

Level 3 – Principal Learning

Specification (7433)

Assessment 2010 onwards

AQA

City &
Guilds

RETAIL BUSINESS



Retail Business

Level 3 Principal Learning

Specification (7433)
Assessment 2010 onwards

This Principal Learning specification should be read in conjunction with:

- Specimen assessment materials and mark schemes for Principal Learning
- Teacher guidance materials for Principal Learning
- Examiners' Reports for Principal Learning
- Specifications for other components of Diplomas ie Functional Skills specifications, Project specifications and Additional and Specialist Learning specifications

This specification will be published annually on our website (www.diplomainfo.org.uk)

We will notify centres in writing of any changes to this specification. We will also publish changes on our website. The version of the specification on our website will always be the most up-to-date version, although it may be different from printed versions.

You can get further copies of this specification from:

AQA Logistics Centre Unit 2, Wheel Forge Way, Ashburton Park, Trafford Park, Manchester M17 1EH
or you can download it from our website (www.diplomainfo.org.uk)

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1 Introduction

1.1 Why choose AQA-City & Guilds?

AQA is the UK's main provider of GCSEs and A levels. Over 3.5 million AQA examinations are taken every year and AQA is recognised by schools and colleges as the number one choice for customer service and high quality products.

City & Guilds is a household name for vocational qualifications. City & Guilds offers over 500 awards across a range of industries. With over 8500 centres in over 100 countries, City & Guilds is recognised by employers worldwide. It works closely with employers and industry bodies to ensure that its qualifications provide the benchmark standard for workplace skills and knowledge.

Diplomas are a blend of academic and vocational learning and that is why AQA-City & Guilds is the ideal choice for any school, college or consortium looking to offer them. The collaboration brings together the leading providers of qualifications in both fields to provide all the support you need to deliver the Diploma at one point of contact.

Why are AQA and City & Guilds so popular?

- **Specifications**

These are designed to the highest standards, so that teachers, learners and learners' parents or guardians can be confident that an AQA-City & Guilds award provides an accurate measure of achievement. Assessment structures have been designed to achieve a balance between rigour, reliability and demands on learners and teachers.

- **Support**

AQA-City & Guilds runs the most extensive programme of Diploma support meetings available in the UK; these are free of charge in the first years of a new specification and are offered at a very reasonable cost thereafter. These meetings explain the specification and suggest practical teaching strategies and approaches that really work. Further support is available from Diploma Support Teams.

- **Service**

AQA-City & Guilds Diplomas are administered from AQA's offices in Manchester and Guildford. We are committed to providing an efficient and effective service and we are at the end of a phone when you need information, advice or guidance. We will try to resolve issues the first time you contact us and will work with you to find the solution.

- **Ethics**

AQA and City & Guilds are registered charities. We have no shareholders to pay. We exist solely for the good of education. Any surplus income is ploughed back into educational research and our service to you, our customers. We don't profit from education, you do.

If you are an existing customer with either AQA or City & Guilds, we thank you for your support. If you are thinking of adopting AQA-City & Guilds for Diplomas, we look forward to welcoming you.

1.2 Why choose the Diploma in Retail Business?

The Diploma in Retail Business will empower 14–19 year old learners to make informed choices about a career in modern retail and related supply chain businesses. It will develop confident and enterprising young people who can take calculated risks and make ideas happen.

The retail sector and its supply chain are undergoing fundamental change. The sector will need employees who are motivated, creative and self-disciplined, and, most importantly, who are able to adapt rapidly and confidently to changing environments and circumstances.

Learners taking the Diploma in Retail Business will also:

- have the opportunity to progress into work-based training, or further and/or higher education
- develop Functional Skills in English, mathematics and ICT
- produce a project which complements the Principal Learning and/or supports their progression
- have a wide choice of additional and specialist learning from which they can choose other qualifications which reflect their interests and abilities.

1.3 How do I start using this specification?

- Your school or college must pass through the Government Gateway process in order to receive approval to offer Diplomas in Retail Business. Gateway 1 approved consortia started teaching Diplomas in 2008, Gateway 2 approved consortia start teaching Diplomas in 2009, and Gateway 3 is approving consortia to start teaching in 2010. More information is available on the DCSF website: **www.dcsf.gov.uk**
- If you are a Gateway approved centre working as part of a consortium delivering Diplomas, you will also need to register your centre with us. (See Section 5.2.) This will enable AQA to ensure that you receive all the material you need to help you to deliver units and to enter your learners for examinations. This is particularly important where examination material is issued before the entry deadline. You can let us know by completing the appropriate registration forms. We will send copies to your exams officer and they are also available on the AQA website: **www.aqa.org.uk/admin/p_entries.html**
- Almost all examination centres in England and Wales are approved by either AQA or City & Guilds or both. A small minority are not. If your centre is new to both AQA and City & Guilds, please contact our centre approval section at: **centreapproval@aqa.org.uk**

1.4 How do I find out more?

Use Ask AQA – our online information service

Centres offering AQA-City & Guilds Diplomas will have 24-hour access to answers to the most commonly-asked questions at:

www.aqa.org.uk/rn/askaqa.php

If the answer to your question is not available you can submit a query for our team. Our target response time is two days.

Contact your Diploma Support Team

You may also contact the Diploma Support Team for your region. Please check current details on:

www.diplomainfo.org.uk

Diploma Support Teams have particular expertise in:

- supporting centres and consortia on Gateway applications
- curriculum development and delivery including consortium operation
- assessment and quality assurance
- dealing with work experience.

Attend a Teacher Support meeting

Details of the full range of current Teacher Support meetings are also available on our website.

There is a link to our fast and convenient online booking system for Teacher Support meetings at:

events.aqa.org.uk/ebooking/

If you need to contact the Teacher Support team you can call us on 01483 477860 or email us at:

teachersupport@aqa.org.uk

Contact the Exams Office Support department

Our Exams Office Support department offers administrative support for the Diplomas. There is an office team to deal with your queries about:

- general administration
- general documents
- results documents
- timetable information
- publication orders.

You can contact us on 0870 410 1036 or email: **eos@aqa.org.uk**

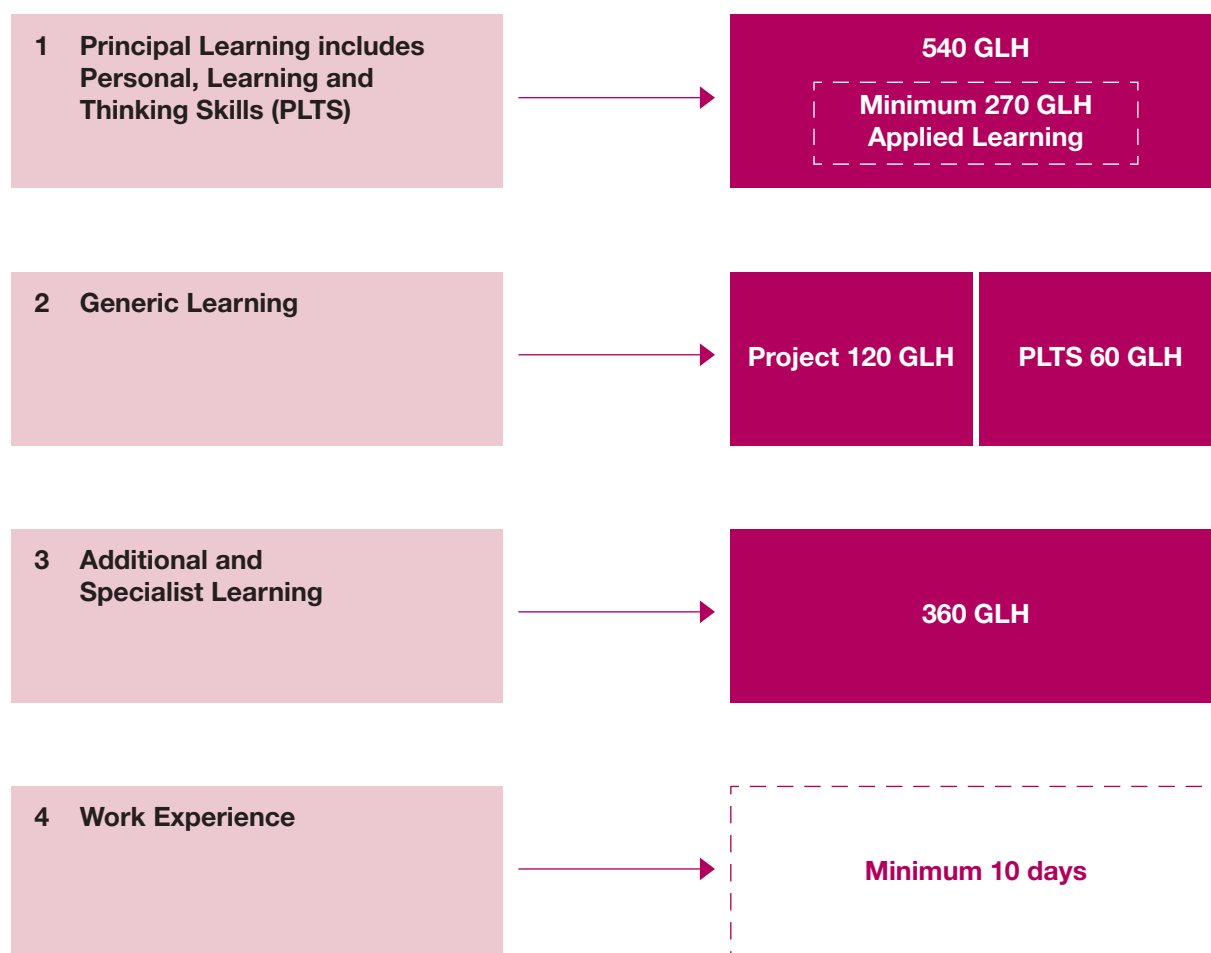
The department includes AQA's five Regional Officers who can provide up-to-date information, advice, support and guidance at a local level in your region. To contact the Regional Officer for your area, see:

www.aqa.org.uk/regional_officer.php

2 Specification at a glance

2.1 Advanced Diploma at a glance – 1080 GLH (guided learning hours)

- comparable to 3.5 GCE A Levels
- 2 years full-time study
- all components are compulsory
- Progression Qualification available – consists of Principal Learning and Generic Learning only – ie no additional or specialist learning



2.2 Level 3 Principal Learning in Retail Business at a glance

- all 8 units are compulsory

Unit 1 60 GLH

Examining the world of retail
Externally assessed

Unit 2 90 GLH

Developing retail channels
Internally assessed

Unit 3 60 GLH

Buying practices of retail businesses
Internally assessed

Unit 4 90 GLH

Retail supply chain management and logistics
Internally assessed

Unit 5 60 GLH

Marketing in retail businesses
Externally assessed

Unit 6 60 GLH

Merchandising in retail businesses
Internally assessed

Unit 7 60 GLH

Management of sales in retail
Internally assessed

Unit 8 60 GLH

Visual merchandising for retail
Internally assessed

3 Principal Learning

3.1 Personal, Learning and Thinking Skills

The Framework of Personal, Learning and Thinking Skills 11–19 comprises six groups of skills that, together with the Functional Skills of English, mathematics and ICT, are essential to success in learning, life and work. For each group there is a focus statement that summarises the intended outcome of achieving the PLTS in that group. This is followed by a set of outcome statements that are indicative of behaviours and personal qualities associated with each group of skills.

Each group of skills is distinctive and coherent. The groups are also inter-connected. Learners are likely to encounter skills from several groups in any one learning experience.

Listed below is the PLTS framework. A copy of this should be given to each learner. Following these descriptors is a table showing the PLTS that are integrated into the assessment criteria in the Level 3 Principal Learning in Retail Business.

Independent enquirers

Focus:

Young people process and evaluate information in their investigations, planning what to do and how to go about it. They take informed and well-reasoned decisions, recognising that others have different beliefs and attitudes.

Young people:

IE1 identify questions to answer and problems to resolve

IE2 plan and carry out research, appreciating the consequences of decisions

IE3 explore issues, events or problems from different perspectives

IE4 analyse and evaluate information, judging its relevance and value

IE5 consider the influence of circumstances, beliefs and feelings on decisions and events

IE6 support conclusions, using reasoned arguments and evidence

Creative thinkers

Focus:

Young people think creatively by generating and exploring ideas, making original connections. They try different ways to tackle a problem, working with others to find imaginative solutions and outcomes that are of value.

Young people:

CT1 generate ideas and explore possibilities

CT2 ask questions to extend their thinking

CT3 connect their own and others' ideas and experiences in inventive ways

CT4 question their own and others' assumptions

CT5 try out alternatives or new solutions and follow ideas through

CT6 adapt ideas as circumstances change

Reflective learners

Focus:

Young people evaluate their strengths and limitations, setting themselves realistic goals with criteria for success. They monitor their own performance and progress, inviting feedback from others and making changes to further their learning.

Young people:

RL1 assess themselves and others, identifying opportunities and achievements

RL2 set goals with success criteria for their development and work

RL3 review progress, acting on the outcomes

RL4 invite feedback and deal positively with praise, setbacks and criticism

RL5 evaluate experiences and learning to inform future progress

RL6 communicate their learning in relevant ways for different audiences

Team workers

Focus:

Young people work confidently with others, adapting to different contexts and taking responsibility for their own part. They listen to and take account of different views. They form collaborative relationships, resolving issues to reach agreed outcomes.

Young people:

TW1 collaborate with others to work towards common goals

TW2 reach agreements, managing discussions to achieve results

TW3 adapt behaviour to suit different roles and situations, including leadership roles

TW4 show fairness and consideration to others

TW5 take responsibility, showing confidence in themselves and their contribution

TW6 provide constructive support and feedback to others

Self-managers

Focus:

Young people organise themselves, showing personal responsibility, initiative, creativity and enterprise with a commitment to learning and self-improvement. They actively embrace change, responding positively to new priorities, coping with challenges and looking for opportunities.

Young people:

SM1 seek out challenges or new responsibilities and show flexibility when priorities change

SM2 work towards goals, showing initiative, commitment and perseverance

SM3 organise time and resources, prioritising actions

SM4 anticipate, take and manage risks

SM5 deal with competing pressures, including personal and work-related demands

SM6 respond positively to change, seeking advice and support when needed

SM7 manage their emotions, and build and maintain relationships.

Effective participators

Focus:

Young people actively engage with issues that affect them and those around them. They play a full part in the life of their school, college, workplace or wider community by taking responsible action to bring improvements for others as well as themselves.

Young people:

EP1 discuss issues of concern, seeking resolution where needed

EP2 present a persuasive case for action

EP3 propose practical ways forward, breaking these down into manageable steps

EP4 identify improvements that would benefit others as well as themselves

EP5 try to influence others, negotiating and balancing diverse views to reach workable solutions

EP6 act as an advocate for views and beliefs that may differ from their own.

This table shows the coverage of PLTS in the Principal Learning units of the Advanced Diploma in Retail Business.

Level 3 Principal Learning in Retail Business

PLTS	IE	CT	RL	TW	SM	EP
Unit 1						
Unit 2		★	★	★	★	
Unit 3	★					★
Unit 4					★	
Unit 5						
Unit 6	★					
Unit 7	★		★			★
Unit 8		★	★	★	★	

3.2 Functional Skills signposting

The units **may** use and/or contribute towards the underpinning skills and knowledge of the Functional Skills in the following areas, depending on the precise nature of the work done in the Principal Learning.

Principal Learning	Functional Skills		
Unit	English	Mathematics	Information and communication technology
Unit 1 Examining the world of retail	<ul style="list-style-type: none"> Speaking and listening Level 2 Reading Level 2 Writing Level 2 	<ul style="list-style-type: none"> Represent situations using mathematics Level 2 Analyse and process using mathematics Level 2 Interpret and present results Level 2 	<ul style="list-style-type: none"> Use ICT systems Level 2 Find and select information Level 2 Develop, present and communicate information Level 2
Unit 2 Developing retail channels	<ul style="list-style-type: none"> Speaking and listening Level 2 Reading Level 2 Writing Level 2 	<ul style="list-style-type: none"> Represent situations using mathematics Level 2 Analyse and process using mathematics Level 2 Interpret and present results Level 2 	<ul style="list-style-type: none"> Use ICT systems Level 2 Find and select information Level 2 Develop, present and communicate information Level 2
Unit 3 Buying practices of retail businesses	<ul style="list-style-type: none"> Speaking and listening Level 2 Reading Level 2 Writing Level 2 	<ul style="list-style-type: none"> Represent situations using mathematics Level 2 Analyse and process using mathematics Level 2 Interpret and present results Level 2 	<ul style="list-style-type: none"> Use ICT systems Level 2 Find and select information Level 2 Develop, present and communicate information Level 2
Unit 4 Retail supply chain management and logistics	<ul style="list-style-type: none"> Speaking and listening Level 2 Reading Level 2 Writing Level 2 	<ul style="list-style-type: none"> Represent situations using mathematics Level 2 Analyse and process using mathematics Level 2 Interpret and present results Level 2 	<ul style="list-style-type: none"> Use ICT systems Level 2 Find and select information Level 2 Develop, present and communicate information Level 2
Unit 5 Marketing in retail businesses	<ul style="list-style-type: none"> Speaking and listening Level 2 Reading Level 2 Writing Level 2 	<ul style="list-style-type: none"> Represent situations using mathematics Level 2 Analyse and process using mathematics Level 2 Interpret and present results Level 2 	<ul style="list-style-type: none"> Use ICT systems Level 2 Find and select information Level 2 Develop, present and communicate information Level 2

Principal Learning	Functional Skills		
Unit	English	Mathematics	Information and communication technology
Unit 6 Merchandising in retail businesses	<ul style="list-style-type: none"> • Speaking and listening Level 2 • Reading Level 2 • Writing Level 2 	<ul style="list-style-type: none"> • Represent situations using mathematics Level 2 • Analyse and process using mathematics Level 2 • Interpret and present results Level 2 	<ul style="list-style-type: none"> • Use ICT systems Level 2 • Find and select information Level 2 • Develop, present and communicate information Level 2
Unit 7 Management of sales in retail	<ul style="list-style-type: none"> • Speaking and listening Level 2 • Reading Level 2 • Writing Level 2 	<ul style="list-style-type: none"> • Represent situations using mathematics Level 2 • Analyse and process using mathematics Level 2 • Interpret and present results Level 2 	<ul style="list-style-type: none"> • Use ICT systems Level 2 • Find and select information Level 2 • Develop, present and communicate information Level 2
Unit 8 Visual merchandising for retail	<ul style="list-style-type: none"> • Speaking and listening Level 2 • Reading Level 2 • Writing Level 2 	<ul style="list-style-type: none"> • Represent situations using mathematics Level 2 • Analyse and process using mathematics Level 2 • Interpret and present results Level 2 	<ul style="list-style-type: none"> • Use ICT systems Level 2 • Find and select information Level 2 • Develop, present and communicate information Level 2

3.3 Coverage of the retail sector within the Principal Learning

To ensure that learners receive a broad experience of the retail sector, teaching should cover as many **retail sub-sectors** and **retail channels** as possible. Breakdowns of these terms are provided in order to secure breadth of coverage and fair opportunities for all learners in external assessments.

The retail sector covers the sale of innumerable products. The table below defines and sets parameters for the **sub-sectors** to be covered in the teaching of the Principal Learning, and what these sub-sectors include.

Sub-sector	Classification
Automotive	Retail sale of automotive products
Clothing	Retail sale of clothing
DIY	Retail sale of hardware, paints and glass
Electrical goods	Retail sale of electrical household goods
Food and grocery	Retail sale of: <ul style="list-style-type: none"> • fruit and vegetables • meat and meat products • fish, crustaceans and molluscs • bread, cakes, etc • alcoholic and other beverages • tobacco products • books and newspapers • food etc in specialised stores Other retail sale of food, beverages, etc
Footwear	Retail sale of footwear and leather goods
Homewares	Retail sale of furniture etc and textiles
Music and video	Retail sale of music, video, DVDs and other digital format goods
Non-specialised stores	Retail sale of non-specialised goods
Personal care	Retail sale of medical and orthopaedic goods, and cosmetic and toilet articles
Second-hand goods	Retail sale of second-hand goods in stores

The term **retail channel** may refer to any of the following:

- shops
- stores – department stores, superstores
- showrooms
- online retailing
- catalogues
- home shopping
- mobile technology
- market stalls.

3.4 Level 3 Units

Level 3 Unit 1: Examining the world of retail

What is this unit about?

The purpose of this unit is for learners to be able to use analytical skills and an enterprising mindset in order to recommend how retailers can develop within the global market.

An understanding of retail in the context of the changing, global environment is highly valuable to employers, and essential to recognising why businesses operate as they do, and what is needed for success. This unit will offer learners the opportunity to explore retail and how retail business functions are organised. Learners will develop a solid understanding of the forces which shape the sector and how retailers respond to shifting trends. It will engage learners in understanding the creative thinking and 'risk taking' undertaken by some well-known entrepreneurs.

Learners will develop skills in analysing information related to trends in retail and in recognising opportunities that may be taken advantage of. They will be able to use a sense of enterprise to recommend ways in which businesses can develop in today's fast-moving business environment.

This unit will also make learners aware of the wide variety of careers within the sector, and how individuals can develop and progress within the world of retail.

At the end of the unit, learners will have an idea of where they could fit into this dynamic and diverse sector, and how much they can bring to it and get out of it with the right knowledge and skills.

This unit provides a foundation for the learning involved in all other Level 3 Principal Learning units.

Guided learning hours

This unit has 60 GLH assigned to it, which includes any time needed for assessment preparation. Learners will sit an examination of 2 hours.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:
1 Understand the businesses that form the retail sector	a explain the structure of the retail sector b select business models for retail businesses c explain the relationship between different functions and activities in retail businesses
2 Understand how retail businesses develop in the global economy	a explain forces that continually shape the global retail market b discuss the relationship between retail and wider issues c compare ways in which retailers develop in response to changing trends
3 Know the roles of individuals employed in the retail sector	a describe the range of jobs available in the retail sector b outline how employer and employee rights and responsibilities are applied in retail
4 Be able to propose how retailers can organise their businesses in response to trends	a use data to analyse the impact of changing trends on retail businesses b recommend how retailers can organise business functions to develop in response to changing trends

In this externally assessed unit, PLTS are not referenced against assessment criteria. However, the unit has been designed to afford ample opportunities for PLTS development through the learning programme. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. This unit provides an overview of the retail sector and is an opportunity for learners to understand the diversity of the sector; therefore, coverage of different businesses in this unit must address **sub-sectors, retail channels used** and **business size**, and should include supply chain businesses. Teaching should prepare learners to transfer their learning to different business contexts. Details of sub-sectors and retail channels may be found on page 15 of this specification.

Learning outcome 1: Understand the businesses that form the retail sector

The structure of the retail sector

Different types of retail business:

- local retailers
- national retailers
- international retailers
- distribution channels and processes
- the features of different sub-sectors selling different types of product
- the features of the different retail channels used by retailers
- the different formats adopted by retailers
- the features of retailers of different sizes:
 - small independent businesses
 - medium-sized businesses
 - national and/or international chains
- primary locations of international retailers:
 - Europe
 - Far East
 - Asia
 - the Americas.

Learners need to understand the retail sector on local, national and international scales. This should include the different functions and activities within businesses. Learners should also be made aware of the prevalence of different types of business, in order that they can have an idea of the make-up of the sector.

Logistics and supply chain businesses must not be overlooked; however, learners will gain more in-depth coverage of these when studying Level 3 Unit 4: Retail supply chain management and logistics.

'Format' may be defined as the overall appearance and 'feel' that a retailer presents to customers, including its look and layout, size and location, the products it stocks and its approach to pricing. The term applies most commonly to food retailers. Many major food retailers have outlets that use alternative formats to the traditional large supermarket outlet – for example, smaller 'express' outlets based in town centres.

The businesses that form the retail sector

How common business models used in retail and logistics operate:

- independent or sole trader operations
- franchises
- dealerships
- network marketing
- distribution models.

Learners will need to understand what each business model constitutes, how it works, and its main advantages and disadvantages for different retail businesses, to the extent that they can select business models for given retail businesses.

Business functions within retail and the supply chain:

- the different functions:
 - retail operations
 - marketing and branding
 - sales
 - visual merchandising and display
 - customer service
 - sourcing, buying and merchandising
 - logistics and supply chain operations
 - people management
 - finance and accounting
 - business administration
 - ICT and systems operation
 - governance
 - corporate social responsibility (CSR)
- the purpose of each function and its contribution to the profitability of retail businesses of different sizes
- the activities of each function in retail businesses of different sizes
- how activities of different functions are linked
- the tensions and competing priorities between functions and their activities:
 - the importance of budgets, health and safety targets and environmental targets set for each function within a retail business
 - rewards and penalties incurred if targets are or are not met.

3

Learning outcome 2: Understand how retail businesses develop in the global economy

Retail businesses in the global economy

The contribution of retail and its supply chain to the global economy in terms of:

- money spent through the retail sector each year
- number of retail enterprises
- the level and diversity of employment within related businesses
- the investment in developing countries
- distribution processes
- the effect of retail on other sectors within the economy.

Forces that continually shape the global retail market:

- the push of retailing across international borders due to:
 - saturation of home markets
 - planning restrictions
 - search for counter-cyclical advantages
- the pull factors due to:
 - Trade Blocs, falling barriers and retail alliances
 - global branding and diverging consumer tastes
 - the opening up of less developed markets
- supply of products influenced by:
 - pricing tactics
 - government legislation
 - technological advances
 - economies of scale – internal and external
 - productivity
 - integration and demergers
 - objectives other than profit maximisation such as social responsibility
- demand for products influenced by:

<ul style="list-style-type: none"> ◦ pricing tactics ◦ government legislation ◦ tastes and fashion 	<ul style="list-style-type: none"> ◦ income levels and business cycle ◦ population size and distribution ◦ seasonal factors
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- other sectors
- the impact of entrepreneurship and innovation in shaping the global retail market:
 - transforming ideas into economic opportunities
 - changing the customer experience
 - developing ideas for products/brands or predicting future trends.

Learners will need to be able to explain forces shaping the global retail market at a high level, taking into account supply and demand factors, retailers' responses to these factors and consumers' shopping habits. Individual retail businesses need not be referred to.

Ethical and environmental issues must take into account legislative pressures including health and safety, working practices, and the safe disposal of waste.

The relationship between retail and wider social issues:

- relations with stakeholders affected by:
 - shareholders and corporate social responsibility
 - customers and product safety, health and diet
 - employees and job rights and roles
 - local community and congestion, noise, participation
 - national community and supplier contracts
 - global community and ethical trading initiative, sustainability
- how retailers respond to issues:
 - use of advertising and labelling
 - corporate social responsibility (CSR) policies and programmes
 - social enterprises using profit to further social and/or environmental goals.

Learners will need to be aware that CSR activities are intended to be capable of bringing value into the business as well as contributing to the greater good.

Learners are expected to discuss issues. This will involve weighing up contrasting information or perspectives on the relationship between retail and given issues, and identifying their own views and conclusions.

Ways in which retailers develop in response to changing trends

How retailers gather information in order to respond to changing trends:

- secondary data (external sources):
 - government statistics
 - retail directories
 - retail research organisations such as Mintel
- primary data (internal sources):
 - electronic point of sale (EPOS) data
 - customer orders
 - sales history
 - loyalty cards.

Options available to retailers when reorganising business functions in response to trends:

- inbound logistics of storing and loading
- operations of merchandising, and store layout
- outbound logistics of distribution
- marketing, advertising, sales offers
- services such as after sales
- human resource recruitment, training and development
- technological development in product and processes
- procurement or purchasing methods.

Advantages and disadvantages of different approaches in terms of:

- profit levels over a given time period
- sales revenue, historic growth levels, like for like, or per square foot
- market share of sales
- increasing or reducing costs in relation to turnover
- efficiency of assets employed.

Learners will need to know how to compare different options in order to identify their advantages and disadvantages for particular businesses in particular circumstances.

Learning outcome 3: Know the roles of individuals employed in the retail sector

The roles of individuals employed in the retail sector

The range of job roles within retail and the supply chain:

- in the different functions
- at different levels:

<ul style="list-style-type: none"> ◦ entry or operator ◦ intermediate ◦ supervisory 	<ul style="list-style-type: none"> ◦ deputy or assistant management ◦ management ◦ senior management.
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It is essential that coverage of job roles reflects the diversity of jobs available across the different businesses within retail and the supply chain. Examples must be used from beyond the retail outlet.

The range of entry points within retail and the supply chain:

- application and interview
- temping
- internships and work experience placements
- networking
- headhunting.

The range of progression opportunities within retail and the supply chain:

- through qualifications:
 - Diplomas
 - GCSEs and A-levels
 - apprenticeships
 - vocational qualifications – Awards, Certificates and Diplomas
 - foundation, honours and postgraduate degrees in most disciplines
 - professional membership
- through training
- through promotion.

Factors influencing individual entry and progression opportunities within retail and the supply chain:

- work experience
- professional competence
- personal attributes.

Learners will need a broad awareness of what each means of entry into and progression within retail employment involves. They will also need to know how the Diploma can provide opportunities for employment within the retail sector. Entry, operator and intermediate roles may be accessible with a Foundation or Higher Diploma plus personal attributes; supervisory and deputy or assistant manager roles may be accessible with an Advanced Diploma plus relevant work experience.

The application in retail of employer and employee rights and responsibilities:

- statutory rights and responsibilities set down in legislation relating to:
 - working time and time off
 - equal opportunities and diversity
 - health, safety and working environment
 - disciplinary problems, disputes and grievances
- organisational principles and codes of practice relating to:
 - supporting the aims of the business
 - supporting health and safety rules and initiatives
 - company property, equipment and time
 - following disciplinary and grievance procedures
 - relevant legislation and regulations
- organisational procedures and documentation to recognise and protect the employees' relationship with their employer.

Learners will need to be aware of employer and employee rights and responsibilities in sufficient detail that they can outline how these are applied in retail businesses. In-depth coverage is not required.

Learning outcome 4: Be able to propose how retailers can organise their businesses in response to trends

Proposing how retailers can organise their businesses in response to trends

Techniques for using data to analyse the impact of changing trends on retail businesses:

- using data relating to the structure of the retail sector:
 - size of the market
 - number of retail outlets
 - sales
 - profitability
 - location (in and out of town)
 - store size (locals, metro)
- using data relating to individual retail businesses:
 - sales
 - profit/loss
 - employees
- using data relating to demand for products and services
- using data relating to online retailing
- analysing by:
 - recognising and classifying the elements in charts and tables
 - interpreting a range of data, graphs and diagrams and drawing conclusions from them
 - making calculations relating to the data specified above
 - working out proportions and percentages
 - working out mean and range
 - relating pieces of data in order to understand situations
- determining the impact of trends in terms of:
 - competitiveness
 - innovation
 - management practices
 - cross border strategies.

Learners are expected to be able to analyse the impact of specific trends on specific retail businesses, given information.

Learners are not required to memorise statistics.

Guidance on how mathematical skills can be developed in this unit may be found in the 'Opportunities for Functional Skills development' section.

Techniques for recommending how retailers can organise business functions to develop in response to changing trends:

- identifying potential ways in which retail businesses can change, in terms of:
 - strategy
 - planning
 - objectives
 - efficacy of outcomes
- comparing potential ways in which retail businesses can change
- considering potential consequences of changes, including impact on communities, economies and environments
- selecting the most suitable course of action in terms of strategy, objectives, outcomes
- providing persuasive cases backed up by data.

