

LEVEL 1/2 VOCATIONAL AWARD IN RETAIL BUSINESS (TECHNICAL AWARD)

GUIDANCE FOR TEACHING

UNIT 1 GUIDE



AIMS OF THE GUIDANCE FOR TEACHING

The principal aim of the Guidance for Teaching is to support teachers in the delivery of the WJEC Level 1/2 Vocational Qualification in Retail Business (Technical Award) and to offer guidance on the requirements of the qualification and the assessment process. The Guidance for Teaching is **not intended as a comprehensive reference**, but as support for professional teachers to develop stimulating and exciting courses tailored to the needs and skills of their own learners in their particular institutions.

AIMS OF THE UNIT GUIDE

The principal aim of the Unit Guide is to support teaching and learning and act as a companion to the Specification. Each Unit Guide will offer detailed explanation of key points in the Specification and aim to explain complex areas of subject content. An overview of the whole course can be found in the Delivery Guide.



Fig.1

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INTRODUCTION

The WJEC Level 1/2 Vocational Award in Retail Business (Technical Award), approved by Ofqual and DfE for performance qualification tables in 2024 (first teaching from September 2022), is available to:

- all schools and colleges in England and Wales
- subject to local agreement, it is also available to centres outside England, for example in Northern Ireland, the crown dependencies of the Isle of Man and the Channel Islands, and in British overseas territories, and to British forces schools overseas. It is not available to other overseas centres.

It will be awarded for the first time in January 2024, using grades Level 1 Pass, Level 1 Merit, Level 1 Distinction, Level 1 Distinction*, Level 2 Pass, Level 2 Merit, Level 2 Distinction, Level 2 Distinction*.

ADDITIONAL WAYS THAT WJEC/EDUQAS CAN OFFER SUPPORT:

- sample assessment materials and mark schemes
- exemplar materials
- face-to-face CPD events
- examiners' reports on each question paper
- direct access to the subject officer
- free online resources
- Exam Results Analysis
- Online Examination Review
- Regional Support team (England Centres only).



Fig. 2

OVERVIEW OF UNIT 1

The business of retail

Overview of the unit

This unit introduces learners to the competitive and dynamic nature of the retail industry. Learners will gain knowledge and understanding of the different types of retail organisations that compete for customers and how these businesses are managed in order to achieve their aims and provide a continuous supply of products. Learners will also gain knowledge and understanding of the external environment in which retailers operate and the impact of external factors on their operations.

Learners will use this knowledge and understanding, in addition to retail business data, to identify the issues faced by retail organisations in a highly competitive market and to recommend solutions to business issues.

The knowledge and understanding gained from Unit 1 underpins the delivery of Unit 2 and Unit 3 and should be delivered prior to those units.

1.1	Introduction to retail business
1.2	The retail business environment
1.3	Using data and recommending solutions to retail business issues

HOW TO READ THE SPECIFICATION

WJEC/Eduqas Vocational Award (Technical Awards) specifications are written to be transparent and easy to understand.

The amplification provided uses the following four stems:

- ‘Learners should know’ has been used for the recall of facts such as: legislation and definitions.
- ‘Learners should know and understand’ has been used for the majority of the unit content where knowledge needs to lead to a sense of understanding.
- ‘Learners should be aware of’ has been used when the volume of content is quite extensive, and learners do not need to understand all aspects in detail.
- ‘Learners should be able to’ has been used when learners need to apply their knowledge to a scenario or practical situation.

The amplification provided includes all of the assessable content for the relevant section, unless it states, ‘e.g.’ ‘including’ or ‘such as’. In these cases, the amplification lists relevant content, which should be expanded upon in an appropriate way, taking account of learners’ needs and interests. The use of the word ‘including’ indicates compulsion (i.e. a question could be specifically set on that aspect). The use of the words ‘e.g.’ or ‘such as’ are for guidance only, and an alternative can be chosen.

UNIT 1 TEACHER GUIDANCE

1.1 Introduction to retail business

	Content Amplification	Teacher Guidance
1.1.1	<p>Learners should know and understand the following different types of retail business activity and retail products:</p> <ul style="list-style-type: none"> • different retail channels including physical stores/shops, e-commerce, m-commerce, multi-channels, hybrid, concessions, temporary (pop-up) shops, markets and catalogues • The advantages and disadvantages of using different retail channels • different types of retailers including department, supermarket, warehouse, clothing/fashion, speciality (e.g. cosmetic, sport, optician, car dealership and travel agent), convenience, discount, independent and charity • online retailing including its continuing growth and importance to the retail industry and the advantages and disadvantages of it to retail businesses. Online retailing includes retailer's own website, a third-party marketplace, (such as Amazon, eBay, Etsy, etc.) and social media, (such as Facebook, Twitter and Pinterest, etc.) • different types of retail products including mass and specialised/niche, branded and own-label, perishable, restricted, high volume and low volume and high value. 	<p>This content gives the essential core introduction to the retail industry and gives learners a comprehensive induction to a range of retail organisations. It is advised to take time here to ensure learners understand and appreciate the vast variety of retail organisations, how they differ in their use of channels, the emergence and importance of online retailing and the different types of products sold.</p> <p>It is crucial that learners are aware of the full range of these different retail organisations and features, and are not limited to focusing on a narrow range of retail organisations and products, or to retail organisations and products that they have first-hand experience of.</p> <p>Time should be given to allow learners to learn and use the specific retail terminology given and to understand the consequences to different types of retail organisations and their customers of the different channels used.</p> <p>Learners also need to understand the requirements and consequences of selling different types of products.</p> <p>For different retail channels, different types of retailers, online retailing and different types of products, the content amplification lists specific content (indicated by the use of 'including') which must be taught and could be directly assessed in the external assessment.</p> <p>A range of real and current retail organisations should be used to illustrate the various aspects of the content and learners should be introduced to the skills aspect of Unit 1, namely, section 1.3 Using data and recommending solutions to retail business issues. For example, for 1.1.1, learners could be given real retail business data on the growth of online retailing (in numerical or graphical form) and asked to interpret the data and discuss its possible impact on the retail industry through the business and the customers' point of view.</p>

1.1.2

Learners should know and understand:

- the features of different types of **business ownership**, including sole traders, partnerships, private and public limited companies, co-operatives, not-for-profit and charities
- the differences between **limited and unlimited liability**, including understanding the concept and implications on retail business owners the **advantages and disadvantages** of choosing different types of business ownership.

This section focuses on a fundamental aspect of any business-related qualification, business ownership. Learners need to know and understand the specific features of the different types of business ownership listed and the consequences to the business of choosing its preferred ownership.

Learners also need a clear understanding of the concept of limited and unlimited liability, an essential consideration for business owners.

Learners will be expected to understand the advantages and disadvantages of different business ownerships and consider reasons why a retail business might decide to change their ownership from one to another. For example, learners could consider why a sole trader clothes retailer might change its ownership to a partnership or a private limited company.

Co-operatives and not-for-profit retail organisations are less well-known in the main, so it is advised to spend time covering these and using real and current retail organisations to develop understanding.

Although there is no direct need in this section to relate business ownership to retail businesses only, and many teachers can use their GCSE Business notes here, it would be a good idea to attempt to use retail organisations when developing understanding, as the advantages and disadvantages of the different ownership choices can then be directly related to the retail industry. For example, there is a high proportion of independent small-scale retailers, likely to be sole traders or private limited companies, that can be found on the high street or in local communities. Learners are naturally drawn to the larger, well-known retailers that are likely to be larger scale private and public limited companies, but the retail industry consists of many, less known sole traders. There are plenty of news articles that discuss the challenges of sole traders that can be used here to develop skills listed in section 1.3.

This section leads naturally into section 1.1.3, **scale of retail business**, and these sections could be taught alongside each other.

1.1.3	<p>Learners should know and understand the different scale of retail businesses, which are:</p> <ul style="list-style-type: none"> • local - including small and medium size retailers, independent stores, market stalls, convenience stores, online and other retail channels that operate in a single or small locality • national - including supermarkets, department stores, fashion stores, online and other retail channels that operate nationally and have multiple outlets selling the same products and services • global - including multinational businesses that sell throughout the world in stores, online and other retail channels selling global brands. <p>Learners should know and understand how the different scale of retail businesses will impact: ownership, finance, product range, promotion, production, purchasing, employees and use of technology.</p>	<p>This section focuses on developing learners understanding of the different scale of retail businesses and can be taught alongside section 1.1.2 or independently after 1.1.2.</p> <p>The way in which a retail organisation operates, for example, its range of products, its customer service provision, its supply chain, its use of technology, its marketing activities and its financial situation will depend largely on its scale. Learners need to understand that not all retail businesses operate at the same scale, even if they have similar business ownership.</p> <p>The importance of this section is to allow learners to understand the impact that scale has on a retail organisation’s activities and its potential success or failure. For example, a local, small scale business may wish to introduce a range of promotional activities to increase footfall but might be unable to do this due to its lack of finance or its small workforce. Whereas, a global business will have the processes in place and the finance available to use the most effective promotional activities available to them.</p> <p>Learners could carry out independent research and present their findings on real and current examples of retail businesses operating at different scales. Alternatively, learners could be given data on different retail organisations at different scales and asked to interpret and discuss the impact on, for example, their aim to grow and increase sales revenue. This would be useful for the development of skills in readiness for section 1.3.</p>
1.1.4	<p>Learners should know and understand:</p> <ul style="list-style-type: none"> • the main types of aims of retail businesses include survival/break even, profit maximisation, to increase sales, to increase market share, to give customer satisfaction, diversification, to be ethical, environmental awareness, to be socially responsible, and specific retail aims (e.g. develop a multi-channel approach, introduce self-serve checkouts and introduce click and collect) • how aims will differ for different types of retail business ownership and the different scale of retail business 	<p>Learners need to know the specific aims listed in the content amplification and understand what they mean, using the specific terminology.</p> <p>A link should be made with the three earlier sections; for example, a not-for-profit retail organisation will differ in its aims to a public limited company, a pop-up shop may have different aims to an established online retailer and a local scale business is likely to have different aims to a multinational business.</p> <p>In addition to understanding what the different aims are, learners need to understand why a business will have aims and how they are used. Future targets and measure business performance are listed so a clear understanding of these are required.</p>

