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GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT
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RASCI
Retailers Association's
Skill Council of India

Participant Handbook

Sector
Retail

Sub-Sector
Retail Operations

Occupation
Store Operations

Reference ID: **RAS/Q0105, Version 3.0**
NSQF level 4.5

Retail
Team Leader

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

Shri Narendra Modi
Prime Minister of India

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SKILLING CONTENT: PARTICIPANT HANDBOOK

Complying to National Occupational Standards of
Job Role/ Qualification Pack: **'Retail Team Leader'** QP No. **'RAS/Q0105, NSQF Level 4.5'**

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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 Team Leader is responsible planning and organizing merchandise with a sharp focus on product offtake and sales while leading a team. The individual is also responsible for allocating and monitoring work in a team and helping them to achieve the desired goals. The individual should be physically fit to withstand working in a retail environment whilst being customer responsive to internal and external customers. Among others, the individual must have excellent product knowledge and decent communication skills. The trainee will enhance his/her knowledge under the trainer's guidance in the following skills:

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

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

Symbols Used

Key Learning Outcomes | Unit Objectives | Exercise | Tips | Notes | Activity | Summary

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1. Introduction to Retail

Additional Reading

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 and emerging modern forms of retailing in India
4. Identify the features of retail formats
5. List the departments and functions in a modern retail operation
6. Identify the components involved in retail supply chain
7. State the roles and responsibilities of a retail team leader
8. List the essential qualities of a good retail team leader

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. Discuss the reasons for the growth of retail in India
4. Differentiate between the traditional and modern retail sector
5. Describe the emerging modern forms of retailing in India

1.1.1 Retail

Retail: Originates from the French word 'Retaillier,' 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 customers or end consumers. Retailer: A retailer is a person or an outlet through which products or services are sold to customers or end consumers.

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:

1. Products and Services
2. Retail Stores and Store Staff
3. Customers or Consumers

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

1.1.2 Growth of the Retail Sector

Barter system: The 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 using money).

Traditional: Selling goods and services in smaller stores.

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

Reasons for the growth of retail in India:

- 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 customers' needs).
- 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.

1.1.3 Traditional Forms of Retailing in India

- Kirana/mom-and-pop stores: Small shops selling to consumers in the immediate neighbourhood. They have a 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.
- Wholesale markets/mandis: Permanent but small stalls. They undertake wholesale and retail activity, essentially food and grain centres, mainly selling to small traders, have a 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 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 Modern Retail Scene in India

Malls, hypermarkets, and supermarkets are getting more important 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, jewellery, books, restaurant, cinemas

- For example, Alsa Mall (Delhi) and the Forum (Bangalore).
- High-quality shopping environment and shared services.
- Parking, walkways.
- A dream shopping destination.

Non-store retailing

There are other ways of selling that may not need a store.

- E-Retail: Marketing and selling directly to the 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.

UNIT 1.2: Retail Formats in Modern Retailing

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
3. List the departments and functions in a modern retailing operation
4. Outline the structure of and roles in a front-end store operation

1.2.1 Retail Format

The retail format is the overall appearance and feels 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/Hypermarket (2000 - 200,000+ sq ft)
Location	Standalone	Malls
Range	Speciality (narrow range)	Departmental (wide range)
Brands	Exclusive (one company/brand)	Multi-brands (different brands/ companies)
Product Type	Staples (everyday products)	Lifestyle/Luxury (special occasion/specific)
Price	Value/Discount	Premium

Table 1.2.1: 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.
- It consists of different sections within the store for related products.
- It is located within the planned shopping mall or on the 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.
- It may be located in shopping malls or on the 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, and apparel.
- Always on discount.
- For example, Mega Mart, Brand Factory, and 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 and Glow.

Convenience stores

- Relatively small stores (400-2,000 sq ft).
- Located near residential areas – proximity to the consumer.
- Stocks a limited range of high-turnover convenience products.
- Prices are slightly higher due to the convenience factor.
- Generally, it sells Fast Moving Consumer Goods (FMCG) and perishable products.
- For example, Reliance Fresh.
- This is traditionally the stronghold 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.
- They are 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.
- Merchandise is offered at premium prices.
- Operation cost is higher than other formats.
- The level of customer service is high.
- For example, Lifestyle, Central.

Hypermarkets

- Superstores may combine a supermarket and a department store (covers 150,000 sq ft to 2,50,000 sq ft).
- A very large retail facility has 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, and Reliance Mart.

Malls

- The largest form of organised retailing today (6,00,000 sq ft to 10,00,000 sq ft).
- They are located mainly in metro cities in proximity to urban outskirts.
- Lend an ideal shopping experience with a combination of products, services, and entertainment.
- Stores, restaurants, cinemas, and kids' play areas.
- Essentially provide a platform for many retailers/stores to tap into a common consumer base.
- Examples are Prestige Mall, Forum Mall, and Garuda Mall

1.2.2 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 Manager manages a store with the support of their 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, the cooperation and support of the following departments are 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, responsibilities, and importance while being dependent on one another.

- **Merchandising:** The roles and responsibilities of the merchandising department are:
  - Planning and deciding the products to buy and sell.
  - Sourcing products and supplies 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.
- **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.
- **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.

- **Projects:** The roles and responsibilities of the project department are:
  - Identifying store locations
  - Designing store layouts.
  - Setting up the store.
- **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.
- **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 programs for the present employees and conducting inductions for newly joined employees.
  - Processing payroll.
  - Managing the manpower of the company.

In a retail business, it is very important that all the departments mentioned above 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 of 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, the warehouse plays an important role in dispatching the required/ordered products to the store at the right time.

1.2.3 Structure and Roles in a Store

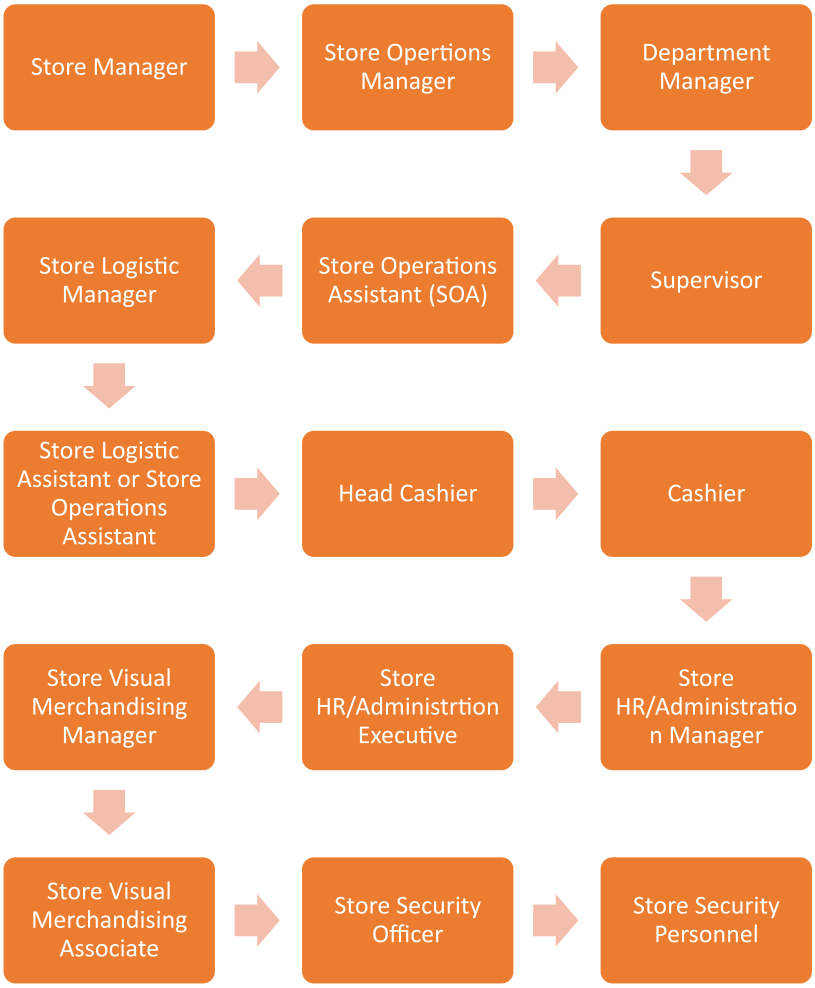

Fig. 1.2.1: Organisational Structure in a Retail Store

- **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 the section, attending to customers' needs, selling, etc. The SOA reports to the supervisor.
- **The Store Logistic Manager** takes care of receiving products from the 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 arrangements and 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 and maintaining required and adequate stocks at the store.

- **The Head Cashier** takes care of the store's commercial activities, 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, payroll 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 store's day-to-day HR/administrative functions, 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, 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

UNIT 1.3: 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. Explain the factors that influence supply chain management

1.3.1 Meaning and Importance

Supply—The quantity of something (products and services) that are 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 backbone of the retail industry.
- **Retailers:** The caretakers of the shopping environment. The retailer receives the products, stores them and displays them 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. 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

The 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 product variant 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, apparel, etc.), products, and variants.
- Cross-functional coordination: The components of a supply chain are interdependent or mutually supportive-to be successful, a supply chain requires a lot of support and coordination from different departments. There should be very close coordination 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

Fig. 1.3.1: Supply Chain Management

1.3.2 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:

- **Transportation:** Transportation of goods is a physical activity. It is one of the links in the supply chain that executes the whole supply process. Transportation means packing products, loading them, and sending them off on their journey to the customer. The enormous development in 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.
- **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 to meet the customer's requirements.
  - Logistics planning involves the operations related to the coordination 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). With large networks like S.A.P (Systems Applications Products) and E.R.P (Enterprise Resource Planning), it has now become possible to effectively plan and coordinate the activities involved in the retail supply chain.

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, cell phone, fax machines, and the internet/email have changed a tremendous supply chain's functioning. They have helped the supply chain function smoothly and effectively by making it possible to quickly and accurately 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, help them find the right product, and get value for their money. After all, the 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

UNIT 1.4: Roles and Responsibilities of a Retail Team Leader

Unit Objectives

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

1. Discuss the roles and responsibilities of a Retail Team Leader
2. List the qualities of a good/effective team leader

1.4.1 Roles and Responsibilities of Retail Team leader

The daily operations of a retail business must be overseen by a retail team leader to ensure customer satisfaction, sales goals, and team performance.

The following duties normally fall within the purview of a retail team leader:

1. Sales and Customer Service: Meeting sales goals, making sure customers are happy, and offering top-notch customer service. addressing client grievances and settling disputes.
2. Team management involves supervising, inspiring, and training sales representatives as well as encouraging cooperation and teamwork among team members. Monitoring performance, giving coaching and feedback, and taking care of performance problems when they arise.
3. Store Operations include overseeing inventory management, keeping track of inventory levels, putting in place and enforcing store regulations and procedures, and keeping costs under control.
4. Store Appearance and Visual Display: Maintaining store appearance and visual displays to fulfil company requirements and draw customers.

1.4.2 Qualities of Good/Effective Retail Team Leader

Clear communication skills	Emotional intelligence	Good organizational skills	Ability to delegate tasks effectively
Flexibility and adaptability	Strong problem-solving skills	Decision-making abilities	Trustworthiness and integrity
	Good time management skills	Encouraging and motivating attitude	

Fig. 1.4.1: Qualities of Good/Effective Retail Team Leader

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 sectors.
- Features of important retail formats
- Meaning of supply and retail supply chain.
- Elements and features of a typical supply chain.
- Factors that influence supply chain management.
- Roles and responsibilities of retail team leader
- Qualities of a good retail team leader

Exercise

Answer the following questions by choosing the correct option:

1. Originates from the French word '_____________' which means 'to cut, divide into, pieces and sell in small quantities to customers

   (a) Retailer | (b) Retaillier

   (c) Retaliator | (d) None of the above

2. _____________ 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)

   (a) Barter | (b) One-way

   (c) Traditional | (d) Modern

3. What is the full form of MBO?

   (a) Multi Basic Outlet | (b) Multi-Based Outlet

   (c) Multi Brand Outlet | (d) Multi-Brand Outcome

4. A _____________ manages a store with the support of his/her team members

   (a) Store HR Personnel | (b) Store Manager

   (c) Assistant Manager | (d) Store operations assistant

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

   (a) Services | (b) Time

   (c) Quantity | (d) Quality

Answer the following questions

1. Illustrate the organizational structure of a retail store.
2. Explain different types of retail formats.
3. Outline the modern retail scene in India.
4. What are the traditional forms of retailing?
5. Explain the barter system.

Notes

Scan the QR codes or click on the link to watch the related videos

www.youtube.com/watch?v=Gm-agMsfu0s&t=11s

English phrases for retail sales person

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2. Organize the display of products at the store

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Unit 2.1 - Preparing and Arranging Product Display

Unit 2.2 - Maintain the Product Displays

RAS/N0146

Key Learning Outcomes

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

1. List the role of different elements that help in creating an attractive product display.
2. Explain the methods of selecting appropriate products to suit the display types.
3. Explain the importance of labelling and its relation to legal and operational standards.
4. Explain the importance of maintaining the standards of the product display throughout on the shelf.

UNIT 2.1: Preparing and Arranging Product Display

Unit Objectives

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

1. Outline the principles of good product displays.
2. List the roles of team leader in preparing and arranging the products for display.
3. Explain the importance of product knowledge in creating good product displays.
4. Explain the importance of reviewing the display area before assembling materials for the display.
5. List the steps to review the display area before assembling materials for the display.
6. List the methods used to source information on products and types of display.
7. Explain the practices and principles of product presentation.
8. List the statutory and legal guidelines for labelling the products on shelf.
9. List the consequences of not adhering to guidelines on Shelf Edge Labelling (SEL)
10. Explain the methods to estimate the quantities and types of products required to suit a display type.
11. List the health, safety, and hygiene measures that need to be followed while preparing for product display.

2.1.1 Principles of Good Product Displays

Good display of the products provides the space for retail in a manner that tends to increase the Retail sales—having the policies in the products in retail trends to assist them in originating an uncommon recognition for their trade. The retailers are capable of setting themselves apart from their competition by creating the attractive retail space, impulsive, approachable as well as friendly. The reasons for displaying a product/ product in a particular manner is to ensure -

- The product assortment and presentation has been determined by customer buying patterns.
- The positioning of product optimises the space.
- Reduces stock and replenishment costs.
- Product supplier has paid for a particular product formation.

2.1.2 Role of a Retail Team Leader in Preparing and Arranging Products for Display

The support of the retail team leader is critical while preparing the display. While assisting in arranging the display, they get an opportunity to work and learn specific nuances of their job.

The role of the retail team leader can help a lot in the preparation of the products for display:

- Interpret the display plan and or design brief such as a Planogram.
- Prepare for implementation of the display as per the Planogram by aggregating all required resources, equipment, fixtures and required merchandise.
- Ensure safety precautions are taken for both staff and the customers.
- Ensure adjustment of the fixtures as per the display plan provided in the Planogram/ display plan.

- Check for new range of products / deleted lines of products.
- Arrange to move the required products from the back store to display area.
- Get the products positioned on the fixture as per the specifications in the Planogram.
- Carry out labelling on the shelves and or fixtures as per the display plan/ planogram and pricing.
- Review the product and the price.
- Obtain the store manager/ department manager signoff after completion of the display.
- Continuously monitor the planogram for conformance during the business hours

Planogram is a diagramatic representation of the placement or position and quantity of the products. Usually it is in a story telling mode, where the entire store is laid out digramatically and then it culminates in category and sub category. The types of fixtures to be used will also be highlighted in a planogram.

Terminologies

1. **SKU—**Stock Keeping Unit. Individual article with a unique identity.
2. **Stockout—**A situation when stock is not available in the store, that is the stock level is zero both physically and in system.
3. **Service level stock—**Stock that is available for sale.
4. **Safety stock—**This can be below the desired stock level but not enough to trigger re- ordering; can also be referred to as a backup stock.
5. **Gaps—**Stocks not available on shelf, but available in the store.
6. **Lead time—**This is the period from the time the order is made till the time the goods are received at the store.
7. **Shelf life—**Timeline till the product can be sold (before expiry of the product).
8. **DMS—**Daily Mean Sale. The average sale for a specific period of time.
9. **Forward cover—**At the current DMS (average pieces being sold everyday) for how many days will the stock lasts. If the rate of sale is 3 pieces and we have 15 pieces, then forward cover is 5 days.
10. **Reorder level—**The stock level at which reordering is done.

2.1.3 Role of Product Knowledge in Creating Good Product Displays

The knowledge of the products stands to be a significant aspect for sales. Realizing that the features of their products authorize the individuals to provide their advantages persuasively as well as accurately. Consumers react to the deals by being enthusiastic staff who tend to be passionate regarding their items as well as be eager in order to share the advantages along with them.

The product knowledge can be obtained and developed from few resources such as:

- Training programmes
- Their personal experience utilizing the products.
- Item literature like catalogues as well as brochures
- Online forums
- Reviews from the consumers
- Internal record of sales
- The team members

- Visits to the producers
- Programs on sales training
- Information about the competitors

Being Honest Regarding the Shortcomings

If the service or product possesses certain shortcomings in some circumstances, be honest regarding them with the consumers. Provide precise and accurate knowledge of products to the customers in a manner that meets their needs.

Team leaders must have the ability to convert the product knowledge into the advantages and benefits that the product and provide the customers.

2.1.4 The Importance and Steps of Reviewing Display Area Before Assembling Materials for the Display

Importance of Reviewing Display Area Before Assembling Materials for the Display

It is important to review the display of products in the stores to ensure it attracts lots of shoppers into your store, but if they don't convert into sales then all your effort is easily wasted. A well-executed retail display can help maximise conversions so that browsers become customers.

Few elements that a team leader needs to keep in mind while reviewing the display area before creating a display is to ensure the outcome of the displays are in line with the standard operating procedures leading to

- Enhanced product presentation
- Increases customer engagement.
- Inspires customers enough and increase basket value and or size.
- Signages and other Point of Purchase (POP) materials create purchase impulse.
- Improves brand loyalty.

The Steps of Reviewing Display Area Before Assembling Materials for the Display

The Key elements and steps to review and check before setting up the displays are –

- Cleanliness of the display area and associated area
- Availability of planogram
- Availability of fixtures as per the planogram
- Availability of products as per the display specifications in the planogram
- Availability of Point of Purchase (POP) materials such as coupons, posters, shelf talkers etc
- Resource availability to set up product displays.
- Check if there is any change in the range of products.
- Availability of pricelist for the products on the POS (Point of Sale) system
- Availability of printed Shelf Edge labels (SEL).
- Whether the price on SEL and the POS tallies
- Details of promotions and offers.
- Whether the team of the department is trained to handle the queries on the products on display along with customer interactions

The images below show some samples of a planogram with numbers and type highlighted.

Fig. 2.1.1: Sample Planogram

Addition of new product lines:

Before setting up the new display, it is very important to check if there is any addition of new lines that is addition of new product lines. Head Office (merchandisers / buyers) are responsible for adding new lines. This can occur for a number of reasons such as below -

- A new product launched from the supplier
- Seasonal items that are available only for a certain time of the year Eg: Ganesh idols during the Ganesh Chaturti season or tree decorations during Christmas
- As a result of a customer request / demand
- As a competitive response
- New lines are generally added as part of a scheduled range review process
- Buyers review certain categories at designated times throughout the year. Normally new lines and deletions occur as a result of these reviews
- However, new lines can also be added outside the range review schedule. This mainly occurs due to a major launch of a new product from a supplier
- Supervisors and Store Managers are responsible for implementing new lines
- Stores may get customer requests for specific products they are currently not carrying leading to range change of change in product lines.

2.1.5 Methods to Source Information on Products and Type of Display

The team leader will source the information related to the product displays through official communications received and or standard instructions received through the below resources -

- Planogram for the type of display and fixtures
- Product lines and range change list
- Design brief received either from the VM/ Store manager.
- Guidelines on Promotional display to be set up.
- Guidelines on handling and placing different categories of products such as dry goods, wet goods, perishables etc.
- Standard operating Procedures (SOPs) for setting up displays in manner that will not hamper the customer movements in the store.
- Product replenishment and priority fill guidelines
- Standard operating Procedures (SOPs) for cleaning and maintaining the displays throughout

Most of the above will be contained in the diagrammatic representation of the prescribed display which is called as Planogram.

2.1.6 Practices and Principles of Product Presentation

What is Product Presentation?

The whole store is a display, as each fixture, fitting and merchandise is telling the customer information about the store. There are places and points in the store where a display will either bring the store alive, create interest and/or a desire to buy. Monitoring the appearance and suitability of the store's image can be achieved through the right product presentation.

Display principles allow merchandise to stay:

- Neat and Tidy
- Safe for both customers and staff
- Stock is accessible and appears well stocked.
- Enticing for customers

What are some of the reasons why Product Presentation is used?

- Encourage customers to purchase.
- Makes it easier for our customers to shop.
- A form of advertising.
- Provide information.
- Highlight an area or product.
- Reinforce the store's image.

Product Presentation Principles

The two key product presentation principles are –

- Horizontal vs Vertical Selling
- Sizing

These Product Presentation Principles are determined by professional Merchandisers, Planograms will advise and guide the stores on when and how these principles are implemented. These principles cannot be changed without instruction or appropriate authorisation from the store authorities.

Product Presentation Practices

- Facing
- Levelling Down and Bring to Front
- Hang Sell
- SEL Positioning
- Promotional Displays

Horizontal Vs Vertical Selling

Horizontal - Stocking a line of similar products so they form a horizontal pattern across a single shelf.

Vertical - The merchandising practice of displaying a brand of products directly above and below each other.

Where possible (space permits) categories are vertically blocked to make it easy for our customers to shop

Fig. 2.1.2: Horizontal Display

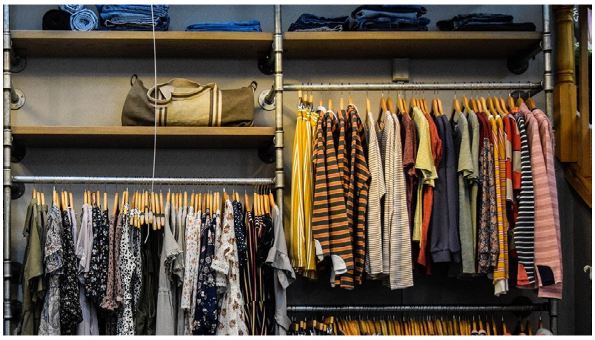


Fig. 2.2.3: Vertical Display

What is Sizing?

Sizing – within a group of similar products it is best to position smaller items on the top of fixture and larger items on the bottom of the shelf. It is aesthetically more appealing. It is difficult and dangerous to lift large heavy products from the top shelf for both customers and staff.

Fig. 2.2.3: Product Sizing

Facing -

Facing refers to the number of times a product is positioned side by side across a display area. If the product is a best seller, and customer demand is high or constant, you would have more facings of that product in relation to a low selling product.

Example: If 6 packets of Nescafe sit side by side on a shelf, it means that this product has 6 facings.

Fig. 2.2.4: Facings

The number of facings a product is advised by the authorities of the category/ merchandise team. The number of facings is determined by several factors including:

- Product sales / profitability.
- The delivery schedule.
- The capacity of the display area

Levelling Down and Bring to Front –

This is done after maximum units of product have got sold out from the display. Levelling down and bringing to front is normally done during the non-rush hours. At the same time, nominated associates will remove any empty cartons or displays trays from the fixtures. This ensures that it is easily accessible for the customer and is a better way of stock management.

Fig. 2.2.5: Levelling Down and Bring to Front

Hang Sell –

Hang Sell allows to display products that can't be effectively merchandised by stacking them on a shelf. For Example: Razor Blades. Only products suitably packaged can be sold via hang sell and will generally have appropriate holes in packaging to hang them on the fixtures that have hooks.

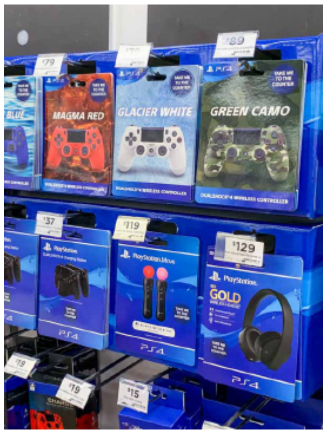


Fig. 2.2.6: Hang sell

2.1.7 labelling the products on shelf

What is Shelf Edge Label (SEL) Positioning:

A shelf edge label contains valuable information for both customers and staff (price, product description, size of the product). SEL Positioning – gives the store teams a guide of where a product is located and how much space (facing) a product has. It is essential that SEL's are positioned and maintained as per the Planogram.

Fig. 2.2.7: Shelf Edge Label (SEL)

Rules to Positioning the Shelf Edge Label

- The SEL rules should be strictly adhered to; there is no compromise on the following rules:
- The SEL should be placed only in the data strip and should neither be stuck on the shelves nor handwritten.
- The SELs are to be placed at the right bottom of the first piece of an SKU. This means it should be right under the first piece on the extreme right or customers' left. This is the universal practice.
- When placing the SEL, care should be taken that there is space for placing other SELs and that there is no duplication of SELs.
- The shelf talkers will be placed to the left of SEL. A shelf talker is a printed card, or any other sign attached to a shelf to invite customers' attention to a particular product displayed on that shelf.

Changing SEL For New Displays

- Ensure that all products on the existing display have an SEL.
- Re-position all existing SEL without compromising on the basic rules.
- New SELs are to be placed when there is a change in price, description, or volumes/units.
- POG or planogram should be followed at any given point in time.
- When a new product is introduced, the POG team will give a new planogram, and the place of the existing SEL will need to be changed.
- Care should be taken, as already mentioned in the details of an SEL.
- Check for offers, discounts, and the new price before placing the SEL.
- Reconfirm if the details are appearing on the SEL match that is given in the POS and the product.
- Checking the correctness of the SEL throughout the store is the job of one of the Retail Team Leaders.
- Where there is a discrepancy, correct SEL would be required to be placed.
- Do not waste stationery. First, confirm if the discrepancy has been corrected and only then print the new one.
- Whenever there is a display change, print new SELs, and shelf talkers so that it is appealing to the customers.
- When there is a change in the description, price, or volume of a product, change the SEL.
- When an SEL is soiled, torn, or faded, change it. They reflect the efficiency of the operations team in the store.
- Follow SEL printing rules.

Print SEL only when required. Exceptions are given hereunder.

Printing rules:

- When there is a free product attached to the parent article.
- When an offer price is given on an existing product.
- Any offer relating to the price or other needs to be printed.
- Discounts will have to be highlighted in SEL. Hence a new one will be published.
- Specific organizations have different sizes of SEL for food and non-food. In order to maintain uniformity across the stores, the dimensions of the label are to be taken care of.
- Checking of prices can be done through HHT (Handheld Terminals).

Fig. 2.2.8: HHT machine

- If any discrepancy is found, a new SEL would be required to be printed.

What is a Shelf Talker?

A Shelf Talker is a temporary marketing tool that is used at the point of purchase (fixtures) and draws attention to a

particular product. It is normally made of paper and highlights specific occasions eg Special Price, New product, Promotional Offers etc. Shelf Talkers are positioned on the shelf adjacent to the SEL and on off location displays.

Fig.. 2.2.9: Shelf Talker

What is a Promotional Display?

Promotional Displays are generally the equipment or areas where the merchandise is displayed during promotions. They can include: Ends – Mass displays at the end of an aisle which is a prime selling location for high volume, high margin or impulse items. Few of the promotional displays can be.

- Floor Stacks – Display of a single item with several cartons stacked on top of each other with the top 1 or 2 opened.
- Bin Displays – Display bin, normally provided by a supplier to feature a product.
- Bulk / Pallet Displays – Mass display of merchandise that represents great value and is displayed from a bulk area or pallet.
- Floor Stands – Display unit, normally provided by a supplier to feature a specific product or range of products.

Fig. 2.2.10: Promotional Display

2.1.8 Guidelines for Shelf Edge Labelling (SEL)

There are many legal requirements to be complied with. The basic needs are highlighted here:

All products and labels will carry:

- MRP (Maximum Retail Price)
- Selling price
- Unit of Measure (UOM)
- At no given point in time, the selling price should be greater than the MRP.
- If there is a price change, the old price should be seen.
- If the price has increased, the new label can be placed on top of the old price.
- If there is a decrease in the price, it should also be seen by the customer.
- A handwritten price tag is not permitted.
- When there is a display outside the store, then a nominal advertisement fee is required to be paid if the local rules demand it.
- The signage, if illuminated from within, a show window display facing the road, attracts taxes in some parts of the country.
- All UOM should be clear, and no tampering is allowed.
- Contravening the above rules will result in a non-bailable warrant.
- Certain states in India do not allow luck dip as part of promotions. Ensure that no local rules are broken.

2.1.9 Consequences of Not Adhering Guidelines on Labelling

The following stand to be the basic causes regarding the reasons being in the company that should not take any sort of statutory compliance in a light manner in order to display its products on the shelf:

- Needed by law: Every company which is registered in the retail sector is mandatory for the obligations created by the law in order to follow the statutory policies as well as tending to comply with them.
- Non Required Statutory Audits: The non-compliance additionally tends to invite the non-required audits as well as inspections, causing the waste of time as well as money.
- Financial penalties: Failing in order to adhere to the statutory compliance would tend to lead to the imposing of huge fines as well as losses which stands to be the indirect ways for the companies.
- Imprisonment: Intensive instances of non-compliance might outcome in the company's imprisonment of the Board members, Directors or the CEOs.
- Market reputation as well as the brand value: The fines' payments, as well as imprisonment, are capable of destroying an organization's brand name in the thriving market.
- Forced shutdown of the organization: In the instances that tend to showcase the non-compliance being perilous in form, authorities stand to be capable of even ordering the corporations to cease their operations.

2.1.10 The Methods to Estimate the Quantities and Types of Products Required to Suit a Display Type

The store teams must follow a pre-defined process to estimate the quantities and the types of products that need to be displayed for sale in the store. Therefore, the Standard Operating Procedures and the best practices of the retail organisations always recommend following instructions received from the head office to estimate, identify quantity and types of products required to suit the display type. Planogram a diagrammatic representation of the display received from Head Office will provide this information to the store team.

- A planogram is a diagram.
- It shows how products should be placed.
- It shows where products should be placed.
- It provides the layout of fixtures.
- It is created at Head Office and distributed to all stores.
- By professional merchandisers
- Communicated periodically/ monthly.

The Importance of Implementing a Planogram:

When a Planogram is implemented, the customer is able to:

- Locate products which are similar – all Namkeen products are found together
- Locate particular brands – all Amul cheese spreads are found together
- Ease of Shopping

Imagine being a postman and trying to find a home to deliver a letter with no street address, no suburb, no city and no map. Do you think it would get to the correct home? The answer is NO. It would be impossible to locate, and the postman would not be able to find the correct home.

Imagine trying to sell 10,000 products in a store if we didn't have some way of positioning them and then locating them. It would be very chaotic as we wouldn't be able to find products easily and they could end up anywhere in the store, maybe even get lost and would probably end up with the wrong amount of space. Therefore, the way we overcome this is to give every product we sell a home in our stores, with an address and a map of how to locate it, this is called a PLANOGRAM.

Why would a store receive a planogram?

- A scheduled range review which ensures the business is optimising sales and profitability, such as:
- Seasonal range adjustments (to increase or decrease a range for a specific season)
- Capitalise on a growth category.
- New and emerging market segments and sub-categories
- A result of a supplier product launch
- A promotional product displays.

Who receives the planogram in the store?

- Team Leaders, Department Managers and Store Managers receive planogram and plan implementations as per Head Office guidelines – Time and Date
- Team Leaders and Managers will determine when the planogram implementation takes place
- As a general rule major planogram are implemented outside of trading hours
- A minor planogram is implemented during slow trading hours at higher speed with more resources
- Instructions and guideline will come from Head Office with each planogram
- An example of a guideline: This planogram must be implemented within 6 days of issue, outside of trading hours
- Importance of Reading a Planogram
- The planogram will help you develop the layout of a fixture and or a promotional display.
- You will be asked to implement the layout described in a planogram.
- Communicates new range of products.
- Communicates deleted line of products.
- Ensures products are in the right position with the appropriate amount of space based on their sales

Key Components of The Planogram

In order to implement the layout you must first be able to read and understand the planogram components You are going to go through the key components of a Planogram

The key components of a Planogram are:

1. **Fixture Information:**
    - Height, width, location of hooks and shelves,
    - Informs about the fixture equipment required,
    - Informs whether the fixture requires adjusting.
2. **Merchandising Guidelines:**
    - Merchandise layout guidelines
    - Provides instructions on product presentation.

3. **Planogram Illustrations Line Layout**
   - Provides an easy way to communicate how the Planogram should look when implemented.
4. **Product Information:**
   - Product dimensions, descriptions (existing and new),
   - Stock Keeping Unit (SKU) & facings.
   - Helps identify what products should be stocked on fixtures.

Example of Presenting product principles:

- Facing
- Shelf Edge Labelling (SEL) Positioning
- Hang Sell

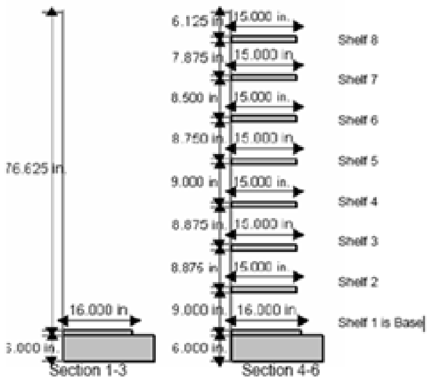
There will also be instructions such as, top of product can't exceed gondola height, height of merchandise cannot exceed 6 feet 3 inches as it exceeds the average height and very difficult for the customer to see and pick.

Implementation of the Planogram

Steps to Implement the Planogram

Step 1: Read the Planogram

This is an example of a Planogram Photograph of planogram not matching with the product description – Cold drink bottles described as Electrical Items



Shelf 1 (Base Shelf) Height= 6.000 in.

UPC	SKU	Product Description	Size	Height	Width	Depth	Facings High	Facings Wide	Master / Inner Case Pack
073312600490	36049583	ELECT SUPER MEGA SIZE 3	80 CT	16.000	13.750	4.500	1	1	4
073312600491	36049591	ELECT SUPER MEGA SIZE 4	68 CT	17.000	13.625	4.500	2	1	4
073312600492	36049609	ELECT SUPER MEGA SIZE 5	60 CT	16.750	12.000	4.250	1	1	4
003600052955	39057245	HUGGIES SUPER MEGA PK. STEP 5	60 CT	18.500	11.000	4.125	3	1	2
003600052956	53065090	HUGGIES SUPER MP STEP 6	52 CT	10.125	11.750	8.375	3	1	2
003600052753	68067792	HUGGIES JP SUPREME STEP 3	36 CT	8.500	15.500	4.000	2	1	4
003600052754	68067776	HUGGIES JP SUPREME STEP 4	31 CT	9.000	13.375	4.250	2	1	4
003600052755	68067784	HUGGIES JP SUPREME STEP 5	27 CT	9.375	12.500	4.375	2	1	4

Shelf 2 Height= 28.000 in.

Step 2: Prepare for implementation of a Planogram.

The activities involved in preparing for implementing the Planogram

- Compare Planogram to fixture.
- Fixture meets specifications.
- Move obstacles.
- Check for presence of new product line.
- Set aside new product line.
- Obtain and bring to the fixture all necessary supplies.
- Be aware of any deleted lines.
- Remove all obstacles around fixture.

It is important to clear the area around the fixture: Removing equipment that can block their work or customers. Ensure removal of obstructions

Identify if new product line is required, note that which component of the planogram indicates if a new product line will be introduced. If Planogram specifies a new product line, go to backroom find new product line and arrange to move it to the display venue.

If Planogram does not specify a new product line, move on to next step, go to back room and locate all necessary supplies & equipment and arrange to bring to fixture

Ensure the following are made available –

- Cleaning equipment
- Shelf Edge Labels
- Empty trolley for excess stock
- Fixture equipment
- Stock (new range)

Once the required supplies and equipment are collected the implementation team is now ready for the next step. Always ensure going to and from the backroom by collecting all your requirements on one trip.

Step 3: ADJUSTING A FIXTURE

If fixtures are not adjusted, products may not fit properly, the display will not look good and hence customers may not be able to see or obtain the products.

- **Example 1:** Increasing the number shelves in order to increase the number of facings
- **Example 2:** Adjusting the height of the shelf because the new line product height is greater than the height of the shelf

Preparing to adjust the fixtures:

- should not attempt to adjust the fixture with stock on it
- Stock should be placed in trolley/ cage that was brought from back room
- Once the fixture has been emptied, they should adjust the fixture
- The Planogram will provide information on what the fixture specifications should be
- Example - Changes in fixture height, number of shelves, position of hooks and pegs
- Clean the fixture (using supplies obtained from back room)

Move to the next step on after checking and confirming whether the fixture meets planogram specifications.

- Layout product as per planogram
- Layout the products that were removed from the fixture.
- Remember not to reposition deleted lines onto the fixture which no longer appear on the planogram

Step 5: Labelling

- Reposition all existing shelf edge labels (SEL)
- Place new shelf edge labels to match new products.
- Add a shelf talker to new product line or range.

STEP 6: Price and range review

- Inform the Price co-ordinator that the fixture is complete and ready for the price and range integrity check.
- The Price co-ordinator will determine if there is a discrepancy between shelf edge label and what is in the system.
- The POS co-ordinator will provide you with the newly printed shelf edge label if required.
- You will then place the new shelf edge label on fixture as per the SEL principles.

STEP 7: Planogram Signoff

- Inform your supervisor that planogram implementation is complete.
- Supervisor will review planogram using a checklist.
- They may ask you to make any changes if required.
- Once changes are made and planogram meets specifications supervisors will sign off the planogram.
- Feedback as required will then be provided to you from your supervisor on your performance.

2.1.11 The Health, Safety, and Hygiene Measures That Need to Be Followed While Preparing for Product Display

- Have the display area cordoned off and restrict the customer traffic and other staff members traffic to avoid accidents during creation of displays.
- Ensure adherence to cleaning checklist while having the display area cleaned before and after setting up the display.
- Ensure appropriate Personal Protective Equipment are worn by the staff while setting up the display.
- Ensure proper disposition of the packaging waste as per the guidelines/ operating procedures.

UNIT 2.2: Maintain the Product Displays

Unit Objectives

At the end of this unit, you will be able to:

1. Explain the practices that need to be followed to maintain the displays.
2. List the most common problems that occur while arranging the display and the solutions to address them.
3. List the elements of display that need monitoring.
4. List the situations when the emergency cleaning procedures need to be followed.
5. State the reasons for change in product displays as part of the maintenance process.

2.2.1 Practices that need to be Followed to Maintain the Displays

Continuous Replenishment of Stocks:

Continuous replenishment is the ongoing replenishment of stock in to store. Shelves need to be filled because customers buy products off the shelves, once those products are sold, they need to be replaced so that other customers can buy the products. Shelf space is limited in stores; it would not take long on a busy day to sell out a certain product. This is why we replenish the shelves frequently.

- Usually, the filling of shelves is done before the store is open for the customers.
- Depending on the sales of the products, shelves may need to be filled during business hours also.
- Firstly, the back of the shelves needs to be filled.
- Products need to be checked for suitability before they are placed on the shelf.
- The shelves must not be overfilled.

Below are the steps to replenish the stocks on the shelf -

- Identify and choose the specified shelf for filling.
- Prepare for replenishment of shelves with the stocks.
- Filling the shelf
- Returning the excess stocks

Preparing for replenishment of shelf:

It's important to ensure replenishment is done on a clean shelf. This is done for multiple reasons such as, to maintain product quality, avoid dirt / product spillage etc. Quality standards are important to retain customers.

