

Retailing

Exam Information	Description
Exam number 407 Items 42 National Career Cluster Marketing & Sales Certification available Yes	This course will prepare the candidate to operate businesses that sell goods and services in both brick-and-mortar stores and through e-commerce. This course will provide insight into operations management, buying and merchandising, customer experience, sales and promotion, and employability skills. Candidates taking marketing-related courses should have the opportunity to participate in a related CTSO organization.

Exam Blueprint and Performance Skills

Standard	Percentage of exam score
1. Employability Skills*	10%
2. Customer Experience*	15%
3. Operations Management	28%
4. Buying and Merchandising*	28%
5. Sales and Promotion*	19%
6. Food Safety and Legislative Compliance	0%

*Includes performance skill evaluation

Standard 1 - Employability Skills(10% of exam score)

Candidates will explore career options and employability skills needed for gaining and maintaining employment in retail and e-commerce.

Objective 1 Explore career paths and opportunities associated with the retail industry

1. Cashier: The person who handles customer transactions, processes payments, and gives change at the checkout.
2. Store Manager: The person responsible for overseeing daily operations in the store, managing employees, and ensuring customer satisfaction.
3. Buyer: The person who selects and purchases products for the store, making decisions about inventory and ensuring it meets customer demand
4. Sales Management: The team or individual responsible for leading and motivating the sales staff to achieve sales goals and provide excellent customer service.
5. Marketing Management: The team or individual responsible for promoting the store's products and services, planning marketing campaigns, and increasing customer awareness.
6. Visual Merchandiser (both in-store and online): The person who arranges and displays products in a store or online platform to attract customers and encourage sales.

Objective 2 Learn and describe how to apply durable skills for retail employees and management Adaptability: the ability to adjust quickly and effectively to changing situations, tasks, or customer needs.

1. Collaboration: the ability to work effectively with coworkers, supervisors, and other vendors to maintain smooth store operations.
2. Communication: the ability to clearly and concisely exchange information with customers, coworkers, and supervisors through verbal, non-verbal, and written means.
3. Engagement: the ability to enthusiastically provide customer service, take the initiative, contribute to team goals, and show pride in your work.
4. Innovation: the ability and willingness to introduce new ideas, approaches, or improvements that enhance customer experience, store operations, or increase sales.
5. Leadership: the ability to positively influence and guide others to achieve shared goals, deliver excellent customer service, and maintain a positive work environment.
6. Professionalism: the ability to maintain a positive attitude, follow policies, be courteous, dress appropriately, and handle challenges calmly.

Objective 3 Demonstrate an understanding of the role of the retail manager for recruiting, hiring, training, supervising, and terminating employees, as well as maintaining the everyday operation of a business to ensure that it functions efficiently and meets established goals

1. Explain how store managers recruit, select, motivate, train, and evaluate their employees.
 - a. Recruiting: the process of finding and hiring the right job candidates for the retail sector
 - b. Hiring process: creating job descriptions, reviewing resumes, conducting interviews, and selecting candidates for hire.
 - c. Onboarding: the action or process of integrating a new employee into a business or familiarizing a new customer or client with one's products or services.
 - d. Employee training: new employees is the formal or informal goal to quickly and efficiently

- prepare a
- e. Employee retention: a business's concerted efforts to retain their existing staff. Relate the elements of a positive working environment and motivational techniques to minimize employee turnover.
 - f. Employee incentive program: structured use of rewards and recognition to motivate desired behavior from employees
 - g. Employee performance evaluation: a tool used by managers and human resource departments to review an employee's performance during a set period of time.
 - h. Employee productivity: the amount of work (or output) produced by an employee in a specific period of time.

Objective 4 Understand the measures used in securing a retail business.

1. Explain the importance of security policies and safety precautions for a retail business.
2. Describe internal and external theft in a retail business. Internal theft, also known as employee theft, consists of any stealing or taking of business property without permission.
 - a. Shrinkage: the loss of inventory, leading to , leading to a discrepancy between the recorded inventory and the actual stock on hand.
 - b. Sweethearting: is a form of employee theft in retail, where an employee gives unauthorized discounts, free merchandise, or or other benefits to friends, family, or other individuals they know
 - c. External theft: often called shoplifting, break-ins, robberies, or other acts by persons with no connection to the business.
3. Discuss methods of loss prevention as actions taken to reduce the amount of theft, breakage, or
4. wastage in a business. This includes poor record-keeping and inventory management.
5. Describe how to keep proper documentation, practice job rotation, and involve employees in the decision-making process.
 - a. Job rotation: the practice of moving employees between different tasks to promote experience and variety
 - b. Termination of employment: the end of an employee's work with a business.
 - c. Voluntary: when a worker leaves of their own accord
 - d. Involuntary: a business downsize or layoff, or if an employee is fired.

