to perform following activities in the retail lab.
2. Role Play - Situation: A customer enters into the retail store and requested to sell the goods on credit. Now, understand how the retailer makes a credit check before selling the goods on credit.
3. Role of students
  - 1<sup>st</sup> student: A customer.
  - 2<sup>nd</sup> student: Trainee Associate (Retailer).
  - 3<sup>rd</sup> student: Store Manager.
4. Finish the play within stipulated time allotted to you
5. Discuss learning from the activity and points to be covered.
6. Share your views before and after the Role Play activity.

**Activity 2:** A Field visit to learn the practices adopted for making credit check.

**Material Required:** Check-list, list of retail stores and notes pad pen/pencils.

**Procedure:**

1. Visit a nearby Retail Store.
2. Examine the Practices adopted by the Retailers for making credit check.
3. Prepare report based on observation.

**Activity 3:** A field visit to learn Credit check and getting authorization in Retail Business.

**Material Required:** Check-list, list of retail stores and notes pad pen/pencils

**Procedure:**

1. Visit to retail store near your home or school
2. Observe for the following activity or situation that exists at the stores.
3. Tick mark at the appropriate.

Sr. No	Activity or Situation	Yes	No
1.	Whether the retailer is following credit check for sale of goods on credit to the customers		
2.	Is the retail store approaching any Credit Reference Agency for seeking credit check		
3.	Whether the retailer is following the legal procedures for carrying out credit check		
4.	Is the retail store following suitable steps to provide credit to the customers		



5.	<p>a) Whether the retailer is refusing to offer credit sales if so, on what basis</p> <p>b) Identify how a retail firm is providing enough time and opportunities for the customers to seek clarifications for credit sales facility.</p> <p>c) Understand how a retail firm is making a credit check on the customer seeking for credit.</p> <p>d) Study what are legal and company procedures for getting authorization for credit check.</p> <p>e) Collect all the details.</p> <p>f) Discuss the details with the teacher and authorities of retail store.</p> <p>g) Prepare and submit a report on the basis of your observations to your teacher</p>		
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### Check Your Progress

#### Fill in the Blanks

1. A person credit history is \_\_\_\_\_.
2. Customers provides necessary information for credit \_\_\_\_\_
3. Credit check provides necessary information of an applicants \_\_\_\_\_
4. Every retail store must create their credit \_\_\_\_\_
5. \_\_\_\_\_ is the process of applying for credit to purchase the products and services.

#### B. Multiple Choice Questions

1. Main objective of credit check is to manage risk of \_\_\_\_\_.
  - a) Bad debts
  - b) Credit Sales
  - c) Cash Sales
  - d) None of the above
2. Before retail firms extend credit to customer, it is the best practice to check the prospective customer's \_\_\_\_\_.
  - a) Profile of the customer
  - b) History
  - c) Background
  - d) None of the above
3. A credit reference agency holds details of \_\_\_\_\_.
  - a) Personal information
  - b) No information
  - c) personal credit information

- d) None of the above
4. \_\_\_\_\_ is the risk involved in offering credit.
- Financial risk
  - Reduced cash flow
  - Increased cash flow
  - None
5. Credit check provides information about
- Customers mortgage
  - credit cards
  - personal loan
  - All of the Above

**C. State whether the following statements are True or False.**

- Credit check is a type of search.
- Credit checking is not needed to protect the interest of parties.
- A credit record is basically an account of any type of credit.
- Approval from customer is not required while credit check of his/her account.
- A deed of indemnity and guarantee for corporate clients is an option.

**D. Match the Columns**

	Column A		Column B
1	Credit history of person	A	Credit worthiness
2	Credit score	B	Credit reference Agency
3	Credit record	C	Default in payments
4	CRA	D	Account details for last six years
5	Bad credit history	E	Private

**E. Short Answer Questions**

- What is the meaning of credit check?
- What is positive credit reporting?
- What are the contents of prompt written response of retailer?
- What is credit reference agency?

**F. Long Answer Questions**

- What is legal and company procedures for carrying out credit checks?
- Explain the Legal and company procedures used for getting authorization to perform credit check.
- Explain the need for credit checking.
- Narrate the steps to be followed before granting customer credit.
- How credit report of customer is obtained?

**G. Check Your Performance**

1. Demonstrate legal and company procedure for carrying out credit checks.
2. Draw a chart on the steps to be followed before granting customer credit.

### Session 3: Processing Credit Requisitions

Requisition is formal request by the customer to the seller to sell desired goods on conditions agreed upon. It generally includes the brand and model name, quantity and the required delivery date etc. It pertains to purchase of goods and credit availability. When a requisition is made by buyer to the seller to provide credit facility for the purchase of goods it is known as credit requisition. The rules for availing credit facilities are normally provided by the organization.

#### CREDIT REQUISITION

A credit requisition is request for credit. A valid credit requisition will provide amount and type of credit requested. It also provides applicant's credit score, report and means of security for the loan. Normally, credit limits are prescribed by the vendor.

Credit limit means maximum amount of money extends through a line of credit and maximum amount credit allows to customer to spend in retail store.

The Credit requisition document requires information about:

- **The desired items or services:** Customer who is seeking credit facility must mention the details of desired items or services to be bought or purchased on credit from retail store.
- **Possible vendors to fulfill order:** It must comprise the details of possible vendors who can supply required goods to the customer/buyer.
- **Any budget quotations or proposals received:** It should contain the information about vendors name and other details of quotations received.
- **Delivery instructions:** Credit Requisition should contain the information about delivery instructions of the goods.
- **Capture initial capital details:** The detailed information about Captures initial capital must be provided in the Credit Requisition.
- **Contact information:** The buyers who want to purchase the goods on credit must mention his/her contact information in this requisition.
- **Related accounting detail:** It should also provide information about related details of accounting.

#### PROCESS OF APPLICATIONS

The following performance criteria must be followed for processing applications from retail customers for credit facilities.

1. Identify customer's needs and provide credit facilities.

2. Clearly explain to customer about features and conditions of credit facilities.
3. Customer submit application, requisition must approved by retailer.
4. Promptly refer difficulties in processing applications.
5. Once approved, requisitions go to Sales Manager assignment for authorization procedures.

### Activities

**Activity 1:** A Role Play to Learn the Processing of Credit requisition.

**Material Required:** Check-list, note pads and pen/pencils.

**Procedure:**

1. Divide class into groups.
2. Role Play - Situation: A customer enters retail store and asks the retailer how to process Credit Requisition for purchasing the goods on credit. Now, the retailer has to explain about documents required for the credit requisition to customer who is seeking credit. To continue the deliberations divide class into 3 groups of three students in each and ask them to perform following activities in retail lab.
3. Role of students:
  - 1<sup>st</sup> student: A customer asking about Credit Requisition.
  - 2<sup>nd</sup> student: Trainee Associate.
  - 3<sup>rd</sup> student: Store Manager.
4. Other students of the class can ask questions to the performing group.
5. Finish the play within stipulated time allotted to you.
6. Discuss learning from the activity and points to be covered.
7. Share your views before and after the Role Play activity.

**Activity 2:** A Field visit to learn the documents for processing credit requisition of customer.

**Material Required:** Check-list, list of retail stores and notes pad, pen/pencils

**Procedure:**

1. Visit a nearby Retail Store.
2. Identify how a retail firm is keeping the various documents required for processing credit requisition of the customers for providing credit facilities
3. Prepare and submit report based on observation.

**Activity 3:** A field visit to learn processing credit requisitions.

**Material Required:** Check-list to Visit notes, list of retail stores and notes pad pen/pencils.

**Procedure:**

1. Visit nearby stores and examine how a retail firm is processing the applications from retail customers for credit facilities.
2. Observe for the following activity or situation that exists at the stores.

3. Tick mark at appropriate column.

Sl. No.	Activity or Situation	Yes	No
1.	Whether the retailer is keeping the documents required for Credit Requisition?		
2.	Whether the retail store is following any criteria for determining creditworthiness of the customers?		
3.	What is the performance criterion to be followed for processing applications from retail customers for extending credit facilities?		
4.	Collect the detailed information		
5.	Discuss the observations with teacher and the authorities at the retail store		
6.	Prepare and submit a report based on the observations at field visit		

### Check Your Progress

#### A. Fill in the Blanks

- \_\_\_\_\_ is formal request by customer to seller to sell desired goods on conditions agreed upon.
- A \_\_\_\_\_ is a request for credit.
- \_\_\_\_\_ refers to maximum amount of money extends to a customer through line of credit.
- Normally credit limits are prescribed by the \_\_\_\_\_.
- Retailers do not need to provide credit sale to the customers who are not paying amount before the due date because it \_\_\_\_\_ bad debts.

#### B. Multiple Choice Questions

- When a requisition is prepared by a buyer to the seller to provide credit facility for the purchase of goods, it is known as \_\_\_\_\_
  - Purchase Requisition
  - Requisition
  - Credit requisition.
  - None of the above
- Vendors usually set \_\_\_\_\_ based on information in the application of the person seeking credit.
  - Credit limits
  - Debit limits

- c) Standard limits  
d) All of the above
3. The credit requisition document requires information about
- a) Items which are not desires  
b) The desired products or services  
c) General information  
d) None of the above
4. \_\_\_\_\_ is the performance criteria to be followed for processing applications from retail customers for credit facilities.
- a) Identify the customer's needs for credit facilities  
b) Not to identify the customer's needs for credit facilities  
c) Both a and b  
d) None of the above

**C. State whether the following statements are True or False**

1. Requisition is an informal request by a customer to seller.
2. APY stands for Annual property yield.
3. Credit requisition should contain information about the delivery instruction of the goods.
4. Credit processing application does not provide time to customers for clarification.
5. Once approved the application goes to Sales manager assignment.

**D. Match the Columns:**

	Column A		Column B
1	Requisition	A	Prescribed by vendor
2	Credit limits	B	Rejection by Fiscal officer
3	Accounting details	C	Vendor's name and detail of quotation
4	Application back	D	Customer account
5	Budget quotation	E	Formal request by customer

**E. Short Answer Questions**

1. What is credit requisition?
2. What is requisition?

**F. Long Answer Questions**

1. Explain the information required in credit requisition.
2. Discuss the process of Credit Application

**G. Check Your Performance**

1. Draw a chart on the credit requisition.

2. Demonstrate steps involved in the credit requisition.

### Session 4: Techniques for Determining Credit Worthiness

Several businesses have established credit rating systems to determine creditworthiness of customer. To sell the products and services on credit it is necessary to check their creditworthiness.

#### MEANING OF 'CREDITWORTHINESS'

Creditworthiness is valuation performed by retailer that determines possibility customer may default on his debt obligations earlier. It considers factors, like repayment history and credit score. Credit reporting agencies measure creditworthiness of customer.

Pay on time, pay more than the minimum monthly payment, to pay debt faster and reduce assessment of late fees are some ways to improve credit score.

#### HOW TO CHECK A CUSTOMER'S CREDIT WORTHINESS?

Before extending credit retailer have to verify customer ability to repay, among other things. To keep an eye on the customers and their ability to pay what they owe, the following advices:

- a) **Require a credit application.** Every customer need to fill credit applications.
- b) **Check publicly available information.** Every retailer must check customer information before issue credit.
- c) **Use credit evaluation tools:** Retailer must use credit evaluation tools to calculate the customer credit worthiness.

#### TECHNIQUES USED FOR DETERMINING CREDIT WORTHINESS OF CUSTOMERS

When retailers want to expand credit to their customers, they are essentially providing customers credit equal to amount of their purchases. These guidelines as "The Five Cs of Credit" are as follows:

1. **Character:** This refers to customer integrity and willingness to repay financial obligation.
2. **Capacity:** This addresses customer cash inflow and ability to repay debt.
3. **Capital:** This is customers' financial net worth.
4. **Collateral:** This refers for security against credit.
5. **Conditions:** These refer to economic, family and personal conditions of customers.



