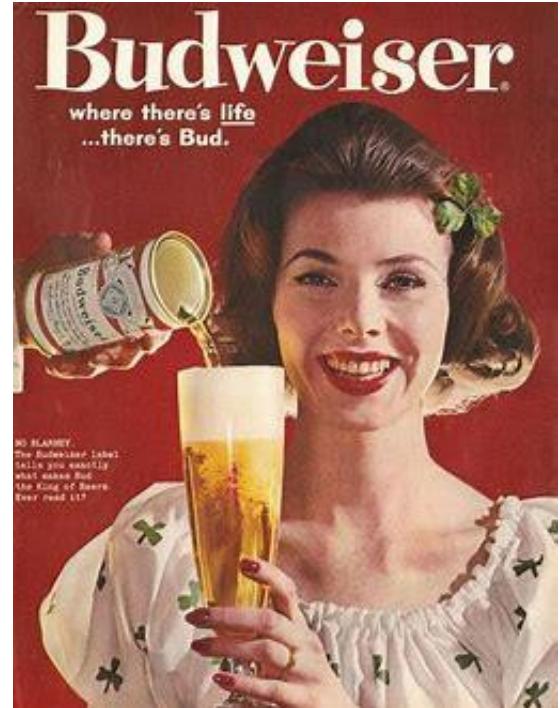


# Retail 101

# Advertising

Paid message communicated through various forms of media and designed to influence the purchase behavior and thought patterns of the audience

As an Application developer, you will work with advertisement budgets, spends, channels where you are publishing, monitor impact of the advertising in operations. This module will come as part of Marketing related activities in the system.



# Campaign

**Planned advertising schedule of specific length –  
usually up to 13 weeks in length.**



# Add on Sale

**Additional items customers buy due to in store suggestions or promotions.**



# Allocation

Suppliers determination of how much of (usually) scarce merchandise to assign to their customers.

## Allocation Process



# Allowance

**Any price reduction given by suppliers to retailers for various reasons (late delivery, damaged merchandise, below standard quality, overstock, etc.).**



# Assets

Those items of value the company owns such as cash in the checking account, accounts receivable, inventory, equipment, and property.



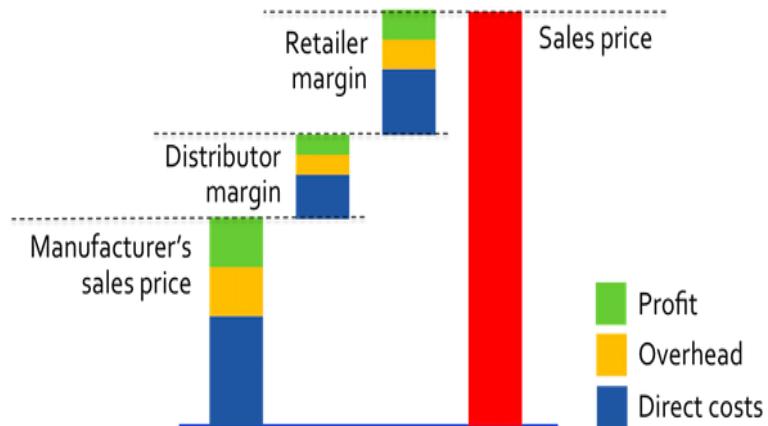
# Automatic Ordering

A feature in certain software systems of stores to automatically create suggested orders based on preset criteria for minimum and maximum stocking levels.



# Average Margin

The difference between what you pay for all the goods you sell during a specific period, and what you buy them for, calculated as a percentage of the selling price of the goods.



# Average Markup

The difference between what you pay for all the goods you sell during a specific period, and what you buy them for, calculated as a percentage of the cost of the goods.

Markup Percentage

$$\text{Markup \%} = \frac{\text{Selling Price} - \text{Cost}}{\text{Cost}} \times 100$$

# Backhaul

**Trucks that have delivered merchandise to a buyer and are now empty are available to back haul material to their home base.**

## BACKHAUL

A carrier's return trip, where carrier can offer customers a lower shipping rate, or backhaul rate, to fill the empty truck.

About 80% of trucks on the roads are returning empty.



# Back Order

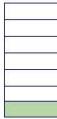
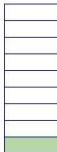
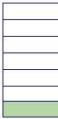
When an order cannot be filled because the products are not in stock, the order is left open until the goods arrive.



**BACKORDER NOTIFICATIONS**

# Balance Sheet

**Financial statement that shows the company's assets, liabilities, and owner's equity. The value of the assets must equal the value of the liabilities plus equity.**

BALANCE SHEET	
Date:	
Company:	
Address:	
(all values in \$000)	
ASSETS	
Current Assets	
Cash	
Accounts receivable (less doubtful accounts)	
Inventory	
Temporary investment	
Prepaid expenses	
<b>Total Current Assets</b>	
Fixed Assets	
Long-term investments	
Land	
Buildings (less accumulated depreciation)	
Plant and equipment (less accumulated depreciation)	
Furniture and fixtures (less accumulated depreciation)	
<b>Total Net Fixed Assets</b>	
LIABILITIES	
Current Liabilities	
Accounts payable	
Short-term notes	
Current portion of long-term notes	
Interest payable	
Taxes payable	
Accrued payroll	
<b>Total Current Liabilities</b>	
Long-term Liabilities	
Mortgage	
Other long-term liabilities	
<b>Total Long-Term Liabilities</b>	
Shareholders' Equity	
Capital stock	
Retained earnings	
<b>Total Shareholders' Equity</b>	
TOTAL ASSETS	
<b>TOTAL LIABILITIES AND EQUITY</b>	

# Base Rent

Minimum monthly rent payments excluding pass-through, percentage rents, and all other charges.

## Lease Types (What's Included in Base Rent)

Included	Absolute Net	Triple Net	Modified Gross	Full Service
Rent	✗	✗	✗	✗
Structure		✗	✗	✗
Property Taxes			✗	✗
Property Insurance			✗	✗
Common Area Maintenance				✗
Utilities				✗
Janitorial				✗

# Basics

Merchandise that customers need all the time.