Learners will need to be able to make recommendations for ways in which specific businesses can respond to specific changes caused by changing global trends.

Assessment

This unit is assessed through an external examination set and marked by AQA-City & Guilds.

This unit will be tested via an extended answer examination under controlled conditions. Learners will be allowed 2 hours to complete the paper.

Duration: 2 hours

Assessment type: Extended answer examination

Number of marks: 90 marks

Learning outcomes	Assessment criteria	Marks	Weighting
1 Understand the businesses that form the retail sector	a explain the structure of the retail sector	20	22.2%
	b select business models for retail businesses		
	c explain the relationship between different functions and activities in retail businesses		
2 Understand how retail businesses develop in the global economy	a explain the forces that continually shape the global retail market	24	26.7%
	b discuss the relationship between retail and wider issues		
	c compare ways in which retailers develop in response to changing trends		
3 Know the roles of individuals employed in the retail sector	a describe the range of jobs available in the retail sector	10	11.1%
	b outline how employer and employee rights and responsibilities are applied in retail		
4 Be able to propose how retailers can organise their businesses in response to trends	a use data to analyse the impact of changing trends on retail businesses	36	40.0%
	b recommend how retailers can organise business functions to develop in response to changing trends		
Total		90	100%

Guidance for delivery

This unit enables learners to examine the retail sector and how retail businesses develop as the global economic environment changes. All individuals rely upon the retail sector. It helps to meet our basic needs for food and other essential items; it is also the means by which we buy almost everything. This vast and varied sector has sprung from a practice of trading items for mutual benefit that is as old as humans are, and is still evolving within the rapidly changing business environment of the 21st century. A discussion of the origins and development of retailing would be a good introduction to begin the unit and to increase learners' awareness of 'enterprise' and competition.

Learners will have visited many types of 'bricks and mortar' retail outlet; some may have visited retail websites; and some may have experienced TV channel shopping. At Level 3, learners may already understand most of the key terms that underpin this unit. An icebreaker exercise may be used to confirm this understanding.

This unit will provide learners with a fundamental understanding of the structure of the sector, the diverse range of businesses within it, and how retail businesses operate. Coverage of different businesses in this unit must address sub-sectors, retail channels used and business size. Teachers may find the example of a department store effective as a way of covering several sub-sectors and the interrelationships between business functions. However, to fulfil the Scope of content, other examples must also be used. Learners must also be aware of retail supply chain businesses and how they fit into the retail sector.

Teaching should incorporate relevant statistics on:

- the amount of money spent through the retail sector each year
- the amount of money spent through supply chain logistics each year
- the number of retail enterprises in the United Kingdom
- the number of retail enterprises in the world
- the level of employment supported by the retail sector globally
- the level of employment within a well-known retailer in locations across the world
- the number and locations of countries across the world who have well known stores.

Learners could research some of this information.

Learners could choose a retail business that interests them, eg fashion, sports or electronic games. They can then do internet research and communicate with the head offices to gather information. Making contact with the retailer directly will encourage them to use telephone or letter writing skills.

Enterprise and entrepreneurship form a fundamental element of this unit. It is important that learners understand what these concepts mean and are given time to explore them. Learners might be presented with case studies and tasked with researching entrepreneurs and sharing their findings with the group. This will help them to recognise the characteristics of successful entrepreneurs.

As a whole group, learners might discuss the latest trends in retailing and why they are currently popular. Local, national and global trends should be identified, with the learners demonstrating an understanding of the macro-factors that drive retailers to try new approaches to selling their goods.

Learners will need access to data to learn how to analyse it in order to make recommendations. This can be requested from employers, though teachers should ensure that the data analysed is manageable and within the parameters outlined in the Scope of content. Learners should be encouraged to think globally and laterally when analysing data, considering the impact of trends and relationships with various functions such as the supply chain. Case studies can be devised, to enable learners to explore solutions to hypothetical problems.

Learners must be aware that to make future predictions it is important to have an understanding of what is happening now within the sector. Learners could use (PESTLE) analysis, ie Political, Economic, Social, Technological, Legal and Environmental.

The content of this unit underpins the learning involved in all other Level 3 Principal Learning units. It will benefit learners if this unit is delivered first. Level 2 Unit 1: Exploring retail, from the Level 2 Principal Learning in Retail Business, provides a solid foundation for the learning undertaken in this unit.

There is the possibility for the delivery of elements of this unit to be combined with elements of other Level 3 Principal Learning units, in the context of setting up and operating a small retail enterprise as a group.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements. Case studies provided, or activities set, by employers would give learning a real sector-relevant context and purpose.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping the learning up to date: learners will benefit from interacting with as diverse a range of retail businesses as possible. Employers may be willing to supply non-confidential data to support learners in analysing data. An employer who runs an internet function alongside traditional outlets might be able to give data to support increased sales since launch. Other data could be requested whilst learners are on work experience: this might relate to introducing new brands, work patterns, or security or safety practices for staff or customers.

Learners will need to visit a range of retailers in different retail environments to fully understand the content of this unit. They could ask employees about their rights and responsibilities, and how these apply to their everyday work. Employers could also be invited to discuss the methods they use for monitoring staff performance and the support that is available to employees in order to realise their potential and match employer requirements.

Employers could set activities for learners, for example to find out local community views on proposals for new retail developments in the area, or carry out a survey with parents, relatives and teachers on their spending habits. Learners could interview retailers to discover how they have responded to changes and environmental issues.

Centres could also invite local entrepreneurs to speak to learners about what makes them entrepreneurs rather than ordinary retailers, and the qualities needed to successfully take advantage of opportunities in retail. These visiting entrepreneurs could set tasks to encourage learners to use entrepreneurial skills and qualities.

At this level, learners would greatly benefit from meeting university representatives, in order that they can see progression routes from the Diploma to degree level. A local chamber of commerce representatives from 'Business Link' could be invited to give a talk on setting up a business and what is involved in a business plan.

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- identifying questions to answer and problems to resolve when questioning local entrepreneurs on how they take advantage of new opportunities (IE1)
- planning and carrying out research, for example into emerging trends and their impact on retail (IE2)
- exploring issues relating to retail from social, environmental and business perspectives (IE3)
- supporting recommendations for how retailers can develop within the global market, using reasoned arguments and statistical evidence (IE6)

Creative thinkers

- asking questions of local employers to extend their thinking about the range of job roles available within the retail sector (CT2)

Reflective learners

- assessing the responses of retail businesses to emerging trends, identifying opportunities and achievements (RL1)
- inviting feedback on business recommendations, dealing positively with praise, setbacks and criticism (RL4)

Team workers

- reaching agreements and managing discussions about the forces that continually shape the global retail market (TW2)
- providing constructive support and feedback to others on their performance in mock interviews with local employers (TW6)

Self-managers

- anticipating, taking and managing risks when recommending how retail business can develop (SM4)
- responding positively to changes affecting their work for this unit or during work experience, seeking advice and support when needed (SM6)

Effective participators

- presenting persuasive cases for how business functions can work together and resolve tensions (EP2)
- proposing practical ways in which retailers can use entrepreneurship to respond to external factors, breaking proposals into manageable steps (EP3).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit: for example, when researching the forces that continually shape the global retail market. Learners may use electronic and non-electronic sources to select, obtain and summarise relevant information and make comments on how effectively the meaning is conveyed. Learners may read different types of text to detect points of view and implicit meaning and/or bias when finding out how each business function works.

Learners may develop writing skills while using a range of different styles and formats to suit different purposes: for example, by making notes while researching; annotating source documents; and planning, drafting and writing letters to retailers. They may produce written documents for a personal interest project, presenting the information and/or ideas concisely and logically and checking grammar, punctuation and spelling for accuracy.

Opportunities exist for the development of speaking and listening skills while contributing to group and one-to-one discussion, for example, when discussing issues, they may listen to complex information and give relevant responses expressing their own views and opinions. They may use the telephone to request information which could involve communicating with others who are unfamiliar to them.

Learners may use ICT skills to meet a variety of complex needs: for example in group research when selecting appropriate electronic sources of information, accessing and navigating the internet, using multiple search criteria, selecting and using software applications, and storing information safely. Opportunities also exist for combining mathematical skills with ICT. Observing safe working practices and storing information will be implicit throughout. Learners may use email or web-based methods to communicate and exchange information.

This unit provides opportunities for learners to develop a range of mathematical skills when analysing trends in retail. They may collect and use data; carry out calculations with numbers of any size including decimals; calculate proportion and percentage for VAT; and estimate the mean, median and range. They may use positive and negative numbers when using data relating to profit and loss. They may use tables, charts and diagrams to represent the data they have used and interpreted.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a 'Diploma Shop' – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters. The relevant sections for the purposes of this unit are:

- Business and economics in retail
- Ethics and environment
- Enterprise and entrepreneurship
- Retail channels
- Finance.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

**[www.diplomainretailbusiness.com/pdfs/
the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)**

The following resources may also be helpful for the learning in this unit:

- biz/ed – Factors influencing demand and supply
www.bized.co.uk/educators/level2/markets/activity/markets16.htm
- BoomBiz **www.boombizz.com/**
- British Retail Consortium – Retail Stats and Info
www.brc.org.uk/latestdata04.asp?iCat=52&sCat=RETAIL+KEY+FACTS
- British Retail Consortium – Policies and Issues: CSR **[www.brc.org.uk/
policycontent04.asp?iCat=59&iSubCat=68&sPolicy=CSR&sSubPolicy=Useful+Links](http://www.brc.org.uk/policycontent04.asp?iCat=59&iSubCat=68&sPolicy=CSR&sSubPolicy=Useful+Links)**
- Citizens Advice Bureau – Basic Rights at Work
www.adviceguide.org.uk/index/life/employment/basic_rights_at_work.htm
- Mintel Oxygen – Top 250 European Retailers **www.mintel.com/docs/retailers_ranked.htm**
- UK National statistics **www.statistics.gov.uk**

Level 3 Unit 2: Developing retail channels

What is this unit about?

The purpose of this unit is for learners to be able to plan the set-up and operation of retail channels and the development of individuals within them.

In order for retailers to succeed, it is essential that they choose suitable retail channels and develop those channels effectively. Understanding why and how businesses use particular retail channels, and the interrelationships between functions and activities within them, is important for individuals or enterprises to flourish in the sector. This unit will allow learners to explore the changing patterns of use of different retail channels, as well as the implications of decisions made in relation to the use of retail channels. Learners will also come to recognise the importance of leadership in retail: people are central to any retail channel, and therefore strong management is at the heart of profitable retail channels.

This unit will provide learners with the opportunity to experience how different retail channels work. Learners will develop the skills to select retail channels through which to sell given products, design those retail channels, and plan the activities involved in their set-up and operation. In doing this, they will work together, each taking individual responsibility for a particular element. They will have a chance to practise and develop leadership skills through sharing their knowledge with others.

Learners studying this unit will develop transferable skills in analysing possibilities, managing time and resources, and thinking creatively, which will prepare them for future work and study. Through this unit, they can begin to develop knowledge and skills which could eventually help them to succeed at a high level within the retail sector.

The following Personal, Learning and Thinking Skills (PLTS) will support learners' achievement in this unit and are embedded in the content:

- creative thinkers
- reflective learners
- team workers
- self-managers.

Guided learning hours

This unit has 90 GLH assigned to it, of which approximately 15 hours will be needed for the assessment. Details of controls needed in relation to the controlled assessment are on pages 153–160 of this specification.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:	PLTS
1 Understand the considerations involved in using different retail channels	a analyse factors that influence the use of different retail channels	
	b assess the implications of decisions relating to the set-up and operation of retail channels	
2 Understand how retail channels are managed and developed	a explain activities involved in setting up or changing retail channels	
	b explain how management activities of different functions within retail channels interrelate	
	c select methods used by retailers to minimise the risk of financial loss	
3 Know how individuals are motivated and developed in retail channels	a describe effective leadership in retail	
	b describe methods used to develop individuals	
4 Be able to plan the set-up and operation of retail channels	a propose retail channels through which to sell products	
	b design retail channels, connecting own ideas with those of others	CT3
	c plan the use of time and resources in retail channels	SM3
5 Be able to support the development of individuals in retail contexts	a perform roles within teams, taking responsibility for particular elements	TW5
	b communicate information to support the development of individuals	
	c evaluate attempts to develop individuals, to inform future progress	RL5

Where the assessment criteria show a direct link to an area of the PLTS framework, it is referenced here. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. Differences between retail businesses should be learnt in the contexts in which they are greatest and/or most obvious. The focus for coverage of different businesses in this unit is **retail channels**. At least four different retail channels must be covered in the teaching of this unit. Details of these may be found on page 15 of this specification.

Learning outcome 1: Understand the considerations involved in using different retail channels

The considerations involved in using different retail channels

The features of the different retail channels used by retailers:

- shops
- stores – department stores, superstores
- showrooms
- online retailing
- catalogues
- home shopping
- mobile technology
- market stalls
- multi-channel retailers.

The factors that influence the choice of the different retail channels used by retailers:

- social factors led by the demographics of the target market – eg different retail channels appeal to consumers of different ages who may particularly value, for example, use of technology, customer service or safety and reputation
- sub-sector
- product
- technological
- ethical
- environmental
- place (distribution)
- company objectives
- capacity
- associated costs
- control.

'Product' above refers to individual products – for example, the differences in choice of retail channel for a low-cost product or a high-end product – as opposed to sub-sector.

The changing patterns of use of different retail channels by retailers:

- changes caused by:
 - competition
 - customers
 - resources
- changes taking into account:
 - profitability
 - sales and marketing strategies
 - infrastructure.

Learners will need to be aware that many retailers use more than one retail channel, and may develop additional retail channels based on a consideration of the factors above.

Learners will need to know the current patterns of use of different retail channels by consumers, and that they change in response to the factors below.

Factors that influence the changing patterns of use of different retail channels:

- environmental issues
- consumer demands
- technological advances
- legislation and regulation (see below)
- globalisation.

The implications of legislation and regulation on the operation of different retail channels, relating to:

- the consumer:
 - The Sale of Goods Act 1979
 - The Trade Descriptions Act
 - The Data Protection Act 1988
- the business:
 - trading hours
 - environmental agenda
 - The Health and Safety at Work Act (1974)
 - Copyright Act
- the employee:
 - The Human Rights Act (1998)
 - legislation relating to discrimination – eg the Sex Discrimination Act (1975).

The Diploma requires understanding of legislation and regulation that impact on the operation of retail channels. The main ones are given as examples; however, the teacher should introduce legislation and regulation where relevant in the context of different examples and situations. Learners will need to understand what is covered by given legislation and regulations, and what this means for the day-to-day operation of retail channels: for example, how the recruitment of new staff in retail channels has to comply with legislation relating to discrimination. No further understanding is required.

Learners' analytical and assessment skills will need to be developed. The development of analytical skills is covered in Level 3 Unit 1: Examining the world of retail. The development of assessment skills is covered in Level 3 Unit 4: Retail supply chain management and logistics.

The financial implications of setting up and operating a profitable retail channel, in terms of:

- start-up costs
- cash flow forecasts
- return on investment.

The implications of decisions to locate in a given geographic area across different retail channels:

- economic implications
- social implications
- environmental implications.

Models that can be applied to decision-making when setting up and operating retail channels:

- rational decision-making
- intuitive decision-making.

Learners are not expected to have an in-depth understanding of decision-making models. It is sufficient for them to understand that:

- rational decision-making involves defining the decision to be made; identifying objectives and important criteria to meet these; considering possible solutions and their consequences; then choosing the best option
- intuitive decision-making can be used in situations where there is information overload, a lack of time, or a chaotic environment.

Learning outcome 2: Understand how retail channels are managed and developed

How retail channels are managed and developed

Procedures and activities involved in:

- setting up retail channels:
 - sourcing and accessing start-up funding
 - registering a company
 - market research
 - finding locations and/or premises
 - buying physical resources
 - considering organisational structure and job roles
 - recruiting staff
- moving into or between retail channels:
 - competitor analysis
 - market research
 - SWOT analysis
 - understanding of associated costs
 - branding for new products
- operating retail channels:

<ul style="list-style-type: none"> ◦ sourcing ◦ buying ◦ merchandising ◦ distribution ◦ selling ◦ costing 	<ul style="list-style-type: none"> ◦ customer service ◦ managing operations ◦ dealing with finance ◦ calculating profit ◦ evaluating performance ◦ continuous improvement.
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Learners will need to know how the key activities involved in setting up and operating retail channels differ according to the retail channel.

Learners will need to be aware of the management activities of the different functions within retail channels, and how these interrelate. They will need to know that the level of autonomy of functions within retailers varies according to business size.

Learners will need to be aware of how retailers ensure the consistency of the brand across different retail channels to avoid confusion and to encourage consumers to feel confident that whichever retail channel they choose to buy from the product and service will remain unchanged. Brand image can be sustained by the use of consistency of one element of the branding process across a variety of retail channels – eg the use of the phrase 'Every Little Helps' across Tesco's retail channels.

Methods of monitoring and assessing risk of financial loss:

- stock-taking
- floor-walks
- spot-checks
- staff security searches
- CCTV monitoring
- till checks.

How the risk of fraud from different payment methods is minimised:

- visual checks
- mathematical checks – eg calculating exchange rate when accepting foreign currency
- identity checks
- electronic authentication
- online – the use of secure payment gateways and internet payment service providers.

Learners will need to have sufficient understanding of the content above that they are able to select methods by which to minimise the risk of financial loss that are appropriate to particular retail channels.

Learning outcome 3: Know how individuals are motivated and developed in retail channels

How individuals are motivated and developed in retail channels

Features of effective leadership in retail:

- personal qualities
- skills
- styles:
 - autocratic
 - participative
 - reformer.

Learners will need to be aware that an effective leader will call upon different styles depending on the needs of the business at any given time. This can be described as situational leadership.

The effects of leadership are covered in Level 3 Unit 8: Visual merchandising for retail.

Methods and procedures used to develop individuals:

- informal training and coaching
- structured internal training in large businesses – including management training schemes
- qualifications undertaken in workplace contexts
- motivating individuals to develop and to achieve objectives through:
 - giving ownership of a particular project or initiative
 - involvement in decision-making at an appropriate level
 - encouragement of communication between all levels of an organisation
 - incentives and benefits.

Learners will need to be familiar with a wide enough range of methods used to develop individuals that they can decide which are appropriate in given situations.

Learners will need to be aware that individuals have different learning styles, and know the definitions of visual learners, auditory learners, reading/writing-preference learners, and tactile learners.

3

Learning outcome 4: Be able to plan the set-up and operation of retail channels

Planning the set-up and operation of retail channels

Techniques for proposing profitable retail channels through which to sell products:

- costing the proposition, including costs relating to:
 - location
 - hiring professionals – ie lawyers and accountants
 - insurance
 - recruitment and training
 - miscellaneous costs – eg deposits for premises or stock
 - marketing costs
 - purchasing of products
 - creating the retail environment
 - security
- comparing different retail channels
- proposing the retail channel by:
 - explaining how the proposed retail channel will work in practice
 - showing a clear path to profitability
 - using information about costs to justify decisions made.

Techniques for designing retail channels:

- connecting own and others' ideas and experiences of retail channels
- brainstorming ideas
- choosing a name to reflect the brand
- designing a logo to reflect the brand
- outlining the high-level functions of the business – eg where stock will be sourced from
- designing the structure of the retail channel in terms of functions and their main activities
- representing the retail channel using text and diagrams.

Designing retail channels will need to cover brand, and activities involved in day-to-day operation. Learners are also expected to show how retail channels will comply with employment and Health and Safety legislation and regulation, to the extent that they can provide a list of legislation to be aware of.

Learners are not expected to design brands but to reflect on existing brands in retail channels. Branding is also covered in Level 3 Unit 5: Marketing in retail businesses, and Level 3 Unit 8: Visual merchandising for retail.

Costs relating to creating the retail environment may be covered at a high level – for example, the cost of buying a market stall, setting up a website or fitting out an outlet.

Learners will need to be able to use given information on costs to create a costed proposal. They are expected to know how to obtain information on costs but will not be assessed on researching costs.

Techniques for planning the use of time and resources in retail channels in terms of:

- setting goals for the development of the retail channel
- planning the set up and operation of the retail channel, by identifying:
 - what needs to be achieved
 - when it needs to be achieved by
 - priorities
 - resources needed
 - interdependencies
- organising the use of time and resources:
 - identifying when time and resources are needed for particular activities
 - planning how time and resources should be used
 - planning staff schedules.

Techniques for goal-setting are covered in Level 3 Unit 8: Visual merchandising for retail.

Staff schedules will need to take into account busy trading periods; opening and closing duties; break times; holiday or illness; and health and safety. Learners will need to be able to organise time and staff to the extent that they can plan a work schedule for a full week's trading. This should include the use of addition, subtraction, multiplication and division skills and ratio where necessary.

Learning outcome 5: Be able to support the development of individuals in retail contexts

Supporting the development of individuals in retail contexts

Techniques for performing roles within teams, taking responsibility for particular elements:

- agreeing roles with team members
- making the most of individual skills and expertise
- taking ownership of particular elements and being prepared to explain or justify actions and/or decisions
- working independently whilst maintaining regular communication with other team members
- consulting other team members when actions and/or decisions associated with roles relate to or depend upon each other.

Techniques for communicating information to support the development of individuals:

- identifying skills and knowledge gaps
- identifying learning styles
- communicating clearly, taking learning style into consideration
- confirming understanding
- motivating individuals to achieve agreed objectives:
 - identifying what motivates particular individuals
 - offering praise and recognition.

Techniques for evaluating attempts to develop others, to inform future progress:

- comparing the individual's motivation and skills before and after the attempt
- considering how the individual responded to the attempt
- asking questions of oneself and others in order to determine:
 - areas of success in the attempt
 - how the individual responded to the attempt
 - areas to be worked on and opportunities for improvement
 - what was learnt.

Learners are expected to be able to work with others to design retail channels, with each learner taking responsibility for one particular element of the retail channel. In this unit, learners are not assessed on their general teamwork skills, which are assessed in Level 3 Unit 8: Visual merchandising for retail. The emphasis here is on contributing confidently, sharing knowledge and developing others.

Learners are expected to communicate information relating to their specific area to their team members in such a way that supports the development of team members' skills and knowledge. The emphasis of the communication element is on tailoring the communication of information to meet the development needs of specific individuals. Communication skills are also covered in the following units:

- Level 3 Unit 3: Buying practices of retail businesses, in which the focus is on networking, negotiating and relationship-building
- Level 3 Unit 7: Management of sales in retail, in which the focus is on persuading, negotiating and adapting communication
- Level 3 Unit 8: Visual merchandising for retail, in which the focus is on collaboration.

Learners will need to be able to identify, for specific team members, appropriate methods used in retail to develop individuals.

Assessment

This unit is assessed through a centre set and marked assignment. Controlled assessments are subject to moderation by AQA-City & Guilds. Information on assessment and controls which apply to the qualification as a whole can be found on pages 153–160 of this specification.

The information in this section is specific to the assessment for this unit.

Task setting (limited control)

Sector-relevant purpose

The assignment set must have a sector-relevant purpose and context. This must be communicated to the learner through a clear introductory brief.

This assignment will give the learner the opportunity to demonstrate their ability to plan the set-up and operation of retail channels and the development of individuals in retail contexts.

The teacher or a local employer should set a realistic brief and objective for learners to work from. The brief for the assessment must clearly specify the product for which learners are proposing a retail channel, the individual or individuals for whom learners are producing their work, their budget, timescales, any specific external factors learners will need to take into account, challenges that learners will need to overcome, and the expected outcome.

Tasks

Limited control in respect of task setting for this assessment means that it is the responsibility of the centre to devise a suitable assignment which covers the assessment criteria. Controlled assessments must aim to be holistic in nature and encourage learners to produce evidence to cover all the assessment criteria.

Learners will each need to take responsibility for planning the activities of one function with the retail channel. If the number of functions is greater than the number of learners in a group, not all functions need be covered but interrelationships between functions must still be considered.

Tasks must allow learners to share their knowledge of the function for which they are responsible with other learners. They can then plan the development of their team members as if team members were going to work in their function.

Evidence

The table below indicates the evidence which should be produced for marking and moderation of tasks.

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Work with others to design a retail channel through which to sell a product	Costed proposition	Hard copy or electronic (maximum 1 side of A4)	1a, 1b, 2a, 2b, 2c, 3a, 3b, 4a, 4b, 4c, 5a and 5b
	Plan for retail channel to include: <ul style="list-style-type: none"> design for the channel set-up of the retail channel operation of the retail channel, with each learner taking responsibility for one function timeline staff schedule in a table 	Hard copy or electronic (maximum 6 sides of A4 including any diagrams)	
	Witness testimony of individual contribution and of development of other team members	Hard copy or electronic	

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Evaluation of sharing knowledge in planning the set-up and operation of the retail channel	Evaluation	Hard copy or electronic proposal (maximum 2 sides of A4) or Hard copy or electronic witness testimony, or audio recording, of oral presentation (no longer than 5 minutes)	5c

Task taking

This section gives specific information relating to the controls for task taking for this assessment in terms of time, resources, supervision and collaboration.

Time (limited control)

The assignment will take approximately 15 of the 90 guided learning hours available for this unit.

Resources (limited control)

Resource material for the assignment such as case studies, photographs or literature should be up to date and relevant to the sector area. Centres may find that this is best done by getting resources directly from employers, which will help to give the assignment a real work-related purpose.

The assignment can take place in any suitable learning environment.

Supervision (medium control)

Learners will need to be supervised when producing costed propositions, plans for a retail channel and when writing up or presenting evaluations.

Overarching guidance on controls relating to supervision may be found on page 157 of the specification.

Collaboration (medium control)

Learners must work in teams of five to six individuals when designing retail channels. Each learner should be encouraged to take a role that links to his or her strengths. The teacher should check the role of each learner during the early stages of the project to ensure that every member of the group will have the opportunity to contribute appropriately.

Evaluations of knowledge-sharing and planning the development of individuals must be carried out on an individual basis, although discussion and the exchange of feedback to inform these pieces of work are encouraged.

Teamwork itself is not assessed in this unit; rather, learners will be assessed on how they approach the development of other individuals.

Though this assignment is taking place as group work, each learner must present their own evidence and be able to identify the exact work which they have carried out. This identification should be submitted with the evidence.

Weighting of learning outcomes

Learning outcomes	Marks	Weighting
1 Understand the considerations involved in using different retail channels	12	13.3%
2 Understand how retail channels are managed and developed	15	16.7%
3 Know how individuals are motivated and developed in retail channels	9	10.0%
4 Be able to plan the set-up and operation of retail channels	33	36.7%
5 Be able to support the development of individuals in retail contexts	21	23.3%
Total	90	100%

Assessment grid

Task marking (medium control)

Please note that the descriptions in this marking grid relate to the top of each band. Further guidance on using marking grids is available in the assessment section of this specification on pages 153–160.

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 4 marks	5 to 8 marks	9 to 12 marks
1 Understand the considerations involved in using different retail channels	<p>Analysed factors that influence the use of different retail channels in minimal detail, relating factors to the use of retail channels with limited coherence.</p> <p>Assessed implications of decisions relating to the set up and operation of retail channels, covering only some aspects and making judgements which show limited reasoning.</p>	<p>Analysed relevant factors that influence the use of different retail channels in some detail, relating factors to the use of retail channels with some coherence.</p> <p>Assessed the implications of decisions relating to the set up and operation of retail channels, covering a range of relevant aspects and making judgements which show some sound reasoning.</p>	<p>Analysed relevant factors that influence the use of different retail channels in depth, coherently relating factors to the use of retail channels.</p> <p>Assessed the implications of decisions relating to the set up and operation of retail channels, covering a wide range of relevant aspects and making judgements which show consistently sound reasoning.</p>
	0 to 5 marks	6 to 10 marks	11 to 15 marks
2 Understand how retail channels are managed and developed	<p>Explained activities involved in setting up or changing retail channels, covering only some aspects and with limited accuracy.</p> <p>Explained how management activities of different functions within retail channels interrelate, covering only some aspects and with limited accuracy.</p> <p>Selected methods used by retailers to minimise the risk of financial loss, with limited appropriateness.</p>	<p>Offered a largely accurate explanation of activities involved in setting up or changing retail channels, covering a range of aspects.</p> <p>Offered a largely accurate explanation of how management activities of different functions within retail channels interrelate, covering a range of aspects.</p> <p>Selected appropriate methods used by retailers to minimise the risk of financial loss.</p>	<p>Explained activities involved in setting up or changing retail channels, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Explained how management activities of different functions within retail channels interrelate, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Selected the most appropriate methods used by retailers to minimise the risk of financial loss.</p>
	0 to 3 marks	4 to 6 marks	7 to 9 marks
3 Know how individuals are motivated and developed in retail channels	<p>Described effective leadership in retail, in basic terms and with limited accuracy.</p> <p>Described methods used to develop individuals, in basic terms and with limited accuracy.</p>	<p>Offered a largely accurate description of effective leadership in retail, in some detail.</p> <p>Offered a largely accurate description of methods used to develop individuals, in some detail.</p>	<p>Described effective leadership in retail, in detail and with a high level of accuracy.</p> <p>Described methods used to develop individuals, in detail and with a high level of accuracy.</p>

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 11 marks	12 to 22 marks	23 to 33 marks
4 Be able to plan the set-up and operation of retail channels	<p>Proposed retail channels through which to sell products, with limited potential for profitability, supporting decisions with basic evidence.</p> <p>Produced basic designs for retail channels that are of limited viability and show minimal consideration of own and others' experiences.</p> <p>Planned the use of time and resources in retail channels, covering only some aspects and providing limited support for the effective set-up and operation of retail channels.</p>	<p>Proposed retail channels through which to sell products, with some potential for profitability, supporting decisions with evidence.</p> <p>Produced reasonably well-developed designs for retail channels that are viable in some respects and show some consideration of own and others' experiences.</p> <p>Planned the use of time and resources in retail channels, covering a range of aspects and providing some support for the effective set-up and operation of retail channels.</p>	<p>Proposed retail channels through which to sell products, with strong potential for profitability, supporting decisions with relevant evidence.</p> <p>Produced fully developed designs for retail channels that are viable in all or almost all respects and show thorough consideration of own and others' experiences.</p> <p>Planned the use of time and resources in retail channels, covering a wide range of aspects in such a way that supports the effective set-up and operation of retail channels.</p>
	0 to 7 marks	8 to 14 marks	15 to 21 marks
5 Be able to support the development of individuals in retail contexts	<p>Performed roles within teams, balancing individual responsibility and communication with team members in a limited way.</p> <p>Communicated information to support the development of individuals, with limited relevance and appropriateness for the individuals.</p> <p>Offered a basic evaluation of attempts to develop individuals, covering only some aspects with limited insight, and showing with limited clarity how experience will inform future progress.</p>	<p>Performed roles within teams, balancing individual responsibility and communication with team members with some effectiveness.</p> <p>Communicated relevant information to support the development of individuals, with some appropriateness for the individuals.</p> <p>Evaluated attempts to develop individuals, covering a range of aspects with insight at times, and showing how experience will inform future progress with some clarity.</p>	<p>Performed roles within teams, balancing individual responsibility and communication with team members effectively.</p> <p>Communicated relevant information in an appropriate manner to support the development of individuals.</p> <p>Evaluated attempts to develop individuals, covering a wide range of relevant aspects in an insightful manner, and clearly showing how experience will inform future progress.</p>

Guidance for delivery

Learners could research the factors affecting the usage and take-up of retail channels. The teacher should ensure that learners have an understanding of the factors that may impact before the individual work begins, and could consider relating this to macro factors, including social, economic, environmental, political, technological and legal considerations.

Before discussing the set up of a new retail channel for a retailer, learners should understand why a retailer decides to operate via a new retail channel. Teaching should include topics such as responding to competitors, customer feedback/demand, increased market penetration and reducing costs (ie by increasing e-shops and decreasing physical stores).

Discussion should focus around the use of different retail channels, and why a retailer might choose to set up a different retail channel (for example, to complement an existing retail channel or in response to competitors). The development of multi-channel retailers should also be explored, ie the growth in the number of retail channels that a retailer might have (starting from a 'bricks and mortar' shop, moving to the addition of a catalogue, and then an online presence).

Learners might discuss the different approaches to trading which retailers need to adopt when using different retail channels. For example, online buying cannot be reliant on personable sales staff, and one-to-one advice, and so must offer the buyer a different kind of service. Typically, online buyers will be more focused on a quick purchase than buyers visiting a store in person, so a website that is easy to navigate is essential, along with secure and fast payment methods.

Learners could work through the logistics of setting up a new retail channel, discussing the considerations and risks associated with this. The teacher could incorporate a risk assessment model into this session.

Learners could discuss why leadership skills are particularly important in the retail sector, considering the demographics of employees. To facilitate engagement, learners could role-play a scenario where one learner plays the part of a disengaged employee and the other their line manager. Learners could share with each other how it feels to try and motivate someone who is not engaged, and share strategies for bringing about change.

The teacher could extend this to include leadership strategies, and how managers in the retail sector are trained (see employer engagement).

A further exercise would be for learners to discuss their own perception of their leadership abilities, and that of others in the group. NB: ground rules are imperative before this activity takes place and careful classroom management is required to prevent the discussions becoming personal. If led and managed well, this activity promotes giving and receiving both compliments and constructive criticism.

There is the possibility for the delivery of elements of this unit to be combined with elements of other Level 3 Principal Learning units, in the context of setting up and operating a small retail enterprise as a group.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping examples used in the taught content up to date, eg in terms of legislation. Case studies provided, or activities set, by employers would give learning a real sector-relevant context and purpose. Learners would benefit particularly from employers being involved in setting the brief for the assessment of this unit.

Learners will need to engage with employers to research new local set-ups. This can be done via primary or secondary research, and learners should be encouraged to actively engage with employers to discuss their chosen retail channel and any others they operate. An employer could be invited in to speak about their new set-up, including risks, costs and the considerations they took into account during the set-up process (this can be done either before or after the taught session).

Employers using multiple retail channels could be invited to give presentations to learners on why and how they diversified, and the activities involved. Employers could set tasks for learners to consider enterprising activities that their business could use to gain competitive advantage in the local area.

Learners could also engage with employers by researching the training they provide to managers on leadership and motivation. Retailers' development programmes can also be explored. If learners are reluctant to contact retailers directly (rather than just using their website or requesting literature), an employer could be invited in to talk about their store's policy. Where possible, however, learners should be gaining experience of engaging with employers as individuals.

Employers could also set tasks for learners to complete, for example investigating the potential for operating in a geographic area.

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- planning and carrying out research on how retail channels are developed (IE2)
- analysing and evaluating information, judging its relevance and value from the research findings in order to propose a retail channel (IE4)

Creative thinkers

- generating ideas and exploring possibilities to propose retail channels (CT1)
- asking questions to extend their thinking on retail channels and the factors that influence the use of different retail channels (CT2)

Reflective learners

- reviewing progress, acting on the outcomes when designing retail channels (RL3)
- inviting feedback and dealing positively with praise, setbacks and criticism on the proposed retail channel (RL4)
- communicating their learning about setting up and operating different aspects of retail channels in relevant ways for other learners (RL6)

Team workers

- collaborating with others when working to plan the development of retail channels (TW1)
- reaching agreements about the implications of decisions made in the development of retail channels, managing discussions to achieve results (TW2)
- adapting behaviour to suit different roles and situations, including leadership roles, when planning how to develop individuals (TW3)

Self-managers

- responding positively to change, seeking advice and support from other learners when bringing ideas together for the development of retail channels (SM6)
- managing their emotions, and building and maintaining relationships when discussing how individuals can develop and motivate each other (SM7)

Effective participators

- proposing practical ways forward, breaking these down into manageable steps when planning the use of time and resources in retail channels (EP3)
- identifying improvements that would benefit others as well as themselves by planning the development of others (EP4).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit when researching legislation and regulation, the set-up of a local retail business and the training provided by employers to managers. The learner may read different texts to gather information and summarise information/ideas for different purposes. Research may be carried out using electronic and non-electronic sources.

The learner may develop writing skills while using a range of different styles and formats to suit different purposes. For example, when making notes during research, annotating source documents, planning, drafting and writing reports, business plans and/or journals.

Working in group situations provides opportunities for developing a range of speaking and listening skills. For example, when discussing the business plan and setting up a small retail operation, the learner may have an opportunity to listen to complex information and respond appropriately. They may present information and ideas clearly and persuasively to others and make a significant contribution to the discussion, helping to move the discussion forward to reach a decision.

The learner may make use of ICT skills to meet a variety of complex needs. For example when planning and organising work, selecting and using software applications and entering and developing information to suit the purpose. Research may involve selecting appropriate sources of ICT-based information, accessing and navigating the internet and using multiple search criteria when researching specific topics. Observing safe working practices and storing information will be implicit throughout. They may use email or web-based methods to communicate and exchange information.

There are opportunities to develop a range of mathematical skills when looking at the financial implications of setting up and operating a profitable retail channel. They may collect and use data, carry out calculations with numbers of any size, including decimals, calculate percentages and use statistical methods to compare. They may represent interpreted data using tables, charts and diagrams. They may use ICT where appropriate to present data.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a 'Diploma Shop' – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters.

The relevant sections for the purposes of this unit are:

- Marketing in retail businesses
- Enterprise and entrepreneurship
- Retail channels.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

**[www.diplomainretailbusiness.com/pdfs/
the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)**

The following resources may also be helpful for the learning in this unit:

- Business Link **www.businesslink.gov.uk/**
- Chambers of Commerce **www.britishchambers.org.uk/**
- Fastlink Solutions – how to work out business costs
www.fastlinksolutions.co.uk/howtowor.htm#retail

Level 3 Unit 3: Buying practices of retail businesses

What is this unit about?

The purpose of this unit is for learners to be able to use research skills and awareness of cultural and ethical issues involved in retail in order to source and buy products for commercially relevant product ranges.

Buying for retail businesses means knowing what the customer wants and also knowing what is available from suppliers. This means that retailers can source products that are both commercially viable and also sustainable. Retailers need to be able to evaluate market data to understand their customers, and then ensure that they can react appropriately to the information they have, whilst maintaining good relationships with suppliers. In relation to sustainability and ethical practices, retailers have had to become more aware of where the goods they sell have come from and details of their journeys through the retail supply chain, in order to give their customers reassurance.

In this unit, learners will gain first-hand experience of market research through profiling customer bases for retail businesses. They will learn how to work with customer data to develop product ranges which will meet the needs of customers as well as bringing profit to the business. This unit will give learners the opportunity to develop valuable research and data analysis skills. Learners will also gain a greater understanding of ethical issues relating to sourcing and buying, and of the need for cultural sensitivity in dealing with international suppliers. These skills are transferable and will benefit the learner in future work and study.

The following Personal, Learning and Thinking Skills (PLTS) will support learners' achievement in this unit and are embedded in the content:

- independent enquirers
- effective participators.

Guided learning hours

This unit has 60 GLH assigned to it, of which approximately 15 hours will be needed for the assessment. Details of controls needed in relation to the controlled assessment are on pages 153–160 of this specification.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:	PLTS
1 Understand product range building in retail businesses	a select buying practices and processes used in retail	
	b explain how quality is assured in sourcing and buying for product ranges in retail	
	c discuss factors to be considered in product range building	
2 Understand how retailers build working relationships in the sourcing and buying process	a explain how networking is used in the sourcing and buying process	
	b explain how contracts are negotiated in the sourcing and buying process	
	c justify the need to respect different cultural views and beliefs in the sourcing and buying process	EP6
3 Know how market research is used in sourcing and buying	a select market research techniques used in sourcing and buying	
	b describe how customer profiles are used to build product ranges	
4 Be able to develop customer profiles based on market research	a carry out research into customers, identifying questions to answer	IE1 IE2
	b analyse data, judging its relevance and validity	IE4
	c create customer profiles based on data	
5 Be able to build product ranges to benefit customers and retail businesses	a select products for product ranges to match customer profiles	
	b plan how to build relationships with suppliers	
	c negotiate in the sourcing and buying process to reach agreement on prices and terms	EP5
	d assess the quality of product ranges	

Where the assessment criteria show a direct link to an area of the PLTS framework, it is referenced here. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. Differences between retail businesses should be learnt in the contexts in which they are greatest and/or most obvious. Variations in the sourcing and buying process will be mainly based on products; therefore, the focus for coverage of different businesses in this unit is **sub-sectors**. At least three different sub-sectors must be covered in the teaching of this unit. Details of these may be found on page 15 of the specification.

As a basis for their learning in this unit, learners will need to know what product range building is.

Product range building may be defined as the planning and selection of the range, type and quantity of products available in a retail channel according to:

- customer demand (in terms of price, quality and availability)
- trends
- store policy
- budget.

3

Learning outcome 1: Understand product range building in retail businesses

Buying practices and processes used in retail

The features and benefits of different buying practices and processes used in retail:

- centralised
- in-store
- using importers
- buying direct from suppliers
- use of agents.

The benefits of different buying practices and processes may be determined by any of the following factors: meeting customer needs; cost; time; logistics; buying power; strength of communication; product innovation; use of knowledge and expertise; relationships with suppliers and control over supplier performance; quality control; and consistency and unity across the business. Learners are expected to know about these only in the context of relevant practices and processes.

Learners will need to understand buying practices and processes in sufficient depth that they are able to select practices and processes to use for given purposes.

Learners will also need to understand the impact of different buying practices and processes on suppliers.

How quality is assured in sourcing and buying for product ranges in retail

Quality standards in the sourcing and buying process:

- company standards
- legal requirements.

Quality assurance principles and methods used in the sourcing and buying process:

- food tasting
- garment fitting and inspection
- checks on perishables.

The effect of buying practices and processes on quality assurance, in terms of:

- type of product bought
- working practices
- health and safety
- contractual obligations
- country of production.

Learners will need to be aware that there may be different laws governing quality control in country of production and sale, and that retailers need to be aware of both and manage these closely.

Factors to be considered in product range building

The impact of product range building on the profitability of retail businesses in terms of:

- image
- stock management/productivity
- customers
- the market.

Cultural factors to be considered by retailers in product range building:

- the influence of cultural differences on buying practices in terms of:
 - religious and/or cultural considerations
 - language and communication
 - working practices
 - working conditions

Ethical issues to be considered by retailers in product range building:

- ethical issues relating to:
 - labour
 - production
 - communities
 - environment – in terms of production methods, transport, distribution methods, and materials
 - political and social conditions
- how ethical issues affect sourcing and buying.

Costs involved in building and supplying product ranges for retail businesses:

- building product ranges:
 - research and design
 - quality assurance testing
 - materials
 - suppliers
 - warehousing and distribution
 - merchandising
 - administration
 - shop floor staff
 - advertising, promotion and PR
 - overheads
- supplying product ranges:
 - design
 - manufacture
 - quality assurance testing
 - sales agents
 - travel
 - factories/machinery/technology
 - administration
 - overheads.

Other factors to be considered by retailers in product range building:

- legal issues relating to:
 - health and safety
 - working practices
- customer profiles
- price and profit
- competitors
- company aims and ethos
- logistics.

Learners will need to be aware of the range of issues affecting product range building. Teaching does not need to cover all of them in depth, but a selection of issues relating to contexts being taught should be explored in detail.

Learners are expected to discuss factors to be considered in product range building. They will need to be able to use given information about these factors, to consider their potential effects, and to identify their own views on the relationship between these factors and product range building.

Learners do not need an in-depth understanding of legislation. They will need to be aware of the effect of legislation relating to health and safety and working practices.

Learning outcome 2: Understand how retailers build working relationships in the sourcing and buying process

How retailers build working relationships in the sourcing and buying process

How retailers develop positive relationships with suppliers:

- maintaining regular and open communication
- constructive feedback
- providing support
- positive negotiation
- understanding physical and logistical limitations.

The role of networking in the sourcing and buying process:

- with other internal functions
- with external agents – suppliers, factories and their agents.

The role of networking may be in terms of offering expertise; enhancing contacts; structuring buying and related processes; setting budgets; and/or establishing codes of conduct and ethics.

How networks are created, developed and maintained:

- creating networks through:
 - attending networking/industry events
 - using personal and/or previously established contacts
 - research
- developing and maintaining networks through:
 - developing positive relationships (see above)
 - mutually beneficial arrangements
 - common goals, ethics and/or approaches
 - dedication to long-term partnerships.

Learners' understanding of cultural factors affecting the sourcing and buying process must be applied to their learning about relationships and networking. Learners will need to understand the importance of respecting different cultural views and beliefs when communicating with suppliers, and of avoiding the assumption that their own culture is more valid than another. They are expected to be able to recognise the reasons for and/or value in views and beliefs that differ from their own, and to justify the need for cultural sensitivity by explaining the potential consequences of not respecting other cultures, using specific examples.

How contracts are negotiated in the sourcing and buying process

Learners will need to be introduced to what contract law is in order to understand the following content. They will need to know what unfair contract terms are, in that these create a significant imbalance in the parties' rights under the contract, to the detriment of the customer (in this case, the retail business or one of its networks).

Basic principles of contract law:

- Formation of Contract and Terms
- Particular Issues
- Discharge and Breach.

Techniques used in negotiating contracts:

- preparation
- timing
- listening skills
- compromise and ensuring positive outcome for all parties
- decision-making
- commitment – ie demonstrate and expect commitment to the terms of a deal
- principles and ethics
- confirmation – ie confirming the terms of an agreement and following up with a written version.

Learners will need to understand how contract terms affect negotiations with suppliers, in that contract terms must be fair in order to maintain a good relationship with all parties. If one party feels they have 'lost out' on contract terms, they may be less willing to negotiate on price, quantities, delivery terms etc.

Learners will need to be made aware of the options available when negotiating contracts with suppliers, for example seeking legal assistance or involving particular personnel.

Learning outcome 3: Know how market research is used in sourcing and buying

Market research techniques used in sourcing and buying

Techniques used in the sourcing and buying process to obtain quantitative and qualitative data:

- sales figures
- surveys
- data from customer loyalty scheme/promotions
- feedback schemes
- market analysis
- competitor analysis
- focus groups with customers
- customer interviews/informal discussions.

Principles used in the sourcing and buying process to obtain quantitative and qualitative data:

- controls
- validity checks
- questioning relevance.

Techniques used in the sourcing and buying process to analyse data:

- calculations on sales data
- computer programmes
- identification of themes in qualitative data.

Methods for ensuring the validity and reliability of quantitative and qualitative market research data:

- conducting pilot surveys to test survey questions
- use of control groups
- use of diverse research participants and/or random sampling techniques
- obtaining a suitable sample size
- test-retest reliability checks.

Learners will need to have sufficient knowledge of market research techniques that they can select appropriate ones to use in sourcing and buying situations. Learners will need to understand how to analyse customer data and know the types of computer programmes available to do this.

How customer profiles are used to build product ranges

How customer profiles are developed:

- analysing sales data
- analysing data obtained from marketing activities
- talking to customers
- conducting surveys
- secondary research.

How customer profiles are used in sourcing and buying:

- ensuring product ranges are relevant to the core customer demographic
- ensuring products meet needs
- developing new products to meet emerging or unsatisfied needs
- changing existing product ranges to better suit needs.

Learning outcome 4: Be able to develop customer profiles based on market research

Developing customer profiles based on market research

Techniques for carrying out research into customers:

- planning and preparing for research:
 - identifying questions to answer
 - selecting appropriate research methods – face-to-face research with customers, including focus groups, customer interviews and informal discussions
 - selecting sample and sampling method
 - considering the consequences of using particular research techniques
 - incorporating controls/validity measures
 - preparing materials
- carrying out research:
 - collecting data sets of both qualitative and quantitative data on a customer base, including through primary sources.

Techniques for analysing data to develop customer profiles:

- collating and organising data
- testing data to check its reliability and validity
- judging its relevance and value for the specified purpose
- using analysis techniques
- selecting method for presenting results
- displaying results – eg graphs
- identifying data trends
- correlating results with original research questions to draw conclusions
- creating the customer profile.

Learning outcome 5: Be able to build product ranges to benefit customers and retail businesses

Building product ranges to benefit customers and retail businesses

Techniques for selecting products for product ranges based on customer profiles:

- using data analysis to identify areas of customer demand
- generating ideas for relevant products to fulfil demand
 - brainstorming
 - drawing on own experience as consumer, and awareness of existing products
- selecting individual products to form a range
- identifying points of difference – ie how does the product range fulfil needs not currently met by the retail business.

Techniques for planning how to build relationships with suppliers, taking into account:

- identifying the outcome needed from the relationship
- identifying which areas are open to compromise and which are not
- finding out about the supplier and any considerations that should be taken into account when communicating with them.

Techniques for negotiating in the sourcing and buying process to agree prices and terms:

- preparing
- defining terms
- trying to influence suppliers to get an outcome that satisfies both parties
- compromising where appropriate
- reaching and confirming agreement on prices and terms.

Techniques for assessing the quality of product ranges:

- requesting samples
- inspecting samples
- questioning whether product is fit for purpose
- identifying any necessary improvements.

Assessment

This unit is assessed through a centre set and marked assignment. Controlled assessments are subject to moderation by AQA-City & Guilds. Information on assessment and controls which apply to the qualification as a whole can be found on pages 153–160 of this specification.

The information in this section is specific to the assessment for this unit.

Task setting (limited control)

Sector-relevant purpose

The assignment set must have a sector-relevant purpose and context. This must be communicated to the learner through a clear introductory brief.

The assignment will give the learner the opportunity to demonstrate their ability to build product ranges for retail businesses on the basis of their own market research.

The teacher or a local employer should set a realistic brief and objective for learners to work from. The brief for the assessment must clearly specify the retailer for which learners are profiling a customer base; the retailer's existing product ranges; how many customers learners must profile; any requirements for the product range; challenges that the learners will need to overcome; and the expected outcome.

Tasks

Limited control in respect of task setting for this assessment means that it is the responsibility of the centre to devise a suitable assignment which covers the assessment criteria. Controlled assessments must aim to be holistic in nature and encourage learners to produce evidence to cover all the assessment criteria.

Profiling a customer base must include primary and secondary research and must involve data analysis and interaction with customers. Between 10 and 20 customers must be profiled.

Learners should be required to select three products for their ranges.

Tasks set must require learners to source products internationally.

Evidence

The table below indicates the evidence which should be produced for marking and moderation of tasks.

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Profile a customer base for a retail business	Materials used in research – eg questionnaires	Hard copy or electronic	3a, 4a, 4b and 4c
	Analysis of data, including: <ul style="list-style-type: none">all data collectedcustomer profile	Hard copy or electronic analysis (maximum 4 sides of A4) including any graphical representations of data plus Hard copy of electronic spreadsheet of data	

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Build a product range to match the customer profile	Report including: <ul style="list-style-type: none"> • decision-making • details of three products • plan for building a relationship with the supplier • assessment of the quality of the products 	Hard copy or electronic (maximum 5 sides of A4) including any images or Hard copy or electronic witness testimony, or audio recording, of oral presentation to assessor (maximum 10 minutes)	1a, 1b, 1c, 2a, 2b, 2c, 3b, 5a, 5b, 5c and 5d
	Witness testimony covering one conversation with the supplier to negotiate prices and terms	Hard copy or electronic	

Task taking

This section gives specific information relating to the controls for task taking for this assessment in terms of time, resources, supervision and collaboration.

Time (limited control)

The assignment will take approximately 15 of the 60 guided learning hours available for this unit.

Resources (medium control)

Resource material for the assignment such as case studies, photographs or literature should be up to date and relevant to the sector area. Centres may find that this is best done by getting resources directly from employers, which will help to give the assignment a real work-related purpose.

Learners will need access to a real retail business which is willing and able to allow learners to research its customers. They will also need to be able to contact suppliers, whether real or acted by the teacher or employer.

The generation of evidence may take place in any suitable learning environment.

Supervision (medium control)

Learners must be supervised when undertaking market research, when analysing data, when contacting suppliers and when writing up reports or delivering presentations of product ranges.

Overarching guidance on controls relating to supervision may be found on page 157 of the specification.

Collaboration (limited control)

Although teamwork is not assessed in this unit, there is potential for learners to work collaboratively when completing this assignment. However, each learner must present all the required evidence, as learners will be assessed individually.

Roles

Suppliers could be real, but may be played by teachers or employers.

Weighting of learning outcomes

Learning outcomes	Marks	Weighting
1 Understand product range building in retail businesses	18	20.0%
2 Understand how retailers build working relationships in the sourcing and buying process	15	16.7%
3 Know how market research is used in sourcing and buying	12	13.3%
4 Be able to develop customer profiles based on market research	21	23.3%
5 Be able to build product ranges to benefit customers and retail businesses	24	26.7%
Total	90	100%

Assessment grid

Task marking (medium control)

Please note that the descriptions in this marking grid relate to the top of each band. Further guidance on using marking grids is available in the assessment section of this specification on pages 153–160.

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 6 marks	7 to 12 marks	13 to 18 marks
1 Understand product range building in retail businesses	<p>Selected buying practices and processes used in retail, with limited appropriateness.</p> <p>Explained how quality is assured in sourcing and buying for product ranges in retail, in basic terms and with limited accuracy.</p> <p>Discussed factors to be considered in product range building, covering only some aspects and relating the factors to product range building with limited coherence.</p>	<p>Selected appropriate buying practices and processes used in retail.</p> <p>Offered a largely accurate explanation of the visual merchandising design process, covering a range of aspects.</p> <p>Discussed relevant factors to be considered in product range building, covering a range of aspects and relating the factors to product range building with some coherence.</p>	<p>Selected the most appropriate buying practices and processes used in retail.</p> <p>Explained the visual merchandising design process, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Discussed relevant factors to be considered in product range building, covering a wide range of relevant aspects and coherently relating the factors to product range building.</p>
	0 to 5 marks	6 to 10 marks	11 to 15 marks
2 Understand how retailers build working relationships in the sourcing and buying process	<p>Explained how networking is used in the sourcing and buying process, covering only some aspects and with limited accuracy.</p> <p>Explained how contracts are negotiated in the sourcing and buying process, covering only some aspects and with limited accuracy.</p> <p>Justified, in general terms, the need to respect different cultural views and beliefs in the sourcing and buying process, showing limited reasoning.</p>	<p>Offered a largely accurate explanation of how networking is used in the sourcing and buying process, covering a range of aspects.</p> <p>Offered a largely accurate explanation of how contracts are negotiated in the sourcing and buying process, covering a range of aspects.</p> <p>Justified, using specific examples, the need to respect different cultural views and beliefs in the sourcing and buying process, showing some sound reasoning.</p>	<p>Explained how networking is used in the sourcing and buying process, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Explained how contracts are negotiated in the sourcing and buying process, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Justified, using specific examples, the need to respect different cultural views and beliefs in the sourcing and buying process, showing sound reasoning.</p>
	0 to 4 marks	5 to 8 marks	9 to 12 marks
3 Know how market research is used in sourcing and buying	<p>Selected market research techniques used in sourcing and buying, with limited appropriateness.</p> <p>Described how customer profiles are used to build product ranges, in basic terms and with limited accuracy.</p>	<p>Selected appropriate market research techniques used in sourcing and buying.</p> <p>Offered a largely accurate description of how customer profiles are used to build product ranges, with some detail.</p>	<p>Selected the most appropriate market research techniques used in sourcing and buying.</p> <p>Described how customer profiles are used to build product ranges, in detail and with a high level of accuracy.</p>

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 7 marks	8 to 14 marks	15 to 21 marks
4 Be able to develop customer profiles based on market research	<p>Carried out research into customers, identifying questions to answer, some of which are relevant, making limited use of research techniques.</p> <p>Analysed customer information in minimal detail, judging its relevance and validity with limited appropriateness.</p> <p>Created customer profiles that reflect customer data in a limited way.</p>	<p>Carried out research into customers, identifying relevant questions to answer and making some effective use of research techniques.</p> <p>Analysed customer information in some detail, judging its relevance and validity with some appropriateness.</p> <p>Created customer profiles that largely reflect customer data.</p>	<p>Carried out research into customers, identifying relevant questions to answer and making highly effective use of research techniques.</p> <p>Analysed relevant customer information in depth, judging its relevance and validity appropriately.</p> <p>Created customer profiles that reflect customer data with a high level of accuracy.</p>
	0 to 8 marks	9 to 16 marks	17 to 24 marks
5 Be able to build product ranges to benefit customers and retail businesses	<p>Selected products to match the needs of customers with limited appropriateness, making judgements which show limited reasoning.</p> <p>Planned how to build relationships with suppliers with limited appropriateness, considering only some aspects.</p> <p>Negotiated in the sourcing and buying process to reach agreement on prices and terms, making limited use of negotiation techniques.</p> <p>Assessed the quality of product ranges, covering only some aspects and making judgements which show limited reasoning.</p>	<p>Selected products to match the needs of customers with some appropriateness, making judgements which show some sound reasoning.</p> <p>Planned how to build relationships with suppliers with some appropriateness, considering a range of aspects.</p> <p>Negotiated in the sourcing and buying process to reach agreement on prices and terms, making some effective use of negotiation techniques.</p> <p>Assessed the quality of product ranges, covering a range of aspects and making judgements which show some sound reasoning.</p>	<p>Selected appropriate products to match the needs of customers, making judgements which show a consistently high level of reasoning.</p> <p>Planned how to build relationships with suppliers appropriately, considering a range of relevant aspects.</p> <p>Negotiated in the sourcing and buying process to reach agreement on prices and terms, making effective use of negotiation techniques.</p> <p>Assessed the quality of product ranges covering a wide range of relevant aspects and making judgements which show a consistently high level of reasoning.</p>

Guidance for delivery

Whilst it is inevitable that all learners will have experience of buying a product or service, it is less likely that they will have appreciated the stages that go into sourcing and buying product ranges for retail businesses. Learners' experience as consumers can be developed to consider the process from the view of a retailer. Links with retail businesses should, where possible, be established, so that learners can obtain practical experience of buying to enhance their understanding of theoretical concepts.

Group discussion of the different buying practices of retailers could be used to identify and discuss their features and benefits. Group discussion would also be an effective way of discussing the cultural and ethical considerations within the sourcing and buying process. If able to make a site visit, learners should be encouraged to speak to buyers about these issues and to develop an understanding of that business's ethical stance and Corporate Social Responsibility (CSR) policies. These findings could be reported to the class through discussion or a report.

Role-play could be used to demonstrate and explore negotiation techniques. After the role-play, group discussion could be used to review the success of the approaches used and explore ideas for improvement or to generate a different outcome. If learners are able to observe a supplier meeting during their work experience, group discussion could be used to report on how buyers dealt with different situations and on the effectiveness of the methods and ideas for future approaches.

In order that the statistical analysis elements of the unit are as engaging as possible, techniques should be taught through the use of case-study material. This enables learners to see the relevance of the techniques and understand their application in retail businesses.

There is the possibility for the delivery of elements of this unit to be combined with elements of other Level 3 Principal Learning units, in the context of setting up and operating a small retail enterprise as a group.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping examples used in the taught content up to date. Case studies provided, or activities set, by employers would give learning a real sector-relevant context and purpose. Learners would benefit particularly from employers being involved in setting the brief for the assessment of this unit.

Employers can play a valuable part in providing a realistic context for learners studying this unit by offering opportunities to experience real-life applications of the theories taught within the unit. Learners could observe operational activities and, if possible, sit in on a supplier/buyer meeting in a retail business.

Presentations from retailers and/or suppliers on buying practices and how they affect each party would help learners to understand the issues involved in sourcing and buying products, as would presentations from trading standards on quality assurance of products.

Following site visits, where possible, learners could discuss the approaches used by the retailer(s) they observed, and explain to their peers why certain methods were applied and how they maximised the efficiency and performance of the retail business(es).

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- exploring the buying process from the perspectives of retail businesses, suppliers and customers (IE3)
- supporting conclusions about product ranges that will match the needs of profiled customers, using evidence from market research (IE6)

Creative thinkers

- generating ideas and exploring possibilities on how to build relationships with suppliers (CT1)
- asking questions of employers to extend their thinking on buying practices of retail businesses (CT2)
- trying out alternatives or new solutions and following ideas through when developing customer profiles based on research (CT5)

Reflective learners

- assessing their use of research skills, identifying opportunities and achievements (RL1)
- setting goals with success criteria for their market research (RL2)
- evaluating experiences and learning to inform future progress when negotiating in the sourcing and buying process (RL5)

Team workers

- reaching agreements, managing discussions about factors to be considered in product range building to achieve results (TW2)
- providing constructive support and feedback to others on their use of buying practices (TW6)

Self-managers

- working towards the goal of developing profitable product ranges to meet customer needs, showing initiative, commitment and perseverance (SM2)
- organising time and resources when carrying out research into customers of retail businesses (SM3)
- managing their emotions, and building and maintaining relationships when acting in buying roles (SM7)

Effective participators

- discussing issues of concern, seeking resolution where needed in respect of different cultural views and beliefs in the sourcing and buying process (EP1)
- proposing practical ways forward when planning market research, breaking these down into manageable steps (EP3)
- identifying improvements to product ranges that would benefit customers as well as retailers (EP4).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit during the taught sessions. The learner may read different types of text to gather information: for example, handouts, leaflets, posters, diagrams, PowerPoint slides and flip chart notes. Case studies may provide opportunities for detecting point of view, implicit meaning and/or bias. They may also have an opportunity to research legislation and regulation using electronic and non-electronic sources.

The learner may develop writing skills while using a range of different styles and formats to suit different purposes: for example, when making notes during the taught sessions, planning, drafting and ensuring that the final written copy of their customer profile is checked for grammar, punctuation and spelling and the meaning is clear.

Working in group situations provides opportunities for developing a range of speaking and listening skills: for example, when discussing the cultural and ethical considerations within the sourcing and buying process, they may contribute to discussion involving others who are unfamiliar. They may present information and ideas clearly and persuasively and respond appropriately to questions.

The learner may make use of ICT skills to meet a variety of complex needs: for example when developing research skills, they may select appropriate sources of ICT-based information, access and navigate the internet and use multiple search criteria when researching specific topics. Observing safe working practices and storing information will be implicit throughout. They may use email or web-based methods to communicate and exchange information.

There are opportunities to develop a range of mathematical skills when being taught the techniques and principles to obtain and analyse quantitative and qualitative data. They may collect and use data, carry out calculations with numbers of any size, including decimals, calculate percentages and use statistical methods to investigate situations. They may collect, use and represent discrete and continuous data, using tables, charts and diagrams. They may use ICT where appropriate to present data.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a 'Diploma Shop' – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters.

The relevant sections for the purposes of this unit are:

- Business and economics in retail
- Ethics and environment
- Supply chain management
- Sourcing, buying and merchandising
- People and the retail environment
- Finance.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

**[www.diplomainretailbusiness.com/pdfs/
the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)**

The following resources may also be helpful for the learning in this unit:

- Business Link (Environment & efficiency – Goods and services – Buying sustainable goods)
www.businesslink.gov.uk
- Technology Student – The Design Process
www.technologystudent.com/designpro/despro1.htm
- The Chartered Institute of Purchasing and Supply **www.cips.org/professionalresources/**

Level 3 Unit 4: Retail supply chain management and logistics

What is this unit about?

The purpose of this unit is for learners to be able to plan critical paths for products from source to disposal, anticipating and managing factors affecting the flow of goods in a retail supply chain.

An efficient supply chain is crucial for getting the right products to the right place at the right time. It ensures that businesses keep their customers happy and maximise revenue. Businesses must react quickly to changing consumer demands and to do so they need accurate, efficient supply chain data management. This will mean collaborating with manufacturers, suppliers and third-party logistics companies, enabling the business to base decisions on the accurate real-time management information. In creating competitive edge, companies need to divert their resources to focus on what they do best and outsource the processes and tasks that are not important to the overall objective of the company. Supply chain management has allowed companies to rethink their entire operation and to restructure so that they can focus on their core competencies and outsource processes.

This unit will allow learners to develop their analytical and planning skills. They will also have to apply mathematical and ICT skills in the planning of critical paths for products.

The following Personal, Learning and Thinking Skills (PLTS) will support learners' achievement in this unit and are embedded in the content:

- self-managers.

Guided learning hours

This unit has 90 GLH assigned to it, of which approximately 15 hours will be needed for the assessment. Details of controls needed in relation to the controlled assessment are on pages 153–160 of this specification.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:	PLTS
1 Understand how businesses manage the retail supply chain to maximise profitability	a analyse interrelationships and interdependencies in the retail supply chain	
	b explain how businesses resolve problems that arise in the retail supply chain	
	c assess the implications of decisions made in the retail supply chain	
	d explain how businesses involved in the retail supply chain improve competitiveness	
	e describe cost benefit analysis methods and procedures	
2 Know how quality systems are used in the retail supply chain	a identify quality systems used in the retail supply chain	
	b describe the benefits of using quality systems to retail supply chain businesses	
3 Understand critical path management	a explain how the principles of critical path management are applied in the retail supply chain	
	b justify the importance of effective critical path management	
4 Be able to plan critical paths for products	a use ICT software in critical path management	
	b organise time and resources to plan critical paths	SM3
5 Be able to manage factors affecting the retail supply chain	a use cost benefit analysis to make transport decisions	
	b forecast demand for storage space allocation	
	c assess risks to health and safety in the retail supply chain	SM4
	d resolve problems within the retail supply chain	

Where the assessment criteria show a direct link to an area of the PLTS framework, it is referenced here. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. Differences between retail businesses should be learnt in the contexts in which they are greatest and/or most obvious. Variations in the retail supply chain will be mainly based on products; therefore, the focus for coverage of different businesses in this unit is **sub-sectors**. At least three different sub-sectors must be covered in the teaching of this unit. Details of these may be found on page 15 of the specification.

Learning outcome 1: Understand how businesses manage the retail supply chain to maximise profitability

How businesses manage the retail supply chain

The relationship between constituent parts of the retail supply chain:

- constituent parts of the retail supply chain:
 - manufacturers or growers
 - exporters and importers
 - wholesalers
 - distributors
 - warehouse and storage businesses
 - retailers – in that they sell the product directly to customers
 - consumers – in that they create demand for products
 - waste disposal businesses
- the interrelationships and interdependencies between constituent parts of the retail supply chain:
 - reliance on one another to get the product to the consumer
 - the impact if one part fails
 - electronic data interchange (EDI)
- communication and information flows needed to maintain interrelationships and interdependencies of the retail supply chain:
 - inventory
 - export/import documentation
 - tracking systems
 - delivery documentation
 - discrepancy reporting systems
 - disposal documentation
- competing pressures and demands on supply chain businesses:
 - seasonal and/or promotional pressure on space
 - inadequate lead times on orders
 - the cost of holding stock – both financial and in terms of space occupied
 - the need to optimise delivery times and minimise delays
 - non-availability of popular stock leading to pressure from competing customers.

Problems that arise in the retail supply chain:

- non-acceptance of goods that are damaged or delivered early or late
- loss
- last 50 metres issues:
 - parking restrictions
 - first-on, last-off
 - delivery straight to shop floor
- disruption caused by:
 - emergencies
 - staffing issues
 - financial issues
 - system failures
- over-ordering leading to over-stocking, leading to blockage in the supply chain
- import/export restrictions.

How problems in the retail supply chain are avoided and/or resolved by businesses:

- forward planning
- contingency planning
- methods of resolving particular problems.

Learners will need to be able to analyse interrelationships and interdependencies in the retail supply chain to the extent that they can recognise when and how the different stages interact, and the dependencies between them.

The implications of decisions made in the retail supply chain

The impact of legislation and regulations on decisions made in the retail supply chain:

- legislation:
 - The Health and Safety at Work Act 1974
 - The Theft Act 1968
- regulation:
 - Control of Substances Hazardous to Health Regulations 2002
 - The Road Transport (Working Time) Regulations 2002
- implications of non-compliance with legislation and regulation:
 - prosecution under criminal law
 - risk of being sued under civil law.

The Diploma requires understanding of legislation and regulations that impact on the retail supply chain. The main ones are given as examples; however the learner will need to be aware that there is much other legislation, regulations, directives and guidance that impact on the day-to-day operation of businesses. Legislation and regulation should be introduced where relevant in the context of different examples and situations.

Reasons for locating retail supply chain businesses in a particular geographical area:

- suitable conditions for:
 - growing
 - storage
- proximity of:
 - transport links
 - labour
- availability of:
 - products
 - transport
 - storage space
 - customers
 - facilities
- demand for:
 - products.

Implications of decisions to locate retail supply chain businesses in a particular geographical area:

- economic effects
- social effects
- environmental effects.

How retail supply chain businesses minimise their negative impacts on the environment:

- in terms of transport
- in terms of recycling and good housekeeping.

Learners will need to be aware that many of the above have a positive impact on the profitability of the business as well as on the environment.

Learners will need to be able to assess the implications of decisions made in the retail supply chain to the extent that they can identify how positive and negative consequences might result, and the extent of these consequences.

How businesses involved in the retail supply chain improve competitiveness

Learners will need to understand how Key Performance Indicators (KPI) increase productivity and competitiveness. KPIs can be defined as measurements to help define progress towards goals. Learners will need to know that retail supply chain businesses develop aims such as lowering transport costs through objectives such as reducing mileage through effective route planning. KPIs are then developed to measure progress towards the organisational objectives.

When identifying KPIs, the acronym SMART is often applied. KPIs need to be specific, measurable, achievable, relevant and time-bound.

The use of technology by retail supply chain businesses to improve competitiveness:

- Warehouse Management Systems (WMS) and inventory control
- Vehicle Tracking Systems
- Electronic Data Interchange (EDI).

Considerations involved in warehouse design and their effect on profitability:

- size
- location
- layout
- regulatory requirements
- build and operating costs.

Learners will need to be aware that warehouses range from fully automated highbay warehouses to basic sheds and may be owned by the supply chain business itself, operated by a third party or bonded. While in a very small operation all that may be needed is somewhere dry and secure, larger operations need to take into account the factors listed above when designing their warehousing facilities.

Cost benefit analysis methods and procedures

Learners will need to be familiar with the concept of Cost Benefit Analysis (CBA). They will need to be aware that costs may be one-off or ongoing, and that benefits are usually received over time. The effect of time is built into the analysis by calculating a payback period.

Principles of cost benefit analysis:

- analytical perspective – who pays and who benefits?
- beneficial costs – the expected benefits
- calculating a payback period
- physically efficient vs market responsive supply chains
- functional products vs innovative products – difference in demand.

Learners are expected to know about cost benefit analysis methods and procedures in sufficient depth that they are able to select methods and procedures to use in given situations. They will need to be aware of the costs involved in investing time and money in solving problems in relation to the benefits of solving the problem.

Learning outcome 2: Know how quality systems are used in the retail supply chain

How quality systems are used in the retail supply chain

Quality systems used in the retail supply chain and their benefits:

- quality management system (QMS)
- inventory control
- the five areas of the Supply Chain Audit:
 - strategy
 - organisation
 - processes
 - information
 - performance
- quarantine
- ISO 9001 – 2000.

Learners will need to know what each quality system is and what it means for the retail supply chain. For example, they should know what each of the five areas of the Supply Chain Audit addresses, and that ISO 9001 – 2000 is the internationally recognised standard for an organisation's internal Quality Management. Learners will need to be given examples of how quality systems are used in practice, but in-depth knowledge of them is not required.

Learners will need to be aware of the importance of quality systems and the drawbacks of not having one.

3

Learning outcome 3: Understand critical path management

Critical path management

Learners will need to be aware of the concept of critical paths, and to know that a critical path can be created for an order, a product, a sales order, or any business process that requires management.

Principles of critical path management in context:

- identification of product
- creation of a time line
- monitoring progress
- real time visibility
- review of lead/delivery times.

The application of critical path management in the retail supply chain, in terms of:

- providing templates to control and co-ordinate activities
- co-ordinating teams working together
- assigning responsibilities
- automation of tasks
- quick enquiries
- powerful management control
- flexible solutions.

How calendar management affects profitability by ensuring that the right goods are available at the right time:

- preparing for predictable seasonal changes in sales
- maximising sales by ensuring that products are available when needed
- protecting the reputation of the retailer.

How retail businesses plan contingencies:

- planning tools for identifying a visible status of goods in transit or storage – eg Excel Spreadsheet for low complexity, Microsoft Project medium complexity
- corrective actions.

How delivery scheduling systems contribute to efficiency and profitability:

- delivery scheduling systems:
 - manual
 - electronic
 - outsourced
- the contribution of delivery scheduling systems:
 - informing decision-making
 - avoiding stock-outs.

Learners are expected to be able to justify the importance of critical path management by providing reasons for, and specific examples of, how it benefits retail supply chain businesses, and/or consequences of poor critical path management.

Learning outcome 4: Be able to plan critical paths for products

Planning critical paths for products

Learners will need to learn how to use relevant ICT software to plan a critical path. Learners will need to be provided with scenarios to enable them to use the software: for instance, a scenario to complete a cost benefit analysis for a retailer wishing to change their fleet of delivery vehicles. Learners would work out the cost of the change and the benefits to be derived. They would then calculate how long it would take to repay the costs.

Techniques for using ICT for critical path management:

- using spreadsheet software
- showing the route of a product from A to B
- identifying potentially problematic areas.

Techniques for managing time and resources to plan critical paths:

- identifying what needs to be achieved
- identifying when it needs to be achieved by
- setting priorities
- identifying resources needed
- identifying interdependencies
- working out when time and resources are needed for particular activities
- deciding how time and resources should be used.

Learning outcome 5: Be able to manage factors affecting the retail supply chain

Managing factors affecting the retail supply chain

Techniques for using cost benefit analysis to make transport decisions:

- identifying expected costs
- identifying expected benefits
- weighing up the costs vs benefits
- deciding the most appropriate form of transport.

Techniques for forecasting demand for storage space allocation:

- identifying how much stock must be accommodated and when
- taking into account any seasonal demands or any new stock requirements
- identifying the supplier lead times and delivery schedules
- identifying storage space available.

Techniques for assessing risks to health and safety:

- looking for the hazards
- deciding who might be harmed and how
- anticipating the risks and identifying what is being done
- recording findings.

Techniques for resolving problems within the retail supply chain:

- identifying the nature and scale of the problem, and its potential consequences
- identifying and comparing possible solutions
- establishing how solutions could be put into practice
- selecting appropriate solutions
- demonstrating flexibility when faced with changes in circumstances.

Learners will need to be aware of the difference between hazards and risks.

Learners are not expected to implement solutions for retail supply chain problems. They will need to be able to give details of the solutions that they would implement in real-life situations.

Assessment

This unit is assessed through a centre set and marked assignment. Controlled assessments are subject to moderation by AQA-City & Guilds. Information on assessment and controls which apply to the qualification as a whole can be found on pages 153–160 of this specification.

The information in this section is specific to the assessment for this unit.

Task setting (limited control)

Sector-relevant purpose

The assignment set must have a sector-relevant purpose and context. This must be communicated to the learner through a clear introductory brief.

The assignment will give the learner the opportunity to demonstrate the ability to plan critical paths for products from source to disposal, anticipating and managing factors affecting the flow of goods.

The teacher or a local employer should set a realistic brief and objective for learners to work from. The brief for the assessment must clearly specify the products and the retail supply chain for which the learner is planning critical paths, challenges that learners will need to overcome, and the expected outcome.

Tasks

Limited control in respect of task setting for this assessment means that it is the responsibility of the centre to devise a suitable assignment which covers the assessment criteria. Controlled assessments must aim to be holistic in nature and encourage learners to produce evidence to cover all the assessment criteria.

The assignment should be based on a case study of an existing retail supply chain. The product used in the brief should be internationally sourced.

After learners have planned the critical paths, the teacher or employer is to introduce problems which will require learners to propose amendments to their plans. This must require the learner to make significant changes to their critical paths. The learner should not be forewarned about these in the initial brief, as they will be assessed on their ability to respond to the problems.

Evidence

The table below indicates the evidence which should be produced for marking and moderation of tasks.

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Plan the journey of one product through the retail supply chain, responding to problems that arise	Critical path using spreadsheet software	Hard copy or electronic	1a, 1b, 1c, 1d, 1e, 2a, 2b, 3a, 3b, 4a, 4b, 5a, 5b and 5d
	Witness testimony covering use of spreadsheet software	Hard copy or electronic	
	Plan for the product including: <ul style="list-style-type: none"> • explanation of critical path • cost-benefit analysis applied to transport decisions • forecast for storage space demand 	Hard copy or electronic (maximum 4 sides of A4) including any diagrams	
	Proposal for amendments in plans to respond to problems in the retail supply chain	Hard copy or electronic (maximum 3 sides of A4) including any diagrams	

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Undertake a health and safety risk assessment	Completed health and safety risk assessment form	Hard copy or electronic	5c

Task taking

This section gives specific information relating to the controls for task taking for this assessment in terms of time, resources, supervision and collaboration.

Time (limited control)

The assignment will take approximately 15 of the 90 guided learning hours available for this unit.

Resources (medium control)

Resource material for the assignment such as case studies, photographs or literature should be up to date and relevant to the sector area. Centres may find that this is best done by getting resources directly from employers, which will help to give the assignment a real work-related purpose.

Learners will need access to a real retail or distribution environment or a realistic working environment to complete their health and safety risk assessment.

Learners will need access to spreadsheet software.

Supervision (medium control)

Learners must be supervised when producing critical paths using spreadsheet software, when creating plans for products including proposed amendments and when undertaking risk assessments and completing forms.

Overarching guidance on controls relating to supervision may be found on page 157 of the specification.

Collaboration (limited control)

Although teamwork is not assessed in this unit, there is potential for learners to work collaboratively when planning critical paths and undertaking health and safety risk assessments. However, each learner must present all the required evidence, as learners will be assessed individually. All other tasks must be completed on an individual basis.

Feedback

Learners should be given feedback on their critical paths at the stage when problems are introduced. Feedback should be sufficiently detailed to allow learners to develop and to achieve their full potential through their proposals without giving detailed advice on how to meet the assessment criteria.

Weighting of learning outcomes

Learning outcomes	Marks	Weighting
1 Understand how businesses manage the retail supply chain to maximise profitability	24	23.3%
2 Know how quality systems are used in the retail supply chain	9	10.0%
3 Understand critical path management	12	13.3%
4 Be able to plan critical paths for products	18	23.3%
5 Be able to manage factors affecting the retail supply chain	27	30.0%
Total	90	100%

Assessment grid

Task marking (medium control)

Please note that the descriptions in this marking grid relate to the top of each band. Further guidance on using marking grids is available in the assessment section of this specification on pages 153–160.

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 8 marks	9 to 16 marks	17 to 24 marks
1 Understand how businesses manage the retail supply chain to maximise profitability	<p>Analysed interrelationships and interdependencies in the retail supply chain in minimal detail, relating constituent parts of the supply chain with limited coherence.</p> <p>Explained how businesses resolve problems that arise in the retail supply chain, covering only some aspects and with limited accuracy.</p> <p>Assessed the implications of decisions made in the retail supply chain, covering only some aspects and making judgements which show limited reasoning.</p> <p>Explained how businesses involved in the retail supply chain improve competitiveness, in basic terms and with limited accuracy.</p> <p>Described cost benefit analysis methods and procedures, in basic terms and with limited accuracy.</p>	<p>Analysed relevant interrelationships and interdependencies in the retail supply chain in some detail, relating constituent parts of the supply chain with some coherence.</p> <p>Offered a largely accurate explanation of how businesses resolve problems that arise in the retail supply chain, covering a range of aspects.</p> <p>Assessed the implications of decisions made in the retail supply chain, covering a range of aspects and making judgements which show some sound reasoning.</p> <p>Offered a largely accurate explanation of how businesses involved in the retail supply chain improve competitiveness, with some detail.</p> <p>Offered a largely accurate description of cost benefit analysis methods and procedures, with some detail.</p>	<p>Analysed relevant interrelationships and interdependencies in the retail supply chain in depth, coherently relating constituent parts of the supply chain.</p> <p>Explained how businesses resolve problems that arise in the retail supply chain, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Assessed the implications of decisions made in the retail supply chain, covering a wide range of relevant aspects and making judgements which show a consistently high level of reasoning.</p> <p>Explained how businesses involved in the retail supply chain improve competitiveness, in detail and with a high level of accuracy.</p> <p>Described cost benefit analysis methods and procedures, in detail and with a high level of accuracy.</p>
	0 to 3 marks	4 to 6 marks	7 to 9 marks
2 Know how quality systems are used in the retail supply chain	<p>Identified quality systems used in the retail supply chain, with limited accuracy and relevance.</p> <p>Described the benefits of using quality systems to retail supply chain businesses, in basic terms and with limited accuracy.</p>	<p>Identified quality systems used in the retail supply chain, some of which are accurate and relevant.</p> <p>Offered a largely accurate description of the benefits of using quality systems to retail supply chain businesses, with some detail.</p>	<p>Identified quality systems used in the retail supply chain, with accuracy and relevance.</p> <p>Described the benefits of using quality systems to retail supply chain businesses, in detail and with a high level of accuracy.</p>

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 4 marks	5 to 8 marks	9 to 12 marks
3 Understand critical path management	<p>Explained how the principles of critical path management are applied in the retail supply chain, covering only some aspects and with limited accuracy.</p> <p>Justified, in general terms, the importance of effective critical path management, showing limited reasoning.</p>	<p>Offered a largely accurate explanation of how the principles of critical path management are applied in the retail supply chain, covering a range of aspects.</p> <p>Justified, using specific examples, the importance of effective critical path management, showing some sound reasoning.</p>	<p>Explained how the principles of critical path management are applied in the retail supply chain, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Justified, using specific examples, the importance of effective critical path management, showing sound reasoning.</p>
	0 to 6 marks	7 to 12 marks	13 to 18 marks
4 Be able to plan critical paths for products	<p>Used ICT software in critical path management with limited effectiveness.</p> <p>Organised time and resources in retail channels, covering only some aspects and with limited effectiveness.</p>	<p>Used ICT software in critical path management with some effectiveness.</p> <p>Organised time and resources in retail channels, covering a range of aspects and with some effectiveness.</p>	<p>Used ICT software effectively for critical path management.</p> <p>Organised time and resources in retail channels, covering a wide range of aspects effectively.</p>
	0 to 9 marks	10 to 18 marks	19 to 27 marks
5 Be able to manage factors affecting the retail supply chain	<p>Used cost benefit analysis with limited effectiveness to make transport decisions.</p> <p>Forecasted demand for storage space allocation, with limited accuracy and minimal consideration of relevant factors.</p> <p>Assessed risks to health and safety, covering only some aspects and making judgements which show limited reasoning.</p> <p>Resolved problems within the retail supply chain with limited appropriateness.</p>	<p>Used cost benefit analysis with some effectiveness to make transport decisions.</p> <p>Offered a largely accurate forecast of demand for storage space allocation, with some consideration of relevant factors.</p> <p>Assessed risks to health and safety, covering a range of aspects and making judgements which show some sound reasoning.</p> <p>Resolved problems within the retail supply chain with some appropriateness.</p>	<p>Used cost benefit analysis effectively to make transport decisions.</p> <p>Forecasted demand for storage space allocation with a high level of accuracy, considering relevant factors.</p> <p>Assessed risks to health and safety, covering a wide range of relevant aspects and making judgements which show consistently sound reasoning.</p> <p>Resolved problems within the retail supply chain appropriately.</p>

Guidance for delivery

This unit reflects the complexity of the supply chain and the logistics operations within it. It deals with communication, information and information flow, legislation, business decision-making, technology and design, problem solving and scheduling and quality issues. Learners should have an understanding of the retail supply chain which may have been gained through the Level 2 Principal Learning in Retail Business. They will have had limited exposure to the whole supply chain industry and will have probably only interfaced at this time with the point of sale, because of age constraints and health and safety issues. Exposure to the supply chain environment through work experience or observation will be critical to the understanding of its needs and purposes.

Teachers should give learners case studies involving complex problems and give them the opportunity to solve those problems as part of the learning process: for example, a case study from warehousing organisations on space allocation for different types of product and the impact this has on profitability.

The most likely way to complete this unit is to create a 'virtual warehouse' on an individual or group basis to 'build' an effective supply chain management environment that will provide an understanding of the issues faced from design to operation. Teachers need to create case studies for learners to model this on. Issues such as the allocation of space for different types of product, including hazardous and dangerous ones, should be explored and the impact that this has on profitability.

Learners will need to understand the reality of the world of commerce and industry and the real pressures and constraints that a business either fails or thrives on.

Teachers need to introduce learners to the intricate but broad brush of current legislation that supports, but can equally constrain business operations. Learners will need to identify a variety of hazardous and dangerous goods that can be stored or transported, how to safely handle and dispose of them in an environmentally friendly way. Learners could visit a landfill site to understand the reality of this.

Issues around the pros and cons of operating an eco-friendly business should be taught. This should include the principles of Cost Benefit Analysis. Teachers must support learner development with ICT software so that they can use it effectively to look at various in-house devised scenarios such as the cost benefit for a business to change their fleet of delivery vehicles. In the current climate of slow or no growth, operational management of costs and profitability is vital to maintaining competitive advantage. Case studies offer the opportunity to explore cost reduction exercises and cost to serve modelling as defensive responses to increasing cost pressures. The reverse situation in times of economic growth and aggressive responses should also be explored. Learners should be made aware of the LEAN principles.

Technology contributes towards improving competitiveness and the full range of current and developmental technology should be considered which will necessitate site visits to micro and macro sized businesses operating within the supply chain.

Where Design and Technology teaching expertise exists, this should be used to introduce concepts of warehouse and storage requirements, understanding factors such as size, location and layout, and systems required to meet business and legislative requirements such as ambient temperature control. Teachers may have to draw on outside expertise where this expertise is not readily available.

Teaching should include how the various quality systems such as Quality Management System and Audit are used within the retail supply chain to effect quality assurance and quality improvement and how recognised standards such as ISO can help with improving service and business growth. The setting of Key Performance Indicators should be explained in how business objectives can be measured.

Problem solving is a significant part of the day-to-day operation of logistics and supply chain management. Case studies devised for learners at this level should contain complex problems, and teachers should factor real-life scenarios into the case studies, such as poor scheduling, loss, delays, last 50 metres issues, disruption, staffing issues etc and the importance of contingency planning. Learners should have the opportunity to solve these problems and to adapt their ideas to changes in circumstances such as a sudden phone call to say the motorway has been closed.

Learners must understand the principles of critical path management and teachers should make them aware of the various methods to identify how to plan for the shortest timeframes through effective scheduling. Scheduling is critical within this industry and the importance of getting it right and the associated problems if it goes wrong must be taught. Learners must also appreciate issues that impact on this such as seasonality.

If learners are setting up and operating their own small retail enterprise as part of their Principal Learning, the critical path planning may relate to a product sold by their own enterprise, providing that it allows them to evidence all the assessment criteria.

There is the possibility for the delivery of elements of this unit to be combined with elements of other Level 3 Principal Learning units, in the context of setting up and operating a small retail enterprise as a group.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping examples used in the taught content up to date, eg in terms of legislation. Case studies provided, or activities set, by employers would give learning a real sector-relevant context and purpose. Learners would benefit particularly from employers being involved in setting the brief for the assessment of this unit.

Employers would play a valuable role in providing a practical and realistic context for learners. However, there may be various constraints to access to some employers, such as age and health and safety issues, and being able to access the range of micro and macro businesses that would provide a total learning experience may also have an impact on this. The point of sale end of the supply chain will be far easier to access than say a storage facility. Wherever possible, learners need to visit different types of retail supply chain business and carry out health and safety risk assessments. The employer should be encouraged to give feedback on the risk assessment. At Level 3, these problems can be extended to ensure that learners show team working, effective participation, and creative thinking skills.

Where access is not an issue then the exposure is invaluable and learners could experience the competing pressures and demands at first hand. They will be able to understand why a particular location was chosen and how that part of the supply chain functions.

Learners can observe and/or experience the various technology and handling machinery used with a warehouse environment. Learners could experience at first hand, real-life contingency planning. Work shadowing and employee interviews would add to the experience gained.

Employer representatives could visit the centre to give talks and take questions. Discussions with the learners could centre on the structure and operation of the organisation, the nature of its work, the pressures that it faces and the health and safety issues that apply to it.

Teaching should encompass examples of documentation from receipt to supply point. There should be a growing awareness that paper documentation has become increasingly obsolete and that digital technology has replaced it and become the norm in most operations now. Learners will need to access employers' premises to experience this.

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- identifying questions to answer about problems within the retail supply chain (IE1)
- exploring retail supply chain issues and problems from the perspectives of different stages of the supply chain (IE3)
- analysing and evaluating information about how businesses involved in the retail supply chain improve competitiveness from research findings, judging its relevance and value (IE4)
- supporting transport decisions, using evidence from cost-benefit analysis (IE6)

Creative thinkers

- generating ideas and exploring possibilities in order to plan critical paths for products (CT1)
- asking questions to extend their thinking in order to understand interrelationships and interdependencies in the retail supply chain (CT2)
- trying out alternatives or new solutions and following ideas through when proposing solutions to problems within the supply chain (CT5)

Reflective learners

- reviewing progress, acting on the outcomes when undertaking health and safety risk assessments (RL3)
- inviting feedback and dealing positively with praise, setbacks and criticism when proposing solutions to problems within the supply chain (RL4)
- evaluating experiences and learning to inform future progress when managing the factors affecting retail supply chains (RL5)

Team workers

- reaching agreements on the implications of decisions made in the retail supply chain, managing discussions to achieve results (TW2)
- adapting behaviour to the roles of people working at different stages of the retail supply chain in role plays (TW3)

Self-managers

- working towards goals, showing initiative, commitment and perseverance when planning critical paths for products (SM2)
- responding positively to changes and factors affecting the retail supply chain, seeking advice and support when needed (SM6)

Effective participators

- discussing issues of concern, seeking resolution where needed when undertaking health and safety risk assessment (EP1)
- presenting persuasive cases when justifying the importance of effective critical path management (EP2)
- identifying improvements to critical paths that would benefit customers as well as retail businesses (EP4).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit: for example, when researching the impact of legislation and regulation on the retail supply chain, when learning about acronyms and selecting information from case studies. They may select and use different types of text to select and obtain relevant information, detect points of view and comment on how effectively meaning is conveyed. Research may be carried out using electronic and non-electronic sources.

The learner may develop writing skills while using a range of different styles and formats for different purposes: for example, when making notes and annotations during research and taught sessions, planning, drafting and producing a final good copy of their explanation of a critical path and completing a risk assessment. They may use a range of different styles of writing for different purposes, including a range of sentence structures.

Opportunities exist to develop speaking and listening skills during taught sessions in whole group and small group situations. They may listen to complex information and may ask appropriate questions to confirm understanding and have opportunities to make significant contributions to discussion. Outside speakers would allow the learner to make a range of contributions to discussion involving others who are unfamiliar.

The learner must use spreadsheet software when creating their critical path. They may select and use appropriate software, manage files and folders and store information safely so they can retrieve it easily. They will enter, develop and organise numerical information and present information to suit their purpose. They may use ICT to produce an explanation of the critical path and their completed risk assessment. Observing safe working practices will be implicit throughout. They may use email or web-based methods to communicate and exchange information.

There are also opportunities to develop a range of mathematical skills: for example, when discussing warehouse design, they may look at different scale drawings and calculate ratio when working out scale. They may use 2D representations of 3D objects and calculate area, perimeter and volume. When working out a cost benefit analysis, they may carry out calculations with numbers of any size including decimals.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a 'Diploma Shop' – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters.

The relevant sections for the purposes of this unit are:

- Ethics and environment
- Finance
- Supply chain management
- Logistics
- Warehousing and distribution.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

**[www.diplomainretailbusiness.com/pdfs/
the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)**

The following resources may also be helpful for the learning in this unit:

- Business Link **www.businesslink.gov.uk**
- Supply Chain Standard **www.supplychainstandard.com**
- Chartered Institute of Logistics and Transport (UK) **www.ciltuk.org.uk**
- Retail supply chain management (Microsoft) **www.microsoft.com/retail**
- Five steps to risk assessment (HSE) **www.hse.gov.uk/pubns/indg163.pdf**

Level 3 Unit 5: Marketing in retail businesses

What is this unit about?

The purpose of this unit is for learners to be able to apply an understanding of marketing in order to propose marketing solutions for retail business development and growth. Learners will develop an understanding of marketing concepts, principles and techniques, and their role and application in retail businesses.

Marketing is an exciting and dynamic challenge, and one that can be attractive to a young, upwardly mobile workforce. Through this unit, some learners will get their first taste of this stimulating topic, and see that it adds an essential dimension to the operation of a successful retail business. For many of these learners, the idea that they can influence people's choices is inspiring and adds tremendously to the interest in the job. This unit will also provide learners with an appreciation of the impact of marketing, which can enable them to make more informed choices as consumers.

Learners will develop an understanding of how retailers obtain marketing intelligence to create marketing strategies. They will explore the marketing mix and how it can be applied to retail businesses, as well as using situational analysis to inform marketing decisions in order to gain a competitive advantage. Learners will also be able to examine ethical and cultural considerations which retailers have to deal with when developing and promoting goods.

At the end of this unit, learners will be able to use marketing intelligence to review and improve marketing strategies in order to promote business development and growth. Up-to-date and effective marketing strategies are critical to the success of all retail businesses, and the understanding and skills developed in this unit are highly valued in the retail sector.

Guided learning hours

This unit has 60 GLH assigned to it, which includes any time needed for assessment preparation. Learners will sit an examination of 2 hours.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:
1 Know the role of marketing in retail businesses	a describe the effect of marketing in helping retail businesses to meet their aims and objectives b outline how marketing strategies are used in retail businesses
2 Know how the marketing mix applies to retail businesses	a describe how the marketing mix applies to retail businesses b describe how retailers obtain marketing intelligence in order to apply the marketing mix effectively
3 Understand the factors that affect marketing strategies in retail businesses	a discuss issues to be considered by retailers when sourcing, buying and promoting goods b analyse how retailers adapt marketing strategies in response to internal and external factors c explain how situational analysis is used to make marketing decisions
4 Be able to use market intelligence to propose marketing solutions for retail business development and growth	a review marketing strategies b use marketing intelligence to inform decision-making c propose marketing solutions to encourage business development and growth

In this externally assessed unit, PLTS are not referenced against assessment criteria. However, the unit has been designed to afford ample opportunities for PLTS development through the learning programme. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. Differences between retail businesses should be learnt in the contexts in which they are greatest and/or most obvious. Variations in marketing will be mainly based on retail channels; therefore, the focus for coverage of different businesses in this unit is **retail channels** and teaching should prepare learners to transfer their learning to the context of different retail channels. Details of these may be found on page 15 of the specification.

In order to achieve all the learning outcomes for this unit, learners will need to have a grasp of relevant marketing terminology. Teachers should integrate terminology throughout the delivery of the unit in order to develop learners' understanding of and ability to use the terminology in the context of the retail sector.

It is important that learners have a clear understanding of what marketing is. Teachers could use the Chartered Institute of Marketing's definition of marketing as 'the management process responsible for identifying, anticipating and satisfying customer requirements profitably'.

Learning outcome 1: Know the role of marketing in retail businesses

The role of marketing in retail business

The importance of marketing to retail businesses:

- target the right customers
- increase revenue
- develop market share and gain competitive advantage
- open new markets
- help meet business objectives and key performance indicators relating to:
 - profitability
 - productivity
 - competitiveness.

Learners will need to know how marketing contributes to retail businesses by helping businesses to understand the needs of their customers, to inform their customers about the business and its products, and to create demand for goods and services.

The use of aims, objectives and key performance indicators (KPIs) to measure performance:

- how overarching aims can be broken down into specific objectives
- what objectives include – a direction, KPI, benchmark, target and time frame
- how making objectives SMART (specific, measurable, achievable, relevant and time-bound) allows achievement to be measured
- what KPIs are and how they enable businesses to monitor achievement of objectives
- the types of data that retailers use to measure performance and to interpret different aspects of performance
- how data is interpreted
- how data can be used to demonstrate company performance.

How retailers use marketing strategies:

- how marketing strategies are used by different retailers:
 - businesses selling different types of product
 - businesses selling through different or multiple retail channels
 - effect on the target market and marketing methods used
- link to the overall business planning process and the stages in the retail supply chain:
 - process
 - place.

Learners will need to understand the meaning of competitive advantage. They are expected to be aware of the two forms of competitive advantage:

- cost advantage – offering the same product at a lower cost
- differentiation advantage – offering better products at the same price.

A marketing strategy may be defined as ‘the set of objectives which an organisation allocates to its marketing function in order to support the overall corporate strategy, together with the broad methods chosen to achieve these objectives’ (The Chartered Institute of Marketing).

Learners will need to know how marketing strategies link to the overall business planning process and to the stages in the retail supply chain. This involves recognising that the demand for products must be in line with the ability to distribute, transport, store and deliver goods, otherwise the company may lose money. Learners will need to be able to link the supply chain to ‘process’ and ‘place’ (from the ‘seven Ps’) and be aware of the application of ‘push’ or ‘pull’ strategies.

Learning outcome 2: Know how the marketing mix applies to retail businesses

How the marketing mix applies to retail businesses

How the marketing mix applies to retail businesses:

- The application of the ‘seven Ps’:
 - product – the nature of the good or service to be sold to the customer
 - price – whether to undercut competitors to improve market share; use ‘premium pricing’ to maximise profit and encourage perceptions of high quality; or use cost-plus pricing to make steady profits in relation to manufacturing costs
 - promotion – increasing brand awareness and sales through advertising, publicity, sales promotion, sponsorship and personal selling
 - people – appropriate recruitment and training of staff
 - physical evidence – the physical environment in which the product is sold, on the basis of which consumers form an opinion of the organisation
 - place – the choice of retail channel
 - process – systems used to maximise efficiency in order to promote customer loyalty and confidence.

How retailers obtain marketing intelligence in order to apply the marketing mix effectively, including:

- primary research:
 - face-to-face interviews
 - telephone interviews
 - postal or online surveys
 - product testing
- secondary research:
 - existing information and data from surveys
 - government statistics
 - company reports
 - the press
 - journals
- how technology is employed to both gather and analyse marketing data.

Learners will need to know about each element of the marketing mix in sufficient depth that they can describe activities involved in applying the 'seven Ps' in the context of particular businesses.

Learners will need to know different methods of primary and secondary research used to gather market intelligence to the extent that they can describe what specific methods involve, the nature of the intelligence that can be obtained by using them, and how this intelligence is used to apply the marketing mix effectively.

Learners will need a basic awareness of how technology such as the internet is employed to gather and analyse marketing data.

Learning outcome 3: Understand the factors that affect marketing strategies in retail businesses

Factors that affect marketing strategies in retail businesses

Ethical and cultural issues to be taken into account by retailers during the sourcing, buying and promotion of products:

- the sourcing, buying and promotion of goods, taking into account the health and well-being of customers and society in general
- the production of goods and the stages of the supply chain:
 - working practices and legislation in relevant countries, and how these can be managed
 - environmental and political sensitivities
 - quality control
- how the promotion of goods may need to be adapted according to the ethics and culture of the target market:
 - demographics
 - branding
 - price.

Learners are expected to consider ethical issues from the perspective of the retailer, those involved in the supply chain, and the end consumer. Issues need not be covered in complex detail, but learners will need to be able to recognise why issues exist, for example why advertising that targets children poses ethical questions.

For the purposes of meeting assessment criterion 3a, coverage of cultural issues should focus on the need to avoid causing conflict with, or offence to, people on cultural grounds. The promotion of goods to appeal to particular cultural groups need not be covered here.

Learners are expected to discuss issues to be considered by retailers when developing and promoting goods. This will involve representing possible perspectives on issues in an accurate and balanced manner, and relating issues to given information and contexts.

How marketing strategies are reviewed and adapted in response to internal and external factors that affect retailers and their supply chain:

- internal factors:
 - budget and its effect on the scale and timing of, and methods used for, campaigns
- external factors:
 - fashions and trends
 - the social, economic and political climate
 - government legislation
 - cultural sensitivities
 - environment.

Learners will need to be able to analyse how retailers adapt marketing strategies in response to internal and external factors. Given information about a marketing strategy before and after adaptation, and about internal and external factors, learners are expected to be able to offer reasoning on why the factors necessitated a change in marketing strategy, why the particular changes were made, and the potential or actual success of making those changes.

How situational analysis is used to make marketing decisions:

- the 'five Cs':
 - company – internal factors
 - collaborators
 - customers
 - competitors
 - climate – external and environmental factors
- the use of SWOT analysis (strengths, weaknesses, opportunities and threats).

Learners must be aware of how and why aspects of situational analysis might contribute to marketing decisions.

Considerations of 'climate' can be addressed through PEST (political, economic, socio-cultural and technological) analysis.

Learning outcome 4: Be able to use market intelligence to propose marketing solutions for retail business development and growth

Using market intelligence to propose marketing solutions for retail business development and growth

Techniques for reviewing marketing strategies from retail businesses:

- identifying strengths and weaknesses of the marketing strategy in light of:

◦ marketing mix strategy	◦ customer analysis
◦ situational analysis	◦ contingency plans
◦ environmental analysis	◦ target-setting
◦ competitor analysis	
- identifying what might happen in the future if marketing strategy is not adaptable.

Learners will be expected to review existing marketing strategies in light of market intelligence.

Techniques for reviewing marketing intelligence to inform decision-making:

- examining numerical data and non-numerical information relating to:
 - market analysis
 - target markets
 - consumer research
 - business objectives
- identifying the meaning of numerical data and non-numerical information
- evaluating numerical data and non-numerical information in a concise and logical manner
- using numerical data and non-numerical information to inform decision-making (see below).

Learners are not required to perform calculations.

Techniques for proposing solutions for dealing with change:

- establishing the nature of the change, and whether this is a problem or opportunity
- identifying the possible consequences of the problem or opportunity from the perspectives of the business and the customer
- identifying plausible solutions based on market intelligence
- comparing the advantages and disadvantages of possible courses of action for the business and the customer
- deciding upon a course of action
- proposing conclusions in a clear, persuasive manner
 - showing how solutions would work, including risks and benefits involved
 - showing how solutions will lead to business development and growth
 - showing how market intelligence supports conclusions.

Learners may need to be encouraged to bring new or alternative ideas to their work on existing marketing strategies.

Learners will need to be aware of the risks involved in changing marketing strategies, and the best and worst possible outcomes of decisions.

Assessment

This unit is assessed through an external examination set and marked by AQA-City & Guilds.

This unit will be tested via an extended answer examination under controlled conditions. Learners will be allowed 2 hours to complete the paper.

Duration: 2 hours

Assessment type: Extended answer examination

Number of marks: 90 marks

Learning outcomes	Assessment criteria	Marks	Weighting
1 Know the role of marketing in retail businesses	a describe the effect of marketing in helping retail businesses to meet their aims and objectives	9	10.0%
	b outline how marketing strategies are used in retail businesses		
2 Know how the marketing mix applies to retail businesses	a describe how the marketing mix applies to retail businesses	18	20.0%
	b describe how retailers obtain marketing intelligence in order to apply the marketing mix effectively		
3 Understand the factors that affect marketing strategies in retail businesses	a discuss issues to be considered by retailers when sourcing, buying and promoting goods	24	26.7%
	b analyse how retailers adapt marketing strategies in response to internal and external factors		
	c explain how situational analysis is used to make marketing decisions		
4 Be able to use market intelligence to propose marketing solutions for retail business development and growth	a review marketing strategies	39	43.3%
	b use marketing intelligence to inform decision-making		
	c propose marketing solutions to encourage business development and growth		
Total		90	100%

Guidance for delivery

Whilst it is likely that all learners will have an understanding of retail, their understanding of marketing may be more limited. A useful starting point for learners might be a discussion around the question, 'What is marketing?'

Although they may not have had direct prior experience of marketing in retail business, all learners will have been exposed to marketing in some form. Learners could compare memorable campaigns with those that were less successful. Learners at Level 3 are likely to have had some experience of work experience or they may have part-time jobs that can be used to illustrate the importance of defining what makes a business successful. They may also be familiar with new brands such as the growth of retail businesses from overseas, eg Aldi and Lidl; this can also be addressed as a marketing experience.

Learners' experience as customers can be used to examine the sales and marketing strategies which they have encountered. They could also use their experience as customers to produce and analyse data on customer behaviour and the buying process: this provides market research which can be used when applying the marketing mix in retail business channels.

Learners could work in groups to investigate the business planning process and explain how these stages link to the retail supply chain. Learners can then discuss how marketing activities influence and are influenced by business planning and the retail supply chain.

An awareness of the marketing mix will enable learners to identify how retailers endeavour to create a competitive advantage over other retailers. A role play scenario could involve two groups posing as rival stores pitching to the teacher, as consumer, as to why they should buy from their store, rather than from their competitors.

Learners could also take the opportunity to select two retailers from the same market segment (for example, supermarkets) and visit the stores to try to identify which they believe has the competitive advantage. The pre-tax profits of larger stores such as Marks & Spencer and Tesco are easily accessible on the internet, and would confirm or disprove the learners' theories.

A group discussion would be useful to clarify the term 'marketing intelligence'. Once this is clearly defined, learners could use the internet and library to research ways of gathering intelligence. It would also be useful to discuss why retailers need to gather intelligence, how it informs their business objectives and marketing mix and can help to give them a competitive advantage.

The ethics of marketing can be an inspirational and engaging topic for learners. Class debates could be organised, centred around issues such as advertising which targets children, intending that they will pressure their parents to buy particular products for them; the use of 'size zero' models in advertising; special offers on drinks in bars and nightclubs; or selecting recipients of postal credit card offers based on postcode profiling.

The ever-changing nature of macro factors affecting how retailers adapt and review their marketing strategies, and the fact that they fall outside the control of retailers could lead to some interesting small group work. Groups could be given a scenario that describes the sector of retail that the business operates in, and an outline of their marketing strategy. Whilst learners fill in the detail on the strategy, additional pieces of information could be fed to them – for example 'your closest competitor has just added more lines to their sale stock in a bid to increase sales', 'a news broadcast last night predicted Christmas spending will be at an all time low, with consumers choosing cheaper online versions to high street products'.

A useful way of approaching the topic of data analysis would be to provide learners with marketing intelligence and ask them, in small groups, to shape a marketing strategy. This will demonstrate the knowledge and understanding of marketing in the retail sector that learners have gained so far, and call upon them to develop new skills by analysing data.

As part of this unit, learners should be given every opportunity to ensure that their research activities include planning, doing, reviewing and doing again. This provides an opportunity for learners to process and evaluate materials and sources, encouraging them to take informed and well-reasoned decisions relating to the selection of relevant information.

There is the possibility for the delivery of elements of this unit to be combined with elements of other Level 3 Principal Learning units, in the context of setting up and operating a small retail enterprise as a group.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping the taught content up to date in terms of examples of market intelligence and factors affecting marketing strategies. Case studies provided, or activities set, by employers would give learning a real sector-relevant context and purpose.

Local employers may be invited to speak to groups of learners about how they market their products and the factors that affect their marketing strategies and their marketing decisions. This may include when and how they update or amend their marketing strategies, and how marketing helps them to fulfil their business objectives. Employers could discuss their business objectives in order for learners to understand the types of objective which a retailer might have – for example to increase sales during the period from May to July by 10% through a targeted marketing campaign to store cardholders.

Any local retailers who are willing to share marketing information are a valuable resource for learners studying this unit. Learners may undertake some market research of their own and develop a marketing strategy, before comparing their work with the actual marketing strategy of the business.

A local retailer might provide a marketing strategy for learners to review, and provide feedback on learners' ideas. This would give the exercise of reviewing it and identifying solutions for making changes extra credibility. If a retailer can be found who is willing to share their marketing strategy, they may also wish to give their thoughts on the changes that are proposed by the group. Learners could use PEST and SWOT analysis to identify risks and opportunities for retail business development and growth.

Retail businesses who promote strong ethical and cultural messages could be invited into the class as speakers, to describe their approach and the factors that have influenced it.

Learners could be encouraged to seek out smaller, less widely publicised retailers who promote strong ethical and cultural messages. Learners could report back to the group on the work that these retailers are doing, and any particular features of their marketing that help promote their message. A group discussion could focus on whether these messages make consumers more likely to shop in those stores that convey strong messages, and whether there is a bandwagon effect led by retailers wishing to improve their competitive advantage.

It would greatly benefit learners to be able to observe or investigate the marketing activities of any businesses with which they are involved through work experience or part-time or voluntary employment.

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- identifying questions to answer for market research, taking into consideration the factors which affect retail channels (IE1)
- interpreting or compiling information from PEST or SWOT analysis for a marketing strategy, appreciating the consequences of decisions (IE2)
- exploring issues, events or problems from different perspectives when identifying and considering factors that affect retail channels and the development and promotion of products (IE3)
- considering how circumstances and the beliefs and feelings of customers influence their buying decisions, and how marketing responds to these (IE5)

Creative thinkers

- generating ideas from the PEST or SWOT analysis and exploring possibilities during discussions (CT1)
- asking questions to gain understanding of the marketing mix and strategies to extend their thinking on retail business marketing and development (CT2)
- connecting own and others' ideas and experiences in inventive ways when discussing and reviewing different retail channels' marketing strategies (CT3)

Reflective learners

- using aims, objectives and key performance indicators in their own work to gain an understanding of how these measures work (RL2)
- evaluating their experiences of marketing and sales throughout the unit, learning to inform future progress (RL5)

Team workers

- collaborating with others to review marketing strategies for employers (TW1)
- reaching agreement and managing discussions on ethical issues affecting marketing (TW2)

Self-managers

- organising time and resources, learning how to prioritise actions when conducting research (SM3)

Effective participators

- acting as an advocate for differing beliefs and views when debating how to promote and sell a product (EP6).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit: for example, when researching the ethical and cultural considerations which retailers have when developing and promoting goods or analysing marketing intelligence to inform business decisions. They may use electronic and non-electronic sources to select, obtain and summarise relevant information and make comments on how effectively the meaning is conveyed. They may read different types of text to gather information and for detecting point of view, implicit meaning and/or bias.

The learner may develop writing skills while using a range of different styles and formats for different purposes. Learners will need to develop skills in note taking as self-compiled notes on the research will be needed to complete the tasks in the exam. They may be taught a range of different note-taking styles and will choose one that meets their needs and that they feel comfortable with.

Opportunities exist to develop speaking and listening skills in whole class and small group situations. The teacher will take the lead, and opportunities should arise for the learner to listen to complex information, contribute to the discussion by responding appropriately, presenting ideas clearly and persuasively and helping to move the discussion forward. Inviting outside speakers may provide opportunities for the learner to contribute to discussion involving others who are unfamiliar.

The learner may make use of ICT skills to meet a variety of complex needs: for example, accessing and navigating the internet and using appropriate search techniques to locate and select relevant information when researching information. They may use bullets, numbering, sub-numbering, alignment and/or tabs to produce a copy of their research notes. Observing safe working practices and storing information will be implicit throughout. They may use email or web-based methods to communicate and exchange information.

There are also opportunities to develop a range of mathematical skills. For example, when proposing market solutions for business development and growth, they may collect and represent discrete and continuous data, carry out calculations with numbers of any size, including decimals, use percentages and interpret statistical measures using tables, charts, graphs and diagrams. They may use ICT to produce their tables, charts, graphs and diagrams.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a 'Diploma Shop' – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters.

The relevant sections for the purposes of this unit are:

- Business and economics in retail
- Marketing in retail businesses
- Ethics and environment
- Retail channels.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

[www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)

The following resources may also be helpful for the learning in this unit:

Websites

- British Brands Group **www.britishbrandsgroup.org.uk**
- British Retail Consortium **www.brc.org.uk**
- The Chartered Institute of Marketing: Knowledge Hub **www.cim.co.uk/KnowledgeHub/KnowledgeHub.aspx**
- Marketing **www.brandrepublic.com/marketing**
- Marketing Week **www.marketingweek.co.uk**
- Retail Bulletin **www.theretailbulletin.com**
- Retail Week **www.retail-week.com**

Level 3 Unit 6: Merchandising in retail businesses

What is this unit about?

The purpose of this unit is for learners to be able to use analytical, organisational and problem-solving skills in order to manage stock in retail environments to improve sales performance.

Retail businesses need to take into account many variables when preparing their forecast for stock. These will include price increases, new product ranges, discontinued lines, competitor information, and changes to a retail business's location. Stock management systems are crucial in order for retail businesses to react quickly and appropriately to these variables. The systems provide an overview of the way in which stock is used to maximise the use of space in storage and on the shop floor, thus maximising profitability for the store.

This unit will allow the learner to assess stock management systems in retail environments and to suggest improvements that will make for a more efficient management of stock. This will mean that the learner has to apply evaluative and problem-solving skills and be able to propose solutions. There will also be opportunities to develop mathematical skills.

The following Personal, Learning and Thinking Skills (PLTS) will support learners' achievement in this unit and are embedded in the content:

- independent enquirers.

Guided learning hours

This unit has 60 GLH assigned to it, of which approximately 10 hours will be needed for the assessment. Details of controls needed in relation to the controlled assessment are on pages 153–160 of this specification.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:	PLTS
1 Understand the role of merchandising and stock management in retail	a analyse how the roles of different personnel interrelate in the retail merchandising process	
	b explain how stock management contributes to meeting business objectives	
2 Know how sales forecasting plans are used in retail businesses	a outline sales forecasting methods and techniques	
	b describe risks and benefits to retail businesses of using sales forecasting	
3 Understand how retailers handle problems that occur in stock management	a discuss factors that affect stock control	
	b select methods used by retailers to deal with factors that affect stock control	
4 Be able to manage stock in order to improve sales performance	a analyse information relating to sales performance	IE4
	b allocate stock using ICT	
	c assess the risk of loss of stock	
	d resolve common stock management problems	IE1
5 Be able to propose improvements to stock management systems	a assess stock control systems	
	b identify improvements to stock control systems	
	c justify suggested improvements to stock control systems	IE6

Where the assessment criteria show a direct link to an area of the PLTS framework, it is referenced here. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. Differences between retail businesses should be learnt in the contexts in which they are greatest and/or most obvious. Variations in stock control will be mainly based on products; therefore, the focus for coverage of different businesses in this unit is **sub-sectors**. Details of these may be found on page 15 of the specification. Coverage of sub-sectors should be sufficiently varied to give learners an idea of how stock control takes into account the following factors:

- perishability
- different stock-keeping units (SKUs) within a product group – eg colours and/or sizes
- products of different sizes and values
- fashionability – ie trend items
- requirement of accessories and parts – eg stocking a mobile phone with its matching case.

An understanding of the concept of merchandising should form a foundation for the learning in this unit. Learners will need to be aware that merchandising covers the processes associated with sales planning and forecasting and the ordering and control of stock.

Learning outcome 1: Understand the role of merchandising and stock management in retail

The role of merchandising and stock management in retail

The roles of key personnel involved in stock management:

- the merchandiser:
 - ensuring that products appear in the right store at the right time and in the right quantities
 - working closely with the buying teams to accurately forecast trends, plan stock levels and monitor performance
 - planning budgets, deciding how many lines should be bought, and in what quantities
 - forecasting profits and sales using computer programs
 - setting prices to maximise profits and manage the performance of product ranges
 - monitoring sales
 - implementing price reductions/promotions
 - maximising sales potential of stock
 - meeting with suppliers
 - overseeing stock delivery and distribution
 - managing stock levels
 - managing, training and supervising staff
- warehouse and logistics staff:
 - overseeing stock delivery and distribution
 - carrying out stock control procedures
 - implementing markdowns
 - communicating with merchandisers and suppliers
 - ensuring stock handling procedures are followed
 - minimising loss and wastage

- the buyer:
 - forecasting trends
 - working with merchandiser to allocate budget and decide what products to buy and in what quantities
 - monitoring sales
 - meeting and negotiating with suppliers
 - initiating re-orders and markdowns
- the visual merchandiser:
 - implementing shop floor plans
 - displaying stock according to sales performance
 - constructing displays in alignment with merchandising and buying plans
- the relationships between different roles, in terms of:
 - accurate and clear reporting and communication
 - ensuring all teams are working in accordance with the business plan
 - maximising business performance and customer satisfaction.

Learners are expected to be able to analyse the relationships between different roles to the extent that they can recognise when and how personnel work with each other, and the dependencies between them.

How stock is managed, documented and audited:

- managing stock:
 - minimum stock level
 - cyclical stock counting
 - Just in Time (JIT)
 - Economic Order Quantity (EOQ)
 - First in, First out (FIFO)
- documenting stock:
 - stock books
 - Warehouse Management Systems (WMS)
 - Hand Held Terminals (HHT)
 - Proof of Delivery (POD) scanning
 - bar-coding
 - Electronic Point of Sale (EPOS)
- auditing stock:
 - accurate systems
 - physical and regular checks.

The contribution of stock management to profitability and meeting business objectives:

- clearing out of season stock
- maximising space in storage and on the shop floor
- making room for new season products
- lowering prices for the customer
- ensuring that products are available to customers on demand.

Learning outcome 2: Know how sales forecasting plans are used in retail businesses

How sales forecasting plans are used in retail businesses

Learners will need to know what a sales forecasting plan is.

How sales forecasting plans are constructed by:

- looking at the previous year's sales and forecasting sales for the coming year, taking into account:
 - any overall price increase
 - any new product ranges being introduced
 - any existing product ranges being discontinued
 - any change in competition
 - any change in location
 - any known external factors
- breaking the forecasted sales down into months, periods or weeks, taking into account:
 - seasons
 - promotional activity
 - any other relevant factors.

The risks and benefits to retail businesses of sales forecasting:

- risks:
 - unforeseeable events either increasing or decreasing actual sales
 - foreseeable events not being accurately translated into increases or decreases in sales
- benefits in terms of planning ahead for:
 - staffing levels
 - stock requirements
 - cash flow
 - customer demands
 - production and capacity
 - sales trends
 - return on investment
- contingencies to minimise risk:
 - buying on Sale or Return (SoR) or consignment
 - requesting suppliers put aside stock in case re-stocks are required
 - booking warehouse delivery slots in advance
 - continuously monitoring and adjusting sales forecasts based on actual achievement and any new intelligence received.

The effect of sales forecasting plans on businesses:

- how sales forecasting plans affect businesses meeting their targets in that they may require budgets to be amended
- actions that can be taken to enable targets to be achieved:
 - amending or redistributing budgets
 - implementing price markdowns or promotions
 - identifying competitive advantages
 - undertaking marketing/advertising/PR activities
 - purchasing stock
 - redistributing stock
 - amending staffing levels
 - opening or closing retail channels.

Sales forecasting techniques and methods:

- sales forecasting techniques:
 - macro forecasting – ie determining the existing market demand and considering what will happen to this in the future
 - micro forecasting – ie determining demand and future demand at product level
- sources of data used to forecast sales:

◦ past sales figures and trends	◦ trends
◦ market demand	◦ seasonal characteristics
◦ competitor intelligence	◦ other erratic events
◦ market share	◦ assessment of advertising/PR campaigns
◦ market research	
- methods of using data to forecast sales:
 - correlation analysis – ie using one set of data to forecast another set of correlated data
 - total market demand technique – ie multiplying number of buyers by expected number of purchases, and cost per buyer, to produce forecast figures
 - market build-up approach – ie using estimated sales figures for individual products or market segments to produce forecasts
 - time series projections – ie projecting past sales trends into future periods considering trend, cycle, seasonal and random factors.

Learning outcome 3: Understand how retailers handle problems that occur in stock management

How retailers handle problems that occur in stock management

How retailers ensure that supplier performance meets standards:

- monitoring supplier performance by using Key Performance Indicators (KPIs) to set targets for suppliers that will deliver strategic goals:
 - cost price limits
 - logistics
 - Critical Path dates
 - maximum number of customer returns
- taking action when suppliers fail to meet performance standards by:
 - requesting discounts
 - reducing order volumes
 - cancelling other orders
 - sourcing alternatives.

How retailers minimise the risk of loss of stock:

- risks:
 - security issues
 - wastage
- monitoring and assessing risk of loss of stock through:
 - regular and accurate stock auditing
 - assessment and testing of security measures
- methods used to minimise the risk of loss of stock:
 - tagging, alarm and surveillance systems
 - limiting customer and employee access to high value or high risk stock
 - minimising removal and wastage.

Factors affecting stock control systems used by retailers according to:

- product
 - functionality
 - perishability
 - level of regulation – eg childrenswear
- retail sub-sector
- business size
- seasonality.

Other factors affecting stock control systems used by retailers:

- product
- retail sub-sector
- business size
- seasonality.

How retailers deal with problems that affect stock control:

- problems:
 - errors
 - system failure
 - negative stock levels
 - shrinkage
 - overstocking
 - stock-outs
- solutions:
 - improving staff training
 - checks
 - ensuring back-up systems are in place
 - improving security.

Learners will be expected to discuss factors that affect stock control in sufficient depth that they can discuss them. This will involve using given information about factors, to consider their potential effects, and to identify their own views on the relationship between these factors and stock control.

Learners will need to know methods used by retailers to deal with factors that affect stock control in sufficient depth that they are able to select methods to use in given situations.

Learning outcome 4: Be able to manage stock in order to improve sales performance

Managing stock in order to improve sales performance

Techniques for analysing information relating to sales performance:

- using current and previous sales data
- judging relevance of different data to stock management
- analysing data sets to identify trends
- making projections based on market factors and sales data.

Techniques for allocating stock using ICT:

- accessing previous sales data, at branch, SKU and business level
- identifying factors which may influence demand
- viewing current stock levels
- considering subsequent orders
- checking capacity of shop floors, stock rooms and warehouse.

Techniques for assessing the risk of loss of stock:

- checking security procedures
- noting location of and access to stock on shop floor and in stock rooms
- checking perishability
- assessing factors that could lead to fluctuations in demand.

Techniques for resolving common stock management problems:

- identifying the nature and scale of the problem, and its potential consequences
- identifying and comparing possible solutions
- establishing how solutions could be put into practice
- selecting appropriate solutions
- checking potential effects on other factors
- selecting the most appropriate resolution.

Learning outcome 5: Be able to propose improvements to stock management systems

Proposing improvements to stock management systems

Techniques for assessing stock control systems:

- identifying benefits
- identifying drawbacks
- weighing up benefits and drawbacks
- identifying areas needing improvement.

Techniques for identifying improvements to stock control systems:

- assessing viability of potential improvements
- checking potential effects on other factors
- selecting the most appropriate improvement.

Techniques for justifying potential improvements to stock control systems:

- justify method using evidence
- demonstrate implementation.

Assessment

This unit is assessed through a centre set and marked assignment. Controlled assessments are subject to moderation by AQA-City & Guilds. Information on assessment and controls which apply to the qualification as a whole can be found on pages 153–160 of this specification.

The information in this section is specific to the assessment for this unit.

Task setting (limited control)

Sector-relevant purpose

The assignment set must have a sector-relevant purpose and context. This must be communicated to the learner through a clear introductory brief.

The assignment will give the learner the opportunity to demonstrate their ability to manage the allocation of stock in order to improve sales performance, and to propose improvements to management problems.

The teacher or a local employer should set a realistic brief and objective for learners to work from. The brief for the assessment must clearly specify the retailer for which the learner is managing the allocation of stock; the individual or individuals for whom the learner is carrying out this task; any specific details or requirements; challenges that the learners will need to overcome; and the expected outcome.

Tasks

Limited control in respect of task setting for this assessment means that it is the responsibility of the centre to devise a suitable assignment which covers the assessment criteria. Controlled assessments must aim to be holistic in nature and encourage learners to produce evidence to cover all the assessment criteria.

Two stock management problems must be introduced for the learner to handle: the learner should not be forewarned about these in the initial brief, as they will be assessed on their ability to respond.

Evidence

The table below indicates the evidence which should be produced for marking and moderation of tasks.

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Manage stock to improve sales performance	Spreadsheet or print out from stock management software showing allocation of stock	Hard copy or electronic	1a*, 2a, 2b, 3a*, 3b*, 4a, 4b, 4c and 4d
	Rationale for allocation of stock including: <ul style="list-style-type: none"> analysis of sales data assessment of risk of loss of stock 	Hard copy or electronic (maximum 3 sides of A4)	
	Proposal of solutions to two stock management problems	Hard copy or electronic (maximum 1 side of A4)	
Propose improvements to a stock management system	Proposal for improvements to a stock management system	Hard copy or electronic (maximum 3 sides of A4) or Hard copy or electronic witness testimony, or audio recording, of oral presentation to assessor (no longer than 10 minutes)	1a*, 1b, 3a*, 3b*, 5a, 5b and 5c

*Achievement of this assessment criterion may be evidenced through either or both tasks where referenced, as appropriate.

Task taking

This section gives specific information relating to the controls for task taking for this assessment in terms of time, resources, supervision and collaboration.

Time (limited control)

The assignment will take approximately 10 of the 60 guided learning hours available for this unit.

Resources (medium control)

Resource material for the assignment such as case studies, photographs or literature should be up to date and relevant to the sector area. Centres may find that this is best done by getting resources directly from employers, which will help to give the assignment a real work-related purpose.

The generation of evidence can take place in any suitable learning environment, but the assignment will need to be set in the context of a real retail outlet, 'mock shop' or other realistic environment.

If this assignment takes place in the context of a real retail business, learners may use stock management software. However, they are not required to know specific features of this software, and should be advised of the information they need to input.

Supervision (medium control)

Learners must be supervised when completing spreadsheets and printouts, when producing rationales for allocation of stock and when producing and presenting proposals for solutions and improvements.

Overarching guidance on controls relating to supervision may be found on page 157 of the specification.

Collaboration (limited control)

Although teamwork is not assessed in this unit, there is potential for learners to work collaboratively when completing this assignment. However, each learner must present all the required evidence, as learners will be assessed individually.

Weighting of learning outcomes

Learning outcomes	Marks	Weighting
1 Understand the role of merchandising and stock management in retail	15	16.7%
2 Know how sales forecasting plans are used in retail businesses	12	13.3%
3 Understand how retailers handle problems that occur in stock management	15	16.7%
4 Be able to manage stock in order to improve sales performance	30	33.3%
5 Be able to propose improvements to stock management systems	18	20.0%
Total	90	100%

Assessment grid

Task marking (medium control)

Please note that the descriptions in this marking grid relate to the top of each band. Further guidance on using marking grids is available in the assessment section of this specification on pages 153–160.

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 5 marks	6 to 10 marks	11 to 15 marks
1 Understand the role of merchandising and stock management in retail	<p>Analysed how the roles of personnel in the retail merchandising process interrelate, in minimal detail, relating roles with limited coherence.</p> <p>Explained how stock management contributes to meeting business objectives, covering only some aspects and with limited accuracy.</p>	<p>Analysed how the roles of relevant personnel in the retail merchandising process interrelate, in some detail, relating roles with some coherence.</p> <p>Offered a largely accurate explanation of how stock management contributes to meeting business objectives, covering a range of aspects.</p>	<p>Analysed how the roles of relevant personnel in the retail merchandising process interrelate, in depth and coherently relating roles.</p> <p>Explained how stock management contributes to meeting business objectives, covering a wide range of relevant aspects with a high level of accuracy.</p>
	0 to 4 marks	5 to 8 marks	9 to 12 marks
2 Know how sales forecasting plans are used in retail businesses	<p>Outlined sales forecasting methods and techniques in minimal detail, covering only some aspects.</p> <p>Described risks and benefits to retail businesses of using sales forecasting, in minimal detail and covering only some aspects.</p>	<p>Outlined sales forecasting methods and techniques, covering a range of aspects in some detail.</p> <p>Described relevant risks and benefits to retail businesses of using sales forecasting, covering a range of aspects in some detail.</p>	<p>Outlined sales forecasting methods and techniques, covering a wide range of aspects in detail.</p> <p>Described relevant risks and benefits to retail businesses of using sales forecasting, covering a wide range of aspects in detail.</p>
	0 to 5 marks	6 to 10 marks	11 to 15 marks
3 Understand how retailers handle the problems that occur in stock management	<p>Discussed factors that affect stock control, covering only some aspects and relating factors to stock control with limited coherence.</p> <p>Selected methods used by retailers to deal with factors that affect stock control, with limited appropriateness.</p>	<p>Discussed factors that affect stock control, covering a range of relevant aspects and relating factors to stock control with some coherence.</p> <p>Selected appropriate methods used by retailers to deal with factors that affect stock control.</p>	<p>Discussed relevant factors that affect stock control, covering a wide range of relevant aspects and coherently relating factors to stock control.</p> <p>Selected the most appropriate methods used by retailers to deal with factors that affect stock control.</p>

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 10 marks	11 to 20 marks	21 to 30 marks
4 Be able to manage stock in order to improve sales performance	<p>Analysed information relating to sales performance in minimal detail with limited coherence.</p> <p>Used ICT to allocate stock with limited effectiveness, taking into account only some factors involved.</p> <p>Assessed the risk of loss of stock, covering only some aspects and making judgements which show limited reasoning.</p> <p>Resolved common stock management problems with limited effectiveness.</p>	<p>Analysed relevant information relating to sales performance in some detail with some coherence.</p> <p>Used ICT to allocate stock with some effectiveness, taking into account a range of factors involved.</p> <p>Assessed the risk of loss of stock, covering a range of aspects and making judgements which show some sound reasoning.</p> <p>Resolved common stock management problems with some effectiveness.</p>	<p>Analysed relevant information relating to sales performance in depth and with consistent coherence.</p> <p>Used ICT to allocate stock in a highly effective manner, taking into account most or all factors involved.</p> <p>Assessed the risk of loss of stock, covering most or all relevant aspects and making judgements which show a consistently high level of reasoning.</p> <p>Resolved common stock management problems in a highly effective manner.</p>
	0 to 6 marks	7 to 12 marks	13 to 18 marks
5 Be able to propose improvements to stock management systems	<p>Assessed stock control systems, covering only some aspects and making judgements which show limited reasoning.</p> <p>Identified improvements to stock control systems that are of limited viability and appropriateness.</p> <p>Justified suggested improvements to stock control systems, with minimal reasoning.</p>	<p>Assessed stock control systems, covering a range of aspects and making judgements which show some sound reasoning.</p> <p>Identified improvements to stock control systems that are viable and appropriate in some respects.</p> <p>Justified suggested improvements to stock control systems, with some sound reasoning.</p>	<p>Assessed stock control systems, covering a wide range of aspects and making judgements which show a consistently high level of reasoning.</p> <p>Identified improvements to stock control systems that are viable and appropriate in most or all respects.</p> <p>Justified suggested improvements to stock control systems, with consistently sound reasoning.</p>

Guidance for delivery

As a group, learners could list ways that retailers monitor and control stock securely. Learners could also discuss how retailers manage stock wastage through the store via reductions in price. Learners should cover a range of sub-sectors during this discussion as this is a topic that varies sector by sector (ie the longevity of products such as DIY compared to food and drink and the fashion seasons that dictate the life cycle of clothing and shoes).

Learners could work in groups to investigate the role of the merchandiser in retail. Learners should be encouraged to explore the importance of an effective merchandiser and how their role is pivotal in a retail enterprise. Research can be carried out via the internet or library, and the groups should present their findings back to the group at large.

When learning about sales forecasting, learners should have the opportunity to use a spreadsheet package to produce a forecast. The teacher could prepare one example for learners to work through together, and a second that can be completed in smaller groups. The teacher should ensure that learners are aware of the considerations that retailers must take into account when preparing their forecast (for example, price increases, new product ranges, discontinued lines, competitor information, changes to locations and macro factors).

As a homework activity, learners might be given information to enable them to produce a sales forecast. The forecast should demonstrate that learners have understood seasonal trends, and the need to plan for staffing and stock levels. The forecast could be submitted to the teacher via email or as a printed document, and individual feedback could be provided. Using a spreadsheet package, learners could then analyse pre-prepared data and, from this, produce a sales performance report which includes the allocation of stock.

There is the possibility for the delivery of elements of this unit to be combined with elements of other Level 3 Principal Learning units, in the context of setting up and operating a small retail enterprise as a group.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping examples used in the taught content up to date.

To reinforce the work carried out by learners into merchandising, a merchandiser could be invited in to talk to learners about their role. This would also link to the topics of forecasting and stock management. The teacher should contact larger stores to arrange this, as smaller independent stores are less likely to employ a specific merchandiser, and the duties may fall within the remit of another role. A range of employers could also be contacted to provide information for case studies on stock management.

Ideally, the topic of sales performance data should be delivered as practically as possible with learners able to view live and current data. Employers may be willing to share this information, but, if not, teachers will need to create some data for discussion. An employer is likely to be happy to participate in the interpretation of created data, even if they are not willing to share their own.

Teachers could liaise with the employer representatives in the consortia to provide case studies produced around analysing sales performance sales forecasting and planning and allocating merchandise. Learners could also operate a mock shop to ensure appropriate stock levels.

Teachers should liaise with employer partners to give learners the opportunity to analyse and evaluate actual sales performance data.

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- planning and carrying out research into the role of merchandising and stock management in retail (IE2)

Creative thinkers

- generating ideas and exploring possibilities to resolve common stock management problems in retail (CT1)
- asking questions to extend their thinking about the risks and benefits to retail businesses of using sales forecasting (CT2)
- trying out alternatives or new solutions and following ideas through to resolve common stock management problems (CT5)

Reflective learners

- assessing their own and others' use of ICT in stock control, identifying opportunities and achievements (RL1)
- inviting feedback on proposed solutions to stock management problems, and dealing positively with praise, setbacks and criticism (RL4)
- assessing existing stock control systems to inform future progress (RL5)

Team workers

- collaborating with others to assess stock control systems (TW1)
- taking responsibility for resolving stock management problems, showing confidence in themselves and their contribution (TW5)

Self-managers

- working towards goals, showing initiative, commitment and perseverance when managing stock in order to improve sales (SM2)
- organising time and resources when allocating stock, prioritising actions (SM3)
- anticipating and managing risks relating to loss of stock (SM4)

Effective participators

- discussing issues of concern when exploring factors that affect stock control, seeking resolution where needed (EP1)
- proposing practical ways forward to improve stock control systems, breaking these down into manageable steps (EP3).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit: for example, when obtaining information from case studies, the learner may read and summarise information, detect point of view and actively respond to different texts. The learner will need to have an understanding of most of the key terms in this unit and these could be displayed on a flip chart or a handout for the learner to gather information.

The learner may develop writing skills while using a range of different styles and formats for different purposes: for example, when planning, drafting and producing a final copy of their report for the task and writing notes on Post-Its, they may use a range of different styles of writing and sentence structures for their report and their grammar should be accurate and their work proofread for accuracy and clear meaning. The writing on their Post-Its should communicate information that is clear and concise.

Opportunities exist to develop speaking and listening skills in whole group situations when learners are given a set topic which is teacher lead. Learners may have the opportunity to listen to complex information and to respond by making significant and appropriate contributions to the discussion. The whole group may be sub-divided, with opportunities for smaller groups to visit a store and to engage in discussion that involves others who are unfamiliar.

The learner may make use of ICT skills to meet a variety of complex needs: for example, as a homework activity, information may be given to produce a sales forecast. The learner may select the appropriate software application, enter, develop and organise the information and present the information in a suitable format. They may use email to communicate the information to the teacher. Observing safe working practices and storing information will be implicit throughout.

There are also opportunities to develop a range of mathematical skills: for example, when dealing with sales forecast plans, they may analyse and evaluate actual sales performance data. They may collect, represent and interpret discrete and continuous data, they may calculate using percentages and carry out calculations with numbers of any size, including decimals. They may use ratio and proportion when looking at increasing warehouse space and statistical methods to investigate over-spending on stock.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a ‘Diploma Shop’ – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters. The relevant sections for the purposes of this unit are:

- Ethics and environment
- Supply chain management
- Logistics
- Warehousing and distribution
- Sourcing, buying and merchandising
- People and the retail environment
- Stock control
- Visual merchandising.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

**[www.diplomainretailbusiness.com/pdfs/
the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)**

Level 3 Unit 7: Management of sales in retail

What is this unit about?

The purpose of this unit is for learners to be able to use skills in selling complex products to customers with diverse needs, in order that they can propose solutions to enhance customer experience and maximise sales.

Sales performance is a combination of sales skills, people skills, product knowledge and knowledge of the store environment. This includes knowing the inventory and being able to process customer inquiries and questions with speed and efficiency. The market and customers are constantly changing. What made a business successful last year, may not work this year and so businesses must always re-evaluate their effectiveness. This means staying ahead of the competition.

Retail businesses need to manage sales, from suppliers through to post-sale service with the customer. Many now have mission statements that include customer service targets and are available for all to see. These statements are often intended to increase customer base and diversity, and improve customer experience and value for money, thereby increasing sales over time.

This unit will allow learners to gain practical experience of personal selling and to look at ways of maximising sales in a retail business. Learners will need to adapt their behaviour to different situations and be able to communicate well on a personal level, including negotiation.

The following Personal, Learning and Thinking Skills (PLTS) will support learners' achievement in this unit and are embedded in the content:

- independent enquirers
- reflective learners
- effective participators.

Guided learning hours

This unit has 60 GLH assigned to it, of which approximately 15 hours will be needed for the assessment. Details of controls needed in relation to the controlled assessment are on pages 153–160 of this specification.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:	PLTS
1 Understand the relationship between customer service and sales in retail businesses	a analyse the relationship between customer experience and sales in retail businesses	
	b explain the role of customer service propositions in retail businesses	
	c analyse how salespeople and customers relate with each other in the selling process	IE3
2 Know how retailers maximise profitability	a describe the effect of sales targets on profitability	
	b describe how retailers maximise sales opportunities	
	c outline methods used by retailers to monitor and improve customer service	
	d identify methods of setting and managing budgets	
3 Know how to sell products to customers	a describe the stages of the selling process	
	b outline techniques used in the selling process	
4 Be able to sell products to diverse customers in retail environments	a adapt behaviour to meet the needs of a diverse range of customers	
	b negotiate with customers in order to influence their buying decisions	EP5
	c demonstrate features and benefits of products to diverse customers	RL6
	d evaluate customer service delivery, identifying opportunities and achievements	RL1
5 Be able to propose solutions to maximise sales through improving customer experience	a propose solutions to maximise sales in retail businesses through improved customer experience	EP3
	b allocate resources according to budget	

Where the assessment criteria show a direct link to an area of the PLTS framework, it is referenced here. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. Differences between retail businesses should be learnt in the contexts in which they are greatest and/or most obvious. Variations in customer service delivery and maximising sales will be mainly based on retail channels; therefore, the focus for coverage of different businesses in this unit is **retail channels**. At least three different retail channels must be covered in the teaching of this unit, and teaching should encompass businesses of different sizes. Details of these may be found on page 15 of the specification.

An understanding of the concept of customer service should form a foundation for the learning in this unit. Learners will need to be aware that the customer and their expectations are at the heart of everything businesses do, and of the need to strive for excellence in customer service provision.

Learners will need to be familiar with the concepts of internal and external customers. However, for the purposes of this unit, the focus is external customers.

3

Learning outcome 1: Understand the relationship between customer service and sales in retail businesses

The relationship between customer service and sales in retail businesses

The relationship between sales, customer service, the retailer's environment and the customer experience in retail:

- dependency on good communication between the customer service team and the sales team
- importance of an attractive and suitable environment to sell
- importance of an attractive and suitable environment to buy.

Learners will need to be able to analyse the relationship between sales, customer service, the retailer's environment and the customer experience. They will need to be able to determine the effects of one upon another.

The consumer buying decision process:

- problem recognition
- information search
- evaluation of alternatives
- decision to purchase
- after-purchase evaluation.

The psychology of the customer and how this affects their retail experience:

- feelings and behaviours of customers:
 - confusion
 - anger
 - aggression
 - diffidence
 - haste
 - browsing
 - ethical concern
- the possible effects on customers' feelings and behaviours of:
 - age
 - ethnicity
 - customs
 - prior experience of the outlet
 - disposable income
 - time available.

Learners will need to be made aware that customer psychology is complex, and that customer behaviour may be affected by any number of factors, not always related to the retail experience. They will also need to know that retailers can influence buying patterns: for example, placing confectionery near the payment point in a supermarket, newsagent or gift shop can encourage impulse purchases.

Learners will need to know what customer service propositions are.

Customer service propositions:

- how customer service propositions set standards for customer service and the customer service experience:
 - by making the customer the focus of its core values
 - by making the standards and values public
- how customer service propositions reflect the needs of a diverse range of customers, in terms of:
 - pricing
 - branding
 - how goods are promoted and how their promotion may need to be adapted according to the needs of the customers
 - taking into account ethical and cultural perspectives
- how customer service propositions affect competitiveness and profitability.

How salespeople and customers relate with each other in the selling process, in terms of:

- emotional intelligence demonstrated by the salesperson through monitoring and responding to the customer's behaviour
- assumptions or pre-conceived ideas that may affect the behaviour of salespeople or customers
- body language
- deciding the depth of information to go into.

Learners will need to be able to analyse how salespeople and customers relate with each other in the selling process, considering the process from each of their perspectives.

Learning outcome 2: Know how retailers maximise profitability

How retailers maximise profitability

Sales targets:

- the role of sales targets:
 - help in measuring the performance of sales personnel
 - providing incentives to improve
- how sales targets are calculated:
 - previous period plus a percentage
 - individual targets based on previous experience
 - individual or departmental contribution to overall target
- the effect of sales targets on profitability in terms of:
 - fixed costs
 - variable costs
 - break-even points.

How retailers and sales managers maximise sales opportunities:

- cost advantage – offering the product at a lower cost
- differentiating advantage – offering better products
- promotional offers – buying in bulk to offer ‘buy one get one free’ promotions, etc
- climate and environmental factors – offering seasonal or different cultural products
- business plan and/or projections.

Methods used to set and manage budgets:

- gathering information about overhead spend for previous quarter/half year/full year
- deciding on a percentage increase or decrease dependent on:
 - profit made in same timeframes
 - funds available
 - current and future trends.

Methods used to monitor, evaluate and improve the customer experience:

- monitoring methods:
 - questionnaires
 - collecting feedback and suggestions from customers and staff
 - customer records/data
 - mystery shoppers
 - market research
 - observations/staff appraisals
 - KPI monitoring and implementation
- improvement methods:
 - staff re-training of customer service procedures
 - reallocation of staff rotas
 - increase in volume of products or services.

Learners will need to be made aware that retailers need to comply with certain legislation and regulations relating to sales – eg Sale of Goods Act and Trade Descriptions Act. In-depth knowledge of legislation is not required, but learners’ attention should be drawn to the impact of any legislation that would apply to them when selling products to customers.

Learning outcome 3: Know how to sell products to customers

How to sell products to customers

Stages of the sales process:

- approaching the customer
- identifying the customer's needs using questioning techniques
- demonstrating features and benefits
- overcoming objections
- closing the sale
- related or additional selling
- after sales
- follow-up sales call, where relevant.

Learners must be taught how the sales process differs across retail channels and according to different types of sales situation. Sales situations include face-to-face selling, one-to-one remote selling (eg telesales) and one-to-many remote selling (eg TV sales channels).

Questioning techniques used by sales staff to determine customer needs:

- identifying suitable questions to ask, and questioning techniques to use
- asking relevant open and/or closed questions to identify what the customer needs.

Demonstrating features and benefits of products:

- finding product information:
 - primary research
 - secondary research
 - finding out about associated products and services
- how to demonstrate features and benefits:
 - identifying features which distinguish a product from other similar products
 - identifying the advantage of this feature
 - identifying the benefit to the customer
 - where appropriate, allowing customers to try products out/on or offering demonstrations
- how product knowledge affects sales:
 - giving the salesperson confidence
 - overcoming objections
 - allowing the salesperson to identify suitable alternative products
 - upselling
 - reflecting well upon the salesperson, the retailer and the products.

Negotiating price:

- the policies adopted by retailers related to negotiating price:
 - procedures on discounts
 - additional related products being cheaper
 - free add-on items
 - timescales on special offers
 - offering cheaper prices for cash payment.
- how to negotiate with a customer on price:
 - confirming maximum price range with customer
 - verbally re-affirming the customer's ability to purchase throughout a sale
 - confirming and offering credit or hire purchase arrangements.

Learners' knowledge of how to demonstrate features and benefits of products will need to cover how this is done for complex products, in order that they can demonstrate features and benefits of complex products themselves.

Learning outcome 4: Be able to sell products to diverse customers in retail environments

Selling products to diverse customers in retail environments

Techniques for adapting behaviour to meet the needs of a diverse range of customers:

- observing customers' body language
- asking relevant questions to establish customers' needs
- demonstrating active listening
- avoiding making judgements about customers
- responding to customers' behaviour
- awareness of stress signals
- selling ethically with regard to customers' needs.

Techniques for negotiating with customers in order to influence their buying decisions:

- reading buying signals to know when a customer is making their decision to buy
- overcoming objections by understanding them and offering alternative solutions if necessary
- using questions that imply that a customer is going to make a purchase
- using positive affirmations to confirm that the customer is making the right choice
- being aware of the restrictions on negotiating sales that apply to the individual retail business
- balancing different views in order to satisfy the customer whilst closing a sale.

Techniques for demonstrating features and benefits of complex products to diverse customers:

- finding product information to develop product knowledge
- establishing customer needs in order to determine relevant features and benefits
- identifying features which distinguish a product from other similar products, and their advantages
- pointing out the benefits of these features to the individual customer
- where appropriate, allowing customers to try products out/on or offering demonstrations
- communicating features and benefits in a relevant way for the particular customer.

Techniques for evaluating own customer service delivery:

- inviting feedback and making positive use of any comments
- identifying:
 - achievements
 - areas to be worked on and opportunities for improvements
 - what was learnt
- reviewing the experience
- being honest.

Learning outcome 5: Be able to propose solutions to maximise sales through improving customer experience

Proposing solutions to maximise sales through improving customer experience

Techniques for proposing solutions to maximise sales in retail businesses through improved customer experience:

- drawing upon own experience of customer service delivery
- identifying the area to be improved upon, using the assessment of customer service provision
- explaining proposed solutions and how these can be implemented
- showing how proposed solutions will contribute to improving customer experience and maximising sales
- supporting the proposal with relevant quantitative and qualitative data.

Techniques for allocating resources according to budget:

- identifying resources needed
- establishing costs:
 - human resource costs
 - floor space
 - training and development
 - the cost of any additional services
- setting priorities
- deciding upon allocation.

Assessment

This unit is assessed through a centre set and marked assignment. Controlled assessments are subject to moderation by AQA-City & Guilds. Information on assessment and controls which apply to the qualification as a whole can be found on pages 153–160 of this specification.

The information in this section is specific to the assessment for this unit.

Task setting (limited control)

Sector-relevant purpose

The assignment set must have a sector-relevant purpose and context. This must be communicated to the learner through a clear introductory brief.

This assignment will give learners the opportunity to demonstrate their ability to deliver customer service to diverse customers and to propose solutions to maximise sales in retail businesses through improving customer experience.

The teacher or a local employer should set a realistic brief and objective for learners to work from. The brief for the assessment must clearly specify the context within which the learner is providing customer service, the products for which learners are demonstrating features and benefits (if specified), challenges that learners will need to overcome, the expected outcome, and the target audience for the proposal.

Tasks

Limited control in respect of task setting for this assessment means that it is the responsibility of the centre to devise a suitable assignment which covers the assessment criteria. Controlled assessments must aim to be holistic in nature and encourage learners to produce evidence to cover all the assessment criteria.

Tasks set must require learners to serve a diverse range of customers, but also to sell a specific product to at least one customer.

Evidence

The table below indicates the evidence which should be produced for marking and moderation of tasks.

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Sell products and deliver customer service to a diverse range of customers in a retail environment	Witness testimony covering: <ul style="list-style-type: none">customer service delivered to at least five customersselling of a specific product to at least one customer	Hard copy or electronic	4a, 4b, and 4c
Evaluate selling and customer service delivery	Evaluation	Hard copy or electronic (maximum 2 sides of A4) or Hard copy or electronic witness testimony, or audio recording, of oral presentation to assessor (no longer than 5 minutes)	1b*, 1c, 2c*, 3a, 3b and 4d

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Propose solutions to maximise sales through improving customer experience	Proposal of a minimum of two solutions, including the allocation of resources according to budget	Hard copy or electronic (maximum 4 sides of A4)	1a, 1b*, 2a, 2b, 2c*, 2d, 5a and 5b

*Achievement of this assessment criterion may be evidenced through either or both tasks where referenced, as appropriate.

Task taking

This section gives specific information relating to the controls for task taking for this assessment in terms of time, resources, supervision and collaboration.

Time (limited control)

The assignment will take approximately 15 of the 60 guided learning hours available for this unit.

Resources (medium control)

Resource material for the assignment such as case studies, photographs or literature should be up to date and relevant to the sector area. Centres may find that this is best done by getting resources directly from employers, which will help to give the assignment a real work-related purpose.

The generation of evidence can take place in any suitable learning environment, but the assignment will need to be set in the context of a real retail outlet, 'mock shop' or other realistic environment.

Learners will need access to real customers, and one product to sell through demonstrating its features and benefits. This may be chosen by the learner or provided by the teacher, although teachers must ensure that products used are sufficiently complex as to allow learners to demonstrate features and benefits.

Supervision (medium control)

Learners must be supervised when delivering customer service and selling products.

Overarching guidance on controls relating to supervision may be found on page 157 of the specification.

Collaboration (limited control)

Teamwork is not applicable for the assessment of this unit. Learners must complete all tasks and produce all evidence individually.

Roles

If learners' interactions with real customers do not provide them with the opportunity to meet all relevant assessment criteria, the teacher or employer will need to act in the role of customer to enable learners to meet any unmet criteria.

Weighting of learning outcomes

Learning outcomes	Marks	Weighting
1 Understand the relationship between customer service and sales in retail businesses	18	20.0%
2 Know how retailers maximise profitability	18	20.0%
3 Know how to sell products to customers	9	10.0%
4 Be able to sell products to diverse customers in retail environments	30	33.3%
5 Be able to propose solutions to maximise sales through improving customer experience	15	16.7%
Total	90	100%

Assessment grid

Task marking (medium control)

Please note that the descriptions in this marking grid relate to the top of each band. Further guidance on using marking grids is available in the assessment section of this specification on pages 153–160.

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 6 marks	7 to 12 marks	13 to 18 marks
1 Understand the relationship between customer service and sales in retail businesses	<p>Analysed the relationship between customer experience and sales in retail businesses in minimal detail, relating customer experience to sales with limited coherence.</p> <p>Explained the role of customer service propositions in retail businesses, in basic terms and with limited accuracy.</p> <p>Analysed how salespeople and customers relate with each other in the selling process in minimal detail, relating salespeople to customers with limited coherence.</p>	<p>Analysed relevant relationships between customer experience and sales in retail businesses in some detail, relating customer experience to sales with some coherence.</p> <p>Offered a largely accurate explanation of the role of customer service propositions in retail businesses, covering a range of aspects.</p> <p>Analysed how salespeople and customers relate with each other in the selling process in some detail, relating salespeople to customers with some coherence.</p>	<p>Analysed relevant relationships between customer experience and sales in retail businesses in depth, coherently relating customer experience to sales.</p> <p>Explained the role of customer service propositions in retail businesses, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Analysed how salespeople and customers relate with each other in the selling process in depth, coherently relating salespeople to customers.</p>
	0 to 6 marks	6 to 12 marks	13 to 18 marks
2 Know how retailers maximise profits	<p>Described the effect of sales targets on profitability in basic terms and with limited accuracy.</p> <p>Described how retailers maximise sales opportunities in minimal detail, covering only some aspects.</p> <p>Outlined methods used by retailers to monitor and improve customer service, covering only some aspects and in minimal detail.</p> <p>Identified methods of setting and managing budgets with limited accuracy.</p>	<p>Offered a largely accurate description of the effect of sales targets on profitability, with some detail.</p> <p>Described how retailers maximise sales opportunities, covering a range of aspects in some detail.</p> <p>Outlined methods used by retailers to monitor and improve customer service, covering a range of aspects in some detail.</p> <p>Identified methods of setting and managing budgets, some of which are accurate.</p>	<p>Described the effect of sales targets on profitability, in detail and with a high level of accuracy.</p> <p>Described how retailers maximise sales opportunities, covering most or all relevant aspects in detail.</p> <p>Outlined methods used by retailers to monitor and improve customer service, covering most or all relevant aspects in detail.</p> <p>Identified methods of setting and managing budgets with a high level of accuracy.</p>

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 3 marks	4 to 6 marks	7 to 9 marks
3 Know how to sell products to customers	<p>Described the stages of the selling process in minimal detail, covering only some aspects.</p> <p>Outlined techniques used in the selling process in minimal detail, covering only some aspects.</p>	<p>Described the stages of the selling process, covering a range of aspects in some detail.</p> <p>Outlined techniques used in the selling process, covering a range of aspects in some detail.</p>	<p>Described the stages of the selling process, covering most or all relevant aspects in detail.</p> <p>Outlined techniques used in the selling process, covering most or all relevant aspects in detail.</p>
	0 to 10 marks	11 to 20 marks	21 to 30 marks
4 Be able to sell products to diverse customers in retail environments	<p>Adapted behaviour to meet the needs of a diverse range of customers with limited appropriateness.</p> <p>Used negotiation techniques, with limited appropriateness, to balance diverse views in order to influence customers' buying decisions.</p> <p>Demonstrated features and benefits of products, showing basic product knowledge.</p> <p>Evaluated customer service delivery in basic terms, covering only some aspects and with limited self-awareness; identified the most obvious opportunities and achievements.</p>	<p>Adapted behaviour appropriately in some contexts to meet the needs of a diverse range of customers.</p> <p>Used some appropriate negotiation techniques to balance diverse views in order to influence customers' buying decisions.</p> <p>Demonstrated features and benefits of products, showing reasonable product knowledge.</p> <p>Evaluated customer service delivery in some detail, covering a range of aspects and identifying opportunities and achievements with some self-awareness.</p>	<p>Adapted behaviour in an appropriate manner in the majority of contexts to meet the needs of a diverse range of customers.</p> <p>Made effective use of appropriate techniques to negotiate with customers, balancing diverse views in order to influence their buying decisions.</p> <p>Demonstrated features and benefits of products, showing a high level of product knowledge.</p> <p>Evaluated customer service delivery in detail, covering a wide range of relevant aspects and identifying opportunities and achievements with a high level of self-awareness.</p>
	0 to 5 marks	6 to 10 marks	11 to 15 marks
5 Be able to propose solutions to maximise sales through improving customer experience	<p>Proposed solutions to maximise sales in retail businesses through improved customer experience that are of limited appropriateness, demonstrating basic reasoning.</p> <p>Allocated resources with limited consideration of budget.</p>	<p>Proposed solutions to maximise sales in retail businesses through improved customer experience, some of which are appropriate and demonstrate sound reasoning.</p> <p>Allocated resources with some appropriateness, showing consideration of budget.</p>	<p>Proposed appropriate solutions to maximise sales in retail businesses through improved customer experience, demonstrating consistently sound reasoning.</p> <p>Allocated resources appropriately according to budget.</p>

Guidance for delivery

Learners will have experienced both good and bad customer service, but may not have made a sale with the pressure of targets and restrictions of budgets. Learners may not have had to conduct evaluation of service nor had to make recommendations for strategic improvements or policy changes. Exposure to the 'sales process' in a range of retail outlets is essential. This can be done by visiting various outlets to observe or experience it first hand. This can be supplemented by the use of visual aids or training videos.

Teachers should aim to cover a range of retail and supply chain custom, including internal and external, defining the role of 'paying' and 'non-paying' customers. Learners should be made aware of the concept of internal customers and how maintaining positive relationships with internal customers impacts on service delivery. Teaching should include how suppliers sell to retailers and how the process of promoting 'brand' and 'additional' sales is similar.

The role of the sales manager in a range of retail and sub-sectors could be researched through essential reading material to give learners knowledge of the role and how sales can be maximised whilst managing budgets.

Learners at this level should be encouraged to explore and reflect on their beliefs, behaviours, possible prejudices and pre-conceived ideas. This may assist them in adapting their communication skills. Small groups of learners could be given a range of sales situations and a range of customers in a case study or role-play to sell products and additional services. They could use this to practise questioning techniques. They would need to show how they gather product information and who they would refer to for company guidelines on additional services for negotiating a sale. The case study could allow the learners to comment on a list of behaviours that sales personnel display and how this affects the sale and profits.

Once learners have researched how organisations gather feedback from customers (internal or external), a work-based assignment could enable learners to gather feedback based on SWOT analysis and data gathered by questionnaires, phone calls or interviews. Learners should be encouraged to select relevant questions to ensure that feedback is generated.

Learners should be given the opportunity to cost out any proposals they may have to increase sales or to improve a service: eg how much profit would be made if sales staff sell more of a product in a week/month/year, or how much would it cost to train additional staff in product knowledge and selling techniques?

The assignment needs to encourage research on a range of overhead costs, such as wages, product costing, building rents and rates and retail fixtures and fittings.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping examples used in the taught content up to date. Case studies and sales data provided, or activities set, by employers would give learning a real sector-relevant context and purpose. Learners would benefit particularly from employers being involved in setting the brief for the assessment of this unit.

Employers can play a valuable role in providing a practical and realistic context for learners. Employers could allow access to learners to the 'selling' part of the business, either in front line retailing or in the supply chain sub-sectors. Employers' staff could train learners how to make a sale and how to negotiate within company guidelines. Employers could send representatives from sales departments to give talks to learners about the duties and qualities needed in the selling arena, and how profit targets and budgets are set and monitored.

Employers could supply learners with their 'mission statements' and policies and procedures regarding customer service. Employers could share equality and diversity data with regard to customer demographics. They could also supply training videos on selling and customer service. Visual aids or retail sales staff could demonstrate the stages of the sale and how to negotiate. This could be a practical observation of a real or simulated sale or by learners observing training videos. Learners could be given the chance to comment on the stages of the process and have a go at 'what happens next'.

Downloading mission statements from various retailers and sub-sector organisations allows learners to compare them, comment on them, and define the most customer-focused statements. Alternatively, Key Performance Indicators and relevant policies and procedures could be shared with learners by various retail employers or supply chain organisations. They could be judged by learners for their inclusiveness to customer diversity and range.

Learners will benefit from understanding how retailers and supply chain organisations gather feedback from their customers. Visits to organisations or requesting information will give learners knowledge of systems and technology used to evaluate customer service experience.

Ideally, learners will need work experience in retail sales environments to gather relevant skills for selling and be able to make additional sales of products and services. This could be done in real work or simulated environments such as a mock shop or collaborative work experience hosts. Learners would benefit from being given feedback by employers on their selling techniques or their suggestions to maximise profits.

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- planning and carrying out research into the relationship between customer service and sales (IE2)
- analysing and evaluating sales information, judging its relevance and value for maximising sales (IE4)
- considering the influence of circumstances, beliefs and feelings in customers' buying decisions (IE5)
- supporting conclusions when allocating resources according to budget, using reasoned arguments and evidence (IE6)

Creative thinkers

- generating ideas and exploring possibilities when proposing solutions to maximise sales (CT1)
- asking questions of employers to extend their thinking on management of sales in retail (CT2)
- trying out alternatives or new solutions and following ideas through in order to influence customers to buy products (CT5)

Reflective learners

- setting goals with success criteria for their customer service and selling (RL2)
- inviting feedback on their customer service and dealing positively with praise, setbacks and criticism (RL4)

Team workers

- adapting behaviour to suit different roles and situations in role plays, including different types of customer and salesperson behaviour (TW3)
- taking responsibility for selling products, showing confidence in themselves and their contribution (TW5)
- providing constructive support and feedback to others on their customer service and selling skills (TW6)

Self-managers

- working towards sales targets, showing initiative, commitment and perseverance (SM2)
- organising time and resources when proposing solutions to maximise sales, prioritising actions (SM3)
- managing their emotions, and building and maintaining relationships with customers when delivering customer service (SM7)

Effective participators

- discussing issues of concern, seeking resolution where needed when allocating resources (EP1)
- presenting a persuasive case for action when proposing solutions to maximise sales (EP2).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit. Learners should be familiar with policy relating to negotiating price and sales related legislation. They may use different texts to obtain relevant information. Learners need to understand why retailers have mission statements and they may be given a number of different statements to compare, read, understand and respond to.

The learner may develop writing skills while using a range of different styles and formats for different purposes: for example, as part of the evaluation process, learners are encouraged to use written questioning. Opportunities exist to use a range of sentence structures, including complex sentences. The written work should have accurate grammar, punctuation and spelling so that the meaning is clear and this may be checked using ICT.

Opportunities exist to develop speaking and listening skills in one-to-one situations that involve others who are unfamiliar: for example, when using different methods to improve the customer service experience, they may present information and ideas clearly and persuasively to others while questioning the customer and listening to feedback.

The learner may make use of ICT skills to meet a variety of complex needs, for example, accessing and navigating the internet and using appropriate search techniques to locate and select relevant information when researching information about the role of the sales manager. For the written report for their task, they may select and use software applications, enter and format text and use the spell check to proofread. Observing safe working practices and storing information will be implicit throughout. They may use email or web-based methods to communicate and exchange information.

There are also opportunities to develop a range of mathematical skills: for example, the role of sales targets, how they are calculated and their effect on profitability. They may carry out calculations to do with percentages, numbers of any size, including decimals, ratio and proportion. They may collect data gathered by questionnaires, phone calls and interviews, and use statistical methods to cost out proposals they may have to increase sales or to improve a service.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a 'Diploma Shop' – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters.

The relevant sections for the purposes of this unit are:

- Retail channels
- Finance
- Customer service
- Selling.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

**[www.diplomainretailbusiness.com/pdfs/
the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)**

The following resources may also be helpful for the learning in this unit:

- British Retail Consortium **www.brc.org.uk/**
- Retail Week **www.retail-week.com/**

Level 3 Unit 8: Visual merchandising for retail

What is this unit about?

The purpose of this unit is for learners to use their creativity and flexibility as well as teamwork and evaluative skills in order to develop visual merchandising installations to meet design briefs.

Shopping in the modern world often involves more than walking into the chosen shop and making a beeline for the necessary product. Competition in retail is fierce, and a great deal of thought and money goes into designing product displays in order to entice customers and to encourage upgrades and impulsive purchases. An appreciation of how visual merchandising fits into retail business is important for a wide range of roles within the retail sector. It shows a general awareness of customer psychology, which is essential for progression within this and other sectors.

This unit will provide learners with an insight into the principles and processes involved in visual merchandising, and how these are applied by retailers. Learners will design and develop their own visual merchandising installations. Working to design briefs, considering the impact of their decisions and adapting to changing circumstances and demands will require learners to apply creative thinking within specified parameters: a skill which they can take forward to further study or employment in many fields.

In exploring this topic, learners will discover that visual merchandisers must work alongside colleagues from different functions as well as external agents. This unit will extend learners' understanding of team dynamics and the factors that affect team performance. Learners will practise collaborating to achieve agreed goals during visual merchandising activities, and will learn how to evaluate performance, which will provide them with essential skills for the world of work.

The following Personal, Learning and Thinking Skills (PLTS) will support learners' achievement in this unit and are embedded in the content:

- creative thinkers
- reflective learners
- team workers
- self-managers.

Guided learning hours

This unit has 60 GLH assigned to it, of which approximately 15 hours will be needed for the assessment. Details of controls needed in relation to the controlled assessment are on pages 153–160 of this specification.

Content details

Learning outcomes The learner will:	Assessment criteria The learner can:	PLTS
1 Know the contribution made by visual merchandisers to retail businesses	a describe the purpose of visual merchandising in retail businesses b outline activities of visual merchandisers in retail businesses	
2 Understand the principles and processes of visual merchandising	a analyse the use of principles of visual merchandising b explain the visual merchandising design process c select methods of monitoring the impact of visual merchandising activities	
3 Know how individuals work effectively in teams	a outline current theories and models of team dynamics as they apply to teams b describe how leadership styles affect team performance	
4 Be able to work with others to develop visual merchandise installations to meet design briefs	a agree goals with success criteria to meet design briefs within available time and resources b generate ideas for visual merchandise installations to meet design briefs c collaborate with others to develop visual merchandising designs through to installation d adapt designs to meet changing requirements e evaluate performance, identifying opportunities and achievements	RL2 SM3 CT1 TW1 CT6 RL1

Where the assessment criteria show a direct link to an area of the PLTS framework, it is referenced here. Further information on PLTS is available on pages 10–12 of the specification and also within this unit in the section on Personal, Learning and Thinking Skills.

Scope of content

This section gives details of the scope of content to be covered in the teaching of the unit to ensure that all the learning outcomes can be achieved.

It is important that, through the Level 3 Principal Learning in Retail Business, learners receive as broad an experience of the whole sector as possible. Differences between retail businesses should be learnt in the contexts in which they are greatest and/or most obvious. Variations in visual merchandising processes will vary most according to products; therefore, the focus for coverage of different businesses in this unit is **sub-sectors**. At least three different sub-sectors must be covered in the teaching of this unit. Details of these may be found on page 15 of the specification.

Learning outcome 1: Know the contribution made by visual merchandisers to retail businesses

The contribution made by visual merchandisers to retail businesses

The purpose of the visual merchandiser in relation to:

- image and brand
- impact on customers
- sales.

The activities of the visual merchandiser:

- research:
 - lifestyle concepts and trends
 - store and/or regional attributes
- conceptualisation
- design
- implementation.

An important aspect of visual merchandising which learners need to know about is adapting to changing circumstances, including those relating to timing, availability of materials, budget and human resources. Learners will need to be aware of the types of change in circumstances that affect visual merchandising and how visual merchandisers respond to these.

Learners will also need to be aware of other promotional activities that are used in retail, in order that they can understand visual merchandising in context, specifically advertising, public relations and marketing. In-depth coverage of these topics is not required. Learners will gain a deeper understanding of marketing in Level 3 Unit 5: Marketing in retail businesses.

Visual merchandisers' work with other functions within retail businesses:

- internal functions:
 - directors
 - buying
 - design
 - merchandising
 - retail channels within the organisation – eg digital
 - marketing
 - shop staff
 - property.

Visual merchandisers' work with other external agents:

- agents
- input
- the management of relationships through:
 - signing contracts or written proof of terms
 - regular and clear communication and progress updates.

Learners will need a broad knowledge of the range of activities undertaken by visual merchandisers in co-operation with other functions within a business. These may relate to brand and vision; planning; budgeting; materials; monitoring achievement of objectives; display of stock; and promotions and special projects.

Learners will need to know how visual merchandisers work with other functions and agents in general: for example, that builders may provide labour for installations. Learning need not be replicated in relation to different sub-sectors, business sizes, and retail channels: by achieving learning outcome 1, learners will have sufficient knowledge to consider how work with internal functions and external agents may vary across different businesses.

How the role of visual merchandising varies in different retail businesses:

- the importance of, and resources invested in, visual merchandising in different sub-sectors, depending on:
 - products
 - target customer
- the nature of visual merchandising in retail businesses of different sizes, depending on:
 - the range of products offered
 - volume of stock
 - speciality products
- the nature of visual merchandising depending on the retail channel used, including retail channels not using 'bricks and mortar' outlets.

In order to understand how the nature of visual merchandising varies across retail businesses of different sizes, from different sub-sectors and using different retail channels, learners will need to know:

- whether businesses have few or many visual merchandising staff, if any – and, if not, how the business meets any visual merchandising needs
- how visual merchandising staff are organised (eg teams of visual merchandisers allocated to departments in a department store, overseen by a creative director)
- specific tasks involved in the day-to-day work of visual merchandisers (eg setting up a 'model' store and preparing a visual merchandising pack for branches of a retail chain, to ensure that all stores are consistent with the company brand and image)
- how the principles of visual merchandising may be applied differently (see learning outcome 2).

Learning outcome 2: Understand the principles and processes of visual merchandising

Principles of visual merchandising

Principles of visual merchandising relating to:

- space:
 - maximising space
 - display and promotional/branded sites
- ambience and atmospherics:
 - lighting
 - styling and composition
 - use of colour
 - use of fixtures and fittings
 - use of props
- displaying products:
 - use of graphic display and marketing materials
 - use of mannequins
 - Point of Purchase (POP)
 - use of fixtures and fittings
 - use of props
- project handling
- material construction.

Learners will need to know what these principles entail and how they apply, where relevant, to different retail businesses. Learners are expected to understand principles in sufficient depth that they can analyse how these have been applied in given retail outlets and, when given a design brief for a particular retail business, they are able to apply the principles themselves.

The visual merchandising design process

Stages of the visual merchandising process:

- concept brief – what a concept brief is and how it is created and used
- research:
 - lifestyle concepts and trends
 - store and/or regional attributes
- conceptualisation:
 - sketching ideas and/or creating mood boards
 - presentation of ideas to other departments
- design:
 - developing and amending ideas
 - design sign-off
- implementation:
 - planning installation
 - sourcing materials and organising resources
 - installing concept, including briefing of external agents
 - monitoring customer feedback, footfall, sales figures
 - feeding back to other departments
 - uninstalling concept.

Learners will need to understand the visual merchandising process in order that they can undertake small-scale visual merchandising activities themselves. They will need to be able to recognise links between steps of the visual merchandising process; identify where the principles of visual merchandising apply; identify how and when visual merchandisers would work with other functions and agents; and imagine how the process can be applied to different retail businesses.

Factors causing change in the visual merchandising process:

- vision:
 - reacting to changing business needs and market conditions
 - differences of opinion
- budget:
 - economic conditions
 - internal budget
 - costs of products, resources and materials
- time:
 - schedules for activities
 - availability of products, resources and materials
- products, resources and materials:
 - human resources
 - other departmental demands
 - costs and availability of products, resources and materials
- human error:
 - affecting timescales
 - affecting budget
 - affecting availability of products, resources and materials.

Learners will need to understand the importance of adapting to and accommodating changes in the visual merchandising process.

Methods of monitoring the impact of visual merchandising activities

Methods of monitoring the impact and effectiveness of visual merchandising and promotional activities by measuring their achievement of objectives in relation to:

- the business:
 - being in line with business objectives
 - maintaining brand identity
 - linking to the marketing plan
 - coming within budget
- design:
 - detail
 - whole image and concept
- sales
- impact on customers.

Measurements by which to monitor the achievement of objectives:

- feedback:
 - from other departments
 - from customers
- data:
 - sales trends – eg sales before and after promotion
 - profit
 - footfall within store (when monitoring window displays) and associated departments
 - website hits.

Learners will need to understand when and how these methods are used in order that they can select appropriate methods which could be used to monitor the success of their own visual merchandising activities.

Learning outcome 3: Know how individuals work effectively in teams

How individuals work effectively in teams

Theories and models of team dynamics

- key features of each of Belbin's team roles:
 - plant
 - resource investigator
 - co-ordinator
 - shaper
 - monitor-evaluator
 - team worker
 - implementer
 - completer finisher
 - specialist.

Various theories and models of team dynamics are useful and relevant for the purposes of this unit. However, there is no requirement for learners to have an in-depth knowledge of different team theories or models. Learners are expected to be familiar with the model outlined above in order to understand and be able to assess their own team working skills.

Different leadership styles:

- the key features of different leadership styles:
 - authoritarian
 - bureaucratic
 - democratic
 - laissez-faire
 - task-orientated
- the effect of different leadership styles on team performance.

There is no requirement for learners to have an in-depth knowledge of leadership theories or models.

The effect of different leadership styles may take into account the following factors, where relevant:

- group size and structure
- leading by example – eg transparency
- planning and organisation
- level of autonomy, involvement and/or accountability of team members
- communication – eg level of support and guidance
- scope for development.

Leadership is also covered in Level 3 Unit 2: Developing retail channels.

Learning outcome 4: Be able to work with others to develop visual merchandise installations to meet design briefs

Working with others to develop visual merchandise installations to meet design briefs

Techniques for agreeing goals for individual roles and team performance:

- defining and agreeing ultimate goals for meeting design briefs
- identifying what needs to happen and what time and resources are required in order for these goals to be achieved
- breaking ultimate goals down into SMART actions that must be taken
- setting priorities
- identifying who will take these actions, how, and by when
- setting success criteria in order to recognise when goals have been met
- sharing work fairly, taking into account each other's abilities and feelings
- confirming understanding of goals and individual roles, and recording these.

Goals set must be challenging.

Learners are expected to be familiar with the SMART acronym used for goal-setting, in that goals should be specific, measurable, agreed, relevant and time-bound.

Techniques for generating ideas for visual merchandise installations to meet design briefs:

- interpreting and sticking to the brief
- breaking the task into elements or steps
- brainstorming, exploring alternatives
- being imaginative and expressive
- sketching ideas
- discussing and reviewing ideas.

Techniques for collaborating with others:

- having a positive attitude
- trusting and having confidence in themselves and each other
- motivating each other to achieve agreed objectives
- practising active listening
- sharing responsibility
- aiming for 'win-win' situations
- contributing and allowing others to do so
- overcoming personal differences.

Techniques for developing visual merchandising designs through to installation:

- selecting an idea
- developing the idea through visual images and/or mood boards
- creating final plan, considering available time and resources
- assigning roles and tasks
- sourcing resources and materials for implementation of design
- using resources and materials to create the final installation
- installing design.

Techniques for adapting plans and/or designs to meet changing requirements:

- being clear about the new requirements and the nature and degree of the change needed
- reviewing plans and/or designs, identifying which elements can be kept, and which need to be adapted or discarded
- using goal-setting, planning and design techniques to adapt plans and/or designs.

Learners will need to recognise the importance of adapting to changing circumstances and requirements. They will be expected to demonstrate the ability to respond to changes of the type covered by the scope of content for learning outcome 2.

Evaluating performance in relation to:

- visual merchandising activities – how successfully they applied methods covered by learning outcome 2
- team performance – in terms of meeting agreed team goals, and team dynamics covered by learning outcome 3
- own performance as a team member.

Techniques for evaluating performance:

- asking questions of oneself and within the team in order to determine:
 - how successfully team goals have been met
 - individual contribution to meeting team goals
 - how team members motivated each other to achieve objectives
 - what went well, what did not go well, and why
 - what could have been done differently, and opportunities to improve future outcomes
- measuring outcomes against initial success criteria
- using any feedback.

Learners will need to know how to respond positively to constructive feedback, and the difference between constructive and destructive feedback. They should be able to deal with praise, setbacks and criticism without taking negative comments personally. This will help them to learn in order to improve their future performance.

Assessment

This unit is assessed through a centre set and marked assignment. Controlled assessments are subject to moderation by AQA-City & Guilds. Information on assessment and controls which apply to the qualification as a whole can be found on pages 153–160 of this specification.

The information in this section is specific to the assessment for this unit.

Task setting (limited control)

Sector-relevant purpose

The assignment set must have a sector-relevant purpose and context. This must be communicated to the learner through a clear introductory brief.

This assignment will give the learner the opportunity to demonstrate creativity and flexibility as well as teamwork and evaluative skills through developing a visual merchandising installation to meet a design brief.

The teacher or a local employer should set a realistic brief and objective for learners to work from. The brief for the assessment must clearly specify who the installation is for, who the target audience is, challenges that learners will need to overcome, and the expected outcome.

Tasks

Limited control in respect of task setting for this assessment means that it is the responsibility of the centre to devise a suitable assignment which covers the assessment criteria. Controlled assessments must aim to be holistic in nature and encourage learners to produce evidence to cover all the assessment criteria.

After learners have planned and designed their installations, the teacher or employer is to introduce information which will require learners to adapt to changing circumstances and/or requirements. The learner should not be forewarned about this in the initial brief, as they will be assessed on their ability to adapt.

For this assessment, the learner's ability to apply the principles and follow the processes of visual merchandising is more important than artistic skill. Each team of learners must produce a 3-dimensional prototype indicating how a finished installation should look.

Although learners are not expected to carry out complex budgeting, they will need to demonstrate their ability to use available resources. Therefore, the materials available should be given notional prices, and a spending limit should be specified.

Evidence

The table below indicates the evidence which should be produced for marking and moderation of tasks.

Task	Evidence The following must be provided:	Acceptable formats	LO/AC mapping
Work in a team to design, develop and install a visual merchandising installation to meet a design brief	Team plan including: <ul style="list-style-type: none"> own role any amendments made as a result of changing requirements – clearly marked 	Hard copy or electronic, including any notes, diagrams and/or images (maximum 3 sides of A4)	1a*, 1b, 2a*, 2b*, 2c, 4a, 4b, 4c and 4d
	Installation design, including: <ul style="list-style-type: none"> preliminary sketches and/or notes any amendments made as a result of changing requirements – clearly marked 	Hard copy or electronic drawing(s) or mood board	
	3-dimensional prototype installation	Installation and photograph of installation in its intended environment, taken by the assessor	
	Witness testimony of individual contribution to teamwork, covering design, adapting to change and installation	Hard copy or electronic	
Review individual and team performance	Review covering individual and team performance relating to visual merchandise installation and team work	Hard copy or electronic review (maximum 3 sides of A4) or Hard copy or electronic witness testimony, or audio recording, of oral presentation to assessor (no longer than 10 minutes)	1a*, 2a*, 2b*, 3a, 3b and 4e

*Achievement of this assessment criterion may be evidenced through either or both tasks where referenced, as appropriate.

Note: learners may wish to submit copies of original and amended plans and designs separately, in which case these should be accompanied by a statement showing changes made.

Task taking

This section gives specific information relating to the controls for task taking for this assessment in terms of time, resources, supervision and collaboration.

Time (limited control)

The assignment will take approximately 15 of the 60 guided learning hours available for this unit.

Resources (medium control)

Resource material for the assignment such as case studies, photographs or literature should be up to date and relevant to the sector area. Centres may find that this is best done by getting resources directly from employers, which will help to give the assignment a real work-related purpose.

Learners will need access to a real retail environment or a realistic simulation, such as a mock shop.

Learners will need materials to structure and design their visual merchandising installations, and the tools to use them. Materials may include:

- lighting
- fixtures
- fittings
- props
- mannequins.

Materials should be given notional prices.

Supervision (medium control)

Learners must be supervised throughout this assessment. They must be asked to define their individual roles and goals within the team in the presence of a teacher.

Witness statements evidencing teamwork must be completed by a teacher. The final installation must be photographed by a teacher in the mock shop.

Visits to retail outlets may be unsupervised.

Overarching guidance on controls relating to supervision may be found on page 157 of the specification.

Collaboration (medium control)

Teachers should place learners in groups of three or four individuals with diverse skill sets. Each group will produce a design. Individual learners will record their own contribution to the tasks.

Each learner should be encouraged to take a role that links to his or her strengths. Learners can support each other in creating the overall design.

The teacher should check the role of each learner during the early stages of the project to ensure that every member of the group will have the opportunity to contribute appropriately.

Though this assignment is taking place as group work, each learner must present their own evidence, except for the final installation, and be able to identify the exact work which they have carried out. This identification should be submitted with the evidence.

Feedback

Learners should be given feedback on their plans and designs before the introduction of the change. This may relate to visual merchandising activities and teamwork. It should be given to the whole team but may refer to individuals.

Weighting of learning outcomes

Learning outcomes	Marks	Weighting
1 Know the contribution made by visual merchandisers to retail businesses	12	13.3%
2 Understand the principles and processes of visual merchandising	18	20.0%
3 Know how individuals work effectively in teams	12	13.3%
4 Be able to work with others to develop visual merchandise installations to meet design briefs	48	53.3%
Total	90	100%

Assessment grid

Task marking (medium control)

Please note that the descriptions in this marking grid relate to the top of each band. Further guidance on using marking grids is available in the assessment section of this specification on pages 153–160.

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 4 marks	5 to 8 marks	9 to 12 marks
1 Know the contribution made by visual merchandisers to retail businesses	<p>Described the purpose of visual merchandising in retail businesses, in basic terms and with limited accuracy.</p> <p>Outlined activities involved in visual merchandising in minimal detail, covering only some aspects.</p>	<p>Offered a largely accurate description of the purpose of visual merchandising in retail businesses, with some detail.</p> <p>Outlined activities involved in visual merchandising, covering a range of aspects in some detail.</p>	<p>Described the purpose of visual merchandising in retail businesses, in detail and with a high level of accuracy.</p> <p>Outlined activities involved in visual merchandising, covering a wide range of relevant aspects in detail.</p>
	0 to 6 marks	7 to 12 marks	13 to 18 marks
2 Understand the principles and processes of visual merchandising	<p>Analysed the use of principles of visual merchandising in minimal detail, relating principles and their application with limited coherence.</p> <p>Explained the visual merchandising design process, covering only some aspects and with limited accuracy.</p> <p>Selected methods of monitoring the impact of visual merchandising activities, with limited appropriateness.</p>	<p>Analysed the use of relevant principles of visual merchandising in some detail, relating principles and their application with some coherence.</p> <p>Offered a largely accurate explanation of the visual merchandising design process, covering a range of aspects.</p> <p>Selected appropriate methods of monitoring the impact of visual merchandising activities.</p>	<p>Analysed the use of relevant principles of visual merchandising in depth, coherently relating principles and their application.</p> <p>Explained the visual merchandising design process, covering a wide range of relevant aspects with a high level of accuracy.</p> <p>Selected the most appropriate methods of monitoring the impact of visual merchandising activities.</p>
	0 to 4 marks	5 to 8 marks	9 to 12 marks
3 Know how individuals work effectively in teams	<p>Outlined current theories and models of team dynamics in basic terms, relating theories and models to their application with limited coherence.</p> <p>Described how leadership styles affect team performance in basic terms, relating leadership styles and team performance with limited coherence.</p>	<p>Outlined relevant and current theories and models of team dynamics, coherently relating theories and models to their application.</p> <p>Described how leadership styles affect team performance, coherently relating leadership styles and team performance.</p>	<p>Outlined relevant and current theories and models of team dynamics in detail, coherently relating theories and models to their application.</p> <p>Described how leadership styles affect team performance in detail, coherently relating leadership styles and team performance.</p>

Learning outcomes	Band 1	Band 2	Band 3
	The learner has:		
	0 to 16 marks	17 to 32 marks	33 to 48 marks
4 Be able to work with others to develop visual merchandise installations to meet design briefs	<p>Participated in agreeing team and individual goals with success criteria, showing limited application of goal-setting techniques.</p> <p>Offered inconsistent creative input into the generation of ideas for visual merchandise installations, with limited consideration of the need to meet design briefs.</p> <p>Collaborated with others to develop visual merchandising installations, showing limited application of teamwork skills and design techniques.</p> <p>Offered a limited input into adapting designs to meet changing requirements, showing flexibility at times.</p> <p>Offered a basic evaluation of individual and team performance, covering only some aspects with limited insight.</p>	<p>Contributed to setting team and individual goals with success criteria, showing some effective application of goal-setting techniques.</p> <p>Offered consistent creative input into the generation of ideas for visual merchandise installations at times, with some consideration of the need to meet design briefs.</p> <p>Collaborated with others to develop visual merchandising installations, applying teamwork skills and design techniques with some effectiveness, and offering input into the process in a consistent manner.</p> <p>Offered a consistent input into adapting designs to meet changing requirements, showing reasonable flexibility.</p> <p>Evaluated individual and team performance, covering a range of aspects with insight at times.</p>	<p>Contributed to setting team and individual goals with success criteria, showing highly effective application of goal-setting techniques.</p> <p>Offered a high level of creative input into the generation of ideas for visual merchandise installations, showing consideration of the need to meet design briefs throughout.</p> <p>Collaborated with others to develop visual merchandising installations, applying teamwork skills and design techniques highly effectively, and offering input into the process in a consistent manner.</p> <p>Offered an effective input into adapting designs to meet changing requirements, showing a high level of flexibility.</p> <p>Evaluated individual and team performance, covering a wide range of relevant aspects in an insightful manner.</p>

Guidance for delivery

As this unit is based on an understanding of the aesthetic elements of retail selling, it is important that learners are exposed to real-life applications of visual merchandising. To introduce the topic, learners might be asked to map a recent or normal shopping trip and to consider what happens and the thought processes involved. For example, a learner is looking to buy a new toothbrush, but the colourful lighting and exotic scenery in the window display of a clothes shop on the way catches her eye. That is an unusual jumper: she goes in and tries it on; it looks good; she buys it. Then she goes to the chemist's and heads for the dental section. There are the toothbrushes. But on a display next to them are the electric toothbrushes. There is a new one out. A sign tells her that the unique motion of this brush removes significantly more plaque than a manual brush. It also has a timer so she'll know she's brushed her teeth for long enough. That's useful. And, for now, the toothbrush is being sold at a reduced price. She picks it up and takes it to the till. By the counter, there is a little rack of lip balms. It is cold outside, and nobody likes chapped lips. She'll take one of those as well.

An interesting exercise for learners might be to review visual merchandising installations in different outlets.

Learners will need to be made aware of the different types of change that can affect the visual merchandising process, and how these can be handled. They should have as many opportunities to practise this as possible. Reacting to changes might include:

- dealing with delays in product delivery by using alternative products or delaying implementation of merchandising plans
- dealing with lack of availability of display materials by sourcing alternatives, scaling back plans, amending plans to incorporate different materials, or hiring or borrowing materials externally
- reviewing plans to incorporate less expensive materials or scaling down plans when there is insufficient budget
- using freelancers and/or temporary staff, or reorganising staffing, if there is a lack of human resources.

Learners will develop their understanding of team dynamic theories through applying them. Delivery of this unit should allow for group work wherever possible, in order for learners to develop their teamwork skills. Role play could be used as a way of learning theories of team dynamics, with learners exaggerating certain team roles to see how they interact with others. However, learners should be encouraged to consider how their personalities interact with those of others in real-life team situations, and to recognise that no individual will ever adopt a single role all the time.

The team working elements could be linked to experiences within Level 3 Unit 2: Developing retail channels.

There is the possibility for the delivery of elements of this unit to be combined with elements of other Level 3 Principal Learning units, in the context of setting up and operating a small retail enterprise as a group.

Employer engagement

Employer engagement is essential in order to maximise the value of learners' experience. A partnership approach should be adopted wherever possible with employers with whom the consortium has links, and with employers used for work experience placements.

It would be helpful for teachers to develop a method of maintaining contact with a range of employers in the sector who can be called upon to help with keeping the learning up to date: for example, in terms of trends in visual merchandising, recent innovations (eg new fixtures, new approaches), case studies (eg recent successful, industry-defining installations or new research findings (eg consumer behaviour in relation to visual merchandising)). Case studies provided, or activities set, by employers would give learning a real sector-relevant context and purpose. Learners would benefit particularly from employers being involved in setting the brief for the assessment of this unit.

It is important for this unit that learners are exposed to real retail environments to appreciate the processes and impact of visual merchandising. It is therefore desirable that links with local retailers are made, in order that learners can participate in store visits. Where possible, guided tours with explanations from visual merchandisers would be beneficial. Learners could interview them about their work. Learners being able to assist in the implementation of a design would be an excellent opportunity to experience the facets of the visual merchandiser's role and how emerging issues are dealt with.

Both work experience within the function and a field trip looking at different shop displays would be greatly beneficial. The comparison of a number of retailers' displays for selling a range of products, through either store visits or photographs, would develop learners' appreciation of how visual merchandising techniques can form an individual 'look' for retailers, create points of difference and increase footfall and sales. It will also offer opportunity for learners to develop their own ideas and approaches.

Work experience within a visual merchandising team would enable learners to see how the team works with other retail functions and impacts on the business as a whole, as well as how visual merchandisers can react and adapt to change and arising issues.

