



RASCI
Retailers Association's
Skill Council of India

Participant Handbook

Sector
Retail

Sub-Sector
Retail Operations

Occupation
Store Operations

Reference ID: **RAS/Q0102, Version 4.0**
NSQF level 3



Retail Cashier

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Retailers Association's Skill Council of India

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Shri Narendra Modi
Prime Minister of India

“ Skilling is building a better India.
If we have to move India towards
development then Skill Development
should be our mission. ”



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RETAILERS ASSOCIATION'S SKILL COUNCIL OF INDIA

for

SKILLING CONTENT: PARTICIPANT HANDBOOK

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The preparation of this handbook would not have been possible without the retail industry's support. Industry feedback has been extremely beneficial since inception to conclusion, and it is with the industry's guidance that we have tried to bridge the existing skill gaps in the industry. This participant handbook is dedicated to the aspiring youth, who desire to achieve special skills that will be a lifelong asset for their future endeavours.

About this book

This participant handbook has been designed to enable training for the specific Qualification Pack (QP). Each National Occupational Standard (NOS) has been covered across units. The key learning objectives for the specific NOS mark the beginning of the units for that NOS. The symbols used in this book have been described below.

A Retail Cashier is responsible for optimizing inventory to ensure maximum availability of stocks and minimizing losses; adhering to standard operating procedures, processes, and policies at the store while providing timely and accurate reporting; managing sales and service delivery to increase store profitability; executing visual merchandising displays as per standards and guidelines; ensuring overall safety, security and hygiene of the store; implementing promotions and special events at the store; leading and managing the team for developing store capability, and conducting price benchmarking and market study of competition. The individual should be meticulous, motivated to learn new things, logical, and result-oriented. He or she must have manual dexterity, right eye for visual quality, and excellent attention to detail. Among others, the individual must have decent communication skills and be able to prioritise tasks. The trainee will enhance his/her knowledge under the trainer's guidance in the following skills:

- **Knowledge and Understanding:** Adequate operational knowledge and understanding to perform the required task
- **Performance Criteria:** Achieve the required skills via hands-on training and complete the necessary operations within the specified standards
- **Professional Skills:** Ability to make operational decisions related to the area of work

The handbook incorporates the well-defined responsibilities of a Retail Cashier.

Symbols Used



Key Learning
Outcomes



Unit
Objectives



Exercise



Tips



Notes



Activity



Summary



Practical

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5.	Employability Skills (DGT/VSQ/N0102) (60 Hrs)	85
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Employability Skills is available at the following location :

<https://www.skillindiadigital.gov.in/content/list>

Scan the QR code below to access the ebook



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1. Introduction to Retail



Unit 1.1 - Introduction to Retail

Unit 1.2 - Traditional and Modern Retail in India

Unit 1.3 - Retail Formats

Unit 1.4 - Modern Retailing and You

Unit 1.5 - Retail Supply Chain



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. State the meaning of retail
2. Identify the difference between the traditional and modern retail sector
3. Identify the traditional forms of retailing in India
4. Identify the features of retail formats
5. Identify the departments and functions in a modern retailing operation
6. Identify the components involved in the retail supply chain

UNIT 1.1: Introduction to Retail

Unit Objectives

By the end of this unit, the participants will be able to:

1. State the meaning of retail
2. List the features and components of retail
3. Identify the stages in the growth of the retail sector
4. Discuss the reasons for the growth of retail in India
5. Differentiate between the traditional and modern retail sector

1.1.1 Retail

Retail: Originates from the French word 'Retailleur' which means 'to cut, divide into pieces and sell in small quantities to customers'. In other words, retail is the sale of goods or commodities in small quantities to customers.

Retailing: Retailing is the activity that enables products, merchandise or services to reach the customers or end consumer.

Retailer: A retailer is a person or an outlet through which products or services are sold to customers or end consumers.

Features of retailing

The factors of retailing are:

- Selling directly to customers or consumers
- Selling in smaller units/quantities
- Location advantages: closer/convenient to consumers
- A range of products or services in one place: convenient to customers
- Differences in service levels: customer experiences
- Regular promotions: to attract customers (for example 20% off on MRP)
- Large number of outlets: more stores

Key components of a retail store

The key components of a typical retail store are:

- Products and services
- Retail store and store staff
- Customers or consumers

The retail store and staff are the last stage in the 'market' where consumers or customers buy the products or services that they need.

Activity

1. **Objective of the activity:** To help learners understand how barter system works
2. **Learning outcome:** Learners will be able to understand barter system
3. **Procedure to conduct the activity:** Divide the class into three or four groups depending on the size of the class. Give each group a card with one of the following items written on it:
 - Group 1: Rice: 50 kg
 - Group 2: Vegetables: 20 kg
 - Group 3: Salt and masala: 1 kg
 - Group 4: Vessels: 10
4. **Suggested time for the activity:** 10 minutes
Once the task is completed, share the feedback and discuss what you did, why and how.
5. **Suggested time for discussion:** 5 minutes
6. **Debrief:** Explain the importance of barter system as the very first way of the 'buying' system. Explain that money evolved to make buying more flexible and the subsequent growth of retail
7. **Suggested time for debrief:** 5 minutes

1.1.2 Growth of Retail Sector

Barter system: Barter system is a system in which goods or services are directly exchanged for other goods and/or services without a common unit of exchange (without the use of money).

Traditional: Selling goods and services in smaller stores.

Modern retail stores: Supermarkets, hypermarkets, malls, etc.

Bring out the reasons for the growth of retail in India (explain points on slide 8).

- Rising income levels: More money to spend
- Rising expectations of the young segment of the population: More demand for new and different products
- Nuclear family structure: Not a joint family structure
- Growing literacy: Understand the market better
- The rapidly expanding middle class: Spending power will be more
- Growing urbanisation: The social process whereby cities grow and societies become more urban (more stores to satisfy the needs of the customers)
- Increasing media penetration: Get more information about products and services
- Exposure to international brands and products: Increased demands and explain the traditional retail scene in India. Highlight the highest and lowest organised retail percentages

It is a 518 billion US dollar market today (2012) from 1998 which was 201 bn USD.

Organised v/s Unorganised

- Unorganised retail 92% per cent market share during 2012
- 12 million unorganized (mom-and-pop) stores
- Organised retail is expected to account for 20 % of the overall retail market by 2020

Traditional and modern retail sector

- **Technology:** Technology plays a vital role in modern retail in the following areas: billing software, customer relationship management and indent software - which is used to place orders for products through mails and equipment (used to prevent losses). But the traditional retail sector does not implement any technology for its growth or improvement
- **Systems:** Modern retail follows proper procedures for handling customer complaints, product return policy and ordering procedure. Modern retail companies have their own Standard Operating Procedures (SOPs) to ensure that the day-to-day operations are taken care of, but the traditional retailers do not have any specific procedures/systems to handle their stores on a day-to-day basis. It is a totally biased, or one sided decision. This may cause dissatisfaction among their customers
- **Size and reach:** Modern retail stores are in different formats, depending on the size of the store, size of the department and shopping convenience of the customers. They reach customers in different areas and cater to different segments. Since traditional retail forms do not have the above features, their size and reach are very limited
- **Service levels:** Modern retail stores are in different formats and each format service levels are different and higher than the traditional retailers. For example in a lifestyle stores, the service levels are really high, the SOAs will understand the needs of the customers and will help them to select the right products and also do a consultative selling. The services are offered from entry till exit of the store. But, in traditional retail forms the service levels are not par with the modern retail forms; this is due to different reasons like, size, untrained staff, etc.
- **Scope of products:** Since modern retail has different formats, it offers products in various range/ collection, price, size and quantity. It also caters to customers of different levels. On the other hand, traditional forms of retail offer a very limited range of products. The customers do not have much selection of products
- **Markets:** Unlike the traditional retail sector, modern retail exists in all segments of market like urban, rural, semi-urban areas, catering to a wide range of customers

Summary

- Meaning of retail
- Features and components of retail
- Stages in the growth of the retail sector
- Reasons for the growth of retail in india
- Difference between the traditional and modern retail sector

UNIT 1.2: Traditional and Modern Retail in India

Unit Objectives

By the end of this unit, the participants will be able to:

1. Describe the traditional retail scene in India
2. Describe the emerging modern forms of retailing in India

1.2.1 Traditional Forms of Retailing in India

- **Kirana/mom and pop stores:** Small shops, selling to consumers in the immediate neighbourhood. They have low cost of operations, flexible selling prices, and limited product range and offer high service levels to their customers
- **Weekly bazaars/markets:** Small temporary stalls selling to customers (small traders) as well as consumers from large areas around the bazaar with low cost of operations and usually lower prices. Specialist traders have a variety of products but in small quantities and low levels of service
- **Whole sale markets/mandis:** Permanent but small stalls. They undertake wholesale and retail activity, essentially food and grain centres, mainly selling to small traders, have low cost of operations and offer lower selling prices (prices fluctuate with demand and supply of vegetables, etc.) with low levels of service
- **Hawkers:** Movable shops with small push carts or vehicles, mainly selling to consumers in a specific locality. They offer low cost of operations, focus on convenience to consumers and usually charge higher selling prices. Store-needs hawkers carry products for regular consumption and offer high levels of service

The emerging retail scene in India

Malls, hypermarkets and supermarkets are getting more importance in the Indian retail scenario.

Malls

- A huge retail building that houses many stores
- A one-stop shop for all customer needs
- Many products and services: groceries, apparel, jewelry, books, restaurant, cinemas
- For example Alsa Mall (Delhi), The Forum (Bangalore)
- High quality of shopping environment and shared services
- Parking, walk-ways
- A dream shopping destination

Non-store retailing

- There are other ways of selling which may not need a store
- E-Retail: Marketing and selling directly to customer over the internet
- Tele-marketing: Showing products on TV and taking orders over the phone, mobile or internet
- Catalogue marketing: Sending catalogues (books with details of products) to customers and taking orders over the phone or posted orders

- Direct selling: Visiting customers at home and demonstrating products or services followed by direct order taking

However, this qualification will focus on store based retailing, which is the largest and most popular way of retailing.

Summary

- The traditional retail scene in India
- The emerging modern retail sector in India

UNIT 1.3: Retail Formats

Unit Objectives

By the end of this unit, the participants will be able to:

1. List the different retail formats
2. Summaries the key features of retail formats

1.3.1 Retail Format

Retail format is the overall appearance and feel that it presents to customers, primarily its look and layout, the sort of range it stocks and the approach taken to pricing.

Parameter	Format	
Size	Mini (500-1500 sq ft)	Super/Hyper market (2000 - 200,000+ sq ft)
Location	Standalone	Malls
Range	Specialty (narrow range)	Departmental (wide range)
Brands	Exclusive (one company/brand)	Multi brands (different brands/ companies)
Product type	Staples (everyday products)	Life style/Luxury (special occasion/specific)
Price	Value/Discount	Premium

Table 1.3.1: Retail format

Types of retail formats

Standalone stores

- Small to mid size stores: 500 to 2000 sq ft
- Generally, merchandise one company's (branded) items
- Consist of different sections within the store for related products
- Located within the planned shopping mall or on a high street
- For example Pantaloons, Nike, Puma, Reebok, Levis, Zodiac, etc.

Department stores

- Large stores: 20,000 to 50,000 sq ft
- Cater to a variety of customer needs
- Further classified into departments such as clothing, toys, home needs, etc.
- Multi-brand range
- Premium priced
- May be located in shopping malls or on a high street
- For example Shoppers Stop, West Side

Discount stores

- Mid to large size : 2,000 to 10,000 sq ft
- Sell in bulk, reaching economies of scale or excess stock left over at the season to offer discounts
- The product category can range across a variety of goods : food, grocery, apparel
- Always on discount
- For example Mega Mart, Brand Factory, Factory outlets

Speciality stores

- Can range from small to very large: 500 to 100,000+ sq ft
- Specialise in a very specific range of merchandise and related items
- Build expertise and customer base within this range
- For example Croma, Crossword, Apple Store, Health & Glow

Convenience stores

- Relatively small stores (400-2,000 sq ft)
- Located near residential areas – proximity to consumer
- Stocks a limited range of high-turnover convenience products
- Prices are slightly higher due to the convenience factor
- Generally sells Fast Moving Consumer Goods (FMCG) and perishable products
- For example Reliance Fresh
- This is traditionally the strong hold of local Kiranas

Supermarkets

- Large size: 2000 to 20,000 + sq ft
- Self-service stores that offer a wide variety of grocery, processed food, perishables, dairy products, meat and bakery products, non food products and household merchandise
- Organised into departments
- For example Food world, More

Premium store/Lifestyle stores

- Mid to large size : 1000 to 20,000+ sq ft
- Span a wide range of products, entertainment and luxury/ leisure categories
- Merchandises are offered at premium prices
- Operation cost is higher than other formats
- Level of customer service is high
- For example Lifestyle, Central

Hypermarkets

- Superstores which may combine a supermarket and a department store (covers 150,000 sq ft to 2,50,000 sq ft)
- Very large retail facility having an enormous range of products under one roof, including full lines of groceries, apparel and general merchandise

- One stop weekly/monthly shopping destination for customers
- Focus on high-volume and low-margin sales because of their large footfalls
- For example Big Bazaar, Wal-Mart, Reliance Mart

Malls

- Largest form of organised retailing today (6,00,000 sq ft to 10,00,000 sq ft)
- Located mainly in metro cities in proximity to urban outskirts
- Lend an ideal shopping experience with a combination of product, service and entertainment
- Stores, restaurants, cinemas, kids play areas
- Essentially provide a platform for many retailers/stores to tap into a common consumer base
- For example Prestige Mall, Forum Mall, Garuda Mall

Summary



- Retail formats
- Features of important retail formats

UNIT 1.4: Modern Retailing and You

Unit Objectives

By the end of this unit, the participants will be able to:

1. List the departments and functions in a modern retailing operation
2. Outline the structure of and roles in a front end store operation

1.4.1 Departments in Modern Retailing

Handling the day to day working of a store effectively and efficiently is called 'Store operations'. A store's main responsibility is to sell the products and provide good service to its customers. This has to be done in a manner to satisfy customers' needs.

A store is managed by a Store Manager with the support of his/her team members: Assistant Managers, Department Managers, Supervisors, Head Cahiers, store HR personnel, store V.M. personnel, store logistic personnel, store operations assistants(SOAs), security personnel and housekeeping personnel.