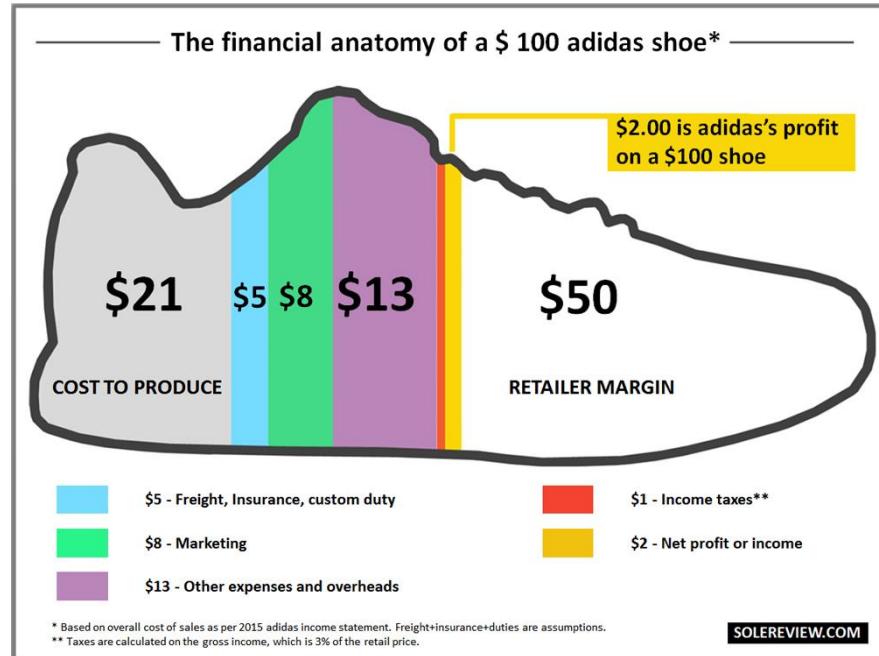
# Big Box Store

A large store focused on a broad selection and low prices of a specific category of goods. Big box stores typically have few frills.



# Billed Cost

Manufacturer's price for goods.



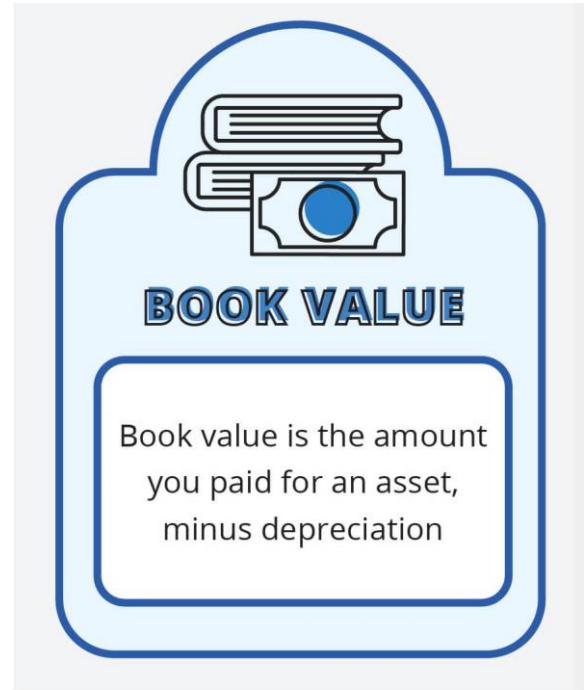
# Board of Directors

**Group of business leaders, typically including a company's CEO and other senior executives, who serve as advisors or supervisors of the company.**



# Book Value

Net value of a company as shown on the balance sheets. In successful companies book value is often much less than actual value.



# Business Plan

Detailed road map of where a business is going and how it is going to get there.



# Budget

Detailed outline of a store's plan of spending for merchandise, operation, expenses, and sales promotion.

Marketing Budget Plan				
Category	Estimated Quantity	Estimated Cost per Unit	Estimated Subtotal	Notes
<strong>Research</strong>				
Research firm fees	2	\$2,300.00	\$4,600.00	
Web research	1	\$1,100.00	\$1,100.00	
Independent research	3	\$300.00	\$900.00	
Other research	2	\$250.00	\$500.00	
<strong>Research Costs Total</strong>			<strong>\$7,100.00</strong>	
<strong>Communications</strong>				
Promotional brochures	5,000	\$0.15	\$750.00	
Television	5	\$4,000.00	\$20,000.00	
Radio	13	\$350.00	\$4,550.00	
Web	1	\$350.00	\$350.00	
<strong>Communications Costs Total</strong>			<strong>\$25,650.00</strong>	
<strong>Networking</strong>				
Memberships	3	\$50.00	\$150.00	
Affiliations	2	\$20.00	\$40.00	
Subscriptions	2	\$32.00	\$64.00	
<strong>Networking Costs Total</strong>			<strong>\$254.00</strong>	
<strong>Event</strong>				
Number of attendees	50			

# Boutique

Upscale shop designed to present usually expensive merchandise tailored to a specific customer mix.



# Bottom Feeders

**Customers who buy clearance merchandise, distressed companies in trouble, etc; at rock bottom prices.**



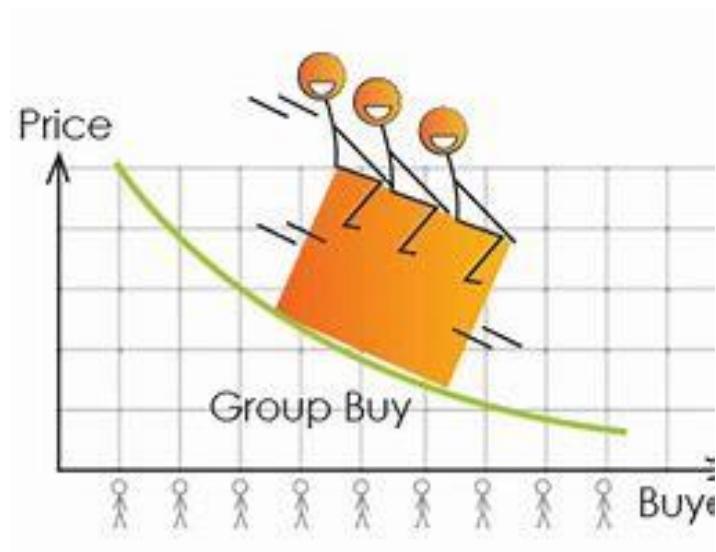
# Brick and Mortar Stores

Traditional retailing in a physical business location  
as opposed to virtual retailing conducted online.