If employers are willing and able to assist with setting the design brief for this unit's assessment task, this would enhance the sector-relevant purpose of the assessment activity and allow learners to appreciate the application of visual merchandising principles in a real retail context.

If possible, employers could provide feedback when learners are practising visual merchandising activities during the learning programme. This will help learners to understand what to consider when assessing their own work, and will give them an idea of what works or does not work well in practice.

Personal, Learning and Thinking Skills

The list below is indicative of the way the development of PLTS can support achievement in this unit.

Independent enquirers

- identifying questions to answer and problems to resolve when faced with changes to circumstances affecting the design and development of visual merchandise installations (IE1)
- planning and carrying out research into the impact of visual merchandising, appreciating the consequences of using certain sources and methods (IE2)

Creative thinkers

- asking customers about their response to visual merchandise installations in order to extend their thinking (CT2)
- connecting their own and others' ideas and experiences as consumers in inventive ways to inform their own work (CT3)

Reflective learners

- reviewing their experiences of visual merchandising activities throughout their learning, acting on the outcomes (RL3)

Team workers

- reaching agreements with team members when working on visual merchandising activities, managing discussions to achieve results (TW2)
- exchanging constructive feedback and criticism with team members, showing fairness and consideration (TW4)
- taking responsibility for their contribution to teamwork, showing self-confidence (TW5)

Self-managers

- seeking out challenges relating to installing visual merchandising designs when on work experience, showing flexibility when priorities change (SM1)
- working towards team goals, showing initiative, commitment and perseverance (SM2)
- dealing with competing pressures, including the personal demands of working in a team, when undertaking visual merchandising activities (SM5)
- responding positively to changes affecting the visual merchandising process, seeking advice and support when needed (SM6)

Effective participators

- discussing issues of concern with team members, seeking resolution where needed (EP1)
- proposing practical ways of dealing with changes affecting visual merchandising activities, breaking these suggestions down into manageable steps (EP3)
- trying to influence team members when designing and developing installations, negotiating and balancing diverse views to reach workable solutions that are acceptable to all (EP5).

Opportunities for Functional Skills development

This unit and its associated learning activities will provide the learner with opportunities to develop and use English, mathematics and ICT in a number of ways.

There are a number of opportunities for the development of reading skills in this unit: for example when looking at different shop displays while on a field trip or through photographs. They may compare different texts and comment on how effectively meaning is conveyed; they may detect point of view, implicit meaning and/or bias.

The learner may develop writing skills while using a range of different styles and formats for different purposes; for example, the team plan produced may include notes and diagrams and the learner will have an opportunity to present information/ideas concisely, logically and clearly, use a range of different styles of writing for different purposes and proofread for accuracy.

Opportunities exist to develop speaking and listening skills in group discussion while working in teams. They may present information and ideas clearly and persuasively, make significant contributions to the discussion and help move the discussion forward to reach a decision. Learners may have an opportunity to give a presentation on their design. Guided tours by merchandisers may provide an opportunity for formal discussion and questioning where language must be adapted to suit the audience, purpose and situation.

The learner may make use of ICT skills to meet a variety of complex needs when planning the design of a visual merchandise installation. The evidence for the task may be produced electronically and the learner may select and use appropriate software applications, enter, organise, develop, refine and format information and apply editing techniques. They may use specialised software to produce the plan. Observing safe working practices and storing information will be implicit throughout. They may use email or web-based methods to communicate and exchange information.

There are also opportunities to develop a range of mathematical skills: for example, when analysing sales in relation to the visual merchandiser, this may involve calculating percentages and using statistical methods to compare sales. Maximising space for the visual merchandiser may involve calculating ratio and proportion and using scale. Learners will need to know about budgets, scheduling activities using time and sales trends. They may carry out calculations to do with numbers of any size, including decimals and work with measures, eg time.

These are only examples and, depending on the nature of the delivery and the learning, it is likely that there will be further opportunities for developing Functional Skills.

Suggested learning resources

AQA-City & Guilds will publish suggested learning and teaching resources on its website:

www.diplomainfo.org.uk

The Diploma Development Partnership (DDP) website for Retail Business contains a 'Diploma Shop' – **www.diplomainretailbusiness.com/shop.php** – with useful learning and teaching resources that consortia may find helpful in the delivery of the Principal Learning. This includes a compendium of websites; books; multimedia resources; museums and exhibitions; and journals and e-newsletters.

The relevant sections for the purposes of this unit are:

- Marketing in retail businesses
- Sourcing, buying and merchandising
- People and the retail environment
- Visual merchandising.

The DDP for the Diploma in Retail Business also provides a work-related learning guide:

[www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_\(final_pdf\).pdf](http://www.diplomainretailbusiness.com/pdfs/the_work-related_learning_guide_second_edition_(final_pdf).pdf)

The following resources may also be helpful for the learning in this unit:

- British Display Society **www.britishdisplaysociety.co.uk/**
- Connexions Direct Jobs4u Careers Database: Display Designer/Visual Merchandiser **www.connexions-direct.com/jobs4u/index.cfm?pid=46&catalogueContentID=123**
- Retail Week: Stores **www.retail-week.com/Stores/index.html**

The website for Retail Week magazine contains a number of video tours of retail outlets:

www.retail-week.com/

A range of visual merchandising slideshows and interviews with visual merchandising professionals can be found on YouTube, though teachers are advised to assess the suitability and usefulness of YouTube videos before presenting them to learners.

High-end fashion and art magazines such as Vogue, I-D, etc may also be useful.

4 Assessment guidance

The following information is applicable to all lines of learning and at all levels. This information is also available on www.diplomainfo.org.uk

4.1 Controlled assessment (internally assessed units)

This section of the specification provides instructions for controls that apply across the whole qualification. Specific instructions on controls for task taking are also contained within the assessment section of each unit.

The information contained within this section has been written in accordance with the *'Instructions for Conducting Controlled Assessments: 1 September 2009 – 31 August 2010'*. At least one copy of these instructions must be made available to all subject leaders as well as this specification.

4.2 What is controlled assessment?

- Controlled assessment is a form of internal assessment where the control levels are set for each stage of the assessment process: task setting, task taking and task marking.
- Controlled assessment measures subject specific skills that may not necessarily be judged by external assessment.
- Depending on the level of control defined within the unit, controlled assessments may take place for example:
 - in a normal timetabled lesson or other defined session under supervised conditions;
 - entirely within the centre under supervision with controlled access to resources; or
 - outside the centre and involve research with limited supervision.
- Controlled assessments may take place at anytime during the course. However, centres must ensure that the controlled assessment task issued to learners is appropriate to the year in which the assessment will be submitted to AQA-City & Guilds.

4.3 AQA-City & Guilds approach to controls

The following table sets out the AQA-City & Guilds approach to controls for internally assessed units for the Level 3 Principal Learning in Retail Business.

Aspect	Level 1	Level 2	Level 3
1 Task setting	Limited	Limited	Limited
2 Task taking			
a Time	Limited	Limited	Limited
b Resources	Limited/medium	Limited/medium	Limited/medium
c Supervision	Medium	Medium	Medium
d Collaboration	Limited/medium	Limited/medium	Limited/medium
3 Marking	Medium	Medium	Medium

Limited control: means that consortia have control over that area, within the guidance set out by AQA-City & Guilds in its documentation on the unit, the qualification and the assessment.

Medium control: means that the parameters for that area of assessment are more closely controlled by AQA-City & Guilds and that anything that can be altered by the consortium is made clear in the appropriate guidance.

4.4 Task setting (limited control)

AQA-City & Guilds apply **limited control** to task setting across all Principal Learning qualifications. This means that it is the responsibility of consortia to design assessments that are fit for purpose and that cover all the assessment criteria in the unit.

Each unit contains an assessment section which contains instructions on task setting for that unit. Parameters are specified in terms of:

- setting a brief which secures an **applied and sector-relevant purpose** for the assessment
- the importance of setting a **coherent assessment** that covers all the learning outcomes and assessment criteria
- **tasks and activities** to be undertaken, including the level of demand
- the **evidence** that must be produced.

Applied and sector-relevant purpose

The assessment section provides information on the purpose of the assessment which consortia must adhere to when setting briefs and tasks for assessment. The brief must clearly state to the learner what the purpose of the assessment is and the assessment must provide an outcome that would be meaningful to an employer. It may help to support learner achievement if the brief for the assessment is able to be set in collaboration with an employer.

Coherent assessment

The weighting of learning outcomes table shows the weightings of learning outcomes, and should be referred to when setting tasks, so that appropriate depth and breadth can be allocated to different areas of the assessment.

The table in the assessment section of the unit which details tasks and evidence should also be considered when setting tasks to ensure that assessment criteria are covered.

Example assessments are provided for all internally assessed units which aim to help consortia when designing assignments.

Tasks and activities

The task and evidence table in the assessment section of the unit details the types of tasks that may be set to cover the assessment criteria. Consortia may devise different tasks provided that they meet the requirements of the unit and add up to an applied, purposeful activity. When setting tasks, consortia must also specify the controls for task taking in terms of time, resources, collaboration and supervision for each activity.

Learners should be set tasks of equivalent complexity regardless of whether they are expected to achieve marks at mark band 1 of the marking grid or mark band 3.

Evidence

The task and evidence table in the assessment section of the unit details the types of acceptable evidence that should be provided for the assessment and the acceptable format. In some cases, and to ensure access to assessment, the format of the evidence may be altered.

Example assessments

Examples of suitable internal assessment will be made available to all consortia via www.diplomainfo.org.uk. These are examples only and should not be used as off the shelf assessments, but may be adapted to suit local delivery circumstances and requirements.

Internal standardisation

The Domain Assessor at a consortium who has overall responsibility for internal standardisation is also responsible for the standardisation of task setting. This must include checking that the assessment is suitable for the line of learning and the level and that it will allow learners full access to the assessment criteria.

Moderation of task setting

All consortia will receive an early visit by their moderator, which will include checking suitability of controlled assessment internally set and marked units. This visit will also include guidance on marking.

Consortia will also receive detailed feedback following moderation of any units, which includes appropriateness of the tasks set.

4.5 Task taking

Task taking covers the following aspects: time, resources, supervision and collaboration. AQA-City & Guilds will apply either a limited or medium level of control to specific aspects of task taking depending on the unit. The details contained in this section provide information that applies across all of the Level 3 Principal Learning in Retail Business. It is the responsibility of the consortium to ensure that internal controlled assessment for Principal Learning is conducted and marked in accordance with the instructions specified by AQA-City & Guilds and the JCQ '*Instructions for Conducting Controlled Assessments: 1 September 2009 – 31 August 2010*'. At least one copy of the JCQ instructions must be made available to all subject leaders as well as this specification.

Time (limited control)

The overall time to be spent generating evidence for the assessment is specified in the assessment section of each unit. It is up to individual consortia to determine the amount of time to be allocated to each task within the assessment. Although this time does not have to be followed to the minute, it is recommended that variance should not normally be by more than plus or minus 10%.

Resources (limited or medium control)

In general, AQA-City & Guilds will apply a limited level of control to resources. This means that consortia must determine appropriate physical resources and information sources for the assessment. However, for some units, the level of control for resources will be medium where particular requirements for resources are specified.

Consortia must have access to sufficient equipment to ensure that learners have the opportunity to cover all the practical activities. Any requirement for specialised equipment such as access to a 'mock shop', use of the internet, or interaction with simulated or live clients/customers will be found in the assessment section of the relevant unit. All resources used, including sources of information, must be clearly referenced by learners.

Guidance on how this should be done can be found in section 4 of the JCQ '*Instructions for Conducting Controlled Assessments: 1 September 2009 – 31 August 2010*'.

Collaboration (limited or medium control)

In general, AQA-City & Guilds will apply a limited level of control to collaboration. Limited control for collaboration means that consortia should determine appropriate opportunities for collaboration during the assessment.

For some units, the level of control applied to collaboration will be medium. This will apply when learners are required to carry out tasks as part of a team and the team-working skills are an integral part of the assessment requirements. In such cases, the information contained in the assessment section will specify the parameters for how the team work should be managed.

Where an assessment is undertaken as a group, for example generating ideas, each learner must write up his/her own account. Even if all learners have the same information, the description of how the information was obtained and the conclusions drawn from it must be in each learner's own words. Alternatively, learners may collaborate in the construction of the product or the presentation but their evaluative responses must be their own and their individual contribution clearly identified.

Teachers/assessors assessing a learner's evidence where group work has been undertaken will need to be convinced of its individual authenticity. Questioning can be used in order to clarify the validity, authenticity and sufficiency of evidence and, under these circumstances, the teacher/assessor may wish to include a dated witness statement detailing this evidence. It is expected that the use of such statements will be kept to a minimum so that they constitute a very minor part of the submitted evidence.

Annotation of written/photographic evidence can also be used to detail an individual's contribution.

Where group work/team work is not suitable for the assessment activity, this is stated in each individual unit's assessment section.

Supervision (medium control)

Learners do not need to be under the direct supervision of teaching staff at all times. It is, however, expected that the work submitted for assessment, will be produced or carried out when teaching staff are present. In this way, the consortium can be confident that the work submitted is the learner's own and has not been plagiarised in any way.

Learners may work without direct supervision when preparing to undertake controlled assessments. This will include discussing the task or equipment needed with peers and gathering background information. However, if the activity constitutes part of the assessable outcomes, for example, planning with others or generating ideas, then these activities must be supervised.

Supervision is defined by AQA-City & Guilds as normal classroom/studio/workshop conditions where the teacher or assessor is present in the same room whilst learners are producing the evidence for assessment. It is not required that learners work under examination conditions.

The assessment section in each unit specifies the tasks that must be directly supervised in line with the guidance above and those which may be undertaken without direct supervision. On occasion, the requirement for direct supervision may be relaxed if it is not possible to directly supervise the activity required to produce the evidence for assessment. For example, if the most suitable environment for producing the evidence means that the teacher or assessor cannot be present, such as for customer service activities carried out in a work placement, then the teacher or assessor must ensure that an appropriate person supervises the evidence collection. A signed witness statement must be completed with enough information to allow the teacher or assessor to make a reliable judgement about the evidence. An appropriate person is defined as someone who has a supervisory role within the workplace (or equivalent) and who has the required skills. This person must not be a family member.

Evidence produced in the learner's own home is not acceptable for assessment, as it cannot be authenticated by the assessor or teacher and a parent or carer is not an appropriate person to supervise.

Authentication

Both the learner and the teacher are required to sign the Candidate Record Form (CRF) to confirm that the work submitted for assessment is the learner's own. The teacher must declare that the work was conducted under the specified controls and record details of any additional assistance.

Other materials can be utilised in controlled assessments for research and reference, but sources of information must be fully acknowledged.

The Head of Centre is responsible for ensuring that internally assessed work is conducted in accordance with AQA-City & Guilds instructions contained in this specification and the guidelines contained in the JCQ '*Instructions for Conducting Controlled Assessments: 1 September 2009 – 31 August 2010*'. To meet the regulator's Operating Rules for Component and Diploma Awarding Bodies, AQA-City & Guilds requires:

- learners to sign the Candidate Record Form (CRF) confirming the work submitted is their own. For forms completed electronically a typed name is sufficient
- teachers/tutors to confirm on the CRF that the work assessed is solely that of the learner concerned and was conducted under the conditions laid down by the specification
- the teacher/tutor responsible for internal standardisation also signs the Centre Declaration Sheet (CDS/PL) to confirm that internal standardisation has taken place and that the work presented is that of the learners named. If only one teacher/tutor has undertaken the marking, that person must sign this form. For each unit, a CRF must be completed for each learner and these, together with the Centre Declaration Sheet for Principal Learning, must be sent to the moderator by the specified date with the final marks. Failure to sign either or both the CRF and the CDS/PL may delay the processing of results.

If the teacher or assessor is unable to sign the authentication statement for a particular learner, then the learner's work cannot be accepted for assessment. If, during the external moderation process, there is no evidence that the work has been properly authenticated, AQA-City & Guilds will set the associated mark(s) to zero.

Feedback

The work assessed must be solely that of the learner concerned. Any assistance given to an individual learner which is beyond that given to the group as a whole must be recorded by the teacher on the Candidate Record Form (CRF) and be made available to the moderator upon request.

Whilst feedback may be provided to learners, the consortium must ensure that the work submitted is the learner's own. On occasions, the assessment task will require that learners are given feedback which they must act upon as part of the assessment. This feedback must be recorded and the learner's individual response noted as part of his/her achievement of the task. If feedback is required as part of the assessment, this will be detailed in the assessment section for that unit.

Please also refer to the section on 'Revision, re-working and interim review of learners' work' below.

Revision, re-working and interim review of learners' work

Learners may make amendments to their work in the light of feedback from their teacher provided that this feedback is in line with the requirements of the unit. Learners must not be allowed to make amendments after the work has been submitted for the final assessment by the teacher.

4.6 Task marking (medium control)

AQA-City & Guilds apply a medium level of control to task marking. The information in this section applies across all units within the Level 3 Principal Learning in Retail Business. The assessment grid can be found in the assessment section of each unit.

Guidance on applying the unit assessment grid

In the assessment grid for each unit, mark ranges are specified for each learning outcome. The mark ranges apply to the top of each band. When assessing and marking a learner's work, teachers/assessors should use their professional judgement to identify, for each learning outcome, the mark band description within which that work falls and then the mark within that range that best describes the depth and quality of the work.

In order to meet the higher level mark band descriptions and therefore achieve higher level marks, learners must show greater depth and breadth of understanding, higher level skills in terms of synthesis, analysis and evaluation, as well as a higher level of independence and originality as required in the assessment criteria.

Aspects of the work that might fall short of meeting, in full, the description but which do not, in the judgement of the teacher/assessor sufficiently influence the overall level of achievement to merit the work being assigned to a lower mark band, will reduce the mark awarded within the identified range available. This can be expressed as identifying the 'best-fit' approach, where the areas of strength in the work submitted by the learner can be allowed to compensate for weaknesses in other areas.

Assessors will use archived exemplars of learners' work as they become available as a reference point. By comparing their own learners' work with archive work which has an assessment commentary attached, the assessor will be able to position the work either on a higher or lower point.

Moderators will also use exemplar work in their early advisory visits to consortia/centres to aid in the consistent application of the marking grids.

Internal standardisation of marking

The consortium is required to standardise the assessment across different teachers and teaching groups, within and across units, to ensure that all work at the consortium has been judged against the same standards. If two or more teachers are involved in marking units, one teacher must be designated as responsible for internal standardisation.

Common pieces of work must be marked on a trial basis and differences between assessments discussed at a training session in which all teachers involved must participate.

The teacher responsible for standardising the marking (normally the Domain Assessor) must ensure that the training includes the use of reference and archive materials such as work from a previous year or examples provided by AQA-City & Guilds. The consortium is required to send to the moderator a signed form confirming that the marking of work at the consortium has been standardised. If only one teacher has undertaken the marking, that person must sign this form.

Further guidance on how to conduct internal standardisation can be found in the JCQ *'Instructions for Conducting Controlled Assessments: 1 September 2009 – 31 August 2010'*.

Moderation of internal assessment and submission to AQA-City & Guilds

Moderation of internal assessment and submission to AQA-City & Guilds will only be available in the summer term by a fixed deadline that will be published at the start of the academic year.

4.7 Malpractice

At the start of the course, the supervising teacher is responsible for informing learners of the AQA-City & Guilds regulations concerning malpractice.

Learners must not take part in any unfair practice in the preparation of work to be submitted for assessment and must understand that to present material copied directly from books or other sources, without acknowledgement, will be regarded as deliberate deception. Consortia must report suspected malpractice to AQA-City & Guilds.

Learners must **not**:

- submit work which is not their own;
- lend work to other learners;
- allow other learners access to, or the use of, their own independently-sourced source material (this does not mean that learners may not lend their books to other learners, but learners should be prevented from plagiarising other learners' research);
- include work copied directly from books, the internet or other sources without acknowledgement and attribution;
- submit work typed or word-processed by another person or third party without acknowledgement.

These actions constitute malpractice, for which a penalty (eg disqualification from the examination) will be applied.

If malpractice is suspected, the Examinations Officer should be consulted about the procedure to be followed.

Where suspected malpractice in controlled assessment is identified by a consortium after the learners have signed the declaration of authentication, the Head of Centre making entries for the unit must submit full details of the case to AQA-City & Guilds at the earliest opportunity. The form JCQ/M1 should be used. Copies of the form can be found on the JCQ website (www.jcq.org.uk).

Malpractice in controlled assessment discovered prior to the learners signing the declaration of authentication need not be reported to AQA-City & Guilds, but should be dealt with in accordance with the centre's internal procedures. AQA-City & Guilds would expect centres to treat such cases very seriously. Details of any work which is not the learner's own must be recorded on the coursework/portfolio cover sheet or other appropriate place.

4.8 Timing of external assessments

The external assessments will be timetabled twice a year, in January and June and the dates will be published at the start of the academic year.

4.9 Moderation

A moderator will be assigned to each consortium for each line of learning. The moderator will give guidance on task setting; check the arrangements for task taking and review the consortium's marking.

Moderation has two stages. The first is the technical advisory visit to check matters such as coverage of applied learning, understanding of controlled conditions, coverage of PLTS and arrangements for internal standardisation, including use of the marking grids. There is also a requirement at the advisory visits for moderators to see examples of assessment tasks that will be used for controlled assessment.

The second stage of moderation is to check the marking of assessments. This stage will take place at a fixed time in the academic year, and may be through postal moderation or through visit to a consortium. This will depend on the line of learning and the type of evidence submitted. The moderator will review a sample of units and the marks awarded by the consortium, in line with national standards. The consortium may be asked to review its marking following this process. In extreme cases, the work of all learners will be re-marked by the moderator.

5 Administration

5.1 Availability of Principal Learning units

All internally assessed Principal Learning units for this specification are available to claim once a year in June, commencing 2011. External assessments will be timetabled twice a year, in January and June, and the dates will be published at the start of the academic year.

5.2 Centre registration

Centres wishing to prepare learners for this specification should apply for approval to offer Principal Learning before teaching begins. Completed application forms should be submitted to Centre Registration, AQA, Stag Hill House, Guildford, Surrey, GU2 7XJ. Applications can only be considered from centres which have received approval through the Gateway process to offer Level 3 Principal Learning in Retail Business. Further details of the approval process are available on the website at:

www.diplomainfo.org.uk

5.3 Centre requirements

Health and safety

The importance of safe working practice and the demands of the Health and Safety at Work Act 1974 must be stressed to all learners. Learners have responsibilities for maintaining the safety of others as well as their own. Anyone behaving in an unsafe fashion must be stopped and a suitable warning given by the teacher responsible. It is essential that all learners acquire habits required to promote health and safety in the workplace and that their learning avoids potentially unpleasant or dangerous consequences.

Centre staff

Centre staff should be technically competent in all the areas for which they are delivering education and training and/or should also have relevant experience of providing the necessary practical training.

Lead and domain assessors will be supplied with supporting material, including this specification and exemplars related to internal assessment. These exemplars will also include example learner work and marking guidance.

Continuing Professional Development (CPD)

Centres are expected to support their staff in ensuring that their knowledge and skills in the vocational area remain current and take account of any national or legislative developments.

5.4 Entries

Please refer to the current version of Entry Procedures and Codes for up-to-date entry procedures. You should use the following entry codes for the Principal Learning units:

Unit 1 (RBS3U1)

Unit 2 (RBS3U2)

Unit 3 (RBS3U3)

Unit 4 (RBS3U4)

Unit 5 (RBS3U5)

Unit 6 (RBS3U6)

Unit 7 (RBS3U7)

Unit 8 (RBS3U8)

5.5 Quality assurance

Internal quality assurance

Registered centres must have effective quality assurance systems to ensure optimum delivery and assessment of qualifications. Quality assurance includes initial centre registration by AQA-City & Guilds and the centre's and/or consortium's own internal procedures for monitoring quality. Centres are responsible for internal quality assurance and AQA-City & Guilds is responsible for external quality assurance.

National standards and rigorous quality assurance are maintained by the use of:

- AQA-City & Guilds external examinations
- AQA-City & Guilds externally set briefs or assignments
- internal quality assurance
- AQA-City & Guilds external moderation.

To meet the quality assurance criteria for this qualification, the centre must ensure that the following procedures are followed:

- setting of appropriate tasks (see Section 4.4)
- the application of appropriate controls for task taking (see Section 4.5)
- training in the use of the assessment grid (see Section 4.6)
- completion by the person responsible for internal standardisation of the Centre Declaration Sheet to confirm that internal standardisation has taken place (see Section 4.6)
- the completion by learners and teachers/assessors of the record form for each learner's work (see Section 4.6).

External quality assurance

External quality assurance is provided by the two stage moderation system described in Section 4.9. External moderation of internally assessed work is carried out to ensure that assessment is valid and reliable, and that there is good assessment practice in centres and that national standards are maintained.

In order to carry out their quality assurance role, external moderators must have appropriate teaching and vocational knowledge and expertise. AQA-City & Guilds will appoint external moderators and will ensure that they attend regular training and development meetings designed to keep them up-to-date, to ensure standardisation of all assessments and to share good practice.

External moderators will:

- provide advice and support to staff in centres
- ensure the quality and consistency of assessments within and between centres and over time by the use of systematic sampling
- regularly visit centres to ensure that they continue to meet the centre registration requirements of AQA-City & Guilds
- provide feedback to centres and to AQA-City & Guilds.

In order to monitor compliance with JCQ requirements, particularly for administering external tests, JCQ inspectors will regularly visit centres.

AQA-City & Guilds requires the Head of Centre to:

- 1 facilitate any inspection of the centre which is undertaken on behalf of AQA-City & Guilds
- 2 make secure arrangements to receive, check and keep examination material secure at all times, maintain the security of AQA-City & Guilds confidential material from receipt to the time when it is no longer confidential and keep scripts secure from the time they are collected from the learners to their despatch to AQA-City & Guilds.

5.6 Irregularities

Centres must inform AQA of any irregularity, including any learner who arrives late for a test. For detailed instructions please refer to the current JCQ *Instructions for Conducting Examinations* which is available to view or to download from the JCQ's website:

www.jcq.org.uk

5.7 Awarding grades and reporting results

The Advanced Diploma in Retail Business will be reported on a six-grade scale: A*, A, B, C, D and E. Learners who fail to reach the minimum standard for grade E will be recorded as U (Unclassified) and will not receive a qualification certificate.

The Principal Learning and Level 3 Extended Project will be graded separately and will use the same grading system as the Diploma. Principal Learning and the Level 3 Extended Project will be separately certificated but learners will not receive individual certificates for units of Principal Learning.

5.8 Certification of the Diploma

AQA-City & Guilds is a registered Diploma Awarding Body and will certificate the Diploma in accordance with the requirements and timetable to be published separately by QCDA. AQA conducts the administration of the Principal Learning units for this specification on behalf of AQA-City & Guilds.

5.9 CABs, DABs and the Diploma aggregation service

AQA is recognised as a Component Awarding Body and offers the widest range of GCE and GCSE qualifications of any unitary awarding body in the UK. These are listed in QCDA's Diploma Catalogue. Similarly, City & Guilds is recognised as a Component Awarding Body and offers the widest range of NVQ, VRQ and City & Guilds' own brand qualifications, which are listed in QCDA's Diploma Catalogue.

AQA-City & Guilds has been recognised as a Component Awarding Body to certificate Principal Learning and Project qualifications for Diplomas.

AQA-City & Guilds has been recognised as a Diploma Awarding Body by QCDA in order to certificate whole Diploma qualifications for the Diploma in Retail Business at all three levels.

Learners who have registered for Diploma awards with AQA-City & Guilds will on completion receive a Diploma certificate and a Diploma transcript. The transcript will conform to QCDA's specification in terms of the design and information included. The data for the transcript will be supplied by the Diploma aggregation service which is designed to enable the data sharing, results aggregation and grading supporting functions required for the operation of the Diploma as a composite qualification.

5.10 Enquiries about results

The services available for enquiries about results include a clerical check, re-mark of external assessments and re-moderation of internally assessed work. Requests must be submitted within the specified period after the publication of results for individual assessments.

In cases where a post-results enquiry reveals inaccurate assessment, the result may be confirmed, raised or lowered.

For further details of enquiries about results services, please consult the current version of the *JCQ Post-Results Services* booklet.

5.11 Re-sits and shelf-life of unit results

Unit results remain available to count towards certification, whether or not they have already been used, as long as the specification is still valid.

Learners may re-sit a unit any number of times within the shelf-life of the specification. The best result for each unit will count towards the final qualification.

Learners will be graded on the basis of the work submitted for assessment.

5.12 Access arrangements and special consideration

We have taken note of the provisions of the Disability Discrimination Act (DDA) 1995 in developing and administering this specification.

We follow the guidelines in the Joint Council for Qualifications (JCQ) document: *Regulations and Guidance Relating to Candidates who are Eligible for Adjustments in Examinations GCSE, GCE, GNVQ, AEA, Entry Level, Basic Skills & Key Skills Access Arrangements and Special Consideration*.

This is published on the JCQ website:

www.jcq.org.uk/exams_office/access_arrangements/

or you can follow the link from our website:

www.aqa.org.uk/admin/p_special_3.html

Access arrangements

We can make arrangements so that learners with disabilities, special educational needs and temporary injuries can access the assessment. These arrangements must be made **before** the examination. For example, we can produce a Braille paper for a learner with visual impairment.

Special consideration

We can give special consideration to learners who have had a temporary illness, injury or indisposition at the time of the examination. Where we do this, it is given **after** the examination.

Applications for either access arrangements or special consideration should be submitted to AQA-City & Guilds by the Examinations Officer at the centre.

5.13 Language of examinations

We will provide units for this specification in English only.

5.14 Qualification titles

The qualification based on this specification is:

AQA-City & Guilds Level 3 Principal Learning in Retail Business.

Appendix A

Connections to other qualifications

The Advanced Diploma in Retail Business incorporates the following qualifications in addition to the Principal Learning:

Functional Skills qualifications in English, mathematics and ICT

For details of the AQA Functional Skills specifications please go to:

www.aqa.org.uk/qual/gcse/functional_skills.php

For details of the City & Guilds Functional Skills specifications please go to:

www.cityandguilds.com/functionalskills

The Level 3 Extended Project qualification

For details of the AQA-City & Guilds Level 3 Extended Project specification go to:

www.diplomainfo.org.uk/aboutdiplomas/projects.html

Appendix B

Additional and Specialist Learning for the Advanced Diploma in Retail Business

The complete list of accredited qualifications which has been recognised as eligible for Additional and Specialist Learning for the Advanced Diploma in Retail Business is published on the National Database of Accredited Qualifications. Visit:

www.accreditedqualifications.org.uk

AQA and City & Guilds qualifications which have been recognised as eligible for Additional and Specialist Learning for the Diploma in Retail Business are also published on:

www.diplomainfo.org.uk

Appendix C

Other issues

European Dimension

AQA-City & Guilds has taken account of the 1988 Resolution of the Council of the European Community in preparing this specification and associated specimen units.

Environmental Education

AQA-City & Guilds has taken account of the 1988 Resolution of the Council of the European Community and the Report *Environmental Responsibility: An Agenda for Further and Higher Education* 1993 in preparing this specification and associated specimen units.

Avoidance of Bias

AQA-City & Guilds has taken great care in the preparation of this specification and specimen units to avoid bias of any kind.

Level 3 – Principal Learning

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