La-Net

MKT222

RETAIL & WHOLESALE MANAGEMENT

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- **Course code:** MKT 222
- **Course title**: Retail & Wholesale Management
- **Course credit load: 2**

Series 1: Foundations of Retail and Wholesale

Part 1: Understanding Retailing

1.1 Meaning and scope of retailing

1.2 Retailing within the distribution process

1.3 Retailing as a component of marketing activities

1.4 Importance of retailing to the economy

Part 2: Understanding Wholesaling

2.1 Meaning and scope of wholesaling

2.2 Wholesaling within the distribution process

2.3 Roles of wholesale intermediaries

2.4 Importance of wholesaling to the economy

Part 3: Comparative Foundations of Retail and Wholesale Management

3.1 Key similarities between retailing and wholesaling

3.2 Key differences between retailing and wholesaling

3.3 Interdependence of retail and wholesale functions

3.4 Retail and wholesale as complementary distribution channels

Introduction

Retailing and wholesaling form the backbone of every distribution system, and they influence how goods and services reach the final consumer. As you begin this course, it is important to appreciate how these two activities shape the movement of products from producers to end users. This Series provides the foundational knowledge you need in order to understand the broader themes that will be explored later in the course.

The aim of this Series is to introduce you to the basic concepts, roles, and economic significance of retailing and wholesaling, and to help you build a clear understanding of how both functions support the distribution process.

We shall commence this Series by examining the meaning, scope, and importance of retailing. Next, we will explore the meaning, scope, and roles of wholesaling within the distribution process. Finally, we will wrap up by comparing retailing and wholesaling, highlighting their similarities, differences, and interdependence in the movement of goods to consumers.

Series Learning Outcomes

Upon completing this Series, you should be able to:

SLO 1.1 define retailing and explain its scope within the distribution process,

SLO 1.2 analyse the economic importance of retailing,

SLO 1.3 define wholesaling and explain its scope within the distribution process,

SLO 1.4 evaluate the roles of wholesale intermediaries in the economy, and

SLO 1.5 compare retailing and wholesaling in terms of their functions, similarities, and differences.

1.1 Understanding Retailing

1.1.1 Meaning and scope of retailing

Retailing refers to all **business activities involved in the sale of goods and services directly to final consumers**, and it represents the last stage in the distribution process. When we use the term **final consumer**, we mean the individual or household that purchases a product for personal use rather than for resale. Retailing therefore covers a wide range of activities, from displaying goods and offering customer service to providing convenient locations where consumers can make purchases. As you study this section, try to picture the many retail outlets you interact with daily, such as supermarkets, kiosks, pharmacies, and clothing stores.

A simple diagram showing the flow of goods from producer to wholesaler to retailer to final consumer *Figure 1.1: Basic retail flow structure*

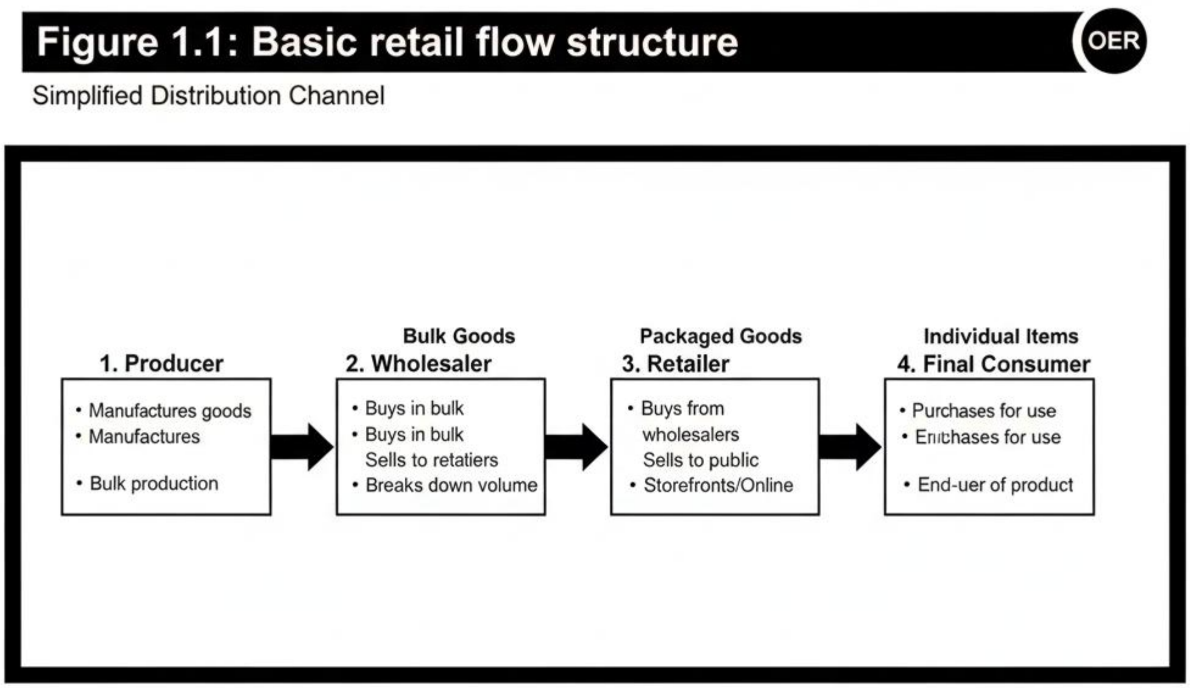


Figure 1.1: Goods Distribution Channel Overview

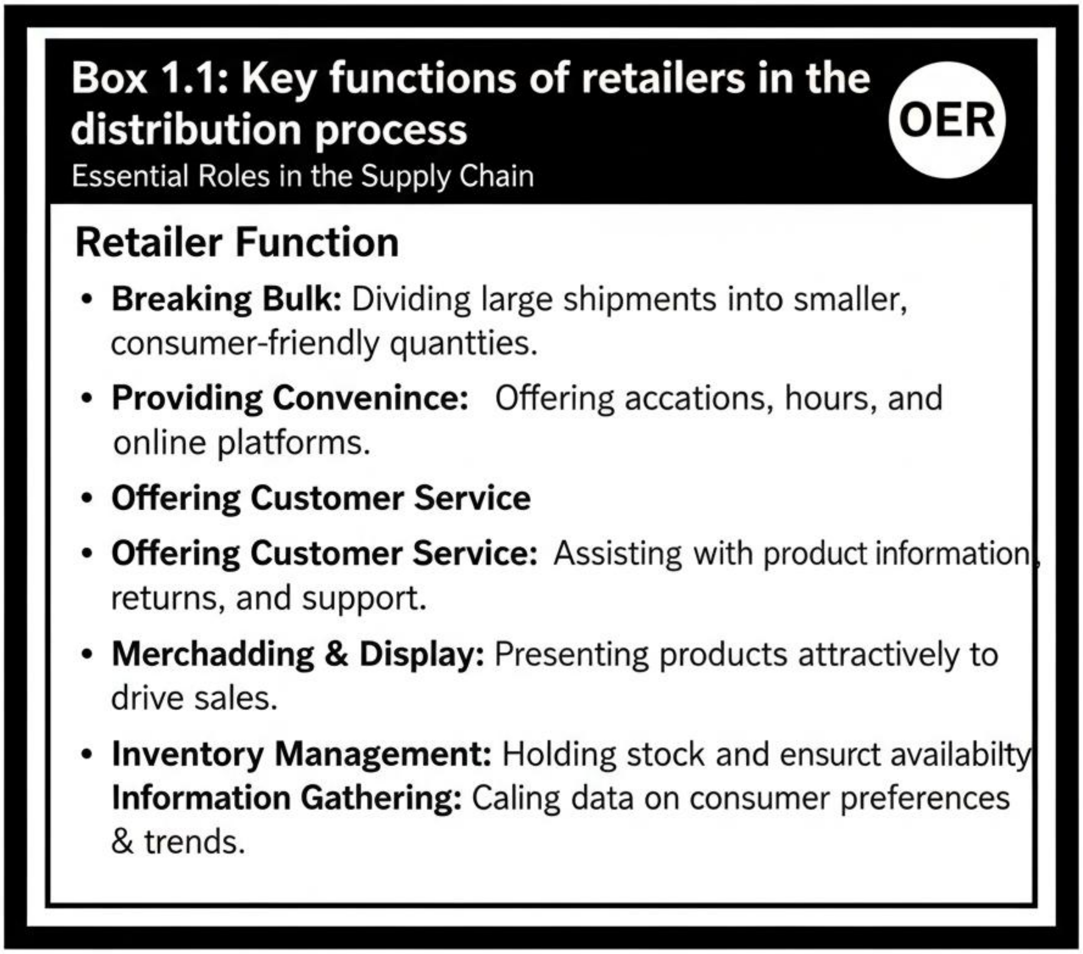
Retailing has a broad scope because it includes both tangible goods and intangible services. For example, a hair salon provides a service, while a supermarket sells physical products. In both cases, the retailer acts as the final link between the product or service and the consumer. As you read this, think about the difference between a product you can hold and a service you can experience. Fill in the blank: Retailing involves selling goods and services directly to the ______ consumer.

1.1.2 Retailing within the distribution process

The **distribution process** refers to the movement of goods from producers to consumers through various intermediaries. Retailing plays a crucial role in this process because it ensures that goods are available in convenient locations and in quantities suitable for individual consumption. Without retailers, consumers would have to purchase directly from producers, which would be impractical for most everyday needs.

Retailers also perform important functions such as breaking bulk, which means dividing large quantities of goods into smaller units that consumers can buy. For example, a wholesaler may supply a retailer with cartons of milk, but the retailer sells them individually to consumers. This simple activity makes products more accessible and affordable. Fill in the blank: The activity of dividing large quantities of goods into smaller units for sale is known as ______.

Box 1.1: Key functions of retailers in the distribution process



Box 1.1: Retailer Roles in Distribution

1.1.3 Retailing as a component of marketing activities

Retailing is an essential part of **marketing**, which refers to the activities involved in promoting, distributing, and selling products to consumers. Retailers contribute to marketing by providing product information, offering promotional displays, and creating shopping environments that influence consumer decisions. When you walk into a store and see products arranged attractively, you are experiencing retail marketing in action.

Retailers also gather valuable information about consumer preferences. This information helps producers and wholesalers adjust their offerings to meet market needs. For example, if a retailer notices that a particular brand of soap sells quickly, they may order more of it and inform the supplier about its popularity. Fill in the blank: Retailers help producers by providing information about consumer ______.

A photograph of a retail store interior showing product displays and customer interactions
Plate 1.1: Retail marketing environment

1.1.4 Importance of retailing to the economy

Retailing contributes significantly to the economy by creating employment, generating revenue, and supporting the distribution of goods. Many people work in retail outlets as sales attendants, managers, cashiers, and support staff. Retailing also stimulates production because manufacturers rely on retailers to reach consumers. When retailers perform well, producers are encouraged to increase output.

Retailing also enhances consumer welfare by providing access to a wide variety of goods and services. This variety allows consumers to compare options and choose products that best meet their needs. As you reflect on this, consider how retailing affects your daily life, from the availability of food items to the convenience of purchasing household essentials. Fill in the blank: Retailing improves consumer welfare by offering a wide ______ of goods and services.

Table 1.1: Economic contributions of retailing

Table 1.1: Economic contributions of retailing OER

Key Impacts on Modern Economies

	Brief Explanation
1. Employment	One of the largest employers globally, creating jobs arss various roles from sales to management.
2. Revenue Generation	Drives significant economic activity through shrough sales of goods on services, contributing to GDP. GDP.
3. Consumer Access & Choice	Provides easy access o wide variety of products, improving living standards and consumer welfare.
4. Supply Chain Development	Stimulates growth in manufacturing logistics, and wholesale setors through demand for products

Table 1.1: Retialing's Economic Importance Overview

Pilot questions 1.1

1. Retailing involves selling goods and services directly to which group of people?
2. What term describes the activity of dividing large quantities of goods into smaller units for sale?
3. Which part of the marketing process do retailers contribute to by providing product information and promotional displays?
4. How does retailing support producers in the distribution process?
5. Mention one way retailing contributes to the economy.

1.2 Understanding Wholesaling

1.2.1 Meaning and scope of wholesaling

Wholesaling refers to the **business activities involved in selling goods to retailers, industrial users, commercial institutions, or other wholesalers**, rather than to final consumers. A **wholesaler** is therefore an intermediary who buys goods in large quantities from producers and resells them in smaller quantities to other businesses. This role is essential because most producers do not have the capacity or structure to distribute their products directly to numerous retailers.

The scope of wholesaling is broad and includes activities such as bulk purchasing, storage, transportation, and the provision of market information. Wholesalers often operate from warehouses rather than retail outlets, and their transactions usually involve large volumes of goods. As you read this section, think about how wholesalers make it possible for retailers to stock the products you buy every day.

A diagram showing the wholesaler positioned between producers and retailers *Figure 1.2: Wholesaler's position in the distribution channel*

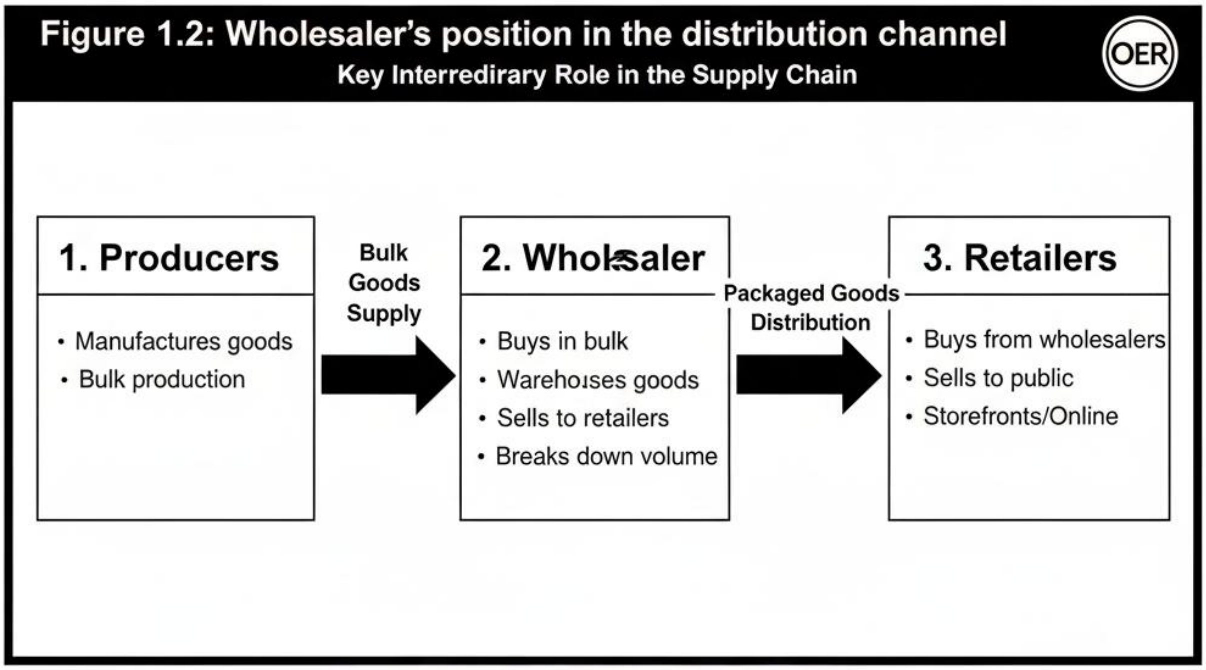


Figure 1.2: Simplified Wholesale Distribution Flow

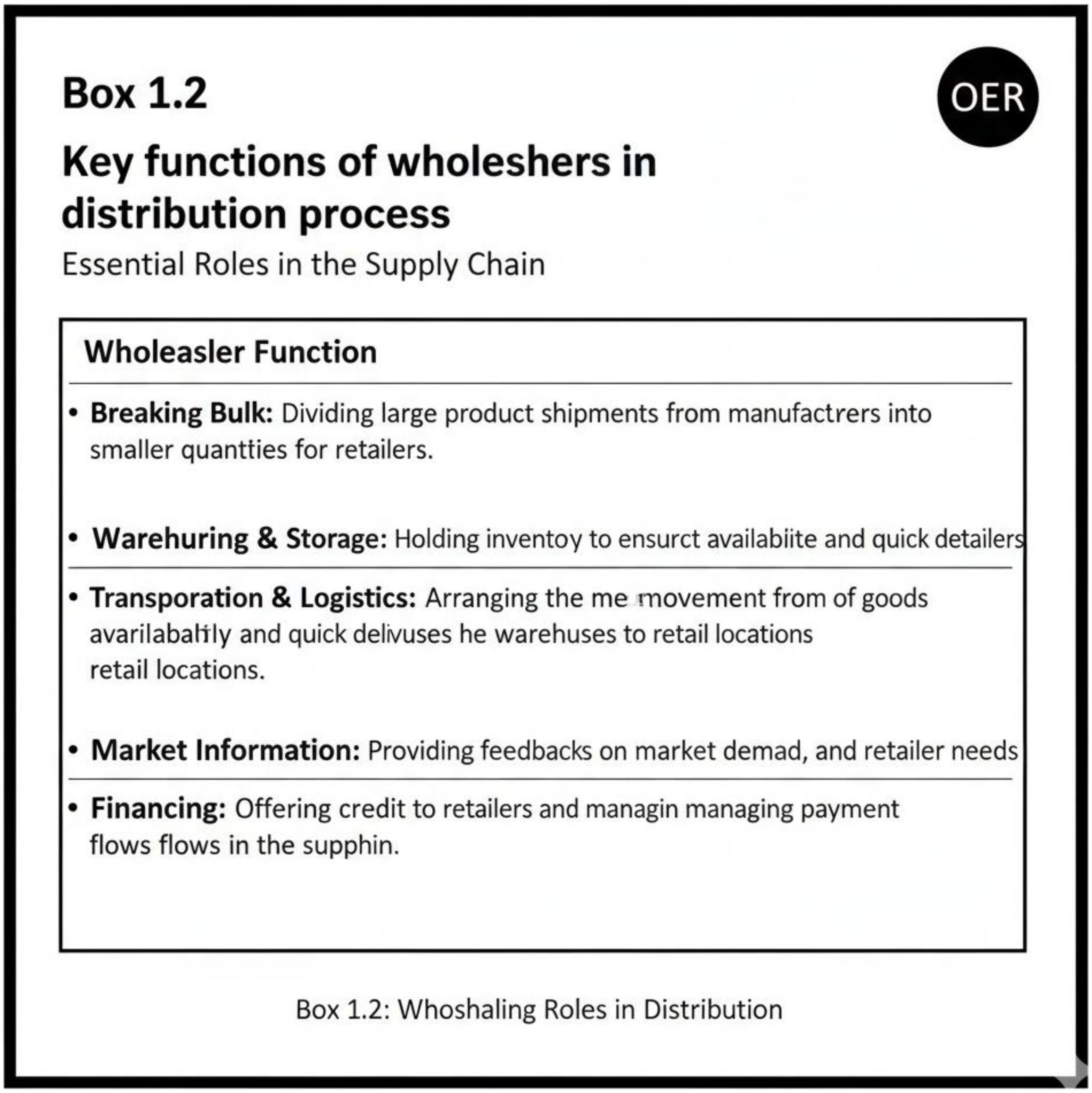
Fill in the blank: A wholesaler buys goods in large quantities from ______ and resells them to retailers.

1.2.2 Wholesaling within the distribution process

Wholesaling plays a central role in the **distribution process**, which involves moving goods from producers to consumers through various intermediaries. Wholesalers help bridge the gap between production and retailing by performing functions that producers may find costly or inefficient to handle on their own. These functions include assembling products from different manufacturers, storing goods until they are needed, and transporting them to retailers.

By performing these tasks, wholesalers reduce the number of direct transactions required between producers and retailers. For example, instead of a retailer contacting ten different manufacturers, the retailer may obtain all needed products from one wholesaler. This simplifies the distribution process and reduces costs for all parties involved.

Box 1.2: Key functions of wholesalers in the distribution process



Box 1.2

Key functions of wholeshers in distribution process

Essential Roles in the Supply Chain

OER

Wholeasler Function

- **Breaking Bulk:** Dividing large product shipments from manufactrers into smaller quantties for retailers.
- **Warehuring & Storage:** Holding inventoy to ensurct availabiite and quick detailers
- **Transporation & Logistics:** Arranging the me movement from of goods avarilabality and quick delivuses he warehuses to retail locations retail locations.
- **Market Information:** Providing feedbacks on market demad, and retailer needs
- **Financing:** Offering credit to retailers and managin managing payment flows flows in the supphin.

Box 1.2: Whoshaling Roles in Distribution

Fill in the blank: Wholesalers help reduce the number of direct transactions between producers and ______.

1.2.3 Roles of wholesale intermediaries

Wholesale intermediaries perform several important roles that support both producers and retailers. One key role is **breaking bulk**, which means dividing large quantities of goods into smaller units that retailers can purchase. Another important role is **warehousing**, which involves storing goods until retailers need them. This ensures that products are available throughout the year, even when production is seasonal.

Wholesalers also provide **market information**, which refers to insights about consumer demand, pricing trends, and competitor activities. This information helps producers adjust their output and helps retailers make informed purchasing decisions. In addition, wholesalers may offer **credit facilities**, allowing retailers to obtain goods and pay later, which supports business continuity.

Table 1.2: Roles of wholesale intermediaries

Table 1.2: Roles of wholesale Interneciaies

Key Functions in the Supply Chain

OER

Role	Brief Explanation
	Divides large product shigments from manufacturers as smaller quantties for retailers.
1. Breaking Bulk	Holds inventory ein ensure product availabiity and quick delivery to retail locations.
2. Wareahuing & Storage	
3. Transportation & Logistics	Arranges the movement of goods fror warehuses to retail locations.
4. Credit Provision	Arranges the mevint to goods, helping manage crash retail locations.
4. Credit Provision	Offers credit terms to retailers, helunge ccash clow cand facilittating purchases.
5. Market Information	Provides feedback to manufactures on market demand, retailer needs, and trends.