# Buying Groups

Organizations that coordinate or pool the buying needs of many small retailers into a larger order with manufacturers or suppliers in order to negotiate better pricing, delivery, and payment terms.



# Cash On Delivery (COD)

Goods that are delivered to the store only upon immediate payment for them to the deliverer



# Clearance

Selling inventory at reduced prices at the end of a season or life cycle to move excess stock.



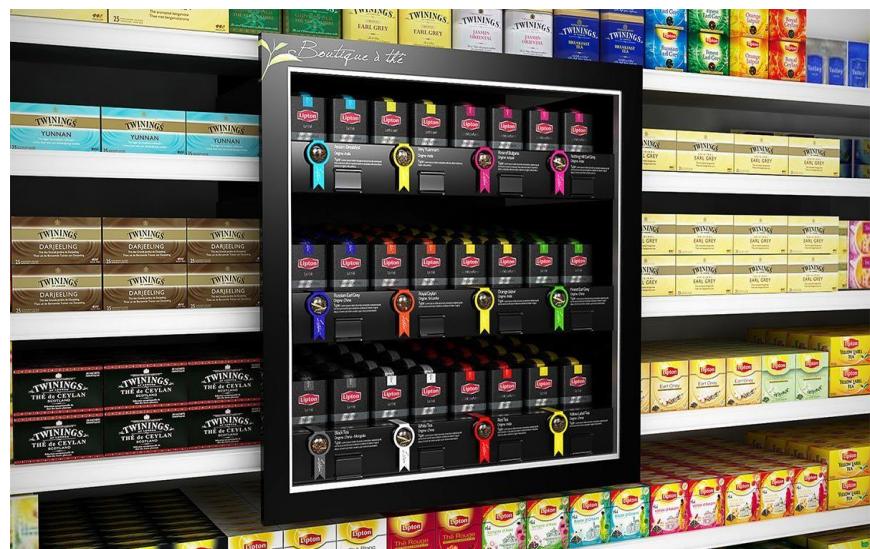
# Closeouts

Merchandise that is no longer being manufactured  
that is sold at reduced prices to clear out remaining  
inventory.



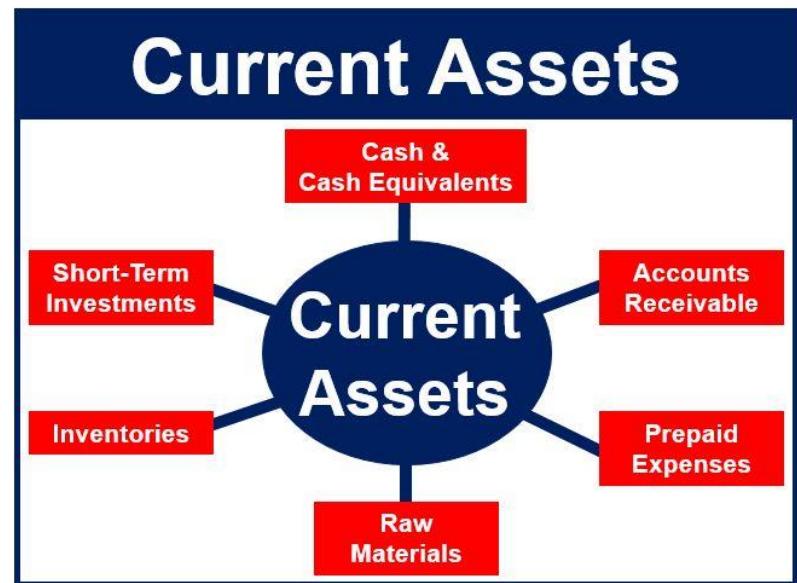
# Cross Merchandising

Using different lines of goods to help sell each other,  
for example by displaying them together.



# Current Assets

Company assets that are liquid or can be converted to cash in less than one year.



# Customer Base

The customers who shop in your store.



# Dead Stock

Sometimes called dead inventory, this is one thing no retailer wants to have, ever. Dead stock pertains to merchandise that has never been sold or has been in stock for a while



# Drop Shipping

This refers to an arrangement between a retailer and a manufacturer/distributor in which the former transfers customer orders to the latter, who then ships the merchandise directly to the consumer.

## How Drop Shipping Works



# Defectives

Merchandise that is incomplete or faulty



# Demographics

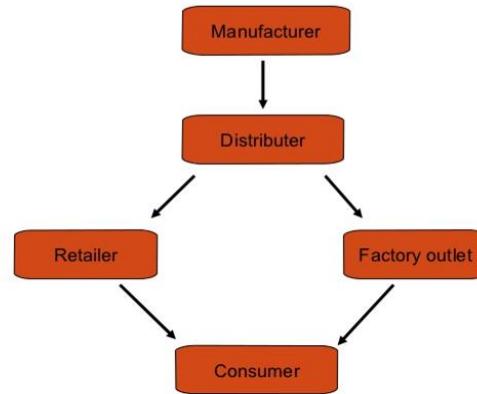
**Set of objective characteristics that describe a group of people. Includes characteristics such as age, home ownership, number of children, marital status, residence, location, job function, and many other criteria.**



# Distribution

The system by which goods move to retailers from manufacturers via importers, wholesalers, etc

## Channel of distribution:-



# Earnings before interests, taxes, depreciation, and amortization (EBITDA)

This figure is of key importance when buying or selling a business in that it tells the buyer what he can expect his pre-tax profit to be, assuming he funds the business so it pays no interest.

## EBITDA

- EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization.
- It is often of great interest to financial analysts although FASB does not require that this number be reported.
- It measures the amount of cash thrown off from the operations of the company.

# E-Commerce

**Buying and selling products over the Internet.**



# End Cap

Display at the end of an aisle.



# Event Marketing

Promotional plans built around outside events  
(sporting, charitable, local, etc.).



# Eetailing

Short for “Electronic Retailing”, this is the practice of selling goods over the Internet.

## WHAT IS E-TAILING?

- *E-tailing is the selling of retail goods on the Internet.*
- *It stands for "electronic retailing" and used in Internet discussions as early as 1995*



# Factors

Factors affecting the business, like sales, location, inventory and quality of products.