	<ul style="list-style-type: none"> • how aims are used by retail businesses to reach future targets and to measure business performance. 	<p>A range of real and current examples of aims should be used. There are many articles on how retail organisations are performing on sites such as the BBC, and these can be utilised to expose learners to how aims are used in the real world by a range of retail businesses. Many retail organisations will also refer to their aims (and performance) on their websites and these are a good source of information.</p> <p>This section is useful for the development of the full range of skills in section 1.3, notably the use (including using mathematical techniques) of data to allow learners to make judgements and offer solutions to business issues.</p>
1.1.5	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> • the different functional areas of retail businesses including purchasing, logistics, warehousing, sales, customer service, marketing, finance, human resources, administration and ICT • online functional areas and how these are similar/different from physical stores and shops. <p>Learners should be aware of the activities in different functional areas.</p>	<p>This section only requires learners to be aware of the functional areas of retail businesses; full understanding is not required.</p> <p>Learners do need to have an overview of the purchasing, logistics, warehousing, sales, customer service, marketing, finance, human resources, administration and ICT functions and typical activities that would be carried out by retail organisations in each function. Learners could be asked in the external assessment to describe the activities of any one of the functional areas listed.</p> <p>For many retail organisations, who have an online and physical presence, the functional areas may well be very similar, although will likely be adapted for the different channels. For online only retailers, it is likely that they will focus on certain functional areas that are relevant to their organisation. The obvious examples are logistics, warehousing and sales where these functions will differ in many ways from physical stores and shops.</p> <p>The use of a range of real and current examples would greatly enhance learner awareness of functional areas so that they can put the theory into some real context. For example, teachers could produce a grid with the different functional areas and then ask learners to investigate 3 different retailers, possibly at different scales or selling different types of products. Learners could give details of the activities for each function with direct reference to the products they sell.</p>

1.1.6 Learners should know and understand the following three stages of the supply chain of retail businesses:

- **sourcing** - including cost, quality, delivery time, reliability of supplier and ethical and environmental factors
- **logistics** - including transport from source, storage (warehousing), packaging, security and distribution to the customer
- **stock control** - including having sufficient stock, recording stock and stock movements, checking stock levels, re-ordering stock, rotating stock and dealing with damaged, returned and out-of-date stock.

Learners should be aware of how different types of stock are stored including perishable, non-perishable, frozen, high value, fragile, restricted, large items and living stock.

Learners should be aware of:

- **the use of technology in stock control** including the use of computerised systems, databases, EPOS and automated ordering
- **the benefits** of using technology in stock control.

Learners need to understand the importance of an effective and suitable supply chain for retail organisations. For all retailers this a crucial aspect of their business and can result in the success or failure of the business.

Learners need to have an understanding of the three stages and how they work together, and this can be linked to aspects of **1.1.5 functional areas**.

When considering how products are sourced (or procured), learners need to be aware of all the issues listed in the amplification and their impact on the success of the business and satisfying customer expectations.

Logistics are very important in the current retail environment, especially for online retailers. Learners should consider the implications of costs and availability when considering the aspects listed in the amplification.

Learners need to have an understanding of how retail organisations control their stock and knowledge of the technical terms listed in the amplification, and the use of technology. They do not need to know stock control diagrams.

An important aspect of this section of content is how all three stages of the supply chain will differ for different types of products. Learners should consider this using the types listed in the amplification and the consequences of not having an effective supply chain.

The use of a range of real and current examples of supply chains of different retailers will help learner's understanding of this complex part of the content. For example, learners could explore how supermarkets are able to offer such a full range of fresh produce to customers in all of their stores, how shops prepare for different events such as Christmas and Black Friday, and the challenges faced by small scale independent shops in sourcing smaller quantities.

UNIT 1 TEACHER GUIDANCE

1.2 The retail business environment	
Content Amplification	Teacher Guidance
<p>1.2.1 Learners should know and understand the competitive and dynamic environment, in that:</p> <ul style="list-style-type: none"> • the retail industry is competitive - retail businesses have to compete for customers with competitors by methods such as cheaper prices, quality products, offering a wider range of products, customer service, advertising, promotional activities, design of store, use of multi-channels and staff training • the retail industry is dynamic - the retail environment is constantly changing, and retail businesses have to respond to remain competitive. Drivers of change include technology, consumer taste, consumer expectations, social factors and economic factors and the action of competitors. 	<p>This is a fundamental aspect of the retail industry and learners need to be fully aware and understand what is meant by competitive and dynamic, and the challenges it creates for all retail organisations at all scales.</p> <p>For competitive, the amplification lists suggested methods (indicated by the use of 'such as') so other methods could be introduced here, though the ones listed give a comprehensive idea of how retail organisations attempt to remain competitive.</p> <p>For dynamic, the amplification lists drivers that must be learnt by learners (indicated by the use of 'including') and can be enhanced with real examples that have taken place in the UK over the last few years; there are certainly plenty of events that have had an enormous impact of many retail organisations and required them to change the way in which they operate.</p> <p>Many other sections of content in this qualification and the skills needed in 1.3 Using data and recommending solutions to retail business issues, will require learners to have a firm grasp on the concept of a competitive and dynamic environment.</p> <p>Learners could be given a number of different retail organisations that sell different products and operate through different channels and investigate how they have been affected by the drivers of change and how they have responded.</p>

1.2.2 Learners should know and understand the location of retail businesses, including:

- **the different types of location** for retail businesses including urban, rural, high street, local, shopping centres, out-of-town retail parks and transport hubs
- **the characteristics of the different types of location** including cost, infrastructure, size, access, competition, parking and footfall
- **how location characteristics influence** where retail businesses locate.

This is another traditional and core aspect of many Business qualifications, though the focus here should be entirely on retail organisations, so take care if using general business resources/notes.

Learners must know and understand all of the different types of locations listed in the amplifications (indicated by the use of ‘including’) and be able to understand the characteristics of each type of location. It is a good idea to give/discuss local examples of each type to help with understanding the types and characteristics.

Once again, the content in this section requires a good understanding of the content learnt in other sections such as [1.1.1](#), [1.1.2](#) and [1.1.3](#). The key here is that different retail businesses will require different locations for a number of reasons and there is not one perfect location type that fits all retail businesses.

This section is a good vehicle to get learners to carry out some independent investigation in their local area to obtain information of the different types of locations, what businesses are located there, what they sell and who their customers are. This will provide the opportunity for learners to develop skills for [1.3 Using data and recommending solutions to retail business issues](#).

1.2.3 Learners should know and understand that the retail industry is affected by the external environment and that there are a number of external factors that will impact on retail businesses, including:

- **economic factors** - changes to the economic climate over time will impact on retail businesses including levels of consumer disposable income, levels of employment and unemployment, interest rates, tax rates and inflation
- **technological factors** - new technology can affect operations of retail businesses including the internet, websites, apps, availability of hi-speed broadband, cloud-based storage, digital media, social media, Wi-Fi access, smart phones, self-serve checkouts, contactless payments, delivery drones and virtual mannequins
- **social factors** - the changing structure of the population (demographics) will affect retail businesses. Issues include the size of the population, the age structure of the population, changing consumer lifestyles, tastes and attitudes and cultural changes
- **ethical factors** - ethical and unethical practices can impact on a retail business, including sourcing of materials, treatment of workers, animal rights, Fairtrade, marketing and promotional activities
- **environmental factors** - retail activity can have a negative effect on the environment including contributing to climate change, pollution, congestion, destruction of the environment and waste disposal. Learners should understand how retail businesses can reduce their impact through adapting environmentally friendly practices and acting in a sustainable way such as reusable shopping bags, alternative energy and less plastic packaging.

This section contains a lot of information and a considerable amount of time should be given to make sure that learners fully understand all of the external factors that affect retail businesses.

Economic factors can be difficult for some learners to understand; however, it is key that they know and understand the aspects listed in the amplification. The levels of consumer disposable income will be determined by the other economic factors; learners need to know how these other economic factors can impact on disposable income.

Detailed knowledge of the actual different interest rates and tax rates and actual unemployment rates and inflation rates are not needed, though a general understanding is required of what high or low amounts of tax means for customers and retail businesses. However, an investigation or the providing of these rates and numbers can be used if learners would benefit from knowing them.

The retail industry is greatly affected by technological change. The examples given must be learnt (as 'including' is used) and can be added to when new technology is introduced over the next few years. The content listed must be considered in the context of how it affects retail businesses and not in general terms.

Social factors do not just mean demographics; it goes beyond that. This can be a challenging concept for learners; however, the use of a range of real and current issues can help with this. For example, learners could consider how supermarkets have adapted to an increase in healthy eating and the popularity of veganism, the concern many consumers show for excessive packaging, and the increased popularity of online shopping and home deliveries. A review of population data, either local or national, will also help to develop skills for [1.3 Using data and recommending solutions to retail business issues](#).

It is best to teach ethical and environmental factors separately as many learners often get confused between the two. Ethical factors are concerned primarily with moral principles and can include environmental issues but is not exclusive to them. Learners need to know and understand the examples of ethical factors listed in the amplification (indicated by the use of 'including'). There are many recent and interesting articles on retail and ethics that can be used to enhance learning.

Environmental is concerned with how retail activity impacts on the natural world we

		<p>live in. Again, learners need to know all the negative impacts listed in the specification. Learners also need to know how retail businesses can reduce their environmental impact and the various ways they can do this. In the specification, the use of 'such as' means these are only examples and others can be used. As with ethical factors, there are many articles, news broadcasts and TV programmes that consider how retail businesses have negatively impacted the environment and the actions some have taken to address these.</p> <p>This section is suitable for the development of a range of skills in section 1.3, notably the use of data to allow learners to make judgements and offer solutions to business issues.</p>
1.2.4	<p>Learners should know and understand that:</p> <ul style="list-style-type: none"> • the retail industry is affected by seasonality which impacts several areas including product range, services offered, opening hours, staffing, sales revenue and profits, promotions and customer types • seasonality includes spring/summer/autumn/winter, calendar events such as Christmas, Halloween, Black Friday, Valentine's Day, Mother's Day, Eid, Easter etc., special events such as Olympics, royal events, music festivals, Football World Cup etc. 	<p>Seasonality is a core characteristic of the retail industry and the success or failure of many retail businesses depends on how they adapt for the different demands throughout the year.</p> <p>Learners need to understand all the areas impacted that are listed in the specification (indicated by the use of 'including') and should be able to apply these to different types of retailers selling a different product at different scales.</p> <p>Learners need to know that seasonality includes the four seasons, calendar events and special events, but the examples give are just examples and others can be used (indicated by the use of 'such as').</p> <p>This section is best delivered in the context of upcoming events that allow learners to investigate a real, contemporary event and explore how retail businesses adapt their actions to increase footfall, sales and hopefully profit. In addition, many calendar events such as Christmas, Easter and Mother's Day offer a wealth of opportunities to investigate seasonality in an accessible and interesting way, allowing for the development of a range of skills in readiness for section 1.3.</p>