To run a store successfully, co-operation and support of the following departments is also required: merchandising, warehouse, finance, projects, human resources and marketing. The cricket team activity from the previous slide can be referred to explain this. Each member of a cricket team is dependent on each other; in the same manner, the store staff members are dependent on other departments to run the business successfully.

Each department has its own roles and responsibilities and importance, at the same time being dependent on one another.

- 1. Merchandising:** The roles and responsibilities of the merchandising department are
 - Planning and deciding the products to buy and sell
 - Sourcing products and supplying to the store
 - Deciding on store displays
 - Negotiating with vendors for the best price
 - Placing new products in the store
 - Fulfilling the store's requirements in terms of products
- 2. Warehousing:** The roles and responsibilities of the warehousing department are
 - Receiving the stocks from vendors
 - Storing the received stocks and dispatching the stocks to stores
 - Receiving damaged expired, old stocks from the stores
 - Fulfilling the store's requirements in terms of supplying products
- 3. Finance:** The roles and responsibilities of the finance department are
 - Planning budgets
 - Processing the invoices and taking care of payments of the vendors
 - Assisting the store staff in terms of handling day to day commercial operations
 - Managing commercial operations

4. **Projects:** The roles and responsibilities of the project department are
 - Identifying store locations
 - Designing store layouts
 - Setting up the store
5. **Marketing:** The roles and responsibilities of the marketing department are
 - Building the brand
 - Advertising and promoting merchandise and services
 - Planning and designing different types of promotions
6. **Human resources:** The roles and responsibilities of the human resource department are
 - Hiring eligible and suitable candidates for different departments
 - Conducting different types of training and development programmes for the present employees and conducting inductions for newly joined employees
 - Processing pay-roll
 - Managing the manpower of the company

In a retail business it is very important that all the above mentioned departments work closely, and achieving the required goal is not possible without proper coordination and cooperation. As in a cricket team, the different departments of retail are important for the working of the team together.

Note: An example for the above explanation could be: the coordination between merchandising department and the warehouse. Stores cannot sell without the right products. The merchandising department plays a vital role in this by selecting the right product at the right time. Similarly, warehouse plays an important role in dispatching the required/ordered products to the store at the right time.

Structure and roles in a store

- **The Store Manager** is the head of the store and is overall responsible for the day to day operations of the store. The Store Manager reports to the Area Manager/Regional Manager
- **The Store Operations Manager** is the next in charge like an Assistant Manager, who takes care of the store operations. The Store Operations Manager reports to the Store Manager
- **The Department Manager** takes care of a particular department and is responsible for all the activities in that department. The Department Manager reports to the Store Operations Manager
- **The Supervisor** supervises a particular department/section and is responsible for the day to day activities of that department/section. The Supervisor reports to the Department Manager
- **The Store Operations Assistant (SOA)** works for a particular section and is responsible for the day to day maintenance of the same. The SOA takes care of stacking the products, executing the planogram, housekeeping of the section, attending to customers' needs, selling, etc. The SOA reports to the Supervisor
- **The Store Logistic Manager** takes care of receiving products from warehouse and dispatching products from store to warehouse. Other responsibilities are product code updating at the store level, disposal of damages, back room management, etc. The store Logistic Manager reports to the Store Manager
- **The Store Logistic Assistant or Store Operations Assistant** helps in receiving products from the warehouse, takes care of back room arrangement, damage disposal and handles the day to day operations of the store logistics department. The Store operations Assistant reports to the Store Logistic Manager / supervisor. The store operations assistant is also responsible for filling the shelves, maintaining required and adequate stocks at the store

- **The Head Cashier** takes care of the store's commercial activities and prepares and checks all commercial reports and is responsible for the overall commercial activities of the store. The Head Cashier reports to the Store Manager
- **The Cashier** is responsible for billing and managing the cash counter effectively. The Cashier reports to the Head Cashier
- **The Store HR/Administration Manager** takes care of store hiring, pay roll processing and the day to day HR and administration activities. The store HR/Administration Manager reports to the Store Manager
- **The Store HR/Administration Executive** takes care of the day to day HR/administrative functions of the store viz., maintaining attendance, leave, salary, etc. The store HR/Administration Executive reports to the Store HR/Administration Manager
- **The Store Visual Merchandising Manager** takes care of the overall Visual Merchandising activities of the store - planogram implementation, festive and other seasonal displays, etc. The Store Visual Merchandising Manager reports to the Store Manager
- **The Store Visual Merchandising Associate** takes care of the day to day display activities of the store's Visual Merchandising - arrangement of displays, printing promotional talkers, maintenance of signage, banners, etc. The Store Visual Merchandising Associate reports to the Store Visual Merchandising Manager
- **The Store Security Officer** is responsible for the overall security of the store and takes care of issues related to pilferage, etc. The Store Security Officer reports to the Store Manager
- **The Store Security Personnel** takes care of receiving products from the warehouse, opening and closing the store and checking product movement and staff movement, etc. The Store Security Personnel reports to the Store Security Officer

The SOA's primary role is to support the day to day store operations in the area of receiving, moving and storage of goods.

Summary

- Departments and functions in a modern retailing operation
- Structure of and roles in a front end store operation

UNIT 1.5: Retail Supply Chain

Unit Objectives

By the end of this unit, the participants will be able to:

1. State the meaning of supply and retail supply chain
2. Identify the elements of a typical supply chain
3. List the features of a supply chain
4. Identify the factors that influence supply chain management

1.5.1 Meaning and Importance

Supply—The quantity of something (products and services) that is available in the market.

A retail supply chain is:

- The method by which the goods reach the customers
- The entire set of organisations/people that produces and delivers products and services to the final customer

A typical retail supply chain

A typical retail supply chain has four important components. Each component makes the chain complete, and without it, the chain will not function properly. Let us get an idea of the components of a supply chain.

The customer creates a demand for products and services, which prompts the manufacturers to produce them.

The four important components of a supply chain are:

- **Manufacturers:** The role of manufacturers in a retail supply chain is to produce goods. They could also be contract manufacturers who supply products to the core brand manufacturer, like the franchise bottlers for Coca-Cola, etc. They need to ensure timely production, availability of products and efficient distribution
- **Distributors:** These people store the products in large quantities to serve the needs of retailers in their region. From the warehouse or distribution centre, the products go to the relevant market destinations, which could be any one of the several locations or channels that the company sells through. In India, distributors are the back bone of the retail industry
- **Retailers:** The caretakers of the shopping environment. The retailer receives the products, stores them and displays the same for sale. They receive the customers into their stores and serve their needs. Retailers are the bridge between the manufacturers/brands and the customers. They build a strong relationship with the manufacturers and suppliers of products. Retailers are the voice of the manufacturers in the market and also the voice of the customers
- **Customers:** The products stored and displayed in the retail stores are bought and used by the customers

Features of a supply chain

Features of a supply chain are:

- **Many components, all very important:** As discussed earlier, each component plays a very important role in the supply chain, and the process of manufacturing and supplying goods to the customers will not be complete in the absence of any of these components
- **Many products, one supply chain:** There can be several categories that a company may be producing and many variants of the product in each of those categories. So, the supply chain has to find a way to manage all the products according to each of its variants. For example Nike shoes in a store have many different styles, sizes and colours to choose from. Each of the shoes on display is a unique product. In addition, there are other apparel products that Nike makes

In retail, each variant of a product is a Stock Keeping Unit or an SKU, based on which the supply chain works, when it has to cater to multiple categories (food, non food, apparels, etc.), products and variants.

- **Cross-functional co-ordination:** The components of a supply chain are inter-dependent or mutually supportive-to be successful, a supply chain requires a lot of support and co-ordination from different departments. There should be very close co-ordination between functions

Example: A manufacturer of dairy products will need a wholesaler who has the infrastructure to store the products at the right temperature. If the wholesaler does not have the right infrastructure or does not store the products as per instructions, the customers may not be happy with the quality of the products.

Similarly, the operations team is responsible for the performance at the store level and they are the custodians/caretakers of the customer's requests and demands. If they do not indent for and stock the right products required by the customers, the customers will not be satisfied.

Supply chain management

Supply chain management can be defined as:

- Making products and services available to customers in response to their needs—conveniently and efficiently
- Management of the entire set of organisations/people that produces and delivers products and services to the final customer

Activity

1. **Objective of the activity:** To enable learners to identify the various the factors that influence the retail supply chain
2. **Learning outcome:** Learners will be able to identify the various the factors that influence the retail supply chain
3. **Procedure to conduct the activity:** Divide the class into two groups and ask them to list the various factors that influence the retail supply chain
4. **Debrief:** Explain the influencing factors of the retail supply chain
Collect feedback.

1.5.2 Factors that Influence Retail Supply Chain

Technology based systems have raised the level of effectiveness.

The retail supply chain is not a standalone function and requires the help of different functions. Since a lot of functions are involved, it is difficult to manage without the help of technology in multi-product, multi-location and multi-situation stores. So, technology plays a vital role in the retail supply chain. The three most important functions that are involved in the retail supply chain are:

1. **Transportation:** Transportation of goods is a physical activity. It is one of the links of supply chain that executes the whole supply process. Transportation means packing products, loading and sending them off on their journey towards the customer. The enormous development in the field of automobile technology has helped to reach goods and services from one department to the other effectively and efficiently

Points to be reiterated:

- Physical activity
 - Executes the whole supply process
 - Packing products, loading them and sending them off on their journey towards the customer
2. **Logistics:** The process of planning, implementing, and controlling an efficient cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from the point of origin to the point of consumption for the purpose of meeting the requirements of the customer
 - Logistics planning involves the operations related to co-ordination of all the components of a supply chain, for example figuring out how many trucks need to be added to the unit for effective distribution in the city
 - Today, thanks to the development of technology, there are very well developed M.I.S (Management Information Systems), and with large networks like S.A.P (Systems Applications Products) and E.R.P (Enterprise Resource Planning), it has now become possible to plan and co-ordinate the activities involved in the retail supply chain effectively

3. **Modes of communication:** As in any other business operation, communication plays a vital role in the execution of a retail supply chain

Modern modes of communication like the telephone, the cell phone, the fax machines and the internet/email have brought about a tremendous change in the functioning of a supply chain. They have helped the supply chain to function smoothly and effectively by making it possible to pass on the information to the concerned department/person quickly and accurately.

The last vital link—you

The store staff members are the last link in the retail supply chain—they interact with the customers and help them find the right product and get value for their money. After all, the very purpose of executing the retail supply chain is to achieve customer satisfaction.

The store staff is the last vital link in the retail supply chain. Their functions include:

- Arranging the products
- Replenishing and replacing the products according to the planogram for easy access to customers
- Guiding customers through the store

Summary

- Meaning of supply and retail supply chain
- Elements of a typical supply chain
- Features of a supply chain
- Factors that influence supply chain management

Exercise

Answer the following questions by choosing the correct option:

1. Retail originates from the French word "Retailleur" which means _____.
 - a) to cut
 - b) to add
 - c) to distribute
 - d) none of the above

2. Key components of a Retail Store includes:
 - a) Products and services
 - b) Retail store and store staff
 - c) Customers or consumers
 - d) All of the above

3. Retail Formats include:
 - a) Standalone stores
 - b) Department Stores
 - c) Discount Stores
 - d) All of the above

4. The _____ is the head of the store and is overall responsible for the day to day operations of the store
 - a) Store Manager
 - b) Department Manager
 - c) Supervisor
 - d) Store Logistic Manager

5. A typical retail supply chain includes:
 - a) Manufacturers
 - b) Customers
 - c) Retailers
 - d) All of the above

Answer the following:

1. What is Retail?
2. Discuss the factors influencing a retail supply chain.
3. What are the reasons behind the growth of retail in India?
4. What are the traditional forms of retailing in India?
5. Describe structures and roles in a store.

2. Providing Service at Point of Sale



Unit 2.1 - Service Cash Point/POS

Unit 2.2 - Service Cash Point/POS (contd.)

Unit 2.3 - POS Procedures for Age Restricted Products



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Provide Service at Cash Point / Point of Sale
2. Demonstrate the methods of processing different modes of payments at Cash points/ Point of Sale
3. Identify and resolve problems that may occur at Cash Point/ Point of Sale
4. Identify and follow the process for dealing with counterfeit currencies
5. Follow security procedures at the cash point/ Point of Sale
6. Follow the procedures for selling age restricted product

UNIT 2.1: Service Cash Point/POS

Unit Objectives

By the end of this unit, the participants will be able to:

1. State the need for Point of Sale (POS) at the retail store
2. Demonstrate the process to ensure that the cash points are correctly set up and operated
3. List the modes of payment that are accepted in the store
4. List the cash equivalents that are handled by the cashier in the store
5. Explain the process and procedures for handling cash
6. Demonstrate the process of detecting fake notes and counterfeit payments
7. List the impact of accepting counterfeit currency

2.1.1 Cash Points/POS

Point of sale/cash tills/cash points (often referred to as POS) is the place where billing happens.

- It refers to that area of a store where customers can pay for their purchases
- The term is normally used to describe systems that record financial transactions
- This could be an electronic cash register or an integrated computer system which records the data that comprises business transaction for the sale of goods or services

Purpose of POS

- Manual operation of billing consumes a lot of time and money as against a POS terminal
- It prevents fraud
- The barcoding technology that evolved was put to use to read the details of the product using laser beams, helping in speeding up the billing process on the POS machine
- POS terminals help in carrying out multiple tasks in one machine such as weighing of random weights, accepting different modes of payments other than credit cards, cancelation of bills, recalling of products and so on
- Sales and marketing teams can source intelligent data, such as basket size, customer preferences, average billing, etc. to strategize business improvements
- POS helps the supply chain to optimise accurate replenishment. As the bills are generated, the stock data is automatically updated in the systems. This makes it easier to refill the stocks required for sales the next day
- POS helps suppliers to plan materials and production forecasting. Products sold help to plan the procurement in advance, also helping in future purchases

A POS provides the following:

- Date and time of sale
- Total sales for the day/week/month
- Quantity and description of goods sold
- Price of goods sold
- Stock name or code of each item sold

- Cashier identification number
- Stock statistics
- Mode of payment
- Exchanges, returns, cancellations, voids, etc.
- Amount of cash tendered and change required to be given

Cash points POS set up

- POS computer

The main component of a POS system is the CPU or computer that runs the software. It has a standard operating system running the machine or it may come loaded with proprietary software from the POS software vendor. It is used to use the POS computer for only sales transactions, reports and inventory control. This means that the POS system should not be used for internet or other activities.

- Cash drawer

Money as per denominations, credit card receipts, gift vouchers and other paperwork is stored here. This piece of hardware receives a signal from the computer or receipt printer and opens when a bill is generated or when necessary.

- Customer display or pole display

One optional part of a POS system is the customer display or pole display. A lighted display for the customer to view transaction totals and amount tendered. Some customer displays feature customised messages or show advertising.

- POS touch screen

A display that allows users to interact with the computer or touch screens. It is easier and faster than traditional keyboards and monitors. Not only does the touch functionality replace the keyboard and mouse, it also saves space at the counter. Some of the displays have the facility to swipe at the side for swiping membership cards and credit cards instead of having a separate machine.

- Scanners

The most common is the small hand-held scanner. Larger stores with heavy check-out activity would have installed an embedded scanner like the ones seen in supermarkets. The way a barcode scanner reads a series of numbers and lines (the barcode), deciphers the information and sends that information to the computer. Not only are barcode scanners accurate, time-saving devices when ringing up multiple products for a customer, they also serve as a handy tool to add inventory to the database of the POS software. The product is added to the billing invoice along with the price and quantity.

- Receipt printer

The ability to print a record of the transaction for the customer and for the store is critical. Keep sufficient printer paper rolls ready, to avoid an out of stock situation. Know to load the paper roll onto the printer.

Setting up the POS machine

- Check that all equipment is connected properly
- Switch on the POS machine
- Start the Control Processing Unit (CPU)
- POS machine will directly go to POS application

- Enter “user name and password”
- If the POS machine shows “Offline”, do not bill



Fig. 2.1.1: POS machine

Opening the POS:

- Collect the key and float for the register/terminal from the supervisor
- Count the float and place it in the cash drawer, separating denominations
- Close the cash drawer
- Insert the key and turn the register/terminal on
- Log on using a staff identification number
- Make sure that you are well prepared before commencing the billing, that is sufficient billing stationary, etc.
- Be courteous to customers, but do not engage or be engaged in lengthy conversations
- Always be alert of the security issues
- Be aware that you are always being watched through the CCTV cameras fitted near the POS

Modes of payment

The following are the various modes of payment which are received at the store. The payment can be made either as stand-alone or as a mix of one or more, for example a purchase could be billed partly with a credit card, gift voucher and cash.

- Cash
- Credit cards/debit cards—Visa, Master, Maestro and American Express, depending on the store/organisation procedures
- Reward points—membership points that are redeemed
- Gift cards as approved by the store
- Food coupons—for example Sodexo
- Cheques—most stores do not encourage cheques

Cash equivalents

The cash equivalents generally received in a store are the following:

- Credit cards/debit cards—Visa, Master, Maestro and American Express, depending on the store/organisation procedures
- Reward points—membership points that are redeemed
- Gift cards as approved by the store
- Food coupons—for example Sodexo
- Cheques—most stores do not encourage cheques

Handling cash

- Count the cash twice. If a cash counting machine is available use it, but always recheck by recounting
- Use the fake note detection machine to identify fake notes. In case of non-availability of a machine, follow the procedure explained in the next slide
- Always place currency and coins as per denomination in the cash drawer
- Count and double check to ensure the balance with the touch screen monitor, before providing the change to the customers
- Close/lock the cash drawer
- Be aware of security issues, such as theft of cash, etc.



Fig. 2.1.2: Cash counting Machine, Fake note Detector, & Cash Drawer

Cashiers should

- Adhere to policies and processes
- Allow supervisors and store management to conduct audits and checks at the POS

Key cash handling procedures:

- Cash collection from the POS happens after the transaction time
- Access to cash is restricted and checked regularly:
 - Only authorised personnel of the store have access to the cash in the POS
 - Cash office and safe keys are never taken on to the sales floor
 - Appropriate security arrangements have to be made while transferring cash within the store as per store security policies

Fake note detection



Fig. 2.1.3: Fake note detection

1. See through register:
The floral design printed both on the front and reverse, in the middle of the vertical band, next to the watermark window has the denomination numeral '500'. Half the numeral is printed on observe and half on reverse. Both the printed portions have an accurate back to back registration so that the numeral appears as one when viewed against light.
2. Identification mark:
A circle with the intaglio print, which can be felt by touch, helps the visually impaired to identify the denomination.
3. Watermark:
The portrait of Mahatma Gandhi, the multi-directional lines and an electrolyte mark showing the denominational numeral '500' appear in this section and can be viewed better when the note is held against light.
4. Optically Variable Ink (OVI):
The colour of the numeral 500 appears green when the note is held flat but changes to blue when the note is held at a particular angle. The font size is reduced.
5. Intaglio Printing:
The portrait of Mahatma Gandhi, the Reserve Bank seal, Guarantee and promise clause, Ashoka Pillar emblem on the left, RBI Governor's signature on the banknote and the identification mark for the visually impaired are printed in intaglio, which can be felt by touch.
6. Micro lettering:
The letters 'RBI' and the numeral '500' can be viewed with the help of a magnifying glass in the zone between the Mahatma Gandhi portrait and the vertical band.
7. Latent Image:
The vertical band contains latent image showing the numeral '500' when the banknote is held horizontally, at eye level.
8. Security thread:
A 3mm wide security thread with inscriptions '^maV' and 'RBI' and colour shifts from green to blue when viewed from different angles. It will fluoresce as yellow on the reverse and the text will fluoresce on the obverse under ultraviolet light. The thread is visible as a continuous line from behind when held up against light.

Note: These are the extracts from the guidelines issued by RBI and ICICI bank to educate the general public on identification of fake/counterfeit currency notes.

Counterfeit payments

Fake notes: As discussed in the two previous slides, follow the process without any deviation.

How to authorise non cash transactions?

There might be instances when a non-cash transaction for purchase of certain products might not be accepted. For instance redeemed points cannot be used to purchase a mobile phone, however it can be used for buying vegetables. Same is the case with gift vouchers. A food coupon is used only for buying groceries, fruits, vegetables, food and food related items.

- Invalid vouchers—check for serial numbers and company hologram and logos and validity period
- Duplicate credit notes—validate with the system and look for signature of authorised person
- Expired vouchers/food coupons—look for serial numbers, cross-verify with vendor/service provider and check for date validation
- Expired credit/debit cards—the swipe machine should be able to detect and message
- Stolen credit/debit cards—verify the identity of the cardholder

After identifying a counterfeit payment:

- Segregate the payment separately
- Inform supervisor immediately
- Inform customer politely to make the payment through different mode
- Take action as per company policy and process on handling counterfeit payment

Impact of counterfeit currency

- The store makes losses
- Reduction in the value of real money
- Artificial increase in money supply
- Cashiers may get penalised for acceptance of counterfeit currency
- Increase in prices (inflation) due to more money getting circulated in the economy—an unauthorised artificial increase in the money supply
- Companies are not reimbursed for counterfeits. This forces them to increase prices of commodities

Summary

- Purpose of POS
- Process to ensure that the cash points are correctly set up and operated
- Modes of payment that are accepted in the store
- Cash equivalents that are handled by the cashier in the store
- Process and procedures for handling cash
- Process of detecting fake notes and counterfeit payments
- Impact of accepting counterfeit currency

UNIT 2.2: Service Cash Point/POS (contd.)

Unit Objectives

By the end of this unit, the participants will be able to:

1. Identify the different types of credit and debit cards that are accepted in the stores
2. Demonstrate the process of handling credit and debit card transactions
3. Demonstrate the process of handling other cash equivalents, discounts, refunds, fractions and currency conversions
4. Explain the procedure of authorising payments
5. List the cash point security procedures
6. Demonstrate the process of resolving the problems that can occur in routine cash point operations and transactions
7. Describe the procedures of handling customers and complaints at the POS

2.2.1 Types of Credit/Debit Cards

The following are the different types of most popular and widely accepted credit/debit cards. Banks issue cards based on the below mentioned card types.

Security based

- Normal swipe cards: credit and debit that do not have a micro-chip embedded
- Secured with micro-chip and requires PIN—this requires a PIN (a secret password) to be entered by the customer after swiping

Most popular card types:

- MasterCard
- Maestro
- Visa
- American Express
- Cirrus (not a familiar one)

For example, few banks could provide a customer with a Visa card with micro-chip embedded.

Handling credit/debit cards

An EDC machine (also known as a card swipe machine) is a payment terminal provided by the bank on which the merchant can swipe or dip cards to receive payments. Since the card can be a debit card or a credit card, the machine is also known as a credit card swipe machine or a debit card swipe machine. Cards with embedded chips need to be dipped in the machine while cards without chips can be swiped.

ADVANTAGES OF INSTALLING AN EDC MACHINE

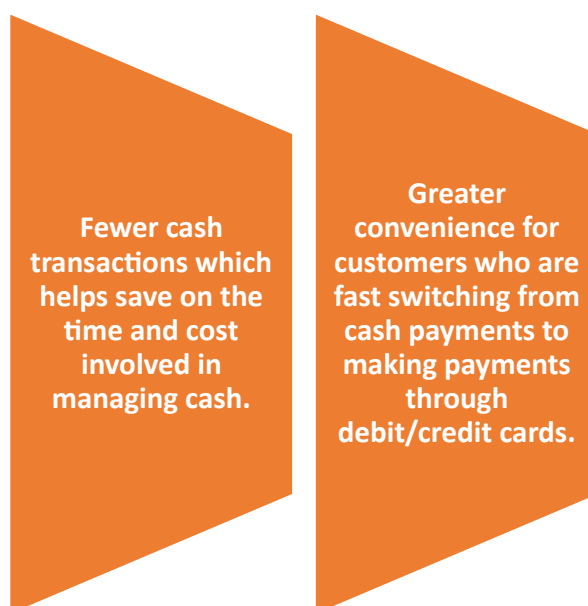


Fig. 2.2.1: Advantages of installing an EDC machine

Once a card is swiped/inserted, the EDC machine captures the essential information linked to the card. This includes the card name, card number, transaction amount, etc. It also records the name of the outlet where the transaction is made and the date and time of the transaction. The information so captured is transferred to the card issuer for authorisation purpose via telephone line or wireless internet. Post authorisation, the amount is transferred to the seller's account.

Chip technology has become the new standard in credit card security worldwide. It is widely used for transactions because of its proven ability to reduce the losses suffered by credit card users as a result of card falsification, because all personal data is protected and stored securely in the chip, making the replication of card very difficult.

Steps involved:

- Customer enters security PIN
- Approval code is generated
- Enter approval code and card details in POS. Some POS machines have the facility to swipe the card to capture card number and details
- Merchant/customer copy is generated
- Get signature on merchant copy
- Store the merchant copy in cash drawer
- Return the customer copy to customer



Fig. 2.2.2: EDC machine or Card swipe Machine & Sample Receipt Or Sample Merchant copy

Handling other cash equivalents and calculating discounts, refunds and fractions

- Reward points: Using the membership/loyalty card, convert the point's equivalent to the purchase made. Also check for the eligibility as per process. The points converted might be partly redeemed and remaining amount will be collected as cash or through credit/debit cards. For example if the reward points are 100, equivalent to Rs.100/- and the bill amount is Rs.1000, after entering the redeemed 100 points into the system the total value would be Rs.900
- Gift cards: Equivalent amount of the gift is deducted from the amount purchased. Considering the same bill amount, if a gift voucher is worth Rs.250 then the total bill amount would become Rs.650
- Food coupons: Equivalent amount to be deducted on the amount purchased. Considering now the value is Rs.650 and the customer has food coupons for Rs. 250 then the remaining through cash/ card to be collected would be Rs.400
- The above three are called as "Fraction" billing or collecting by all mode payments
- Cheques: Most stores do not encourage cheque payments. However based on the approval from the customer and the store manager, process the bill through cheque by entering the Cheque number, date, bank name and branch details

All of the above are stored inside the cash drawer in their respective slots in the drawer.

- Amounts: The total amount to be collected before generating the bill
- Discounts: The amount reflected in the bill for discounted products. For example if the product value is Rs.100, the bill would show with a 10% discount, that is Rs.90/
- Refunds: A credit note generated to reduce the amount in the bill. The cashier enters the credit note details with the mentioned value which gets reduced from the total bill
- Currency conversion: Convert all cash/cash equivalents appropriately as per reward points, food vouchers, gift vouchers, etc. Refer the example provided above
- Generally no store or establishment encourages foreign currency. However in case of a foreign card or currency, refer to store policies and contact supervisor/store manager

Authorising payments

Processing a cash sale typically involves the following steps:

- Greet the customer and smile
- Key or scan the required product and or service information into the terminal, ensuring accuracy
- Sub-total the sale and advise the customer of the amount verbally
- Enter the amount of cash tendered and tell the amount to the customer
- If change is required, count it out of the cash drawer and count it back as you give it to the customer
- Give the customer the register receipt, bag the product and hand the goods to the customer
- Thank them for the purchase and farewell them

The cashier can authorise only if:

- Full cash is paid
- Credit/debit card is approved
- Vouchers/reward points balance is sufficient
- Cheques realised, subject to balance amount in the account

A cashier can authorise only the following:

- Approved credit/debit cards after swiping
- Generate the bill on receiving complete payment

With the approval of supervisor and store manager the following are authorised:

- Generate refunds—credit note with supervisors' approval only
- Cheque payments on consulting supervisor and store manager

Cash point security procedures

In the POS, the key security features are the following:

- Do not share the user ID and password with anyone
- Never leave the POS without locking the terminal
- Open the drawers only for transaction
- In case of emergency, the supervisor is required to log in and open
- Count the float cash has and put in the drawer
- Send the excess of cash to the cash office immediately, in between a shift
- Unauthorised staffs are not allowed to use the POS terminal for any purpose
- Follow process during opening and closing of a shift
- Follow physical security of cash collections

Physical security of cash collections

Cash office that regularly collects cash/cash equivalents must establish the following procedures to ensure physical security of such collections at all times, including when transfers of cash are made from to POS/bank/cash collection agent:

- Cash must be locked in a fire-resistant safe all the time except when used for working cash

- Excess cash must be removed from the cash register drawer during the business day and should be transferred to the safe. At the close of business, all cash must be transferred to the safe
- Cash department must use a fire resistant depository safe to store cash in accordance with the following cash limits:
 - Up to Rs. XXX: in a safe with a good door thickness
 - More than Rs. XXX: transfer

Safes should be floor or wall-mounted to prevent their removal from the department's premises.

- The safe's combination must be given only to authorised personnel and their supervisors who must then commit the combination to memory. A record of the combination must be maintained in a sealed envelope away from the safe area. It should be sealed and opened only under dual custody to prevent unauthorised access
- A safe that requires a combination and a key to gain access must have two different custodians. At least two employees shall be assigned the combination and two different employees shall be assigned a key. An extra key shall be sealed in an envelope, recorded and maintained in the same manner as described above for a combination. Similar procedures must be maintained for a safe that requires two combinations to gain access
- A safe must be opened in such a way that the combination is not viewed by others or security cameras
- The safe must be locked between uses during business hours
- A safe's combination must be changed whenever a person who knows the combination leaves the employment of a cash-handling unit. In addition, the combination must be changed at least once a year. Documentation must be maintained showing the date and the reason for all combination changes
- Duplicate keys must be safely stored away from the safe and be retrieved only under dual custody
- Funds or property not related to the operation of the stores must not be stored in the safe
- If the cash deposit is in excess of XXX Rs., employees should be escorted by Public Safety

Any deviation from these procedures may adversely impact the store's insurance coverage.

Routine transaction errors and unexpected problems

From time to time, even the most proficient cashiers will make a mistake at the POS. Sometimes errors arise as a result of variables outside the control of the cashier, for example if the customer has insufficient funds to pay for their purchase or item prices are scanned incorrectly.

Common transaction errors include:

- Incorrect data keyed in and incorrect price keyed in or scanned: Know the POS operations thoroughly to rectify this by using the right keys and commands
- Wrong change given or no change: Apologize and provide the correct change. Check with the supervisor and provide the balance amount
- Customer deciding not to proceed with the purchase: Know the reasons, save the bill or cancel the bill as per process and procedures
- Equipment failure: Apologize to the customers and shift them to the other lanes as per queue management policies

It is important that team members acknowledge errors and try to rectify them as soon as possible, with as little inconvenience to the customer as possible.

Stores will have policies and procedures governing transaction errors. It is crucial these are followed and the necessary adjustments made to the journal roll at the POS terminal.

Typically, cashiers are not authorised to carry out corrections in relation to transaction errors. Usually a supervisor or manager will need to be called to authorise such issues.

Supermarkets subscribe to the Code of Practice for Computerised Checkout Systems.

Documentation of some form is usually required when correcting transaction errors. Therefore team members must ensure they have adequate supplies of documentation at the POS to effect a quick correction and inconvenience the customer as little as possible.

Following is a sample of such error code documentation:

A00 - Approved	DO8 - Ineligible Transaction
D01 - Expired Card	D09- Ineligible Account
D02 - Unauthorized Usage	010 No Further Withdrawals
D03 PIN Error	D11 Cannot Process
D04 - Incorrect PIN	D12 Try Lessor Amount
D05 - Bank Unavailable	D13 Closed Account
D06- Card Unsupported	D29 Reversal Declined
D07-Insufficient Funds	D99 Declined, unspecified

Fig. 2.2.3: List of sample error codes

Treating the customers politely

Customer might get irritated when the queues are longer especially during weekends. Ensure proper queue management. Some customers tend to get angry at the POS and might not bill the items they have collected and might choose to walk away. So it is important for the cashier to be polite and stay calm, keeping a balance throughout the billing process of all customers during his shift. If one customer is not treated well it would be a chain reaction as there is always a queue and adjacent till customers are near to all the cashiers.

- Greet the customer with a smile
- Ask/provide membership details
- Politely tell the bill amount
- Avoid conversations not pertaining to billing
- In case of any transaction errors, apologise and rectify
- Ensure proper queue management

Handling complaints at the POS

In case of a complaint at the POS:

- Apologize: The first step is to apologize for what happened. You must not belittle the complaint since this humiliates the customer and may send a message that they are lying

- Listen when they are speaking—attention needs to be directed towards the customer. Stop doing what you are doing (sends a message that nothing will distract you from solving the problem). Let the customer finish with presenting the problem. Avoid making premature conclusions
- Take notes while the customer is presenting the problem. Do not interrupt but take notes of what they are saying since this will later help in responding and offering a solution (sends a message that the problem will be dealt with seriously and systematically)
- Summarise the problem when the customer has finished, briefly repeat the problem to make sure you have understood it correctly
- Offer a solution—if possible, offer a solution immediately, giving two realistic options, without giving false promises or exaggerating. If not, give a firm promise that everything will be done to solve the problem in a satisfactory manner
- Apologise and thank the customer. The conversation must end with a repeat apology and a thank you to the customer for warning you about the problem. This sends a message that the customer's opinion is appreciated
- Report to your superior. This is the next step in agreeing about the solution, making a decision and following its progress
- Report to the customer. As the final step, you must inform the customer about what was done to solve the problem, instead of giving that task to a colleague. This sends a message that the problem has been taken seriously and personally made sure it was solved. This is personalised service

If it becomes evident that the complaint is a result of a systematic inappropriate procedure or of a permanent deficiency, actions must be taken to introduce new and improved procedures in order to keep the problem from repeating in the future.

There are customers who get even more upset when they receive an apology. In that case, stop apologizing and talk as little as possible.

Summary

- Different types of credit and debit cards that are accepted in the stores
- Process of handling credit and debit card transactions
- Process of handling other cash equivalents, discounts, refunds, fractions and currency conversions
- Procedure of authorising payments
- Cash point security procedures
- Process of resolving the problems that can occur in routine cash point operations and transactions
- Procedures of handling customers and complaints at the POS

UNIT 2.3: POS Procedures for Age Restricted Products

Unit Objectives

By the end of this unit, the participants will be able to:

1. State the meaning of age restricted products
2. Identify the policies and procedures to be followed while selling age restricted products
3. Follow the policies and procedures for refusing sale of age-restricted products
4. Identify the documents that can be accepted as proof of age
5. State the impact of not collecting prescribed proof of age
6. State the impact of selling age restricted products to under-aged customers

2.3.1 Age Restricted Products

The products that cannot be sold to the people who have not reached a certain age are termed as age restricted products. Some of the products that fall under this categories are:

- Alcohol and alcoholic beverages
- Spray paints
- Fireworks
- Solvents
- Video recordings and movies
- Video/computer games
- Cigarettes
- Condoms

The law of the country prevents retailers from selling certain products including the ones listed above to the customers below a certain age to protect health and safety of young people.

Procedures to be followed while selling age restricted products

You have a responsibility to make sure you do not sell age restricted products face to face or even remotely (online, by mail order or any other means where the sale does not take place face to face) to persons under a certain age. Specific and positive age verification checks for preventing underage sales face to face and remotely include:

- Demanding and verifying an acceptable proof of age as prescribed by the store policies and storing a copy of it as record during face to face sales
- Accepting payment by credit card only. As credit cards are generally only available to those over the age of 18, requiring payment by credit card can serve to verify that the principal cardholder is over 18. If you choose to use this method you should check with your payment processing provider to ensure their system does not accept cards that are available to those under 18
- On delivery. If deliveries are made by your staff, you can train them to check proof of age at the time of delivery, or you can use a courier that is able to do this on your behalf

- Online checks. Age verification systems are available which draw on several sources of information including the electoral register and/or credit reference agencies to check the age of purchasers. You can also arrange access to the electoral register which can be used to verify the purchaser's age
- Collection. If you have shops or other premises you may allow customers to view and reserve items online, but may require them to collect any age restricted products, where checks on proof of age can be carried out by your staff in the same way as for a face-to-face transaction

These are only examples and every retail store will have a standard operating procedure for selling age restricted products.

While selling the age restricted products one should not:

- Rely on the purchaser to confirm that they are over the minimum age by ticking a box, or accepting terms, conditions or disclaimers which include a requirement to be over the minimum age
- Just ask the purchaser to provide date of birth
- Accept payment through e-payment services such as PayPal, as these services may not verify ages

Identify and prevent proxy sales

- A proxy sale is when an adult buys alcohol or any other age restricted product on behalf of someone who is under age. In the case of alcohol, this is an offence. While it is the adult who buys the alcohol on behalf of the child who commits the offence, the retailer has a duty to refrain from such sales
- Knowingly allowing proxy sales or failing to take appropriate steps to prevent such sales from taking place, may constitute a failure to uphold the licensing objectives and could be used as evidence to support a review of the store licence

Prevention of proxy sales

In order to prevent proxy sales, staff and cashiers should be well trained to recognise proxy sales and to refuse the sale where it is suspected that an adult is buying an age restricted product on behalf of a child.

Some signs of proxy sales to be aware of:

- Groups of young people selecting products but only one approaching the check-out to pay
- Young people loitering outside the shop and approaching customers asking them to buy on their behalf
- People buying a variety of brands of a product and/or paying with change may indicate they are buying for more than one person
- Where more than one person approaches a check-out and one is purchasing an age restricted product, you should seek proof of age for all of them unless you are satisfied that the age restricted product is for the adult only (for example a bottle of wine bought amongst the weekly shop by a parent accompanied by their child)

How to refuse the sale of age restricted products to an under-aged customer:

- Ask for proof of age. This helps the situation as it is not a direct refusal. It says that you will make the sale if they can produce valid proof of age. Only accept proof of age that is acceptable
- If someone cannot produce proof of age then refuse politely but firmly. If necessary repeat your refusal clearly

- Keep calm. Do not get into an argument
- Explain briefly why you cannot sell. Try saying:
 - 'I'm sorry; if I serve you I might be breaking the law'
 - 'We have a policy of 'no proof of age, no sale'
 - 'Our company policy is not to sell these products to young people if they do not have ID'
- Show customers notices, posters and stickers displayed around the premises that indicate you will not sell age restricted products to people who appear under 25 without proof of age
- Offer an application form for an approved proof of age card scheme and tell the customer that if they come back with identification showing they are old enough you will be happy to serve them
- Be positive in your refusal. Have a firm tone of voice, be confident and use direct eye contact. Do not waver from your decision not to sell. If you look unsure a customer may think you are likely to change your mind and continue to argue
- Remember that the law is on your side and you are doing the right thing
- Call your supervisor or manager for support if necessary
- Dial 100 for police assistance if the situation becomes an emergency, for example in the case of an assault or threats
- Record details of the attempted purchase in your 'Refusals Log'
- Attend a proper training to understand the sale of age restricted products

Proof of age

If a person who appears to be under 25 years of age, attempts to purchase an age restricted product, you should ask them to provide identification to prove they are old enough to buy the product. You should NOT simply assume that if someone has shown you identification that they are old enough but should check the identification carefully

There are a number of things to look at and consider when checking the identification that is produced, including:

1. Is the identification provided acceptable proof of age?
To be acceptable proof of age the identification must include a photograph, date of birth and a holographic mark as in the driving license.
2. Is the identification genuine?
You should check that the identification provided is genuine and not a counterfeit or fake version of a legitimate form of identification. When looking at the identification you should consider whether it is of the quality you would expect, including the material it is made of and the quality of any printing on it. Many forms of legitimate identification have security features built in to them, including holographic marks, tactile features (raised areas that you can feel when you run your finger over them) and images that change when you tilt the card, which can help you to check that a card is genuine. If you are in any doubt about the genuineness of the identification provided, seek further identification or refuse the sale.
3. Does the photo match the person who presented the identification?
You should look closely at the photo and check that it matches the person who has presented it to you. Ask to remove hats, scarves or glasses if necessary. If you are unsure that the person presenting the identification is the person in the photo you can and should refuse the sale.

4. Does the date of birth on the card make the person over the legal age for the product they are attempting to purchase?

Check that the date on the card would make the person over the required age. Remember that 17-year old person may have a driving licence, so check the date of birth if someone presents a driving licence to you. Many premises use electronic till prompts or signage near the tills displaying the date someone must be born on or before in order to make them over 18.

5. Has the identification been tampered with in any way?

You should hold the identification so that you can look at it closely and check for any sign of tampering such as the photo having been replaced or the date of birth being altered. This is sometimes done by placing a clear laminate with a new photo or date of birth over top of the correct one. If you run your fingers over the surface of the card and feel the edges, you should be able to detect any tampering. If a person is reluctant to let you hold the identification, this may be a sign that it has been tampered with and they do not want you to look closely at it. If identification has been tampered with or you have not been able to look at it closely enough to detect any tampering, then you can and should refuse the sale.

Documents for proof of age

The following are the list of some photo identification documents for age proof:

- Driving license
- Aadhar card
- Passport
- School certificates (with photos)
- Voter ID
- PAN card

Impact of not collecting prescribed proof of age and selling age restricted products to under aged

- Fine imposed on the store
- Legal case faced by the store management
- Punishment by law enforcement authorities
- Cancellation of store license
- Bad reputation
- Bad publicity in media
- Reprimand by employer
- Loss of jobs

Summary

- Meaning of age restricted products
- Policies and procedures to be followed while selling age restricted products
- Policies and procedures for refusing sale of age-restricted products
- Documents that can be accepted as proof of age
- Impact of not collecting prescribed proof of age
- Impact of selling age restricted products to under-aged customers

Exercise

Answer the following questions by choosing the correct option:

- POS stands for:
 - Point of Sale
 - Purpose of Sale
 - Point of separation
 - none of the above
- Most popular type of credit/debit cards include:
 - Visa
 - MasterCard
 - Maestro
 - All of the above
- Age restricted products include:
 - Alcohol and alcoholic beverages
 - Spray paints
 - Fireworks
 - All of the above
- Documents for proof of of age may include:
 - Driving license
 - Aadhar card
 - Passport
 - All of the above
- Impact of not collecting age proofs and selling age restricted items may result in:
 - Fine imposed on the store
 - Legal case faced by the store management
 - Cancellation of store license
 - All of the above

Answer the following:

- What is the purpose of a POS?
- Discuss the importance of an EDC machine.
- Why should the customers be treated politely?
- What are the procedures to be followed while selling age restricted products?
- How to identify and prevent Proxy Sales?

3. Processing Customer Orders and Exchanges



Unit 3.1 - Processing Customer Orders for Goods

Unit 3.2 - Processing Part Exchange Sale Transactions



**RAS/N0112 &
RAS/N0113**

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Follow procedures of processing customer orders
2. Identify and resolve problems while processing customer orders
3. Explain the importance of protecting confidentiality of the customer information
4. Follow procedures for validating customer credit limits
5. Process part exchange of goods/ products for the customers

UNIT 3.1: Processing Customer Orders for Goods

Unit Objectives

By the end of this unit, the participants will be able to:

1. Identify the process to check the availability of goods ordered by the customer
2. Demonstrate the steps to process customer orders

3.1.1 Customer Orders

A Customer Order is the "fulfilment control document" that is the foundation for generating sales order, shipment and invoicing documentation.

