



**RASCI**  
Retailers Association's  
Skill Council of India

# Participant Handbook

Sector  
**Retail**

Sub-Sector  
**Retail Operations**

Occupation  
**Store Operations**

Reference ID: **RAS/Q0109, Version 2.0**  
**NSQF level 4**



## Retail Sales Executive

**This book is sponsored by**

**Retailers Association's Skill Council of India**

703-704 Sagar Tech Plaza - A, Andheri-Kurla Road,  
Sakinaka Junction, Sakinaka, Andheri (E), Mumbai-400 072  
Phone: +91-22-40058210-5  
Email: info@rasci.in  
Website: www.rasci.in

First Edition, November 2023

Printed in India

**Under Creative Commons License: CC-BY -SA**

Attribution-ShareAlike: CC BY-SA



**Disclaimer**

The information contained herein has been obtained from sources reliable to Retailers Association’s Skill Council of India. Retailers Association’s Skill Council of India disclaims all warranties to the accuracy, completeness or adequacy of such information. Retailers Association’s Skill Council of India shall have no liability for errors, omissions, or inadequacies, in the information contained herein, or for interpretations thereof. Every effort has been made to trace the owners of the copyright material included in the book. The publishers would be grateful for any omissions brought to their notice for acknowledgements in future editions of the book. No entity in Retailers Association’s Skill Council of India shall be responsible for any loss whatsoever, sustained by any person who relies on this material. All pictures shown are for illustration purpose only. The coded boxes in the book called Quick Response Code (QR code) will help to access the e-resources linked to the content. These QR codes are generated from links and YouTube video resources available on Internet for knowledge enhancement on the topic and are not created by RASCI. Embedding of the link or QR code in the content should not be assumed endorsement of any kind. Retailers Association's Skill Council of India is not responsible for the views expressed or content or reliability of linked videos. RASCI cannot guarantee that these links/QR codes will work all the time as we do not have control over availability of the linked pages.





**Shri Narendra Modi**  
Prime Minister of India

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



## Certificate

### COMPLIANCE TO QUALIFICATION PACK – NATIONAL OCCUPATIONAL STANDARDS

is hereby issued by the

**RETAILERS ASSOCIATION'S SKILL COUNCIL OF INDIA**

for

**SKILLING CONTENT: PARTICIPANT HANDBOOK**

Complying to National Occupational Standards of

Job Role/ Qualification Pack: **'Retail Sales Executive'** QP No. **'RAS/Oo109, NSQF Level 4'**

Date of Issuance: **January 4<sup>th</sup>, 2023**

Valid up to: **August 27<sup>th</sup>, 2027**

*\* Valid up to the next review date of the Qualification Pack*

Authorised Signatory  
(Retailers Association's Skill Council of India)



## Table of Contents

S.No	Modules and Units	Page No
<b>1.</b>	<b>Introduction (Bridge Module)</b>	<b>7</b>
	Unit 1.1 Retail Sector in India	9
	Unit 1.2 Roles and Responsibilities of a Retail Sales Executive in the Retail Industry: An Overview	17
<b>2.</b>	<b>Cashier Services (RAS/N0115 RAS/N0111 RAS/N0116 RAS/N0117 RAS/N0113 RAS/N0112 RAS/N0110)</b>	<b>19</b>
	Unit 2.1 (a) Processing Payments	21
	Unit 2.1 (b) Point of Sale Procedure for Age-Restricted Products	38
	Unit 2.2 Processing Cash and Credit Transactions	46
	Unit 2.3 (a) Processing Returned Goods	62
	Unit 2.3 (b) Processing Part Exchange Sale Transactions	69
	Unit 2.4 Processing Customer Orders	81
	Unit 2.5 Service Cash Point	93
<b>3.</b>	<b>Retail Sales Process (RAS/N0126 RAS/N0125 RAS/N0128 RAS/N0129 RAS/N0127 RAS/N0114)</b>	<b>113</b>
	Unit 3.1 Retail Sales Process and helping customers choose right products	115
	Unit 3.2 Effective product demonstration	127
	Unit 3.3 Analyzing features of and benefits of products	132
	Unit 3.4 Personalised and Post- Sales Service Support	146
	Unit 3.5 Overview of Product Sales Specialist	160
	Unit 3.6 Processing Credit Applications	168
<b>4.</b>	<b>Post-Sales Process (RAS/N0133 RAS/N0132 RAS/N0135 RAS/N0136)</b>	<b>182</b>
	Unit 4.1 Organizing Service Delivery	184
	Unit 4.2 Customer Services and Grievance Redressal	192
	Unit 4.3 Building Customer Royalty	203
<b>5.</b>	<b>Health and Safety at Workplace (RAS/N0120 RAS/N0121)</b>	<b>221</b>
	Unit 5.1 Securing Stores	223
	Unit 5.2 Health and Safety at workplace	238

S.No	Modules and Units	Page No
------	-------------------	---------

6.	<b>Employability Skills (DGT/VSQ/N0102) (60 Hrs.)</b>	<b>250</b>
----	---	------------

Employability Skills is available at the following location :

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

Scan the QR code below to access the ebook



7.	<b>Annexure</b>	<b>252</b>
----	-----------------	------------



# 1. Introduction



Unit 1.1 Retail Sector in India

Unit 1.2 Roles and Responsibilities of a Retail Sales Executive  
in the Retail Industry: An Overview



## Key Learning Outcomes

1. Outline the evolution of retail in India
2. List the roles and responsibilities of a Retail Sales Executive

## Unit 1: Introduction to the concept of retail

### Unit Objectives

1. State the meaning of retail
2. Outline the current scenario of the retailing sector in India
3. List the factors that lead to the growth of the retail sector in India
4. Illustrate different forms of retail marketing
5. State the significance of marketing in Retail

### 1.1.1 Icebreaker

To work in an organization, everyone wants a healthy working environment. Take 5 minutes and quickly recall your past working experience. Define in two words your desirable working culture in a new working environment. Given below are some words as examples to help you do this activity:

Fun-filled, Caring, Exciting, Friendly, Rewarding, Supporting, Serving, Innovative, Fast-paced, Motivating, Challenging, Team-playing.

### 1.1.2 Objectives of the Program

The goals of the Retail Sales Executive

1. To guide the learner about Retail Sales Executive jobs and its technicality
2. To prepare the learners for the role and responsibilities of Retail Sales Executive
3. To make the learner aware of the retail industry and its requirement

### 1.1.3 Retail Sector in India

#### Introduction industry

The term 'retail' defines the selling of product units from a sale point to customers in contrast to wholesale. The retail industry is a dynamic field that has a global impact and generates millions of opportunities, not only for the companies but also for the job seekers. In the Retail industry, various companies sell goods or products to customers. A retailer purchases products directly in bulk from manufacturers or wholesalers and sells them to customers.

As the retail industry has firmly established its root internationally, where companies are expanding their markets in different nations. It impacts the world economies including the Indian economy and its retail industry market.

Indian retail market widely contributes to the country's economic growth. It accounts for 10 percent of the country's GDP that provides great support to the Indian economy. It is expected that the market size of the retail industry is going to expand to 1.7 trillion (U.S dollar) by 2026. The retail sector is an amalgamation of various industries such as entertainment, food, apparel, etc. They are directly sharing their role in the upgrowth to domestic levels by giving employment to many lives.

In the past decades of traditional India, there were unorganized retail markets. The concept of retailing was confined to small family-owned retail businesses. These small-scale businesses were available in the neighbourhood of every house in small towns. In the traditional time, these types of businesses were run with low funding, manual work, and lack of technologies, and they were limited only to grocery and vegetable stores.

But in the contemporary time, that image of traditional India has upgraded. In the recent times, the former entities of Indian traditional retail have taken new avatars as advanced supermarkets, malls, and E-commerce platforms. These large retail stores and online platforms adopt technology such as digital payment methods, Point of Sale Equipment, etc. that represent an organized and rising face of today's India. These stores run systematic sales operations under one roof, where customers can find multiple products at a single place. A retail business operates either from a physical entity or online platforms, but they are a fundamental foundation to a retail business.

An unorganized picture of the retail industry in India has changed with the involvement of the Indian government policies in this sector. The Indian govt. has funded numerous domestic retail chains that provide support to new businesses for decades. For the large-scale businesses' growth and expansion, the government has also proposed the following policies:

1. The Ministry of Micro, Small and Medium (MSMS) has announced the inclusion of wholesale and retail trades under the ministry.
2. The Indian govt. has allowed 100% FDI (Foreign Direct Investment) to the E-commerce companies.
3. On October 2021, the RBI has proposed new plans for promoting digital payment methods in offline mode in the country,

With the major role of the Indian government in the retail sector, it is flourishing rapidly. Both small- and large-scale businesses are getting immense support to expand their business. The growth of the retail sector in India has a bright future with immense opportunities that will change the whole image of the old retail industry of India.

### 1.1.3.1 Types of retail stores

There are different types of retail stores that differ based on their services, products, and area such as:

- **Department stores:** Departmental stores provide a wide line of products from various categories such as electronics, groceries, furniture, household products under a large entity. These stores occupy a large area that is further divided into multiple departments that depends on the types of merchandise available in the store.
- **Discount stores:** Discount stores purchase the products in bulk quantity from wholesalers at low prices. Whereas they offer heavy discounts on those products. Discount stores sell their products on a low margin which increases the sales number. Discount stores help the retailers earn profit from the business.
- **Specialty stores:** Specialty stores pay attention to a particular category such as books, sports goods, footwear, flowers (florist), etc, and provide high-quality products to the customers. These stores sell selective items rather than a very wide range of products sold in large retail stores and their focus is on maintaining customer satisfaction.
- **Boutiques or Concept stores:** Concept stores have a specific group of consumers to showcase and sell the products. It is usually run by the single person, like a designer who sells his/her designer wear in a boutique. The Concept stores sell limited products and services from specific categories such as beauty, apparel, homeware, etc.
- **Supermarket:** These stores are large retail entities which store daily use products such as grocery, confectionery, beverages, vegetables & fruits, pharmacy, and other household items in bulk quantity. These stores have a self-service system where they display items on open shelves with labels. It helps customers to easily find items to buy.
- **General store:** These stores are available at local area marketplaces. They provide staple and regular-use varieties of products including food items to customers.
- **Convenience stores:** Convenience stores are ideal for emergency and immediate situations. These stores are available in residential areas and open for longer hours than other stores. They provide a limited amount of merchandise for daily use like cosmetics, soaps, blades/razors, instant foods, etc. but at regular undiscounted prices.
- **Malls:** A mall is a large establishment consisting of multiple retail stores. A Mall is a real estate infrastructure that provides zoned spaces on lease basis to include separate retail entities with shopping, dining and entertainment under one roof.
- **E-tailers:** On E-tailer platforms, customers can shop through the internet from e-commerce websites. These websites deliver the products to the customer's doorstep. To get the product delivered, customers place the order and pay on the retailer's website. But the customer receives the delivery from the manufacturer or a wholesaler, that runs in co-operation with the e-commerce websites. For Example- Amazon.com and eBay are E-tailers.



### 1.1.3.2 Challenges in the retail industry

To achieve and maintain a foothold in an existing market, a prospective retail establishment must overcome the following hurdles:

- Absence of sufficient supply chain.
- High competition among top existing competitors.
- Applying effective marketing strategies to stand out in the industry.
- Lack of properly educated and trained staff.
- To maintain customer loyalty by providing the best products with the ability of resolving their issues.

#### Career opportunities in the retail industry

The retail industry is evolving drastically over the past few decades, and it provides a convenient medium to the customers. The emerging of retail business operations, it has widened the career opportunities from basic to high-level jobs.

At the retail stores, there are multiple levels or positions that require trained staff to operate sales business smoothly. It depends on the capacity and requirement of the store and business. A small store works with only a handful of employees and a large chain store requires hundreds of employees.

The retail industry offers career opportunities in various retail domains. The present scenario depicts there is a high demand for talented manpower. To succeed in the retail industry, quality education and proper training help a person to excel in the retail field.

Career opportunities are available in the areas of retail sales, customer service, visual merchandising, buying, and merchandising, retail operations, retail warehousing and supply chain management, retail marketing and social media marketing, online retailing and in related supervisory roles as well. 80% of job opportunities are available in the customer interfacing roles. According to the 2021 survey of NASSCOM and Technopak, the retail sector in India accounts for 8% of the total retail workforce with more than 35 million employees. The survey says that India's retail sector would add another 25 million new jobs by the Financial Year 2030. Hence retailing is a very attractive career area for the emerging youth of India.



Fig. 1.1 Career Opportunities in Retail Industry

The growth in retail has been phenomenal. However, the aspirants need to polish the skills that help them to deal with the challenges related to the industry before endorsing retail careers.

### 1.1.3.3 Significance of Marketing in Retail:

In today's time, to popularise a brand or business, marketing is a powerful tool. It requires a strong marketing strategy to manage a store's brand value in the market. It doesn't only promote business growth but also helps to stand out in the market by highlighting its unique specifications.

In the retail industry, a retail business needs to adopt effective marketing strategies to expand its reach to mass consumers. It brings a strong impact that ultimately converts them into customers. These strategies give an insight to a business to establish its brand value. This brand management planning targets the concerned audiences to meet the business objectives.

### 1.1.3.4 Retail Terminology

Terminology is important to understand a topic or field in depth. It helps to understand the technical aspects of a field in better ways. The following list has some key terms that are common to use in the retail industry.

- **Add-on sale:** Retailers use this method to increase their sales profit by selling extra items. The add-on items boost sales and increase profit margins in the retail business.
- **Purchase order (PO):** Purchase order refers to the document that a buyer sends to the seller. In Purchase Order (PO), a buyer mentions all the details of the required items such as the product's quality and quantity, agreed pricing, types, etc. The seller receives this document as an order receipt and prepares the consignment to deliver.
- **back the unsold merchandise by retailers.** It helps the retailer to avoid paying for those goods which they couldn't sell from their sides.
- **U.P.T. (Units per transaction):** Units per transaction (U.P.T) is a metric to determine the number of items a customer purchases on an average at each time during their visit to the store. It helps in measuring the effectiveness of the sale and tracks progress in the business.
- **Off-price:** It is the selling of high-quality or branded merchandise at lower prices than the actual price of the products to the customers. In off-price, a customer gets easy discounts of 40-60% on branded items.
- **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.
- **Footfall:** Footfall measures the number of customers data who enter in the store on a specific time with the conversion rate and real-time sales. This method helps to find out the impact of the marketing strategy of a business and staff's efficiency to convert visitors into customers. An easy way to measure footfall is to focus on lowest performing hours, staff scheduling, percentage of shoppers who buy from

the store.

- **Conversion:** The conversion measures the number of visitors entered in the store and converts into buyers. It finds out how many of them make a purchase after entering the store.
- **Ticket-Size-** In the retail store, ticket size is checked daily to find out the average number of customers who visited the store and calculate the number of sales per customer.

It helps in monitoring the sales graph and profit & loss margin. Increase in ticket size value leads to increase in business growth whereas decrease in the value leads to the downfall in business growth.

**For example.**

**Question:** Suppose the total Sales of retail store X is Rs 2, 00,000 and total bills generated in the store are 100. Calculate Ticket Size of retail Store.

**Solution:**

To calculate ticket Size,

Formula of Ticket Size:

Ticket size = Total sales/ Total bills

Total Sales = 200,000

Total Bills = 100

Now, Substitute the value in the formula:

Ticket Size = 200, 000 / 100

Ticket Size = 2000

Hence, Ticket Size of the retail store X is 2000

- **Up-selling:** In up-selling, a seller encourages or tries to persuade a customer to make an upgraded purchase or the purchase of a more value added product by paying a little extra. This method attracts a customer by explaining them the benefits of paying extra amount to upgrade a product or a service. It benefits both the seller and the customer.

For example: If you buy a pizza from a café then the attendant would offer you to upgrade your pizza by taking extra services such as by adding extra cheese, extra toppings, etc. For that you've to pay a little extra amount and that would give a benefit to you and the café as well.

- **In-store merchandising:** In store merchandising refers to the display setups and space allotment for displaying and selling the product and service to the customer.



Fig. 1.2 In-store Merchandising Display

- Visual merchandising: Visual merchandising presents products and services in an optimized manner with the purpose of increasing sales. Popularly known as VM, it highlights features and benefits in coordinated displays and product presentations in the retail environment. VM enables attraction of customers towards the products and urges them to buy by creating an instant desire to purchase as a result of the ways by which displays are creatively presented. The Visual merchandiser uses parts of the retail space to show the creativity and knowledge of product presentation. The Visual merchandiser carries out tasks such as
  - a) VM theme planning
  - b) In-store displays
  - c) Show Window VM Installation following Store VM Calendar
  - d) Point of Sales Displays
  - e) Price ticket and shelf-talker displays
  - f) Promotional Displays



Fig. 1.3 Visual Merchandising

- Cross merchandising: In Cross merchandising or Cross-selling, the products of different and unrelated categories are displayed at the same selling point. Its purpose is to make an additional sale to customers while selling their desired product. Cross-merchandising helps to increase sales and boost customer experience.

**For example:**

- 1) Clothes are displayed with accessories such as jewellery and handbags
  - 2) Mobile phones are placed with mobile covers.
- Mark-down: It means the reduction of prices of items generally at the end of the season or before completing their lifecycle. Mark-down helps in stock clearance and increases the sale of low-demand items at low prices.
  - Store Planogram: A store planogram is a technique of visual merchandising. It is detailed drawing of store layout with special attention on the product placement. Th planogram maximizes the sales and space leading to the optimization of Product.

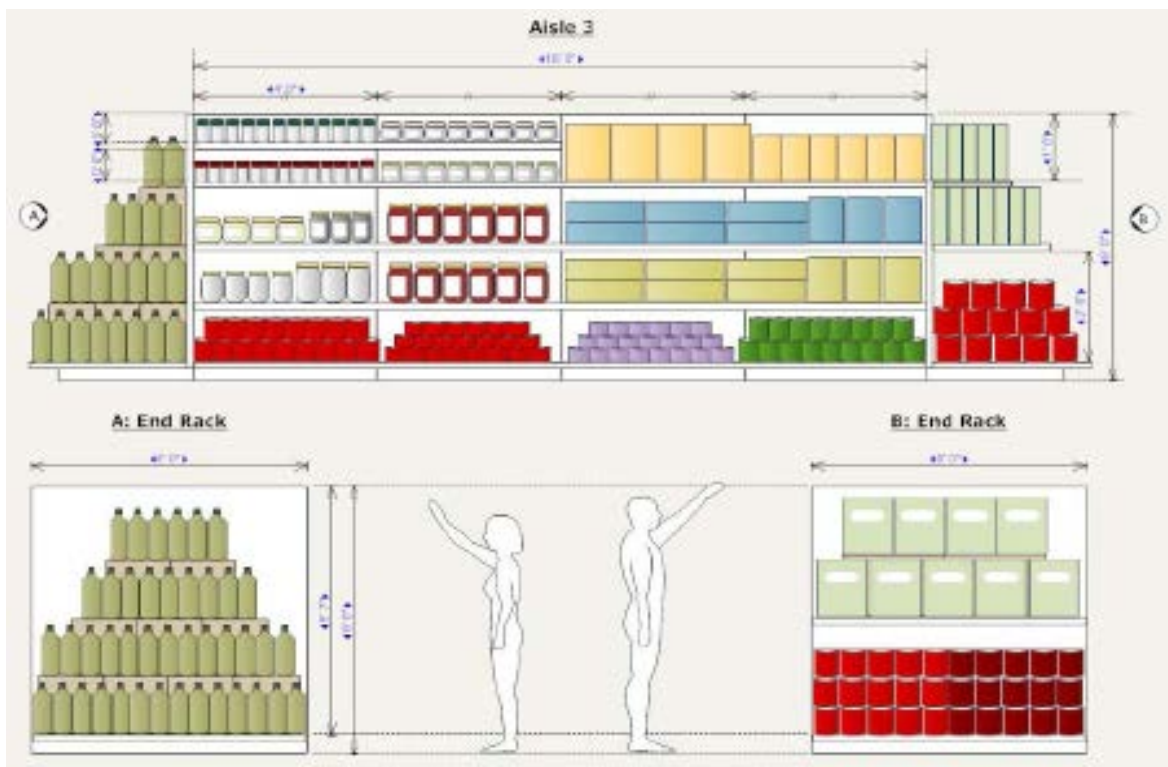


Fig. 1.4 Store Planogram

## Unit 1.2 Roles and Responsibilities of a Retail Sale Executive in the Retail Industry: An Overview

### Unit Objectives

1. Discuss the roles and responsibilities of a Retail Sales Executive
2. Identify the components involved in the retail supply chain

### 1.2.1 Role of a Retail Sales Executive in Retail Industry: An Overview Unit

At retail stores, every staff or team member has specific roles according to their job level. The position of retail Sales Executive is very important who helps to manage a smooth sales operation at the retail store.

A retail Sales Executive has some specific duties. They are:

- **Store Maintenance:** Keep the store ready for the customers by ensuring availability of products/goods
- **Merchandising:** Display products appropriately in the right places and ensure that the price tags are in order, daily
- **Sales & Customer Service:** Give the product demonstration to the customer and provide additional information such as their usage, shelf life, etc, to them.
- Interact with customers and provide guidance to them to find the products at the correct place in the store.
- Serve customers with a smile always to respond readily to help them with product options or the right sizes.
- **Cashiering:** Operate POS system and manage cash points to facilitate customer payment process.

Solve the technology related to issues that arise at the point of sale.

- **Service Desk Responsibility:** Process the customer's product return if any, following company procedure and by investigating about the reason of their return.

### 1.2.1 Responsibilities of a Retail Sales Executive in Retail Industry

A retail sales executive provides a good service experience to the customers and helps to make effective sales at the store. There are responsibilities that a person must fulfil as a Retail retail sales executive at the store.

- Ensure sales achievement against the store targets/budgets
- Greet, interact and engage with customers with a smile and friendliness
- Help customers choose the right product by giving them the right suggestions based on their budget and requirements.
- Invite customers to come again and enrol them in company's loyalty programme.

- Keep track of sales data for building new business strategies to boost sales and expand the growth opportunities.
- Keep track of inventory stock management, replacement of outdated products, smooth functioning of the technologies at the retail store.
- Train and guide the new staff members if any about the products, service processes and technologies to run sales operations effectively.
- Reconcile sales and cash account at the end of each day following company's policy

**Conclusion**

A retail sales industry is a grooming field for business in India and foreign countries. At retail stores, retailers purchase products at a large scale and sell those products to customers. These stores can be physical enterprises or online platforms as their activities are customer-centric that focus on customer satisfaction.

Retail sectors not only facilitate the customers but also expands wide career paths at various levels. In the retail sector, multiple people work together from a lower-level staff to a senior position manager, they work together are a medium of running a sales business smoothly.

To grow retail industry faces a lot of challenges such as poor technology, lack of trained staff, high market competition, and meeting customers' expectations. The right strategies and management can help a retail business to grow retail by acquiring global opportunities

**EXERCISE:**

1. Explain briefly about the growth of the Retail Sector in India.
2. Explain any three types of retail stores.
3. Explain the importance of the role of retail sales executive
4. Briefly explain any three responsibilities of a retail sales executive
5. What do you mean by the following:
  - Footfall
  - Conversion
  - Ticket Size
6. If 200 customers have come to the store and out of them 140 customers have bought, what is the percentage of Conversion?
7. If the total sales on a particular day is Rs. 100,000 and you have made a total of 25 cash memos that day, what is the Ticket Size?



## 2. Cashier Services



- Unit 2.1 (a) Processing Payments
- Unit 2.1 (b) Point of Sale Procedure for Age-Restricted Products
- Unit 2.2 Processing Cash and Credit Transactions
- Unit 2.3 (a) Processing Returned Goods
- Unit 2.3 (b) Processing Part Exchange Sale Transactions
- Unit 2.4 Processing Customer Orders
- Unit 2.5 Service Cash Point



RAS/N0115 RAS/N0111  
RAS/N0116 RAS/N0117  
RAS/N0113 RAS/N0112  
RAS/N0110

## Key Learning Outcomes

1. Describe the steps involved in payment process
2. Identify age restricted products
3. Demonstrate the process to deal with underaged customers when they seek to purchase age restricted products
4. Explain the processing of cash and credit transaction
5. Describe the Cashier's role in Exchange or return of goods
6. Follow company policies for return, replacement, and refund
7. Provide service at Point of Sale in a Store
8. Identify customers need for products
9. Explain the significance of processing customer Orders for goods
10. Manage cash points/point of sale
11. Identify and resolve expected and unexpected problems in routine cash point operations
12. Follow security procedures at cash points
13. Follow Basic etiquettes associated with customer handling
14. Identify ways to build Relationships with Internal and External Customers

## Unit 2.1 (a) Processing Payments

### Unit Objectives

1. List the elements that help in building a positive image of self and the organization in the minds of the customers
2. Explain the importance of responding appropriately to customers
3. Describe the standards for appearance and behavior in creating a positive image of self
4. Explain the significance of building relationships with internal and external customers
5. Describe the components involved in payment process
6. Compare between traditional and modern payment process
7. Discuss ways to resolve customer concerns related to the pricing of products

### 2.1(a).1 Establishing Organizational Image

Organizational image refers to people's global impressions of an organization; it is defined as people's knowledge and beliefs about an organization. Organizational image represents the net cognitive reactions and associations of customers, investors, employees, and applicants to an organization's name. The corporate image of the organization is determined amongst others by the institutional image, the product image, brand image, diffused image and the consumer demand image.

Why is establishing organizational image important?

- It governs the way the rest of the world thinks about an organization.
- The right image creates a bond of trust between an organisation and the marketplace (customers and other stakeholders), enables to achieve goals, and boost earnings.
- The wrong one can block attainment of goals and deplete bank account.
- Builds a trusting relationship with the brand that allows to buy without thinking about purchasing decision. As a result, we save time and energy, and that leads to saving money. Companies or individuals that create a corporate image that saves time, energy, and money are more likely to win the business.
- It makes the organization visible, distinctive, authentic, transparent and consistent in the complex present day environment.
- It demonstrates goodwill of the organization amongst its stakeholders.

Organisational image consists of two main components. The first is functional such as the tangible characteristics that can be measured and evaluated easily. The second is emotional such as feelings, attitudes and beliefs the one has towards the organization. These emotional components are consequences from growing experiences the stakeholders have with the passage of time with the organization.

Factors which affect the formation of corporate image of the organization are-

- Self-image of the organization: This is the so-called 'ideal' self-image. It is how the organization chooses to identify itself to the public or to projects itself to the public.
- Corporate advertising: By this the organization communicates its identity to others in the way that they want them to be known. Institutional advertising generates awareness and goodwill of the organization behind its products or services.

- **Brand image:** Brand image plays an important role to the success of a product. There is a significant interaction between brand image and corporate image.
- **Employees:** Company employees are its brand ambassadors who reflect the image of the organization.
- **Public relations:** It is a means to build up goodwill. These can be for example sponsoring local events and contributing to charities, which can project an image of 'good corporate citizenship. Website- a reliable website can help in increasing the authenticity of the organisation, helps stakeholders gather information, form perceptions and gives them the opportunity to respond back.
- **Industry image:** The general image of the industry can have an impact on the corporate image of the organization. It is important to know the image of the industry is positive or negative.
- **Frontline employees' behaviour:** Contact with frontline employees of the organization serves to form an impression about the organization. It gives an idea about corporate culture and climate within the organization.
- **Press reports:** People tend to sharpen their idea about the organization through the broad variety of news items.

All the organizations need to develop a clear image that reflects its mission and goals. It should not leave any room for interpretation by the stakeholders. The desired corporate image of the company is to be defined and planned precisely and carefully.

The following can be done to build a strong organizational image

- **Focus on building brand identity, not just name recognition-** Improve communications to increase the brand identity among the customers. Focus more on target-based advertising to build brand equity for the company.
- **Build on value formation-** Rather than focusing more on building identity in external matters, always focus to provide valuable service to the customers.
- **Choose the right media for the right reasons-** Different media can help to achieve different objectives. For example, ads, even display ads, are best suited to build awareness, not generate responses. So, it is important to match the media tools to the marketing goals.
- **Present yourselves in the retail environment in the prescribed attire with the right attitudes of positivity and behaviour to suit the image of your organization always.**

## EXERCISE



1. What is organizational image? If you want to build the organizational image of your company, what all will you focus on?

---



---



---

**ACTIVITY**

Visit some popular websites and reflect on what you see to be superior qualities in them in terms of organizational image.

**2.1(a).2 Developing basic etiquettes**

Customer service etiquette refers to tips, dialogues, and tricks administered to support the staff and to make customers feel at ease while resolving their issues and to avoid any negative induction of anxiety or offense. By following the proper support customer etiquette tips, the agents can establish a professional tone with the customer that is favourable to the company as well as the customer.

Importance of customer service etiquette

- It is a rather universally applicable term that must be presented on all fronts and in every industry.
- A proactive customer service etiquette induction helps improve customer responses by 3-5%.
- Each transaction on an ongoing business requires a good customer service etiquette on behalf of the dealer and their agents of sales as well.

Customer service etiquettes are essential also when your customer asks the intricacies of your product and when they raise a complaint about any aspect of your merchandise and services offered. Good etiquette builds a positive brand image, and the abstract of great treatment shall continue to startle the customers each time they encounter personnel. This makes the customer experience more personalized and an asset to the organization's goodwill in the open market.

Following are the principles of customer service etiquette that can help the customer service associates to understand the customers and handle them efficiently-

- a) Be transparent about products and services: Always impart authentic information related to products and services to avoid future confusion among customers. Do not make fake commitments or set customer expectations that will break their trust and loyalty. Know what a brand offers and discounts prior to offering to customers to maintain brand efficiency.

- b) Offer proactive sales and support assistance: Being proactive means understanding customers' issues and offering support before the customer reaches out to the support team. Many tools can be used for this purpose such as live chat software, video chat etc. to garner customer loyalty and support.
- c) Ask the customer for feedback after a resolution: Feedback from customers helps to know what customers feel about the brand and helps to identify the gaps between the customers and the business.
- d) Use the right vocabulary: It is very important to choose the right words before speaking to the customers. The customers can get a bad impression with certain words or phrases used by the customer support agents.

Phrases to be used during conversations are:

- How can I help you?
- I'm sorry
- I can understand why you'd feel that way. Let's see what can be done now
- You're welcome

And phrases to be avoided are:

- Sorry about that
  - Unfortunately no
  - No problem
- e) Personalize the conversation: Personalization adds a spark to the boring customer service. Today, many tools can be used for upgrading the conversation to a personal level for better customer communication. By using AI, chatbot we can engage the customers 24x7 and for complex queries, we can direct them to the right support channel immediately.
  - f) Listen to the customers: Always listen to what customers say. A significant number of customer complaints are just about the fact that no one "listens" to them. It is a big relief for a customer to know that someone is listening to them and trying their best to resolve issues for them.
  - g) Offer gratitude to the customers: One way to create a positive experience for customers is always to say "thank you." Kindness and gratitude to customers are a sure way to further engage them for long term.
  - h) Maintain a professional attitude: Being professional is a very important customer service etiquette that needs to maintain in all scenarios. Some of the tips to follow in this regard are the following-

Refer to customers as 'Mr. XXX or Sir' and 'Mam'.

Ask customers – if it is OK to put the customer on hold and apologize if the customer was on hold for more than 60 seconds.

Avoid using slang words or obscenities.

Do not refer to the customer by the first name if it is not insisted on by them.

- i) Drill customer service etiquettes within the team: Training should not be restricted to top – level employees. Make sure that the entire team is part of the customer service etiquette board.
- j) Use interpersonal skills: Make sure to develop a positive interaction with the customers. Right from the gestures, eye contacts, voice, everything should be in such an order to attract the customers and to please them.
- k) Keep the customers updated: Keep the customers updated about the new products, plans, policies, etc. For example – If a customer has ordered something and not received on the date of delivery, he will be calling to know the exact reason. We should be able to give a genuine reason, apologizing for the delay and inconvenience also assuring a date of delivery.

l) Be confident: One of the key customer support etiquette techniques is to remain positive, calm, and poised while answering to customers. Being confident not only creates a positive image for a brand but also builds trust and customers start believing in the brand.

### EXERCISE



1. Make a list of phrases to be used in a conversation and phrases to be avoided in a conversation for maintaining good relationships with customers.

---

---

---

### ACTIVITY



Visit a retail store and talk to the sales executive as a customer. List out the important etiquette displayed by the executive.





### 2.1(a).3 Appropriate customer handling

Customer handling is the most vital aspect of a business cycle. It includes understanding customer needs, fulfilling their requirements, regular interaction with clients, executing best practices with them etc. The goal is to establish a profitable long term, one to one relationship, with customers, understanding their needs, preferences, expectations etc.

The ability to effectively handle customer complaints and problems is vital for customer service associates. Though providing outstanding service throughout the selling process is beneficial, customers who do complain and get their problem effectively solved often develop a strong emotional loyalty to a business. Hiring such service employees with certain abilities and nurturing them is important for a company and for its long-term success.

Importance of customer handling-

- Helps in customer retention
- Always be in customer's mind
- Increase customer loyalty
- Better price negotiation
- Improves repeated business from the clients

Following are the effective skills for appropriate customer handling-

- Helpful attitude and problem-solving skills: Nothing gives a better chance to help a customer than a genuine desire to do so. A helpful attitude corresponds neatly with problem-solving abilities. This skill set encompasses the ability to listen to a customer's problem, identify sources of conflict, come up with alternative solutions and put a remedy into action. This is a valuable trait.
- Excellent two-way communication skills: Great customer service typically results from effective listening, followed by articulate and clear verbal messages. At first, an employee needs to understand the customer's problem while also demonstrating a genuine desire to help. Thus, communication is a vital step to clear all the confusion which may arise out of lack of proper information.
- Attentiveness and patience: Attentiveness simply means to be mentally and emotionally present during handling a customer complaint. This makes the customer comfortable and gives him/her the assurance that their problem would be solved. Patience is necessary to stand in front of someone complaining, sometimes in a demonstrative way, while maintaining composure.
- Competence and product knowledge: Basic business and service competence along with strong product knowledge equip service employees to effectively handle problems. If an employee does not understand the nature of the business or the products with which the problem exists, it is more difficult for her/him to confidently handle complaints.
- Accountability- Being accountable means to be responsible to what one does. An atmosphere of accountability makes a front-line service worker to step forward and take on a customer problem without having to pass the person on to another employee or manager.

Thus, it is imperative to learn the skills for maintaining good relations with the customers that is profitable both for a business organization and for the customer as well.

**EXERCISE**



1. Explain how effective customer handling can lead to good turnover of a retail store.

---

---

---

**ACTIVITY**



Demonstrate the steps in which you will handle the following customers in your store-

1. A pregnant lady
2. An old man

## 2.1(a).4 Explaining and interpreting complex information to customers

As we know that effective communication is vital for building good relations with the customers, it also equally important to be assured of the fact that whatever is being communicated is clearly understood by the customers.

In any customer-facing industry, it is great when we have simple answers to the customers' questions. "Is my order ready yet?" Yes. "How can I view my transactions?"

Resolving support requests so quickly minimizes the drain on the resources and keep the customers happy — but simple answers are not always possible.

Explaining and interpreting complex information to customers could be a major challenge. The customers can misunderstand what has been said, leading to further confusion, or simply find it impossible to digest. This can ruin the vital reputation of a business organization.

When there is a complex information to be conveyed, then, we need to get our approach right. Following are some of the ways in which a right approach and positive outlook can garner more vital customers.

For example, if customers must be informed about assembling a computer, follow these steps-

- a) Ask them to mount the processor
  - b) Fix the motherboard in the tower case
  - c) Connect the power supply
  - d) Install the drives
  - e) Connect the cables
  - f) Mount the memory modules
  - g) Install the internal cards
  - h) Cover the tower
  - i) Connect the external devices and power
- Break it down to parts: First understand, what is going to be conveyed to the customers. If any information must be passed, start with simple knowledge and then build up. Define the terms, lay the groundwork, and add the layers until what should be covered is done. This will reduce the likelihood of a customer giving up halfway through.
  - Build a knowledge base: Sometimes it can happen that the information passed to the customers can be very difficult to understand, and they might hesitate to ask any questions. Thus, building up a knowledge base is important to empower the customers to help themselves set out information in a structure that is searchable and straightforward to guide them to what they need.
  - Avoid using any jargon: Eliminate any terms that the customers might not understand and replace them with simple and clear language. Using jargons is something that does not go with the popular opinion because a retailer can expect customers of varied types. Thus, using a language which is balanced will be well applauded by the customers.
  - Create a picture: Taking a picture to explain a complex idea is a classic solution. Pictures can be made using photoshop or InDesign, PowerPoint, emoji's etc to create the pictures of the complex ideas breakdown into parts.
  - Create explainer videos: The core appeal of the video format is that it catches the eye and provides exceptional creative options, and it can help to simplify an awkward topic. It is possible for a 30-second video to do a better job of making something clear than a 3000-word article- also because people are likely to pay more attention to it.

- Use stories to explain: Telling the story of a user experiencing an idea, or problem, or solution makes it real and approachable. Even if there is no real story to pick up at the right moment, consider creating some. These representative heroes can make the explanation friendlier and more accessible.
- Leave space for sense making: For people to truly understand a complex idea, they need to relate it to their own lives, put it in a familiar context, and make it their own. Thus, it is necessary to leave space in explanations for them to think about what was just said.

#### Conclusion

In conclusion, then, conveying complicated information to customers is largely about breaking it down to make it as simple and clear as possible before presenting it in a way that is popularly accepted and convenient.

### EXERCISE



1. If a customer is not able to understand the information passed by you, what other means can you adopt for the same?

---

---

---

### ACTIVITY



Find out some websites where you can do photoshop and design a video to explain information of a product.

## 2.1(a).5 Building relationships with internal and external customers

External customers are the people that pay for and use the products or services a company offers. These are the customers for whom a product is being designed. This customer could be a one-time purchaser or a person who has been a regular one. External customers are also known as “clients” or “accounts.”

Internal customers have a relationship with, and within, the company, either through employment or as partners who deliver the product or service to the end user, the external customer. They may or may not purchase a product or service.

The following are the ways to build good relationship with internal customers-

- **Develop positive relationships:** Make an effort to greet others pleasantly each day and display common courtesies such as saying “please” and “thank you.” Never forget the power of such simple acts. The impact of success and that of internal customers depends on the strength of internal relationships.
- **Listen objectively:** When another employee has an idea, take the time to listen and discuss it. This is especially true when it affects external customers. Keep an open mind and consider the merits of what is offered before responding or deciding on any action needed.
- **Take time to get to know more about internal customers:** Sometimes going for lunch or talking before or after work to get to know the internal customers can boost the relationship further.
- **Learn about customers on a personal level and about the job that they do:** This can lead to a better understanding about what they might have to offer and how you might be able to assist them. The result might be that your job and service to your customers might become easier. Taking these simple steps can also give a better understanding of organizational structure and departmental functions.
- **Show appreciation for help provided by others:** If someone goes out of his or her way to assist, take the time to acknowledge it. This could be a text or email message, or more powerfully, a hand-written note. Depending on the effort of the person, perhaps give a small reward.
- **Acknowledge the contributions of others:** Most people like to be appreciated. An important thing to remember is that one should always give credit for work done by others and never claim it as one’s own.
- **Avoid office politics and gossip:** One of the quickest ways to get a bad workplace reputation is to become the person who acts like a pollinating bee. Do not move from one person to another sharing stories that you have collected about things that are going on in the office or with another employee. That type of behavior can quickly tarnish one’s reputation. Such actions cause loss of productivity time that one can use to better serve the customers. They can also, make gain a reputation as someone who is not trustworthy or is unprofessional.
- **Respect diversity:** Today’s customer base is diverse including people all shapes, sizes, abilities, and backgrounds. Employees must learn about and appreciate people and groups who may look different to appreciate varying views, values, and beliefs. This pertains to both external and internal customers. Since we spend a major part of our life interacting with others in workplace and job situations, everyone benefits from better understanding people. Just because someone might look or act differently, have an accent, or not have the same knowledge or abilities does not mean there is something wrong with him or her. Embrace and respect diversity for the benefit of all internal and external customers.
- **Help others:** Even if it means to put out extra effort, take the time to assist the internal customers. People will likely remember the generosity and willingness to assist them when a time comes where we need help.

Following are the ways to build good relationship with external customers-

- Establish a common ground: It is very important for us to find a common ground for both the parties to connect with each other. Hence, a common ground is necessary a first to proceed with building relationships. A common ground is achieved when a mutual talk goes to such an extent that an area finally arrives which is of common interest for both the parties.
- Listen and show concern: Since customers come from various background, in need of some valuable advice on a product, it is crucial for the retailers to show a listening attitude and concern for them. The retailers need to listen to the queries, worries, requests of the customers and provide them with valuable advice, information and solutions.
- Keep a positive attitude: Always remember to give positive solutions and responses to the customer queries. This will make the customer feel wanted and makes the retailer trustworthy enough for further dealings.
- Treat customers like family: By showing concern and building a positive attitude, makes customers feel like a family. There is no relationship greater than family and making use of this will always strengthen the retailer-customer relationship
- Treat customers with respect: Never allow any tongue slip slangs or harsh words to be used while building good relationship with customers. Always follow the path of trust, positivity, and mutual respect with them.

## EXERCISE



1. How will you identify whether a customer is internal or external?

---



---



---

2. Demonstrate how to develop positive relationship with an internal customer.

---



---



---

## ACTIVITY



Visit a retail store and observe the customers coming in. Identify the internal and external customers there.

## 2.1(a) .6 Creating and analyzing database

To carry out a successful business venture in the long term, it is essential to work in the relationship with the customers. And one of the best ways to do that is to take advantage of the information we get from them. A Customer Database is a collection of information for each customer that is relevant to the business. Thus, a customer database can include from contact data (mail, telephone etc.) to specifications and details about the transactions performed. The type of information that we are requesting from the customers always depends on the utility that we have for the business and the marketing strategies. It allows to contact the customers, build loyalty, provide better service, and promote the sales.

### Uses of Creating Customer Database

- Increase sales through techniques such as email marketing, telemarketing or telephone marketing, etc. (using information available in the customer database).
- Retrieve old or undecided clients by taking advantage of the remarketing strategies.
- Offer personalized promotions tailored to each customer based on their profile in database (preferences in payment modes, purchases made previously, etc.)
- Keep the customers and prospects informed about novelties, special offers, etc.
- Provide quality care, that is possible thanks to the registration of the specific characteristics of each client in the database.

### Creating Customer Database

- Capture customer data while billing, using the data fields available in the Point of Sales system.
- Conduct questionnaires and surveys via mail and through Social Networks (e.g. Twitter includes a function to do surveys easily).
- Request the email of your buyers, their address, and their phone as part of the purchase process.
- Make competitions (in business or through social networks) with prizes such as discounts or free kits of the products, which are required to participate in the registration of specific data (e.g. name, age, sex, city, email, Telephone, last product purchased, etc.).
- Include in the blog or website a field to enter email addresses, so that people, who want to subscribe to the newsletter and receive the offers, can easily do so when they visit the website.
- In case of selling occasional purchase products (e.g. ink for printers) enter the item, date and time of purchase of each customer, and register it in their profile within the Customer Database (in this way we can estimate our Next purchase and get ahead with a convenient offer).
- Place forms in the store or business for the clients to enter their data, and accompany it with an “Enter Your Data to Receive Our Discounts and News” sign.

## EXERCISE



1. You have a co-worker, who does not know the importance of creating a database of customers. How will you explain to them about it?

---



---



---



**ACTIVITY**



Demonstrate the process of creating a customer database.

## 2.1(a).7 Introduction

At the retail store, to buy an item a buyer pays a certain amount of money to the person available at the cash point. The person at the cashpoint checks the price of items and proceeds to take the payment. By following a payment process, the cashier determines the price of products by using point of sale equipment at the cash point. This method completes a whole buying process at the retail store which begins from selecting a product by the buyer and ends up at making the final payment

## 2.1(a).8 Payment Process

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 taking the payment, the cashier at the cashpoint follows the following steps to proceed with the payment process. They are:



Fig. 2.1 Cashier and Customer at Cashpoint

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

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 take 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.

## 2.1(a).9 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:-



Traditional	Modern
 <ol style="list-style-type: none"> <li>1. At that time, there was the physical circulation or transaction of money in cash form.</li> <li>2. It used a less secured medium where the money was used to be stored in the simple cash drawer.</li> <li>3. This method required low maintenance with less expense. There were no requirements for expensive equipment.</li> <li>4. At this time money was used to count and handle manually.</li> </ol>	 <ol style="list-style-type: none"> <li>1. Now, Digital modes of payments are used such as credit or debit cards, E-wallet, net banking, UPI, etc.</li> <li>2. It uses a hi-tech secured medium where money is stored digitally.</li> <li>3. It uses highly expensive methods. The expense differs on the preferred technologies.</li> <li>4. Everything is technology-based that automates the payment process.</li> </ol>

Fig. 2.2 Traditional Vs Modern Payment Process

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.



Fig. 2.3 Image of a Proper and Improper Bill

## 2.1(a).10 Ways to determine the price of customer purchase

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.



Fig. 2.4 Barcode Scanner

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



Fig. 2.5 Touch Screen Computer

- 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 custoer 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 final amount of the purchased goods and tells the customer.



Fig. 2.6 Electronic Scale

### 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.

## EXERCISE



1. Define the types of equipment that are used to determine the price of products.

---



---

2. Differentiate between the Traditional and Modern aspects of the payment process.

---



---



---

## ACTIVITY



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?

## UNIT 2.1 (b) Point of Sale Procedure for Age-Restricted Products

### Unit Objectives

1. Define and Identify age-restricted products
2. Describe the process of selling age-restricted products only if customers provide age proof and it meets legal and company policies and procedures
3. List the standard policies and procedures for asking proof of age while selling such products
4. State the impact of selling age-restricted products to under-aged customers

### 2.1(b).1 Policies and procedures for asking proof of age while selling age restricted products

Age-restricted sales can be understood as sales of products that require a specific age for their legal and valid purchase. Some products such as alcohol, tobacco, energy drinks, products that contain corrosive substances which can be harmful as well as misused, and products that can cause health damage upon frequent use, are often controlled via minimum age sales policy.



Fig. 2.7 (a) Age-restricted Products

Under current law, age-restricted products include:

- Air guns and pellets
- Alcohol caps, cracker snaps, novelty matches, party poppers, serpents
- Fireworks
- Lighter refills containing butane
- Liqueur chocolates



- Lottery tickets and Instant Win cards
- Offensive weapons, including knives
- Tobacco products
- Videos, DVDs, and computer games classified
- Volatile substances and solvents
- Painkilling drugs containing paracetamol, ibuprofen, and aspirin

This policy means that all those customers who want to buy the product must meet age restrictions that are set by the government of a given country. Moreover, customers who wish to purchase these goods may be requested for an age verification within the physical or online store. The age verification can be made via a document check. In case the customer meets the age restriction criteria, then he is allowed to buy a given product that is listed as age restricted.