## Factors In Retail & Service Location

- Proximity to customers
- Accessibility for customers
- Attractiveness of facility



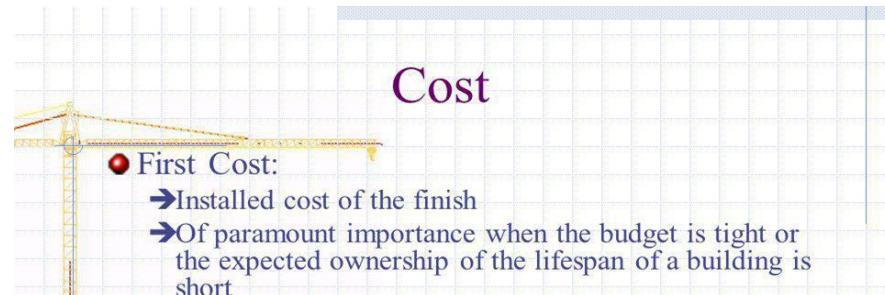
# Factory

A building or group of buildings where goods are manufactured or assembled chiefly by machine.



# First Cost

The cost of goods before duties and transportation,  
the true cost of imported merchandise.



# Flash Sales

This term refers to sale events that take place for a limited time. Flash sales can last anywhere from several hours to a couple of days and entice consumers with huge bargains (usually 50% and up).



# Fixed Cost

Costs that, at least in the short run, do not vary in relationship to sales.

## Fixed Costs



Fixed costs do not change as output varies in the short run



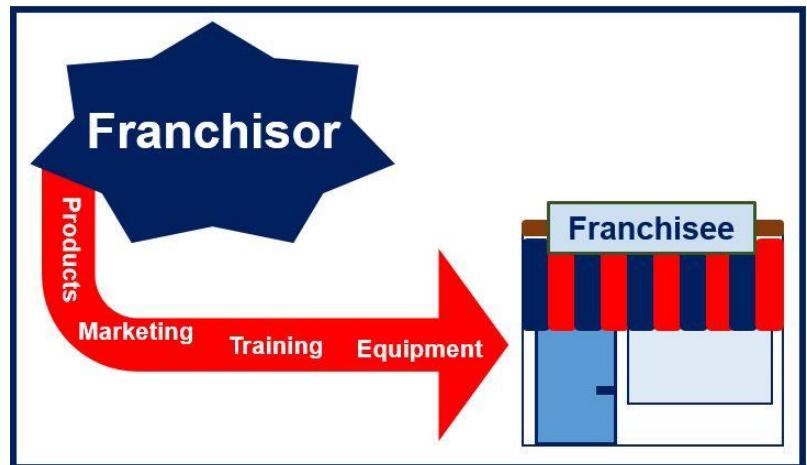
Fixed cost has to be paid, whatever the level of sales achieved



The higher the level of fixed costs in a business, the higher must be the achieved output in order to break-even

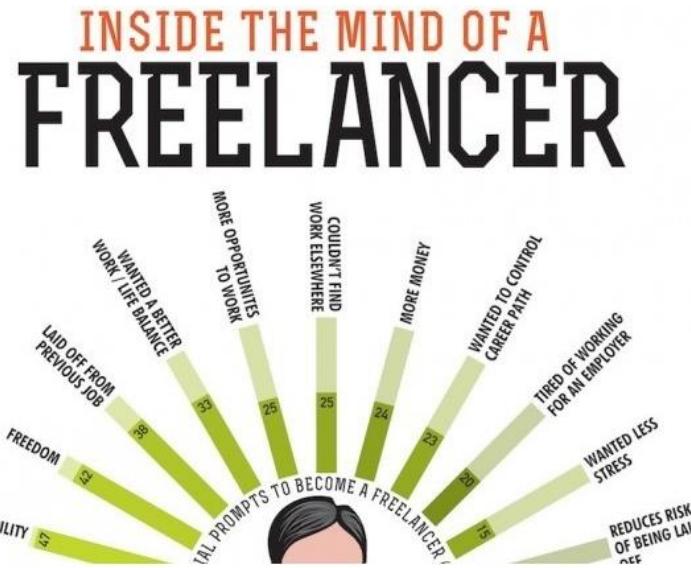
# Franchisor

Business operation that sells the rights to its name, concept, and trade know-how for a limited geographic area to an independent buyer known as the franchisee.



# Freelance

An independent individual or company that works, under their own auspices, for one or more companies that assign them specific tasks but provide only general supervision. Like a consultant, they are paid a set rate with no benefits.



# Frequency

Average number of times an individual is exposed to a given advertiser's message over a specified length of time.



# Freight Companies

Transportation companies who move goods.



# Generic Merchandise

Non-branded products, often copied from branded merchandise but selling for less.



# Gross Margin

Gross margin is the difference between what an item costs and what it sells for

## Gross Margin

Net Sales  
(Cost of Goods Sold)

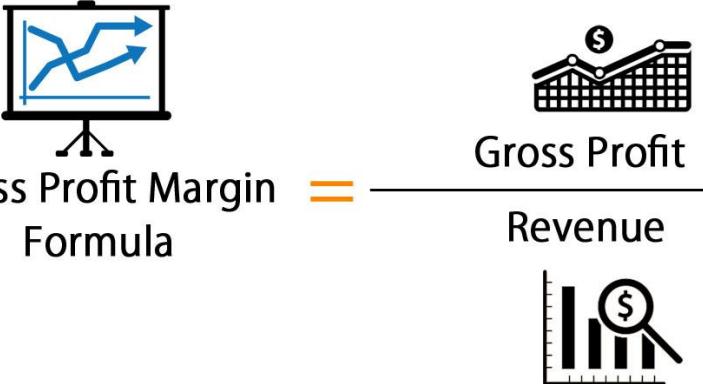
Gross Margin

# Gross Profit

Gross profit is the profit a company makes after deducting the costs associated with making and selling its products

$$\text{Gross Profit Margin Formula} = \frac{\text{Gross Profit}}{\text{Revenue}}$$

The equation is displayed with a blue double-headed arrow icon above the division symbol, and a magnifying glass icon over the word "Revenue".



# Guaranteed Sale

The vendor's promise to take back unsold merchandise and issue a refund or credit.



