**Retail
Domain Academy**

Store & Store Operations

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UST Internal**

Topics

1. Stores
    1. Departments
    2. Sections
    3. Personnel

2. Retail Store Operation
    1. Introduction
    2. POS
        a. Components
        b. Features
        c. POS standards

Module 1
Stores

Introduction

- Retailing is buying large amount of goods from the manufacturer or wholesalers and selling the items in terms of individual quantities to people. Retail establishments are often called stores. Retailers are at the end of the supply chain and a store is the most critical customer touch point.

- Stores are literally the shop window of any retail organization. It is the personnel's who are working in the store which can make the ultimate difference to the shopping experience of a Customer. As the portfolio of channels has expanded to include mobile and social media, consumers have increasingly come to view the physical store as the central point or hub of the overall cross-channel experience.

- Whether the store personnel's work at the back of the store or deal with the Customer's directly they are the heart and soul of any store.

- This is where customers get firsthand feel of the products and services of a retailer. Hence Store Processes are crucial for retail success.

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Departments in a store

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Retail Departments in a typical Hypermarket

Retail Department - An area in a retail store designated for a category of products, such as, grocery, meat, produce, bakery, among others.

Depending on the location and the type of Customers visiting the store, a retailer chooses the type of departments that are needed for a store.

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- Bakery & Deli
- Bank
- Boys & Girls
- Checkout
- Dairy
- Electronics
- Garden
- Hardware & Automotive
- Health & Beauty
- House ware

- Infant & Toddlers
- Ladies
- Meat
- Men's
- Produce
- Seafood
- Seasonal
- Sporting Goods
- Stationery
- Toys

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Retail Department – Produce

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Retail Department – Organic Food

- This department sells products which are organically produced. The price of organic items are higher than regular items. Not all stores have this department.
Corn
Papaya
Tomatoes
Potatoes
Squash
Sugar Beet

Retail Department – Cold storage

- Cold storage: A facility that stores frozen foods and perishable items that need refrigeration or special handling.

- Food preserved by freezing, such as fruits, vegetables, specialty foods, dinners and ice cream.

- Convenience food: Prepared products, such as frozen or microwavable foods, that are quick and easy to fix.

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Retail Department – Dairy

- Milk (including dry milk), cream, sour cream, yogurt, eggs, butter and substitutes such as margarine, cheese, and ice cream

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Retail Department – Meat

Retail Department – Deli

- deli product ends: Meat and cheese ends used for sandwiches, salads or samples.

- delicatessen: An in-store department with cooked foods, salads, cold cuts and cheeses, etc.

Retail Department – Bread

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Retail Department - Ready-to-go food

The Ready-to-go food department sells cooked dishes. Customers can choose and pick from a wide range of salad, soups and Main course meals. This department sells restaurant quality food, with prices lower than the regular restaurants.

Retail Department - Pharmacy

Pharmacy departments sell prescription drugs and non-prescription drugs. Non-prescription drugs are called Over the Counter (OTC) medications. Pharmacy departments also has a consultant who will provide information on the drugs they are purchasing.

Retail Department - Cosmetics

Sections of a Store

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Typical Store Section

- The following makes a typical store

  - ➢ Backroom
  - ➢ Aisles
  - ➢ Checkout (POS)
  - ➢ Hotspot
  - ➢ POS Product Display
  - ➢ Bagging

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Backroom

- Received items are stocked here.

- The store shelves are replenished from the backroom as and when required

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Aisles

- Aisles are where the items are displayed & stored in stores. Items are replenished on the aisles from the backroom

Checkouts

- Item checkout is done at the Point of Sale counters

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A Checkout Lane

Hotspots

- It is a place where merchandise sells faster.
  - In grocery stores, gondola ends at the front of the store are hotspots.
  - In department stores, the hotspots depend on the store layout and traffic flow.

- Vendors buy promotional hotspots in store to maximize sales of their products.

- Vendors might pay to get shelf space for new product introductions.

- The money paid to get a product into a store is known as a slotting fee.