Fig. 2.7 (b) Age-restricted Products

Following are the steps to age restricted sales policy which will help the employees to ask for proof of age while selling age restricted products.

- **Initiation:** When a customer comes to purchase an age-restricted product with him/her being visually under the age of 18, the customer needs to prove that they meet the age criteria set by the government for a given product.
- **No proof, no sale:** In a situation when a customer attempts to purchase an age-restricted product they must always provide an acceptable form of identification so that employees of the store can verify their age. In case a customer can't provide an acceptable form of identification that can be verified, they will not be served in each store.
- **Authentication and verification:** A customer can provide the following as proof of age-
  - a) Aadhar Card
  - b) Passport
  - c) Driving license
  - d) Any other identity card that is certified for the use of a given country.
- **Carelessness in verification:** Carelessness in verification happens due to a rush/negligence, the employee fails to verify the documents accurately. In such cases, it goes out of hands of the business organization to follow the age restricted norms and indirectly affects the customers and the customer cycle. This can hamper the image of the company itself. So, it is imperative for the employees to be diligent enough while verifying the documents.

- **Doubt, no service:** If the employee is not satisfied due to the doubt factor about the authenticity of any document for the proof of age, they are obliged to refuse the sale politely.
- **Checking digital identity in Online sales:** At a simple level, identity verification is the process of checking that a person is really who they say they are, to prevent imposters from committing fraud. In e-commerce, identity verification methods typically use personal information, such as a telephone number or postal address to check and verify the identity of shoppers using data from a range of sources, such as banks and building societies.

The e-commerce sector is a top target for fraudsters, who are increasingly using false or stolen identities to target online transactions. Threats include payment card fraud, account takeovers, and phishing attacks, where fraudsters impersonate retailer messages to access shoppers' accounts. Thus identity verification is important for retailers.

Identity attributes come in three forms:

- Biographic information — e.g. a user's name or age;
- A trusted ID document — e.g. a user's passport or driver's licence;
- Biometric data — e.g. a user's fingerprint or facial image

Security Challenges in Digital Identity checking :

From digital banking to car sharing apps, businesses are facing an increasing need to verify their customers are who they say they are. Along with that they are facing a lot of challenges too such as-

- **Biometric forgery-** Examples of sophisticated forgery include printing facial images onto 3D masks and deep-fake videos.
- **Inclusivity-** When developing a digital identity verification service for the public, it is important to think about those potential users who:
  - a) Are not digitally literate;
  - b) Do not have a clear migration status;
  - c) Cannot provide biometrics due to physical appearance or features;
  - d) Have opposing religious or personal beliefs to the capture of biometrics
- **Issues of privacy:** The intensity of media scrutiny and public backlash against those businesses involved in data loss scandals over recent years, only reiterates the importance of the security of the data being held, for both the individual and a business.

It is common for businesses to sell age-restricted products and it is pertinent for them all to share legal responsibilities that oblige them to ensure that they follow the age restriction legislation and protect their customers who are underage. The age restriction policies are implemented to protect individuals who are below the age limit. It protects the underage or the minors from harmful effects of the products as well as for their wellbeing.

Most businesses carry out a practice that they make a note in companies' refusal log every time they refuse a sale of an age-restricted good. A refusal log plays an important role in coping with legislation as it shows that the business is complying with the law for age-restricted goods. Moreover, it also acts as evidence whenever a government official requests to prove that you comply with the laws.



**EXERCISE**

1. Identify which among the following is an age-restricted product.

- a) Coca-Cola
- b) Curd
- c) Alcohol drink
- d) Latte

---

---

---

2. Your store offers, e-cigarettes, fruit bear, chewing gums, liqueur chocolates, tobacco products, chips, sauces, and lighter refills. Categories them into age restricted products and non- age restricted products.

---

---

---

**ACTIVITY**

Imagine that a specially-abled woman with an ailing child came to your store and seeks an age restricted product from you. She does not have a valid identity card for buying that item. How should you deal with such cases?

## 2.1(b).2 Policies and procedures for refusing illegal sales of age restricted products company

As discussed above, if you sell age-restricted products to a person under the minimum legal age, you may commit an offence under the relevant law of that country. The penalties can include a fine or even imprisonment which affects the company's credibility. An employees must prove that all the reasonable precautions and reasonable steps were taken to prevent any kind of misfortune from happening, which in turn can sustain the credibility of the business organization.

This implies that the entire team of the business organization must take immense efforts in refusing the illegal sales of age restricted products. When we say that something is illegal, it's not according to the law of a country.

Reasons for illegal sales-

- **Familiarity:** Some illegal sales happen based on friendships between an adult and a minor. For a business organization, any such kinds of friendship should not promote the illegal sales of age restricted products.
- **Lack of knowledge:** It's pertinent for the employees to know which all products are age restricted and which all are not so. Thus, to remain updated about the complete information related to products is the key to the challenge.
- **Ignorance:** A sheer ignorance on the part of the employees can drastically affect both the customer as well as the company's credibility. It's always better to follow the law than to be seen on the front cover of the 'Daily' on issues of sales.
- **Money Objective:** Money is another factor to increase or raise the sales of an age restricted product. With proper implementation of the laws and policies, this menace can be curbed.

Thus, it is necessary to set up an effective system of monitoring and accountability on the part of any business organization to prevent such fraudulent activities.

Following are the steps to take to prevent illegal sales of age- restricted products-

- **Challenge 25:** Challenge 25 is a store policy to carry out age verification checks on anyone who are below 25. When a customer stands in front of an employee, the latter should ask themselves this question, "Does the person in front of me looks like under 25 or not?" If the observation proves the customer to be more than 25 years old, then it is a green signal for the transaction to happen.

**Avoiding proxy sales:** Sometimes, it can happen that a person may buy all these restricted products and sell it to the underage, which is known as proxy sales. So, if you find a person accompanied by a child and the person asks the child regarding kind of alcohol the child wants. In this case, an employee should politely refuse the order. If young people are hanging outside the store, or an underage impersonates an adult, specially monitoring should be conducted by the store and refuse the sale to the group of person and report it to the police for legal action.

- **Age verification checks:** Verify the customer age by asking them about an identity card with valid proof of age such as driving license, passport, or any other ID authorized by the government.
- **Staff training:** It is important to make sure that the staff is receiving adequate training on underage sales.
- **Store layout and use of CCTV:** All the age restricted products must be kept in quick sight of the staff to be monitored timely. For example, ensure that there are adequate signs to inform consumers of the minimum legal age to purchase.

**CASE STUDY**

In England and Wales you have to participate in a scheme to carry out age verification checks on anyone who looks younger than 21 or 25. In Scotland, selling alcohol, tobacco or nicotine vapour needs a legal requirement to check the age of any customer who appears to be

**EXERCISE**

1. What valid reason can you give to a V.I.P.'s son to refuse to sell an age restricted product to him?

---

---

---

2. A customer who appears to look well dressed and well kempt, walks into your store. How would you identify whether that customer is under- age or not?

---

---

---

**ACTIVITY**

You saw an employee diving into proxy sales of age restricted products. Demonstrate how will you train your employees in refusing to sell age restricted products.

### 2.1(b).3 Policies and programmes for selling age restricted products

It's difficult job to sell age restricted products due to the sheer factor that they are restricted by age and so their advertising, marketing and sales require a sheer responsibility on the part of the business organization. It also means that not all visitors can purchase those items until those persons meet the legally determined age set by the government of a country. For example, in India, the legal age set by the government for the purchase of alcohol is 18 years.

Following are some of the policies and programs for selling age restricted products

- By cautionary advertising: It is important for age restricted products such as alcohol, cigarettes etc.. to have age restricted tags on them so that all the customers get to know about the suitable product for all age types and which are age restricted products.
- Following the legal formalities: Every country has certain legalities to follow about selling age restricted products. For example- certain Western countries such as Britain, Scotland etc follow "Challenge 25" policy which asks the customers their age before selling anything on account of doubt.
- A retailer displays notices if they sell age: restricted products to the customer. The Notices are large enough and clearly visible by stating "it is illegal to sell age- restricted products to anyone under the minimum legal age.
- Retailer sets up an effective system capable of verifying the age of potential purchasers to ensure they are above the minimum legal age to purchase a product.
- Retailers allows the senior staff-members to sell age –restricted products.
- Retailers consider moving displays of age restricted products near to the counter or even behind it to minimize the risk of theft and to deter underage purchasers.
- Retailers maintain liaise and to deter underage purchasers.
- A retailer ensures compliance with age restriction laws by providing proper training to the employees on how to check IDS of anyone who looks under the minimum legal age.

### EXERCISE



1. E-cigarettes was recently banned in India due to the excessive use by under agers. What all will you include in the advertisement of the e-cigarette that reflect that it is an age restricted product?

---



---



---

2. What are the implications that will be applied, if the following sell age-restricted products-

- a) Senior staff
- b) Junior staff
- c) Negligent Trainees

---



---



---

**ACTIVITY**

Visit a nearby Retail store and write your observations on the following-

- Are there tags on age restricted products mentioning that are age restricted?
- What all age restricted products are offered there?
- Who is selling them?
- Are the employees asking for proof of age identity card to the customers?

## Unit 2.2 Processing Cash and Credit Transactions

### Unit Objectives

1. Describe the role of cashier in processing cash and credit transaction
2. List the various modes of payments
3. Explain the process and procedures for handling cash

### 2.2.1 Processing Transaction

#### Introduction

In retail sector, seller provides the cash and credit facilities to customer. Customers avail the facility to make payment in cash or cash equivalent, immediate or on a subsequent date. Seller uses a set of processes and instruments to process the cash and credit transaction. When the customer pays in full the sale is complete and when the customer chooses to pay at a subsequent date, the transaction becomes a credit sale where until the full payment is made, the sale is not complete.

### 2.2.2 Payment Transaction

In retail sector, payment is a business transaction of exchanging financial instruments (rupee, cheques, UPI payments etc.) which occurs in result of buying and selling goods and services. In retail sector customers purchase product and pay the amount in cash or cash equivalent to the sellers. In order to make the payment of purchased goods or services, retailer provides two modes of payment to his customers. These modes of payment are-

- Direct Transaction
- Credit Transaction

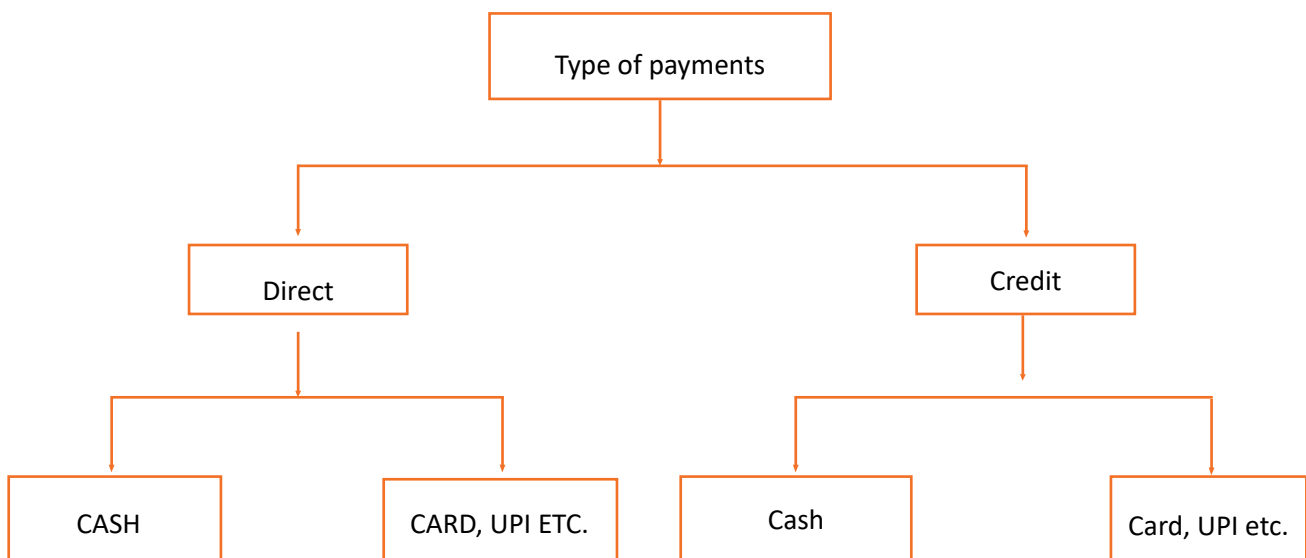


Fig. 2.8 Types of Payment

Direct payment transactions are the immediate settlement of payment. Customer uses this mode to make payment in cash or cash equivalent.

Credit payments is a business transaction which impact does not involve exchange of cash at the time of occurrence of the transaction. Such payment transactions execute at a subsequent date

For example, a manufacturer sells his goods to a wholesaler who does not pay immediately for the goods he bought. Manufacturer offered him a credit period of 30 days to make payment. This is a credit sale of goods that does not involve immediate cash exchange.

Process of cash and credit transaction: In retail sector, individual seller or business entity sells good and services to customers and receive the consideration in cash or cash equivalent. To receive the amount of a product, cashier at cashpoint allows the customer to pay the amount in cash or digital form. There are following two types of cash payment a customers use to pay for the products: -

- Direct Cash
- Online Payment

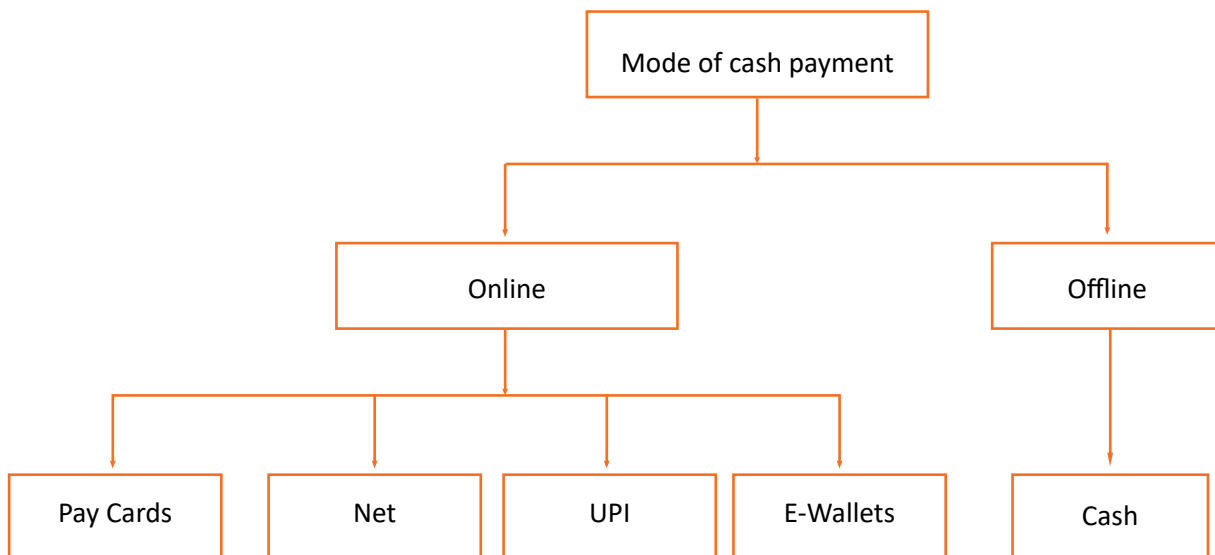


Fig. 2.9 Modes of Cash Payment

- **Offline cash payment:** Offline cash payment is a traditional form of cash payment. In order make offline payments, customers use notes, coins and cheque to pay the amount immediate or on subsequent date.
- **Online Cash Payment:** Online cash payment is a mode that allows customers to make payment online. In order make online payments customer uses the following instruments to pay the bill amount immediate or on subsequent date: -
  - a) **Pay cards:** These are the plastic cards linked with bank account of an individual. For example- debit card and credit cards. To make a payment through pay card customer needs to swap the card on EFTPOPS.
  - b) **Net Banking:** It is online form of banking where the user can access his bank account through the website and mobile application of the bank.
  - c) **UPI:** Unified Payment Interface is an advanced form of online payment through which a customer can make payment for a product through smartphone.
  - d) **E-Wallet:** E-Wallet or Digital wallet is an online service or software program which allows a payee to make payment using a third-party platform such as Paytm wallet, google pay etc.

- e) **Gift Cards/ Gift Vouchers:** A gift card is a prepaid card, issued by a store/business that contains a specific amount of money available for use for a variety of purchases. Store gift cards are designed to be used at specific merchants or retailers. The gift vouchers or gift cards can be used once or multiple times depending on the issuing store/business and their policies.

#### 2.2.2.1 Cash transaction process

Cashier at the cashpoint scans the barcodes of a product and verifies its description by using POS equipment (computer, screen).

##### Process

- Scanner scans the barcode and transmits the product description to a POS connected computer
- Cashier verifies the product's description displayed on the computer screen
- Calculate the amount of a customer's total purchased item using the inbuilt calculator of the cash register
- Collect the amount from the customer. If the amount is in form of

**Cash:** Count the received cash (rupee, coins) and put it into the POS cash drawer.

**Pay cards:** A customer can pay an amount using a debit or credit card. In such a situation, the cashier offers EFTPOS (electronic fund transfer point-of sale equipment) device to swap the card. Subsequently, the cashier enters the bill amount in EFTPOS and receives the bill amount directly from the customer's bank account.

**UPI:** Unified Payment Interface is a mode of payment where a customer needs the store UPI to pay the bill amount.

*Note:-In order to generate UPI signatory, a person needs a mobile number linked with his bank account.*

**E-wallet-** Every store has its unique QR code, and when a customer wants to pay the bill from his E-wallet, he needs to scan the QR code. After scanning the QR code, he can pay the bill amount from his e-wallet (Paytm, Google Pay)

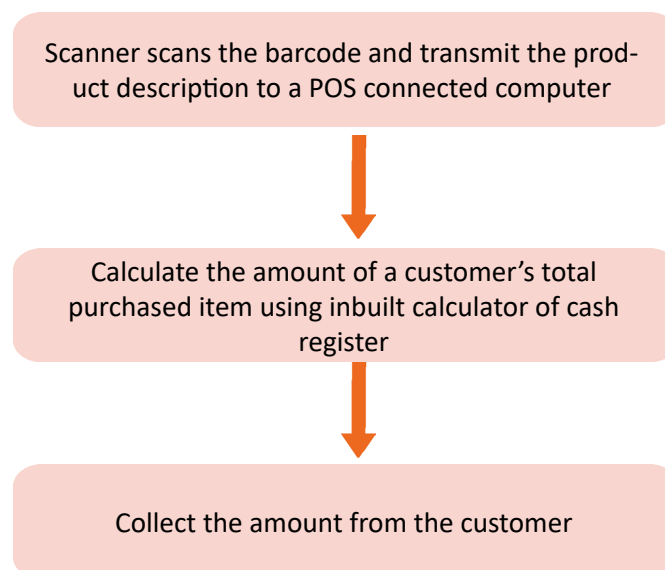


Fig. 2.9 Modes of Cash Payment



### 2.2.2.2 Credit or custom payment transaction process

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 retail sector, individual seller or business entities provide a facility to split the bill amount in two or more parts of small 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.

#### Conclusion

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.

#### Case Study

Creating a proper customer experience leads to better customer satisfaction, and a fast point of sale allows to complete the transactions faster. Consumers don't like to wait and a fast point of sale is an excellent advantage for them too.

## EXERCISE



1. In retailing, the payment may be in the form of \_\_\_\_\_
  - (a) cash
  - (b) cheque
  - (c) credit card
  - (d) All of the above

---



---



---

2. What are the services offered to customers at the service cash point?

---

---

---

3. Bhumika visited a supermarket and bought clothes but forget to carry the cash, what can she do in such a situation?

---

---

---

## ACTIVITY



Field visit for observation of cash handling and related precautions in a retail store.

### Procedure

1. Prepare a checklist on the points to be observed during the visit to the retail store
2. Reach the store as per schedule.
3. Greet and interact with the cashier and observe:
  - a) Procedure for receiving the amount in cash
  - b) Procedure taken while processing debit/credit cards to accept payment
  - c) Procedure of credit payment.
4. Note all observations, discuss with the friends and finalise by confirming with the executive/cashier.
5. Prepare a report and submit

## 2.2.3 Managing Customer Credit Accounts

### Introduction

In retail sector, sellers provide credit facilities to the customer. The credit facility facilitates the customer to avail the product and make its payment later on a subsequent date. This facility plays a vital role in maximising the sales. On the other hand, it increases the risk of late payment, which affects the business growth of an individual seller or business entity. This Unit on 'Managing customer Credit account' covers various aspects like features and conditions for credit sales, identifying credit checks and getting authorisation, describing the process of credit requisitions, demonstrate the techniques for determining creditworthiness. This Unit deals with the features of credit sales, credit sales agreement, retail credit facility flexibility, and terms and conditions.

### Features and Conditions for Credit Sales

Credit sales refer to sales that involve extending credit to the customer. The customer takes the product now and agrees to pay for it later. Credit sales are a type of trade credit. They create receivables, or money owed to the company from customers. Credit sales terms often

require payment within one month of the invoice date but may also be for longer periods. The due amount may be collected in different forms, such as lump-sum payment, hire purchase system and instalment purchase system. Retail firms sell goods on credit due to the following benefits:

- Meet the competition: When competitors are making sales on credit to customers, any business will need to do the same just to stay competitive.
- Increase in sales: Credit facility gives an opportunity for customers to pay later and in instalment of small amount. In result of a store offering the credit facility, gets the increment in sale.
- Better customer loyalty: Credit facility to customers indicates that the seller respects and trusts their customer. Customers admire these gestures of confidence by continuing to buy from the store.

### Characteristics of credit sales

Credit sale is selling goods to a customer by transferring from seller to the customer without paying the money immediately. Payment of goods can be done as per the agreement. The characteristics of credit sale are as follows.

- The transferor deals in goods and services.
- The title of the goods lies with the seller before it is sold on credit.
- There are fewer formalities such as application form filling.
- It can be extended for three months.
- It depends on the terms imposed by the seller.
- No security is required.
- It can be facilitated with different financial institutions with easy terms and conditions at a continuous rate.
- Almost half of the short financial requirement of retail is met by this type of mutual trust and cordial relations.

**Credit sale agreement:** A credit sale agreement is an agreement for the sale of goods under which the purchase price, or part of it is payable in instalments.

### Identify customer need for credit facility

In retail sales, business entities provide credit facilities to their customer. In order to provide credit facilities, they identify their customers need for credit facility. Usually, they talk with their customers to know about

their need for credit facility such as:-

- Shopping preference of the customer?
- Ask questions to understand the customer's budget for shopping
- Mode of payment the customer prefers

Thereafter seller offers the credit facility to the one who requires and wants avail it.

Carry out necessary credit checks and getting authorization of credit facility.

There are some eligibility criteria for a customer to pass through to avail a credit facility. In this security check customers apply for credit by filling a form. Seller uses this application form to know about the repayment history of the applicants.

Need of credit check

- To analyse the customer's credibility on repayment: Applicant should not be bankrupt or defaulter.
- Customer's background: Applicant should not be involved in any act of terrorism

Seller examines the applicants' papers carefully. Subsequently seller offers the credit to qualifying applicants only. Usually, companies hire the third party to perform the credit checks.

In a retail store, concern team of credit facility explains their credit plan to the customers and provide them credit facility. Usually, the concern team explains complete criteria of loyalty program:

- Required documents
- How much time will company take to deliver the loyalty card to the customer?
- What details customer has to provide.
- Documents and forms required to be filled by the customer before enrolling

Subsequently, the concern team provides the application forms to the customer and explain the features and condition to use credit facility. While approaching the customer for credit facility, concern team takes care about

- Giving any false statement about benefits, validity etc. of the facility.
- Creating a false impression, or leading the client to the wrong conclusion,
- Conclusions, assumptions, or statements may lead people to believe
- Interpretation particular items or points

It is most important that information about the program must be accurate, and reliable

Repayment terms of credit facility: The repayment terms include the interest rates and date for repayment in case of a term loan, minimum payment amount and recurring payment dates, or a revolving loan. The agreement details whether interest rates may change and specifies the date on which the loan matures.

Conditions used for sale of goods on credit

A contract of sale or an agreement of sell is a legal contract for the exchange of goods, services or property between seller and buyer for an agreed value in money. Features of contract of sale are as follows:

- It can be made in writing or by word of mouth.
- A contract of sale is a generic term, which includes:
  - (a) Sale and Agreement to sell: Agreement to sell constitutes the terms and conditions of sale by the seller to the buyer. These terms and conditions include the amount at which it is to be sold and the future date of full payment.
  - (b) Goods: The subject matter of the contract of sale of goods must be some goods. The purpose of this

contract is to transfer the property in these goods from the seller to the buyer.

(c) Price: The consideration: In a contract of sale the consideration is 'price'. Price or consideration may be partly in money and partly in goods.

The credit requisition contains information on the desired products, details of possible vendors, delivery instructions, accounting details, contact information, etc. The sales associate must follow the criteria in processing credit sale application.

Collaborative tie-ups with banks for credit management: Partnership between banks and fintech companies is already around a five-year-old phenomenon in the country. Banks had physical reach through their network, a large base of customers and their trust, and a brand built over the years. Fintech start-ups, on the other hand, brought technology to digitise banks' legacy systems at the backend and provide smarter and flexible banking for customers at the frontend. The arrangement has been a win-win for so far that has further evolved now.

Store cards: A stored value card, or gift card, is a type of electronic bank debit card. Stored value cards have a money value pre-loaded to them. Credit card networks, bank card issuers, and retail merchants provide these cards as a way to provide non-cash payment cards to the public for a variety of purposes. Store cards encourage shoppers to purchase items on credit today and pay them off over time. One can also earn rewards that can be used at that store. Customers receive discounts, special financing, and other exclusive promotions.

Difference between store cards and credit cards

Store card	Credit card
Can be used only at a specific store	Can be used anywhere where the credit cards are accepted
Provides discounts and rewards at a particular store only	Provides discounts and rewards at many places.
It is easy to avail	It is difficult to avail relatively
It does not cater to the demands of higher value.	It has ability to redeem rewards for higher value, like premium flights or five-star hotels
It is only limited to the store benefits and no additional benefits outside the store.	It has Additional benefits such as hotel night awards, waived checked bag fees, and airport lounge access
Higher interest rates on average	Lower interest rates on average.
They do not provide extended warranties	Most traditional credit cards provide extended warranties
They do not have annual fee	They have annual fee

Table 2.1 Differences Between Store Cards and Credit Cards

### Conclusion

In retail sector, credit facility is system that gives a feasible option for customers to pay the amount after availing the product. However, the credit facility helps improving the sales, seller needs to manage the customers' credit accounts.

**EXERCISE**

1. Sohan visited a store and picked clothes to buy. The bill of his shopping was Rs. 10000 but Sohan had only Rs. 5000 in hand. In such situation what would you suggest him?

---

---

---

2. Ram visited a supermarket and bought some grocery, at the billing counter he made the payment with his debit card, the amount was deducted from his account however, the POS machine showed transaction failed. How could he deal with this situation?

---

---

---

**ACTIVITY**

Field visit for observation of cash handling and related precautions in a retail store.

Procedure

1. Prepare a checklist on the points to be observed during the visit to the retail store
2. Reach the store as per schedule.
3. Greet and interact with the cashier and observe:
  - a) Procedure for receiving the amount in cash
  - b) Procedure taken while processing debit/credit cards to accept payment
  - c) Procedure of credit account management
4. Note all observations, discuss with the friends and finalise by confirming with the executive/cashier.
5. Prepare a report and submit

## Unit 2.2.4 Cashier's End of day Reconciliation and Report

### Introduction

In retail sales, cashier is a person who collects money from the customers for the products they want to buy. In a retail store cashier is liable to perform cash point operations to convert an order of purchase into complete sale. Usually, customers select the products they want and move to cashpoint for checkout. The cashier at the cashpoint scans the barcode of every product by using a barcode scanner and generates the bill of each order. Subsequently cashier accepts the bill amount in cash or cash equivalent (debit or credit card, e-wallet etc.)

An end-of-day reconciliation is what the cashier does in terms of accounting. The cashier is provided with an initial till cash. The totally billed value is reconciled with each payment tender and tallied and a report is submitted by the end of the day to the Manager. This is known as end-of-day reconciliation.

### What is End-of-Day Cash Reconciliation?

The cashier is provided with an initial till cash or float cash, this cash comes with the required change to begin the day's cash transactions with ease.

The cashier is responsible to account for the daily transactions and tallying sales revenue with payment tenders (payments are also called sales proceeds) and report the same at the end-of-the-day so that no discrepancies occur. This is known as end-of-the-day cash reconciliation.

### What is End-of-Day Cash Reconciliation Report?

The sales proceeds shall be reported by the cashier at the end-of-day with a report including the date, sales revenue, types of cash tenders/payments received such as UPI Payments, Debit / Credit Card Payments, Bank Transfers such as NEFT / RTGS, etc. and cash denominations specified for the total cash amount, and such report must be signed by the cashier who tallied the cash. This report is known as the end-of-day Cash Reconciliation Report. This has to be submitted by the cashier to the store in-charge or the finance manager.

Key points to be mentioned in the report:

Opening Balance (Till cash):

Total Sale for the day: P

Payments made in Cash: A

Change provided using till cash

Cash Denomination:

**2000X**

**500X**

**200X**

**100X**

**50X**

**10X**

**Coins**

Payments made using CC/DC: B

Payments made using GV/GC: C

Payments made using UPI: D

Payments made using e-wallets: E

$(A+B+C+D+E) = P$

The cash collected through sales and the till cash provided to the cashier at the start of the day (after calculating if it was used to provide change) should be mentioned in the report.

Important Cash Handling Process by Cashier & Store In-Charge:

After creating the detailed EOD cash reconciliation report, the cashier should deposit the report, cash collected and payments slips/gift voucher receipts with the store in-charge or the finance manager of the store. The finance manager would receive reports and cash from several cashiers. The finance manager then vets the reconciliation report and tallies it with the cash and other receipts received for all cashiers and creates a report of his own which becomes the end of day reconciliation report of the entire store. This report is further tallied with the inventory management system to make sure no inventory losses were suffered during the said day.

Cash will be deposited in the bank by the store in-charge/Finance manager every day or every alternate day as specified in the store policy.

In case there is no change in the till during a sale, the cashier may acquire change from the store in-charge.

In case of discrepancies between tally notes and stored cash and tally notes and deposited cash, the missing amount will be debited from store cashier.

In case of excess amount the reason has to be analysed and checked whether all the bills have been made properly and report such excess money with details to the store in-charge.

Manual billing/other errors to Consider Before Making End-of-Day Reconciliation:

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 Card 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****Steps for balancing the cash register**

- Get the POS report: Before beginning to balancing the cash drawer and accounting for any incoming cash flow, one needs to print or access a POS report that details how much one should have in the till. This is to break down totals by category, like cash, cheques,,UPI,e-wallet and credit card/debit card transactions.
- Count the cash: One should keep a consistent amount of money in the register at the start of each day or shift, such as 1000 rupees. This ensures that one has enough cash to give change to the customers. While counting the till at the end of each shift or day, count the cash and total up the checks, credit card receipts, and other transactions. Be sure to also deduct the starting cash balance from the current cash balance (e.g., subtract 1000 rupees).

Total	Sales	Total
Beginning Cash		1000 rupees
Cash Sales	5000 rupees	
Credit Card Sales	6000 rupees	
Total Sales		11,000 rupees
Sales on Credit		0
Cash Received		
Total Cash in Register		7000 rupees

Table 2.2 Balancing Cash Register

After totalling up the credit card receipts, cheques, and cash, compare the totals to the POS report to see whether they are matching or not.

- Iron out discrepancies: When balancing the cash drawer, look out for both overages and shortages. An overage is when the drawer is over the amount of the POS report. A shortage is when the register's total is short.

Shortages could mean cash was either lost, stolen, or counted incorrectly. An overage typically means the customers were short-changed.

When trying to resolve discrepancies, complete the following steps:

- Recount the cash, cheques, coupons, credit card receipts, etc.
- Check in and around the drawer and register for missing information (e.g., receipts or currency notes)
- Review POS transactions for information, such as credit card transactions (if applicable)
- Record cash drawer transactions-

After counting the drawer and checked out for any discrepancy, record the cash drawer transactions in the books.

When recording cash register totals, be sure to account for the beginning balance (e.g. 1000 rupees). Record any cash, credit, store credit (if applicable), checks, coupons, and other sales in the books.

**Take a look at an example of a balanced cash register below:**

	Money Collected (in rupees)		Sales Recorded	Difference (+/-)
Cash collected	425.00	Cash sales	425.00	0.00
Cheques collected	53.25	Cheque sales	53.25	0.00
Store credit collected	233.55	Store credit sales	233.55	0.00
Credit cards collected	657.48	Credit card sales	657.48	0.00
Coupons collected	11.00	Coupon sales	11.00	0.00
Total collected	1,380.28	Total recorded	1,380.28	0.00

Table 2.3 Sample Balanced Cash Register

Take a look at a drawer with some discrepancies.

	Money Collected (in rupees)		Sales Recorded	Difference (+/-)
Cash collected	350.00	Cash sales	367.78	-17.78
Cheques collected	85.33	Cheque sales	72.55	+12.78
Store credit collected	247.52	Store credit sales	247.52	0.00
Credit cards collected	776.38	Credit card sales	776.38	0.00

continued...

Coupons collected	0.00	Coupon sales	2.50	-2.50
Total collected	1,459.23	Total recorded	1,453.95	+5.28

Table 2.4 Drawer with Discrepancies

The drawer above is missing 17.78 rupees in cash and 2.50 rupees worth of coupons.

How to go on to balancing drawers-

- Have one person per drawer: When it comes to your cash drawer, the fewer people who access it, the better. Limitations allow you to avoid cash drawer discrepancies and can help you avoid workplace theft.
- Assign duties: For accountability purposes, assign one or two trusted employees to balance the cash drawer(s). One person can be assigned to count the drawer while another employee prepares the bank deposit. Have employees who manage cash drawers sign a report indicating they balanced the drawer. At the beginning of the next day or the following shift, recount the cash in each drawer to verify that the beginning balance is accurate.
- Utilize sales report: Sales reports can help in:
  - a) Avoid having too much cash in a drawer
  - b) Verify if a customer was short-changed
  - c) Pinpoint employee theft
- Deposit cash during the day- If one finds the cash drawer overflowing throughout the day, make multiple small deposits into safe or bank to keep the till's cash count down. Depending on the size of the business and the incoming cash, one might need to make multiple deposits throughout the day. If the business is smaller, one can likely skip this step altogether.
- Look out for consistent discrepancies- Watch out for patterns, such as routine shortages. For example, if you notice an employee's drawer is constantly off 20 rupees, there is a need to do some more digging and observing.

Skill requirement for a cashier

A retail cashier must have the following skills to perform duties at the service cash point/POS:

- Knowledge on Store Policies and Procedures: The cashier must have knowledge of cash point operation and equipment.
- Knowledge on Handling Point of Sale Equipment: The cashier must be skilful to operate cash registers, cash drawers, scanners, card swiping machines, etc.
- Communication Skills for Customer Interaction: The cashier must greet the customer, provide information related price confirmation, delivery inquiries, reward point inquiries, etc.
- Knowledge to Process Various Payment Modes— The cashier should know cash exchange about the process of accepting cheques and processing of credit cards/store cards, smart cards, returns, exchanges and gift vouchers, etc.
- Knowledge of techniques: The cashier must have the technical knowledge of effective packing and wrapping products, like use of boxes, bags, paper, bubble wrap and gift packing, etc.

Cashier Role & Responsibilities

A cashier has the following duties to perform at point-of-sale:

- Acknowledge customers in a respectful manner.
- Scan products in an accurate and efficient manner.

- Process utility payments and lottery purchases as per store procedure.
- Inform customers of in-store promotions, pricing specials, etc.
- Manage customer flow at cashpoint by calling for additional cashier or supervisor assistance.
- Answer incoming calls to front cash and redirect to other departments as requested; take and deliver message when required in a prompt manner.
- Assist with customer inquiries and call for assistance when needed.
- Process returns as per the store policy.
- Ensure cash area is kept neat, tidy, well organized.
- Ensure staff and customer safety by addressing or reporting potential barriers or hazards on store property.
- Anticipate and communicate request for cash-pulls in a timely manner as per store guidelines.
- Communicate with Front-End Manager, Supervisor and/or Management regarding any issues that require follow-up or attention.
- Complete any additional duties as required.
- Complete all required training modules.
- Demonstrate strong sense of customer service.
- Maintain professional image, including complete uniform, name tag, and proper grooming.
- Possess strong communication skills and attention to detail.
- Ability to work flexible in shifts.
- Possess strong organizational skills.
- Possess team player approach with others.

Equipment and tools a front office cashier needs for executing business operations

- Computer with PMS
- Laser Printer
- Barcode scanner
- Demagnetizer to remove security tags
- Credit card imprinter/ EDC Machine
- Safe vault/ Cash drawer
- Safe deposit lockers for guests
- Cabinets to keep files

A cashier has the responsibility to prepare a report his of day-to-day activities and reconcile the total sale of every day. To prepare the report of cashpoint operation he takes assistance from Point-of-Sale system.

Conclusion

A retail store cashier is a person who perform a series of subsequent processes. Since the cashier manages the many tasks at a time, hence POS system assists him to efficiently manage such task. POS security system facilitates the cashier to keep record of cash transactions and daily sales report.

**EXERCISE**

1. Ram is standing at cashpoint. He is scanning the barcodes and taking payment in cash or through credit and debit cards. What position you would you assign him?

---

---

2. Mohan is telling customers about in-store promotions, pricing specials, meanwhile he is managing the issues of refund. Define the store's expectations from Mohan.

---

---

**ACTIVITY**

Field visit for observation of point-of-sales and related precautions in a retail store.

Procedure

1. Prepare a checklist on the points to observed during the visit to the retail store
2. Reach the store as per schedule.
3. Greet and interact with the cashier and observe:
  - a) Recognize the designation of the person receiving payments from customer
  - b) Identify the job role of the person
  - c) Observe the system he is using
4. Prepare a report on that person and submit

## Unit 2.3 (a) Processing Returned Goods

### Unit Objectives

1. List the reasons customers might have for returning goods
2. Describe the steps involved in processing of returned goods
3. Explain the exchange policy offered by the store
4. Describe the process to work out the exchange value of the item accurately as per company guidelines

### 2.3(a).1 Assisting customers while returning purchased goods

A retail return occurs when a customer brings purchased item or items back to a retailer in exchange for refund, store credit, or similar item. For example, a customer might return a pair of jeans because it is too tight or a pair of shoes because they are too large. Nearly 75% of retailers agree that returns are a necessary evil. It is a part of doing business that often goes neglected but has a massive impact on the brand.

When returns are done right, it can improve customer lifetime value and retain revenue. On the contrary, if it is done wrong, it can lead to lower customer loyalty and satisfaction.

Why do returns occur?

- **Post Purchase Dissonance:** Post-purchase dissonance refers to the customer's level of dissatisfaction after buying a product or service. If the customer feels the quality of the product fails to meet expectations, they may become regretful. A buyer may find another product with a better price or value for money. In such situations the customer reaches out to the company for a return/refund
- **Fitting issues in garments -** Customers return products such as garments if it does not fit them properly or as per their liking. Sometimes, a panic buy or a garment which wasn't tried out properly by the customer at store comes back to the retail outlet to be returned
- **Item defect** Customers can return their products if they find some defect with them which might have got unnoticed such as a manufacturing defect or lack of colour fastness or by having been soiled in the shop.

Why is managing returns important at first?

Returns are an easy way to disappoint customers and lose their loyalty. Some 95% say a poor returns experience will make them less likely to shop with a brand again. It can make them frustrated and lose trust with the brand or the company.

- **It can have hidden benefits-** Managing returns the right way can save time and money.
- **Customer-** Customer loyalty is built through better engagement with them . Nearly 74% of consumers feel retailers' returns experiences need to improve. Focusing on your returns process can help you stand out from competitors.
- **Brand-** Nearly 72% of customers share negative reviews about bad return experiences. This impacts the brand perception and can lead to lost future revenue.

How to effectively assist customers while returning purchased goods?

- **Choose a reasonable return period:** Consumers have multiple retailers to choose from when making their purchasing decision, and one of the factors they will consider is an item's returnability. Crafting a return policy that consumers are comfortable with will help put shoppers at ease about buying from a store.

- Write the return policy.

#### CASE STUDY

A recent University of Texas-Dallas study published in Science Daily shows that leniency in retail return policies directly affects return rates. The research demonstrates that if a retailer wanted to curb returns, longer deadlines (i.e. a 90-day return window versus 30 days) to make a return were more effective. This flexibility in the return deadline reduced return rates.

A formal policy helps to communicate returns management to customers and employees and the basics should be covered:

- What items can be returned?
- What items can be exchanged?
- What products are “final sale”? (i.e., non-returnable, non-exchangeable)
- When things can be returned or exchanged? (i.e., 30, 60, or 90 days past purchase date)
- In what condition can items be returned? (i.e., lightly worn, with tags still on, original packaging, original condition, etc.)
- What products can be returned for? (i.e., store credit, refund, a product of equal value, etc.)
- How to initiate a return or exchange? (i.e., an email address to contact or a web page to visit)
- Offer multiple return methods: Empower the shoppers by providing multiple methods for returning, beyond the hassle and wait of returning by mail. This can include returns to the stores or in-person returns to a third-party network. Neither of these options require a box or label, and both offer the shopper an immediate refund or exchange.
- Automate exchanges: Reduce refunds by making exchanges as effortless as possible, and give the customers plenty of opportunities to choose this option on their own. Using software can proactively offer exchanges based on the shopper’s return reason, or automatically show them other options by size or colour based on available inventory.
- Offer a free return option: Customers may feel privileged about at least of making the return free of cost.
- Keep the return policy hassle-free: Be flexible about the documentation required (i.e. receipts, tags, etc.) A no-hassle return policy can also help in putting shoppers’ minds at ease. In ecommerce, particularly, knowing returns are easy and convenient helps mitigate customer indecision, leading to more sales.
- Practise empathy: The biggest way to maintain a positive customer experience is to simply show empathy. For example, train the staff to ask how they can make it right, especially if quality or satisfaction discrepancies caused the return.

No one wants to deal with a painful returns process whether something is sold online or in-store. As a retailer returns should be made as easy as possible. If packages take a long time to return to the warehouse, or refunds take forever to process, it can hurt customer retention and loyalty.

Online shoppers cannot touch or feel fabric, see colours or textures, try stuff on, etc. In-store shoppers may find the product wasn’t for them once they get home. Either way, customers expect the returns and exchange process to be quick and easy. Therefore a seamless returns policy is the need of the hour.



Fig. 2.11 Returned Product Package

#### CASE STUDY

51% of consumers said the ability to check out online and return items to a physical store had a very significant or significant influence on their decision to order a product online. 44% of brands said they planned on prioritizing this.

According to a commissioned Forrester Consulting study conducted on behalf of Shopify

### EXERCISE



1. Explain how having clear and consistent returns' policies enhance the productivity of a business and the customer experience.

---

---

---

### ACTIVITY



A customer has come to your store for returning the pair of trousers he had bought. Demonstrate the steps needed to assist the customers in returning the product.



## 2.3(a).2 Following company policies for return, replacement and refund

In retail, a product return is the process of a customer taking previously purchased merchandise back to the retailer and in turn receiving a refund in the original form of payment, exchange for another item (identical or different), or a store credit.

Many retailers will accept returns provided that the customer has a receipt as a proof of purchase, and that certain other conditions, which depend on the retailer's policies, are met. These may include the merchandise being in a certain condition (usually resalable if not defective), no more than a certain amount of time having passed since the purchase, and sometimes that identification be provided (though usually only if a receipt is not provided). In some cases, only exchanges or store credit are offered, again usually only without a receipt, or after an initial refund period has passed. Some retailers charge a restocking fee for non-defective returned merchandise, but typically only if the packaging has been opened.

Return & Refund Policies are policies that describe a business's process, policies and requirements for accepting returns. People are often hesitant to buy online, which can lead to low conversion rates and sales. Return and refund policies for ecommerce stores have been proven to increase the number of people who end up making a purchase once they're on the website. With ecommerce, the customer usually decides independently if they want a return (which signifies a refund) or an exchange (usually for a gift card or a replacement product of equal value).

If a customer wants a return, they are communicating that the product did not meet their expectations for one reason or another and want a refund. An exchange on the other hand, means that they were satisfied with the quality of the product and the buying experience, but chose the wrong item.

What to include in return and replacement policy?

- Keep language of the policy clear and simple: The Return and Refund Policy should be good to go as long as it is ensured that the writing is clear, concise, and not open to interpretation.
- Time frame for returns: Typically, eCommerce stores offer a 15 to 30-day window in which customers can return a product and ask for a refund. Some businesses extend that period up to 90 days.
- Conditions of accepting returns: Every return and refund policy will have certain conditions in which returns, and refund will be accepted. For instance, Burrow states that its customers are subject to a 20 percent service fee if returns are not in the original packaging.
- Return requirements: For example, all products should be returned unopened and in their original packaging, that's something we should state explicitly in the Return and Refund Policy. Other common conditions include things such as customers needing an:
  - a) Authorization number
  - b) Purchase receipt
  - c) Shipping address

A system to handle returns, which has become common in recent years, is a Return Merchandise Authorization (RMA) system. This system allows to ask from the customers, information and images of the products they wish to return. Once the information and pictures are reviewed, we can choose to either accept or deny the return. It also allows to provide the customers with a shipping label once an authorization is made.

- In store credit or refund: A best practice is to provide a full refund as long as the customers meet the Return & Refund Policy's requirements. Of course, we can always offer in-store credit under exceptional circumstances or for specific types of returns.
- Fees associated with returns: To prevent customer dissatisfaction, by requiring them to pay for return shipping, ensure that it is clearly stated that no such requirement is needed.
- Displaying return and refund policy: To save time dealing with customers who have not seen the policy, include links to it in several places on the website that are easy to find.

Key places to put links to the Return and Refund Policy:

- FAQ page
- Checkout page
- Shopping cart
- Product page
- Website chat tool
- Website’s footer

Remember that when it comes to eCommerce stores, a Return and Refund Policy may be the most read document on the website. This policy is not only a way to explain the return process and requirements, but it’s also a way to make a good impression of the business organization.

## EXERCISE



1. Mention the differences between return of a product and an exchange of a product.

---

---

---

## ACTIVITY



Visit the website of any popular ecommerce store, carefully read its return policy and exchange policy. Make a note of your top 10 observations from it.

## 2.3(a) .3 Processing of returned goods

Returns management, sometimes referred to as reverse logistics, is the process by which an end-user returns an item for any number of reasons. They may return shoes that didn't fit, a laptop that wasn't working, or glassware that was broken.