## Activities

**Activity 1:** A Role Play to Learn Assessment of credit worthiness of customer.

**Material Required:** Check-list, note pads and pen/pencils.

**Procedure:**

1. Divide class into groups.
2. Situation: A customer enters retail store and asks the retailer to sell goods on credit. Now, the retailer has to assess creditworthiness of customer seeking credit. To continue the deliberations divide class into 3 groups of three students in each and ask them to perform the following activities in the retail lab.
3. Role of students :
  - 1<sup>st</sup> student: A customer seeking for credit.
  - 2<sup>nd</sup> student: Trainee Associate.
  - 3<sup>rd</sup> student: Store Manager.
3. Other students of the class can ask questions to the performing group.
4. Finish play within stipulated time allotted to you.
5. Discuss learning from the activity and points to be covered.
6. Share your views before and after the Role Play activity.

**Activity 2:** A Field visit to identify the assessment of credit worthiness of customers.

**Material Required:** Check-list to Visit notes, list of retail stores and notes pad pen/pencils.

**Procedure:**

1. Visit a nearby retail store.
2. Identify how a retail firm is assessing credit worthiness of customers for providing credit facilities.
3. Prepare and submit report based on observation.

**Activity 3:** A field visit to learn processing credit worthiness of a customer.

**Material Required:** Check-list to Visit notes, list of retail stores and notes pad pen/pencils.

**Procedure:**

1. Visit a nearby Retail Store.
2. Examine the techniques adopted by the Retailers for determining creditworthiness of customers.
3. Examine how a retail firm is analyzing the financial statements of the customer seeking credit for determining the creditworthiness of the customers.
4. Observe for the following activity or situation that exists at the stores.
5. Tick mark at the appropriate.

Sl. No.	Activity or Situation	Yes	No
1.	Whether the retailer is assessing Creditworthiness of the Customers		
2.	Whether the retail store is following any criteria for determining creditworthiness of the customers		
3.	What are the techniques used for determining the creditworthiness of the customers		

6. Collect the details.

7. Discuss with teachers and authorities of retail store.

Prepare and submit a report based on your observation.

### Check Your Progress

#### A. Fill in the Blanks

- \_\_\_\_\_ is a valuation performed by retailer that determines the possibility customer may default on his debt obligations.
- When retailers extend credit to their customers, they are essentially providing customers loan equal to the amount of their \_\_\_\_\_.
- \_\_\_\_\_ measures creditworthiness of the customers.
- \_\_\_\_\_ is the customer's financial net worth.
- \_\_\_\_\_ refers to customer integrity and willingness to repay financial obligation.

#### B. Multiple Choice Questions

- Payment or credit history depicts how a person/individual meets debt obligations, which launches \_\_\_\_\_ of a person.
  - personal history
  - creditworthiness or the financial character
  - Non-financial character
  - None of the above
- A high credit score provides \_\_\_\_\_.
  - Low credit worthiness
  - High creditworthiness
  - Moderate creditworthiness
  - None of the above
- \_\_\_\_\_ is the borrower's net worth.
  - Drawings

- b) Capital  
 c) Debentures capital  
 d) None of the above
4. Creditworthiness of customers can also be determined by studying and analyzing \_\_\_\_\_ of business.
- a) Income statement and Balance Sheet  
 b) Income Statement only  
 c) Balance Sheet only  
 d) None of the above
5. \_\_\_\_\_ measure creditworthiness of the customers.
- a) Credit reporting agencies  
 b) Agencies  
 c) Marketers  
 d) None of the above

**C. State whether the following statements are True or False**

1. Payment or credit history depicts how a person meets debt obligations.
2. Creditworthiness is valuation performed by borrowers.
3. Creditworthiness can be increased by paying bills on time.
4. Credit history of customers is not necessary to check.
5. Collateral refers for security against credit.

**D. Match the Column:**

	Column A		Column B
1	Character	A	Borrower's Cash flow
2	Capacity	B	Borrower's Property
3	Capital	C	Economic /Industrial Events
4	Collateral	D	Borrower's net worth
5	Conditions	E	Borrower's integrity

**E. Short Answer Questions**

1. Define credit worthiness.
2. How credit score is improved?
3. What are the five C's of credit?

**F. Long Answer Questions**

1. How do you check credit worthiness of customer?

2. Explain techniques used for determining credit worthiness of customer.

**G. Check Your Performance**

1. Make presentation on the check credit worthiness.
2. Demonstrate how to check credit worthiness.
3. Demonstrate the knowledge and techniques used for determining credit worthiness of customers.

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**MODULE 5****WORK IN TEAM AND ORGANIZATION****Module Overview**

Teamwork is defined as the willingness of the group of people to work together to achieve a common goal in the organisation. It gives the impression that store employees work like family and effective teamwork results to achieve organizational goals. In any organization team work plays an important role to improve the employee performance. In the retail organization there are many employees are working to accomplish the common goal. To achieve the objective of the organization all employees need to work effectively. Employees should have to support and co-operation with each other. Retailer or shopkeeper has to understand the value of employees for becoming more successful. Retailing is successful when retailers are providing products/services to the customers and make them satisfied. This will result in respectable profit margin, comprehensive market base, good retail image and accurate placing of the retailer's product. The customers expect that sales person should exhibit good behavior, identify their expectations and recognize needs. Customer satisfaction is the common goal for all employees working in the retail organization.

When a customer reaches the retail store, it is important that the retailer or the trainee associate prepares everything within his/her authority to make the customer feel welcomed, and make sure he/she leaves the retail store happily.

In a retail organization, the dress code and appearances helps the retail organization to align the employee appearances with the organization's brands the professionalization of a job role, in addition, create a sense of organization identity. The key success of retailing depends on recognizing the customer. In fact it is a search for prospective customer.

The prospect is person or an institution that is expected to be benefitted by the product the salesperson wants to sell and can offer to buy it. Retailing offers many opportunities to the people who are seeing for a bright career, we find different type of options available to choose i.e., customer, sales associate, trainee associate, category manager, store manager, merchandiser, retail operations manager etc.

This unit "work in team and organization" is divided into four sessions. First session deals with organization standards for appearance and behavior. Second session focuses on support teamwork. Third session deals with work effectively in retail organization and fourth session discusses the team's aims and targets.

## Learning Outcomes

After completing this module, you will be able to:

- Demonstrate the organization standards by appearance and behaviour
- Support work team
- Work effective in organization
- Help in planning of own and others

## Module Structure

Session 1: Organization Standards for Appearance and Behavior

Session 2: Support Teamwork

Session 3: Work Effectively in Retail Organization

Session 4: Team Aims and Targets

## Session 1: Organization Standards for Appearance and Behavior

In the present retail era, many retail organizations, recognize that acceptable personal grooming and proper attire are very important to attract and to be acceptable by the customers. The personnel department has the authority with responsibility to determine the standards. Standard should be set fairly and equitably. Standards become the structure built for serving as a base or support. The standards of appearance refer to standard set up for appearance of sales personal of the retail organization. All officers and staff have a personal responsibility to maintain an exemplary standard of appearance in a retail organization.

The managers and supervisors are responsible for safeguarding all personnel to achieve high standards of appearance set out in the procedure and should give recommendation and guidance wherever necessary. Broadly, the advantages include placement of employee presence with the organization's brand, the professionalization of job role, appearance to well-being and protection concerns and the making of an intelligence of organizational identity.

**Overall Appearance:** Staff will keep a high customary of personal presence and must be fresh, neat, organized and well groomed. Staff must not smoke whereas attractive through members of the community. When the category of effort involved creating a proper standard of uniform impracticable, any dress worn essential is presentable and suitable to the character undertaken.

**Dress code:** An employee's dress code essential not discriminatory in admiration of age, disability, sex reassignment, religious conviction or belief, sex, or sexual orientation (Fig. 5.1).



**Fig 5.1: Dress code**

**Source:** <https://bit.ly/30JkVw>

**Hair:** Hair should be clean, properly combed. It required natural color should be used.

**Identity Cards with Company Logo:** ID cards are vital part of the retail organization, making it probable to simultaneously make simpler employee credentials and improve a retail company's honesty and security. ID cards naturally include a worker's name, photo, designation of job and section, making rapid personal immune of identity a snap. By way of technology advances, nevertheless, ID cards now use in a variability of ways to assistance businesses safeguard them, build relations and rationalize their operations.

**Body Language:** Understanding body language is solitary of the utmost important aspects of personal appearance.

**Cosmetics:** Make-up should be subtle and discreet, not obtrusive or excessive. bright colors not are permitted.

**Tattoos:** Quarter, half and complete sleeve tattoos need to cover at all time. Any tattoo that irritates alarms, upsets or disparages must be cover at all time.

### **PRECAUTIONS FOR APPEARANCE AND BEHAVIOR**

While working in an organization the male and female staff have to take some Precautions regarding their appearance:

**Precautions to be taken by Male Staff:** The Precautions to take by male staff regarding their appearance and behavior are as follow:

- Uniform prescribed ought to be clean and ironed.
- Footwear should be neat and clean and well-polished.
- Hair must be clean, trimmed and well combed.
- One is expecting to have a clean-shaven look.
- In case of beards/whiskers, trim necessity, well ordered and tidy.
- Nails should cut or trimmed neatly at regular intervals.



- Any type of jewelries studs and ornaments remain not too worn on the store floor during, official hours.

**Precautions to be taken by Female Staff:** The Precautions to be taken by female staff regarding their appearance and behavior are as follows:

- Lady Staff having lengthy hair must style their hair not preserve it loose, not ample oil useful to it (Fig. 5.2).
- No Gajra shooked on the head.
- They should avoid bright colored nail polish and lengthy nails, as they will stay a cause to confuse customers or cause destruction to the merchandise on presentation.



**Fig. 5.2: Female Dress Code**  
Source: <https://bit.ly/2YVv9Ig>

- Minimum, non-flashy jewelry to be worn.
- Dangling ear rings, loud anklets & wristlets must not be worn on the floor.
- Only very modest make-up to be useful (lipstick of very light shades only).

**Precautions for Dress Code:** The precautions regarding dress code are as follows:

- All forefront staff in the retail store must wear an approved uniform every day.
- The back-end staff typically are expected to be in casual dress code.
- The direct and indirect staff are required to exhibit ID cards as soon as they report on duty, as it supports the customers to recognize the staff.
- Service staff handling ripped foodstuff would wear fresh gloves whereas all staff at work inside the kitchenette and live bakery segments at FMCG retail stores necessity to wear caps as quickly as they are on duty.
- The shop-in-shop staff and brand promoters use their approved uniforms (Fig. 5.3).



**Fig. 5.3: Uniform**

- Mostly black socks and black belts are ideal as a fragment of staff uniforms.
- Housekeeping, security and other contractual staff similarly have their own approved uniforms with shoes.

### **BEHAVIOR IN ORGANIZATION**

Always remember that satisfied customers will contribute to business for years, through their purchases recommendations and referrals of business.

**Behavior while Dealing with Customers:** As we also recognize, customer is king, so every member of the store should behave gently with customer (Fig. 5.4).



**Fig. 5.4: Dealing with customers**  
Source: [shorturl.at/jvAIT](http://shorturl.at/jvAIT)

- Every sales representative should, meet or talk to customer politely. It is essential that they treat everyone with admiration and dignity.
- They need to be aware and conscious of trends, changes in the

marketplace, taste and habits of customers.

- They should listen carefully and intently to their customers, demonstrate respect.
- Display these positive sales behaviors/performances and will initiate to stand out from the competition.
- He/she should be comfortable discussing both small and big numbers of customers.

### **Behavior in Dealing with Superiors**

- Immediate superior is boss of salesperson.
- Corporate executives and decision makers want to work with people who can help them.
- Improve their business and deliver better results (Fig. 5.5).



**Fig. 5.5: Dealing with superiors**

Source: <https://bit.ly/2LgrgrR>

### **Behavior while Dealing with Colleagues:**

- A salesperson should also behave decently and make relationship with his/her colleagues in the organization (Fig.5.6).
- Avoid confusing arrogance with ambition.
- Try praising competitive co-worker expected at work fine done, if he/she exists a high-achieving striver.
- Do not take the competitiveness personally in organization.
- Maintain a polite and civil manner with colleague.