- High traffic, end-cap, areas are desirable locations for the placement of new items. This is most common in grocery stores but not limited to these alone
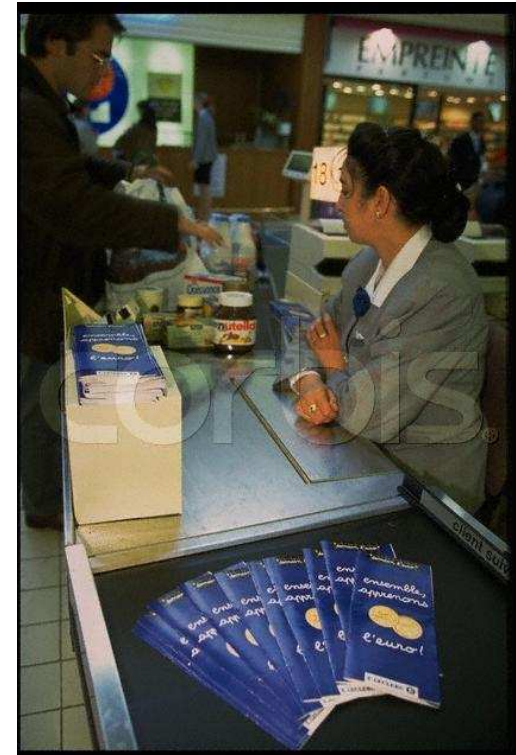
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POS Product Display

- A point-of-sale display (POS) is a specialized form of sales promotion that is found near, on, or next to a checkout counter (the "point of sale").

- Intended to draw the customers' attention to products, which may be new products, or on special offer, and are also used to promote special events, e.g. seasonal or holiday-time sales.

- POS displays can include shelf edging, dummy packs, display packs, display stands, mobiles, posters, and banners.

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Bagging

- Express lane:
  - ➤ A lane used to check out customers with a limited number of items.

- Bag stuffer
  - ➤ An ad circular placed in a customer's grocery bag during bagging

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Store Personnel

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Different types of jobs in a Retail Store

- A retail store has the following jobs to manage the store operations:
  - Store Director / Manager
  - Department Managers
  - Department Workers
  - Customer Service Manager
  - Cashiers
  - Courtesy Clerks
  - Pricing coordinator
  - Inventory control clerk
  - Stockers
  - File Maintenance Clerk
  - Book keeper
  - Packers
  - Helpers
  - Service Assistants

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Different Roles in a Retail Store (contd ...)

- A retail store has the following jobs to manage the store operations:

  - Maintenance
  - Food and Beverage
  - Bakers
  - Merchandising
  - Receivers
  - Cash Controllers

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Store Manager

- Store Director / Manager
  - Responsible for all the day-to- day operations of the store.
  - All employees in a store report to the Store Manager.
  - A store manager may have several subordinates who have management-level responsibility.

  - Responsibilities include
    - Human Resources
      - E.g.: Recruiting staff , training and development, performance management, payroll, and schedule workplace scheduling
    - Product management
      - E.g.: Ordering and receiving products, managing price changes, handling damaged products, and returns.
    - Store business operations
      - E.g.: managing store profit and loss, facility management, customer/employee safety and security
    - Team Development, facilitating staff learning and development

Department Managers

- Department Managers
  - Sales areas of a store are divided up into different geographical areas called departments. In a large store each of these departments will have a department manger.
    - Examples for different departments are bakery department, meat department, frozen food department and grocery department.

  - Department Managers are responsible for smooth functioning of the department

  - Ensures that orders for items belonging to his department are sent in on time and items are placed on aisles to avoid empty aisles

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Department Workers and Cashiers

- Department workers
  - ➤ People who work in one or more departments to stock the shelves to ensure that the customer has enough product to purchase

- Cashiers
  - ➤ Cashiers register the sale of goods and services.
  - ➤ Scans the customers' purchases and accept payment for it

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Customer Service Manager

- Customer Service Manager

  - ➢ Responsible for ensuring the highest level of customer service throughout the store.

  - ➢ Interacts with the customers to solve problems.
    - E.g.: Answering questions about a product or store policy

  - ➢ They make sure that enough checkout stations are open and available for customer use.