Following are the steps of processing of returned goods in store-

**Step 1: Verify product returns request-** When a customer brings an item to the store and asks for an exchange or refund, the sales staff needs to verify this request. They will have to confirm that this product has been purchased from the particular store. The most common proof is a receipt. For some products, there are additional conditions. For example, with video games, the original packaging has to be intact. Clothing items might need their tags and labels still on and show no signs of wear or stains. In some cases, the customers may request a return without a receipt. They can still show some proof like a bank statement or confirmation email. If the customer is eligible for a refund or exchange, the cashier will create a return request in the system.

**Step 2: Create a return request-** To process an in-store product return, the staff usually have to find the past order in the point of sale system. Different systems will offer a variety of options to find this order such as:

- Scan the customer's receipt
- Input the order ID or number
- Search for the order with customer or product information

The cashier can then select the order and start the return process. They'll have to select the products in the original order and the quantity to return.

**Step 3: Process payment & complete return-** In the case of product refunds, the cashier will have to refund the payment to the customer. Different POS system might offer the following options:

- Refund by original payment method. Most customers prefer to get a refund via the original payment method. Some POS systems lets to issue payment while others require extra steps on the payment device.
- Refund by cash. If the customer paid for the original order by cash, they might expect a cash refund.
- Refund by points or vouchers. Some stores offer refunds in the form of points, store credits, or gift cards. The cashier can add the refund value to the customer's account or gift card balance. The customer can use the balance the next time they purchase from the store.

**Refund by Credit-** A credit note is a credit bill given to the customer for the value of goods returned which can be used as cash tender during the next purchase. A credit note acts like a voucher that can only be used for the particular shop, chain of shops or business that issued the credit note. If the buyer hasn't paid the seller yet, the credit note can reduce total liability. If the buyer, however, has already paid the entire amount of the invoice, the buyer can decide whether to use the credit note to offset future payments to the seller or they can use it as a demand for cash payment in exchange or the credit note.

**Step 4: Complete in-store product returns-** Once payment is complete, the staff should also note down the reasons for return. When the staff completes the return request, the POS should synchronize data into the rest of the system. There should be updates in the original order, revenues, profit, tax, and so on. In some systems, product returns information will appear directly in the original order.

**Step 5 (optional): Return item to inventory-** Most POS systems allow returning the item to inventory. When the return process is complete, the quantity of the returned items will be added back to the inventory. Depending on product conditions and the business rule, these items can be resold as open box or refurbished products.

Retailers can turn in-store product returns into a good shopping experience for customers and get valuable data along the way.

A POS system is the key to implement and optimize this process. It should help to handle order history, payment, customer, loyalty programs, and more.

## EXERCISE



1. You have to refund a product returned by a customer. What are the different refund options available for a cashier?

---

---

---

## ACTIVITY



A customer returned a shirt that was torn. Demonstrate the steps of the return process.

## Unit 2.3 (b) Processing Part Exchange Sale Transactions

### Unit Objectives

1. Illustrate the process of negotiating part exchange sales transactions with customers
2. List the types of suspected fraud in a retail store
3. List the modes of payment that are accepted in the store
4. List the cash equivalents that the cashier in the store handles.

### 2.3(b).1 Understanding part-exchange policy, fixing the value of products offered in part exchange

A part exchange or part-exchange deal is a type of contract. In a normal purchase scenario, the customer pays money and the retailer supplies goods and services. In a part exchange, instead of the customer paying money, he gives goods and services already bought in exchange for a new purchase. In simple terms, a part exchange is done when a customer exchanges an already bought item for a new one from the store.

A solid returns and exchanges policy can make or break a sale. One of the biggest contributors to a sale is how you deal with a potential buyer's common questions, especially regarding what you'll do if they don't like what they purchased. It is one of the many "wow" factors you can provide shoppers who may be a little concerned about buying. Providing a comprehensive policy for returns and exchanges in stills confidence in you, your business, and your products along with trust build up.

Why customers exchange or refund goods?

Customers want to return or exchange the products:

- **Receive a damaged product:** Damaged goods refer to the partial or complete damage to a shipment or part of a shipment. The term can also mean the loss of part or all of the shipment. Damage may happen to products as a result of bad handling, inappropriate packaging or improper storing. Such damages could go unnoticed when the customer buys the product. Later as the customer finds such damage the customer brings it to the store for exchange. Inform customer care within 48 hours of receiving the product.
- **Receive a Soiled product:** Soiling can occur and the product may become dirty. This could be due to product display or frequent handling at the store level. Soiled areas may be hidden in the product and can go unnoticed and the customer brings it to the store for replacement with a new one.
- **Receive a defective product:** Defect in a product often relates to manufacturing defect. Quality accidents may happen during the manufacturing process and minor defects could go unnoticed and the customer brings such items for exchange. Defects can be discovered post purchase also. In the case of apparels, if bad quality dyes had been used, the colour may run and in that case the customer would claim for a new product in exchange of the defective one. Inform customer care within 15 days of receiving the product
- **Company shipped a wrong product:** Inform customer care within 15 days of receiving the product
- **Customer may Change His / Her Mind:** If the customer is not satisfied with the clothing or footwear item delivered, one can request an exchange in a different size or colour.

## 2.3(b).2 Types of purchases

- **In-Store Purchases:** If a product is purchased in store, the customer needs to go the retail store to exchange or return the product. Customer will go to the customer care centre and should follow the instructions as per the exchange and return policy of the store.
- **Online Purchases:** Online Shopping, also known as e-shopping is used to purchase the goods and services through the internet. Online shopping caters to the market demand and requirements of the customers need. In case of online orders, while receiving package at the time of delivery, customer should examine it properly before opening the factory sealed product packaging. If customers are not satisfied with the order, customers may exchange or return their product.

Some retail companies also accept returns by mail for orders that were shipped directly to customer. Contact customer care to request return or exchange of goods. Customer gets a reference number against their request. If there are additional shipping and delivery charges related to the product then these charges are generally non-refundable. In case of defective or damaged product, shipping and delivery charges are refundable.

## 2.3(b).3 Exchange Policy

When it comes to updating or even adding a returns policy, there are few best practices to follow. There should be a potential difference between your company and it's competitors. There should be better customer service experience from beginning to end, starting with good knowledge of policies, and ending by living up to the customer's expectations.

- **Don't hide a policy:** The customers should never have to go on a scavenger hunt to find information on store. The best place to put a returns policy is in confirmation emails on purchases. Being a customer's biggest advocate is a great way to foster lifetime loyalty.
- **Never (ever, ever, ever) copy and paste:** This goes for nearly anything on a store (especially product descriptions), but a returns and exchange policy is not a one-size-fits-all scenario. Personalize it to the specific business and target audience. Make this a fun page to read and reiterate the commitment to the customers. If possible, add customer reviews as well. Use it as a testimonial spot on the store— one that can be used to prove to potential customers that not only do people love your products, but that even when they don't, you still treat everyone with respect, dignity, and fairness.
- **Use simple English:** Yes, talk to the target audience, but avoid using words that send people running for a dictionary. Reiterate a promise. Incorporate real customer feedback. Rinse. Repeat.
- **Avoid the scary stuff:** Try not to use phrases like "you must" and "you are required" or, one of the worst, "we are not responsible for." Long story short, make the returns process easy. In fact, the returns process should be just as easy as it was to buy the item in the first place. Don't offload the issue on the customer.
- **Outline what they can expect from you:** Do you exchange, offer store credit, or return their money? Every merchant has their own preference, and an employee should not feel pressured to offer a full refund. Determine what works best for the unique business.
- **Set expectations for the customer:** What's the procedure for a return or exchange? Does the customer need to use your packaging, or can they use their own? Do they need to include the order slip? Is there a limited time in which return or exchange can be completed? Who pays for shipping? Outline the specific process and guidelines. Make it easy, understandable, and straight-forward.
- **7 Educate the staff:** Make sure all employees are up to date with the return policy and procedures so they can assist customers quickly and effectively.

- Be prepared to bear the cost of one's mistakes: If a wrong item was shipped, or packaged it poorly, make it right no matter what the official policy is. Handling of mistakes is important. Honouring the old policy is also important if an order was placed before the change took place.

Some basic policies for returns and exchanges might include:

- Item may be returned within seven business days items with original receipt.
- Without receipt exchange cannot be done.
- All items must be in their original packaging.
- Return the product unused and in the same condition as received with the original packaging, tags, and invoice.
- There is no exchange in case of innerwear and lingerie products.
- All products (both defective and non-defective) must be returned in their original purchase condition, with the original packing material, blank warranty cards, manuals and any other item or accessory provided by the manufacturer.
- If the purchase included a gift, or an included or bonus item, to qualify for a refund, the free-gift, included or bonus item must also be returned.
- If customer purchased an item as part of a bundle package, they may return that item separately.

A Sample Returns Policy

- Option 1 – No Refunds/Exchanges: Some companies/stores do not provide an exchange and refund unless the product is defective. In some cases, a store that usually offers easy returns and refunds, may not provide the same for products that are running under a promotion/discount. If the customer receives a defective item, he can contact the store/company and share the details of the product and the defect. Upon receipt of the returned product, the store/company fully examines it and notifies the customer via e-mail or phone, within a reasonable period of time. If the customer is entitled to a replacement or refund, the store/company replaces the product or refunds the purchase price, using the original method of payment.
- Option 2 – Refunds Permitted: Stores/companies that accept returns and refunds allow the customers to return unopened untampered products in their original packaging within a stipulated period of time. Some stores accept returns for 7 days from the date of invoice and some stores accept returns for up to 30 days since the time of purchase. However, the customer is not eligible for a return or refund if he does not

### 2.3(b).4 Cashier's role in exchange or return of goods

While following company guidelines on part exchange of goods a cashier must know:

- The type and quality of items they can accept in part exchange
- Relevant aspects of the law relating to ownership and re-sale of goods
- How to check that items whether they are clean and operate normally, including different kinds of checks
- The potential for re-selling the item offered in part exchange
- The benefits to the customer of part-exchange arrangements
- How to treat the customer politely, including telling the customer the item cannot be accepted in part exchange
- How to handle the payment tender and credit into the same payment used earlier by customer in case of any money to be returned after the new transaction

In case of a product refund, the cashier will need to refund the payment to the customer. Different POS systems offer different refund options:

- Refund to original payment method: Most customers prefer to get a refund via the original payment method. Some POS systems let you issue a refund to the original payment method which was used while buying the product, while other POS systems may require additional steps on the payment device. Hence, it becomes critical for the cashier to get trained on using the POS system properly and effectively.
- Refund by cash: If the customer paid for the original order by cash, they would either be paid back the refund amount in cash
- Refund by points or vouchers: Some stores offer refunds in the form of points, store credits, or gift cards. The cashier can add the refund value to the customer's account or gift card balance. The customer can use the balance the next time they purchase from your store.

How to give credit note to customer as per exchange policy?

A credit note, also known as a credit memorandum or a credit memo, is an official legal document, just like an invoice or a purchase order, that stores provide to customers to notify the customer that credit is being applied to their account for any number of reasons. It's a way to issue full or partial refunds for invoices that have already been issued or paid. One may issue a credit note to the customers because:

- The customer returned goods or rejected services for any number of reasons
- There was an overpayment on the original invoice
- There was a mistake in price on the original invoice
- The goods were damaged in some way during transit

The following details should be included in credit policy while issuing them-

- The date the credit note is issued.
- The credit note number (this can be linked to the invoice number). ...
- Customer reference number.
- Payment terms.
- Contact details (company name, billing address/shipping address, VAT number/EIN)

While doing part exchange of goods a cashier should:

- Thoroughly inspect the item being offered.
- Protect the item from damage while handling .
- Identify accurately any repairs and cleaning needed and the costs involved.
- Work out the exchange value of the item accurately within company guidelines.
- Explain to the customer clearly and accurately the part-exchange value of the item and the benefits of a part exchange arrangement.
- Tell the customer politely that the item is not acceptable for part exchange when this applies.
- Treat the customer politely throughout the valuation process.



**EXERCISE**

1. Anita, a customer received an item which was damaged. She also received a gift item along with the order. Is it necessary to return the gift along with the damaged item?

---

---

2. In what cases are the shipping and delivery charges refundable?

---

---

**ACTIVITY**

In a group, talk about returning different products that may have different returns policy like, clothes, stationary items, footwear, phone charger etc. Collectively make a list of 10 items that can have an easy returns policy and 10 items that you may not be able to return.



<https://www.youtube.com/watch?v=NxsVb08vDmI>  
Negotiation strategies

## 2.3(b).5 Negotiating part exchange sales transactions with customers



Fig. 2.12 Negotiation Between Stakeholders

In the part exchange process, sometimes the retailer may have to negotiate with the customer. In the case of a customer claims full replacement after the permitted period of exchange, it may be beyond the purview of the exchange policy. In such times the retailer may negotiate a certain percentage of settlement, say 90% or any suitable percentage depending upon the lapsed period. This is done in order to serve the customer well and retain the customer. Here's where negotiation is involved.

Negotiation is a process where parties are involved in the negotiation process and tries to gain an advantage for themselves by the end of the process. Negotiation is intended to aim at compromise. Negotiation is a process by which more than two parties focus on their own goals & perspectives and coordinate areas of interest through concessions & compromise to reach an agreement and take the joint decision about common are respective to the situation.

### 2.3(b).5.1 Negotiation strategies

- **Distributive Negotiation:** The most distributive feature is that it operates under a zero-sum game, that the gain made by one person is loss incurred by the other person. Each person involved in the negotiation defines ultimate point where the settlement will be made.
- **Integrative Negotiation:** The characteristic feature of integrative bargaining relies in win-win situation and therefore uses a collaborative model of conflict resolution. Both parties involved in negotiation process jointly look at the problem, try to search for alternatives and try to evaluate them and reach a mutually acceptable decision or solution.

### 2.3(b).5.2 Importance of negotiation

**Certainty:** The aim of contract negotiation is firstly to achieve certainty, to record what is being supplied, when it is supplied, in what quantities and to what standard, and what are the consequences of delay or failure to meet the agreed requirements.

- **The best deal:** Seeking clarity does not come in conflict with the view that negotiations should achieve the best deal, it merely points out that both parties to a negotiation must understand what it is that they have agreed to.
- **Achievement of an Organization's objectives:** The goal of every negotiation must be to achieve a result which, even if it falls short of the original objective, can be considered a satisfactory advancement towards it.

- Creation of a long-term relationship between the parties: Whilst this is not always possible, and some cultures, such as the Japanese, place more emphasis on this aspect of negotiation, this is increasingly important as companies build networks of alliance partners.

### 2.3(b).5.3 Process of negotiation

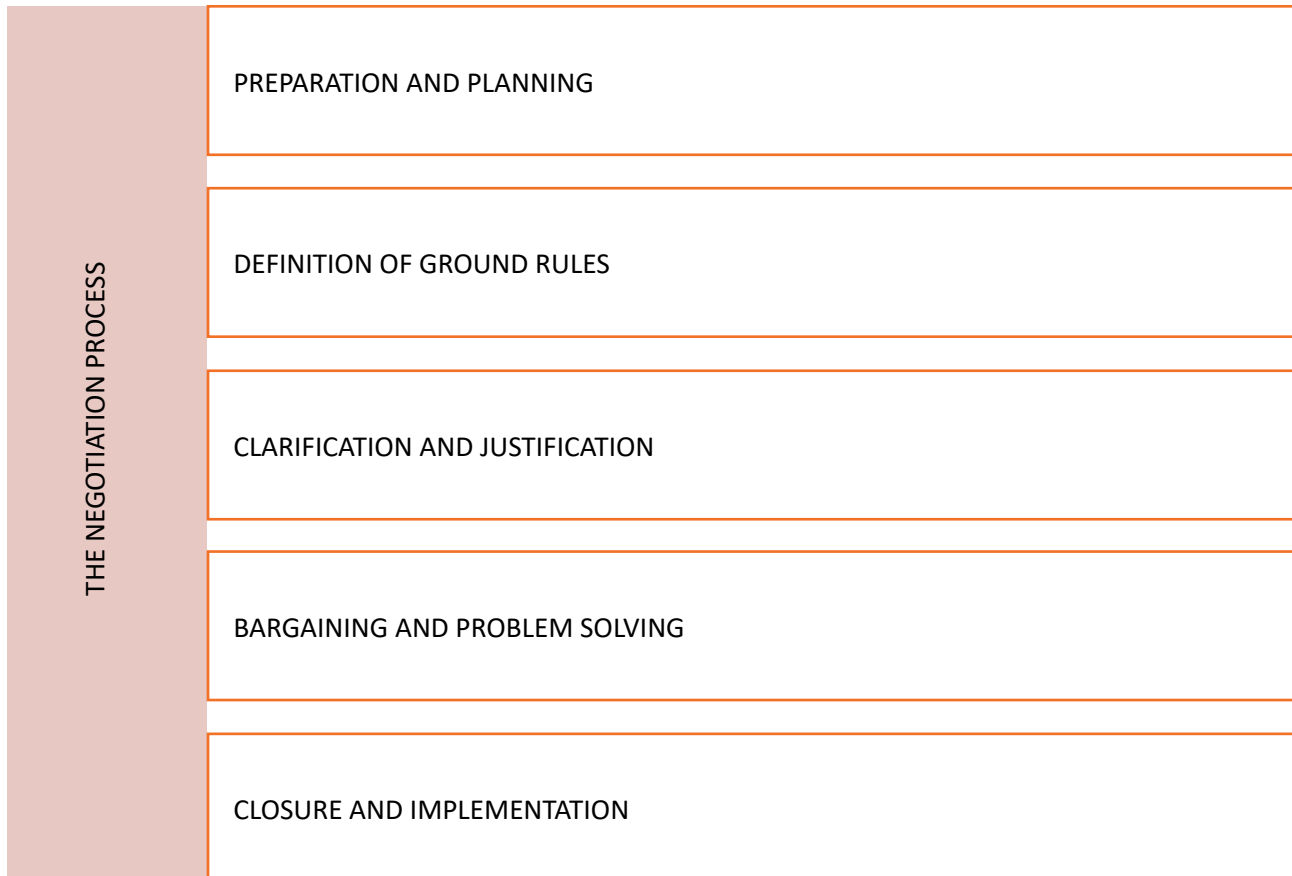


Fig. 2.13 Negotiation Process

#### 1. Preparation and Planning

- Prepare yourself + your team
- Know the other party
- Identify the objectives

#### 2. Definition of Ground Rules-

- Introduction
- Determine who has authority
- Rules and procedures
- Prepare the facility
- Use an agenda
- Create a positive working climate
- Exchange issues

### 3. Clarification and Justification

- Specify what you want
- Problem identification
- Put forward the solutions
- Exchange information
- Focus on objectives
- Listen carefully and question thoroughly
- Seek compromise: get win/win if possible
- Remember optimum and fallback positions

### 4. Bargaining and Problem Solving

Ask for what you want: modify if you need

- Don't concede without exchanging
- Decide on areas of possible flexibility
- Use strategies, tactics, and countertactics
- Make counteroffers
- Know when to walkaway

### 5. Closure and Implementation

Statement of agreement

- Document the agreement
- Prepare Negotiation results and summary
- Close the remaining gaps
- Implement the deal
- Monitor the implementation

#### **2.3(b).5.4Negotiation in Retail**

If a customer believes that the retailer is working earnestly, then they are more likely to be honest about their view and alternatives. This allows in making a positive environment to do good business.

Successful negotiation helps in alliance formation between a buyer and a seller. A retail customer is making a very large purchase and would like a discount or some benefit that is normally not offered to customers.

The interaction between customer and customer service representative rely on the process of finding some benefit that contribute to retaining the customer without reducing profit margin to less than zero. Making appointments is a common negotiating situation that happens every day in businesses.

We do not often think of that process as “negotiating”, but it does involve the application of basic negotiation techniques, even though the task is rather simple.

The outcome, however, is to find a time, mutually agreed to, that “works” for customer and service provider.

Staff is often involved in situations that require negotiation. For instance, in a hotel whether it’s for an early check-in or late checkout, or handling problems that crop up (lack of space because of over-booking, or even with complaints where the resolution has to “work” for both the hotel and patron. When a customer finds the room has a queen bed, however they have booked a king-sized bed. Further, negotiation process will be conducted in order to solve the problem.

### **2.3(b).5.5 Role of Cashier in Negotiation**

While inspecting the item as a cashier you should:

- Check the contents against any items marked on the front of the packing list.
- In case of any discrepancy, reconfirm the same with the customer.
- In case good or product is already damaged /defective then ask for the reference number from the customer whoever received against the complaint to the customer care.
- On further investigation if you notice any concealed damage or loss, then ask the customer for reasons.
- Make sure at the point, customer should not feel offended in the way.
- Ask customer for all packaging material.
- Make sure the items are returned must be in the manufacturers original packaging and carton.
- In case of electronic item, check for blank warrantee cards, product description manual with original invoice.

### **2.3(b).5.6 While negotiating part exchange transaction cashier should know:**

- Company policies and procedures for checking who owns the item.
- Accept or refuse the customer’s offers according to company policies and the discretion you are allowed.
- End the transaction politely if the customer is not willing to go ahead.
- Explain clearly and accurately the terms and conditions of the sale.
- Fill the paperwork for the transaction.
- Treat the customer politely throughout negotiations

### **2.3(b).5.7 Escalate to a senior if required in the negotiation process**

Escalation is the pursuit of conflict designed to end conflict, but the designed end can be either on the escalator’s own terms, as in victory, or on jointly decided terms, as in negotiation. Escalation and negotiation are opposite actions, one to increase conflict and the other to decrease it. Sometimes negotiations will fail if one is too rigid about the structure of what is being developed – rather than simply being clear about the end purpose, and open to how to design the deal. When we think of failed business negotiations, most of us picture negotiators walking away from the table in disappointment. But that’s only one type of disappointing negotiation. Failed business negotiations also include those that parties come to regret over time and those that fall apart during implementation. Thus, in order to avoid

such situations, it is very important to report the matter to a senior, to avoid any conflict from happening in negotiation.

## EXERCISE



1. Two business organizations witnessed a clash in the ideas while agreeing to a deal in a mining industry. First company believes in human rights, while the other wants to earn company profit. They decided to negotiate together where both the sides evaluated the situation and came with a unique solution that is agreeable on both the sides. What kind of negotiation is this?

---

---

---

2. You are a part of a projects team that are on track to finish the project in time. You realise that if you get a few days more, you will be able to add something of significant value to the project. Based on this, plan a negotiation with your client, the steps you will take to prepare yourself for the negotiation process.

---

---

---

## ACTIVITY



Visit a big retail store/super market, make a note of all the negotiations you come across during the time you spend there.

## 2.3(b).6 Provide Service at Point of Sale in a Store

Point of sale system (aka POS) is arguably the most important tool in a store. From ringing up sales and taking payments to tracking your inventory and storing customer profiles, the right POS system can keep your retail biz running like a well-oiled machine.

### 2.3(b).6.1 How to use pos systems to ring up sales?

The primary function of POS is to ring up sales using the following steps:

Add items to the sale – This is the first step of the checkout process. The system is established by adding items through:

- Scanning the product's barcode
- Searching for the sell screen (most POS systems have a search bar / product lookup functionality)
- Using a sell screen shortcut (Vend, for example, has "Quick Keys" for frequently bought items)

From there, we can adjust the quantities depending on how many units the shopper is buying.

- Apply discounts : While running a sale or while applying discounts to a line item or the entire basket POS can be used.
- Take payments: Most of the POS systems have the capabilities to take cash or credit card, so the process of accepting these payment types is straightforward.

That said, other solutions enable us to offer additional payment options including:

- a. Gift cards: If gift cards are sold, it is important to see the integration with the POS(Point of Sale), so that they can accept them as a form of payment. Some point-of-sale solutions have partnerships with gift card companies so check with the provider and see if they can score a deal.
- b. Buy now, pay later : It indicate about the service which lets customers take home items immediately and pay monthly instalments.
- c. Layby / layaway :Layby is a service where a deposit is taken from a customer for a product, then it's set aside and the customer can pay off later.
- d. Loyalty: If there is a loyalty program, loyalty points or rewards can be taken as a form or payment.
  - Raise Invoice : POS system plays the most significant role of raising the invoice for the customer based on which payment is made to the cashier.
  - Add notes :Finally, if special notes are to be added to a sales the product (e.g., if a customer has a special request or shipping an item to their address) it can be added as a note.
  - Two-Way Monitors in POS: Two way monitors in the POS allow customers to see the transactions as the cashier scans each item. The system would show each item with its price to the customer in a real time manner transparently.

#### CASE STUDY

Popularized by companies like After pay, "buy now, pay later" is rapidly gaining popularity, particularly among Millennials and Gen Z shoppers.

**EXERCISE**

1. What are the additional payment benefits available to the public while using POS?

---

---

---

**ACTIVITY**

It is often noticed that to ring up sales, POS Can be a brilliant solution.

You must add items for a sale in POS system. Demonstrate how will you effectively add the items.

**2.3(b).6.2 How the right POS can help in managing the customers?**

With shoppers expecting higher levels of personalization from retailers, customer management capabilities are not just pleasant, but they are very important also. So, if the current POS does not have any CRM capabilities, consider finding a solution that does.

Here are some of the features to look for:

- Customer database – Ideally, the POS system should allow an employee to create customer profiles that contain the contact information and purchase histories.
- Customer groups – Being able to create customer groups or segments is also essential, as this will help in creating tailored messaging and promotions. For example, create a group for VIP shoppers to send exclusive perks.
- Loyalty program – Offering perks and rewards is a proven way of generating repeat business, so setting up a loyalty program can be beneficial



## Unit 2.4 Processing Customer Orders

### Unit Objectives

1. Explain the Significance of processing customer orders for goods
2. Illustrate the escalation matrix in case the order cannot be processed
3. Explain the Importance of identifying customers' needs for Products by asking probing questions

### 2.4.1 Introduction

Business is the activity of selling and buying goods or services. It has two parties

- A seller
- The customer

The person or organization who sells goods is known as seller. The seller sells goods or services at profitable margins. There are following two types of goods in retails sector: -

- Durable goods (AC, tools, computer)
- Consumable goods (Food, laundry detergent, dish shop).

In retails sector, all seller takes orders from the customers and sells goods or services as per their need and demand.



Fig. 2.14 Customer Needs

#### 2.4.1.1 Customer Need

It is the Customer Need that motivates the customer to purchase a product or service. The need of the customer changes with the changes in the market condition. Every seller or business entity considers demand to the need of the customers. The things include goods or services such as durable good, non-durables good, consultation.

Types of Customer Needs:

To understand the choice and requirements of customers at the store, a seller must understand the following types of customer needs.

For example, A buyer has asthma and wants to buy an air purifier. In that case, the person would make sure that the humidifier would work best for his problem and would not deteriorate it.

- **Social Needs:** Social needs of customers are more concerned with the social status a customer wants to achieve after buying a product. If customers want to buy a specific product, then most of the time they relate it with the perspective of society. They decide to purchase an item on the basis of how it would impact their image in society.

For example, People usually tend to buy international branded clothes from the market over local brands, the social status the international brands brings along are the most important reason why people are more inclined towards buying and wearing expensive international brands

- **Emotional Needs:** Emotional needs are those needs that regulate a customer's inner desire, expectations, and attached feelings with that particular item. A buyer may want to buy an item based on one's own comfort or the reason could be associated with some personal nostalgia. For example, A boy comes to buy a radio for his grandfather. The radio his grandfather once had is now broken. Now he wants to buy a radio which has advanced features and also resembles the vintage look as same as the one his grandfather earlier had.

#### 2.4.1.2 Identifying customer needs for products

Even though a customer knows what he wants, but sometimes unable to find it or wants more assistance. In such cases, every business has a responsibility to understand its customers' needs for products. Seller talks with his customers to understand their needs in the context.



Fig. 2.15 Identify the Customer Need

#### Identify customer's need

A business uses several ways to identify a customer's need. These methods are as follows: -

- **Focus Group:** It is a technique of market research. In this technique, a business survey of a small group of the target audience.
- **Social Listening:** Social media platform helps a business identify the customer need. Engagement of people such as like, share, and comment on social media platform help the seller to recognize the customers and the need.

## CUSTOMER NEEDS PROCESS

### Define the scope

- Mission Statement

### Gather Raw data

- Interviews
- Focus Groups
- Observation

### Interpret Raw Data

- Need Statement

### Organize the Needs

- Hierarchy

### Establish Importance

- Surveys
- Qualified Needs

### Reflect on Process

- Continuous Improvement

Whenever a business identifies its customer's need for product, it uses some ethics of business communication. These ethics are: -

- Listen and pay attention to customer's request: A business needs to understand the demand and requirement of the product and desire. It helps the seller to identify the requirement of the customer. It helps the seller to identify the customer's need for the product.
- Greet customer and ask question :A business asks questions to understand the customer's requirements. It helps the seller to identify the needs effectively. The seller greets the customer with the use of positive language. Confident appearance and direct eye contact in a relaxed manner help the seller to build bond with the customer. It develops a fruitful relationship and makes the customer feel valued. It conveys to customers that express the problem at the right place and will get a solution to the problem
- Feedback: A business gives feedback, signals, and comments such as "Yes, I understand, I agree," along with eye contact and nodding. Feedbacks help a business to identify its customer's need for product and build rapport with them. It ensures a customer that, the business has identified his requirements and will resolve them.



Fig. 2.16 Feedback Form

- Avoid distraction: Distractions such as phone calls, colleagues' conversations create interventions, hence a business needs to avoid them and pay attention to the word and request while listening to its customer.



Fig. 2.17 Pictorial Representation of Avoiding Distraction

- Take notes: Notes of business communication, with customers such as unusual names and numbers, are vital to identify customers' needs. It will help to maintain the record of customers who need assistance



Fig. 2.18 Pictorial Representation for Taking Notes

- Assessing customer needs: A customer wants the complete assessment of his needs; hence business requires to use effective question techniques. Usually, a customer wants assistance on: -
  - a. Availability and quality/reliability of product/service
  - b. After-sales service and backup
  - c. Efficient handling of orders/services and queries
  - d. Order convenience
  - e. Competent technical technicians or staff
  - f. Delivery time and reliability
  - g. Provision of a pleasant environment
  - h. Staff knowledge about products and services
  - i. Enthusiasm of staff to help and assist politely
  - j. Value of product/service.

This technique will ensure a customer that business has identified his problem and will provide solution efficiently. There are various competitive businesses. Each business has its clientele, and none of them wants to drop their customers because it affects the following business areas: -

- Number of clients
- Sales turnover
- Business growth

If a store fails to fulfil its clients' requirements, it will affect the business growth. In such a case, every business has a responsibility to identify its client's needs.

## EXERCISE



1. What do you mean by customer need?

---



---



---

2. What are the different types of Customer Needs

---



---



---

3. How can you identify a customer need for product?

---



---



---

4. What is the role of feedback in identifying a customer's need for products?

---



---



---

## ACTIVITY



You're working in a footwear store. Suppose a lady of age of 75 is visiting your store for the first time to buy footwear. She's extremely hesitant and not comfortable asking for help.

As a retail sales executive of a footwear store, demonstrate ways to make her feel comfortable and ask about her requirements.



<https://www.youtube.com/watch?v=6jnNqC7CL-sA&list=PLAFE6EE3F43FBA7BC>  
Buying Process



<https://www.youtube.com/watch?v=Ntpj1SPHnF-w&list=PLAFE6EE3F43FBA7BC>  
Different Types of Closes

## 2.4.2: Processing Customer Orders for Goods

### 2.4.2.1 Introduction

Processing customer order for goods is the order process management. This management helps an organisation to manage and process the customer orders for goods. It makes the processing of customer orders for goods smooth and accredits.

### 2.4.2.2 Customer Order

A customer order is a formal order from the customer to the business. It consists of a set of instructions for businesses to purchase goods or services. There are three types of customer orders

- Verbal customer order
- Written customer order
- Online Order

The order provides the details of the product name, amount, quantity, and due date for a customer's requirement of products.

- Need of customer order: Customer order showcases the evidence of customers' needs for products. It helps the seller to process customer orders for goods.
- Processing customer orders for goods: When it comes to processing a customer order for goods, an organization adopts an order management process.

Order management is a process that keeps the record of customers' orders and executes the order stack in a sequence. This management process uses the first in first out (FIFO) method to fulfil customers' demand. Features of order management are as follows: -

- It is a background process
- It keeps track of all customers' order
- Execute orders a sequence

This process management contains the following information to maintain the record of customers' orders -

- Customer' order list
- List of accepted orders
- List of rejected orders
- List of Cancelled orders
- Customer's order details
- Packaging and shipping
- Delivery report

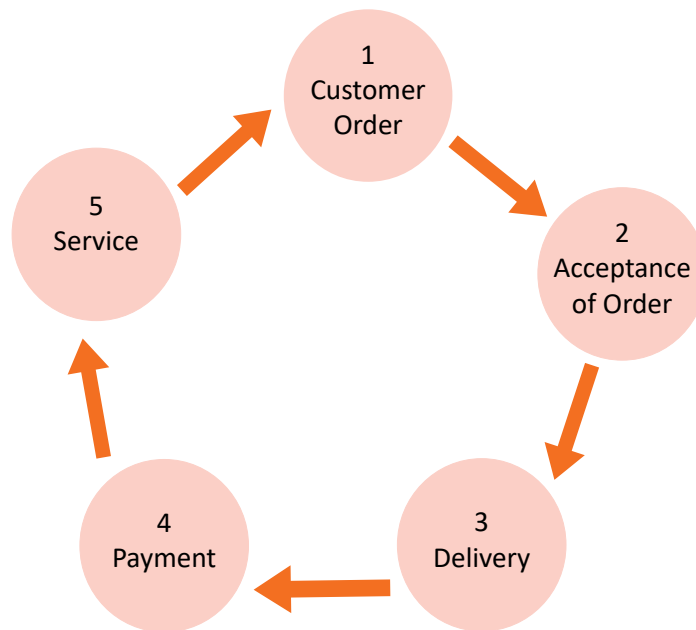


Fig. 2.19 Customer Order Process Management

The customer order management process starts with order placement. There are two ways a customer uses to place an order

1. Online
2. Offline

Once the business receives a customer order for goods, it starts the order management process. Customer order management executes the following sequence: -

- Reviews the customer's order
- Send the order to store's inventory
- Analysis product availability in store
- Approve/Decline order (on basis of product availability)
- Send product for packaging
- Send packaged product to logistic
- Update customer on product status
- Ensure customer to deliver the product



Fig. 2.20 Customer Order Execution



This order process management keeps the record of each order processing stage and sends updates to the customer.

Significance of processing customer orders for goods

Processing of customer orders for good is essential for business because it: -

- Track of orders
- The delivery of orders.
- Maintains orders and delivery acknowledgements and send to the customers.

Conclusion

In the business world, there is no scope for a single mistake. So, every business entity must adopt the effective processing of customers' orders for goods.

## EXERCISE



1. Which process is not a part of processing customer order for goods?
  - a) Order placement
  - b) Packaging
  - d) Shipping
  - e) Store redesigning

---



---



---

2. Why processing customer order for good is necessary?

---



---



---

3. How does an inefficient order process management effects business?

---



---



---

4. What is the role of feedback in identifying a customer's need for products?

---



---



---

## ACTIVITY



Mr. X visited your store to place an order for a customized T-shirt. But your store does not have customized T-shirts. So how will you assist him?

## 2.4.3 Keeping the customer informed

### 2.4.3.1 Introduction

Business information means any information or compilation of information, which conveys a business. A business entity has several types of information. This information is:-

- Business level information
- Customer level information

Business-centric information is the information related to the business. Such information does not need customer engagement, such as staff salary increments, bonuses, promotions. Customer engagement information is the information that needs customers engagement, such as Discount on sales. A business entity needs to share such customer-centric information with its clientele.

### 2.4.3.2 Information share with Customer

Information shared with customers means providing accurate information to the relevant customers. A business entity has the responsibility to deliver accurate information to its customers. Usually, business organizations share the following information with their customers: -

- Business activities such as sell, promotional schemes and discount
- Updates on product delivery
- Problem to fulfil a customer's request
- Change in business policy that affects the interest of its customers

Business information shared with customers builds a fruitful relationship between a business entity and its customers.

Importance of share information with Customer

A business organization needs to share accurate information with its customers. It has the following significance for a business and its customers to share relevant information: -

- It builds business rapport with customer
- If the business entity is facing problem to meet its customer's requirement, then sharing this information help both parties (entity, customer) to stay connected.
- Customer gets update on his order

A business needs strong communication to deliver useful and relevant business information to its customers.

### 2.4.3.3 Communication method to share information with customer

Advertisement is an effective medium to notify customers about business intent. It helps a business to increase its customer base. Usually, a business entity uses various mediums to inform the customer about its business intent. These mediums are:

- **Print Media:** Print media is the oldest and basic form of communication. It facilitates following platforms to relay business intent
  - a) Newspapers and Magazines (This is not print media)
  - b) Pamphlets
  - c) Posters
  - d) Billboards
- **Digital Media:** Digital media refers to the technology which uses an electronic machine system to broadcast any information. Business organizations use this media to share their business intents with customers. Usually, business entities adopt the following digital platforms: -
  - a) Television
  - b) Internet
  - c) Phone calls and messaging
- **In-Store Media:** Retail stores use In-store Media to directly connect with their customers. It is an instant method that helps retail stores to convey their business and its objectives to customers in minimum time with less investment. In-store Media is the only marketing medium that instantly shows its impact on customers with the increment in sales. For promotion purposes, retail stores display advertisements by using the following mediums such as:

- a) **Shelf-talkers-** They are printed advertisement materials made of plastic cards, papers, and cardboards. Shelf-talkers talk about the specific items products, and they are attached to the shelf where those items are placed. By their creative appearance and attractive colours they grab buyers' attention towards those items.

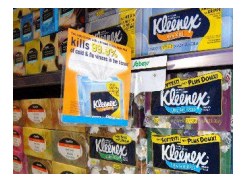


Fig. 2.21 Shelf Talkers

- b) **Tent-cards-** Tent cards are widely used promotional cards. These cards have a tent-shaped structure that is meant to keep at desks or counters at stores. Tent cards display information about new products, special offers running in the store, upcoming events, etc. They are used to showcase the latest information of the stores' products in a limited space.



Fig. 2.22 Tent Cards

- c) **Standeers-** Standees are big promotional standing display cards. They are used at big retail stores to advertise their products. Their large structure and fonts catch shoppers' attention at the store. They are mainly used to promote the new arrival of items or services, specific brand's products, discounts on seasonal sales to



Fig. 2.21 Shelf Talkers

- d) LED Screens- Retail stores use LED Screens as electronic advertising medium to display their products or services to customers. These LED Screens displays static or video advertisement with high-definition colour quality, which attracts every buyer's attention at once. These screens are usually used at big shopping centres and malls where they are placed either at the entrance or at an open space to get easily visible to buyers at a time. LED Screens mostly displays the stores' offers and new items. Nowadays. It is a modern and most preferred medium to quickly grab buyers' attention.



Fig. 2.24 LED Screens

### 2.4.3.4 Format to share business intent with customers

A business organization has a different type of customers. All customers have different needs and demands. A business must deal with various challenges to convey relevant intent to customers. These challenges are: -

- Language barriers
- Age
- Disabilities

Business entities take support of the following formats and standards to deliver the relevant information to their customers. These formats include: -

- Captions of broadcast program material to provide visual information for customers who have a hearing problem.
- Described video to provide synchronized descriptive verbal information for customers who have eyesight problems.
- Language translator to convey the information in customer's language.

These formats help a business to build effective business relations with the customer.

#### Conclusion

Information shared with a customer builds the credibility of the business. It helps a business organization in building a strong relationship with its customer. It simplifies the prime objective of a business entity to expand it.

## EXERCISE



1. SBZ store is a departmental store. It sells all types of goods and services. The store has decided to launch a 'week of bumper sale offer'. This week will start from 1st Jan 2022 (00:00 AM) to 7th Jan 2020 (11.59 PM). How will you assist the store to share this information among its existing customers?

---



---



---

## Unit 2.5 Service Cash Point

### Unit Objectives

1. Describe ways to resolve expected and unexpected problems in routine cash point operations
2. Discuss the security procedures at cash points
3. State the purpose of the Point of Sale (POS)

### 2.5.1 Cash Point Operations

#### Introduction

Retail sector is a place of buying and selling goods and services. In this sector several individual sellers and businesses sell their products to the customers. Usually, retail stores perform cash point operations through point-of-sale equipments to collect consideration of the products. Customer needs to pass through these cashpoints to buy products they want to purchase.

#### 2.5.1.1- Cashpoint

In the retail business, cashpoint or point of sales is a place where sales transactions get completed. Usually, these cash points are referred to as billing counters. The cashier at the cash point calculates amount of the products purchased by a customer and collects the payment cash or cash equivalents (debit card, credit cards, UPI).

#### 2.5.1.2- Cashpoint Operation

In a retail store, buyers purchase products and make its payment at the billing counter. A cashier at that billing counter proceeds with the payment by scanning the products' barcode

using a barcode scanner. Subsequently, cashier collects the payment in the form of cash or cash equivalents (debit or credit cards, Mobile banking), and issues receipt to the buyer. This entire process of billing and cash collection is known as cashpoint operation. In a retail store, a cashier uses these following steps to complete a cashpoint operation: -

- Scan the barcode of the products
- Read the product description and amount
- Remove the security tags
- Calculate the total amount of sale
- Prepare a bill of the sale
- Collect the amount from the customer
- Issue the bill to the customer

### 2.5.1.3 Point-of-sale equipment (POS)

The Point-of-sale (POS) equipment or point-of-sale system is a hardware setup with the latest technology. It's a highly secured system that enables better hold on the sales business and boosts its operation.

The (POS) system automates the transaction process, tracks employees' activities, and helps to analyse sales data. It is a multi-usage device that has the following objectives

- To ease the payment method
- To keep sales record
- To check the stock management
- To check the product inventory

A complete system of POS equipment consists of different types of devices. These devices help in the smooth functioning of sales operations. The list of POS devices is as follows: -

- Cash registers (point-of-sale terminals)
- Cash drawers
- EFTPOS terminal (Electronic Funds Transfer at Point-of-Sale)
- Scanners
- Computers
- Electronic scales
- Security tag systems

To effectively use the point-of-sale equipment system at the retail store, it is imperative to have accurate and in-depth knowledge about its functions and ways to handle it. Each POS device is significant to enhance the workflow and save time.



Fig. 2.25 POS Equipment

#### Cash registers

The Cash register is a multi-purpose device used for cash management at retail stores. This machine has a well-built structure with a touchscreen and keypad. A cash register has an attached cash drawer to store money and a printer to print the payment receipt. This POS device has a security system that operates with a PIN.



Fig. 2.26 Cash Registers

**Functions:**

1. It digitally maintains sales records.
2. It works as a calculator to calculate the amount
3. It stores money in a cash drawer

This device provides an effortless way of fast checkout and seamless sales operation.

**a) Cash Drawers**

The Cash Drawer is used at the retail stores to manage the money. It is attached to the Cash Register. This drawer has multiple compartments to keep notes, coins, and receipts (credit card receipts, refund vouchers) separately.

In terms of safety, each Cash drawer has a password and key lock system to secure the money. An operator having a password can access it only. It reduces the risk of money loss and ease-out the staff's accountabilities.

**b) EFTPOS (Electronic Funds Transfer at Point-of-Sale) terminals**

EFTPOS terminal (Electronic Funds Transfer at Point-of-Sale) is known as an Electronic Card swiper. It can swipe both debit and credit cards. EFTPOS facilitates digital payment and allows customers to transfer money from their accounts to the seller's account.

Once the customer swipes the card on the EFTPOS terminal with a personal identification number (PIN), the transaction gets completed.

The Card Swipers is an easy and quick medium to receive payment directly through a bank account.

**c) Scanners**

A Scanner or Barcode reader is a device that reads a barcode and decodes its data to proceed further. The computer stores the decoded barcode information and executes the required operation.

**Purpose:**

- These are mostly used at the stores to find an item's description.
- The Scanners can read the QR code to receive payment from the customer's bank account.

**How does a scanner work?**

- To find an item's cost, the product's barcode is placed in the front of the scanner.
- The scanner beeps when it reads the information.
- It mentions all the product's details on the computer screen.

A scanner enhances the information-seeking technique of the POS system. It enables a digital way to access the products' details.



Fig. 2.27 Cash Drawers



Fig. 2.28 Electronic Card Swiper



Fig. 2.29 Scanner or Barcode Reader

- d) **Computer** A computer is a device that is widely used at the point of sale. It helps in managing the sales operations. At the sales terminal, it is used to track data, sales records, proceeding billing, etc. Once it gets attached to POS devices, it starts processing such as scanning, security system regulation, etc. A computer provides convenience and security to run a sales business.



Fig. 2.30 Computer

- e) **Printer:** A printer is always attached to the computer if billing is done on the computer system that is loaded with the Point of Sale system. The printer prints the cash-memo. The types of printers are:
- **Laser printer:** The laser printer was developed by Xerox in the 1960s when the idea of using a laser to draw images onto a copier drum was first considered. Laser printers are still widely used in large offices as they are traditionally more efficient
  - **Solid ink printer:** Solid ink printers utilise a unique form of ink technology, designed to save space and money on packaging. The printers melt solid ink sticks during the printing process – a method that can help produce more vibrant tones.
  - **LED printers:** LED printers are similar to laser printers but use a light emitting diode rather than a laser to create images on the print drum or belt. Due to their fewer moving parts – LED printers are often considered more efficient and reliable than laser printers.
  - **Business inkjet printers:** Utilising inkjet technology on a large scale to accommodate the needs of a busy office with heavy reliance on printed output, inkjet printers are enduringly popular due to their reliability and robust nature.
  - **Inkjet printers:** Inject printer are one of the most common types of printers used in both professional and domestic settings. Developed in the 1950s, inkjet printing technology is still hugely popular today due to its advantages such as capable of producing photo-realistic prints, practically no warm-up time and small footprint
  - **Dot matrix printer:** Dot matrix printer are the oldest established type of printers still available on the market. Images and text are drawn out in tiny dots when a print head strikes an ink-soaked cloth against the paper in the required pattern or formation.
  - **3 D printer:** One of the most exciting developments in printing technology history, 3D printing is becoming more affordable for professional and domestic users. Modern 3D printers can produce 3D objects and items using high quality resin.

f) **Electronic scales**

The Electronic scale is a digital weighing machine. This machine is more accurate in monitoring the weight in comparison to an analog machine. It measures the product weight by using electrical signals. The electrical scale shows the weight of the items on an attached display.

At the retail store, both the seller and the customer use this device to monitor the weight of items. This machine is mostly used at confectionary and ration stores.



Fig. 2.31 Electronic Scales



## g) Security tag systems

The Security tag is a small signal transmitter with a magnetic system that has a sensor. Retail stores or supermarkets use these security tags to protect items from being stolen. These magnetic tags affix on the items with a pin, to lock them. It needs an operator to use a demagnetizer to remove those security tags. The security system is called the Electronic Article Surveillance System (EAS)

How does Security Tag work?