UNIT 1 TEACHER GUIDANCE

1.3 Using data and recommending solutions to retail business issues

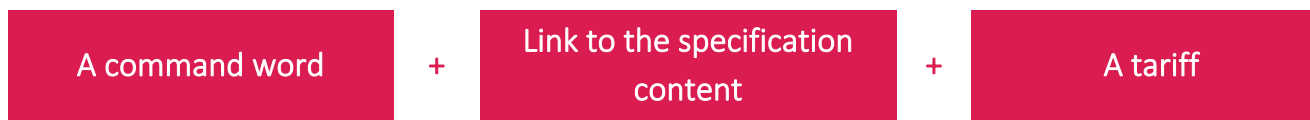
Content Amplification	Teacher Guidance
<p>1.3.1 Learners should be able to use retail business data, including qualitative and quantitative data, tables, charts and graphs in different retail contexts including sales quantities, sales revenue, profit/loss, market share, footfall and economic data.</p>	<p>The focus of this section is the development of skills. Learners need access to a range of retail related data including the examples given in the amplification. This data should be varied and up to date and ultimately allow the development of interpretation and evaluation skills.</p> <p>This section should be delivered and taught alongside sections 1.1 and 1.2 and opportunities to teach should be identified in the context of the content in these sections. This should be repeated and applied frequently to encourage the development of skills, so learners are able to use a range of data confidently and accurately.</p> <p>Formative assessment throughout the course should be carried out to familiarise learners with the best way to use a variety of qualitative and quantitative data.</p>
<p>1.3.2 Learners should be able to use mathematical techniques to calculate retail business data, including calculations of percentages, percentage changes, averages, sales revenues and profit/loss.</p>	<p>The focus of this section is the development of skills. Learners need to be able to use a number of different mathematical techniques, including all the ones given in the amplification in order to calculate retail related quantitative data.</p> <p>This section should be delivered and taught alongside sections 1.1 and 1.2 and opportunities to teach should be identified in the context of the content in these sections. This should be repeated and applied frequently to encourage the development of mathematical techniques, so learners are able to calculate numerical data confidently and accurately.</p> <p>Formative assessment throughout the course should be carried out to allow learners to gain confidence and skills in using calculations. The numerical data used should be varied and up to date and allow the development of interpretation and evaluation of calculations.</p>

1.3.3	<p>Learners should be able to interpret data by filtering, selecting and analysing data in different retail business contexts.</p>	<p>The focus of this section is the development of skills. Learners need access to a range of retail related data, including qualitative and quantitative data, that allows learners to filter, select and analyse appropriate data.</p> <p>This section should be delivered and taught alongside sections 1.1 and 1.2 and opportunities to teach should be identified in the context of the content in these sections. This should be repeated and applied frequently to encourage the development of analytical skills so that learners are able to interpret a wide range of retail related data in the context of the content in sections 1.1 and 1.2.</p> <p>Formative assessment throughout the course should be carried out to allow learners to gain confidence in being able to interpret qualitative and quantitative data in a number of different scenarios and contexts. These should be based on real and up-to-date retail scenarios and contexts obtained from recent and relevant sources.</p>
	<p>Learners should be able to make judgements and offer solutions to retail business issues, including to:</p> <ul style="list-style-type: none"> • evaluate qualitative and quantitative data • make informed judgements to solve problems for retail businesses. 	<p>The focus of this section is the development of skills. Making informed judgements and thoughtful evaluation can be very challenging for many learners and it is suggested that this skill is introduced at an early stage to help with continual incremental development.</p> <p>This section should be delivered and taught alongside sections 1.1 and 1.2 and opportunities to teach should be identified in the context of the content in these sections. This should be repeated and applied frequently to encourage the development of evaluative skills and to allow learners to make informed judgments and offer feasible solutions to a wide range of retail related data in the context of the content in sections 1.1 and 1.2.</p> <p>Formative assessment throughout the course should be carried out to allow learners to gain confidence in being able to evaluate and suggest realistic business solutions to a number of different retail businesses in a range of different contexts.</p> <p>Before learners sit the external assessment, it is advised to present learners with a scenario, or number of scenarios, that covers a range of content from 1.1 and 1.2 and requires them to interpret a range of qualitative and quantitative data in order to analyse and evaluate data and suggest solutions to retail related issues.</p>

CREATE YOUR OWN EXAM QUESTIONS

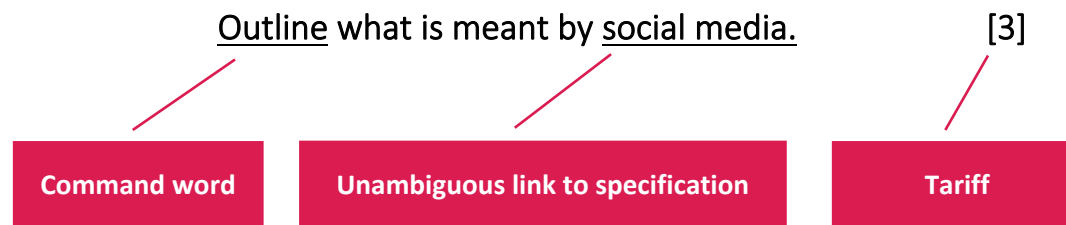
When you are helping your learners prepare for Unit 1, you will find using the questions in the SAMs useful. However, we appreciate that at the start of a course you might want to have a bigger bank of questions to use with your learners. Therefore, you might find it useful to create some of your own. You might even decide to get your learners to write their own questions and mark schemes. This step by step guide will help you to create your own exam papers.

All exam questions have three core elements:



What do you need to know about the core elements?

Command word	<ol style="list-style-type: none"> 1. Must be appropriate for the task. 2. Must be linked to the assessment objective. 3. Are often linked to the question's tariff. 	<ol style="list-style-type: none"> 1. Is it clear to the learner what they are expected to do in order to access the full range of the mark scheme? 2. If the question is targeting more than one assessment objective, more than one command word must be used. A full table of how command words relate to assessment objectives is available in the 'Assessment Guide'. 3. For example, commands words such as 'state' and 'name' should be reserved for lower tariff questions, whereas 'analyse' and 'explain' are often better for higher tariff questions.
Link to the specification content	<ol style="list-style-type: none"> 1. The question must ask the learner about content listed in the specification only. 2. The link to the specification must be clear and unambiguous. 	<p>It should be clear which area/s of the specification are being targeted. Consider the stem of the specification content and this will indicate the depth the learner should know and understand the content.</p>
Tariff	<ol style="list-style-type: none"> 1. Must be appropriate for the command word used. 2. Must be appropriate for what is being assessed. 3. Must be accessible for level 1/2 learners within an exam context. 	<ol style="list-style-type: none"> 1. It should be possible and clear to the learner how they can achieve all of the marks available for any question: the higher the tariff, the longer the learner should take to answer the question. A good starting point is to allow one mark per minute. 2. Use the SAMs as a guide for what is an appropriate tariff and about the range of tariffs used across a whole paper.



There are some additional elements that some exam questions use:

Context	<p>Sometimes, it is useful or necessary to provide learners with a context to which they will apply their knowledge and understanding of a particular topic.</p>	<p>A context should be written clearly and using language that is as simplistic as possible. The context should be concise and should provide only the information that learners will need to answer the question. Additional information may be time-consuming or misleading. It should depict something that learners will understand, rather than something that is unfamiliar or confusing.</p> <p>Examples of questions in the Unit 1 SAMs that use a context is questions 8, 9, 10, 11 and 12.</p>
Stimulus	<p>Sometimes learners may be provided with a stimulus.</p> <p>The stimulus might be an image, data in the form of a graph or a table, or something else.</p>	<p>Any stimulus must be clear and should not provide information that is excessive or irrelevant. If the stimulus is an image, it should be clear, an appropriate size and of good quality.</p> <p>An example of a question in the Unit 1 SAMs that uses a stimulus is question 8.</p>

Assessment Objectives

Each question should target an assessment objective which is signalled by the command word. If more than one Assessment Objective is targeted, more than one command word should be used.

A full table of the assessment objectives that have been set for all our Vocational qualifications is available in the 'Assessment Guide'. However, what does each assessment objective require learners to do?

AO1	Requires learners to recall the knowledge that they have learned throughout their course.
AO2	<p>Requires learners to:</p> <ul style="list-style-type: none"> • use learned material in a new situation with a minimum amount of help or direction. • apply rules/principles to a problem, without being given the rule; problem solving.
AO3	<p>Requires learners to:</p> <ul style="list-style-type: none"> • break material into component parts so that its structure may be understood • break complex concepts down to component parts and analyse how parts are related to each other; seeing patterns, recognising hidden meanings • judge the value of material based on certain criteria • evaluate, make judgments on the worth of a concept for a purpose • resolve controversies/differences of opinion • verify value of evidence • recognise subjectivity.

What type of question should be used?

There are several ways to ask a question, and you should consider what is most appropriate for the question that you're asking. Some guidance is given below:

Matching pairs		
Multiple choice	These styles of question are useful for asking questions that have answers that are predetermined, usually assessing straightforward knowledge and understanding (AO1).	These questions should be marked objectively, in that there is a correct and an incorrect answer. For an example, see questions 1 and 2 on page 4 of the Unit 1 SAMs.
True or false		
Short Answer		
Extended answer	This allows learners to respond at length to open-ended questions. In this, learners may be required to organise their ideas, to build an argument, and may result in a range of interpretations that draw upon wider and more flexibly defined sources. These are usually used to test higher skills, writing and structuring skills, further reading and a deeper level of understanding.	These questions will be marked subjectively: you should use your judgement to place learners' responses into bands that detail criteria that responses should meet. For an example, see question 12f(ii) on page 14 of the Unit 1 SAMs.
Problem solving	These require a range of critical thinking skills from identification, description and analysis, to synthesis and evaluation. Sometimes there will be exact or correct answers to problems – as in answering maths problems – or sometimes learners may be asked to propose and justify a course of action to address a specified situation, or to develop a well-reasoned explanation or response based on data analysis, models or precedent.	Questions that require exact or correct answers should be marked objectively, in that there is a correct and an incorrect answer. For an example, see question 8a on page 7 of the Unit 1 SAMs. Questions that require a proposed or justified course of action will be marked subjectively: you should use your judgement to place learners' responses into bands that detail criteria that responses should meet. For an example, see question 11d(ii) on page 11 of the Unit 1 SAMs.
Graph production or interpretation	Graph production questions involve both numerical/mathematical skills. Graph interpretation questions involve both numerical/mathematical skills as well as reasoning skills.	These questions should be marked objectively, in that there is a correct and an incorrect answer. For an example, see question 8a on page 7 of the Unit 1 SAMs.