Performance Skills Candidates will create an onboarding presentation that introduces new employees to a retail business. The project could include:

1. A welcome packet with job descriptions and a company overview
2. A training outline for at least one retail position
3. A performance evaluation form and an incentive plan
4. A loss prevention and safety guide (covering theft and security policies)
5. A summary of the hiring process, including a sample job posting and onboarding checklist

Standard 2 - Customer Experience (15%)

Candidates will understand the importance of customer relations or the ways that a retailer will engage with its customers to improve the customer experience

Objective 1 Candidates will understand and examine merchandise planning in retailing

1. Visual merchandising: the practice in the retail industry of optimizing the presentation of products and services to better highlight their features and benefits.
2. The purpose of visual merchandising is to attract, engage, and motivate the customer to make a purchase.
3. Strong focal points for displays and feature areas.
4. Clean, uncluttered presentation with good spacing and consistent facing.
5. Consistent signage with simple, readable messaging and accurate pricing.
6. Store image: the image or impression of a store in the minds of customers.
7. The goal of retailing is a good overall impression in terms of the products available in the store, the store itself, and the experience they expect when shopping at the store. Understand that store image also relates to online content, images, layout, and the total e-commerce experience.

Objective 2 Consider form, function, and joinery.

1. Customer service: the direct one-on-one interaction between a consumer making a purchase and a representative of the business that is selling it.
 - a. This interaction is a critical factor in ensuring buyer satisfaction and encouraging repeat business. Employees play a critical role in meeting customer needs and expectations.
 - b. Stages of Effective Customer Service
 - i. Opening: greeting by acknowledging the customer quickly with a friendly demeanor
 - ii. Discovery: questioning through active listening
 - iii. Resolution: through clarifying, paraphrasing, and summarizing
 - iv. Ownership: employee empowerment by clearly defining what the employee is allowed and limited to do in resolving issues.
2. Net promoter score: a calculation that measures the likelihood of a customer recommending your business. % of promoters - % of detractors
3. Ratings and Reviews: a written or online opinion or evaluation shared by a customer after using a product or service.
 - a. Word of mouth: when a consumer's interest in a business, product, or service is directly reflected in their daily dialogues. It is essentially free advertising triggered by customer experiences. It can include something as informal as conversations and as formal as online reviews.
 - b. Customer satisfaction ratings: known as customer satisfaction score, indicate how well products and services meet expectations.
 - i. This is usually determined by taking the number of happy ratings and dividing it by the /number of total ratings.
 - c. Social Media: Businesses use social media to connect with customers, promote products, and get feedback. Customers can post:
 - i. Unsolicited review: consumers sharing experiences, which can influence others to buy or not buy a product or service not contracted by the business.
 - ii. Earned review: based on their satisfaction with the product or service, an individual chooses to promote a product or service.
 - iii. Unaffiliated review: a review not sponsored by the business and helps others decide if they want to try the business or product.
 - iv. Affiliated review: a review that is sponsored through a formal contract to review a product or service.

Performance Skill

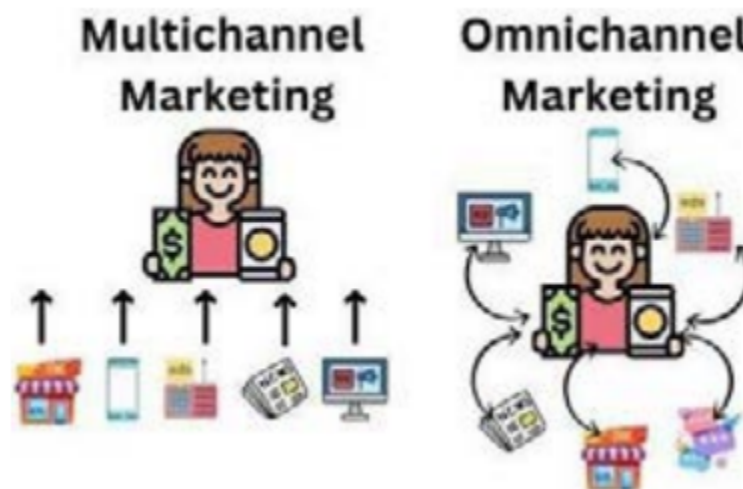
1. Evaluate in person the customer service experience at a school store or a retail store.
2. Research and evaluate a product or retail store's customer satisfaction ratings, net promoter score, and reviews.