- Use secure and safe equipment to move the stocks.
- Remove the damaged products and move them to the back store and ensure it is recorded properly.
- Aside from a quick visual check at Goods In, quality checking is predominantly carried out at point of replenishment.

- Ensure FIFO/ FEFO (First in First Out/ First Expiry First out) means that the stock first entered the store or with the shorter life span must be sold first Ensure to check the dates of the existing products on the salesfloor, as well as the dates on the product packaging and ensure longer dates sit further back on the shelf.

How to fill shelfs

- Check stock in the crate is same as on the shelf.
- Fill stock to cover facing as per Visual Merchandising policy and store planogram.
- Remove Out of Stock shelf tickets.

Returning of excess stocks

- Place stock that won't fit on the shelf back into the cage / crate:
- Continue to work remaining cage / crate:
- Wheel stock back to the back store

It is possible that not all products will fit on a shelf at point of replenishment – particularly if shelf that still has stock on it. Shelves must not be over-stocked, this causes a number of issues: product damage, blocked air flows in refrigeration units causing them to breakdown, difficult for customers to shop from over-stocked shelves etc.

If stock genuinely does not fit on the salesfloor, they have to be returned to the back store. Before returning the stocks to the back store, one must ensure all of the stock must be put in the cage/ crate and returned.

Rotation of the products on display

Manufacturers print dates on their products so that consumers know when a product is no longer fresh to eat. Customers want to make sure that the products that they buy are fresh and safe to eat. All products that have a shelf life, and once that shelf life has expired, they cannot be consumed.

Dates are located in different places on different products: on the reverse side of the product, sometimes hidden under packaging folds, on lids, bottoms of jars etc.

Therefore, one must ensure the FIFO/ FEFO principle as instructed in the standard operating procedures of the organisation.

- To check expiry dates of products
- That older date products must be pulled to the front of a shelf.
- The order in which to sell products that have different dates and shelf life lengths
- Products with dates that expire must be first removed and sent back as per policy
- Selling out of date products can cause illness and is dangerous.
- Product quality deteriorates with time, so older products (still in life) must be sold first
- Out of date and unsuitable products must be removed from sales floor and back store.
- Products with dates that expire first must also leave the store first

Filling Gaps in the product display

Sale of products on the display creates gaps in the display and hence appears dissented to the eyes of the customer. Therefore, one must ensure that the gaps are filled on priority especially during the business hours and busy trading hours.

- Always carry out visual search for gaps on sales floor.

- use sales reports to probe for gaps, check real gaps.
- Obtain approvals from supervisor to fulfil the gap in the display.
- Move the relevant products from the back store.
- Fill the gaps by replacing them with the product.

Identifying out of stock situations and handling them

Customers feel frustrated when products are out of stock, an empty shelf to a customer means that the retailer has failed. Therefore, the team leader needs to reduce the number of out-of-stock situation. Therefore, anticipating potential instances where stock may run out will help the store to plan for gaps and manage customer expectations.

The out-of-stock situations must be highlighted to the managers and am appropriate solution needs to be obtained to fix the same or replace it with alternative stocks after due approvals on the newly proposed planogram.

2.2.2 The Most Common Problems That Occur While Arranging the Display

Below are the key problems that generally occur while creating, arranging and maintaining a product display at the store:

1. **Deleted Lines:** A range of products might suddenly be deleted through the decision of the head office and hence the team leaders need to be prepared to dismantle the displays and replace them within the stipulated time schedule with a new one.
2. **Short Supply:** The products received from the distribution centre, or the supplier might be short in supply and may not tally with the planogram specifications. An alternate solution might be arrived at in consultation with the store manager.
3. **Damaged Goods:** Damaged products received need to be returned and recorded as per process.
4. 4.Stock out situation: The products on the display may go out of stock and the procedures related to stock out situation need to be carried out immediately to ensure quality assurance standards and customer satisfaction.
5. **Shortage, excess or difference during stock counts:** This is a very common problem that occurs and hence the reasons for the shortage/ excess/ difference need to be identified and adjusted in the stock file.
6. **Spillage/ Leakage/ Breakage:** This is also a common situation that occurs very frequently either due to the mis handling of the products by the staff and or customers. The operating procedures/ polies of the respective organisation in handling such situation must be followed.
7. **Pilferage/ Theft:** One of the major reasons for losses in the business. The team leaders need to be vigilant for staff and customer pilferage and report any such situations immediately to the loss prevention team of the store without any delay.

The Parameters and Specifications of the Displays That Needs Monitoring

1. Error in Price and pricing mismatch between the POS and Shelf Edge Label
2. Stock outs
3. Need to fill the gaps.

4. Adherence to FEFO/ FIFO
5. Adherence to cold chain conformance with respect to storage and maintenance of chilled & frozen
6. Correctness of promotional display
7. Correctness of Point of Purchase (POP) materials on the display
8. Pilferage and Theft
9. Spillage and breakage of products
10. Waste disposal as per SOP (Standard Operating procedures)

2.2.3 The Situations When the Emergency Cleaning Procedures Need to be Followed

Below are the emergency situations when cleaning procedures need to be followed-

- When there is a breakage and or spillage on the display shelf or the sales floor
- During filling up the gaps on the shelf
- Levelling down or bringing to front.

Basic principles to be followed in cleaning: Spot cleaning is cleaning a spill or breakage in the store, there are few guiding principles to remember when spot cleaning, the team leaders must arrange to get the below done from the relevant team members

- Wet spills – When a spill is caused or noticed by a member of staff call attention to it immediately.
- Do not leave it unattended, block it off and enlist help as required.
- Set up a warning sign for wet or slippery floors.
- Mop up the spill.
- Pick up any product remains.
- Return all supplies and product to the backroom.
- If the spill contains hazardous material refer to Hazardous Material section in Customer and staff Health and Safety module
- Dry spills – Use a broom and dustpan to collect the material.
- Again, secure the area so that no one can hurt themselves.
- Do not leave the area unattended; ask for help if required.
- Return all equipment and waste to the backroom.

2.2.4 Reasons for Change in Product Displays

Below are the key reasons for changes in the display of the products -

1. Stock out situation
2. Deleted product lines.
3. Introduction of new range or product lines
4. Major maintenance schedules of the fixtures
5. Introduction of Promotional campaigns
6. Change in prices leading to change in shelf edge labels.
7. Change in planogram specifications based on the previous experience.
8. Customer feedbacks

Summary

In this module, the participant has covered the following:

- Role of different elements that help in creating an attractive product display.
- Methods of selecting appropriate products to suit the display types.
- Importance of labelling and its relation to legal and operational standards.
- Importance of maintaining the standards of the product display throughout on the shelf.

Exercise

Answer the following questions by choosing the correct option:

1. FEFO stands for:
   (a) First Empty First Out
   (b) First Expire First Out
   (c) First Export First Out
   (d) None of the above

2. What is shelf life?
   (a) Timeline till the product can be sold (before expiry of the product)
   (b) Duration for which an item is kept on shelves in a retail store
   (c) Duration for which an item is kept on shelves in a ware house
   (d) None of the above

3. SKU stands for:
   (a) Store Keeping Unit
   (b) Stock Keeping Utility
   (c) Stock Keeping Unit
   (d) None of the above

4. Within a group of similar products, it is best to position smaller items on the top of fixture and larger items on the bottom of the shelf. This practice is called______________________.
   (a) Assorting
   (b) Shorting
   (c) Sizing
   (d) Storing

5. What information does Shelf Edge Label (SEL) contains?
   (a) Price
   (b) Product description
   (c) Size of the product
   (d) All of the above

Answer the following questions

1. Describe the key components of a Planogram.
2. List the most common problems that occur while arranging the display.
3. What is a Shelf Talker?
4. Discuss the significance of rotation of the products on display.
5. Explain the rules to positioning the Shelf Edge Label (SEL).

Notes

Scan the QR codes or click on the link to watch the related videos

www.youtube.com/watch?v=W1hYBxMuTug&t=8s

Organising product display in store

www.youtube.com/watch?v=7Ls47gOpNOA

Rotation of stock

www.youtube.com/watch?v=Cy54yxLE2Ek

Interior Design Ideas For Retail Shop In India

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& ENTREPRENEURSHIP

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Skill Development
Corporation
Transforming the skill landscape

RASCI
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Skill Council of India

3. Plan visual merchandising

Unit 3.1 - Planning Visual Merchandising Displays

RAS/N0139

Key Learning Outcomes

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

1. Interpret design briefs for retail displays.
2. Outline the new and effective ways of improving the visual effect.
3. Identify how to procure merchandise and props to be featured in retail displays.

UNIT 3.1: Planning Visual Merchandising Displays

Unit Objectives

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

1. Explain the role of visual merchandising displays in marketing, promotional and sales campaigns and activities.
2. List the principles of visual merchandising.
3. Explain the importance of the elements within the design brief.
4. List the steps of using the design brief to identify what components are required to create a visual merchandising display.
5. Explain the best practices for evaluating the potential places to put the display to meet the brief design specifications.
6. Explain the different approaches to designing displays for different types of merchandise and why these are effective.
7. Explain the role of light, colour, texture, shape, and dimension to achieve an effective display.
8. Outline the process to procure merchandise for setting up visual merchandising display.

3.1.1 The Role of Visual Merchandising Display

Visual Merchandising display is also referred to as "Silent Salesman", for a reason that the representation of the product in an attractive manner itself speaks to the customer and impulses her/ him to buy.

A visual merchandising display -

- Sells by showing and promoting.
- Encourages the shopper to enter the store.
- Gets the customer to pause and 'shop' the selling floor.
- Establishes, promotes, and enhances the store's visual image.
- Entertains the customers and enhances their shopping experience.
- Introduces and explains new products.

Role of displays in marketing, promotional, sales campaign and activities

- Displays are the end-product of any marketing, promotional, sales campaign or any activity.
- They are the front face of a store.
- They are what the customer finally 'sees' in the store.
- They provide the look and feel of any product to be sold.
- They draw attention and increase footfalls in a store.
- Overall, they play a key role in enhancing the business of a store

The right product display is selected by considering the following factors:

- **Type of business:** Based on the nature of business, the display pattern and style is decided. Example: Food, Apparel, General merchandise, etc.

- **Type of store plan:** Based on the store layout/plan, the display pattern and style are decided. Example: Bigger store, smaller store, store in a mall, etc.
- **Customer profile and location:** Based on the customer analysis/profile and location, the display pattern and style are decided. Example: Profile: A = High Class, B = Middle class, C = Below middle class. Location: heart of the city, out skirts, residential area, etc.
- **As per company display policy (Planogram):** Each and every company will have their own display policies and based on that, the display pattern and style are decided.
- **Example:** In Shoppers' Stop, the arrangement of apparel (clothing) is different, when compared to Bangalore Central.
- **Using different Visual Merchandising tools:** The display pattern and style depend on the different Visual Merchandising tools used. Example: Generally, show cases are used to provide display of wrist watches, mobiles, jewellery items, banners, promotional talkers, etc. that convey the right message to customers.
- **Display v/s cost and space:** Based on the cost involvement, the display pattern and style are decided. Example: For high value products like jewellery, the materials used to display are usually of a high price.

The space allocation is also done, based on the movement of the products. Example: Generally, more space is allocated for fast moving products and less space is allocated for slow moving products. This is to use the available space economically and to gain more profits.

3.1.2 The Principles of Visual Merchandising

- Plan the Merchandise Presentation & Displays
- Select Colour & Texture First, Then Define Line
- Maintain Good Composition
- Evaluate Effectiveness of Presentations

3.1.3 The Importance of the Elements within the Design Brief

- Design brief povides the answer to the 5 Ws and a H for a display to be done:
  1. What is to be done.
  2. Where it is to be done.
  3. Why should it be done.
  4. When can it be done.
  5. Who should do it.
  6. How should it be done.
- The designing brief will also have details of an end picture for guidance.
- The size of the place where the display is done will vary from store to store; hence there will be suggested place inside the stores where it can be done.
- The reason for the display—the thought process behind it and what is expected of the display—will also be defined in the design brief.
- The ideal time to do it would also be mentioned.
- Who are the people who will be responsible for the execution and escalation matrix will be made available.

- Legal compliances to be adhered to and major don’ts will be highlighted in the design brief.

The above are critical for executing the work and hence going through the design brief is very important for people who are involved in the project before starting of work.

Contents of design brief

- The reason for putting up the display. This is important because till the person who is working is not able to relate the event and the display, the outcome will not be as expected. When putting up a Christmas display it should be mentioned that gift articles should be sold, new range of apparels and accessories. The expected result of the display, for example sales is expected to grow by 20%.
- Duration of the display to be maintained with specifics (from and to date).
- Where the display is to be maintained—the precise location inside or outside the store.
- The required props which are available and what would be required more.
- The cost that can be spent on the display.
- The dimensions of the props, platforms will be mentioned as per the type of stores and area.
- Details of content for the signage.
- Size of the signage.
- Steps invovled in putting up the display.
- People who can be contacted for guidance and to clear doubts.
- Lighting for high end retailing.

3.1.4 Interpreting Design Briefs

Interpretation of a design brief is the way one has understood the contents:

Content	Details
The reason for putting up the display	Occasion—festivity or sale? If it is for Christmas, the interpretation can be that it is the day of joy and celebration, stars everywhere, winter—snow capped trees, etc.
The expected result of the display	Impact of the display on customer and business
Duration of the display to be maintained with specif	From and to date
Where the display is to be maintained	Location
The required props which are available and what would be required	Material available and what should be bought
The cost that can be spent on the display	Investment that would be required
The dimensions of the props, platforms will be mentioned for the type of stores and their area	Size of the display
Details of content for the signage	Dimensions of the signage and how to fix it
Steps invovled in putting up the display	Step by step detailing of constructing the display

People who can be contacted for guidance and to clear doubts	Trained people who can execute the work.
Level of lighting for high end retailing	How should the lighting be organised or if extra lighting is required

The merchandiser and the buyer may have to be consulted to obtain feedbacks on the preperation, creation and evaluation of the Visual Merchandising display that needs to be or is set up.

Consultation is also obtained on , Elements of merchandise and props may be classified as under:

- **Product:** What type of product and what is the impact it is going to make on theoverall business?
- **Position:** Who is the target customer? Do we have them coming to the store? What percentage of our customers are they? Will the display make the stopper a shopper?
- **Prop:** How well it gels with the parent product? What is it that the prop communicates? Does it communicate the message that we want through the design plan?
- **Promotion:** Do we have promotions for the product(s) which are on display? How much sales s it going to bring in?
- **Results:** Are the expected results achieved? What were the strong points and what were the shortcomings?

3.1.5 Evaluating the Potential Places to Put the Display to Meet the Brief Design Specifications

- Study the customer flow. A detailed study of the customer movement has to be done to decide the potential places for displays. For example, during Diwali, identify which sections will have the highest movement of customers. Customer traffic increases in all the sections, however it is higher in apparel, grocery, gifting and consumer durables. One can think of setting up cross promotional displays in these sections.
- Count the number of customers taking a right turn and a left turn at T junction within the store. Wherever the customer traffic is higher, one can think of setting up the displays.
- Check the number of customers who spend time on displays. Eavesdrop on the comments made by the customers and suggest modifications or change of place to the superiors.
- Based on these, in order of preference in each of the department decide the places for display.

Some potential locations

The gap between two gondolas in which the customer walks is called as aisle. The aisle which is right in front of the entrance door and those aisles which runs around the gondolas are called as 'power aisles'. The other aisles which run between are called as secondary aisles.

- Displays should be at those points where the customer will turn and continue to shop
- Bulk display at the entrance.
- The place at the end of the power aisle is a potential place.
- The wall spaces close to 'wells' on the floor. (Display sections in middle of the floor, for example watch counter; mobile counter).
- Wide area in front of the POS where 'display islands' can be created.
- Impulse counters at the POS

- Given hereunder are the potential locations for display Windows.
- It can be the show window facing outside or it can be windows inside the store.
- Just at the entrance Right at the entrance where a customer will not miss it.
- Entrance to department
- At the aisle which leads a customer into a department.
- End caps- These are situated at the end of the gondolas.
- Near cash tills/POS
- Impulse counters at POS and those places which the customer will not miss to look.
- Across elevators and escalators,
- Those junctions within the store where the customer has to decide on the tour of the store.
- Ends of aisles- As said earlier, it can be on Gondola ends or as floor displays at the end of aisles.

3.1.6 Approaches to Designing Displays for Different Types of Merchandise and Why these are Wffective

Types of merchandise groupings

- Symmetrical balance.
- Triangular principle.
- Emphasis.
- Focal point.
- Optical centre.
- Rectangular, radial, repetitive.
- Rhythm.
- Harmony.
- Adjacencies for cross merchandising.

Symmetrical balance

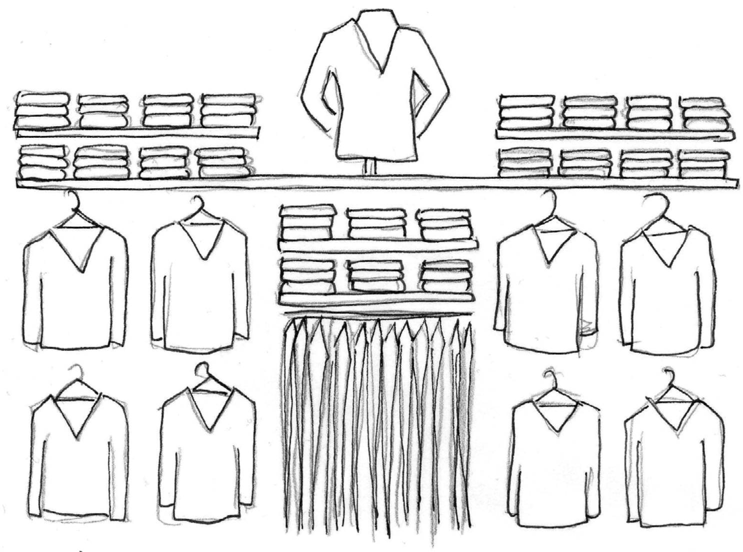

Fig. 3.1.1: Symmetrical Balance

Symmetrical balance: When you look at the figure it looks like a weighing scale. The display is even on both the sides, the number of articles are spread from the centre evenly on both sides. Both sides are evenly balanced and even the ends at the right and left are balanced. These type of displays are called Symmetrical balance. It is effective in promoting classic products for important occasions.

Fixturing should always be done such that both the halves are balanced. This can be done by drawing an imaginary line in the centre, below the brand signage, so that both the sides look similar as illustrated in the image above.

Triangle principle

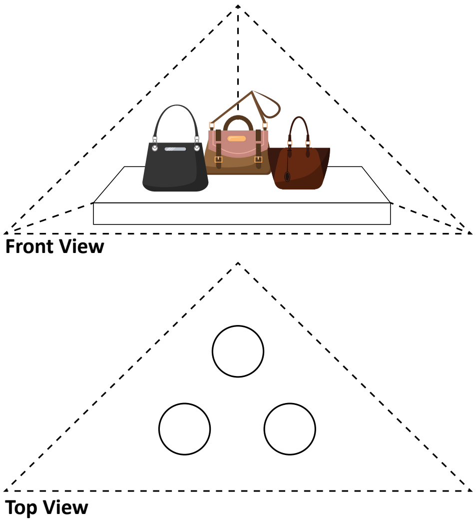

Fig. 3.1.2: Triangle Principle

Triangular display: These are also called pyramid display—broad at the bottom and tapers to the top. Large sized articles are kept below and the smaller ones towards the top. Imagine how a customer standing can look at the three vertices of the triangle and look at the products which would complement each other. Triangular principle allows the customer to see all items in the display. Stand away from the brand at a central location on the aisle and imagine a ‘V’ line of vision and place the fixtures.

Focal points: Focal point is the highlight location within the display that helps in focusing the customer’s vision at the desired location. Fixturing should be done such that it creates a focal point for the display.

Show Window Display

Shop floor Mannequin Island Display

Fig. 3.1.3: Focal Point

- Focal point helps customers in decision making. They would be able to relate the product to its utility.
- As the name mentions, the focal points gets the focus of the customers when they first look at the display.

Creating focal points

- Are created based on traffic of customers and where the display can get the focus of the customer
- The second focal point can be the place which the customer will not miss inside the store.
- Having identified the place, put the products on display by reffering to the design briefs.

Other merchandise groupings

Having got the location correct, the next step would be to group the merchandise to enhance sales.

Emphasis: Emphasis on a theme or mood will be focused on the display. Since the eye movement of customers are from left to right, prominence is given to product to the extreme right to catch the customers attention.

A display needs to emphasise a theme or mood, such as the use of sports equipment, work equipment or leisure equipment set up in a lifelike situation. Themes may also depict seasons, anniversaries, celebrations, holidays and other special store events. All elements in a display must then reinforce one other and emphasize the mood created.

Optical centre: When a merchandise group is presented and the surrounding area is kept blank, the focus will be on the merchandise. This is optical centre grouping.

Fig. 3.1.4: Optical center image

Rectangular, radial, repetitive: When the products are grouped where a customer would be able to come around and view them either in right angles or in a circular motion, the customer will not miss the product.

Fig. 3.1.5: Rectangular ,radial,repetitive image

Rhythm: In a display when there is focus on a product and then it leads to other products displayed which are subordinates, then we say the display is grouped in rhythm.

Fig. 3.1.6: Product displayed in rhythm

Harmony: Harmony is a principle that can cover and incorporate every other principle being discussed here. Harmony is an agreement in feeling and consistency in mood that is the feeling that all parts of a display relate to each other and to the whole display. Without harmony, the observer is uncomfortable and will not be enticed to purchase merchandise.

Fig. 3.1.7: Products displayed in harmony

Adjacencies for cross merchandising: As mentioned in focal point, adjacencies of products is also important, that is when accessorised properly vis-a-vis, trousers, shirt, socks, handkerchiefs, belt, shoes, bags.

- Products can be displayed in sets, to demonstrate 'one look' that is 'matching'. This will
- Help in increasing sale.
- Help in promoting weaker categories.
- Make collection assortment look wider.
- Give trend cues to customer.
- Adjacent means 'next to'. Some rationales that are used for placing sets of products are:
- Complimentary categories, for example shirt with a trouser combination or shirt within a suit or blazer.
- Accessories that go along with the mother product, for example belt with trousers.

Fig. 3.1.8: Adjacencies for cross merchandising

The main principles of design used in display are balance, emphasis, rhythm, colour, lighting and harmony. These principles apply to all displays—window and interior.

3.1.7 The Role of Light, Colour, Texture, Shape, and Dimension to Achieve an Effective Display

Based on the design brief (design brief is discussed elaborately in the another session)—the planogram given, the location in which the display is to be done, the number of units to be displayed the choice would be made.

Dimension

The ideal place would be suggested but the people on the shop floor can decide where to relocate the display depending on the size and number of units.

Light

Depending on the place of display, luminence over there and the product category, extra lighting should be organised.

There are two basic type of lighting

1. **General lighting :** To illuminate both merchandise and the pathways. It is immovable
2. **Accent lighting :** Highlights particuliar merchandise or a set of merchandise. They are movable based on the store and display needs.

Texture

Based on the product category, its value and the focus customer segment, the texture of the display would be decided. A rough terrain look will suit a denim product than a formal wear;

Shape

Repetition of shapes will improve the emphasis of the product instead of leaving just one piece on display.

Colour

Every colour has got a connotation and it depends again on the product once again.

Fig. 3.1.9: Colour; Texture; Light; Dimension; Shape; Texture

3.1.8 Process to Procure Merchandise for Setting up Visual Merchandising Display

Different types of materials to set up visual merchandising displays on new merchandise, seasonal merchandise etc. include.

- **Shelf talkers**
  - Will give the consumer information that this is special promotion.
  - More visible than shelf edge labels
  - Conveys more information than price.
- **Posters**
  - Attracts customers and emphasises the value (storyboard)
  - Conveys more than just price.
- **Banners**
  - Large sign used to draw customers' attention
  - Can be made from flexi board or fabric.
- **Merchandise**
  - Products for display
- **Props**
  - Mannequins
  - Stands
  - Lighting
  - Any other props as per the design briefs

All the above materials are generally received from the head office VM team along with the design brief for any promotional activity that are driven centrally from the organisation. However, in case of any local or store centric promotions the above materials are procured by placing an indent to the head office after due approvals from the store manager and other authorities at the head office.

Activity

Group Activity

Objective of the Activity: To establish the importance of preparing the display area in the minds of the learners.

Materials (if required): Food and apparel, consumer durables, IT and mobile products, audio, video equipment, participant handbook, etc.

Steps required:

- Divide the class into three or four groups depending on the size of the class. Give each group the mentioned materials needed.
- Ask learners to list the key cleaning requirements of the display area for their category.
- Ask them to prepare a list of items required for the specific displays.
- Ask them to list the utility of every item listed by them during the displaying.
- Ask every group to present their findings to the class.

Conclusion drawn: The activity helps in explaining the importance of preparing the display area in the minds of the learners.

Summary

In this module, the participant has covered the following:

- Interpreting design briefs for retail displays.
- New and effective ways of improving the visual effect.
- How to procure merchandise and props to be featured in retail displays.

Exercise

Answer the following questions by choosing the correct option:

1. Which of the following is a type of merchandise grouping?

   (a) Symmetrical balance (b) Triangular principle

   (c) Rectangular, radial, repetitive (d) All of the above

   The gap between two gondolas in which the customer walks is called_________________.

   (a) Aisle (b) Walkaway

   (c) Footpath (d) Sky walk

   Which of the following is a content of design brief?

   (a) The reason for putting up the display (b) Details of content for the signage

   (c) Steps involved in putting up the display (d) All of the above

2. Visual Merchandising display is also referred to as ____________________.
   (a) Silent Seller
   (b) Shouting Salesman
   (c) Silent Salesman
   (d) None of the above

3. Shelf talkers
   (a) Will give the consumer information that this is special promotion Product description
   (b) Are more visible than shelf edge labels
   (c) Conveys more information than price
   (d) All of the above

Answer the following questions

1. What is Visual Merchandising?
2. List the principles of Visual Merchandising.
3. What is a Design Brief?
4. Elaborate the process to procure merchandise for setting up visual merchandising display.
5. What do you understand by pyramid display?

Notes

Scan the QR codes or click on the link to watch the related videos

www.youtube.com/watch?v=-d5jx5pwMdg

Merchandising principles

www.youtube.com/watch?v=2DhQ35UJj2Y

Merchandising themes

www.youtube.com/watch?v=6edj2Vvz3OU

What is Visual merchandising?

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MINISTRY OF SKILL DEVELOPMENT
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National
Skill Development
Corporation
Transforming the skill landscape

RASCI
Retailers Association's
Skill Council of India

4. Establish and meet customer needs

RAS/N0140

Key Learning Outcomes

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

1. Demonstrate the techniques that help in establishing customer needs.
2. Demonstrate the methods for providing suitable solutions/ suggestions to the customer.
3. Use suitable techniques to close a sale and fulfil customer orders.
4. Identify the different behaviours of the customer and adapt suitable mannerisms.
5. Identify techniques to meet customer expectations

UNIT 4.1: Establishing Customer Needs

Unit Objectives

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

1. Explain the importance of identifying customer needs before suggesting a solution.
2. Discuss the characteristics of different types of customers along with their requirements, choices, and preferences.
3. Discuss the types of behaviour and mannerisms that need to be exhibited for different types of customers.
4. Discuss the best practices followed while engaging with a customer in an unobtrusive and non-overbearing to affect customer purchases.
5. List the steps of the sales process.
6. Explain the elements of the sales process and its role in meeting the needs of the customer the needs of the customers.
7. List the health, safety and hygiene practices that need to be followed while interacting with the customers.

4.1.1 The Importance of Identifying Customer Needs

The Importance of Identifying Customer Needs Before Suggesting a Solution

knowingly or unknowingly, everyone follows a buying pattern. First the need for the product is recognized. Then the options are evaluated by visiting different stores /evaluating different versions/ brands of the product. Then the doubts of the buyer should be clarified by the salesperson. Finally, the buyer decides to buy. Once buyer feels that he/ she has made a right decision by buying that product, the buyer feels satisfied and even more convinced when the product is appreciated by friends and relatives. If the shopping experience has been good and if one feels that they have got a very good shopping experience and value for the money what that they have spent, buyers recommend the store to others as well and also re-visit the stores for any other needs in future.

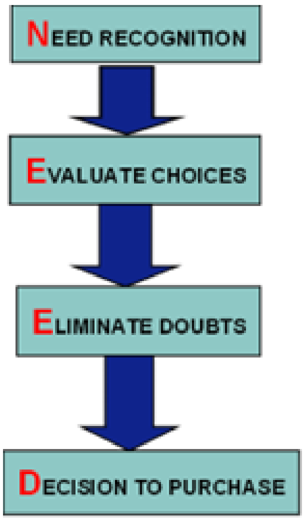


Fig. 4.1.1: Buying Process NEED

- **Recognition of Need:** The Buying cycle starts when a customer recognises the need for a product or service. At this stage, the buyer moves from just a want to need.
- **Evaluation of Options:** After recognising a need for a product, the customer explores all the possible options that could satisfy the need.
- **Elimination of Doubts:** While buying a product or service, every customer perceives a risk, such as nonperformance or late delivery. Customers never make a purchase decision until all their doubts about any such risks are eliminated.
- **Decision to Buy:** Decide is the stage where the customer decides to purchase, pays for the product, and takes the delivery of the product based on the terms and conditions agreed to with the seller.

Before you want customers to understand you; Salesperson/ Team Leader must understand them first. Be in their shoes, and it will help you to understand their buying behaviour. Therefore, it is very important to understand the precise needs of the customer to propose a suitable solution to them.

4.1.2 The Characteristics of Different Types of Customers along with their Requirements, Choices, and Preferences

Like all the fingers of the hand are not similar, each member of your own family is also not similar and each one of them are different and have different characteristics and you like them or dislike them based on various reasons, for example one reason could be the way they behave / might have behaved with you. Therefore, it is very important that in the store also we interact with various colleagues and customers, and we need to accept the fact that we need to interact with each one of them tactfully and must know the techniques to interact with them. And, hence it is necessary for the team leader and the store team to anticipate certain behaviours from the customers and respond to them in a collaborative manner.

First time: They look out for opportunities to explore and then make a purchase. They are doubtful whether to buy from that store, whether to trust the store staff's words and the quality of products offered, etc. They need to be taken into confidence and converted into a customer. Remember to give them the correct information.

Repeat: A customer who buys frequently from a particular shop is a repeat customer. Studies show that it is less expensive to bring existing customers back than to attract new ones. It would be more practical and lucrative to keep your existing customers happy and satisfied so that they would like to come back again. Learn to recognise and greet them. Highlight loyalty/special offers for them.

Age of the customer: This has an impact on the buying pattern and the decision making of the buyer.

Aged customer: Be patient and polite. Be conscious of any physical assistance needs they may have and help - removing obstacles, helping with shopping bag, etc.

Kids: Be more patient and friendly. Ensure they do not damage goods, displays. Assist with choice. Call parents for assistance if required.

Different moods and attitudes: This influence the buying decisions. The store staff has to convince the buyer taking into consideration the different moods and attitudes of the customer. For example, if a customer is in a bad mood, be politer and cheerful. If the customer is in a good mood, try and encourage more shopping.

Gender: This matters for a particular category of products/goods. The focus should be on drawing attention to categories dependent on the gender of the customer:

Male: Grooming, fashion items, gadgets.

Female: Cosmetics, household items, kids' items. Be more polite and conscious of gender sensitivities. Avoid continuous eye contact with female customers if you are a male, help with the kids they may be handling.

Culture: Analyse the needs of the customer and help them. Be aware of the different festive seasons and the products sold for that festivals and season. Be more conscious of the products meant for specific cultures or regional tastes. Individual attention must be given to each customer.

Difficult customer: These customers may be hard to satisfy, raise many objections and be aggressive. They are very difficult to be dealt with. They must be handled very carefully, and sale should not be tried to close too fast. You should not irritate the customer —be calm and accommodative.

4.1.3 Type of Behaviour and Mannerisms that need to Be Exhibited for Each Type of Customer

Below are the key types of customers with the recommended behaviour that needs to be exhibited with them –

1. **DEFENSIVE –** They do not want your company. They love to live in their shell and do not trust you easily. They are always apprehensive about your offerings.

Behavioral indicators	Your response
• Generally, distrust the retail salesperson. • Feel that he/she has the only objective of pushing the product across. • Are sceptical about the products suggested to them by the sales personnel.	• These types of customers can be easily identified by the way they react to the assistance offered to them. • Such types of customers prefer to be left alone and take their own purchase decision. • One should be advised not to talk much to such customers, offer advice only when asked for.

2. **INTERRUPTIVE –** They are like "I Know It All" type of customers who always try to show that they know more than you.

Behavioral indicators	Your response
• Impatient, they won't listen to your sales talk. • Always eager to show how off, their knowledge about the products. • They would often interrupt you. • At times would get involved in detailing the product themselves • Wide knowledge base.	• Acknowledge and appreciate their wisdom and knowledge. Don't argue. • They get easily impressed if ONE is humble and listen patiently. • As you get a cue that they are aware about the product/brand and are impressed with it, close the sales call with a sweet smile and say, "what else can I say, sir you already know everything so well. So how much should I pack."

3. **DECISIVE –** They are very sensible and cooperative customers. They belong to the most matured category. Very accurate at their decisions

Behavioral indicators	Your response
• Although these customers are quite knowledgeable, but they won't show off. • Instead, they would patiently listen to the sales talk. • They raise valid questions and queries to the salesperson. They are open to n	• The biggest mistake that a Salesperson/ Team Leader can do is to argue with these types of customers and offend them. • They take time in taking decisions but once they are convinced, they stick to their decisions. • Sales personals are advised to spend quality time with these shoppers and don't show a pushy attitude. Let them take decision at their own pace.

4. **INDECISIVE –** Opposite of above category. Take long time to decide. Not firm on their purchase

Behavioral indicators	Your response
• these types of customers are undecided about what they want. • They can be highly profitable if handled properly. • They can be very easily converted to a loyal customer also if the store sales/ service staff treats them well. • most importantly help them arrive at a purchase decision.	• help them in not only showing around and assist them in taking decision. • Offer help in such a way that the customer should not feel that you have taken decision for him/her. • Don't try cross/up selling unless you feel that the customer will be ready for it or won't mind.

5. **SOCIABLE –** They buy later and want to talk rest of the world things first. Very talkative and love hang around with you.

Behavioral indicators	Your response
• they eat away a lot of peak time and yet it is not clear whether they are going to buy or not. • They cannot be ignored as they often visit the store again and again. • eventually become store loyal. • They can be a source of word-of mouth publicity too.	• Do not mistake them as casual wanderers. T • They can be easily identified from their overfriendly behaviour/. • It is desirable to enter a small talk with them along with showing them around the store items. • The major problem with such customers is that they take a lot of time in arriving at a decision

6. **IMPULSIVE –** The confused ones. Red or green? long or short? Stripes or Checks? They are bad at decision making

Behavioral indicators	Your response
• Unpredictable customers. They shift their decisions very swiftly.	• identified from their inability to stick to one decision or quick decision making or their impulsive behaviour.

Behavioral indicators	Your response
• Take quick purchase decision at a moment and the very next moment they may change their decision. • They usually turn out to be loyal customers. • They also can turn out to be profitable one's due impulsive behaviour.	• Although they hardly return to the same store again, still can be profitable one time catch for a Salesperson/ Team Leader as they take fast decisions. • Pushy sales strategy works well with these types of shoppers.

7. **LOYAL –** Loyal customers are one's that will be constantly talking about your company or brand, they'll be preaching it to everyone. They are your repeat buyers.

Behavioral indicators	Your response
• approximately 50% of a store's sale comes from these regular, loyal, and dedicated customers. They are hooked to a particular store and don't need to be reminded again and again about the store.	• Regular follow ups through mail, telephone or SMS is a must. Whenever the new stock arrives, they should be the first ones to be informed. • Offer special discounts, offers and schemes specifically designed for these shoppers. • Although whatever best you do for them, is not enough. Yet the more services you offer them, the more privileged they feel

8. **DISCOUNT –** Name itself suggest this type of customer.

Behavioral indicators	Your response
• their visit frequency depends upon the type and amount of the discounts offered by the store. • The only thing that attracts them to a store is the offers and discounts offered by the retailer. They are the cash generators.	• keep them updated about your end season sales or discount offers, on regular basis. • make their shopping a memorable so that they come over again and again to the store not only for shopping but to relish that wonderful shopping experience and share the same with others

9. **ANGRY or IRATE –** Angry customers are a challenge even to the most experienced. The task may be very difficult, but it is a great feeling to handle an irate customer successfully. Angry customers express their frustration by aiming their complaints at staff members.

Behavioral indicators	Your response
• Uses high volume and strong tone. • Is impatient. • Uses more of non-verbal language. • Might be too verbose. • Tends to react for everything	• Be calm. • Listen completely. • Do not interrupt or react. • Apologise. • Empathise. • Explain the situation and resolve.

4.1.4 Engaging with a Customer in an Unobtrusive and Non-overbearing to Affect Customer Purchases

Always the initial approach is very critical, we need to ensure that the customer is comfortable and does not get offended by asking "May I help you" or "How may I help you ", do not give a room for customer to think that he/she is being sold a product or you are deliberately trying to sell something to the customer.

If you've spent much time working in a store retailing environment, you know that asking "Can I help you?" is the best way not to get a customer to take you up on your offer. In stores, the customary response to that greeting is "I'm just looking." Generic questions like "can I help you?' do nothing for encouraging the shopper.

It is always advisable to leave the customer to browse and let them know your name after you have greeted them, and you are around if they need some assistance. By doing so you are not only assuring help but also allowing them their space and time to enjoy the shopping experiences.

However, it is also advisable that you keep a tab on the customer's movement in the store, do not follow them. But observe from a distance intermittently and their body language for signs from them looking for assistance or trying to find something but are not able to get it and so on.

Team Leader or team member could then approach the customer after some time with a few small talks which help you in initiating a conversation such as using questions that can elicit elaborate responses from the customer rather than only an "Yes" OR "No"

Engaging Alternatives to 'Can I Help you?'

- "Are you looking for something in particular?"
- "What size are you looking for?"
- "What brings you into the store today…?"
- "Are you looking for any specific fits?"
- "What is a type of fitting you are looking for - a Slim fit or a Regular one?"
- "Are you looking for a size 38 or 40? we have some good collections put up over there".
- "We have some good promotions up to 50% discount on X Brand … you may be interested?"
- "Good choice Sir… These are few of our Premium & rare collections, which are available only at MyStore, if you would be keen, I can show you some of them".
- "I see you have picked up few trousers, maybe I can help you with the alterations if required… meanwhile you may want to look at some of our new arrivals in Formals too?"
- "What type of a watch you are looking for".

In the store the customer who requires advice will usually approach someone with a query. Alternatively, a customer's body language might suggest that they require assistance. After the team member/ associate has picked up a discussion with the customer, one must now look at how to find out what the customer precisely needs so that we can use our knowledge to suggest and propose products and services to the customers.

How do you find out what are customer's precise requirements, precise requirements in the sense, colours, size, fits, pattern so on and so forth?

4.1.5 Steps of The Sales Process Along with Its Significance

Below are the typical steps of a retail sales process that one must practice and adapt while engaging with the customers.

1. Welcome & greet.
2. Engage with customers to identify their needs.
3. Propose solutions to the customer.
4. Anticipate and overcome objections.
5. Identify buying signals.
6. Close the sale.
7. Suggest additional merchandise.
8. Facilitate billing.
9. Suggest enrolment into loyalty schemes/ memberships.
10. Follow up for post sales service and feedback.