Table 1.2: Wholesaler Functions Overview

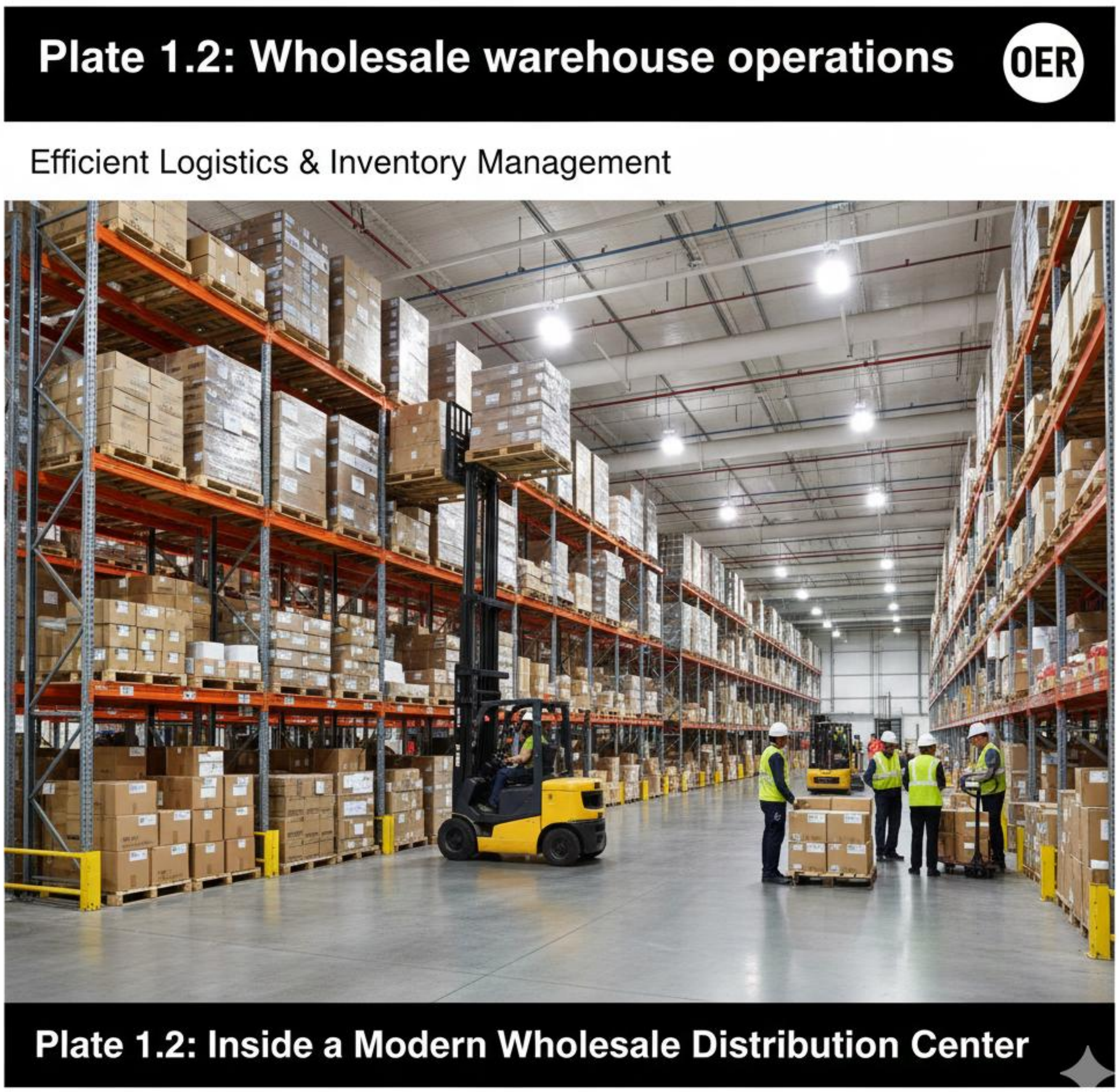
Fill in the blank: The activity of dividing large quantities of goods into smaller units is known as ______.

1.2.4 Importance of wholesaling to the economy

Wholesaling contributes significantly to the economy by supporting efficient distribution, reducing costs, and enabling retailers to access a wide range of products. By purchasing in bulk, wholesalers help producers achieve economies of scale, which means producing goods at lower costs due to large output volumes. These savings can be passed down the distribution chain, making products more affordable for consumers.

Wholesaling also creates employment opportunities in areas such as warehousing, transportation, inventory management, and sales. In addition, wholesalers help stabilise markets by ensuring that goods are available even when production fluctuates. As you reflect on this section, consider how wholesalers make it possible for retailers to maintain steady supplies of essential goods.

A photograph of a warehouse with stacked goods and workers handling inventory *Plate 1.2: Wholesale warehouse operations*



Fill in the blank: Wholesaling supports producers by helping them achieve economies of ______.

Pilot questions 1.2

1. Who do wholesalers primarily sell goods to?
2. What term describes the wholesaler's activity of dividing large quantities into smaller units?
3. Mention one way wholesalers simplify the distribution process.
4. What type of information do wholesalers provide to producers and retailers?
5. How does wholesaling contribute to employment in the economy?

1.3 Comparative Foundations of Retail and Wholesale Management

1.3.1 Key similarities between retailing and wholesaling

Retailing and wholesaling share several important similarities because both are integral components of the distribution process. One key similarity is that both involve the **movement of goods from producers to users**, although the users differ. Both retailers and wholesalers also perform **intermediary functions**, which means they act as links between producers and the next party in the distribution chain. In addition, both groups provide **market information**, which refers to insights about consumer preferences, product demand, and pricing trends. This information helps producers make informed decisions about production and distribution.

Another similarity is that both retailers and wholesalers contribute to **value addition**. Value addition occurs when an intermediary enhances the usefulness of a product by making it more accessible, available, or convenient for the next user. For example, wholesalers add value by storing goods, while retailers add value by offering convenient shopping locations. Fill in the blank: Both retailers and wholesalers act as ______ between producers and users.

Table 1.3: Similarities between retailing and wholesaling

Table 1.3: Similarities between retailing and wholsealing OER

Shared Functions in the Supply Chain

Shared Characteristic	Brief Explanation

1. **Intermdierary Role:** Both act of go-beweens, connecting producers to he next stage of the distribution channel.

- **Value Addition:** Both add value through services like sortage, and breaking bulk

2. **Market Information:** Both collect and provide valuable data on market trends, trends, customer demand, and competitor activities

- **Logistics & Storage**

4. Manage a manage the physical movement and warweuring of goods

5. **Customer Service:** interact of customers (whether businesses or consumers) to facilitate transactions.

Table 1.3: Retialing & Wholsaling Common Functions

1.3.2 Key differences between retailing and wholesaling

Despite their similarities, retailing and wholesaling differ in several important ways. The most obvious difference is the **type of customer** they serve. Retailers sell directly to final consumers, while wholesalers sell to retailers, institutions, or other businesses. Another difference is the **quantity of goods** involved. Wholesalers typically buy and sell in large quantities, whereas retailers deal in smaller units suitable for individual consumption.

Retailing also involves more direct contact with consumers, which means retailers must focus on customer service, store layout, and promotional activities. Wholesalers, on the other hand, focus more on logistics, warehousing, and bulk distribution. As you read this section, think about how the shopping experience in a retail store differs from the operations inside a wholesale warehouse. Fill in the blank: Retailers sell to final consumers, while wholesalers sell to ______.

A diagram comparing retail and wholesale customer types and transaction sizes *Figure 1.3: Differences between retailing and wholesaling*

Figure 1.3: Differences between retalling and wholesaling

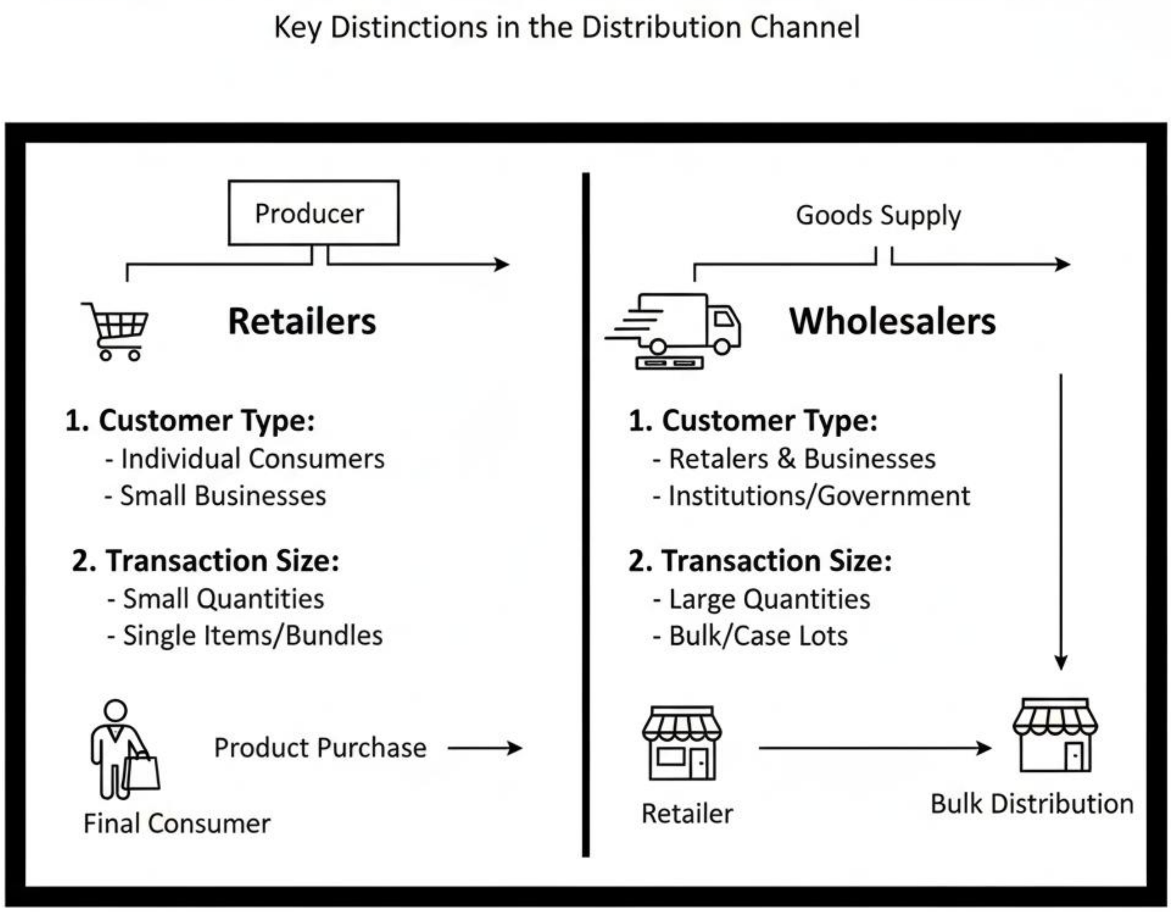


Figure 1.3: Retail & Wholesale Comparison

1.3.3 Interdependence of retail and wholesale functions

Retailing and wholesaling are interdependent because each relies on the other to function effectively. Retailers depend on wholesalers for timely supplies of goods, while wholesalers rely on retailers to reach final consumers. This interdependence ensures that products move smoothly through the distribution channel. Without wholesalers, retailers would struggle to source goods efficiently. Without retailers, wholesalers would have no market for their bulk purchases.

This relationship also supports the flow of information. Retailers provide wholesalers with feedback about consumer preferences, while wholesalers inform retailers about product availability and market trends. This exchange helps maintain balance in the distribution system. Fill in the blank: Retailers depend on wholesalers for timely supplies, while wholesalers depend on retailers to reach ______.

Box 1.3: Examples of interdependence between retailers and wholesalers

Box 1.3: Examples of interpendence between retailers and whole sles

OER

Symbotic Relationships in the Supply Chain

Area of Interperedence	Brief Explanation
1. Supply of Goods	Wholesslers provide retailers with a consistent and diverse range of products to sell consumers.
2. Market Information	Retailers share valuable consumer feedback and sales data with wholesslers, informing their purchasing desisions.
3. Efficient Distribution	Wholeslers benefit from retailers' networks, reaching the final consumer more effectively.
4. Inventory Management	Retailers rely on wholesiers for timely rephettement, while wholesslers suholesslers benefit fom reailers managing stock levels.

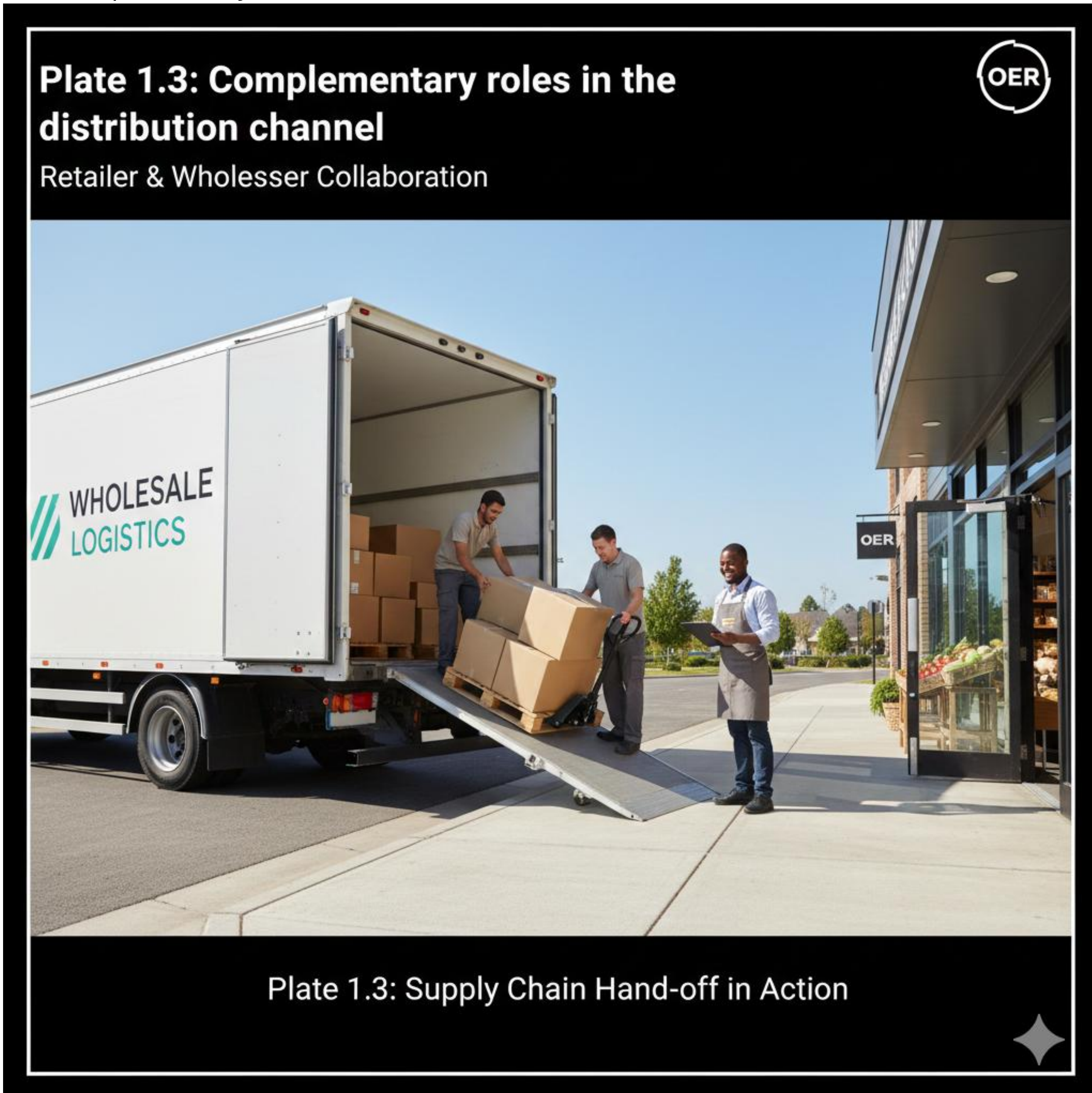
Box 1.3: Retailer & Wholesler Interependence

1.3.4 Retail and wholesale as complementary distribution channels

Retailing and wholesaling complement each other because they perform different but connected roles in the distribution channel. Wholesalers focus on bulk handling, storage, and logistics, while retailers focus on customer service, product display, and final sales. Together, they ensure that goods move efficiently from producers to consumers.

This complementarity helps reduce distribution costs, improves product availability, and enhances consumer satisfaction. When wholesalers and retailers work effectively, the entire distribution system becomes more efficient. As you reflect on this section, consider how both functions contribute to the availability of everyday products in your community. Fill in the blank: Retailing and wholesaling complement each other by performing different but ______ roles.

A photograph showing a retailer receiving goods from a wholesaler's delivery truck *Plate 1.3: Complementary roles in the distribution channel*



Pilot questions 1.3

1. What is one similarity between retailing and wholesaling?
2. Who do wholesalers primarily sell goods to?
3. Mention one key difference between retailing and wholesaling.
4. How do retailers and wholesalers depend on each other?

5. Why are retailing and wholesaling considered complementary distribution channels?

Series Summary

This Series introduced you to the foundational concepts that underpin retailing and wholesaling, both of which play essential roles in the movement of goods from producers to final consumers. You explored how these activities support the distribution process and why they are central to the functioning of any modern economy.

We began by examining the meaning, scope, and importance of retailing, then moved on to the nature and functions of wholesaling within the distribution process. Afterwards, we compared retailing and wholesaling, highlighting their similarities, differences, and interdependence as complementary channels. By engaging with these ideas, you should now be able to define and explain the scope of retailing and wholesaling, analyse their economic significance, evaluate the roles of wholesale intermediaries, and compare both activities in terms of their functions and contributions, as outlined in the Series Learning Outcomes.

Glossary of Terms

Breaking bulk The process of dividing large quantities of goods into smaller units suitable for sale to retailers or consumers.

Distribution process The movement of goods from producers to users through intermediaries such as wholesalers and retailers.

Final consumer An individual or household that purchases goods or services for personal use rather than for resale.

Intermediary A business or organisation that acts as a link between producers and users within the distribution channel.

Marketing Activities involved in promoting, distributing, and selling goods and services to consumers.

Retailing Business activities involved in selling goods and services directly to final consumers.

Value addition Enhancing the usefulness of a product by making it more accessible, available, or convenient for the next user.

Wholesaler An intermediary that buys goods in large quantities from producers and resells them to retailers or other businesses.

Wholesaling Business activities involved in selling goods to retailers, institutions, or other wholesalers rather than to final consumers.

Concept Check Questions 1

Objective questions

1. Retailing involves selling goods and services directly to which group of people? *(Linked to SLO 1.1)*
2. Which term describes the activity of dividing large quantities of goods into smaller units? *(Linked to SLO 1.4)*
3. Wholesalers primarily sell goods to which category of buyers? *(Linked to SLO 1.3)*
4. Which function involves storing goods until they are needed by retailers? *(Linked to SLO 1.4)*
5. Retailing and wholesaling are considered complementary because they perform roles that are: a. Identical b. Conflicting c. Different but connected d. Unnecessary *(Linked to SLO 1.5)*

Short-answer questions

6. Explain one way in which retailers contribute to the marketing process. *(Linked to SLO 1.2)*

7. State one similarity between retailing and wholesaling. *(Linked to SLO 1.5)*

8. Describe one role wholesalers play in supporting producers. *(Linked to SLO 1.4)*

Long-answer questions

9. Analyse the importance of retailing to the economy, using examples where appropriate. *(Linked to SLO 1.2)*

10. Compare retailing and wholesaling by discussing their key differences and explaining why both are necessary in the distribution process. *(Linked to SLO 1.5)*

Answers to Concept Check Questions 1

Objective questions

1. Final consumers
2. Breaking bulk
3. Retailers, institutions, or other businesses
4. Warehousing
5. c. Different but connected

Short-answer questions

6. Retailers contribute by providing product information, promotional displays, and customer service that influence consumer decisions.

7. Both act as intermediaries linking producers to users.

8. Wholesalers support producers by purchasing goods in bulk and providing market information.

Long-answer questions

9. Basic response

Retailing is important to the economy because it creates employment, generates revenue, and ensures that consumers have access to a wide variety of goods and services. Retailers also stimulate production by providing a reliable outlet for manufacturers.

9. Value-added response

Beyond employment and revenue generation, retailing enhances consumer welfare by offering convenience, product variety, and competitive pricing. It also supports innovation because retailers provide feedback to producers about consumer preferences, which encourages product improvement and market responsiveness.

10. Basic response

Retailing and wholesaling differ in terms of their customers, quantities handled, and functions. Retailers sell directly to final consumers in small units, while wholesalers sell to retailers or institutions in large quantities. Both are necessary because wholesalers support efficient bulk distribution, while retailers provide the final link to consumers.

10. Value-added response

Retailing and wholesaling complement each other by performing distinct but interconnected roles. Wholesalers reduce distribution costs through bulk handling and warehousing, while retailers create value through customer service, product display, and accessibility. Their interdependence ensures a smooth flow of goods, stable supply levels, and efficient market communication.

Answers to Pilot Questions [Series 1]

Part 1.1: Understanding Retailing

1. **Final consumers**
2. **Breaking bulk**
3. **Marketing**
4. **By providing information about consumer preferences**
5. **A wide variety**

Part 1.2: Understanding Wholesaling

6. **Producers**
7. **Retailers**
8. **Breaking bulk**
9. **Economies of scale**
10. **Retailers**

Part 1.3: Comparative Foundations of Retail and Wholesale Management

11. **Intermediaries**
12. **Retailers**
13. **Final consumers**
14. **Supply**
15. **Complementary**

References and Attributions 1

Note: All illustrations in this Series were represented as placeholders. Below are the suggested sources and prompts used for attribution.

Figures, Plates, Tables, and Boxes

Figure 1.1: Suggested AI prompt, "Create a simple labelled diagram showing the movement of goods from producer to wholesaler to retailer to final consumer." Suggested search string: "distribution channel producer wholesaler retailer consumer diagram OER".

Figure 1.2: Suggested AI prompt, "Create a simple labelled diagram showing producers supplying goods to wholesalers, who then supply retailers." Suggested search string: "wholesaler distribution channel diagram OER".

Figure 1.3: Suggested AI prompt, "Create a labelled comparison diagram showing retailers selling small quantities to consumers and wholesalers selling large quantities to retailers." Suggested search string: "retail vs wholesale comparison diagram OER".

Plate 1.1: Suggested AI prompt, "Generate a realistic image of a retail store interior with product displays and customers browsing." Suggested search string: "retail store interior marketing displays OER image".

Plate 1.2: Suggested AI prompt, "Generate a realistic image of a wholesale warehouse with shelves, forklifts, and workers managing goods." Suggested search string: "wholesale warehouse operations OER image".

Plate 1.3: Suggested AI prompt, “Generate an image showing a retailer receiving goods from a wholesaler’s delivery truck outside a shop.” Suggested search string: “retailer receiving goods from wholesaler delivery OER image”.

Table 1.1, Table 1.2, Table 1.3: Suggested AI prompts for creating simple tables listing economic contributions, wholesaler roles, and similarities. Suggested search strings: “economic importance of retailing OER table”, “roles of wholesalers OER table”, “similarities retailing wholesaling OER table”.

Box 1.1, Box 1.2, Box 1.3: Suggested AI prompts for creating one-column tables listing key functions or examples. Suggested search strings: “retailer functions distribution process OER table”, “wholesaler functions distribution process OER table”, “retailer wholesaler interdependence examples OER”.

- **Course code:** MKT 222
- **Course title**: Retail & Wholesale Management
- **Course credit load: 2**

Series 2: Retailing Concepts, Roles, and Operational Activities

Part 1: Core Concepts of Retailing

1.1 Meaning and nature of retailing

1.2 Retailing as part of the distribution function

1.3 Retailing as a marketing activity

Part 2: Roles and Functions of Retailers

2.1 Retailers as intermediaries

2.2 Economic roles of retailers

2.3 Retailers’ contributions to consumer welfare

Part 3: Operational Activities in Retailing

3.1 Merchandise handling and stock presentation

3.2 Customer service and selling activities

3.3 Store layout and retail environment

3.4 Retail communication and promotional activities

Introduction

Retailing plays a central role in connecting products and services to the people who need them, and it forms one of the most visible components of the distribution system. As you progress through this course, it is important to understand not only what retailing is, but also how retailers operate and why their activities are essential to both producers and consumers. This Series builds on the foundational ideas from the previous one and guides you deeper into the concepts and operational realities of retailing.

The aim of this Series is to help you explore the core concepts of retailing, examine the roles and functions retailers perform, and understand the operational activities that support effective retail performance.