Standard 3 - Operations Management (28%)

Candidates will understand the importance of planning, controlling, and securing both a retail and e-commerce business.

Objective 1 Calculate board footage. Candidates will understand the planning process for a retail business. Planning a retail business begins with making essential decisions for the business.

1. Determine the primary operation of the business
 - a. Food operations: product assortment includes food or beverage items that account for the largest percentage of items sold
 - b. Retail operations: non-food items or services account for the largest percentage of gross sales
2. Identify and define the types of store locations.
 - a. Freestanding: any stand-alone building
 - b. Brick-and-mortar: a business that operates conventionally rather than over the internet
 - c. Unplanned business district: when two or more stores are close together
 - d. Centrally planned business district: a centrally located area within a city for general retail shopping,
 - e. personal and professional services, educational institutions, entertainment establishments, restaurants, and other business
 - f. Pop-up: retail business opened temporarily to take advantage of a faddish trend or seasonal demand
 - g. Kiosk stores: a small, temporary, stand-alone booth used in high-traffic areas such as in malls
 - h. E-commerce sites: Internet commerce refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions
 - i. Explain how consumers can be assured of an e-commerce site's security.



3. Explain the location-selection criteria for physical stores
 - a. Zoning: laws define how structures can be built on a property and how those structures can be used
 - b. Storefront: the part of a store that faces the street, usually a glass front
 - c. Traffic: the number of customers that enter a store location or website.
4. Explain essential decisions for an e-commerce store's;
 - a. Social Commerce/In-app purchase: the entire shopping experience from product discovery and research to the check-out process takes place right on a social media platform.
 - b. Call to action: the buttons throughout a site that tell your customers what to do, where to click, and what to buy
 - c. Mobile friendliness: includes multiple elements, design, navigation, layout, site speed, and general user experience. Consumers expect an intuitive experience
 - d. Updated and accurate inventory: the correct sizes, prices, and quantities available
 - e. Consistent branding tone and design elements: the online site should reflect the customer experience in a physical store and deliver on the unique value proposition of the brand
5. Describe multichannel retailing as the practice of making products available to consumers on more than one sales channel.
6. Omni-channel: defined as an approach to sales that focuses on providing a seamless customer experience whether the client is shopping online from a mobile device, a laptop, or in a brick-and-mortar store.
 - a. Omnichannel connects all channels, and means customers have a seamless experience across all channels.
7. Touchpoints: where customers and businesses engage to exchange information, provide service, or handle transactions. It is your brand's point of customer contact, from start to finish. For example, customers may find your business online or in an ad, see ratings and reviews, visit your website, shop at your retail store, or contact your customer service.
8. Introduce common KPIs (Key Performance Indicators)
 - a. SEO (Search Engine Optimization)
 - b. SERP (Search Engine Results Page)
 - c. Cart Abandonment Rate

Objective 2 Describe the importance of internal controls for a retail business.

1. Explain how retailers evaluate their performance through financial goals such as;
 - a. UPT: Unit Per Transaction; a sales metric used to measure the average number of items that customers purchase in any given transaction. The higher the UPT, the more items customers are purchasing for every visit.
 - b. DPT: Dollar Per Transaction; a sales metric used to measure the average number of items that customers purchase in any given transaction. The higher the DPT, the more items customers are purchasing for every visit.
 - c. Compare daily sales against last year's sales: $\text{Today's Sales} - \text{Last Year's Sales} = \text{Amount over or under compared to last year}$
2. Cash handling policies and procedures: checks and balances for employees and management to ensure that standards are kept throughout the business. Explain the use of the following financial statements;
 - a. POS: Point Of Sale; a software system where a customer executes the payment.
 - b. Digital Payments: the transfer of value from one payment account to another through electronic means.
 - c. Balance sheet: a financial statement that reports a business's assets, liabilities, and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating its capital structure.