Golden Rules:

1. Try and keep questions as short and clear as possible.
2. Consider splitting long questions into a statement and a question.
3. Avoid asking more than one question in a sentence.
4. Use plain English, e.g. *buy* rather than *acquire*.
5. Avoid using:
 - a. negatives (where possible)
 - b. technical language (unless it is part of what is being assessed)
 - c. idioms/metaphors/non-literal use of language, e.g. see eye to eye, cut back on, branching out
 - d. words that have more than one meaning, e.g. volume, fit, illustrate (unless it is part of what is being assessed)
 - e. gender-biased words, e.g. chairman, manmade, policewoman.
6. Across a whole paper, questions should increase in difficulty. Higher tariff questions are more likely to be found towards the end of the paper.
7. A whole paper should sample a wide range of specification content. You might find it useful to use a blank version of the tracking grid from the SAMs (page xx).

TERMINAL RULE

Key Principles:

Candidates must take the external assessment, worth 40% of the qualification, in the series in which they certificate. This is the examined unit, which is Unit 1 of Retail Business.

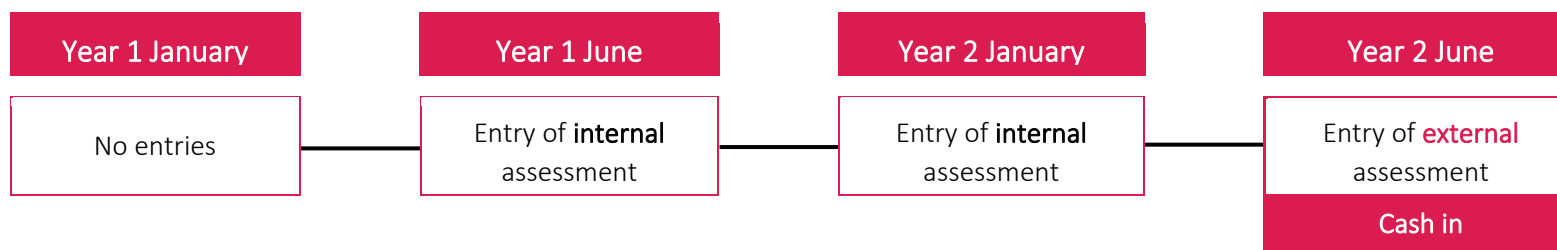
Only the result for the external assessment that is achieved in the final series, the series in which candidates 'cash-in', can contribute to their final grade. If a candidate takes the external assessment prior to the series in which they 'cash-in', this result cannot contribute to the overall grade, even if it is the better result.

In relation to school performance table points – as opposed to individual candidate results – it is always the first qualification result which counts, irrespective of whether a candidate re-certificates again at a later date.

- Candidates can enter for internally assessed units in January and June
- Candidates may resit each **internally** assessed unit but cannot improve previously submitted work. The best uniform mark score from the attempts will be used in calculating the final overall grade.

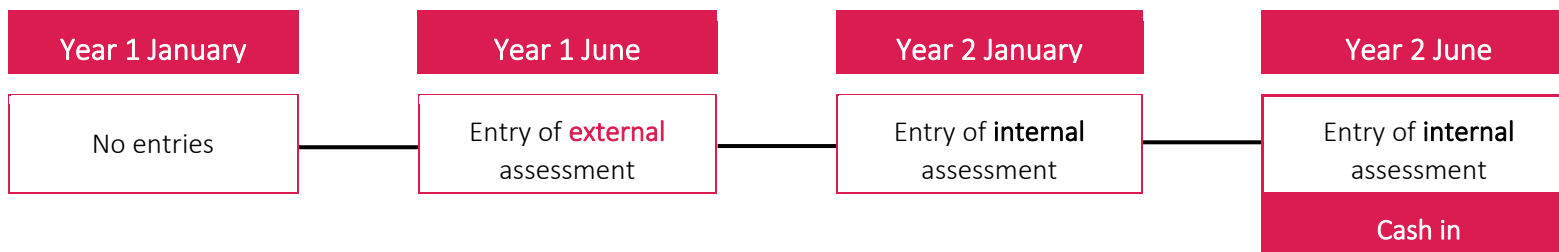
Example scenarios (assuming that the delivery of the qualification takes place over two years):

Scenario 1:



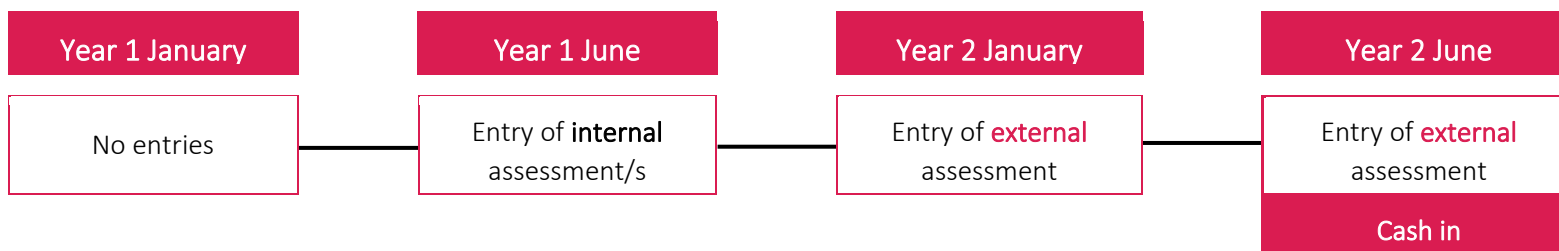
Entry for external assessment takes place in the same series as cash-in and certification.

Scenario 2:



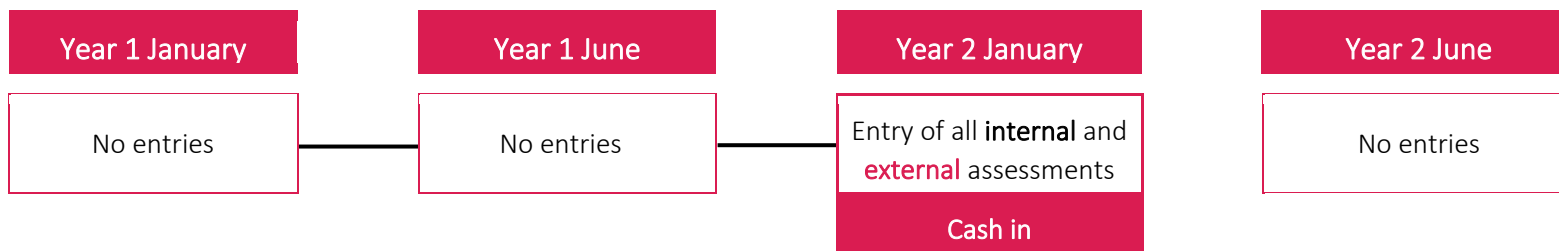
Entry for external assessment **does not** take place in the same series as cash-in and certification.

Scenario 3:



It is the **second** attempt of the external assessment that will count towards the final grade, even if it is lower than the previous attempt.

Scenario 4:



This is a linear approach and would be permissible if the qualification was completed in either January or in June.

ASSESSMENT OF UNIT 1

Unit 1: The business of retail

Written examination: 1 hour 30 minutes

40% of qualification

80 marks: 120 UMS

An assessment comprising of a range of question types to assess specification content related to ideas and concepts in Retail Business.

All questions are compulsory.

The assessment objective weightings for Unit 1 are:

AO1	AO2	AO3
16%	14%	10%
32 marks	28 marks	20 marks

FAQs

Can learners resit the Unit 1 assessment?

Candidates may resit the **externally** assessed unit, prior to certification; however, this qualification has a 40% terminal requirement which must be satisfied by the externally assessed unit. Therefore, only the uniform mark score from the attempt made in the series in which the candidate is cashing in the qualification will be used in calculating the final overall grade, even if this is lower than the previous attempt.

Candidates who are unhappy with the grade awarded for the qualification may choose to resit one or more units following certification.

Where the candidate resits the externally assessed unit, only the uniform mark score from the resit attempt will be used in calculating the final overall grade, even if this is lower than the previous attempt. The candidate does not need to resit the internally assessed unit as marks for the internally assessed unit may be carried forward for the lifetime of the specification.

Is the exam available on-screen?

Yes.

What is the entry code for this unit?

		Entry Codes	
		English	Welsh
Unit 1	On-screen examination	5789UA	5789NA
Unit 1	Paper examination	5789UB	5789NB

Is this assessment compulsory?

Yes.

When can candidates sit the Unit 1 assessment?

Assessment opportunities will be available in January and May/June each year, until the end of the life of this specification. January 2024 will be the first assessment opportunity for Unit 1. It should be noted that the Terminal Assessment Rule requires this examination to be completed at the end of the qualification, it may not be 'banked'.

Are candidates assessed on their spelling, punctuation and grammar in this assessment?

No, although learners are reminded of the need for good English and orderly, clear presentation in their answers.

Will candidates be expected to answer questions about content in Unit 2 or Unit 3 in this exam?

No.

Will the assessment objective weightings remain the same throughout the life of the specification?

Yes.

How is the unit reported?

This unit will be graded Level 1 Pass, Level 1 Merit, Level 1 Distinction, Level 1 Distinction*, Level 2 Pass, Level 2 Merit, Level 2 Distinction, Level 2 Distinction*.



Fig. 3

GLOSSARY FOR UNIT 1

Term	Definition
Administration function	This is a supportive function that helps the retail business run efficiently and achieve its aims. It refers to the operational running of the business and helps to manage the resources needed. It involves tasks such as answering telephones, corresponding with other businesses, sorting, and responding to emails, sorting and filing paperwork, supporting the other functions in the day-to-day running of the business.
Automated stock ordering	When the quantity of stock decreases or increases, the database is updated instantly which allows for accurate stock checks and the automatic reordering of stock if the level falls below the reorder level (the level of stock at which a new order is placed).
Average calculation	To calculate the average of a set of numbers, add up the figures provided and divide the total by the number of items added up.
Black Friday	Originating from the US, after the Thanksgiving holiday, as the first day of Christmas shopping season. Many retail businesses will have special offers and offer large discounts to entice customers to buy products. Now copied in the UK, it takes place on the last Friday in November and has developed to continue over the weekend and has introduced Cyber Monday for online retailers.
Branded products	A branded product is an easily recognisable product that customers see as being different or superior to other products and services. It will have a recognisable image, design, name, logo, promotion and packaging. A brand allows a business to charge a higher price and often develops a loyal customer following.
Business aims	Business aims are what the business wants to achieve in the future; they set out the goals for the business.
Business performance	A process that measures the success (or failure) of a business. This is based on achieving its business aims. Measuring business performance is achieved through reviewing actual performance against financial and non-financial aims.
Catalogues	A retail channel used by retail business. These are usually in print format displaying all the products available for sale. With the growth of online retail print catalogues are less popular but for some retail businesses are still an important retail channel. Businesses such as Argos and Ikea, who previously used catalogues as a main aspect of their business have stopped the use of print catalogues, though catalogues can encourage consumers to buy through other channels by creating awareness and introducing new ideas.

