

# Retail: Business Practices

**I**N THIS E-UNIT you will learn about business practices in retail. Business practices must be aligned with a company's mission and vision statement. Furthermore, the company should follow best practices as these have been defined over time though the studying of all process. Best practices, if followed, should lead to a more successful company.



## Objective:



Describe retail business practices and summarize retail best practices

## Key Terms:



best practices  
business practice  
consumer  
goal  
inventory control

merchandising  
mission statement  
objective  
Omnichannel  
long-term goal

retail business  
short-term goal  
sourcing  
stock  
vision statement

## Retail Business Practices

### DESCRIBE RETAIL BUSINESS PRACTICES

**Business practice** is the way in which a company conducts itself. Business practices are often aligned with the company's goals and objectives. A **goal** is a desired outcome or achievement. Goals can usually be categorized as short-term or long-term. A **short-term goal** is a goal that can be achieved within the next six months. A **long-term goal** is a goal that will take longer than six months to achieve. An **objective** is the plan which contains standard measuring points in a goal. Many business practices are universal, but there are some practices that pertain to retail businesses specifically. A **retail business** is a company that sells products directly to consumers. A **consumer** is a person who makes purchases. Understanding how to run a company guided by business practices should lead to greater success. Business practices

can include the way in which a company interacts with employees, customers and other businesses, how it designs and implements the selling process, and adapts to change.

## Interactions

The number one reason for customers to stop being loyal to a company is because they feel unappreciated (access at <https://www.helpscout.com/75-customer-service-facts-quotes-statistics/>). This is also true for employees and can cause poor relationships between businesses. Being thoughtful during interactions will help build strong relationships.

## Selling Process

The selling process includes sourcing products, inventory merchandising and control, the sale, and follow up communications. **Sourcing** is locating, choosing and securing products to purchase. **Merchandising** is the promotion of products to increase sales. Merchandising is often done through ads or in-store displays. **Inventory control** is the balance between demand and availability of stock. **Stock** is products for sale in a retail store. The effect of the actual sale of the product needs to be considered in the selling process as well. Follow up communication happens after the sale. Examples include retail employees thanking a customer after making a purchase in a store or notices on a website after an online purchase. As well as emails, text messages, and postal mail sent after a purchase.

## Adapting to Change

The quote by Heraclitus; “the only constant in life is change” is also fitting for retail businesses. Customers wants and needs change. Economic influences and the economy change. Technology changes. And all of these changes affect retail business practices. To be successful a business must be willing and able to adapt to change.

## SUMMARIZE RETAIL BEST PRACTICES

Business practices have been widely studied. From these studies, best practices have been established. **Best practices** are proven processes that are effective. There have been best



## FURTHER EXPLORATION...

### ONLINE CONNECTION:

#### How to Make Your Independent Retail Business Stand Out

Learning about retail business practices will help business be more successful. In the article How to Make Your Independent Retail Business Stand Out, they discuss eight business practices. To learn more, access the article at <https://stockabl.com/retail-business/best-practices-to-make-your-small-retail-business-stand-out-from-the-rest/>



## Adapting to Change

Companies must continue to adapt and change to become and remain successful. The fashion industry is particularly fast when it comes to change. To remain on the forefront, companies must continually revise their practices.

### Summary:



In this E-unit you learned about business practices in retail. You now know that business practices must align with a company's mission and vision statement. And to be most successful the company should follow best practices which include providing excellent customer service, engaging employees, using data, inventory control, Omnichannel, and adapting to change.

### Checking Your Knowledge:



1. Why are mission and vision statements important in business practices?
2. What the number one reason a person stops being loyal to a company?
3. What are some of the changes that companies might need to adapt to?
4. How are best practices developed?
5. What is best practice for inventory control?

### Expanding Your Knowledge:



Interview someone who works in a retail store. Ask them about the business practices they have at work. Inquire if they feel their company used best practices and have them explain their response.

### Web Links:



#### Global Retail Best Practice 2019

<https://www.brand-experts.com/brand-best-practice/retail-best-practice/>

#### Good Vs. Bad Retail Business Practices

<https://independentretailer.com/2012/04/18/good-vs-bad-retail-business-practices/>

#### The Top 6 Most Effective But Least Used Retail Best Practices

<http://crmsearch.eu/retailbestpractices.php>