If someone brings an item outside of the exit gate without paying for it. In that



Fig. 2.32 Security Tag Systems

## h) EAS Gates

Electronic article surveillance (EAS) is a type of system used to prevent shoplifting. The system is designed to detect unpaid items in people's pockets or bags as they are leaving the store. It typically consists of two components: the EAS antennas and EAS tags or labels. EAS antennas, sometimes called pedestals, are commonly installed at store entrances. EAS tags and labels, on the other hand, are attached to the merchandise to be protected. EAS antennas send and listen to signals at a specific frequency, usually within a range of six to eight feet. When an EAS tag or label passes between the antennas, it is detected and the store alarm is activated. EAS systems can now also count the people entering and exiting the store, giving the retailers an insight into traffic patterns at various locations.

## Conclusion

In a retail store, cashpoint or point of sale is a place where sale of products gets accomplished. In order to finalize the sale, cashier at the cashpoint needs to execute cashpoint functions such as scanning, payment collection etc. through point-of-sale devices. These devices make a cashpoint operation smooth and effective for the cashier.

## EXERCISE



1. Describe cashpoint operations?

---



---



---

2. Raavi picks up some products at supermarket and proceeds to the billing counter to make a credit card payment. How will the cashier charge Raavi's credit card?

---



---



---

3. After making payment, Urvashi reaches the exit point of the mall and is stopped by the guards as the anti-theft alarm set off. What could have led to this situation.

---



---



---

**ACTIVITY**

1. Observe the processing a cashpoint operation of generating bill.

- Material required
- POS equipment, cash, or cash equivalent

2. Procedure

Visit a retail store, meet the cashier working at the cashpoint, greet him/her and observe the procedure he is performing to generate a bill of purchased product.

- a) Ask following questions to the cashier
  - b) What kind of precaution you take while generating a bill?
  - c) How will you check the security tags of a product?
  - d) How do you find the price of a product?
  - e) Will you accept card payment? If yes, what type of card you would accept
3. Observe the procedure the cashier is following while scanning a product to get its description.
4. Prepare a report of entire cashpoint operation.
5. Confirm the report with cashier.

## 2.5.2 Procedure for Handling Cash and cash Equivalent

### 2.5.2.1 Introduction

Cash handling is the procedure of collecting, counting, recording and reporting cash in retail business operation. The process of cash handling may be manual or automated. Depending on the amount of money, the retailer selects the appropriate cash handling process. Retailers must train the cashiers on how to handle cash as part of receiving payments from customers for their purchases.

The term 'cash' applies to currency, cheques, credit and debit card payments, electronic payments and other kind of negotiable instruments such debit or credit cards, UPI etc.

Cash transaction is the process of exchanging legal tender, i.e., rupee and paisa or coin.

In retail sales, Cash handling means receiving, depositing, and reporting of all cash operations. It is a procedure of cash management where a cashier needs to collect, count, record, and report the cash transactions. Usually there are two ways of cash handling:

- **Manual Cash handling:** The manual method of cash handling is known as Envelope drop process. In this process, cashier uses envelopes to put the sales amount. once the cash amount in the cashier's cash drawer exceeds the designated amount, the cashier places the excess cash into an envelope, and assign a number to the envelope. The cashier may use different colours for each day's envelopes. The cashier writes the amount of cash and the number of the envelope on a drop log sheet and drops the envelope into a slot in a safe. At the end of a cashier's shift, the cashier runs a report using the point-of-sale system, which has accumulated all the transactions by payment media.
- **Automated Cash handling:** Automated cash handling is advanced level of cash management where cashier uses the specially designed software and hardware for cash operation. In a retail store, a cashier uses following automated software and hardware: -
  - a) Cash register
  - b) Cash drawer
  - c) EFTPOS

### 2.5.2.3 Modes of cash payment

There are several modes of cash payment classified into following two categories: -

1. Offline
2. Online

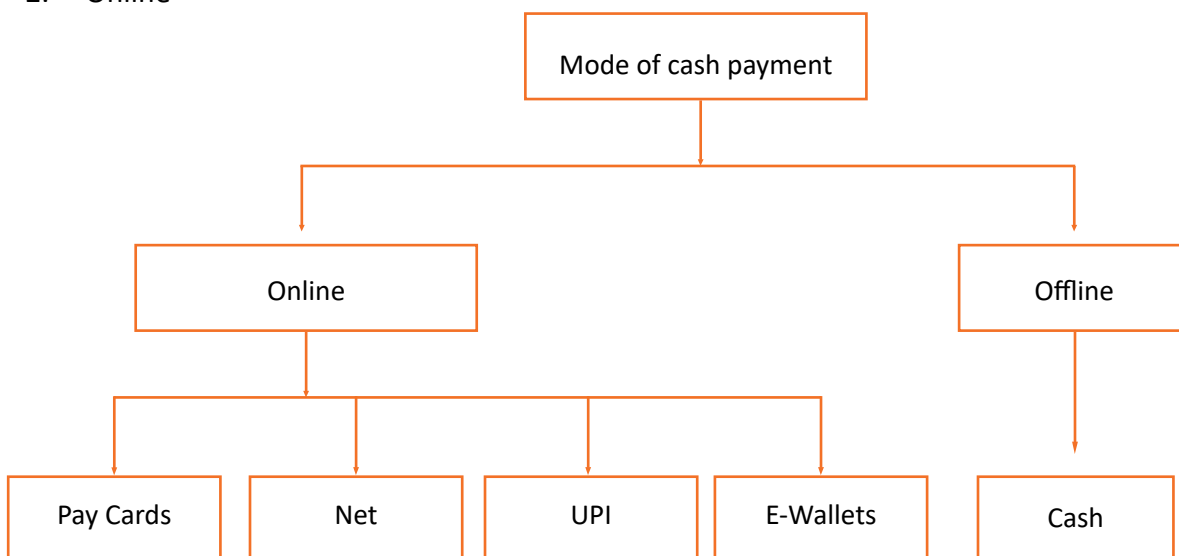


Fig. 2.33 Modes of Cash Payment

### 1. Offline cash payment

Offline cash payment is a traditional form of payment. In retail store, customers use notes and coins to pay for the products.

### 2. Online Cash Payment

Online cash payment is a mode that allows customers to make payment online. Instruments used in online cash payment are known as cash equivalent. The type of cash equivalents are as follows: -

- Pay cards: These are the plastic cards linked with a person's bank account such as debit card and credit cards. To make a payment for a product a customer needs to swap the card on EFTPOPS.
- Net Banking: It is online form of banking where the user can access his bank account through the website and mobile application of the bank. In retail business, customers use this form of payment to pay the products.
- UPI-Unified Payment Interface is an advanced form of online payment through which a customer can make payment for a product by using his smartphone.
- E-Wallet: E-Wallet or Digital wallet is an online service or software program which allows a payee to make payment using a third-party platform such as Paytm wallet, google pay etc.
- Store Gift cards / Gift vouchers: 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 can load money onto the card, which the gift card's recipient can then spend at accepted locations. Gift cards can be open-loop or closed-loop. An open-loop gift card can be used anywhere that brand of card is accepted. For example, if one has a gift card that's branded with the Visa logo, one could use it to make purchases anywhere Visa is accepted. A closed-loop card, on the other hand, can only be used at specific merchants. For instance, if one purchases a gift card from Reliance stores or Amazon, the gift card's recipient would be able to use them to make purchases only at the retailer issuing the card.

#### 2.5.2.4 Need of handling the cash and cash equivalent

In retail industry cash handling is of paramount importance. There are three common problems in the retail industry, because of them a cashier needs to handle the cash carefully. These problems are as follows: -

- Lack of due diligence: One of the most valuable reasons for cash-handling procedures is due diligence. Do you know where your money is always? Do you know who has access to it - and where it is headed? With effective cash handling, you'll have these answers. Without it, you could easily encounter problems with bookkeeping, fraud, theft, errors, and cash flow.
- No paper trail: The second common problem is not keeping a paper trail. In a retail store, absence of a paper trail of cash transactions can lead to mismanagement of cash. Cash handling ensures the cashier uses the cash drawer (POS device )to organize the cash.
- Security flaws: The third common problem is security flaws. In a retail store, security measures have to be taken to protect the cash collected from being stolen. Most of the retail stores these days are equipped with security systems that protect theft and accidents.
- Payment tracking: At the cashpoint all payments (physical and digital) need to be tracked, monitored, and properly stored.

In a retail store, effective and efficient cash handling techniques, guard the store from the risk of cash theft and cash manipulations from people within the organisation.

Problems arise at service cash point/POS

- Counting of cash: This is a critical problem at a POS. The cashier needs to be careful while counting the rupee notes given by the customers. If the cashier receives the cash payment in high volume and frequently, he can make use of the cash counting machines.

- Damaged notes: Another problem that cash points encounter is collecting damaged notes accidentally or because of negligence. Cashier has to carefully check all notes to ensure they are in an acceptable and proper condition.
- Incomplete cheques: The following points are essential for a cashier to remember while accepting a cheque payment:
  - a) Check that the company name and address must be correct on the cheque.
  - b) All corrections must be signed (attested) by the customer who is issuing the cheque.
  - c) Cheques must be signed in front of the supervisor.
  - d) The cheque should be marked with the correct date and amount.
  - e) Ensure that the writing on the cheque is in black or blue ink only.
  - f) Must take permission for authorisation of cheques above the authorised limit amount.
  - g) All interstate and overseas cheques must be authorised through email or fax or telephone.
  - h) Verify and match the cheque amount that is written in words and figures.
  - i) Verify that the signature on the cheque matches with the identification used. Identification can be through any ID proof issued by a government authority.
  - j) Record the details, such as address, phone number, license number and identification proof on the reverse side of the cheque.

#### **2.5.2.5 Procedure for handling cash and cash equivalent**

In a retail store, cashier uses the following procedure for handling the cash at cashpoint

- Receipts: In a retail store, cashier issues a receipt as proof of every cash transaction to its customer. This receipt has the product description with amount paid by the customer at the cashpoint.
- Authorised staff: Every retail has its authorised staff to operate cashpoint operations and handling the cash. Authorised staff deals with customers at the

cashpoint and manage the cash operation in large volume and help in reducing the risk of cash stealing.

- Security: Every cashier at the cashpoint has one or more tills or cash boxes with lock facility. The cashier uses these boxes to keep the cash safe and deposit high denomination notes periodically to the bank account. Each cashier is provided with his/her unique log-in identity by the IT department. In case of POS system the hardware comes with exclusive cash trays for each cashier to handle.
- Till/money drawer reports: Till is a drawer, box, tray or cabinet in a cash counter which is used to keep the cash in organised manner of compartments. In the end of every day cashier calculates the amount of till and rectify it with total sale of that day.

#### **2.5.2.6 Precautions in Handling Cash and cash equivalent**

In retail sector every store needs to use a written procedure for handling the cash and cash equivalents. The written procedure must include the following parameters: -

- List of anticipated payment types (for example, cash, cheque, card, mobile app, e-wallet, etc.) and appropriate processing and internal controls for each payment.
- Payment description including the method and frequency of deposits.
  - a) A description of the process to reconcile deposits.
  - b) A description of the return/refund process.
- Allocation of duties to minimise the mistakes in cash- The duties of staff include collecting cash, maintaining documents, keeping deposits and reconciling records.
- Employee background checks

- Employee training
- Physical security: Following security measures promote a safe working environment and ensure secure cash receipts handling:
  - a) Restrict cash access to few people.
  - b) Cash drawers should be closed when not in use and locked when not doing transactions.
  - c) Store cash in a locked and non-portable cabinet.
  - d) Provide passwords only to the authorised staff.
  - e) Perform balancing and prepare cash for deposits in a non-public and secure area.
- Reconciliation of cash receipts: A cashier needs to reconcile the cash and ensure that all sales' transactions are recorded.
- Provide receipt at the cashpoint

#### Conclusion

Cash and cash equivalents such as debit or credit card, UPI etc are the vital instrument of retail sales. These instruments define the sale and growth of a retail store. Hence every store needs to manage the cash and cash equivalents using point of sale equipment (EFTPOS, cash drawer etc) and sales transaction. It helps the seller to organise the everyday and cash management.

**EXERCISE**

1. What do you mean by cash and cash equivalent?

---



---



---

2. Describe the procedure of handling cash or cash equivalent in a retail store?

---



---



---

3. Mention the importance and ways of handling cash effectively in a retail store?

---



---



---

4. Why is it important to issue a receipt of every sale to customer?

---



---



---

**ACTIVITY**

Field visit for observation of cash handling and related precautions in a retail store.

Material required

Pen/pencil, notebook, and a checklist.

Procedure

1. Prepare a checklist on the points to be observed by the students during the visit to the retail store and share with them.
2. Arrange grouping of students for visit as per requirement.
3. Reach the store as per schedule.
4. Greet and interact with the cashier and observe:
  - a. Procedure for cash handling
  - b. Precautions taken while cash handling
  - c. Taking down opening and closing balances in the books.
  - d. Reporting to the shift in-charge or supervisor about cash.
  - e. Any specific/notable situation may be asked about and recorded.
5. Note all observations, discuss with the friends finalise by confirming with the executive/cashier.
6. Prepare a report and submit to the instructor/trainer.

## 2.5.3 Security Procedure at Cash Point

### 2.5.3.1 Introduction

In a retail store, irrespective to the purchase or refund, a customer needs to pass through various security check such as product security tag, payment method. Authorised staff of a retail store perform various security measures to provide security to customer order, cash or cash equivalent etc.

### 2.5.3.2 Security and safety measures

- In a retail store, security cash handling and storage area are permissible for authorized personnel to cash handling.
- The storage areas should be physically restricted to authorized personnel.
- If possible, cash deposit preparation areas should be restricted to authorized personnel.
- If cash or cash equivalent, all its related items such as stamp are not in use then it must be stored in a fire-proof secured area.
- Lockers must be kept locked with access to authorized personnel only.
- Never leave the safe unlocked, unattended,
- The amount of cash stored in a safe must be kept as minimum as possible.
- Excess funds must be deposited in the bank account.

### 2.5.3.2 Dealing with counterfeit bills

If a counterfeit bill is detected while the customer is present, the bill should be retained, and an explanation should be given to the customer that the bill is suspected of being counterfeit.

The customer should be asked to pay the bill with another form of payment. A receipt must be created for the counterfeit bill with the following information:

- i. Customer Name
- ii. Customer Address
- iii. Customer Phone Number
- iv. Denomination of the bill
- v. Bill Serial Number

If the bill is not determined to be counterfeit, the bill will be returned to the customer

### 2.5.3.3 Authorisation of refunds

Consumers may have a number of reasons for returning an item—it may be old, used, defected, an improper size, wrong colour, etc. If the item is not replaceable, then it will likely be disposed off. While processing refunds what cashier should ask the customer for the original bill of the transaction, verify it and then process the refund.

In case of POS billing, the cashier finds all the particulars of bill by scanning the barcode of the product, entering bill number, date of the sale, product line, etc., based on software installed. But in case of manual billing, the cashier has to check the following: -

- Verify product: He has to verify the product returned with the original bill.
- Date of purchase: Date of purchase has to be verified to check whether refund period has passed or not. Refund may be allowed if it is within the store's allowable refund period.
- Batch number of product: Batch number of the product has to be verified to check whether the returned product is purchased from the same store or not.
- Expiry of product: A product may be returned within the allowed return period and within the expiry date of product.



- Price of the product: The price of the product has to be verified with the bill for deciding the quantum of refund.
- Offers claimed, if any: While going through the bill, the cashier has to check whether there is any offer availed by customer on the refund item
- Packing: In case of certain issues, products with proper packing are only allowed for refund. A cashier has to check whether the product is packaged properly or not.

If the wrong product is delivered or the customer has expressed discomfort with its size, colour, etc., in such situation seller allows the refund or replace of that product.

#### **2.5.3.4 Authorisation of cheque payments**

For authorising the cheque payments, the cashier should consider the following points:

- While accepting the cheque from the customer, the cashier has to verify his credentials.
- While accepting a cheque from any unfamiliar person the cashier may verify his identity by checking his/ her at government identification proofs.
- The cashier may also ask the customer to sign on the cheque before him.

#### **2.5.3.5 Authorising credit card payments**

While authorising the credit card payments the cashier has to take the following precautions: -

- Check the card holder's name
- Check the expiry date/validity of the card
- Swipe the card for verification and authorisation from the issuer of card.
- After issuing the transaction slip, ask the customer to sign on transaction slip
- Verify the customer's signature on the slip with the signature on the back side of the card.

#### **2.5.3.6 Security procedures at cashpoint**

There are certain security measures for a cashier to understand at cashpoint. These are as follows:-

- A retailer controls the transactions/dealings at POS by spelling out dos and don'ts of POS cashier.
- Assign a password to each cashier. No one can sign on using another cashier's name unless he also knows the other cashier's secret password.
- If several cashiers are taking turns using a POS terminal. The system must return the cursor to the 'Cashier' field after each transaction. The cashier will be required to type his name and password at the beginning of each transaction.
- Allot certain security bits and capabilities only to a few key employees. Instruct cashiers to make sure their names are in the Cashier field before beginning a transaction.
- Security Audit –A security audit is a systematic evaluation of the security of a company's information system by measuring how well it conforms to an established

set of criteria. A thorough audit typically assesses the security of the system's physical configuration and environment, software, information handling processes and user practices.

There are several reasons to do a security audit. They include these six goals:

1. Identify security problems and gaps, as well as system weaknesses.
2. Establish a security baseline that future audits can be compared with.
3. Comply with internal organization security policies.
4. Comply with external regulatory requirements.

5. Determine if security training is adequate.
6. Identify unnecessary resources.

Security audits will help protect critical data, identify security loopholes, create new security policies and track the effectiveness of existing security strategies. Regular audits can help ensure employees stick to security practices and can catch new vulnerabilities.

#### **2.5.3.7 Security against Internal Theft: Use of CCTV on cash counters**

Here are some things one can do to protect the store/company from internal theft by establishing security procedures, policies, programs to protect business from internal theft-

- Conduct a background check and interview all job applicants. Hire a screening service if you can afford it.
- Conduct initial drug tests and tell applicants that they will be randomly drug tested during the year as well. This will keep most drug users from your business.
- Install a strict code of conduct and ensure that all employees are made aware of it. Inform employees that anyone caught stealing will be fired, arrested by the police and prosecuted.
- Install internal and external cameras that record. Place a camera on all doors to record what goes out the store.
- The owner, manager, security person, or all three if the business has them, should be a constant security "presence." They should roam the business establishment, letting themselves be seen as they casually inspect
- Inform employees about security measures, such as cameras and inventory controls. Make them part of the security team.
- Conduct full inventories regularly and spot checks on occasion. Keep accurate records on cash and product inventory. The person conducting the inventories should be someone other than the person responsible for maintaining it.
- Establish a key control system and appoint a key control officer to manage the system.
- Keep keys in a locked cabinet and keep daily records of keys issued.
- Number each key and have employees sign for keys when they are issued.
- Have keys stamped DO NOT DUPLICATE.
- Change the locks if a key is lost or when an employee leaves the business.
- Don't issue keys to contractors and cleaners. Have them sign for keys and then return them at the end of the day.
- If you can, replace key system with access cards. Access cards can't be duplicated and they can be deactivated when reported missing or when the employee's authorization ends. Access cards can also control the access of the person the card is given to.
- Establish purchasing procedures. Require two signatures on all purchases.
- Establish a requirement for supporting documentation for each purchase.
- Establish procedures for handling cash.
- Provide a receipt for every transaction.
- Limit the amount of cash accumulated in any register. Install a drop safe for excess cash.

### 2.5.3.8 Use of CCTV Cameras on cash counters-

Using a CCTV system for small to medium businesses is improving customer experience. Having a CCTV view of the employee interaction with customers can help to measure the performance of the staff. It can also help resolve customer complaints if and when they arise. It helps keep a close watch on the cargo movement in small or medium warehouses, monitor activities at the retail billing counters and showroom entry/exit points.

#### Procedure to Address Security Breaches and Incidents

A security breach is any incident that results in unauthorized access to computer data, applications, networks or devices. It results in information being accessed without authorization. Typically, it occurs when an intruder is able to bypass security mechanisms.

There are a number of types of security breaches depending on how access has been gained to the system:

- An exploit attacks a system vulnerability, such as an out of date operating system. Legacy systems which haven't been updated, for instance, in businesses where outdated and versions of Microsoft Windows that are no longer supported are being used, are particularly vulnerable to exploits.
- Weak passwords can be cracked or guessed. Even now, some people are still using the password 'password', and 'pa\$\$word' is not much more secure.
- Malware attacks, such as phishing emails can be used to gain entry. It only takes one employee to click on a link in a phishing email to allow malicious software to start spreading throughout the network.
- Drive-by downloads use viruses or malware delivered through a compromised or spoofed website.
- Social engineering can also be used to gain access. For instance, an intruder phones an employee claiming to be from the company's IT helpdesk and asks for the password in order to 'fix' the computer.

The procedure to address security breaches can be seen through the following points-

- If a breach involves your financial information, notify the bank or financial institution with which you have your account.
- Change the passwords on all your accounts. If there are security questions and answers or PIN codes attached to the account, you should change these too.
- You should consider a credit freeze. This stops anyone using your data for identity theft and from borrowing in your name.
- Check your credit report to ensure you know if anyone is using your details illegitimately to get a loan or credit on your credentials
- Try to find out exactly what data might have been stolen. This will give you an idea of the severity of the situation. For instance, if tax details and aadhaar details have been stolen, you'll need to act fast to ensure your identity isn't stolen. This is more serious than simply losing your credit card details.
- Don't respond directly to requests from a company to give them personal data after a data breach; it could be a social engineering attack. Take the time to read the news, check the company's website, or even phone their customer service line to check if the requests are legitimate.
- Be on the guard for other types of social engineering attacks. For instance, a criminal who has accessed a hotel's accounts, even without financial data, could ring customers asking for feedback on their recent stay. At the end of the call, having established a relationship of trust, the criminal could offer a refund of parking charges and ask for the customer's card number in order to make the payment. Most customers probably wouldn't think twice about providing those details if the call is convincing.
- Monitor the accounts for signs of any new ACTIVITY. If you see transactions that you don't recognize, address them immediately.

#### Conclusion

Cashpoint is a place where financial transactions take place. The retailer needs to adhere to the security measures at every stage of cashpoint operation.

**EXERCISE**

1. Restrict access to cash to as few people as possible comes under the category of:

- (a) Employee training
- (b) Written procedures
- (c) Security
- (d) Reconciliation of cash receipts

---



---



---

2. Describe the safety & security measures that should be followed during cash handling?

---



---



---

3. How can organisations deal with the risk of cash thefts and cash manipulations?

---



---



---

4. Which method of cash handling is more reliable—manual or automated? Give reasons to support your answer

---



---



---

**ACTIVITY**

Field visit for observation of cash handling and related precautions in a retail store.

Material required

Pen/pencil, notebook and a checklist

Procedure

1. Prepare a checklist on the points to be observed by the students during the visit to the retail store and share with them.
2. Arrange grouping of students for visit as per requirement.
3. Reach the store as per schedule.
4. Greet and interact with the cashier and observe:
  - (a) Procedure for cash handling
  - (b) Precautions taken while cash handling
  - (c) Taking down opening and closing balances in the books.
  - (d) Reporting to the higher-ups about cash.
  - (e) Any specific/notable situation may be asked about and recorded.
5. Note all observations, discuss with the friends finalise by confirming with the executive/cashier. 6. Prepare a report and submit to the trainer/instructor

## 2.6.4 Problems and Resolutions in Routine Cash Point operation

### 2.6.4.1 Introduction

In a retail store, cashpoint or Point-of-sale is a system that makes a cash transaction process easier for cashier and customers. Cashier at the cashpoint scans the barcode of a product that a customer wants to buy and collect payment in cash or cash equivalent (pay cards, UPI). When the cashpoint system goes down it start creating problem for both (cashier, customer). In such situation, cashier and technical staff of that store has the duty to identify the problem and resolve it.

### 2.6.4.2 Problems at service cash point or POS(Point-of-sale)

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

### 5. 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.

#### 2.6.4.3 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.

**EXERCISE**

1. Explain the card processing problems?

---

---

---

2. Explain in detail how a failure in hardware, software or network connections can disrupt the functioning of a retail store.

---

---

---

**ACTIVITY**

Visit to a retail store for observation of problems at service cash point/POS

Procedure 1. Visit a retail store and ask the cashier about:

- (a) Hardware system issues
  - (b) Software system issues
  - (c) Network connectivity issues
  - (d) Commonly committed errors by cashiers
  - (e) Card problems
2. Ask the measures to overcome these and prepare a report based on the replies.
  3. Confirm with the executive, finalise and submit the report to instructor/trainer.



<https://www.youtube.com/watch?v=ehcjne9-Lto>  
POS machine use



## 3. Retail Sales Process



- Unit 3.1 Retail Sales Process and helping customers choose right products
- Unit 3.2 Effective product demonstration
- Unit 3.3 Analyzing features of and benefits of products
- Unit 3.4 Personalised and Post- Sales Service Support
- Unit 3.5 Overview of Product Sales Specialist
- Unit 3.6 Processing Credit Applications



**RAS/N0126 RAS/N0125**  
**RAS/N0128 RAS/N0129**  
**RAS/N0127 RAS/N0114**

## Key Learning Outcomes

1. Outline the purpose of displaying welcoming attitude towards customers
2. Demonstrate the process to help customers choose right products
3. Explain the importance and role of demonstration in promoting and selling products
4. Explain the importance of conducting product demonstration to the customers in the store
5. Discuss the role of sales promotions in a retail store
6. Follow best practices in providing personalized sales in retail store
7. Illustrate the process to provide an after sales service
8. Discuss the importance of giving customers information and advice on specialist products
9. Illustrate how to process applications from customers for credit facilities

## Unit - 3.1 Retail Sales Process and helping customers choose right products

### Unit Objectives

1. Discuss the importance of welcoming and greeting customers at the store
2. State the importance of professional communication for the effective transmission of valuable information
3. Explain the importance of identifying customer needs and suggest the right products for them
4. Describe clearly and accurately relevant product features and benefits to customers
5. Explain the importance of identifying suitable opportunities to tell the customer about associated or additional products
6. Illustrate the techniques of closing sales and bill payment
7. Discuss the seasonal trend that effect on sales opportunities

### 3.1.1 Welcoming and greeting customers, understand customer needs by opening sales conversation, presenting product of interest to customers, explaining product features and benefits to customers to promote sales and good will.

#### 3.1.1.1 The Purpose of Welcoming and Greeting Customers

Walking into a sales store can be an uncomfortable situation for some customers. To search products at a strange place and looking for staff around the store to ask about the products can be intimidating for them. Due to this uncomfortable situation some shy and hesitating customers do not dare to enter the store or sometimes they leave if they find no attendant in the first place. This can be turned into a huge loss to the store.

In this situation, welcoming and greeting customers with a friendly approach gets important for the following reasons:

- To build a good rapport of the store to customers.
- To make the store's environment comfortable for customers.
- To identify customers' needs

#### 3.1.1.2 Types of Greetings:

There are two ways of greeting customers at the store:

1. Formal Greetings
2. Informal Greetings
  - Formal Greetings: Social Greetings of the Day , Merchandise Greetings In Formal greeting, when a customer enters the store, the store's staff person greets the customer at the entrance. This first greeting is a prime factor that builds a positive impact on customers about the store., For example:
    - a) Welcome customers with Good morning and Good evening greetings.
    - b) Introduce oneself by sharing their name and designation

- c) Ask customers about their expectations.
- d) By using polite language and a soft tone.
- Informal Greetings: Non-verbal In Informal greetings a staff use positive body language expressions and gestures to greet customers once they enter the store. The staff at the retail store use non-verbal ways to set the first impression on customers. Informal greetings set a good impression on customers about the staff. It gives a sense of trust to customers and improves the store's image to customers. In the informal greetings, a staff person uses the following gesture to greet the customers such as,
  - a) By doing gestures like a firm handshake or Namaste
  - b) By giving an appropriate expression like a pleasant smile with proper eye contact.
- Informal Greetings: Non-verbal In Informal greetings a staff use positive body language expressions and gestures to greet customers once they enter the store. The staff at the retail store use non-verbal ways to set the first impression on customers. Informal greetings set a good impression on customers about the staff. It gives a sense of trust to customers and improves the store's image to customers. In the informal greetings, a staff person uses the following gesture to greet the customers such as,
  - a) By doing gestures like a firm handshake or Namaste
  - b) By giving an appropriate expression like a pleasant smile with proper eye contact.

Greeting customers when they enter your store shows them you value their business and are willing to help. Greetings give you the chance to make a positive first impression and set the tone for the entire buying experience.

We can develop the customer experience and welcome them through some techniques and methods.

- Small talks- Small talk is a great way to break the ice and establish a friendly, human connection with shoppers. Examples of small talk questions your associates can use on the sales floor:
  - a) Are you enjoying your afternoon?
  - b) How'd you hear about us?
  - c) Did you watch the game last night? I stayed up to watch the end!
  - d) How's your day going?
  - e) What are your up to the rest of the day?
  - f) Who are we shopping for today?
- Familiarity- Show the customers that you are getting to know them. Examples to get started with your familiarity interactions:
  - a) What brings you in to see us again?
  - b) It's great to see you again.
  - c) Welcome back! How've you been?
  - d) Did you have a good weekend?
- Commonality- Establishing commonalities with customers through your sales staff gives your customers something to connect with. A shared value, perception or even voice can make your brand relatable and instill trust. Examples of questions and statements to say to in-store shoppers
  - a) I like your \_\_\_ (shoes, scarf, coat, hairstyle, lipstick, etc.)
  - b) Wow, how are you navigating that traffic?
  - c) Are you managing to stay dry with all this rain!?
  - d) Are you enjoying all the sun we've been having?

The best customer greetings aren't just about what you say. Several non-verbal factors can influence how well your greeting will be received. Let us look at some of them.

- Appearance- You and your associates must be as presentable as possible when facing customers. The more likable your appearance is, the higher the chances that shoppers would respond favorably to your greeting.
- Time you're greeting properly- It is best to wait about 15 to 30 seconds after someone has walked in before you greet them.
- Body language-Your body language should feel open and welcoming. Keep your arms at your sides (rather than crossing them) and maintain a healthy amount of eye contact. Keep an appropriate distance between yourself and shoppers so as to not invade their personal space.

### **3.1.1.3 Understanding customer needs by opening sales conversation**

We will be able to understand the customer needs only by opening a conversation with them. However lost associates fail in opening a conversation with the customers.

Here are a few common mistakes that we generally do-

- You talk too much of unnecessary things that are not relevant to your business.
- You speak too little
- You are over overanxious
- You are unprepared about what to explain.

All this can be corrected through following some steps.

- a) Build rapport- Before you ask questions to get the buyer to open or talk about how you can help, you have to build rapport. Be likable and focus on relationship building, and you'll find your sales conversations will go much more smoothly.
- b) Make the impact clear- You can do everything else right, but if the prospect doesn't see the value of your solution (and you've got to be very clear with what that value is), they will not buy it.
- c) Paint a picture of new reality- You need to paint a picture of what their new world will look like with the product. How will it be better?
- d) Build on the foundation of trust- Trust is the foundation of sales success. A buyer will not open and share their needs if they don't trust you. A buyer will not believe in your solution and that you can do what you say you can do if they don't trust you.

### **3.1.1.4 Presenting product of interest to customers**

We know about a customer and their went through the following features-

- Gestures
- Facial expressions
- Body language
- Direction of the eyes
- Questions
- Comments

Further customer interests also vary from person to person depending on-

- Age
- Sex
- Occupation

- Residence
- Income
- Hobbies
- Lifestyle
- Behaviour

#### CASE STUDY

Even as companies work (and sometimes struggle) to acquire these familiar kinds of customer data, the growing availability information creates major new data sets to be mined. Companies are beginning to craft offers based on where a customer is at any given moment, what his social media posts say about his interests, and even what his friends are buying or discussing online. One example is Foursquare, which makes customized offers according to how many times consumers have “checked in” to a certain retail store.

#### 3.1.1.5 Explaining product features and benefits to customers to promote sales and good will.

The distinction between the terms benefits and features is an important concept in developing and marketing a product or service. Features are characteristics that your product or service does or has. For example, some ovens include features such as self-cleaning, smooth stovetops, warming bins, or convection capabilities.

Benefits are the reasons customers buy the product or service. For example, the benefits of some ovens to buyers include safety, ease of use, affordability, or—in the case of many ovens that feature stainless steel casings—prestige.

Given that benefits are ultimately more important to your customers than features, it is important that you understand the benefits your products and services provide, emphasize these benefits in your sales efforts and update your products and services when new or additional benefits are desired by your customers.

Before talking about the features, always follow a sequence for asking questions for the effective sale of a product.

Remember to know the benefits of each feature that you would introduce to the customers.

- Which customer segment is served by this feature?
- What is the purpose of the feature?
- What does the feature help the customer achieve?
- What specific challenge does this feature solve?
- What is the desired user experience for this feature?

### 3.1.2 Helping Customers choose products and Handling Customer queries

Sometimes customers’ needs are not fully identified or explained. The customer may not explain clearly what they want or expect. In providing excellent customer service, it is your responsibility to identify this and provide a fully informed service.

- Identify customer wants- When a customer approaches you for either a service to be provided or the possible purchase of products, you need to identify exactly what it is the customer is after. How do you know what the customer really wants?

- Listen-Listen and pay attention to your customer's request. Ask questions to clarify the request. Use positive language, appear confident and give direct eye contact in a relaxed manner, showing the customer you are giving them your full attention. This helps establish a rapport with your customer, making the customer feel valued. Taking the time to actively listen to your customer is important as it can ultimately save time, reduce confusion and strengthen the business relationship. To ensure the customer knows you are listening, you will need to give them feedback and signals such as comments including: "Yes, I understand, I agree, etc." along with eye contact and nodding if they are face to face. Make sure you give your customer your full attention. Avoid distractions such as colleagues around you, or the phone ringing. Sometimes a customer may have a speech impediment or strong accent so you will have to concentrate fully to comprehend the request.
- Take notes- It is often useful to take notes of your conversations especially where details such as unusual names and numbers are involved.

Presenting options appropriately- You need to present your options to your customers in a style and format that is appropriate to:

- The type of customer
- Enterprise procedures.

All customers are different. In your dealings with them, you will learn to know what sort of people they are and from what type of background. This is important when presenting them with options. You should use an appropriate style and format that considers:

- Language barriers
- Age
- Disabilities

Assessing customer needs - Effective questioning techniques will need to be utilized to ensure you are meeting your customer's needs and are able to provide them with the exact service or product they require.

Following are 10 main priorities/expectations customers will have when dealing with you:

- Availability and quality/reliability of product/service
- After-hours service and backup
- Efficient handling of orders/services and queries
- Ordering convenience
- Competent technical technicians or staff
- Delivery time and reliability
- Provision of a pleasant environment
- Well informed staff about products and services
- Willingness of staff to help and assist politely
- Value of product/service.

Handling customer queries

While handling customer queries, be sure to maintain the following points-

- Clarify the question first: Customers ask two basic types of questions. Some are very specific questions about a feature or issue, while others are more general about a broad topic or your opinion. In both instances, make sure you understand the question before answering it.
- Show your domain expertise. Frame the beginning of your answers with statements that confirm your credibility like “Based upon my experience working with X, Y and Z companies” or “I’ve been asked that many times over the years.”
- Make sure everyone understands. Since most sales calls are conducted with groups of people, you should give a little background information with your answers to ensure everyone understands the topic of conversation.
- Provide an expert point of view. Your goal is to become a trusted advisor by intently listening to the questions the customer asks so that you can apply your expertise to solve the customer’s business problems or complete his initiatives.

Redirect insane and unfair questions. If you think that the question asked by the customer is invalid, simply redirect it. For example- you are explaining about the features of a product, say, a laptop and the customer is only thinking about the expenses about the laptop or its warranty to be extended, then they may not listen to the retailer or may ask irrelevant questions or make demands which aren’t possible, Like, ask for discounts which may not be available, or ask for freebies/gifts. In such situations understand the customer expectations and show them less expensive ones, or give them other options when it comes to after sales service., You can use statements like “how about we move on to the laptops which suit your need more” or “This laptop comes with an extended service warranty like you wanted” Also, one of the best ways for the sales associate at the store to make a sale is to keep the customer engaged and happy. Very often customers lose interest as soon as they here a “NO”. But there are occasions where we find ourselves against a wall when the questions that the customer asks are unfair. It becomes essentials at such time to stay calm and composed, rather than bluntly telling the customer to be more realistic or evening saying a NO, redirecting questions and changing the focus of the customer becomes key

### 3.1.3 Identifying opportunities for cross selling and up-selling

Cross-selling is a sales technique used to get a customer to spend more by purchasing a product that’s related to what’s being bought already. Amazon reportedly attributes as much as 35 percent of its sales to cross-selling through its “customers who bought this item also bought” and “frequently bought together” options on every product page. That approach allows a retailer to prompt a shopper to buy a compatible – or necessary – product.

Examples of cross-selling include:

- A sales representative at an electronics retailer suggests that the customer purchasing a digital camera also buy a memory card.
- The cashier at a fast-food restaurant asks a customer, “Would you like fries with that?”
- The check-out form at an ecommerce site prompts the customer to add a popular related product or a required accessory not included in the product being purchased.
- A clothing retailer displays a complete outfit so the shopper sees how pieces fit together and buys all the pieces instead of just one.



- When should you proceed with cross selling?
- When a customer develops interest to the product
- When a customer enquires more about the product
- When a customer wishes to buy the product for someone else.
- When a customer buys a complimentary product
- When a customer shows gratitude and affection towards you

Best practices for cross-selling success include:

- Recommend the accessory required for proper operation or use of the product purchased, such as a power cord for a computer printer that doesn't include one in the box.
- Bundle related products so the customer doesn't need to look for necessary components or accessories.
- Offer a discounted price on a bundled product to encourage immediate purchase with a temporary price savings.
- Demonstrate how the additional products work with the product being purchased.
- Make it easy for the customer to say "yes" by addressing potential customer objections in the cross-sell conversation. For example, a waiter showing diners the dessert tray can overcome, "I shouldn't" by suggesting that diners share a dessert.

Cross-selling in the ecommerce environment involves identifying related products and creating appropriate offers while in-person cross-selling could require training in effective approaches. In both cases, though, the goal is to make more money for the company while creating a satisfied customer.

Upselling is a sales technique used to get a customer to spend more by buying an upgraded or premium version of what's being purchased.

Upselling is a common practice in both business-to-business and business-to-consumer selling situations. Here are a few examples:

- An airline prompts the passenger flying coach to upgrade to a first-class seat as part of the airline check-in process.
- A restaurant menu gives diners the option of adding chicken or shrimp to a salad for an additional cost.
- The check-out process for an online book retailer offers the audio version of a printed or e-book for a discounted price.
- An auto salesperson recommends that a driver purchase a vehicle with a more expensive trim package that includes amenities such as leather seats.

When should you proceed with upselling?

- When a customer develops interest to the product.
- When a customer enquires more about the product.
- When a customer wishes to buy the product for someone else.
- When a customer buys a complimentary product.
- When a customer shows gratitude and affection towards you.
- When a customer shows concern for the bought item/good.

Upselling can help a business generate additional income when done properly. Best practices include:

- Avoid recommending a product or service that is significantly more expensive than the product being purchased.
- Don't be too pushy or aggressive. Accept "no thank you" as a response.

- Focus on the customer's needs and how the value-added offer will help meet those needs.
- Upsell when possible and appropriate so no opportunity is missed.
- Offer side-by-side comparisons so the customer can see the value in the premium version.
- Educate the customer as part of the upsell so the customer understands the risk of not taking advantage of the offer.

Successful in-person upselling might require training or coaching in appropriate techniques. Understanding how to upsell effectively can generate additional income but doing it the wrong way could alienate the customer.

### 3.1.4. Collecting and interpreting customer responses and acknowledging customer buying decision

Consumer response is the positive or negative feedback a company receives about its products, services, or business ethics. A consumer response can be solicited by the company or initiated by a consumer. The response can include a letter or answers to questions about a product or issue within the company.

A consumer response can benefit a customer and a company. The company benefits because it can gather information needed to enhance or correct a product. For example, if a bookshelf is too difficult for customers to assemble, a company can collect the information and make corrections to the product. Customers benefit from a consumer response because they can voice their opinion about the product and compel a company to modify the product.

Before interpreting about customer responses, first try to understand the customer psychology.

- The purchase usually happens due to a need. So, if we identify the need, we will get to know how about the customer response to the product you show them.
- Now the consumer needs information from you about that product. You need to provide accurate information about that, then you will know about their response.
- Alternatives- The customer can also go for any alternative product depending upon the customer needs. You also must provide the information of alternative products also.
- Buying decision- The sole person responsible to decide whether to buy the product or not is customer themselves.
- Post purchase behaviour- The customer has the right to express satisfaction or dissatisfaction with the product they bought.

Following are the different ways to collect customer feedback.

- Long form-based surveys- The most common way of collecting customer feedback is survey forms with a set of questions that are usually sent in an email.
- Short in- app surveys- A great idea is to offer a survey while your customer is using your app. The survey can be prompted the moment a user has finished interacting with a particular feature in the app. Since the user is already in the process of using that feature, it is very likely that their feedback will be very precise and to the point, and not ambiguous.
- Phone calls- It is a personalized and proactive method that generates the best responses.
- Transactional emails- Transactional emails are the ones that you receive right after signing up for a new service, or upgrading to a new plan, and so on. Basically, these are emails triggered by a certain interaction between the user and your app.
- Suggestion boards- These boards allow users to create feedback posts that can be upvoted or commented on by another user.

Acknowledging customer buying decision- Once you come to know about the customer responses through the feedback received, the most important step to do next is to acknowledge their responses. This can be done by following their suggestions and improving on them, if they have any suggestions to offer. Following are some of the steps you can take in acknowledging the customer buying decision-

- Identify product improvement areas- With this not only will your customers appreciate your willingness to listen and implement their ideas, but you will set yourself apart from your competitors, as a business that genuinely cares.
- Feed customer feedback into your product roadmap- If companies can incorporate customer feedback into the product roadmap successfully, they have certainly come very close to the ideal market-fit.

#### CASE STUDY

Let's take a couple of examples from the company Hiver.

A few of their customers thought shared labels can have different colours as that would help them manage their inboxes better. Now, this is a product improvement – they added it to 'task manager' and had implemented it in almost no time!

- Find your niche- Once you have discovered the verticals where most of your happy customers exist, start working on strengthening the relations you already have with them. Strive to make them your advocates and seek recommendations.
- Motivate your team- Customer feedback can act as a secret driver to motivate employees.

### 3.1.5. Techniques of closing sales and bill payment

In sales terms, closing is generally defined as the moment when a prospect or customer decides to make the purchase. Very few prospects will self-close, making it necessary for the salesperson to instigate the close. While closing the sale is necessary, it doesn't have to be a big deal. A salesperson who has done a good job in the early stages of the sales process will only need to give a simple nudge to the prospect to start the close. It might be as simple as saying, "Sign here to make it yours," while handing the prospect a pen and a contract.

It's often a good idea to try a trial close before you commit to a final close. A trial close is a way to test how ready the prospect is to buy, by asking a question such as "How do you feel about what we've discussed so far?". Once you've responded to all the prospect's objections, you can either float another trial close or move to a final close, depending on how confident you feel at that point. This is generally a make it or break it point for the sale. Once the prospect has run out of objections, they must either give you a final yes or a final no.

A 'no' from a prospect at this point is not necessarily the end of the sale. Depending on their reasons for saying no, you may still be able to change their mind and complete the close. Even if they stick to their no, you can thank them for their time and make a note to reach out to them later. After all, things will be different for the prospect in a week, a month, or a year, so they may become eager to buy if you just give them a little time.

Sales-people have come up with several closing techniques to help soften prospect resistance and put them in a buying mood. These closing techniques can be quite powerful and should be used only as appropriate. Closing techniques are best used when the prospect is close to buying but is held back by an unreasonable concern.

- Visualization close- Make them literally see what you offer: more than 90% of people perceive the world and make decisions based on the visual input data.
- Puppy dog close- It's one of the simplest, yet actionable and effective sales closing techniques. you need to allow your prospects to test drive your product, whatever it might be. The actual feeling of possessing or trying the thing they like makes them happy and satisfied.
- Assumptive close- his technique presupposes using a phrase that assumes the close is a done deal. You can create a set of your own assertive statements to resort to them whenever necessary. E.g., "What day do you want to receive your order?"
- Question close- Questions urge people to act and help you discover whether your product appeals to your customers. E.g., "Is there anything preventing you from agreeing to this deal today?"
- Now or never close-To entice into buying those tough customers of yours who are still hesitating, offer them a special benefit (discount, gift, bonus, attractive quotes etc.). E.g., "If you sign up today, I can offer 25% discount."
- Urgency close- It's recommended to create a sense of urgency that places pressure on the prospect and forces them to make a purchasing decision. E.g., "This is a limited time offer that is valid till the end of the day."
- Empathy close- Showing them that you care about their pain will put you on the right track.
- Hard close- To overcome the customer's inertia and to pull the trigger quicker, you can resort to the hard close. This technique requires tons of courage and confidence from you and should only be used when you have nothing to lose. E.g. "Could you please sign the agreement?"

### 3.1.6. Legal rights related to returning of unsatisfactory goods

The most important statutory rights for returning the shopping comes from two pieces of legislation - the Consumer Rights Act 2015 and the Consumer Contracts Regulations.

These two regulations cover the return of unwanted goods bought online and the right to return faulty goods bought online or from a store. Most retailers choose to provide a 'goodwill' returns policy offering an exchange, refund or credit note for most returns.

The customers can only return store-bought non-faulty goods for an exchange or refund if the retailer has a returns policy.

Most retailers impose time limits for returning non-faulty products, such as 28 days, but many extend around Christmas for example, so the customers might have more time than you think to return an unwanted product.

If the customer pays by credit card, they also have extra protection under Section 75 of the Consumer Credit Act.

Items that cannot be returned

Most retailers have policies which stipulate that they will accept non-faulty returns, as long as items are unused and in perfect condition with their undamaged original packaging.

But there are some returns exceptions worth knowing about.

- DVDs, music and computer software - many retailers refuse returns if the seal or packaging has been broken.
- Perishable items - you won't usually be able to return an item if it's perishable. This includes food and flowers.
- Made to order - if an item has been made to order or personalised, it's very unlikely that you'll be able to return it.

## EXERCISE



1. A man just entered your store who appears shabby and unkempt. How will you welcome and greet that person for initiating the transaction of the good that he wants?

---



---



---

2. How can you ensure that the customer shows interest in your products?

---



---



---

3. What all factors will you keep in mind while selling a mobile phone to a student?

---



---



---

4. When a bookseller tries to introduce you to the second part of 'Twilight series, while you were buying the first book, what kind of selling is happening there?