Term	Definition
Charity	A charity is an example of a not-for-profit organisation. The money earned by or donated to a charity is used in pursuing the organisation's objectives. Many charities have physical stores and an online presence to sell products to help them raise money. Charities are set up to support a number of different causes, including, the prevention or relief of poverty, the advancement of human rights, equity and diversity, education, religion, health, community support, arts, heritage and culture, sport participation, animal welfare and environmental issues.
Click and collect	A facility that allows a customer to buy/order products online from the retail business website and then collect them from a local branch or another local collection point.
Climate change	The change in the global climate pattern resulting in higher carbon dioxide, higher global temperatures and unusual weather patterns. The awareness of climate change has risen rapidly and is a major concern. The cause of climate change is a result of human action from burning fossil fuels, which has resulted in the greenhouse effect.
Cloud-based storage	This is the storage of digital computer data online by providers, keeping the data secure and available to users. It allows for a huge amount of data to be stored and accessed from any suitable location. The data is not stored on local hard drives or external hard drives.
Competitive environment	Retail businesses have to compete in a competitive environment. This means that they are not the only business providing a particular good or service. Consumers usually have a choice on what they spend their money on and factors such as price, quality, image and choice of retail channels will determine which retail business they will buy from. If a business fails to recognise the competitiveness in the market it competes in, it is likely to struggle and gain the sales in order to create enough revenue to be successful.
Computerised stock control systems	Retail businesses today hold their stock details on computer databases. This improves efficiency and accuracy. Businesses can monitor what has been used and the frequency of use, many computerised stock control systems will even order the stock automatically. The best example of this is the stock control systems used by the main supermarkets. The system is connected via computers to the checkout tills, and when products are scanned in the stock control database is automatically updated.

Term	Definition
Concessions	The owner of the concession retailer pays another retailer to sell its products in its store. In other words, it is one retailer located in another retailer. The concession store is usually smaller in size and will take up a small space within the larger (host) store. The concession store will pay the larger store to do this, either by a lease (rent) or by a percentage of its profits. Concessions mainly operate in retail outlets but also take place in other venues such as airports, shopping malls, sporting venues, cinemas, etc.
Congestion	Refers to traffic congestion when there is a lot of traffic on roads. Congestion can cause air and noise pollution in urban areas.
Contactless payments	This refers to a secure method for customers to buy products or services using a debit, credit, smartcard, or another payment device by using technology. It works by tapping a payment card or other device near a point-of-sale terminal equipped with contactless payment technology.
Convenience store	A shop that is located near to homes or workplaces for convenience, often referred to as the corner shop. The shop will sell a small range of different types of groceries, beverages, snacks, sweets and frozen foods. These stores are often open long hours and will have much lower footfall than the larger supermarkets. Prices will be higher, but they rely on the convenience of just popping out for something a customer needs at short notice.
Co-operatives	A co-operative is an organisation that is owned and controlled by a group of people who have an equal say in the running of the business and receive a share of any profits the business makes. The share they receive is called a dividend. The owners of a co-operative are known as members; all members invest in and run the business in a democratic way and will have similar needs, so they operate the business for their mutual benefit. Co-operatives are the original people's business, set up by the people for the people.

Term	Definition
Customer satisfaction	<p>This is a business aim. Customer satisfaction measures how goods or services supplied by a business meet or surpass customer expectations. Customer satisfaction is important because it provides the retail business with information that they can use to manage and improve their business. Sales made by a retail business are linked to the levels of customer satisfaction. If a business fails to meet customer satisfaction, it could result in a decrease in sales and profit. Equally, if customer expectations are met and customers are happy with the goods and services they receive, it is likely that sales and profits will increase. In a competitive business environment, it is important that businesses meet customer expectations, otherwise they will take their custom elsewhere. A business may focus on improving customer satisfaction hoping that this will lead to improved sales. If a retail business has experienced problems with satisfying customer expectations in the past, it may well decide to make this a key aim in the future.</p>
Customer service function	<p>Customer service is the support that a retail business gives to its customers. This takes place before, during and after a customer has bought the product or service. In a competitive market customer service is important to all businesses. Good customer service can result in customer loyalty and ensuring customers return to the business time and time again to make repeat purchases. Poor customer service can result in losing customers and gaining a poor reputation in the marketplace.</p>
Delivery drones	<p>A self-driving/unmanned ariel device used to deliver products. These are still unusual, and trials are still taking place, but is an area that will develop and will be beneficial to online retailers. Useful for delivering small packages rapidly to particularly to rural areas.</p>
Demographics	<p>Demographics measure the changing structure of the population. The first important factor is the overall size of the population. This is of interest to retail businesses; if the population increases, the size of their market will increase, and they will be able to sell more goods. The UK has an ageing population which is driving changes for many retailers. The baby boomers, who are people who were born in the late 1940s, 1950s and 1960s, are now entering or moving towards retirement. These people are generally a well-off section of the population, the majority with their own homes and many with higher than average disposable income, which can be used for expensive and luxury products such as holidays, new cars, etc. Demographics is concerned with the size, location and distribution of the population. The structure of the UK population is constantly changing.</p>

Term	Definition
Department store	These are usually retailers who have large premises and sales space sell a wide range of different products. Each area within the store will specialise in a certain product category. Located on high streets and shopping centres, department stores are very popular with customers, but in recent years have struggled with the drop of footfall on the high street and the growth of online retailing. Examples in the UK include John Lewis, House of Fraser and Marks and Spencer's. Debenhams, another example, closed in 2021 due to falling sales.
Destruction of the environment	The natural environment can be destroyed through a number of different types of business activity. Examples include the destruction of the rainforest, reduction in rural green areas, increased pollution, use of fossil fuels for energy and transport and waste removal.
Digital media	Digital media includes a wide range of computer software, including imagery, videos, audio, webpages, games and e-books, that can be communicated via the Internet and computer networks. The innovation in digital media has been one reason for the rapid growth of online shopping and social media websites. The development of digital media has impacted on traditional media such as print and analogue media; for example, the sales of newspapers and music through CDs have declined as a result of consumers purchasing these digitally. Digital media is used by a wide range of retailers of all sizes, and digital methods of communication and marketing are faster and more versatile than traditional methods.
Discount store	A store that sells products at a cheaper price than usually available in other retail outlets. These businesses often buy large quantities of a narrow selection of products at cheaper unit prices. Discount stores focus on price rather than the quality of the service. Aldi and Lidl are examples of a discount store.
Disposable income	The more a person earns, the more they will spend. Businesses are concerned about disposable income, which is the amount of money that households have available for spending and saving after taxes and other costs have been deducted. Disposable income is what businesses hope consumers will spend on their products and services. If wages and salaries rise faster than a rise in prices, then disposable income will increase, and this leads to a higher level of spending. It is good for an economy if disposable income is rising.

Term	Definition
Diversification	This is a business aim. A retail business may wish to expand its business into different markets selling different products. This is called diversification. A retail business may wish to open up new stores selling completely different products, or it may wish to buy a factory that produces the products they sell. Diversification can increase sales and profits through new revenue streams and also limit a negative impact in its original market; however, it can be risky and expensive.
Dynamic environment	The retail business world does not stand still; business activity is constantly changing. In other words, it is dynamic. Retail businesses have to respond to these changes to remain competitive. The business world can change in many different ways and a successful business must recognise these changes and make sure they are not left behind. To remain profitable, a business cannot just stand still; what made the business successful yesterday will not automatically make the business successful tomorrow. The rapid growth in selling online via the Internet and more recently through wireless handheld devices, such as smart phones and tablets (m-commerce), has drastically changed the way in which businesses can communicate and sell to their customers. The dynamic business environment should be seen by most businesses as an opportunity and not a threat.
E-commerce	Online shopping, which is also referred to as e-commerce and e-tailing, is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet. The Internet has changed buying habits and e-commerce is now a very important part of the retail industry and is continuing to grow.
Economic climate	The state of the economy will affect how much consumers spend on goods and services. The economic climate will change over time and this can have negative and positive impacts for retail businesses. Consumer incomes will rise and fall depending on a number of economic factors. When consumer incomes increase, the demand for goods will increase. When incomes fall, the demand for goods will decrease.
Economic factors	These are the various factors that affect the economy. The success of a retail business can be affected by the state of the economy. There are a number of important affecting factors such as disposable income, levels of employment and unemployment, interest rates, tax rates and inflation.
Environmental factors	The factors that affect the operations of a retail business and include contributing to climate change, pollution, congestion, destruction of the environment and waste disposal. Protecting the environment is now a mainstream business issue. In the past, businesses ignored their impact on the environment.

Term	Definition
Environmentally friendly practices	Learners should understand how retail businesses can reduce their impact through adapting environmentally friendly practices and acting in a sustainable way such as reusable shopping bags, alternative energy and less plastic packaging.
EPOS	Electronic point of sale: a computer system that scans bar codes at the tills, takes sales payments from customers, records the sales and monitors stock levels, produces reports on what stock has been sold. Many EPOS systems will have automated stock ordering.
Ethical factors	The factors that affect the operations of a retail business and include sourcing of materials, treatment of workers, Fairtrade, marketing and promotional activities. In business, ethics are the moral values that direct business behaviour. An ethical business is one that considers the needs of all stakeholders when making business decisions. When setting objectives, an ethical business takes into consideration its social responsibilities. Ethical businesses consider the moral rights and wrongs of any decisions that are made. Acting ethically is regarded as good business practice in the modern business environment. Businesses today have a much wider set of social responsibilities than in the past and ethical awareness has influenced businesses in many ways. For example, some businesses only seek to purchase products from Fairtrade producers in order to ensure suppliers receive a fair price for their goods. Other businesses have sought to raise wages to improve living standards for their workers in poorer countries.
Fairtrade	This is a movement that supports the fair treatment of farmers in getting a fair price for their products. Farmers who engage in fair trade also aim to pay their workers a fair price and engage in environmentally friendly practices. Fairtrade aims to improve living standards for poor farmers in developing countries. Fairtrade offers consumers a direct way to reduce poverty through their everyday shopping. When a product carries the Fairtrade mark it means the producers and traders have met Fairtrade Standards. Fairtrade products are becoming more widespread and include tea, coffee, sugar, chocolate and cotton.
Finance function	The financial function of a business is very important and has a number of important roles, including managing the money that flows into and out of the business, looking for sources of finance for start-up, growth and to pay the running expenses of the business, creating financial documents, such as profit and loss accounts and cash flow forecasts, maintaining financial records, and analysing financial records and business performance.
Term	Definition