Types of customer orders

- Standard order—is used when shipping products by availability. Users can generate the invoice immediately or after the shipment
- POS order—is used in 'over the counter' sales situations with anonymous customers. The order generates the shipment and invoice. The payment is received via cash, cheque, credit card, etc.
- Credit order—is used for known (on account) customers, with or without a credit line. The order generates the shipment, invoice, and optionally receives the payment
- Prepay order—is used in Web Store Transactions. Users can send the shipment and generate the final invoice after receipt of money

Need to process customer orders

- Online order
- Telephone/mobile order
- E-mail order
- Request by customer
- Senior citizens
- Differently abled
- Heavy goods
- Not available at stores
- Need to be tailor made for customer and delivered

Order received Online or through telephone/mobile/E-mail

- Customers have placed order over the phone or through the web, hence home delivery is necessitated. Order received over the phone is once again an extension of service that is provided to the customer, for example books, flight tickets, etc.

Request by customers—senior citizens and differently abled

- A customer could have walked into the store but would require the shopped articles to be delivered at their residences, for example grocery, medicines, etc.
- Senior citizens and differently abled people cannot stress themselves by visiting or standing in the queue at the store. Home deliveries help them tremendously in creating customer satisfaction

Heavy goods

- The article being heavy, it is required to be delivered at home, for example grinding machine, washing machine or refrigerator

Not available at stores

- The product the customer has bought is only for display at the store. A similar product with the same specification will be delivered from the Distribution Centre, for example refrigerator

Need to be tailor-made and delivered

- The product has to be assembled on site of delivery. Hence the assembly will be done at the residence on delivery, for example furniture

Probing to identify the precise needs of the customer

Get the customer's attention: To be able to make a good sale, it is important to understand what exactly the customer wants or needs. In order to do so, you need to be able to engage the customer and test their needs by probing them with the right questions.

- Probe: Question to uncover needs. When you are engaging yourself with the customer, why not incorporate 'the advantages of the Q feature'? The Q feature means 'Questioning', which means 'Probing'. Probing helps in uncovering the needs and problems of the customer. It is used to get more information from the customer. There are two types of probing:
 - Open probes: These questions ask for more than a 'Yes' or 'No' or one/two-word answer. Encourage customers to respond freely, so that you can fulfil their requirements. Allow the customers to set the direction of the conversation
For example:
How may/can I help you?
What products are you looking for?
May I know the quantity?
Is the chicken to be packed with ice?
What is the time of delivery required?
 - Closed probes: These questions are asked to get a specific or one word answer. It is generally used to understand the specific need of the customers. It limits a customer's response to 'Yes' or 'No' or other one word answers
For example:
Which colours you would like to choose?
Have you tried it before?

Have you used this product before?

Are you looking for accessories?

Which address and landmark you are in?

Provide clear, accurate and complete information to the customers

The information should be clear, accurate and complete with all details for the customer. Even one single point missed would lead to misunderstanding and the customer may choose to make the purchase elsewhere.

Prepare well in advance with the outline mentioned below to have the information for the customer. While informing the customer it is better to consult with the supervisor, stock control system, vendors and people from other relevant department to collect all the information.

Based on availability of goods mention the:

- Order number
- Price and quantity
- Type of delivery
- Date and time
- Warranty/guarantee
- After-sales service

Based on non-availability of goods mention the:

- List of non-available products
- Quantity
- Order number change (if any)
- Alternate products
- Alternate date/time (if any)
- Warranty/guarantee
- After-sales service

Checking the stock of goods

The following is an outline to check the goods:

1. Take the list of items ordered by the customer, which would help you to verify the following with the stock control systems:
 - Stock available at the back-store, back-area/reserve stock
 - Expected stock in transit—on the way to your store—check date and time of arrival
 - Stock available at shelves—what is currently in hand, whether this can be used to process order
 - Stock available at DC/warehouse—stock can be moved from here to your store
2. Check with other branches (if any). This can also be done if the facility is available in your stock control system. Else you have to call or email them to verify the availability and follow-up

3. Verify with manufacturer/ vendor in case of non-availability. This is most critical as you would be discussing with these people to build a strong relationship. Sometimes the vendor/manufacturer would refer you to the right people even in case of non-availability of the product with them
 - Check for availability
 - Transit if any
 - Sources if any
 - Date of availability

Progress of customer orders

Product availability: Cross check with order details of the customer. Inform the date and time of delivery along with the order number/invoice details and mode of delivery to the customer. Take information on delivery timings and co-ordinate with the delivery team. Thank and acknowledge the customer post the delivery.

In case of non-availability of a product:

- Suggest an alternate product with its price, quantity, warranty details, etc. Inform the new invoice details along with the delivery schedule
- Unexpected delays—inform the delay by providing a genuine and fair reason. Be transparent. Apologize to the customer. Take consent on the re-schedule of the new product
- Confirm new delivery date and time

Impact of delay in delivery

The following are the impact to a store, ultimately leading to financial loss:

- Loss of customers—Number of customers lost = loss in sales
- Loss of time for customer— Customers' time is our money. If a customer loses time, we in turn lose money
- Competition might take advantage—nowadays competition is very tough. Ensure that there is no room for mistakes. Customer will shop at a different store due to various options available today
- Loss of reputation and bad word-of-mouth. One good thing about the store, a customer may choose to refer only to one or two, but one bad experience can be spread to the entire world through internet—Twitter, YouTube, Facebook, etc.

Invoicing the customer orders

Generate invoices according to general business rules or based on specific arrangements with the customer, using the computerised billing/POS system.

Generate invoices:

- Immediately after each consignment is despatched
- When the order is completely despatched
- Based on a predefined invoice schedule specific to the customer
- For example, an invoice schedule could be established to arrange for the creation of a summary invoice including all shipments to the customer over the previous day, week or month

Your Company name

Building name 123 Your Street City/State, Country Zip Code + 1-541-754-3010 you@email.co.uk yourwebsite.co.uk

Invoice

Date: MM/DD/YYYY
 Invoice #: 00001
 Customer #: CUST123
 Purchase order #: 00002
 Payment due by: MM/DD/YYYY

Billed to

Client name
 123 Your Street
 City, State, Country
 Zip Code
 Phone

Ship to (if different)

Client name
 123 Your Street City, State,
 Country Zip Code
 Phone

Description	Unit cost	QTY/HR Rate	Amount
Your item name	\$0.00	1	\$0.00
Your item name	\$0.00	1	\$0.00
Your item name	\$0.00	1	\$0.00
Your item name	\$0.00	1	\$0.00
Your item name	\$0.00	1	\$0.00
Your item name	\$0.00	1	\$0.00
Your item name	\$0.00	1	\$0.00
Your item name	\$0.00	1	\$0.00

Special notes and instructions

Your notes here

Subtotal: \$0.00
 Discount: \$0.00
 Tax rate %
 Tax \$0.00
 Total: \$0.00

Make all cheques payable to my company name.

Thank you for your business!

Should you have any enquiries concerning this invoice, please contact us.

123 Your Street City, State, Country, Zip Code

Tel: + 1-541-754-3010 | Fax: + 1-541-754-3010 | Email: info@yourwebsite.com | www.yourwebsite.com

Fig. 3.1.1: Sample invoices

Escalation matrix

Depending on the relevance to the department you are working in, it could be one or more of the following team members.

- Immediate supervisor
- Department manager/Team leader
- Store manager
- Buyer/procurement team in your organization
- Manufacturer/vendor

Action to be taken:

- Inform and provide the timeline to the customer
- Update customer on progress
- Follow-up for closure
- Update system information after closure

Confidentiality of customer information

Importance of confidentiality

- Confidentiality is important for several reasons. One of the most important elements of confidentiality is that it helps to build and develop trust. It potentially allows for free flow of information between the client and associate and acknowledges that a client's personal life and all the issues and problems belong to them only.
- One of the major purposes for obtaining a client's consent before speaking to a third party (such as another agency or a family member/carer) is to protect the confidentiality and privacy of the client. Informed consent (obtaining personal information with the formal permission of the client or a person who has the legal authority to provide permission on behalf of the client) is considered essential in maintaining the privacy of the client.
- It is important to keep your clients' business as just that—their business. You should only discuss matters relating to your clients' business with co-associates and only what needs to be discussed. Discussions should take place in the workplace and should not be audible to other members of staff or the general public. You should never discuss clients' business with family or friends.
- Respect for client confidentiality and staff personal information should be a high priority for all community services to comply with legislation that governs disclosure of information. In this regard follow the organisations policies and procedures that provide guidelines for associates. Appropriate associate behaviour can also be incorporated in a code of conduct.
- To ensure confidentiality, associates should only access confidential information for work that is covered by their job description and the policies and procedures of the organisation. They should only disclose information to other parties where a client (or co-associate in relation to their personal information) has consented to the release of the information or where disclosure is required or mandated by legislation due to indications of risk of harm. Further associates need to ensure that any information that is collected is securely stored and disposed of.

Rules to maintain confidentiality

- Talk about clients in a private and soundproof place
- Do not use client's names
- Only talk about clients to relevant people
- Keep communication books in a drawer or on a desk away from visitors to the agency
- Keep staff files in a locked cabinet in the manager's or coordinator's office
- Use case numbers when recording information about clients on a database
- Remove identifying information when discussing cases for teaching purposes

Impact of not maintaining customer confidentiality:

- Loss of customers
- Loss of reputation and bad word of mouth
- Legal implications—fine and cancellation of license

Access to customer information

- Access to all data centres and server rooms used to host hardware and software on which personal data is stored should be restricted and should be given to only those staff members who have clearance to work there

- Access to systems which are no longer in active use and which contain personal data should be removed where such access is no longer necessary or cannot be justified
- Passwords used to access PCs, applications, databases, etc. should be of sufficient strength to deter password cracking or guessing attacks
- Departments should have procedures in place to properly evaluate requests from other organisations for access to personal data in its possession
- Personnel, who retire, transfer from the department, resign, etc. should be removed immediately from the mailing lists and access control lists. Relevant changes should also occur when staff are transferred to other assignments internally
- Contractors, consultants and external service providers employed by departments should be subject to strict procedures with regard to accessing personal data by way of formal contract in line with the provisions of the Data Protection Acts
- Departments should have in place an up-to-date Acceptable Usage Policy in relation to the use of information and communications technology (e.g. telephone, mobile phone, fax, email, internet, intranet and remote access, etc.) by its staff. This policy should be understood and signed by each user of such technology in the department

Customer's identity and credit status

The following is the outline to check identity and credit status of a customer.

- Verify his name
- Verify with ID/membership details
- Other details like name of mother/Date of Birth
- Once verified with all details as per company policy, follow the steps given below:
 - Check requirement of the customer
 - Provide the credit limit
 - Provide the excess usage
 - Politely request to pay as per procedure (if exceeded)
 - Request if he would like to increase credit limit
 - If within process, extend credit limit
 - If not within process, apologise and explain how to increase

For example if a customer has called to check his credit limit on his post-paid mobile account. The first verification would be his mobile number, date of birth, etc. Once verified, the credit limit is shared. For example it could be say Rs.1000; if his usage has exceeded Rs.1000 within 15 days before the billing date, he would be requested to pay the amount to continue using the services. As per policy based on the usage of the customer the credit limit increases.

Activity

1. **Objective of the activity:** To inform the customer about the progress of their orders
2. **Learning outcome:** Learners will apply the concepts that have been learnt to communicate appropriately with the customers and provide information on the status of their orders
3. **Nature of the activity:** Group
4. **Procedure to conduct the activity:**
 - Split the class into groups of two
 - Explain any one of the scenarios stated above (provide different scenarios to each group)
 - One learner to play the role of a cashier and the other the role of customer
 - Let the learner playing the role of cashier communicate with the learner playing the role of customer on the status of the order
 - Interchange the roles after the first set of role plays get completed
 - Lerner will be observed on following aspects:
 - Is the cashier able to identify the precise needs of the customer by probing?
 - Is the cashier able to offer goods/solutions to the customer and check with them if the goods/solutions meet their needs?
 - In case the goods are not available at the store—is the cashier able to suggest an alternative or check with the manufacturer or supplier?
 - Is the cashier politely communicating in case there is a delay in delivery of the order?
 - Is the cashier able to provide accurate information on the progress of the order to the customers?
 - After the role play, collect feedback from the learners who played the role of customers as well as the cashiers
 - Provide appropriate feedback and demonstrate the right process

Summary

- Meaning of customer orders
- Need to process customer goods
- Process of probing to identify the precise needs of the customer
- Providing clear, accurate and complete information to the customers
- Process of checking the stock of goods that meet the needs of the customer
- Process of checking whether external suppliers and manufacturers can provide items that are not in stock
- Keeping the customers informed about the progress of their orders
- Informing the customers about the delay in processing their orders
- Impact of delay in delivery of the order
- Process of invoicing customer orders
- Escalation matrix in case the order cannot be processed
- Importance of maintaining confidentiality of customer information
- Impact of not maintaining confidentiality of customer information
- People who have the right to access customer information within the organisation
- Process of checking the customer's identity and credit status

UNIT 3.2: Processing Part Exchange Sale Transactions

Unit Objectives

By the end of this unit, the participants will be able to:

1. Identify the need for a customer to part exchange the products
2. Identify the terms and conditions of sale for items that the store exchanges
3. Follow the process of checking ownership of the items produced for part exchange
4. List the consequences of not checking the ownership of the items
5. Assess/Examine the paper work involved while buying part exchange items
6. Describe the process of determining value of items offered in part exchange by customers
7. Follow the process of negotiating part exchange sales transactions with customers
8. State the impact of erroneous valuation
9. Describe the method of dealing with suspected payment
10. Describe the method of dealing with suspected fraud
11. Describe the steps that aid in providing customer service at the POS

3.2.1 Need for a Customer to Part Exchange the Products

The following are the reasons for a customer to return/part exchange products:

- Not satisfied with the product—expectations not met and probably a false promise by a sales associate
- Faulty—defective product
- Damaged/expired or partly damaged/expired
- Company policy to return (within XX days). For example the offer from the store was a free return within 10 days if they do not like the product

Terms and conditions

The following are some broad classifications of terms of conditions in retail sales and service. A sample for return of goods has been provided for reference purpose only.

However each store will have its own terms and conditions, returns/exchange and refund policies. Associates are supposed to be familiar with their respective store's terms and conditions, policies and procedures.

- Basis of contract
- Cancellation
- The goods
- Price and payment
- Delivery
- Installation
- Risk and title
- Limitations of liability
- Waiver and variations

- Unexpected event
- Return of goods (excluding special order items)

Return of goods (excluding special order items)

- The following items returned in good condition to a store within XX days of purchase will be refunded in full with proof of purchase
- Should you wish to return an order following delivery you may do so by informing us within 10 working days of receipt of delivery. Goods must be returned to us and we ask that you take reasonable care when handling the goods and return the goods to us unopened, unused and in their original packaging, where possible
 - Please confirm your intent to return the order by calling Customer Services on +91-XXXX XXXX within 10 working days of receipt; we will confirm to you a returns address and reference for your package
 - The cost of returning the goods once delivered is at your own cost and risk;
 - We are not responsible for any loss or damage to any returned goods in transit and as such, we recommend that you return the goods through a recorded delivery service
 - When returning goods please carefully package the goods together with your returns reference
 - If returned goods are lost or damaged in transit, we reserve the right to charge you for any loss or damage
 - Where we have agreed to the return of goods, these goods must be returned within 30 days of the notice of intent
 - In the unlikely event that the goods do not conform to these Terms, please let us know as soon as possible by contacting Customer Services on +91-XXXX XXXX
- We will, at our option:
 - inspect the goods at your premises;
 - collect the goods on a date agreed between you and us; or
 - ask you to return the goods to us
- If the goods are found by us to be defective, and we have asked you to return the goods to us at your cost we will reimburse you for third party delivery costs involved in the return
- If you exercise your right to return your order, any refunds due will be refunded within 30 days

Checking ownership of the items

There could be cases of stolen/theft items which could come into the store for exchange. So it is essential for the associate to completely verify the ownership of the part exchanged product.

Given below is a list of few of the items that can be requested from the customer as documentation to verify the ownership. In some cases they can verify card numbers used for purchase, date of birth, mother's maiden name—either one or all of them as per company policies and processes.

- Verify invoice copy/delivery challan (if any)
- Request for service agreements, warranty/guarantee (details if any)
- Exchange products only with bill. That is the only proof of purchase with which the store can validate
- Ask for ID proof

Consequences of not checking the ownership:

- Chances of accepting a stolen item for exchange
- Chances of accepting the product from an unauthorised person, which may lead to conflicts between the actual customer and the store

Paper work—buying part exchange items

Confirm ownership details as per previous slide on bill and invoice before product is accepted for return/refund/exchange.

- Verification of bill/invoice
- Warranty document to ensure validity period
- Receipt of receiving the goods—condition of the product
- Provide credit note if applicable as per policy
- Provide new product against receipt of old product
- Additional bill amount if exceeding the old bill amount or credit note

Consequence of not checking:

- Store indirectly supporting and encouraging stolen/theft items to be exchanged
- Original owner would turn up and complaint, which would lead to legal consequences
- When the audit happens, questions may be raised on the basis of part exchanging the product
- Loss of reputation leads to loss of the store and spread bad word of mouth

SHELL V-POWER
 ACTIVELY CLEANS
 AS YOU DRIVE
 SALES RECEIPT
 NO LIA #00001
 SHELL
 2029 S SAGINAW
 MIDLAND
 MI 48640
 DATE 06/21/06 4:01 PM
 INVOICE# #00001
 AUTH# #00001
 MASTERCARD
 ACCOUNT NUMBER
 PUMP PRODUCT \$/G
 04 UNLD \$2.969
 GALLONS FUEL TOTAL
 6.736 \$ 20.00
 SHELL V-POWER
 OUR MOST ADVANCED
 FUEL EVER.

Fig. 3.2.1: Invoice copy /Bill

Determination of value of items, negotiation and impact of erroneous evaluation

Case study: A customer had purchased 2 bottles of juice at R100. He wants to exchange one bottle after consuming some juice from it and finding it to be stale.

Scenario 1

- Policy A allows exchange if the customer is not happy with the product. The bottle of juice can be exchanged with a new bottle by taking the bill as proof
- In this case there is no issue and as per policy the product is returned and exchanged, and no questions are asked

Scenario 2

- Policy B does not allow for exchange as the return date has exceeded
- Policy B does not allow refund/exchange as the juice is consumed
- Even in this case, the policy clearly says that there is no refund/exchange. The associate is expected to negotiate with the customer explaining the policy and would not be able to go against the policy. This is an indication of store loss if we violate certain processes
- The value of the juice bottle has been billed and consumed as per the scenario and the date for return/exchange has also exceeded

Scenario 3

- Policy C asks to return both the bottles and take a full refund through credit note, as it is a 'buy one get one free' offer
- Credit note for Rs.100 can be issued
- If the consumer has consumed the first bottle of juice and wants the exchange for second bottle only
- This situation is similar to the previous one. The associate has to follow the same rules

Scenario 4

- As per Policy C, the associate has provided a credit note of Rs.100/- to the customer by taking 1 consumed juice bottle back
- This is a clear indication of associate not knowing the policy, terms and conditions. The impact of his erroneous violation has brought loss to the store

Scenario 5

- As per Policy D, the customer does not need to return both the bottles
- Credit note is given to him for Rs.100. But the same juice is not available. A different juice is available at an extra price of Rs.25
- The role of the associate is to negotiate with the consumer to accept the credit note of Rs.100 and to take the juice which is Rs.125 by asking him to pay extra. The second option is to ask the customer to take any other product worth Rs.100 if he is not interested in taking the juice which makes it costlier by Rs.25 than the juice which he has bought

Impact of erroneous evaluation

Error in evaluation will lead to:

- Monetary losses to the store
- Customer dissatisfaction leading to loss of customers
- Penalty for the employees

Dealing with suspected payment

When payment on cards is declined, politely:

- Option 1. Request for alternate card
- Option 2. Request for alternate mode of payment

When fake currencies are detected, politely:

- Option 1. Request for alternate cash
- Option 2. Request for alternate mode of payment

When fake cash equivalents are received, politely:

- Option 1. Request for alternate cash equivalent
- Option 2. Request for alternate mode of payment

Do not be harsh with the customer at any cost. In case of any harsh actions taken by the customer, do call your supervisor or store manager. Some cash tills have an emergency light (red) so when you are in danger you can press the switch to call for help.

In case of customer not having the alternate payments, request them if they would like to save the transaction and then inform your supervisor. Keep the billed cart safely with the security and request the customer to get cash from the nearby ATM. Till then, secure the cart and save the bill as per supervisor's instructions/permission. Do not save or secure cart till you get permission from the team leader or supervisor.

Dealing with suspected fraud

Some common frauds which happen at the cash tills/POS while the cashier is billing:

- Inserting products by hiding it into another product packing. Example a Gillette Razor worth 350 is inserted into a blanket packet. Look inside all boxes, packet and check thoroughly before you scan and bill the item
- Concealing products inside clothes, handbags etc.—inform security/loss prevention team/supervisor to take action, as the cashier would not be able to leave the billing counter
- Changing price tags of stickers—know your products well along with prices, offers, discounts. While scanning, look at the billing machine for cross-checking the price and verifying if it is the right product at the right price
- Concealing products at the bottom of the cart—before you finish billing, check the shopping cart thoroughly as something would be stuck or hidden underneath a huge bag of 25kg of rice
- Stocking products to the bags without billing—be alert and check that all items in the cart are billed
- Diverting attention of cashier by talking—focus only on the billing keeping in mind the above. Revert to customers comments just with a smile as a cashier cannot afford to have a conversation with the customer

Activity

1. **Objective of the activity:** To provide service to the customers at POS
2. **Learning outcome:** Learners will apply the concepts that have been learnt in the second session and service the customers at the POS
3. **Nature of the activity:** Group
4. **Procedure to conduct the activity:**
 - Explain the scenario given below:
 - Scenario: You are a cashier receiving a customer at the POS. The customer has been waiting for 10 minutes for his turn to bill his products. He is carrying approximately 30 products with him to bill
 - Select two volunteers from the class
 - One learner to play the role of a cashier and the other the role of customer
 - Ask the learner playing the role of cashier to receive the customer and accept the payments and provide service at the POS
 - Learners will be observed on following aspects: whether the cashier is able to
 - Greet the customer with a smile and thank him for his patience for waiting for long
 - Tell customers the correct amount to pay
 - Check accurately the amount and means of payment offered by the customer
 - Check if the payment is acceptable, process the payment in line with company procedures
 - Tell the customer tactfully when payment cannot be approved
 - Record payments accurately
 - Store payments securely and protect them from theft
 - Offer additional services to the customer where these are available
 - Treat customers politely throughout the payment process
 - To acknowledge the customers' waiting behind while handling the present customer
 - After the role play, collect feedback
 - Provide appropriate feedback and demonstrate the right process
 - Repeat the role play with another set of volunteers

Summary

- Need for a customer to part exchange the products
- Terms and conditions of sale for items that the store exchanges
- Process of checking ownership of the items produced for part exchange
- Consequences of not checking the ownership of the items
- Paper work involved while buying part exchange items
- Process of determining value of items offered in part exchange by customers
- Process of negotiating part exchange sales transactions with customers
- Impact of erroneous valuation
- Method of dealing with suspected payment
- Method of dealing with suspected fraud
- Steps that aid in providing customer service at the POS

Exercise

Answer the following questions by choosing the correct option:

1. Types of customer orders comprise of:

a) Standard Order	b) POS Order
c) Credit Order	d) All of the above

2. Consequence of not checking may involve:
 - a) Store indirectly supporting and encouraging stolen/theft items to be exchanged.
 - b) Original owner would turn up and complaint, which would lead to legal consequences.
 - c) When the audit happens, questions may be raised on the basis of part exchanging the product.
 - d) All of the above.

3. The process to check customer's identity and credit status involves:

a) Verifying his/her name	b) Verifying ID/membership details
c) Verifying Date of Birth	d) All of the above

4. To be able to make a good sale, it is important to _____ what exactly the customer wants or needs.

a) understand	b) ignore
c) misunderstand	d) none of the above

5. Outline for checking goods involve:
 - a) Taking the list of items ordered by the customer
 - b) Check with other branches if any
 - c) Verify with manufacturer/ vendor in case of non-availability
 - d) All of the above

Answer the following:

1. What is a Customer Order?
2. How delay in delivery can impact a retail store?
3. Discuss the importance of confidentiality.
4. why do customers part exchange products?
5. Discuss how to deal with suspected frauds

4. Processing Customer Payments and Goods Return



Unit 4.1 - Processing Payments

Unit 4.2 - Processing Cash and Credit Transactions

Unit 4.3 - Processing Returned Goods



Key Learning Outcomes



By the end of this module, the participants will be able to:

1. Follow procedures for processing cash and credit transactions
2. Outline the impact of statutory guidelines and obligations of a retailer in relation to credits
3. Resolve customer concerns related to pricing of products
4. Follow the procedures to accept and record the product/ goods returned by the customers

UNIT 4.1: Processing Payments

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the process of identifying and checking the price of products in the store
2. Describe the process of identifying discounts and special offers
3. Outline the nature of pricing problems that arise in the store
4. Outline the escalation matrix for resolution of pricing problems
5. State the process of sorting the pricing problems
6. Demonstrate the procedures for working out payments
7. List the methods and tools used to work out payments
8. State the cashier's rights, duties and responsibilities relating to the goods sold

4.1.1 Identifying and Checking the Price of Products

The cashier is expected to understand and identify the following type of coding which is very common in stores and is used to identify the prices of the products. It is essential sometimes to identify products manually with the help of the codes too.

- In the field of inventory management, a stock keeping unit or SKU is a distinct item, such as a product or service, as it is offered for sale that embodies all attributes associated with the item and that distinguishes it from all other items
- SKU can also be identified through a unique code allocated to it. Each SKU carries a unique code and a Barcode
- SKUs are not always physical objects. Anything that can be sold separately from any other product is a stock keeping unit, such as extended warranties, delivery fees, installation fees and licenses
- Other product tracking methods with varying regulations are:
 - Universal Product Code (UPC)
 - International Article Number (EAN)
 - Global Trade Item Number (GTIN)
 - Australian Product Number (APN)



Fig. 4.1.1: Types of Barcode / UPC Barcode & EAN Barcode

All SKUs carry a Barcode or any of the above mentioned codes. By scanning the barcodes or inputting other codes of the product into POS system, the prices can be tracked.

Example:

- If a particular product has an MRP (Maximum Retail Price) of x and there is a revision in price, say the price now becomes y, then x and y will have to be stocked separately and billed separately so they become two different SKUs
- SKUs can then be printed into a barcode and placed on the product
- When scanning SKUs, the system recognises the price and prepares the sale for that price

The following are the ways to identify and check prices in the store:

- Use HHTs (Hand held terminals) to scan and check whether the prices are correct and match with those in the shelves along with their discounts offers and freebies, if any
- The cashier can always use POS cash tills scanner to get the prices. In case the label is non-readable by the scanner, the cashier should be able to enter the product code to get the correct price for the customer either for information or for billing
- Every day the Head office updates the prices of certain products based on the market conditions. Check the system for price updates from HO. If a price update has been done it would reflect. In case of a non-update, the associate along with the supervisor/audit team might have to manually change the prices in the store
- If the associate is empowered to rectify any errors he/she can do it with the help of supervisor or team leader
- In case the associate is not empowered to rectify errors and action cannot be taken, he/she has to inform the following and make changes according to their instructions:
 - Supervisor
 - Audit team
 - Pricing team
 - Department or category manager or store manager

After all the changes are made tickets/shelf edge labels need to be printed.

Discounts and offers

The items given below need to be price-checked for reflection in the systems, POS tills, Shelf edged labels, etc.:

- Discounts
- Special offers
- Sale
- Schemes
- Membership offers
- Freebies

These can be identified on the POS system. If there is a mismatch, the customer would suffer and complaint about the price issues. This might result in loss of sales and reputation. Ensure all the items said above are correctly reflecting as per methods described previously. Take help as per escalation mentioned previously.

Cashiers must always be alert and vigilant of the facts about discounts and offers that may be associated with products being billed. The price query function provided in the POS systems help in identifying discounts and offers.

Pricing problems

The following are the common problems which happen in pricing at the store.

- Difference in Shelf Edge Label (SEL) price and billing price: Cashier should ensure that the price of a commodity has been checked in the morning with the audit team to avoid this error and does not lead to customer complaints
- Discounts not reflecting: Follow the procedure mentioned under the section Identifying and checking the price of products to ensure this issue does not occur
- Freebies not reflecting
- Non-readable bar code in price label: Ensure the tickets are printed and stuck properly on the product if it is internal. Else escalate the issue to the vendor through supervisor and store manager
- SKU mismatch: Follow same procedure as SEL
- System errors: Head office might have keyed in SKU details wrongly. Immediately escalate as mentioned below:
 - Supervisor
 - Audit team
 - Pricing team
 - Department or category manager or store manager

Working out payments

The following are the steps to work out payments:

- Mention the total amount which shows on POS screen/terminal
- Identify the discounts and inform customer on the total amount of discount reflected
- Subtract the cash equivalents—vouchers, food coupons, credit notes provided by the customer
- Inform the remaining cash/credit card payment to be made by the customer
- If the customer, for example, has a payment of R560 and provides you with R700 then the system prompts you give a balance of R140 to the customer

The tools are very minimal as the POS terminal calculates everything. In case of system failure, work out the payments manually using a calculator and write the bill manually. Cross check the calculation by totalling twice and applying the percentage of discounts appropriately.

Sample:

Product X – R100

Disc 10% – R10

Voucher – R50

Total – R40

Customer Pays R50 balance to be given is R10

Duties and responsibilities of a cashier

The cashier is the last line of defence when it comes to the store as he/she is the one who handles the financial aspect of the store, that is profits.

A cashier is a part of the accounts department and is responsible of handling only those tasks that involve cash transactions. A cashier receives cash from the customers/clients and debits it to the organisation's account. Most cashiers work on a daily basis where they have to submit daily accounts and handover the final sum of cash to superiors.

The cashier is an important position and requires great mathematical skills. Even though there are computers and calculators to manage all the daily figures, one should have sound math skills despite the digital help. The cashier should also have strong ethical values. Since he/she handles lots of money, he/she must learn to stay away from the temptation of using it for own benefit. The role of a cashier is a lot more than just handling cash; they are the face of the organisation and have to be friendly to all customers, thus creating good will.

The following are the duties and responsibilities of a cashier:

- Managing all the cash transactions at workplace
- Maintaining daily account of daily transactions
- Balancing daily account at the end of each day
- Checking daily cash balance
- Interacting with customers that come to the counter
- Solving all cash related queries
- Checking for the price of products and any discounts or offers
- Receiving coupons and deducting the said amount from customers
- Organising work they do and maintaining accounting records
- Reporting discrepancies they find within the accounts to their superiors
- Making daily, weekly and monthly transaction reports

At the till, a cashier should:

- Greet the customers entering into organisation
- Handle all the cash transaction of an organisation
- Receive payment by cash, cheques, credit card etc.
- Check daily cash accounts
- Guide and solving queries of customer
- Provide training and assistance to new joined cashier

Activity

1. **Objective of the activity:** To calculate the bill as per the steps in the assigned activity
2. **Learning outcome:** Learners will be able to calculate the bills and process payments
3. **Nature of the activity:** Individual
4. **Procedure to conduct the activity:**
Learner to play the role of cashier

Scenario

Product X costs R100, Product Y costs R500, Product Z costs R1000. Discount on Product Z is 25%, Food coupon for R250, Gift Voucher R150. Product X, Y and Z are not food products. Customer is providing a payment of R1000 (Single note).

The faculty should ask learners to:

- Check for fake notes
- Calculate the total bill, apply discounts and include vouchers, amount to be collected from customer and balance to be given back

Debriefing points:

- Analyse the report by cross-checking with the corresponding process
- Validate the report for correctness
- In case of any deviations, provide appropriate feedback/suggestions and ask learners to incorporate the changes

Summary

- Process of identifying and checking the price of the products in the store
- Process of identifying discounts and special offers
- Nature of pricing problems that arise in the store
- Escalation matrix for resolution of pricing problems
- Process of sorting the pricing problems
- Procedures for working out payments
- Cashier's rights, duties and responsibilities relating to the goods sold

UNIT 4.2: Processing Cash and Credit Transactions

Unit Objectives

By the end of this unit, the participants will be able to:

1. Describe the need to process cash and credit transactions
2. Outline the risks to the company of offering credit to customers
3. State company guidelines for setting customer credit limits
4. Demonstrate the process of checking customer accounts effectively
5. Follow the process to identify overdue payments and customers who have gone over their credit limits
6. Describe the procedure to be adapted with customers who have exceeded their credit limits
7. List the legal rights and obligations of customers and retailers in relation to credit
8. Outline the policies for crediting the cost of returned goods to customer accounts
9. Identify the escalation matrix for problems that you cannot sort

4.2.1 Need to Process Cash and Credit Transactions

A cash transaction is a transaction that is cleared or settled on the same day as the trade whereas a credit transaction is a type of transaction that includes all transactions involving the buying of goods and services with a promise to pay in the future.

Need to process cash or credit transactions is to:

- Get payment from the customer for the goods sold immediately—Cash
- Get card details for the amount which is to be credited at a later stage—Credit
- Depict income of the store to arrive at profits or loss

Risks of offering credit

Consumer Credit Risk (a.k.a. Retail Credit Risk) is the risk of loss due to a customer's non re-payment (default) on a consumer credit product, such as a mortgage, unsecured personal loan, credit card, overdraft, etc. (the latter two options being forms of unsecured banking credit).

- **Reduced cash flow**—waiting for customer payments, which reduces the ability to purchase replacement products from suppliers. Many businesses consider debtor finance to reduce this risk
- **Reduced profit margin**—funding credit sales reduces profit margin. Usually, the cost of this only shows up in the profit and loss statement of your store, so this should be kept in mind when the store is pricing the products and services
- **Large debts**—unpaid debts can pose a risk to your business. This is particularly true if the store is exposed to large single transactions

Guidelines for setting customer credit limits

Payment performance

This section lists the paying habits of the applicant. The information is collected from different suppliers to the applicant. It will give the high credits and the customer's (applicant) payment habit in different rupee ranges. It is quite possible that the customer might be a good paymaster in the rupee range that is being sought from you as a credit limit, thus increasing your confidence level.

For example, for a post paid mobile user the credit limit of Rs.3000 is assigned. Say he has crossed the usage limit well before the bill has been generated. He has to pay this amount immediately to continue using the services without interruption. The organisation might also allow him to continue using the services even if he does not want by either looking at the past payments or by increasing his credit limits. These are based on organization policies and procedures.

The rating

Based on certain credit and financial information obtained about the customer (your applicant), the agencies assign ratings. These ratings can assist you in setting your own credit limits. You can map your own limit amounts against individual ratings that a credit agency assigns.

Financial statements

Financial statements are also used in assigning credit limits to customers. Mainly ratios or factors like net worth and working capital are taken and trended or compared to industry norms or standards. If a customer shows liquidity and efficiency as per industry norms then a more confident approach can be taken in setting the credit limits. One has to also consider if short-term liquidity is important or meaningful to the nature of credit or is long-term liquidity more consequential.

Past performance

Credit limit in this case is based on the past history of the customer as per the information contained in your books. The two elements that would be considered and weighed would be the past:

- Payment performance
- Purchase pattern

Need based

In this case credit limits are set based on the needs of the customer. It could be set to accommodate the first requested credit limit or the size of the first order: It should not be done in isolation but by a combination of other methods that have been discussed here.

In a survey that was conducted by the Conference Board one of the most popular techniques used for setting credit limits was by using the information and ratings given by credit agencies.

Checking customer accounts effectively

In India, there are four credit information companies licensed by the Reserve Bank of India (RBI) that operate as Credit Information Companies in India who provide the credit score of an individual. They are:

- Credit Information Bureau Limited (CIBIL) is India's first Credit Information Company founded in August 2000. CIBIL collects and maintains records of an individual's payments pertaining to loans and credit cards
- Experian
- Equifax
- Highmark

The CIBIL credit score is the most popular. Credit score is a three-digit number that represents a summary of individuals' credit history and credit rating. This score ranges from 300 to 900, with 900 being the best score. Individuals with no credit history will have a score of -1. If the credit history is for less than six months, the score will be 0. CIBIL credit score takes time to build up and usually it takes between 18 and 36 months of credit usage to obtain a satisfactory credit score.

- **Payment history**—making late payments or defaulting your EMIs or dues (recently or consistently) shows you are having trouble to pay your existing credit obligations and this will negatively affect your score
- **High utilisation of credit limit**—while increased spending on your credit card will not necessarily affect your score in a negative manner, an increase in the current balance of your credit card indicates an increased repayment burden and may negatively affect your score
- **Higher percentage of credit cards or personal loans (also known as unsecured loan)**—having a balanced mix between the secured loans (such as auto, home loan) and unsecured loan (such as personal loan, credit card) is likely to have a more positive effect on your score
- **Many new accounts opened recently**—if you have recently been sanctioned multiple loans and credit cards, lenders will view your application with caution because this behaviour indicates your debt burden has increased, which will negatively impact your score

Factors that determine your FICO Score

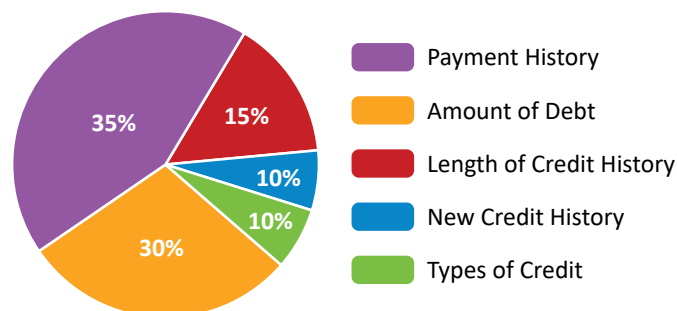


Fig. 4.2.1: FICO Score - Fair Issac Co

FICO

A few years ago FICO became the official name for Fair Isaac Co., FICO being the shortened form.

To create credit scores, they use information provided by one of the three major credit reporting agencies—Equifax, Experian or TransUnion. But FICO itself is not a credit reporting agency. Though FICO

scores are the most widely used among lenders, there are other scores that the lenders can choose from, such as the VantageScore which is becoming more widely used.

Checking at store level:

- Refer payment history—the amount he has paid against due
- Category of customer—Gold, Silver or Normal for example. This would show his status, depending on the frequency of purchase
- Outstanding (if any)—how frequent and how long he has kept dues
- Defaulters—list of people who have failed to repay the credit within the stipulated time
- Frequency of default payments—how frequently the default has happened

Identify overdue payments and credit limits

Giving customers an invoice or bill after supplying a product or service is a way of offering credit, since you have to wait for the payment. By giving customers time to pay for goods or services already delivered, you are making it easier for them to make purchases. This will increase sales, but will reduce the cash flow that is critical to your business if credits don not arrive to your store account in time.

Managing debtors is often referred to as credit management, and this includes:

- Collecting debts on time as per specified time limits and amount
- Setting credit limits and payment terms as per company policies
- Making credit applications and credit checks as per company policies and credit verification guidelines
- Enforcing a clear credit policy
- Considering debtor finance

Debt management also involves keeping debtor records. This is a legal tax requirement. There are also laws governing how you are allowed to follow up debts with your customers.

Procedures—customers exceeded their credit limits

- Check out statements in your system and ask for payment
- Display necessary information about payment terms
- Make telephone calls to debtors to remind them of the debt
- Ask debtors to pay by a certain date
- Circumstances when you need to negotiate payment plans. For example a customer would require time and you might charge an interest for the same. Another scenario could be he would like to close the account with you and the store management might give a discount to collect the payment
- Ensure that customers abide by the agreement
- When to engage a debt collection agency to collect the debt—most of the credit providing organizations have a debt collection agency to collect defaulter's payments

Legal rights and obligations of customers and retailers

The following are the outline of certain legal rights and obligation of customers and retailers in relation to credit.

- Civil law which is designed to help consumers who make contracts for services
- Legal Act covers both the service element and the goods that are supplied as part of a service
- Trader who did the job for you is always responsible for both the goods supplied and the service element of the contract
- The Act sets out to protect consumers from traders who either deliberately or accidentally mislead customers
- A consumer can take the dispute to the court and can demand compensation for losses

The following is a sample.

Consumer credit is now regulated by the Government. The National Consumer Credit Code gives consumers certain protections when they enter into regulated credit contracts, such as loans or credit for personal, household and domestic purposes. For more information, visit the government website.

For example: There is a 48 per cent interest rate cap on loans to protect consumers getting new loans. The interest rate cap is regulated by the office of Fair Trading.

However, the cap may not apply to alternative loan products or loan-like products, including pawnbroker transactions.

Consumers considering a loan should investigate the arrangement carefully. Compare products that other lenders offer to ensure you will not be paying excessive fees and charges.

However, the consumer may apply to a court to make orders about these loans if he thinks the transaction was unjust or the interest or fees charged are unconscionable.

Policies for crediting the cost of returned goods to customer accounts

A sample policy has been provided below only for reference. However the cashier is requested to go through the store policy guidelines as per product returned and should abide by company policies and procedures.

We are not required to provide a refund or replacement if you change your mind. But you can choose a refund or exchange if an item has a major problem.

This is when the item:

- Has a problem that would have stopped someone from buying it if they had known about it
- Is unsafe
- Is significantly different from the sample or description
- Does not do what we said it would, or what you asked
- Cannot be easily fixed

Alternatively, you can choose to keep the item and we will compensate you for any drop in value. If the problem is not major, we will repair the item within a reasonable time. If it is not repaired in a reasonable time you can choose a refund or replacement. Do please keep your proof of purchase, for example your receipt.