---



---



---

5. What all techniques of closing sale can you apply to a hesitant buyer?

---



---



---

6. What is cross selling? If Sheldon is working in a tourism industry, what are his prospects of cross selling if he wants to offer a package to Paris?

---

---

---

## ACTIVITY



Imagine you have the following categories of customers at your retail store

- An old man
- A pregnant lady
- A little girl with her dad
- A cerebral palsy affected person

How would you deal with them to buy a bedsheet of your store?



<https://www.youtube.com/watch?v=mZziCuQx-akE&list=PLAFE6EE3F43FBA7BC&t=21s>  
Handling Objections



<https://www.youtube.com/watch?v=c65o74K-wLfl&list=PLAFE6EE3F43FBA7BC>  
Remember to Ask Open Ended and Close Ended Questions



<https://www.youtube.com/watch?v=dDbqwtjzX-jY&list=PLAFE6EE3F43FBA7BC>  
Setting Direction

## Unit 3.2 - Effective product demonstration

### Unit Objectives

1. Describe the role of demonstration in promoting and selling products
2. List the logical steps of demonstrating a product by showing the use and the value of the products
3. List key safety guidelines to be followed in the demonstration area

### 3.2.1 Role of demonstration in promoting and selling products

In marketing, a product demonstration is a promotion where a product is demonstrated to potential customers. The goal is to introduce customers to the product in hope of getting them to purchase that item. Products offered as samples during these demonstrations may include new products, new versions of existing products or products that have been recently introduced to a new commercial marketplace.

Product demonstrations generally aim to increase sales for specific merchandise in a target market. Product demonstrations are a form of sales promotion that involves interactive sales presentations such as providing test samples and showing video presentations of a product.

This marketing technique is used to introduce new products into retail markets, such as mass-merchandise outlets, by attracting prospective customers to demonstration booths.

Product demonstration is one of your best sales tools if you have a high-quality product. A product demonstration helps you get prospective customers or investors interested and excited about your solution. It is also an effective way to address the prospect's specific product-related concerns.

Product demonstrations provide visual support to enhance the quality of your sales presentation. Prospects who are more visual or hands-on learners often need to see your product in action to fully grasp its value and potential. This is especially true if unique design features are key selling points, such as with fashion or furnishings.

One of the benefits of product demonstrations is instilling a sense of ownership of the product to the prospect. For example, car salespeople typically try to get a buyer behind the wheel to feel what it would be like to own and drive the car.

The product, sample, video, brochures, pictures, and other tools used in a demo are often called proof devices because they offer tangible evidence that supports what you say. Showing what your product can do, and even letting the customer experience it, provide the necessary proof. For example, food samples help grocery shoppers experience taste quality for themselves.

Your demonstration also helps you combat product-related concerns presented by a buyer. Prospects often come with preconceived notions or misinformation based on things they have heard in the marketplace. If a prospect questions key claims or doubts your product and its performance capabilities, a demo can ease those concerns.

### 3.2.2 Prepare area/space for safe demonstration of product

Work areas such as a house, school, garage, office or kitchen generally require proper organization and arrangement of all the goods and items for their proper functioning. It would help in gathering proper signals and messages, for it to be received and to work efficiently. This would also give clarity of work, a purpose, and a desire to earnestly work for the development. It will then improve the accuracy of the work and the fulfillment of the final mission.

In a business organization, proper arrangement, organization and a clean and safe workplace for your staff and client is necessary for their functioning. In a retail sector, there are many areas in a workplace need to be considered to keep a clean, tidy, and safe environment. Let us look at some of them.

- Point-of-sale terminals and surrounding areas- A point-of-sale (POS) terminal is a hardware system for processing card payments at retail locations. Software to read magnetic strips of credit and debit cards is embedded in the hardware.
- Counters, Benchtops and Working surfaces- A counter is a level surface (such as a table, shelf or display case) over which transactions are conducted. Benchtop means the surface of a bench. The working surface includes the entire area over which all the paraphernalia related to the work is kept.
- Walkways/aisles- An aisle refers to an area to walk between things such as shelves. An aisle is always in between rows of something like benches at a church or grocery store shelves. A walkway is very general and is usually used for paths in a garden, a park, or connecting buildings.
- Fittings and fixtures- Fixtures are generally items attached, or 'fixed,' to the property. However, fittings refer to the items that aren't attached to the property, other than by a nail or a screw (such as a picture or mirror, for example).
- Sinks- A sink also known by other names including sinker, washbowl, hand basin, washbasin, and simply basin – is a bowl-shaped plumbing fixture used for washing hands, dishwashing, and other purposes.
- Storage areas- A storeroom refers to the area is where all the goods and items related to the office are stored for future use.
- Fitting rooms - Fitting is a room or area designated for changing one's clothes. Changing rooms are provided in a semi-public situation to enable people to change clothes with varying degrees of privacy.

Keeping these areas clean and well organized would show the people that the workplace is professional. If the store is cluttered and untidy, customers find it difficult to search for their requirements which may lead to frustration and result in a loss of sales. The clean store gives a positive and pleasant shopping experience.

A good impression on the customer is created through the clean work area and keep all the equipment, products, brochures, pamphlets, advertisements, and informational items nearby or in a handy position so that they are readily available when we must show the details and provide information to the customer.

### 3.2.3 Explaining the features and benefits of products during Product demonstration

Demonstrating the product or service to present or show to a customer is a vital step in capturing your audience's attention and creating a buying environment. While demonstrating the product/service, the retailers focus on the features and benefits that customer will be interested in. A product feature is a specific piece of functionality that has a corresponding benefit or set of benefits for the user. Benefits are the value that users gain from using that functionality.



The table below shows example products and services with sample features and the corresponding benefit:

Product/Service	Feature	Benefit
Automobile	Reverse automatic braking	Enhanced safety
Toy robot	Built-in rechargeable battery	Convenience, ease of use
Financial reporting software	Custom analytics report	Flexibility, configurability
Online training portal	Search and filter options	Time-savings, interACTIVITY

Table 3.1 Features and Benefits of Product/Service

The customer will not consider, if storekeeper speaks only about the feature it will leads to losing their attention and sales. About a product, potential buyers are generally most interested in:

- What the product is?
- What it looks like?
- What it can do?
- How it is in comparison to other, similar products in the market, e.g. cost, quality, currency, size, style, etc.

### 3.2.4 Logical sequencing of demonstration steps

The different steps to demonstrate the product

- Communicating effectively with your audience: As you demonstrate a product, be sure to maintain an effective flow of communication with your audience by:
  - a) Explaining what you are doing, clearly and concisely
  - b) Fluently talk about key features and benefits of the product
  - c) Ensuring the body language is positive and open, e.g. facing the audience, standing/sitting up tall, making regular eye contact with audience members, being open to and dealing with questions immediately.
  - d) In order to achieve this level of communication, you will need to be well-informed and well rehearsed.
- Practicing your demonstration: Practice well by using the product and any intended support aids, e.g.: projectors for a PowerPoint presentation. There is nothing less impressive than a demonstrator who fumbles or cannot use their own products and/or equipment. This is more than likely to cause you to lose a sale.
- Practicing in front of others will assist you in developing your demonstration skills and ensure a smooth presentation.

- Preparing yourself for answering the audience questions: While you are demonstrating your product, it is quite likely that members of your audience will interrupt you with their questions or comments. In order to respond promptly and appropriately, and thereby present a professional image, it is important that you undertake adequate preparation. Some suggestions are as follows:
  - a) Be aware about competitor offer; be ready to highlight the aspects of your product that make it compare favorably to competitors' products.
  - b) Think about possible objections that your customers could raise and have some answers prepared for them as well.
  - c) Have some facts and figures to support your presentation. Ensure they are current, accurate and relevant and with proper citations for the sources of your information.
- Encouraging audience participation: In the process of demonstration, customers are given an opportunity to interact with the product. For example in saree specialty stores the customer engagement in demonstration is done by helping the customer drape the saree around her to completely unfold the aesthetic value of the product. This helps the customer to have a first hand experience of the design, style, fabric and above all the overall look of the customer in the demonstrated saree and instantaneously facilitates purchase by the customers.
- Recording Customer Interest as sales Lead Generation - A sales lead is a person who takes interest in a company's product and can ultimately become a customer. The right demonstration of products can generate sales lead. It gets important to record a customer's interest in the product and services so that a seller can make extra efforts to persuade the customer to make a purchase. The level of engagement of a buyer during the sale process determines a customer's interest. If a customer seems satisfied and inquires more about the product then the customer can become sales lead.

#### CASE STUDY

Demonstration videos are ideal for showcasing your product to prospective and existing customers. Demo videos can take someone who is unfamiliar with your product walk them through how that product works and gives them the information that they need to make a buying decision.

Product demo videos not just simply explain the key features of product but also create a sense of excitement which can help compel the prospect to want to buy the product. Events Planning company Blue Hat Group wanted to create a video for their new GoTeam app. This tablet based app allows its clients to create virtual treasure hunts which turn any environment into an exciting adventure. In this video 3D animation was used and motion graphic was overlaid onto live action to provide an action driven demonstration with a feeling of technological sophistication.

#### EXERCISE



1. You are required to demonstrate the mobile phone usage regarding a new product. Mention the benefits of having demonstration skills for the successful sale of the product.

---



---



---

2. Demonstrate how will you ensure that the aisles, benchtops, storeroom, fitting rooms, fittings, and fixtures are properly kept before starting the demonstration of a product?

---

---

---

3. Demonstrate the product benefits of a newly released laptop in the market with product features such as USB Type-C / Thunderbolt 3 Ports, Higher-Resolution Screens, OLED Displays, 8GB of RAM or More, 802.11ac Wi-Fi.

---

---

---

4. You have a customer who is in a hurry but also needs to see the demonstration of a product before purchasing of goods. How will you ensure that complete details about the product are provided within time?

---

---

---

5. You are selling a product of a company and your rival company is also selling the same product. How will you ensure that the customers buy the product from your company outlet rather than your competitor outlet?

---

---

---

## ACTIVITY



Choose a product you are familiar with and have access to, e.g. this may be an item you own, such as a phone, mp3 player, tool, kitchen gadget, etc. Practice demonstrating the use of your product to a fellow student, co-worker, friend or family member. Guide them to ask you some questions related to the demonstration of the product or give some comments for you to respond.

## Unit 3.3 - Analyzing features of and benefits of products

### Unit Objectives

1. Explain the need to manage his or her time spent with the customers to match the value of the prospective purchase
2. Explain the importance of pacing client consultations to make good use of the selling time while maintaining good relations with the client

### 3.3.1 Introduction

#### 3.3.1.1 Introduction

The retail sector is a province of sale and purchase. In this sector, retailers sell their profit-making saleable products to the customers. To sell a product, the features and benefits of that product help a seller to sell it. To maximize the retail sale of a product, sellers describe the features and benefits of that product to customers.

#### 3.3.1.2 Features of product

Features of a product mean the characteristics of a product that convey the product's functionality and purpose to its buyers. Feature of a product describes its technical aspects that help a buyer to identify the product and its specification. To understand the features of a product, we classify its specifications into following categories -

1. Resilience
  2. Appearance
  3. Function
- Resilience: In the retail sector, a seller sells various types of products, some of them are durable, and some are perishable. A feature of a product's resilience defines the quality of the product.  
Resilience refers to the material strength of the product. For example, the resilience and the product strength of a bath soap brand may come from its fragrance, lathering capability, body wash strength, and so on. Such are the features of the product that need to be explained to the customer to increase sales.
    - a) Tangible products : Tangible goods are products, which have their physical presence and can be touched, such as a car, pen, pencil.
    - b) Intangible product: Intangible products are those products that have no physical existence, such as software.
  - Appearance: The appearance defines the overall look or design of a product. It includes the shape, colour, dimension, etc., of a product. The appearance can put a negative or positive impact on a buyer's mind. It is the first thing that grabs the attention of a buyer towards a particular product and this factor decides that how a buyer perceives the product.

For example: An almirah can be rectangular or square in size, it could be iron or solid wood based almirah, the almirah can have an attached mirror, it can come in different colors like pink, orange, blue based on the color of plywood sheet, etc.

If a buyer comes to buy an almirah in a store and there are numerous varieties of almirahs available there. It is only the appearance factor that can first catch a buyer's attention towards an almirah.

- **Function:** The product utility decides its usability. It helps the buyer to choose the product based on its functionalities. For example, washing machines make washing clothes easy for users.

In retail sector, features of a product are vital because it convey the specifications and functionalities of that product.

### 3.3.1.3 Benefits of product

Benefits make a product reliable and profitable for the consumer. Benefits of product ensures a customer's satisfaction and with strong impression. To understand benefits of a product, we classify them into further two types: --

- **Actual Benefits:** Actual benefits are those benefits a consumer experiences in real life. For example- thermo steel vacuum flask maintains liquid temperature, this way, the thermo steel vacuum flask gives actual benefits to its customer.
- **Perceived Benefits:** There are some benefits which give the perception of position consequence, these benefits are known as perceived benefits. For example- Mercedes gives perceived benefits to its user because others view it as a sign of status.



Fig. 3.1 Pictorial Representation of Benefits of Product

In retail sector, benefits of a products play the vital role to maximize its sales. On the other hand, some products create a positive impression and give a luxurious experience to its customer.

#### Conclusion

Features and benefits help a customer to identify the best and useful product for him. So, it is necessary for him and sellers to know about their respective needs for products. A seller must have the knowledge of the feature and benefits of the products, he is selling.

#### Mini Caselete

A customer wants to drink a cold drink, but since he is diabetic he cannot drink it.

However there are variants of cold drinks available in the market that don't include sugar. Diet coke fulfilled the need of the customer and on the other hand increased the revenue of coco-cola.

## EXERCISE



1. What do you mean by benefits of a product?

---

---

---

2. What are the differences between features of a product and benefits of a product?

---

---

---

3. Describe 'A feature tells the customer 'What' and benefit tells the customer 'Why''

---

---

---

## ACTIVITY



Write the features and benefits of an electronic product that you own, discuss these with one of your fellow trainees

## 3.3.2 Identifying and Reporting Promotional Opportunities

### 3.3.2.1 Introduction

The prime objective of a retail seller is to expand the business. To pursue this objective, he does various promotional activities such as advertisements, pamphlet distribution etc. These promotional activities assist the seller to maximize the sale of the products and services he offers.

### 3.3.2.2 Promotional opportunity

Promotional opportunity is an activity that conveys a seller's promotional messages to target audience. The target audiences of a seller or a business entity come from different demographics. A retail store uses following ways to attract the customers.

1. Welcome message
2. Monthly update
3. Promotional message
4. Issue with order message
5. Feedback

A seller does numerous promotional activities to promotes the product among the customers.

#### Identify Promotional Opportunities

Promotion is the activity of presenting a brand in front of the public and attract new customers. There are numerous ways to promote a product, but it is essential to identify the effective and accurate promotional opportunities. Usually, a seller needs to identify following promotional opportunities: -

1. Target audience
2. Type of promotional opportunities
3. Platform (Print media, digital media, words)
4. Job role in promotional ACTIVITY



Fig. 3.2 Pictorial Representation of Promotional Activity

Identifying promotional opportunities help seller to adopt a beneficial model to increase sales. There are different types of promotional strategies, some of them are as follows: -

- Contests: Business entities organize various contests, such as the best customer of the year, etc. The strategy behind these contests is to promote products or company's brand image/name.

- **Mail Order Marketing:** In this promotional activity, sellers use the digital platform(internet) to send promotional emails at mass level. This activity ensures that the brand image stays relevant and customers remember the company.
- **Product Giveaways:** Product giveaway is an easy way that a seller uses to build rapport with customers and promote the saleable products and services.
- **Point-of-Sale Promotion :** Point-of-sale promotion is a product promotion strategy that happens on the next payment checkout counter. For example, some retail outlets offer discount coupons when you buy products from them, however these discount coupons can only be used the next time the customer purchases something. This ensures that the customer returns to the store again to buy something just to utilise the discount coupon.
- **Endcap Marketing:** The endcap marketing resides in departmental stores, where endcap aisles are used to store organise the products. A seller uses the end of the aisle to promote his products.
- **Floor Activations:** Floor activations are interactive experiences that connect existing and potential customers to the brand and educate customers on an aspect of the product, technology or purpose-driven initiative. The more you make the activation interactive and immersive, the more memorable the experience. A well-crafted activation acts as the finishing line for converting awareness into tangible action – from having a customer recognising your brand, to then deciding to buy your product. For example, A Tea brand launches a new masala tea and decides to promote it at few stores. On the shop floor they have a team that talks about the new taste and they also offer a hot cup of the newly launched tea to the customers to taste and experience. This ACTIVITY creates a lasting image of the brand in the customers mind, the customer experience also will remain in the mind of the customer for a long time. These activities also show massive response in sales, because the customers get a chance to experience the product first hand and can take decisions swiftly.
- **Co-operative promotions with Brands:** In Co-operative promotions, the store collaborates with different brands or two or more businesses. In this promotional activity, two different businesses share or display their products together with each of their customers that gives profit to both. By using this method, a store persuades its customers to shop from the other brand and the other brand does the same. This promotional activity helps a small brand or business to boost its sale and on the other hand, a big brand or business popularize its brand name among wide customers

For example, A newly launch Plasma Tv of a particular brand is placed first time in a store in mall and to buy that TV customers have to visit that store.

In that case, the possibilities are:

- a) First, the customers who want to buy Plasma TV will visit that store and there might be the possibility of them to buy other products from the store.
- b) Second, the customers of that store can buy that new Plasma TV that is displayed in that store.
- c) Third, the visitors of the mall can enter the store to check that new Plasma TV.



Fig. 3.3 Display in Retail Store



- Customer Referral Incentive Program : The customer referral incentive program is a way to encourage current customers to refer new customers to your store. Free products, big discounts and cash rewards are some of the incentives a seller uses.
- Advertisement on digital and print media : Sellers use advertisement medium to reach a mass audience and increase their customer base. They run several advertisement campaigns on digital platforms like social media, websites through digital videos and images that target youths.
  - a) Another source is print media where they publish about their store and business in newspapers and magazines where they target an audience that is not accessible to technologies. In this way, they build their presence everywhere.

For example- Amazon is an e-commerce platform. Every year during the time of seasonal sales, it spends a huge amount of money on running advertising campaigns on both digital and print media platforms to widen its customer base.

- POP Materials (Point of Purchase Materials): These are advertising materials displayed or hung at the point of purchase. These materials include Pamphlets, Dangers, Festoons, Bunting, etc. and they come in different attractive sizes, shapes and colours. POP generally communicates the product's name and its intent to customers in attractive ways. They are used for highlighting specific products in a separate section of the store. Those products can be a new item, or it can be a strategy of the store to promote the existing products of that brand.
- Report promotional opportunities : Report promotional activity is a report which holds the result of a promotional activity. A seller or marketing department of a business entity design this report to analysis the result the promotion. Usually reporting manager or head of marketing department needs this report to plan next action.

#### Conclusion

Promotion is an activity to maximize the sale of a product. Seller this ACTIVITY to introduce his business in front of mass population. He uses this ACTIVITY to invite people to become customer of his product.

## EXERCISE



1. What do you mean by promotional activity?

---



---



---

2. Define platform for promotional activity?

---



---



---

3. How can you promote your product in a departmental store?

---



---



---

4. How will you analyse a product promotion?

---

---

---

### ACTIVITY



If you were conducting a sale that involved selling a book about places to visit in Mathura and it was part of a set of individual books about places to visit in each state and territory of India, what would you say to them to encourage an add-on sale?

### 3.3.3 Promoting products

#### 3.3.3.1 Introduction

The term promotion means to rise from a lower level to an above level. Usually everyone considers this term as an escalation in job profile, but in retail sector business entities use it for business promotion purpose.

Promotion

In retail sector, promotion refers to a type of marketing strategy that has a purpose to inform the buyers about the company's offered goods and services. In the promotion, a company describes about the features and advantages of its products and services, to the target audience. The purpose behind promotion of a product is to increase awareness, create interest, generate sales, and create brand value in the market.



Fig. 3.4 Pictorial Representation of Promotion

Types of promotion

In retail sector, the way of promotion varied. A product promotion includes following types: -

- Promotional advertisement
- Sales Promotion
- Personal Selling
- Publicity
- Promotional Advertisement: Promotional advertisement is an activity that showcase features and benefits of a product in a unique way by making videos and attractive content. The aim behind promotional advertisement is to attract new customers and promote growth to the business. Usually, promotional advertisement used print media and digital platform to advertise a product, some of them are as follows:-
  - a) Newspaper
  - b) Pamphlet
  - c) Website
  - d) Television
- Sales promotion: In retail sector, retailers use short time campaigns to retain their existence in the market and to invite new customers. There are different types of sales promotion
  - a) Customer sales promotion
  - b) Dealer Promotion
  - c) Business promotion
  - d) Public relation

- **Personal selling:** Personal selling is a method of doing face to face selling. In this technique, salesman uses his interpersonal skill to communicate with the customer to promote the product. Inter-personal skill of salesperson are as follows: -
  - a) Good communication skill
  - b) Confident appearance
  - c) Positive manner
- **Every seller use promotion to advertise their product:** The reason behind promoting a product is to compete with the competitors and promote their products to new customers. It helps a business to gain new customers with leading their business on top. Promotion expands products' reach to wide consumers. It invites buyers to buy products by showcasing their products on different platforms.
- **Promote additional services:** The promotional technique is known as add-on selling or suggestive selling technique. In this technique, a seller provides some additional services with its main product. For example: selling a toothbrush with toothpaste. It increases a product's value to consumers. Usually, a seller adopts this technique to tempt consumers.

### 3.3.3.2 Plan to promote a product

Checklist for planning promotions:

- Select and order promotional stock and relevant brochures, pamphlets.
- Set the lead time.
- Decide the type of advertising
- Maintain a summary of the cost.
- Use calendar to highlight the dates or times of task.
- Note special events.
- Discuss and clarify the advertising need,
- book time slots and review.
- Allocate tasks to staff to prepare for the promotion, e.g., making signs or preparing displays.
- Review the promotion and note improvements to be made for next time.
- relevant feedback and information from customer

Conversation with customers over telephone or through the mail after a sale, is a promotional strategy that gives a sense of credibility to customers.

### 3.3.3.3 Promotional activities to identify the customer

A business entity or seller has an objective to gain new customers. Usually, a seller uses advertisement as promotional activity to target mass audiences. By this method a seller can attract the customer from different domains such as corporate sector, education sector. Hence, a seller uses following platforms to reach to the new customers: -

- Advertising
- Catalogues
- Newspapers
- Posters
- Radio
- TV

- Internet offers
- Using websites.

Promotional activities vary from seller to seller and organisation to organisation. A seller needs to identify the appropriate promotional ACTIVITY to as per the business demands.

#### CASE STUDY

There is a fitness freak audience. This audience is very conscious about their fitness.

A beverage company Coca-Cola has identified such audience and launched diet coke for health-conscious audience.

Company used the 'No sugar' word to promote this product. This promotion helps the company gain new audience of diabetic people as well.

#### 3.3.3.4 Report of product promotion

In retails sales promotion, seller prepares report of promotion. Documentation and report of promotional activities help the seller to plan future promotions. Report of promotional activity holds the result of a promotional activity. A seller or marketing department of a business entity design this report to analysis the result the promotion. Usually reporting manager or head of marketing department needs this report to plan next action. Later, the staff reports to management on their experience of the promotion. The Management record sales figures for future reference, as well as information on how many resources used for the promotion.

#### Conclusion

Product promotion is a process to escalate a product reach to the new customers. There are numerous promotional techniques that a seller uses to target the mass population and identify the new customers. Print media and digital platform are very valuable and common to prefer for any promotional activity to perform.

## EXERCISE



1. Define product promotion.

---



---



---

2. Describe various types of promotion.

---



---



---

3. Draw a promotion plan to promote fresh arrival in clothing segment of your store.

---



---



---

## ACTIVITY



A couple comes in your store to buy a new T.V. The couple liked the 42” plasma TV of Samsung. You have another 42” plasma TV in less price, but this tv is a fresh arrival in the showroom and the market itself. How will you convince them to buy the new arrival?

### 3.3.4 Recording and Evaluating Promotion Result

#### 3.3.4.1 Introduction

In retail sales, product promotion helps a seller to maximise the sale of his saleable products. A seller records the promotional activity to analysis its performance and impact on the customers. Promotional activity evaluation facilitates the seller to recognize the activity. Promotional activity analysis consists of the following assessments: -

1. Recording the promotional activity
2. Reporting
3. Evaluation

1. Record a promotional activity: Record a promotional activity is a process of activity documentation. This documentation records every phase of promotional activity and its result in a report. This report assists the seller in analysing the performance and deciding as per his target audience. Usually, a seller uses the following forms to determine a promotional activity:

- a) Personal Selling- it is face to face selling where salesperson use his interpersonal skill to promote a product
- b) Advertisement- This form of promotional activity advertises a product using print media (newspaper, pamphlets), internet.
- c) Sales promotion- Marketing techniques other than personal selling and advertisement are the sales promotion activities.
- d) Public Relation such as goodwill of seller in market
- e) Point of Purchase display- Product display near the checkout counter
- f) Email Marketing- Promotional emails to the mass audience

#### 3.3.4.2 Identify opportunity to sell promotional/ associate product or service to the client

A retailer needs to Identify the opportunity to sell his saleable products. It facilitates the retailer to know about the requirements of his target audience and delivery of the products and services as per the customers' needs. Usually, a seller uses the following methods to identify his target audience: -

- Contests: Business entities organize various Contests, such as Mr. desert or the best customer of the year. The strategy behind the contest is to promote the product or company's name.
- Mail Order Marketing: In this promotional activity, the seller uses a digital platform(internet) to send promotional emails at a mass level.
- Product Giveaways: Product giveaway is a method that a seller adopts to build rapport with customers and promote his saleable products and services.
- Point-of-Sale Promotion: Point-of-sale promotion is a product promotion strategy that happens on the next payment checkout counter.
- Endcap Marketing: Endcap marketing uses in departmental stores, where aisles are used to store the products in an organized manner. A seller uses the end of the aisle to promote his products.

#### 3.3.4.3 Customer Referral Incentive Program

The customer referral incentive program is a way to encourage current customers to refer new customers to your store. Free products, discounts, and cash rewards are some of the incentives a seller uses.

Identifying opportunities and providing additional products/services enhance the level of trust and add a value of the company to customers. Sellers ensure their customers deliver a wide range of different products/ services through promotional activity. So that their customers do not need to visit the competitors' stores.

Evaluation of promotional activities

Documentation of promotional activities helps the business to plan future promotions by enabling sellers to investigate what has not worked in the past. Recording the promotional activity provides information about the effectiveness of promotional activities and gives an insight of the required changes in the future.

Management records and analyses the report of promotional activities to keep track of the number of increased sales and understand the customer behaviour.

Ideally, a seller uses numerous ways to evaluate promotional activities. They are:

- By conducting a brand awareness survey: The promotion campaigns are run to attract customers. By conducting a survey, it gets easy to find out the impression and impact of the company's brand and its activities on customers' minds. The questionnaire method can be used to know about the perception of customers about the brand and its product. It is somehow an indirect but the most appropriate way to evaluate the impact of a company's promotional activities.
- By checking the sales before and after the promotion-Before starting promotional activities, a company should check its current pace and number of sales and its customers' behaviour and requirements. After running a short-term or long-term promotional campaign, it helps in measuring the graph of increased profit and effectiveness of those adopted promotional methods.
- By concurrent testing-The Concurrent testing technique is used during running promotional campaigns. Through this technique, the sales manager keeps tracking the sales data on a weekly and monthly basis. If the current running promotional activity gets proved as non-beneficial then the company revises the strategy and modifies it.

For example: A company is running a contest and if the number of entries of customers meets the expected number of entries within the decided period of time, then the current promotional method is succeeding. If not, then it is not the right strategy.

- By evaluating Return on Investment (ROI)-This method helps to find out the cost of profit made against the cost spent in promotional activities. If the cost of earned profit is high with those promotion campaigns, then the ROI would be higher, and the strategy is working for the company. If there is no change or increment in the profit means that the promotion activity is not the right medium to grow business.

To do that, calculate the cost of each activity and the resources used in it and measure it with the cost of earned profit.

#### Case Study

SBZ store has many nearby competitive stores. The competition is affecting the sales of SBZ store. The store manager analysed it by footfall. He started running promotional activities such as exciting offers, sale and discount and advertise it through print and digital media. And records the footfall in store. Though by evaluating the promotional activity he got to know about the weak points of the business but found new potential customers for his store. The report helped to redesign the store and work on the weak points to do not repeat in future.

#### Conclusion

Product promotion facilitates a seller to maximize the sales of product. Recording of promotion activities help the seller to prepare report which help them to analysis the business and target audience and get new potential customers. A report of promotional activity helps the seller to work his work's weak point.



**EXERCISE**

1. List different ways of evaluating product promotion.

---

---

---

2. Why is it important to record the results of product promotion

---

---

---

**ACTIVITY**

Visit a retail store/supermarket, find 5 popular products that are currently under a promotion also talk about the response the promotions are receiving from the customers.



[https://www.youtube.com/  
watch?v=D3l4QzntGs8&list=PLAFE6EE3F43FBA7BC](https://www.youtube.com/watch?v=D3l4QzntGs8&list=PLAFE6EE3F43FBA7BC)  
Recommending Solutions

## Unit- 3.4 Personalised and Post- Sales Service Support

### Unit Objectives

1. Explain the significance of providing personalized service to the customers
2. List the advantages and benefits of providing personalized sales and service support to the customers
3. Discuss the need to give enough opportunities to the customers to ask questions about the products or services being demonstrated to them

### 3.4.1 Introduction

Customers may become frustrated if their shopping experiences in a retail environment becomes impersonal. So, when the retailers make efforts to make a customer feel satisfied by understanding and addressing each one's specific needs on a one-to-one basis, it becomes personalized sales.

Personalized sales are a marketing strategy by which companies leverage data analysis and digital technology to deliver personalized messages and product offerings to current or potential customers.

### 3.4.2 Preparing for customer visits

A customer visit provides an opportunity for interaction between the parties involved to reach a settlement. Usually, the more customers a company gains or have to deal with, the it is more essential to keep a close relationship with them.

Preparing for customer meets helps in-

- Making consumers feel appreciated.
- Creating a certain bond.
- Detecting needs or problems that would not have been obvious on the telephone or by e-mail.

Gathering first hand feedback from customers on products and services will encourage customers to feel motivated to respond more.

Following are the steps to engage effectively while preparing for customer visits-

#### **Before the visit-**

Let's learn about how to prepare effectively before meeting customers at the store.

1. Take care of personal grooming and hygiene.
2. Learn about the latest updates on products especially new arrivals, services and offers at your store.
3. Discuss the business plan of the day with your supervisors.
4. Make your workspace within the store clean and organised for easy product demonstration.
5. Keep product information materials like pamphlet, brochures handy.
6. Think ahead! Try to have a backup plan for unfavourable or unforeseen queries or situations

**During the visit**

Preparations during customers visit help accomplish these job responsibilities

What to do while customers visiting stores:

1. Start off with greetings and light conversation; don't jump straight to the demonstration or the sales.
2. Allow the customer to take the lead and talk.
3. Try to understand who the end users of the products or services are, and the motivation behind the purchase
4. Paraphrase and summarise the customer needs to make sure you understand it correctly.
5. Be a learner; pay attention to customers and try to find the best possible solution to their problems.

**After the visit**

Steps to follow after the customer visits:

1. Have a debrief. Review what happened while interacting with the customer.
  - a. What was the learning outcome?
  - b. Were all customer queries answered properly?
  - c. Were goals met?
  - d. What was the most helpful point discussed?
  - e. What can you take forward to your next sales discussion with another customer?
2. Follow up with the customer and the team. Sending "thank you" note to the customer can be helpful as they will appreciate the time spent together and the feedback that was given.
3. Offer personalised to get new business from existing customers.

It is a constant effort to look out for opportunities to meet new prospective customers and offer personalised service to get new business from existing customers.

Let's take an example of the personalized sales service in order to understand the entire case of personalized sales.

For example, a retail sales executive is dealing in the consumer electronics like washing machines, television set, etc. The specialist is offering the consumer electronics under the company name of ABC private limited. One of the potential customers named Akhilesh wants to purchase the washing machine. Akhilesh is already using the washing machine of previous company named X private limited. ABC private limited comes up with the newly launched washing machine that comes up with the certain new features and functioning.

The customer Akhilesh is impressed with the claiming features of the washing machine launched by the ABC private limited. He is willing to get the demonstration of washing machine once before arriving to the final decision of purchasing washing machine.



Fig. 3.5 Washing Machine

Let's look how this demonstration would be done.

Before Akhilesh's visit:

- Get an appointment from Akhilesh in advance and set the date and timeframe at which the demonstration has to be done.
- Akhilesh and the retail sales executive should be known of the mission of demonstration.
- Make sure that Akhilesh is generously willing to purchase the washing machine if the demonstration goes well.
- If nothing of above-mentioned points has been happened, then the retail sales executive must have the comparative study of the washing machine that ABC private limited is offering and the machine that Akhilesh is already using.
- Notify all members of the team about the demonstration that has to be delivered to the Akhilesh.
- Get the historical record of the purchases if Akhilesh has made any purchase from ABC private limited.

During Akhilesh's visit:

- Start the general conversation with Akhilesh instead of just jumping directly to the purchase of washing machine.
- Ask the open ended questions relating to the washing machines' usage and such information from Akhilesh.
- Show the usage of washing machines and explain all functioning of washing machine to Akhilesh efficiently.

After Akhilesh's visit

- Ask the Akhilesh about the know-how of washing machine that he recently took a demonstration.
- Keep receiving the feedbacks from Akhilesh in a few days.

Personalized Sales enables:

- Approach unknown retail customers and establish relationship with them - It is very important to reach out to the customers and connect with them. This can be done by approaching unknown retail customers through various platforms such as in a shop, through emails, phone call, messages, social media etc.
- Capture and use customer data (Use data for communicating with customers through personalized emails, WhatsApp messages, etc. - Customer data is a powerful tool. Customer Data Management (CDM) is the process of gathering, organizing and analyzing data about the customers. It's a crucial mechanism when considering improvements to:
  - a) Customer acquisition, satisfaction, and retention rates.
  - b) Visibility of customers and communication strategies.
  - c) Increased data quality and higher revenue.
- An extensive customer database cannot be built overnight – It takes some time and effort from the business owner to gather the right type of data, find the right method of storage, and apply the necessary safeguards for correct use. If done correctly over time, this information will become an asset to the business, helping to grow and succeed in the endeavours.
- Email: Emails are slightly less invasive than phone calls, and give the lead the opportunity to read and respond at their convenience.
- Phone: Phone call conversations are a great way to show the prospect the expertise and demonstrate that we want what's best for them.
  - a) Turn new customers into hot leads for sales by personalized follow-ups - According to Marketing Donut, 80% of sales leads require five follow-ups after the initial contact, but only 8% of salespeople actually follow up this many times. If we approach the leads in the right manner, we can effectively communicate the right messaging to them that puts us in their favor. For this, we need to learn on how to follow up on leads and this can be learnt through the following ways-
    - o Segment the leads - A lead that comes by way of an email opt-in campaign as opposed to a lead that filled out a 'contact me' form on the webpage are at different points in the sales funnel and should be approached accordingly.
    - o Respond in a timely fashion – Offer answer to any question they may have to demonstrate the care and attention to be provided to each customer.
    - o Nurture the lead with useful content - Always focus on adding value to what is already been provided. Blog posts, infographics, helpful stats, success stories, and downloadable guides are all great options.
    - o Use various communication channels: Use social media, email, snail-mail, and phone calls to connect with potential clients.

After providing demonstration, the follow-up call should be dropped after one or two days. If customer denies, then the follow-up call should be placed continuously in a small span of time.

And if customer is convinced for purchasing the product, then the date of procurement (The date at which he would arrive to the store for purchasing the product. After receiving his/her date of arrival, that case would be sent to the core sales team and account manager. The team would complete all formalities relating to the final sales. After providing demonstration, the follow-up call should be dropped after one or two days. If customer denies, then the follow-up call should be placed continuously in a small span of time.

And if customer is convinced for purchasing the product, then the date of procurement (The date at which he would arrive to the store for purchasing the product. After receiving his/her date of arrival, that case would be sent to the core sales team and account manager. The team would complete all formalities relating to the final sales.

In the example that we discussed above, if Akhilesh denies the offer, then the consistent follow ups would be kept from him in a few days routinely.

If he gives a confirmation that he would purchase the washing machine, then the date on which he is planning to arrive should be asked from him. His date of arrival, model number for which demonstration would have been given, etc would be recorded and then this data would be forwarded to the sales team.

Therefore, when Akhilesh would visit the store, then sales team would handle his case and accomplish all formalities relating to the sales.

## EXERCISE



1. A couple just came to a shop and were arguing over some product. How will you make sure that you have prepared well to welcome these guests.

---



---



---

## ACTIVITY



Demonstrate the steps required in preparing yourselves to deal with the customers during their visit.

### 3.4.1.1 Providing personalised service to the customers

Think about a coffee shop near your neighbourhood. What does a small business like that do better than other businesses? If we had to pick one thing apart from the coffee, it would be personalized customer service.

Because of their lower sales volumes, small businesses can easily get to know who their customers are and what they want. A greeting by an owner by calling a customer's name, a sales associate who remembers what a customer bought before etc. are some of the common examples of having a personalized service to the customers. This kind of service makes a difference, and people want that experience when they interact with companies.

Personalized customer service is a marketing technique that helps a business organization's communication with each customer, either during direct interactions or when sending out individualized messaging. A customer service approach that is personalized essentially means an agent "knows" the customer they're talking to because of collected data.

For example, the local coffee shop owner may know a customer likes latte and so they may tell that customer that they have a new variety coming out in a day or two. But how can this experience be transferred to high growth environments, B2B, or the digital world?

There are many ways as it turns out. A very common one is by using automatic product recommendations. For instance, Amazon has various personalized elements in their site like "People who bought this product, also bought these products", "Inspired by your shopping trends" or other tailored lists etc.

There are different types of personalization

- **Persona or segment-based-** This kind of personalized customer service is driven by segmentation and development of buyer personas. Here, an employee does not directly cater to each individual customer, but is trying to predict their preferences based on what they know of their persona or segment. This may include location, industry, job title, characteristics, needs, purchase intent, and more. It can be used this approach in both emails and in website to present curated content.
- **Automated individualization-** The example from Amazon is a result of automated, real-time data collection, based on the activity of the customer's profile. In this case, there is an algorithm running in the background that draws from information that is specific to the customer, e.g. who they are, their contact details, and search history. Product offerings, personalized coupons based on past purchases, personalized homepage promotions or shopping cart recommendations can all be made for the specific customer.
- **Personal-** For example, if the customer support team uses software that allows them to see previous interactions from customers who reach out, they can directly talk to customers for a more personalized customer service.

Here are some positive business outcomes that comes from personalized customer service:

- **Better customer relationships.** Personalization builds trust – it shows customers that the employees care about who they are and what they want out of their experience with the company.
- **Higher customer retention.** From trust comes loyalty. Customers who know that the employees have their best interests at heart are more likely to stay with the company.

- Increased sales. If the prospective customers get relevant content, support, and product offerings from the company, then it is more likely that they will give the company a chance to delight them. For example, 40 percent of US customers said that they have purchased something more expensive than they originally planned to because their experience was personalized.
- Increase conversions. Even if a customer does not buy immediately, it is still important to encourage them to take actions that move them through the customer journey.
- Better data for the future. Personalization demands efficient data collection and analysis (more on that later). It will further help in modifying the products or operations accordingly.

Personalised customer service is fast becoming the norm but it always has to be dealt with caution.

Ways to improve personalization

- Understanding the audience- This can be done by analyzing the customer data and set on important buying personas. It is needed to predict customer preferences by discovering patterns and segmenting the audiences. For example, if it is discovered that repeated customers ask the same questions about specific products, creating knowledge base articles or FAQs that answer these questions could be beneficial.
- Calling them by their name- using a customer's first name in promotional emails is a good practice. It can also help in connecting with the customers too. One good example is to offer small discounts on the customers' birthdays.
- Use the rising technology- A big part of that is using conversational AI to answer questions and offer tailored product recommendations. Chatbots, for example, are able to collect data and analyze them to understand what each customer might be interested in. They can then pop up while the customer is browsing and offer to show them relevant items or to check inventory.



Fig. 3.6 Pictorial Representation of Chatbox

- Respect Privacy- Personalized customer service is only possible when customers agree to share their data with the company. Despite widespread concerns about data collection and privacy, 83 percent of customers are willing to share their data to enable a personalized experience. But, they also expect transparency and they are unlikely to tolerate if a company is using or collecting their data without their knowledge.

#### CASE STUDY

Even simply using a customer's name in automated promotional emails (done easily with software like MailChimp or Hubspot) adds an element of personalization. And emails are a great tool for personalization in general. In fact, by some reports, personalized emails deliver six times higher transaction rates.



**EXERCISE**

1. Mention some technological steps to ensure that privacy of the customer is maintained while providing personalized customer service.

---

---

---

2. What is automatic product recommendation system? In retail sector, how can you use this system to increase the sales?

---

---

---

**ACTIVITY**

Visit a retail store and observe the employees on how they deal with the customers to develop a personalized customer care service to the customers.

### 3.4.1.2 Meeting company's customer service standards

Customer service standards are a company's rules or guidelines that inform and shape the customer's relationship with the business at every step throughout the customer experience. Companies adopt these standards to empower customer service employees to resolve complaints, problems and questions as quickly and satisfactorily as possible, for both the customer and the company. Strong customer service standards can help a company retain more loyal customers and increase profits for the same.

Customer service standards are a set of policies and expectations that have been created and adopted by a company. The standards cover all the points of contact the business may have with the customer. In a sense, they are the expectations or rules for conduct in any customer transaction and to make the customers feel good about their experience with the company.

Sales and assistance after the sale is just one aspect of a company's customer service standards. A thorough set of standards must address the company's customer service policies and practices at all key points of contact with the customer. Customer service is an essential component of a company's business. Whether the company sells its products to individual consumers or to other businesses, the importance of customer service to the company and its brand development efforts is the same.

#### Importance of serving standards

- Taking the time and effort to formalize customer service standards is an important exercise for companies to undertake.
- The process of developing those standards and guidelines helps the company solidify its thinking about how it relates to its market and further enhance its brand.
- Adopting formal customer service standards and communicating those standards to all employees who have any contact with customers is essential for the company's workers, especially for those who are devoted to the customer and technical service functions.
- By adopting formal customer service standards helps the company in scripting the buyer's journey.
- Furthermore, standardized customer service helps the company by ensuring the maximum positive response from the maximum number of customers.

#### Practices for customer service standards

- Goals and expectations should be measurable and assessed according to some objective metric such as time, money or some other numerical unit of measure.
- Measurable standards may be more easily and clearly communicated to customer service employees, who will then be better equipped to meet those standards.
- Standards should also be specific and stated in "plain language" for the same reason. Vague standards such as "make the customer happy" and "the customer is always right" may motivate teams but don't empower those workers to provide excellent service. Employees need to know exactly what they are expected and authorized to do in specific circumstances to improve the customer's experience.
- The customer service standards should be based on the real experience, expectations and needs of the company's customers. For this reason, it's advisable to conduct interviews and surveys with existing customers before adopting formal standards.

Some examples of customer service standards are the following-

- Answering telephone calls within three rings- This shows the expertise and accountability on the part of the employees and the reputation of the company.
- Acknowledging and greeting the customers within a minute of the customer entering the store- It should always go along with a smile on the face. This would attract the customers and they feel comfortable while talking and communicating.
- Maintaining a decent distance from the customer- Always maintain the professional distance from the customers. Being too close or too far away from them would make them feel uncomfortable and they may get away from the store.
- Respond quickly- Never make the customers wait for too long. Always try to avoid rush and long waiting hours.
- Be insightful with knowledge- Always be ready with the content knowledge. Revise and gather all the information before meeting a customer
- Ask for queries- Rather than going on for details, pause for few minutes for giving chance to the customers for them to ask questions. Even if they do not ask any questions, always assure them that they can ask for their doubts.
- End on good note- Say 'thank you' or 'have a nice day' after the conversation.

## EXERCISE



1. What is the importance of maintaining customer service standards? Do you think they are relevant for a retail store for maintaining its efficiency?

---



---



---

## ACTIVITY



1. Visit a retail store and ask the employees the following questions-
  - a) Is there any organizational standard which is maintained?
  - b) What are the organizational standards which are maintained?
  - c) What are the actions that are taken if an employee fails to meet the set standards.

### 3.4.4 Company procedure for maintaining client records

Post service sales, is becoming a crucial trend for the company's well-being and also to garner its support from the customer. When new products or services become available, it becomes imperative to contact customers, to inform them about it and to make an attempt for that in a quick way. This is made easier by the use of maintaining an updated computer database of the customers.

Database information should include customers' name, address, enterprise name, contact details such as email, phone, fax, website, mobile numbers, customer feedback comments and products or services that the customers have brought from an enterprise previously. Other details may also be recorded in the database, such as those relating to customer preferences, significant dates, or product returns/exchanges.

It is mandatory to update the customer database always, while contacting the customer through any means such as e-mail, phone etc. or every time when customer visits the store again.

Most stores have private and confidential details about their customers in their store which will usually be kept in a lockable filing cabinet. The private details of a customer can be:

- Name
- Address
- Contact phone numbers
- Email address
- Age
- Purchases made.
- Birthday
- Wedding Anniversary Date

It is a law that every store must have rules in place to protect customers confidential information. The confidentiality and use of personal customer information is so important that many stores have privacy policies for new employees to sign when commencing in their store. If customer details are not kept private, it could even result in losing the job of a valuable employee.

Some stores may only have certain people who have authorized access to personal information. Managers and sometimes supervisors will have access to staff files that displays their address and whom to call in an emergency.

Here are a few simple rules to follow when dealing with confidential information.

- Never leave personal papers lying around for people to see. This can include papers such as delivery forms which show a customer's address.
- Do not ever discuss customer's business dealings with friends, family or other customers.
- Never give out personal customer information to anyone.

Privacy Policy: All employees must maintain confidentiality with regard to information about the company, its customers and suppliers.

- Personal details regarding staff, customers and suppliers are not to be given to unauthorized people.
- Completed personal documentation must be filed in the correct file immediately.
- Any information about an organisation's business is not to be given to anyone outside of the corporation.

**EXERCISE**

1. What are the confidential details of a customer? Why is it necessary to keep the privacy intact of the customers?

---

---

---

**ACTIVITY**

Demonstrate the steps you will take for maintaining the confidentiality of the files of the customers.

### 3.4.5 Developing relationship with customers



Fig. 3.7 Pictorial Representation of Attracting Customers

A successful business organization would want new customers to come to them and engage in effective business dealings with them. But it would also want to maintain the relationship with the previous customers because the latter could act as a bridge to new customers. Also a business organization would not want their old customers to speak bad about them. This is where building strong customer relations comes into play.