Footfall	Footfall is the measurement of the number of people entering a shop. It is also known as people counting. It is measured over a period of time and can also refer to a high street or shopping centre. Footfall is an important indicator of how successfully a retailer is able to attract customers to its stores and can be influenced by marketing activities, the popularity of the brands sold in the store and the design of the store. However, footfall on its own does not mean sales so it is important that footfall is converted into sales revenue. Many retailers can struggle to turn footfall into sales revenue. Just because a retailer has high footfall does not mean they have high sales revenue. Many retailers will record how many people enter their stores (usually an electronic sensor positioned near the door) over a period of time and then using their sales revenue data calculate the percentage of sales to footfall.
Fragile stock	Stock that can be easily damaged if not handled with care. Suitable packaging is important to keep the product safe in transit, when being stored, and when displayed in shops. Examples include glassware, antiques, electrical goods and musical instruments. This is a major concern when buying online and being delivered by a courier service.
Global scale	A global business will operate internationally and throughout the world. This includes retail businesses trading with customers in one or two countries and businesses that trade with many countries across the world. Global scale retail businesses have a much bigger market. The UK population is 67 million; the world population is over 7 billion. The population of Europe is over 740 million; the population of the USA is over 320 million. The potential to sell products to more people across the globe is an obvious attraction to businesses who wish to increase their sales. These businesses will have global brands. These are products and services that are recognised throughout the world. The same products (maybe with some slight changes for different countries) are sold in numerous countries are easily identified by customers. Coca Cola, Apple and Ikea are examples of global brands.
High street location	Usually located in urban area in the town or city centre but can also refer to a main area of shops in a more rural village. For many, the high street is the main concentration of shops in one area and will have many other businesses located near the shops, such as hospitality and leisure. High street locations have very high levels of footfall with excellent transport links, but in recent years the high street has faced many difficulties, mainly through the growth of online retailing, out of town shopping areas, changing buying habits and the cost to the business of locating on the high street.

Term	Definition
High value products	Products that are expensive and only bought occasionally by customers. Examples include, cars, holidays, diamond rings, expensive champagne, antiques, and home improvements such as a new kitchen or bathroom.
High volume products	Products that are usually low in price and bought frequently and/or in high quantities by customers. Examples includes, bread, chocolate, fruit, toilet rolls, shampoo, pet food and bottled water.
Human resource function	The human resources function of a business is responsible for all staff-related issues, including the recruitment of new staff, the induction, training and development of staff, staff performance systems, disciplinary procedures, ending employment and complying with relevant government legislation. The cost of employing and organising workers will be a major expense to a retail business, so it is important that consideration is given to employing the right people, carrying out effective training and motivation techniques and communicating to them and organising them in the most efficient way.
Hybrid	A hybrid is a mix of two things to form one. Hybrid retail stores link the importance of a physical store with E-commerce and/or hospitality and leisure facilities. Retailers are redeveloping their stores to create consumer hubs, including services such as cafés and bars, beauty parlours, fitness centres, barber shops, etc. Like multi-channel retailers, hybrid takes advantage of having a physical store and an online store. A hybrid store makes use of both channels and attempts to join them up seamlessly to give shoppers a smooth and unique shopping experience. Retailers have combined the digital world with the physical world of the store.

Term	Definition
ICT function	Most retail businesses today will have an ICT or IT function. The ICT or IT function is responsible for the infrastructure, hardware, software and networking of computers in a retail business. Providing support to staff and making sure data is secure. For online and multichannel retailers, the ICT function is crucial in managing and maintaining websites to make sure they are always working and up to date.
Increase market share	This is a business aim. The market share is the proportion of sales made by a business in relation to the whole market. The market share is calculated by the number of customers a business has and is usually given as a percentage. For example, if consumers as a whole buy 200 bars of chocolate and 50 bars are bought from one retailer, then that retail business will have a market share of 25%. Market share is important as it shows how well the business is doing compared to the competition and it allows the business to measure the success of its activities in the market as a whole. Businesses that have a higher market share are usually more profitable and in a stronger position in the long term. Being the market leader (having the largest market share) is also beneficial when negotiating with other businesses and improves the business' status and reputation.
Increase sales	This is a business aim. Many businesses will focus on increasing sales, which is selling as many of its goods and services as possible. Some businesses will spend large amounts of money to sell more products and hope that this will lead to greater profits in the long term. So, in the short term, they may have to keep prices low to sell more. Then, when they have obtained customer loyalty, they then increase prices to help increase profits.
Independent	A retail business that tends to be a sole trader or a partnership or a private limited company that operates on a local and small scale. The retail business is built up from nothing and the owner will usually run the store and carry out the main functions. The UK retail industry is full of independent retailers all over the country and they are very important to the economy. Independent retailers are known for their high levels of customer service, their product knowledge and their passion for what they do.

Term	Definition
Inflation	<p>Inflation is the rate at which the general level of prices is rising. The government measures inflation through the use of regular pricing of a 'basket of goods'. This basket of goods is meant to reflect the spending habits of the average person within the UK and includes over 600 goods and services. The basket contains such things as petrol, cars, travel, holidays, consumer electrics, food, medicines, housing, and even lottery tickets and online dating. By judging and measuring the difference in the cost of purchasing this basket of goods monthly, we are able to obtain an inflation figure. The target rate of inflation is known as The Consumer Price Index (CPI). Inflation is usually shown as a percentage, for example 2%. If inflation is currently 2%, it means that prices are 2% higher than they were this time last year – a basket of goods bought last year for £100 would today cost £102, even though the goods bought are identical. The UK has experienced relatively low levels of inflation for the last 18 years. Inflation varies between 0% and 5%.</p>
Infrastructure	<p>Retail businesses need good sources of energy and water, efficient drainage and waste disposal and good transportation. Generally, in a developed country such as the UK energy, water and waste services are very good and can be supplied to most parts of the country. Good transport facilities are important to retail business for numerous reasons: it is important that goods can be delivered to customers over long distances and also vital to allow easy access to the store both for customers and employees. This is often an issue in older town centres that were not designed with modern transport needs in mind. The pedestrianisation of town centres has improved areas for customers but has made making deliveries more difficult. Good communication and postal services can also be important, and in the digital age, where many retail businesses communicate via the Internet and through handheld devices, internet coverage (Wi-fi) can be essential.</p>
Interest rates	<p>The interest rate is the price of borrowing money or saving money from a bank, building society or other lender. Bank overdrafts, credit cards, loans or mortgages will cost the borrower money in the form of an interest rate. The interest rate is how the lender will make money on the transaction. If interest rates rise, more money than expected is needed to pay back any loans and therefore borrowing becomes more expensive. Consumers who have borrowed money are therefore likely to spend less money in the shops. Interest rates in the UK are based on the Base Rate of Interest which is set by the Bank of England.</p>

Term	Definition
Levels of employment	The more people that have a job, the more disposable income they will have. So, when employment rates are high, there will be higher demand for the products that retail businesses sell. High levels of employment also result in more revenue for the government from taxes.
Levels of unemployment	People are unemployed when they don't have a job. People are looking for work but for some reason they are unable to get a job. The unemployment rate for a country is the amount of people who are unable to find a job. When the economy is doing well, unemployment rates tend to be low, but in times of recession or when the economy is not doing so well, unemployment tends to rise. The major impact of unemployment is the reduction in demand for goods and services and retail businesses can be hit hard. In the past, many retail businesses have closed due to high unemployment. Unemployment causes problems for consumers, businesses and the government.
Limited liability	Limited liability is important for the owners of companies (Ltds and PLCs). If the company goes out of business leaving debts, they will only lose the money that they have put into the company (the value of their shares). They will not be forced to sell off their own personal possessions, like a house, to pay off the company's debts. Having limited liability is the main advantage of forming a company.
Living stock	These are products that are living and have to be handled with care. In the UK this refers mainly to the buying of animals, fish and reptiles for pets. There are strict government laws that businesses who sell living stock have to adhere to.
Local location	Many retailers are sole traders or small businesses and will have only one physical store in one location. Their customers are local people and they will concentrate their business on providing a service to these. Local retailers can be located in urban or rural locations. In recent times, these local retailers have come under increasing competition from larger retailers and many have been forced to close down as larger retailers have chosen to open smaller convenience stores in local areas.
Local scale	A business that operates at a local level is often small and limited in size. A local scale retail business is often owned and run by the same person and may employ a small number of workers. The business activity is based in a local area focusing on customers who live, or visit, the area. Usually there are relatively low amounts of money invested in the business (low start-up costs), generates lower amounts of revenue with lower costs than larger businesses. Low levels of money are available for marketing activities, technological improvements and business growth. Local scale businesses have a much smaller market than larger businesses, often serving local communities. However, many local businesses sell to customers across the world through the Internet.

Term	Definition
Logistics function	<p>Logistics is the management of the flow of products, services, equipment, people, money, and information from the source to the end user. Logistics is concerned about getting everything in the right place for when it is needed. Logistics includes transportation of supplies, storage (warehousing) of stock, packaging of products, transportation, and distribution of products to customers and the security of products. For local scale retail businesses, logistics is straightforward as often the stock is delivered by suppliers or picked up from a wholesaler and then stored in the shop, either on display or in a stock room, and the customers will visit the shop to buy the products. For large scale retail businesses who sell thousands of products, logistical decisions and organisation are more complicated and will have fulltime workers constantly ensuring the right stock are purchased, stored, and delivered to the right place.</p>
Low volume products	<p>Products that are bought infrequently by customers; these can be low or high prices. Examples include electrical goods such as kettles and laptops, household furnishings, garden furniture, tableware and clothing such as winter coats and pyjamas.</p>
Marketing function	<p>Marketing is a key function to all retail businesses and needs to work closely with the other business functions to make sure the retail business can achieve its aims. Marketing involves the following activities: finding out who your customers are, known as market segmentation; finding out what your customers want, known as market research; producing a product or service that meets their needs; calculating a price that customers will pay; promoting the product or service to persuade customers to buy it; and making the product or service available to buy at the right place.</p>
Markets	<p>In many ways, markets were the original retailers. Hundreds of years ago, before the growth of the high street, markets existed in towns and cities as the only place to buy food and other products. Today we think of markets as places, either indoor or outdoor, where there are many stalls that sell a range of products. Market stall owners, usually small-scale and independent, run the stalls. Some markets are permanent in a specific location, whereas others are temporary and may move location to try and sell to a wider geographical customer base. Some markets are general, selling a wide choice of products, and many sell food and clothes. Some markets are more specialised such as arts and crafts markets, farmers' markets and antique markets. Some are seasonal; Christmas markets are very popular.</p>

Term	Definition
Mass products	Standardised products that are produced in large quantities and bought by many people. The large-scale production of these products allows for lower costs which can be passed on to the customer. Examples include Coca-Cola, iPhone, Ford cars and Primark.
M-commerce	More recently there has been an increase in sales from wireless handheld devices; this is referred to as m-commerce. M-commerce is the buying and selling of goods and services through wireless handheld devices such as mobile phones and tablets. This means 'having your retail outlet in your consumer's pocket'. Through mobile technology, it is now possible to reach customers 24 hours a day. M-commerce does not just mean buying, it is about providing customers with product information and promotions. Consumers use m-commerce to compare prices online, take photos for future reference and research their potential purchases online.
Multi-channel	Multi-channel is using more than one of the retail channels to sell through. For most retailers this means selling in a physical store and online. Multi-channel retailing allows retailers to sell the same products to the same customers in the same way – the only difference is the medium the customer uses to interact with the retailer. This is often referred to as 'Clicks and bricks' which means that businesses need to have a web presence (clicks), plus a physical presence on the high street or in shopping centres (bricks).
Multinationals	Retail businesses who operate in many countries are usually large multinational companies that employ thousands of employees, manufacture and sell a large number of products and create vast amounts of revenue and profit.
National scale	A national business will operate all over one country. It may have multiple retail outlets throughout the country and a distribution network to make sure it can distribute its products to where they are being sold. A national business will offer the same products or services, usually at the same prices, to customers all around the country or over a large area of the country. Compared to a local scale business, a national business will have more resources to use in carrying out its activities, including greater amounts of capital (money available to invest in the business), more and different types of employees with a wider range of skills. This extra capital can be spent on more technical and efficient production processes, superior marketing activities, such as national TV advertising campaigns and attractive sales promotions, employing highly skilled workers and efficient support systems such as IT, legal services and transport. The ownership of national scale businesses is more complicated than a local business, often having multiple owners and a separate management structure. The market size of a national business is much greater than a local business so there is a great opportunity to attract a greater number of customers to obtain a high level of sales. The population of the UK is 67 million; for a national business these are all potential customers.

Term	Definition
Non-perishable stock	These are products that do not have a short sell by or use by date and be stored for longer periods of time. These can include some food products such as tins of beans, vegetable oil and dried pasta. It also includes non-food products that can be stored for even longer on shelves, though there is more danger of the product becoming less fashionable or outdated technology.
Not-for-profit	A not-for-profit organisation is a type of organisation that does not earn profits for its owners. All of the money earned by or donated to a not-for-profit organisation is used in pursuing the organisation's objectives. For example, charity shops, voluntary organisations and social enterprises, they often exist to promote a cause.
Online retailing	Online retailing, which is also referred to as e-commerce and e-tailing, is a form of electronic commerce which allows customers to directly buy goods or services from a seller over the Internet. Online retailing allows customers to buy products without visiting a physical store. Examples of online retailing include the retailer's own website, third-party marketplaces such as Amazon, eBay, Etsy, etc., and social media, such as Facebook, Twitter, and Pinterest.
Out-of-town retail parks	These are usually located away from city centres with easy access and good parking facilities. Many out-of-town retail parks can also be shopping centres. Most out-of-town retail parks are open air and will not have the different stores all under one roof; each retailer will have their own entry from the outside. Many retailers who locate in out-of-town retail parks will have larger stores that are not possible in urban areas and high streets and often open for longer hours. The majority of stores will be larger national scale retailers
Own-label products	A product that is sold by a retailer using its own name. The product can be manufactured by the retailer or by other manufacturers. Own-label brands are often cheaper than the branded product. Examples include Tesco baked beans, M&S Prosecco and Boots make-up range.
Partnerships	A partnership is an agreement between two or more people to take joint responsibility for the running of a business, to share the profits and to share the risks. There is a lot of financial risk in running a business as a partnership due to unlimited liability. The business is not a separate legal entity and the partners are personally liable for the business debts. A partnership is almost as easy to set up as a sole trader; if no formal agreement is drawn up, everything is split equally between the partners. It is advisable for partners to draw up a special agreement, called the Deed of Partnership.

Term	Definition
Percentage calculation	To calculate a percentage, divide one number (the part) by another (the whole) and multiply the result by 100.
Percentage change calculation	To calculate the percentage change in two figures, the following technique is used: $\frac{\text{Difference between figures (new - original)} \times 100}{\text{Original figure}}$
Perishable products	A product that has a short life span and a limited shelf life. Examples include fresh foods, fresh drinks, dairy products, flowers and pharmaceuticals.
Physical store/shop	Stores/shops are physical buildings that are located all over the country. Many shops are located in town or city centres, often referred to as the high street, but many others are located elsewhere, such as out-of-town retail parks, shopping centres, local roads and streets and on main transport routes and hubs (such as airports and train stations). Retail shops sell a wide range of products to consumers, and most will concentrate on selling the same type of product in their shops, though some will sell a range of different products.
Pollution	Pollution can be air, water, soil, light or noise. Most are a consequence of business activity through the burning of fossil fuels, factory emissions, transport, wastes from factories and farming, disposal of toxic chemicals, increased number of buildings in rural and urban areas, increased population, and human activity.
Private limited company (Ltd)	Private Limited companies (Ltds) are owned by shareholders, who are people who have invested money in order to buy a share of the business. The more shares a shareholder owns, the more control he or she will have within the business. Private limited companies are usually small to medium size businesses, although some large businesses are private limited companies. A private limited company is owned by shareholders approved by the other owners. They are sometimes family businesses. The profits of a private limited company are sometimes paid to the shareholders in the form of dividends but are sometimes reinvested back into the business.
Product range	Most retail businesses will not offer just one product for sale. They are likely to have many products that they will sell to a range of customers. More established businesses and businesses operating on a larger scale, such as multinationals, will tend to have a wide product range. For most retail businesses, the products they have in their product range will be similar, however, some businesses will have an extensive product range that includes a wide range of different products and different markets. Most businesses produce a range of similar products because different consumers want different products. A business can sell more and make more profit by satisfying different consumers' wants by targeting different customers.

Term	Definition
Production	This is the making or manufacturing of products that a retail business will sell. Some retailers will produce their own products in their factories or pay others to make the product for them.
Profit maximisation	<p>This is a business aim. Most businesses want to do more than just survive, they want to make a profit and lots of it. They want to make as much as possible. Maximisation means to make the most of something, to make the most possible profit is to maximise profit. Profit is what remains after all the costs of running the business have been met. Profit maximisation is possibly the main aim for most businesses and profits can be maximised through increasing revenues and/or reducing costs.</p> <p>Sales revenue – costs = profit</p>
Profit/loss	Profit or loss is calculated by subtracting the costs from the sale revenue.
Promotion	The activities a retail business carries out to communicate its products and services to consumers. The aim is to make consumers aware of what it is selling and tries to persuade them to buy from them. Promotion includes advertising, sales promotion, websites, social media and events.
Public limited company (PLC)	A public limited company (PLC) is usually a very big business with many employees. This type of business is owned by shareholders who can be members of the public and other businesses who have invested their money into the company by buying shares on the stock exchange. People buy shares in the hope that the business will perform well, leading to an increase in the value of their shares. As with private limited companies, the profits of this type of business are sometimes paid to the shareholders in the form of dividends and are sometimes reinvested back into the business. To become a public limited company, the business must issue at least £50,000 of shares, and the procedure for setting up a public limited company is more complicated than that for a private limited company.
Purchasing	This is the buying of products from another business, such as a manufacturer or wholesaler, which the retail business will then sell to its customers. Retail business will purchase stock from suppliers at a lower price and then sell on to customers at a higher price.
Purchasing function	Also known as procurement, this is the buying of stock that will be sold in the retail businesses physical outlets and online. A retail business will purchase stock from suppliers, often many different suppliers and it is important that the stock is at the quality and quantity needed at a suitable price and delivered at time suitable for the retail business. Many retail businesses will purchase stock from all over the world.

Term	Definition
Re-ordering stock	When stock levels fall to a certain amount, the retail business will re-order stock to make sure they never run out. This will depend on the type of product being sold, for example, low-cost perishable goods will be reordered frequently, whereas an expensive high value product may only be ordered when the customer makes the purchase. It is important for many retail businesses to have an efficient and reliable ordering system.
Restricted products	These are usually age-restricted products where there is a minimum legal age to buy them. Can also include products where a special licence is needed to buy them. The most common restricted products include alcohol, fireworks, tobacco, some forms of pharmaceuticals, pets, video games, solvents, knives, national lottery and aerosol spray paint.
Retailer's own website	Many retailers now have their own website that allows customers to buy over the Internet. These are created and managed by the actual retailer. Some are part of a multi-channel approach and some retailers will only sell through their own website.
Rural location	These are areas located outside cities and towns and are less populated. These can include small villages and areas in the countryside. Retailers will locate here but will tend to be focused on the local population and will have a much lower footfall than urban areas. There is often much less choice for shoppers in rural areas. Many shops in rural areas sell products that consumers need, such as grocery stores, convenience stores, clothes, pharmacy, butchers and bakeries. It is likely that the owners of the shop will also live locally and will have a connection to their customers and the community they all live in.
Sales function	This is the part of the retail organisation that is responsible for selling the product to the customer. The sales function will include all the activities needed to sell products and includes the sale staff that make sales and keep customers loyal to the business. Sales figures are used and analysed to look at what is selling well and what is not so that the business can make sure it is selling the right products.
Sales revenue	Sales revenue is calculated by multiplying the selling price per unit by the quantity sold.
Seasonality	Throughout the year there will be times and events that will impact on the footfall, sales and profits of retail businesses. The demand for products will change depending on seasonality and can impact on some retailers more than others. Seasonality can be categorised into the seasons of the year, calendar events and special events. It is important that retail businesses are prepared for the changes in demand for their products and some rely on certain seasons and calendar events to keep them in business. Some businesses will pop up only for certain seasons and events.