- d. Income statement: also known as the profit and loss statement or the statement of revenue and expense, the income statement primarily focuses on the business's revenues and expenses during a particular period.
- e. Cash flow statement: a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a business. It measures how well a business generates cash to pay its debt obligations and fund its operating expenses.

Performance Skill

1. Using UPT, DPT, and daily sales data to predict inventory and labor needs
 - a. Inventory needs: Predict which products will likely be in high demand, and estimate the quantity of each product that should be stocked.
 - b. Labor needs: Determine when peak sales periods are likely to occur and estimate the number of staff members needed to effectively handle customer traffic and transactions during those times.

Standard 4 - Buying and Merchandising (28%)

Candidates will understand the role and responsibilities of a retail buyer and apply key concepts of buying and merchandising to a retail business.

Objective 1 Understand and define the responsibilities and roles of a retail buyer.

1. Retail buyer: the person responsible for planning, selecting, and purchasing quantities of goods and merchandise that are sold in retail stores. They source and review existing goods to ensure their products remain competitive.
2. Examine and discuss the key components of strategic planning and buying in retail.
 - a. Supply: higher prices boost the supply of an economic good while lower ones tend to diminish it.
 - b. Demand: the demand level for a product or a resource will decline as the price rises and rise as the price drops.
 - c. Inventory control: the process of ensuring that appropriate amounts of stock are maintained by a business, to be able to meet customer demand without delay while keeping the costs associated with holding stock to a minimum.
 - d. Forecasting: attempts to determine the supply of and demand for various products and services.
 - e. Lead time: the amount of time between recognition that an order needs to be placed and the point at which the merchandise arrives at the store.
 - f. Stock turnover: the number of times inventory is sold or used in a certain time period.
 - g. Perishability: how long something can be stored before it begins to "go bad" (Expired, become ruined, become obsolete)
 - h. Supply chain management: the process of ensuring that the product arrives at the business in a timely manner. This includes aspects such as planning, sourcing, manufacturing, delivery, and logistics, and returning products deemed defective,

in excess, or unwanted.

Objective 2 Analyze and apply the five components of a Merchandise Plan.

1. Merchandise Plan: a systematic approach to planning, buying, and selling merchandise to maximize your return on investment while simultaneously making merchandise available at the places, times, prices, and quantities that the market demands.
2. Describe the components of a merchandise plan. Explain how merchandise plans work in the retail industry.
 - a. Product: anything and everything that a business decides to offer as a good or service.
 - b. Price: the amount of money requested or exchanged for a product should cover expenses and allow for a profit
 - i. Perceived value: a customer's own perception of a product or service's merit or worth
 - ii. Overhead: the general, fixed cost of running a business, as rent, lighting, and heating expenses, which cannot be charged or attributed to a specific product or part of the work operation.
 - iii. Cost per unit: the combination of all expenses/costs to produce a single unit.
 - iv. Profit: money from revenue after all expenses are taken into account.
 - v. Markup: the amount added to the cost price of goods to cover overhead and profit.
 - vi. Markdown: discounting a product in order to try to recoup purchasing costs.
 - vii. Break-even point: defined as the point when sales revenue (income) equals the cost (expenses) of making and distributing the product.
 - viii. ROI: Return on Investment; the measure of profitability of a retail item.
 - c. Range: refers to the width/breadth and depth of products offered for sale in a retail establishment.
 - i. Product items: a specific version of a product that can be designated as a distinct offering among a business's products.
 - ii. Product lines: a group of closely related product items
 - iii. Product width/breadth: number of different product lines carried by the business
 - iv. Product depth: the total number of variations for each product. Variations can include size, flavor, and any other distinguishing characteristic.
 - d. Assortment: how many brands you offer within the same product Example: If your establishment decides to carry spearmint gum, how many brands will you carry? Five, Extra, Trident, Bubblicious.
 - e. Space: the most limiting part of a merchandise plan. You need to know where to put it in order to present the product to the customer in a visually appealing and effective manner to encourage additional purchases. There is only so much physical space in a retail store and page space on an e-commerce site before it becomes cluttered.
 - i. Store layout: the design of a store's floor space and the placement of items within that store to optimize and encourage additional sales. Analyze the use of visual merchandising in retailing (brick-and-mortar and online)
 - ii. Planogram: a diagram that shows how and where specific retail products should be placed on retail shelves or displays in order to increase customer purchases.
 - iii. Page layout: the arrangement or organization of visual elements on a web page.
 - iv. Above the fold: The space visible on a mobile/website without scrolling.