We shall commence this Series by examining the meaning and nature of retailing, including its place within the distribution and marketing processes. Next, we will explore the roles and functions of retailers, focusing on how they act as intermediaries and contribute to economic and consumer welfare. Finally, we will continue with an examination of key operational activities such as merchandise handling, customer service, store layout, and retail communication, which together shape the retail experience and influence consumer behaviour.

Series Learning Outcomes

Upon completing this Series, you should be able to:

SLO 2.1 define the core concepts that describe the nature and purpose of retailing,

SLO 2.2 explain how retailing fits within the distribution and marketing processes,

SLO 2.3 analyse the roles and functions retailers perform as intermediaries,

SLO 2.4 evaluate the contributions of retailers to economic development and consumer welfare, and

SLO 2.5 describe key operational activities that support effective retail performance.

2.1 Core Concepts of Retailing

2.1.1 Meaning and nature of retailing

Retailing refers to the **business activities involved in selling goods and services directly to final consumers**, who purchase items for personal use rather than for resale. The nature of retailing is shaped by its direct contact with consumers, which means retailers must understand customer needs, preferences, and buying behaviour. Retailing includes activities such as displaying merchandise, offering customer service, and providing convenient access to products. As you reflect on this, consider the different retail outlets you encounter daily and how each one aims to meet consumer needs in a unique way.

A simple diagram showing retailing at the final stage of the distribution channel *Figure 2.1: Retailing as the final link in the distribution chain*

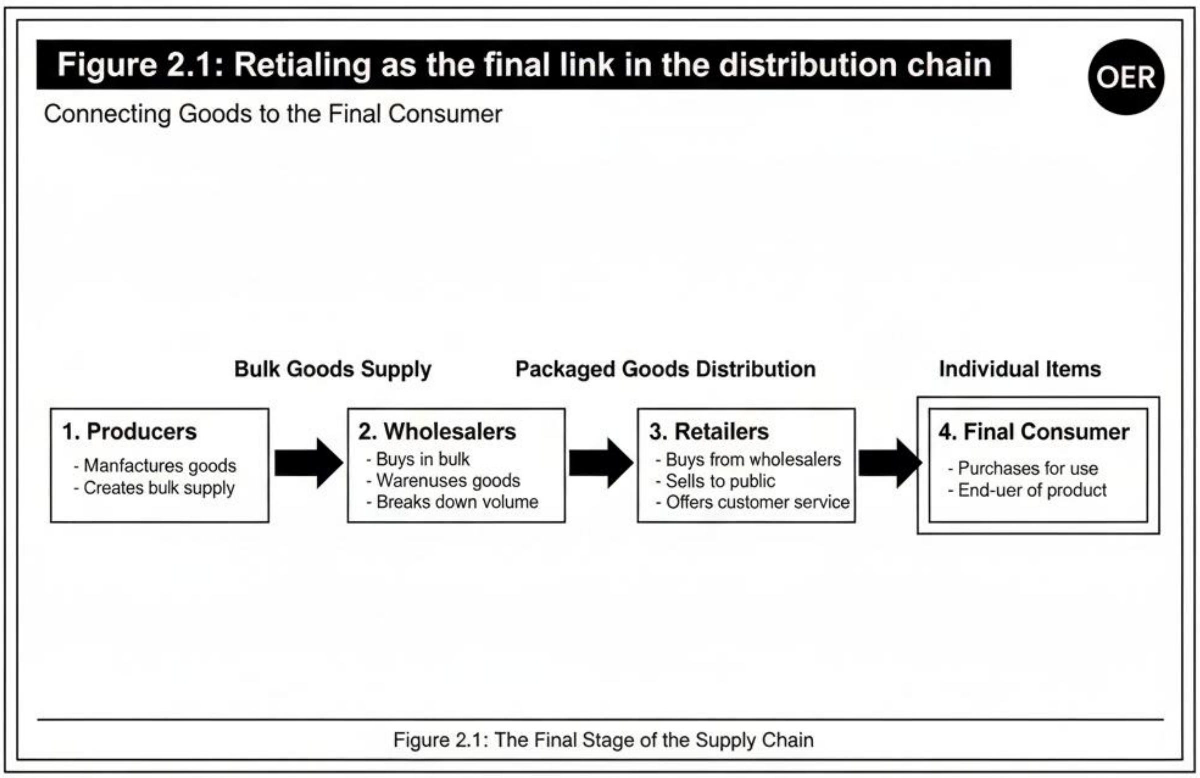


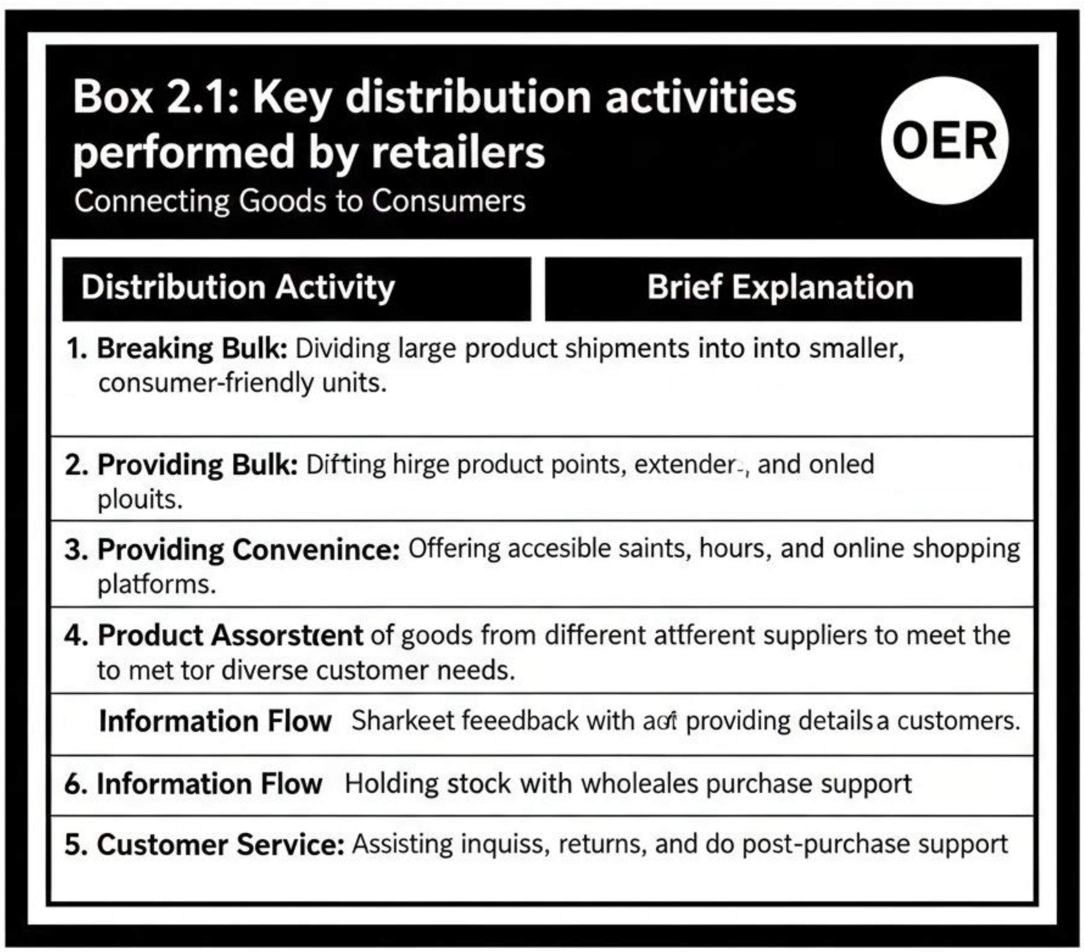
Figure 2.1: The Final Stage of the Supply Chain

Fill in the blank: Retailing involves selling goods and services directly to the ______ consumer.

2.1.2 Retailing as part of the distribution function

Retailing forms a crucial part of the **distribution function**, which refers to the movement of goods from producers to consumers. Retailers make products available in convenient locations and in quantities suitable for individual consumption. They also perform activities such as breaking bulk, which means dividing large quantities of goods into smaller units that consumers can purchase easily. Without retailers, consumers would face difficulties accessing the wide range of goods they need for daily life.

Box 2.1: Key distribution activities performed by retailers



Box 2.1: Retailer Role in Product Distribution

Fill in the blank: The activity of dividing large quantities into smaller units is known as ______.

2.1.3 Retailing as a marketing activity

Retailing is also an important part of **marketing**, which involves promoting, distributing, and selling products to consumers. Retailers contribute to marketing by providing product information, arranging merchandise attractively, and creating shopping environments that influence consumer decisions. When you walk into a store and notice how products are displayed or how staff interact with customers, you are experiencing retail marketing in action.

Retailers also gather valuable information about consumer preferences, which helps producers and wholesalers adjust their offerings. This flow of information strengthens the entire distribution system and ensures that products meet consumer needs. Fill in the blank: Retailers help producers by providing information about consumer ______.

A photograph of a retail store showing product displays and customer interactions *Plate 2.1: Retail marketing environment*

Pilot questions 2.1

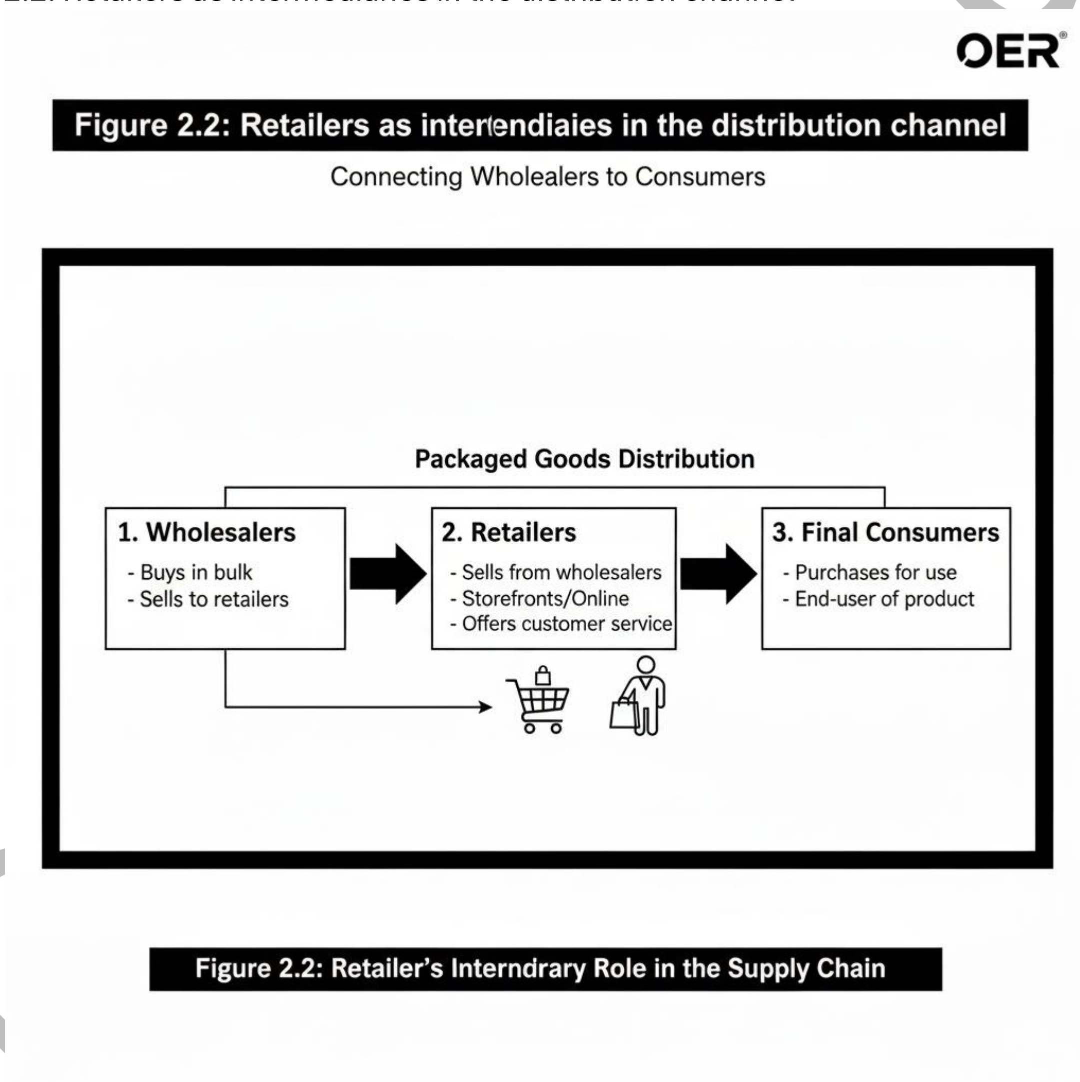
1. Retailing involves selling goods and services directly to which group of people?
2. What term describes the activity of dividing large quantities into smaller units?
3. How do retailers contribute to the marketing process?
4. Why is retailing considered part of the distribution function?
5. What type of information do retailers provide to producers?

2.2 Roles and Functions of Retailers

2.2.1 Retailers as intermediaries

Retailers serve as **intermediaries**, which means they act as links between producers, wholesalers, and final consumers. Their role is essential because most producers cannot sell directly to individual consumers due to the high cost and complexity of managing numerous small transactions. Retailers bridge this gap by purchasing goods from wholesalers or producers and making them available in forms and quantities suitable for personal use. As you reflect on this, consider how retailers simplify your access to everyday products such as food, clothing, and household items.

A diagram showing retailers positioned between wholesalers and final consumers *Figure 2.2: Retailers as intermediaries in the distribution channel*



Fill in the blank: Retailers act as ______ between producers or wholesalers and final consumers.

2.2.2 Economic roles of retailers

Retailers play several important economic roles that support the functioning of markets. One key role is **breaking bulk**, which involves dividing large quantities of goods into smaller units that consumers can purchase conveniently. Retailers also provide **assortment**, meaning they offer a variety of products from different producers in one location. This saves consumers time and effort because they do not need to visit multiple suppliers.

Retailers also contribute to employment by providing jobs in sales, management, customer service, and logistics. In addition, they stimulate production because manufacturers rely on retailers to distribute their goods. When retailers perform well, producers are encouraged to increase output, which supports economic growth. Fill in the blank: Offering a variety of products from different producers in one location is known as product ______.

Table 2.1: Economic roles of retailers

Table 2.1: Economic roles of retailers
Key Contributions to the Economy
OER

Economic Role	Brief Explanation
1. Breaking Bulk & Assorment	Divides large product shipments, offering consumers variety & convenience.
	One of the largest employers, creating jo!bs across sales, logistics, & management.
2. Employment Generation	Drives economic activity through of goods & servicarly to GDP.
3. Revenue & GDP Contribution	Drives economic activity through sales of services, contributing significanty to GDP.
4. Consumer Access & Choice	Provides easy access a wide range of products, improving living standards.
5. Market Information	Gathers valuable data on consumer trends trends & preferences, informing producers

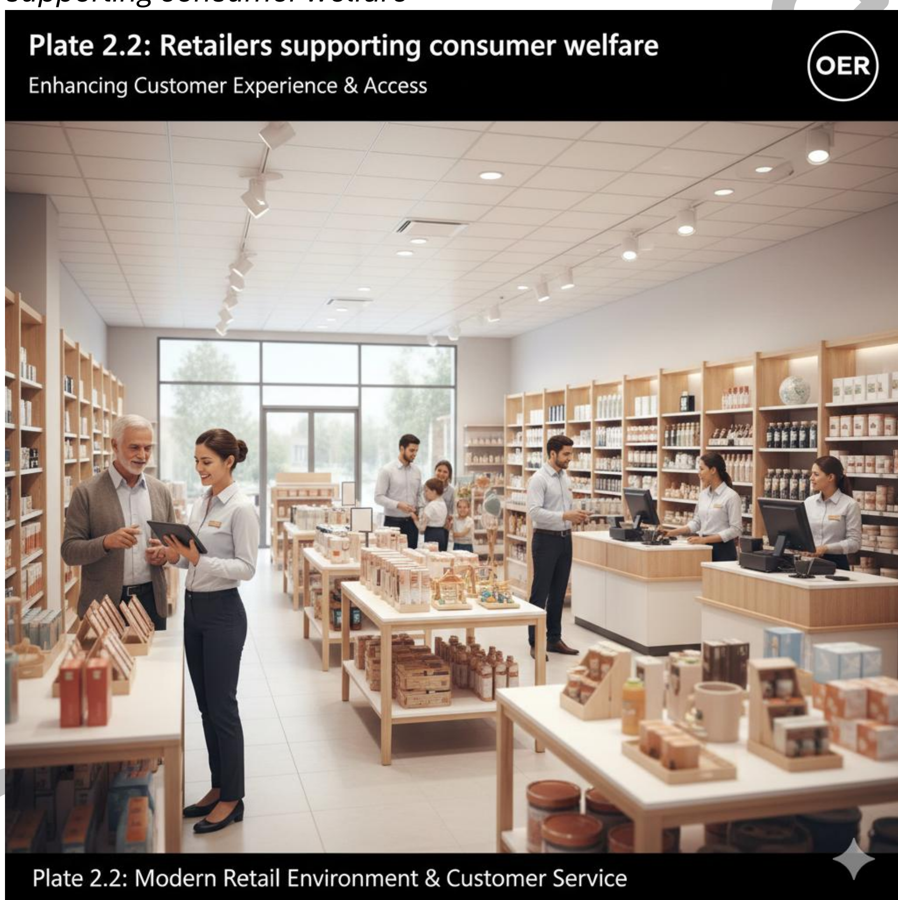
Table 2.1: Retailer's Economic Impact Overview

2.2.3 Retailers' contributions to consumer welfare

Retailers contribute significantly to **consumer welfare**, which refers to the overall satisfaction and convenience consumers experience when purchasing goods and services. Retailers enhance consumer welfare by providing easy access to a wide range of products, offering competitive prices, and ensuring that goods are available when needed. They also provide customer service, which includes answering questions, offering advice, and helping consumers make informed choices.

Retailers further support consumer welfare by creating pleasant shopping environments. Store layout, lighting, product displays, and staff interactions all influence how consumers feel during the shopping process. As you think about this, consider how a well-organised store can make shopping easier and more enjoyable. Fill in the blank: Retailers enhance consumer welfare by ensuring that goods are available when ______.

A photograph of a well-organised retail store with helpful staff *Plate 2.2: Retailers supporting consumer welfare*



Pilot questions 2.2

1. Retailers act as intermediaries between which groups?
2. What term describes offering a variety of products from different producers in one location?
3. How do retailers contribute to employment?
4. In what way do retailers support consumer welfare?
5. Why do producers rely on retailers in the distribution process?

2.3 Operational Activities in Retailing

2.3.1 Merchandise handling and stock presentation

Merchandise handling refers to the **activities involved in receiving, storing, organising, and displaying goods** so that they are ready for sale. Effective merchandise handling ensures that products are available, accessible, and presented in ways that attract consumers. Retailers must check the quality of goods upon arrival, store them appropriately, and rotate stock to prevent spoilage or obsolescence. Stock presentation involves arranging products on shelves or display units in a manner that encourages customers to notice and purchase them.

A well-organised display helps consumers make quick decisions and enhances their shopping experience. For example, placing frequently purchased items at eye level increases visibility and convenience. As you reflect on this, think about how product arrangement influences your own shopping choices. Fill in the blank: Merchandise handling ensures that goods are available, accessible, and ______ for sale.

A diagram showing the flow of merchandise from receiving to display *Figure 2.3: Merchandise handling process*

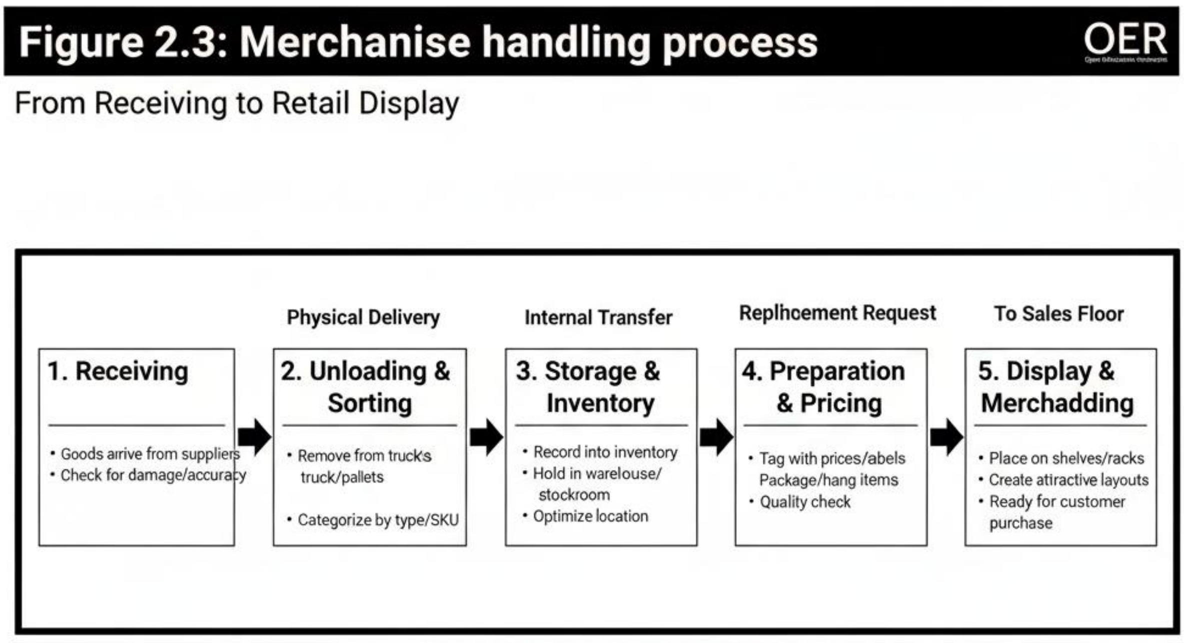


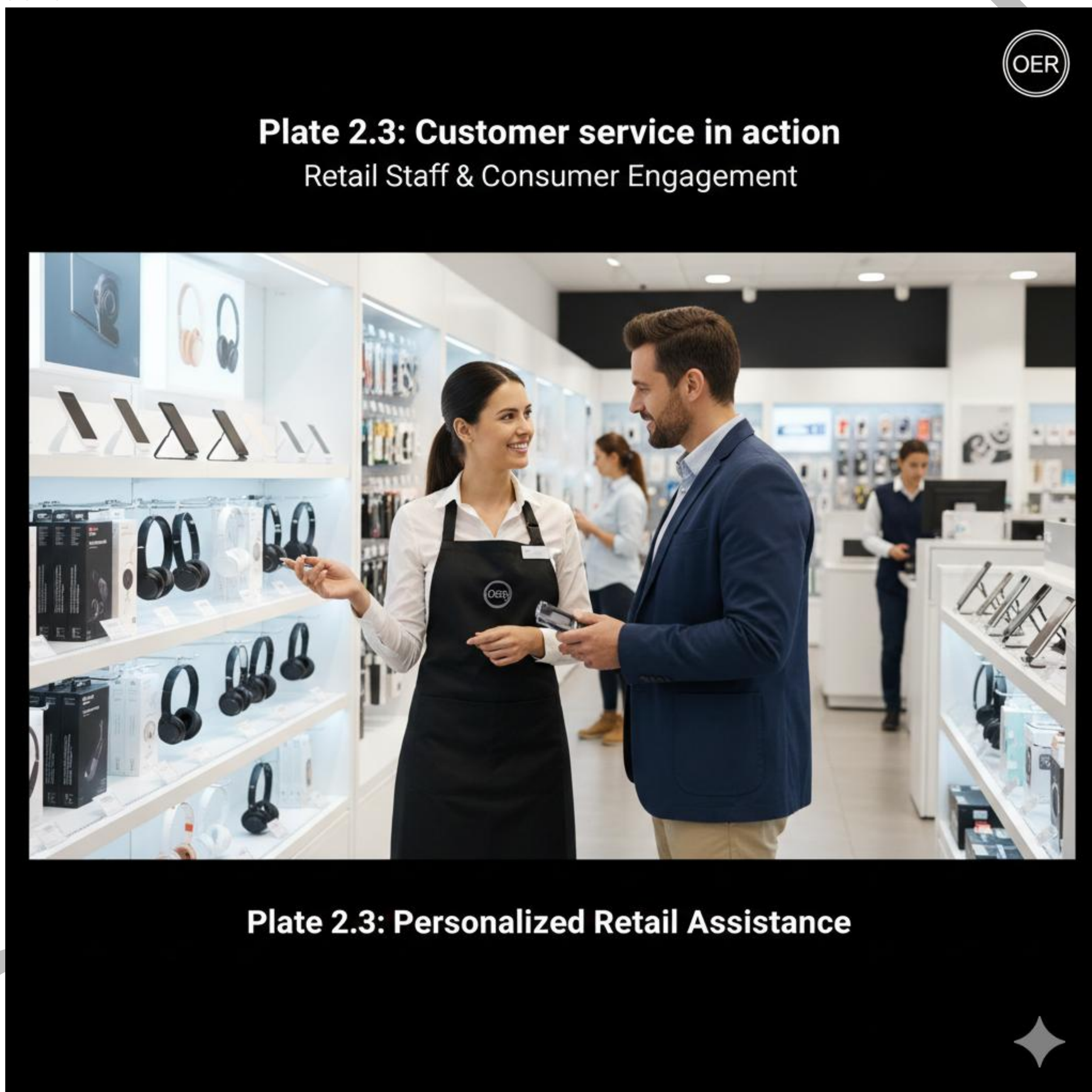
Figure 2.3: Merchanise Flow in a Retail Setting

2.3.2 Customer service and selling activities

Customer service refers to the **support and assistance retailers provide to consumers before, during, and after a purchase**. This includes answering questions, offering product advice, handling complaints, and ensuring that customers feel valued. Selling activities involve helping customers identify their needs and guiding them towards suitable products. Retailers who provide excellent customer service build trust and encourage repeat purchases.