Customer relationship is about managing interactions with previous, current, and potential customers. Companies that manage their customer relations well, develop a customer experience strategy that strengthens customer retention and promotes customer possession.

Activities related to building better customer relations can be either proactive or reactive. For example, a press release about your new product would be a proactive tactic. Sending an apology letter to unsatisfied customers and giving them a discount would be reactive.

It is obvious that customers can buy from whomever they choose. But once they find a solution they are happy with, they tend to stay because of their convenience as searching

for another company, learning a new product's or service's features—it all takes time and effort.

#### CASE STUDY

Nearly 56% of customers worldwide have left a brand because of a bad customer service experience. And 68% percent because they felt the company did not care about them.

The best strategies to improve the quality of your customer relationships involve:

- Learning who the customers are- Start talking with your customers. Messenger and live chat software apps are becoming popular customer service channels. You can integrate live chat with Messenger for customer service speed and convenience. Very low wait-time and convenience are what customers like and expect. As many as 79% of them admit they prefer live chatting because of the immediacy it offers.
- Personalising communication- Personalized communication builds healthy relationships About 80% of consumers are more likely to buy from a brand that provides value and personalized experiences.
- Collecting customer feedback- Feedbacks helps to know what works and what does not works in customer dealings. Although a single negative review can turn potential customers away, it can tell what to immediately fix.
- Building trust by being honest- Building trust is about being direct and transparent. It means communicating good and bad news alike.
- Make customers feel appreciated- A small token of appreciation to the clients can forge strong customer relationships.
- Respect the customers time- Always respect the customer's time. After all, nobody likes to waste their time in a line, especially when several digital solutions can speed up the support process by a lot.

- Respond to customers on time - Timely and helpful customer service can help prevent customers from having these negative experiences, and make them more likely to stay with a company. A common mistake that businesses make is thinking that customers who have been with them for a long period of time are loyal. Arrange for a quick solution for the customer's problems and reach out to them either through phone or email. Offer to answer any questions customers may have to demonstrate the care and attention you provide to each customer.
- Provide a top- notch customer service- Customer service plays a HUGE role in delivering a positive customer experience. It can make the bond between an organization and its customers even stronger— or sever it forever.
- Leverage customer relationship management software- CRM software is currently the biggest software market in the world and continues to grow. A CRM (Customer Relationship Management) program would help track customer activities, analyze their behavior and deliver solutions.

## EXERCISE



1. Why is customer relationship important? Suggest some measures to develop positive customer relations.

---



---



---

## ACTIVITY



Demonstrate how will you develop positive customer relationship with the following-

- An alcoholic customer
- An especially abled customer

## Unit- 3.5 Overview of product sales specialist

### Unit Objectives

1. State the meaning of specialist products
2. Explain the importance of mapping the needs of the customer to the benefits and features of the products

### 3.5.1 Informing customers about specialist products: Features and benefits

Consumer products are an important component of business organizations that manufacture or distribute products to customers. There are several different types of consumer products, and understanding each will make markets better to the ideal target audience. Consumer products, sometimes called final goods, are products purchased by consumers for personal use. For example, bread would be considered a consumer product because it is bought and used directly by the consumers. These products are sold to consumers for their own use and are not used for continued production or reselling purposes.

Specialty products are a type of consumer products that have unique characters or are associated with a particular brand. People who purchase specialty products often carefully source these products and develop loyalty to the company they buy the products from. Specialty products are often high-priced compared to convenience products, and many consumers put more effort into buying this type of product due to its value and price. For example, I- phones are an example of specialty products. Consumers spend a considerable amount of time sourcing them and are willing to pay a higher cost for this than other mobile phones.

The following are a few examples of specialty products purchased by consumers-

- Watches
- Designer clothing
- Luxury vehicles
- Jewellery
- Perfumes

#### Characteristics of Shopping Products

- With unique characteristics or brand perception
- Purchased less frequently
- At a high price point
- Seldom compared between other products
- Only available at select/special places

A feature is something that your product has or is.

Benefits are the outcomes or results that users will (hopefully) experience by using your product or service – the very reason why a prospective customer becomes an actual customer.

A feature of a particular umbrella might be its unbreakable spokes or wind-resistant construction – the benefit of which is staying dry even in strong winds that might break lesser umbrellas.



**EXERCISE**

1. A newly discovered dress material is smooth and soft along and can also be worn both during winters and summers. Identify what is a feature here and a benefit here.

---

---

---

**ACTIVITY**

Demonstrate how will you prepare yourself in showing a specialty product to the customers.

### 3.5.2 Displaying products of customer's interest

In order to build customer loyalty, it is first necessary to capture and retain their attention. Many business professionals rely on detailed reporting and data analysis, along with market research and consumer demand to make critical marketing and production decisions.

Importance of displaying the products of customer's interest are the following-

- **Catching the Customer's Eye:** Shoppers in a store are known to be "skimmers," meaning that they'll skim for looking for one thing in particular. Packaging alone, no matter how catchy or visually appealing, is often too small to make an impact on a customer without a little help. Using bigger mediums such as a cardboard display or hanging shelf sign to accompany the products increases the chance that a buyer will notice it.
- **Supplement the Packaging:** When a new product comes in market of which the customers know very little of, it is very difficult to wait for the customer to see them and read the label. Proper displaying of the products not just make the brand easier to spot but they also gives more space to better educate buyers on the unique value that the product offers. This can be utilized by providing additional information that won't fit on the packaging, or simply making brand's designs bigger to better help with branding.
- **Strategically Locate Your Products:** Placing products in those areas where people more often tend to see is a great way to display the products
- **Help Your Retailer Merchandize Your Products:** A common struggle for brands is ensuring that their products are merchandised effectively at retail. This is limited by how well a retailer understands a brand, and by how much time and space they can devote to each of the many brands they need to promote. By providing a display along with a product, helps to dictate exactly how a brand should be advertised within the store.
- **Target Impulse Buyers:** It's much easier to entice customers to buy a product if they are already in a store with the purpose of buying something. A clever advertisement is more likely to have an effect if the person viewing it has the opportunity to buy that product right then and there. If shoppers are already making a purchase, there's a better chance they'll add something new onto it. Large numbers of purchases are often unplanned, especially in the food and beverage industry, meaning that proper displaying of products can help in effective transactions.

The following methods can be used to display products of customer interest-

- **Shelf talkers-** Shelf talkers are hanging tags or signs that promote your product on an aisle shelf.



Fig. 3.8 Shelf Talkers

This shelf talker uses bright colors and pictures to pop out from the shelf to draw customers in.

- Dump bins- Dump bins are commonly used for small-packaging products that customers may want to grab a few of. They're very common with candy bars or food accessories, in that they're useful for stocking and selling large quantities.
- Free standing displays- they allow you more flexibility with your product's location within the store, and are also really easy to implement.
- Floor graphics- Floor graphics are another unique way to draw shoppers' attention to your product as they go down the aisle.



Fig. 3.9 Floor Graphics

- Display cases- Retail display cases are a type of standalone display that is closed in on all sides by glass or clear plastic. To access the products, shoppers may have to speak to a store associate to retrieve the item from the case for them.
- Window displays- Window displays, also known as window dressings, are exactly what they sound like — product displays that are set up in the window of a retailer. These displays represent the retailer and can be the deciding factor on whether a shopper enters the store in the first place.
- Banner stars- Banner stands are inexpensive, mobile, and effectively catch shoppers' attention.

## EXERCISE



1. If many items are kept together at a store, what would be the best way to sort them out and arrange them in an orderly way?

---



---



---

## ACTIVITY



You have chocolates, chip in one section and branded watches and perfumes in another section. Demonstrate how will display them for maximum customer attention.

### 3.5.3 Providing product information and responses to customer queries

When customers have questions, complaints or suggestions about a company's products or services, they turn to customer support specialists or representatives for answers. Customer support specialists provide specific information regarding the services, products or material solutions offered by a company, and relevant details to the customers. They are sociable individuals with a keen interest for providing professional and clear answers to the customers' requests. They answer phone calls, provide troubleshooting information, report and analyse customers' information and needs, issue billing details and open and close customer accounts. In short, they are the direct link between the company and its existing and potential customers.

Product information is essential for the customers to determine the type of product to be used, whether it will satisfy their needs or not, for its correct handling and usage, modes of payment and delivery, terms of sale, etc. The various methods of providing product information to the customers are one-to-one, product videos, web pages, audio tapes, CDs, newsletters, emails, banners, posters, pamphlets, etc. A retailer has to develop a machinery for handling customer complaints.

Why should we provide product information?

Product information can persuade consumers to buy a product. The product must fulfill a need or solve a problem that a customer may be experiencing. For example, if the customer needs a laptop with good HD, he or she will look for that. Therefore, product developers must make it a priority to present accurate product information to the customers.

Thus, product information helps customers to

- Identify the kind of product they are going to buy,
- Identify if the product meets their needs and interests,
- understand the size, shape, colour, price, style, brand, availability, etc., of a particular product,
- Understand how to use the product, in the correct manner,
- Compare the product with other products regarding the quality, price, quantity, availability, and substitute product they should prefer,
- Understand the packaging, modes of payment, modes of delivery, any other specification of the particular product,
- Describe the terms and conditions related to returning of the product, insurance, damage, etc.,
- Understand any other information related to the product.

Following are the methods through which information is provided to the customers –

- One-to-one: In this method, a customer and sales associate come face-to-face, where information regarding a product is given to the customer.
- Product videos: Video proves to be a great way to communicate how a product works, display its features and appearance.
- Product webpage: A product webpage highlights various product offerings along with its brief description.
- Audio tapes, CDs and podcast: Product information can also be given through tapes, CDs, podcast, etc.
- Newsletters: The information about a particular product can be provided as advertisements in newsletters.
- Email: Information may be distributed by electronic means in bulk through a mailer.
- Banners and posters: Banners and posters also help in spreading product information.
- Pamphlets, leaflets or brochures: These media of providing information includes the name, price, brand, specifications, terms and conditions, etc., of the product.

Thus by giving product information, the company speeds up the time it takes to bring a product to the market, decreases the time it takes to get new products placed in catalogues and websites, and increases revenue through high quality product information.

## EXERCISE



1. What are the services offered by customer support specialists?

---

---

---

## ACTIVITY



Visit a retail shop and ask the shopkeeper the following questions –

- What kind of information do you provide to the customers regarding products?
- If you do not know something about a product, what do you do in such situations?
- How do you maintain customer interest while giving product information?
- How do the customers react to product information?

### 3.5.4 Demonstration of specialist products

Successful product demonstrations can increase the number of customers who purchase merchandise and can improve company's overall revenue. Sales representatives use product demonstrations to highlight the features of a product to prospective customers, and the process often reflects the specific needs customers have. A product demonstration is a component of a sales strategy in which companies highlight the value of a product or service to potential customers. It is typically a display or presentation that showcases the attributes of a product or service that customers might want to know before they purchase it.

Following are some of the benefits of product demonstration-

- Makes sales processes more efficient- Explaining relevant information about a product to customers may help them make a quicker decision about whether they want to purchase it.
- Offers evidence that the product works- Product demonstrations can show people that a product function properly.
- Provides direct feedback- During a product demonstration, we can directly ask customers whether they have questions, concerns, or suggestions about the product. This will then offer unique insight that can allow to improve the products.
- Allows customers to experience ownership- Product demonstration can function as a trial program for customers who feel as though they are part of the decision-making process.
- Promotes the company's brand- By incorporating a company's specific brand in the style, language and tone of a product's demonstration, may help the audience remember the brand name in the future.

Following are the steps to take in proper demonstration of specialist products-

- Judge from customers' body language and immediate circumstances whether they are likely to respond positively to an invitation to watch or take part in a product demonstration
- Organise product demonstrations in ways that ensure a smoothly run, efficient demonstration that meets health and safety requirements.
- Give demonstrations that clearly show the customer the use and value of the product
- Offer customers the opportunity to use the product themselves, when it is safe, legal and cost effective to do so
- Encourage customers to ask questions about the products being demonstrated
- Respond to customers' comments and questions during demonstrations in ways that promote sales and goodwill
- Take the necessary steps, within the limits of your own authority, to minimise any security risks associated with the demonstrations you carry out

#### EXERCISE



1. How can you explain to your co workers about the importance of product demonstration?

---



---



---

#### ACTIVITY



Visit a retail store and observe how the employees are doing demonstration of specialist products.

### 3.5.5 Performing safe and valuable Product Demonstration

Safe and valuable product demonstration is important for the customer's, store's and the whole business organisation's safety and its proceedings. To do so, one must be vigilant enough and careful enough at first and make sure that everything is right in accordance to the organizations standards.

Well-run product demos can improve cross-team collaboration, build trust with stakeholders, and boost team morale, as well as enabling the team to respond to change and feedback.

Following are the areas to take care for performing safe and valuable product demonstration-

- Follow time- Never take too much time for demonstrating a simple product or use less time for demonstrating a complex product. So time management is a must for safe and valuable product demonstration
- Keep the surroundings clean- Always try to maintain a clean and hygienic surrounding before product demo. If it is not cleaned properly, safety of the entire team and the prestige of the organisation is at stake.
- Minimal talking and maximum value input- Talk only when necessary, which means that rather than unnecessary talking, restrict to giving facts and information about the product. So before doing that, research well on what should be said before the customers.
- Take note to step back- If an employee is not much familiar with a product, rather than giving false information, the employee should humbly set back and come after proper research.
- Safety first- check all the electrical appliances, connections and wirings before demonstration to avoid any unfortunate accident. It is also for the safety of the entire board.

#### ACTIVITY



Visit a retail store and observe how they are managing to look after the cleanliness of the store for a safe and valuable product demonstration.

### 3.5.6 Safety and Security of store during demonstration

While product demonstration can help benefit the store in several ways, sometimes these situations become the ground for collective violence such as looting, vandalism etc. For this reason, it is important to take the proper steps to protect the store and the employees during product demonstration in the following ways-

- Be proactive and plan- The more prepared we are the better equipped are we to handle an emergency situation. We must use video surveillance, perimeter security or improved lightning.
- Keep an updated employee list in case of emergency notifications are needed.
- Keep a tab on police station alerts, local media, and social networking sites.
- Never proceed on with demonstration of protest is thrown by people
- Handle protest and resistance in non- confrontational manner.

#### ACTIVITY



Suppose during a product demonstration, a drunk man comes and throws tantrums around. How will you ensure for the product's, store's, customers, and your own safety?

## Unit 3.6 - Processing credit Application

### Unit Objectives

1. Describe the purpose of providing credit facility to customers at the store
2. List the features and conditions of the credit facilities offered by the company
3. Explain the process of calculating equated monthly instalments (EMI)

### 3.6.1 Introduction

In retail sector, individual seller or business entities employ credit facilities as auxiliary financial supports. Sellers use these auxiliary financial supports as money borrowing facility for their business purpose such as business loan to open a new outlet. A retailer provides the credit facilities for their customers as well and facilitates them effortless payment of large amount bill. In result of that, credit facility for consumers assists the seller to increase the sale by inviting new customer along with retaining the existing customers.

#### 3.6.1.1 Credit Facility

In the retail sector, sellers sell products to customers on the condition that he/they will pay the amount in fixed instalment. This type of facility is known as a credit facility. Consumer used to pay the instalment in cash or cash equivalent (debit or credit card, net banking, e-wallet, etc.). If a customer fails to pay the instalment amount before or on the subsequent date, then he has to pay the penalty charge for such delay. However, the customer authorizes their linked bank accounts to pay the instalment to avoid such delay.

In the retail sector, sellers receive bill amount in cash or credit transactions of cash, cash equivalent. While processing a credit transaction sellers provide two types of credit facilities to their customers. These are

- Interest free credit facility
- With interest credit facility

Interest free credit facility is a type of credit payment where customer does not need to pay additional amount for opting the credit option. For example, credit payment of smart phone worth Rs. 24000 in 12 instalments of Rs. 2000 each in cash (note, coins) or cash equivalent (credit or debit card, net banking etc).

#### 3.6.1.2 Need for Credit Facility

In the retail sector, individual sellers, business entity and their customers prefer immediate cash transactions (cash, or cash equivalent) but gradually both parties (seller and buyers) are moving towards credit facilities. The reason for consumers before availing a credit facility are as follows: -

- It provides the flexible payment method
- The customer does not need a budget and strategy to spend the money

Sellers or business entity has the following reasons for credit facility: -

- To maximize the product sales
- It helps the sellers to invite new customers
- It helps seller to retain the existing customers
- It helps the seller to achieve the business goal to grow



The credit facility is paramount for every business to grow and for customers to get an easy flexible payment method to pay the large amount.

Identify customer need for credit facility

In a retail store, seller identifies the need of a customer for credit facility before approaching him for the credit facility by asking appropriate questions such as

- How customers do the shopping?
- What is the budget of the customer?
- What is the mode of payment?

### 3.6.2 Credit Application Form for Purchase

A credit application is a request for an extension of credit. Credit applications can be done either orally or in written form, usually through an electronic system. Whether done in person or individually, the application must legally contain all necessary information relating to the cost of the credit for the borrower, including interest rates over the tenure and all other associated charges.

Credit application processes are increasingly becoming faster and more automated as new financial technology systems emerge in the credit market. Technology allows lenders to offer borrowers varying types of credit applications that can be done either in person or individually. Technology also allows borrowers to complete a credit application completely on their own through an online application.

While granting customer credit, the sales associate has to follow certain steps, which include creation of credit policy, obtaining credit application, checking customer references, getting a personal guarantee, run a credit check, setting limits of credit and payment terms. The credit requisition contains information on the desired products, details of possible vendors, delivery instructions, accounting details, contact information, etc. The sales associate has to follow the criteria in processing credit sale application. Before credit sales are permitted, the sales associate or the retailer has to obtain creditworthiness of a buyer.

Here's what is typically included on a business credit application form:

- Business name, address, phone, and email numbers
- Identifying details of principals or owners
- Business structure
- Industry type
- Number of employees
- Bank and trade payment references
- Credit history

How is a credit application form processed?

Before obtaining credit from a lender, we need to prove the creditworthiness with an application form. These may be administered online, in written form, or in person with a bank representative. A credit application fulfils two main purposes:

- It provides the lender with enough details to determine the borrower's likeliness to repay the loan.
- It provides the borrower with details to determine the cost of credit, such as interest rates and fees.

Most credit applications are now filled out online, particularly those processed through major banks and online lending platforms. However, we can also fill out the application on paper and meet face to face with customer service representatives at a bank. This will be required if you wish to borrow larger sums of money, take out a business loan, or open a bank line of credit.

Once the application is filled out and submitted, it will go to the lender for approval. A credit underwriter will use a series of risk assessment tools to determine the borrower's ability to make timely payments. Depending on the type of credit line requested, underwriting might include the following steps:

- Assessment of profitability comparing the applicant's expenses and revenues
- Calculation of financial ratios including current ratio, debt to equity ratio, and debt to asset ratio
- Examination of cash flow statement to ensure the applicant has steady streams of cash flowing into the business
- Comparison with similar businesses in the same industry to see how the applicant measures up

As a final step, the lender may then check trade or bank references to find out more about the applicant's payment history. They'll want to find out if the applicant pays bills on time, relies on seasonal income, or if there are any other patterns to be aware of.

What are the credit approval norms?

The banks or lenders look for the following for credit approval:

- If there have been a written off case reported in the Credit Information Report. This information will be available in the Account Status section of your credit report.
- Payment history trend is the other aspect that the lender will look into. They check if they have been any defaults and the overdue amount. This information will be available in the Days Past Due field of the Credit Information Report.
- Company profile is the next section that the lenders look into. The banks usually have an approved list to whom to extend the loan to.
- EMI to income ratio is the next thing the lenders and banks take into account. In case your current EMI exceeds 50% of your monthly salary, the chances of you getting a loan is low.

For example let's take two cases:

#### Case Study

Income is Rs.50,000 , Total EMI being paid is Rs.10,000, EMI to income ratio is  $10000/50000$  that is 20%. Your total borrowing capacity is 50% of Rs.50,000 that is Rs.25,000 and the EMI you can afford after the already existing EMI is Rs.25,000- Rs.10,000 that is Rs.15,000. Based on this the additional loan that can be sanctioned to you at an interest rate of 10% for over 20 years is Rs.15,00,000. Then there is a good chance that the bank or the lender will approve your loan.

#### Case Study

Ram went to a retail store for shopping. He finalised the products to purchase and went to cashpoint. Cashier at the cash point scanned the products purchased by Ram, and generated a bill of rupees 10,000. Ram dropped out products of worth rupees 2000 from the cart, because he had only rupees 8000 in hand only.

**Question:-**If you were be the cashier at that cashpoint, How would you deal with such situation?

### Conclusion

In the retail sector, every individual seller and business entity offers a credit facility to customers. This facility helps the seller to invite new customers and retain the existing customers. Along with that, credit facility provides a flexible payment method to the customers.

### EXERCISE



1. What do you mean by credit facility? Define its necessity for business

---

---

---

2. You are a manager of a retail store where customers really like shopping. One day you notice some customers removing products from their carts after the bill is generated, what could be the reason behind it?

---

---

---

### ACTIVITY



Visit for observation of cash receiving at cashpoint in a retail store.

#### Procedure Notes

- Observe the activities at the cash point of that retail store
- Observe why customers are availing credit facility?
- Prepare a report and submit to the subject teacher

### 3.6.3 Characteristics and Conditions of Credit Facility

#### 3.6.3.1 Introduction

Characteristics of Credit are the essential elements to evaluate trustworthy borrowers. These characteristics incorporate both qualitative and quantitative measures. Retailers identify their customers' need for credit scores subsequently analyse the needful customer's income statements and other documents (Pan card, Aadhar Card etc). A retailer identifies the following characteristics to provide credit facility.

#### 3.6.3.2 Characteristics and Conditions of credit facility

- **Credit History:** It is the first characteristic of a credit facility where retailers recognize the previous credit history of customers. This feature of credit history facilitates the retailer to analyse a customer's creditworthiness. Creditworthiness tells about
  - a) How much an individual has borrowed in the past
  - b) Has he paid all his previous monthly instalments on time?
  - c) Customers' status on an individual's Credit Report along with the information on list of defaulters.
  - d) Analysis of credit history assists the retailer to save themselves from risky customers.
- **Capacity:** In the retail sector, credit is a facility for a customer that authorizes him to use the product before paying its entire payment. Retailers facilitate the customer to pay the product value in a subsequent installment. However, a retailer checks the capacity of a customer by comparing his income against recurring credit.

Characteristics and conditions of credit facility for company

There is a medium of banks and financial institutions between retailers and the customer willing to get credit facility. These financial institutes consider the characteristics of credit facilities:-

- **Borrower's credit record:** Companies recognise borrowers' previous credit records before providing him the credit facility. The information such as how much an individual has borrowed in the past and has he paid all his bills on time appear on an individual's Credit Report along with the information in the list of defaulters. This information may last for over 7 to 10 years in the credit report.
- **Capacity:** Capacity measures an individual's ability to repay the loan. A loan is a kind of debt which a borrower has to repay in any situation. Lenders or any other financial institutions are very helpful in providing finance on the behalf of customers. However, they check a customer's capacity by comparing an individual's income against recurring debts and assessing his Debt- to- Income (DTI).
- **Collateral:** Collateral is a kind of asset and security amount pledged by the borrower to get the funds at the earliest. Financial institutes consider collateral as a backup source if the borrower fails to repay in the future. Collateral assets or security amount saves lenders or bankers from big loss.
- **Credit guarantee given by a guarantor:** Credit guarantee means an arrangement by which any person guarantees to discharge the monetary liability of another person, irrespective of its form, but does not, unless otherwise prescribed, include an undertaking or promise to satisfy the obligation of another consumer in respect of a credit arrangement.
- **Conditions:** Condition refers to the interest rates and the amount of principle. It focuses on how the borrower is going to use the borrowed money. It is associated with a customer's plan of utilisation of the provided funds. However, most of the banks don't ask for borrower's plan until the customer fails to pay the credit.

#### Case Study

Shaym bought a motorcycle of Rs.50,000. When he asked about the credit facility, sales executive shared the finance related information with him. Shaym agreed to take it on finance, and initialised the process to take loan.

**Question:** Observe the process of credit facility he availed and how

**Conclusion**

Credit facility is a beneficial for seller and customer. It provides a pleasant experience to customer and facilitates the seller to maximize the sale characteristics of a credit facility help the retailer, customer, bank and financial institutes to improve credit score while a customer wants the credit facility.

**EXERCISE**

1. Describe the characteristics of credit facility for retailer?

---



---



---

2. Shyam bought a motorcycle of Rs.50,000, and asked for easy mode of payment. If you were the sales manager, what suggestions would you provide him

---



---



---

**ACTIVITY**

Visit a car showroom and observe the credit payment method at cashpoint

**Procedure Notes**

- Observe the salesman ACTIVITY while dealing with customers
- Observe him and customer over payment method
- Prepare a report on credit process availed by the customer

## 3.6.4 Legal and Company Criteria for Providing Credit Facilities

### 3.6.4.1 Introduction

Credit criteria are the factors used when assessing the strength of a new credit application. Sellers need to identify the credit criteria before providing the credit facility to customer.

### 3.6.4.2 Credit facility criteria

- A seller sells the product to the customer on credit, on the condition that the customer will make the payment in a fixed number of instalments.
- The customer has the legal and physical possessionary right over the product from the day he/she purchases the product.
- The product is provided or handed over to the customer after a few instalments, which are generally in form of down payment.
- The person should be either salaried or self-employed
- The person should be an adult (age group may vary depending upon the product and company policy)
- Customer's credit worthiness is essential to consider when credit amount huge.

### 3.6.4.3 Company's Policy on Extending Credit Facility to Customer

Customer credit is a form of payment that allows small business customers to purchase a product or service before paying for it in full. The process works similarly to the way a credit card does—you procure something and pay it back later. But when a small business offers customer credit, they take on the credit risk, not the credit card company.

Credit is a very common payment structure for small businesses, especially when conducting business to business (B2B) transactions. In fact, an estimated 55% of total B2B sales in the United States are paid using customer credit.

The main body of the policy can include a number of statements regarding credit policy, along with more detailed application information. For example

The company will extend credit to customers if they meet its threshold criteria for the granting of credit.

The credit department will review the credit applications of all new customers to determine their worthiness to receive credit, and the amount of that credit.

The credit department will periodically review the repayment history of existing customers to determine whether their existing credit levels are reasonable, or need to be revised. This review shall also be conducted whenever business conditions warrant a general retraction or expansion of credit levels.

The policy should state who has responsibility for the extension or revision of credit. Otherwise, the situation can be quite muddled, possibly resulting in credit being granted in an ad hoc manner. For example:

The credit manager is authorized to extend credit to customers, and to communicate with them regarding their credit status. The credit staff is tasked with instructing customers regarding their payment responsibilities.

### 3.6.4.4 Legal Agreement for Credit Facility

A credit agreement is a legally-binding contract documenting the terms of a loan agreement; it is made between a person or party borrowing money and a lender. The credit agreement outlines all of the terms associated with the loan. Credits agreements are created for both retail and institutional loans. Credit agreements are often required before the lender can use the funds provided by the borrower.

The importance of legal agreement signed between the company and the customer can be seen from the following points for business.

- Convenience in purchase and sales of goods though credit enables the consumers to purchase ahead of his ability.

- Through availability of credit, new business enterprises came into existence using their abilities effectively.
- There can be an economy in the use of metal money by using the credit money. Credit money is more safe and convenient than metal money.
- With the help of credit, government loan are available. These funds are used for the construction of projects for the use of general public.
- Now the production is carried on large scales. It is only possible when credit money is also available for over and excess funds for production. This is show the great importance of credit for business.

What are the legal obligations of the customer to fulfil?

In general, the granting of credit depends on the confidence the lender has in the borrower's credit worthiness. Credit worthiness;-which encompasses the borrower's ability and willingness to pay;-is one of many factors defining a lender's credit policies. Creditors and lenders utilize several financial tools to evaluate the credit worthiness of a potential borrower. When both lender and borrower are businesses, much of the evaluation relies on analysing the borrower's balance sheet, cash flow statements, inventory turnover rates, debt structure, management performance, and market conditions. Creditors favour borrowers who generate net earnings in excess of debt obligations and any contingencies that may arise. Following are some of the factor's lenders consider when evaluating an individual or business that is seeking credit:

- Credit worthiness: A history of trustworthiness, a moral character, and expectations of continued performance demonstrate a debtor's ability to pay. Creditors give more favorable terms to those with high credit ratings via lower point structures and interest costs.
- Size of debt burden: Creditors seek borrowers whose earning power exceeds the demands of the payment schedule. The size of the debt is necessarily limited by the available resources. Creditors prefer to maintain a safe ratio of debt to capital.
- Loan size: Creditors prefer large loans because the administrative costs decrease proportionately to the size of the loan. However, legal and practical limitations recognize the need to spread the risk either by making a larger number of loans, or by having other lenders participate. Participating lenders must have adequate resources to entertain large loan applications. In addition, the borrower must have the capacity to ingest a large sum of money.
- Frequency of borrowing: Customers who are frequent borrowers establish a reputation which directly impacts their ability to secure debt at advantageous terms.
- Length of commitment- Lenders accept additional risk as the time horizon increases. To cover some of the risk, lenders charge higher interest rates for longer term loans.
- Social and community considerations: Lenders may accept an unusual level of risk because of the social good resulting from the use of the loan. Examples might include banks participating in low-income housing projects or business incubator programs.

What are the components of a legal agreement signed on a stamp paper?

Credit approval is also something that a small business is likely to provide for its customers, whether those customers are primarily individual consumers or other businesses. The process by which a small business grants credit to individuals is governed by a series of laws administered by the Federal Trade Commission that guarantee non-discrimination and other benefits. These laws include the Equal Credit Opportunity Act, Fair Credit Reporting Act, Truth in Lending Act, Fair Debt Collection Practices Act, and Fair and Accurate Credit Transactions Act.

Once you have the information about the people involved in the loan agreement, you will need to outline the specifics surrounding the loan including the transaction information, payment information, and interest information.

### Salient features of credit facilities

There are some salient features of credit facilities. These features are as follows:-

- Payment option (Now/Later) through credit scheme(Bank/financial institutions)
- Pleasant shopping experience for customers
- Build relationship
- Increased turnover for the store
- Providing through a procedures

### Benefits of credit facilities

Credit facility impacts on every domain of the business and provide benefits to manufacture and dealer and store.

Benefits of credit facility for manufacturers are as follows: -

- Increase sales and extend their brand name
- Acquire new customer by offering attractive payment options
- The store has better turn over as more customers use the credit facility
- The customer goes back from a credit purchase sense of wellbeing and better purchasing.

Benefits of credit facility for dealers are as follows: -

- Increase sales by offering their customers attractive payment options for significant purchase
- Provide customer efficient personalized service a quick, easy -to-use, and flexible financing options.
- Gain cross sell and upsell opportunities

#### **3.6.4.5 Credit Facility Extended by Company on a Collaborative Basis with Banks**

Given the significant contribution of Banks and NBFC's in enhancing the growth of the economy, an alliance between a Bank and an NBFC can only be more beneficial, by combining the far and extant outreach and network of NBFC's for exploitation by banks to meet their Priority Sector Lending (PSL) and other business requirements.

Collaboration between banks and NBFC's, which give them a competitive edge, can be done through various modes such as co-origination of loans, on-lending, securitisation and several others. These modes would aim to align the interests of the Banks with that of the NBFC and create additional credit in the market. Liquidity concerns would be mitigated with the enhanced participation of Banks with the NBFC's. Recent regulatory changes revolving Banks and Non-Banking Financial Institutions have opened up a new space for alliances between the dominant financial intermediaries to combine arms and increase their competitive edge in the market. The Reserve Bank of India (RBI) has made several changes to existing guidelines, granting enhanced scope for collaboration between Banks and NBFC's in the Indian Financial system.

Considering the overall need to provide credit to the deserving parts of the country and to ensure the growth of the economy, the need for collaborations between a bank and an NBFC cannot be ignored. The following are the other main reasons behind collaboration: Meet Priority Sector Lending Targets , Increase Banking Outreach, Enhance Financial Inclusion, Strengthen Credit Delivery Mechanism, Strengthen Priority and other Sectors, Ensuring Liquidity in the Market, Avoid Liquidity Crunch

Modes of collaboration-

- Co- origination of loans The Co-origination or co-lending is a model wherein a Bank and an NBFC originate a loan jointly in their respective names at the very inception of the loan. This would involve sharing of risks and rewards between the Bank and the NBFC. The co-origination model can be used for both PSL as well as Non-PSL, however RBI has specified guidelines only for co-lending to the priority sector.



- Business correspondents-BC are entities that are engaged by banks to provide a wide array of services such as identification of borrowers, collection and preliminary processing of loan applications including verification of primary information/data, creating awareness about savings and other products and education and advice on managing money and debt counselling and many more.
- Securitisation and direct assignment- Securitisation involves pooling of homogeneous assets and subsequent sale of the cash flows from these asset pools to investors, thereby shifting the credit risk away from the originator onto investors. This model thus provides for a transfer or assignment of the credit risk to investors as well as immediate funding to the originator. This mode allows Banks and NBFC's to collaborate by either acting as originators or investors.
- On-lending- This mode of collaboration is where an NBFC borrows from a Banks and further utilizes the money to give loans to its customers. On-lending is a mode which has been frequently used by banks to meet their PSL Targets. In addition, NBFCs get additional funding for lending to their customers.
- Partial Credit guarantee scheme- In light of the recent on-going liquidity crisis, the Government of India in the Union Budget 2019-20, introduced a Partial Credit Guarantee Scheme. This scheme is offered by the Government of India to Public Sector Banks for the purchase of high-rated (typically 'AA' or higher Rated) pool of assets from financially sound NBFC's/ HFC's. The guarantee is provided by the Government of India and can be invoked by Banks in case of a default.

Retailer-Bank Co-offered Credit Cards: Another kind of collaboration of retailer with banks is to offer the bank's credit cards on a co-branded basis. The retailer enrolls customers to the co-branded credit card which is approved and offered by the bank. Such co-branded credit cards serve as the retailer's loyalty cards as well.

#### Case Study

Demonstrate the sales offer on clothing item.

If customer pay through the credit card, he will get the additionally flat discount of 10%

#### Conclusion

A credit facility is a benefit payment for the seller and buyer. It provides a pleasant shopping experience for customers and increases sales for the retailer. It is essential for sellers and buyers to know about the legal company criteria to provide the credit facilities.

## EXERCISE



1. How does credit facility affect sales?

---



---



---

2. Why do customers use credit facility? Explain.

---



---



---

3. If you are the owner of Retail store, and in a survey, you came to know that footfall increases during bumper sale week. How will you encash the event?

---

---

---

## ACTIVITY



Ram purchased random products from your store. Cashier generated a bill of rupees 2300. If you are that cashier, then how will you convince Ram to make a bill of rupees 2600.

## 3.6.5 Legal and Company Processes for Credit Checks and Authorisation

### 3.6.5.1 Introduction

Credit check and authorization is a process to evaluate the credit facility. In retail sector, customer needs to go through this process to purchase products on credit. In order to grant the credit facility, seller needs a third party (bank and financial institutes) involvement. Third party evaluates the creditworthiness of the customers and on the basis of evaluation report it approves or decline the credit request.

### 3.6.5.2 Evaluation of Credit Worthiness

Credit worthiness means the financial capability of an individual to repay the borrowed amount. In Retail sector, seller needs to determine the customer's credit worthiness before selling the product on a condition that customer will pay the amount in fixed instalments. A seller determines the credit worthiness through customer's financial statements. These financial statements of a customer include customer's bank statement and credit information report for a specific period time.

Seller raises request to customer's bank to provide his credit worthiness. The respective bank analyses the customer's account details and, on the on basis of available account, approve the credit request. Seller and third party (bank or financial institutes ) measures an applicant's creditworthiness through the following method: -

- Credit worthiness history Seller uses customers' credit history to authorize the credit request and sell the product on credit. The credit history includes trustworthy repayment history, nature and characters.
- Size of credit amount Seller seek customers, whose buying power is exceptionally good. Sellers prefers the provide credit facilities to such customers.
- Frequency of borrowing Customers who are frequent borrowers establish a reputation which directly impacts on their ability to buy products on credit.

#### Credit Authorisation Process

Customer raises a request to buy product on credit. Seller receives the request and involve the third party(customer's bank or financial institute) to authorize the credit request. Banks analyse the account holder's (customer)account and evaluate the previous credit history. On the successful evaluation of customer's trustworthy credit Third party approve the credit request. Subsequently seller authorize the customer to buy product on credit.

#### Case Study

Demonstrate the cashier's activity to provide credit facility to customers.

Cashier asks for the amount and number of instalments, customer can pay. Subsequently cashier raises connect with customer's bank account and raise the credit request

## EXERCISE



1. What is the legal process of a company to process and authorise a credit facility to customer?

---



---



---

2. If you are a cashier of a retail store, then how will you sell products on credit? Explain step by step process?

---

---

---

## 3.6.6 Prompt Solution to Problems in Processing Credit Application Forms

### 3.6.6.1 Introduction

In the retail sector, credit risk is the possibility of losing the customers. A seller takes a risk of credit sale to customer with a possibility of not receiving the amount back. Consumer credit risk can be measured through the credit history, capacity to repay, capital, the loan's conditions, and associated collateral.

### 3.6.6.2 Problems in processing Credit application

In retail sector, customer raise a request to avail credit application and seller evaluates the application to provide the facility. Usually, seller faces problems while analysing a credit facility, these problems are:-

1. Wrong personal details
2. Issue with bank information
3. Credit worthiness

Seller uses credit analysis process to avoid these problems. In order to provide prompt solution, seller collects the information and analyses the information to provide credit facility. Credit analysis process has the following key stages to execute: -

- Information collection: The credit analysis process starts with the process of collecting information about the customer's credit history. In this initial stage, sellers collect customer's past repayment records, financial solvency, stability, transaction records with the bank and other financial institutions.
- Information analysis: Sellers analyze the collected information and determine the information is accurate and truthful. The seller considers the financial statements to analyze the customer's creditworthiness.
- Approval (or rejection) of credit facility: The final stage of the credit analysis process is decision-making. Based on analyzing the received information from the customer seller takes the decision to approve or decline the credit application process.

In order to provide a safe and secured credit facility, the credit analysis process helps the seller to evaluate the received information and make the decision to approve or decline the request.

### Conclusion

There is a risk with credit sales is that customers can deny paying the amount in instalment. The seller needs to identify the risk and take prompt action.

## EXERCISE



1. What do you mean by problems in credit facility?

---



---



---

2. Ram purchased product of worth rupees 5000 and asked to pay the amount in instalment. How will manage the request to avoid any risk in processing the credit request?

---



---



---

## 4. Post-Sales Process



Unit 4.1 Organizing Service Delivery

Unit 4.2 Customer Services and Grievance Redressal

Unit 4.3 Building Customer Royalty



## Key Learning Outcomes

1. Explain the benefits of planning and organizing delivery of reliable service to the customers
2. Identify customer service problems
3. Discuss the need to identify best solution to resolve customer problems
4. Explain the benefits of maintaining good relationships with the customers
5. Evaluate customer feedback and plan improvements in customer service

## Unit 4.1 - Organizing Service Delivery

### Unit Objectives

1. State the importance of delivering reliable service to the customers
2. Explain the significance of giving prompt attention to customers
3. Discuss the importance of planning and organizing daily workload along with the unexpected additional workloads
4. Describe the process of reviewing and maintaining customer service delivery

#### 4.1.1. Planning customer service delivery

Service standards in customer service delivery

a) If the retailer meets customer expectations, customer service delivery is perceived to be good.

Let's imagine you're trying to sell a pair of sunglasses. The frame size, the material it's made of, or the fact that it's polarised are all possible features. The durability of the pair, as well as its capacity to decrease glare from surfaces, may be conveyed to the customer. When the customer finds it helpful, they find customer service delivery to be good.

b) If a retail exceeds customer expectations, customer service delivery is perceived to be excellent and the customer delights in the service extended by the retailer.

When you sell something online, problems with shipping and delivery are unavoidable. There are also plenty of issues that might develop, including lost delivery, damaged shipments, and delays. It's important to keep a careful eye on client's orders and guarantee that their items arrive safely and on schedule. If something goes wrong, be ahead of the game by contacting customers right away (rather than waiting for them to call you) and attempting to resolve the problem. This would allow customer service delivery to fulfil the customer's expectations. Taking the extra step makes the difference, keeping the customer informed about the progress of the return/refund via email or phone keeps him involved in the process and becomes a classic example of exceeding customer expectations.

c) If a retailer falls short of customer expectations, customer service delivery is perceived to be below average, and the customer is disappointed in the service extended by the retailer.

For example, the expectation of the customer is to receive an ordered product on time. If the item does not get delivered on time, the organization has fallen short of the expectation of the customer. So in this scenario, one must take steps to do the following:

- Call the customer and apologize for the delayed delivery.
- Assure the customer that in future this will not happen again and if needed mention the same in an email to the customer.
- Assure the customer of the best service in future by leaving your contact details with the customer for any follow up in future.
- Find out internally and investigate how this delay has happened to find a solution - whether the delay has happened in the despatch point in the retail warehouse or the delay has happened in transit. Follow up with data on timelines.
- Call for a permanent solution internally with the concerned functional head so that such delays are not repeated in future."

When a customer has a problem, the support team is often the first line they reach out to. Without a well-teamed customer service plan in place, this interaction may become an overwhelming ordeal that leaves



both sides dissatisfied. We have all probably been in a situation where the responses from companies do not address our concerns effectively due to the lack of a support process in place. It's utterly frustrating and it drives many customers to unsubscribe from all communication, write negative reviews on social media, and ultimately switch to a competitor. This reactive mode of service delivery can put a dent in the overall market strategy, revenue goals, and other best-laid plans.

The ideal customer service action plan will enable us to make customer-centricity and service a company-wide mindset rather than the responsibility of a single department. To create an action plan for customer service, support needs to become our workplace culture.

Following are the steps to create a customer service action plan:

- Train employees in customer service- Right from the on-boarding phase, give employees a glimpse of the service culture of the organization – irrespective of whether they are a part of the support team. Inculcating a customer-first attitude at the organization level elevates the customer experience as it becomes a habit rather than a forced formality.
- Establish concrete SOPs- Empowering the agents with clear standard operating procedures (SOPs) will create a sense of autonomy and inspire them to be confident in taking ownership. If the employees are going back and forth through the chain of command to resolve issues, it reflects poorly on the SOPs and an acute lack of employee engagement.
- Leverage technology to offer better service - Without a proper tech stack in place, handling customers can get tedious. So, adopt the right tools and technology to give the support reps a breather from technical complications that deter their work.
- Offer seamless support on all the channels the customers prefer- Customers expect support on a channel that they prefer, at any time that is convenient to them. So it's critical for businesses to offer support in all major customer channels from email to instant messaging.
- Monitor key metrics that help identify cracks and opportunities- Businesses are constantly looking for ways to improve their customer service plan to lower support costs and increase retention. It starts with tracking customer service metrics and KPIs, which act as an automatic feedback loop for the business to learn from.
- Make service culture an organization – wide commitment- Every successful customer service plan begins with listening and understanding to the customers' needs, and the rest is a process of optimizing the support setup for efficiency. But it's not just the support team that's responsible for a successful customer service plan. Customer service should be a mindset across all functions of the business, rather than a strategy that concerns just the support team.

Following these steps will prove that the customer service will not be a burden at all but instead it becomes the fuel behind the company's long-term success.

## EXERCISE



1. What is the importance of creating SOPs in planning for customer service delivery?

---



---



---

## ACTIVITY



Find out what goes in the process of making a customer service delivery plan.

### 4.1.2. Organising Reliable Customer Service

Several high-profile companies have been in the news of late, finding themselves in the spotlight because of poor customer service policies. The good news is, it's relatively simple to implement a customer service improvement plan that keeps a business on top.

Customer service consists of a collective set of policies that govern every way an employee interacts with the customers. It encompasses everything from how much parking we have with us available to how we greet customers, handle service complaints, and back up a product or service. At its core, quality customer service is about making sure that the customers feel they are valued, treated fairly, and appreciated by a business.

Following points need to be noted while organizing reliable customer service-

- Keep knowledge of organisation's services of products up to date
- Ensure that the area to work in is tidy, safe, and organised efficiently
- Prepare and arrange everything that is needed to deal with the customers before the shift or period of work commences
- Make realistic customer service promises to the customers
- Ensure that the promises balance the needs of customers and of the organisation
- Inform the customers if one is unable to keep the promises due to unforeseen circumstances
- Recognise when the customers' needs or expectations have changed and adapt the service to meet their new requirements
- Keep the customers informed if delivery of the service needs to involve passing them on to another person or organisation
- Check that the services given meets the customers' needs and expectations
- Identify when to give better service to the customers and how the service could have been improved
- Share information with colleagues and service partners to maintain and improve the standards of service delivery.

The important part of customer service is in keeping the customers once we bring them in. It costs significantly more to attract new customers than it does to take care of the ones we already have.

#### EXERCISE



1. Mention the steps involved in organizing reliable customer service.

---



---



---

#### ACTIVITY



Visit any two websites of popular e-commerce and find out the ways of organizing customer service which is reliable.

### 4.1.3. Following organizational procedures for customer service delivery

A customer service process is the set of operations that a company carries out with all its employees, integrating different departments to guarantee a solid and satisfactory experience for each customer. From knowing and assisting customers in their requirements, a fluid dialogue, a quick and effective response to their requests; to detecting their needs to propose improvement actions.

- Communicate the vision - Employees should understand how the organization started, where the organization is, and where the organization is headed. This includes helping employees understand how their work impacts the customer experience, which is critical to achieving corporate objectives.
- Setting customer related goals - Make sure employees have job-specific goals that support the business goals of the organization. This should include explicit customer objectives for both internal (other departments) or external (paying) customers. These goals should be very specific, and employees should be held accountable for meeting customer requirements. This improves transparency.
- Team-work- Employees should understand the importance of everyone doing their part to take care of the customer. Train employees to take ownership of customer issues by giving them the tools and training to meet customer requirements. Every employee should feel responsible and empowered to help a customer as they go through the service experience.
- Training on people's skills - Help employees develop customer-friendly people skills by using customer service standards to communicate service expectations.
- Performance management - It is vital to hold employees accountable for job requirements, especially when it comes to meeting the needs of the customers. Employees who don't take responsibility for caring for the customers (whether internal or external) should be managed appropriately. Poor customer service at any level should never be tolerated.

#### EXERCISE



1. Find out what are the 21st century skills that are needed for working in retail sector, effectively.

---



---



---

#### ACTIVITY



Imagine you own a retail store. What are the organizational principles that you would draw for effective ser-

## 4.1.4 Maintaining and controlling customer service delivery

Keeping track of customer perceptions of business is a way to help ensure that optimum levels of care is given to patrons who support a company. Monitoring and controlling customer service practices in a business can help to retain customers, encourage repeat business and help to establish a good reputation through word-of-mouth advertising.