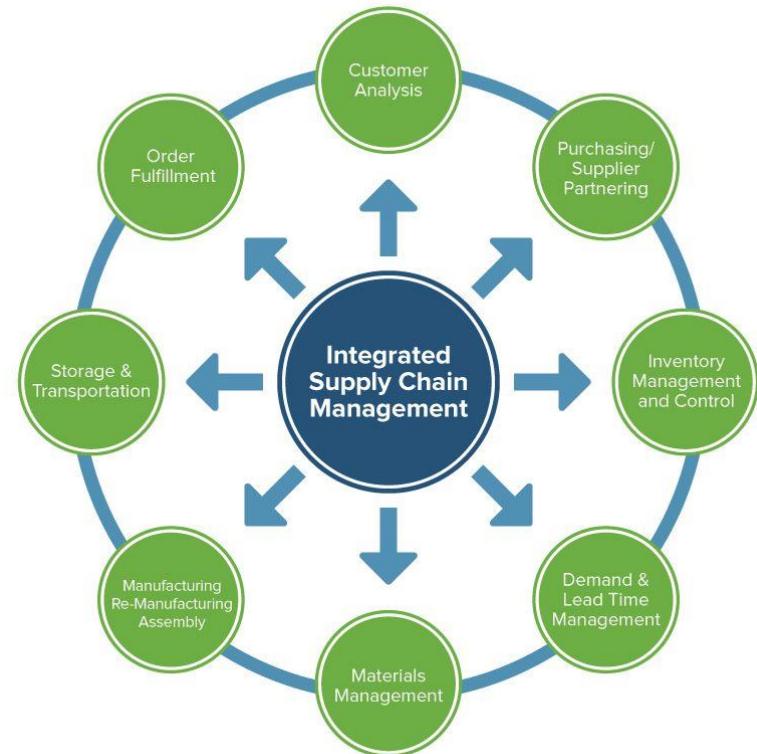
# Independent Retailer

Stores not associated with a chain.



# Integrated Supply Chain

This is a network of businesses and contractors that work and coordinate closely together to manufacture, transport, distribute, and sell retail goods.



# Initial Markup

Difference between cost of goods and the original retail price.

- Initial markup – amount product is initially marked up  
 $\text{Original selling price} = \text{cost} + \text{initial markup}$

# Inventory

The dollar value of the stock on hand at the store and at the warehouse. Taking inventory is the act of physically counting and recording the quantities of merchandise on hand.



# Job description

**Detailed listing of the duties to be performed by the person filling the job. This is an important benchmark against which to measure future performance, especially if lack of performance forces you to fire an employee.**

## Job Description For Engineer Positions

This form is used to provide a complete description of the specific job (or role) and defines the skills, knowledge and abilities required to undertake the specific and generic role profile.

### Section A: Specific Role Profile

The specific role profile provides key information relating to the salary and working conditions e.g. location of a job, along with the current focus of the job role and a brief description of the main duties.

#### Role Details

Job Title:	JEID	
Salary Grade:	Grade K	
Team:		
Service Area:		
Primary Location:		
Political Restriction	This position is not politically restricted.	
Responsible to:		
Responsible for:		

#### Role Purpose

(Leave blank)

#### Role Responsibilities

(Leave blank)

### Section B: Generic Role Profile

The generic role profile provides a list of the main tasks that cover the broad range of duties and responsibilities performed at this level for the job role. An employee may not be undertaking all of these at any one time, but they could be expected to do so under their contract of employment.

# Kiosk

**Booth or stall set up in a shopping center to sell goods. May be temporary or permanent.**



# Landed Cost

What does the landed cost of a shoe mean?

The total cost of imported merchandise once it arrives in the country. Landed cost includes first cost from the manufacturer, duties, transportation, and insurance.

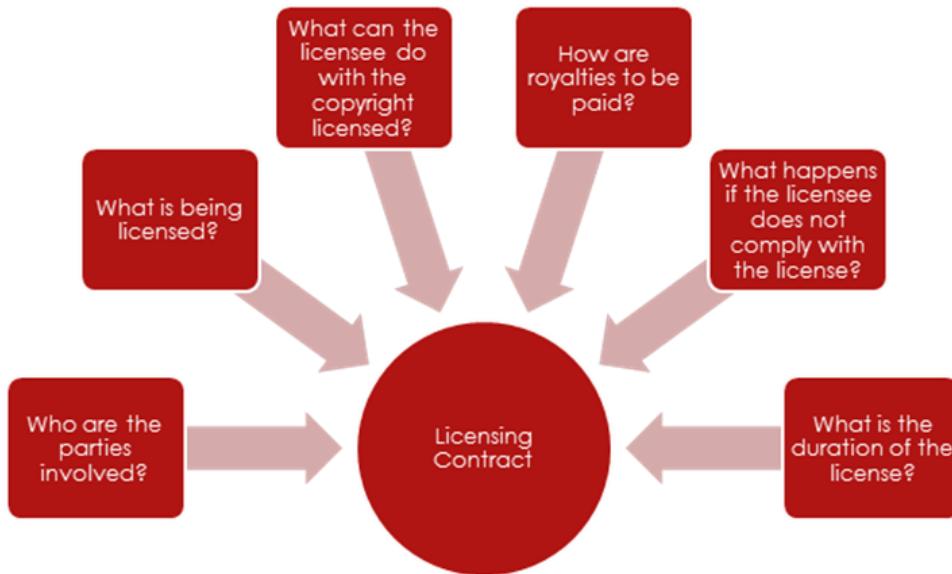


The factory cost is only a part of a shoe's true cost. Costs on the account of shipping, insurance and custom duties get added, resulting in the *landed cost*.

Brands refer to the landed cost as the *Cost of sales or revenue*.

# Licensing

Fee paid to use a name, product, or know-how for a given period of time and in a specified geographical area.



# Liquid Assets

Anything the company owns that can be quickly turned into cash, such as accounts receivable, current finished goods inventory, and financial instruments (e.g., stocks and bonds).



# Logo

The stylized representation of the name of a business.



# Loss Prevention

Loss prevention is the act of reducing the amount of theft and shrinkage within a business.

## SOLUTIONS

The following elements will help to identify, investigate, recover & prevent organised retail crime. Lets look at them in detail.