Objective 3 Analyze components of vendors and vendor negotiation.

1. Define vendors as a general term used to describe any supplier of goods or services who intends to sell them to another business.
2. Discuss examples of vendors used in retail and why vendors are used.
3. Analyze and identify parts of a purchase order and how they apply to a retail business.
4. Purchase order: an official document issued by a buyer to a seller indicating types, quantities, and agreed prices for products or services they wish to buy.
5. Shipping terms: an agreement between buyer and seller on how the product will be shipped, who is responsible for payment, and when ownership is transferred.
6. Understand elements associated with accounts payable and early payment discounts.
7. Define accounts payable as money owed by a business to its creditors.
8. Calculate common discounts given for early payment, such as 2/10 - n/30, and explain what these terms would mean. (2% discount given if paid in 10 days, net must be paid in 30 days.)

Objective 4 Explain key components of the receiving process and stock handling.

1. Receiving process: the process of matching items shipped against items ordered on a purchase order.
2. Discuss what happens when the product shipped to you does not match the purchase order, or if the product shipped is damaged.
3. Discuss inventory counts and how numbers being off could affect the ability to fulfill customer orders.
 - a. Perpetual inventory: an inventory determined by keeping a continuous record of increases, decreases, and the balance on hand of each item of merchandise. Usually kept through a point of sales system.
 - b. Physical inventory: A periodic inventory is conducted by counting, weighing, or measuring items of merchandise on hand.

Performance Skill

1. Evaluate new product ideas for a store and determine appropriate pricing strategies for them. Calculate ROI, Break-Even Point, and markup for a product.

Standard 5 - Sales and Promotions (19%)

Candidates will understand the importance of sales and promotions in retail businesses and design sales and promotion strategies for a retail business.

Objective 1 Plan selling strategies for a retail business

1. Determine customer needs.
 - a. Know that retailers group customers into market segments to make approachable subset groups based on different characteristics like geographic, demographic, psychographic, and behavioral.
2. Explain the importance of customer traffic for a retail business to turn visitors into customers.

- a. Retail conversion rate: the percentage of visitors to a retail business who make a purchase (this applies to online and in-person).
3. Demonstrate suggestion selling.
 - a. Suggestion-selling: a sales technique where an employee asks a customer if they would like to include an additional purchase that might suit the customer.
4. Explain the process for documenting sales and how the tracking of sales impacts the retail business.

Objective 2 Demonstrate promotional activities for a retail business Understand promotional strategy.

1. Promotional mix: an integration of selling, sales promotion, public relations, and advertising.
2. Selling: a process of persuasion to get potential customers to take action.
3. Sales promotion: a marketing strategy where the product is promoted using short-term attractive
4. initiatives such as discounts, free shipping, flash sale, product giveaways, price match, loyalty points, BOGO (buy one, get one free), holiday promotions.
5. Advertising media: used for communicating a promotional message. Examples include online banners,
6. radio spots, social media, billboards, television advertisements, print media, in-game advertising, and many more.
7. Understand that there are pros and cons of each advertising medium based on the business and marketing strategy.
8. Cross-merchandising: marketing or displaying products from different categories together, to generate additional revenue.

Performance Skill

1. Candidates will create a promotional campaign for a retail business. They will incorporate promotional mix items and create them for a specific market segment

Standard 6 - Food Safety and Legislative Compliance (0%)

Candidates will understand food safety and the importance of compliance with State and National Law for selling food products in a school-based enterprise.

Objective 1 Identify the school based enterprises that must comply with local, state and federal food and safety regulations.

1. Fundraisers that sell food
2. Class parties that provide food
3. School stores that sell food
4. School food pantries that offer food
5. Define the following term in the context of food sales for Utah schools:
 - a. School Day: Defined as a half hour before and after school.

Objective 2 Candidates will understand and describe Utah Food Safety Requirements.