Following are the means through which we can monitor and control service delivery-

- Direct customer feedback - Customer input is acquired directly from customers by asking them what they think about a brand, product, customer service encounter, or other contact points throughout the customer journey. Customers provide direct feedback through surveys, and the results may be combined with additional data, such as indirect feedback and operational data, to help organisations better understand their customers' experiences. Direct consumer feedback may be obtained in a variety of ways, including questionnaires, live chat, polls, and analysis of on-site activities.
- Surveys- Conduct regular surveys to find out what the customers think about a business. Develop the surveys or comment cards in such a way that they're easy to complete and yet allow to gather specific information we can use to improve service levels. Vague or generic surveys can be time wasters that will not give real information to work with. For example, if running a small restaurant, do not ask customers to rate food on a scale of 1 to 5. Instead, ask them to comment on selection, quality, temperature, freshness, taste, or other factors we can use to improve service.
- Focus groups- Invite current, past, and even prospective customers to participate in focus groups to get real-time, face-to-face feedback about the service levels. Use a moderator to ask questions and make follow-up queries to provide an in-depth and well-rounded look at the service levels. For example, a retail shop focus group might start out with questions about price, merchandise options and employee friendliness. A moderator may then follow up with questions such as, "If you feel merchandise choices are limited, what suggestions would you make for adding to the existing product lines?" This approach gives valuable information we can use to improve service.
- Employee feedback- The employees are the main points of contact with the customers. Regularly ask employees to share what they hear as common complaints, as well as company kudos. For example, if the cashier in the convenience store says customers constantly complain about long waits or malfunctioning coffee machines, this gives a heads-up that the store is under-staffed, and that the equipment is in need of repair. If an auto repair shop receptionist says that the customers complain about rude technicians or dirty, oily floor mats, that tells that there is a need to talk about appropriate behaviours and discuss post-service vehicle clean up.
- Customer service training- Once an idea is generated about what customers like and dislike about a business, implement the findings into ongoing customer service training programs. Provide written guidelines for service expectations in the business, conduct thorough orientation on customer service training and host regular seminars on best practices in the service arena. Integrate role-playing, invite employees to share their own stories for interacting with customers and continually strive to improve the interaction with consumers.

Thus, we can monitor and control the customer service delivery for maximum benefits to the business organization.

**EXERCISE**

1. Why is monitoring and controlling customer service delivery important? If no such mechanism was there, how would it have affected the customer service delivery?

---

---

---

**ACTIVITY**

Find out the different ways of monitoring and controlling customer service delivery.

### 4.1.5. Using recording systems to maintain reliable customer service

A record is legal proof that something or some relationship exists or existed at a particular time. They include contracts, tax documents, legal notices, etc.

Records Management (RM) involves the creation, maintenance, use, and disposal of valuable information required for running operations within the business. It helps to organize and access various paper and digital documents. Not only is it important to promote the general efficiency of the company, but also to protect and store data appropriately, making sure that nothing is lost or overlooked.

Following are the benefits of using recording systems to maintain reliable customer service-

- Improves response times: Having information at the fingertips helps to handle customer inquiries more quickly. And that can only be possible if all the records are in order and up to date.
- Access to relevant data: Not only do employees need to respond quickly to customer inquiries, but they also need accurate and current information. Enhanced responsiveness allows the company's representatives to focus on resolving the issues. With all the relevant data available to members of sales and customer service staff members, decisions can be made on the spot.
- Facilitates better decision making: Companies need access to relevant data to make the right decisions quickly. Indexing and retrieval capabilities promote functions such as searching and locating files promptly. Employees can then spend more time with customers to resolve or follow up any complex issues proactively.
- Effective retrieval and disposal of records: Not only is it time-consuming to search for a misplaced record, but it's a waste of working hours. Employees could focus efforts on productive work instead. Companies could end up losing valuable customers because of mismanagement. A well-designed records management system enables efficient record retention as well as disposal.
- Minimizes the cost of managing records: Records management is a cost-effective way to store information. With the absence of redundant records, time is saved, efficiency is enhanced, and operating costs are reduced.
- Improves the working environment: Mismanagement of records can create a poor working environment and lowering motivation levels. A good record management system reduces labour requirements by aiding in the organization, retrieval, and distribution of records. An automated workflow keeps the staff motivated.
- Saves time, money, and effort: Maintaining an organized system of records isn't easy. It takes time, effort, and money to print, file, store, and organize records, not to mention hiring additional staff to handle these responsibilities. With the implementation of proper tools, employee efficiency can peak, and a considerable amount of operating expenses can be cut. And in the event of a disaster, theft, or other loss, vital information can be effortlessly reconstructed.
- Reduces paperwork: A significant amount of work has already transferred over to the electronic medium. However, there is quite a bit of paper still in circulation. With the implementation of a records management system, the number of pages wasted can thus be prevented.
- Preserve important information: Records management helps to protect sensitive, confidential data by granting access only to authorized users.
- Complete documentation: A company must always follow the rules and regulations. Record management technology ensures that records are properly managed and retained while minimizing litigation risks. If documents are missing, severe penalties may be enforced.

To vastly improve customer experience, a company needs to develop an efficient and functional records management process. The first step is to convert data to the digital medium to promote uniformity and for ease. Upgrading technology (software and hardware) is next. Invest in a document management system and a scanner. Digital records must then be organized, redundant records removed, all records should be made searchable, and most importantly, allow records to be accessed from anywhere through the cloud. Streamlining tasks will enable to reach out to customers at any time from any location.

**EXERCISE**

1. What are the benefits of using recording systems in context to customer dealings?

---

---

---

**ACTIVITY**

Find out what are the recording systems used worldwide to improve ease of doing business.

## Unit 4.2 - Customer Services and Grievance Redressal

### Unit Objectives

1. List ways to find solutions to customer service problems
2. State the principles of good customer service relationship
3. Outline the best practices followed to monitor and resolve customer service issues
4. Explain the significance of keeping customers well informed about the steps being taken to solve service problems
5. State the importance of staying calm while handling customer complaints
6. List key active listening techniques when handling customer complaints
7. Discuss the best practices followed in negotiating with customers to resolve complaints

### 4.2.1 Identifying Customer Service Problems

#### 4.2.1.1 Introduction

When customers buy a product, they show their trust in that brand or seller. That customer expects their whole support during the purchase and even in the future. If in the future, they face any problem then customer service is the only medium through which customers can convey their problems to sellers.

Customer service helps in resolving customers' issues regarding product failure, refund problems, delay in service or product delivery, etc. But the lack of ability of sellers or the customer service issues causes many problems not only to customers but also to sellers.

#### 4.2.1.2 Impact of customer service problems

- It reduces sales
- It sets a negative impression on customers
- It causes customer loss
- It wastes customers time and money

#### 4.2.1.3 Understand customer complaint

A customer can complain by telephone, e-mail, letter, review, and ratings, a customer feedback form, or by direct interaction. By lodging a complaint, customers let a seller know about their dissatisfaction with the product, or service they received. To retain customers' trust, a seller or company must resolve their concern within the time.

To handle customers' problems and concerns, the seller must be aware of the sensitiveness of the situation. In such cases, it's the seller's responsibility to comfort customers and make them feel that they are important to the seller. During the entire process of interaction between customer and seller, the customer must get ensure that their problem will be resolved soon.

There are some certain ways to behave while listening to customers' concerns:

- Do not interrupt customers while they are talking
- Stay calm and be patient with customers
- Listen and understand the whole situation
- Listen to customer's point of view
- Pay attention to their body language, face expressions, and voice tone



- Ask questions to gain further information or to clarify their point to get a proper understanding of the situation.

#### Ways to identify customer service problems

To grow a business, retailers must be aware of their customers' problems and ways to deal with them. There are some following ways that retailers must adapt to identify customer service problems.

- Directly ask customers- There is no one who can tell it better than experienced customers. It is a better choice to directly ask customers about the issues they're facing from the side of a business or seller. This is a direct and most reliable method to find out the cause of their problem.
- Check online rating and reviews- If a business has an online presence that it can check its rating and review section. It is a platform where buyers write their true experiences.
- Talk to employees- Employees who deal with the customer service section of a business know the best about their customers. They know better than what type of issues are mostly coming from the customers' side.
- Conduct a survey for customers- Conducting a frequent survey is another way to find out customers' problems with a business's service.
- Customer Feedback System – Feedback can be collected through various means such as emails, phone calls, social media etc. Through this, essential information can be gathered and corrections can be made. Employees will get to know more about their customers and help them in understanding them and reviewing their work.
- Mystery Customer Audit – Mystery customer audit is the art of evaluating customer services discreetly and professionally. It is a market research tool used externally by companies to measure quality of service, or compliance with regulation, or to gather specific information about their products and services.

#### 4.2.1.4 Types of customer service issues

- Finding no attendant-When customers get stuck with some issues regarding a service or product failure then they need a skilled person to resolve their issues. But the shortage of skilled staff leaves customers unattended. They find no one to listen to their issues and their problems remain unheard.

For example, A person comes to a retail store to buy a carpet and is unable to find the right section for it. The customer looks everywhere but no one is there to inform about the right place to look for the item.

- Slow response time-When customers recite their problems, they want the assurance to get a solution for their problem as soon as possible. But there are times when their matter do not get much attention from the company's side and they wait for a longer time.
- Poor report- The miscommunication or carelessness of staff conveys wrong information to customers. Customers get unauthentic and invalid information about their problems.
- Lack of medium or platform to connect- There are times when the lack of connectivity or skilled staff becomes problematic to customers. They find no place to lodge their complaint.
- Rude interaction of customer service staff-When customers try to reach to for support and to get solutions for their problems, sometimes a wrong interaction with staff can make their experience even worse. It builds a bad impression on the mind of customers.
- Bad Body Language - Body language can heavily influence about how customers feel about interacting and so it plays an important role in customer service. Some examples of negative or bad body language includes avoidance of eye contact, crossed arms, staring, bad posture such as leaning, staring at phone while talking etc, invading of personal space etc are certain examples of bad body language which must be avoided at every chance.

- Lack of empathy - Empathy in customer service means listening to what the customers have to say. A company, has the power to make a positive difference in the customer's day, and in turn, create a loyal customer for life. One small act of goodwill can start a movement. And all it takes is a little empathy. The key to showing empathy is to always listen to the customers about what they are saying and respecting their viewpoints as the company respects theirs.

#### 4.2.1.5 Importance of identifying customer service problems

- Identifying problems gives businesses an idea about their customers' feelings
- It enables customers to build and retain their trust in the business.
- Identifying customer service issues helps to understand customers and their requirements from the business.
- It gives businesses an insight to improve the quality of their products & services.
- It helps businesses to create a good and positive image to customers and in the market.

#### Conclusion

Customer service is a medium that connects a customer to a seller even in the future. It builds a bridge of communication between sellers and customers that gives credibility to customers. It gets broken if customers find that there is no one to support and listen to them in their problem. When a customer finds some issue regarding any service product of any business. It is a seller's duty to retain that trust and identify the cause of customers' issues.

## EXERCISE



1. Mention the importance of identifying customer service issues by a seller.
2. List down any three types of customer service issues?
3. Observe the following body language and list them into desirable and undesirable body language-
  - a) Staring on mobile phones while conversing
  - b) Staring continuously on a customer's face
  - c) Welcoming the customer with a smile
  - d) Leaning on the wall while talking
  - e) Making faces on the customer
  - f) Touching the customer on the shoulder while conversing
  - g) Shoulders hunched backwards
  - h) Erect posture
  - i) Open arms
  - j) Steady handshake

### Case Study

According to studies from language and psychology experts, body language might even have a bigger impact on a conversation than the words that you choose.

Over 55% of all messages come from non-verbal cues like posture and gesture, and research indicates that people are 80% more likely to hold onto the information that

#### 4.2.2.1 Introduction

Customer service problems can make a business lose its customers forever. When customers feel that there is no one to listen to and resolve their issues, they no longer believe in a business. It makes a highly negative impact of a business on customers' minds and in the market.

To minimize this impact and to retain customers for a longer time, it gets important to take care of their issues. A business or seller must find out the cause of their problems and determine solutions to resolve them.

#### 4.2.2.2 Identify ways to resolve customer service problems

To solve customers' issues, one must understand the whole situation, its cause, and the effect of the problem on customers. It is extremely important for a customer service provider to listen to the whole complaint carefully then search for the solution. For that, that person or staff must evaluate the whole situation before proceeding to find the solution.

While understanding the whole situation and trying to find out the solution, the customer service provider must keep in mind the following aspects:

- One must understand, if a customer has raised a particular issue, then the problem would be very serious for him/her.
- The staff should not blame customers for lodging complaints or regarding the issue related to the product.
- One should be calm and patient while handling the situation.
- One should never judge the customers' perspective and try to understand their point of view.
- One should show concern to customers' problem
- One should render apologies for customers' inconvenience and give assurance to solve their problem as soon as possible.
- One should take assistance from the manager/supervisor to find out the best solution
- One should find such solutions which are beneficial both for the business and customers. The solution must not violate the company's policies.
- Make an action plan for handling difficult situations. Involve other team members to get more suggestions and ideas.

#### 4.2.1.3 Types of customer service problems and solutions

S.NO	Problem	Solution
1.	Unavailability of products	Ask customers to be patient and inform the product manager about the out-of-stock products.
2.	Poor product or service	If a product gets damaged within the guaranteed period, replace it. Also, give some tips to customers about the correct ways of using it for the future.
3.	Slow response time	Improve the connectivity platforms and skilled staff for customer service.
4.	Delay in solving issues	Divide the issue for multiple departments and clearly communicate the steps and procedures to customers.

Table 4.1 Customer Service Problems and Solutions

#### CUSTOMER SERVICE RECOVERY PROCESS

Step 1: Define the problem

Step 2: Sort out customer issues / Find the solution

Step 3: Process of Internal Escalation / Approval

Conclusion

Customers can only convey their problems through the customer service department of a store. It is the responsibility of a store or the staff to analyze the whole situation of the customer service issue and determine the best possible solution. It retains the customers' trust in the company and keeps them satisfied.

### EXERCISE



- List down any three steps that you should do right after listening to the customer's problem.

---



---



---

- A customer visits your store to buy a product that has run out of stock. The same product is available to buy at other stores around you. What measures would you take to ensure the customer still buys from your store.

---



---



---

## 4.2.3 Communicating Solution Options to Customers

### 4.2.3.1 Introduction

Before taking any actions to solve customers' problems, it is necessary to discuss all the possible solution options with the customers. The customer service provider can adopt various mediums to convey the information to customers. For that the customer service provider must find out multiple options and then inform the customer. Once the customer decides a solution option, the customer service provider can proceed to resolve the customer's issue.

Discuss Solution Options with Customer One of the most valuable act that the employees can give is to give the customers the option to choose from while responding to their challenges. A lot of research suggest that giving someone an option makes things easy for them. Giving just one solution to a challenging situation often makes things difficult for them if they do not understand it accurately. Giving choice to the customers makes them to believe that the organisation is on the customers side.

### 4.2.3.2 Benefits of communicating solution options to customers

It's the duty and responsibility of a customer service provider to inform customers about the possible solution for their problems. It has the following benefit:

- Customers get comfortable knowing that their problem has been heard of.
- Customers get multiple options and then they can decide the most suitable one.
- The service provider can explain the whole situation and options to customers in a proper manner.
- It minimizes any further chances of fault or misunderstanding in the service.
- It gives time to the service provider to take the right action.

### 4.2.3.3 Modes of communication with customers

- Direct interaction – It can happen through personal visits, online interactions etc. Personal visits- Visiting customers personally is the most beneficial one as it leads to a one to one interaction with the customers and helps in better understanding them.
- Online interactions- In situations where personal visits are not suitable, online interactions are much better. It helps to interact with large customers.

### 4.2.3.4 Ways to communicate solutions to customers

- Use polite and low voice tone
- Give details of each possible solution available to solve customers' problems.
- Give details about the procedure of problem-solving
- Explain the part of the customer in step-by-step detail step by step to follow the problem-solving procedure.
- Explain to customers the time to be taken to solve a problem.

### Empowered Service People Communicate Better

Discuss empowerment and chart of authorities to make decisions to find solutions and communicate with customers-

Empowering a customer service team means enabling every agent to make decisions using their common sense, rather than always having to reply on manager approval. Moreover, when team members are emboldened, they are more likely to be productive, share ideas and solutions with each other. Those are all crucial building blocks for improving teamwork. For instance, employees who are micromanaged and confined to strict work- flows means there is no mutual trust. As a result, agents are afraid to speak up, make mistakes and fear harsh feedback from their managers.

Use a sample communication email to customer :

Hello [Name],

Thanks for contacting us about [paraphrase the customer's inquiry]. I'm glad to provide the [information, details, answers, specifications, etc.] you requested. [Insert the answer to the customer's question here. Include hyperlinks, images, or attachments, if needed.]

[Optional section: Where words are underlined, add hyperlinks]

If you'd like additional information about [topic of inquiry], please look at:

- Our online catalog, where you can search for [topic of inquiry]
- Our [FAQs], where you can learn more about [topic of inquiry]
- Our social media channels, including [link to Twitter, Instagram, etc.]
- Our newsletter, which provides tips and offers related to [topic of inquiry]

To reach me directly, please email me at ChrisSmith@AABBCC.com or call my direct line: 1-800-111-2222. You can also reply to this email or call our customer service team at 1-800-123-4567. All our agents have access to your account information and can help you. We're available Monday through Friday, from 7 a.m. to 9 p.m. CST.

Sincerely, XYZ, customer service agent

Conclusion

Customer service provider helps the customer in solving their issues. But the customers also be aware of the possible solutions to their problem. It is important to communicate solutions to customers before taking any actions to resolve them.

## EXERCISE



1. List down the modes of communication with customers.

---



---



---

2. State the benefits of communicating solutions to customers before taking any actions to resolve their concerns.

---



---



---

## ACTIVITY



A boy asked you that while making the payment of his shopping from your store, the store's system got stuck and he made the payment twice for the same item. He asked you to resolve his issue and proceed his refund as soon as possible.

By following his request you've found a few ways to proceed with his payment, but before taking any action you must confirm with him. What should you do to proceed with the process?

## 4.2.4 Taking Actions to Resolve Customer Service Problems

### 4.2.4.1 Introduction

Before taking any step to resolve an issue, one must have a clear understanding of it. It's important to discuss and evaluate a situation and find out the correct solution on its basis. As soon as one finds the most appropriate solution one should take immediate action to resolve customers' concerns.

Tips to follow before taking action

To start with any proceeding to resolve any issue one must keep a few things in mind. They are:

- One should make sure that all the possible solutions have been clearly explained to the customer
- The customer is happy with the solution and intended actions of the service provider.
- The customer service provider should make sure that the particular option is the best solution possible for that situation
- The customer service provider should be aware that the opted solution does not violate the company's policies.

### 4.2.4.2 Steps to resolve customer service solutions-

- **Step 1: Interact with customers-** Always interact with customers in a positive manner. Either talk to them directly or through a communication medium, one must respectfully communicate with customers.
- **Step 2: Convey the whole situation-** When all the possible solutions get decided, the service provide must convey the whole situation to the customer. The customer should know that what solution would be best for them and what would be not. They must be aware the time taken of the whole procedure.
- **Step 3: Decide channels to resolve-** Before starting the procedure, the service provider should inform the customer about the whole procedure and the mediums they will follow. The service provider should give them a detailed explanation of the method to use in the whole process.
- **Step 4: Offer multiple solutions-** If the service provider feels that there can be multiple solutions to a problem, then one must offer them to the customer. One must help the customer in deciding the best and the most suitable option for the situation.
- **Step 5: Follow up at the end with the customer-** After completing the procedure, the service provider should follow up with customers about their experience and feedback. One should reconfirm with customers that their problem has been resolved according to their expectations or not.

For example- When customer representatives do not listen to carefully to what the clients need, it becomes very difficult for the customers. To solve it,

- Ensure that you have understood the issue about what the customer requires and double-check the problem if required
- Follow it up with a genuine apology because many customers are simply looking for an acknowledgment of the mistake made by the business
- If you do not have a solution 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- this is what we can do to pacify the situation before transferring the customer:

- Inform the customer the reason, why we need to transfer the call to another agent, senior manager or department
- Explain the present situation in detail so that the customer understands that sticking with you may take more time to resolve the issue
- Request permission to transfer the call and ask if the customer has any further questions that need answering
- Wait for a confirmation in the affirmative and then initiate the transfer Internal Approvals if required?

Conclusion

To solve a customer’s issue, the customer service provider must follow a pattern. Every action must be systematic and follow channels that suit and comfort the customer in every possible way.

**EXERCISE**



1. List down the points that you must consider before proceeding with any solution.

---

---

---

**ACTIVITY**



Imagine a customer has approached you complaining about an employee who is rude to the customer. What are the steps you can take to solve the issue and help in maintaining the relationship with the customer?



## 4.2.5 Dealing with Repeated Problems and No-Solution Situations

### 4.2.5.1 Introduction

The customer service center of every business is made to deal with several queries and problems of customers. But there are many situations that are difficult to deal with or sometimes the solution is against the company's policy or rules. In that scenario, an employee or customer service staff must handle the situation calmly and find ways to deal with repeated problems and no-solution situations.

### 4.2.5.2 Ways to handle repeated problems and no-solution situations

Repeated problems and no-solution situations are difficult to manage sometimes, but there should be a right strategy to deal with such situations, or otherwise, It can make the customer lose.

- Give clear reasons - Explain the reason for the delay or be unable to find any solution for their problems. Either it is the strict policy of the company or any fault from the customer's side that can't be changed.
- Apologize for the inconvenience-The customer service provider should apologize to customers for their inconvenience. One should admit the fact that they cannot resolve their issue but can offer assistance for other matters in the future.
- Talk to customers politely-The customer service provider should use a low voice tone and must remain patient and calm in such a situation. One should handle customers' rage and try to make them understand the situation.

An example of repeated customer service problems is slow response time. Customers today expect communication with service departments to be instant. In fact, they want immediate resolution of their concerns too. This is, indisputably, the first in the long list of the common problem with customer service that needs to be addressed by businesses. The reasons why this major problem occurs frequently:

- If the company does not establish a standard set of processes and practices to the field, answer and evaluate responses
- If there is no accountability on the part of the agent if response times have been prolonged
- If agents end up doing a lot of manual work in the absence of adequate automation
- If agents are not trained to handle multiple queries simultaneously

There are some cases where no solution can be offered for the customers. For example, if a customer brings an electronic device that is damaged by the customer itself and is out of the warranty period, and if the product cannot be repaired, then there is no other solution other than to discard the product and buy a new device. This may cause financial loss for the customer and bring about some frustration to them.

However, even in those situations, the retailers can bring a smile on the faces of the customers through excellent service. For example, the customers can give a detailed informative session on how to safely handle such electronic devices. The retailer should give enough time for the customers to ask questions and discuss important issues. If necessary, the retailer should provide a manual on the same.

Conclusion:

In such a situation where there is no possible solution for customers' problems, that situation must be handled with care. One should calmly handle customers and try to make them understand the whole situation.

## EXERCISE



1. How should you communicate and behave with customers, when you find no way to solve their problems?

---



---



---

## ACTIVITY



A girl bought a hair straightener from your store one month ago. She came back to your store and the straightener was physically damaged. She's asking to exchange the item as it was still in the guaranteed period. But your store has no policy of exchanging the broken items and you can't help her. How would you explain the whole situation to her?

## Unit 4.3 (a) Customer Services and Grievance Redressal

### Unit Objectives

1. Discuss the effective methods to handle difficult situation and difficult customers
2. State the importance of improving reliability of his/her services based on customers comments
3. Discuss the procedure of implementing the changes following organizational guidelines
4. Discuss the effects of changes with others by analyzing and interpreting feedback

### 4.3.1. 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.

### 4.3.2. 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

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.

Thus, following these 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.

**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.

### 4.3.3 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. Has 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 the some experts.
- Identifying a problem- After addressing an issue, ask these questions to oneself-
  - a) Can I describe exactly the problem the customer was facing?
  - b) When did the problem begin?
  - c) 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:
  - a) Is there an adequate staff to carry it out,
  - b) Who will be involved in solution,
  - c) How much time will a solution take (time frame),
  - d) What is needed to make it happen,
  - e) Who should be informed about the planned solution,
  - f) 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-
  - a) 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.
  - b) 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.



### 4.3.4 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 conversation 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!”

#### EXERCISE



1. A faulty product is no one's fault (except the manufacturer), but it might happen that your customer is upset and tries to blame you for that. Find out some of the communication styles that can be used in case customer receives a faulty product.

---



---



---

#### ACTIVITY



Find out the reasons why it takes too long at times to solve a customer problems. How can it be solved to maintain work accuracy?

### 4.3.5 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.

#### CASE STUDY

Verint recently carried out some research looking at the state of customer service in the UK. It found that despite the current economic climate, only 22% of consumers value price over service and as many as 38% of consumers admit to never contacting their suppliers, and those that do don't get in touch very often.

#### EXERCISE



1. What are speech and text analytics? How can it help in monitoring and analysing resolved customer service problems?

---



---



---

## ACTIVITY



Find out some online tools that can help in monitoring and analysing customer feedback.

## Unit 4.3 (b) - Building Customer Royalty

### Unit Objectives

1. Discuss the effective methods to handle difficult situation and difficult customers
2. State the importance of improving reliability of his/her services based on customers comments
3. Discuss the procedure of implementing the changes following organizational guidelines
4. Discuss the effects of changes with others by analyzing and interpreting feedback

### 4.3.1 Introduction



Fig. 4.1 Pictorial Representation of Continuous Improvement

Continuous Service Improvement in today's world - organizations understand the importance of improving the customer experience they provide if they want to succeed in winning business and increasing loyalty. The customer experience should be improved constantly, otherwise even once leading companies will simply fall behind their competitors and customers will move elsewhere. Companies require an effective management process to succeed in continually improving customer experience. This needs to cover all the stages of identifying, developing, implementing and measuring customer experience, in order that all projects achieve their goals and deliver real benefits. Deriving from the Japanese word Kaizen, Continuous Improvement is a business philosophy that demonstrates a constant improvement in productivity and service standards.

### 4.3.2. Collecting, analyzing and presenting customer feedback

Customer feedback is information a business organization receives directly from customers informing about their experience and satisfaction levels regarding a product or service. Customer feedback can come in from a variety of channels (email, social media) or messenger tools such as Intercom.

Customer feedback is important for future product development, improving the customer experience and overall customer satisfaction levels. Proper analysis provides a company with a better view of what it has to change and improve on to help increase customer loyalty and reduce customer support cases.

Collecting customer feedback

There are a number of feedback tools, methods, and systems that can be used to gather customer feedback and learn about them.

- Chat- It is a frictionless way for customers to communicate with directly. We can ask specific real-time questions (prompted) or passively categorize the inbound feedback (unprompted).
- Short surveys- Asking customers questions regarding specific features, aspects of the platform or parts of their experience is an easy and direct way. Measure customer satisfaction with customer feedback surveys.
- Social media- People like to express their feelings on social media. We can actually find extremely valuable feedback on Facebook, Twitter, and other places.

#### Analysing customer feedback

Once it is determined how we collect customer feedback and decide which customers' feedback we want to pay attention to, we transform customer feedback into something to act on as a company. Following steps will help in analyzing customer feedback-

- Collate the data: First, collate all the open-ended customer feedback to be analyzed, plus key metadata about each customer, into a spreadsheet. Ideally, the metadata will include attributes such as how long the person has been a customer, how much they spend, the date the feedback data was submitted, and the source of the feedback e.g. open-ended customer survey question.
- Determine how to categorize the feedback: A general rule that can be applied to help to make sense of customer feedback is to group it by:
  - Type of feedback- Categorizing the feedback into different types is particularly helpful. Some examples of types are usability issue, new feature request, bug, user education issue, pricing, positive, negative etc.
  - Feedback theme- This type of categorization is particularly useful when working in a situation where it is likely to have to feed the insights back to multiple teams to take action on. Sometimes themes can be team-related (e.g. customer support, sales, marketing) or they could be related to unmet needs that customers are experiencing.
  - Feedback code- The purpose of the feedback code is to distill the raw feedback the customer has given and rephrase it in a more concise, actionable way. The goal is to make the feedback code descriptive enough so that someone unfamiliar with the project can understand the point the customer was making. The feedback code should also be as concise and true to the original customer feedback as possible.
  - Get a quick over view- Scan through the feedback to get a sense of how diverse the responses are. As a general rule of thumb, if each customer is giving a very different feedback, try to analyze a higher volume of feedback in order to see patterns and make it actionable.
  - Code the feedback- The exact feedback codes that is created will be specific to the product that the feedback relates to.
  - Refine the coding- Pay attention to the exact language people use. Issues that sound similar upon first glance might actually be separate issues. For example, imagine a lot of customer feedback related to "Email issues". However, when feedback is read carefully, it is realized that these break down into separate issues: "Email composer bug" and "Email delivery bug", which are quite different.
  - Calculate how popular each code is- The next step is to calculate the total amount of feedback per code. This will help to see which feedback is most common, and what the patterns are in the customer feedback.
  - Summarise and share- If there are less than 50 pieces of feedback – summarize actionable feedback in a simple table or one-page document. A larger set of feedback, can be broken down by the other variables in the form of feedback type and feedback theme.

Thus following these steps will help in properly analyzing customer feedback.

CASE STUDY

McKinsey & Company says that:

“Today’s consumers do not buy just products or services - more and more, their purchase decisions revolve around buying into an idea and an experience.”

**EXERCISE**



1. What are the different types of feedback? How can you work on the different types of feedback to improve on customer relationship?

---

---

---

**ACTIVITY**



You must analyse customer feedback. Demonstrate the steps required for the same.

### 4.3.2 Improving customer service

What is the most important requirement to improve relationships with the customers? The answer is as obvious as it is overlooked: improve customer service. No matter how great a product is or how talented the staff is, one of the things that customers are most likely to remember is the direct interaction they have with the company.

The customer service team is often the face of the company, and customers' experiences will be defined by the skill and quality of the support they receive. A strong company will already have great customer relationships. But a smart company will always be asking "What is good customer service?" Good customer service centers around carefully listening and attending to the customers' needs and desires. If the relationships are not constantly improved, then it will get stagnated.

Following are some of the ways to improve customer service –

1. Strengthen the customer service skills: It is very important to maintain customer service skills. Following are some of the important skills to maintain-
  - Empathy, patience and consistency: Some customers will have less questions, while others will have full of questions. And others will just be chatty. It is necessary to know how to handle all of them and provide the same level of service every time.
  - Adaptability: Every customer is different, and some may even seem to change week-to-week. We should includes a willingness to learn– providing good customer service is a continuous learning process.
  - Clear communication: Ensure to convey to customers exactly what is meant. Use authentically positive language, stay cheerful no matter what and never end a conversation without confirming the customer is satisfied.
  - Work ethics: Customers appreciate a rep who will see their problem through to its resolution. Stay focused on the goals to achieve the right balance.
  - Knowledge: Ultimately the customers rely for their knowledge of the product. Stay informed enough to respond to most inquiries and know where to turn if the questions become too detailed or technical to answer. But do not be afraid to say "I don't know" either. Customers will appreciate the honesty and efforts to find the right answer.
  - Thick skin: The ability to swallow one's pride and accept blame or negative feedback is crucial. Whether the team works directly with customers or looking for feedback on social media, they've got to keep the customer's happiness in mind.
  - Look at every touchpoint: A bad customer experience at any point in the customer lifecycle can ruin the relationship. In addition to making sure that the right skills are demonstrated, we need to be sure they are being demonstrated consistently. Pay the most attention to key touchpoints, but make sure to have a full view of the customer experience.
  - Improve the customer interactions: Ask representatives to try to identify a common ground–like shared interests–with the people they help. Practice active listening so the customers feel heard. Admit the mistakes, even if is discovered before the customers do.
  - Enhance the customer service strategy.
  - Be personal: Take full advantage of social media (such as Facebook, Twitter and Yelp) and write responses when the customers post on the page. Post photos and bios on the website.
  - Be available: Part of the personal touch is making sure that the customers can be reached. For example if a business is primarily online, meet in person occasionally with local customers and offer video calls (such as Skype) for those farther away.
  - Cater to the customers: Consider assigning reps to specific customers so they can build a relationship. Offer VIP treatment for the best customers to let them know they are appreciated.

- Make sure that the sales and service associates are engaged: Improving employee engagement is another way to make sure customers have a great experience. Dissatisfied employees are unlikely to come forward with their problems, so consider an anonymous suggestion box or an employee engagement survey to see what makes the employees tick.
- Give customers a way to provide feedback: To make sure to learn about the good, the bad, and the ugly experience the customers have, create an easily accessible way for customers to give feedback. Whether it is a phone survey at the end of a service call, an email survey sent directly from the CRM tool, or a form on the “Contact Us” page of the website, creating a means for customers to give feedback makes it easier for to learn what needs improvement.
- Carry out periodical customer service audits :

What is customer service audit in retailing?

A retail audit helps to boost sales and improve the customer’s shopping experience. Customer service audit evaluates the customer service practices of a retail store. This audit is usually done at predetermined times. However, scheduling an unannounced (or anonymous) audit will provide an especially accurate picture of employee performance. Everything about the experience is reported back, and the customers provide unbiased feedback in a written report. We get deeper understanding on the customer service levels, the cleanliness of the establishment and more.

2. Service process audit: A service process audit is a simple technique for gathering and compiling information from employees and customers about a process. Human resource (HR) managers sometimes evaluate the performance of employees by surveying their managers, co-workers, subordinates, and even customers in what has come to be known as 360-degree evaluation. A Service Process Audit is similar in that we are documenting and evaluating a process from multiple perspectives.

A Service Process Audit assesses customer and employee perceptions about their experience with the given process being studied. Where possible, it should involve interviewing multiple employees and multiple customers. A Service Process Audit interview includes three parts:

- Have them describe the given process from their perspective.
- Have them identify parts of the process that they think customers would consider valuable.
- Have them identify parts of the process that are burdensome or problematic.

Audit of customer touch points for understanding impediments - Touch points are like a “supersized” secret shopper program. It is meant to identify all the conversion (sales) barriers that exist on the buyer’s journey (online and offline). Touch points include the mobile and desktop versions of the website plus the customer service email, automated emails, chat, phone support, product shipping and return policies, product packaging and more. The ultimate goal is to ensure that every interaction the visitor has with the organization is smooth and improves their desire to engage with and buy from your company.

3. Mystery Customer Audit: Mystery Customer Audit is also known as Mystery Shopping Audit. Mystery Shopping is a method of auditing the level of customer service extended in retail stores. This method is used as a tool to audit the service quality. In Mystery Customer Audit, real shoppers are sent by the company to actually go through a shopping relative experience to know the level of service extended. The customers thus sent for mystery shopping would have a set of service audit parameters and they would actually purchase products and services and evaluate the customer service rendered in the retail store. Often it evaluates the levels of service by retail sales and service people besides auditing the store service processes as well. Such mystery shopping audits are discreetly and professionally done and feedback is provided to the retail store for carrying out corrective measures. It is also used as a retail research tool by retailing companies to measure quality of service or compliance with company’s policies and regulations with a view to improve overall retail customer service quality.



Audit of customer satisfaction and arriving at a customer service index)

With better understanding of customers' perceptions, companies can determine the actions required to meet the customers' needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out path future progress and improvement. Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company. Through audit of customer satisfaction we can arrive at a proper customer service index. The Customer Satisfaction Index represents the overall satisfaction level of that customer as one number, usually as a percentage. Plotting this Satisfaction Index of the customer against a time scale shows exactly how well the supplier is accomplishing the task of customer satisfaction over a period of time.

Thus, improving on feedback service will not only help to discover touchpoints and skills that needs improvement, but the customers will see that are dedication to providing top-notch, proactive customer service.

#### CASE STUDY

Research shows that 77% of customers are likely to recommend a company to a friend if they have a positive experience.

### EXERCISE



1. Mention some skills which are crucial for maintaining good customer relationship.

---



---



---

### ACTIVITY



Find out some online tools used by retail companies to improve customer service.

### 4.3.3. Implementing changes in customer service standards

Customers are the core of every business and should always be your top priority.

Happy customers can help you build credibility and bring in more business. So if we want the customers to like us, we need to deliver the best customer experience, at all times.

Following strategies if implemented correctly will help in improving customer service standards-

- Seek customer feedback- To provide excellent customer service, first understand their needs, experiences, and pain points. For these, we need to ensure to provide the customers multiple ways to share their feedback. It can be done through telephone surveys or a feedback form sent via email. This will let you know all about their good, bad, and ugly experiences. Connecting with the customers to gather feedback also has another important benefit – it makes them feel that you value them, and are willing to resolve their issues. This can help to establish trust, and may even prevent them from sharing their concerns or negative comments on social media. As an example, web hosting service provider Site Ground invites its customers to provide feedback 24/7 via three different channels: tickets, live chat, and phone.
- Strengthen the customer service teams- Improving the customer service begins with building a strong customer service team. Here's how to strengthen the service performance.
  - a) Hire and Train Professionals with the Right Skills. No tool or AI element will compensate for the lack of a skilled workforce – while hiring people for the customer service team, we should look for individuals with the right skills. Skills such as empathy, patience, good communication skills, knowledge, etc. are very important.
  - b) Track performance of the customer service representatives- This can be used to gain insights from ratings and reviews to track the performance of each customer service representative.
  - c) Appreciate good work- Reward the top performers with incentives or gifts – this will encourage and motivate the employees to achieve the customer service goals.
- Use CRM platforms- CRM platforms help to ensure that everyone is on the same page – which is important in establishing high customer service standards.

Some of the benefits of using smart CRM software are:

- It provides useful insights about the customers which can help to understand their needs, sell faster, and provide a personalized experience to each customer.
- It improves customer interaction and engagement, helping to build lifelong customer relationships.
- The sales and service teams can work more closely, eliminating the chances of any confusion.
- The customers get access to what was promised, which improves customer satisfaction.
- Most CRM platforms are accessible on multiple devices such as desktops, laptops, and mobile devices. So it can assist the customers anytime from anywhere around the world.
- Leverage multi channel servicing- Customers should have the freedom to switch between multiple channels to enjoy a consistent quality of service. This can help boost the brand's reputation and credibility. Here are some best practices that will help you provide excellent multi-channel service to your customers.
- Mobile Devices - People expect good support services when they're on-the-go. We need to ensure that the customer service and support pages are mobile-ready to meet their expectations.
- Social Media - Many consumers are turning to social networks (especially Twitter) for customer queries and complaints. Improve the response times on social media queries and provide effective solutions to the customers.
- Self-Service - Many customers expect brands to help them fix minor issues by themselves, and they'll often look for such solutions on the website's FAQ pages.

We should consistently focus on improving the customer service standards. Great customer service can help to build trust, improve brand awareness, gain customer loyalty, drive sales, and attract new customers through valuable recommendations. Keeping the customers happy is more important for a business than anything else. Make sure to deliver 100% customer satisfaction both offline and online.

## EXERCISE



1. What are CRM tools? How can it be used to implement changes in the customer service standards?

---



---



---

## ACTIVITY



What is desirable customer service? Find out some customers and ask them what they find to be desirable in the customer service standards.

### 4.3.4 Reviewing Implemented changes in customer service standards

High-quality customer service is essential to the success of any business or organization. The ability to bring customers and clients back for additional business is the key to expansion and sustainability of an organisation. However, owners and managers must make concerted efforts to measure customer-service standards regularly in order to ensure that their efforts are up to par. It is also important to review the implemented changes in customer service standards through the following ways-

- **Collect feedback-** Create a survey that asks the constituents about their experiences at a business. Some surveys use the “One to Five” standard, where service is measured on a scale of one to five, with one being worst service received and five being best service available.
- **Review opportunities-** An online forum linked from the website is an ideal place for the clients to leave feedback about their interactions with a company. Many businesses or organizations encourage interactions with customers and clients through social-media platforms. Additionally, invite customers and clients to leave you feedback on cards that can be left in a suggestion or comment.
- **Mystery shopper-** Mystery shoppers are hired by companies to do business with their organizations in order to get a true grasp on the level of customer service being offered. They appear unannounced and anonymously. After the mystery shopper has visited the business, he offers a report about the employees he dealt with, the location layout, products, transaction ease, convenience and overall experience. This can help review the ways in which customer interaction was done.
- **Evaluate customer retention-** Customer retention is one of the most telling indicators of whether a company is providing good customer service. Keeping track of the customers is possible through marking transactions with customer phone numbers or email addresses. As phone numbers or email addresses repeat with new transactions, we are retaining customers and bringing them back for more business.

## EXERCISE



1. What are the measures of reviewing implemented changes in customer service standards?

---

---

---

## ACTIVITY



Find out how companies are using the facility of mystery shopper. Also find out what are the drawbacks of this facility.



<https://www.youtube.com/watch?v=qNd5iUmmnGg>  
Organising Reliable Customer Service

## 5. Health and Safety at Workplace



Unit 5.1 Securing Stores

Unit 5.2 Health and Safety at workplace



## Key Learning Outcomes

1. Identify ways to keep the retail environment secure
2. Discuss ways to comply with the health and safety practices

## Unit 5.1 Securing Stores

### Unit Objectives

1. List the common security risks faced within the store
2. Describe the role, authority, and responsibility of employees in handling security risks
3. State the company policies and legal requirements when dealing with security risks
4. List the types of security risks that can arise in your workplace
5. State the company policies and procedures for maintaining security while working
6. Explain the importance of identifying and reporting accidents and emergencies
7. State the importance of being always situationally aware or alert

### 5.1.1. Security risks and their types

Organizations are becoming increasingly aware of online security threats. While businesses may not want to disclose whether or not they're protected from online threats, having an antivirus on a company machine is practically a given.

However, physical security is an often-ignored challenge for many businesses. Since many businesses are constantly warned of threats caused by poor device and network security, protecting their actual office has fallen to the wayside.

Malicious actors, or people who want to steal valuable company assets, will exploit any method to gain access to valuable information – whether it's taking advantage of social norms, office security, or IoT devices, they will always try to find a way.

Here are ten security risks to be aware of to help guard against the most common risks in your office.

- **Tailgating-** Many workplaces incorporate some kind of access control in their offices – whether it's locking the door outside of normal business hours or requiring that all employees use an ID card to unlock the door. However, these measures can be challenged by a practice called tailgating. When malicious actors use tailgating, they take advantage of politeness by letting an authorized employee unlock the door and expecting the employee to hold the door for them. The risk of tailgating can be minimized by installing anti-tailgating doors that utilize RFID or turnstiles to make sure everyone swipes before entering, or by training employees not to hold the door for people they don't recognize. If an employee accidentally lets an unfamiliar person through, they should report the event to security personnel for screening.
- **Document theft-** Chances are, the office has paper documents scattered about – whether they're on desks, in the printer bay, or in the recycling bin. These carelessly stored documents can be the golden ticket for a malicious actor. All they need to do is take the document, take a photo, or memorize a few important details on the document to access confidential company information. Mitigate this risk using a number of organizational policies. A clear desk policy will ensure that the documents are put away whenever an employee leaves their working space.
- **Unattended devices-** If one has left the laptop open and unlocked, it's easy for a malicious actor to simply swing by and look through the personal documents. To avoid this, set a timer that will lock all company computers after five minutes of inactivity, and require a password to re-enter the computer. One should also encourage employees to close their laptop every time they leave their workspace.

- **Old devices-** Devices can be taken out of commission for a few reasons. Maybe they need repairs, or maybe they're just not powerful enough to keep up with modern demands. However, if a thief can learn where these devices are stored, they are often able to take a device without being noticed for days at a time. That's more than enough opportunity for them to gain access to the data inside. To resolve this issue, ensure that IT team securely stores or destroys old work computers, phones, and other devices, paying special attention to ensuring that information on the hard drive is completely inaccessible.
- **Unaccounted visitors-** For skilled social engineers, it's not difficult to gain access to an office for less than Rs. 500. All they need to do is buy a discounted pizza delivery outfit from a thrift store, pick up a few inexpensive pizzas, and knock on a door. They'll likely be allowed access by an employee who doesn't even ask who they are – they only ask who is getting the pizza. This trick can be played out in a million different ways – but the best way to thwart this attempt is to educate employees and enhance the physical security. Make sure that all visitors are checking in with front-desk receptionists or security personnel and tell all the employees to direct all unknown people to the main entrance for screening.
- **Stolen IDs-** IDs are a great way to keep the workplace secure, but physical IDs can be stolen. Educate the employees on the importance of protecting their IDs, and make sure they never share an ID with another employee. If employees are losing cards on a regular basis, offer them a belt clip or similar device to help them keep the ID on their person. When an ID goes missing, employees should be encouraged to report the missing ID as soon as they can. When a missing card is reported, the previous ID should be deactivated while a new one is made for the employee.
- **Mysterious USBs-** Since hackers understand the power of curiosity, they may leave USBs or similar storage devices in areas that are frequented by members of the office – such as local coffee shops or parking lots. When an employee plugs the USB into their device to learn what's inside, they may not notice anything at first. However, the USB may install sly malware like a keylogger or spyware, or even open the business up to an immediate breach. To prevent this, make sure employees know that unknown storage devices do not belong anywhere near their computer.
- **Known USB devices-** To avoid any problems with IoT devices, ask employees to check in with IT before they use any personal IoT solutions.
- **Unauthorized installations-** If an employee wants to download an unauthorized program– whether it's for fun or productivity – they may open the network up to a range of malware and security threats. While the IT team will gather business requirements, the IT security team will create and maintain the list of approved business applications. These approved business applications will be whitelisted to prevent any other applications from being downloaded by the users.
- **Keylogging-** Keyloggers often go unnoticed, especially if they are installed in person. While it's unlikely that a thief would sneak into an office only to install a keylogger, one could have an entrenched keylogger installed on the machine by a fly-by-night third-party repair company. If employees complain that there's a lag when they type, or if they're sharp enough to notice that there is a strange background process running, keyloggers may be the culprit. If an employee believes they've fallen victim to a keylogger or similar type of spyware, they should report it to their IT security team immediately.

Often in retailing, the following security risks are faced by organizations

- **Shop-lifting by Unethical Customers:** Shoplifting is a criminal activity in which a person steals a product from the store while pretending to be a customer. It means theft of products from an open retail outlet, usually by hiding a shop item in pockets, under garments, or in a bag, and leaving the store without paying. For example, sometimes a female customer who is not pregnant may pretend to be pregnant and hide things from store in their fake bump or in her clothes to fake a baby bump.
- **CCTV surveillance can be used to monitor such activities:** Electronic article surveillance are magnetic or radio-frequency tags that sound an alarm if a shoplifter leaves a store with store items that have not been paid for, and Exit inspections are where shoppers in some stores are asked to have their purchases checked



against the receipt before leaving the premises.