Escalation matrix

Escalate as per matrix/levels, depending on the relevance to the department you are working on. It could be one or more of the following team members:

- Immediate supervisor
- Department manager/team leader
- Store manager/finance team or accounts team
- Buyer/procurement team in your organisation
- Manufacturer/vendor

In such cases:

- Inform and provide the timeline to the customer
- Update customer on progress
- Follow-up for closure
- Update system information after closure

Summary

- Need to process cash and credit transactions
- Risks to the company of offering credit to customers
- Company guidelines for setting customer credit limits
- Process of checking customer accounts effectively
- Process to identify overdue payments and customers who have gone over their credit limits
- Procedure to be adapted with customers who have exceeded their credit limits
- Legal rights and obligations of customers and retailers in relation to credit
- Policies for crediting the cost of returned goods to customer accounts
- Escalation matrix for problems that you cannot sort

UNIT 4.3: Processing Returned Goods

Unit Objectives

By the end of this unit, the participants will be able to:

1. List the reasons customers might have for returning goods
2. Identify the need to process returned goods
3. State the the policies and procedures for replacements and refunds, including proof of purchase
4. Describe the authority of the cashier to agree to replacements and refunds
5. Discuss the charges that apply to the customers if company is not at fault
6. Follow the steps involved in processing returns of goods
7. Determine the process to find the replacement goods
8. State the impact of not following returns process by:
 - a. Accepting all returned goods without correct reasons
 - b. Not updating stock control system with returned goods
 - c. Mixing returned goods that are saleable with those to be returned to the manufacturer

4.3.1 Reasons for Customers Returning Goods

Given below are the reasons customers might have for returning goods:

- Not satisfied with the product—his expectations are not met and probably a false promise by a sales associate
- Faulty or defective product
- Damaged/expired or partly damaged/expired
- Company policy to return (within XX days), for example the offer from the store is free return within 10 days if they do not like the product
- Manufacturer recalling the product

Need to process returned goods

The need to process returns arises predominantly to provide impeccable service to the customers. Customers feel more comfortable purchasing items when they know that they can return them if they are not satisfied or if they change their mind.

The process of return mainly involves:

- Exchanging one item in lieu of another and adjusting the payments
- The product is refunded when it is returned and payments are credited back to the customer account or refunded to the customer

Following are the few key reasons to process the returned goods:

- Retain customers—the cost of acquiring a new customer is 10 times higher than that of retaining an existing customer
- Customer loyalty—good word of mouth publicity is enough to promote the store; bad word of mouth multiplies faster

- Image of the store—maintaining the positive image of the store is very critical
- Profits—return policies ensure that the profits of the store are balanced

Policies and procedures for replacements and refunds, including proof of purchase

Most of the stores encourage refunds/exchanges at the customer service desks only.

The following are some sample broad classifications of terms and conditions in retail sales and service.

1. Condition of the product:

- If the return is due to a problem in the product, confirm the problem
- If return is because of change in preferences of customer then one should confirm that the item can be resold before accepting for return

2. Few categories of products have specific policies of returns, for example undergarments once bought cannot be exchanged or returned after they are taken out of the store premises or have been tried

A sample policy for return of goods has been provided for reference. However each store will have its own terms and conditions, returns/exchange and refund policies. Associates are supposed to be familiar with their respective store's terms and conditions, policies and procedures.

Outline of Returns policies:

- Refunds:
 - Cash refund
 - Credit card refund
 - ATM/debit card refund
 - Store credit for future purchase by issuance of credit notes
- Exchanges:
 - Same item
 - Better item: exchange merchandise + collect additional payment
 - Lesser item: exchange merchandise + issue refund of payment
- Proof of purchase: bill, invoice, order copy, delivery receipt
- Allowances:
 - Issue a partial refund (discount the sales price) and customer keeps the damaged or defective item

Sample replacements and refunds policy:

- The following items returned in good condition to an X store within XX days of purchase will be refunded in full with proof of purchase
- Should you wish to return an order following delivery you may do so by informing us within 10 working days of receipt of delivery. Goods must be returned to us and we ask that you take reasonable care when handling the goods and return the goods to us unopened, unused and in their original packaging, where possible
 - Please confirm your intent to return the order by calling Customer Services on +91-XXXX XXXX within 10 working days of receipt; we will confirm to you a returns address and reference for your package
 - The cost of returning the goods once delivered is at your own cost and risk

- We are not responsible for any loss or damage to any returned goods in transit and as such, we recommend that you return the goods through a recorded delivery service
- When returning goods, please carefully package the goods together with your returns reference
- If returned goods are lost or damaged in transit, we reserve the right to charge you for any loss or damage
- Where we have agreed to the return of goods, these goods must be returned within 30 days of the notice of intent
- In the unlikely event that the goods do not conform to these terms, please let us know as soon as possible by contacting Customer Services on +91-XXXX XXXX
- We will, at our option:
 - Inspect the goods at your premises;
 - Collect the goods on a date agreed between you and us, or;
 - Ask you to return the goods to us
- If the goods are found by us to be defective, and we have asked you to return the goods to us at your cost we will reimburse you for third party delivery costs involved in the return
- If you exercise your right to return your order, any refunds due will be refunded within 30 days

Cashier authority on replacements and refunds

The following are the situations when a cashier is provided with authority and where he requires approvals:

- Mostly requires approval of supervisors or team leaders for any return or refund. Post approval he needs to take a signature and seal from the authorising person and retain a copy with him while reconciling the accounts for the day
- Critical refunds require approval of the store manager, following the same process as above
- Store policy might provide authority for:
 - Limited amount—may be a minimum amount of say Rs 2500. Again this depends on the store size and policy
 - Specific products—certain defective items on a large scale of 30 or 50 units are returned. For example a mobile has been called back by the manufacturer for being defective
 - Company stated money back return. As per policy, say there is a 15-day money back guarantee if you do not like the product
- Proof of purchase is a must along with the products:
 - Verify invoice copy/Delivery challan (if any)
 - Request for service agreements, warranty/guarantee (details if any)
 - Exchange products only with bill. That is the only proof of purchase with which the store can validate
 - Ask for ID proof

A sample policy:

- Returns
 - No return will be accepted unless a return merchandise authorization (“RMA”) number has been issued by the Company
 - Returns are subject to a ten percent (10%) restocking fee

Charges that apply to the customers if company is not at fault

The following are the situations where charges apply to customers:

- Product has exceeded the refund/replacement period
- Service warranty becomes void
- Customer has damaged the product
- Not within refund/replacement policy
- Products purchased from unauthorised vendors

In the above cases, charges vary depending upon the product and the type of service. Customers do not have any legal right to refund, repair or replacement from the store if they:

- Accidentally damaged the item
- Misused it and caused a fault
- Tried to repair it themselves or had someone else try to repair it, which damaged the item*
- If they knew it was faulty before they bought it
- If they decide they no longer want the item (for example it is the wrong size or colour, or does not suit them)

Some sample situations

When goods or services do not meet consumer guarantee

When a consumer has a problem with goods or a service, the type of 'remedy' they can ask you for depends on whether the problem is classed as either a minor or major failure.

For goods, if the problem is major, the consumer can:

- Reject the goods and get a refund or
- Reject the goods and get an identical replacement, or one of similar value if reasonably available or
- Keep the goods and claim compensation for the drop in value caused by the problem

For services, if the problem is minor, the consumer can:

- Cancel the service contract with the business and claim a refund or
- Keep the contract and claim compensation for the difference in the service delivered and what was paid for

For a major failure, the consumer gets to choose which option to take, not you.

For goods, if the problem is minor, you can:

- Provide a refund
- Replace the goods
- Fix the title to the goods, if this is the problem
- Repair the goods

For services, if the problem is minor, you can fix the problem:

- Free-of-charge or at a reasonable cost
- Within a reasonable time

What qualifies as a major failure?

A major problem with goods is when:

- You would not have bought the goods if you had known about the problem. For example, you would not buy a washing machine if you knew the motor was going to burn out after three months
- The goods are significantly different from the description, sample or demonstration model shown to you. For example, you order a red bicycle from a catalogue, but the bicycle delivered is green
- The goods are substantially unfit for their normal purpose and cannot easily be made fit, within a reasonable time. For example, a ski jacket is not waterproof because it is made of the wrong material
- The goods are substantially unfit for a specified purpose that you had told the supplier and cannot easily be made fit within a reasonable time. For example, a car is not powerful enough to tow your boat because its engine is too small, despite you telling the dealer that you needed a car to tow a boat
- The goods are unsafe. For example, an electric blanket has faulty wiring

A minor problem with services is when:

- You would not have acquired the services if you had known the nature and extent of the problem. For example, you would not have a jacket dry-cleaned if you knew the dye would bleed
- The services are substantially unfit for their normal purpose and cannot easily be made fit, within a reasonable time. For example, a carpet-cleaning service changes the colour of your carpet in some places
- You told the business that you wanted a specific result but the services, and any resulting product, do not achieve that result. For example, you tell a pay TV company that you are signing up specifically to watch the football finals and they sign you up to a contract, but the finals are over before the company installs the service
- The supply of the services has created an unsafe situation. For example, an electrician incorrectly wires wall sockets in your new kitchen, which makes the electrical outlets unsafe

A minor problem with goods or services is anything that is not classed as major.

Processing returns of goods

- Greet the customer. Politely acknowledge and understand the reasons for return/replacement or refund. Explain the company policies of return/refund to the customer
- Ask for proof of purchase
 - Verify invoice copy/Delivery challan (if any)
 - Request for service agreements, warranty/guarantee (details if any)
 - Exchange products only with bill, that is the only proof of purchase with which the store can validate
 - Ask for ID proof
- Validate with return policy
 - Policy might accept the return or might not
 - Follow the return policy mentioned in previous slides
- Provide solution to the customer as per return policy
- Negotiate if required as per pricing and guidelines. Refer to your supervisor/store manager for any clarifications on return/refund steps
- Update records and the stock control systems as per company systems
- Thank the customer

Process to find the replacement goods

The following process is followed to find and replace goods when customers come for exchange:

- Check stock:
 - If available, replace
 - If not available, check with vendor for dates
 - Inform customer
- If product is deleted:
 - Request customer for equivalent product replacement
 - If customer is ok, replace
 - If not interested, issue credit note
- Issue credit note:
 - If product is not available
 - If customer is not interested in replacement

Impact of return policy deviation

Some return policy/process deviations:

- Accepting all returned goods without appropriate reasons. Customer has claimed that it has been damaged during delivery against being damaged by the customer itself
- Not updating stock control system with returned goods. Exchanged goods not entered into the system will show as stock available, whereas physically the stock has been given to the customer
- Mixing returned goods that are saleable with those to be returned to the manufacturer. This will lead to confusion and again the same damaged/expired goods might go to the customer. They have to be placed in a different location

Impact:

- Loss of customers: Number of customers lost = loss in sales
- Loss of time for customers: Customers' time is our money—if customers lose time we lose money
- Competition might take advantage: Today the competition is very stiff. Ensure that there is no room for mistakes
- Customer will shop at a different store due to various options available today
- Loss of reputation and negative word-of-mouth. If the customer is happy with the store, he/she may refer it to one or two people only; whereas a bad experience can be spread to the entire world through various internet media, like Twitter, YouTube, Facebook, etc.

Activity

1. **Objective of the activity:** To process the returned goods
2. **Learning outcome:** Learners will be able to apply the concepts that have been learnt in various procedures in an imaginary situation. This would enable them to think through the role of a cashier in these activities
3. **Nature of the activity:** Individual
4. **Procedure to conduct the activity:**
 - Learner to play the role of cashier
 - Read the given scenario:
 - Product X Rs.100, Product Y Rs. 500, Product Z Rs.1000. Discount on Product Z is 25%, Food coupon for Rs. 250, Gift Voucher Rs. 150, Product X, Y and Z are not food products. The customer is providing a payment of Rs.1000/- (Single Note)
 - Learners to check for fake notes

Debriefing Points:

- Analyse the report by cross-checking with the corresponding process
- Validate the report for correctness
- In case of any deviations, provide appropriate feedback/suggestions and ask learners to incorporate the changes

Summary

- Reasons customers might have for returning goods
- Need to process returned goods
- Policies and procedures for replacements and refunds, including proof of purchase
- Authority of the cashier to agree to replacements and refunds
- Charges that apply to the customers if company is not at fault
- Steps involved in processing returns of goods
- Process to find the replacement goods
- Impact of not following returns process by:
 - Accepting all returned goods without correct reasons
 - Not updating stock control system with returned goods
 - Mixing returned goods that are saleable with those to be returned to the manufacturer

Exercise

Answer the following questions by choosing the correct option:

1. Pricing problems may involve:

a) Difference in Shelf Edge Label price and billing price	b) Discounts not reflecting
c) Non-readable bar code in price label	d) All of the above.

2. Risks of offering credits may result in:

a) Reduced cash flow	b) Reduced profit margin
c) Large debts	d) All of the above

3. The reasons customers might have for returning goods are:

a) Not satisfied with the product	b) Faulty or defective product
c) Product is Damaged/expired or partly damaged/expired	d) All of the above

4. Key reasons for procesing returned goods are:

a) Retaining customers	b) Reputation of the Store
c) Profit	d) All of the above

5. Process of Returning goods involve:

a) Greeting the customer	b) Validate with return policy
c) Providing solution to the customer	d) All of the above

Answer the following:

1. Explain the importance of Identifying and Checking the price of products.
2. Discuss the ways to identify and check prices in the store.
3. Elaborate the duties and responsibilites of a cashier.
4. Discuss the guidelines for setting customer credit limits.
5. Discuss the needs to process return goods.





5. Employability Skills



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6. Annexure



Annexure III

List of QR Codes Used in PHB

Module No.	Unit No.	Topic Name	Page No in PHB	Link for QR Code (s)	QR code (s)
Chapter 1 - Introduction to Retail	Unit 1.1 - Introduction to Retail	1.1.1 Retail	19	www.youtube.com/watch?v=Gm-agMsfu0s&t=40s	 English phrases for salesperson
Chapter 2 - Providing Service at Point of sale	Unit 2.1 - Service Cash Point/POS	2.1.1 Cash points/POS	41	www.youtube.com/watch?v=Wivi_JZYKKg	 Job profile of retail cashier
				www.youtube.com/watch?v=ehcjne9-Lto	 POS machine use
				https://www.youtube.com/watch?v=2Ktk8WMRFpE	 what is POS system
				https://www.youtube.com/watch?v=pW9W2b2Z95o	 POS procedure for Age restricted products

Module No.	Unit No.	Topic Name	Page No in PHB	Link for QR Code (s)	QR code (s)
Chapter 3 - Processing Customer Orders and Exchanges	Unit 3.1 - Processing Customer Orders for Goods	3.1.1 Customer orders	60	https://www.youtube.com/watch?v=6jnNqC7CLsA	 Buying process
				www.youtube.com/watch?v=sRbEBkHPIAI	 Price look up store
Chapter 4 - Processing Customer Payments and Goods Return	Unit 4.1 - Processing Payments	4.1.1 Identifying and checking the price of products	82	www.youtube.com/watch?v=ydoKsUU3j9s	 Retail price override
				https://www.youtube.com/watch?v=LD7yMqcbEOs	 Payment Processing: Industry Overview
				https://www.youtube.com/watch?v=mZziCuQxakE	 Handling objection



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