Customer service also contributes to the overall image of a retail store. Friendly staff, prompt assistance, and clear communication can significantly improve customer satisfaction. As you consider this, think about a time when good customer service influenced your decision to return to a store. Fill in the blank: Customer service involves supporting consumers before, during, and ______ a purchase.

A photograph of a retail staff member assisting a customer *Plate 2.3: Customer service in action*



2.3.3 Store layout and retail environment

Store layout refers to the **physical arrangement of fixtures, aisles, and product displays** within a retail space. A well-designed layout helps customers navigate the store easily and encourages them to explore different sections. Retailers use various layout designs depending on the type of products they sell. For example, supermarkets often use grid layouts to maximise space and guide customer movement, while boutiques may use free-flow layouts to create a relaxed shopping atmosphere.

The retail environment includes lighting, music, colour schemes, and overall ambience. These elements influence how customers feel and behave while shopping. A pleasant environment can increase the time customers spend in the store and improve their likelihood of making purchases. Fill in the blank: A well-designed store layout helps customers navigate the store easily and ______ more sections.

Box 2.2: Elements of an effective retail environment

Box 2.2: Elements of an effective environment

OER

Key Components of Store atmosphere

	Brief Explanation
1. Lighting	Creates mood, highlights products, and guides customer flow.
2. Music/Audio	Sets the tone, influences pace, and enhances brand perecption.
3. Color Palette	Evoles emotions, impacts mood, and reinforces brand identity.
4. Store Layout & Design	Optimizes navigation, maximizes exposure and improves accessibility
5. Visual Merchdigaising	Enages customers, tells product stories, and drives purchase decisions

Box 2.2: Retail Environment Factors Overview

2.3.4 Retail communication and promotional activities

Retail communication refers to the **methods retailers use to inform and persuade customers**, such as signage, product labels, and in-store announcements. Promotional activities include price discounts, special offers, loyalty programmes, and product demonstrations. These activities help attract customers, stimulate sales, and create awareness about new or seasonal products.

Retailers must choose communication and promotional strategies that align with their target market. For example, a supermarket may use price discounts to attract budget-conscious shoppers, while a fashion store may rely on attractive displays and seasonal promotions. Fill in the blank: Promotional activities help attract customers and stimulate ______.

Table 2.2: Common retail promotional activities

Table 2.2: Common retail promotion activities

Strategies to Drive Sales & Engagement

OER

Promotional Activity	Brief Explanation
1. Discounts & Sales	Temporary price reductions to attract customers and move inventory quickly.
2. Loyalty Programs	Rewards for repeat purchases, fostering customer cutomer retention and exclusive benefits.
3. Product Demostrations	Live showsases of products products a action, highldging features ad benefits.
4. Contests & Giveaways	Chances to win prizes, creating excin-excitment and customer data.
5. In-Store Events	Special events like workshops or launches draw traffice draw traffic and enhance customer experience

Table 2.2: Retail Promotion Strategies Overview

Pilot questions 2.3

1. What is the purpose of merchandise handling in retailing?
2. Customer service involves supporting consumers at which stages of the purchase process?
3. How does store layout influence customer behaviour?
4. Mention one element of the retail environment that affects customer experience.
5. What is the main purpose of retail promotional activities?

Series Summary

This Series explored the essential concepts, roles, and operational activities that define retailing. You began by examining the meaning and nature of retailing, including its place within the distribution and marketing processes. You then studied the roles and functions retailers perform as intermediaries, as well as their contributions to economic development and consumer welfare. Finally, you explored the operational activities that support effective retail performance, such as merchandise handling, customer service, store layout, and retail communication.

By engaging with these topics, you should now be able to define core retailing concepts, explain how retailing fits within distribution and marketing, analyse the roles and functions of retailers, evaluate their contributions to the economy and consumers, and describe the operational activities that shape the retail experience, as outlined in the Series Learning Outcomes.

Glossary of Terms

Assortment The variety of products offered by a retailer in one location.

Consumer welfare The satisfaction and convenience consumers experience when purchasing goods and services.

Customer service Support and assistance provided to consumers before, during, and after a purchase.

Distribution function The movement of goods from producers to consumers through intermediaries.

Intermediary A business that acts as a link between producers, wholesalers, and consumers.

Marketing Activities involved in promoting, distributing, and selling goods and services.

Merchandise handling Activities involved in receiving, storing, organising, and displaying goods for sale.

Retail communication Methods retailers use to inform and persuade customers, such as signage and announcements.

Retailing Business activities involved in selling goods and services directly to final consumers.

Store layout The physical arrangement of fixtures, aisles, and displays within a retail space.

Concept Check Questions 2

Objective questions

1. Retailing involves selling goods and services directly to which group of people? *(Linked to SLO 2.1)*
2. Which activity involves dividing large quantities of goods into smaller units? *(Linked to SLO 2.2)*
3. Retailers act as intermediaries between which groups? *(Linked to SLO 2.3)*
4. Which term refers to offering a variety of products from different producers in one location? *(Linked to SLO 2.4)*
5. Which operational activity involves arranging products on shelves to attract customers? *(Linked to SLO 2.5)*

Short-answer questions

6. Explain one way retailing contributes to the distribution process. *(Linked to SLO 2.2)*

7. State one economic role performed by retailers. *(Linked to SLO 2.3)*

8. Describe one way retailers support consumer welfare. *(Linked to SLO 2.4)*

9. Mention one operational activity that influences customer experience in a retail store. *(Linked to SLO 2.5)*

Long-answer questions

10. Analyse the roles and functions retailers perform as intermediaries within the distribution system. *(Linked to SLO 2.3)*

11. Evaluate how operational activities such as merchandise handling, customer service, and store layout contribute to effective retail performance. *(Linked to SLO 2.5)*

Answers to Concept Check Questions 2

Objective questions

1. Final consumers

2. Breaking bulk
3. Producers or wholesalers and final consumers
4. Assortment
5. Stock presentation or merchandise display

Short-answer questions

6. Retailing contributes by making goods available in convenient locations and in quantities suitable for individual consumption.

7. Retailers generate employment, provide assortment, and stimulate production.

8. Retailers support consumer welfare by offering access to a wide range of goods and providing customer service.

9. Store layout, customer service, or merchandise presentation.

Long-answer questions

10. Basic response

Retailers act as intermediaries by linking producers and wholesalers to final consumers. They break bulk, provide assortment, offer market information, and make goods available in convenient locations.

10. Value-added response

Retailers perform multiple intermediary functions that reduce distribution costs and improve market efficiency. They simplify transactions by purchasing in bulk and selling in smaller units, provide valuable feedback to producers, and create accessible shopping environments that support consumer decision-making. Their activities ensure that goods flow smoothly through the distribution channel.

11. Basic response

Operational activities such as merchandise handling, customer service, and store layout help retailers present goods effectively, support customers, and create a pleasant shopping environment.

11. Value-added response

Effective retail performance depends on coordinated operational activities. Merchandise handling ensures product availability and quality, customer service builds trust and encourages repeat purchases, and store layout influences customer movement and buying behaviour. Together, these activities enhance the overall retail experience and contribute to business success.

Answers to Pilot Questions 2

Part 2.1

1. Final consumers
2. Breaking bulk
3. By providing product information, displays, and shopping environments
4. Because it makes goods available in convenient locations and quantities
5. Preferences

Part 2.2

6. Producers and final consumers
7. Assortment
8. By providing jobs in sales, management, and support roles
9. By ensuring goods are available when needed
10. To distribute their goods efficiently

Part 2.3

11. Ready
12. After
13. Explore
14. Lighting, music, colour, or ambience
15. Sales

References and Attributions 2

Note: All illustrations in this Series were represented as placeholders. Below are the suggested sources and prompts used for attribution.

Figures, Plates, Tables, and Boxes

Figure 2.1: Suggested AI prompt, "Create a simple labelled diagram showing retailing as the final stage in the distribution channel." Suggested search string: "retailing final stage distribution channel diagram OER".

Figure 2.2: Suggested AI prompt, "Create a simple labelled diagram showing retailers positioned between wholesalers and final consumers." Suggested search string: "retailer intermediary distribution channel diagram OER".

Figure 2.3: Suggested AI prompt, “Create a labelled diagram showing merchandise handling steps from receiving goods to displaying them on shelves.” Suggested search string: “merchandise handling process diagram OER”.

Plate 2.1: Suggested AI prompt, “Generate an image of a retail store interior showing product displays and customers browsing.” Suggested search string: “retail store interior marketing displays OER image”.

Plate 2.2: Suggested AI prompt, “Generate an image of a well-organised retail store with staff assisting customers.” Suggested search string: “retail store customer service OER image”.

Plate 2.3: Suggested AI prompt, “Generate an image of a retail staff member assisting a customer with product selection.” Suggested search string: “retail customer service staff assisting customer OER image”.

Table 2.1, Table 2.2: Suggested AI prompts for creating simple tables listing economic roles and promotional activities. Suggested search strings: “economic roles of retailers OER table”, “retail promotional activities OER table”.

Box 2.1, Box 2.2: Suggested AI prompts for creating one-column tables listing distribution activities and retail environment elements. Suggested search strings: “retailer distribution activities OER table”, “retail environment elements OER table”.

- **Course code:** MKT 222
- **Course title**: Retail & Wholesale Management
- **Course credit load: 2**

Series 3: Types of Retailers and Management of the Retail Function

Part 1: Types of Retailers

1.1 Classification based on ownership

1.2 Classification based on merchandise offered

1.3 Classification based on pricing strategy

1.4 Service retailing

Part 2: Managing the Retail Function

2.1 Planning and organising retail activities

2.2 Staffing and human resource considerations

2.3 Retail operations management

2.4 Customer service management

Part 3: Contemporary Issues in Retailing

3.1 Internationalisation of retailing

3.2 Technological influences on retailing

3.3 The future of retailing

Introduction

Retailing is a diverse and dynamic field, and understanding the different types of retailers is essential for appreciating how goods and services reach final consumers. As the retail landscape continues to evolve, managers must also understand how to organise and oversee retail operations effectively. This Series builds on your earlier knowledge by guiding you through the major classifications of retailers and the key principles involved in managing the retail function.

The aim of this Series is to introduce you to the various types of retailers and to equip you with foundational knowledge of how retail activities are planned, organised, and managed in practice.

We shall commence this Series by examining the different ways retailers can be classified, including ownership structure, merchandise offered, pricing strategy, and the nature of service retailing. Next, we will explore how the retail function is managed, focusing on planning, organising, staffing, and operational control. Finally, we will continue with a discussion of contemporary issues in retailing, including internationalisation, technological influences, and the future direction of retail activities.

Series Learning Outcomes

Upon completing this Series, you should be able to:

SLO 3.1 classify retailers based on ownership, merchandise, pricing, and service characteristics,

SLO 3.2 explain the principles involved in planning and organising retail activities,

SLO 3.3 analyse the staffing and operational requirements of effective retail management,
SLO 3.4 evaluate contemporary issues influencing retailing, including internationalisation and technology, and

SLO 3.5 describe emerging trends that shape the future of retailing.

3.1 Types of Retailers

3.1.1 Classification based on ownership

Retailers can be classified according to their **ownership structure**, which refers to the way a retail business is legally owned and controlled. One common form is the **independent retailer**, a business owned by an individual or a small group. Independent retailers are usually flexible and can respond quickly to customer needs. Another form is the **chain store**, which is a group of retail outlets owned and managed by a single organisation. Chain stores benefit from centralised buying, consistent branding, and economies of scale.

A third ownership type is the **franchise**, where an individual (the franchisee) operates a retail outlet using the brand name, products, and business model of a larger company (the franchisor). Franchising allows individuals to run a business with established support systems. Fill in the blank: A chain store is a group of retail outlets owned and managed by a single ______.

Table 3.1: Common ownership forms in retailing

OER

Table 3.1: Common ownırship forms in retailing

Types 1 Retail Ownrship Structures

Owenship Form	Brief Description
1. Independent Retailers	Owned and operated by individuals; single-store or a local chain; high autoomiy, but limited resources.
2. Chain Stores	Multiple retail units centraly owned managed; standtrarized operations, purchasing, and branding; examples: Target, Starbucks.
3. Franchises	A contract allowing to use a franchorite's franchesor's business model brand; rapid rapid expansion with shared risk; examples: McDonald's, Subway.

Table 3.1: Retaling Ownrship Structures Overview

"

3.1.2 Classification based on merchandise offered

Retailers may also be classified according to the **type of merchandise** they offer. **Speciality stores** focus on a narrow product line, such as footwear or electronics, while **department stores** offer a wide range of goods organised into separate departments. **Supermarkets** specialise in food and household items, offering convenience and competitive pricing. **Convenience stores** provide essential items in small quantities and are usually located in residential areas for easy access.

This classification helps consumers understand what to expect from different retail formats. For example, a speciality store offers depth in a particular category, while a supermarket offers breadth across many categories. Fill in the blank: A store that focuses on a narrow product line, such as shoes or electronics, is known as a ______ store.

A diagram showing different retailer types based on merchandise *Figure 3.1: Merchandise-based retail classifications*

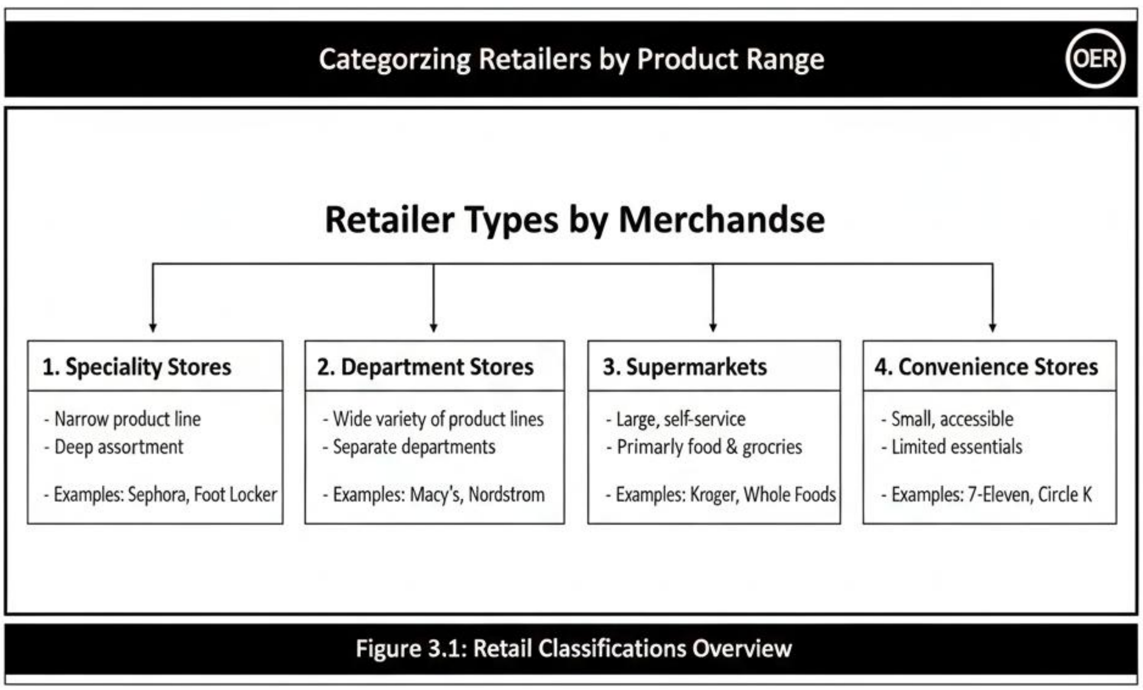


Figure 3.1: Retail Classifications Overview

3.1.3 Classification based on pricing strategy

Retailers also differ in their **pricing strategies**, which influence how consumers perceive value. **Discount stores** offer products at lower prices by reducing operating costs and selling high volumes. **Premium retailers** focus on high-quality products and superior service, often charging higher prices. **Off-price retailers** sell branded goods at reduced prices, usually because the items are overstocked or from previous seasons.

Pricing strategy affects the type of customers a retailer attracts and the overall shopping experience. For example, discount stores appeal to price-sensitive shoppers, while premium retailers attract customers seeking quality and exclusivity. Fill in the blank: Retailers that sell branded goods at reduced prices are known as ______ retailers.

Box 3.1: Examples of pricing strategies in retailing

Box 3.1: Examples of pricing strcing strategies in retalling

OER

Retail Pricing Approaches

Pricing Strategy	Brief Description & Examples
1. Discount Retailers	Offers products at reduced prices; high volume, low margin. Examples: Walmart, Dollar General Examples: Tiffany & Co., Whole Foods
2. Premium Retailers	High prices for exclusive, luxury, or high-quality goods.
3. Off-Price Retailers	Sells branded goods at deep discounts, often often irregulars or overstock. Examples: TJ Max, Ross Dress of on Less

Box 3.1: Retail Pricing Strategy Examples

3.1.4 Service retailing

Service retailing refers to retailers that **sell services rather than physical goods**. Examples include hair salons, repair shops, travel agencies, and dry cleaners. Unlike goods, services are intangible, cannot be stored, and are often produced and consumed at the same time. This means service retailers must focus heavily on customer experience, staff competence, and service quality.

Service retailing is important because many consumer needs cannot be met through physical products alone. As you reflect on this, think about the last service you purchased and how the experience influenced your satisfaction. Fill in the blank: Services are intangible and cannot be ______ for later use.

A photograph of a service retail environment, such as a salon or repair shop *Plate 3.1: Service retailing in practice*

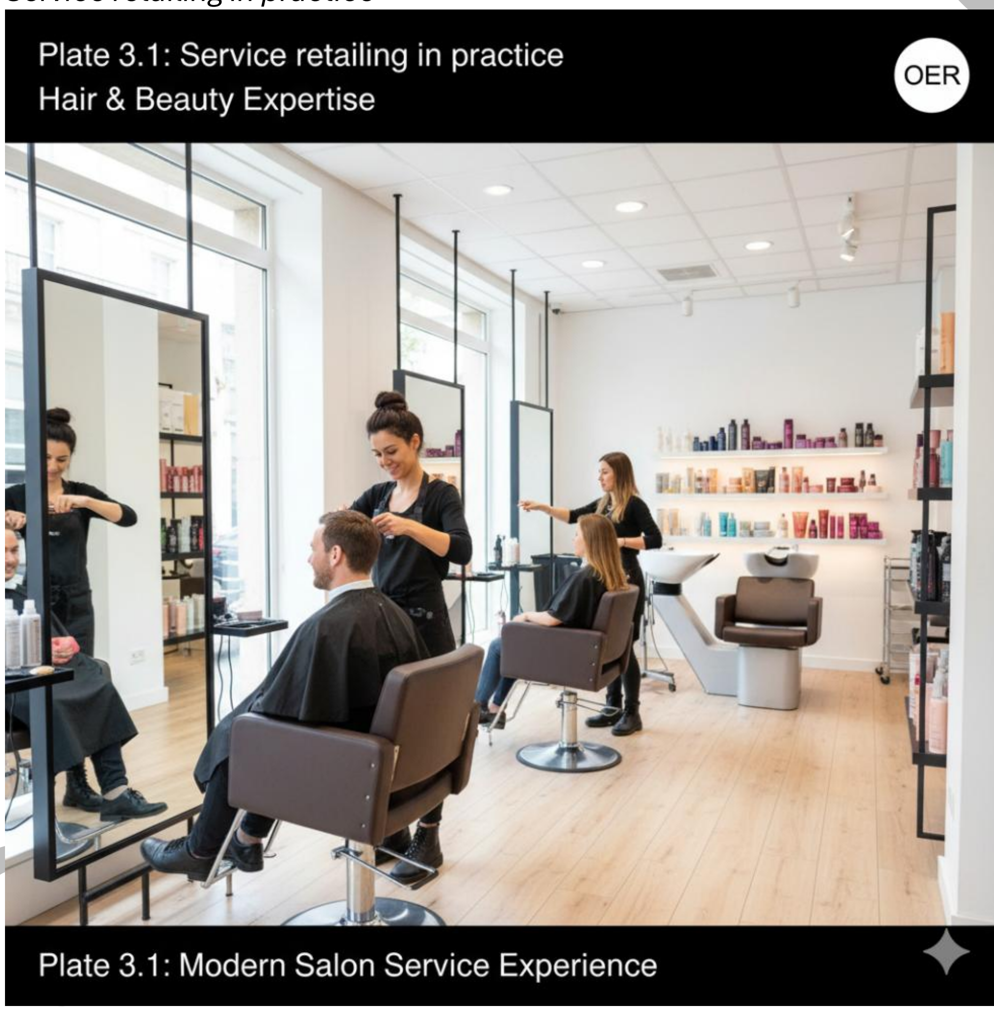


Plate 3.1: Modern Salon Service Experience

Pilot questions 3.1

1. What is the main difference between an independent retailer and a chain store?
2. A store that focuses on a narrow product line is known as what type of retailer?