- **Pilferage by Unscrupulous Employees:** Pilferage means stealing in small quantities. Sometimes the employees also indulge in some theft in small quantities. Various cases can be included like employees may favour their friends by removing security tags from the products. Also there are chances where cashiers skip items while billing. An employee whose work involves financial tasks, steals and cashes other employees' paycheques or writes fictitious cheques and cashes them. Employees manage cash in cash registers and therefore have opportunities to take cash. Alternatively, an employee could overcharge a customer and then keep the difference for themselves. Any business that has petty cash may run the risk of cash theft. Employee theft accounts for 80% of merchandise loss in retail stores. Various cases have arisen where the employees themselves remove the tags and pass it to their friends or keep the items with them.
- Employees can pass merchandise across the counter to friends or accomplices, who may look like an ordinary customer, this is known as "sweet hearting" and is the most prevalent form of employee theft. Concealing merchandise and stealthily removing it during breaks is a common problem, as is putting merchandise in the trash or other concealed containers for later theft. Salespeople may also have access to delivery vehicles or warehouses where they can directly steal the merchandise. Employees may "damage" merchandise to justify a price markdown and later purchase the "damaged" item.
- Sometimes cash skimming is also practiced by the employees. This type of fraud involves stealing cash before it's recorded in the company's books. Sometimes, it involves the theft of cheques. For example- A new employee is hired in a company. A few weeks later, it is noticed that the revenues dropped by half. After installing a hidden camera, it is realized that the new employee does not give receipts to customers who pay in cash. The money goes into his pocket instead of the cash register. Since cash sales were not recorded, the fraud was hard to detect.

Currently, the use of new technology in the retail industry and greater knowledge at younger employees has led to new types of theft. The easiest way for employees to steal is to give customers a blank gift card and take the "loaded" one for themselves.

While many security threats originate online, organizations need to be acutely aware of threats that commonly occur within the four walls of their office. Often, these solutions require extensive, regular employee training as well as a vigilant IT team. However, it all begins by taking inventory of both online and offline security

#### CASE STUDY

A recent survey found that 89 percent of all desktops and 80 percent of all laptops are equipped with some type of antivirus

## EXERCISE



1. What is tailgating? How can you ensure to prevent tailgating from happening?

---

---

---

2. Find out the various possible ways to handle pilferage by employees in a shop.

---

---

---

**ACTIVITY**



Visit a retail store and find out what are the preventive measures to stop cyber-attacks.

## 5.1.2. Role, authority and responsibility of employees in handling security risks

Company security policies are designed to create a safe workplace for employees and management. Management develops workplace security policies and training programs to familiarize employees with the ways to maintain a safe workplace. The following points which explain the role, authority and responsibility of the employees in handling various security risks-

- **Vigilance-** Employees need to remain vigilant when it comes to executing security policies in the workplace. When an employee sees suspicious ACTIVITY, he/she needs to follow security procedures and report it. A workplace security policy is effective only if it is used and practiced. Employees should make it a point to attend all security training classes and to be ready to use security procedures at all times.
- **Personal space-** Part of employee responsibility in maintaining a company security policy is being responsible for his/her own area. Employees need to make sure that their work areas adhere to security standards, and each employee must be certain that her personal effects in the work area do not hamper security. For example, if an employee has a large plant on top of his file cabinet that blocks a security camera, that plant needs to be moved.
- **Procedures-** Employees need to have respect for corporate security procedures to allow those procedures to be effective. For example, an employee should refuse to assist a co-worker in bypassing the card-swiping entry system because the co-worker forgot her access card. The employee should remind the co-worker of the security procedure in place for people who misplace their access cards.
- **Security audit checklist-** Employees must strive to protect an organisation's assets and its systems, including its physical stuff and its computer networks and data systems. Put together a security audit checklist, then use that checklist to audit the security measures that are already in place. The checklist is an efficient way to ensure no security need is overlooked. The following points can be adhered to in this direction-
  - a) **Put team together-** Assemble a team of individuals from various departments and processes within the organization. These must be people with a working knowledge of the organization's day-to-day operations and the assets and systems used in those operations.
  - b) **Educate team-** Educate the team on new and emerging security technology and processes.
  - c) **Observe and identify-** Ask the team to tour the business' facilities, and observe operations and data systems in use. Have the team identify everything it sees that needs to be secure, including assets such as furniture, equipment and buildings; and systems such as any in-house internet and e-mail system; Internet connections; phone and video conferencing lines; databases; and computer-based accounting and money holding/tracking/transfer functions.
  - d) **Brainstorm risks-** Ask the team to come up with as many security risks as possible associated with each process and system it identified as needing security. List all the resulting risks.
  - e) **Turn list into checklist-** Go through the organization's written security procedures and check off the items on the list that are already adequately protected by existing security measures. Go back over the list and add additional security measures to protect those items not yet checked, keeping in mind advances in technology.
- **Network security-** The computer network is one of the most important tools in a company. It allows the employees to do interactive work for a variety of company departments and clients, and it houses all of the important company information. To make sure that the organizational computer network keeps functioning properly, we need to follow procedures and steps for network security.

- Computer passwords- The passwords used on the computer network for the servers and individual workstations are among the first lines of defense in network security. Passwords should be shared with authorized personnel only, and one should keep a list of employees who have the passwords for company servers. If it is needed to write the password down, do not leave it in the desk. All passwords should be changed at least once a month.
- Use layered security- Using layered security helps to eliminate a single point of failure for the security procedures, and it makes hacking into the system significantly more difficult. Multiple security systems also prevent unauthorized users from gaining access to restricted files or servers.
- Security audit- A regular security audit of the computer network is essential to good network security, according to the online network security resource, IT Security. Print out security logs each week and analyse the activity. If we notice repeated attempts at security breaches, strengthen those areas being attacked and report the attacking Internet addresses to the appropriate Internet service provider. Keep track of the websites your employees are visiting to see if anyone is accessing websites that could contain viruses or other security risks.
- Email Filters- Email attachments are commonly used as delivery vehicles for viruses and spyware. Put an email filter on the server that examines attachments and checks for potentially dangerous files. Include a section in the employee email that recommends that employees do not open attachments in emails from people they do not know.
- Electronic Article Surveillance(EAS): Electronic article surveillance is a technical tool for avoiding shoplifting, book theft from libraries, and property removal from office buildings. When an item is correctly bought or checked out, special tags are attached to it, which are removed or deactivated by clerks. When a detection system detects active tags near the store's exits, it sounds an alarm or sends a notice to the employees. Some establishments additionally have detecting devices at the toilet entrances that sound an alert if someone attempts to enter the restroom with unpaid products.

EAS tags and labels are connected to the protected product. EAS antennas transmit and receive signals at a certain frequency, generally within a six-to-eight-foot range. An EAS tag or label is identified as it passes between the antennae, and the store alarm is activated. At the point of sale, shop cashiers erase or deactivate EAS tags and labels to avoid unwanted alerts.

CCTV Surveillance – CCTV, or video surveillance, is the shorthand for closed-circuit television. CCTV networks are widely installed to identify and discourage criminal activities but these may also be used for other purposes.

CCTV can help in reducing theft that may happen in the stores, also in case of theft, a CCTV can help in providing details about the person. The mere presence of CCTV system at a retail outlet discourages people from stealing, as they know that they will get caught sooner than later. CCTV systems are monitored by security personnel by monitoring the activities of the customers and their movement in the shop. Cameras collect images and live videos and transfer them to a monitoring-recording device where they are available to be watched live or later, reviewed and/or stored. CCTV enables remote surveillance of a locale.

Thus, it is extremely important for the employees to look into every aspect of security breach for total protection

#### CASE STUDY

In 2009, there were approximately 572,000 instances of workplace crime such as assault and robbery committed in the United States, according to the U.S. Department of Justice website.

Case Study

According to the IT department for the University of Southern Maine, you should create complex and unpredictable passwords that are extremely difficult for anyone to guess.

**EXERCISE**



1. What is layered security? How can you protect online data through layered security?

---

---

---

**ACTIVITY**



Find out some softwares which can protect the laptops and computers from malicious attacks.

### 5.1.3. Policy and procedures of an organisation for handling security risks

Building and managing a security program is an effort that most organizations grow into overtime. The goal is to find a middle ground where companies can responsibly manage the risk that comes with the types of technologies that they choose to deploy.

A mature security program will require the following policies and procedures:

- **Acceptable Use Policy (AUP):** An AUP stipulates the constraints and practices that an employee using organizational IT assets must agree to in order to access to the corporate network or the internet. It is standard onboarding policy for new employees. They are given an AUP to read and sign before being granted a network ID. Organizations such as IT, security, legal and HR departments discuss what is included in this policy.
- **Access Control Policy (ACP):** The ACP outlines the access available to employees with regard to an organization's data and information systems. Some topics that are typically included in the policy are access control standards such as NIST's Access Control and Implementation Guides. Other items covered in this policy are standards for user access, network access controls, operating system software controls and the complexity of corporate passwords.
- **Change Management Policy:** A change management policy refers to a formal process for making changes to IT, software development and security services/operations. The goal of a change management program is to increase the awareness and understanding of proposed changes across an organization, and to ensure that all
- **Information Security Policy:** An organization's information security policies are typically high-level policies that can cover a large number of security controls. The primary information security policy is issued by the company to ensure that all employees who use information technology assets within the breadth of the organization, or its networks, comply with its stated rules and guidelines. This policy is designed for employees to recognize that there are rules that they will be held accountable to with regard to the sensitivity of the corporate information and IT assets.
- **Incident Response (IR) Policy:** The incident response policy is an organized approach to how the company will manage an incident and remediate the impact to operations. It's the one policy CISOs hope to never have to use. However, the goal of this policy is to describe the process of handling an incident with respect to limiting the damage to business operations, customers and reducing recovery time and costs.
- **Remote Access Policy:** The remote access policy is a document which outlines and defines acceptable methods of remotely connecting to an organization's internal networks. This policy is a requirement for organizations that have dispersed networks with the ability to extend into insecure network locations, such as the local coffee house or unmanaged home networks.
- **Email/Communication Policy:** A company's email policy is a document that is used to formally outline how employees can use the business' chosen electronic communication medium. The primary goal of this policy is to provide guidelines to employees on what is considered the acceptable and unacceptable use of any corporate communication technology.
- **Disaster Recovery Policy:** An organization's disaster recovery plan will generally include both cybersecurity and IT teams' input and will be developed as part of the larger business continuity plan. The CISO and teams will manage an incident through the incident response policy. If the event has a significant business impact, the Business Continuity Plan will be activated.
- **Business Continuity Plan (BCP):** The BCP will coordinate efforts across the organization and will use the disaster recovery plan to restore hardware, applications and data deemed essential for business continuity. BCP's are unique to each business because they describe how the organization will operate in an emergency.

It's essential that employees are aware and up-to-date on any IT and cybersecurity procedure changes. These policies serve as a guideline for employees on what to do and what not to do and define who has access to particular assets. Regardless of the company's size, IT security policies should be documented for the protection of the data and other critical resources.

## EXERCISE



1. What kind of policies would an organization follow in the following scenarios?
  - a) Increasing the awareness and understanding of setting up new standards across an organization
  - b) To connect to an organisation's internal network or system from another location

---

---

---

## ACTIVITY



Find out which all countries have 'Acceptable Use policy'. Also find how this is used in those countries.



## 5.1.4. Security risk reporting

The Security Risk report provides the security policies with violations. It bases the list on predefined tests for risky rules and compliance with organizational security guidelines. The report also calculates a Security Score, and tracks its trend over examining every registered Secure Track firewall.

To maximize the security posture of an enterprise, we need to evaluate the risks in an effective manner, in addition to the various other security measures. The report in which we describe all the risks – coined as “Security Risk Analysis Report” – has utmost importance for the effectiveness of the overall Risk Management Program.

Security risk analysis reports are likely one of the most important documents to be required to create as part of the information security career.

Another important thing is how to present the report. No one wants to see a distracted and scattered security report; it needs to be organized and presentable. There are some key elements of a good security analysis report; here we will discuss those elements and their importance in any Security Analysis report.

### The Importance of Security Risk Analysis Report

The results of a Penetration Testing (PT) or Incident Response Process (IRP) relies heavily on security risk reports. Once the Penetration Testing is performed successfully, the analysts would create a report based on the findings of the test. After that, the security risk report would demonstrate what was discovered and what recommendations were provided, as well as ensuring that the risks were mitigated or eliminated altogether and findings of IP or IRP were conclusive.

The incorrect or misleading information in the report can have devastating consequences for the organization’s information security posture. For example, missing important facts in the report can create oversights and distraction of some future threats. It can further lead

to litigation and compliance issues. Moreover, such a report will result in frustrating and expensive losses in terms of data breaches and reputational damage.

### Technical Details of Security Risk Analysis Report

Below is the list of some technical details that must be a part of an effective Security Risk Analysis Report.

- The levels of vulnerability
- The use environment
- Applicable threats and their frequency
- System connectivity
- The levels of data sensitivity
- The calculations of detailed Annual Loss Expectancy (ALE)
- Residual risks

### Major Elements of a Security Risk Analysis Report

The report must be properly formatted and given in a sequential manner. Below are the format and steps which are also major elements of a Security Risk Analysis Report.

- Cover
- Table of Contents
- An Executive Summary

- Notes
- Positive Information Security Findings
- Prioritized List of Findings

This report is vital to identify threats and then taking proactive measures to prevent the occurrence of these threats in the future. An effective report will present the true picture of the Penetration Testing results. Based on these results, the organization can enhance its IT security posture.

### EXERCISE



1. What points must be kept in mind and mentioned while creating a security risk analysis report?

---

---

---

### ACTIVITY



Make a sample of security risk analysis report.

### 5.1.5. Following company security policy and procedures at the workplace:

Security systems and procedures are in place to prevent the loss of stock and money and to protect staff in the event of a robbery and of course the profits for the workplace. They describe how the store controls the risks and gives staff instructions on what to do. Naturally security systems will differ from store to store. This could be due to the size of the store, what products are sold there, cost of the systems and possibly, the location of the store. For example: A large jewellery store may have surveillance cameras and security whereas a bookstore in a small town may opt for an alarm. There are many factors that need to be taken into account about the store security such as:

- store size/shape, is very important for security
- product being protected
- stock levels
- potential risk or loss
- budget constraints.

It is important to understand the security systems that are in place in the workplace and to use them correctly. Security procedures are usually detailed in the store's policy and procedures manual and will indicate how employees are to handle a situation as well as the person to report to in a given situation. We need to know how the store's security systems work, who the responsible staff members are and ensure that other staff are following these procedures while dealing with security risks:

This section looks at policy and procedures for keeping cash secure, including those relating to:

- Point-of-sale transactions, for payments by cash, EFTPOS and cheque
- Transporting cash
- Armed robbery
- Robbery: A robbery can occur under a variety of circumstances. It may be that the opportunity presents itself. The appeal of stealing money from an unattended and open cash drawer could tempt someone who had not planned on stealing. There can also be the type of thief who plans the robbery with great detail and hits the store when they know there is a quieter time and/or when it will have maximum cash in the store. Some thieves will try and get the point-of-sale operator confused, so as to receive back more change than they are entitled to. For example: The customer may engage you in conversation and then say, when you are handing back change, 'I gave you Rs.500 not a Rs. 100'. This is a common trick.
- Cash-related assault: The risk of a cash-related assault can increase if:
  - a) it appears easy to gain access to the cash register
  - b) people can enter the business without being detected
  - c) staff work alone, especially at night
  - d) the person on the point-of-sale terminal has restricted viewing of the store.
- Keeping cash secure: There are a few simple rules that can be followed when dealing with cash at the point-of sales area to reduce the temptation to a would-be thief.
  - a) Open the cash drawer only when in use, egg: a customer is paying for goods.
  - b) Close the cash drawer immediately.
  - c) Do not allow yourself to be distracted by the customer.
  - d) Where possible, lock the cash drawer if moving away from area.
  - e) Clear excess cash frequently and randomly and not in front of customers (This is commonly called a 'cash drop').

- f) Place excess cash in a locked safe.
- g) Count cash in a secure room and not in front of customers.
- Accepting payment of goods: The way a business can accept cash can vary. It can be a drawer in a desk or it can be an electronic cash register or it can be through EFTPOS (electronic funds transfer point of sale). It is important that to know the correct procedures for handling cash securely in the business and for one's own safety. There are some basic steps that can be followed at the point-of-sale area:
  - 1) Total the amount of goods purchased.
  - 2) Advise the customer of total amount, e.g.: 'That comes to Rs. 450 thank you'.
  - 3) If the customer is paying by cash, take the money and place it on top of the register. This is done because if money is placed straight into the drawer, the customer may claim to have handed a higher amount and ask for more change. For example: A customer may say, 'I gave you Rs. 500' but in fact they only gave you Rs. 100. If this happens, do not automatically hand back change for the higher amount. Call the supervisor over and explain what has happened. A balance of the register will need to be performed. If the point-of-sale terminal (POST) is over by Rs. 400, it is likely that the customer did give a Rs. 500 not a Rs. 100. The supervisor may elect to do a balance of the register there and then.
  - 4) Enter the amount the customer gave. If you are using a computerized cash register, it will show what change is to be given. If a drawer is being used, always have a calculator handy.
  - 5) Count back the change to yourself. Then count back the change to the customer.
  - 6) Now you can take the cash you placed on the cash drawer and put it into your register.
  - 7) Close your register.
- Transporting cash: When one has worked in a place of employment for some time, one may be asked by the employer to transport cash to the bank. This is extremely important and there are some steps one can take to perform this duty successfully.
  - a) Do not advertise the fact of transporting cash to the bank. Instead of using a calico bag that most banks provide, use an old handbag or knapsack. The manager can ask staff to donate old bags to use.
  - b) Do not discuss the movements with anyone.
  - c) Vary the time and route to the bank.
  - d) Be aware of suspicious people around.
  - e) Take a mobile phone or a personal alarm.
- Credit card and store card transactions: Some businesses display signs of what credit cards they accept and it is vital that staff are aware of these. Staff needs to check cards for authenticity and that expiry dates are valid and names match the person. If the card says Mrs. J Citizen and it is a gentleman using the card, this could indicate theft of the credit card. Staff needs to match signatures against the card at all times. If a card is stolen, the EFTPOS machine will alert the salesperson and one needs to call the number that is on the machine (usually on a sticker) and they will advise of what to do. A store card operates in a similar way to credit cards.
- Returns: The store should have a policy set in place for returns. Staff needs to be aware of legal requirements and store policies when accepting a return. A sign should be displayed for customers to see what the store will do with a return, e.g.:
  - a) Goods will be replaced if the item purchased is deemed to be faulty and customers will need their receipt.
  - b) If a customer is unhappy with their original purchase the store may wish to provide them with a store credit – there will be no cash refund.
  - c) Returns are to be authorized by a supervisor.

- Gift vouchers: Staff needs to be aware of how to process a gift voucher correctly and how to promote a gift voucher successfully. These can be a paper voucher and the amount used is crossed out on the voucher and the amount remaining written and signed by the operator.

Alternatively, it may be an electronic voucher that is similar in size to a credit card and is swiped through the register which records automatically the amount remaining.

- Armed robbery: Hopefully one should never be in a position where one will be involved in an armed robbery but if one is, here are a few points to tackle the situation:
  - a) Do what is told.
  - b) Stay calm. If an opportunity is given, quietly signal for help.
  - c) Maintain eye contact with the assailant.
  - d) If possible, stall for time till help arrives – again, only if safe to do so.
  - e) Follow the instructions given, let them know the co- operation
  - f) Do not be a hero and put others at risk.
  - g) Do not verbally or physically challenge the person with the weapon.
  - h) Do not make any sudden moves. If there is a need to move, tell the person with the weapon what you are doing and proceed only if they give permission to do so.
  - i) Be prepared to give the armed robber the cash, wallet or jewellery. Do not say no, life is worth more than these material possessions.
  - j) Try to remember the assailant’s clothing, appearance and any distinguishing marks such as scars, tattoos, etc. But be careful not to stare.
  - k) After the robbery and when it is safe to do so, lock all doors and call police control room immediately.

## EXERCISE



1. What are the different security steps to follow at point-of-sale area?

---



---



---

## ACTIVITY



Develop security procedures for the following:

- Staff discounts
- Armed hold up
- Cash handling
- Keys

## Unit 5.2 Health and Safety at workplace

### Unit Objectives

1. Explain the company procedures and legal requirements for dealing with accidents and emergencies
2. List the key health and safety policies laid down by the company and by law for a retail store

### 5.2.1. Identifying and reporting accidents and emergencies

An accident is an event that is unplanned, unintended and unexpected, or an unintended exposure to risk. This may either be a risk that has not been identified or a risk that has been identified but not adequately controlled. All businesses should have plans in place for responding to emergencies and crises and keeping people safe.

Employers should have a reporting system in place for all accidents, dangerous occurrences, incidents and near misses. Accidents can occur like fire, bomb alerts, chemical spillage, and security alerts.

#### Accidents

Always work in a safe manner to prevent accidents from occurring in the first place. For example, one should wear appropriate protective clothing/equipment for the task at hand, at all times.

Ensure that adequate information and on-the-job training about the first aid facilities and services are available in the workplace, including:

- Where to find first aid kits
- Location of first aid rooms
- Complete, up-to-date contact details of trained first aid officers in the workplace
- Procedures for critical accidents – such as who should be responsible for calling the ambulance/doctor/nurse and what is the best method of contact, measures for evacuation of the injured person/s
- Emergency procedure for the elimination of life-threatening chemicals commonly used in the workplace
- Universal precautions for the control of infection
- Who to contact for debriefing/psychological support.

An Accident Reporting and Investigation Plan prescribes methods and practices for reporting and investigating accidents that can be read and understood by all managers, supervisors, and employees. Reporting of incidents and accidents is required under the Work Health and Safety (WHS) legislation. Workplaces tend to have well developed reporting procedures in place, which aim to fully understand the accident/incident and prevent any future occurrences through investment in injury prevention, based upon accurate data.

#### Employees' Duties

Employees must:

- Comply with all organisational policies and procedures
- Report all work-related dangerous occurrences, near misses and accidents
- Co-operate in any accident or incident investigation.
- Take all practical steps to prevent accidents from occurring

### Improper Maintenance Can Cause Accidents:

#### A) Mechanical

- Material handling and improper lifting techniques contribute to a lot of injuries. Repetitive movements and environmental conditions can put a lot of strain on the human body over time.
- Sharp edges in fixtures can cause injuries. Sharp edges can lead to cut or deep wound on body if not handled properly. The wound may lead to bleeding or sometimes cause infection in body.
- Injuries are common, and while unfortunate, they can happen when workers least expect them, even when following all safety guidelines and wearing the proper protective equipment. If not dealt with accordingly and swiftly — and that includes taking the adequate time to rest and heal — they will become worse over time.
- Wet floors can cause falls. While cleaning or sometimes when there is a spill of water on floor can lead to fall of a person due to its slippery nature. These falls can lead breaking of bones or sometimes even death of the person.
- Improper latches in trial room can sometimes lead to people getting stuck in the trial rooms and sometimes can lead to short of breath and also panic situation is created.
- Fires or explosion: Risk factors such as defective gas connections, carelessly kept flammable items, or exposed flames regularly cause explosions and fires in the workplace. Damage to the breathing system, various degrees of burns, and even possible deformity are among the ailments sustained. Explosions and flames cause 3% of all workplace injuries and have the highest fatality rate of all likely workplace hazards.

#### B) Electrical

- Ensure there are no open wires: Work place must have safety procedures in place to check electrical circuit isolation. Workers should also have adequate knowledge and expertise to be able to isolate, lockout, and test circuits for no voltage potential before starting work.
- Lighting sockets and LED strips are safely tucked inside beyond the contact of customers  
Lighting sockets and LED strips are safely tucked inside beyond the contact of customers, in order to avoid accidents that may occur due to carelessness. This may help to avoid mishap that could be caused by children in their playful mode. Also, precautions must be taken to avoid any kind of hindrance in the working of the electrical appliances or circuits.

### Accident Reporting Procedures

Employees injured on the job are to report the injury to their supervisor as soon as possible after the incident/accident, and when it is safe to do so. Near miss accidents or incidents (when an employee nearly has an accident but is able to avoid it) should be reported as well. All accidents and incidents should be reported for prevention purposes. There should be a form at each workplace that you (or the person involved) and any witnesses can fill out, where possible, otherwise it can be completed by a health and safety representative (HSR) if necessary. The form should cover the following areas:

- Description of the occurrence – what was the event that occurred, which required this report to be completed?
- Nature of injury or disease – select the most appropriate description from a range of options. What injury or disease happened as a result of the occurrence?
- First aid, medical treatment or hospital admission – this section asks for a description of what was done to treat the injury or disease.
- Part of the body affected – tick off which part or parts of the body were affected as a result of the occurrence.
- Source of injury – what actually caused the person to be injured or acquire a disease? This could be a piece

of machinery or other hazardous materials for example.

- Probable cause or causes of injury – how was the source listed above actually responsible for the injury?
- Investigation – this asks a series of questions that seek to find out why the person has been injured or has acquired a disease.
- Notification checklist – this checklist makes sure that everyone who should have been contacted regarding the matter has been contacted and asks whether appropriate action has been taken by the authorities.
- Preventative action – this asks whether or not any action has been taken to prevent the occurrence from happening again.

Witness details – this part is to be filled out if someone saw the occurrence happen.

It is essential if any sort of legal action is to be taken.

The supervisor must immediately notify the Department of Human Resources and the Department of Public Safety when an incident/accident occurs.

If they are not available, a report should be forwarded for their review and the supervisor shall conduct an investigation and interview.

Any employee witnessing an accident is to call for emergency assistance when needed. In addition, the employee is to immediately report the accident to his or her supervisor and take part in answering questions related to the Accident Report and Accident Investigation.

#### Reporting faulty equipment

Any damaged, faulty or malfunctioning equipment should be immediately withdrawn from use and addressed according to organizational policies and procedures. In general, this may require to report the damage or fault to management, take action to ensure other workers are not injured or harmed by the equipment by tagging or labelling it with a hazard sign, and/or removing the equipment from the area.

#### Incident report forms

An incident report is the method used by workplaces to document the occurrence of anything 'out of the ordinary' that has caused a 'near miss or may have the potential to cause harm to a client, member of staff or visitor. These forms record and allow the organization to keep track of incidents, which occur.

The following standard information is required on incident report forms:

- Names of persons involved
- Date and time of the incident
- Location of the incident
- A complete written description of what happened or could have happened
- Names of any witnesses
- Other information relevant to that particular organization.

#### Accident Investigation Procedures

Thorough investigation of all accidents will lead to identification of accident causes and help:

- Reduce economic losses from injuries and lost productive time.
- Determine why accidents occur, where they happen, and any trends that might be developing.
- Employees develop an awareness of workplace problems and hazards.
- Note areas where training information or methods need to be improved.
- suggest a focus for safety program development.

The accident investigation report is used to:



- Track and report injuries on a monthly basis.
- Group injuries by type, cause, body part affected, time of day, and process involved.
- Determine if any trends in injury occurrence exist and graph those trends if possible.
- Identify any equipment, materials, or environmental factors that seem to be commonly involved in injury incidents.
- Discuss the possible solutions to the problems identified with the safety team and superiors.
- Proceed with improvements to reduce the likelihood of future injuries.

#### Practical first aid tips

Following are some basic first aid procedures for treating shock, bleeding and wounds, burns, choking, electric shock, eye injury, fainting, heat stroke, hypothermia, and unconsciousness. These techniques can be used in the workplace or at home and being prepared will help a lot to deal with such situations.

#### Shock

Shock can be life threatening. Symptoms include cold sweat, weakness, irregular breathing, chills, pale or bluish lips and fingernails, rapid weak pulse and nausea.

- Do not give the victim anything to eat or drink.
- Lay the victim on his/her back, but do not move him/her if there's a back or neck injury. If the victim is unconscious, vomiting or has severe injury to the lower face or jaw, lay him/her on his/her side and be sure the victim is getting adequate air.
- Keep the victim warm (not hot) by use of blankets or clothes.
- Raise the victim's feet and legs with a pillow. (Only do this if it does not cause the victim any pain.)
- Bleeding and Wounds
- Place a clean cloth or gauze and gloved hand over the wound; apply firm, steady pressure for at least 5 minutes.
- Elevate an injured arm or leg above the level of the victim's heart if practical.
- When bleeding stops, secure the cloth with a bandage. Do not lift the cloth from the wound to check if bleeding has stopped. Be sure the bandage is not too tight—it
- May cut off circulation.
- Check the victim for shock.

#### Burns

##### 1. Chemical or Compressed Gas Burns

- Use a drench hose, emergency shower or eyewash for at least 15 minutes to rinse away all traces of chemicals while removing any contaminated clothing from the victim.
- Cover the burn loosely with a clean, dry cloth or special burn dressing.
- Check the victim for shock.

##### 2. Heat or Electrical Burns

- If necessary, use water to stop actual burning of skin.
- If the skin is not broken, submerge the burned area under cool running water, or gently apply a cool compress until pain is relieved. Bandage with a clean, dry cloth.
- Do not break a blister if one forms.
- Do not apply ointments or creams.
- If skin is broken, or if burns are severe:

- Do not clean the wound or remove embedded clothing.
- Cover the burn loosely with a clean, dry cloth.
- Expect shock and treat accordingly.

#### Choking

If the victim can speak or cough forcibly and is getting sufficient air, do not interfere with his/her attempts to cough the obstruction from the throat. If the victim cannot speak or is not getting sufficient air, have someone call emergency while performing abdominal

#### Thrusts

1. Stand directly behind the victim and wrap your arms around the stomach.
2. Make a fist with one hand and place that fist just above the navel and well below the ribs, with the thumb and forefinger side toward you.
3. Grasp this fist with the other hand and pull it quickly toward you with an inward and slightly upward thrust. Repeat if necessary.

If the victim becomes unconscious:

1. Lay the victim on their back.
2. If the object that is blocking the airway is visible, reach a finger into the victim's mouth (along the inside of the cheek) and try to sweep the obstruction out of the victim's throat, being careful not to push the object deeper into the victim's airway.
3. Even if this is not successful, attempt rescue breathing.
4. If the victim is still not breathing or moving, begin chest compressions (CPR).

#### Electric Shock

1. Do not touch the victim until electrical contact is broken.
2. If possible, unplug or switch off the source of electricity.
3. If victim is not breathing and has no pulse, call ambulance or seek medical attention immediately.

#### Eye Injury

1. Hold the eyelids apart and flush the eyeball with lukewarm water for at least 15-30 minutes. Be careful not to let runoff water flow into the other eye.
2. Place a gauze pad or cloth over both eyes and secure it with a bandage.
3. Get to an eye specialist or emergency room immediately.

#### Cut, Scratch or Embedded Object

1. Place a gauze pad or cloth over both eyes and secure it with a bandage.
2. Do not try to remove an embedded object.
3. Get to an eye specialist or emergency room immediately.

#### Fainting

Note: Fainting victims regain consciousness almost immediately. If this does not happen, the victim could be in serious danger and you should call ambulance as soon as possible.

1. Lay the victim down on their back and make sure they have plenty of fresh air.
2. Reassure the victim and apply a cold compress to the forehead.
3. If the victim vomits, roll the victim on his/her side and keep the windpipe clear.
4. Report the fainting incident to the victim's doctor.

#### Heat Stroke

Heat stroke can be life threatening. Symptoms can include a body temperature of 105°F or higher; dry, hot, flushed skin; rapid pulse; unconsciousness; and lack of perspiration.

1. Get the victim out of the heat and into a cooler place.
2. Place the victim in the shock position, lying on the back with feet up.
3. Remove or loosen the victim's clothing.
4. Cool the victim by fanning and applying cloth-wrapped cold packs or wet towels.
5. Treat for shock.

#### Hypothermia (Prolonged exposure to the cold)

Hypothermia can be life threatening. Symptoms include lower than normal body temperature, shivering, apathy, disorientation, drowsiness, and eventually, unconsciousness.

1. Immediately move the victim into the best available nearby shelter.
2. Get the victim out of wet clothes and replace with dry clothes, sleeping bag or blankets.
3. Have the victim drink a warm, sweet, non-alcoholic beverage if possible.
4. Seek medical help.

#### Unconsciousness

1. Determine responsiveness by gently tapping the victim's shoulder and asking, "Are you okay?"
2. If there is no response, shout "Help!" and look for a medical alert tag on the victim's neck or wrist.
3. If victim is not breathing and has no pulse, begin CPR

Emergency management procedures should be clearly written in plain language and contain all the necessary information to allow the person in charge on the day to manage a crisis effectively. Procedures should be such that any member of the management team would be able to pick them up and use them to manage the crisis.

Potential emergencies covered should include:

- Winter emergencies- It is wise to keep on-hand items such as flashlights and spare batteries. Drivers should carry with them spare clothing and a mobile phone.
- Power cuts- Managers should ensure that their workplace has adequate ventilation and access to chilled drinkable water for staff. Additional fans or air conditioning may be fitted if hot weather is predicted.
- Heatwaves- During a heatwave, managers and staff should be alert to the specific symptoms of heat exhaustion and heatstroke, particularly if staff are working outdoors, in hot buildings or are doing heavy manual tasks.
- Fire- Any fire would constitute an emergency situation and provision must be made for the safe, orderly evacuation of the building.
- Floods- Proper evacuation must be provided in case of any emergency related to flood
- Staffing emergencies- Contact numbers for all staff should be available, including landlines and mobiles, especially for those who live close by and would be least affected by travel emergencies. Additional contingency plans would include arrangements with staff supply agencies.

- Major incidents- In the event of a major incident or security emergency in the local area, for instance, a bomb threat or a major security alert or disaster, employers should follow their policies on responding to emergencies. They should be advised by the police and keep alert for official announcements.
- Violent incidents- Where a risk of violent incidents is identified, employers should have suitable contingency plans in place.

#### Availability of the First Aid Kit in a Retail Store

In case of an accident in a retail store, the victim must receive immediate emergency care. For this reason, every retail establishment should include a first aid kit. The first aid kit should include the following items, keeping in mind the worst-case scenarios. Cotton balls, antiseptic solutions, bandages, gloves, and emergency blankets, among other things, must be present at first. Various medications might also be kept on hand in case of an emergency. The items' expiration dates must be considered.

#### Training

All staff should receive training on accident reporting procedures and responding to emergencies and crises. New staff should be provided with the information during their induction.

Senior staff should be trained in the techniques and skills to perform accident investigation or analysis. Many different types of training are available for this purpose including root cause analysis training.

Managers and senior team members should be trained in what to do in the event of a crisis. Training programmes should aim to enhance knowledge and understanding of the content of the crisis management plan, and the specific roles and responsibilities of staff.

## EXERCISE



1. What is the importance of developing procedures for accident cases?

---



---



---

2. What are the different types of emergencies? How can you help a person suffering from heatwaves?

---



---



---

## ACTIVITY



Demonstrate how will you provide first aid to the following accidents cases-

1. An unconscious person
2. A person suffering from an eye injury
3. A person who got electric shock

## 5.2.2. Protecting health and reducing safety risk

A hazard is something that has the potential to cause injury, disease or death in a workplace. A slippery floor could result in someone falling and breaking an ankle.

A risk is the potential outcome from a hazard.

There are several aspects to the development of a safe workplace environment:

- The development of policies
- The development of consultative processes
- Hazard identification, assessment, and control.

There are several methods used to identify hazards/risks. These include:

- Safety assessment (engineers/designers)
- Review of accident statistics
- Review of accident reports
- Review of statistics of security breaches
- Review of reports on security breaches
- Informal job hazard analysis
- Regular workplace inspections
- Consulting
- Health surveys
- Inspectors/consultants' reports.
- Implications from hazards/risks can be accessed through:
  - Accident/injury reports
  - Information on risk from chemicals from data sheets
  - Review of accident/injury statistics
  - Information from government health and safety agencies
  - Who is exposed, how much, how might they be affected.

Hazards can occur no matter where we work or what we do. However, we can work towards preventing or at least restricting these hazards as much as possible by:

- Eliminating the hazard
- Substitution of the hazard
- Using engineering controls, e.g.: guards, ventilation exhausts
- Changing work practices and training staff
- Using protective clothing and equipment
- Improving security systems.

Effective controls protect workers from workplace hazards; help avoid injuries, illnesses, and incidents; minimize or eliminate safety and health risks; and help employers provide workers with safe and healthful working conditions.

To effectively control and prevent hazards, employers should:

- Involve workers, who often have the best understanding of the conditions that create hazards and insights into how they can be controlled.
- Identify and evaluate options for controlling hazards, using a “hierarchy of controls.”

- Use a hazard control plan to guide the selection and implementation of controls, and implement controls according to the plan.
- Develop plans with measures to protect workers during emergencies and non-routine activities.
- Evaluate the effectiveness of existing controls to determine whether they continue to provide protection, or whether different controls may be more effective. Review new technologies for their potential to be more protective, more reliable, or less costly.

Step 1- Identify control options- Collect, organize, and review information with workers to determine what types of hazards may be present and which workers may be exposed or potentially exposed.

Step 2 – Select controls- Employers should select the controls that are the most feasible, effective, and permanent. Select controls according to a hierarchy that emphasizes engineering solutions (including elimination or substitution) first, followed by safe work practices, administrative controls, and finally personal protective equipment. Avoid selecting

controls that may directly or indirectly introduce new hazards. Examples include exhausting contaminated air into occupied work spaces or using hearing protection that makes it difficult to hear backup alarms.

Step 3- Develop and update a hazard control plan- A hazard control plan describes how the selected controls will be implemented. An effective plan will address serious hazards first. Interim controls may be necessary, but the overall goal is to ensure effective long-term control of hazards.

Step 4- Select controls to protect workers during non-routine operations and emergencies- Depending on the workplace, these could include fires and explosions; chemical releases; hazardous material spills; unplanned equipment shutdowns; infrequent maintenance activities; natural and weather disasters; workplace violence; terrorist or criminal attacks; disease outbreaks (e.g., pandemic influenza); or medical emergencies. Nonroutine tasks, or tasks workers don't normally do, should be approached with particular caution. Prior to initiating such work, review job hazard analyses and job safety analyses with any workers involved and notify others about the nature of the work, work schedule, and any necessary precautions.

Step 5- Implement selected controls in the workplace- When resources are limited, implement measures on a "worst-first" basis, according to the hazard ranking priorities (risk) established during hazard identification and assessment. Promptly implement any measures that are easy and inexpensive—e.g., general housekeeping, removal of obvious tripping hazards such as electrical cords, basic lighting—regardless of the level of hazard they involve.

Step 6- Follow up to confirm that controls are effective-

1. Conduct regular inspections (and industrial hygiene monitoring, if indicated) to confirm that engineering controls are operating as designed.
2. Evaluate control measures to determine if they are effective or need to be modified. Involve workers in the evaluation of the controls. If controls are not effective, identify, select, and implement further control measures that will provide adequate protection.
3. Confirm that work practices, administrative controls, and personal protective equipment use policies are being followed.
4. Conduct routine preventive maintenance of equipment, facilities, and controls to help prevent incidents due to equipment failure.

**EXERCISE**

1. What are the different types of methods to identify hazards or risks?

---

---

---

2. How can you as an employee contribute in preventing hazards at your workplace?

---

---

---

**ACTIVITY**

1. Demonstrate how will you confirm that the office is free of any risky hazards.
2. Visit a retail store and enquire about their preventive measures to a fire accident. Mention some of their innovative technology to prevent any dangerous hazards.



<https://www.youtube.com/watch?v=0WaELZEMnY8>

Prevent accidents in retail store

### 5.2.3. Guidelines for lifting and handling goods

Lifting heavy items is one of the leading causes of injury in the workplace. According to research, bending, followed by twisting and turning, were the more commonly cited movements that caused back injuries. Strains and sprains from lifting loads improperly, or from carrying loads that are either too large or too heavy, are common hazards associated with manually moving materials. When employees use smart-safe lifting practices, they are less likely to suffer from back sprains, muscle pulls, wrist injuries, elbow injuries, spinal injuries, and other injuries caused by lifting heavy objects.

Following principles would help to serve as guidelines for lifting and handling goods-

1. Preparation- Before lifting or carrying, plan out your lift. Think about:
  - How heavy/awkward is the load? Should I use mechanical means (e.g. a hand truck) or another person to help me with this lift?
  - Where am I going with the load? Is the path clear of obstructions, slippery areas, overhangs, stairs, and other uneven surfaces?
  - Are there adequate handholds on the load? Do I need gloves or other personal protective equipment? Can I place the load in a container with better handholds? Should another person help me with the load?
  - What is the temperature? Be aware of extreme temperatures that can affect lifting and material handling. For example, muscle flexibility decreases in cold temperatures, and hot temperatures can lead to heat stress.
  - Is there adequate lighting? Low visibility or poor lighting increases the chance of trips and falls. Provide proper lighting for areas with low light and try to perform work during daylight hours when possible.
2. Lifting-
  - Get as close to the load as possible.
  - Try to keep the elbows and arms close to the body.
  - Keep the back straight during the lift by tightening the stomach muscles, bending at the knees, keeping the load close and centered in front of you, and looking up and ahead.
  - Get a good handhold and do not twist while lifting.
  - Do not jerk; use a smooth motion while lifting.
  - If the load is too heavy to allow this, find someone to help with the lift.
  - Limit weight you lift to no more than 50 pounds.
3. Carrying-
  - Do not twist or turn the body; instead, move the feet to turn. The hips, shoulders, toes, and knees should stay facing the same direction.
  - Keep the load as close to the body as possible with the elbows close to the sides.
  - If you feel fatigued, set the load down and rest for a few minutes
  - Ramps can be helpful in moving heavy items from one level to another.
4. Settling down-
  - Set the load down in the same way you picked it up, but in the reverse order.
  - Bend at the knees, not the hips.
  - Keep your head up, your stomach muscles tight, and do not twist your body.
  - Keep the load as close to the body as possible.
  - Wait until the load is secure to release your handhold.



**CONCLUSION**

Apart from these principles, one can also use personal protective equipment where needed, such as gloves with good grip and steel-toed boots where appropriate, to avoid finger injuries and contact stress. Ensure that gloves fit properly and provide adequate grip. It is always important for proper training of the workers to avoid

**CASE STUDY**

According to the Bureau of Labor Statistics, "In 2016...the back accounted for 38.5 percent of all work-related musculoskeletal disorders."

**EXERCISE**

1. What is the importance of maintaining guidelines for lifting and handling goods?

---

---

---

**ACTIVITY**

1. Demonstrate how will you check for proper lifting of goods. If any accident occurs during the process, how will you provide first aid for a sprain or an injury.

## 6. Employability Skills








Scan the QR codes or click on the link for the e-books








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

## 7. Annexure



Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Module 2: Cashier Services	Unit 2.3 (b) Processing Part Exchange Sale Transactions	Negotiation strategies	73	<a href="https://www.youtube.com/watch?v=NxsVb08vDml">https://www.youtube.com/watch?v=NxsVb08vDml</a>	 3 Steps to Craft Your Unique Value Proposition
	Unit 2.4: Processing Customer Orders	Buying Process	86	<a href="https://www.youtube.com/watch?v=6jnNqC7CL-sA&amp;list=PLAFE6EE3F43F-BA7BC">https://www.youtube.com/watch?v=6jnNqC7CL-sA&amp;list=PLAFE6EE3F43F-BA7BC</a>	 Buying Process
		Different Types of Closes		<a href="https://www.youtube.com/watch?v=Ntpj1SPHnF-w&amp;list=PLAFE6EE3F43FBA7BC">https://www.youtube.com/watch?v=Ntpj1SPHnF-w&amp;list=PLAFE6EE3F43FBA7BC</a>	 Different Types of Closes
	Unit 2.5 Service Cash Point	POS machine use	112	<a href="https://www.youtube.com/watch?v=ehcjne9-Lto">https://www.youtube.com/watch?v=ehcjne9-Lto</a>	 POS machine use
Module 3: Retail Sales Process	Unit 3.1 Retail Sales Process and helping customers choose right products	Handling Objections	126	<a href="https://www.youtube.com/watch?v=mZziCuQx-akE&amp;list=PLAFE6EE3F43F-BA7BC&amp;t=21s">https://www.youtube.com/watch?v=mZziCuQx-akE&amp;list=PLAFE6EE3F43F-BA7BC&amp;t=21s</a>	 Handling Objections

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Module 3: Retail Sales Process		Remember to Ask Open Ended and Close Ended Questions	126	<a href="https://www.youtube.com/watch?v=c65o74KwLfI&amp;list=PLA-FE6EE3F43FBA7BC">https://www.youtube.com/watch?v=c65o74KwLfI&amp;list=PLA-FE6EE3F43FBA7BC</a>	 Remember to Ask Open Ended and Close Ended Questions
		Setting Direction		<a href="https://www.youtube.com/watch?v=dDbqwtjzXjY&amp;list=PLA-FE6EE3F43FBA7BC">https://www.youtube.com/watch?v=dDbqwtjzXjY&amp;list=PLA-FE6EE3F43FBA7BC</a>	 Setting Direction
		Recommending Solutions	145	<a href="https://www.youtube.com/watch?v=D3l4QzntGs8&amp;list=PLA-FE6EE3F43FBA7BC">https://www.youtube.com/watch?v=D3l4QzntGs8&amp;list=PLA-FE6EE3F43FBA7BC</a>	 Recommending Solutions
Module 4: Post-Sales Process	Unit 4:1 Organizing Service Delivery	Organising Reliable Customer Service	220	<a href="https://www.youtube.com/watch?v=qNd5iUmmnGg">https://www.youtube.com/watch?v=qNd5iUmmnGg</a>	 Organising Reliable Customer Service
Module 5: Health and Safety at Workplace	Unit 5:2 Health and Safety at workplace	Prevent accidents in retail store	247	<a href="https://www.youtube.com/watch?v=0WaELZEMnY8">https://www.youtube.com/watch?v=0WaELZEMnY8</a>	 Prevent accidents in retail store

## Disclaimer

The video links referenced in this book are provided solely for educational and training purposes, intended to support and enhance learning related to the subject matter. These links direct readers to publicly available videos hosted on YouTube/ any other referenced platform, and all rights, including copyrights and intellectual property rights, remain with the respective creators or copyright holders.

The inclusion of these links does not imply endorsement, sponsorship, or affiliation with the creators or platforms hosting the videos. Readers are encouraged to access the videos directly through the provided links in compliance with YouTube's/ any other referenced platform's Terms of Service and applicable copyright laws.

The authors and publishers of this book make no claim to ownership of the referenced video content and do not guarantee the availability, accuracy, or reliability of the linked content over time. Any use of the videos beyond viewing for educational purposes is subject to the terms set by the video creators and YouTube/ any other referenced platform .

The authors and publishers assume no responsibility for any misuse or infringement arising from the use of the linked content. Users are advised to consult the original video creator or copyright holder for permissions if their intended use exceeds the scope of education and training outlined herein.



**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

**Address:** Retailers Association's Skill Council of India

703-704 Sagar Tech Plaza - A, Andheri-Kurla Road, Sakinaka Junction,  
Sakinaka, Andheri (E), Mumbai-400 072

**Email:** [info@rasci.in](mailto:info@rasci.in)

**Web:** [www.rasci.in](http://www.rasci.in)

**Phone:** +91-22-40058210-5

**Price:** ₹