UNIT 4.2: Understanding Customer Expectations

Unit Objectives

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

1. List the elements of the sales process.
2. Explain the importance of welcoming and greeting the customer.
3. Explain the importance of identifying customer needs.
4. Explain the ways in which solutions can be proposed based on customer requirements.
5. Identify the methods to overcome sales objections and recognise buying signals.
6. Discuss the importance of closing the sale.
7. Explain the importance of suggesting additional products.
8. State the importance of enrolling customer in loyalty programmes.

4.2.1 Elements of Sales Process

1. Welcome & greet.
2. Engage with customers to identify their needs.
3. Propose solutions to the customer.
4. Anticipate and overcome objections.
5. Identify buying signals.
6. Close the sale.
7. Suggest additional merchandise.
8. Facilitate billing.
9. Suggest enrolment into loyalty schemes/ memberships.

4.2.2 Welcome & Greet

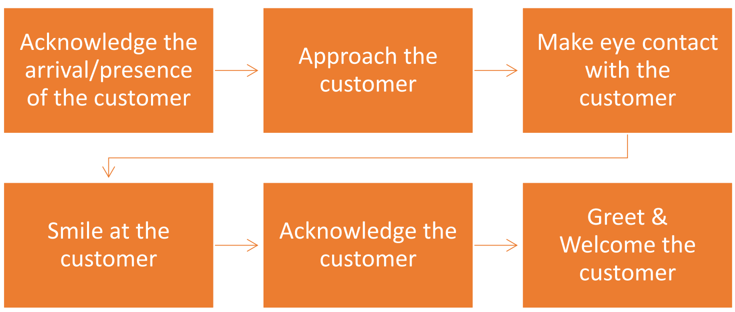


Fig. 4.2.1: Welcoming & Greeting process

- Do not invade personal body space while greeting.
- Do not stare at a customer but use a friendly look.
- If you are more than 5 ft. away from the customer and you happen to get an eye contact with the customer, acknowledge the customer by using a gesture, nod etc. with a smile. to ensure the customer is aware that you are aware about his/her presence.

- Use a warm and friendly voice – be careful of the tone of your voice.
- If you pass by a customer who is browsing within 3 ft. and happen to have an eye, contact acknowledge them with a genuine smile and greet them according to the time of the day.

Welcome & Greet - Non – Verbal Components

- Wear a Pleasant and realistic Smile.
- Must be groomed as prescribed by the organisation.

Type of Greetings

Most retailers in the world use a prescribed greeting wherever there is verbal interaction with customers.

- Examples of some of these greetings are:
- Hello Sir /Madam
- "Thank you, please come again".
- "Thank you for shopping with us".
- How may I help you?
- Have a great day sir/madam.
- Good morning/ afternoon/ evening.
- Pleasure to help you Sir/madam.

Research show that customer satisfaction plummets when customers are not greeted promptly and friendly. The proper greeting, on the other hand, will make customers feel welcome and valued. Knowing how to act when greeting customers and what to say can increase both sales and customer loyalty.

Activity

Role Play on Greetings

Instructions

- Get into pairs.
- Alternately play the role of the customer and the customer service representative
- The different scenarios include -
- Customer interaction at the till
- Customer interaction on the store floor
- Customer interaction at the Customer Service Desk / Point
- Customer interaction at the store entrance
- Demonstrate welcoming and greeting the customers.

4.2.3 Engage with Customers to Identify their Needs

How one needs to identify what are customer's precise requirements, precise requirements for

We can unearth the needs of the customers by using these probing techniques to question the customers politely and understand their precise requirements.

Types of Probes/ Questions that can be asked to the customer to identify their needs:

- Open questions normally begin with who, what, when, why, which and how. Get responses elaborately. Example: "What do you consider important in a salwar suit?"
- Closed questions will usually get a response as "yes" or "no". Example, "Are you looking to gift this to someone?"
- Reflective questions can be used to confirm understanding of the customer's needs and priorities. They also indicate the store team member's active listening skills. Example: "Am I right in saying that you prefer striped shirts rather than a plain solid?"

There are several different types of questions that you can use when trying to understand the needs and concerns of a client. Be careful not to start with closed ended questions. Closed ended questions can only be answered with a "yes" or "no".

Following are the more productive types of questions to ask. When eliciting information, phrase your question to get a response that includes the information that you want to elicit from your customer.

Open-ended questions

These are the best sort of questions to start with, as they usual require a detailed elaboration and cannot be answered with a simple 'yes' or 'no' response. They consist of using variations of who, what, where, when, why, and how. The respondent has no alternative but to elaborate:

Examples: "How did you like this embroidering on the kurta?"

"Which are your preferred colour choices?"

Closed-ended questions

If open ended sales questions are a way to get to know your customers in a general sense, then with close ended questions for sales you'll get right to the point. Asking close ended questions will give you clear answers. Do they want to purchase your product? Are they shopping around with your competitors for the same service? The answers are simple and direct.

Reflective questions

A reflective question repeats or rephrases in the Salesperson/ Team Leader's words what the customer says or seems to imply. Reflective questions are usually a response to the customer's answer to an open or nondirective question. Their usual purpose is to clarify understanding of what the customer really means or feels. Salespeople can use them to play back what the customer said in the hope he will modify his stand. The use of reflective questions calls for careful listening, selectivity and great care that the question does not reflect on the customer's intelligence. If the reflective question is not correct, the customer will correct the thought.

For example, the Salesperson/ Team Leader says, "You feel that this product would work for you if it could be made of cotton instead of polyester." The customer may not have said it that way but merely expressed a preference for cotton. If the customer agrees to the statement, the Salesperson/ Team Leader can assume that the sale is made if the change to cotton is possible. By sharing the customer's feelings, reflective questions, particularly in statement form, create a better climate for agreement. When the Salesperson/ Team Leader shows that he or she understands the customer's view, the customer may drop a bad idea or correct an opinion after hearing it repeated by the Salesperson/ Team Leader.

Activity

Need Identification – Types of Questions: Individual Exercise:

Make a list of at least 6,

- Closed questions
- Open questions
- Reflective questions

Conclusion: Ask relevant questions which will bring out some important information for you to proceed in sales. Remember that irrelevant questions irritate the customer.

Activity

Need Identification -Role Plays

Instructions

- Get into pairs
- Clarify who is the customer and who is the Salesperson/ Team Leader
- Customers pretend
- Walking into a store & browsing for at men's formal section
- Participant must question the customer appropriately
- Practice various scenarios to get comfortable
- Alternate the role of customer and Team Leader between partners

4.2.4 Propose Solutions to the Customer

It's likely that many of your prospective customers have difficulty deciding which option in the store is the one that deserves their time, money, and trust.

This selection can be a daunting process for customers who do not have the experience or know what separates MyStore from any other store(s).

That's why it is the store team's job to assist them by making a selling proposition obvious, different, and memorable enough that they can see exactly what your store has to offer that the other people do not.

After knowing the precise needs/requirements of the customer it becomes very important for us to now suggest appropriate products that match the needs of the customers. In this session we will understand how to propose appropriate solutions to the customers in terms of right products

The customer after recognizing a need moves to Evaluation of Options stage of the buying process. The customer then starts to think in terms of how his/her needs can be satisfied. The customer at this stage may have multiple options. One option is to maintain the status co – i.e., not do anything about it right now, postpone the decision of purchase, another could be to go in for your product, A third option could be to go in, for your competitors' product. Your objective as a Salesperson/ Team Leader at this stage is to convince the customer about how your product best matches his/her requirements.

Salesperson/ Team Leader must:

- Know accurate information on products and services available at the store
- Respond to customers seeking suggestions
- Propose products to customers whenever there is an opportunity to suggest
- Know all the features and benefits of the products
- Know the substitute and complementary products
- Know all the promotions being run in the store
- Know where to find product pricing and any other details

Features, Advantages and Benefits

Suggest Solutions - Products and Services Knowledge, it is important for a salesperson to

- Find out about - uses, features and benefits
- Understand substitute and complementary products
- Understand promotional activity
- Know where to find product pricing information

Sometimes, while selling a product, a Salesperson/ Team Leader tries to bind almost every feature of that product to an advantage or a benefit, which in turn are deemed as desirable by the customer. This selling technique is termed as Features, Advantages, Benefits Selling (also known as FAB).

It is a commonly known fact that the potential customers do not care about the products or services being offered to them even when the product or service is a perfect match for their needs. They keep on ignoring the product or service until they find the one with explicitly known benefits or advantages to themselves. Though this seems to be a very basic concept of marketing and sales, but it is normally ignored by Salesperson/ Team Leader. Thus, FABS offers a better technique to increase the effectiveness of the sales message.

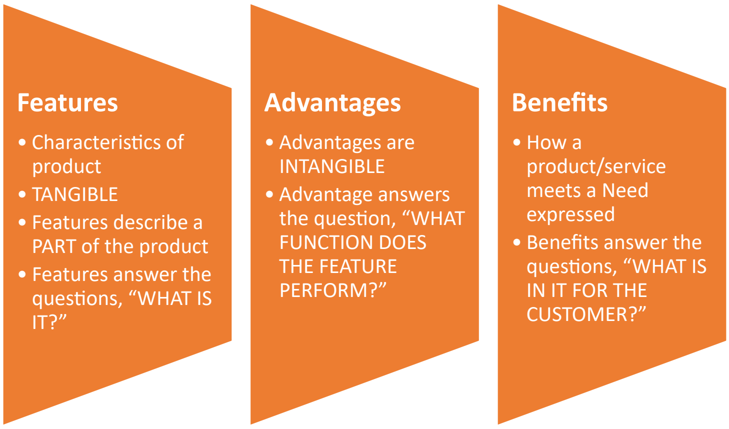
Purpose / aim of each statement is to speak following things about your product:

Because it has.... FEATURE

You will be able to.... ADVANTAGE

What that means to you is.... BENEFIT

Suggest Solutions - F A B Model



A Feature is a Statement describing some characteristic of a product or service.

Examples:

This shirt is made from pure cotton.

The best part of this watch is it has got a digital display.

This sunglass has got UV protection.

For more clarity let us understand the F A B Process. Let's begin by understanding Features.

Features describe the characteristics of a product. A customer is always more interested in knowing how a product can meet his requirements (i.e., the benefits of the product to him) and not in the attributes (i.e., the features) of a product. Hence, stating only 'Features' in sales will hinder the sale rather than helping it. The customer may even raise serious objections. Therefore, while suggesting a solution, we should not state only the Features.

Having understood what Features are; let us now understand the benefits

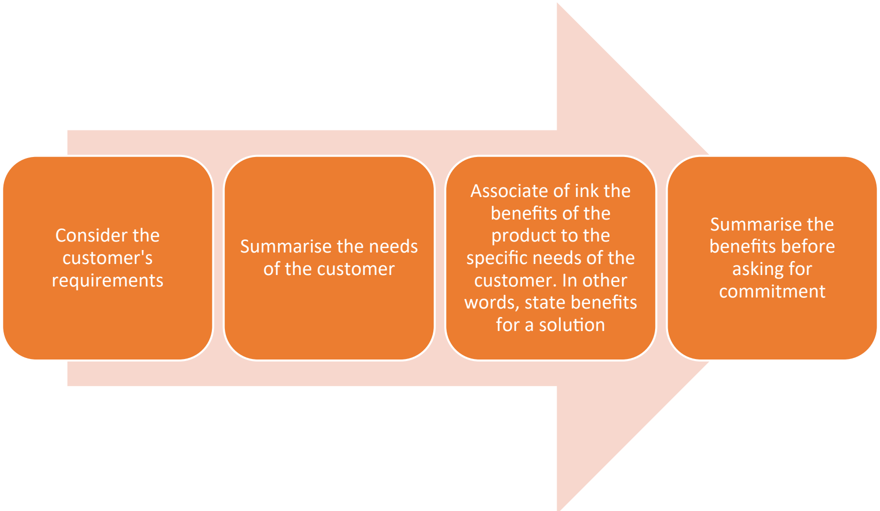
Benefit is how a product / service meets a Need expressed by the customer.

Examples are:

- "You said more than colour comfort is important and this shirt offers high comfort because it is made of Linen."
- "You said durability is important to you and we have evidence that our shoes last three times as long as any other shoe in the market."

So, the key to suggesting a solution is to link the advantages of the product to the needs of the customer. We do it through stating Benefits. Benefits describe how a certain feature of a product, can meet the need of a customer. It is important for us to understand that, even if we state just the benefits will we get the acceptance and positive response from the customer. The more benefits we state, the greater is our chance of success!

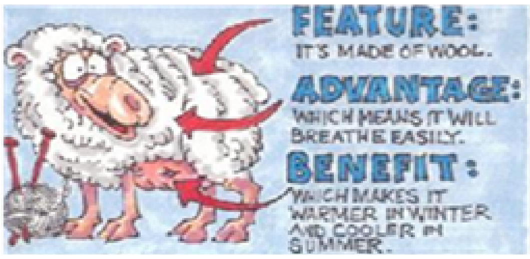
Proposing Solutions - Steps in Presenting a Solution



What would be an appropriate time to offer benefits?

Suggest Solutions - When To Offer Benefits

- Offer benefits only after you have developed strong needs
- Benefits offered on weak needs have little impact



Another Example of FAB:

- **Feature:** It's made out of wool
- **Advantage:** Which means it will breathe easily
- **Benefit:** Which makes it warmer in winter and cooler in summer

When to Offer Benefits

- Offer benefits only after you have developed strong needs
- Benefits offered on weak needs have little impact.

Offering benefits when the need is not strong has a limited impact on the buyer. We need to make sure that the buyers' need is strong before we offer the benefit. Let's find out, how do we make the needs strong?

Whenever a customer explicitly expresses the need for a product especially if it is for any of the outfits in the apparel, the SALESPERSON/ TEAM LEADER can offer the product by suggesting the customer to try the outfit in the fitting room

Suggest Solutions – Remember the FB Model

S = Summarise Needs

E = Emphasise Benefits

L = List Appropriate product

L = Look for buying Signals

Up Selling

After having discussed on offering solutions to customers, it is important that we also need to know how to suggest alternate options which not only meet the needs of the customers but also are better with respect to benefits and also provide high profits to the store.

If a customer is not aware of better and superior options, he / she will buy the basic one and move away or if he/she is more knowledgeable customer, will definitely assume that the store either does not stock superior ones or the SALESPERSON/ TEAM LEADER is not knowledgeable. Not only that it is also necessary for the SALESPERSON/ TEAM LEADER and store to increase the sales not only by volume but by value also. This process of proposing high value alternatives / options to the customers is called as upselling.

What is up selling?

Upselling is a technique where the SALESPERSON/ TEAM LEADER induces the customer to purchase more expensive items, upgrades, or other add-ons in an attempt to make a more profitable sale.

For example: A customer may simply want to purchase a new simple FastTrack wristwatch, yet we manage to sell them a Fossil watch.

Few Techniques to upsell.

Assumption is the key: Always assume that the customer will naturally want a superior product that adds value.

Example: "This is a very high-quality linen, you said you like cotton fabrics the most, I am sure you will love this, and it looks too good on you. Why don't you try this one too in the fitting room"? DO NOT BE PUSHY.

Avoid Perception: Focus on customer needs and not yours. Most of us assume that this is not my taste and avoid suggesting. It is totally irrelevant whether this purchase suits your needs; what is relevant is whether it suits the customer's.

Hands on demonstration: One of the most effective up-selling techniques is getting the customer to use the product in your location.

Example: In beauty products counter you might want to apply the superior makeover products and demonstrate how they are better when compared to the basic or intermediate ones.

Use round numbers: Customers are more likely to choose the higher-priced alternative when the prices for two are presented as round prices.

Example: If the prices on two watches are Rs. 1999.99 and Rs. 2499.99, the SALESPERSON/ TEAM LEADER can say, "For only Rs. 500 more, here are the additional benefits you'd get."

Create a sense of urgency: If you're upselling something that's only available for a limited time, be sure to let the customer know. You can mention that the item is almost out of stock or that it's "moving fast." and the stocks may not last too long.

Up-selling is the practice of giving customers the option to buy an item that is slightly better than the one they are considering. To generate an up-sale, a Salesperson/ Team Leader may offer a more-expensive product, suggests an upgrade or convince the customer to purchase add-ons.

A common example of up-selling is when a McDonald's cashier asks you if you would like to super-size your meal, thereby prompting you to purchase what is essentially the same meal but pay a bit more for a larger portion.

Showing customers that other versions of the product may better fulfil their needs can increase AOV (Average order value) and help customers walk away more satisfied with their purchase. Up selling is effective at helping customers visualise the value they will get by ordering a higher-priced item.

Activity

FAB Exercise and Role Play

Suggest Solutions - Role Plays

Instructions

- Get into pairs.
- Clarify who is the customer and who is the Salesperson/ Team Leader
- Customers pretend.
    - Buying a shoe
    - Buying jewellery items
    - Buying merchandise in luggage
- SALESPERSON/ TEAM LEADER's must suggest solutions by using F& B model with the customer appropriately
- Practice various scenarios to get comfortable.
- Alternate the role of customer and SALESPERSON/ TEAM LEADER between partners.

UNIT 4.3: Meeting Customer Expectations

Unit Objectives

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

1. Identify the methods to overcome sales objections and recognise buying signals.
2. Discuss the importance of closing the sale.
3. Explain the importance of suggesting additional products.
4. State the importance of enrolling customer in loyalty programmes.

4.3.1 Anticipate and Overcome Objections

Have you ever heard these queries?

- Why does our dark shed clothes bleed?
- Why are your products priced this way?
- I am getting the same product online on less price.

Anticipating objections - When you anticipate objections to your argument or proposal, you are trying to see the others' viewpoints. By making an effort, you actually state other 's viewpoints. You are also troubleshooting problems that you must overcome to make a thorough proposal when a customer raises an objection.

Objections are the hurdles that keep salespeople a step away from closing. The swift removal of objections invariably leads to the closing of the sale. Only the well-prepared Salesperson/ Team Leader succeeds in removing the objections in a convincing manner.

What is an objection?

- An objection is anything the customer says or does that is an obstacle to smooth purchase/sale.
- In simple words, an objection is a doubt in the mind of a customer regarding a product, which needs clarifications.
- Every objection is situational.
- A genuine objection is always raised by the customer who intends to purchase the product.

Why does an objection arise?

It arises due to:

- Emotional reasons -
  - Always feeling doubtful
  - Does not want to take decisions.
  - Prefers old styles and fashion – does not want to change.
  - Bad customer service experience in the past
- Logical reasons -
  - Does not understand your offers/products.
  - Scepticism or uncertainty
  - Just puts off decision to buy – hidden reasons.

Objections are a natural part of the selling process. If there are none, it could mean that the customer is apathetic. Objections show interest and enable the Salesperson/ Team Leader to give more information to the customer. The more information the customer has, the easier it is to make the sale. Hence sales objections are part of the process that results in the customer getting the information he needs to decide to buy.

How to handle objections?

- Anticipate objections.
- Be attentive, be natural in your appearance and behavior.
- Listen patiently.
- Show respect for both, the objection and for the customer's feelings.
- Summarise and repeat the objection in your own words.
- Empathise with the customer and try to clarify the doubts in a very subtle manner.

View the objection as a question. Many times, salespeople hear an objection as a personal attack. Instead, an objection such as "Why are your prices so high?" should be considered as a question. That allows a more positive conversation rather than a defensive one.

Respond to the objection with a question. As in every step of the selling process, asking the right questions is critical, and handling objections is no exception. Questions, such as

"Sir, If I may ask you, in comparison to what you feel that this is highly priced?

"Can you share your concerns in this area?" or

"Is there another way to look at this to make it work for you?"

- are good ways to engage customers in dialogue that will help you better solve their problems.

Respecting the concerns of the customer demonstrates that the seller is appreciative of his concerns. It is important to not become defensive, as the buyer is not criticizing you the seller, but wants to make sure he makes the best decision for himself.

How to overcome objections

Situation 1

- **Price objection -** "Your cotton saree rates are very high".
- **Ans. -** "Yes, I agree that our rates may be a bit higher than those offered elsewhere. However, I think you will agree with me that you would value better quality, products with warranty and guarantee, no question asked exchange policy, transparency in sales, credibility & brands of our products and above all the trust what you can place on us and excellent post sales customer care.

Situation 2

- **Feature objection -** "I don't like that style. It looks rather outdated for me".
- **Ans. -** "I appreciate your opinion mam, if I am right, in your opinion, this outfit is out of fashion trend now. However I am sure that you will agree to the fact, MyStore is very well known for keeping up to the trends in the fashion, and this outfit is one of the fastest moving and I can show you our sales frequency too, and additionally I believe the colour and the fitting goes very well on you and you should take a trial in our fitting room.

Situation 3

- **Trust objection -** "I am not sure if the labels & expiry dates on this fragrance are genuine".
- **Ans. -** "I appreciate your concern mam, if I was buying such an expensive fragrance, I would also have similar doubts. But we , MyStore are a renowned brand and entire nation knows about it. We have a very stringent quality process in sourcing our products, and I will tell you, please be rest assured about the genuineness of the fragrance you have decided to buy, I am sure your friends will come back to us referring your name to buy similar products from us.

Anticipate & overcome objections – Few other tips on handling objections.

Type of Objection	Reason	How to Handle
Misconception	• Wrong information • Partial information • Absence of information	• Bridge the knowledge gap • Clarify
Skepticism	• Feeling based	• Handle with data • Support with examples
Complaint	• Past experience	• Handle with sincerity • Handle now or note down to revert later • Act on it
Drawback	• Product/service attribute	• Accept • Highlight other benefits • Show the big picture • Demonstrate how advantages outweigh disadvantages

Let us understand the reasons why a particular type of objection happens and how to handle the same.

The First type of objection is misconception.

This can happen due to wrong information, partial information, or absence of information.

And we can handle it by bridging the knowledge gap.

An example of misconception is: Customer says that he has never observed the real price difference whenever a discount was offered.

If the discount offer exists on the product and the customer is not aware, we can show him the bill on which the discount was given and clarify the doubt.

The Second type of objection is Scepticism.

This is feeling based. And we can handle it with data.

An example of Skepticism is Customer feels that few products of a type will not sell at all and is skeptical of buying them.

If product has really done well in any of the territory, we can handle this objection of the customer by giving examples of how the sale of it has happened in the last 6 months.

The third type of objection is Complaint.

This is usually from experience which has created a negative feeling in his mind. We need to handle this with sincerity. And address it immediately if we can or note down and revert later.

A typical example could be the retailer says that the alteration service has not been accurate at the stores.

You can take it up immediately with the tailor & customer and check out the reason for the same and correct it keeping both of them in the loop.

The fourth type of objection is Drawback.

This can be linked to Product or service attribute. This will be something which is chronic in nature and is known within the system. We should accept the drawback but highlight other benefits which balance out the impact of the drawback.

For example, the retailer may say that our discount offers are not as attractive as any stores such as a discount store.

We can handle that by highlighting the fact that: We are a different category of outlet, while the products sold in discount stores are out of fashion / trend / at their last stage of the product cycle in comparison to our store, where only fresh stocks are stocked which belong to current trend & seasons.

We can thus address any objection by classifying its type in our mind and responding appropriately.

Activity

Anticipate & overcome Objections-Role Plays

Instructions

- Get into pairs.
- Clarify who is the customer and who is the Salesperson/ Team Leader
- Customers pretend.
    - Buying a Trouser
    - Buying Watch
    - Buying running shoes
- Salesperson/ Team Leader must overcome the objections on the situations provided by the trainer.
- Practice various scenarios to get comfortable.

Alternate the role of customer and Salesperson/ Team Leader between partners.

4.3.2 Identify Buying Signals

Buyers often indicate that they want to buy what you are selling by giving signals, instead of actually saying so

These signals are of two kinds:

- Verbal signals
- Non-verbal signals

How do you know when to ask for the sale? When the customer tells you to they are ready to buy?

When a customer starts to consider buying from you, he probably won't come right out and say it. In fact, he might not even realize how interested he is. Instead of openly stating his interest, most customers will begin to display "buying signals," in the form of either questions or statements. Being able to recognise these buying signals will give you a strong advantage.

Signals can be identified through verbal and non-verbal cues.

Verbal Buying Signals

Some of the verbal buying signals could be:

- They start asking for more details about a certain outfit or it's price range.
  "Can I get a different colour of the same pattern?"
  "Can I try another trouser of the same size?"
- Statements of appreciation/interest
  "That looks good...."
  "Yes, that is the colour I was looking for."
- They ask more questions which the conditions are to purchase–
  "Does these discount offers apply to these set of shirts?"
  "How long will it take for the alteration?"
  "Can I pay through Paytm?"

There are specific verbal and non-verbal buying signals that every customer gives. Knowing what to look for can help you in the sales process to make more and better-quality sales. These buying signals either represent that the customer is or is not interested in the product / service. However, you also can identify if they have come into your store with an intention of either gathering information or are they really looking to purchase a product / service.

Non-Verbal Buying Signals

Some of the non-verbal signals could be:

- A smile
- Their eyes may light up after seeing what they actually were looking for
- May fondly touch a particular product.
- May repeatedly take the product in hand, try to place it separately in case of an apparel.

Importance of Buying Signals - Consequence of ignoring the buying signals:

- If customer has already decided to purchase, he/she will get irritated if the SALESPERSON/ TEAM LEADER continues to propose more products.
- It unnecessarily creates doubts in the minds of the customer if SALESPERSON/ TEAM LEADER does not try to close.
- The customer may end up not purchasing.
- With additional knowledge the customer may go to competitor for verification.

Read the consequences on the slide and reiterate that identifying signals means stop the sales pitch and move to the closure. When this is unidentified salespeople continue to pitch the product, and woo the customers in more different ways, which will ultimately put the customers off and even might persuade them to change their mind by not buying. So, one must take cognizance of this fact.

4.3.3 Close the Sale

- Recognize the Buying Signals exhibited by the customer
- Persuade the customer to purchase

It has been observed that customers tend to postpone the purchase, if the salesperson does not persuade the customer

Closing is a sales term which refers to the process of making a sale. In sales, it is used more generally to mean achievement of the desired outcome, which may be an exchange of money or acquiring a signature. Salespeople are often taught to think of targets not as strangers, but rather as prospective customers who already want or need what is being sold. Such customers need only be "closed."

Closing is a make-or-break moment in sales. It's the final verdict determining whether your efforts will amount to anything at all.

It's natural to feel apprehensive about the close. However, without that feeling of risk, successfully closing a sale wouldn't be so thrilling -- which drives salespeople to continually strive for more.

Because sales professionals are expected to generate the best possible win rates for their effort, many closing sales techniques have been developed over the years. Here are three proven closing techniques, and why they're so effective.

Persuading techniques

- **Sir / Madam –** Shall I assume that you have chosen these two shirts, so that I can place them aside for you?
- **Sir / Madam –** Both of these watches look good on you; do you want to go for both or any one among these.

- **Sir / Madam –** Do you need a gift wrapping for this?
- **Sir / Madam –** Would you be paying by cash / card

These are the examples for closing the sale. You can make your own depending upon the situation/ product or customer.

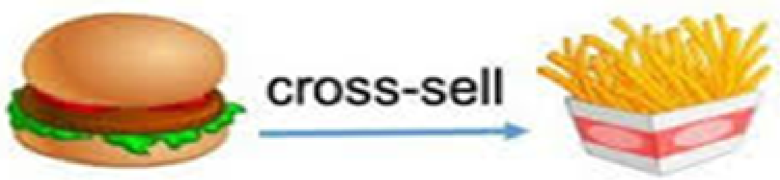
Activity

Role Play on Closing Sale

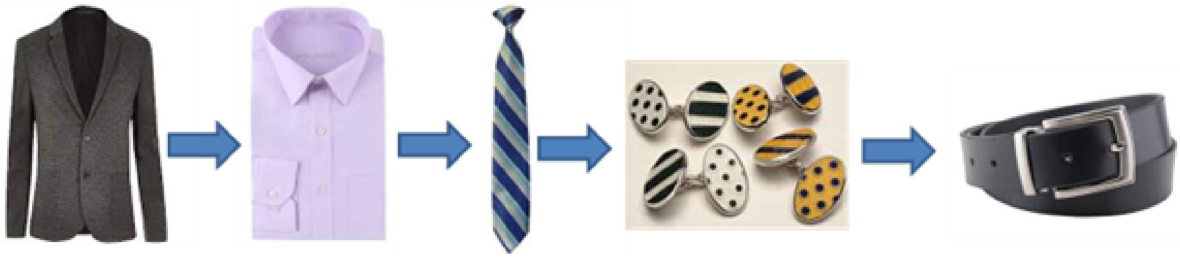
Instructions

- Get into pairs.
- Clarify who is the customer and who is the Salesperson/ Team Leader
- Customers pretend as -
    - buying a shirt
    - buying a women's western outfit etc.
- SALESPERSON/ TEAM LEADER's must persuade the customer to commit to purchase.
- Practice various scenarios to get comfortable.
- Alternate the role of customer and SALESPERSON/ TEAM LEADER between partners.

4.3.4 Suggest Additional Merchandise



Cross selling is the art of suggesting additional, complementary items to someone who has already decided on a purchase.



Cross-sell is the practice of selling or suggesting related or complementary products to a customer. It is the action or practice of selling an additional product or service to an existing customer.

The objective of cross-selling can be either to increase the income derived from the client or to protect the relationship with the client or clients. The approach to the process of cross-selling can be varied.

Example: When you go to buy shoes, shopkeeper by default try to sell you socks or shoe polish or shoe strightner; they actually cross sell.

Advantages of cross selling

- Increases Productivity
- Increases Basket Size, providing volume growth.
- Helps us make the customer aware of other products / categories.
- Creates a wider reach for the brand.
- Allows you to educate the customer about our product line.
- Increases the chances of Customer Retention & Repeat Buying

Techniques to suggest additional products:

"Sir Can I suggest some good ties which goes well with this shirt?"

"Sir, we have an exclusive collection only for professionals in corporates, and we don't recommend it to everyone, you should definitely have a look at it"

"Sir / Mam, we have a new collection of active wear on promotion, since you look like you are into fitness, I suggest you come along with me to have a look at them too".

"Sir since you have bought three formal shirts for your trip to abroad, you should definitely evaluate some recent arrivals on limited edition cufflinks".

These are the examples of cross selling in retail industry.

Activity

Suggest additional products

Instructions

- Get into pairs.
- Clarify who is the customer and who is the Salesperson/ Team Leader
- Customers pretend as -
  - buying a shirt
  - buying a women's western outfit and so on
- SALESPERSON/ TEAM LEADER's must suggest and persuade customers to look at additional products.
- Practice various scenarios to get comfortable.
- Alternate the role of customer and SALESPERSON/ TEAM LEADER between partners.

4.3.5 Facilitate Billing

- After all the purchase commitments are completed, help the customer carry the products to the billing counter.
- Help them to make themselves comfortable in the queue.
- Ask the customer is there anything else you could do to help them.
- Thank the customer with a pleasant smile and leave to your section.

4.3.6 Suggest Enrolment into Loyalty Schemes/Memberships

A Customer Loyalty Program is a marketing tool used by all types of businesses to motivate repeat customers by offering a type of reward system. A customer loyalty program is a structured and long-term marketing effort which provides incentives to repeat customers who demonstrate loyal buying behaviour. Retail loyalty programs evolved when progressive retailers recognized that without a "customer identification tool," they were unable to recognize individual customers and reward them for desired behaviour.

The is a Loyalty Programme not only gives the customer Special Offers, Benefits, & Privileges but also helps them earn points on their purchases. These points can be redeemed for an equivalent value of purchases at the same brand/ organisation's store.

Activity

Role-play on Loyalty Scheme

Instructions

- Get into pairs.
- Clarify who is the customer and who is the Team leader.
- Team Leader must suggest customers to enrol into Loyalty Programme
- Practice various scenarios to get comfortable.
- Alternate the role of customer and Team Leader between partners.

Summary

In this module, the participant has covered the following:

- Different behaviours of the customer and adapt suitable mannerisms.
- Techniques that help in establishing customer needs.
- Methods for providing suitable solutions/ suggestions to the customer.
- Techniques to close a sale and fulfil customer expectations.

Exercise

Answer the following questions by choosing the correct option:

1. In the content of FAB technique, which of the following is an example of feature?

   (a) This sunglass has got UV protection

   (b) It protects your eyes from harmful Ultraviolet radiations

   (c) You can wear them during day time even when playing, driving or walking

   (d) All of the above

2. The gap between two gondolas in which the customer walks is called_________________.

   (a) Aisle (b) Walkaway

   (c) Footpath (d) Sky walk

3. When a sales person induces the customer to purchase more expensive items in an attempt to make a more profitable sale, it is called_____________________.

   (a) Upselling (b) Cross selling

   (c) Direct selling (d) All of the above

4. Which of the following statement is not true in content to customer objections?

   (a) Objections are the hurdles that keep salespeople a step away from closing a sale

   (b) A genuine objection is always raised by the customer who intends to purchase the product

   (c) Objections arise due to foolishness of the customer

   (d) None of the above

5. Which of the following is a type of objection?

   (a) Misconception (b) Scepticism

   (c) Drawback (d) All of the above

Answer the following questions

1. What are the behavioral indicators of angry/irate customers?
2. List the elements of sales process.
3. What is up selling?
4. Illustrate the fab model.
5. Who are "difficult customers"?

Notes

Skill India
कौशल भारत - कुशल भारत

सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP

N·S·D·C
National Skill Development Corporation
Transforming the skill landscape

RASCI
Retailers Association's Skill Council of India

5. Process sale of products

Unit 5.1 - Sales Operation Processes

Unit 5.2 - Billing Processes

RAS/N0147

Key Learning Outcomes

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

1. Explain the process of processing sales transaction on the billing systems.
2. Discuss the role of team leader in processing sales transactions.
3. Explain the significance of POS operations in processing sales transactions.
4. Discuss the role of team leader in situations of exceptions at the billing counter.
5. Demonstrate the steps of engaging with customers and facilitating billing products on the POS.

UNIT 5.1: Sales Operation Processes

Unit Objectives

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

1. Identify the process that needs to be followed when the details of offers and promotions or loyalty programs are not updated in the billing systems.
2. List the roles of team leader with respect to finance at the store.
3. List the reports that need to be prepared and furnished to the store management on a regular basis.
4. Discuss the significance of each report that needs to be furnished to the store management.
5. List the steps to efficiently conclude the customer purchase process with quick packing/ wrapping of customers' orders and billing.

5.1.1 Process Followed when Offers and Promotions or Loyalty Programs are not Updated in the Billing Systems

Whenever a product that is scanned and a wrong price appears at the cash counter, the cashier will generally call the team leader for a price check in the system. This leads to inconvenience to the customer. Furthermore, the customers will lose trust on the retailer. Even worse if the customer realises after paying for the purchase and reaching home and they feel that they are cheated. Therefore, it is necessary for the team leader to periodically as per schedule verify the pricing and facilitate updating of prices on the PS system and price file. This is applicable for products on promotions and loyalty programmes too.

This activity provides the store with a systematic approach to ensure all the products in the store are checked during a specific time frame. Ensures all the products in the store are scanning at the correct price on any given day. It also creates confidence in staff while dealing with customer and helps in building image of the store.

The steps to be followed to check and update the price in the system are.

- Obtain price checking schedule
- Identify the section of store where checks need to be done
- Pick the handheld device meant for checking the price
- Scan the bar codes of every product
- Scan every shelf edge label
- Mark the shelf edge labels with discrepancies
- Prepare a report on the checks done
- List the products that have incorrect prices
- Identify the shelf edge labels that do not match the price
- Mark the labels which must be replaced
- Remove incorrect shelf edge labels
- Destroy incorrect labels
- Replace with new shelf edge labels
- Ensure the updates on the system too with due approvals

5.1.2 Retail Financial Duties

As a team leader in commercial department of the store handling payment transactions of the customers, one is responsible to ensure,

- diligence and efficiency
- correct cash reconciliations
- correct recording all merchant transactions.

The key roles performed by the team leader who is deputed in the finance department of the store are to:

- conduct reconciliation of float cash for individual cashier
- conduct reconciliation of float cash for the entire store
- permit and monitor the use of petty cash.
- conduct reconciliation of the credit and debit card transactions

5.1.3 Reports and their Significance

The Reports That Required to Be Prepared and Furnished to the Store Management on a Regular Basis

Reporting and analytics are critical for any retail organisation because they allow management to analyse the performance of the organisation

The key reports that a team leader would be responsible to prepare and share it with the management are:

Sales reports: These reports indicate the performance of the individual as well as the team against the sales targets and the revenue targets of the store and or department.

Receipts & Dispatches: These reports include the details of goods/ products received from the distribution centre daily viz-a-viz the indents and the dispatches of the goods/ products as a return to the distribution centre or the supplier.

Payments: These include the details of re-conciliation of different modes of payments such as cash, credit card, coupons, debit cards and any other mode of payments from the customers such as digital transfers.

Customer preferences & Feedbacks: These reports include the comments, complaints, suggestions received from the customers seeking solutions on various matters related to products and services offered by the store. These reports are detrimental to the performance of the store as well as retention of customers and strategies associated with customer retention.

Promotions: these reports include the data and information that is critical to sales performance of the products that are on promotion. They help in decision making process whether the promotion needs to be continued/ altered etc.

Inventory reports: These reports help in determination of the stocks on hand viz-a-viz opening stocks and as well guide by indicating the differences in stocks and aid in carrying out the adjustments as per standard operating procedures of the store.

UNIT 5.2: Billing Processes

Unit Objectives

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

1. List the steps of carrying out billing appropriately at the POS counter or on a handheld terminal.
2. Discuss the method(s) of processing payment or credit and ascertaining credit approval.
3. Distinguish between traditional and modern methods of payments.
4. List the uses of bar code scanners or any other means of product unit identification.
5. Identify the process of handling billing operations whenever the POS/ Billing systems are not functioning.
6. Discuss the commonly occurring errors on the billing systems and resolutions.
7. Demonstrate the steps of engaging with customers and facilitating billing products on the POS/ Handheld terminal.

5.2.1 The Steps of Carrying Out Billing Appropriately at the POS Counter or on a Handheld Terminal

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 that records the data that comprises business transactions for the sale of goods or services.

Parts of POS Machine:

A cashier uses a payment process to receive the payment of the purchased items from a buyer. When customers purchase items from a retail store, they pay for those items. It is a two-way process where customers pay the money, and the cashier receives the payment. The person at the cashpoint uses various modes of transaction such as cash, card, net banking, etc. to facilitate the payment. This process ends when the cashier gives the final bill of the purchased items to buyers. The whole process that takes place at the cashpoint with the transaction of money between the cashier and buyer is called the payment process.

For processing the payment, the personnel at the cashpoint follows the following steps to proceed with the payment process. They are:

- Step-1: The person at the cashpoint scans the barcode of products purchased by the customer.

Fig. 5.2.1: POS Machine

- Step-2: Tells the total amount of the purchased items to the customer.
- Step-3: Asks the payment mode from the customer.
- Step-4: The customer pays the amount by cash money, credit, or debit card.
- Step-5: Takes the card, swipe on the card swiper, and receives the money
- Step-6: Provides the bill of the received payment to the customer.

To obtain the payment from a customer, a cashier follows a whole payment process that is the same in all the retail stores. This payment process makes it easy for the seller to receive the payment and for the buyer to purchase the item.

5.2.2 The Method(s) Of Processing Payment or Credit and Ascertaining Credit Approval

In retail sector, credit transaction is also known as the custom payment method, which offers flexibility in bill payment. There are two methods of credit transaction: -

- Split credit transaction
- Layaway

Split payments: In retails sector, individual seller or business entities provide a facility to split the bill amount in two or more parts of lesser amounts. In such credit transaction system does not need to pay the whole amount in one time and gets the opportunity to pay the bill amount in parts and on subsequent dates.