  - ➢ Supervises the functioning of the cash registers and supporting equipment, and all duties of the cashiers.

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Courtesy Clerks

- Courtesy clerks

  - Primary responsibility is to place the customers' purchases in a vessel that can be used to transport the products from the store to the customers' residence

  - Also known as Baggers/Wrappers

  - They may also assist customers by directing them to items, informing them of sales and coupon offers, and offering to take special orders for out-of-stock items

  - In many stores, courtesy clerks are responsible for cleaning the floors, shelves, cash register area, and parking lot at the end of their shifts

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Pricing coordinator

- Pricing coordinator

    ➤ Responsible for ensuring the implementation of price changes at the store level.

    ➤ Item file change transactions(with details of price changes) are sent every night to each store and pricing coordinator applies or executes them at the store. This keeps the store data base up to date. When an item price changes, the labels/signs will be changed in conjunction with the scanning file maintenance execution ensuring price accuracy.

    ➤ The Pricing Coordinator also ensures signs are accurate and placed appropriately.

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Inventory Control Clerk

- Inventory Control Clerk

    - ➢ Responsible for inventory level of items in the store.

    - ➢ Keeps track of stock that moves in and out of the stockroom in the store.

    - ➢ In charge of reordering products as the stock becomes low.

    - ➢ When a shipment of products is received at the store, the inventory clerk is normally the person who confirms the delivery with his signature.

    - ➢ Separates damaged and incorrectly shipped items for return to the shipper.

    - ➢ Ensures that correct cost is being charged by the manufacturer.

    - ➢ Arranges storing of items in the stockroom.

Stockers

- Stockers

  - An overnight stocker works in a retail store stocking the aisles with merchandise and keeping the store organized.

  - They work while the store is closed or less busy; mostly in late shifts and also known as Night stockers.

  - They also compares barcodes to the shelf tag to make sure that each item goes in the correct location in the aisles.

File Maintenance Clerk

- File Maintenance Clerk

  ➢ Responsible for printing product labels/signs and shelf tags as required.

  ➢ It is the job of a File Maintenance Clerk to keep the price and details in the labels/signs in a store up-to-date and current. The price displayed for the product should match the scanning computer item price. When an item price changes , labels/signs will be changed in conjunction with the scanning file maintenance execution.

Bookkeeper

- Bookkeeper

  ➢ Bookkeeper is responsible for keeping financial records for the store. Note: These records were traditionally kept in journals or ledgers called "books," giving bookkeepers their name.

  ➢ Keeps track of accounts, and verifies the accuracy of procedures used for recording financial transactions.

Module 2
Store Operation

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Tasks performed at the store level

Store Administration and management of premises

Receiving & displaying goods

Providing customer shopping Experience

Recording sales

Managing alliance and partnerships

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Receiving and displaying goods

- The process a business uses to receive merchandise at their store.

- The merchandise is verified to ensure if the ordered item is delivered in the required quantities.

- The received merchandise is then unpacked and tagged and made ready on the store aisles.

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Methods to verify received merchandise

- Blind Check Method – one of the most accurate, yet time consuming, methods for checking merchandise. Employees open boxes and make a list of items sent. This list is then compared with the invoice.

- Direct Check Method – used the most frequent. Involves checking off the merchandise on the invoice.

- Dummy Invoice Method – combines the best features of both the blind check method and the direct check method. Employees take an invoice without the quantities and record the amount of each item in the shipment.

- Spot Check Method – takes the least amount of time, but is the least accurate method. Involves spot checking a certain number of boxes.

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Inventory Management

- Inventory is the amount of goods stored by a business.

- Effective management and control of inventory prevents out-of-stocks or over stocking.

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Methods of Inventory management

- Perpetual Inventory – is a method of tracking inventory on a constant basis. The information required to maintain a perpetual inventory system can be collected either manually or electronically through a point-of-sale system.

- Physical Inventory – system where stock is visually inspected or counted to determine the quantity on hand. This is usually conducted periodically.

- Visual Inspection – involves placing a card in a bin of merchandise stating what the product is and the quantity that should be on hand.

- Counting Stock – gives the business an accurate number of what is in stock.

- Combined System – involves using both the perpetual and physical inventory systems to insure an accurate count of the inventory.

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Providing customer shopping Experience

- **Store Atmospherics**
  - Ambient factors
    - Lighting, Sound and Smell
  - Design Factors – Perceptions of the store
    - Wall/Floor covering, color, cleanliness, layout
  - Social Factors – Make it convenient & pleasurable for customers to shop and pay for merchandise
    - Courteous, Knowledgeable, Service

- **Post-Sale Services**
  - Complaints and adjustments
  - Credit Policies
  - Product maintenance
  - Product information
  - Pick up/Delivery

Key Store Operations

- Customer service

- Selling and check out

- Store image and housekeeping

- Fixtures and display

- Expense control and cash management

- Merchandise receiving and stock management

- Store inventories - replenishment (certain retail sectors only)

- Staffing levels, time, attendance and labor scheduling

- Hours of operation

- Store premises maintenance

- Space utilization

- Security and loss prevention

Stores Operating Parameters

- To Evaluate Day to day operations of Stores ,
  - Dip stick parameters are used to measure retail performance.
  - They enable retailers to find out health of specific area of operation.

- Parameters
  - Customer Transactions
  - Stocks
  - Space
  - Employees

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Areas Of Retail Operations

- Main Areas of operation are
  - Administration and Facilities Management
  - Loss (Shrinkage) Prevention
  - Visual Merchandising and Displays
  - Warehousing and Supply Chain Management
  - Check out Management

- Other Areas
  - Customer Service and Accommodation.
  - Retail selling Process.
  - Store Staffing & Scheduling.
  - Retail Floor & Shelf Management.

Administration and Facilities Management

- It includes
  - Cleanliness of stores
  - Maintenance of Store Facades and displays
  - Time Keeping of staff
  - Obtaining Required Permission and Licenses
  - Health and Safety Norms
  - Store Security
  - Insurance

Loss (Shrinkage) Prevention

- Shortage , or shrinkage in Europe, is the term retailers use to define the unintended reduction in or loss of inventory from causes other than sales.

- Retailers also incur shortage due to poor record keeping, inaccurate data, poor handling processes, and deficiencies in computer and other business systems.

- Loss Prevention and Store Security are concerned with losses through theft which primarily occur because of:
  - ➢ Employee theft
  - ➢ Theft by the public

- Categories of theft - worldwide
  - ➢ Health and Beauty products
  - ➢ Jewellery and Compact discs

Loss (Shrinkage) Prevention (contd...)

- The Proportion of shrinkage is (International) – 0.6 to 1.5% of the total sales

- Ways to prevent Shrinkage
  - Personal Monitoring by Security Personnel
  - Cameras to monitor
  - Use of source tagging –Small anti-theft labels are hidden inside a product or packaging by manufacturer

Visual Merchandising and Displays

- Known as Silent Salesman

- Art of suggestive selling by display & presentation

- Role

  - Planning the VM theme and creating displays

  - Arranging props for displays

  - Arranging display fixtures and lighting

  - Setting up store before opening

  - Working with floor plan and stores requirement

  - Training personnel on sales floor to create display

  - Organizing merchandising units such as racks and shelves

- Types of Displays

  - Window display

    - Exclusive windows or open windows

  - In-store Display

    - Live display

    - Brand corners and End Cap Display

    - Cascade/Waterfall display

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Check out Management

- Traditional Methods
  - Minimum Cash at cash counters
  - Cash balance to be updated by Computer
  - IT/Skill Management
  - Keeping eye on cashier from distance
  - No authority to cancel
  - Change(Chiller) Management

- New Methods
  - Cash Register Express
  - Self-checkout
  - Automated Till Handling (i-Cash)
  - Automated cash flow management(i-Cash)

POS

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What is POS ?

- **P**oint **O**f **S**ale is the physical location where the transaction occurs

- It usually normally refers to any device or system that is used to record the transaction for the retailer

- This same system allows the creation and printing of the receipt.

- A computer-based POS which employs software to implement the POS functionality is called CPOS

Benefits of the POS system

- Just like the old type writer was made obsolete by the modern word processors, the advanced POS system are giving the old cash registers a run for money.

- Cash registers were dump and did not add value as it provided only total cash collected, but modern POS system assist to provide the profit details, track customer preference and also helps in inventory control

- The mechanical cash registers are improving but they are out paced by rapid development of POS system and the battle is won by the POS system.

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Cash register VS POS System

- Comparison of functions of a typical POS system with Cash register

	POS System	Cash Register
Inventory Control	Yes	No
Invoicing and Receiving	Yes	No
Interfacing with Accounting	Yes	No
Report	Yes	Z-out
Enforced Accuracy	Yes	No
Integrated CC handling	Yes	Limited
General Ledger	Yes	No
Accounts Payable	Yes	No
Accounts Receivable	Yes	No
Preferred by tax Consultant	Yes	No

Types of POS systems

- POS system can be tailored to specific business

Industry	POS
General Retail	Quickbook POS
Auto Sound	TSS XP
Book Stores	Book Wizard
Childcare	Childcare 98
Cinema	VcsTimeless
Construction	Construction Pro
Fast Food	Restaurant Pro Express
Fine Dining	NextPOS
Hotel/Motel	Lodgeware
Liquor Store	LiquorPOS
Music Store	Musicware POS
Pharmacy	MMS Pharmacy
Salon/Beauty	Salon Advantage
Video Store	Star Tracer

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Components

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Software components of POS

Operating system

Accounting Software

POS

Card processing system

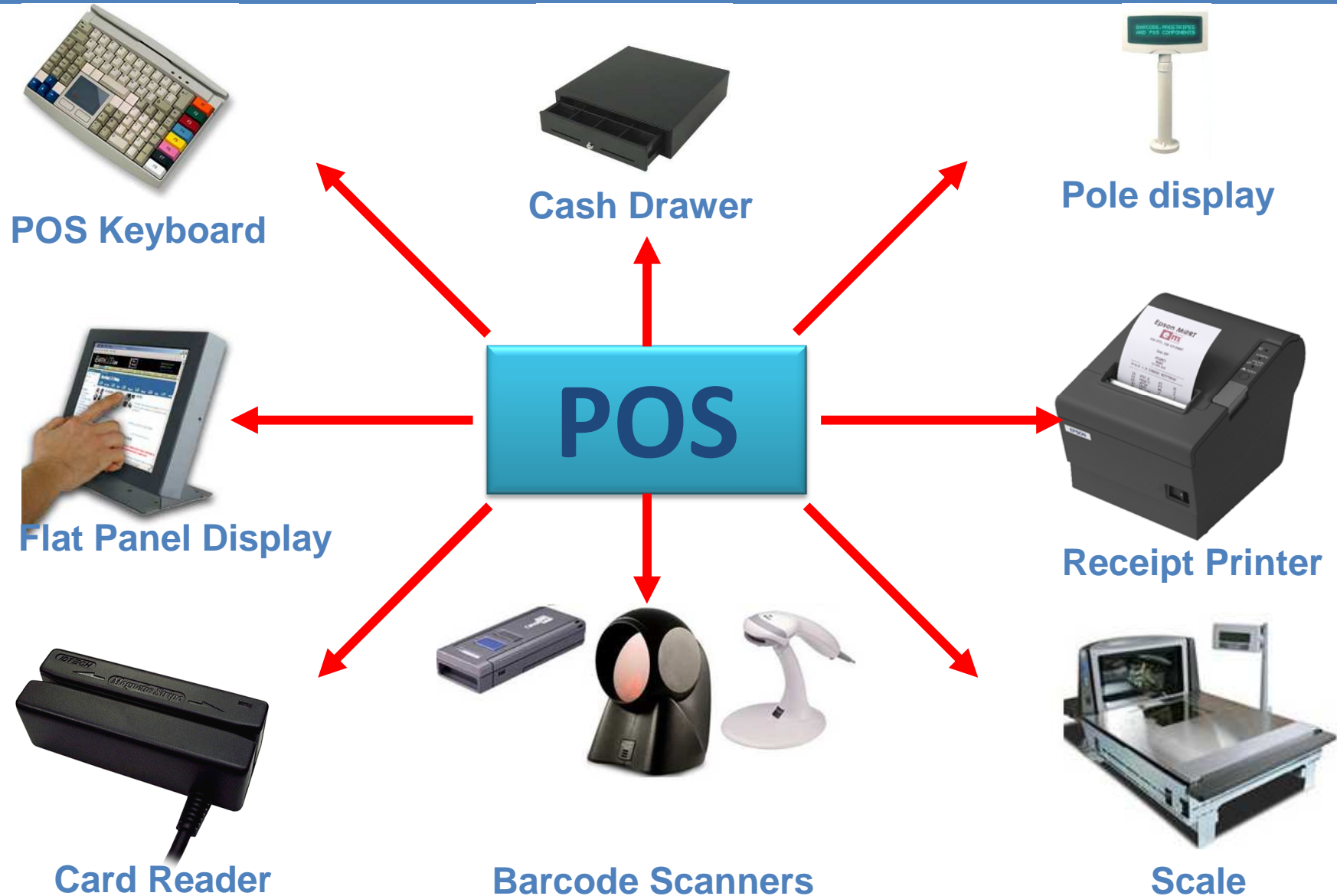POS application

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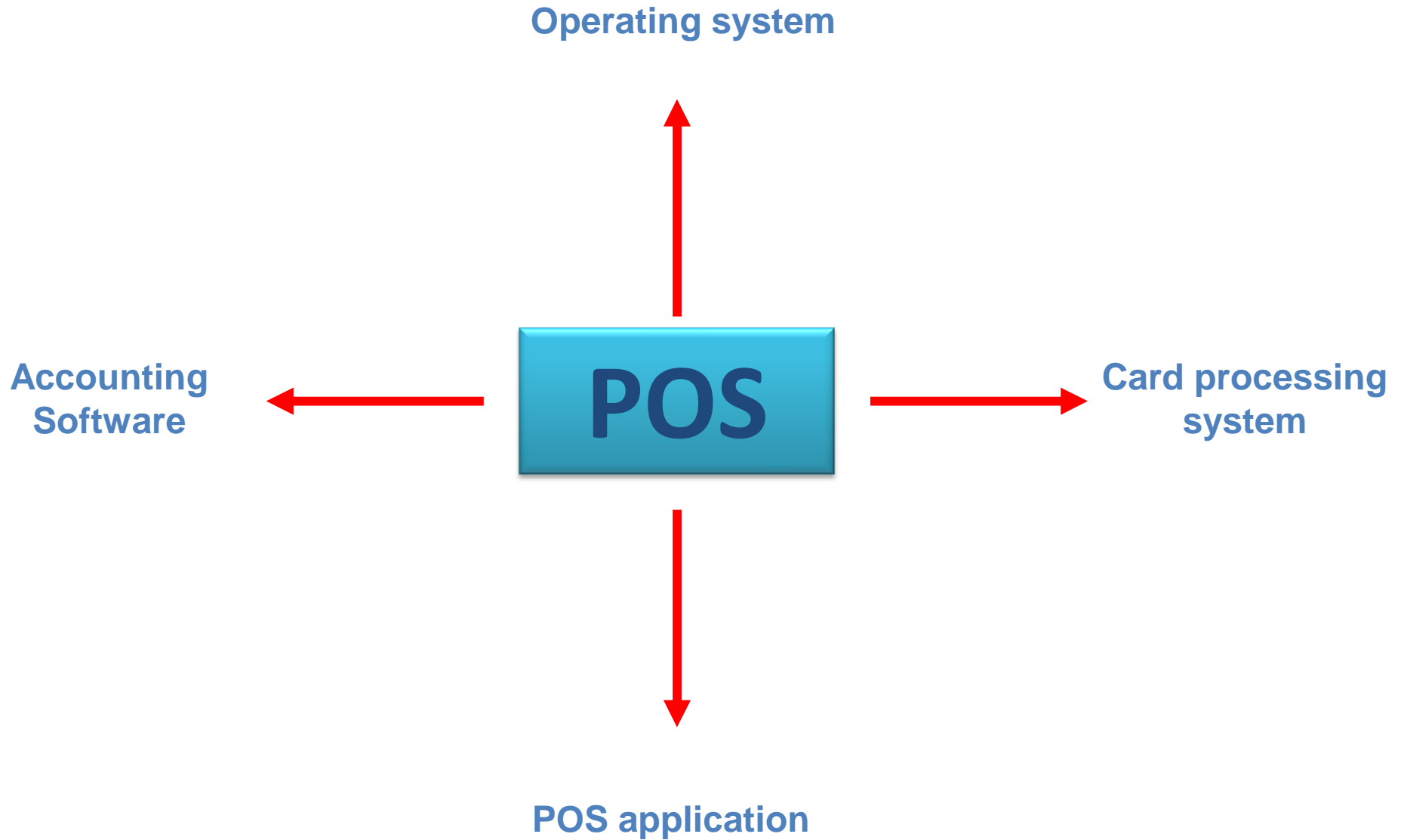
Details of POS Software

- Operating system

  - ➢ **Windows and CE** – Microsoft dominates the POS Terminal shipments with 69% of the market

  - ➢ **IBM's 4690** – Used mainly in the Mass Merchants and Supercenter/Warehouse Clubs where it garnered 80% of all shipments.

  - ➢ **Linux** – It represented 2% of shipments

- POS application

  - ➢ This adds the retail functionality to the POS system

  - ➢ It provides the user interface and all the features required in the business

- Card processing system

  - ➢ POS systems often implement this feature with software using a simple card reader, either mag or smart card reader, as a computer peripheral.

  - ➢ Integrating the credit card payment function can save steps and time during the checkout process.

- Accounting Software

  - ➢ POS systems can transfer the day's receipts to your accounting system easily, normally with a few keystrokes or mouse clicks.

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Hardware components

POS Keyboard

Cash Drawer

Pole display

Flat Panel Display

POS

Receipt Printer

Card Reader

Barcode Scanners

Scale

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Details of POS Hardware

- Computer
  - ➢ Customized computer with all software and connected with different periphery devices
  - ➢ Normally with flat panel display or touch screen
  - ➢ Touch screens are used in environments such as bars and restaurants, but now it is also used by retailers replacing the POS keyboard

- POS Keyboard
  - ➢ A POS keyboard more closely resembles a cash register key layout
  - ➢ The keys are programmable and can be setup to do one-key functions such as Total, Produce, Soft goods, Discount, etc

- Cash drawer
  - ➢ It is the main peripheral in any POS system
  - ➢ Cash drawer opens after ring up, just like a cash register drawer, and allows to keep cash in defined slots for easy transaction

Details of POS Hardware (contd...)

- Pole Display
  - ➢ A Pole display is a LCD or LED sign which shows the customer each item that's rung up
  - ➢ In some shop this is customized to display advertising messages to customers

- Receipt Printer
  - ➢ The receipt printer behaves much like any other computer printer – used to print purchase receipt or labels. Some types of printers are
    - Thermal – No ink required, but only black color
    - Color printer – To print in color red/black for debit, returns, sales etc

- Weight Scale
  - ➢ Used to transmit weight directly to the POS software which can total the amount based on the pricing information.

Details of POS Hardware (contd...)

- Barcode Scanner
  - The most efficient and accurate way of ringing up sales at the checkout station
  - Types of Scanner
    - Attached – Connected by cable to POS system
    - Portable – Not tethered to POS system

- Card reader
  - The card reader peripheral provides a way of reading credit cards – magnetic or later smart card chip readers

- Other devices
  - Check Readers/Printers - To read or write check
  - Signature Pads - To get the approval of customer electronically
  - Slip Printers - A printer with a slit along the side, allowing the user to slide in a form, check, or wide document.
  - Wireless payment systems - To process payment anywhere without connected to POS by cable e.g. Home delivery, taxis, etc

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POS Features

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Standard Features of POS

- Check in/Check Out
  - Employee do check-in to enable transactions and check-out procedure to logoff
  - This allows employee performance monitoring as well as reduce any chance of theft.