Term	Definition
Self-service checkouts	Technology used by retail businesses for customers to complete their own transaction with the business without the need of a staffed checkout. Initially used by supermarkets, now many other types of retail businesses are using self-checkout services. Most self-service checkouts are supervised by at least one member of staff.
Shopping centres	Many towns and cities in the UK have shopping centres. They are usually located in urban areas where a range of different retailers are housed under one roof. These shopping centres will usually have other hospitality and leisure facilities to satisfy a wide range of customer needs and will have a high footfall. Many of these shopping centres will be located in the centre of town and city centres near to the main high street, but some are located away from the centre in out-of-town locations.
Social factors	The factors that affect the operations of a retail business and include the size of the population, the age structure of the population, changing consumer lifestyles, tastes and attitudes, cultural changes. Retailers must be aware of the ever-changing social factors.
Social media	Internet platforms that allow people to communicate and share content through social networking. Social media has drastically changed the way in which a retail business can communicate with its customers. Social media is used by over 2 billion people in the world and most internet users use a social media website on a regular basis. The most popular of these social websites have become huge sources of information for retailers and a new platform to target consumers. Examples include Facebook, Twitter, Instagram and Snapchat.
Social responsibility	This is a business aim. Not all retail businesses will look to maximise profits or aim for increased sales; some will have other aims. There are businesses that will try to minimise the impact of their business activities on the environment, consider the needs of society and have aims which are based on their beliefs. For example, retail businesses may try to ensure suppliers in developing countries have fair working conditions, ensure employees are earning a fair wage and sourcing raw materials from sustainable sources. Having ethical and environmental aims may impact on the profit that can be made, however, businesses that focus on ethical and environmental aims are happy to do this as they believe that they have an important role to play and that the focus for the business is not profit but society and the environment.
Sole traders	A sole trader is a business that is owned and run by one person. Although a sole trader is owned by only one person, the owner can employ people to work for them. There is a lot of financial risk in running a business as a sole trader due to unlimited liability. Many sole traders will operate on a local scale.

Term	Definition
Sourcing	This is the finding and purchasing of products to be sold. A business needs to identify suitable suppliers who will provide the goods and services needed for the business to carry out its activities. When sourcing supplies, a business needs to consider the cost, the quality, the delivery time, reliability of the supplier, reputation of the supplier, ethical and environmental actions of the supplier and payment terms and contractual issues (late or non-delivery of stock penalties).
Specialised/niche products	These are products that are not mass produced and are made for a smaller specialised market. Niche products are made to satisfy the needs of a small number of customers and will sell much less than mass produced products. The cost of producing niche products can be higher, resulting in a higher price for customers. Examples include high quality coffee, vinyl records, customised made toys for children, vegan pet food and designer clothes.
Speciality	A retail store that specialises in selling one type of product or products related to one market. Examples include cosmetics, sport, optician, car dealership, travel agent, music store, wine store and books. They can offer a higher level of customer service and a greater range of specific products than offer retailers.
Stock control	The management of the products that the retail business will sell. Businesses must ensure that the right stock is available for sale when the customer wants it. Many retail businesses will operate a stock control system to make sure they have the required stock when they need it.
Stock levels	The actual amount of stock the retail business has in its store, warehouse or distribution centre. It is important to monitor stock levels to make sure enough stock is available to customers.
Stock movements	Retail businesses need to know how much stock is moving into the business and how much they are selling. This allows them to maintain a good stock level and make sure they never run out. For large retail businesses, this will be automated with all sales linked backed to its stock control. For smaller retail businesses, this may be less automated and rely on the sales staff keeping records. This can be affected by seasonal demand.
Stock rotation	For food and other perishable products, retail businesses will arrange the stock so that the oldest products are sold before the newer products. Many retail businesses will put the oldest products (ones nearer to the sell by date) at the front of the shelf and the newest ones will be placed at the back.

Term	Definition
Supermarket	A large self-service store selling a wide range of foods, beverages, household goods and clothes. Most consumers in the UK use a supermarket to buy their groceries and they dominated by a small number of established and very large businesses, including Tesco, Asda and Morrison's. There are also some local and regional scale supermarkets. In recent years they have faced competition from discount grocery retailers Aldi and Lidl.
Survival/break even	This is a business aim. Many businesses fail within 2 years of being set up so for a small business, the initial aim is to survive the difficult time of gaining customers, establishing a good local name, and building a reputation. Even for some big businesses, survival can become a priority. Many established high street retailers have struggled in recent years. The main aim of these retailers was to survive in the short term, however, retailers such as BHS, JJB Sports and Comet have all ceased to exist. To survive a business has at least to break even. This means that it makes neither a profit nor a loss. If a business continually makes a loss it will almost certainly go out of business. During times of economic recession (when sales can be low) larger businesses will have to adjust its aims; they may be able to cope with making a loss for a short while, but eventually they will have to carry out actions to turn this around and this can involve making workers redundant or closing a number of outlets.
Sustainability	All businesses are under increasing pressure from consumers and governments to act in a responsible manner and to ensure that our environment and resources are available for future generations to enjoy. This is often referred to as sustainability. A business that acts in a sustainable way will strive to have a minimal negative impact on the global or local environment, community, society or economy. A business that aims to be sustainable will attempt to minimise its overall impact on the environment.

Term	Definition
Tax rates	<p>Tax is paid by individuals and businesses to the government. The revenue raised through tax is then spent by the government on providing public services such as the National Health Service, education, housing, defence etc. The payment of tax is compulsory, and the amount paid is calculated by a percentage of earnings. Taxes can be broadly split into two types – direct taxation (taxation on income) and indirect taxation (taxation on spending). Income Tax, National Insurance and Corporation Tax are examples of direct taxation. VAT and Business Rates are examples of indirect taxation. Direct taxes have to be paid by the individual direct to the government. There is direct link to the amount a person earns and how much tax they pay. Indirect tax is a tax on expenditure and not on income. The good or service bought is taxed, so regardless of how much a person earns they will all pay the same rate of tax on the good or service. Businesses that have to pay indirect taxes often pass this cost onto consumers by increasing their prices. The government can raise taxes to increase the amount of money it receives (to spend on the NHS, schools etc.), or it can decide to reduce taxes to encourage more spending in the economy. Increasing or decreasing taxes will influence the level of consumer spending and will have an impact on most retail businesses.</p>
Technological factors	<p>The factors that affect the operations of a retail business. In the last 20 years, the pace and advancement of technology has been countless and the increasing levels of automation and use of information and communications technology (ICT) has had a major impact on all retail businesses and how they operate. Technological factors include the Internet, websites, apps, availability of hi-speed broadband, cloud-based storage, digital media, social media, Wi-Fi access, smart phones, self-serve checkouts, contactless payments, delivery drones and virtual mannequins.</p>
Temporary (pop-up) shop	<p>Temporary or pop-up shops often use vacant premises for a short period of time. Pop-up shops have become very popular and are used throughout the retail industry to create interest amongst consumers. In addition to using vacant premises, some pop-up shops create and build their own temporary shops on the high street or in shopping malls. Pop-up shops have a start date and an end date. This can differ depending on what is being sold; some last for a day only, others trade for weeks or months. The term pop-up is now used across all temporary stores. Traditional temporary stores include seasonal shops such as Christmas shops and firework shops. However, pop-up stores now range from retailers' test trading new product ideas, test trading in a new location, new businesses starting out, online businesses looking for a high street presence and even include pop-up shopping centres.</p>

Term	Definition
The supply chain	The supply chain is the various stages of the movement of supplies from their source to the end user. Every retail business needs supplies in order to fulfil its sales orders. The supply chain is the network of all the individuals, businesses, resources and technology involved in creating and selling of a product, starting with the delivery of the source materials from the supplier to the manufacturer, to the retailer (maybe via a warehouse or distribution centre) through to its delivery to the customer. The complexity of the supply chain will depend on the type of product, the quantity and frequency and the scale of the business. The supply chain can be divided into 3 clear stages, sourcing, logistics and stock control.
Third-party online marketplace	An internet-based platform that connects retailers with customers. The website sells products from different retailers, useful to retailers who do not have the resources to develop and manage their own website. The sales are processed by the third-party marketplace and not the retailer. Examples include Amazon, eBay, Wayfair, and Etsy.
Transport hubs	A place where passengers and cargo are exchanged between vehicles or between transport modes. These include bus stations, train stations, airports and ferry ports. The major transport hubs in the UK are very busy, with thousands of people travelling through them every day. These transport hubs will have high footfall and are an ideal place to locate a retail outlet. There are other, less busy transport hubs that will have footfall that's constant, but not as high.
Unethical practices	Retail businesses that ignore their social responsibility and continue to act in practices that do not consider the needs of all its stakeholders and do not meet the standards of acceptable business operations. Examples of unethical practices include the exploitation of workers, sourcing products from manufacturers that have no employee welfare, unethical marketing activities, ignoring safety issues around the product performance and using toxic chemicals or producing toxic waste.
Unlimited liability	Sole traders and partnerships do not have a separate legal existence from the business. In the eyes of the law, the business and the owner(s) are the same. As a result, the owners are personally liable for the business' debts. If a sole trader or partnership makes a loss and if things go wrong, then they are responsible for all the debts. This is called unlimited liability. The owner(s) have a legal obligation to settle (pay off) all the debts of the business. Worse still, there is no distinction between the assets (money invested in the business, including property, equipment and stock) and debts of the business, and the personal assets and debts of the owner.

Term	Definition
Urban location	Retailers that are located in town and city areas where there is a high concentration of people are located in urban areas. Within these urban areas, there will be a clearly defined shopping area that will have a large concentration of physical stores. Also, within urban areas there are less dense areas (areas with fewer people and less footfall), such as smaller shopping hubs and high streets. Retailers will also locate in residential areas where they may be the only physical store in that area. Many large-scale, well known retailers will locate in these urban areas. Urban areas tend to have a high footfall and will attract people from other geographical areas.
Virtual mannequins	New technology that projects a holographic image of a real-life person. These can be interactive and allow a shopper to see different products displayed on the virtual mannequin. Useful in displaying clothes and fashion items.
Warehouse	Large retailers normally selling products for home improvement, gardening, furniture carpets and electrical goods, usually located in out-of-town locations or retail parks. Many retail warehouse stores offer a large choice of products, encourage bulk buying and stock products on no frills high shelving. Some are referred to as discount warehouses and can sell end-of-line products. Warehouses can also refer to the storage facility of products before they are delivered to a retail store.
Warehousing function	The main function is the storing of products before they are moved to the retail stores or delivered to customers. The products need to be stored securely and be able to be moved quickly to the store or to customers. Many large-scale retailers will have large warehouses located around the country/world to store large quantities of products they have purchased before they are broken down into smaller quantities and delivered to physical stores. Some retailers will have warehouses as part of their retail outlets.
Waste disposal	Waste disposal of many different types of products is bad for the environment. Many retail businesses have waste that needs to be removed, which can include chemicals and other harmful substances in the production of products and the packaging used through the supply chain. Many retail businesses will use huge quantities of plastic in their packaging that will be disposed of once the product reaches the end user.

Acknowledgments:

Fig. 1	Image by Michal Jarmoluk from Pixabay
Fig. 2	Image by StockSnap from Pixabay
Fig. 3	Image from Steve Buissinne from PixaBay