3. What type of retailer sells branded goods at reduced prices?
4. Why are services considered intangible?
5. Give one example of a service retailer.

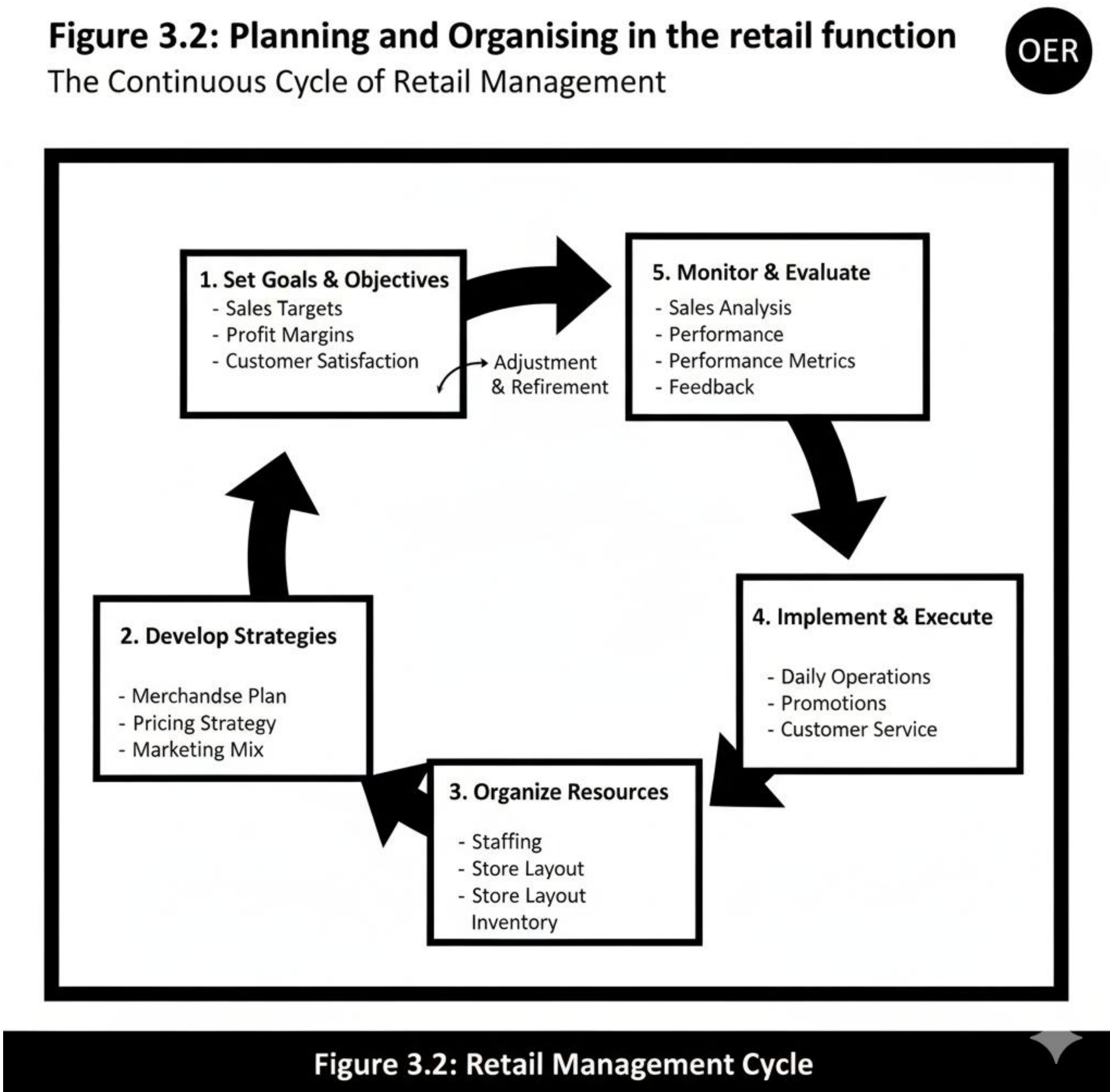
3.2 Managing the Retail Function

3.2.1 Planning and organising retail activities

Planning refers to the **process of setting objectives and determining the actions needed to achieve them**. In retailing, planning involves deciding what products to sell, identifying target customers, selecting store locations, and determining pricing and promotional strategies. Effective planning ensures that retail activities align with customer needs and market conditions. Organising involves arranging resources such as staff, equipment, and merchandise in a way that supports the retailer's goals.

Retailers must plan ahead to anticipate changes in consumer demand, competition, and seasonal trends. For example, a retailer may plan for increased stock during festive periods or organise staff schedules to handle peak shopping times. Fill in the blank: Planning involves setting objectives and determining the ______ needed to achieve them.

A diagram showing the planning and organising cycle in retailing *Figure 3.2: Planning and organising in the retail function*



3.2.2 Staffing and human resource considerations

Staffing refers to the **process of recruiting, training, and managing employees** who carry out retail activities. Retailers rely on staff to interact with customers, manage merchandise, operate equipment, and maintain store standards. Human resource considerations include selecting suitable employees, providing training, evaluating performance, and ensuring staff motivation.

Retailers must ensure that staff members have the right skills and attitudes to deliver quality service. For example, customer-facing roles require communication skills and product knowledge, while stockroom roles require organisation and attention to detail. Fill in the blank: Staffing involves recruiting, training, and ______ employees.

Table 3.2: Key human resource activities in retailing

Table 3.2: Key human resource activities in retalling
Managing People in Retail

OER

HR Activity	Brief Description Attracting, screering, and hiring qualified candidates for various retail roles.
1. Recruitment & Selection	Providing new hires with neessary skills and onging develpment for career growth.
2. Performance & Development	Assessing employee job performance, providing feedback, and identifing areas to improvment
4. Compensation & Benefits	Structuring wages, incentives, and benefits to attract for retain talent.
5. Employee Motivation	Creating a positive work enviroment, recognzing achievements, and fostering career paths.

Table 3.2: Retail HR Management Overview

3.2.3 Retail operations management

Retail operations management refers to the **day-to-day activities that ensure the store runs smoothly**. These activities include managing inventory, maintaining store cleanliness, ensuring product availability, and monitoring sales performance. Retail operations also involve coordinating deliveries, handling returns, and ensuring that equipment such as tills and scanners function properly.

Effective operations management helps retailers reduce costs, improve efficiency, and enhance customer satisfaction. For example, a retailer who manages inventory well can avoid stockouts and ensure that popular items are always available. Fill in the blank: Retail operations management focuses on day-to-day activities that ensure the store runs ______.

Box 3.2: Examples of retail operations tasks

Box 3.2: Examples of retail operations tasks

OER

Managing Daily Store Activities

Operations Task	Brief Description
1. Inventory Control	Tracking stock levels, managing reorders, and minimizz shrinkge.
2. Store Maintenance	Ensuring cleattiness, safety, and proper funchtoning of equipment.
3. Sales Monitoring	Analyzing sales data, tracking key metrics, identifing trends.
3. Sales Monitoring	Identifing bo nay tater trernds.
4. Staff Scheduling	Organizing employee shifts to ensure adequate coverage.
5. Customer Service	Handling inquries, resolves, and managins

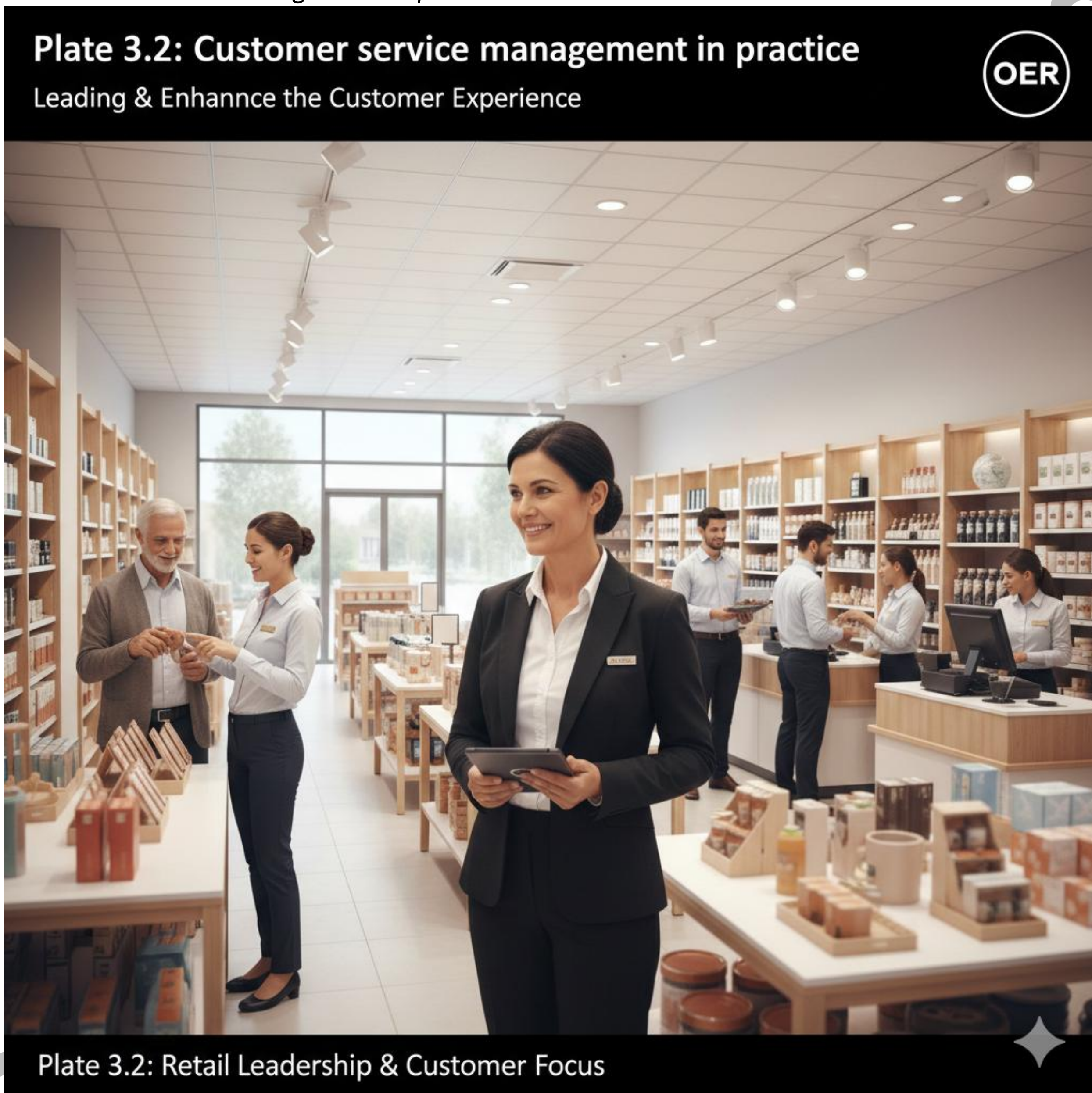
Box 3.2: Retail Operations Tasks Overview

3.2.4 Customer service management

Customer service management refers to the **process of ensuring that customers receive quality service throughout their shopping experience**. This includes setting service standards, training staff, monitoring customer feedback, and resolving complaints. Retailers must create an environment where customers feel valued and supported.

Good customer service management can lead to increased customer loyalty and positive word-of-mouth. For example, a retailer who responds promptly to customer concerns and provides helpful assistance is more likely to retain customers. Fill in the blank: Customer service management ensures that customers receive quality service throughout their ______ experience.

A photograph of a retail manager assisting a customer or supervising staff *Plate 3.2: Customer service management in practice*



Pilot questions 3.2

1. What does planning involve in the retail function?
2. Staffing includes recruiting, training, and what other activity?

3. What is the main focus of retail operations management?
4. Why is customer service management important in retailing?
5. Give one example of a retail operations task.

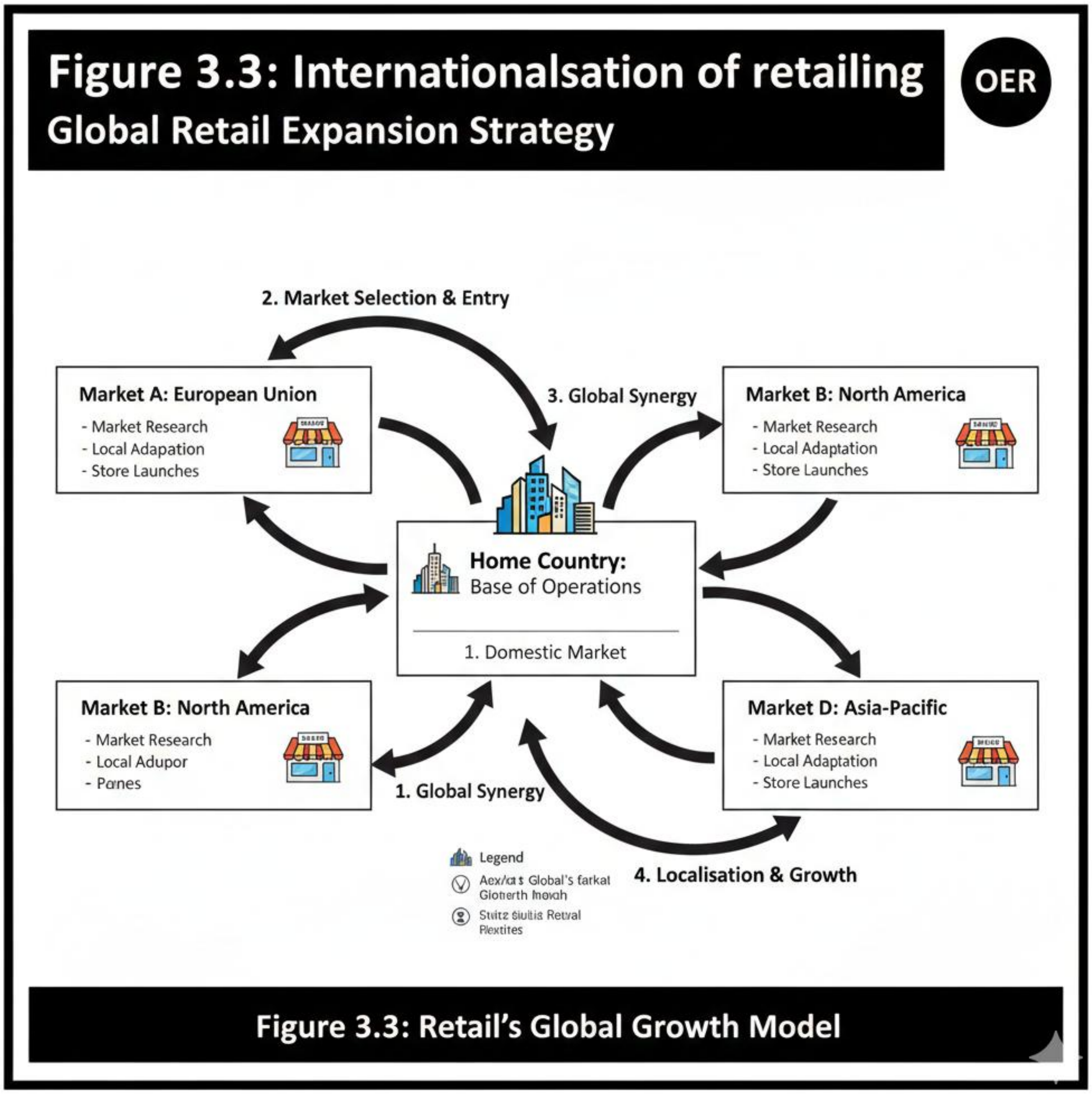
3.3 Contemporary Issues in Retailing

3.3.1 Internationalisation of retailing

Internationalisation refers to the **expansion of retail businesses beyond their domestic markets into foreign countries**. Retailers pursue internationalisation to access new customers, increase sales, and diversify their operations. This process may involve opening stores abroad, forming partnerships with foreign firms, or adopting global supply chains. Internationalisation allows retailers to benefit from global trends and tap into markets with growing consumer demand.

However, expanding internationally also presents challenges. Retailers must understand cultural differences, local regulations, and consumer preferences in each new market. For example, a retailer entering a new country may need to adapt product offerings or store layouts to suit local tastes. Fill in the blank: Internationalisation involves expanding retail operations into ______ markets.

A diagram showing a retailer expanding from a home country into multiple foreign markets
Figure 3.3: Internationalisation of retailing

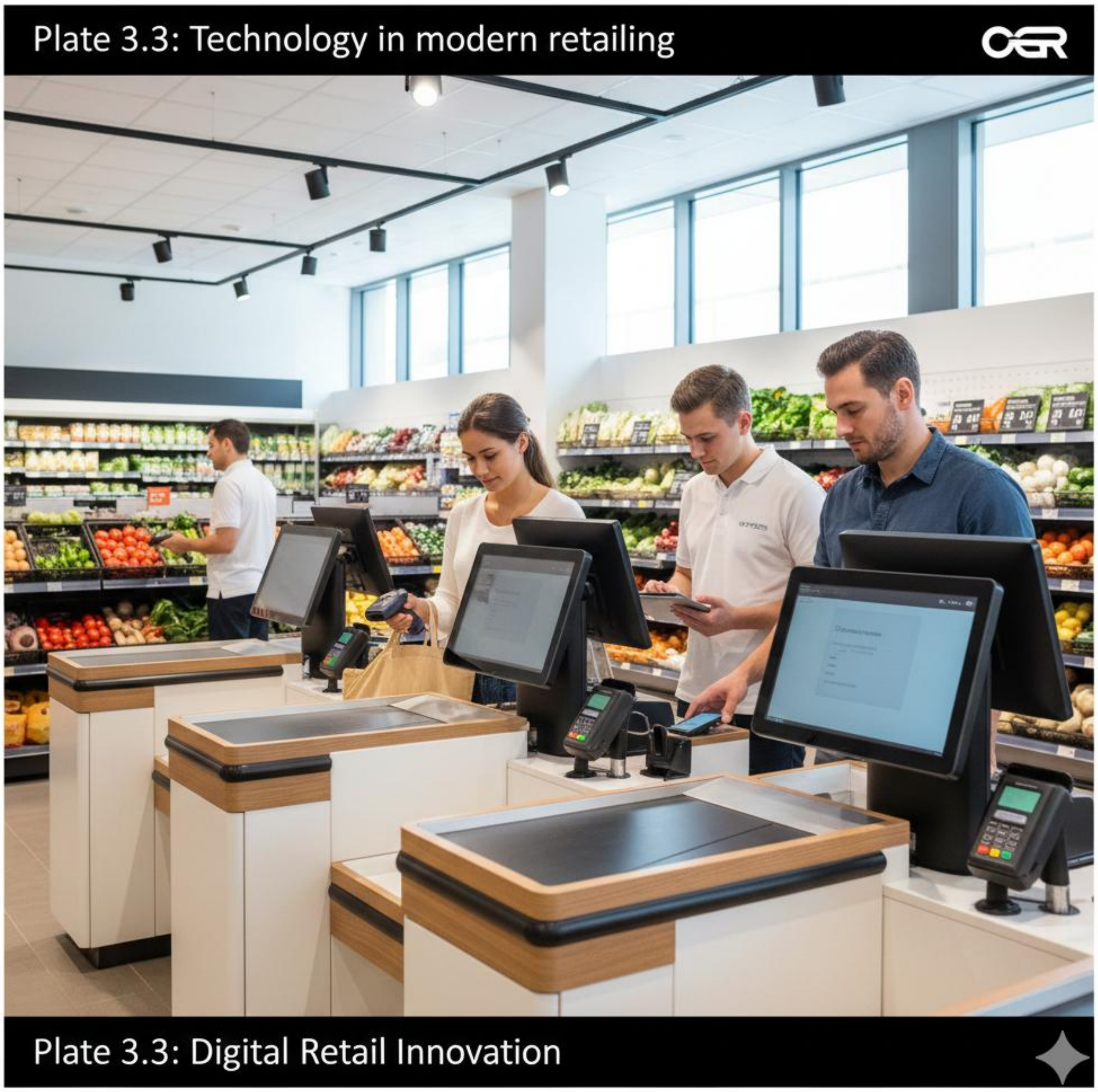


3.3.2 Technological influences on retailing

Technology plays a major role in shaping modern retailing. Technological influences refer to the **tools and systems that improve retail operations, customer experience, and communication**. Examples include electronic payment systems, barcode scanners, inventory management software, and online retail platforms. These technologies help retailers operate more efficiently and provide faster, more convenient service to customers.

Technology also enables retailers to collect and analyse data about consumer behaviour. This information helps them make better decisions about product selection, pricing, and promotions. As you reflect on this, consider how technology has changed your own shopping habits, such as using mobile apps or online stores. Fill in the blank: Technology enables retailers to collect and analyse ______ about consumer behaviour.

A photograph of a modern retail store using digital tools such as scanners or self-checkout systems *Plate 3.3: Technology in modern retailing*



3.3.3 The future of retailing

The future of retailing refers to the **emerging trends and developments that are likely to shape retail activities in the coming years**. These trends include increased use of automation, growth of online and mobile shopping, personalised marketing, and greater emphasis on sustainability. Retailers are also exploring new store formats, such as small urban outlets and hybrid models that combine physical and online shopping.

Consumers are becoming more informed and selective, which means retailers must focus on delivering value, convenience, and memorable experiences. As you think about the future, consider how retailing may continue to evolve in response to technology, globalisation, and changing consumer expectations. Fill in the blank: One emerging trend in retailing is the growth of online and ______ shopping.

Box 3.3: Emerging trends shaping the future of retailing

Box 3.3: Emerging trends shaping the future of retaling

OER

Retail Trends & Innovations

Emerging Trend	Brief Description
1. **AI & Automation**	Personsized recommmdations, automated warehouses, and robotic assistants
2. **E-commerce & Omnchannel**	Seamless online & offine shopping, mobile commerce growth
3. **Sustainablity & & Ethics**	Eco-friendly products, ethical sourcing, and circular economy models
4. **Experientity & Retail**	Immersive in-store experiences, pop-ups and community hubs
5. **Personalization**	Tailord offers, custom products, and data-driven marketing

Box 3.3: Future of Retail Overview

Pilot questions 3.3

1. What does internationalisation of retailing involve?
2. How does technology support modern retail operations?

3. What type of information does technology help retailers analyse?
4. Mention one emerging trend that may shape the future of retailing.
5. Why must retailers adapt to changing consumer expectations?

Series Summary

This Series examined the major types of retailers and the key principles involved in managing the retail function. You began by exploring how retailers can be classified based on ownership, merchandise offered, pricing strategy, and the nature of service retailing. This provided a foundation for understanding the diversity of retail formats and how each one meets different consumer needs. You then studied how the retail function is managed, including planning, organising, staffing, and overseeing daily operations. Finally, you explored contemporary issues such as internationalisation, technological influences, and emerging trends that are shaping the future of retailing.

By working through these topics, you should now be able to classify retailers using different criteria, explain how retail activities are planned and organised, analyse staffing and operational requirements, evaluate the impact of global and technological developments, and describe future trends in retailing, as outlined in the Series Learning Outcomes.

Glossary of Terms

Chain store A group of retail outlets owned and managed by a single organisation.

Customer service management The process of ensuring that customers receive quality service throughout their shopping experience.

Discount store A retailer that offers products at lower prices by reducing operating costs and selling high volumes.

Franchise A retail arrangement where an individual operates a business using the brand and model of a larger company.

Independent retailer A retail business owned and controlled by an individual or small group.

Internationalisation The expansion of retail operations into foreign markets.

Merchandise handling Activities involved in receiving, storing, organising, and displaying goods for sale.

Off-price retailer A retailer that sells branded goods at reduced prices, often due to overstock or past seasons.

Planning The process of setting objectives and determining the actions needed to achieve them.

Service retailing Retailing that involves selling services rather than physical goods.

Store layout The physical arrangement of fixtures, aisles, and displays within a retail space.

Concept Check Questions 3

Objective questions

1. A chain store is owned and managed by which type of organisation? *(Linked to SLO 3.1)*
2. A retailer that focuses on a narrow product line is known as what type of store? *(Linked to SLO 3.1)*
3. Which activity involves setting objectives and determining actions to achieve them? *(Linked to SLO 3.2)*
4. Retail operations management focuses on which aspect of retailing? *(Linked to SLO 3.3)*
5. Internationalisation refers to expanding retail operations into which type of markets? *(Linked to SLO 3.4)*

Short-answer questions

6. State one advantage of chain stores. *(Linked to SLO 3.1)*

7. Explain one reason why staffing is important in retailing. *(Linked to SLO 3.3)*

8. Mention one technological tool that supports modern retailing. *(Linked to SLO 3.4)*

9. Describe one emerging trend that may shape the future of retailing. *(Linked to SLO 3.5)*

Long-answer questions

10. Compare independent retailers, chain stores, and franchises, highlighting their strengths and limitations. *(Linked to SLO 3.1)*

11. Evaluate how planning, staffing, and operations management contribute to effective retail performance. *(Linked to SLO 3.3)*

Answers to Concept Check Questions 3

Objective questions

1. A single organisation
2. A speciality store
3. Planning

4. Day-to-day store activities
5. Foreign markets

Short-answer questions

6. Chain stores benefit from centralised buying and economies of scale.
7. Staffing ensures that employees have the skills needed to deliver quality service.
8. Barcode scanners, electronic payment systems, or inventory software.
9. Growth of online shopping, automation, or sustainability initiatives.

Long-answer questions

10. Basic response

Independent retailers offer flexibility but have limited resources. Chain stores benefit from centralised management and economies of scale. Franchises allow individuals to operate under an established brand with support from the franchisor.

10. Value-added response

Independent retailers excel in personalised service and adaptability but may struggle with high costs and limited buying power. Chain stores achieve consistency, strong branding, and cost advantages but may lack local responsiveness. Franchises combine entrepreneurial freedom with established systems, though franchisees must follow strict guidelines and share profits. Understanding these differences helps retailers choose models that align with their goals and market conditions.

11. Basic response

Planning sets objectives, staffing ensures the right people are in place, and operations management keeps daily activities running smoothly.

11. Value-added response

Effective retail performance depends on coordinated management functions. Planning aligns retail activities with customer needs and market trends. Staffing ensures employees are trained, motivated, and capable of delivering quality service. Operations management maintains product availability, store standards, and efficient processes. Together, these functions create a seamless shopping experience and support long-term business success.

Answers to Pilot Questions 3

Part 3.1

1. Ownership by a single organisation

2. Speciality store
3. Off-price retailer
4. Because they cannot be stored
5. Hair salon, repair shop, travel agency, or similar

Part 3.2

6. Actions
7. Managing
8. Smoothly
9. Shopping
10. Inventory control, store maintenance, or sales monitoring

Part 3.3

11. Foreign
12. Tools and systems that improve operations and customer experience
13. Data
14. Online shopping, automation, sustainability, or personalisation
15. Because consumer needs and preferences change over time

References and Attributions 3

Note: All illustrations in this Series were represented as placeholders. Below are the suggested sources and prompts used for attribution.

Figures, Plates, Tables, and Boxes

Figure 3.1: Suggested AI prompt, "Create a labelled diagram showing speciality stores, department stores, supermarkets, and convenience stores." Suggested search string: "retailer classification by merchandise OER diagram".

Figure 3.2: Suggested AI prompt, "Create a labelled diagram showing planning and organising steps in retail management." Suggested search string: "retail planning organising process diagram OER".

Figure 3.3: Suggested AI prompt, "Create a labelled diagram showing a retailer expanding from a home country into several international markets." Suggested search string: "internationalisation of retailing diagram OER".

Plate 3.1: Suggested AI prompt, “Generate an image of a service retail environment such as a hair salon or repair shop.” Suggested search string: “service retailing examples OER image”.

Plate 3.2: Suggested AI prompt, “Generate an image of a retail manager assisting a customer or supervising staff interactions.” Suggested search string: “retail customer service management OER image”.

Plate 3.3: Suggested AI prompt, “Generate an image of a modern retail store using digital tools such as barcode scanners or self-checkout systems.” Suggested search string: “technology in retailing digital tools OER image”.

Table 3.1, Table 3.2: Suggested AI prompts for creating simple tables listing ownership forms and HR activities. Suggested search strings: “types of retail ownership OER table”, “retail human resource activities OER table”.

- **Course code:** MKT 222
- **Course title**: Retail & Wholesale Management
- **Course credit load: 2**

Series 4: Wholesale Operations, Stock Decisions, and Warehouse Management

Part 1: Wholesale Operations

1.1 Meaning and scope of wholesale operations

1.2 Key functions of wholesalers

1.3 Wholesale service activities

1.4 Wholesale support systems and logistics

Part 2: Stock Decisions in Wholesale and Retail Contexts

2.1 Meaning and importance of stock decisions

2.2 Factors influencing stock levels

2.3 Stock control methods

2.4 Stock rotation and loss prevention

Part 3: Warehouse Management

3.1 Meaning and purpose of warehousing

3.2 Types of warehouses

3.3 Warehouse layout and design

3.4 Warehouse operations and safety practices

Introduction

Wholesaling, stock decisions, and warehouse management form the backbone of efficient distribution systems. While retailing focuses on serving final consumers, wholesaling ensures that goods move smoothly from producers to retailers and other business users. Effective stock decisions and warehouse management support this process by ensuring that products are available in the right quantities, at the right time, and in the right condition.

The aim of this Series is to help you understand how wholesale operations function, how stock decisions are made, and how warehouses are organised and managed to support the flow of goods.

We shall commence this Series by examining the meaning, scope, and functions of wholesale operations, including the service activities and logistics systems that support wholesalers. Next, we will explore stock decisions, focusing on the factors that influence stock levels, methods of stock control, and practices that prevent losses. Finally, we will continue with an examination of warehouse management, including types of warehouses, layout and design, and the operational and safety practices that ensure efficient handling of goods.

Series Learning Outcomes

Upon completing this Series, you should be able to:

SLO 4.1 explain the meaning, scope, and functions of wholesale operations,

SLO 4.2 describe the importance of stock decisions and the factors that influence stock levels,

SLO 4.3 apply basic stock control and loss-prevention methods,

SLO 4.4 identify different types of warehouses and their purposes, and

SLO 4.5 explain key warehouse operations and safety practices.

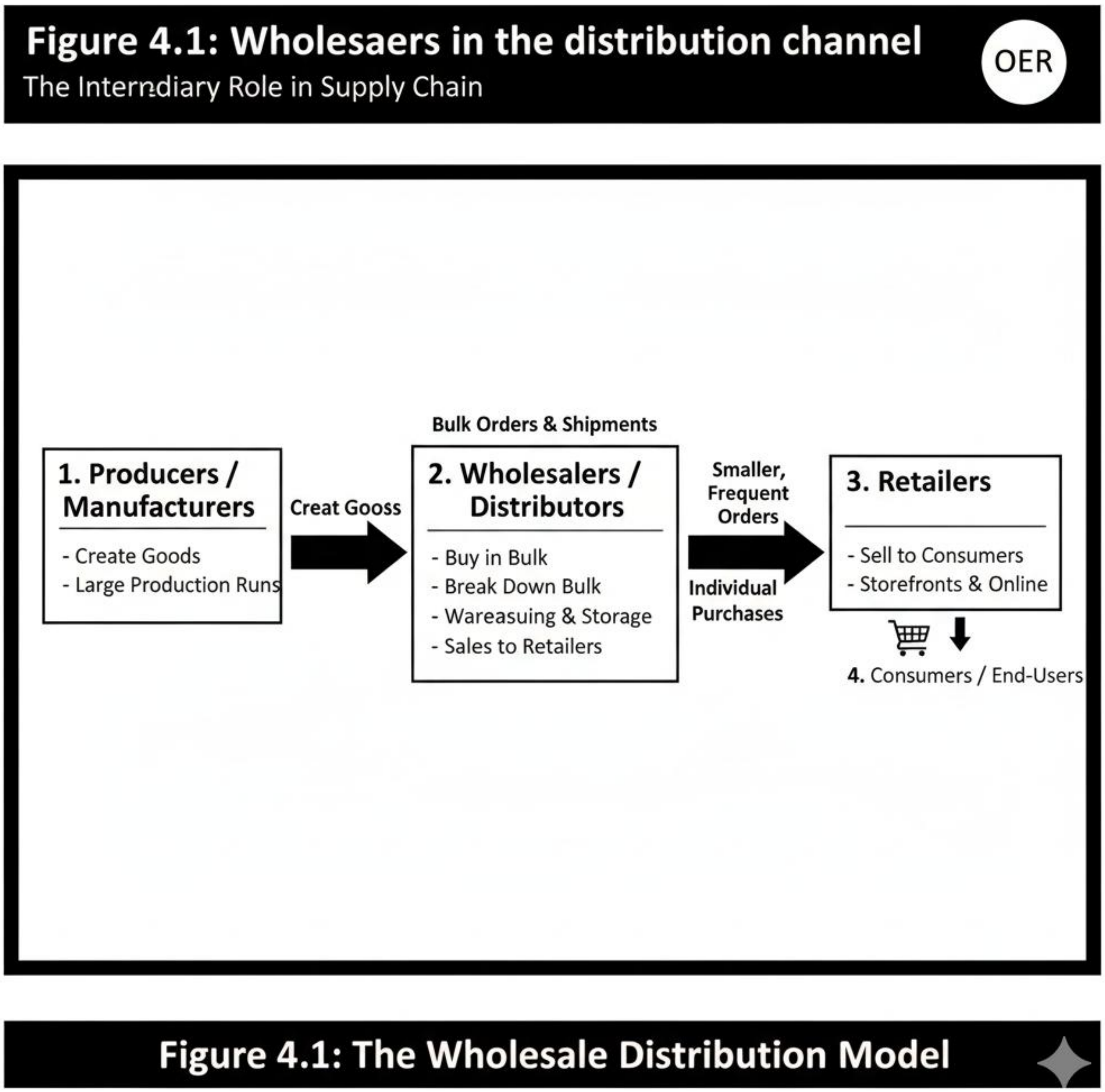
4.1 Wholesale Operations

4.1.1 Meaning and scope of wholesale operations

Wholesale operations refer to the **activities involved in selling goods in large quantities to retailers, industrial users, commercial institutions, or other wholesalers**, rather than to final consumers. Wholesalers act as important links in the distribution channel by purchasing goods in bulk from producers and supplying them in smaller quantities to retailers. The scope of wholesale operations includes buying, storing, transporting, and distributing goods efficiently.

Wholesalers help producers reach a wide market without having to deal with numerous small buyers. They also support retailers by ensuring a steady supply of goods. As you reflect on this, consider how wholesalers make it possible for retailers to stock a wide range of products without maintaining large storage facilities. Fill in the blank: Wholesale operations involve selling goods in large quantities to retailers and other ______ users.

A diagram showing wholesalers positioned between producers and retailers *Figure 4.1: Wholesalers in the distribution channel*



4.1.2 Key functions of wholesalers

Wholesalers perform several important functions that support the movement of goods through the distribution system. One key function is **breaking bulk**, which involves dividing large quantities of goods into smaller units that retailers can purchase conveniently. Wholesalers also provide **assortment**, offering a variety of products from different producers in one place. This saves retailers time and reduces their need to deal with multiple suppliers.

Other functions include **storage**, which ensures that goods are kept safely until needed, and **transportation**, which involves delivering goods to retailers. Wholesalers may also provide **credit facilities**, allowing retailers to purchase goods and pay later. Fill in the blank: The activity of dividing large quantities into smaller units is known as ______.

Table 4.1: Key functions of wholesalers

Table 4.1: Key functions of wholeslers OER

The Essential Role in Supply Chain Logistics

Wholeaser Function	Brief Description
1. Breaking Bulk	Dividing large shipments into smaller, manaagable quantties for retailers
2. Providing Assorment	Offering a wide variety of products from multiple manufacturers to retailers
3. Storage & Warheouing	Holding inventory and managing stock levels, reducing retailers' storage costs
4. Transportation & Logistics	Arranging delivery of goods retilers, streaming the suply chpain
5. Financing & Risk Bearing	Extending credit to retailers and absorbing risks associated of stock

Table 4.1: Wholeaser Functions Overview

4.1.3 Wholesale service activities

Wholesale service activities refer to the **support services wholesalers provide to both producers and retailers**. For producers, wholesalers offer market information, sales support, and distribution services. They help producers understand consumer demand

and adjust their production accordingly. For retailers, wholesalers provide advice on product selection, pricing, and merchandising.

Wholesalers may also offer after-sales services, such as handling returns or defective goods. These services strengthen relationships within the distribution channel and improve overall efficiency. Fill in the blank: Wholesalers provide producers with valuable market ______ to help guide production decisions.

Box 4.1: Examples of wholesale service activities

Box 4.1: Examples of servisale activities OER

Value-Added Services for Retailers

Service Activity	Brief Description
1. Market Information	Providing data on market trends, competitor activity, and new product launches
2. Sales Support	Offering product training, merchassing and promotiona materials
3. Inventory Management Support	Assisting with stock level monitoring, reorerling, and reducing carrying costs
4. After-Sales Services	Handling product returns, warranties, and technical support
5. Credit & Financing	Extending credit terms and financial assistance to eligible retailers

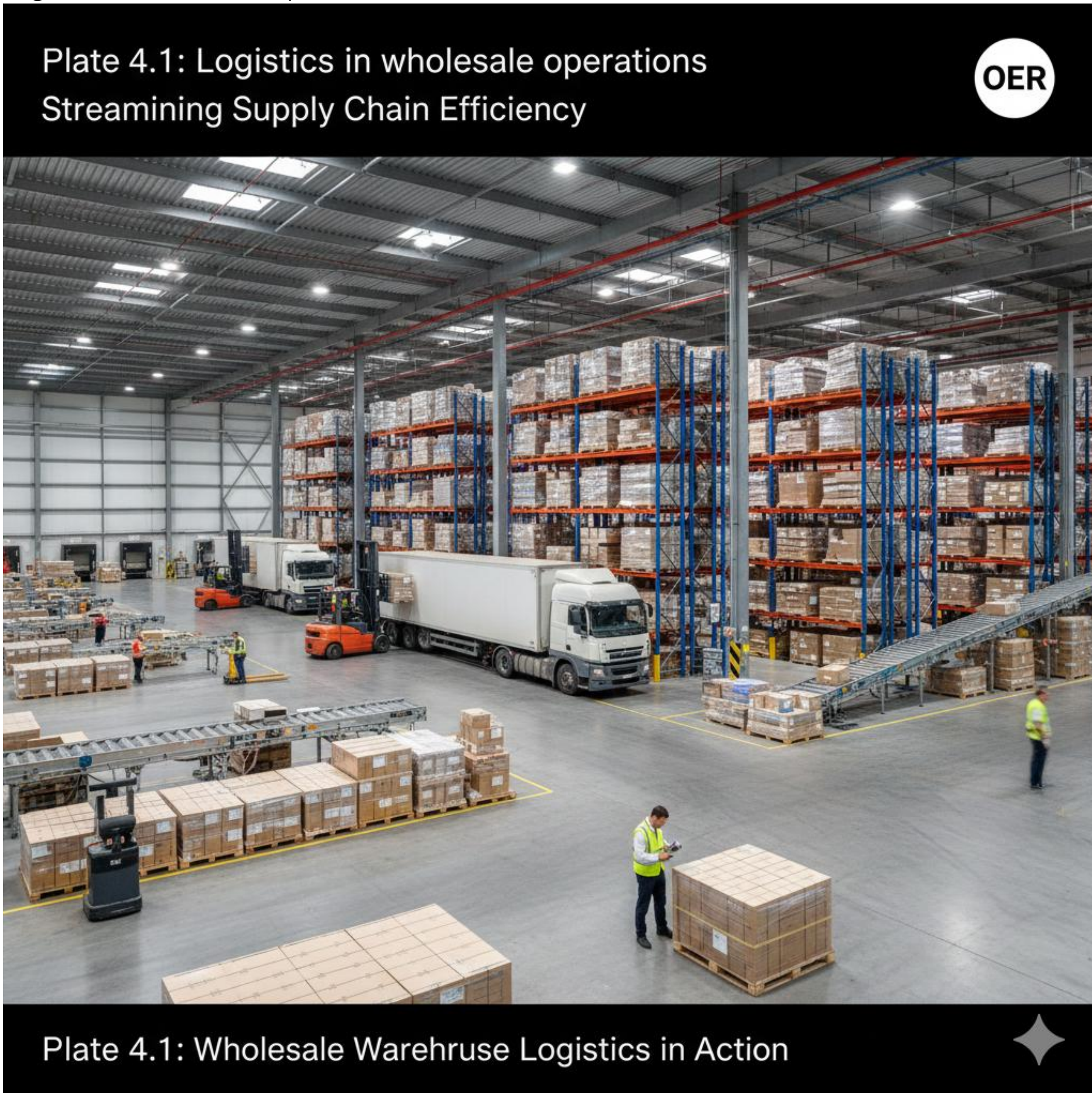
Box 4.1: Wholesale Value-Added Services Overview

4.1.4 Wholesale logistics and support systems

Wholesale logistics refers to the **planning, movement, and coordination of goods within wholesale operations**. This includes transportation, inventory management, order processing, and delivery scheduling. Effective logistics ensure that goods move smoothly from producers to retailers with minimal delays and costs.

Support systems such as information technology, warehouse equipment, and communication tools help wholesalers manage their operations efficiently. For example, computerised inventory systems allow wholesalers to track stock levels and respond quickly to retailer orders. Fill in the blank: Wholesale logistics involves the planning and movement of ______ within wholesale operations.

A photograph of a wholesale warehouse with goods being loaded or organised *Plate 4.1: Logistics in wholesale operations*



Pilot questions 4.1

1. Wholesale operations involve selling goods in large quantities to which groups?
2. What term describes dividing large quantities into smaller units?
3. Mention one key function of wholesalers.
4. What type of information do wholesalers provide to producers?
5. What does wholesale logistics involve?

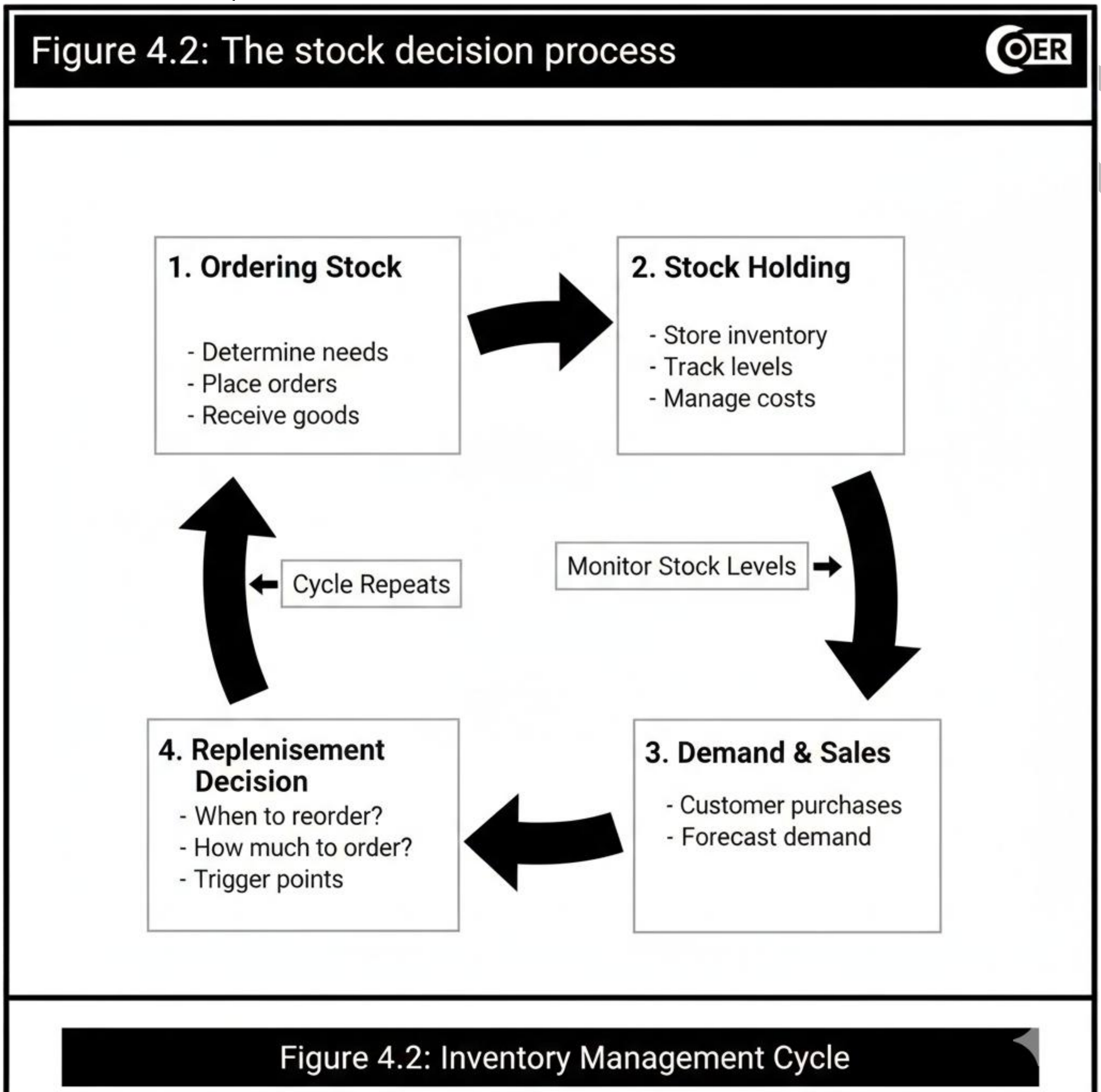
4.2 Stock Decisions in Wholesale and Retail Contexts

4.2.1 Meaning and importance of stock decisions

Stock decisions refer to the **choices wholesalers and retailers make about the quantity and type of goods to keep in their inventory**. These decisions determine how much stock to order, when to order, and how often to replenish. Stock decisions are important because they help ensure that goods are available when customers need them, while also preventing excessive stock that ties up capital and increases storage costs.

Good stock decisions support smooth operations, reduce the risk of stockouts, and help businesses respond to changes in demand. As you reflect on this, consider how poor stock decisions can lead to lost sales or wasted goods. Fill in the blank: Stock decisions determine how much stock to order and when to ______ it.

A diagram showing the flow of stock decisions from ordering to replenishment *Figure 4.2: The stock decision process*



4.2.2 Factors influencing stock levels

Several factors influence the **amount of stock** a wholesaler or retailer decides to hold. One factor is **consumer demand**, which determines how quickly goods are sold. Another factor is **lead time**, which refers to the time between placing an order and receiving the goods. Longer lead times require higher stock levels to avoid shortages.

Other factors include **seasonality**, where demand increases during certain periods, and **storage capacity**, which limits how much stock a business can hold. Businesses must also consider **financial resources**, since holding stock requires investment. Fill in the blank: The time between placing an order and receiving the goods is known as ______ time.

Table 4.2: Factors influencing stock levels

Table 4.2: Factors influening stock levels

Key Considerations for Inventory Management

OER

Factor	Brief Description
Demand Variability	Flucitations of customer purchases; higher demand uncertainty requrer safety stock.
Lead Time	Time between placing and receiving orderr; highety orders.
Seasonaitly/Trends	longer leween and reorder; longer necessitate larger orders.
Predicitable patterns in demani; adjusted for peak and-palf seasons.	Prediciable pattand; stock adjusted for off-opak seasons.
Storage Capacity & Costs	Physical space limitations and expenses associated bo holding inventory.
Financial Resources	Capital available to invest of stock and cover carrring costs.

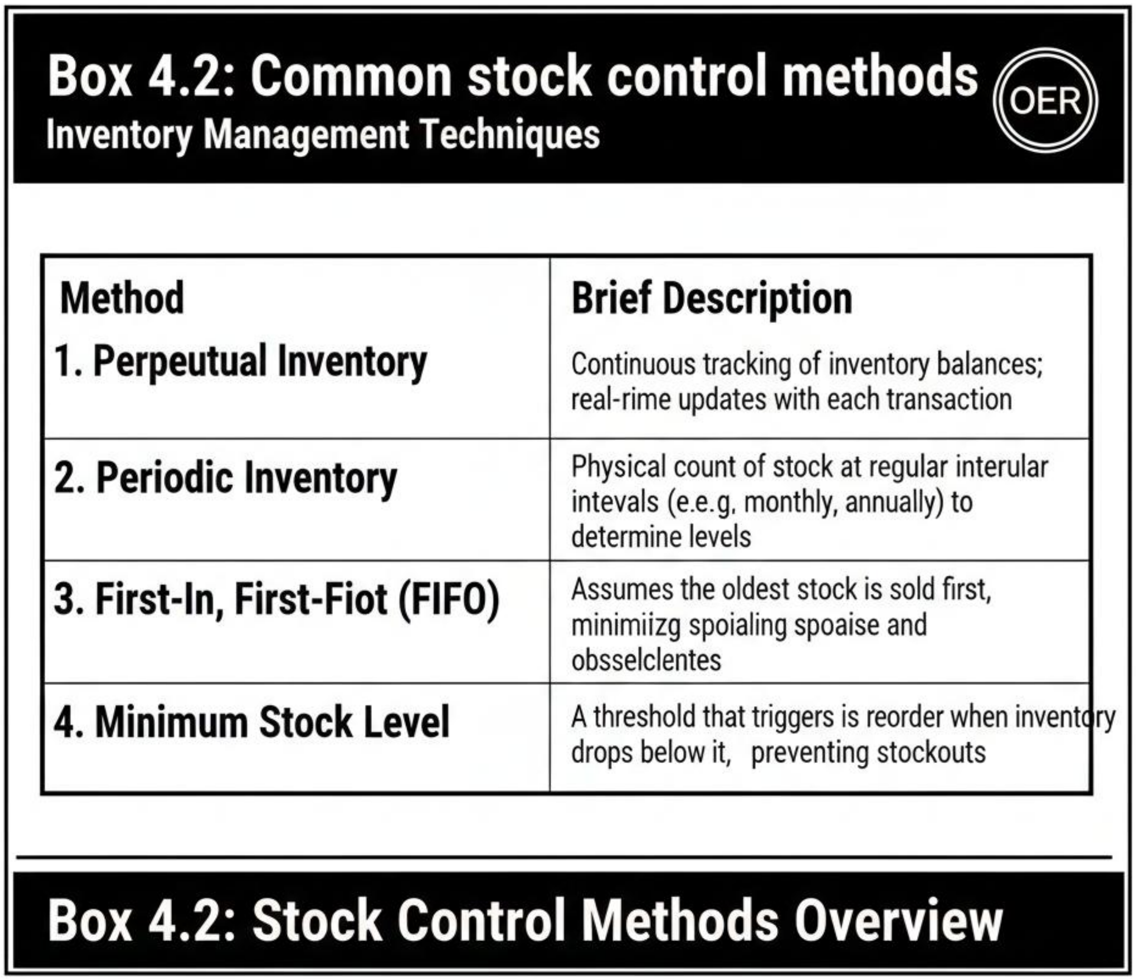
Table 4.2: Inventory Level Detertmants

4.2.3 Stock control methods

Stock control methods refer to the **techniques used to monitor and manage inventory levels**. One common method is the **perpetual inventory system**, where stock levels are updated continuously using records or computer systems. Another method is the **periodic inventory system**, where stock is checked at regular intervals.

Businesses may also use the **first-in, first-out (FIFO)** method, which ensures that older stock is sold before newer stock. This is especially important for perishable goods. The **minimum stock level** method sets a threshold that triggers reordering when stock falls below a certain point. Fill in the blank: The method that ensures older stock is sold before newer stock is known as ______.

Box 4.2: Common stock control methods



Box 4.2: Common stock control methods

Inventory Management Techniques

OER

Method	Brief Description
1. Perpeutual Inventory	Continuous tracking of inventory balances; real-rime updates with each transaction
2. Periodic Inventory	Physical count of stock at regular interular intevals (e.e.g, monthly, annually) to determine levels
3. First-In, First-Fiot (FIFO)	Assumes the oldest stock is sold first, minimiizg spoialing spoaise and obsselclentes
4. Minimum Stock Level	A threshold that triggers is reorder when inventory drops below it, preventing stockouts

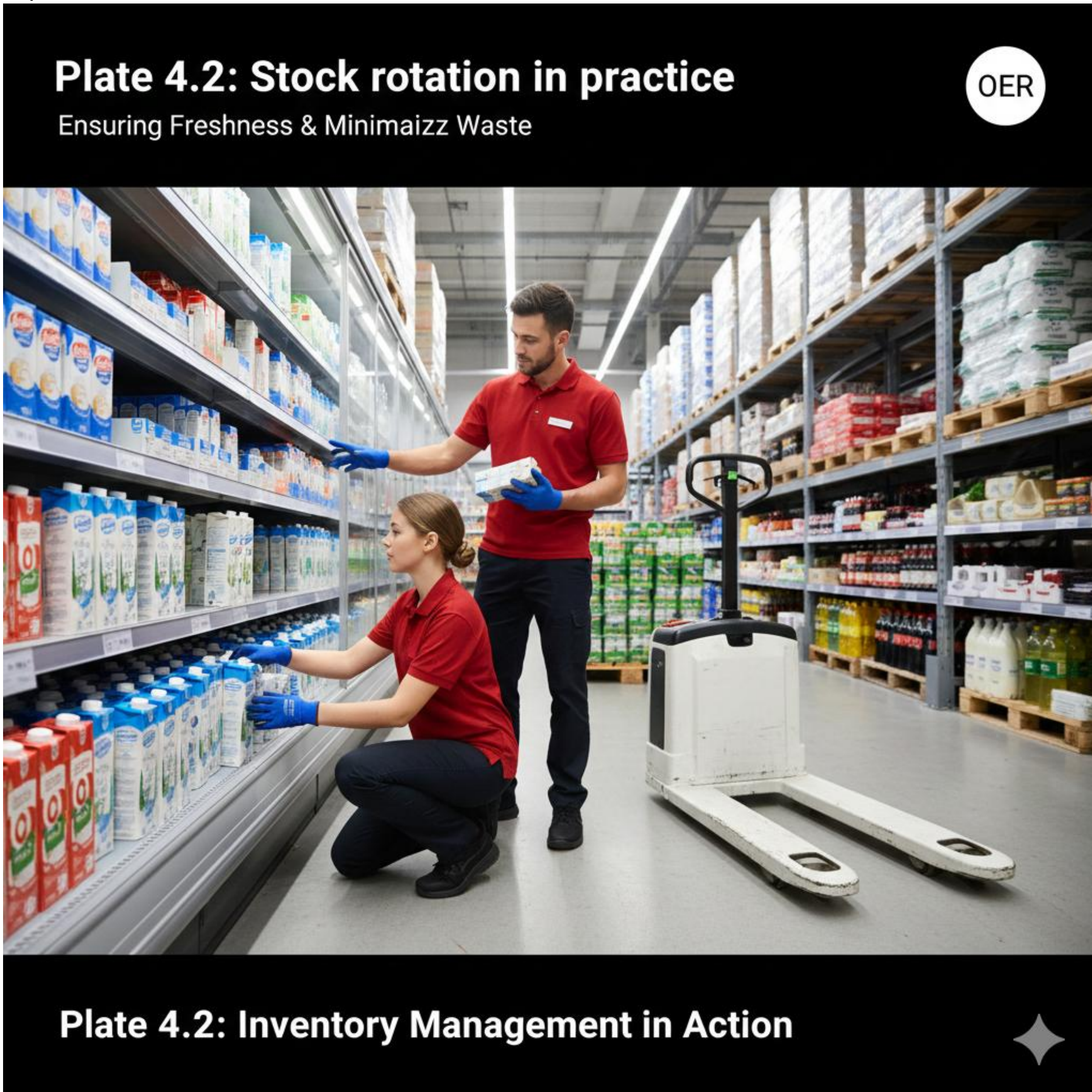
Box 4.2: Stock Control Methods Overview

4.2.4 Stock rotation and loss prevention

Stock rotation refers to the **practice of arranging stock so that older items are sold before newer ones**. This helps prevent spoilage, damage, or obsolescence. Stock rotation is especially important for goods with expiry dates, such as food or pharmaceuticals.

Loss prevention involves **measures taken to reduce losses caused by theft, damage, or administrative errors**. These measures include proper storage, regular stock checks, staff training, and security systems. Effective loss prevention protects profits and ensures that stock records remain accurate. Fill in the blank: Stock rotation helps prevent goods from becoming ______ or obsolete.

A photograph of staff rotating stock on shelves or in a warehouse *Plate 4.2: Stock rotation in practice*



Pilot questions 4.2

1. What do stock decisions determine?
2. What is the term for the time between placing an order and receiving goods?
3. Which stock control method ensures older stock is sold first?
4. Why is stock rotation important?
5. Mention one factor that influences stock levels.

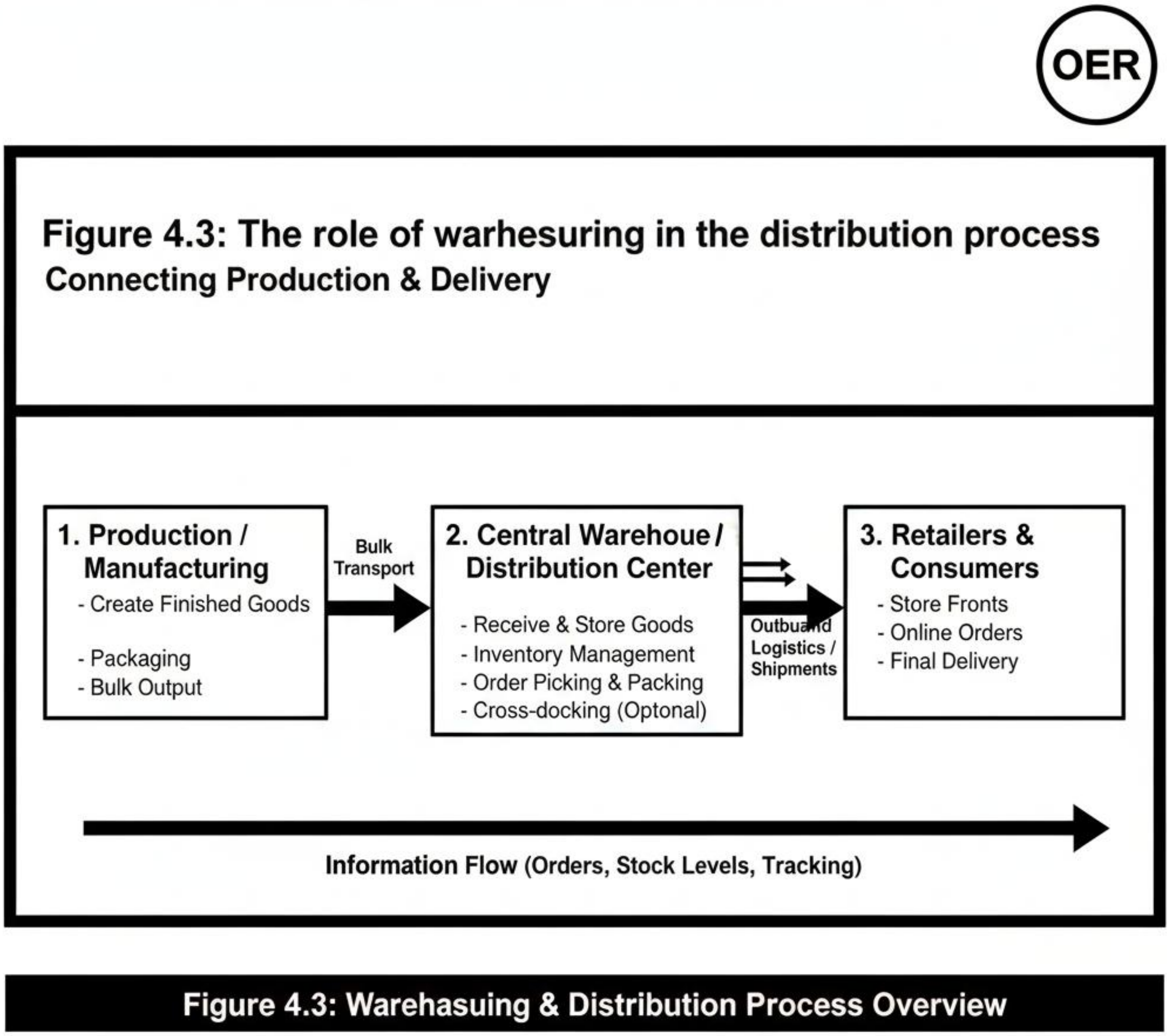
4.3 Warehouse Management

4.3.1 Meaning and purpose of warehousing

Warehousing refers to the **process of storing goods in a designated facility until they are needed for distribution or sale**. A warehouse provides a safe and organised space where goods can be held, sorted, and prepared for delivery. The purpose of warehousing is to ensure that products are available when required, to stabilise supply, and to support efficient distribution.

Warehousing also helps businesses manage fluctuations in demand. For example, goods can be stored during periods of low demand and released when demand increases. As you reflect on this, consider how warehouses make it possible for retailers and wholesalers to maintain consistent product availability. Fill in the blank: Warehousing involves storing goods in a designated facility until they are needed for ______.

diagram showing goods moving from production to warehouse to distribution *Figure 4.3: The role of warehousing in the distribution process*



4.3.2 Types of warehouses

There are several types of warehouses, each serving a specific purpose. **Private warehouses** are owned and operated by large companies for their own use. **Public warehouses** are owned by independent firms and rented out to businesses that need storage space. **Bonded warehouses** store imported goods that have not yet had customs duties paid on them. These goods remain in the warehouse until the duties are settled.

Another type is the **distribution centre**, which focuses on rapid movement of goods rather than long-term storage. Distribution centres are designed to receive, sort, and dispatch goods quickly. Fill in the blank: Warehouses that store imported goods until customs duties are paid are known as ______ warehouses.

Table 4.3: Types of warehouses and their characteristics

Table 4.3: Types of warehouses and their characteristics
Classifing Storage Facilities

OER

Warehouse Type	Brief Description
1. Prived and managed by a single its own goods; high control.	Owned and managed by a single company for its own goods; high control.
2. Public Warehouses	Third-party facilities offering storage to multiple companies; flexible, cost-effetive.
3. Bonded Warehouses storing imported before duty payment; uider customs control.	Secured facilities storing imported goods before under customs control.
4. Distribution Centers	Designed for rapid inventory turrntaver and orde fufffhlent; focuias on throughut.

Table 4.3: Warehouse Classification Overview

4.3.3 Warehouse layout and design

Warehouse layout refers to the **physical arrangement of storage areas, equipment, and movement paths within a warehouse**. A well-designed layout ensures efficient use of space, smooth flow of goods, and safe working conditions. Key layout features include receiving areas, storage zones, picking areas, and dispatch sections.

Design considerations include aisle width, shelf height, lighting, and accessibility. For example, wide aisles allow forklifts to move safely, while clear labelling helps staff locate goods quickly. Fill in the blank: A well-designed warehouse layout ensures efficient use of space and smooth flow of ______.

Box 4.3: Key elements of warehouse layout and design

Table 4.3: Key Elements of warehuıse layout and design OER

Optimimizg Space & Operational Flow

Element	Brief Description
1. Receiving Areas	**Brief Description**
1. Point of arrival for inbound goods; quality checks & sorting.	Thuns of arrival for inbound goods; checks sormerith cs wiad tranaction.
3. Storage Zones	Physica bulk storage; various systems for products.
4. Packing & Consolidation	Where individual items cases selected & proderts.
5. Dispatch Sections	Loading bays for outbuand shipments; final checks stoecks.

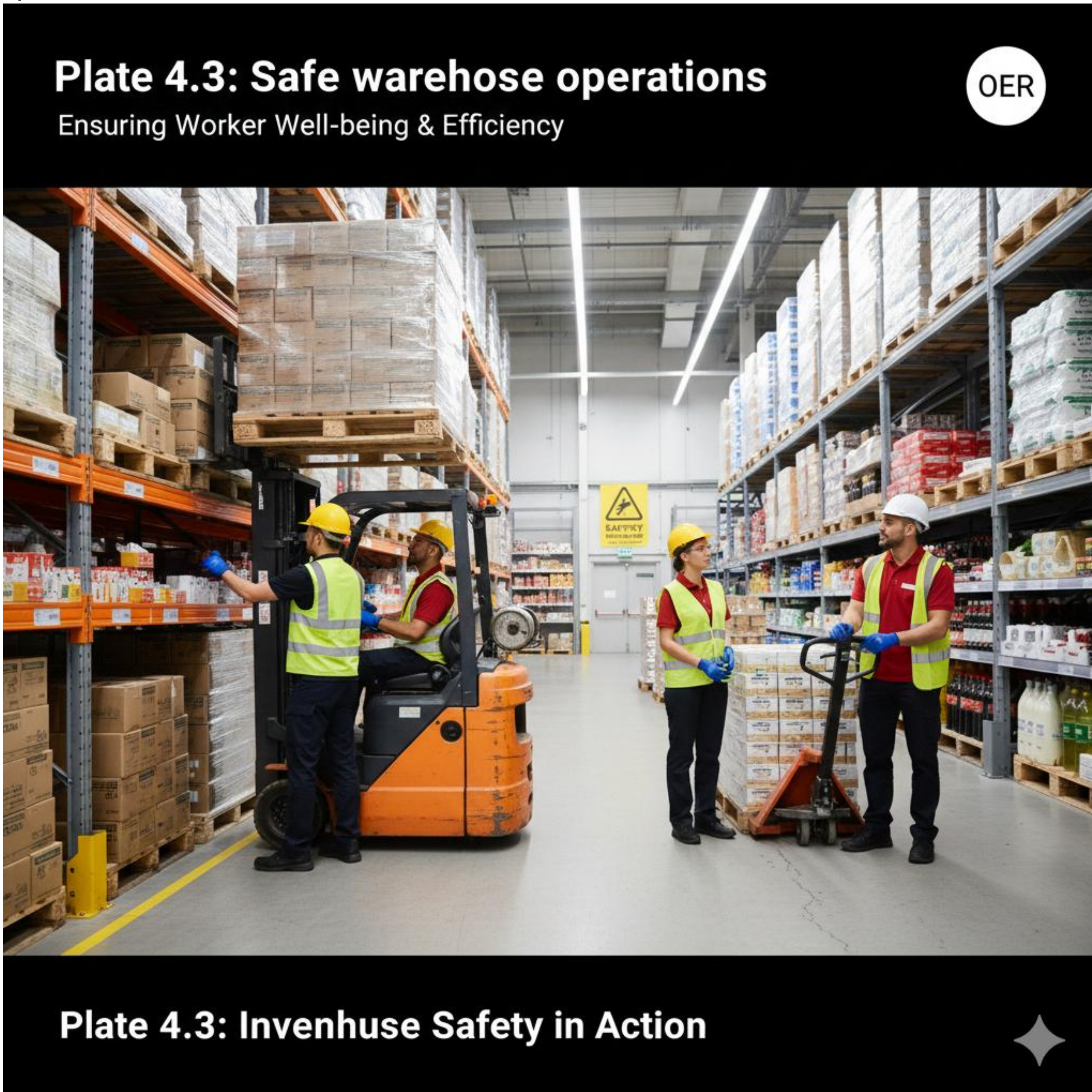
Table 4.3: Warehouse Layout Design Overview

4.3.4 Warehouse operations and safety practices

Warehouse operations refer to the **day-to-day activities involved in handling, storing, and moving goods**. These activities include receiving shipments, checking goods, storing items, picking orders, and preparing goods for dispatch. Efficient warehouse operations help reduce delays, minimise errors, and maintain product quality.

Safety practices are essential in warehouse environments. These include proper training for staff, use of protective equipment, clear signage, and regular maintenance of equipment such as forklifts. Good safety practices reduce accidents and ensure a secure working environment. Fill in the blank: Warehouse operations include receiving shipments, storing goods, and preparing orders for ______.

A photograph of warehouse staff handling goods safely *Plate 4.3: Safe warehouse operations*



Pilot questions 4.3

1. What is the main purpose of warehousing?
2. What type of warehouse stores imported goods until duties are paid?
3. Why is warehouse layout important?
4. Mention one key warehouse operation.

5. Give one example of a warehouse safety practice.

Series Summary

This Series examined the essential activities that support the movement, storage, and availability of goods within distribution systems. You began by exploring wholesale operations, including their meaning, scope, functions, service activities, and logistics systems. This provided a foundation for understanding how wholesalers support both producers and retailers. You then studied stock decisions, focusing on the factors that influence stock levels, methods of stock control, and practices that prevent losses. Finally, you examined warehouse management, including the purpose of warehousing, types of warehouses, layout and design considerations, and the operational and safety practices that ensure efficient handling of goods.

By working through these topics, you should now be able to explain wholesale operations, describe the importance of stock decisions, apply basic stock control methods, identify different types of warehouses, and explain key warehouse operations and safety practices, as outlined in the Series Learning Outcomes.

Glossary of Terms

Bonded warehouse A warehouse where imported goods are stored until customs duties are paid.

FIFO (First-in, first-out) A stock control method where older stock is sold before newer stock.

Lead time The time between placing an order and receiving the goods.

Loss prevention Measures taken to reduce losses caused by theft, damage, or administrative errors.

Perpetual inventory system A stock control method where inventory levels are updated continuously.

Public warehouse A warehouse owned by an independent firm and rented out to businesses.

Stock control The process of monitoring and managing inventory levels.

Stock rotation The practice of arranging stock so that older items are sold before newer ones.

Warehouse layout The physical arrangement of storage areas, equipment, and movement paths within a warehouse.

Wholesale operations Activities involved in selling goods in large quantities to retailers and other business users.