- Inventory Control
  - This is the single biggest advantage POS has over cash registers.
  - POS can be used to order products, do invoicing, and managing inventory.
  - When a sales take place, the inventory levels are adjusted. When an item quantity become low, the POS can report this so as to reorder.

Standard Features of POS

- **Label Design and Printing**
  - ➢ Once inventory information is updated in POS database, POS can be used to design and print the product and shelf labels

- **Price Levels**
  - ➢ POS systems can have multiple price points for the products, e.g.
    - Normal List price
    - Multiple sales prices
    - Employee price discount
    - Volume discount pricing

- **Sales Tax Calculation**
  - ➢ This feature is useful for customizing the Tax based on the State or region of operation

Standard Features of POS

- Ordering and Receiving
  - POS software purchase orders can be created and their status tracked
  - Prevents over and under-buying

- Invoicing
  - Provides different option like charging interest or "late charge" on over due invoice
  - Credit limit for a account or a customer
  - Contract pricing for different customers
  - Invoice printing for supplier

- Suspend/Resume Transaction
  - Allows to suspend and hold an uncompleted transaction and allows to process next customer billing
  - Un-holding a transaction will start from where it was placed on hold

Standard Features of POS

- Networking/Multiple Stations
  - Enables use of single centralized database
  - Uses internal LAN or WAN networks

- Security
  - Check-in and check-out feature to prevent unauthorized access
  - Menu control and supervisor overrides

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Advanced Feature of POS

- Seating chart layout
- Wait times
- Staff assignment
- Kitchen displays
- Foreign languages
- Telephone orders/Takeout
- Menu building
- Gift Certificates
- Gift Cards
- Repeat customer tracking
- House Accounts
- Bad Check file
- Warranty Tracking
- Serialized Inventory
- Integration with eCommerce solution

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POS standards

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Why POS Standards are required

- POS standards has allowed POS software developers the ability to support a wide range of POS peripheral devices

- Solutions can run on a wide range of computing platforms, providing flexibility to business in choosing their operating platform or reusing existing systems

- Allows business to concentrate on the POS functions that match the business needs rather than technical details.

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Different POS Standard

- OPOS
  - OPOS or OLE for Retail POS consists of an architecture for Win32-based POS device access, uses COM technology
  - initiated by Microsoft, NCR, Epson, and Fujitsu-ICL to help integrate POS hardware into applications for the Windows™ family of operating systems.
  - The first OPOS technical meeting was convened in January, 1995
  - First production release, 1.01, was made in March, 1996

- JAVAPOS
  - Initiated by Sun, IBM, and NCR to help integrate POS hardware into applications for the Java language
  - JavaPOS is operating system independent
  - The first JavaPOS meeting was convened in April, 1997
  - The first production release, 1.2, was made in March, 1998

- UnifiedPOS
  - UnifiedPOS was initiated by a consortium of retailers, and is led by the National Retail Federation
  - In 2011 effort is underway to create an updated UnifiedPOS 2.0 standard

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Definition of retail terms used

- **Aisles** are shelves in stores where the items are displayed for the customer to purchase. Items are replenished on the aisles from the backroom.

- **Backroom / Stock room** is the place where the received items are stocked in a store . The store shelves are replenished from the backroom as and when required.

- **Barcode symbol** is a pattern of bars and spaces following specific standards and is used to identify products.

- **Checkout counter** is the place where customer transactions occur and where the register, scanner, and bags are located.

- **Label** is a tag or sticker with merchandising information of what belongs in that place on the shelf . Labels are bar coded and reflects the price of an item

- **Shelf tag** is a tag that has information about the nature of products placed in that area.

- **Signs** are used to display special message about items (E.g.: Displaying amount of saving incurred due to promotion.

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