1. Explain the role of County Health Departments in regulating food service and retail.
 - a. Ensure public health and safety
 - b. Issue and renew the permits necessary to operate as a legal food handler
 - c. Investigating consumer complaints of foodborne illnesses

2. Describe the necessity of a Food Handler's Permit for employees handling food in a retail setting. Discuss the employees who need a Food Handler's Permit:
 - a. Anyone who handles unpackaged food
 - b. Anyone who works with food equipment or surfaces
 - c. Anyone who delivers food to consumers
3. Discuss where employees get a Food Handler's Permit
 - a. Online through the Utah Department of Health website
 - b. In Person at the County Health Department

Objective 3 Candidates will analyze and describe compliance with the national SMART Snacks in School standards.

1. Analyze the general requirements of the SMART Snacks in School standards for food and beverage sales.
 - a. To qualify as a Smart Snack, a snack or entrée must first meet the general nutrition standards:
 - b. Be a grain product that contains 50 percent or more whole grains by weight (have a whole grain as the first ingredient); or
 - c. Have as the first ingredient a fruit, a vegetable, a dairy food, or a protein food; or Be a combination food that contains at least $\frac{1}{4}$ cup of fruit and/or vegetable (for example, $\frac{1}{4}$ cup of raisins with enriched pretzels); and
 - d. The food must meet the nutrient standards for calories, sodium, fats, and total sugars.

Objective 4 Explore career paths and opportunities associated with the retail industry

1. Analyze the requirements of Utah Code 53G-9-205(2) regarding the sale of products containing specific food additives and dyes.
2. Discuss who the law applies to when it states anyone, "who sells, donates, offers, or serves a
3. consumable item during the school day."
4. Determine foods that contain the following unauthorized additives and dyes that may be commonly sold
 - a. i)potassium bromate;
 - b. (ii)propylparaben;
 - c. (iii)FD&C Blue No. 1;
 - d. (iv)FD&C Blue No. 2;
 - e. (v)FD&C Green No. 3;
 - f. (vi)FD&C Red No. 3;
 - g. (vii)FD&C Red No. 40;
 - h. (viii)FD&C Yellow No. 5;
 - i. (ix)FD&C Yellow No. 6.
5. Discuss approved food and beverage alternatives that comply with the law and are permissible to be sold, offered, donated, or given to candidates.
6. Identify ideas for current and future sales that comply with the law and will generate a profit for the school-based enterprise.

Performance Skill

1. Candidates will create a compliance plan to ensure that their school-based enterprise is aligned with local, state, and federal law. Include foods to avoid and recommendations on substitutions and alternatives for food items to be sold, offered, donated, or served to candidates.

Performance Skills Evaluation

Exam name: Retailing

Candidate Name: _____

Performance assessments may be completed and evaluated any time before the certification is issued. The following performance skills can be used in connection with the associated standards and exam. The evaluator will function as the subject matter expert to determine if the candidate meets the skills requirements with a Yes/No for passing.

Standard 1 – Employability Skills

Choose one:

- Prepare a resume, which includes: personal information, position you are seeking, work experience, education, involvement in extra activities, and references. Word document, PDF, or a LinkedIn Profile are acceptable
- Research available retail careers in the local area and identify skills, education and job outlook required. Using print, online, and/or personal interview sources, develop a career profile for at least three occupations (managerial level or above) found in national or international retail businesses.
- Candidates will complete SBE Standard related to human resource management in the DECA School Based Enterprise Certification
- Candidates will complete periodic Performance Reviews for their SBE Job.

Pass:

Standard 2 – Customer Experience

Choose one:

- Evaluate the customer service experience at a retail store, brick-and-mortar or online.
- Evaluate and analyze the visual merchandising used at a retail store, both brick-and-mortar and online.
- Research and evaluate a product or retail store's customer satisfaction ratings, net promoter score, and word of mouth ratings.

Pass:

Standard 4 – Buying and Merchandising

Choose one:

- Complete an audit of a retail store's merchandise plan. Recommend change or improvements for the store based on market research and observation.
- Evaluate new product ideas for a store and determine appropriate pricing strategies for them. Calculate ROI, Break-Even Point, and markup for a product.
- Create and apply strategies and promotions for dealing with low stock turnover rates or perishable products not selling well in a retail location.

Pass:

Standard 5 – Sales and Promotion

Choose one:

- Candidates will create a promotional campaign for a retail business. They will create it for a specific market segment and incorporate promotional mix items.
- Candidates will perform a selling scenario that would happen in a retail setting. They will incorporate the selling steps, objections, and suggestion-selling in their performance.

Pass:

Evaluator Name:

Date:
