

Criteria for the Diploma qualifications in retail business at Foundation, Higher and Advanced levels

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The government will be bringing in legislation to establish Ofqual as the regulator of qualifications. Until this legislation is passed, Ofqual will operate as part of the Qualifications and Curriculum Authority. Afterwards, Ofqual will be accountable to parliament.

Purpose

The purpose of this document is to record a full set of criteria for principal learning for the Diploma in retail business at Foundation, Higher and Advanced levels. It also sets out the aims for the overall Diploma in retail business.

This document should be read in conjunction with the Qualifications and Curriculum Authority (QCA) document *Criteria for accreditation of Diploma qualifications at levels 1, 2 and 3* (QCA/07/3112) at www.qca.org.uk/qca_7670.aspx, which defines the overarching criteria for all Diplomas at Foundation, Higher and Advanced levels (including the Progression Diploma), and the *Line of learning statement in retail business* produced by the Diploma development partnership (DDP) representing the industries covered.

All references to guided learning hours (GLH) within this document are for the purposes of ensuring that at each level, there is sufficient content specified to enable the design of qualifications. GLH are not intended to indicate final unit sizes or design.

The purpose of the line of learning criteria is twofold:

- to provide the regulatory tools (alongside the overarching criteria) that the regulators will use to accredit qualifications that are developed for the Diploma and to admit qualifications and/or units of accredited qualifications into the Diploma catalogue
- to specify the requirements against which awarding bodies will develop their principal learning qualifications for the Diploma.

Aims

The general aims of the Diplomas are identified in Section 2 of the document *Criteria for accreditation of Diploma qualifications at levels 1, 2 and 3 (QCA/07/3112)*.

The purpose of the Diploma in retail business at Foundation, Higher and Advanced levels is to introduce learners to the world of retail. It is for all learners and has particular relevance to those aged 14–19 who seek to acquire knowledge and develop skills in the broad context of the retail and supply chain industries.

Principal learning provides the essential knowledge, skills and understanding for all learners within the sector(s) covered. Additional and specialist learning enables learners to acquire a deeper understanding and/or application of the topics covered in principal learning or to explore a topic related to their local environment or personal interests, for example fashion retailing, automotive retailing, logistics and so on.

Each Diploma in retail business will:

- provide a blend of general education, theoretical and practical skills in coherent and stimulating programme
- expose learners to the dynamism and complexity of businesses within retail and its supply chain, exploring the breadth of the retail business from source to sale
- provide learners with the opportunity to consider a range of different sub-sectors, sizes and channels across the qualification that they would have considered a sufficient range to denote where significant differences can be applied
- nurture within learners the self-motivation and creativity of mind required to flourish in a rapidly changing environment
- develop confident and enterprising young people who can take risks and make ideas happen, providing solid foundations to excel in the sector or to explore setting up their own retail business
- begin to develop leadership, planning and people skills in a sector that promotes young people at an earlier age than other sectors
- provide the opportunity for learners to experience a holistic approach to learning through the synoptic activity of operating a retail channel
- provide a holistic approach to the applied development of concepts such as human resources, leadership and management, finance and global issues

- bring learning to life through real experiences of the retail and supply chain sector, including work experience and work-related learning
- provide an engaging context for learning by providing opportunities to explore current and topical issues, such as the environment and ethical trading in the retail sector
- empower young people to make informed choices about their future career in modern retail and supply chain businesses
- offer a qualification that is valued by employers and higher education
- provide young people with transferable skills that will equip them to select from a range of education, training and employment pathways to make the most of their interests and capabilities
- enable individuals to acquire relevant personal, learning and thinking skills (PLTS) in a retail business context
- give opportunities to practise and acquire essential functional skills in English, mathematics and information and communication technology (ICT), which are relevant to the level and delivered in the context of retail business.

Vision

The retail sector and its supply chain are undergoing fundamental change. The emergence of new manufacturing centres, the transformation of the high street by major retail chains and the growth of alternative channels – all have combined to make the retail sector more dynamic, complex and competitive than ever.

Technological, cultural and economic factors continue to transform the sector, creating new challenges but also enormous rewards for those who succeed in it. Today's affluent and discerning consumers expect choice, value and high ethical standards from those they buy from. This means that the modern retailer needs more than product knowledge and selling skills. They need to understand every step of the retail process, from the logistics of the supply chain to merchandising, consumer rights legislation and even the impact of new technologies on selling, manufacturing and stock control.

Diversity and inclusion

Diplomas will enable all learners to be assessed by means of internal and external assessment, differentiating only on the basis of candidates' abilities to meet the assessment requirement. Diplomas will use plain language that is free from bias and there will be no covert or overt discrimination in wording or content. There must be fair and equal access to the Diploma for a diverse range of learners, so that all can benefit from the high-quality applied learning in employability skills, knowledge and understanding that it provides.

Component awarding bodies must design assessment requirements so that there are no barriers to achievement for disabled people, unless the barrier is explicitly justified as a competency standard in line with the *Criteria for accreditation of Diploma qualifications at levels 1,2 and 3* (QCA/07/3112). There must also be no barriers to achievement in the assessment requirements in terms of gender, race, age, sexual orientation and religion/belief.

The development of principal learning qualifications and all associated tasks of assessment, awarding and appeal, must take into consideration the needs of all potential learners to ensure that there are no barriers in terms of disability, gender, race, age, sexual orientation and religion/belief. Awarding bodies should take steps to remove any barriers, particularly for disabled learners, and where required, make reasonable adjustments. This includes the design of information and communication hardware and software, and the formatting of communication in hard copy or online.

Reasonable adjustments for disabled people must be offered where these are still needed.

Reasonable adjustments should reflect the candidate's usual methods of working and not invalidate the competency standard of the assessment requirements.

Component awarding bodies may allow assessment in British Sign Language. Where more than one language is used, the awarding body must put adequate mechanisms in place to guarantee the consistency of assessment across the different languages.

To support the requirements above, component awarding bodies must have procedures in place to ensure relevant staff and associates are trained in ensuring equality in the design, development and subject matter of qualifications, assessment and awarding procedures, language used in assessment, and systems used to ensure consistency of standards across options, centres and time. They must also ensure that the centres they register do the same and undertake to use buildings that provide access for all candidates in accordance with equalities legislation.

The Diploma qualification must include the identification of opportunities, if appropriate to the subject or sector, for developing understanding of spiritual, moral, ethical, social, legislative, economic and cultural issues.

Notes

The six areas of diversity in law are disability, gender, race, age, sexual orientation and religion/belief. In addition, Ofqual's regulation promotes equality and aims to eliminate discrimination in terms of disability, gender and race, in accordance with public sector equality duties.

Themes

The classification of topics under themes has not been specified by the retail business DDP.

Structure

Structure of Diplomas in retail business			
Level	Foundation	Higher	Advanced
Total GLH	600	800	1,080
Principal learning (GLH)	240	420	540
Generic learning (GLH)	240	200	180
Additional/specialist learning (GLH)	120	180	360

Foundation level: Summary of topic titles

Topic no.	Title	GLH
1.1	An introduction to retail	30
1.2	Exploring enterprise in retail businesses	60
1.3	Introducing the retail supply chain	30
1.4	Introducing the retail outlet	60
1.5	Introduction to customer service in retail businesses	30
1.6	Introduction to retail selling	30

Topic 1.1 An introduction to retail (30 GLH)

Retail businesses operate in different retail channels, from outlets in local shopping arcades to catalogues and online shopping. There are different types of retailers of different sizes and they can have a significant effect on individuals and communities. The purpose of this topic is to introduce learners to the wide range of retailers that operate in the UK and the effect they can have on individuals and communities. It will also allow learners to build on their own retail experiences to develop a broad overview of retail and its sub-sectors and channels. It should enable learners to explore how retail has affected their own lives and communities as well as those of others. Through this topic, learners should appreciate the range of employment opportunities that these retail businesses can present.

Learners must know and understand:

1. what retail is
2. how to obtain and interpret simple data related to retail
3. the key retail businesses regionally, nationally and internationally
4. the sizes and locations of retail outlets
5. the different sub sectors in retail
6. the benefits of different retail channels to different types of retailers
7. how retail affects lives and communities socially and financially
8. key current environmental and ethical issues in retail that concern customers
9. how retail channels affect the customer
10. the range of job roles in retail and how they are organised by different types of retailers
11. sources of employment opportunities in retail and how to access them
12. progression opportunities in retail
13. employee rights and support systems
14. employee responsibilities as an individual and a team member.

Learners must be able to:

1. interpret simple data related to retail

2. propose a retail channel for a product.

In order to engage with this topic effectively, learners must use the following PLTS:

- independent enquirers.

Topic 1.2 Exploring enterprise in retail businesses (60 GLH)

Retail businesses operate in a competitive environment and must be enterprising in order to gain competitive advantage, constantly looking for new opportunities for their businesses. They expect their employees to be enterprising and adopt a 'can do' attitude to meeting challenging targets. The purpose of this topic is to develop in learners an awareness of the principles of enterprise and its importance to retail businesses. The topic will allow learners to show their ability to be enterprising in developing creative ideas for retail in a local area. It will encourage learners to develop a 'can do' attitude when working as a member of a team and when setting themselves challenging targets.

Learners must know and understand:

1. what enterprise is
2. the qualities that make inspirational entrepreneurs and successful leaders
3. the importance of enterprise within a business and for an employee
4. ways in which retail businesses develop and the support available
5. what networking is and how can it can help to create new opportunities for retailers
6. what a brand is, how it is developed and how important it is to different types of retail businesses
7. the costs of running a business
8. ways of costing profitable products for retail
9. ethical and social considerations involved in retail businesses and how retailers respond to these
10. how the retail environment in a local area meets local needs
11. how to investigate retail in a local area
12. the characteristics of an effective team member and an effective team
13. the types of behaviour that can lead to conflict
14. how to set challenging individual goals and monitor progress.

Learners must be able to:

1. suggest how retailers can develop a brand to meet local needs
2. work as a member of a team
3. set challenging individual goals
4. monitor progress in working towards individual goals.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- self-managers
- effective participators
- independent enquirers
- reflective learners
- team workers.

Topic 1.3 Introducing the retail supply chain (30 GLH)

The retail supply chain deals with the journey of products from their source, through transportation and storage, to disposal. At different stages in the chain, there may be problems that prevent a product from arriving with a retailer on time and this will affect sales and profitability. The purpose of this topic is to ensure that learners explore the stages of the retail supply chain and how they work together to deliver different types of product to a retailer or direct to the customer. It will also allow learners to realise the common risks and problems in the retail supply chain. The topic will enable learners to consider topical, ethical and environmental issues associated with the supply of products to retailers, exploring how these affect local environments and communities.

Learners must know and understand:

1. common terminology used in the retail supply chain
2. the stages of the retail supply chain and the types of businesses involved, including support businesses
3. the main methods of transporting different types of goods between supplier and customer
4. a range of warehousing and storage facilities and locations used for different types of products
5. the main methods of handling and storing goods in the retail supply chain
6. key ethical and environmental issues relating to the retail supply chain
7. the technology used in the retail supply chain
8. the methods of communication used in the retail supply chain and situations when these methods are used
9. key health, safety and security legislation related to the retail supply chain
10. common risks and problems relating to people and goods in the retail supply chain and how they are resolved by supply chain businesses and retailers.

Learners must be able to:

1. propose solutions to common problems in the retail supply chain
2. communicate information across the retail supply chain

3. use technology to order and track goods.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- independent enquirers
- effective participators.

Topic 1.4 Introducing the retail outlet (60 GLH)

A retail outlet is one retail channel and the way that many retailers present and sell their products. Retailers will attempt to create a positive retail environment in order to attract customers to enter and buy products. The operation and layout of a retail outlet is, therefore, critical to the success of a business. It is also where many learners may find employment. The purpose of this topic is to provide learners with the opportunity to experience retail outlet activities by working in real or simulated environments. Through their experiences, they should learn about 'a day in the life' of retail outlets of different sizes across different sub-sectors. They will be able to use the experience of engaging in retail outlet activities to appreciate the importance of health, safety and security and the methods used to minimise risk.

Learners must know and understand:

1. the activities of a retail outlet and how they interrelate
2. the job roles needed in different types of retail outlets to complete activities
3. the technology used in retail outlets and how it affects activities
4. what staff schedules are and how they work, including the effect of holidays, shifts, non-attendance
5. the key principles of retail outlet layout
6. how layouts differ between retailers of different types and sizes
7. the creative ways in which retailers develop positive retail environments for their customers
8. the health, safety and security measures used in retail outlets
9. how to undertake a risk assessment
10. potential risk to people and goods in retail outlets
11. how retail outlets minimise risk.

Learners must be able to:

1. assess health and safety hazards in a retail outlet
2. use technology to support stock control
3. design a positive retail environment.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- self-managers.

Topic 1.5 Introduction to customer service in retail businesses (30 GLH)

In a competitive environment, a retailer will need to provide excellent customer service in order to maintain customer loyalty. There are, therefore, many opportunities to gain customer-facing employment in retail. The purpose of this topic is to provide learners with the opportunity to engage with people through their exposure to different types of customers in retail settings. With practise, learners should be able to develop confidence in delivering customer service. The topic will allow learners to appreciate the importance of customer service in retail businesses and the standards expected as a result of their own experiences.

Learners must know and understand:

1. what customer service is and its purpose in retail
2. customer service standards of different types of retail business
3. the formats used to communicate customer service standards to customers and employees
4. how retailers obtain information from customers on their standards of service
5. the roles and responsibilities for delivering customer service in retail businesses
6. customer service techniques used by retailers to retain existing and attract new customers
7. how to identify the needs of a diverse range of customers
8. how to communicate with customers
9. how to handle complaints and compliments.

Learners must be able to:

1. build positive relationships with customers
2. display sensitivity to customers
3. communicate with customers.

In order to engage with this topic effectively, learners must use the following PLTS:

- self-managers

- reflective learners.

Topic 1.6 Introduction to retail selling (30 GLH)

Without the sales of its products, retail businesses would be unable to make a profit. Retailers expect their staff to be aware of the importance of sales to their profitability and to have the skills to meet sales targets. The purpose of this topic is to introduce learners to the importance of selling and sales targets to retail businesses. The topic will allow learners to use their own retail experiences to explore how the sales process vary across sub sectors and retail channels. This topic should provide learners with the opportunity to experience selling in a real or simulated environment so that they can reflect on the factors that affect buyer behaviour, including their own behaviour. With time to practise sales techniques, they will develop skills to influence buying decisions in different situations with different types of customer.

Learners must know and understand:

1. the importance of selling and sales targets to retail businesses
2. factors that influence customers when buying, including the behaviour of the sales person
3. the sales process and how it differs across different sub sectors and retail channels
4. key sales-related legislation and how it affects the sales process
5. appropriate behaviour in sales situations
6. how to identify features and benefits of products
7. how product knowledge can assist in the sales process, particularly overcoming objections and upselling
8. techniques for closing a sale
9. different payment methods used across retail channels
10. how retailers ensure secure payment.

Learners must be able to:

1. demonstrate the main features of a product
2. sell a product
3. process payments.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- independent enquirers
- self-managers.

Higher level: Summary of topic titles

Topic no.	Title	GLH
2.1	Exploring retail	60
2.2	Exploring retail channels	60
2.3	Sourcing and buying for product ranges of retail businesses	60
2.4	Exploring the retail supply chain	60
2.5	Operating the retail outlet	30
2.6	Stock control in retail businesses	30
2.7	Customer service in retail businesses	30

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2.8	Selling in retail businesses	60
2.9	Retail theatre	30

Topic 2.1 Exploring retail (60 GLH)

The retail sector is a key part of everyday lives. Its impact on local and national environments and economies gives it a high profile in the media. Retail businesses operate in a changing, global environment where enterprise and innovation are key to successfully competing in changing local, national and international markets. The purpose of this topic is to enable learners to explore the external factors that lead to change. It will allow learners to use their own experiences of retail in their communities to reflect on how retailers respond to these factors and, in particular, how they have and could affect communities, including their economies and the individuals that live and work there. Through consideration of the different functions that operate in retail businesses, learners will be made aware of employment and progression opportunities as well as the nature of those opportunities.

Learners must know and understand:

1. the retail sector, its sub-sectors, channels, formats, businesses of different sizes, types of locations
2. businesses that support the retail sector
3. common business models used in retail and logistics
4. how entrepreneurship has shaped developments in retail
5. the relationship between the UK and international markets
6. the relationship between retail and communities, economies and environments
7. how aims, objectives and key performance indicators are developed and used by retail businesses
8. external factors and how they affect the retail sector and communities
9. the demographics and work patterns of retail employment, including culture and diversity, age, ethnicity, gender, disability, sexual orientation and religion/beliefs
10. how change affects employees and the businesses that can provide support
11. rights and responsibilities of employees
12. the skills set sought in employees by retailers
13. methods that retailers use to monitor the performance of staff and the progression and development opportunities that can result.

Learners must be able to:

1. analyse statistical data related to retail
2. assess how change impacts on business aims and objectives
3. recognise enterprise in retail business activities.

In order to engage with this topic effectively, learners must use the following PLTS:

- independent enquirers.

Topic 2.2 Exploring retail channels (60 GLH)

A retail channel is the retailer's route to market. The enterprising and competitive nature of retail has led to innovative ways of developing new business opportunities, including retail channels. The purpose of this topic is to develop in learners an appreciation of the relative merits of different retail channels to enable them to develop and operate their own retail channel. It will allow learners to gain real or realistic experience of the activities involved in operating different types of retail channels. Learners will gain, through this topic, awareness of different promotional activities of retailers across retail channels and be able to reflect on their own experience of what makes these successful.

Learners must know and understand:

1. different types of retail channels
2. key activities involved in setting up retail channels and how these activities differ across retail channels
3. how retail channels affect key operational functions and activities of retailers
4. the key activities involved in trading
5. how key activities involved in trading differ across retail channels
6. the commercial potential of different retail trading locations
7. the relationship between retail channels and retail sub-sectors
8. how retailers use enterprise to gain competitive advantage
9. the concept of branding and its importance to the retail sector
10. the methods of branding and how they differ across retail channels
11. how brand image is sustained across retail channels
12. promotional activities used by retailers
13. how to measure the effectiveness of promotional activities
14. ethical and cultural considerations to be taken into account when planning promotional activities.

Learners must be able to:

1. develop promotional materials for a retail channel

2. develop a brand for a retail channel.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- independent enquirers
- self-managers
- effective participators.

Topic 2.3 Sourcing and buying for product ranges of retail businesses (60 GLH)

One of the key roles of the buyer, in retail, is to source products that would complement existing product ranges by developing relationships with suppliers. In order to do this, they must know their customers and deal with the challenge of meeting customers' needs while at the same time meeting organisational needs. At all times, the buyer must be aware of the cultural and ethical implications of their decisions. This topic will encourage learners to appreciate the influence that customers can have on decision making within the context of product range building. It will allow learners to reflect on their own and others' views on ethical buying while gaining an awareness of different cultures and the ethical issues that buyers have to take into account when making buying decisions. The topic should also develop in learners the skills needed to develop and maintain relationships with others, and give them the opportunity to build their own product range.

Learners must know and understand:

1. what product range building is and why it is important to retail businesses
2. the role and significance of the buyer and merchandiser in retail businesses
3. the interrelationship between consumers and product range building
4. how to obtain current information on customers and competitor trends
5. what customer profiling is and how it is used in building a product range
6. how to develop a customer profile
7. factors to be considered in product range building, including legislation and regulation
8. key ethical issues for retailers to consider when sourcing and buying products for a product range, including their choice of supplier
9. cultural customs and practices of countries supplying products to retail businesses
10. how cultural customs affect the sourcing and buying process
11. the role of networks and how networking supports retailers in the sourcing and buying process
12. how to develop networks
13. negotiation techniques.

Learners must be able to:

1. develop customer profiles
2. develop a product for a product range to match customer profiles
3. build positive working relationships.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- independent enquirers
- self-managers
- reflective learners.

Topic 2.4 Exploring the retail supply chain (60 GLH)

The retail supply chain is involved with the journey of products from their source, through transportation and storage, to disposal, including recycling. Retailers are dependent upon an efficient supply chain to enable them to get the right product in the right location at the right time. Getting it wrong could have serious consequences for their profit margins. They are dependent upon the supply chain to enable them to operate. The purpose of this topic is to introduce learners to the retail supply chain and its constituent parts. It will allow them to explore the processes followed by businesses that ensure effective supply of products to retailers and direct to the customer. Learners will be able to explore how these processes differ across different retail sub-sectors. Through this topic, learners should be aware of risks to the process and the measures supply chain businesses take to minimise risk. This topic should allow learners to consider a range of real or realistic problems to which they can develop their own practical solutions.

Learners must know and understand:

1. what the retail supply chain is
2. what the roles of the constituent parts of and the businesses involved in the retail supply chain are
3. what the interrelationships between the constituent parts of the retail supply chain across a range of sub-sectors are
4. the location of retail supply chain businesses and how this affects their operations
5. the impact of external factors on retail supply chain businesses
6. the impact of retail supply chain businesses on the environment
7. the processes involved in different stages of the retail supply chain for different types of products
8. how stock flows are managed through the supply chain for different types of product
9. how quality systems and technology are used in the retail supply chain to ensure efficiency and productivity
10. the most appropriate method of transport to use for different types of products
11. the risks to effective flow of goods through the supply chain and how they are minimised

12. legislation relating to health, safety and security in the retail supply chain
13. the concept of space management.

Learners must be able to:

1. assess risks within the retail supply chain
2. propose practical solutions to logistics storage problems
3. solve supply chain problems
4. develop delivery schedules.

In order to engage with this topic effectively, learners must use the following PLTS:

- independent enquirers
- creative thinkers
- effective participators.

Topic 2.5 Operating the retail outlet (30 GLH)

The retail outlet is the place where most retailers present and sell their products. It is essential, therefore, that it operates efficiently and is presented in a way that encourages customers to enter. The purpose of this topic is to introduce learners to experience a 'day in the life' of retail outlets and the functions and activities that take place on a daily basis. As retail outlets operate with their employees, working in teams to carry out these activities, this topic will allow learners the time to develop team-working skills within a real or realistic retail environment. It will also introduce them to effective leadership in retail.

Learners must know and understand:

1. the different functions and activities of the retail outlet and how they interrelate in retailers of different sizes and in different retail sub-sectors
2. the different roles and responsibilities of retail outlet staff, including supervisory and management, and how they interrelate
3. staff scheduling and how it affects retail outlet operations
4. how legislation and regulations affect the operation of a retail outlet
5. the principles of the layout of the retail outlet
6. how the layout of a retail outlet affects profitability
7. characteristics of effective team working
8. characteristics of an effective team member
9. what motivates individuals and teams
10. qualities of inspirational and effective leadership.

Learners must be able to:

1. work as a member of a retail team
2. plan and adapt staff schedules
3. plan the layout of a retail outlet.

In order to engage with this topic effectively, learners must use the following PLTS:

- team workers

- self-managers
- reflective learners
- creative thinkers.

Topic 2.6 Stock control in retail businesses (30 GLH)

Stock control brings together different functional areas of retailers. It is essential to the profitability of a retailer. Without clear procedures for the flow of stock and accurate data on its availability, retailers are at risk of not meeting key business objectives and customer needs. The purpose of this topic is to introduce learners to the critical role of stock control in retailers' operations and how it interacts with other functions in the retail supply chain. It will provide learners with an overview of the systems and processes involved in controlling stock, and enable them to appreciate the significance of stock control to the profitability of retailers. By allowing learners to engage with real or realistic stock control problems that have arisen in retail businesses, the topic also allows learners to develop and discuss their own practical solutions.

Learners must know and understand:

1. the links between stock control, merchandising, the buying functions and the supply chain in retailers of different sizes and in different retail sub-sectors
2. the stock control systems used by retailers and how they affect profitability
3. information and communication flows used for stock control
4. how technology is used in stock control
5. procedures used by retailers to ensure the security of stock
6. how retailers deal with the removal and wastage of stock
7. techniques and methods used for handling, moving and storing different types of stock
8. legal requirements for receipt, storage and movement of different types of stock
9. the concepts of inventory and audit and why they are important in stock control
10. the problems that arise in stock control and ways in which retailers deal with these.

Learners must be able to:

1. design a simple stock control system
2. resolve common stock control problems.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- reflective learners.

Topic 2.7 Customer service in retail businesses (30 GLH)

In a competitive environment, a retailer will need to provide excellent customer service in order to maintain customer loyalty. There are, therefore, many opportunities to gain customer-facing employment in retail. The purpose of this topic is to provide learners with the opportunity to engage with people through their exposure to different types of customers in retail settings. With practise, learners should be able to develop confidence in delivering customer service. The topic will allow learners to appreciate the importance of customer service in retail businesses as a result of their own experiences

Learners must know and understand:

1. the principles of customer service
2. standards of customer service
3. how customer service delivery differs across retail channels
4. the diverse needs of different types of customers
5. techniques for delivering customer service, including to demanding customers
6. how to use different methods of communication
7. how to communicate with different types of customers
8. how different behaviours are manifested
9. how to determine appropriate behaviour for different customers in different situations
10. the methods that retailers use to monitor customer service experience
11. the methods that retailers use to improve customer service experience.

Learners must be able to:

1. communicate with customers
2. build positive relationships with customers
3. adapt behaviour to meet the diverse needs of customers
4. deliver customer service
5. propose solutions to improve customer service.

In order to engage with this topic effectively, learners must use the following PLTS:

- self-managers
- reflective learners.

Topic 2.8 Selling in retail businesses (60 GLH)

The main role of a retailer is to sell its products. Without sales a retailer will be unable to achieve one of its key objectives; to make a profit. The purpose of this topic is to enable learners to have the time to practice and develop the skills to confidently sell products in a real or realistic retail environment. The topic will allow learners to use their experiences to appreciate the different sales situations that may arise in retail environments and how customer behaviour differs across these situations. This experience should also enable learners to realise the impact of fraudulent sales and the measures available to minimise risk.

Learners must know and understand:

1. the different types of sales situations across retail businesses
2. the role of the salesperson in maintaining the brand
3. the role of sales targets, how they are calculated and their effect on profitability
4. consumer behaviour and the buying process
5. factors that affect consumer behaviour
6. the need to balance ethical considerations with the need to achieve sales targets
7. the stages of the sales process
8. questioning techniques that can be used in the sales process to identify customer needs
9. the features of products that are sold by retailers in different sub-sectors
10. how to present features and benefits of products during the sales process
11. what behaviour to adopt in different sales situations and how to adapt behaviour to respond to consumer behaviour
12. sales-related legislation and how it affects the customer and the sales process
13. the range of payment methods accepted by retailers and how these are processed
14. the fraudulent practices of customers and how it affects retail businesses
15. measures that retailers take to minimise the risk of fraud.

Learners must be able to:

1. apply a range of questioning techniques to establish customer needs
2. demonstrate the features and benefits of products to customers
3. sell products in a retail environment
4. adapt behaviour to different types of customers.

In order to engage with this topic effectively, learners must use the following PLTS:

- independent enquirers
- self-managers
- reflective learners.

Topic 2.9 Retail theatre (30 GLH)

Many retailers create a 'theatrical environment' in order to appeal to the senses of customers and encourage them to buy their products. Visual merchandising is one way of creating that environment in a retail outlet. The purpose of this topic is to allow learners to explore and observe a range of different approaches by retailers to presenting their products. It will encourage learners to reflect on their own retail experiences to appreciate how retailers appeal to the senses of customers to entice customers to purchase their products. The topic will enable learners to use the principles of design and develop creativity that can be applied to the design of a retail environment.

Learners must know and understand:

1. the techniques and technologies used by retailers to design the retail environment in order to enhance the customer experience
2. how the design of the retail environment affects the customer
3. the roles and responsibilities of visual merchandisers from concept to installation
4. how visual merchandising varies across retailers of different sizes and in different retail sub-sectors
5. aspects that contribute to visual product presentation
6. how retailers can use different forms of product presentation to reach diverse audiences.

Learners must be able to:

1. present a concept for product presentation in a retail environment
2. design a positive retail environment.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- self-managers.

Advanced level: Summary of topic titles

Topic no.	Title	GLH
3.1	Examining the world of retail	60
3.2	Developing retail channels	90
3.3	Buying practices of retail businesses	60
3.4	Retail supply chain management and logistics	90
3.5	Marketing in retail businesses	60
3.6	Merchandising in retail businesses	60
3.7	Management of sales in retail	60

Criteria for the Diploma qualifications in retail business at Foundation, Higher and Advanced levels

3.8	Visual merchandising	60
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Topic 3.1 Examining the world of retail (60 GLH)

Retail businesses have been innovative and enterprising in the way that they have developed, not always successfully. Whether a retail business is part of a franchise, an international chain or operating an online store, they must be aware of the emerging trends that are driving the sector and how they must adapt to respond to these trends. The purpose of this topic is to allow learners to engage with retail businesses in order to explore how they have used innovation and enterprise to develop within a global market. This topic should enable learners to experience how business functions and activities of different types of retailers and supply chain businesses adapt as a result of innovation and enterprise. This experience should enable them to explore employment opportunities in the sector and how employee rights and responsibilities are applied in a changing retail sector and supply chain businesses.

Learners must know and understand:

1. the sub-sectors, channels and formats in retail and how they form the structure of the sector
2. different business models in retail and the retail supply chain, and how they operate
3. the relationship between retail and wider social issues
4. the contribution of retail and its supply chain to the global economy
5. the influence of entrepreneurs and innovation in shaping the global retail market
6. emerging trends and gaps within local, national and global retail markets and how they are shaping the global retail market
7. the purpose of the different business functions and activities within retail and supply chain businesses, and how they contribute to profitability in businesses of different sizes
8. how business functions and activities interact in different types of retail businesses
9. the tensions and competing priorities of different business functions and activities of different types of retail and supply chain businesses
10. the range of job roles, entry points and progression opportunities in retail and the supply chain
11. the roles and responsibilities of employees and how they cooperate and resolve tensions

12. employer and employee rights and responsibilities and how these are applied.

Learners must be able to:

1. analyse trends in retail
2. organise business functions in response to changing circumstances.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers.

Topic 3.2 Developing retail channels (90 GLH)

There are many methods that retailers use to channel their products to their customers, as reflected in the patterns of retail channels that exist in the sector. Each channel presents different challenges and opportunities to the retailer, particularly with its potential to enable profit objectives and return on investment to be achieved. The purpose of this topic is to allow learners to set up and operate a retail channel and use that experience to examine the different activities involved across different sub-sectors. This topic also gives a focus to the management of the individual, and as a result, should allow learners the opportunity to practice and develop leadership skills in real or realistic situations, for example through the operation of a retail channel.

Learners must know and understand:

1. the channels used by retailers to sell their products and the factors that influence their choice across different sub-sectors
2. the changing patterns of use of different retail channels
3. the factors influencing changing patterns of use of different retail channels by consumers and retailers
4. the procedures and activities involved in setting up retail channels and moving into or between retail channels
5. financial implications of setting up and operating a profitable retail channel, including start up costs, cash flow forecasts and return on investment
6. decision-making models that can be applied
7. the differences in the key activities involved in setting up and operating retail channels
8. how location affects key activities
9. the economic, social and environmental implications affecting decisions to locate in a given geographic area across different retail channels
10. how retailers ensure the consistency of the brand across different retail channels
11. the management activities of different functions in retail channels, how they interrelate and the level of autonomy within retailers of different sizes
12. the practical implications of legislation and regulations for the operation of different retail channels

13. the qualities, skills and styles associated with effective leadership
14. how to motivate individuals to work towards an objective
15. methods of assessing risk of financial loss
16. how the risk of fraud from different payment methods is minimised
17. methods and procedures used to develop individuals
18. techniques used to train and coach others.

Learners must be able to:

1. make a costed proposition for a profitable retail channel
2. design a retail channel
3. reflect on attempts to motivate individuals to achieve agreed objectives
4. plan and adjust staff schedules
5. plan how to fill the skills gaps of individuals
6. reflect on attempts to develop skills in others.

In order to engage with this topic effectively, learners must use the following PLTS:

1. creative thinkers
2. independent enquirers
3. reflective learners
4. effective participators.

Topic 3.3 Buying practices of retail businesses (60 GLH)

The buyer has two key roles in a retail business: to source and buy products that meet customer and organisation needs, and to develop and maintain relationships with suppliers. The challenge of the buyer is to fulfil these two roles by adopting practices that are ethical and take account of cultural differences while extracting the lowest costs to enable their business to meet their profit objectives. The purpose of this topic is to enable learners to have the time to develop and use a range of research skills and techniques to obtain information on customers and retailers. It will allow learners to examine the product ranges of retailers in different sectors and the factors that were considered in building those product ranges. In particular, it will allow them to engage with employers to explore the cultural and ethical issues that affected the sourcing and buying process and practices. As such, learners should appreciate the importance of developing and maintaining relationships when sourcing and buying products to build a product range.

Learners must know and understand:

1. the buying practices of retailers and the impact of these on suppliers
2. features and benefits of different types of buying processes
3. quality standards and quality assurance principles in sourcing and buying, and how they are affected by retailers buying practices and processes
4. how to develop positive relationships with suppliers
5. the role of networks and networking in the sourcing and buying process
6. how networks are created, developed and maintained
7. the significant cultural aspects of supplier generating countries and how cultural differences influence buying practices
8. ethical issues and how these affect sourcing and buying across sub-sectors and different types of retailers
9. basic principles of contract law, including unfair contract terms
10. options available when negotiating contracts with suppliers
11. negotiation techniques
12. how contract terms affect negotiations with suppliers
13. market research techniques and principles to obtain qualitative and quantitative data

14. techniques for analysing quantitative and qualitative market research data
15. methods for ensuring the validity and reliability of qualitative and quantitative research data
16. how customer profiles are developed
17. how customer profiles are used to build a product range
18. what product ranges and range building are and their significance to the profitability of retail businesses in different sectors
19. the factors to be considered in product range building
20. the costs involved in building and supplying a product range.

Learners must be able to:

1. review their own networking skills
2. analyse quantitative and qualitative data
3. check the validity and reliability of data
4. develop customer profiles
5. build a product range to match customer profiles
6. assess the quality of a range of products.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- independent enquirers
- reflective learners.

Topic 3.4 Retail supply chain management and logistics (90 GLH)

The retail supply chain is involved with the journey of products from their source, through transportation and storage, to disposal, including recycling. The supply chain relies on a range of businesses that interrelate and are interdependent. This complex nature of the supply chain needs careful planning to anticipate risk and deal with problems that arise, ensuring the chain flows efficiently and profitably. The purpose of this topic is to enable learners to explore the critical interrelationships and interdependencies of the retail supply chain. The topic will allow learners to engage with retail supply chain businesses in order to explore the operation of the constituent parts of the global retail supply chain and how it differs across retail sub-sectors. Learners should be encouraged to engage with problems encountered by retail supply chain businesses. The topic should enable learners to examine the factors likely to affect the flow of goods, and the strategies adopted to deal with problems and manage risk so that they can plan a critical path.

Learners must know and understand:

1. what the constituent parts of the retail supply chain and their interrelationships and interdependencies are
2. the competing pressures and demands that exist within and between the supply chain across a range of sub-sectors
3. the communication and information flows needed to maintain the interrelationships and interdependencies of the retail supply chain
4. the range of technology used within the retail supply chain and how it contributes towards improving competitiveness
5. principles of critical path management and how it is used to manage stock flows through the supply chain
6. how calendar management affects profitability
7. how to plan contingencies to manage risk across the critical path
8. problems likely to arise within the retail supply chain and ways in which these are resolved
9. cost benefit analysis methods and procedures
10. how to cost the most effective methods of distribution and storage for different product types
11. delivery scheduling systems and how they contribute to efficiency and profitability of a business

12. how warehouse design affects profitability
13. legislation and regulations relating to the retail supply chain and the implications of non-compliance
14. how to conduct and present a health and safety risk assessment
15. the range of quality systems used within the retail supply chain
16. how key performance indicators are used in the retail supply chain to increase productivity and competitiveness
17. the economic, social and environmental implications behind the decision to locate supply chain facilities in a given geographic area
18. the impact of retail supply chain operations on the environment and how businesses minimise negative impacts.

Learners must be able to:

1. use ICT software to plan a critical path
2. solve complex problems that arise throughout the retail supply chain
3. forecast demand for storage space allocation
4. apply cost benefit analysis methods to transport choices
5. undertake a health and safety risk assessment.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- independent enquirers.

Topic 3.5 Marketing in retail businesses (60 GLH)

Wherever a retail business is located, in a shopping centre, a rural location or operated from a home, the most enterprising businesses are able to find innovative ways of developing their marketing mix to expand their market share. This topic should enable learners to engage with the enterprising and competitive nature of the industry and how this affects marketing activities of different retail businesses dependent upon the level of competition that exists. By engaging learners with marketing strategies of retail businesses, they should come to appreciate how they are developed in relation to businesses objectives and how to adapt them in light of external factors.

Learners must know and understand:

1. marketing and its importance to retail businesses
2. the marketing mix and how its components are applied in different types of retail businesses
3. the ethical and cultural considerations taken into account by different types of retailers when developing and promoting their goods
4. what competitive advantage is
5. the external factors that can affect retailers and their supply chain, and how retailers can and do respond to gain competitive advantage
6. what situational analysis is and how it is used to make marketing decisions
7. how retailers obtain marketing intelligence, including the use of technology
8. how retail businesses use aims, objectives and key performance indicators to measure performance
9. marketing activities used by retailers to meet aims, objectives and key performance indicators relating to profitability, productivity and competitiveness
10. what a marketing strategy is and how it differs across different types of retailers
11. internal and external factors that can affect the implementation of a marketing strategy
12. how marketing strategies are reviewed and adapted in response to internal and external factors
13. how marketing strategies link to the overall business planning process and to the stages in the retail supply chain.

Learners must be able to:

1. use marketing intelligence to make marketing decisions
2. review a marketing strategy
3. propose a solution for dealing with change.

In order to engage with this topic effectively, learners must use the following PLTS:

- creative thinkers
- independent enquirers.

Topic 3.6 Merchandising in retail businesses (60 GLH)

The role of the merchandiser is pivotal to the success of a retail business. The merchandiser must be forward thinking, predicting performance, anticipating risk and introducing measures to minimise risk. The purpose of this topic is to enable learners to appreciate this pivotal role by engaging with retail businesses to explore how merchandisers interrelate with other roles. The topic will allow learners to engage with real or simulated data that enables them to develop analysis skills and appreciate the importance of monitoring data and forecasting sales to the role of the merchandiser. Through this topic, learners will examine how stock is managed, the problems that may ensue and how retailers deal with these problems so that they are able to propose their own solutions to problems.

Learners must know and understand:

1. the merchandising function in retail and the key retail personnel involved in stock management, their roles and their interrelationships
2. what a sales forecasting plan is and how it is constructed
3. risks and benefits to the business of sales forecasting and contingencies to minimise risk
4. how sales forecasting plans affect businesses meeting their targets and actions that can be taken to enable targets to be achieved
5. sales forecasting techniques
6. sources of data and methods of using data to forecast sales
7. how to monitor supplier performance using key performance indicators and actions that can be taken when suppliers fail to meet performance standards
8. how stock is managed, documented and audited
9. how retailers monitor and assess risk of loss of stock, and measures used to minimise risk
10. the relationship between stock management and profitability and other business objectives
11. the factors that affect stock control systems used by retailers of different sizes across different sub-sectors
12. stock control problems that occur and how they are resolved by retailers across different sub-sectors.

Learners must be able to:

1. analyse sales performance
2. use spreadsheet software to plan and allocate stock
3. recommend improvements to a stock control system
4. assess the risk of loss of stock
5. solve common stock management problems.

In order to engage with this topic effectively, learners must use the following PLTS:

- independent enquirers
- creative thinkers.

Topic 3.7 Management of sales in retail (60 GLH)

A retailer needs to sell their goods in order to make a profit and will need to find ways of ensuring that the customer experience encourages the customer to buy. This topic should allow learners to use their own experiences to explore the relationship between customer service, the retail environment and sales. The topic should encourage learners to engage with retail businesses in order to examine how they develop strategies to profitably enhance the customer experience and maximise sales. The topic should allow learners time to practice and develop high levels of their own customer service and sales skills.

Learners must know and understand:

1. the relationship between sales, customer service, the retailer's environment and the customer experience in retail
2. the psychology of the customer, how this affects their retail experience, including buying patterns, and how different types of retailers respond to this
3. the concept of the internal and external customer in retail and across all stages of the retail supply chain
4. the role of sales targets, how they are calculated and their effect on profitability
5. how retailers and sales managers maximise sales opportunities
6. what a customer service proposition is and how it sets standards for customer service and the customer experience
7. how a customer service proposition affects competitiveness and productivity
8. how the customer service proposition reflects the needs of a diverse range of customers
9. methods used to monitor, evaluate and improve the customer experience, including the use of technology
10. the stages in the sales process, including after sales, and how they differ across different retail channels
11. questioning techniques used by sales staff to determine customer needs
12. where to find product information
13. how to demonstrate features and benefits of complex products and how this affects sales

14. the policies adopted by retailers related to negotiating price
15. how to negotiate with a customer on price
16. how behaviour of the sales person and the customer affects the sales process
17. methods of setting and managing budgets.

Learners must be able to:

1. adapt behaviour to the needs of a diverse range of customers
2. demonstrate features and benefits of complex products
3. negotiate a selling price
4. propose solutions to increase sales
5. evaluate customer service
6. propose the allocation of resources to a budget.

In order to engage with this topic effectively, learners must use the following PLTS:

- independent enquirers
- creative thinkers
- self-managers
- reflective learners.

Topic 3.8 Visual merchandising (60 GLH)

The visual merchandiser must be creative but must also work closely with others in order to design and install a visual merchandising installation. The visual merchandiser must, therefore, see themselves as a team worker and not an individual. The purpose of this topic is to allow learners to observe how retail businesses display their products and use visual merchandising, and reflect on how they meet a design brief. The topic should enable learners to engage with visual merchandisers to ensure that they are aware of the skills and resources, including technology, needed to develop a visual merchandising installation, from concept to installation. It should provide them with opportunities to develop creativity that can be used in developing a visual merchandise installation. As the merchandiser must work as a member of a team, the topic will introduce learners to theories and models of team dynamics while providing them with opportunities to apply these to practical situations and develop their own team-working skills.

Learners must know and understand:

1. the role of the visual merchandiser in retail businesses across different sub-sectors and retail channels and in different sizes
2. how visual merchandisers liaise with other functions in retail
3. the principles of visual merchandising
4. the visual merchandising design process
5. what a concept brief is
6. how to assess the effectiveness of a visual merchandising installation
7. the factors that influence change
8. how visual merchandisers can adapt to changing circumstances
9. the external agents that can support visual merchandisers
10. how relationships with external agents are managed
11. other promotional activities used by retailers
12. methods of monitoring the impact of visual merchandising and promotional activities on the customer and sales performance
13. current theories and models of team dynamics, including team leadership
14. how different leadership styles affect team performance

15. how to measure the performance of a team through different stages
16. how to set success criteria for a team.

Learners must be able to:

1. design a visual merchandising installation to meet a design brief
2. install a visual merchandising design
3. assess a visual merchandising installation
4. adapt a concept brief in line with changing circumstances
5. respond positively to constructive criticism
6. reflect on their ability to motivate team members to achieve agreed objectives
7. measure team performance through different stages of activity.

In order to engage with this topic effectively, learners must use the following PLTS:

- independent enquirers
- creative thinkers
- self-managers
- reflective learners.

Personal, learning and thinking skills

Awarding bodies must design learning outcomes and assessment criteria that clearly include opportunities for the development of personal, learning and thinking skills (PLTS). At all levels of the Diploma, principal learning must include all six PLTS. These should be integrated as a minimum within the assessment criteria for principal learning to explicitly recognise the application of these skills within sector-relevant contexts.

Awarding bodies must also provide a clear mapping of the coverage of PLTS within their submission. This should be at the level requested under each topic within the criteria, such as 'independent enquirers', 'creative thinkers' and so on.

Functional skills

Components and qualifications based on these criteria must provide opportunities for learners to develop and apply functional skills within sector-specific contexts.

Awarding bodies must provide a summary of the appropriate opportunities identified.

Additional and specialist learning

Please refer to the *Criteria for accreditation of Diploma qualifications at levels 1, 2 and 3 (QCA/07/3112)* for the rules governing additional and specialist learning.

Advanced level: external assessment

At Advanced level Diploma development partnerships are required to select either 120 or 180 GLH of external assessment for principal learning. Retail business will have 120 GLH of external assessment at Advanced level.

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Office of the Qualifications and Examinations Regulator
Spring Place
Coventry Business Park
Herald Avenue
Coventry CV5 6UB

Telephone 0300 303 3344
Textphone 0300 303 3345
Helpline 0300 303 3346

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