Layaway: It is a method to hold or book merchandise to the retailer by depositing some money. The customer can make the payment in instalments rather than paying it once. However, the customer can get the product after making the full payment.

Process: There are two ways for credit transactions: -

- Cash: Customer needs to pay in cash (rupee, coins) in instalment. customer visits the store at regular intervals to pay the instalment in cash.
- Banking: In this method customer assigns the duty to his bank account to pay instalments. At regular intervals (monthly) instalments get auto debited from the customer’s bank account

Point-of-Sale (POS) system makes it effortless for customer as well as for seller to efficiently process the cash and credit transactions.

5.2.3 Traditional vs Modern Payment Process

From the past decades to recent times, the methods of payment process have evolved a lot. The impact of modern and advanced technologies has facilitated the payment process and provided numerous ways of payment to customers and sellers.

The given below table provides the differentiation between the modern and traditional methods of payment.

	
1. At that time, there was the physical circulation or transaction of money in cash form. 2. It used a less secured medium where the money was used to be stored in the simple cash drawer. 3. This method required minimal maintenance with less expense. There were no requirements for expensive equipment. 4. At this time money was used to count and handle manually.	1. Now, Digital modes of payments are used such as credit or debit cards, E-wallet, net banking, UPI, etc. 2. It uses a hi-tech secured medium where money is stored digitally. 3. It uses overly expensive methods. The expense differs on the preferred technologies. 4. Everything is technology-based that automates the payment process.

The focal point of every retailer is the seamless journey of customers, in which processing of payment transaction play vital role. POS system make it effective and effortless for both parties (customer, seller) to process the payment transaction.

Maximum Retail Price – How MRP is inclusive of GST for easy understanding by customers?

Maximum Retail Price (MRP) is the maximum price the seller can charge from the buyer.

Maximum Retail Price which is popularly known as MRP is governed by the Legal Metrology Act, 2009. In simple terms, MRP is a manufacturer calculated price which is the highest price that can be charged for a product. The retailer cannot charge more than MRP from the customer.

MRP is inclusive of all taxes including GST. It must be noted that retailers cannot charge GST over and above the MRP. GST is already included in the MRP printed on the product.

Giving an example of how MRP should be put on a retail bill, and impressing further upon the fact that GST is included in MRP of the products the government also shared an image on social media platform twitter and a toll free helpline number. The image also shows how a proper bill/invoice must look like.

5.2.4 The Process of Handling Billing Operations whenever the POS/ Billing Systems are not Functioning

In case the point of sales system is non-functional due to any reason such as system failure or there are technical errors with the equipment, the store in-charge will alert Systems department or the store in-charge immediately and report the same.

Permission must be taken from store in-charge to use manual billing during such situations.

All manual bills must be serially numbered and on filling out bills, the cashier will ensure the bill is dated correctly.

All manual bills must be carbon copied, with the carbon copy remaining with the stores on completion of sales.

The Cashier must give customers the manually created bill as a receipt for sales. All manual bills must be updated in the system as soon as the POS system is restored. The Cashier or store in-charge will log the details of the manually created bills, along with their accompanying serial numbers, in the system.

Manual bills may be used if it is near closing time and end of day procedures have already been started. In this case, bills must be uploaded immediately when the system is started the next day and the first shift must upload a photo of the bill on WhatsApp as soon as this is completed.

Manual bills must be scored by the store in-charge once they are entered. This will be done by using a rubber stamp marked “ENTERED” provided by the company. In the absence of a provided stamp, the store in-charge will draw two lines & write “ENTERED INTO THE SYSTEM” between them.

The scored/cancelled bills will be signed by the person who entered the system.

The store in-charge will take a photo of the bills and upload for information of Accounts Manager as proof of sales alongside the system information.

Create a financial tallying end-of-day Report

A. Total value of sales by end of day = Rs.
B. Credit Care sales = Rs.
C. UPI Sales = Rs.
D. Gift Card Payment = Rs.
E. Cash Sales = Rs.

A should be equal to (B+C+D+E)

Take E alone and Check Cash by Denomination

500X

200X

100X

50X

10X

Coins

TOTAL

Fig. 5.2.2: Financial tallying sample report

5.2.5 Uses of Barcode Scanners or any other means of Product Unit Identification

When a customer selects items to purchase, he/she brings items to the cashpoint to make the payment. At that cashpoint, the cashier checks the pricing of items on the POS terminal. There are some following types of equipment that are used at the point of sale to determine the price of purchase goods. They are:

Price Tags & Price Stickers: Price tags attached /stuck to products)- Price tags are commonly used by businesses to price products. Displaying the price on an item, can encourage people to make a purchase as they know the price they would be paying for the product. Research has shown that when people see a price, they are more likely to buy the item there and then, rather than wait or shop around. Most stores use some form of pricing, whether it is personalised labels, or pre-priced stickers, some form of pricing structure will be in place.

Barcode Scanner: Retail stores use barcode scanners to scan the barcode of items. These barcodes show the price of products on a computer screen. The cashier scans multiple products' barcodes and proceeds the payment process by calculating the total payment.

Touch screen computer: Touch screen computer shows and records items' prices after scanning them by a barcode scanner. These computers also calculate the total amount of purchased items. The amount shown by the computer determines the final amount that a customer needs to pay.

Electronic scale: Electronic scales are the electric weighing machine. Departmental stores use these machines to measure the weight of loose items such as grocery and confectionery items. When a customer or seller puts an item on this machine, it shows an accurate weight of that item. Once the machine shows the correct weight of items then the cashier calculates the fin

Conclusion

At the retail stores, a cashier follows a payment process to receive the payment of items that customers wish to buy. A cashier determines the prices of products by using various equipment at the cashpoint. The whole payment process provides a secured and easy payment medium that saves time and eases out things in the comparison of traditional methods of payment.

5.2.6 Commonly Occurring Errors on the Billing Systems and Measures to Resolve them

There are number of problems at cash points or POS. POS system that is commonly used at retail stores has hardware, software and networks connections, where some common problems occur with these devices. These following problems may rise during cashpoint operations: -

Hardware issues: POS system is interconnected system physical or wireless protocol devices. It includes workstations with monitor screens, mouse, keyboards, barcode scanners, cash drawers, receipt printers, etc., if any interconnected device fails then the whole POS system stops working. A common problem occurs in printing receipts in both, POS touchscreen as well as regular POS systems. It may be due to improper connection of cables. POS machines with three colour-coded cables must match to the similar colour on back panel of the equipment.

Resolution: Check all connections before informing the technical team about the problem. Many POS systems include a central server that processes data and coordinates the activities of the entire system. In case of any problem in the hardware, it is better to call the technician of the vendor because if the cashier tries to resolve the problem it may further seriously damage the system.

Software system issues: POS system relies on the dedicated software and computer operating system. These software help in transacting sales and credit card processing, inventory tracking, accounting and other functions related to sales.

Resolution: When POS software detects an error or too many software overload on the computers the system may stop working. Sometimes, restarting the system solves the problem but in case of a major software problem it must be referred to the technician of the vendor.

Network connectivity issues: POS systems are generally based on the dial-up modem or broadband Internet access to connect to network processing. The POS system transfers the customer’s account information to the debit or credit card processing network. If the network connection is not available, the system process credit and debit transactions.

Resolution: Sometimes, problems may occur due to disturbance in networking cable, cashier has to check cable connectivity and adjust the cable connection to resolve the problems.

User errors: Mostly the problems with POS occur due to the errors in the machine committed by the cashier. If the cashier enters wrong information or the wrong application is started the computer system can’t properly handle the transaction.

Resolution: It is necessary to provide training to cashier before assigning him the duty of cashpoint operation

Card processing problems

Problems with payment gateway: Payment gateway is an electronic portal. It accepts debit/ credit card data from customer payment terminal. It also encrypts data. Before sending data of credit card the issuing bank encrypts the data for approval. In case there is any problem in seeking approval, it could be due to a virus in the software, which can be brought to the notice of technical support team.

Declined transactions: The most common problem of card processing is a declined transaction. There are many reasons for a declined transaction in the case of debit card, such as insufficient balance, exceeding daily limit of withdrawal, and exceeding daily limit of number of transactions.

Verification: Credit card fraud is now-a-days a major and common issue. Sometimes, Address Verification Service declines transaction if the address given by a customer doesn't match with the card details.

Mismatch of card verification value (CVV) Number: The transaction may also be declined if the CVV number is incorrect. In case the account is already over-limit transaction, authorisation will not take place on the same day.

Ceiling limits issues: Some cards have a maximum limit which can be spent in a single transaction; this could lead to the card being declined. Especially corporate cards may have a specific limit on amount of cash which can be drawn per day. Therefore, the card will be declined if there is an attempt to draw cash beyond the sanctioned daily limit.

Store Gift Cards – Issues and Resolution –

A gift card is a form of payment that can be used to make purchases at retail stores, gas stations, restaurants, and other locations. One load money onto the card, which the gift card's recipient can then spend at accepted locations.

The following are the issues and resolutions of gift cards-

Lack of activation- The lack of card activation is a problem with gift cards. It can be caused by human error or because of system glitch, but inactivated gift vouchers cause hassle to the customer and to the cashier. So, while issuing a gift voucher, be aware to double check if the voucher has been successfully activated or not.

Merchandise return- Often customers use gift vouchers (GV) to make payments towards their purchases, if the products bought are eligible for a return and the customer choses to return it to claim a refund, he could do so and the money could either be returned to the existing GV if the customer still has it, or the customer could be issued a new GV or store credit. But, the process is longer and requires more efforts than a usual sale.

After purchases are made with a gift card, there may be a small amount of money still left, which if not used, could end up as money wasted.

Losing a gift card or having it stolen can be a big headache, especially if you have failed to register it or keep the gift card number. The 2009 Credit Card Accountability Responsibility and Disclosure (CARD) Act offers protections to gift cards issued by retailers and banks.

Unique numbering system in gift cards: Gift Card number and PIN number are printed on the back of your card.

Gift Card Number: This 16-digit number is printed below the PIN. On some cards, this number is printed above a magnetic strip and will contain exactly 16 digits. On other cards, this number may be as many as 30 digits and will be printed below a barcode.

Loyalty Cards – Issues and Resolution

Customer loyalty cards are used by businesses to encourage customers to return to their store for repeat business. When customers receive the loyalty card, they get a hole punched in it for every purchase they make. After a certain number of holes determined by the business, the customer receives a special deal or discount. This encourages customers to return to the business over and over again in order to receive the deal.

Customer loyalty cards are especially beneficial to businesses because they only require rewards after the customer has already spent money with the business a certain number of times.

The following are some of the issues and resolutions of loyalty cards-

Loyalty Cards Can Decrease POS Efficiency: Most customers accept that setting up a loyalty card is going to take a little time. However, things can get a bit frustrating when every time a purchase is made they search their wallets or pull up an app on their phone. This is not only somewhat frustrating for them, but it can also be frustrating for other customers waiting in the queue. A good way to combat this is to make the physical cards easy to spot. Use unique and bright colours when designing them or ensure the brand's logo is super easy to recognize.

Loyalty Cards Can Incite Privacy Concerns: In order to sign up for a loyalty card program, customers have to be open to volunteering some of their personal information. Some customers may not be comfortable sharing their personal information or phone number even if the loyalty program you're offering is great.

To get customers who are concerned about the privacy of their information on board, reassure them by mentioning that their information is safe with the organisation and the company has terms and conditions in place to keep the customer information privileged.

Loyalty Cards Can Become Spammy and Intrusive: While it's important to stay in contact with your customers so that your brand is fresh on their mind, many businesses make too much contact which can become counterproductive. In the age of overflowing emails and messaging inboxes, too many contact points can start to feel a little overwhelming and perhaps even intrusive.

To make sure your customers' aren't feeling this way, try sending out emails or messages routinely, though on a less frequent basis.

Earning points and burning points: It is the simplest yet most effective loyalty strategy. Customers earn points through activities assigned by a brand and burn or redeem the accumulated points in exchange for discounts, rewards or incentives. The reason behind the success of this phenomenal strategy is its simplicity. Customers, globally, understand this concept and are more than willing to put their money on something they know, understand and trust. Customers are attracted to these programs because most customers understand and believe in the concept of 'earning and saving for later', it is reliable, tried and tested. Earn and burn loyalty also acts as a solace to seasoned or frequent shoppers. It gives them the leverage to spend more, so that they can win later through their loyalty redemptions

Conclusion

In retail sales, cashpoint or point of sale is a system of some interlinked devices such as barcode reader, cash drawer etc. To make a cash point operation working effectively, each point-of sale device plays an unavoidable role. But sometime cashpoint system goes down such as scanner is not scanning the barcodes, cash drawer is not coming out etc. In such situation retailer needs to identify the problem and its solution.

Activity

Steps of Engaging with Customers and Facilitating Billing Products on the POS/ Handheld Terminal

A lady has come to buy 2kg apples from the vegetable section of your store, but she is not aware of the buying process at retail stores. Demonstrate how will you help her to buy apples?

Demonstrate how to engage with the customer and facilitate the purchase of products by following the below steps:

- Step 1: Greet and Welcome the customer.
- Step-2: The person at the cashpoint scans the barcode of products purchased by the customer.
- Step-3: Tells the total amount of the purchased items to the customer.
- Step-4: Asks the payment mode from the customer
- Step-5: The customer pays the amount by cash money, credit, or debit card.
- Step-6: Takes the card, swipe on the card swiper, and receives the money.
- Step-7 Provides the bill of the received payment to the customer.
- Step-8: Thank the customer.

Summary

In this module, the participant has covered the following:

- Process of processing sales transaction on the billing systems.
- Role of team leader in processing sales transactions.
- Significance of POS operations in processing sales transactions.
- Role of team leader in situations of exceptions at the billing counter.
- Steps of engaging with customers and facilitating billing products on the POS.

Exercise

Answer the following questions by choosing the correct option:

1. POS stands for?

   (a) Point of Sale (b) Price of Selling

   (c) Position of Stock (d) None of the above

2. Which of the following statement is not true?

   (a) Maximum Retail Price (MRP) is the maximum price the seller can charge from the buyer

   (b) MRP is a manufacturer calculated price which is the highest price that can be charged for a product

   (c) Retailers can charge GST over and above the MRP

   (d) GST is already included in the MRP printed on the product

3. The key role performed by the team leader who is deputed in the finance department of the store is to:

   (a) Conduct reconciliation of float cash for individual cashier

   (b) Permit and monitor the use of petty cash

   (c) Conduct reconciliation of the credit and debit card transactions

   (d) All of the above

4. ____________________________ help in determination of the stocks on hand.

   (a) Sales Report (b) Inventory Report

   (c) Purchase order (d) None of the above

5. Which of the following is not a part of POS machine?

   (a) Cash Register (b) Touch screen Monitor

   (c) Customer Display Pole (d) Electronic Weighing Machine

Answer the following questions

1. What is Layaway?
2. What is Maximum Retail Price (MRP)?
3. List the commonly occurring errors on the billing systems.
4. What is a gift card?
5. State the use of bar code scanner at the retail outlet.

Notes

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6. Maintain Availability of Goods for Sale to Customers

RASCI
Retailers Association's
Skill Council of India

Unit 6.1 - Organize Staff to Display Goods for Retail Sale

Unit 6.2 - Evaluating Effectiveness of Displays

Unit 6.3 - Maintain the Required Quantity and Quality of Goods on Display

RAS/N0148

Key Learning Outcomes

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

1. Show how to organize staff to display the goods in the store for sale
2. Explain how the display of goods can promote sales.
3. Discuss the legal and organizational requirements for displaying goods.
4. Explain the importance of evaluating the effectiveness of displays.
5. List the operational practices to maintain the required quantity and quality of goods on display.

UNIT 6.1: Organize Staff to Display Goods for Retail Sale

Unit Objectives

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

1. Explain the need for a store to always maintain the required level of stocks.
2. Explain the need to maintain the adequate stock levels for sale.
3. Explain the role of a team leader in guiding the staff to display the goods for sale.
4. Explain the importance of giving constructive feedback to staff on their performance.

6.1.1 Need for a Store to always Maintain the Required Level of Stocks

Revisiting Terminologies:

Terminologies

1. SKU—Stock Keeping Unit. Individual article with a unique identity.
2. Stockout—A situation when stock is not available in the store, that is the stock level is zero both physically and in system.
3. Service level stock—Stock that is available for sale.
4. Safety stock—This can be below the desired stock level but not enough to trigger re- ordering; can also be referred to as a backup stock.
5. Gaps—Stocks not available on shelf, but available in the store.
6. Lead time—This is the period from the time the order is made till the time the goods are received at the store.
7. Shelf life—Timeline till the product can be sold (before expiry of the product).
8. DMS—Daily Mean Sale. The average sale for a specific period of time.
9. Forward cover—At the current DMS (average pieces being sold everyday) for how many days will the stock lasts. If the rate of sale is 3 pieces and we have 15 pieces, then forward cover is 5 days.
10. Reorder level—The stock level at which reordering is done.

In retailing, the following three factors are very important:

- Customer.
- People.
- Merchandise or stock.

Every store should maintain proper stock. The need to maintain stock levels are discussed below:

- To avoid the possibility of stock out: The situation when there is no stock to be replenished and the shelves become empty, is called stock out.
- All stock will not be always available. Based on their demand and seasonality, the stock should be built. For example, during festive seasons the stock maintained will be in larger quantities than the other days as there is an increase in the sale or demand during such periods.

- Each of the category has got a forward cover period, which is maintained by maintaining the stock levels for that period. For example:
  - Grocery—3 weeks
  - FMCG—2 weeks
  - F&V—1.5 days
  - Bakery—2.5 days
- Based on the previous sales data or projected sales data, the stock level must be main- trained.
- Not all stocks will be available for delivery on a daily basis. To allow the vendor to supply orders, the right stock levels are to be maintained based on lead time. A vendor might not be always holding stocks. It depends on the production cycle and delivery pattern of the manufacturer. For example, Surf Excel Matic—front load is in short supply always even with HLL depot.
- Each category has got a supply plan and will be arriving according to that plan. Till the next supply comes, the stocks should sustain sales.
- For example, let us assume that eggs arrive at the store at 12:00 noon, therefore one should ensure that the stocks in the store must last till 1:00 pm the next day. To accomplish this,
- the average daily sale data of eggs is considered and the stock levels to sustain the sales have to be maintained.
- There is a space constraint, and one cannot pile stocks. Based on what business is expected from which stock, their turn around time and shelf life should be considered for maintaining the stock level. (Turnaround time may be defined as the time it is sold out and its replenishment time).
- Optimum level of stock will lead to space availability and more range (variety of products
- that is made available to the customer is called range); resulting in increased business. For example, in the beginning of the year, we do not buy and stock everything we would need for the entire year. We buy in small quantities every month so that we can accommodate it in the space available at home. Similarly, even in the store, we have to order for stocks which can be accommodated In the available space.
- Over stocking of any products will lead to pilferage, breakage and dump. Therefore only required level of stocks need to be maintained.

Note: We have seen the need to maintain required levels of stock. Now we will see the importance of having adequate stock for sales.

What is the difference?

Maintain stock levels—this is done by aligning to the business plan. This focuses online fill. Having adequate stock for sales aligns with the current trend of business which would lead to achievement of business plan. This focuses on case fill.

Definition

Line fill: Ratio of SKUs (lines) that are planned for the store to the actual lines available.

Case fill: Ratio of the number of pieces available per SKU per line to the planned number of pieces per SKU per line.

For example

- Total lines planned: 1200.
- Lines available: 1080

- Line fill: 90%
- Case fill planned for SKU X: 2000
- Case fill available: 1600
- Case fill: 80%

6.1.2 Need to Maintain the Adequate Stock Levels for Sale

For maintaining the levels of stock, focus should be on having adequate stock for sales.

- **All stock that have been promised must be made available to avoid stockouts—**stock outs are the worst to happen to any store as it reflects the inefficiency of the organisation to recognise customer requirements.
- **Adequate stocks must be available for serving customers—**when a store is able to cater to the requirements of customers they will come repeatedly and provide sales. Hence adequate stocks should be available. The number of customers will keep on increasing and in order to take care of the new customers a planned stocking is required.
- **Unavailability of stock means drain on finance—**when adequate stocks are not available, there will be loss of sale, which is a lost opportunity.
- To ensure that the Planogram (POG) is maintained POGs are made based on the science of customer behaviour. A complete planogram is a treat for customers, the benefits of which will reflect on the sales. If stocks are not enough, there will be gaps and empty spaces in the shelves and this will reflect an unhealthy picture. Adequate stock is required to maintain the POG and provide customers with a wide range of products. (The planogram is a visual diagram, or drawing, that provides in detail where every product in a retail store should be placed. These schematics not only present a flow chart for the merchandise departments within a store layout but also show on which aisle and on what shelf an item is located.)
- **Demand rate—**Based on the average selling rate, number of pieces that are being sold, and the time for replenishment, stocks should be held to take care of sales. For example, during festivities demand for sugar and ghee will be high; during winter demand for woollen clothing will be high. Based on the forecast and demand for a particular product the levels of stock are decided.
- **Lead time—**This is the period between the ordering of stock till its actual receipt. Different products have different lead time, hence stock should be held keeping this in mind. Lead time also plays a role in maintaining adequate stocks. There are vendors who have a long lead time. But the demand for the product will be throughout the year. Based on their supply intervals, the stock adequacy is decided. For example, an order has been placed for Hamam soap—125g on 1st of December 2013. The delivery happens on 20th December 2013. The period from 1st to 20th December is called the lead time.
- **Service level—**The quantity of stock that is required to be maintained in the store, SKU-wise which will avoid any stock out situation. Articles like Mobile Phones and apparels become obsolete within a short period of time. Demand for the core items will be there, but latest designs will get outdated. This would lead to stock out situation. Hence, to maintain required stock for sale, an optimum level of stock is required which can be offered to customers. This is called service level stocks.
- **Service level stock—**Stock which is available for sale bereft of short shelf life, damages, etc.

6.1.3 Role of a Team Leader in Guiding the Staff to Display the Goods for Sale

The team leader needs to do the following to ensure goods are continuously displayed for sale at the store:

- Supervise perpetual inventory/ stock count activity/ Full stock inventory.
- Determination of current, required and shortfall.
- Estimate the number of resources required to setup or ensure gaps are filled.
- Ensure movement of stocks from the back store
- Ensure safe handling of stocks and equipment.
- Ensure safety of customers and staff in the area where the display is setup.
- Ensure date rotation (FIFO/ FEFO)
- Supervise replenishment and spot fills.
- Supervise placement of Shelf Edge Labels (SELs) and signages

The above roles and responsibilities are explained in detail below –

Perpetual inventory (PI) / Stock count activity/ Full stock inventory

The word perpetual means ‘continuously for an unspecified period’. An inventory which is being taken repeatedly for categories is called as Perpetual Inventory, inventories done continuously. Cosmetic brands conduct PI almost every week to always ensure availability of products.

In this method, the book inventory is continuously kept in agreement with stocks on hand. Many times, the book inventory and stocks on hand may be reconciled as often as after each transaction, while in some systems these two numbers may be reconciled less often. This process is useful in keeping track of actual availability of goods and determining what is the correct time to reorder from suppliers might be. This is also called continuous inventory.

Full stock inventory

The physical count of the entire stock is done at certain times during the year. At times like this, the store might be closed for business. The transactions of sales and purchase are not recorded each time. The total amount of goods for sale is equal to the stock at the beginning plus the total purchases made in the time.

Inventory verification calendar

- At the beginning of the year a detailed stock verification calendar is prepared by the head office clearly indicating the dates of verification.
- The calendar should ensure that all items are verified at least once in a year. Generally stock verification would be categorised based on the value of the material versus how many counts the verification has to be done in a year for a particular material.
- High value items will be covered more frequently and low valued items less number of times.
- Apart from this as a statutory requirement, the organisation will also induct external audit agencies to conduct an intensive stock verification. The results will reflect in the balance sheet.
- There are different types of stock taking marked in a stock verification calendar:

- Annual/ quarterly stock taking: This is done yearly/ quarterly so that the figures in the balance sheet are accurate.
- Monthly, weekly and daily stock taking is done to plan procurement and keep a tab on the inventory and line checks are done to check the quantity of inventory at the end of each product line.

The frequency of stock checks depends also on the SKU.

- **Stocks which are fast sellers**

  This is important because as a fast seller, the availability is critical. Hence a correct balance of the stock should be maintained between the book and the physical stock. If this is to be done, then a stock check is required. The frequency in which it is to be done could be once or twice in a week.
- **Stocks which have high shrinkage**

  Articles identified having high shrinkage will have a stock check done frequently as might be decided by the operations team. Mostly this will happen on Monday mornings post a busy weekend to know what the shrink has been, if any and what steps are to be taken to tighten the leak.
- **Stocks which are of high value**

  Saffron, dry fruits, mobiles, sunglasses are examples of SKU with high value. At the end of each day these SKU's global count (total number of pieces) will be recorded and counter signed by the security. The same exercise will be done as the first thing in the morning too.

The stock checks frequency depends upon the organisation's policy which will mark those departments and SKU's which should go in for a weekly PI or quarterly PI or half yearly or if it enough if there is an annual stock check done.

Determination of current, required and shortfall in stock using the system.

A combination of reports is to be seen to ensure that the current stock levels meet the business requirement, to reorder stocks that are required and what should be done about the slow-moving stock. These reports will help in knowing the required stock levels.

Stock control system: Various activities that are taken to monitor the stock or inventory col- electively is called the Stock Control System. It consists of tools in the form of reports of stock on hand or the current stock level. Some of the reports in Stock Control System

- Stock statement.
- Stock movement report.
- Stock receipts and despatches.
- Inventory reports (PI, cycle count and annual stock count).
- Stock adjustment vouchers.

Current stock level: This will be available from the stock list. The stock level of all the departments will be given globally. From the store stock level, investigate department, category and sub-category level of stocks and finally at the SKU level.

Required stock level: This is the projected stock that the store should have at any given point of time.

For example: Let us consider a particular SKU, say X.

When a business plan is drawn, estimation on the expected business from SKU X will also be done.

The number of pieces to be sold, allocated stocking area, the lead time to maintain the stock and repeat order so that SKU X will not run out of stock all these aspects are considered to achieve the target business.

Required stock level can be estimated from the stock statement which would be part of the stock control system.

Shortfall: The difference between desired stock level and available stock level is known as shortfall.

Let us continue with the previous example of SKU X.

A. Presume that at any given point of time, the stock of this SKU = 240

B. Stock on hand = 104

C. On order = 24

D. On way = 60

Therefore, the shortfall = A – (B + C + D) = 240 – (104 + 24 + 60) = 52

This will help in identifying the current stock level, provided the stock book has been updated and is maintained regularly.

Each category will have a defined stock level:

1. Based on the business projection of the department.
2. Based on the contribution from the sub-category level upwards.

This contribution will come in from the SKUs of the sub-category.

1. There is a lead time for the vendor, and hence covering the lead time, the volume will be decided.
2. Then there will be a cushion which would take care of any exigency
3. The target of an SKU in value is converted into number of pieces. This with the safety stock would be the stock required at any given point of time.

Example: Identifying Current stock level

For a month	Pcs	Value	Avg./day sales	Required stoc
Store target	250,000	5,00,00,000		
Target dept 1	2500	500,000		
Target dept n	xx	xxx		
Category target	250	50000		
Subcategory target	50	10000	1.66 pcs	
Lead time			30 days	50 pcs
Safety stock		(Avg. sales x no. of days)	10 days	17 pcs
Total stock to be maintained		**DESIRED STOCK**		67 pcs.
Stock on hand today				56 pcs
Short fall in stock				11 pcs

The current stock levels will be available from the stock list. The average sale rate of a particular SKU will be available from the sales report or the stock movement report. The stock movement report will also reflect the need to replenish, if the stock levels have gone low. This would also help in initiating re-ordering.

First of the reports to be checked will be the stock list. In the stock list all the SKUs of the store will be listed and the status of each of the SKU as per book will be known. This can be seen at department, category, sub-category and at SKU levels depending on the requirement of the person who is seeing it.

Number of resources required to setup or ensure gaps are filled in 60 mins.

a. Time required to set up the display from the history data is 180 mins with 1 resource.
b. Average time taken to move the stocks from Back store to sales floor is 15 mins with 1 resource.
c. Now, Calculate the number of people required to set up the display in 60 mins.

If a =180 minutes with 1 resource.

If b = 15 minutes with 1 resource

The number of resources required to complete the display within the stipulated 60 minutes will be.

1. Total number of people required to move stocks from back store in 7 minutes = 2 people
2. The total number of people required to complete the display in 53 minutes =183/53= ~ 2.9 people.

Movement of stocks from the back store

Move the stock from storage to the floor for selling as and when the stock levels deplete. When doing this, the level of stock that is coming down in storage should be noted. Trigger the reordering of stock when it reaches the ROL (reorder level)

Safe handling of stocks and equipment.

Some of the basic requirements for maintaining safety when we receive, move, store and display goods.

- Ensure that the stocks are moved by using equipment such as pallet trolleys and cages.
- Ensure that there is no spillage or breakage while moving and displaying the goods.
- Ensure food and non-food articles separated to avoid cross contamination.
- First aid box and trained staff to use them in case of emergencies.
- Trained staff to operate hydrants, firefighting equipment, electric panel boards during emergencies.
- Location map depicting emergency exits, fire exits, assembly points, route to be taken in case of emergencies, etc.
- Notice board containing emergency telephone numbers of nearest hospitals, police, ambulance and fire.
- Cling/shrink wraps for goods to be wrapped safely and stored.
- Bands to keep stock in position on pallets.

Date rotation (FIFO/ FEFO)

As the replenishment or display is carried out, the team leader must ensure that the date rotation activities are also performed by the team in parallel. Ensuring FIFO (First in first out), maintaining FEFO (First Expiry First Out) where applicable. This is also an ongoing activity. There would be a schedule for doing this and strict adherence is required which would ensure low dump and less loss to the organisation.

Supervise replenishment and spot fills along with labeling.

Stock shelves— Bringing in the stock from storage, the same is required to be stocked in the shelves. Planograms (POG) are there for each of the shelf. The stocking should happen accordingly, in line with the POG. This requires good understanding of POG. Number of facings, both horizontal and vertical and depth should be taken care. In case there is no product to fill the shelf, make a note of it and ensure that it is triggered for reordering.

Fill displays— taking care of the displays once the shelves are filled. Team leader needs to ensure that the Associate fills the displays and clean the displays as already seen in the session on visual merchandising. The display filling should also conform to the stock that has been mentioned in design brief.

Labelling— Taking care of SEL (Shelf edge labelling), product detailing and FAB cards. Identifying the products which require promotional material, normal SEL, product detailing or FAB card. Indent for this should be done by the associate to ensure all products are in order.

6.1.4 Importance of Constructive Feedback to the Staff

- Feedback is a fundamental tool to successfully embed behaviour and organisation change. It helps a team member to move himself/ herself from a position of dependence on others to self-reliance and confidence. Feedback -
  - is essential to team development.
  - ensures that individuals within the team are aware of the impact of their work.
  - helps team members remove performance barriers and achieve career aspirations.
  - reinforces and supports other forms of development, such as training.
  - informs continual performance improvement.
- Giving and receiving feedback should be seen as a valuable service. If feedback is given and received in the proper manner it is one of the most effective and fastest ways of improving performance and behaviour within the store

Types of feedback

Positive feedback

- Not all feedback is about identifying and communicating areas of improvement.
- Positive feedback is about providing people with feedback on their strengths.
- This type of feedback is very important as it reinforces your good behaviour and performance.

Constructive feedback

- Intend to be helpful.
- Focus on the positive, positive feedback first and improvements at the last.
- Be specific, describe behaviour.
- Be descriptive not evaluative.
- Focus on the expected outcome.
- Offer alternatives.
- Be respectful.
- Use 'I' statements

Negative feedback

- Not specific
- The feedback comes across as being a personal attack.
- Difficult for the receiver to take any corrective action

Positioning Feedback

- Feedback states how a person's behaviour affects you.
- What impact it had.
- How you feel about it.
- Feedback can include asking someone to change their behaviour.
- Assessing readiness.
- Most people do not ask for feedback.
- If properly approached, most people are willing to listen.
- If not, you will end up talking at them, not to them.

How to receive feedback

- It is easy to stop listening when you don't agree
- Show that you are listening by maintaining eye-contact
- When receiving feedback, stay calm and relaxed
- Don't become defensive too quickly
- Keep asking for specific examples / data until you are clear
- If necessary, agree to seek a second opinion from another source
- Always acknowledge that you have understood the feedback, even if you disagree with it

Tips for receiving feedback.

- It is important to remember that the person who is providing the feedback is probably as uncomfortable as you
- Try to work through the process in the same manner as if you were providing the feedback.
- Use active listening skills to make sure you understand what behaviours are being discussed.
- Don't be afraid to ask questions.
- The person receiving the feedback should take the lead in developing corrective action steps.

Tips for giving feedback.

Providing feedback can be a sensitive matter and may be unpleasant experience to the receiver as well as the giver and hence it is important to have a process to provide feedback.

- Ask if the receiver is comfortable receiving feedback.
- Start with positive.
- Starting with negative leads to positives not being heard
- Involve the receiver in searching a solution to the feedback together.
- But the recipient can seek a solution with a third party. You don't own the feedback once it is given.
- Focus on one aspect at a time so receiver doesn't feel overwhelmed.
- Check for understanding.

UNIT 6.2: Evaluating Effectiveness of Displays

Unit Objectives

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

1. Explain the legal and organizational needs for displaying descriptions and prices of goods.
2. Explain the standards of the organizations for putting displays together, including standards for cleaning and preparation.
3. Explain the safety, security, and health procedures and requirements relating to displaying goods
4. State customers' legal rights in link to the goods' display
5. Explain the significance of dealing promptly with any risks to security or health and safety that arise when evaluating displays.
6. Prepare a checklist to evaluate the effectiveness of displays in relation to the intended purpose and legal requirements, and standards

6.2.1 The Organizational and Legal Requirements for Displaying Descriptions and Prices of Goods

The Organizational as well as Legal Needs for Displaying Illustrations and Good Prices

When it comes to exporting to India, labelling is crucial. For labelling, English is the chosen language. Indian Customs is stringent when it comes to ensuring that imported goods have all the essential labelling information.

All pre-packaged commodities imported into India for direct retail sale must bear the following information on the label, according to the Ministry of Commerce:

Importer's name and address	Common or generic names of the community

Fig. 6.2.1: The information that needs to be there in the label

In association with the standard units of measures and weights, the net quantity is. All weight and measurement units must be in metric. The importer must report the equivalent of standard units if the net quantity of the imported package is specified in any other unit.

The year and month the product is produced, packed, or imported, as well as the maximum retail sales price (MRP) at which it can be sold to the end customer. All municipal and other taxes, freight, transportation charges, commission due to dealers, and charges for advertising, delivery, packaging, forwarding, and any other relevant charges are all included in the MRP.

The "Food Safety and Standards Authority of India (FSSAI)" was founded as a legislative organisation to regulate the production, processing, distribution, sale, and import of food items, as well as their labelling and packaging regulations, under the Food Safety and Standards Act, 2006.

Part VII of the Prevention of Food Adulteration (PFA) Rules, 1955, and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977, impose additional labelling requirements for packaged food goods, requiring the labels to include the following information:

- Name, trade name, or description.
- Name of ingredients used in the product in descending order of their composition by weight or volume.
- Name and complete address of manufacturer/packer, importer, and country of origin of the imported food (if the food article is manufactured outside India but packed in India).
- Net weight, number, or volume of contents.
- Distinctive batch, lot, or code number.
- Month and year of manufacture and packaging.
- Month and year by which the product is best consumed.
- Maximum retail price.

Fig. 6.2.2: The labels need to contain the following information

The following information must also be included on the product label, if applicable:

The purpose of irradiation and license number in case of irradiated food.	Extraneous addition of colouring material.

Fig. 6.2.3: information that must also be included on the product label

The Organization's Standards for Putting Displays Together, Including Standards for Cleaning and Preparation

Maintenance, security and safety policies while displaying.

- Displaying location should be clean and pest free.
- The floor should be clean without any fastening tape stuck.
- The location should be secured and safe with an accessibility log.
- Cages and high-value items should be locked and should be provided limited access.
- Regular maintenance of equipment should be done.
- Key logbooks should be maintained for people using the material handling equipment (MHE) and battery-operated pallet trucks (BOPT).

Some examples of displaying

The following are some examples of displaying:

- Food stocks should be kept away from soaps and detergents because the smell of soaps and detergents will spread onto the food articles.
- Exotic fruits should be kept in chiller storage also while displaying.
- The chiller and freezer rooms will be separate for veg, non-veg and dairy products.
- Dairy articles that require chiller or freezer storage should be identified and stored accordingly.
- Vegetables should be kept separately.
- Ethylene producing fruits, like plantains and pineapple, should be kept away from other fruits and vegetables to avoid ripening.

The Safety, Security, and Health Procedures and Requirements Relating to Displaying Goods

Requirement for maintaining the security.

Some of the basic requirements for maintaining security when we receive and store goods and then display them are given below:

Security

- Loss prevention team.
- Trained, literate and uniformed security guards at the receiving area.
- Trained staff who can operate Handheld terminal (HHT), if required.
- Secured caged pallets (with lock and key) for storing value articles (if any).
- Loss prevention team to maintain and monitor CCTV cameras at the receiving and storage area.
- Operative security alarm systems during emergencies.
- Metal detectors, batons and any armoury, if required, conform to legal compliance.

Requirement for maintaining safety.

Some of the basic requirements for maintaining safety when we receive and store goods.

Safety

- First aid box and trained staff to use them in case of emergencies.
- Trained staff to operate hydrants, firefighting equipment, and electric panel boards during emergencies.

- Location map depicting emergency exits, fire exits, assembly points, route to be taken in case of emergencies, etc.
- Notice board containing emergency telephone numbers of nearest hospitals, police, ambulance and fire.
- Cling/shrink wraps for goods to be wrapped safely and stored.
- Bands to keep stock in position on pallets.
- Food and non-food articles are separated to avoid cross-contamination.
- Vehicle route within receiving area to specify speed limits, parking area, receiving area, etc.
- All racks grouted properly.
- Corrosive articles, like cleaning acids, battery water, etc. kept in earmarked areas.

Some safety equipment to be mandatorily available at the store:

- First aid box.
- Fire-fighting equipment—extinguishers and hydrants.
- Jackets and gloves while operating in freezer areas.
- Headgears and helmets.
- Safe footwear.
- Overcoat/reflective vests/life vests.
- Earplugs.
- Eyewear or glasses.
- Face masks.
- Safety cones, barricading tapes and signs.

Administrative procedures for displaying the products.

Administrative procedures for displaying the products may be listed as under:

- Documentation to record and log goods that have been received and sent.
- Timely opening and closing of the good receiving function.
- Demarcation of area for storage and maintenance.
- Record and log maintenance of delivery vehicles.
- Maintaining adequate manpower for receiving, checking, loading and unloading.
- Maintenance and availability of crates, trolleys, pallets, pallet movers, forklifts and BOPT.
- Maintenance of electrical power, generators, systems and accessories.
- Availability of HHTs, PCs, printers, copiers, etc.
- Housekeeping manpower allocation while receiving and storing for maintaining a clean, pest and rodent free area.
- Administration of security and safety.
- Maintaining parking area.

Customers' Legal Rights in Link to The Good's Display

The legal rights of the consumers in relation to the display of the goods are as follows.

- Create an ambience delightful by keeping the store spacious and uncluttered.
- Use proper lighting to focus on popular products.