- Focus on work rather than against openly competitive colleagues.



**Fig. 5.6: Dealing with Colleagues**

Source: <https://bit.ly/2KKBzGK>

## DEALING WITH CUSTOMER

It is the duty and responsibility of trainee associate to deal with customer and solve their problems and issues.

- **Greet customer:** First of all, trainee associate must greet customers respectfully and ask the problem in a friendly manner.
- **Communicate to customers that they are valued customers:** Once trainee associate listens to customer's problem or issue, first of all, he /she must communicate to their customers in such a way that makes them feel valued and respected.
- **Identify customer expectations:** Once the customer calms down trainee associate must identify customer expectations and confirm it with customers.
- **Treat customers courteously:** Although the customer is annoying still trainee associate must treat customers politely and helpfully at all times.
- **Inform customers and reassure:** It is the duty and responsibility of trainee associate to keep customers informed about the status of their complaints and also reassure them for satisfactory solutions.

Trainee associate must adapt appropriate behavior to respond to their customers effectively.

## Activities

**Activity 1:** Visit the organized retail outlet and draw a chart on standards of appearance.

**Material required:** Notebook, pen, pencil, and checklist

**Procedure:**

1. Form a group of five to six students.
2. Ask students to visit a retail organization or a shop.
3. Meet the retail manager and greet him/ her politely.
4. Tell the purpose of visit and take the permission for visit to understand the standard appearance of retail store staff.

5. Takes the photograph of dress code, ID card & precautions taken by them.
6. Also, ask how to contact customers, seniors and colleague at retail store.
7. Make a chart and paste all the photographs on chart.
8. Present the chart in the class.

**Activity 2:** Visit the store and learn precautions working with male and female staff in retail store.

**Material Required:** Notebook, pen, pencil, and checklist.

**Procedure:**

1. Form a group of five to six students.
2. Tell them to visit retail outlet.
3. Meet the outlet manager and greet him/ her politely.
4. Tell him/her the purpose of visit and take consent for visit.
5. Ask the following questions and write their replies in not more than 50 words.
  - a. What are the precautions to be taken care by male staff in retail store?
  - b. What are the precautions to be taken care by female staff in retail store?
  - c. What are the precautions to be taken in hair style?
  - d. What are the precautions to be taken in dress code?
6. Prepare presentation and present in the class.
7. Submit the presentation to the teacher.

**Activity 3:** Dealing with customers effectively.

**Material Required:** Old newspapers, pen, pencil, thread and tape.

**Procedure:**

1. Form a group of five to six students.
2. Tell them to visit retail outlet.
3. Meet the outlet manager and greet him/ her politely.
4. Tell him/her the purpose of visit and take consent for visit.
5. Ask the following questions and write their replies in not more than 50 words.
  - a. How to greet customer?
  - b. How to communicate customers whom they value?
  - c. How to identify the customer expectations?
  - d. How to treat customer courteously?
  - e. What are the ways to inform customers?
6. Make notes and confirm with sales executive.
7. Present the report in the class.

## Check Your Progress

### Fill in the Blanks

1. \_\_\_\_\_ must not smoke whereas appealing with members of the community.
2. \_\_\_\_\_ should be fresh, neatly styled, and of a "natural" hair.
3. \_\_\_\_\_ comprise a worker's name, photo, designation of job and section, making fast personal immune of identity a snap.
4. \_\_\_\_\_ is solitary of the utmost important features of personal appearance.
5. Quarter, half and complete sleeve \_\_\_\_\_ necessity be enclosed at all times.

### B. Multiple Choice Questions

1. Acceptable personal grooming and proper attire are circumstances of \_\_\_\_\_.
  - a) Employment
  - b) Recruitment
  - c) Selection
  - d) All of the above
2. Something setup and recognized by way of authority, as rule is famous as \_\_\_\_\_.
  - a) Policy
  - b) Standard
  - c) Programme
  - d) None of the above
3. \_\_\_\_\_ should be subtle and discreet.
  - a) Dress
  - b) Tattoos
  - c) Make up
  - d) All of the above
4. Satisfied customer contributes to business through his purchase, recommendations and \_\_\_\_\_.
  - a) Publicity
  - b) Advice
  - c) Referrals

- d) None of the above
5. Don't take the \_\_\_\_\_ personally in the organization.
- Competitiveness
  - Liability
  - Responsibility
  - All of the above

**C. State whether the following statements are True or False**

- Hair should not be colored peculiarly to human hair.
- An employee's dress code should not be unfair in gender reassignment and religion.
- Dangling jewelries, noisy bracelets & bangles can be worn on the floor.
- Only frontline staff in the retail store must wear a given uniform every day.
- Focus on work rather than on competitive colleagues.

**D. Match the Columns**

	Column A		Column B
1	The structure built for or serving as a base or support	A	Dress code
2	The employee should not have a discriminatory	B	Ambition
3	Understanding body language is an important feature of	C	Co-worker for good work done
4	Avoid confusing arrogance with	D	Standard
5	Praise competitive	E	Personal appearance

**E. Short Answer Questions**

- What is standard of appearance?
- What is dress code?
- What do you mean by body language?
- What precautions should taken by female staff regarding appearance?

**F. Long Answer Questions**

- Explain the various standard of appearance.
- Explain the precautions to be take in a retail organization regarding appearance and behavior?
- Explain the behavioral aspects in dealing with customer, colleagues and superiors.

**G. Check Your Performance**

- Draw a chart on standard of appearance.
- Spell out the precautions of working with male staff and female staff.



Explain how to deal customers with effective techniques?

## Session 2: Support Teamwork

Teamwork refers to the process of working with people to achieve pre-determined objective. Teamwork is a vital component of business. It is often essential for co-workers to be effective in team. Teamwork means that employees/people try to work, using their personal abilities and providing beneficial feedback, despite any individual conflict between retail employees.

### MEANING OF TEAM WORK AND ITS FEATURES

One of the several ways used in business is to make workforce perform as teams. A team is group of two or more people who work together to attain a common objective. Effective team should be able to guide the employees, inspire and bring out the most efficient work output.

In Team work, group of individuals communicate with one another cohesively, towards a common purpose, creating a positive working environment, and assisting each other to combine personal strengths to enhance team's performance.

Indeed, they represent an entire shift in prototype. As soon as retail organization focus on their entire team's performance, their own success contains the totality of the entire team's success and an individual misunderstanding can pull their team performance down.

We need to know that team is different from an ordinary work group. Work groups are essentially for members for sharing information and take decisions accordingly that individual member can succeed in his/her individual work objectives. In a team, the members are not simply sharing information they also share accountability for the team's effort. The idea is to have team synergy. With synergy, members can achieve more than they might on their own. Some of the key features of effective teams are:

- Overall, Teams are Effective in their work .
- Especially in Retail business organizations functioning in teams is essential because time can be utilized for discussion and accurate decisions can be taken.
- If team members do not taking fair share of the work, it would be unsuccessful for taking decisions.

### RESPONSIBILITIES OF TEAM LEADER AND TEAM MEMBER

The trainee associate is responsible for the productivity of their team in retail store. A team generally comprises of team leader and members in a retail store. Every team member has their individual responsibilities to achieve common goal.

**Responsibilities of Team leader:** Owner of the retail store selects a team leader and ask for the choosing the team members. The team leader has to perform the following responsibilities:

- Team leader safeguards smooth and actual actions of the team.
- He guarantees that all participants contribute during the summits and he/ she stop members from prominent the minutes unnecessarily.
- He serves as an intermediary among team then the Quality Council.
- He implements the changes recommended by the team.
- He makes the schedule of entire meetings and certifies essential resources are accessible for conducting the meeting.

**Responsibilities of Team Members:** Members of a team are participant of the team. Every member has certain responsibilities which are as follows:

- Members support the team leader for helping in achieving organizational goals.
- Team members should give honest feedback.
- Collective efforts are required for success of team process.

### **INTERPET, CONFIRM AND ACT ON LEGAL REQUIREMENTS**

The legal requirements are mainly categorized, in three aspects such as Anti-Discrimination, Sexual Harassment and Bullying.

#### **Anti-discrimination**

Anti-discrimination law refers to legislation intended to stop discrimination against specific group of persons; these persons repeatedly protected groups or protected classes. Anti-discrimination laws differ by jurisdiction by way of the sorts of discrimination, which are illegal and the groups that be sheltered by that legislature.

Commonly, these categories of lawmaking are intended to stop discrimination in service, housing, teaching and further areas of community such as public accommodations. Anti-discrimination law might include securities for groups based on sex, age, race, ethnicity, nationality, disability, mental illness or ability, sexual orientation, gender, gender identity /expression, sex characteristics, spiritual, creed, or individual political opinions.

Anti-discrimination laws are fixed in principles of equality, unambiguously, that personalities must not be preserved in a different way due the features drawn above. Anti-discrimination laws remain aimed to protect counter to mutually separate discrimination (devoted by individuals) then from structural discrimination (arising from policies, which create disadvantage to definite groups). Courts may keen on justification mutually discriminatory resolved and disparate impact in determining whether a specific deed or policy establishes for discrimination (Fig. 5.7).



**Fig. 5.7: Stop discrimination**

### **Sexual Harassment**

Sexual harassment is coercion of a sexual environment and the unwanted or unsuitable promise of prizes in conversation for sexual favors. Sexual harassment contains a series of movements from slight transgressions to sexual abuse or assault. Harassment can happen in several different social surroundings such as workplace sexual abuse, home sexual harassment, school sexual harassment and sexual harassment at churches, temples, theaters etc. Harassers or sufferers may be of either any gender.

In most contemporary legal circumstances, sexual harassment as shown in fig. is unlawful. Laws adjacent sexual harassment usually do not ban simple teasing, improvised remarks, or minor lonely incidents that is for the reason that they do not enforce a "general civility code". In the workplace, harassment might be well thought out illegal while it is regular or severe thus producing an aggressive or offensive work atmosphere or when it consequences in a confrontational employment result (such as the sufferers' demotion, sacking or leaving). The legal and communal thoughtful of sexual harassment, still, differs by culture to culture.

Sexual annoyance by an employer remains a practice of illegal employment discrimination.

In many retail businesses organizations, stopping sexual harassment and caring employees as of sexual harassment custodies have converted key objectives of legal policymaking.

### **Bullying**

Bullying is the practice of force, hazard, or coercion to abuse, intimidate or aggressively dominate others. The conduct is often frequent and characteristic.

One essential precondition is the awareness, through bully or by means of others, of an inequity of social or physical authority, which discriminates bullying from conflict. Behaviors used to stress such dominance can include

verbal harassment or threat, physical assault or coercion and such performances may be absorbed frequently towards specific targets. Rationalizations of such behavior occasionally include alterations of communal class, race, belief, gender, sexual positioning, appearance, conduct, body language, character, reputation, heredity, strength, dimension or aptitude. If a group does bullying, it is called mobbing. Bullying can be demarcated in several different traditions (Fig. 5.8).



**Fig. 5.8: Bullying**

Bullying is classified into four elementary types of abuse- emotional, verbal, physical and computer-generated. It typically contains subtle approaches of coercion and intimidation. Bullying arrays since one-on-one, single bullying complete to group bullying called mobbing, in which bully can take one/more "lieutenants" which might appear to be agreeable to support the prime bully in his/her bullying happenings. Bullying in studying educational situations and the factory is also mentioned to as noble abuse.

A bullying culture can develop in some situation in which persons act together with to each other. This includes school, family, the workplace, home, and localities. The core stage for bullying stays social media websites. The strongest analyst was the awareness of whether utmost dominant male in an actor's life would favor of the bullying conduct.

### **DEVELOPMENT OF EFFECTIVE WORK HABITS**

There are four ways to develop the effective work habits, which are as follows:

**Ask questions:** Asking question after discussing the whole program is solitary of the top way of clearing all the doubt of an employee, as one will understand the problem of other by this question sensation.

**Plan and organize work place information:** Every company should plan and organize a workplace consequently that they be able to give proper information to their worker where they have to execute the plan.

**Priorities and complete task:** Priorities and completing of task is very crucial part in any company have to finish some task in an appropriate period. It plays an important role in an entrepreneur life.

**Balancing the work and personal priorities:** Balanced the work is very important part, as the retail firm has to do number of work in an appropriate time so they have to balance the work with their personal priorities.

The effective work habits will lead the team for conducting highly effective programs of the retail business organization.

- Actively participate at local retail businesses.
- Utilize labor market information to determination quality decisions.
- Extravagance education similar to a job.
- Attach people to develop careers.
- Offer wrap-around pupil services.
- Tap advanced funding sources.
- Embrace evaluation of work done.

### Activities

**Activity 1:** Visit the retail store and prepare chart on features of team work in retailing.

**Material Required:** Notebook, pen, pencil, and checklist.

**Procedure:**

1. Form a group of five to six students.
2. Tell them to visit retail outlet.
3. Meet the outlet manager and meet him/ her politely.
4. Tell him/her the purpose of visit and take consent for visit.
5. Ask the following questions and write their replies are not more than 50 words.
  - a. What are the important features of team work of the retail organization?
  - b. What are the responsibilities of effective teamwork within the organization?
  - c. How to interpret, confirm and act on legal team work requirements?
  - d. What type of anti-discrimination practices occurred in retail store?
  - e. What type of sexual harassment practices occurred in retail store?
  - f. What type of bullying practices occurred in retail store?
6. Prepare report and submit it to the teacher.

**Activity 2:** Learn team work activity through game.

**Material required:** Old newspapers, pen, pencil, thread and tape.

**Procedure:**

1. Make a team of four or five students.
2. Make at least six teams.
3. Give following instruction to all the teams:
  - a. All the teams have to prepare paper boat.

- b. After that they have to write number on the boat by pen.
  - c. Do taping on every two boats. In addition, make it hanging it with the help of thread.
4. Give 15 minutes for this activity.
  5. After time over, teacher has to count number of boats prepared by all the teams and removes the boat, which is not prepared well.

**Activity 3:** Prepare a chart on legal requirements on anti-discrimination, sexual harassment and bullying.

**Material required:** Paper, drawing sheet, pen, and color paper.

**Procedure:**

1. Take the pictures of anti-discrimination, sexual harassment and bullying from any magazine or newspaper. Paste it on the drawing sheet.
2. Write down the legal requirements on anti-discrimination, sexual harassment and bullying below the pictures.
3. Give presentation in the classroom.

**Activity 4:** Demonstrate the work habits and their implications.

**Material required:** Some books, stationary, food items, notebook, paper and pen.

**Procedure:**

1. Make a team of 4 students.
2. Plan a work for your shop.
3. Assume all the four students working as staff member. Assign the following duties to all.
  - a. First member- Arrange books on the table and report total number of books and their names to second member.
  - b. Second member-prepare a list of all the items of shop.
  - c. Third member arrange food items and stationary item and prepare a list and submit it to the second member.
  - d. Fourth member observes and plan the activity whenever required. He is also taken responsibility to contact customers.
4. After the activity prepare a brief report on how you felt during the activity and what are the mistakes done by your team members.

### Check Your Progress

#### A. Fill in the Blanks

1. A \_\_\_\_\_ culture can develop in some situation in which persons act together with to each other.
2. Every company should \_\_\_\_\_ and \_\_\_\_\_ a workplace consequently that they be able to give proper information to their worker where they have to execute the plan.
3. \_\_\_\_\_ can happen in several different social surroundings such as workplace sexual abuse, home sexual harassment, school sexual harassment and sexual harassment at churches, temples, theaters etc.



4. \_\_\_\_\_ law refers to legislation intended to stop discrimination against specific group of persons; these persons repeatedly protected groups or protected classes.
5. \_\_\_\_\_ refers to the process of working with people to achieve predetermine objective.

### B. Multiple Choice Questions

1. Some of the key characteristics of effective team:
  - a) Not altogether, teams are fruitful at what they prepare.
  - b) Possibly retail business organization have functioned continuously in team that utilized ample time discussion on accurate decisions.
  - c) The team members not taking fair sharing of the work which would be unsuccessful for taking decisions.
  - d) All of the above
2. Team member performs the following responsibilities and duties:
  - a) Team leader safeguards smooth and actual actions of the team.
  - b) He implements the changes recommended by the team.
  - c) Both a) and b)
  - d) None of the above
3. Which is not the responsibilities and duties of facilitator:
  - a) Facilitator does not support the team leader for helping the team for the period of early stages.
  - b) He deeds resources to the team.
  - c) He affords feedback to the team regarding the success of team process.
  - d) Facilitator is not a participant of the team.
4. There are the four ways to developments of effective work habits are follows:
  - a) Ask questions and plan and organize work place information
  - b) Priorities and complete task
  - c) Balancing the work and personal priorities
  - d) All of the above
5. The effective work habits will lead the team for conducting highly effective programmes of the retail business organization. Which is not the that habit
  - a) Passive participation of local retail businesses.



- b) Utilize labor market information to determination quality decisions.
- c) Extravagance education similar to a job.
- d) Attach people to develop careers.

**C. State whether the following statements are True or False**

1. The legal requirements are mainly categorized, in three aspects such as Anti- Discrimination, Sexual Harassment and Bullying.
2. Bullying is classified into four elementary types of abuse- emotional, verbal, physical and computer-generated.
3. A team is group of two or more people who work together to attain a common objective.
4. Every company should not plan and organize a workplace consequently that they be able to give proper information to their worker where they have to execute the plan.
5. A bullying culture can not develop in some situation in which persons act together with to each other

**D. Match the Columns**

	Column A		Column B
1	Antidiscrimination	A	refers to legislation intended to stop discrimination against specific clusters of persons
2	Sexual Harassment	B	practice of force, hazard, or coercion to abuse, intimidate or aggressively dominate others
3	Bullying	C	coercion of a sexual environment and the unwanted or unsuitable promise of prizes in conversation for sexual favors

**E. Short Answer Questions**

1. What is work team in retailing?
2. Explain the Anti-discrimination laws are designed for each man or woman discrimination.
3. What are mechanism to solve the problem of harassment?
4. What is bullying?
5. What should be standards of appearance?

**F. Check Your Performance**

1. Demonstrate the reporting features of work team.
2. Draw a chart of system of development of effective work habits.

### Session 3: Work Effectively in Retail Organization

Teamwork, trust, respect and communication are key aspects to effectual working relationships. Develop positive relationship with the people in retail business organizations, job together with at work to create their activity greater fun and productive. These acquaintances can also help as future orientations or contacts for retail profession.

#### SUPPORT IN EFFECTIVE WORKING

- **Share work with colleagues:** Working with others has its benefits. While trainee associates need help together with their workload, otherwise they see a shared duty it truly is struggling to forget, trainee associates may appearance to their co-employees for help. The manner that trainee associates must to ask their co-employees to proportion canvases duties be contingent on the landscape of responsibilities rendered. For example, if the responsibilities had been originally assigned to trainee associates by using their boss, their method will fluctuate from obligations that everybody is anticipated to share.
- **Make realistic commitment:** Do not forget the time when retail business organization has youngsters as their employees, they have a crazy schedule. Remember their financial duties as per the norms and procedures. As we have discussed, economic growing usually entails with time planning of retail business organization. Do not forget employees circle of relative's hobbies. Consider their own family's skills. Bear in mind their expectations.
- **Find out the suitable alternatives:** If employee does not want to obtain an opportunity task. Inform to superiors in your retail business enterprise in writing in case the employee does not want to admit an alternative process. Check that they will come up with your redundancy pay as a substitute. Employee has a right to idleness pay if he/she will have worked to his/her enterprise for less than 2 years by the time his/her cutting-edge process ends.
- **Encourage colleagues when conditions are difficult:** When colleagues work nicely together, all of us advantages. "A high-morale image situation will continuously produce (extra) than a low-morale situation of work. If your colleagues appear to be difficult, they will definitely be reacting to this has to assist inspire your colleagues to be higher team players.
- **Solve colleague's problems related to work in-group:** A group of human beings can convey together numerous perspectives, combine views and reviews to without prior notice and efficiently remedy an issue. Because of the group's tradition, every group member has a responsibility to contribute similarly and offer his/her unique attitude on a trouble to reach at the quality viable answer. Ordinary teamwork can cause better choices, merchandise, or services. The efficiency of teamwork is contingent on the subsequent six components of partnership among group individuals such

as communication, coordination, stability of associate contributions, common help, attempt and brotherly love.

### **CAREER PROSPECTS IN RETAIL ORGANIZATION**

Retail industry is looking for persons at all stages, from the education with elementary skills to retail management professionals. One can take away a job liable on one's concentration and ability, meanwhile retail industry includes events opening from marketing to brand creation. This makes retail occupation one of the utmost challenging careers of the current business era. Store operations assistant is the starting-level post of retail outlets. However, as, each retail outlet is completely reliant on the quantity of sales they become. It is a significant post in this retail profession.

To be a good salesperson, one should have good awareness about the products/services, sale activities, market, customers etc. After required experience, employee will be promoted to higher-level jobs.

### **JOB PROFILE OF TRAINEE ASSOCIATE**

India is experiencing successful time in retail sector. To interact with customers, trainee associate need skills. He/She is responsible to understand need and services required to him/her. Trainee associate should be dynamic, be able to multi-task and have excellent communication skills .

He/she plays vital role between consumer and the company. He/she gives personalized deal/sales and post sales services to customers so that sales can be maximized. He/she prepares products for sales, displays merchandise, and identifies opportunities for upselling and cross selling. He/she also keeps the store secure. He/she should be capable to assist customers politely and confidently.

### **JOB PROSPECTS OF TRAINEE ASSOCIATE**

Trainee associate can do work in various retail outlets for example,

- Departmental stores
- General stores
- Speciality stores
- Quick service food stores
- Supermarkets
- Malls
- Hypermarkets

With fixed salary trainee associate also earns target based incentive. Trainee associate is the opening/entry level job in the sales team. On the basis of experience and skills they are getting promotions like senior sales executives, areas manager, sales associates, business development manager, regional sales manager, marketing manager, etc.

The immediate career opportunity of the store is trainee associate. He/She needs to possess the Knowledge, Skills and Abilities in the retail operations, which are detailed below:

**Knowledge Required:** The Trainee Associate should possess include the

following:

- Knowledge of existing sales promotion schemes of the company.
- Knowledge of policies regarding exchanges.
- Knowledge about the merchandise in inventory to help customers find the desired merchandise, which is not on display.
- In depth knowledge of store offerings.
- knowledge in product or inventory.
- Knowledge of product features such as brand options, warranties, use/application, shelf life/use by dates, care and handling, storage requirements, safety features price and product's ingredients.

**Skills Required:** Skills that a Trainee associate should possess include the following:

- Good communication skills.
- Good interpersonal skills.
- Customer-Centric Mindset
- Genuine enthusiasm for the company and products.
- Problem solving & Decision making.
- Empathic Attitude
- Ability to adapt and prioritize across multiple tasks and unexpected situations.
- Active listening and Trust building
- Basic maths and money handling
- Time management skills
- Ability to learn quickly and accept feedback
- Selling skills
- Personal Autonomy
- Good communication skills.
- Patience.
- Attentiveness Positive.
- Body Language.

A trainee associate should have ability to:

- Guide the customers to relevant sections of the store.
- Watch out for safety risks and robberies and understand how to avoid or

hold these circumstances.

- Describe merchandise and clarify uses, operation procedures, and upkeep of stock to customers.
- Understand product information, store policies and procedures.
- Communicate the current sales promotion schemes to the customers.

### **JOB SCENARIOS IN RETAIL SECTOR**

**Retail Store Operations Assistant:** The retail store operations assistant in the organized retailing and may look after overall retail store operations in gross root level. He/she can also inspire other co-workers and support customers in locating merchandise, familiarize customers to new-fangled merchandise, and move the products from rack frames to billing counters (POS). He/she also helps internal and external customers in a retail atmosphere with admiration to product receipt, movement, storing and conveyance to the customers. He/she wishes to be physically appropriate to endure employed in a retail atmosphere whilst existence customer receptive towards service conveyance.

**Retail Cashier:** In retail business, cashier is a person positions at the conclusion of the retail store transaction and images the barcode on products through a cash register/POS that the customer needs to buy from the retail outlet. The cashier gathers the payment (in cash, by check and/or by credit/debit card), records in registers the amount received, creates change and issues takings to customers. Cashiers will record amounts getting/received from customers and may formulate reports of business transactions, recites and accounts totals exposed on cash register tape and confirms in opposition to cash on hand.

**Retail Trainee Associate:** A trainee associate - customer service networks with retail outlet. Customers to offer them with product information to speak inquiries concerning products and services. In adding, they contract with and assistance, determine any customer grievances. For occurrence, a trainee/customer service associate may support customer in opening an account or assistance customers to firmness the difficult if customer cannot contact his/her account or if his/her order certainly not inwards. Usually, trainee/customer service associate collect customer information through different sources.

**Retail Sales Associate:** The major tasks of a retail store sales associate are to retail a firm's products by representative and stipulating product excellence. He/she is also accountable for safeguarding that customers are conscious of all the campaigns that are in request as per requirements of customers are controlled to their prime of product. In big retail outlets, new fangled customers always convert a tad confused, as they do not recognize where to appearance for what they neediness. It is responsibility of a sales associate to safeguard that every customer is focused where they need to enthusiasm. They may escort customers to the precise corridor.

**Distributor Salesperson:** Distributor salesperson is visits retail /wholesale stores as per everyday route proposal & creates sales call by means of

appropriate selling assistances like handhelds to upsurge productivity and accomplish sales marks, demonstrate impressive information of the retail/wholesale profession being examined by him/her and the present competitors. Identify fresh outlets to upsurge sales of products and offer service-facilitating determination of occupation problems connected to products and enterprise being embodied by the sales assistant. He/she generates demand at POS (point of sale) by making prominence for products pushing POSM (Point of sales material) and selling elements like counter top/shelves or racks provisional on the group of product he/ she sells. Hence, he/she essentials to inspiration & own the completing standards of availability and in store visibility.

**Retail Team Leader:** Team leader will play an important role in preparation and forming merchandise with a high-pitched focus on merchandise off-take and sales at the similar time as chief of a team. He/she need to have excellent product knowledge, interpersonal and listening skills.

**Departmental Manager:** Departmental manager is accountable for attaining business objectives for the retail business unit over planning, establishing, and controlling and recording store performance. He is capable to build / manage a retail store functioning team and as well have a better understanding of customer/purchaser segment and their goods/products and brand preferences, competition and sales method and incentives that effect incremental customer purchases.

**Visual Merchandisers:** These persons stretch the brand an appearance, so they grip one of the identical vital positions in retail industry. Being a part, the idea and design one can correspondingly be a practical designer, product creator and stock arranger.

**Retail Buyers and Merchandisers:** They are the people who choice and purchase the goods and services for the retail store. They should comprehend the necessities of the customer, markets trends and possess countless enthusiasm and dynamism.

**Retail Operation Manager:** It is the liability of a retail operations manager to blueprint and organize the operations of the outlet. This contains the layout and design of merchandise, checking the retail instructions and stock maintenance and inventory, examining the supply conditions etc. Candidates with Master Degree can start as retail managers.

**Store Manager:** Store managers from time to time called General Manager or Director of Store, are accountable for managing a separate retail store and its daily functioning. The retail firm manager is in-charge of the staff of the store whose reporting is to a District or Zone manager or the Retail Store's Owner.

**Divisional Managers:** One might handle this job in the retail store at a higher level. This job has more responsibilities compared to others categories in the retail store.

## REMUNERATION

The payment in the retail business depends upon the firm, nature of doing work and the area wherever retail employees work. The normal beginning salary of a sales people in the retail firm is Rs. 9000 per month. Conditional



on different posts in retail industry whole, the salary ranges between Rs. 9000 to Rs. 200000 per month. The superior packages, gratuity, incentives obtainable are portion of these careers.

A professional with outstanding communication skills and talent for substantial people can be employed as retail store managers, customer attention executives, merchandise supervisors, public affairs executives and consequently on, in an international company. Apart from these, individual must have diplomacy, patience, a curiosity in sales work and a neat appearance.

## RIGHTS TO EMPLOYEES

Employers and employees take accountabilities to each other; they must also imagine their actual rights to be upheld. It is vital for employers to discharge their legal obligations towards their employees.

An established and devoted staff is a pre-requisite meant for the achievement of any retail business and for this motive, a numeral of compulsions has been obligatory on the company by the government. Non-compliance of these obligations results penalty and even prosecution. The regulation in India has numerous provisions to protection the welfares of employees.

Although there are no precise laws that rule private service in India, from perquisite to motherhood leave, employee rights and employer responsibility that are relevant to all over India.

**Employment related Aspects:** An Employment Agreement remains a legal manuscript, which covers 'terms and conditions' fully mentioned employment conditions. It lists the privileges and duties of both, the proprietor and the worker and is planned to provide both parties safety and defense. By rule, proprietor is obligate to provide employee a written Employment Agreement formerly employee start work. This document is considered as one of the vital documents to establish relationship between employees and employer.

A skillfully well-drafted Employment Agreement is made to avoid disputes among proprietors and staffs and in the occasion of any clash, it helps to resolve the clash because all expressions of service are clearly stated in it.

**Leave related Aspects:** Generally, a worker is getting the subsequent leaves throughout the course of his/her employment:

**Casual Leave:** This is providing to an employee to proceeds upkeep of imperative or hidden matter like a family spare; for example, workers can put on for casual leave to appear a parent-teacher gathering called for by their child's school.

**Sick Leave:** Sick leave is providing as soon as a worker gets sick.

**Privilege or Earned Leave:** Privilege or earned leaves remain extended leaves that are prearranged for in advance.

**Encashment Leave:** A worker can be taking encashment leave though leaving services, release, dismissal or death.

**Leave during notice period:** A worker can be taking leave for the duration of



notice period, providing it be meant for an honest cause like maternity, fitness issues, etc. If nothing is stated in the employment letter, which bars the worker from taking leave for the duration of the notice period, if he/ she consumes leave to his/her credit and is permitted to the same.

**Medical Record for one-day sickening leave:** Typically, when a sickening leave surpasses elsewhere two or three consecutive days, contingent upon the retail outlets policy, workers are demanded to give in to a medical certificate towards permission the leave. However, in the circumstance of one-day sickening leave, an employer should not ask for a medical certificate.

**Other Leaves:** Separately from the above-mentioned leaves, here are some additional paid, honorary or half-paid leaves, which are providing at the decision of the retail outlet. Education leave and remembrance leave are two such samples.

**Safety from sexual persecution at the work place:** It is the accountability of the proprietor to guarantee that his/her staff, particularly female staff, are protected though at work. Sexual harassment stays disciplinary below the Indian Penal Code.

**Maternity benefit:** According to the Maternity Benefits Act, 1961, the women working are entitled for paid maternity leaves. At the time of maturity leave employees, cannot be discharged or dismissed.

**Gratuity:** It stands a lump-sum total paid to a worker based on period of whole service. The advantage of gratuity is mature to a servant on end of service by either letter of resignation, death, superannuation or expiry, by captivating the previous drawn payment as the root for the calculation.

**Provident Fund:** Employee's Provident Fund (EPF) be present a superannuation benefit pattern that is existing to all salaried staffs. The Employee Provident Fund Organization of India manages it and any retail outlet with more than 20 workers is obligatory by rule to record with the EPFO. By way of rule, both, the proprietor and the worker have to subsidize 12 percent of their basic salary toward the provident fund. If any proprietor is take away the entire PF contribution from a worker's salary then it is in contradiction of the Act, and he/she be able to apply counter to the similar in PF Appellate Tribunal.

**Health and Safety:** Employee has right to carry out his/her work in a manner that has respect to the care of others. Employers are predictable to tolerate by an assortment of necessities governing such features as provided that harmless machinery and tools, carrying out consistent health and protection checks, safeguarding the training of workforces in healthiness and safety matters, and carrying out a hazard valuation to measure the hazards of specific work happenings. Understanding rights of an employee is the first step in securing them (Fig.5.9).



Fig. 5.9: Employee rights and responsibilities

### RESPONSIBILITY OF EMPLOYEES

Though working in a retail organization employee has some responsibilities upon him/her. Some of them are as follows:

- Store opening, checking all the locks and seals.
- Maintaining the exterior and interior i.e. displays, fixtures etc.
- Energy management by using better electrical equipment at installation so that equipment lasts longer.
- Arranging different sections for the customers.
- Personal security by being attentive all the time.
- Making sale, customer complaints handling, customer returns and exchanges, cashiering like receive payments; issue receipts.
- Merchandise security by putting security tags.
- Crisis management like fire, car coincidences in parking lot, store robbery
- Inventory management
- Closing of store.

### Activities

**Activity 1:** Visit a retail store to demonstrate the support effective working.

**Materials Required:** Pen / pencil, notebook, checklist.

**Procedure:**

1. Make a group of five students.
2. Ask them to Visit to a Super market in your locality and
3. Meet the retail manager and greet him/ her politely.
4. Tell the purpose of visit and take the permission for visit know the.
5. Enquire about the support effective working.
6. How retail store employees help each other?
7. Note down their reply and cross check with sales associate.
8. Prepare a report and submit it to the teachers.

**Activity 2:** Visit a retail store to identify the career prospects in retailing.

**Materials Required:** Pen / pencil, notebook, checklist.

**Procedure:**

1. Make a group of five students.
2. Ask them to Visit to a Super market in your locality and
3. Meet the retail manager and greet him/ her politely.
4. Tell the purpose of visit and take the permission for visit.
5. Enquire about the jobs available and prepare a Report on the job positions and qualifications required.
6. Refer a local newspaper and note down the vacancies announced by the nearby Retail Stores.
7. View any TV channel who sells products through TV and notice the skills of a salesperson and prepare a report as per the given format:
  - a) Name of TV channel:
  - b) Timing of the program:
  - c) Products offered:

Fill the following table related to salesperson after watching the program:

Sl. No.	Skills	Excellent	Average	Good	Poor
1.	Communication Skills				
2.	Selling Skills				
3.	Presentation Skills				
4.	Display of products				
5.	Appearance				

8. Prepare a report and submit it to the teachers.

**Activity 3:** Visit the retail store to collect information regarding how much employees are aware with their rights and responsibilities.

**Material Required:** Notebook, pen, pencil, and checklist.

**Procedure:**

1. Make a group of five students.
2. Ask them to visit a retail organization or a shop.
3. Meet the retail manager and greet him/ her politely.
4. Tell the purpose of visit and take the permission for visit knows the procedure of reporting in retailing.
5. Ask the employees what responsibility they have in an organization.

6. Access the awareness of employees about their rights and fill the below table:

Sl. No.	Rights of employees	Yes	No
1.	Written employment agreement is made		
2.	Knowledge of Maternity Benefit		
3.	Knowledge of Gratuity		
4.	Knowledge of EPF		
5.	Knowledge of Rights of Leave		

7. Prepare a report and submit it to the teacher.

**Activity 4:** Prepare a chart on the job profile and skills required for the trainee associate.

**Material required:** Drawing sheet, paper, pen, colors.

**Procedure:**

1. Write down trainee associate on top of the drawing sheet.
2. Write down job profile and skills required for trainee associate job.
3. Prepare a chart and submit it to the teacher.

### Check Your Progress

#### A. Fill in the Blanks

1. \_\_\_\_\_ industry is looking for persons at all heights, from the education with basic skills to retail management professionals.
2. Store operations assistant is the \_\_\_\_\_ post of retail outlet.
3. The special packages, bonus, \_\_\_\_\_ offered are share of this job.
4. \_\_\_\_\_ brands have released retail chains all over the cities and rural parts that offer huge job openings.
5. The regulation in India has numerous requirements to \_\_\_\_\_ the welfares of employees.

#### B. Multiple Choice Questions

1. Which of the succeeding is the right of an employee?
  - a) Written agreement for job
  - b) Casual leave
  - c) Good working condition
  - d) All of the above

2. While employed in a retail organization employee has some responsibilities upon him/her. Some of them are as follows:
  - a) Making a sale
  - b) Customer complaints handling
  - c) Customer Returns and Exchanges
  - d) All of the above
3. It is the accountability of the proprietor to safeguard that his/her workers, especially \_\_\_\_\_workers, are protected though at work
  - a) Female
  - b) Male
  - c) Transgender
  - d) None of them
4. Sexual harassment is disciplinary below the \_\_\_\_\_
  - a) Indian Legal Code
  - b) Indian Penal Code
  - c) Both a) and b)
  - d) None of the above
5. \_\_\_\_\_ is a superannuation benefit pattern that is existing to all salaried workforces.
  - a) Health and Safety
  - b) Employee's Provident Fund (EPF)
  - c) Gratuity
  - d) Maternity benefit

**C. State whether the following statements are True or False**

1. Retail occupation is one of the greatest demanding occupations of the business era.
2. Every retail outlet is very dependent upon the transactions they become; this is solitary of the vital posts in this occupation.
3. The immediate career opportunity of the store operations is customer sales service associate.
4. Communicate the current sales promotion schemes to the manufacturer.
5. Understanding rights of an employee is the last stage in securing them.

**D. Match the Columns**

	Column A		Column B
1	Casual Leave	A	It is providing as soon as worker gets sick.
2	Sick Leave	B	This is providing to an employee to proceeds upkeep of imperative or hidden matter like a family spare.
3	Encashment leave	C	A worker can be taking encashment leave through leaving services, dismissal, release or death.

**F. Short Answer Questions**

1. What are the privileges and responsibilities of an employee?
2. What are the career prospects in retailing?

**G. Check Your Performance**

1. Demonstrate the responsibility of an employee.
2. Prepare a chart on prospects in retailing.

### Session 4: Team Aims And Targets

It is very essential to set a target of any task before starting as it gives a clear vision of a task to be done. It is more significant when the task is to be done in team.

**FEATURES OF GOALS**

The goal of teamwork is to help in improving efficiency, quality and to offer a support system for each participant of the team. When people work together with each other, they can get reviews on their performance and help when they need it. The need for formulating the purposes for the team arises because of the following:

- When everyone in a team is thoroughly aware of and work from the same perspective and objective, they become inspired and highly effective.
- When a team has developed a perspective, they can easily be convinced on the considerations that they have to implement it.
- The goal of creating groups is to offer a structure that will boost the ability of workers to join in planning, troubleshooting and making decisions to provide better service to customers. (Fig.5.10).





**Fig. 5.12: Goals and targets**  
<https://bit.ly/34fe279>

### **SKILLS TO COMPLETE GOAL**

An expert number of practicing supervisors and also the American Management Association, have identified essential abilities for supervisors that include theoretical knowledge, interactive skills, efficiency and socializing nature. These are described below:

- 1. Conceptual Skills:** Skills to use details to eliminate industry troubles, identification of opportunities for improvement, acknowledging situations, places and performing solutions, selecting essential details from loads of research, knowing the company users and its structure.
- 2. Communication Skills:** Chance to convert ideas into words as well as, build reliability among competitors, top managers, and employees. Hearing and asking questions, demonstration abilities and speaking skills, are part of communication skills.
- 3. Effectiveness Skills:** Leading departmental goals, client focus, negotiating abilities, project control software, examining procedures and making improvements, bringing and maintaining legal requirements within and outside, setting main concerns for consideration and activities.
- 4. Interpersonal Skills:** Training and guidance, multitasking skills of dealing with different people and society, social media, insiders in the company, social media outside the group, operating with group's common aim and commitment.

### **ACTIONS FOR COMPLETING GOALS**

Attaining goals is very important for the employees working in an organization. Setting of goals is the first step to be taken before attaining them. Setting of goals is based on the responsibilities given to each employee. Once the employee performs their duties the measures like checking progress, obtaining



feedback, responding positively and adjusting plans will help in monitoring the employee level in attaining the goals. These are discussed below:

- 1. Checking progress:** The supervisor on weekly, monthly and quarterly basis will monitor the responsibilities accomplished by the trainee associate as per targets given. This helps the trainee associate to know the level of his performance through feedback and tries to progress to perform in a better way for attaining the future goals.
- 2. Asking Feedback:** The supervisors need to prepare a quarterly checklist to know the performance of the trainee associate and circulate it for the feedback from the customers. This type of rating boots the trainee associate to perform better as the customers monitor them too.
- 3. Responding positively:** The supervisor is the best motivator for the trainee associate. He must be capable of clarifying all the doubts of the trainee associate to perform well. A positive response gives enthusiasm to perform and reach the given targets.
- 4. Adjusting plans:** The target plan made by the supervisor regarding the duties of the trainee associate may not be fulfilled at times. At this point of time the supervisor must be supportive to the trainee associate in knowing the drawbacks of not accomplishing the targets and adjust the target, plans to make him feel motivated to achieve the adjusted plans. This will help trainee associate to learn and grow in skills to achieve target in future.

### HELP OTHER COLLEAGUES

Retail is the selling of goods to end users, not for resell, but for use and consumption by the buyer.

Retail involves the selling of merchandise from an anchor of buy directly to a purchaser/customer who plans to use that item. The anchor of buy might be a brick-and-mortar retail outlet, an Online shopping website, a collection, or even a cell phone.

The store is at the end of the supply chain. Manufacturers offer bulk of items to suppliers, and suppliers start to promote those items to customers.

**a. Encourage Colleagues:** Retail abilities are those associated with selling items to customers. Retail abilities are also required for number of other retail shop jobs, such as cashier, product salesperson, retail shop affiliate, retail shop customer, retail shop administrator, retail shop product sales, merchandiser, shop administrator, customer, and more. Someone functioning in retail shop needs a number of soft and hard skills. They need to be excellent with figures, be able to work together well with others and be able to steer individuals to shop. Business awareness means knowledge of how an organization or industry operates. Retail workers need to understand organization, items they offer and the types of customers who buy their items.

**b. Solve Colleagues problems:** Due to the rapid adoption of new technologies, today's buyer is motivated to be "always connected" and traditional ways of buying have been totally changed in the past few years. Everyone is challenging more with their brand communications and the retail shop landscape is

changing fast. Success for suppliers can be a reality only if they understand the individual buyer and their tastes, in order to offer customized communications, item guidance and provides incentives to influence purchasing choices and commitment.

**c. Give clear, precise and relevant information:** Many advantages can be reaped by knowing precise details about inventory levels, such as improved client support and performance in functioning, with employee's who always know exactly what inventory is available & where.

Conducting a regular stock taking can certainly ensure certain advantages which are stated below.

- Provide precise reporting which ensures retailer book keeping is upto date and they are always aware of their profit margin.
- know about slow moving and overstocked products so that retailer can act accordingly. Know if the money is spent on relevant products so that they are spending their money on profitable and useful inventory their shop actually needs.
- Reduce back purchases – stock taking encourages entrepreneurs to see what moves quickly and reorder in regular basis.
- Highlights poor methods.

**d. Demonstrate the procedure:** Standard operating process, is a document that guides the day-to-day actions of retail shop outlet to ensure that organization actions are performed in a consistent, foreseeable way and nothing is left to chance.

The main hurdle to a quick selling is cost without value. Customers frequently hesitate at the price of products if it is not properly provided. Once this happens, salesperson is in a very challenging position. Show the customers how item adds value to their lives keeps the discussion away from the difficult topic of cost.

**e. Encourage co-worker to ask questions:** We have incorrectly discovered to quit asking concerns, even though it is the crucial key to opening gates to information. Through the act of asking concerns, we make ourselves look for solutions, explore different routes that allow showing new concepts or information. By not recognizing that something is missing, we power ourselves to comprehend how come it is and with it, build a better admiration for it. Through our inquisitiveness, we make our abilities of statement; of getting, observing of how things are done and considering the explanation behind it.

**f. Practice new abilities and beneficial feedback:** Make retail store reviews have impact; it should get by way and approach customer to offer performance reviews. Customer's reviews can really influence individuals if cashier can prevent invoking a protecting response. These guiding principles will aid retailer and employees to develop their new abilities performance.

### CONCEPT OF WORK IN A TEAM

Much of the retailer's success depends on an ability to nurture a team atmosphere. Yet retailers face some challenges in developing teams and teamwork in their workplace, such as high staff turnover and sometimes hectic

and stressed nature of a retail environment. The key to a successful retail business organization revolves around care to make the team happy.

If employers do not focus on feelings of the staff, his/her team does not perform well. The staff needs to be engaged to retain in the retail firms for proper functioning. Teamwork is an intelligence of harmony, enthusiasm for common attention and accountabilities between groups of persons closely associated to achieve team targets. Good team achieves the given targets easily.

### **IMPORTANCE OF TEAMS TO ACHIEVE TARGETS IN RETAILING**

A sturdy manager/focused manager can understand that effective communication plays vital role for teamwork. Teamwork is important to achieve the following targets:

**Customer Service:** A retail outlet can be a frantic work atmosphere, particularly during peak functioning hours. In a work environment with teamwork, other employees rapidly step in to offer help to other employees, safeguarding from top to bottom level of customer gratification. A workforce occupied by team spirit can generate an approachable atmosphere for workers and customers.

**Productivity:** Retail work requires a tall level of teamwork to make the most of productivity. In a grocery, retail store, for example:

- Workers works overnight to safeguard shelves, fully kept in groundwork for the succeeding day.
- If stock keepers in one gangway fall overdue, workers from alternative gangway are required to help to keep belongings on agenda.
- In a food service retail store, it is essential for employee's to fulfill several team characters to safeguard so that the food remains fresh, clean and customers obtain their orders on time.

**Engagement:** Teamwork can increase employee engagement and make employees feel that they have an important role in the achievement of the retail outlet. Members of a section or department who do teamwork are more motivated to achieve departmental sales goals. They may similarly be further willing to assistance other participants of the team as well as take pride of the performance of the department.

**Training:** The retail business is famous for its high levels of turnover and new workers need training. A team environment can provide efficient training to them, as employees may be more enthusiastic to support new comers. An atmosphere that does not support teamwork leaves new workers to learn on their own, which leads to frustration and possibly higher percentage of turnover for the retailer. Teamwork also facilitates cross training of existing employees.

### **VALUES OF A TEAM MEMBER**

The success of each team is dependent on the values of its team member. As a team member one must be:

- Trustworthy

- Dependable
- Co-operative
- Tolerant
- Accommodative
- Understanding
- Empathetic
- Hard working
- Helping nature
- Proactive

### **TOOLS AND TECHNIQUES AVAILABLE TO SET TEAM PERFORMANCE TARGETS**

To evaluate task there are five key performance objectives, which are:

- Quality: doing things right.
- Speed: doing things fast.
- Dependability: doing things on time.
- Flexibility: being able to modify as per requirement.
- Cost: optimum cost.

### **HOW TO WORK AS A TEAM (A Case study)**

There are certain examples, which help to work, motivate and handle situation as a member of team. One of them is:

Sachin is Customer Service Associate (CSA). His/ her store won the award of "Best Retail Store" in city. The majority of the city is coming to attend that award function. Therefore, Sachin and his/ her team have to organize that event. Let us see how Sachin and his/ her colleagues do teamwork successfully organize the event.

Sachin: Friends, we have just one week for the event. Let us divide our work. We need flowers. Seema can you arrange for that?

Seema: Sure, Sachin.

Sachin: Dev, would you arrange for that?

Dev: No problem, Sachin

Priya: I will pay attention to the lights and electric work, Sachin.

Sachin: Thanks Priya. What else is left?

Ravi: The invitation cards. Let me take care of it.

Sachin: Thanks, Ravi. All the best team let us have a great show.

In the above scenario, Sachin is arranging the event with his/ her colleagues. Observe the good points of team members:

- The team divided their work.
- All the participants were assigned a task.

- Sachin asked other members for suggestions.
- Each participant of the team participated in the conversation.

The event was a great success. Everybody appreciated the arrangements made for the event. Sachin and his team also celebrated the success of their team effort.

Sachin: Cheers to the team! Well done all of you.

Team: Thanks, Sachin.

Seema: We succeeded because we worked as a team.

Sachin: Yes.....true. A winning team is a group with many hands but one mind.

Therefore, we see big tasks can be achieved if we work in a team. There are some key points in the above conversation, which help to establish a good teamwork. They are:

- Great team work
- Many hands but one mind
- Use words like Congrats, cheers, thanks, well done, keep up the good work.

Career opportunities in retail segment are endless. After taking decision to set up a retail outlet, every entrepreneur must understand the procedure of establishing a retail unit. Entrepreneur must get the knowledge of formalities with state government and other authorities for registering a firm such as shop and establishment, district industrial Centres, etc. There are number of activities to be achieved under the infrastructure development for setting e-retail unit such as construction work, equipment, machines, furniture and fixture. In this session, the feedback for establishing and performing a retail unit is described in detail as under:

### **MOBILIZING FINANCES**

Financial decisions form a basic component of a retailer strategy. Before starting a retail unit, it is essential to know and decide about required finances i.e. mobilizing finances, also knowing the various sources of generating funds for retail unit. Generally, state government financial institutions are offering funds to start retail unit, also nationalized banks, cooperative banks and other financial organizations are providing funds for retail business. Various Government schemes are being launched for entrepreneurs at subsidized rates of interest to promote self-employment.

### **PERSONNEL REQUIREMENT**

Every retail unit requires human force for running retail business. Different types of personnel with specific skills are needed for day-to-day retail operations. Hiring personnel as per job profile is very difficult and retaining them for a retail unit is challenging due to various problems. Therefore, retailer must understand the human behavior, problem areas of personnel unrest and dissatisfaction.

## MARKETING ACTIVITIES

Always remember, understanding needs, requirements and desires of customers is very important for retailer. Accordingly, variety of products / goods may be available for sale to customers; it varies based on customer preference and geographical location. Retailer must focus on different marketing activities such as advertising, product specifications, shelf display, customer relationship, discounts, offer, gifts, etc.

**Profitability of Retail Business:** Retail business profitability depends on the total amount of sales as well as appropriate spending on overhead expenses. In many product categories, retail margins are quite handsome and lucrative, but at the same time if rotation and frequency of sales i.e. turnover is low it results in loss. Hence it is required to identify opportunities for increasing retail sales and workout a retail mix to implement retail strategy to gain competitive advantage. Finally, profitability of retail unit is, obtained through financial outcome such as sales amount /volume, return on investment (ROI), profit margin and retailer unique profitable capabilities.

The success of retailer depends on working out the strategic plan very carefully. These include - developing a mission statement, setting objectives, analyzing opportunities and threats prevailing in the retail environment. The retailer can evaluate the alternatives and work on strategic methods, which help to gain competitive advantage. Ultimately it is the retailer strategy, which determines the performance of retail unit.

## PERFORMANCE OF RETAIL BUSINESS

Retailing is a fast growing trading area due to which most of the entrepreneurs are motivated to start a retail business. Basically it's a less risky business because definite margin is assured and chances of wastage is less as expired material can be returned to supplier. This safeguards the money invested in retail unit. Thus, the overall impression about retailing profession is attractive and charming.

Hence, there is a need to obtain a feedback on these areas from the retailer and his/ her employees to motivate and inspire the younger generation to take up an avocation in the retail operations. The experiences and their views on these contemporary areas will be helpful to those unemployed youths who intend to seek self-employment or employment in the most important service sector.

## Activities

**Activity 1:** Visit any retail store and demonstrate the skills to finish the task and also demonstrate how to work in a team.

**Material required:** Notebook, pen, pencil, and checklist.

**Procedure:**

1. Make a group of five students.
2. Ask them to visit a retail organization.
3. Meet the retail manager and greet him/ her politely.



4. Tell the purpose of visit and take the permission for visit and under the skills to complete the task and how to work in team.
5. Ask the store employees following questions:
  - a. How they coordinate with each other?
  - b. What are the tools and techniques used by them to set team performance?
  - c. What are the ways by which employees can help each other?
  - d. How feedback is helpful to improve customer service?
6. Write their views in your notebook.
7. Make the report on it and submit to class teacher.

**Activity 2:** Game: Use the suitable tools and techniques available to set team performance.

**Material required:** Pen, old newspapers, Paper, Pen, color, stopwatch.

**Procedure:**

1. Make three groups of two students each. And one student act as an observer.
2. Play game in the following way:
  - a) Use stopwatch to check time.
  - b) Provide old newspapers, color pen, Pen to all groups.
  - c) Give instructions for game.
3. Group has to cut one page of newspaper into four pieces and then write names of the team members on each piece. After that take all the pieces and fold twice and write down number on paper. Do this continuously until 10 sets get ready. After that all the team members have to jump 20 times. After that they have to write their name of team on the blackboard.
4. Observer has to watch timing, quality of work, flexibility of their work, and the way they used all the materials. Then analyze team performance and give points to their performance out of 10. And submit it to the teacher.
5. Teacher checked it and announce winner in the classroom.

### Check Your Progress

#### A Fill in the Blanks

1. The key to a successful retail outlet \_\_\_\_\_ around keeping the team happy.
2. A retail outlet can be an excited work atmosphere, especially through \_\_\_\_\_ operating hours.
3. A sturdy manager can agree a quality that \_\_\_\_\_ is vital by using actual communication.
4. Good team achieves the given \_\_\_\_\_ easily.



5. A workers occupied with team \_\_\_\_\_ can generate a friendly atmosphere for employees and customers.
6. The success of each team is \_\_\_\_\_ on the values of its team member.

### B. Multiple Choice Questions

1. Teamwork is important to achieve for the following targets:
  - a) Training
  - b) Productivity
  - c) Engagement
  - d) All of the above
2. Retail business profitability depends on the amount of sales as well as appropriate \_\_\_\_\_.
  - a) Spending on overhead expenses
  - b) Income from overheads
  - c) Both a) and b)
  - d) None of the above
3. Finally, profitability of retail unit is, obtained through financial outcome such as \_\_\_\_\_.
  - a) Sales amount /volume,
  - b) Return on investment (ROI),
  - c) Profit margin and retailer unique profitable capabilities
  - d) All of the above
4. Every retail unit requires \_\_\_\_\_ for running the retail business.
  - a) Material
  - b) Human force
  - c) Machine
  - d) None of the above
5. \_\_\_\_\_ decisions form a basic component of a retailer strategy.
  - a) Financial
  - b) Cost
  - c) Both a) and b)
  - d) None of the above

### C. State whether the following statements are True or False

1. Members of a department who work as a team are more motivated to achieve departmental sales goals.
2. A team environment cannot provide efficient training to them, as employees may be further enthusiastic to assist newcomers.
3. There are certain examples, which help to work, motivate and handle situation as a member of team.

4. Retail business profitability depends on the amount of sales as well as appropriate spending on overhead expenses.
5. Retailing is a slow growing trading area due to which most of the entrepreneurs are motivated to start retail business.
6. The overall impression about retailing profession is attractive and charming.

#### D. Match the Columns

	Column A		Column B
1	Mobilizing Finances	A	human force
2	Personnel Requirement	B	customer preference
3	Profitability of Retail Business	C	Financial decisions
4	Marketing Activities	D	spending on overhead expenses

#### E. Short Answer Questions

1. What are the sources of funds required to start a retail unit?
2. What value of a team member is important to success?
3. List down the marketing activities generally followed in organized retail store?

#### F. Check Your Performance

1. Demonstrate the marketing strategies.
2. Make a chart on sources of funds.

## Answer Keys

### Module 1: Monitoring and Maintaining Store Security

#### Session 1: Types of Security Risks in Stores

##### A. Fill in the Blanks:

- 1-Retailer,
- 2-Theft,
- 3-Risk,
- 4-Low,
- 5-Grievance

##### B. Multiple choice questions: 1-d, 2-d, 3-a, 4-d

**C. State whether the following are True or False statements:**

- 1-False,
- 2-False,
- 3-True,
- 4-True,
- 5-True,
- 6-False

**Session 2: Security Measures and Preventions****A. Fill in the blanks:**

- 1-security,
- 2-methods,
- 3-measures,
- 4-preparation,
- 5-lighting

**B. Multiple choice questions:** 1-b, 2-d, 3-d, 4-d, 5-d**C. State whether the following are True or False statements:**

- 1-True,
- 2-False,
- 3-False,
- 4-True,
- 5-True

**Session 3: Reporting Security Risk****A. Fill in the blanks:**

- 1-security,
- 2-supervisor's
- 3-laws,
- 4-breach
- 5-robbery

**B. Multiple choice questions:** 1-d, 2-d, 3-b, 4-a, 5-d, 6-d**C. State whether the following are True or False statements:**

- 1-True,
- 2-False,
- 3-True,
- 4-False,
- 5-False

**D. Match the column:** 1-c, 2-d, 3-b, 4-a**Session 4: Company Procedure for preventing security Loss****A. Fill in the blanks:**

- 1-auditing,
- 2-loss-prevention,
- 3-auditing,
- 4-attackers,

- 5-devices,
- 6-reward,
- 7-deficiencies,
- 8-responsibility

**B. Multiple choice question:** 1-d, 2-d, 3-c, 4-d, 5-d

**C. State whether the following are True or False statements:**

- 1-True,
- 2-False,
- 3-True,
- 4-True,
- 5-False,
- 6-False

## **Module 2: Loyalty Schemes to Customers**

### **Session 1: Loyalty Schemes Features, Benefits and Sources**

**A. Fill in the blanks:**

- 1-loyalty,
- 2-steady,
- 3-reward,
- 4-basic,
- 5-retail,
- 6-Employees

**B. Multiple choice questions:** 1-a, 2-d, 3-c, 4-d, 5-b

**C. State whether the following are True or False statements:**

- 1-false,
- 2-False,
- 3-True,
- 4-True,
- 5-False,
- 6-False

**D. Match the column:** 1-c, 2-d, 3-a, 4-b

### **Session 2: Propagating the Loyalty Schemes**

**A. Fill in the blanks:**

- 1-loyal,
- 2-Mobile apps,
- 3-Print,
- 4-information,
- 5-database

**B. Multiple Choice Questions:** 1-d, 2-b, 3-d, 4-c, 5-d

**C. State whether the following are True or False statements:**

- 1-True,
- 2-False,
- 3-True,
- 4-False,
- 5-False

**D. Match the column:** 1-b, 2-c, 3-d, 4-a

**Session 3: Membership Drive for Loyalty Schemes****A. Fill in the blank:**

- 1-Members,
- 2-face to face,
- 3-registration
- 4-Post Membership,
- 5-card

**B. Multiple choice questions:** 1-a, 2-c, 3-b, 4-d, 5-d

**C. State whether the following are True or False statements:**

- 1-True,
- 2True,
- 3-False,
- 4-True,
- 5-True,
- 6-False

**D. Match the column:** 1-b, 2-a, 3-d 4-a

**Session 4: Customer Relationship Management****A. Fill in the blanks:**

- 1-customer,
- 2-processes,
- 3-reduce,
- 4-E-CRM,
- 5-satisfaction

**B. Multiple choice questions:** 1-d, 2-a, 3-d, 4-b, 5-d

**C. State whether the following are True or False statements:**

- 1-True,
- 2-False,
- 3-True,
- 4-False,
- 5-True,
- 6-True

**D. Match the column:** 1-b, 2-d, 3-a, 4-c

**Module 3: Customer Information System and Customer Retention**

**Session 1: Providing Information and Advices to Customer****A. Fill in the blanks:**

- 1-retailer,
- 2-tangible,
- 3-information,
- 4-introducing,
- 5-communicate

**B. Multiple choice questions:** 1-d, 2-b, 3-d, 4-d,5-d**C. State whether the following are True or False statements:**

- 1-False,
- 2-True,
- 3-False,
- 4-True,
- 5-True

**Session 2: Manage the Customer Complaints****A. Fill in the blanks:**

- 1-customers,
- 2-complaint,
- 3-administration,
- 4-same,
- 5-Return
- 6-right

**B. Multiple choice questions:** 1-a, 2-a, 3-d, 4-c, 5-d**C. State whether the following are True or False statements:**

- 1-True,
- 2-False,
- 3-True,
- 4-False,
- 5-True,
- 6-False,
- 7-True

**Session 3: Create of Positive Image in Customer Mind****A. Fill in the Blanks:**

- 1-prospecting,
- 2-error,
- 3-Organization,

4-response,

5-communicate

**B. Multiple choice questions** 1-d, 2-d, 3-c, 4-c, 5-d

**C. State whether the following are True or False statements:**

1-False,

2-True,

3-False,

4-True,

5-True

#### **Session 4: Customer Retention Strategies**

**A. Fill in the Blanks:**

1-Customer,

2-increased,

3-reduce,

4-loyalty,

5-initiate

**B. Multiple choice questions:** 1-d, 2-d, 3-a, 4-b, 5-a

**C. State whether the following are True or False statements:**

1-True,

2-False,

3-True,

4-False,

5-True

**D. Match the Columns:** 1-b, 2-d, 3-c, 4-a

#### **Module 4: Process of Credit Application**

##### **Session 1: Features and Conditions for Credit Sales**

**A. Fill in the blanks:**

1. payment

2. seller, customer

3. Agreement

4. Contract

5. Bilateral

**B. Multiple Choice Questions:** 1-b, 2-a, 3-c, 4-d, 5-a

**C. State whether the following are True or False statements:**

1-False

2-True



- 3-True
- 4-False
- 5-True

**D. Match the column:** 1-d,2-a, 3-e,4-c, 5-b

### **Session 2: Credit Checks and Getting Authorization**

#### **A. Fill in the blanks**

- 1-Private,
- 2-Purchase,
- 3-Credit worthiness,
- 4-policy,
- 5-credit application

**B. Multiple Choice Questions:** 1-a, 2-b, 3-c, 4-a, 5-d

**C. State whether the following are True or False statements:**

- 1-True
- 2-False
- 3-True
- 4-False
- 5-True

**D. Match the column:** 1-e, 2-a, 3-d,4-b, 5-c

### **Session 3: Processing Credit Requisitions**

#### **A. Fill in the blanks:**

- 1-Requisition
- 2-requisition
- 3-Credit limit
- 4-vendors
- 5. Increases

**B. Multiple Choice Questions:** 1-c, 2-a, 3-b, 4-a

**C. True/False:**

- 1-False
- 2-False
- 3-True
- 4-False
- 5-True

**D. Match the column:** 1-e, 2-a, 3-d, 4-b, 5-c

### **Session 4: Techniques for Determining Credit Worthiness**

#### **A. Fill in the blanks:**

- 1-Credit Worthiness
2. Purchases
3. Credit Reporting Agencies
4. Capital
5. Character

**B. Multiple Choice Questions:** 1-b, 2-b, 3-a, 4-a, 5-a

**C. True/False:**

- 1-True
- 2-False
- 3-True
- 4-False
- 5-True

**D. Match the column:** 1-e, 2-a, 3-d, 4-b, 5-c

### **Module 5: Work in Team & Organization**

#### **Session 1: Organization Standards for Appearance and Behavior**

**A. Fill in the blanks:**

- 1-retail staff
- 2-Hair
- 3- ID cards
- 4- Body Language
- 5-tattoos

**B. Multiple Choice Questions:** 1-a, 2-b, 3-c, 4-c, 5-a

**C. True/False:**

- 1-False
- 2-True
- 3-False
- 4-False
- 5-True

**D. Match the column:** 1-d, 2-a, 3- e, 4-b, 5-c

#### **Session 2: Support Teamwork**

**A. Fill in the blanks:**

- 1-bullying
- 2-plan, organise
- 3-Harrasment
- 4- Anti-discrimination

5- Team-work

**B. Multiple Choice Questions:** 1-d, 2-c, 3-b, 4-d, 5-d

**C. True/False:**

1-True

2-True

3-True

4-False

5-False

**Session 3: Work Effectively in Retail Organization**

**A. Fill in the blanks:**

1- Retail

2-entry-level

3-incentives

4- Big

5-safeguard

**B. Multiple Choice Questions:** 1-d, 2-d, 3-a, 4-b, 5-b

**C. True/False:**

1-True

2-True

3-True

4-False

5-False

**D. Match the Column**

1-B, 2-A, 3- C,

**Session 4: Team's Aims and Targets**

**A. Fill in the blanks:**

1-revolves

2-peach

3-teamwork

4-targets

5-Spirit

6- dependent

**B. Multiple Choice Questions:** 1-d, 2-a, 3-d, 4-b, 5-a

**C. True/False:**

1-True

- 2-False  
3-True  
4-True  
5-False  
6-True

**D. Match the column:** 1-c, 2-a, 3-d, 4-b

## Glossary

Word	Meaning
Accumulation	The acquisition or gradual gathering of something.
Advertising	The activity or profession of producing advertisements for commercial products or services.
Aggressiveness	Hostile or violent behaviour.
Appearance,	The way that someone or something looks.
Assessing	Evaluate or estimate the nature, ability, or quality of.
Atmosphere	The envelope of gases surrounding the earth or another planet.
Availability	The quality of being able to be used or obtained.
Beginning	The point in time or space at which something begins.
Borrower	A person or organization that takes and uses something belonging to someone else with the intention of returning it.
Broadcasting	The transmission of programmes or information by radio or television.
Characteristics	Typical of a particular person, place, or thing.
Circumstances	A fact or condition connected with or relevant to an event or action.
Coercion	The action or practice of persuading someone to do something by using force or threats.
Commodity	A raw material or primary agricultural product that can be bought and sold, such as copper or coffee.
Communication	The imparting or exchanging of information by speaking, writing, or using some other medium.
Comprehensive	Including or dealing with all or nearly all elements or aspects of something.
Convertible	Able to be changed in form, function, or character.
Creditworthiness	(of a person or company) considered suitable to receive credit, especially because of being reliable in paying money back in the past.
Customers	Arrange according to an organized system; make systematic.
Customization	The action of modifying something to suit a particular individual or task.

Deactivating	Make (something) inactive by disconnecting or destroying it.
Defections,	The desertion of one's country or cause in favour of an opposing one.
Deliberations	Long and careful consideration or discussion.
Deliverables	Able to be delivered.
Designing	Acting in a calculating, deceitful way.
Differentiated	Recognize or ascertain what makes (someone or something) different.
Dissatisfaction	Lack of satisfaction.
Disseminating	Spread (something, especially information) widely
Disseminating	Spread (something, especially information) widely.
Dissemination	The act of spreading something, especially information, widely; circulation.
Documentation	Material that provides official information or evidence or that serves as a record
Drastically	In a way that is likely to have a strong or far-reaching effect.
Duplication	The action or process of duplicating something.
Effectiveness	The degree to which something is successful in producing a desired result; success.
Emerge	Move out of or away from something and become visible.
Encompass	Surround and have or hold within.
Encompasses	Surround and have or hold within.
Encouraged	Give support, confidence, or hope to (someone)
Enhancing	Intensify, increase, or further improve the quality, value, or extent of.
Establishment	The action of establishing something or being established.
Extended	Made larger; enlarged.
Fraud	Wrongful or criminal deception intended to result in financial or personal gain
FEEDBACK	Process of responding to someones idea or work
Grievance	A real or imagined cause for complaint, especially unfair treatment.
Guidelines	A general rule, principle, or piece of advice.
Guidelines	A general rule, principle, or piece of advice.
Harassment	Aggressive pressure or intimidation.
Impending	Be about to happen.
Inappropriate	Not suitable or proper in the circumstances.
Inflammatory	Relating to or causing inflammation of a part of the body.
Initiatives	The ability to assess and initiate things independently.
Integration	The action or process of integrating.
Interruption	The action of interrupting or being interrupted.
Loyalty	The quality of being loyal.
Maintaining	Cause or enable (a condition or situation) to continue.
Mechanism	A system of parts working together in a machine; a piece of machinery.

Merchandises	Goods to be bought and sold.
Mismatching	A failure to correspond or match; a discrepancy.
Mismatching	A mismatch, an anomaly; mismatching.
Negotiation	Discussion between parties on issues to achieve common agreement.
Obligations	An act or course of action to which a person is morally or legally bound; a duty or commitment.
Operation	the action of functioning or the fact of being active or in effect.
Permission	The action of officially allowing someone to do a particular thing; consent or authorization.
Personalization	Design or produce (something) to meet someone's individual requirements.
Persuade	Induce (someone) to do something through reasoning or argument.
Persuade	Induce (someone) to do something through reasoning or argument.
Phenomenon	A fact or situation that is observed to exist or happen, especially one whose cause or explanation is in question.
Philosophy	the study of the fundamental nature of knowledge, reality, and existence, especially when considered as an academic discipline.
Preventing	Keep (something) from happening.
Preventing	Keep (something) from happening.
Prevention	The action of stopping something from happening or arising.
Privileged	Having special rights, advantages, or immunities.
Procedures	An established or official way of doing something.
Profound	(of a state, quality, or emotion) very great or intense.
Propagation	The breeding of specimens of a plant or animal by natural
Propagation	The breeding of specimens of a plant or animal by natural processes from the parent stock.
Prospecting	The possibility or likelihood of some future event occurring.
Psychological	Of, affecting, or arising in the mind; related to the mental and emotional state of a person.
Publications	The preparation and issuing of a book, journal, or piece of music for public sale.
Questionnaires	A set of printed or written questions with a choice of answers, devised for the purposes of a survey or statistical study.
Recognizing	Identify (someone or something) from having encountered them before; know again.
Retail	Retail is a business of selling goods and services
Retailer	A person who performs retail activities
Redemption	The action of saving or being saved from sin, error, or evil.
Regardless	Despite the prevailing circumstances.

Reinforcing	Strengthen or support (an object or substance), especially with additional material.
Requisitions	An official order laying claim to the use of property or materials.
Responsibilities	The state or fact of having a duty to deal with something or of having control over someone
Responsiveness	The quality of reacting quickly and positively.
Referral	Word of mouth recommendations from one person to another.
Safeguard	A measure taken to protect someone or something or to prevent something undesirable.
Satisfaction	Fulfilment of one's wishes, expectations, or needs, or the pleasure derived from this.
Scenario	A written outline of a film, novel, or stage work giving details of the plot and individual scenes.
Shoplift	Steal goods from a shop while pretending to be a customer.
Shoplifter	Steal goods from a shop while pretending to be a customer
Sponsoring	A person or organization that pays for or contributes to the costs involved in staging a sporting or artistic event in return for advertising.
Successfully	In a way that accomplishes a desired aim or result.
Sufficient	Enough; adequate.
Surveillance	Close observation, especially of a suspected spy or criminal.
Susceptibility	The state or fact of being likely or liable to be influenced or harmed by a particular thing.
Switching	A device for making and breaking the connection in an electric circuit
Systematizes	Arrange according to an organized system; make systematic.
Troublemakers	A person who habitually causes difficulty or problems, especially by inciting others to defy those in authority.
Trainee Associate	A person who deals with customers to offer and satisfy their wishes concerning retail products.
Understanding	The ability to understand something; comprehension
Witnessed	A person who sees an event, typically a crime or accident, take place.
Worthiness	The quality of being good enough; suitability.