

e-booke



Retail Business

— full course

(Brutally honest)

ERD TWO: BRUTALLY HONEST

Retail is simple:

Buy products cheaper → Sell them higher

If you fail at either — wrong product or wrong pricing — you die.

MODULE 1 — Understanding Retail

What is retail?

Selling products directly to end customers for consumption, not resale.

Common retail formats

Type	Pros	Cons
Grocery/Convenience	Daily demand	Low margin, high competition
Fashion/Apparel	High margin	Trend risk, inventory dead stock
Mobile/Accessories	High demand	Price war, warranty issues
Electronics	Good margin	High capital, fast depreciation
Speciality (Kids, Pets, Beauty)	Niche loyalty	Requires expertise
Online Retail (E-commerce)	Large customer pool	Logistics, returns

Brutal truth:

If you sell what everyone sells → you compete only on price → you lose.

MODULE 2 — Market & Location Analysis

Key questions:

- ✓ What are people around this location already buying?
- ✓ What product is missing or in shortage?
- ✓ What is the spending power of nearby customers?
- ✓ How far is the nearest competitor?

You don't pick products first —

You pick products based on location demand.

Tools:

- Count footfall manually for 3 days
- Visit competitors multiple times

- Ask local store owners what sells fast

If you skip research, expect to lose 6–12 months of money.

MODULE 3 — Product Selection Strategy

Avoid big items with low rotation. Focus on high rotation + high margin.

Use the **4-Box Method**:

Category Rotation Margin Keep?

A	High	High	Core products
B	High	Low	Traffic products
C	Low	High	Premium upsell
D	Low	Low	Remove immediately

Your profit comes from A + C

Traffic comes from B.

Successful retailers constantly remove D products.

MODULE 4 — Pricing Strategy

Mistake: Pricing low without data.

Correct formula:

Selling Price = Purchase Cost + Operational Cost + Desired Profit Margin

Retail markup benchmarks:

- Grocery: 5–15%
- Cosmetics: 30–200%
- Clothing: 50–300%
- Mobile accessories: 40–200%
- Home decor: 30–100%

If you fear charging higher → Quit and get a job.

MODULE 5 — Suppliers, Stock & Negotiation

What matters most:

- 1 Bulk price
- 2 Payment terms (credit, post-paid)
- 3 Return/exchange for damaged/unsold goods

Negotiate ruthlessly.

Stop behaving like a customer.

You are a **dealer**.

Stock control rule:

Never buy what you “think” will sell.

Buy only what already sells.

MODULE 6 — Branding, Display & Customer Experience

Retail is theatre.

Bad display = Dead inventory.

Rules:

- ✓ Best-selling products at eye level
- ✓ Fresh stock in front, old stock rotates to discount shelf
- ✓ Add smell, lighting & music for impulse buying
- ✓ Fast service > polite talking

Gut punch:

If your store looks cheap, customers won’t pay premium.

MODULE 7 — Sales & Cross-Selling

Sales strategy:

- **Don’t ask:** “Anything else?”
- **Say:** “This goes well with that. Want it?”

Examples:

- Mobile case + tempered glass + charger
- Shirt + belt + cufflinks
- Grocery: “Offer combo available — same price”

Retail success = **basket size increase**

Not customer count only.

MODULE 8 — Inventory Tracking & Finance

This kills most retailers:

They don't know which product is giving loss.

Tools:

- POS billing system
- Daily sales report
- Stock turnover calculation

If stock doesn't move in **45–60 days**:

→ Discount
→ Bundle
→ Return
→ Dump

Dead stock = dead business

MODULE 9 — Marketing Strategy

What actually works:

- Hyperlocal WhatsApp marketing
- Local SEO — Google Business listing
- Flyers + small offers in nearby apartments
- Loyalty membership for recurring buyers

Useless:

- Fancy social media without local targeting
- Discounts that destroy profit

Your best marketing?

Satisfied customers who return every week.

MODULE 10 — KPIs You MUST Track

If you don't measure, you're blind.

Weekly check

- ✓ Gross profit %
- ✓ Inventory turnover
- ✓ Footfalls
- ✓ Average bill value
- ✓ Expense ratio

Your job:

Cut waste → Increase rotation → Increase margin

Reality Check

- First 6 months = Learning + loss
- Month 7–12 = Optimization
- After 1 year = You either scale or shut down

Hard truth:

Retail is not for the lazy.

You must show up every day.

Action Plan for You (Don't overthink)

- 1 Choose location
 - 2 Research demand
 - 3 Select top 40 products
 - 4 Build supplier list
 - 5 Design impactful display
 - 6 Start small → reinvest profit
 - 7 Track daily numbers
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