- Use the design brief to identify the focal points of the display. Focal points should have a current trend.
- Create window displays using props like posters that highlight new offers, festive discounts, new collections, etc.
- Generate visual displays based on the requests sent by the marketing department.
- Choose aesthetically soothing colours for interiors.
- Put up callouts and placards inside the store with catchy quotes.
- Implement and stick to plots and themes according to the above variables to make maximum returns for the desired category in the store
- Check that the completed display meets health and safety guidelines and legal requirements
- Assemble and dismantle the visual displays, if and when required
- Always comply with the company policies

The Importance of Dealing Promptly with Any Risks to Security or Health and Safety That Arise When Evaluating Displays

Signages and displays may pose health and safety-related risks to staff and customers alike.

Examples of hazards related to signages and visual displays:

- overhead signs that may drop
- signs at a height
- electrical cables and wires that extend past the display zones.
- unsecured mannequins that may topple and hurt people.
- plinths, gondolas, and display tables that customers may bump against
- faulty lights and exposed/frayed wires.

Risks involved (for staff and customers):

- electrical fire from short-circuits.
- fire from discarded cartons, cardboard boxes, paper packages, etc.
- electrical shocks (from exposed and frayed cables/wires)
- burns from hot lights.
- trips and falls from inappropriately placed.

Health and safety dos and don'ts for retail team leaders:

Do

- ensure that the signs suspended from ceilings allow enough space for customers to walk beneath them
- use grids and ceiling grills to suspend signs and displays.
- use toggle bolts for securing signs and displays with plaster ceilings.
- secure all parts of mannequins well with special focus on the rod, which attaches to the ankle, and the base plate
- tighten support rods to prevent toppling of mannequins.
- wire mannequins to the floor (striking a mannequin) if base plates are not used

- secure props and wall display with screws and heavy-duty nails.
- attach three-dimensional letters with the help of headiness nails (brads), hot glue, or double-face foam tape

Don't

- never use pins for long-term support of props against walls
- never use unprotected spotlights while installing visual displays since these may cause severe burns
- never keep signs and lighting within the customers' reach

Generic guidelines (related to the store)

A few common examples of generic store policies, which the retail team leader should be aware of, are:

- **Confidentiality and nondisclosure policy -** This focuses on confidentiality and prevents terminated employees from taking the clients of the company or starting a rival business.
- **Anti-discrimination policy -** This keeps the retail team leader's compliant with the anti-discrimination laws of the country. Some laws extend protection to expecting women, nursing mothers, and persons of varied ethnicity, caste, creed, religion, skin colour, gender, etc.
- **Employment at will -** This means that either the employer or the employees are free to terminate the employment relationship.
- **Compensation and benefits -** This includes the payment schedule and payday, along with perks and allowances.

In case of non-compliance

If the designs or changes are not at par with the company guidelines, the employees can:

- locate the store manager.
- get hold of the handbook of store policies/guidelines.
- read the manual thoroughly.
- check-in the guide whether the prop you wish to put up is mentioned in the instructions or not
- seek assistance from your supervisor in case of discrepancies.

A Checklist to Evaluate Effectiveness of Displays in Relation to Intended Purpose and Legal Requirements and Standards

A retail store audit checklist is a useful tool for controlling and monitoring retail outlets' state, branding, operations, and standards. Store managers and auditors utilize retail audit checklists to assess the efficiency of store displays, keep track of product inventory, monitor store employee performance and productivity, and maintain the store's cleanliness and safety. A retail audit (additionally referred to as a store audit) is a method of gathering data in order to evaluate and analyse the performance of a store over time. Retailers are urged to conduct shop audits to avoid the following:

- Selling products that have passed their expiration dates, which can result in substantial fines from regulators;
- Inappropriate marketing efforts and strategies, which may result in lawsuits and public shaming;
- Non-compliance with safety rules, which can cause harm to customers and lead to government recalls;
- Customer service that is inconsistent, which might harm your store's reputation; and
- Retail store performance that is unmanaged, perhaps leading to insolvency and store closure.

UNIT 6.3: Maintain the Required Quantity and Quality of Goods on Display

Unit Objectives

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

1. Discuss the impact of different types of display in achieving sales targets.
2. Explain the significance of the information positioned within displays in promoting the sale.
3. Discuss the impact of the layout of the selling area on the sale of products.
4. Discuss the importance of checking pricing and price marking, correcting mistakes and changing prices.
5. Explain the importance of stock replenishment.
6. Explain the importance of rotating the stocks on display.

6.3.1 The Impact of Different Types of Display in Achieving Sales Targets

Impact of Different Types of Display in Achieving Sales Targets

How do displays increase sales?

Visual displays in high customer traffic areas where the products get noticed by shoppers leads to purchases. Displays promote your merchandise and help customers make buying decisions.

Retailers use retail displays to increase sales for:

- New products: Visual displays can highlight new items and promote their product features.
- Seasonal items: Whether you're promoting pumpkins in the fall or poinsettias in the winter, visual displays can help sell more seasonal goods.
- High-end products: Sometimes, shoppers need more information before they commit to purchasing a high-priced item. You can use visual displays to tell your customers why they need your product.
- Complementary goods: You can't have cereal without milk or shoes without socks, but these items aren't always next to each other in the store. Visual displays allow you to promote products that shoppers often purchase together. The convenience makes customers more likely to choose your brand.
- Promotional items: Visual displays place sale items in a prime location where shoppers will notice.

6.3.2 Significance of the Information Positioned within Displays in Promoting the Sale

A large reason for the increase in sales is due to in-store displays. In one study, 69% of shoppers reported seeing in-store product advertisements. The same shoppers browsed the products, and 61% also purchased them. It's clear that in-store advertising is an effective strategy to boost retail purchases.

What Does POP Mean?

Fig. 6.3.1: POP (Point of Purchase display)

The abbreviation POP stands for point of purchase. The point of purchase is where a consumer decides to buy a product. In other words, it's the physical area inside a retail store where consumers encounter merchandise and promotional materials. Marketers utilize the POP to plan product displays and other marketing efforts. It's a critical area where you can appeal to customers before they make their final purchase.

POP vs. POS The term point of purchase (POP) is often confused with the term point of sale (POS). While they both relate to areas within a retail store, the point of sale specifically refers to the billing area. Examples of product displays within the POS include a magazine rack next to the conveyor belt at a grocery store or a selection of candy bars beside the register at a gas station. The POS has limited space, making it ideal for marketing smaller impulse items like gum, candy, bottled beverages and snacks. Retail stores often use this area to promote single packaged items. Since the point of purchase covers most of the store, the uses for POP displays are more extensive. You can promote products of all shapes, sizes and categories. There's room for bigger retail displays to promote larger quantities — like a six-pack of soda rather than a single bottle.

Purpose of POP

POP displays serve many purposes, from highlighting product features and growing your customer base to boosting sales. Here's why you should add POP displays to your retail strategy:

- They separate your products from crowded shelves so more people will notice your brand.
- They target customers you may not reach otherwise.
- They boost revenue.
- They entice customers to make impulse purchases.
- They provide a second location to display your products, in addition to traditional shelving.

Activity: Carryout desk-based research on different types of displays created in different types of stores. Prepare a chart with pictures of product displays and of different types of displays indicating their significance.

The Impact of The Layout of The Selling Area on the Sale of Products

Apart from all the topics discussed above, there are multiple other parameters that a retail team leader must keep in mind. Some of them are as follows:

Design layout of stores – Every store has a different plan depending on the floor area it gets. The retail team leader is responsible for setting up the merchandise and managing the available space efficiently. As a retail team leader, one should be able to study the design drawings and put the layouts together.

For example, in a multi-floored garment store, usually, the ground floor comprises the women's wear and kid's section. Then the 1st floor is allocated to the men's section. This may vary from store to store depending on the number of levels available and the number of segments they wish to put up.

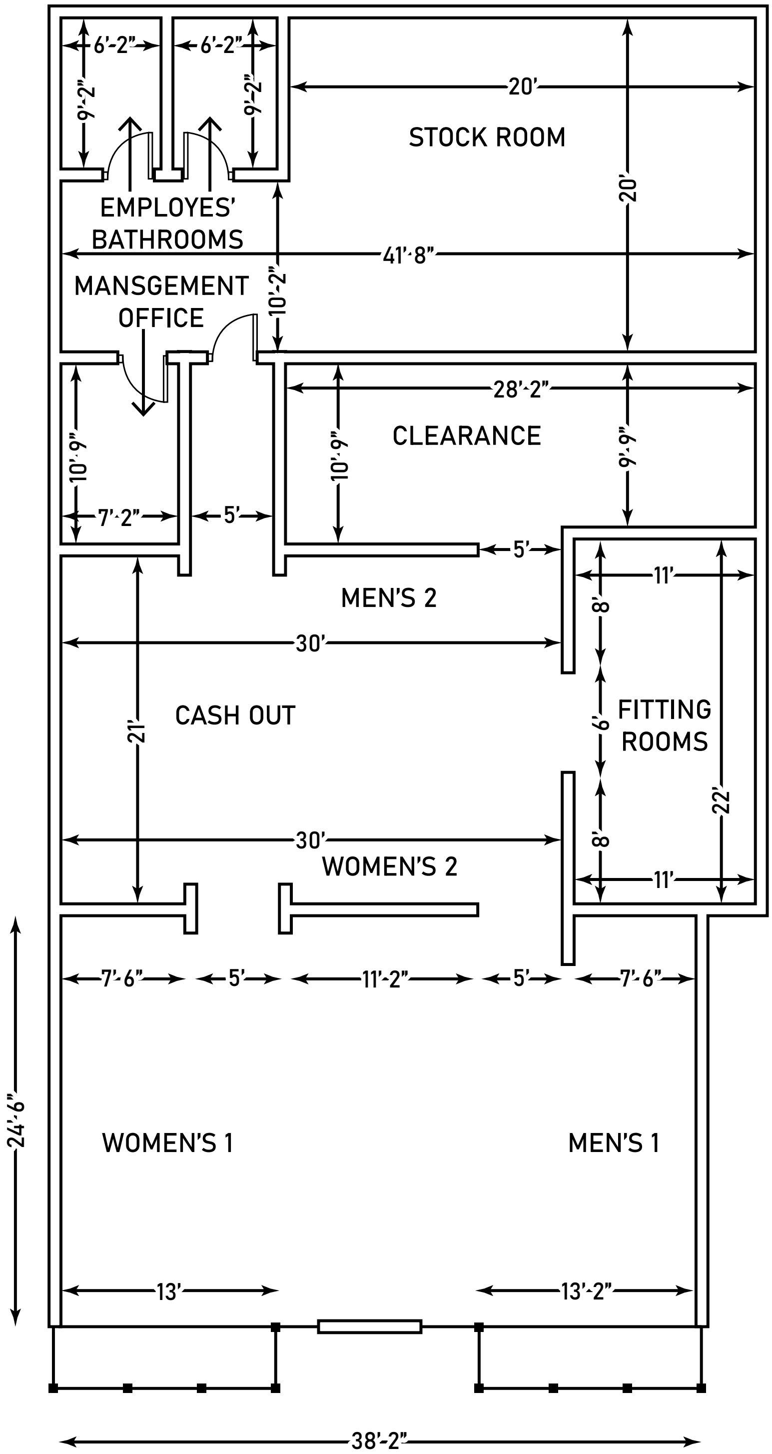

Fig. 6.3.2: Design layout of a garment store

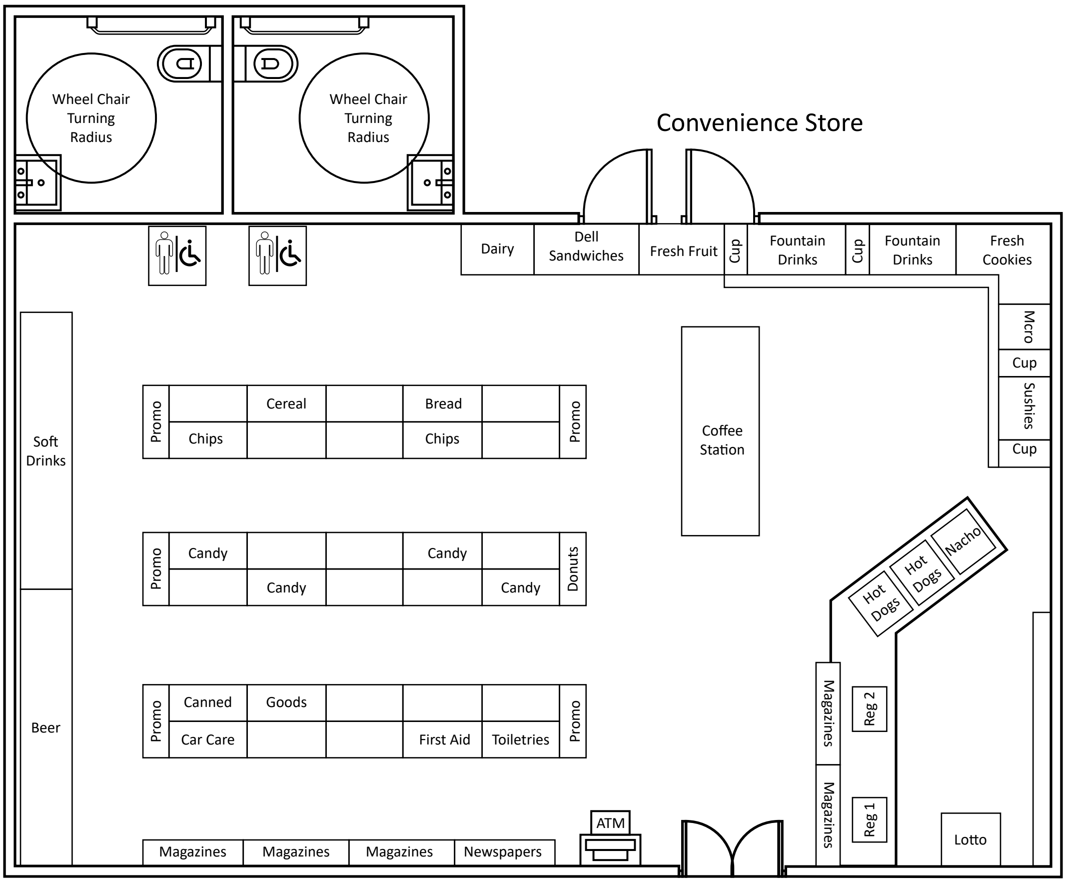

Fig. 6.3.3: Design layout of a convenience store

Shelf space – Every store has a fixed area where the merchandise must be put up. Every section has limited shelf space. Now it is up to the retail team leader how much space to allocate to which category.

Display units – There are several display units like shelves, tired tables, stands, gondolas, etc., that are used to set up the merchandise in the store.

Fig. 6.3.4: Various display units for putting up garment display

- A, B, C – Ring stand
- D, E, F, G, H – Four-arm stand
- I, J – Peg units
- K, L – Two-arm stand

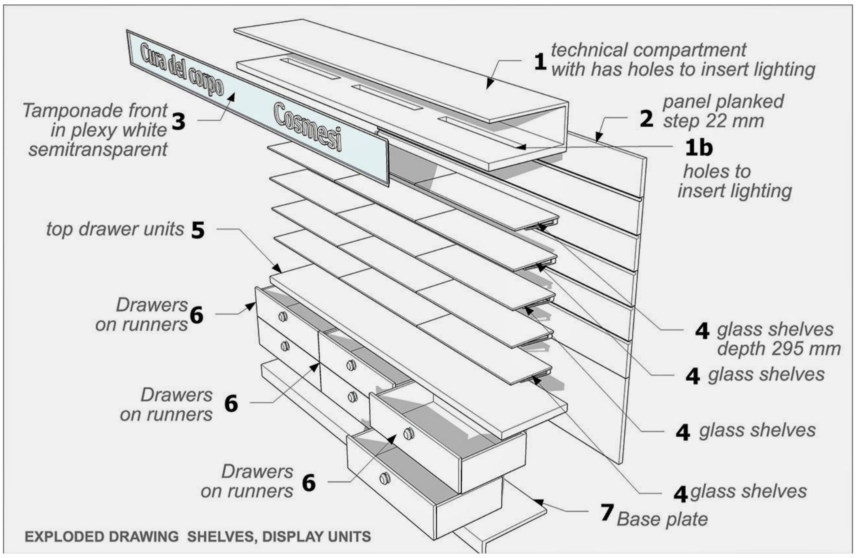

Fig. 6.3.5: Schematic diagram of shelves with drawers used for garment display

The question remains, how displays can achieve add-on sales, and why is this important? Ever wondered what the need to put up small items like make-up, perfumes, chocolates, toys, etc., near the billing counter is? This method is called impulse shopping. At the point of checking out, the customers are lured into buying attractive items. This increases the sales of the store.

Setting up a store based on merchandising themes.

Setting up a store according to a particular theme can be fun as well as challenging. The main task is to identify the competitive edge of the merchandise and try to place them accordingly.

For example

Consider that it is Christmas, and you are the retail team leader of a renowned garment store. You have been entrusted with the responsibilities of setting up the store as per the holiday theme. So how will you set up your store according to the theme?'

Process of setting up a garment store according to the theme:

- Hang up red and white decorations as per the theme.
- Set up Christmas trees in the window display.
- Put up mannequins decked up in "Santa" costume.
- Every category of apparel has its style of dressing technique.
- Play holiday-themed music in the background
- Place the USPs of the products with appropriate information.
- Put up discount offers according to company policy.

6.3.3 The Importance of Checking Pricing and Price Marking, Correcting Mistakes and Changing Prices

The market fluctuates periodically due to the fluctuation of the economy of the country/state. This leads to an increase or decrease in the price of commodities. As in charge of the display of the stock and placing price tags on them, it is beneficial for the retail team leader to continually stay updated on the market trends, the cost price of the products, and the selling price of all products at the retail store.

Need for updating pricelists.

Let us consider a scenario where the price of a particular product has dropped, and the retail team leader being unaware of the price change of that product, has put up the price tag of the former price, which is higher. On the contrary, the competitor in the market is selling the product at the new rate as well as allowing a discount on it. The customer, who keeps a tab on these market fluctuations, may inquire why such instances of fluctuations have not been conveyed to him/her, and this may result in the loss of valuable customers.

Relaying the Relevant Information

The price list updates that you collected have to be relayed to:

- Accounts department
- Sales executives of individual departments
- Company superiors

Why should it be relayed?

- The Accounts department is responsible for keeping track of all the sales records of the store. If the price changes are not updated in the company's database, it might harm the overall sales of the store.
- The Sales Executives of individual departments are expected to be updated on the latest price list since they are responsible for direct face-to-face interaction with the customers.
- The company officials are responsible for formulating policies based on the updated prices.

For Example:

The following example will help you understand the context better.

For instance, there is a rise/fall in the stock market that has led to a drastic increase in the value of a particular product overnight. If employees remain unaware of these changes and continue to sell the product at its former price, the company will incur a massive loss because of not being updated on the relevant information.

Price Marking

After making changes in the price list, it is also necessary to update the display tags of the prices of the products. As a retail team leader, it is one of your duties to check that the updated prices are displayed in the price tags.

Why is this necessary?

Customers, nowadays, make well-informed purchases. If a specific customer is well updated about the latest market prices of a particular product and finds the previous price marked at the product, it might cause a blow in the reputation of the company.

The following example will help you understand the situation better.

Imagine a situation where the price of a mobile phone has decreased by Rs. 5000. But you are unaware of the price changes, and the product is listed at its former price. The customer who is interested in buying this phone is aware of the latest price and finds the phone marked at a much higher price.

Possible consequences of such a situation:

- Chaos was created in the store by the customer due to false information
- Negative rumours were spread by the customer about the store, thus decreasing potential customers
- A decrease in sales and deterioration of the reputation of the store

Process of checking the prices:

- Get hold of the updated price list
- Check individual price tags of all the categories of products.
- Update the new rates if required 4. In case of old stock with previous estimates, mark them with the latest prices.
- Make changes wherever necessary.

Power Pricing

- Power pricing is the process of highlighting an offer via repeated communication.
- Items are displayed on busts next to power pricing marks.
- The same text and graphics are repeated on tabletops, thus strengthening the visual appeal
- Accompanied by high stacks of items.
- The zone that displays power pricing is well-lit.

Fig. 6.3.6: A gondola used for power pricing must be placed upfront

7.3.4 The Importance of Stock Replenishment

The Importance of Stock Replenishment

We have already dealt with this topic in the Module 2 Organizing the Product Displays at the Store. Replenishment and maintaining stocks on a continuous basis at the store are one responsibility that takes over 50% of the time of a team leader. Therefore, the topic is being re-addressed in this module due to its prominence in the routine job cycle of the team leader.

Stock replenishment is an important part of visual merchandising as well as retail management. To stay ahead in a competitive market, retail stores cannot compromise on the stock. Besides, if a customer wants to buy a product and it is not available, it leaves a bad impact on the customer and future relationship with the store.

Retail team leaders must try to gain the loyalty of the customer for the long run, and hence the phases of a stock rotation must be followed. There is a figure given below to understand the concept better.

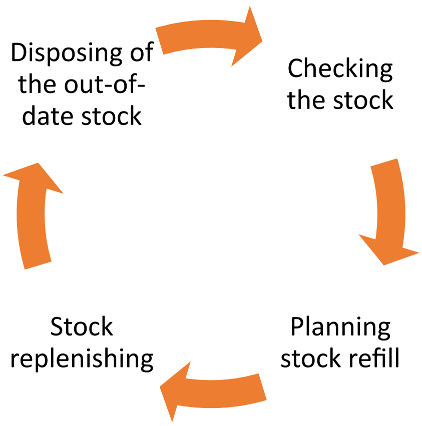

Fig. 6.3.7: Phase of Stock rotation

The process of organizing inventory to mitigate the stock loss caused by expiration or obsolescence is known as stock rotation. Constant stock rotation entails moving products with impending sell-by dates to the front of the shelf and moving products with later expiration dates to the back.

Maintaining a well-organised store is aesthetically appealing to the eyes. But the repetitive same old display can become dull and monotonous. When a customer visits a store at regular intervals, it becomes a comfort zone for him/her to access his required products.

For example:

If a customer goes shopping in grocery stores, he or she can find things easily where they usually find them. On the contrary, when someone goes garment shopping occasionally, and on every occasion, he or she visits the display in the same manner, without any variation. This becomes boring. Displays based on themes attract customers more than the same old display.

Steps of replenishing stock:

- Note the reorder level on the CRM database of the company.
- When the quantity of a particular product reaches the reorder level, check the existing stock
- Make a list of the products that need to be refilled
- Order the stock in such a quantity that fits the budget of the company
- In case of an excess order, the stock will end up in the faltering and slow-moving categories

- Update the inventory and categories of the stock based on the methods mentioned above 7
- Check that the expiry dates of the newly arrived stock.
- Stack and organize the merchandise by following the below steps:
    - o Select Shelf for filling.
    - o Prepare for Shelf Replenishment
    - o Fill Shelf Front Facing.
    - o Return overstocks for the back store.
    - o Consolidate Back stocks.

For example:

- XYZ is a retailer of gift items. It sells 1500 units daily. Its supplier takes about ten days to deliver any ordered units. The person in charge of the inventory should place an order before the inventories drop below 15,000 units (1500 units of daily usage multiplied by ten days of lead time) to avoid a stock-out.
- XYZ has decided to hold a safety stock equivalent to the average usage of 5 days. Calculate the reorder level. Safety stock, which XYZ has decided to hold, equals 10,500 units (1500 units of daily usage multiplied by seven days). In this context, the reorder level would be 25,500 units (10,500 of safety stock plus 15,000 units based on ten days of lead time).

The Importance of Rotating the Stocks on Display

Stock rotation plays an essential role in the sale of products. The shelves are stacked with a considerable quantity of the same products that arrive at the store from vendors from time to time. The batches in which the products are manufactured are different, and thus, the same two products can have varying expiry dates, especially in FMCGs. Therefore, in FMCG stores, department stores, supermarkets, and convenience stores, where the products have validity or expiry date, the products whose expiry dates are approaching faster must be placed in front.

Steps of checking stock rotation:

- Get hold of the inventory and check the number of products on display
- For each category, check the remaining amount of stock on the shelves
- Check the expiry dates of individual products.
- In case of already expired products, remove them from the stack.
- Make sure different batches of products do not get mixed.

Out-of-date Stock

Doing away with old and outdated items is a much-needed practice to make way for the new stock.

- Merchandise having an expiry date, if not removed from the shelves, may be consumed by the customers unknowingly.
- This may be led to health issues, some of which can be fatal and even cause death.
- If the customer wishes to file a complaint against the company in the consumer forum, it will be in favour of the customer in such a situation.
- Such a situation will lead to the defamation of the company and, in turn, incur a substantial financial loss.

Activity

The policy to increase sales in a retail store.

Objective of the Activity: To understand the trending strategies to increase sales in a retail store.

Materials required: Internet, newspaper reports, notebook, participant handbook, pen/ pencil, etc.

Steps required:

- The students are required to do a survey on the famous retail operating brands
- They need to collect data regarding their latest strategies in order to increase their sales
- After the research, they need to create a report mentioning every retail organization, the trending strategies they are following and also the comparison of their growth from the previous years.
- The trainer requires to evaluate their report and mark them accordingly.

Conclusion drawn: The activity helps in understanding the trending strategies to increase sales in a retail store.

Summary

In this module, the participant has covered the following:

- Organizing staff to display the goods in the store for sale
- Impact of display of goods in sales promotion
- Legal and organizational requirements for displaying goods.
- Importance of evaluating the effectiveness of displays
- Operational practices to maintain the required quantity and quality of goods on display

Exercise

Answer the following questions by choosing the correct option:

1. What is Safety stock?

   (a) Stock that is available for sale

   (b) A situation when stock is not available in the store

   (c) A situation when stocks not available on shelf, but available in the store

   (d) Stock which is below the desired stock level but not enough to trigger re- ordering

2. Which of the following is an examples of hazards related to signage and visual displays?

   (a) Overhead signs that may drop

   (b) Faulty lights and exposed/frayed wires

   (c) Unsecured mannequins that may topple and hurt people

   (d) All of the above

3. POP stands for:

   (a) Price of Purchase

   (b) Point of Purchase

   (c) Power of Procurement

   (d) None of the above

4. BOPT stands for___________________________

   (a) Battery-Operated Pallet Trucks

   (b) Battery-Operated Pallet Trolley

   (c) Backup Operation for Preparation of Tax

   (d) Board of Practical Training

5. What is stockout?

   (a) Stock that is available for sale

   (b) A situation when stock is not available in the store

   (c) A situation when stocks not available on shelf, but available in the store

   (d) Stock which is below the desired stock level but not enough to trigger re- ordering

Answer the following questions

1. What is Power Pricing?
2. What is Perpetual inventory (PI)?
3. How do displays increase sales?
4. What is constructive feedback?
5. Why is stock rotation important?

Notes

Scan the QR codes or click on the link to watch the related videos

www.youtube.com/watch?v=r7FoV4XoAaw

RFID in fashion

Skill India
कौशल भारत - कुशल भारत

सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT
& ENTREPRENEURSHIP

N·S·D·C
National
Skill Development
Corporation
Transforming the skill landscape

7. Monitor and resolve customer service problems

RASCI
Retailers Association's
Skill Council of India

Unit 7.1 - Monitoring and Resolving Customer Service Problems

RAS/N0150

Key Learning Outcomes

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

1. Describe the different types of customer service problems.
2. Report and analyse actions taken to resolve service problems.
3. Analyse the impact of successfully resolved customer service problems.

UNIT 7.1: Monitoring and Resolving Customer Service Problems

Unit Objectives

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

1. Discuss the causes and overarching resolutions for customer service problems
2. Discuss the ways in which specific customer service problems can be resolved
3. Identify how to report on analysing actions taken
4. Discuss the resolutions for the issues that lead to repeated customer service problems
5. Explain the importance of monitoring changes and analysing the impact of successfully resolved customer service problems.

7.1.1 Understanding Customer Service Problems: Organisational Procedure and System

In a customer service system, it is common that problems may arise when customers are regularly interacting with the employees. In such crucial moments, it is always good to understand the customer service problems first and its organizational procedure. If we can solve these issues of the customer, it is a step forward to win the customers for their lifetime. On the other hand, if they are not handled carefully, there is always a possibility of losing them to the nearest competitor.

Customer service problems can range from delayed responses, partial/invalid responses, rude behaviour, wrong service, lack of customer centricity etc. Organisational policies and procedures provide guidelines for decision making processes and guides the way that work in an organisation should be carried out. The result of having clear, well-written policies and procedures are increased transparency, accountability, uniformity and stability. Following them would provide better quality service, safer workplace, and consistency.

Whether it's a customer complaint or a disagreement among co-workers, quick and decisive actions get noticed and appreciated. Attentiveness and action in handling a complaint may save a client or retain an employee, and it provides the business with valuable feedback that can help solve the problem for the long term.

Following are some procedures to follow while dealing with customer service problems-

- **Listen-** If a customer or employee finds a concern, listening is important. It lets the person know that their problem is being valued. Take notes and ask questions to get a clearer picture of the problem, to determine ways to mitigate it and to let the customer know they are being heard. Listen while suspending judgment, and communicate the desire to fix the problem.
- **Fix the immediate problem-** No customer appreciates to wait for long to fix a problem and this time lag often delays the required swift action. If a problem cannot be solved right away, tell the customer and get their phone number and the required contact details so that you can follow up.
- **Escalate problems to superiors if required:** A product problem that a customer brings to the retail store (say for example seeking replacement of the product) may require approval from your superior since it may not be under the chart of your authority. Please escalate the problem by immediately presenting it to the superior to find the appropriate, satisfactory and timely settlement for the customer.

- **Apologise and Thank-** A customer or employee values a company that owns up to its lapses and apologizes. This is best done once the immediate problem is solved. Thanking the customer for raising the issue sends an even bigger signal.
- **Getting to the root-** Once the customer's problem is taken care of, find out why it happened. If it's a company policy inadequacy, one may look into bringing changes there. If it's a process that needs fine-tuning, take note of that and initiate the same. Ask any involved employees and managers for input and write it all down.
- **Preventive measures-** Once the source of the problem is chased down, implement any changes for the long term. Any customer or employee complaint creates a learning process, and the operation needs occasional polishing to prevent such problems from happening in the future.
- **Paramount quality and service-** The customer does not care why the problem developed and doesn't want to hear any excuses. They want action, be it the quality of product or good service. If these can't be addressed, they will go to a company that can provide the best for them.

Thus, keeping these organizational procedures in the back of the mind, will help in solving customer service problems efficiently.

Exercise

1. What are organizational procedures? Mention some steps of organizational procedure while dealing with customer problems.

Activity

A customer has come to your store with some problems. Demonstrate how will you start having conversation with her.

8.1.2 Solving Customer Service Problems

As we have seen, a customer may face various problems on a day-to-day interaction. It is very important to know what their problems are before jumping into any concrete solution.

Certain skills are necessary for efficient handling of customer problems such as patience, sincerity, accountability, responsibility, and customer centricity.

Following are some of the customer problems and their solutions-

- When the response times are longer- In this case, make use of technology and automation that helps take care of some of the repetitive tasks through a combination of canned responses. Allow the customers to reach via multiple channels including email, website chat, phone, social, text message and allocate resources accordingly. Start creating a knowledge base to pre-package responses to the most commonly asked questions which also ensures that the service team remains consistent with their levels of service.
- When the customer representatives do not listen carefully to what the client needs-In this case, follow it up with a genuine apology because many customers are simply looking for an acknowledgment

of the mistake made by the business. If no solution could be offered right away, then admit it to the customer right away. On the other hand, if a ready solution is available, then share it with the customer immediately

- When the customer gets transferred from one department to another- Inform the customer the reason of the need to transfer the call to another agent, senior manager or department. Request permission to transfer the call and ask if the customer has any further questions that need answering
- When customer service representatives are rude to the client- There is a need of a team of service personnel with a positive and can-do attitude against hiring people just on the basis of their experience Ensure that they are empathetic to customer needs, no matter how badly the customer behaves or speaks. Investing time and effort to upskill the team, especially in soft skills, through ongoing training and development programs would also be beneficial.
- When a solution cannot be offered to the customer- The agent can refer the query to a more experienced colleague or manager in the absence of an outline to the solution. The agent should also invest time in learning about the company, their products, and services, etc. on their own
- When customer service pushes the wrong product or service- When a customer is looking up for some directions, presenting him or her with a range of helpful suggestions will help to drive the conversation on a positive note. All staff should be trained so that customers receive a consistently delightful, not just satisfactory experience.
- How to do service recovery when an irate customer comes with a product or service complaint?
- Start by listening to the customer first, wait for him to finish talking about his concern or problem without interrupting him. Most challenging battles against irate customers are won by just giving them the time to vent out. Effective listening at such times becomes essential
- Take steps to appease the customer's anger by speaking very politely- Always ask about what is the exact problem faced by the customers in a polite manner. Try to get their responses and try to clear all their doubt for the further proceedings.
- Give assurance to the customer that you will sort it out to the customer's satisfaction- Assure the customers that their problem would be the priority and all the necessary steps would be taken to resolve their concern. If possible, involve more channels to do your best, but make sure to take the ownership of the matter.
- Escalate and involve your superior if required to reassure the customer of your best effort to settle the issue- If you feel that the matter needs the involvement of a senior, do not hesitate, seek their help, and try to assure the customers about the best possible alternatives available.
- When there is lack of customer centricity- Strengthen communication channels between the executive, mid-level, and frontline teams
- Create a more holistic picture of your customers by continually communicating, sharing goals, and linking information and data for arriving at evidence-based decisions
- Empower your service agents to make decisions that also propel customer growth strategies

Thus, following above steps will help in solving customer problems easily.

CASE STUDY

A study published in the Harvard Business Review reported that a complaining customer handled proactively in less than 5 minutes will go on to spend more on purchases in the future.

CASE STUDY

Temkin's State of Voice of the Customer Programs 2017 report cited that 67% of large companies rated themselves as good at soliciting customer feedback, yet only 26% think they are good at acting on it.

Exercise

1. A customer has complained that the representatives do not listen carefully to what the client needs. How can this problem be resolved?

Activity

Find out solutions to resolve the matter of long response times.

7.1.3 Informing and Analysing Actions Taken

Real customer service is not about talking something which they do not want to hear but about actually helping them solve their problems in a meaningful way. In many cases, problem-solving is so difficult because we need to manoeuvre between company policies and the interest of a customer. After a representative solves the problems, it is necessary for to inform and analyse the actions taken. This is needed to modify oneself, reflect upon what was done and to build upon one's own actions.

Following steps will help to inform and analyse the actions taken-

- Understanding the customer's point of view- We need to listen actively to understand the problem and find a way to help. After our actions, it is important to wait patiently for the customer's feedback and responses. Have the needs of the customer met? Is there any chance that proper action was not taken for addressing their issues? It can happen that we were not ready to address the issue and in that case, it is better to seek the help of some experts.
- Identifying a problem- After addressing an issue, ask these questions to oneself-
  - Can I describe exactly the problem the customer was facing?
  - When did the problem begin?
  - Has the problem occurred before?

If the representative is unable to find a suitable solution to the problem, he/she should apologize briefly and request more time to discuss case with a colleague or a supervisor. The representative should be confident and should reassure the customer that he will find a suitable solution and then request the customer to hold the call for a minute.

Customers appreciate getting the correct answer, even if it will take a bit longer.

- Finding solution- Here are a few questions that should help to plan a solution:
  - Is there an adequate staff to carry it out,
  - Who will be involved in solution,
  - How much time will a solution take (time frame),
  - What is needed to make it happen,
  - Who should be informed about the planned solution,
  - How will a customer be notified about the solution?
- Fix the problem and follow up on the solution- There are always positives of spending time with the customers to resolve their issues-
  - It reassures that customer that we are working on finding a solution to his problem quickly and that we understand the importance it hold for the customer.
  - To build a promising and dependable vendor client relationship through call or chat in future

Thus, problem solving skills are the golden rule of customer service. Even when the problem does not concern the product, we can still create an amazing customer experience by suggesting a possible solution.

Exercise

1. A customer has approached you with a problem that is not mentioned in your company policy. How can you ensure to solve the problem in such a situation?

Activity

Visit a retail store and check out what alternative solutions they offer to a problem that cannot be fixed by them. Find out whether they can be useful in the long run or not.

7.1.4 Resolving Repeated Customer Service Problems

Working in customer service is like solving a jigsaw puzzle. Every case has a different shape, colour, and there's always one perfect place where it can be put into. There are various problems that are common with many customers and it is a common issue. Such as long resolution time, transference of customer over time and again to another line, rude behaviour of staff or partial knowledge of staff, favours that cannot be done. Faulty product received by the customer, etc. Before resolving the issue, patiently listen to the customer first and try to understand their problem before jumping onto conclusions.

Following steps will help in resolving repeated customer service problems.

- Identify repeated customer service problems. Study patterns. For example, a product may have an inherent manufacturing defect and even when it is replaced repeatedly, the defect may recur. In such situations the vendor has to be identified and actions taken to address the complaint once and for all.
- Identify the options for dealing with a repeated customer service problem and consider the advantages and disadvantages of each option
- Work with others to select the best option for solving a repeated customer service problem, balancing customer expectations with the needs of the organisation
- Solve problems with service systems and procedures that might affect customers before they become aware of them. Take action to avoid the repetition of customer service problems
- Obtain the approval of somebody with sufficient authority to change organisational guidelines in order to reduce the chance of a problem being repeated
- Action the agreed solution
- Keep the customers informed in a positive and clear manner of steps being taken to solve any service problems.
- Monitor the changes that has been made and adjust them if appropriate
- Regardless of all problems the customers will have, the most important part is to close the conservation appropriately.
- Instead of just saying the generic "thank you for your call, have a nice day," think about using better lines for customer delight! Like:
- "I 'm happy I sorted it for you! Before You go, is there anything else I can do for you? I'll be happy to help!"

7.1.5 Monitoring Changes and Analyzing the Impact of Successfully Resolved Customer Service Problems

In today's competitive environment, the quality of the customer service is an increasingly important factor in nurturing positive customer loyalty. However, it remains the case that many organisations are still not monitoring, measuring or even managing the service quality of their contact centre agents, despite the fact that a single interaction between them and the customer can make or break a relationship.

How to monitor changes and analyse impact of successfully resolved customer service problems?

- Listen to the customers by monitoring interactions. Ask questions such as: are these interactions related to the company's goals and objectives, or are they related to specific areas of concern such as customer attrition? This is where analytics come into play for the contact centre. Speech analytics identify calls that are relevant for evaluation and text analytics identify emails and chat interactions that should be monitored.
- Capture all of the customer feedback channels. Apply the same quality standard that is used for calls to text-based interactions like email and chat.
- Ask the customer what they think. Instead of using the organisation's internal metrics to measure the quality of a call, ask the customer: "What did you think of your experience and the agent you worked with?" or "Did your service experience match the promise made in our advertising?" It's very important to map high-quality interactions with the customers' expectations, comparing internal evaluation scores with customer scores.
- Use quality monitoring to help agents improve skills. Evaluate interactions to identify skills gaps and provide individual learning opportunities where there are deficiencies.
- Do not view agent development as a one-off activity. Provide continuous coaching that will help improve agent performance and productivity. Coaching is key to consistent customer service.
- Measure the results and keep track of continuous feedback and evaluation to monitor and measure progress.

By monitoring quality across multiple channels, organisations can learn from their customer interactions, leading to better decision making, service and processes. The monitoring, measuring and managing of performance and service quality must remain a priority, but the "voice of the customer" analytics, across is also important.

Summary

In this module, the participant has covered the following:

- Types of customer service problems and resolutions to them.
- Report and analyse actions taken to resolve service problems.
- Impact of successfully resolved customer service problems.

Exercise

Answer the following questions by choosing the correct option:

1. ____________________________and quick action in handling a complaint may save a client or retain an employee, and it provides the business with valuable feedback that can help solve the problem for the long term.?

   (a) Attentiveness (b) Empathy

   (c) Encouragement (d) None of the above

2. Which of the following statement is true?

   (a) No customer appreciates to wait for long to fix a problem

   (b) Escalate the issue to the supervisor if it is not under the chart of your authority

   (c) Once the customer's problem is taken care of, find out why it happened

   (d) All of the above

3. MRP stands for:

   (a) Maximum Related Price (b) Maximum Retail Price

   (c) Minimum Retail Price (d) Maximum Relative Procurement

4. Which of the following statement is true?

   (a) The customer does not care why the problem developed and doesn't want to hear any excuses

   (b) Any customer or employee complaint creates a learning process

   (c) Thanking the customer for raising the issue sends an even bigger signal

   (d) All of the above

5. Which of the following is a customer service problem?

   (a) Rude behavior (b) Lack of customer centricity

   (c) Delayed responses (d) All of the above

Answer the following questions

1. How to do service recovery when an irate customer comes with a product or service complaint?
2. How to decide an action based on customer service problems?
3. How to monitor changes and analyse impact of successfully resolved customer service problems?
4. How to resolve repeated customer service problems?
5. What should a Retail Team Leader do when customer service representatives are rude to the clients?

Notes

Scan the QR codes or click on the link to watch the related videos

www.youtube.com/watch?v=yVGkxd-tmAE&t=112s

Ways to say no to the customers and offer alternatives

www.youtube.com/watch?v=LYTZ_jISqH4

How to retain customer?

www.youtube.com/watch?v=zIdwm__fnEc

How to deal with aggressive customers?

Skill India
कौशल भारत - कुशल भारत

सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT
& ENTREPRENEURSHIP

N·S·D·C
National
Skill Development
Corporation
Transforming the skill landscape

8. Manage performance of the team

RASCI
Retailers Association's
Skill Council of India

RAS/N0131

Key Learning Outcomes

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

1. Explain the standards of performance required of own retail team.
2. Explain how to gain the co-operation of own retail team.
3. Explain the best practices to maintain the standards of performance of own retail team.

UNIT 8.1: Performance Standards of the Team

Unit Objectives

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

1. Explain team leader responsibilities in relation to:
    a. health as well as safety
    b. equality, diversity, and inclusion
    c. security
    d. staffing levels
    e. absence reporting
    f. timekeeping
    g. personal appearance
    h. handling customer complaints
2. Explain the importance of setting an example to team members by always following organizational procedures and policies.

8.1.1 Responsibilities of a Team Leader

The role of a team leader is associated with different responsibilities in relation to several aspects. Some of them are as follows:

- Health and safety
- Equality, diversity, and inclusion
- Security
- Staffing levels
- Absence reporting
- Timekeeping
- Personal appearance
- Handling customer complaints

- **Health and Safety:** The importance of workplace health and safety cannot be overstated. Being a retail team leader, the person requires to perform the following tasks to maintain health and safety at the workplace:
    - o Make decisions about policies and processes. You should ensure the team adheres to safety procedures and make sure they are legal.
    - o Make a risk assessment. These indicate potential risk areas that must be addressed.
    - o All personnel should be trained in your health and safety procedures. You should also provide proper training on the specific hazards that they face in their line of work and how they can avoid them.
    - o Conduct regular safety checks and inspections. This is especially crucial for electrical equipment and work-at-height equipment.

- Recognize the significance of "Personal Protective Equipment (PPE)". You should make sure that all employees are aware of the benefits of PPE and that they have plenty of it. You should also inspect PPE for wear and tear on a regular basis. In the accident event, the tool must be effective.
- Create a proper accident reporting procedure. You require to train all staff on how to correctly report incidents and ensure that they are aware of the right reporting procedure.
- Employee safety complaints and concerns should be addressed. You should investigate their assertions and make strategies to eliminate the threat.
- Assume responsibility for all first-aid protocols, including employee training. Online first-aid courses can be beneficial for brushing up on skills or augmenting classroom instruction.
- Organize emergency protocols like fire drills.
- Set a good example. You must demonstrate to employees that you take your role as a health and safety manager seriously. Instilling a positive safety and health culture is also important.

* **Equality, diversity, and inclusion:** Through inclusive beliefs and values, inclusive leaders empower people, maximize each employee's capabilities, as well as leverage growth.
  - Recognize your own unconscious biases. Leaders are, first and foremost, humans. You learned certain beliefs as you grew up. During your formative years, you lived and experienced life, acquiring the world's perspectives and opinions. Unconscious prejudice is defined as "societal stereotypes concerning groups of people you are unaware of." Your feelings about people of other races and genders may differ from what you express out loud. Almost everyone has an unconscious bias.
  - Embrace self-education and ask questions. Enquiring and educating yourself is the best method to comprehend what you don't know. Leaders are the first to educate themselves, particularly on issues of diversity and inclusion.
  - Identify and eliminate microaggressions. This team is led by a leader that actively attempts to identify and deal with microaggressions when it comes to developing a high-achiever culture. Microaggression is a word that refers to unintended or intentional behavioural or environmental injustices that transmit disparaging or unfavourable views against stigmatized or culturally excluded groups.
  - Recognize that everything counts. As a leader, the way you communicate says a lot. What you accept as a leader reveal everything your staff need to know. You'll get greater buy-in from your team if you're deliberate and lead by example.
  - When it comes to workplace diversity and inclusion, everything matters, and it all starts with leadership. A simple joke can cause a chain reaction. One instance of allowing bias to show can erode your company's culture. Microaggressions must be tolerated, or good staff will quit.
* **Staffing levels:**

  To carry out scheduling of staff one must understand.
  - factors that impact staff scheduling.
  - importance of accurate input data
  - how the schedule is reviewed

Factors Impacting Staff Scheduling

• Sales forecast • Actual sales • Holidays • Planned/ Actual Promotions • Customer walk-in history • Store headcount and staff profile • Weekly profile (seasonally adjusted) • Number of shifts • Terms and conditions of Service	• Absenteeism • Head count • Profile of staff available • Training of staff • Competence of Staff • Health and safety considerations • Staff turnover • Leaves

- **How staffing schedule is generated.**
  - The schedule is generated by the staff management system or the department managers jointly with team leaders.
  - The staff management system is an optimisation engine that looks at the volume expected within a store and attempts to allocate staff based on a series of rules
  - The goal of the optimisation is to ensure that the highest level of service is achieved at the lowest possible manpower cost
  - The optimisation and roster schedule are normally run daily
  - The roster is for ‘x’ weeks ahead. This makes it a rolling forecast in which the current week is fixed, and the future weeks are subject to differing degrees of changes.
- **Inputs to Volume**
  - Volume represents the total value of sales that is expected in the week
  - This is normally derived from the store budget forecast and it is also adjusted for current performance
  - A store volume profile is applied which breaks the weekly volume into a daily volume weighted by the busier shopping days.
- **Constraints on Schedule**
  - Availability of staff
  - Training of staff
  - Staff competence
  - Staff turnover
  - Absenteeism
  - Store Health & safety consideration
  - Leaves
  - Headcount
  - Shifts

The staff management system will match demand with supply to produce the schedule.

- Any resource gap will be highlighted so that a decision can be taken.
- It is important to focus on the most critical resourcing areas in the store first (for example, point of Sale, back store and setting up display)
- Resourcing analysis will be done by the system. It should not be the remit of the Store Manager

- Best practice is to estimate labour required based on percentage of sale and walk ins.
- Store Managers will be given a staffing budget and must track their costs against this and report any issues to the Area Managers.

Consequences of Inaccurate Input Data:

Poor staff scheduling results in:

- Reduced productivity.
- Increased costs
- Insufficient people being rostered to work.

Reviewing the Schedule

- The schedule is reviewed in weekly meetings.
- Changes to the schedule at this point should be discouraged.
- If issues are raised in the meeting, the Supervisor or Assistant Store Manager may decide to make changes.
- Store Manager approves the final schedule.
- The schedule is displayed in the staff room.

Editing and Auditing the Schedule

- The schedule will need to be adjusted according to the approved changes.
- The number of edits should be reviewed in the periodic meetings.
- The reasons for edits must be recorded.

Absence & Time reporting:

- Employees who will be absent must contact their immediate retail team leader or department head within a single hour of their allocated reporting time (or have someone else contact them). During this initial phone conversation, the reason for the absence and the projected length should be explained. It is also expected that unwell or wounded personnel will notify their retail team leader if their predicted length of absence changes. Employees who do not call or decide to contact their department will be considered on unauthorized leave. It may be grounds for dismissal if an employee is absent for three consecutive working days on unauthorized leave.
- If an employee takes unauthorized leave beyond the prescribed limit, the immediate retail team leader should contact the appropriate Human Resources Services Manager, who will ensure that a certified letter is sent to the employee notifying them that they will be terminated unless mitigating circumstances exist can be proven.

Time reporting involves not only reporting in time to the store but also provides the following facilities through identity cards and access:

- It gives you access to staff only areas.
- It is used to log you in or out of the building.
- It is used to capture your time and attendance.

Time and attendance impact the payment and performance processes.

- **Personal appearance:** Personal appearance stands to be a driving factor in the industry of retail. Thus, it additionally appears to be extremely important for a retail team leader to maintain it across his employees in their workplace. The retail team tends to fulfil the responsibility of making himself and the staff in the retail sector adhere to the principles of maintaining personal hygiene. The ways by which the retail team leader tends to attempt this are as follows –
    - Groom yourself as per company uniform (if any) and standards: Remember there is nothing called as second-best impression. You can create only one: first impression is the best impression you can create with your colleagues, customers, vendors and with others whom you interact in the store.
    - Keep yourself prepared for any ambiguous situation which may arise: Stores always have some situation or incident due to the nature of business we are in. They must be attended and solved quickly. Do not panic, enjoy the work every moment.
- **Remember:** Being positive always helps in your career growth. It is the only way you can create a positive image for you!

Few tips for grooming and appearance:

- Hair neatly cut and combed.
- Hair clean and dandruff free.
- Clean shave.
- Clothes/uniform ironed.
- Shirt in tuck.
- Shoes cleaned and polish.
- Socks: clean, elastic not loose.
- Socks: matching with shoes/trouser.
- No body odour.
- Nails:
- Clean.
- Cut and filed.
- No polish (for men).
- Overall appearance pleasant.
- Additional checkpoints for girls:
- Makeup—light and complementing your face.
- Jewellery—simple and minimum.

- **Handling customer complaints:** Team leaders play an important yet underappreciated role in the everyday operations of customer service teams. This is because their actions have an impact on their subordinates' morale, which has an impact on agent attrition and performance.

The following are five critical roles that all team leaders should play:

- Ensure that none in the team say ' I do not know ' to a customer query/ complaint, let them always check with the manager
- If Associate, is to confer with the manager, he must inform the customer and tell how much time he will take to return.
- Customer must always be directed towards authorised personnel.
- Procedure:
    - Listen, ask questions, communicate understanding, summarize complaint, and show empathy.
    - If the staff can resolve the complaint, then settle, follow the escalation matrix.

8.1.2 Importance of Setting an Example to Team Members by Always Following Organization Procedures and Policies

Any organization's policies and processes are crucial. Procedures and policies task cooperatively in order to manufacture a road map for day-to-day functions. They guarantee that regulations and laws are followed, that decision-making is guided, and that internal processes are streamlined.

Procedures and policies, on the other hand, are useless if your personnel don't follow them. Employees don't always appreciate being forced to follow regulations. However, enforcing policies entails more than just pushing employees to perform things they don't want to do. Following policies and procedures are beneficial to both your staff and your company.

It's crucial for your organization's management to ensure that your employees understand why following policies and procedures is so important.

Here are a few of the advantages of adhering to policies and procedures:

- **Constant structures and processes:** Policies and procedures keep things from spiralling out of control. Your company can run smoothly if everyone follows the regulations and procedures. Management structures and teams function as they should. Process flaws and errors can also be immediately discovered and corrected. Your organization will use time and resources more efficiently if your employees follow policies and procedures. As a company, you'll be able to expand and fulfil your objectives. Individual employees benefit from consistency in practices. They understand their responsibilities, what is required of them, and what their managers and co-workers can expect of them. This gives them the confidence and ability to accomplish their duties well.
- **Better quality facility:** Employees that follow procedures accurately complete jobs and give consistent customer service. This improves the product and service quality of your company. As a result, your company's reputation improves. Employees can be confident in their abilities and take pride in their work.
- **A safer workplace:** Workplace accidents and incidents are less likely to occur when your employees follow policies and procedures. This lowers your company's liability risks and keeps operations running smoothly. The staff will feel secure and safe in the workplace, knowing that their bosses and co-workers have their best interests at heart. They may be comfortable that if something goes wrong, they'll be taken care of.

UNIT 8.2: Gaining Co-Operation of Own Team

Unit Objectives

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

1. Discuss the challenges involved in managing the teams.
2. Explain how clear communication helps teams to work effectively.
3. Explain why it is important for a team leader to be approachable and trustworthy, including the importance of maintaining the confidentiality.
4. Explain the importance of treating all team members fairly.

8.2.1 Challenges Involved in Managing Teams

Management of the performance is a continuous communication between a subordinate team member and immediate superior. Team performance management consist of setting clear expectations and understanding about:

- Roles and responsibilities of team member
- Contribution of team members in accomplishment of organisational goals
- Abilities essential to do the job well.
- Performance measurement metrics
- Identification of barriers to perform.
- How to minimise barriers
- How can the subordinate and the team leader work together towards increasing performance.

When the team leader is unable perform or observe any results from the team or there is any disagreement on any of the above, the team leader begins to face the challenge.

Few solutions to mitigate the challenges.

• Do not grade the team members as Good, Average, Poor etc. o Grading creates unhealthy competition. o Grading leads to unwanted politicking within the team • Identify causes for performance issues. • Sharing information will help them to connect with the goals they need to achieve. • Asking questions help the team members to share their knowledge and experience rather than providing instructions and statements.	• Look at multiple causes. • Identify the source of the performance issue. • Do not look at causes only within the team member. • Consider your conclusions as hypothesis only. • Address the cause. • Appreciate the team member's achievements. • congratulate them for their efforts in dealing with tough situations.

• Listen to the team members first and then respond with statements about your understanding of the issue and then action statement or act upon it. Commit action to help improve performance whenever necessary.	• Ensure that you demonstrate complete understanding about the particular accomplishment • Focus on behavior and results. • Translate attitude into behavioral observation.
• Create precise plans with goals during performance planning by working along with team members: o Set SMART (Specific Measurable Achievable, Realistic & Timebound) goals. o Focus on team member's competencies. o Set goals by asking what according to him the team member thinks. • Needs to be accomplish4	• Provide examples or situations where certain behaviors have led to success. • Provide constructive feedbacks. • Translate personality attacks by • Providing concrete examples of successful personalities • Handle conflicts with poise • Understand that disagreement and conflicts are normal in any relationship. • Use power as a last resort. • Provide feedbacks on observations done by you and not on inferences drawn from any other sources • When discussions run into high emotions - take a break • Show that you are open minded. • Always be practical. • Performance management is about communication, being open and honest and working with members is the need of the hour.

8.2.2 Clear Communication Helping Team Members to Task Effectively

One of the most significant portions of teamwork is team communication for a Retail Team Leader. Teamwork is about more than just getting things done. It enables everyone on the team to become knowledgeable about any issue that may affect their work. Furthermore, it fosters trust, fosters teamwork, promotes morale, and assists people in remaining involved in the workplace.

Other advantages of team communication include the potential to foster innovation, promote employee engagement, and boost productivity.

Here is how you can stay more approachable.

- Explain what you need.
    - Explain what information you need and when.
    - Tell them you will be happy to address problems if any
    - Assure them you will help in solving their problems.

- Listen
  - Pay attention to what team member is saying.
  - Actively listen to the team members
- Act
  - Always be ready to solve the problems if needed.

8.2.3 Importance for a Team Leader to be Approachable and Trustworthy, Including the Importance of Maintaining Confidentiality

While dealing with people around, one communicates with them under various forms like requesting, directing etc. In any case, our objective is that the people should listen to us and follow us. This can be done only when they trust you. Trust is something which cannot be bought. It must be earned. Earning means developing.

There are a few techniques which can help managers and supervisors to build the trust through sincere professional practices at the workplace such as –

It should be noted that trust building is a bilateral process that requires mutual commitment and effort, especially when attempting to de-escalate conflict. Nonetheless, there are several ways leaders can act on their own to initiate or encourage the trust building process. This is accomplished by either taking steps to minimize the risk that the other party will act in untrustworthy ways (also see the essay on distrust), or by policing one's own actions to ensure they are perceived as evidence of trustworthiness.

Leaders can take several steps to strengthen another's trust in them, particularly when these steps are performed repeatedly and within several different contexts of the relationship.

Perform Competently

One should perform one's duties and obligations competently. Individuals should continuously strive to demonstrate proficiency in carrying out their obligations. In some cases, this may entail updating skills and abilities as technology advances. As others contemplate how much to trust you, they will assess your qualifications and ability to perform.

Establish Consistency and Predictability

We can enhance the degree to which others will regard us as trustworthy when we behave in consistent and predictable ways. Every effort should be made to ensure that our words are congruent with our subsequent actions and that we honour pledged commitments. Our integrity is reinforced to the extent that we Do What We Say We Will Do (DWWSWWD).

Communicate Accurately, Openly and Transparently

In addition, one should act openly--that is, being clear about the intentions and motives for one's actions. This helps the other party calculate our trustworthiness accurately, because we are willing to act transparently and to be monitored for compliance.

Share And Delegate Control

Trust often needs to be given for it to be returned. There is symbolic value in soliciting input and sharing decision control with others. Likewise, when such control is hoarded and others feel that they are not trusted (such as with monitoring and surveillance systems), they may be more likely to act out against this with behaviours that reinforce a distrustful image.

Show Concern for Others

The trust others have in you will grow when you show sensitivity to their needs, desires, and interests. Acting in a way that respects and protects other people, and refraining from engaging in self-interested pursuits to the detriment of others will also contribute greatly to the trust others place in you. When you violate someone's trust, they deem that you are acting in your own self-interest. Accordingly, their attention will be diverted to their own self-interest and self-protection rather than on conflict resolution.

Establish A Common Name and Identity

Nurturing a common identity creates a sense of unity that can further strengthen trust. Engage in talk and actions that build a sense of 'we' rather than 'me'. A common name and shared identity reduces divisiveness and encourages individuals to work together.

Capitalize On Co-Location

As conflicting parties co-locate, their more frequent interaction can help them get to know one another better, strengthen their perceived common identity, and reduce distrust by exposing false stereotypes and prejudices. When used in conjunction with the recommendation above, co-location may demonstrate to the parties that they have more commonalities than differences.

Create Joint Products and Goals

Working toward the collective achievement of super ordinate goals fosters a feeling of "one-ness" that can bring the parties together in a way that strengthens a salient, shared identity. Parties create and build products, services and activities that define their commonality and uniqueness.

Promote Shared Values and Emotional Attraction

Individuals should model a concern for other people by getting to know them, engaging in active listening, showing a focus on their interests, recognizing the contributions of others, and demonstrating confidence in other's abilities.

8.2.4 Importance of Treating all Team Members Fairly

When you treat your employees decently, they are more focused on overcoming the problems they face. They establish faith in you as a team leader because they feel appreciated and cared for. Instead of focusing on one-upmanship or gamesmanship, staff concentrate on achieving individual and group goals.

Two things happen when you treat others decently. Your staff are aware of this and admire you for it. Their faith in you is strengthened by your reputation for fairness. Second, those who are treated honestly will reciprocate. You are teaching and modelling the behaviour of "fairness" in the workplace through your actions. Employees who are treated fairly and consistently at work gain trust, improve morale, deepen loyalty, and increase productivity. Favouritism, on the other hand, creates hatred and anger toward favoured individuals and the employer. Dedication to treating employees fairly improves the company's reputation and aids in the recruitment of outstanding personnel. Fairness in the workplace can be achieved by clear expectations, well-written policies, a commitment to equal practices, and unbiased, consistent rule enforcement.

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UNIT 8.3: Best Practices to Maintain the Standards of Performance

Unit Objectives

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

1. Discuss the importance of managing the morale of own team as a team leader.
2. Identify the different methods to maintain the high morale of the team members.
3. Discuss the significance of team performance and contribution to the overall success of the business.
4. Explain the benefits of team building.
5. Discuss the importance of coaching and providing constructive feedback to maintain the performance standards of a team
6. Identify the different techniques of coaching and provide constructive feedback to the team members
7. Describe the methods of identification and resolution of conflict within a team

8.3.1 Importance of Managing the Morale of Own Team as a Team Leader

- Making the right hires at all levels of the business is the first step toward improving morale. Employees with a can-do attitude, a collaborative approach, good communication skills, and the capacity to do their duties effectively are vital. Few approaches what a team leader can adopt to maintain the morale of the team can be listed as –
  - Keep minds active and creative across your team by encouraging their passion and individual expertise at work.
  - Instantly appreciate If someone is doing a good job.
  - Make room or provide opportunities for team members to grow and show the way to do so.
  - Meet each member one -on-one and ensure that you listen and act on their grievance and also counsel appropriately
  - Make sure team members have a life outside of work.

8.3.2 Significance of Team Performance and Contribution to the Overall Success of the Business

Working effectively in teams is core for running a successful store, all store staff will be part of a team or multiple teams, the challenge is how to become a high performing team. People who are part of a team and share a common direction get where they are going quicker and easier because they travel on the trust of one another. Each of us succeeds individually, when we achieve success as a team it's important. It creates a sense of accomplishment from being able to achieve a task greater than any one of us could have achieved individually. Being part of a team helps us achieve a sense of solidarity and shared responsibility.

The performing teams exhibit the following qualities.

• Share a common purpose / goal. • Build relationships for trust and respect. • Balance task and process • Plan thoroughly before acting. • Involve members in clear problem-solving and decision-making procedures. • Respect and understand each other's "diversity". • Value synergism and interdependence	• Emphasise and support team goals. • Reward individual performance that supports the team • Communicate effectively. • Practice effective dialogue instead of debate Identify and resolve group conflicts. • Vary levels and intensity of work. • Provide a balance between work and home. • Practice continuous improvement

To achieve high performance from the teams-

- Trust and respect team members
- Must be clear about roles and responsibilities
- Always look for ways to improve performance.
- Focus not only on achieving personal goals but also on those of the team.
- Support one another in tasks and activities.
- Learn from one another.
- Keep open and clear lines of communication.

8.3.4 Benefits of Team Building

A team is a group of individuals guided by a common purpose, striving to achieve the same goal.

A group does not necessarily become a team. Teams normally have members with different skills and generate output through a coordinated effort which allows each member to maximise his/her strengths and minimise his/her weaknesses.

Who is a team member?

A person belonging to a specific group of people involved in attempting to achieve a common goal.

The benefits of team building are as follows:

Team building can lead to:

- **Good communication as team members and individuals:** An effective communication can be formed which in turn will help the team to work together towards a common goal.
- **Increased department productivity and creativity:** An effective team building will make a great diverse team in terms of their thoughts and working styles. This will boost its productivity, innovation, and creativity.
- **Team members motivated to achieve goals:** It can motivate and guide the team to achieve goals. It helps to take initiative and strive towards improvement and to persevere in the face of setbacks and frustrations. Motivation can also mean emotional tendencies that guide or facilitate each other in reaching set goals.
- **A climate of cooperation and collaborative problem-solving:** Successful teams work effectively together to find new and better solutions. While a team approach to problem solving is more effective as it is a collaborative effort.

- **Higher levels of job satisfaction and commitment:** When a team is well formed by the organisation you will find satisfied employee typically much more committed to the employer than an employee who is dissatisfied.
- **Higher levels of job satisfaction and commitment:** When a team is well formed by the organisation you will find satisfied employee typically much more committed to the employer than an employee who is dissatisfied.
- **Higher levels of trust and support:** Effective team building can result in a high enough level of trust for all team members to fully engage in the work at hand, feel comfortable challenging the status quo, and spur creativity, energy, and a commitment to achieving desired results.
- **Diverse co-workers working well together:** An effective team brings diverse people together to work towards a common goal.
- **Clear work objectives:** An effective team's performance and expected outcomes are clearly defined as a work objective which will help in achieving the goals.
- **Better operating policies and procedures:** When an effective team is formed, it requires better operating policies and procedures which can be integrated for everyone in the team and this will help the team in operating and identifying the opportunities for improvement.

8.3.5 The Importance and Different Techniques of Coaching and Providing Constructive Feedback to Maintain Performance Standards of a Team

What is coaching?

- Guiding people to discover the best way of doing their jobs/tasks through constant encouragement & feedback
- Promotes a sense of participation, involvement and closeness between the Coach and Coachee/ team member

Why coaching?

- To introduce and implement new tasks.
- Coach is able to pass on one's experience & learning wherever applicable
- Improve capability levels of team/team members through coaching.
- Increases the team member's ability to adapt, change and be flexible
- Builds the talent pool of team members.
- Coach can direct, encourage and offer feedback.

Who can coach my team and why?

A team leader/manager should be a coach of his team.

Reasons:

- Manager has in-depth knowledge of people & organisation.
- Manager has advantage of longer-term relationship with his team.
- Constant interaction by nature of work

So, what's in it for a manager:

- A more committed team
- Better team performance
- Better working relationship
- Better ideas
- Better information

Skills required to coach.

- Providing Structure
- Active Listening
- Asking Questions
- Making Suggestions
- Giving Feedback

How do I coach my team member?

There are four major causes of performance problems:

- **Knowledge or Skills - T**he employee does not know how to perform the process correctly - lack of skills, knowledge, or abilities.
- **Process -** The problem is not employee related, but is caused by working conditions, improper procedures, etc.
- **Resources -** Lack of resources or technology.
- **Motivation or Culture -** The employee knows how to perform but does so incorrectly.

Performance Analysis Quadranr (PAQ)

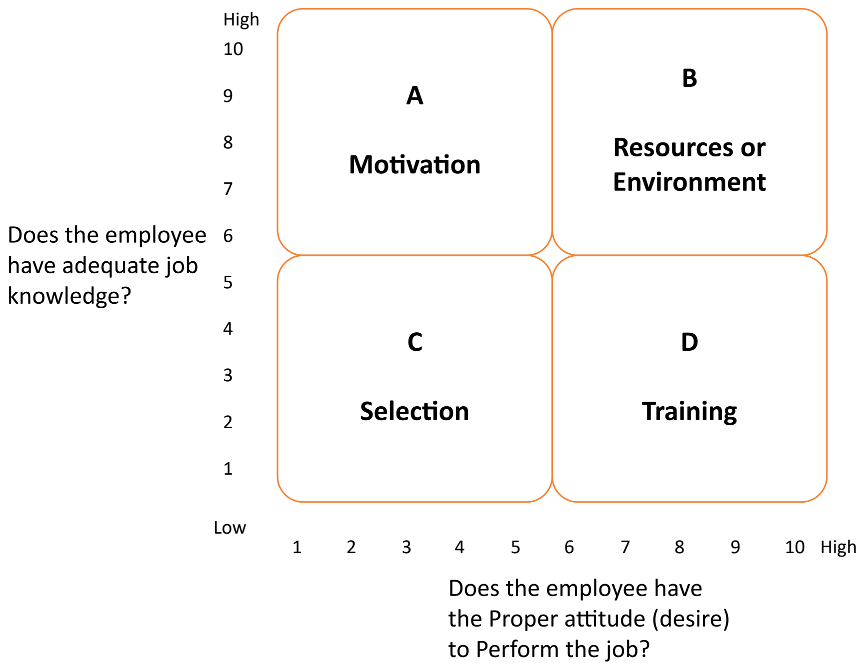

Fig.: 9.3.1: Performance Analysis Quadrant

- **Quadrant A (Motivation):** Sufficient job knowledge and skills but improper attitude, this may be classified as motivational problem.
  - o Collect and document what the team member is not doing.
  - o Try to observe the employee performing the task.
  - o Observe and record what the employee is not doing to standards.
  - o Check past performance appraisals, previous managers, or other leaders.
  - o Try to find out if it a pattern or something new.

  Once you know the problem, then work with the employee by using coaching techniques to solve it.
- **Quadrant B (Resource/Process/Environment):** Has both job knowledge and favorable attitude, but performance is unsatisfactory, then the problem is lack of resources or time
- Many performance problems are due to bad process, that is, the process does not support the desired behavior. It has often been said that people account for 20% of all problems while bad processes account for the rest

  Coaching can be used to get people to think about ways to solve the process or environmental problem.
- **Quadrant C (Selection):** Lacks both job knowledge and a favorable attitude, that person may be improperly placed. It is a selection or role fitment Problem.
  - o Identify the skills sets / core competence areas of the team member.
  - o Identify appropriate position.
  - o Provide feedback to the team member.
  - o Recommend change of position to higher authorities.
- **Quadrant D (Training and or Coaching):** If the employee desires to perform, but lacks the requisite job knowledge or skills, then additional training or coaching may be the answer.

  Steps to Coaching:
  - o Give brief instructions (Normally less than 10 minutes)
  - o Break complicated tasks into small learning steps.
  - o Demonstrate
  - o Have them practice
    - Coach them until they can do it on their own.
    - Providing feedback
    - Provide Support

Providing Constructive Feedback

Feedback:

- Helps in enhancing teamwork and building relationship within the team.
- Encourages team members by appreciation of their efforts.
- Allows the issues to be discussed before any tension and conflict arises.
- Helps in providing recognition, reassurance, and credit to team members.
- Creates a sense of accountability amongst the team members towards the commitments made by them.

Constructive feedback

- Intent of this feedback is to support and be helpful
- It should be clear and specific.
- The suggestions on how to improve should be provided by the one who is giving the feedback

Guidelines to give feedback.

- Prepare your mind and environment.
- Look out for an appropriate time and place.
- Check if the person is happy and open to receive feedback
- Provide one to two headlines - don't provide a list.
- Always begin statements which are positive.
- keep the feedbacks specific.
- Mention things which can be changed
- Check the understanding of the person receiving feedback.

Examples of errors done by team member	Criticism	Feedback
Person vs Problem	*"Ravi you never do your job correctly"*	*"Ravi, you seem to have a problem when tackling this. Let's understand where the problems are and see what I can do to help you move it forward"*
Generic vs Specific	*"You were very rude to your colleague"*	*"When you made xxx statement and stared him right in the eyes for few seconds, I felt you came across as very aggressive"*
Blame vs Change	*""Ram why is there too much of wastage in the store room"*	*"Ram let's talk about how we can get the waste reporting back under control"*

8.3.6 The Methods of Identification and Resolution of Conflict Within a Team

Team disputes occur when members disagree on the team's goals, techniques, or needs. When there are different personalities, conflicts might arise. These conflicts may appear routine at first, but if they are not resolved, they can have a negative impact on production and morale. When team members have differences, discussing them and reaching a common understanding allows everyone to work together amicably and productively.

Conflict resolution is an important leadership ability. Any company need people who can recognize disputes, admit differences, and find a speedy and amicable settlement.

Importance of conflict resolution

Any team's success depends on its ability to resolve conflicts. Leaving a quarrel unresolved can have a detrimental impact on morale and productivity, as well as create a hostile and unpleasant working environment for everyone. Resolving workplace disagreements allows teams to gain trust and collaborate more effectively to achieve their objectives. Conflict resolution allows team members to gain a deeper understanding of one another and establish more productive working relationships in the future.

Types of team conflicts

There stand to be four different sorts of team conflicts usual to the environments of the workplace:

- **Task-based conflicts:** Task-based disputes arise when members of a team rely on one another to execute a task or project. When one team member fails to complete their portion of the assignment on time, it may impair the ability of another team member to accomplish their part on time. If an employee is always late with their reports, for example, the accountant will be late with their reports as well. To avoid disagreements, make sure that everyone on the team understands what they should be doing in their roles so that projects may be completed quickly and on time.
- **Leadership conflicts:** Some disagreements arise because of differing leadership styles. Everyone has a different approach to leading their teams. Some leaders are more directive, while others are more open, inclusive, and encourage team cooperation. It's critical to understand and accept these variances across the team to avoid leadership style disputes. If you're in charge of a team, you should be mindful of your own leadership style and how you communicate with them. To suit the diverse demands and personalities of your team members, you may need to adapt your leadership style.
- **Workstyle conflicts:** Some disagreements arise as a result of differing leadership styles. Everyone has a different approach to leading their teams. Some leaders are more directive, while others are more open, inclusive, and encourage team cooperation. It's critical to understand and accept these variances across the team to avoid leadership style disputes. If you're in charge of a team, you should be mindful of your own leadership style and how you communicate with them. To suit the diverse demands and personalities of your team members, you may need to adapt your leadership style.
- **Personality clashes:** Some of the most typical types of team problems include personality clashes. Differences in personality among team members produce these forms of confrontations. Whether it's a co-worker, supervisor, or peer, you're not always going to get along with or like everyone you encounter. Working with someone whose personality differs from yours might be difficult. However, it is critical to strive to comprehend their differences and learn how to collaborate in a calm and productive manner.

The ways to resolve team conflicts.

Misunderstandings and a lack of communication among team members are the roots of many workplace problems. Team members can create stronger working connections and be more productive because of effectively resolving these conflicts. Here are some helpful suggestions for resolving workplace conflicts:

- **Stay calm:** It's critical to remain cool and professional when a quarrel starts. Before attempting to resolve the disagreement, take a few deep breaths and clear your mind. Come up with a strategy for resolving the disagreement before it escalates.
- **Communicate:** Find a secluded space where you may discuss the conflict. It's critical that all parties concerned get the chance to express themselves and hear what others have to say. Try to comprehend how the other person feels while still conveying everything you need to say.

- **Acknowledge the riot and look for a solution:** Recognizing that there is an issue in the first place is an important part of conflict resolution. After the conflict has been identified, all parties must agree on how to resolve it. Focus on the things you can agree on and try to see the disagreement from the perspective of your other team members. This will help you better understand how they feel and think, allowing you to work together to find a solution.
- **Involve HR or leadership:** If a problem cannot be addressed, you may need to involve your HR department or a supervisor, whether it's because someone is refusing to cooperate or because it's something much more serious, such as harassment or discrimination.

Teamwork and an understanding of each other's different points of view are required to resolve workplace disagreements. After resolving problems, the best approach to move on is to accept that mistakes will occur. A team that is willing to work together to settle workplace problems will be able to deepen their bonds and achieve their objectives.

Summary

In this module, the participant has covered the following:

- Standards of performance required of own retail team.
- Gaining the co-operation of own retail team.
- Best practices to maintain the standards of performance of own retail team.

Exercise

Answer the following questions by choosing the correct option:

1. Which of the following is the responsibility of a team leader?
   (a) Health and safety (b) Staffing levels
   (c) Timekeeping (d) All of the above

2. Which of the following tasks needs to be performed to maintain health and safety at the workplace?
   (a) Make decisions about policies and processes (b) Make a risk assessment
   (c) Conduct regular safety checks and inspections (d) All of the above

3. Which of the following factor affects staff scheduling?
   (a) Sales forecast (b) Absenteeism
   (c) Customer walk-in history (d) All of the above

4. Which of the following statement is true in content of personal appearance & grooming?
   (a) Hair should be neatly cut, clean and combed (b) Clothes/uniform must be ironed
   (c) Nails should be cut, clean and filed (d) All of the above

5. Which of the following is a customer service problem?
   (a) Rude behavior (b) Lack of customer centricity
   (c) Delayed responses (d) All of the above

Answer the following questions

1. How to do scheduling of staff?
2. State the importance of personal appearance in Retail industry.
3. List the factors that impact staff scheduling.
4. What are the benefits of team building?
5. How can team conflicts can be resolved?

Notes

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9. Use AI tools in Store Operations

Unit 9.1 - Role and Integration of AI in Retail Operations

Unit 9.2 - Benefits and Impact of AI

RAS/ N0164

Key Learning Outcomes

At the end of this module, the participant will be able to:

1. Communicate and Collaborate with IT and operations teams to smoothly implement and integrate AI solutions
2. Effectively manage AI-driven chatbots and virtual assistants to improve customer service quality and responsiveness
3. Conduct training sessions for store staff on the basics of AI to ensure proficient use of these technologies
4. Explain the impact of using AI in retail environment

Unit 9.1 Role and Integration of AI in Retail Operations

Unit Objectives

At the end of this unit, the participant will be able to:

1. Explain the Role of AI in Retail Operations
2. Explain the importance of working together with the IT and operations teams to integrate AI Solutions
3. Explain the use of AI chatbots and virtual assistants in providing personalized customer support and recommendations

9.1.1 The Role of AI in Retail Operations

Artificial Intelligence (AI) has revolutionized various industries, and retail is no exception. Integrating AI in retail operations has brought about significant transformations, enhancing efficiency, customer experience, and overall business performance.

Fig. 9.1 AI in a Retail Shop

https://www.freepik.com/premium-photo/meta-retail-concept-collage_150655022.htm#fromView=-search&page=1&position=22&uuid=791ab911-4eeb-4f79-88de-2abf66367abc

The following key points highlight the role of AI in retail operations:

Inventory Management	AI-driven systems can predict demand patterns by analyzing historical sales data, market trends, and social media signals. This enables retailers to optimize inventory levels, reduce overstock and understock situations, and manage warehouse operations more effectively. AI-powered tools can also automate the replenishment process, ensuring that popular items are always available.

Personalized Shopping Experiences	AI enables retailers to offer personalized recommendations to customers based on their browsing history, purchase behavior, and preferences. Machine learning algorithms analyze data to suggest products that customers are more likely to be interested in, thus enhancing the shopping experience and increasing sales.
Customer Service	AI chatbots and virtual assistants play a crucial role in providing 24/7 customer support. They can handle a wide range of queries, from product information to order status updates, and even process returns and refunds. This not only improves customer satisfaction but also frees up human agents to handle more complex issues.
Pricing Optimization	AI algorithms can analyze competitive pricing, historical sales data, and market demand to dynamically adjust prices. This ensures that retailers remain competitive while maximizing their profit margins. Real-time pricing adjustments can help in capitalizing on market opportunities and consumer behavior.
Fraud Detection and Prevention	AI systems can identify unusual patterns in transaction data, helping to detect and prevent fraudulent activities. By continuously monitoring transactions and applying machine learning techniques, AI can flag suspicious behavior and reduce the risk of fraud, thereby protecting both the retailer and the customer.
Enhancing In-Store Experience	AI technologies such as facial recognition, smart shelves, and cashier-less checkouts are transforming the in-store shopping experience. Facial recognition can help personalize customer service by identifying frequent shoppers and offering them tailored services. Smart shelves equipped with sensors can track inventory levels and customer interactions, while cashier-less checkouts streamline the purchasing process.
Supply Chain Optimization	AI can optimize the entire supply chain by predicting demand, managing logistics, and reducing transportation costs. Machine learning models can analyze various factors, such as weather conditions, traffic patterns, and geopolitical events, to ensure timely delivery of goods and minimize disruptions.
Customer Insights and Analytics	AI can analyze customer reviews, social media posts, and feedback to gauge customer sentiment. Understanding how customers feel about products and services allows retailers to make informed decisions, improve products, and enhance customer satisfaction.
Marketing and Advertising	AI-driven marketing strategies use data analytics to segment customers, personalize marketing messages, and target the right audience. Predictive analytics can forecast customer behavior, helping retailers to plan effective marketing campaigns and allocate resources efficiently.
Employee Productivity	AI tools can assist employees by automating routine tasks, providing real-time data insights, and suggesting actions based on data analysis. This not only increases productivity but also allows employees to focus on more strategic and value-added activities.

Fig. 9.2 Role of AI in Retail Operations

9.1.2 Utilization of AI in Various Retail Operations

Retail Operation	Utilization of AI
Automobile Retail	AI is revolutionizing the automobile retail sector by personalizing the buying experience and optimizing inventory. Virtual showrooms powered by AI allow customers to explore vehicles through augmented reality, offering a seamless online experience. AI also analyzes market trends and regional demand to help dealerships manage inventory and stock vehicles accordingly. Predictive maintenance services powered by AI enable automobile retailers to offer added value to customers by alerting them to potential issues in their vehicles.
Food Delivery	AI plays a critical role in optimizing food delivery operations by predicting delivery times, recommending restaurants, and improving logistics. Food delivery platforms leverage AI to analyze customer preferences and suggest dishes tailored to individual tastes. AI-driven route optimization ensures timely delivery by factoring in real-time traffic and weather conditions. Moreover, chatbots and voice assistants handle customer queries and complaints, enhancing service efficiency. In addition, AI-powered systems analyze order histories to predict demand patterns, allowing food delivery platforms to allocate resources effectively.
Beauty Products	The beauty retail industry uses AI to create highly personalized shopping experiences. AI-powered virtual try-on tools allow customers to test products such as lipstick shades or foundations virtually. These tools use facial recognition and augmented reality to simulate real-life applications. AI also assists in recommending products based on skin type, tone, and previous purchases. Chatbots further improve customer support by providing beauty tips, product suggestions, and answers to queries in real-time.
Fashion Retail	Fashion retailers use AI to transform the shopping journey, both online and offline. AI-driven recommendation engines suggest outfits based on browsing history, body measurements, and style preferences. Visual search tools enable customers to upload images to find similar clothing items. AI also enhances inventory management by forecasting trends and automating restocking processes. Virtual fitting rooms powered by AI allow customers to try on outfits digitally, reducing return rates and increasing customer satisfaction.
Grocery and Food	In grocery retail, AI streamlines inventory management, demand forecasting, and in-store operations. AI predicts seasonal demand for perishables, reducing waste and improving stock availability. Smart shelves equipped with AI sensors monitor inventory in real time and alert staff about restocking needs. Additionally, AI analyzes shopping patterns to provide personalized discounts and promotions to customers.
Electronics Products	AI is utilized in electronics retail to provide technical support and improve the purchasing experience. AI-powered chatbots assist customers in choosing products based on technical specifications and preferences. Virtual product demos powered by AI help customers understand the features and functionality of gadgets before purchasing. Predictive analytics is also employed to manage inventory and ensure popular devices are always in stock.

Home and Furniture	Home and furniture retailers use AI to offer virtual room design services. Customers can visualize how furniture pieces will look in their homes using AI-powered augmented reality tools. These platforms also recommend furniture based on customer preferences, previous purchases, and spatial dimensions. AI aids in warehouse optimization by predicting demand for specific items, ensuring timely availability.
Sports and Fitness	AI in sports retail focuses on personalization and product recommendations. Retailers use AI to suggest fitness equipment and accessories based on customers' fitness goals. Wearable devices integrated with AI analyze user activity and recommend compatible products. AI-powered inventory systems also help sports retailers ensure adequate stock of high-demand items during peak seasons.
Books and Entertainment	Books retailers and entertainment platforms use AI to recommend content based on user preferences. Platforms analyze reading and listening habits to suggest books and audiobooks. AI also assists in predicting demand for popular titles and ensuring timely restocking in physical stores.

Table 9.1 Utilization of AI in Various Retail Operations

9.1.3 Examples of AI in Retail Operations

AI has been integrated into various aspects of retail operations, bringing about significant improvements in efficiency, customer experience, and overall business performance. Major retailers and startups alike are leveraging AI to address diverse challenges and innovate in their operations. The following are some notable examples of how AI is being used in retail:

Reliance Retail:

Reliance Retail leverages AI-powered analytics to optimize inventory management and enhance the customer shopping experience. By analyzing customer preferences and purchasing patterns, the company ensures that its stores stock the right products at the right time, reducing waste and improving profitability. Additionally, AI enables Reliance Retail to provide personalized promotions and discounts, tailoring the shopping experience to individual customer needs.

Flipkart:

Flipkart uses AI to deliver highly personalized shopping experiences and improve operational efficiency. The platform's machine learning algorithms recommend products based on customers' browsing and purchase histories, enhancing user engagement. AI also powers Flipkart's supply chain by forecasting demand, managing warehouse operations, and ensuring timely deliveries, especially during large-scale sales events like Big Billion Days.

Zomato:

Zomato applies AI to refine its food delivery operations and personalize the user experience. AI algorithms recommend restaurants based on user preferences and order histories while predicting delivery times and optimizing routes for efficiency. These capabilities not only streamline operations but also ensure that customers enjoy a seamless and personalized service.

Bigbasket:

Bigbasket integrates AI into its operations to forecast product demand and maintain stock efficiency. By analyzing factors like seasonality, historical data, and weather conditions, AI helps minimize waste and ensure the freshness of perishable goods. Additionally, AI-driven chatbots enhance customer support by addressing queries quickly and improving the overall user experience.

Lenskart:

Lenskart utilizes AI to revolutionize the eyewear shopping experience with its virtual try-on feature. This tool allows customers to visualize how different frames will look on their faces, reducing returns and improving customer satisfaction. The company also uses AI to analyze customer feedback and optimize marketing strategies, ensuring that campaigns are targeted and effective.

Shoppers Stop:

Shoppers Stop employs AI to improve both online and in-store customer experiences. AI chatbots on their platform assist customers in finding products, checking stock availability, and answering queries in real-time. The retailer is also exploring AI-driven visual search tools that let customers search for items using images, enhancing convenience and engagement.

9.1.4 Integration of AI in Retail Operations

The integration of Artificial Intelligence (AI) in retail operations has the potential to transform every aspect of the retail industry, from inventory management and customer service to supply chain optimization and marketing strategies. By leveraging AI technologies, retailers can enhance operational efficiency, improve customer experiences, and drive business growth.

Steps for Successful AI Integration

The following are the steps for successful AI Integration in retail operations:

Assessment of Needs:	Retailers must first identify the areas where AI can add value, such as inventory management, customer service, or logistics.
Selection of Tools:	The choice of AI technologies, including machine learning algorithms, predictive analytics, and natural language processing, depends on the identified needs.
Data Preparation:	AI systems rely heavily on data. Cleaning, organizing, and securing data is critical for achieving accurate results.
Pilot Testing:	Before large-scale deployment, AI tools should be tested in controlled environments to evaluate their performance and address potential issues.
Full Deployment:	Once tested, AI systems can be fully implemented across retail operations. Continuous monitoring is essential to ensure optimal performance.

Fig. 9.3 Steps for Successful AI Integration

Key Areas of AI Integration

1. **Inventory Management**

AI systems can predict demand patterns by analyzing historical sales data, market trends, and social media signals. This allows retailers to optimize inventory levels, reduce stockouts and overstock situations, and automate the replenishment process.

2. **Customer Service**

AI-powered chatbots and virtual assistants can handle a wide range of customer queries, providing 24/7 support and freeing up human agents to focus on more complex issues. These AI systems enhance customer satisfaction by offering quick and accurate responses.

3. **Personalized Marketing**

AI analyzes customer data to deliver personalized recommendations and marketing messages. By understanding individual preferences and behavior, AI helps retailers increase customer engagement and conversion rates.

4. **Dynamic Pricing**

AI algorithms can analyze market trends, competitor pricing, and customer behavior to adjust prices in real time. This ensures that retailers remain competitive and maximize profit margins.

5. **Supply Chain Optimization**

AI can optimize the supply chain by predicting demand, managing logistics, and reducing transportation costs. Machine learning models can analyze various factors to ensure the timely delivery of goods and minimize disruptions.

6. **Fraud Detection**

AI systems can identify unusual patterns in transaction data to detect and prevent fraudulent activities. By continuously monitoring transactions, AI reduces the risk of fraud, protecting both retailers and customers.

9.1.5 Importance of Working Together with IT and Operations Teams to Integrate AI Solutions

Role of IT and Operations Teams

The IT team ensures the technical infrastructure, such as hardware, software, and data systems, is prepared for AI implementation. They are responsible for selecting AI platforms, managing data security, and integrating AI tools with existing systems. Additionally, IT professionals maintain the functionality and scalability of AI applications.

Operations teams focus on how AI can align with day-to-day retail activities. They provide insights into business needs, operational workflows, and customer pain points. Their expertise ensures that AI tools are relevant and address specific challenges in areas like supply chain management, logistics, and in-store operations.

Importance of Collaboration

Seamless Integration

- AI solutions need to be seamlessly integrated into existing retail systems and processes. Collaboration between IT and operations teams ensures that AI technologies are effectively embedded within the retail infrastructure, minimizing disruptions and maximizing benefits.

Technical Expertise

- The IT team provides the technical expertise required to implement and maintain AI systems. They ensure that the AI technologies are compatible with existing systems, oversee data integration, and handle any technical challenges that arise during implementation.

Operational Insights

- The operations team brings valuable insights into the day-to-day functioning of the retail business. By working together with the IT team, they ensure that AI solutions are tailored to address specific operational needs and enhance efficiency.

Data Management

- Successful AI integration relies on high-quality data. The IT and operations teams work together to ensure that data is collected, processed, and managed effectively. This includes data cleaning, integration, and ensuring data security and privacy.

Training and Adoption

- For AI solutions to be effective, staff must be trained to use them. The operations team plays a crucial role in training employees on AI tools and ensuring their adoption. By working together, the IT team provides the necessary technical training, while the operations team focuses on practical application and usability.

Continuous Improvement

- AI systems require continuous monitoring and improvement. The IT and operations teams collaborate to assess the performance of AI solutions, gather feedback, and make necessary adjustments. This iterative process ensures that AI technologies continue to deliver value and adapt to changing business needs.

Strategic Alignment

- AI integration should align with the overall business strategy. The IT and operations teams work together to ensure that AI initiatives support the retailer's strategic goals, whether it's enhancing customer experience, improving operational efficiency, or driving sales growth.

Fig. 9.4 Importance of Working Together with IT and Operations Teams to Integrate AI Solutions

9.1.6 AI Chatbots and Virtual Assistants

AI chatbots and virtual assistants are intelligent programs designed to simulate human-like interactions, assist users, and provide personalized solutions. These technologies leverage natural language processing (NLP), machine learning (ML), and artificial intelligence (AI) to understand user queries, provide relevant responses, and enhance the overall customer experience.

AI Chatbots

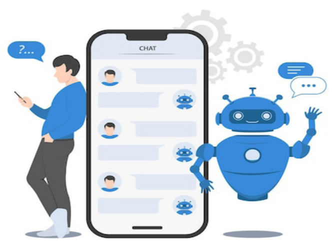


Fig. 9.5 AI Chatbot

https://www.freepik.com/premium-vector/chat-bot-illustration_77063285.htm#fromView=search&page=1&position=9&uuid=56362fb4-5d52-4475-9453-6e64224764d7

An AI chatbot is an application that uses artificial intelligence to simulate conversation with users. Chatbots are often integrated into websites, messaging apps, and customer service platforms to provide quick and automated responses to common queries. They leverage natural language processing (NLP) to understand and respond to user inputs in a human-like manner, offering a seamless and efficient way to handle customer interactions.

Virtual Assistants

Virtual assistants are advanced AI-powered tools that provide more comprehensive support than chatbots. While chatbots are typically designed for specific tasks or queries, virtual assistants can handle a broader range of functions, including scheduling, reminders, complex customer service tasks, and personalized recommendations. Virtual assistants use AI, NLP, and machine learning to understand context and provide more personalized and interactive experiences.

Types of AI Chatbots and Virtual Assistants

AI chatbots and virtual assistants come in various forms, each designed to serve specific purposes and enhance user experience in different ways. The following are some common types of AI Chatbots and Virtual assistants:

Chatbot/Virtual Assistant Type	Description	Use Case
Rule-Based Chatbots	Simple chatbots operating on pre-defined rules and scripts, handling specific queries with keyword matching or decision trees.	Answering FAQs, providing basic product information, or handling simple customer service tasks.
Conversational AI Bots	Advanced chatbots for natural, human-like conversations, understanding context and emotions to engage users.	Personalized shopping assistance, customer support, and interactive marketing campaigns.

Voice-Based Virtual Assistants	Assistants using voice commands via voice recognition technology, integrated into devices like smartphones or smart speakers.	Hands-free customer support, scheduling tasks, and providing product information.
Contextual Chatbots	Utilize user data (e.g., purchase history, browsing behavior) to provide contextual and personalized responses.	E-commerce platforms offering product suggestions and customer-specific solutions.
Social Media Chatbots	Integrated into social media platforms to engage customers by answering queries, showcasing products, or initiating conversations.	Social media marketing, customer service, and lead generation.
Virtual Shopping Assistants	Specialized AI assistants enhancing the shopping experience by helping users find products and compare options based on preferences and budget.	Assisting customers on e-commerce websites or mobile apps.
Transactional Chatbots	Bots designed to assist in completing specific tasks like booking tickets, placing orders, or making payments.	Food delivery services, travel bookings, and e-commerce checkouts.
Healthcare Virtual Assistants	Address health-related queries, provide symptom analysis, and schedule appointments.	Guiding patients, providing medication reminders, and health tracking.
Multilingual Chatbots	Handle interactions in multiple languages to cater to a diverse customer base.	Global businesses needing localized customer support.
Informational Chatbots	Provide information and answers to queries based on a knowledge base, presenting data in an easy-to-understand format.	Educational platforms, customer support, and content-based websites (e.g., FAQs).

Table 9.2 Types of AI Chatbots and Virtual Assistants

9.1.7 Use of AI Chatbots and Virtual Assistants in Providing Personalized Customer Support and Recommendations

1. Personalized Customer Support

a. 24/7 Availability

AI chatbots and virtual assistants can provide round-the-clock customer support, ensuring that customers receive timely assistance regardless of the time of day. This enhances customer satisfaction and reduces wait times.

b. Immediate Response

AI chatbots can respond to customer queries instantly, addressing common issues such as order status, return policies, and product information. This reduces the need for human intervention and speeds up the resolution process.

c. Handling FAQs

Chatbots can efficiently handle frequently asked questions (FAQs) by providing automated responses. This frees up human agents to focus on more complex and unique customer issues.

d. Multilingual Support

AI-powered virtual assistants can converse in multiple languages, catering to a diverse customer base and ensuring that language barriers do not hinder customer service.

2. Personalized Recommendations

a. Analyzing Customer Data

AI chatbots and virtual assistants analyze customer data, including browsing history, purchase patterns, and preferences, to offer personalized product recommendations. This helps customers discover products that are most relevant to their interests.

b. Contextual Understanding

Virtual assistants can understand the context of customer interactions, allowing them to provide recommendations based on specific customer needs and preferences. For example, if a customer is looking for a gift, the virtual assistant can suggest suitable options based on the recipient's preferences.

c. Upselling and Cross-Selling

AI systems can identify opportunities for upselling and cross-selling by recommending complementary products or higher-value alternatives. This not only enhances the shopping experience but also boosts sales for retailers.

d. Personalized Marketing

Virtual assistants can deliver personalized marketing messages and offers to customers based on their behavior and preferences. This increases the effectiveness of marketing campaigns and improves customer engagement.

3. Seamless Integration with E-commerce Platforms

a. Virtual Shopping Assistants

In e-commerce, virtual assistants can act as personal shopping assistants, helping customers find products, compare prices, and make informed purchasing decisions. This enhances the overall shopping experience.

b. Cart Management

AI chatbots can assist customers in managing their shopping carts, suggesting items to add or remove based on their preferences and past behavior. This ensures that customers have a smooth and convenient shopping journey.

c. Order Tracking and Support

Virtual assistants can provide real-time updates on order status, shipping information, and delivery times. They can also assist with post-purchase support, such as handling returns and exchanges.

4. Enhanced Customer Engagement

a. Proactive Engagement

AI chatbots and virtual assistants can proactively engage customers by initiating conversations, providing updates on new arrivals, and offering personalized recommendations. This keeps customers informed and engaged with the brand.

b. Building Customer Relationships

By providing personalized and timely support, AI chatbots and virtual assistants help build strong customer relationships. Customers feel valued and appreciated, leading to increased loyalty and repeat business.

Unit 9.2: Benefits and Impact of AI

Unit Objectives

At the end of this unit, the participant will be able to:

1. State the benefits of reporting actionable insights to improve customer service
2. State the importance of training staff on basics of AI tools to enhance customer service and satisfaction
3. Explain the significance of measuring the impact of AI on sales, customer satisfaction, and operational efficiency

9.2.1 Benefits of Reporting Actionable Insights

Reporting actionable insights in retail operations offer profound advantages, significantly elevating customer service and overall business performance. By leveraging data-driven insights, retailers can make informed decisions that enhance customer experiences, optimize resource allocation, and drive sales growth. This proactive approach not only improves operational efficiency but also fosters stronger customer relationships and loyalty, leading to sustained success in a competitive retail landscape. The following are the benefits of reporting actionable insights:

Enhanced Decision-Making	Data-driven strategies enable retail managers to make informed decisions based on accurate data rather than intuition, leading to more effective and aligned customer service strategies. Regular reporting allows for the recognition of patterns and trends in customer behavior, enabling proactive adjustments to service approaches and ensuring decisions are well-grounded and beneficial.
Improved Customer Satisfaction	Insights into customer preferences and behaviors allow for tailored interactions and personalized recommendations, resulting in higher customer satisfaction and loyalty. Quick and efficient resolution of common issues through data analysis enhances the overall customer experience, making customers feel valued and understood.
Proactive Engagement	Predictive analytics enable the anticipation of customer needs, allowing for proactive engagement that improves customer satisfaction and reduces the likelihood of complaints. Identifying potential problems early enables preventive actions, ensuring a smoother and more positive shopping experience for customers.
Operational Efficiency	Actionable insights optimize resource allocation by highlighting peak shopping times, popular products, and high-traffic areas within the store. This ensures staff and resources are directed where they are most needed, improving service efficiency. Additionally, regular reporting highlights inefficiencies and bottlenecks, allowing for continuous process improvements and smoother operations.
Increased Revenue	Actionable insights identify opportunities for upselling and cross-selling, leading to increased sales and revenue. Enhanced customer service through data-driven insights helps retain customers, reducing churn and maintaining a steady revenue stream, which is crucial for long-term business success.

Enhanced Employee Performance	Insights from customer interactions pinpoint areas where staff need additional training, leading to improved performance and service quality. Clear performance metrics from reporting provide benchmarks and goals for employees, motivating them to achieve higher standards of service and contribute more effectively to the organization.
Better Customer Relationships	Regular reporting on customer feedback helps understand customer sentiments and preferences, enabling more personalized and meaningful interactions. Consistently meeting customer expectations through data-driven strategies builds trust and long-term relationships, fostering customer loyalty and positive word-of-mouth.
Competitive Advantage	Consistently reporting and acting on actionable insights helps businesses stay ahead of competitors by anticipating customer needs and exceeding expectations.

Fig. 9.6 Benefits of Reporting Actionable Insights

9.2.2 Insights Reports Creation

The communication of insights to stakeholders is ensured through well-structured reports, which serve as a connection between data analysis and actionable strategies. These reports are created to ensure that insights are understood and their significance is effectively conveyed. The following components and strategies are recommended for creating such reports:

Objective of the Report

- The purpose of the report is clearly stated at the beginning. Whether trends in customer behavior, inefficiencies in operations, or market opportunities are highlighted, the objective is used to guide the content and structure.

Clear and Concise Language

- Technical jargon is avoided to ensure that the report is understood by all stakeholders. Insights are presented straightforwardly, and relevance to business outcomes is emphasized.

Data is Visualization

- Graphs, charts, and infographics are utilized to simplify complex data. For example, bar graphs are used to illustrate sales trends, and pie charts are applied to highlight market share. Visual aids are integrated to complement the narrative.

Reports are Tailored to the Audience

- The needs and priorities of stakeholders are analyzed. For example, high-level summaries with strategic recommendations are provided to executives, while detailed metrics are included for operational teams.

Key Insights

- Critical findings are emphasized using bullet points, bold text, or dedicated sections. This ensures that stakeholders' attention is drawn to the most important information.

Fig. 9.7 Components and Strategies for Creating Insights Reports

9.2.3 Importance of Training Staff on Basics of AI Tools

Training retail staff on the basics of AI tools is essential for enhancing customer service and satisfaction. As AI continues to transform retail operations, equipping employees with the necessary knowledge and skills ensures that these tools are effectively utilized to benefit both customers and the business.

Fig. 9.8 Training Staffs on AI Tools

AI tools are designed to streamline operations, provide data-driven insights, and enable personalized customer interactions. However, without proper training, these tools may be underutilized or mismanaged, limiting their potential impact. By training staff, several advantages can be realized:

1. Empowering Employees

Training staff on the basics of AI tools empowers them with the knowledge and skills necessary to utilize these technologies effectively. This empowerment boosts their confidence and competence in handling customer interactions, leading to more efficient and responsive service. Employees who understand AI tools can leverage them to provide accurate information and resolve issues quickly, enhancing the overall customer experience.

2. Personalized Customer Service

With a foundational understanding of AI tools, employees can better utilize these technologies to offer personalized customer service. AI tools can analyze customer data and provide insights that help staff tailor their interactions and recommendations to individual customer preferences and needs. This level of personalization not only delights customers but also fosters loyalty and satisfaction.

3. Increased Efficiency

AI tools can automate routine tasks and provide real-time data insights, allowing staff to focus on more complex and value-added activities. Training employees on how to effectively use these tools can streamline operations, reduce response times, and increase productivity. Efficient service translates to happier customers who appreciate the prompt and effective assistance.

4. Enhanced Problem-Solving

Understanding the basics of AI tools equips staff with the ability to quickly identify and address common customer issues. AI can provide predictive insights and suggest solutions, enabling employees to proactively solve problems before they escalate. This proactive approach minimizes customer frustration and enhances their overall shopping experience.

5. Consistency in Service

AI tools can help ensure consistency in customer service by providing standardized responses and solutions. Training staff on these tools ensures that every customer receives the same high level of service, regardless of who they interact with. Consistency builds trust and reliability, key factors in achieving customer satisfaction.

6. Adaptability and Innovation

Retail environments are dynamic, and customer expectations constantly evolve. Training staff on AI tools fosters adaptability and encourages a culture of innovation. Employees who are well-versed in AI technologies are more likely to embrace new tools and techniques, continuously improving the quality of customer service and staying ahead of industry trends.

7. Better Data Utilization

AI tools generate valuable data that can inform business decisions and strategies. Training staff to understand and interpret this data allows them to contribute insights that can enhance customer service. Employees can use data to identify trends, preferences, and potential issues, enabling more informed and effective decision-making.

8. Customer Trust and Loyalty

Customers appreciate knowledgeable and efficient service. When staff are trained on AI tools and can provide seamless, personalized, and efficient service, it builds customer trust and loyalty. Satisfied customers are more likely to return and recommend the store to others, driving long-term success for the retail operation.

9.2.5 Ethical AI Use and Data Privacy

Ethical use of AI in retail is essential for maintaining customer trust, ensuring compliance with laws, and fostering long-term customer relationships. AI tools in retail process large amounts of customer data. Therefore, implementing AI responsibly is critical for protecting customer interests and upholding brand integrity. The following are the key benefits of ethical AI practices:

Enhanced Customer Trust: Transparent AI practices reassure customers that their data is safe and used responsibly.

Regulatory Compliance: Following privacy laws such as the Information Technology Act, 2000, and Personal Data Protection Bill (PDPB) in India helps avoid legal complications.

Improved Customer Experience: Proper use of data enables personalized services without compromising privacy.

Fig. 9.9 Benefits of Ethical AI Practices

Best Practices for Maintaining Customer Trust While Using AI

Transparency and Consent:

- Clearly inform customers about the data being collected and its purpose.
- Obtain explicit consent before collecting or using their data.
- Use simple and understandable language in privacy policies and disclaimers.

Non-Discriminatory Algorithms:

- Ensure AI systems do not perpetuate biases (e.g., based on gender, region, or socio-economic background).
- Regularly audit AI algorithms to identify and eliminate bias.

Customer-Centric AI Deployment:

- Use AI to enhance customer experience rather than solely for business benefits.
- For example, AI-driven chatbots can help customers quickly resolve queries or find products.

Ethical Boundaries in AI:

- Avoid intrusive practices such as monitoring customers' movements in-store without their knowledge.
- Do not sell or share customer data with third parties without proper consent.

Fig. 9.10 Best Practices for Maintaining Customer Trust While Using AI

Techniques for Securing Customer Data

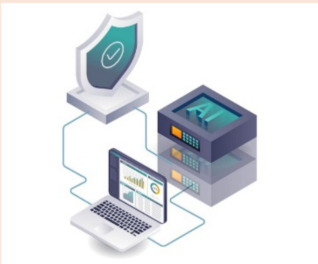
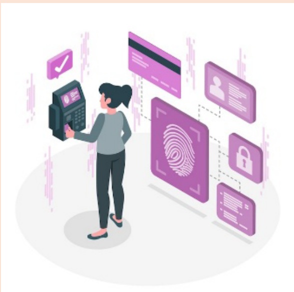
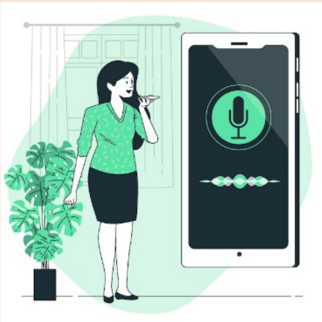
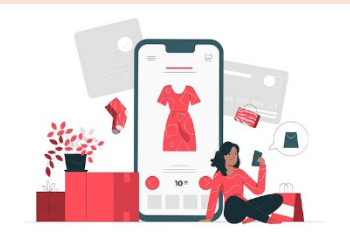
Data Anonymization 	➢ Before processing or analyzing customer data, personally identifiable information (PII) (such as names, phone numbers, and addresses) should be removed or anonymized. ➢ Use techniques like: ○ **Masking:** Replacing sensitive data with fictional data while keeping its usability intact. ○ **Aggregation:** Combining data from multiple individuals into a single summary to protect individual identities. **Example**: While analyzing purchase trends, anonymize the customer ID and only focus on purchase details such as product type, frequency, and amount.
Secure Data Storage 	➢ Use encrypted databases to store customer data. Encryption ensures data is unreadable to unauthorized users. ➢ Implement **end-to-end encryption** for sensitive customer communications, such as payment transactions. ➢ Regularly back up data in a secure location, and test recovery procedures to ensure minimal data loss in case of a breach.
Access Control 	➢ Limit data access to authorized personnel only. ➢ Implement role-based access controls to prevent misuse of sensitive data. ➢ Use multifactor authentication (MFA) for accessing AI tools and customer databases.
Compliance with Regulations 	➢ Align data practices with India's IT Act, 2000, and anticipated Personal Data Protection Bill (PDPB). ➢ Ensure data localization by storing sensitive customer data within India if required by law.

Table 9.3 Techniques for Securing Customer Data

9.2.6 Future AI Applications

AI is revolutionizing the retail industry by introducing cutting-edge innovations that enhance efficiency, customer experience, and operational excellence. The following are some AI applications that will define the future of retail:

<table>
<tr>
<td>Voice Commerce
</td>
<td>Voice commerce refers to the use of voice-enabled technologies like smart assistants (e.g., Alexa, Google Assistant) for shopping. This trend is gaining momentum as voice recognition technology becomes more sophisticated and customer preferences shift toward convenience.
Applications:
➢ Hands-Free Shopping: Customers can place orders, check inventory, and inquire about store promotions using voice commands.
➢ Voice-Activated Customer Support: AI-driven voice bots can handle queries like store locations, product availability, or return policies.
➢ Voice-Enabled Search in Stores: Retailers can integrate voice assistants within stores for customers to locate products quickly.</td>
</tr>
<tr>
<td>Hyper-Personalization
</td>
<td>Hyper-personalization takes customer interaction to the next level by using AI to deliver highly tailored shopping experiences. This goes beyond basic product recommendations to cater to individual preferences, shopping behavior, and even real-time contextual factors.
Applications:
➢ Dynamic Pricing: AI can adjust prices based on a customer's purchase history, loyalty status, or market trends.
➢ AI-Driven Recommendations: Suggesting products based on individual customer preferences, weather conditions, or festivals.
➢ Custom Marketing Campaigns: AI can create personalized promotions or offers delivered via SMS, email, or app notifications.
➢ Augmented Reality (AR) Shopping: AI-powered AR apps can show customers how products (like furniture or clothing) will look in real life, enhancing decision-making.</td>
</tr>
<tr>
<td>Visual Search Technology

</td>
<td>AI-powered visual search allows customers to find products using images instead of text.
Applications:
➢ Customers can upload photos to find similar or identical products in the store's inventory.
➢ Retailers can integrate visual search features into their mobile apps and websites for an enhanced shopping experience.
➢ Popular in fashion and lifestyle retail, where customers often seek similar styles or designs.</td>
</tr>
</table>

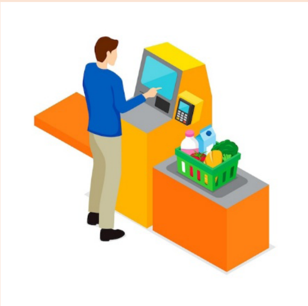
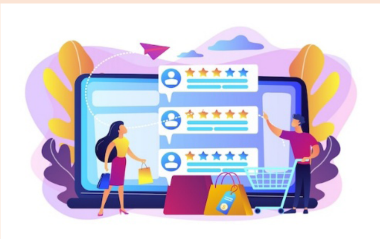
Augmented Reality (AR) and Virtual Reality (VR) Integration 	AR and VR, powered by AI, are transforming the way customers interact with products. **Applications:** ➢ **Virtual Try-Ons:** Customers can try on clothes, accessories, or makeup virtually before purchasing. ➢ **In-Store AR Experiences:** Interactive displays that offer product details and usage instructions via AR. ➢ Increasingly popular in fashion, beauty, and furniture retail for immersive customer experiences.
Autonomous Checkout Systems 	AI-driven checkout technology eliminates the need for traditional billing counters by automating the payment process. **Applications:** • **Smart Shelves and Sensors:** Detect when items are picked up or returned to shelves, adding them to the customer's virtual cart. • **Facial Recognition for Payments:** Customers can pay seamlessly without the need for cash, cards, or mobile devices. **Example:** Similar to Amazon Go, Indian retailers can adopt AI-powered "just walk out" stores.
Sentiment Analysis for Customer Feedback 	AI tools analyze customer feedback to gauge satisfaction and identify areas for improvement. **Applications:** ➢ **Real-Time Feedback Analysis:** AI interprets reviews and surveys to identify trends in customer sentiment. ➢ **Proactive Issue Resolution:** AI flags negative sentiments and helps businesses resolve issues promptly.

Table 9.4 Future AI Applications

9.2.7 Significance of Measuring the Impact of AI

Measuring the impact of AI on sales, customer satisfaction, and operational efficiency in retail operations is crucial for maximizing the benefits of AI technologies. By assessing how AI-driven strategies influence key performance metrics, retailers can make data-driven decisions that enhance customer experiences, streamline operations, and drive business growth. This proactive approach ensures that AI investments yield tangible results, fostering innovation, improving customer service, and ultimately contributing to the overall success and competitiveness of the retail business.

1. Sales Enhancement

Measuring the impact of AI on sales is crucial for understanding how AI-driven strategies contribute to revenue growth. By analyzing sales data, retailers can determine the effectiveness of personalized recommendations, dynamic pricing, and targeted marketing campaigns facilitated by AI. This helps in identifying the return on investment (ROI) for AI initiatives and optimizing strategies for better results. It also enables retailers to track sales trends, identify successful tactics, and make data-driven decisions to boost sales.

2. Improving Customer Satisfaction

Customer satisfaction is a key metric for the success of any retail operation. AI tools can enhance customer experiences through personalized interactions, quick issue resolution, and proactive engagement. Measuring the impact of AI on customer satisfaction involves tracking metrics such as customer feedback, Net Promoter Score (NPS), and customer retention rates. By analyzing these metrics, retailers can understand how AI is improving customer interactions and identify areas for further enhancement. High customer satisfaction leads to increased loyalty, repeat business, and positive word-of-mouth.

3. Operational Efficiency

AI can significantly streamline retail operations by automating routine tasks, optimizing inventory management, and improving supply chain logistics. Measuring the impact of AI on operational efficiency involves assessing metrics such as order fulfillment times, inventory turnover rates, and cost savings from automation. By evaluating these metrics, retailers can gauge the effectiveness of AI in enhancing operational workflows and reducing manual efforts. Improved operational efficiency translates to cost savings, better resource allocation, and smoother operations, ultimately contributing to the overall profitability of the business.

4. Data-Driven Decision Making

AI provides valuable insights and predictive analytics that help in making informed decisions. Measuring the impact of AI on decision-making processes involves tracking the accuracy and relevance of the insights provided by AI tools. This ensures that business strategies are aligned with real-time data and market trends, leading to better outcomes. Data-driven decision-making minimizes risks and uncertainties, enabling retailers to respond swiftly to market changes and customer needs.

5. Innovation and Adaptability

Tracking the impact of AI on retail operations encourages continuous innovation and adaptability. Retailers can experiment with new AI-driven technologies and measure their outcomes to identify successful innovations. This fosters a culture of experimentation and learning, allowing retailers to stay competitive and adapt to evolving market dynamics. By measuring the impact of AI, retailers can ensure that they are leveraging the latest technologies to enhance their operations and customer service.

Key Metrics for Post-Implementation Analysis

After implementing AI tools in retail operations, it is crucial to assess their effectiveness using a set of well-defined metrics. These metrics not only provide insight into how AI is performing but also guide future decisions on scaling and optimizing AI solutions. The following are some key metrics that can be used for post-implementation analysis:

Customer Satisfaction Scores	High customer satisfaction scores can indicate that AI tools are effectively meeting customer expectations, leading to improved loyalty and repeat business. Retail Team Leaders can use these metrics to refine AI strategies and ensure that customers are getting the most value from AI-driven interactions. **Metric to measure**: Net Promoter Score (NPS), Customer Satisfaction (CSAT), or Customer Effort Score (CES).
Sales Uplift	A measurable increase in sales or transaction volume after implementing AI suggests that the AI tools are successfully boosting revenue, whether through better-targeted marketing or improved inventory management. This metric helps determine the direct financial benefits of AI adoption. **Metric to measure**: Sales growth percentage, average transaction value, and sales per square foot.
Cost Savings	Cost savings achieved through AI implementation can lead to higher profitability. For example, AI-powered systems might reduce stockouts, thereby minimizing lost sales, or optimize employee scheduling, leading to reduced labor costs. Tracking these savings helps in evaluating the ROI of AI tools. **Metric to measure**: Operational cost reductions, cost per transaction, or labor savings.
Inventory Turnover and Stock Optimization	High inventory turnover and fewer stockouts indicate that AI tools are effectively managing inventory levels, improving product availability, and reducing excess stock, which leads to cost savings and better customer satisfaction. **Metric to measure**: Inventory turnover ratio, stock-to-sales ratio, or percentage reduction in stockouts.
Employee Productivity and Efficiency	An increase in employee productivity after AI implementation shows that staff are spending more time on customer-facing or strategic activities, improving overall store performance. This metric also helps gauge how effectively AI is reducing the burden of repetitive tasks. **Metric to measure:** Sales per employee, hours saved per task, or task completion time.
Return on Investment (ROI)	A positive ROI demonstrates that the investment in AI is yielding tangible benefits for the business, justifying the continued use or expansion of AI solutions. **Metric to measure:** ROI percentage, profitability per AI tool.

Table 9.5 Key Metrics for Post-Implementation Analysis

Case Studies of Successful AI Implementations in Retail

Flipkart – AI in Personalized Recommendations	➢ Flipkart developed an AI-powered recommendation engine called "Sherlock" to provide personalized product suggestions based on customer browsing behavior, purchase history, and preferences. ➢ The AI system also utilized natural language processing (NLP) to refine search results for customers using regional languages. **Impact**: ➢ **Customer Experience**: Personalization improved user engagement by offering relevant products, making shopping easier and more intuitive. ➢ **Sales Uplift**: Flipkart reported higher conversion rates as customers were more likely to purchase items that matched their needs and preferences. ➢ **Retention**: The tailored shopping experience increased customer satisfaction and loyalty, leading to a rise in repeat purchases.
Myntra – AI in Customer Support	➢ Myntra introduced an AI-driven chatbot, "Mira," to handle customer inquiries, process return requests, and track orders. ➢ Mira leveraged machine learning and NLP to understand and respond to customer queries in multiple languages. **Impact**: ➢ **Customer Support Efficiency**: The chatbot handled 80% of customer queries without human intervention, reducing the workload on support teams. ➢ **Cost Savings**: Myntra saved operational costs by automating routine customer interactions. ➢ **Customer Satisfaction**: Faster resolutions and round-the-clock support enhanced the overall shopping experience.
Reliance Retail – AI in Pricing and Promotions	➢ Reliance Retail implemented AI for dynamic pricing and promotional strategies. **Impact**: ➢ **Revenue Growth**: Reliance Retail saw a significant increase in sales, with AI-driven promotions achieving a higher conversion rate. ➢ **Profitability**: Dynamic pricing helped improve profit margins by ensuring optimal price points for each product category. ➢ **Customer Retention**: Personalized promotions increased customer loyalty and foot traffic to stores.

Zara – AI in Visual Merchandising	➢ Zara a global fashion retailer, adopted AI for in-store visual merchandising. ➢ AI systems analyzed customer traffic patterns, sales data, and local trends to determine the optimal placement of products within stores. ➢ In addition, Zara employed AI to design store layouts that maximized visibility for high-demand items. **Impact**: ➢ **Improved Sales**: Strategic product placement increased impulse purchases and increased featured item sales. ➢ **Operational Efficiency**: Store managers benefited from data-driven recommendations, reducing the guesswork in merchandising decisions. ➢ **Customer Experience**: A visually appealing and well-organized store layout enhanced the shopping experience.
Shoppers Stop – AI for Omni-Channel Integration	➢ Shoppers Stop used AI to integrate its online and offline channels for a seamless customer experience. **Impact**: ➢ **Customer Retention**: AI-driven integration allowed customers to enjoy consistent experiences, whether shopping in-store or online. ➢ **Sales Uplift**: Cross-channel promotions and personalized offers boosted sales across both platforms.

Table 9.6 Case Studies of Successful AI Implementations in Retail

Summary

- AI optimizes inventory by predicting demand using sales data, market trends, and social signals, reducing overstock/understock issues and automating replenishment.
- AI enhances the customer experience with personalized product recommendations and 24/7 support through chatbots, improving satisfaction and sales.
- AI dynamically adjusts prices to stay competitive and detects fraudulent activities by analyzing transaction patterns, safeguarding business and customer interests.
- Personalized customer experiences are enhanced across industries, from virtual showrooms in automobile retail to augmented reality try-on tools in beauty and furniture shopping, improving engagement and satisfaction.
- Operations are streamlined by predicting demand, optimizing inventory, and improving logistics, as seen in food delivery, grocery retail, and sports equipment sectors, ensuring efficiency and better resource allocation.
- Tailored support and suggestions are provided through tools like chatbots, virtual assistants, and recommendation engines, improving customer service in electronics, books, and entertainment retail.
- AI has been integrated into various aspects of retail operations, bringing about significant improvements in efficiency, customer experience, and overall business performance.

- Major retailers and startups alike are leveraging AI to address diverse challenges and innovate in their operations.
- The integration of Artificial Intelligence (AI) in retail operations has the potential to transform every aspect of the retail industry, from inventory management and customer service to supply chain optimization and marketing strategies.
- The IT team ensures the technical infrastructure, such as hardware, software, and data systems, is prepared for AI implementation.
- AI chatbots and virtual assistants are intelligent programs designed to simulate human-like interactions, assist users, and provide personalized solutions.
- Virtual assistants are advanced AI-powered tools that provide more comprehensive support than chatbots.
- Reporting actionable insights in retail operations offers profound advantages, significantly elevating customer service and overall business performance.
- Training retail staff on the basics of AI tools is essential for enhancing customer service and satisfaction.
- Measuring the impact of AI on sales, customer satisfaction, and operational efficiency in retail operations is crucial for maximizing the benefits of AI technologies.

Exercise

Answer the following questions by choosing the correct option:

1. What is the full form of AI?
   a) Artificial Innovation
   b) Automated Intelligence
   c) **Artificial Intelligence**
   d) Advanced Integration

2. What is one primary benefit of integrating AI in retail operations?
   a) Increased manual workload for staff
   b) **Enhanced customer experience and efficiency**
   c) Reduction in overall business performance
   d) Elimination of the need for inventory management

3. What technology enables AI chatbots to understand and respond to user inputs in a human-like manner?
   a) Machine Learning (ML)
   b) **Natural Language Processing (NLP)**
   c) Neural Network Simulation (NNS)
   d) Automated Data Analytics (ADA)

4. How do virtual assistants differ from chatbots?
   a) Virtual assistants are limited to handling specific tasks
   b) **Virtual assistants provide broader support, including scheduling and personalized recommendations**
   c) Virtual assistants do not use AI, NLP, or machine learning
   d) Virtual assistants are designed only for messaging platforms

5. What is the key benefit of reporting actionable insights in retail operations?
   a) Reducing customer interactions to save time
   b) Avoiding resource allocation to minimize costs
   c) Limiting operational efficiency to focus on marketing efforts
   d) **Making data-driven decisions to enhance customer experiences and drive sales growth**

Answer the following questions

1. Explain the role of AI in retail operations.
2. Explain the importance of integrating AI solutions with it and operations teams.
3. What is the main difference between AI chatbots and virtual assistants?
4. What are the benefits of reporting actionable insights?
5. Explain the importance of training staff on the basics of AI tools.

Scan the QR codes or click on the link for the e-books

https://youtu.be/f9V87NftLBA?si=A6wj6-n69xlWJmpe

9.1.1 The Role of AI in Retail Operations

https://youtu.be/u-THOQB3rBI?si=iq5S1jHH5DElRt1C

9.2.1 Benefits of Reporting Actionable Insights

Skill India
कौशल भारत-कुशल भारत

सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT
& ENTREPRENEURSHIP

N·S·D·C
National
Skill Development
Corporation
Transforming the skill landscape

RASCI
Retailers Association's
Skill Council of India

10. Deliver Customer Service in Online Mode

Unit 10.1 - Providing Online Customer Service

RAS/ N0231

Key Learning Outcomes

At the end of this module, the trainee will be able to:

1. Explain the key elements of providing service to the customers in online mode
2. Show how to provide service to the customers in online mode

Unit 10.1 Providing Online Customer Service

Unit Objectives

At the end of this unit, the trainee will be able to:

1. Discuss key the considerations with respect to statutory compliances related to online customer service provisions
2. Describe the key aspects of standards followed by organisations in providing online services to customer
3. Discuss the characteristics of acceptable online communication styles and techniques related to written communication
4. Explain the reasons for customer problems, complaints and dissatisfaction in an online retail environment
5. Outline the best practices of providing online refunds and product exchanges to the customers
6. Discuss the rudiments of techniques used to identify and resolve customer service problems whilst building customer loyalty in online retail environment
7. Explain the role and impact of customer feedback in an online retail environment

10.1.1 Statutory Compliances Considerations Related to Online Customer Service Provisions

Customer service and grievance handling are distinct aspects of customer support in the retail industry. Customer service focuses on assisting customers throughout their association with a brand, while grievance handling specifically addresses and resolves concerns related to product/service quality, returns, or refunds in the shortest time possible.

The rise of e-commerce in India has redefined shopping and service delivery. This has also raised concerns about consumer rights, data privacy, unfair trade practices, and grievance redressal. To address these challenges, India has established a legal and compliance framework to safeguard consumers in the digital market.

The following are some of the statutory compliances related to online customer service provisions and their objectives:

Consumer Protection Act, 2019

- To protect consumer interests, prevent unfair trade practices, and ensure grievance redressal.

E-Commerce Rules, 2020 (under the Consumer Protection Act)

- To establish accountability for e-commerce entities and protect consumers from unfair practices.

Information Technology (IT) Act, 2000 and IT Rules, 2011

- To govern digital transactions, data protection, and cybersecurity.

Digital Personal Data Protection Act, 2023

- To safeguard consumer privacy and regulate the handling of personal data.

Goods and Services Tax (GST) Act, 2017

- To ensure transparent taxation for online transactions.

Fig. 10.1 Statutory Compliances Related to Online Customer Service Provisions

10.1.2 Key Aspects of Standards Followed by Organisations in Providing Online Services to Customers

Organisations should adhere to key standards in providing online services to customers to build trust, enhance customer satisfaction, and maintain a competitive edge while mitigating risks. In the long run, these standards ensure sustainable growth and profitability in the digital marketplace.

As per the Consumer Protection Act, 2019, consumers are entitled to:

Right to Safety
- Protection against unsafe and defective products/services.

Right to Information
- Accurate product details, pricing, and seller information.

Right to Redressal
- Resolution of complaints through grievance officers and consumer courts.

Right to Be Heard
- Platforms must provide avenues for consumers to voice grievances.

Right to Privacy
- Protection of personal data collected during transactions.

Fig. 10.2 Consumer Entitlement Under Consumer Protection Act, 2019

Some of the other key aspects of the Consumer Protection Act, 2019 are:

- Disclose accurate product details, including price, description, specifications, and return/refund policies.
- Provide information about the seller, including contact details and grievance officer.
- Appoint a Grievance Officer for consumer complaints, acknowledge complaints within 48 hours and resolve them within 30 days.
- Enable easy access to file complaints online.
- Comply with the IT Act and DPDPA, 2023 for data protection.
- Provide consumers with data control rights, including opt-in/opt-out options.
- Use encryption and secure payment gateways for transactions.
- Implement transparent and customer-friendly policies for refunds, returns, and cancellations.
- Prohibit fake reviews, deceptive advertisements, and false claims.
- Avoid deep discounting practices that could distort competition.

10.1.3 Characteristics of Acceptable Online Communication Styles and Techniques Related to Written Communication

Online written communication is important to ensure clarity, professionalism, and engagement between the organisation and consumers, encouraging trust and understanding. The following are some of the aspects that should considered while creating written communication:

Clarity and Conciseness

- Use of simple, straightforward language to convey ideas without ambiguity.
- Avoiding unnecessary details and keeping sentences and paragraphs short for better readability.

Professional Tone and Language

- Maintaining a formal tone to ensure professionalism and avoiding slang, very casual expressions, or jargon that the consumer/reader may not understand.
- Clearly stating the purpose of communication along with actionable steps.

Structured Format and Free of Errors

- Organising content using headings, subheadings, bullet points, and numbered lists for easy navigation.
- Writing content free of grammatical errors, spelling mistakes, and improper punctuation.

Use of Neutral and Inclusive Language

- Avoiding language that may be perceived as biased, offensive, or exclusionary.
- Using gender-neutral terms and culturally sensitive language.

Use of Visual Elements

- Incorporating graphs, images, or links for easy understanding.

Consistency and Branding

- Using a consistent style that aligns with the organisation's brand including standardised elements like email signatures, templates, fonts, etc.

Responsiveness and Acknowledgment

- Acknowledging receipt of communication promptly and providing updates where necessary.

Politeness and Empathy

- Being polite and empathetic towards the needs and concerns of the consumers especially while responding to them.

Feedback and Interactivity

- Encouraging feedback by asking open-ended questions or providing contact links for further communication and creating opportunities for dialogue rather than one-sided communication.

Fig. 10.3 Factors Related to Online Written Communication

10.1.4 Reasons for Customer Problems, Complaints and Dissatisfaction in an Online Retail Environment

Customer dissatisfaction in online retail significantly impacts business success, leading to reduced customer retention, loyalty, and revenue. Unresolved complaints harm brand reputation, which is further intensified by negative reviews and social media. These can also lower the efficiency and morale of the customer support teams. Legal and regulatory risks arise if consumer protection laws are breached. Poor customer experiences can lead customers to rivals. Addressing issues on time by improving transparency, and enhancing service quality can help mitigate the negative effects.

Some of the common reasons for customer problems, complaints, and dissatisfaction in an online retail environment are:

- Poor quality, damaged, or incorrect items delivered.
- Misleading product descriptions or images.
- Delayed or failed deliveries.
- High shipping costs or lack of tracking updates.
- Slow loading times, crashes, or technical errors.
- Difficult navigation or poor user experience.
- Failed transactions or overcharges.
- Delayed refunds or unclear policies.
- Unresponsive or unhelpful support teams.
- Lack of grievance resolution mechanisms.
- Breaches of personal data or insecure payment systems.
- Hidden fees, unclear policies, or deceptive promotions.
- Inconsistent product quality or unmet promises.

10.1.5 Best Practices for Providing Online Refunds and Product Exchanges to Customers

Adopting best practices for online refunds and exchanges improves customer satisfaction, loyalty, and brand reputation by ensuring transparency, efficiency, and responsiveness. Having policies and streamlined processes reduces disputes and builds trust. Offering hassle-free refunds gives a competitive edge, businesses must balance customer expectations with operational sustainability to maximise benefits and minimise potential downsides. However, these practices may increase costs, impact profit margins, and pose risks of abuse or fraud. Managing returned inventory and maintaining efficient operations can be challenging, especially with high return rates.

The following are some of the best practices for providing online refunds and product exchanges to customers:

Communicate refund and exchange policies on the website, including eligibility, timelines, and processes.	Simplify the refund and exchange procedure with user-friendly steps and minimal documentation requirements.	Provide real-time updates on the status of refunds or exchanges via email or SMS notifications.
Use AI-based tools for tracking requests and providing instant updates to customers.	Process refunds and exchanges promptly, adhering to stated timelines to maintain trust.	Offer flexible refund methods, such as original payment reversal, store credit, or wallet refunds.
Provide free return shipping or keep costs low to encourage customer satisfaction.	Train customer service teams to handle refund or exchange inquiries effectively and empathetically.	Get feedback on the refund or exchange experience to improve processes and customer satisfaction.

Fig. 10.4 Best Practices for Providing Online Refunds and Product Exchanges to Customers

10.1.6 Rudiments of Techniques Used to Identify and Resolve Customer Service Problems Whilst Building Customer Loyalty in an Online Retail Environment

Techniques for resolving customer service problems and building loyalty in online retail enhance satisfaction, trust, and brand reputation. Proactive problem-solving, personalised solutions, and transparent communication improve loyalty and provide valuable insights for process improvements. Technology like CRM tools streamlines operations and gives a competitive edge. However, these methods may increase costs, strain resources, and risk misuse of policies or over-reliance on automation, leading to impersonal interactions. Managing high complaint volumes effectively can be challenging.

The following are some of the techniques to identify and resolve customer service problems in the online retail environment:

Problem Identification

- Regularly track customer reviews, social media comments, and surveys to identify recurring issues.
- Use data from customer service interactions to spot common problems.
- Utilise AI-driven tools to analyse customer behaviour and detect pain points.

Effective Problem Resolution

- Address complaints and queries quickly through multiple channels like live chat, emails, or phone calls.
- Acknowledge the customer's concerns with understanding and sincerity.
- Offer personalised resolutions, such as refunds, replacements, or discounts, to meet individual needs.

Customer-Centric Approach

- Make returns, refunds, and exchanges hassle-free to reduce friction.
- Equip customer service staff with tools and authority to resolve issues effectively.
- Communicate policies, timelines, and resolutions clearly to customers.

Continuous Improvement

- Conduct post-resolution surveys to evaluate customer satisfaction and identify areas of improvement.
- Train staff to handle diverse customer issues professionally and efficiently.
- Use chatbots, CRM tools, and automation to streamline issue management.

Loyalty Programs

- Offer tailored recommendations and exclusive rewards to loyal customers.
- Recognize and reward customers for their feedback or patience during issue resolution.
- Build trust through regular communication, updates, and promotions.

Fig. 10.5 Techniques to Identify and Resolve Customer Service Problems in the Online Retail Environment

10.1.7 Role and Impact of Customer Feedback in an Online Retail Environment

Customer feedback is important for online retailers because it can help them understand their customers' needs and improve their products and services.

Role of Customer Feedback	Impact of Customer Feedback
• Feedback provides insights into customer preferences, helping businesses refine their offerings • Identifies areas of friction in the customer journey, enabling targeted improvements • Actively seeking and addressing feedback shows customers that their opinions are valued • Feedback provides data to guide business decisions, such as product development or marketing strategies • Feedback helps businesses stay informed about their public perception and take corrective actions when necessary	• Resolving issues based on feedback improves satisfaction and encourages repeat purchases • Insights from feedback help in innovating and expanding product lines, driving revenue • Identifying and fixing recurring problems streamlines operations and reduces costs • Satisfied customers are more likely to recommend the brand to others, boosting healthy growth • Feedback acts as an early warning system, highlighting potential issues before they escalate • Customer comments may reveal areas where competitors are excelling, offering opportunities to improve

Fig. 10.6 Role and Impact of Customer Feedback in an Online Retail Environment

10.1.8 Emerging Technologies in Online Customer Service

The online retail industry has transformed significantly in recent years, with emerging technologies playing a pivotal role in redefining customer service. Businesses are increasingly adopting technologies like Artificial Intelligence (AI), virtual assistants, and automation tools to meet the growing demand for quick, personalized, and efficient customer service. These technologies not only enhance operational efficiency but also improve customer satisfaction, loyalty, and retention. The following are some emerging technologies used in online customer service:

1. AI-Powered Chatbots

AI chatbots are software programs designed to simulate human-like interactions through text or voice. They can be integrated into websites, mobile apps, and social media platforms to handle customer queries in real-time.

Fig. 10.7 Chatbot

Key Features:

- 24/7 availability to address customer inquiries outside business hours.
- Multi-language support is crucial in India's diverse linguistic landscape.
- Instant responses to frequently asked questions (FAQs), order tracking, and payment assistance.

Benefits:

- Reduces wait times, ensuring faster resolution of customer queries.
- Frees up human agents to focus on complex customer issues.
- Provides consistent service quality.

Example:

- Flipkart's *"Ask Me"* chatbot assists customers with order tracking, returns, and FAQs in multiple Indian languages, enhancing accessibility.
- HDFC Bank's *EVA* (Electronic Virtual Assistant) provides quick answers to customer queries related to banking services 24/7.

Real-Life Application: A customer wants to know the status of their order. The chatbot instantly provides the expected delivery date and tracking details without involving a human agent.

2. Virtual Assistants

Virtual assistants like Amazon Alexa, Google Assistant, and Apple's Siri are voice-activated tools that allow customers to interact with businesses hands-free.

Fig. 10.8 Virtual Assistant

Applications in Retail:

- Helping customers search for products using voice commands.
- Providing information on offers, discounts, and deals.
- Assisting in placing orders or managing wish lists.

Benefits:

- Enhances customer convenience by providing a seamless interaction experience.
- Encourages accessibility, especially for customers less comfortable with text-based communication.

Example:

- BigBasket integrates Google Assistant, allowing customers to place grocery orders via voice commands in English or Hindi.
- Amazon Alexa helps users add items to their Amazon cart, check product availability, or even track orders using voice interaction.

Real-Life Application: A customer says, "Add 1 kg of Basmati rice to my cart," and the virtual assistant completes the task, saving time and effort.

3. Automation Tools for Personalization

Automation tools use customer data to deliver tailored experiences. These tools analyze customer behavior, preferences, and purchase history to recommend products and services.

Benefits:

- Builds a sense of individual attention, increasing customer loyalty.
- Encourages repeat purchases through relevant suggestions.

Example:

- Myntra's personalized recommendations show apparel and accessories based on a user's browsing and purchase history.
- Zomato sends customized notifications on favorite cuisines and discounts during meal hours.

Real-Life Application: A shopper who frequently buys ethnic wear receives a notification about discounts on sarees during a festival sale.

4. Virtual Reality (VR)

VR technology allows customers to visualize products in a virtual environment, bridging the gap between physical and online shopping experiences.

Fig. 10.9 Virtual Reality (VR)

Applications in Retail:

- Virtual try-on for apparel, accessories, or cosmetics.
- Visualization of furniture or home decor in customers' living spaces.

Benefits:

- Reduces the likelihood of returns and exchanges, enhancing customer satisfaction.
- Improves decision-making by offering a more interactive experience.

Example:

- Lenskart's VR feature enables users to try on eyewear virtually before purchase.
- Nykaa uses VR to let customers test lipstick shades digitally on their selfies.

Real-Life Application: A customer uses the Lenskart app to see how a pair of glasses looks on their face before ordering it online.

10.1.9 Omnichannel Customer Service Strategies

Omnichannel customer service strategies refer to a business approach that aims to provide a consistent and seamless customer experience across all communication channels, such as phone, email, live chat, social media, and in-store interactions, by integrating customer data and ensuring a smooth transition between each touchpoint, regardless of how the customer chooses to engage with the company.

1. Unified Communication Across Platforms

Customers often switch between platforms (e.g., browsing products online and purchasing them in-store). A unified communication strategy ensures their queries, preferences, and purchase history are available across channels.

Strategy:

- Use Customer Relationship Management (CRM) tools to centralize customer data and make it accessible to both online and offline teams.
- Allow customers to resume their queries from where they left off, irrespective of the platform.

Example:

- A customer browses apparel on the Myntra app but chooses to visit the brand's store for a trial. The in-store staff accesses the customer's online wishlist to guide them to the right products.

Benefit: Provides a personalized experience by avoiding redundant conversations and offering consistency in service.

2. Click-and-Collect and Reverse Logistics

A growing trend in India, "Click-and-Collect" lets customers order products online and pick them up from a nearby store. Similarly, returns or exchanges can be made offline for online purchases.

Strategy:

- Implement inventory management systems to sync product availability across platforms.
- Use real-time notifications to update customers on order readiness or return status.

Example:

- Reliance Trends enables customers to order online and pick up products at their local store, ensuring convenience.

Benefit: Bridges the gap between physical and digital shopping while offering flexibility.

3. Seamless Payment Integration

Customers expect a consistent and flexible payment experience. Unified payment options across online and offline platforms are critical.

Strategy:

- Offer multiple payment options (UPI, credit/debit cards, wallets, and cash-on-delivery) that work both online and in-store.
- Enable digital wallets or QR codes to facilitate faster checkouts.

Example:

- Decathlon India provides a unified payment experience, allowing customers to use their online wallet balance for in-store purchases.

Benefit: Simplifies the payment process, reducing friction during checkout.

4. Consistent Branding and Messaging

Customers interact with brands via websites, apps, social media, and physical stores. A consistent brand voice, style, and values are essential across these platforms.

Strategy:

- Ensure that marketing campaigns, promotional offers, and product information are identical across channels.
- Train customer service teams to adopt a uniform tone and approach.

Example:

- Tanishq maintains consistent branding across its e-commerce site, physical showrooms, and social media platforms, building trust and brand recognition.

Benefit: Reinforces brand identity and avoids customer confusion.

10.1.10 Metrics and KPIs for Measuring Customer Service Effectiveness

In the retail sector, measuring the effectiveness of customer service is crucial for understanding performance, identifying gaps, and implementing improvements. The following are some key metrics and KPIs for measuring customer service effectiveness:

1. Customer Satisfaction Score (CSAT)

CSAT measures customer satisfaction with a specific interaction, service, or product. It is typically collected via surveys immediately after a customer interaction.

How It's Measured:

- Customers are asked to rate their experience on a scale (e.g., 1 to 5 or 1 to 10).
- For example, if 80 out of 100 customers give a rating of 4 or 5, the CSAT is 80%.

Example:

- A customer purchasing a product online receives a survey: *"How satisfied were you with your purchase experience?"*.

Importance:

- Provides direct insights into customer happiness with specific aspects of service.
- Helps identify service areas needing improvement, such as delivery times or complaint resolution.

2. Net Promoter Score (NPS)

NPS measures customer loyalty and their likelihood of recommending a brand to others. It reflects overall satisfaction with the brand and its services.

How It's Measured:

- Customers are asked: *"On a scale of 0 to 10, how likely are you to recommend us to a friend or colleague?"*
- Responses are categorized as:
  - **Promoters (9-10)**: Highly satisfied and likely to recommend.
  - **Passives (7-8)**: Neutral.
  - **Detractors (0-6)**: Unhappy customers who may discourage others.

Example:

- BigBasket asks customers after delivery: *"How likely are you to recommend our grocery service?"*.

Importance:

- Tracks brand loyalty and word-of-mouth potential, which are critical in India's highly competitive retail market.
- Helps in identifying loyal customers (promoters) and areas to address for detractors.

3. First Response Time (FRT)

FRT measures the time taken by customer service teams to respond to a customer query for the first time.

How It's Measured:

- Time is calculated from when the customer initiates a query (via email, chat, or call) to when the first response is sent.

Example:

- A customer emails Myntra's customer care regarding a delayed delivery, and the support team responds within 10 minutes. The FRT for this interaction is 10 minutes.

Importance:

- Low FRT indicates promptness, enhancing customer satisfaction.
- A critical metric for online retail, where customers expect quick responses.

10.1.11 Advanced Handling of Customer Grievances

Handling customer grievances effectively is critical for maintaining trust and loyalty. While most issues can be resolved at the first point of contact, sensitive cases require escalation processes that are systematic and focused on achieving resolution while preserving customer satisfaction.

Examples of Advanced Escalation Processes:

1. High-Value Grievance Example

Scenario: A customer purchases gold jewelry online but receives an incorrect design.

Escalation Steps:

- The issue is acknowledged and recorded by the customer support team.
- It is escalated to the senior grievance team specializing in high-value orders.
- A dedicated representative contacts the customer to arrange an expedited return and replacement process.
- Regular updates are provided, and a voucher for ₹2,000 is offered as a goodwill gesture.

2. Repeated Complaints Example

Scenario: A customer repeatedly complains about late deliveries from an e-commerce platform.

Escalation Steps:

- The complaint is flagged by the system as "high-priority."
- The case is assigned to a senior resolution specialist who reviews previous complaints.
- A direct call is made to the customer with an apology and assurance of improved service.
- The logistics team is notified to prioritize future deliveries for this customer.

3. Legal Dispute Example

Scenario: A customer claims they were charged twice for a single transaction.

Escalation Steps:

- The issue is immediately escalated to the billing and legal teams.
- A detailed investigation is conducted, with findings shared with the customer.
- The duplicate charge is refunded, and the customer is provided with a written resolution letter.
- The retailer's payment systems are audited to prevent such issues in the future.

10.1.12 Cultural and Regional Sensitivity

India is one of the most culturally and linguistically diverse countries, making cultural and regional sensitivity a crucial aspect of customer service. Effective communication tailored to diverse customer bases not only enhances customer satisfaction but also builds trust and loyalty. For retailers operating in India, training teams to understand and adapt their communication styles to cater to different cultural and regional preferences is essential for delivering excellent customer service.

Key Aspects of Cultural and Regional Sensitivity

1. Understanding Regional Languages

With over 22 official languages and numerous dialects, Indian customers often prefer communicating in their native language.

Training Focus:

- Equip customer service teams with basic knowledge of commonly spoken regional languages.
- Provide access to translation tools or multilingual chatbots for seamless interactions.

Example:

- A customer from Tamil Nadu contacts an e-commerce platform for support. The agent, trained in Tamil or using a Tamil chatbot, communicates effectively, enhancing the experience.

2. Respecting Regional Customs and Traditions

Customs and traditions vary across regions, influencing how customers perceive service and communication.

Training Focus:

- Train teams to show respect for regional festivals, customs, and buying patterns.
- Avoid language or gestures that may be culturally insensitive.

Example:

- During Diwali, a retailer could address customers in North India with "Shubh Deepawali" in messages and promotions, while for Onam in Kerala, they could use "Onam Ashamsakal."

3. Adapting Communication Tone and Style

Customers from different regions may respond better to specific tones or styles of communication (formal vs. casual).

Training Focus:

- Train agents to recognize when to use formal or informal tones based on cultural norms.
- Encourage the use of polite language and positive framing to avoid offending customers.

Example:

- A customer from a metropolitan city may appreciate concise and professional responses, while a customer from a rural area might prefer a friendlier and more explanatory approach.

4. Addressing Religious Sensitivities

Religious beliefs often influence purchasing decisions and expectations of service.

Training Focus:

- Avoid assumptions about religious preferences and ensure respect for all beliefs.
- Use neutral language that is inclusive of all religions.

Example:

- A grocery retailer could avoid promoting non-vegetarian products during Navratri and instead highlight vegetarian items for customers observing the festival.

5. Understanding Buying Patterns Across Regions

Customers from different regions may have unique purchasing habits based on cultural preferences.

Training Focus:

- Train staff to recognize regional demand for specific products and services.
- Personalize recommendations based on customer demographics.

Example:

- A retailer offering sarees could focus on Banarasi sarees for customers in North India and Kanjeevaram sarees for customers in South India.

6. Using Local Festivals and Events as Communication Opportunities

Festivals and events are deeply rooted in Indian culture and can be leveraged for personalized communication.

Training Focus:

- Tailor messages and campaigns to align with regional festivals and events.

Example:

- Sending promotional messages in Bengali during Durga Puja or creating special offers for Pongal in Tamil Nadu.

7. Handling Miscommunication with Empathy

Misunderstandings may occur due to language barriers or cultural differences, but they can be resolved with empathy and patience.

Training Focus:

- Train teams to actively listen, clarify doubts, and use simple language to resolve conflicts.
- Encourage apologies when misunderstandings occur and ensure a resolution that respects the customer's concerns.

Example:

- A customer misunderstands a return policy due to language barriers. The agent patiently explains the policy in simpler terms, ensuring the customer feels respected and informed.

10.1.13 Proactive Customer Service

Proactive customer service involves anticipating potential issues and addressing them before they escalate into complaints. By identifying and resolving concerns early, retailers can enhance customer satisfaction, build trust, and reduce customer churn. The following are some techniques for identifying potential issues

Technique	Example	Proactive Step
Monitor Customer Data and Feedback	Analyzing customer feedback to discover frequent complaints about delivery delays in a specific region, prompting preemptive action.	Offer quicker delivery options or communicate expected delays upfront.

Use Predictive Analytics	An e-commerce retailer predicts that high order volumes during festive sales may lead to delivery delays.	Send early notifications to customers about possible delays and offer flexible delivery dates.
Monitor Social Media Mentions	A customer writes a review about a damaged product but doesn't contact the retailer directly.	Respond to the review with an apology and offer assistance to resolve the issue.

Table 10.1 Proactive Customer Service Techniques

10.1.14 Training Modules for Customer Service Representatives

Customer service representatives play a crucial role in ensuring customer satisfaction and loyalty. Comprehensive training modules that focus on both soft skills and self-care are essential for equipping them with the tools to deliver exceptional service while managing the challenges of the job. The following are the key training modules:

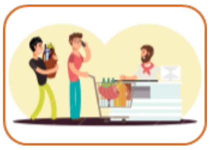
Soft Skills

Effective Communication Skills

Conflict Resolution and Problem-Solving

Cultural Sensitivity and Diversity

Stress Management



Handling Difficult Customers

Technical Skills Training for Digital Tools

Product Knowledge

Fig. 10.10 Training Modules for Customer Service Representatives

10.1.15 Success Stories of Companies Excelling in Online Customer Service

Amazon India: Setting the Benchmark for Seamless Returns and Refunds

Amazon India has set a high standard in customer service with its easy returns and refunds policy. Customers can initiate returns with a few clicks, and refunds are processed quickly, often within hours. Amazon uses AI-powered chatbots for basic queries, which speeds up service while more complex issues are handled by human agents. This efficient process reduces response times and fosters customer trust.

Zomato: Proactive Customer Service During Food Delivery Delays

Zomato stands out for its proactive approach to handling delivery delays. During high-demand periods, the app sends real-time updates to customers about delays, including revised delivery times. In cases of significant delays, Zomato offers discounts or refunds, turning a negative situation into a positive experience. This transparency builds customer loyalty and trust.

Nykaa: Personalized Customer Service for Beauty Products

Nykaa excels in providing personalized experiences to its customers by using browsing data to suggest tailored product recommendations. They offer virtual beauty consultations via live chat or video, helping customers make informed choices. This personalized approach enhances the customer experience, promotes repeat purchases, and establishes trust in their expertise.

BigBasket: Efficient Customer Support During the Pandemic

During the COVID-19 pandemic, BigBasket navigated a surge in demand by communicating proactively with customers about delivery delays. They prioritized essential item deliveries and introduced special slots for senior citizens and high-priority orders. This empathetic approach, coupled with timely updates, kept customer frustration at bay and demonstrated the company's commitment to service during a crisis.

Flipkart: Regional Language Support

Flipkart's regional language support initiative has been a game-changer in making online shopping more accessible across India. Customers can now interact in various regional languages, including Hindi, Tamil, and Telugu, through chatbots and call center agents. This localized communication ensures that customers from diverse linguistic backgrounds feel understood and valued, fostering stronger brand loyalty.

10.1.16 Analysis of Customer Service Failures

Snapdeal: Struggles with Logistics and Delayed Deliveries

Snapdeal's delivery delays and lack of proactive communication left customers frustrated, harming the brand's reputation. Poor coordination with logistics partners and failure to keep customers informed exacerbated the situation. The key lesson is that a reliable logistics network, coupled with timely updates, is essential for maintaining customer satisfaction, especially when managing delays.

H&M India: Social Media Mismanagement

H&M India faced significant backlash after mishandling a customer complaint on social media. A delayed and impersonal response further fueled customer dissatisfaction. The key takeaway is that addressing social media complaints quickly and personally is critical to managing a brand's reputation, especially during crises, and escalating sensitive issues can help avoid further damage.

Paytm: Poor Grievance Redressal for Failed Transactions

Paytm's over-reliance on chatbots to resolve transaction issues led to many unsatisfied customers. Slow responses and a lack of human intervention in complex cases like failed payments eroded trust. The main lesson here is that human support is necessary for resolving sensitive issues quickly, particularly when handling financial transactions, to ensure customer trust in digital platforms.

Jet Airways: Ignoring Customer Feedback

Jet Airways' failure to address recurring customer complaints about in-flight service and delayed refunds contributed to the airline's decline. Ignoring feedback and lacking transparency in resolving issues eroded customer loyalty. The lesson learned is that actively monitoring customer feedback and taking timely action is crucial for retaining customers and maintaining a strong brand image.

10.1.17 Sustainability and Ethical Practices

In the retail sector, sustainability and ethical practices are becoming more important. As more customers are becoming environmentally conscious, integrating eco-friendly practices into online customer service can enhance brand image and attract a larger, more loyal customer base. The following are some ways to implement sustainability and ethical practices in online retail:

1. Promoting Digital Receipts

Traditional paper receipts contribute to paper waste, which negatively impacts the environment. By encouraging the use of digital receipts, retailers can significantly reduce paper consumption. Digital receipts are more convenient for customers as they can be easily stored on smartphones and accessed whenever needed.

2. Eco-friendly Packaging in Online Orders

Retailers can opt for sustainable, biodegradable, or recyclable packaging materials, like paper-based or recycled plastic packaging.

3. Engaging Customers in Sustainable Practices

Retailers can encourage customers to participate in eco-friendly practices by offering discounts or rewards for sustainable actions. For example, offering points for customers who choose digital receipts or encouraging them to recycle packaging.

4. Environmental Awareness Campaigns

Create campaigns that raise awareness about sustainability and ethical practices. Sharing success stories of sustainable practices, like reduced carbon footprints from eco-friendly packaging, helps build a strong brand presence.

5. Ethical Considerations for Consumer Data Use and Transparency

Ethical customer service in the online space involves ensuring the privacy and security of consumer data. Retailers in India should adhere to data protection laws like the **Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011**. Transparency in how data is collected, stored, and used is critical in building trust.

10.1.18 Compliance with Legal Acts

When delivering customer service online, it is critical to ensure consistency in referencing relevant legal acts to build customer trust and comply with regulations. For instance, the "DPDPA, 2023" refers to the Digital Personal Data Protection Act, 2023, a landmark legislation in India governing the collection, storage, and processing of personal data. At first mention, legal terms like this should be fully expanded and briefly explained to enhance clarity. This Act mandates retailers to obtain explicit customer consent before collecting personal data, ensure secure data storage, and avoid misuse. Understanding and adhering to such laws not only prevents legal liabilities but also reinforces customer confidence in the retailer's commitment to data privacy and ethical practices.

Summary

- Customer service assists customers throughout their association with a brand, while grievance handling addresses and resolves concerns about product/service quality, returns, or refunds.
- E-commerce in India has raised concerns about consumer rights, data privacy, unfair trade practices, and grievance redressal, leading to a legal framework for consumer protection.
- Statutory compliances related to online customer service include the Consumer Protection Act, 2019, E-Commerce Rules, 2020, IT Act, 2000, Digital Personal Data Protection Act, 2023, and GST Act, 2017.
- Consumer rights under the Consumer Protection Act, 2019 include the right to safety, information, redressal, being heard, and privacy.
- Organisations must disclose accurate product details, provide contact information, appoint grievance officers, and comply with data protection laws.
- Key aspects of online written communication include clarity, professionalism, structure, neutral language, visual elements, consistency, responsiveness, empathy, and feedback.
- Customer dissatisfaction in online retail affects retention, loyalty, and revenue, damaging brand reputation and increasing legal risks.
- Common customer complaints include poor product quality, misleading descriptions, delivery issues, high shipping costs, slow website performance, and unresponsive support teams.
- Adopting best practices for refunds and exchanges improves customer satisfaction, loyalty, and brand reputation by ensuring transparency and efficiency, though it may increase costs and risks of fraud.
- Best practices for refunds include clear communication of policies, simplified procedures, real-time updates, flexible refund methods, and free return shipping.
- Effective customer service problem resolution techniques include tracking feedback, addressing issues quickly, offering personalized solutions, and using technology like CRM tools.
- Loyalty programs, post-resolution surveys, and continuous improvement practices enhance customer satisfaction and trust.
- Customer feedback provides insights into preferences, friction points, and business decisions, helping to improve products, services, and customer experience.
- Feedback drives revenue by addressing recurring problems, innovating product offerings, and fostering customer loyalty.

Exercise

Multiple Choice Questions:

1. **What is the primary focus of customer service in the retail industry?**

   A) Resolving complaints and grievances

   B) Assisting customers throughout their association with the brand

   C) Ensuring compliance with legal frameworks

   D) Monitoring customer data

   Answer: B) Assisting customers throughout their association with the brand

2. **What is the key purpose of grievance handling in customer support?**

   A) Promoting brand awareness

   B) Addressing and resolving customer concerns efficiently

   C) Enhancing e-commerce delivery timelines

   D) Collecting customer feedback

   Answer: B) Addressing and resolving customer concerns efficiently

3. **Which of the following is NOT one of the rights provided to consumers under the Consumer Protection Act, 2019?**

   A) Right to Privacy

   B) Right to Redressal

   C) Right to Discounts

   D) Right to Safety

   Answer: C) Right to Discounts

4. **Which of the following laws in India focuses on safeguarding consumer privacy in online transactions?**

   A) Consumer Protection Act, 2019

   B) E-Commerce Rules, 2020

   C) Digital Personal Data Protection Act, 2023

   D) Goods and Services Tax (GST) Act, 2017

   Answer: C) Digital Personal Data Protection Act, 2023

5. What is the maximum time frame to resolve consumer complaints under the Consumer Protection Act, 2019?

   A) 15 days

   B) 30 days

   C) 45 days

   D) 60 days

   Answer: B) 30 days

Answer the following questions:

1. What are the common standards businesses adhere to when offering online customer services?
2. How can businesses collect actionable customer feedback in an online setting?
3. What are some key statutory compliances businesses must follow for online customer service?
4. Why is it important to minimize delays in refund and exchange procedures?
5. How can businesses address frequent customer complaints effectively?

Scan the QR codes or click on the link for the e-books

https://www.youtube.com/watch?v=1VGFbxMcmy4

Key Aspects of Standards Followed by Organisa-tions in Providing Online Services to Customers

https://www.youtube.com/watch?v=EwPU2lVonpM

Reasons for Customer Problems, Complaints and Dissatisfaction in an Online Retail Environ-ment

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12. Annexure

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Chapter 1 -	UNIT 1.2: Traditional and Modern Retail in India	1.2.1 Traditional Forms of Retailing in India	17	www.youtube.com/watch?v=GmagMsfu0s&t=11s	English phrases for retail sales person
Chapter 2 -	UNIT 2.1: Prepare to Display Products	2.1.1 Principles of Good Product Displays	42	www.youtube.com/watch?v=W1hYBxMuTug&t=8s	Organising product display in store
	UNIT 2.2: Labeling the Product Displays	2.2.1 Importance of Labeling the Product on the Shelf	42	www.youtube.com/watch?v=7Ls47gOpNOA	Rotation of stock
	UNIT 2.3: Arranging the Product Displays	2.3.1 The Basic Principles for Good Display and Presentation of Products	42	www.youtube.com/watch?v=Cy54yxLE2Ek	Interior Design Ideas For Retail Shop In India
Chapter 3 -	UNIT 3.1: Interpreting Design Brief	3.1.1 The Role of Visual Merchandising Display	57	www.youtube.com/watch?v=-d5jx5pwMdg	Merchandising principles

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
	UNIT 3.2: Procuring Merchandise and Props to Create a Display	3.2.1 The Practices Followed to Ensure Merchandise and Props Shown	57	www.youtube.com/watch?v=2DhQ35UJj2Y	Merchandising themes
	UNIT 3.2: Procuring Merchandise and Props to Create a Display	3.2.3 The Importance of Updating Stock Records to Account for Merchandise on Display	57	www.youtube.com/watch?v=6edj2Vvz3OU	What is Visual merchandising?
Chapter 6 -	UNIT 6.1: Organize Staff to Display Goods for Retail Sale	6.1.1 Type and Quantity of Resources Needed to Set Up Displays	133	www.youtube.com/watch?v=r7FoV4XoAaw	RFID in fashion
Chapter 7 -	UNIT 7.1: Monitoring and Resolving Customer Service Problems	7.1.1 Common Procedures and Systems for Dealing with Customer Service Problems	144	www.youtube.com/watch?v=yVGkxd-tmAE&t=112s	Ways to say no to the customers and offer alternatives
	UNIT 7.2: Resolutions to Immediate Customer Service Problems	7.2.1 The Nature of Immediate Customer Services Problems	144	www.youtube.com/watch?v=LYTZ_jlSqH4	How to retain customer?
	UNIT 7.3: Repeated Customer Service Problems	7.3.1 The Nature of Repeated Customer Services Problems	144	www.youtube.com/watch?v=zIdwm__fnEc	How to deal with aggressive customers?

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Chapter - 9	Unit 9.1 Role and Integration of AI in Retail Operations	9.1.1 The Role of AI in Retail Operations	195	https://youtu.be/f9V87NftLBA?si=A6wj6-n69xlWJmpe	
	Unit 9.2: Benefits and Impact of AI	9.2.1 Benefits of Reporting Actionable Insights	195	https://youtu.be/u-THOQB3rBI?si=iq5S1jHH5DEIRt1C	
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