- |                        |                    |
|------------------------|--------------------|
| 1. TECHNOLOGY          | 1. TRAINING        |
| 2. REPORT              | 2. RECOVER         |
| 3. INCENTIVES          | 3. INVENTORY TRACK |
| 4. PROCESSES           | 4. PROSECUTE       |
| 5. SECURITY EQUIPMENTS | 5. STAFF SCREENING |

# Markdown

The difference between the original retail price and the reduced price.



# Marketing

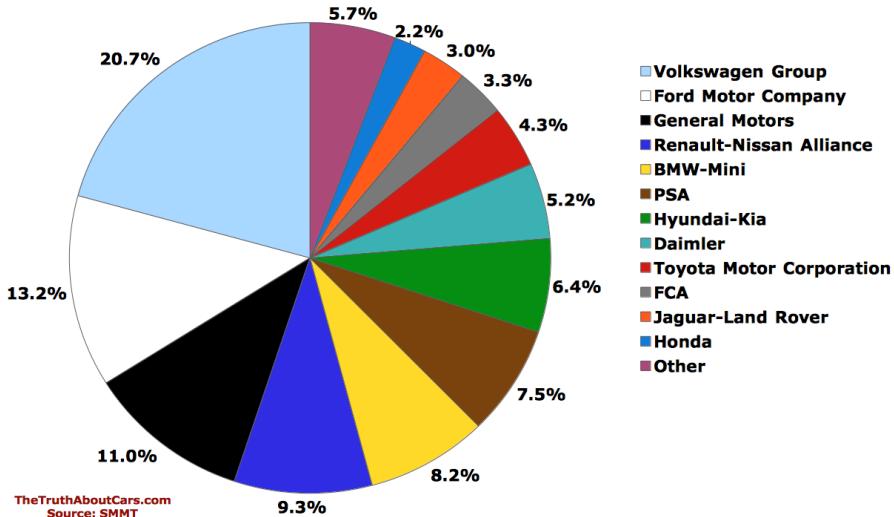
Process associated with the selling of goods or services to more people than you can approach personally. The art and science of marketing includes product development, package and logo design, pricing, market research (to determine the consumer acceptance of these aspects of the product), advertising, sales promotion, merchandising, and public relations to make people aware of the product.



# Market Share

Sales of a company or product as a percentage of total sales of that category of products in a defined area (i.e., a single store, a town, state, country, etc.).

**Auto Manufacturer Market Share In The United Kingdom  
Calendar Year 2014**



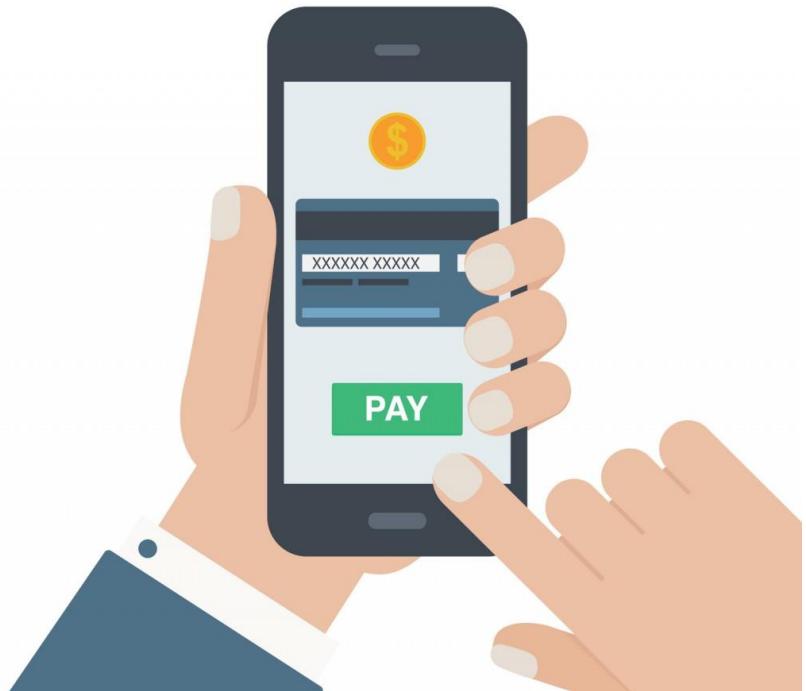
# Merchandising

Selecting, pricing, displaying, and advertising items for sale in a retail store.



# Mobile Payment

This pertains to the services and technology that enable consumers to pay using their mobile phones, instead of traditional forms of payment like cash or credit cards.



# Niche Market

Defined segment of the market with a need for a particular product or service.

A word cloud centered around the words "Niche" and "market". The words are in various sizes and colors (red, green, yellow, blue) and are arranged in a circular pattern around the center. The words include: keywords, slice, needs, aimed, small, mainstream, audience, targeted, focusing, market segment, affiliate networks, impact, sell buy, demographics, quickly, specific, narrow, trend, high demand, subset, production quality, marketers, price range, segments, online, target, profit, sample.

**Niche market**

# Net Income

Money left over after all expenses.

## Net Income

From January 2014 to December 2014



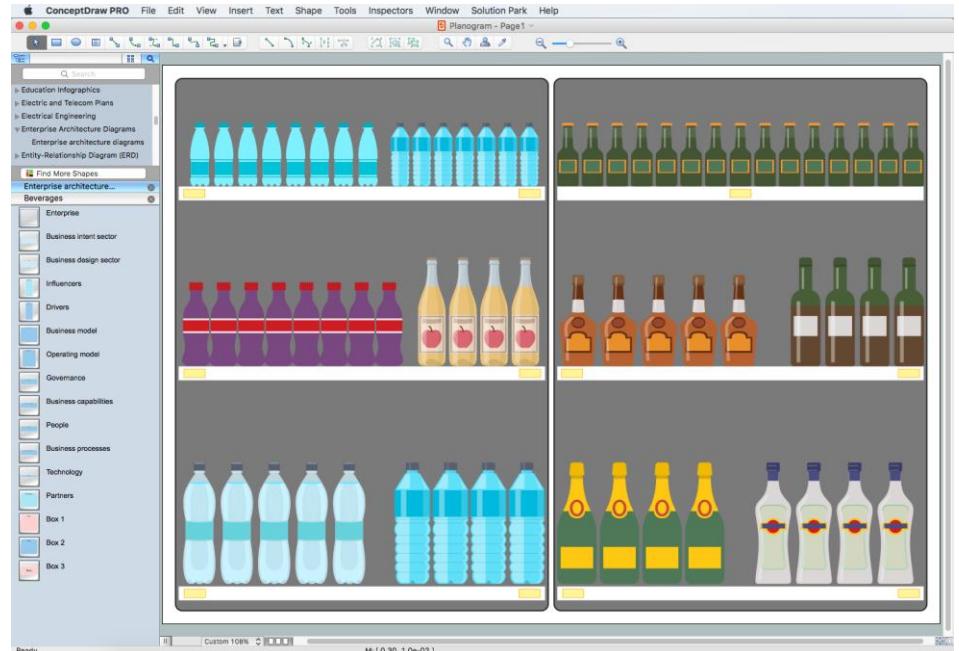
# Partnership

Formed when two or more people share ownership of a business.



# Planogram

Structured plan for displaying a line of merchandise on the shelf so as to maximize their visibility and sale.



# Pre-paid

Vendor pays freight to store.



# Price Point

Various price categories. For example, one price may be for good products, another for better products, and a third for best products.



# Private Label

**Brands owned by a retailer or retail group  
rather than by a manufacturer.**



# Profit and Loss Statement

An accounting report that shows revenues, costs of goods, gross profit, expenses by major category (including depreciation and amortization), pre-tax profits, taxes, and after-tax profit.

[Company Name]

[Street Address], [City, ST ZIP Code]  
[Phone: 555-555-5555] [Fax: 123-123-123456]  
[abc@example.com]

## Profit & Loss Statement

For the Period Ended \_\_\_\_\_

	\$	\$
<b>Income</b>		
Sales	0000000	
Services	00000000	
Other Income	00000	
<b>Total Income</b>		0000000
<b>Expenses</b>		
Accounting	0000000	
Advertising	000000	
Assets Small	000000	
Bank Charges	000000	
Cost of Goods Sold	00000	
<b>Total Expenses</b>		00000000
<b>Profit/Loss</b>		00000000

# Purchase Order

The form used to place an order and give written authorization to a vendor to deliver specified merchandise at a stipulated price. Once accepted by the vendor, the purchase order becomes a legally binding purchase contract.



# Pop-Up Store

**Pop-Up-Stores** are short-term shops or sales spaces that come and go within a given period. These stores can be set up in empty retail spaces, mall booths, or even in the middle of a park.



# Point-of-Sale System

POS system functions as a cash register or till system that lets retailers ring up sales and keep a record of those transactions in their stores.



# Rate Card

The price list used primarily in advertising that lists costs based on the size of the ad, the length of a commercial, the positions of the advertising within its medium, and how often it is repeated.



# Reach

Number of persons exposed at least once to a message during an ad campaign.



# Returns

Products sent back to the vendor for refund or credit against future sales.



# RFID: Radio Frequency Identification

An acronym for Radio Frequency Identification, RFID is a chip embedded in an item's label or packaging. It stores information about the product and is primarily used for tracking purposes.

R.F.I.D  
(Radio Frequency IDentification)



# Sales Rep

A person or company representing the manufacturer in the sale of its goods



# Seasonal Merchandise

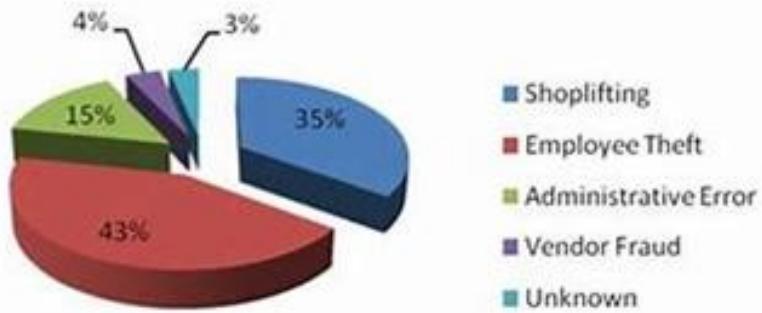
Goods designed to sell only during specific seasons. Seasonal may be literal (such as summer clothing) or figurative, such as the Christmas or Easter seasons.



# Shrinkage

Loss of merchandise at retail caused by shoplifting, internal theft, or bookkeeping errors.

Sources of Inventory Shrinkage



# Special Promotion

A price incentive offered by manufacturers to induce buyers to place orders at a trade show.



# Slotting Fee

The price retail chains demand to stock an item they do not carry. The amount of the slotting fee may vary with the space, display, and promotional support to be allotted to the new item.



# Special Order

An order for products not in stock.

SPECIAL ORDER						DATE	
No.							PARTS DEPT.
<input type="checkbox"/> SERVICE DEPT. <input type="checkbox"/> WARRANTY <input type="checkbox"/> CUST. PAY. R.O. # _____		<input type="checkbox"/> BODY SHOP <input type="checkbox"/> WARRANTY <input type="checkbox"/> CUST. PAY. R.O. # _____		<input type="checkbox"/> NEW UNIT DEPT. <input type="checkbox"/> TRANS. CLAIM <input type="checkbox"/> ACCESSORY <input type="checkbox"/> OTHER STOCK # _____		<input type="checkbox"/> USED UNIT DEPT. STOCK # _____ R.O. # _____	<input type="checkbox"/> CT # _____ <input type="checkbox"/> CHARGE <input type="checkbox"/> PREFERRED \$ _____ <input type="checkbox"/> DEPOSIT \$ _____ <input type="checkbox"/> WHOLESALE <input type="checkbox"/> DELIVER <input type="checkbox"/> PICK UP <input type="checkbox"/> RETAIL
VIN# _____		MAKE _____		MODEL _____			
COMMENTS:							
CUST. NAME _____ ADDRESS _____ CITY, STATE, ZIP _____ HOME PHONE (____) ____-_____				PERSON ORIGINATING ORDER _____ DATE ORDERED _____ TYPE OF ORDER _____ CONTROL # _____ ORDER # _____ POST CARD SENT ON _____ PHONE FOLLOW UPS _____			
BUS. PHONE (____) ____-_____				FINAL DESTINATION: <input type="checkbox"/> DELIVERED <input type="checkbox"/> RETURNED			
PART #	PART NAME	QTY.	SHIPPING PDC	BACK-ORDER STATUS		PLANT	

# Stock Keeping Unit (SKU)

An individual item of merchandise. Each item is normally recorded in the retailer's books by manufacturer, style, number, size, color, and unit price.

SKU

ZG011AQA

---

Unique for each retailer

---

Alphanumeric

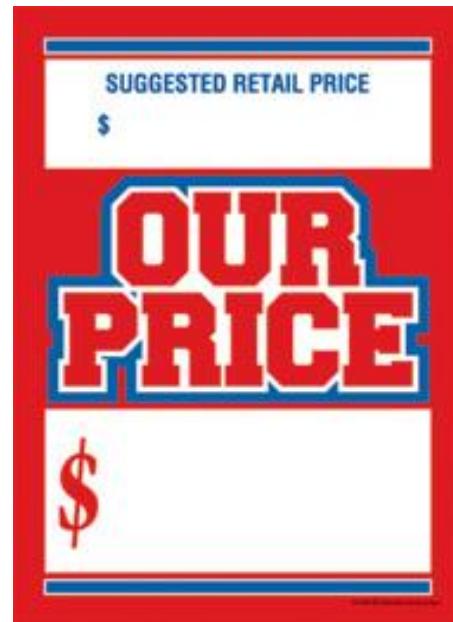
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Varies in length

---

# Suggested Retail Price (SRP)

The retail price suggested by the manufacturer.



# Social Commerce

S-Commerce refers to retail models or ecommerce practices that incorporate social media, user-generated content, or social interaction.



# Terms

The payment schedule for goods received.

Sample Goods Received Note

GRN Number:

## Goods Received Note

Supplier ..... Date ..... Advice note number .....

Order Number..... Delivery Location..... Cost-Centre.....

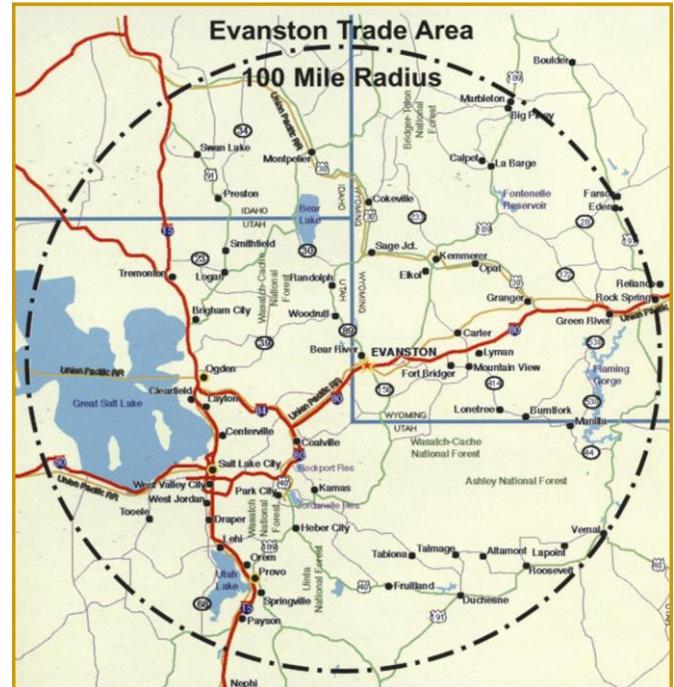
	Goods	Pack Size	Price	Order Quantity	Delivered Quantity	Comments
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Received by..... Checked by.....

1. Accounts/Finance dept. copy
2. Supplier Copy
3. Stores/Goods Inwards copy

# Trade Area

Geographic area from which a store or shopping center will obtain most of its customers.



# Traffic Department

**These vendor departments optimize cost of freight and keep track of shipments to their customers.**

## **Traffic counts and patterns...**

- For retail-based market locations, it can be helpful to know consumer traffic counts.
- Most states post traffic counts for major roads on their department of transportation websites.
- These data sets are great for comparing consumer traffic patterns of several locations.

# Triple Net

Name applied to a payment for leased space  
that includes rent, taxes, insurance, and  
common-area maintenance charges.

---

RENT RECEIPT No. \_\_\_\_\_

Date: \_\_\_\_\_

Amount Received: \$ \_\_\_\_\_

Cash \_\_\_\_\_  
Check, No. \_\_\_\_\_  
Money Order, No. \_\_\_\_\_

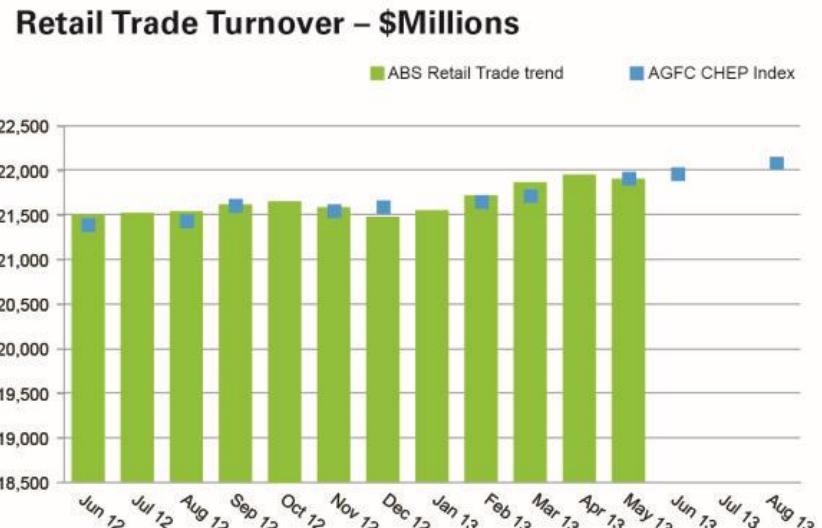
From: \_\_\_\_\_ (tenant name) for \_\_\_\_\_  
\_\_\_\_\_(tenant address). Remaining Balance: \$ \_\_\_\_\_

Money Received by: \_\_\_\_\_

---

# Turnover

Number of times the average investment in merchandise is bought and sold during a given time.



\*Chart movements in nominal (current price) terms.

Analytics by **Deloitte**.

# Universal Product Code

The bar coding system for merchandise



# Variety of Merchandise

It is the number of different merchandising categories within a store or department. It is also called breadth.



# Volume

Dollar sales of goods sold during a given period of time.