Concept Check Questions 4

Objective questions

1. Wholesale operations involve selling goods in large quantities to which groups? *(Linked to SLO 4.1)*
2. What term describes the time between placing an order and receiving goods? *(Linked to SLO 4.2)*
3. Which stock control method ensures older stock is sold first? *(Linked to SLO 4.3)*
4. What type of warehouse stores imported goods until duties are paid? *(Linked to SLO 4.4)*
5. Warehouse operations include receiving, storing, and preparing goods for what activity? *(Linked to SLO 4.5)*

Short-answer questions

6. State one key function of wholesalers. *(Linked to SLO 4.1)*

7. Mention one factor that influences stock levels. *(Linked to SLO 4.2)*

8. Explain one reason why stock rotation is important. *(Linked to SLO 4.3)*

9. Describe one type of warehouse. *(Linked to SLO 4.4)*

Long-answer questions

10. Analyse the role of wholesalers in supporting producers and retailers within the distribution system. *(Linked to SLO 4.1)*

11. Evaluate how stock control methods and warehouse operations contribute to efficient distribution. *(Linked to SLO 4.3 and SLO 4.5)*

Answers to Concept Check Questions 4

Objective questions

1. Retailers, industrial users, commercial institutions, and other wholesalers
2. Lead time
3. FIFO
4. Bonded warehouse
5. Dispatch

Short-answer questions

6. Breaking bulk, providing assortment, storage, or transportation
7. Demand, lead time, seasonality, storage capacity, or financial resources
8. It prevents spoilage, damage, or obsolescence
9. Private, public, bonded, or distribution warehouse

Long-answer questions

10. Basic response

Wholesalers support producers by buying goods in bulk and providing market information. They support retailers by offering assortment, breaking bulk, and ensuring steady supply.

10. Value-added response

Wholesalers play a vital role in the distribution system by bridging the gap between producers and retailers. They reduce producers' distribution costs by handling bulk purchases and providing market insights that guide production decisions. For retailers, wholesalers offer a wide assortment of goods, break bulk into manageable quantities, and provide credit and delivery services. These functions ensure that goods move efficiently through the distribution channel and remain available to consumers.

11. Basic response

Stock control methods help maintain accurate inventory levels, while warehouse operations ensure goods are handled efficiently.

11. Value-added response

Efficient distribution depends on coordinated stock control and warehouse operations. Stock control methods such as perpetual inventory systems and FIFO help businesses maintain accurate records, reduce waste, and ensure product availability. Warehouse operations support this by receiving, storing, picking, and dispatching goods in an organised manner. When combined with good safety practices and effective layout design, these activities reduce delays, minimise losses, and support smooth movement of goods from producers to retailers.

Answers to Pilot Questions 4

Part 4.1

1. Retailers and other business users
2. Breaking bulk
3. Storage, transportation, assortment, or credit facilities
4. Market information

5. Movement of goods

Part 4.2

6. Replenish
7. Lead
8. FIFO
9. Spoiled
10. Demand, seasonality, storage capacity, or financial resources

Part 4.3

11. Distribution
12. Bonded
13. Goods
14. Receiving shipments, storing goods, picking orders, or dispatching
15. Staff training, protective equipment, clear signage, or equipment maintenance

References and Attributions 4

Note: All illustrations in this Series were represented as placeholders. Below are the suggested sources and prompts used for attribution.

Figures, Plates, Tables, and Boxes

Figure 4.1: Suggested AI prompt, "Create a labelled diagram showing wholesalers between producers and retailers in the distribution channel." Suggested search string: "wholesaler distribution channel diagram OER".

Figure 4.2: Suggested AI prompt, "Create a labelled diagram showing stock ordering, holding, and replenishment steps." Suggested search string: "stock decision process diagram OER".

Figure 4.3: Suggested AI prompt, "Create a labelled diagram showing goods moving from production to warehouse to distribution." Suggested search string: "warehousing distribution process diagram OER".

Plate 4.1: Suggested AI prompt, "Generate an image of a wholesale warehouse showing goods being loaded, organised, or transported." Suggested search string: "wholesale logistics warehouse OER image".

Plate 4.2: Suggested AI prompt, "Generate an image of staff rotating stock on shelves or in a warehouse environment." Suggested search string: "stock rotation warehouse OER image".

Plate 4.3: Suggested AI prompt, “Generate an image of warehouse staff handling goods safely using proper equipment.” Suggested search string: “warehouse safety operations OER image”.

Table 4.1, Table 4.2, Table 4.3: Suggested AI prompts for creating simple tables listing wholesale functions, stock factors, and warehouse types. Suggested search strings: “functions of wholesalers OER table”, “factors influencing stock levels OER table”, “types of warehouses OER table”.

Box 4.1, Box 4.2, Box 4.3: Suggested AI prompts for creating one-column tables listing wholesale service activities, stock control methods, and warehouse layout elements. Suggested search strings: “wholesale service activities OER table”, “stock control methods OER table”, “warehouse layout design elements OER table”.

- **Course code:** MKT 222
- **Course title**: Retail & Wholesale Management
- **Course credit load: 2**

Series 5: Purchasing, Merchandising, and Channel Strategies in Retailing and Wholesaling

Part 1: Purchasing in Retailing and Wholesaling

1.1 Meaning and importance of purchasing

1.2 Steps in the purchasing process

1.3 Criteria for selecting suppliers

1.4 Negotiation and order placement

Part 2: Merchandising Concepts and Practices

2.1 Meaning and scope of merchandising

2.2 Types of merchandising

2.3 Merchandising planning and implementation

2.4 Visual merchandising and product presentation

Part 3: Channel Strategies in Retailing and Wholesaling

3.1 Meaning of marketing channels

3.2 Channel members and their roles

3.3 Channel design and selection strategies

3.4 Channel coordination and conflict management

Introduction

Purchasing, merchandising, and channel strategies are central to the success of both retail and wholesale operations. These activities determine how goods are sourced, how they are presented to customers, and how they move through the distribution system. Effective purchasing ensures that businesses obtain the right products at the right time and at the right price. Merchandising focuses on planning and presenting products in ways that attract customers and stimulate sales. Channel strategies guide how goods flow from producers to final users through various intermediaries.

The aim of this Series is to introduce you to the principles and practices involved in purchasing, merchandising, and designing effective marketing channels in retailing and wholesaling.

We shall commence this Series by examining the meaning and importance of purchasing, the steps involved in the purchasing process, and the criteria used to select suppliers. Next, we will explore merchandising concepts, including types of merchandising, planning, and visual presentation. Finally, we will continue with an examination of channel strategies, including the roles of channel members, channel design, and methods for coordinating channel activities.

Series Learning Outcomes

Upon completing this Series, you should be able to:

SLO 5.1 explain the meaning and importance of purchasing in retailing and wholesaling,
SLO 5.2 describe the steps involved in the purchasing process and criteria for selecting suppliers,

SLO 5.3 define merchandising and identify its major types and practices,

SLO 5.4 explain how merchandising plans are developed and implemented,

SLO 5.5 describe the meaning of marketing channels and the roles of channel members, and

SLO 5.6 analyse channel design, coordination, and conflict management strategies.

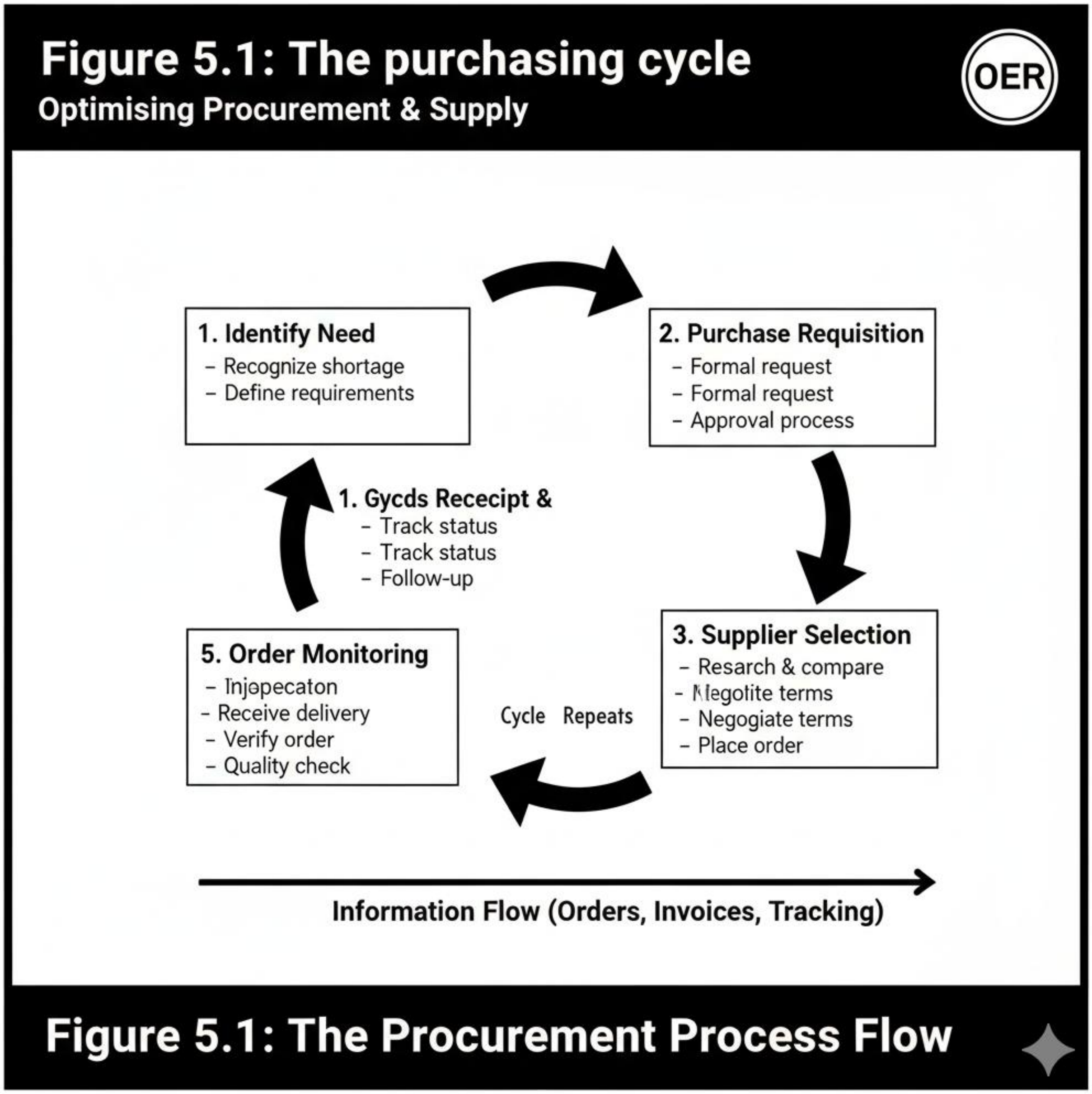
5.1 Purchasing in Retailing and Wholesaling

5.1.1 Meaning and importance of purchasing

Purchasing refers to the **process of obtaining goods and services that a business needs for resale or for its own operations**. In retailing and wholesaling, purchasing ensures that the right products are sourced in the right quantities, at the right price, and at the right time. Effective purchasing supports smooth operations, maintains product availability, and helps businesses meet customer demand.

Purchasing is important because it influences product quality, selling price, and profitability. A well-planned purchasing system helps businesses avoid stockouts, reduce costs, and build strong relationships with suppliers. As you reflect on this, consider how purchasing decisions affect the variety and quality of goods available in retail stores. Fill in the blank: Purchasing ensures that the right products are sourced in the right quantities and at the right ______.

A diagram showing the purchasing cycle from identifying needs to receiving goods *Figure 5.1: The purchasing cycle*



5.1.2 Steps in the purchasing process

The purchasing process involves several steps that guide how goods are acquired. The first step is **identifying needs**, where the business determines what products are required. The next step is **selecting suppliers**, which involves finding reliable sources that can provide the needed goods. After this, the business **negotiates terms**, such as price, delivery time, and payment conditions.

Once terms are agreed upon, the business **places the order** and waits for delivery. The final step is **receiving and inspecting goods** to ensure they meet the required standards. Fill in the blank: The first step in the purchasing process is identifying the business's ______.

Table 5.1: Steps in the purchasing process

Table 5.1: Steps in the Purchasing Process
Procurement Workflow & Key Activities
OER

	Brief Description
1. Identify Need	Reconnsing stock shortages or new requirements; defining specifcations
2. Select Suppliers	Researching potential vendors, evaluating quotes, and assesing reliabiity
3. Negotiate Terms	Bargening for prices, payment conditions and delivery schedules
4. Place Order	Issuing purchase orders and confrming details with chosen suppliers
5. Receive & Inspec Goods	Verifyiing delivery agains order, quality checking updating inventory records

Table 5.1: Purchasing Process Flow

5.1.3 Criteria for selecting suppliers

Selecting the right supplier is essential for successful purchasing. Businesses consider several criteria when choosing suppliers. One criterion is **price**, which affects the business's ability to offer competitive selling prices. Another criterion is **quality**, since high-quality goods help maintain customer satisfaction. **Reliability** is also important, as businesses need suppliers who deliver goods on time and in the correct quantities.

Other criteria include **financial stability**, **location**, and **after-sales service**. For example, a nearby supplier may reduce transportation costs and delivery time. Fill in the blank: A supplier who delivers goods on time and in the correct quantities is considered ______.

Box 5.1: Key criteria for selecting suppliers

Box 5.1: Key criteria for selectiing suppliers

Essential Considerations for Procurement

OER

Criteria	Brief Description
1. Price & Cost payment terms, and total cost of owıerssip	Unit price, volume discounts, terms, and torost of owerssip
2. Quality & Standards	Product specifications, defect rates, certifications, and consistenty
3. Reliability & Delivery	On-time delivery, order accuracy, lead limes, and resporvisiess
4. Service & Support	Communication, technical assistance stervice and issue resolution
5. Location & Logistics	Geographic proximity, shipping costs, delivery speed, and supply chain efficiency

Box 5.1: Suppiler Selection Factors

5.1.4 Negotiation and order placement

Negotiation refers to the **process of discussing and agreeing on the terms of purchase**. These terms may include price, delivery schedule, payment conditions, and discounts.

Effective negotiation helps businesses secure favourable terms that reduce costs and improve profitability. Negotiation also strengthens relationships between buyers and suppliers.

Order placement occurs after negotiation is complete. This involves preparing and sending a purchase order that specifies the type, quantity, and price of goods required. The purchase order serves as a formal agreement between the buyer and the supplier. Fill in the blank: Negotiation involves discussing and agreeing on the ______ of purchase.

A photograph of a buyer and supplier discussing terms or reviewing a purchase order *Plate 5.1: Negotiation and order placement in purchasing*

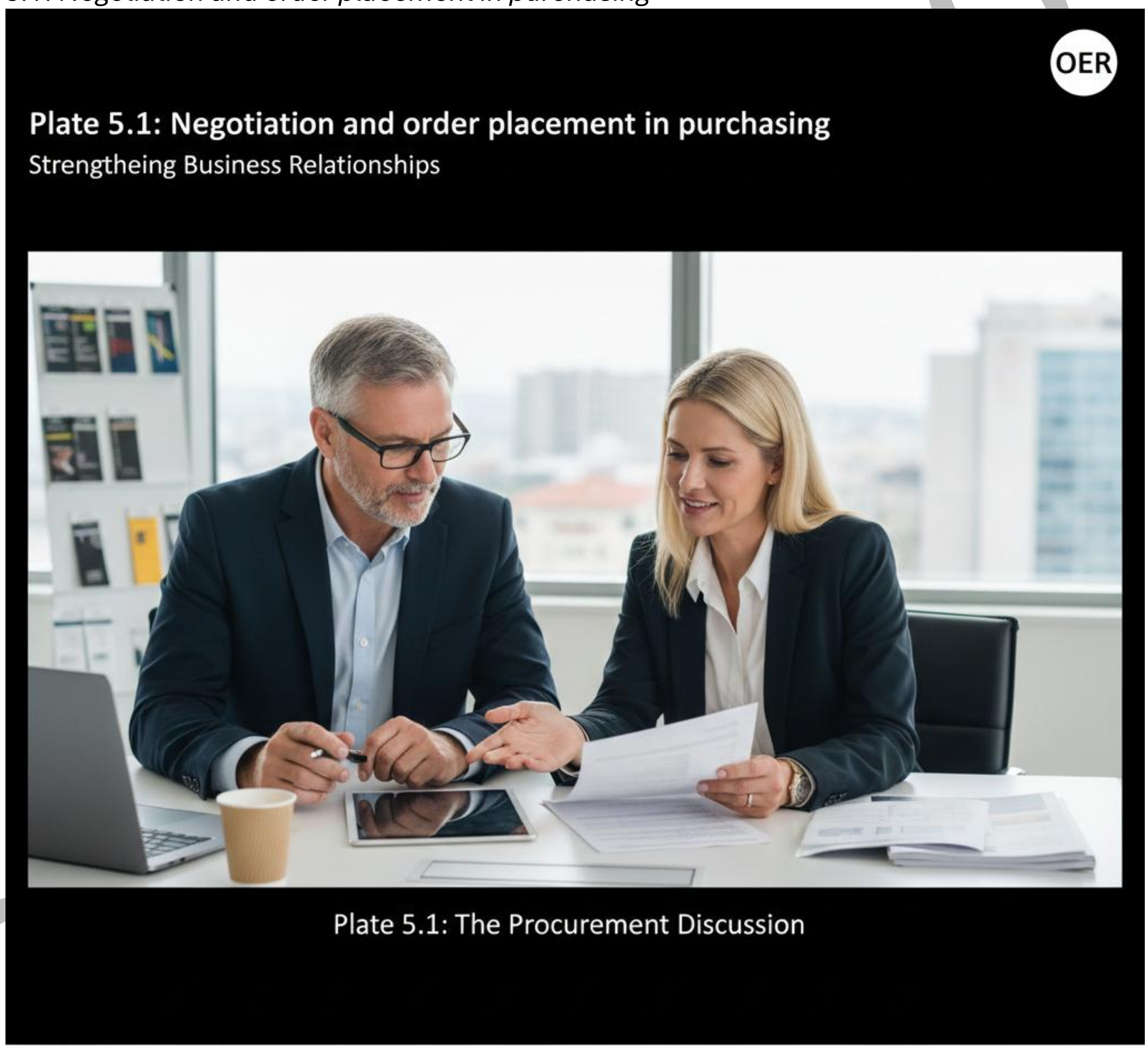


Plate 5.1: The Procurement Discussion

Pilot questions 5.1

1. What does purchasing ensure in retailing and wholesaling?
2. What is the first step in the purchasing process?
3. Mention one criterion used to select suppliers.
4. What does negotiation involve?
5. Why is supplier reliability important?

5.2 Merchandising Concepts and Practices

5.2.1 Meaning and scope of merchandising

Merchandising refers to the **planning, development, and presentation of products in a way that stimulates customer interest and encourages purchases**. It involves selecting the right products, determining how they should be displayed, and ensuring that they are available in the right quantities. Merchandising is essential in both retailing and wholesaling because it influences customer satisfaction, sales performance, and overall business success.

The scope of merchandising includes product selection, pricing, display techniques, promotional support, and inventory coordination. Effective merchandising ensures that products are attractive, accessible, and aligned with customer needs. Fill in the blank: Merchandising involves planning and presenting products in a way that encourages ______.

A diagram showing the components of merchandising such as product selection, pricing, and display *Figure 5.2: Components of merchandising*

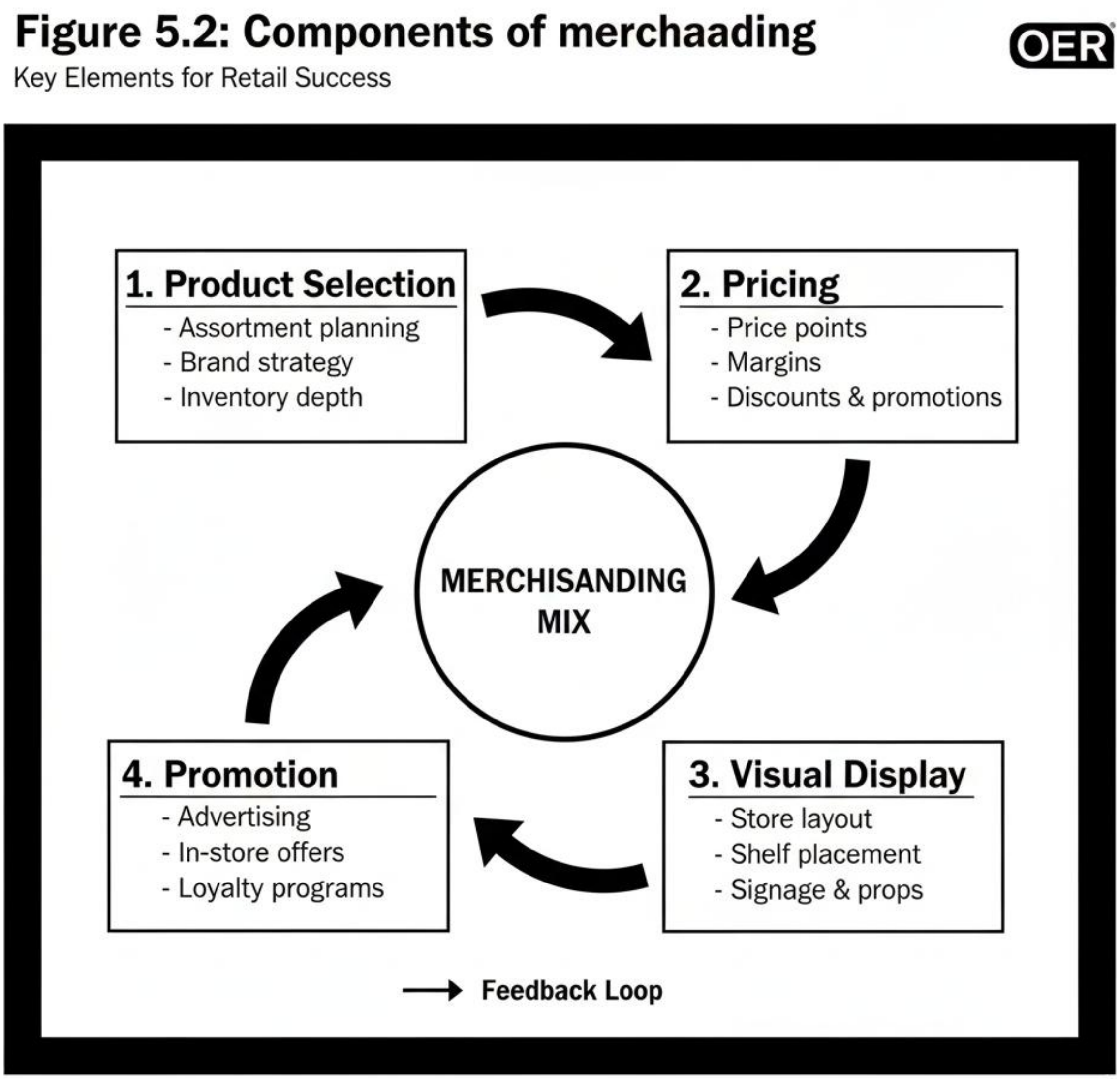


Figure 5.2: The Retail Merchandaising Framework

5.2.2 Types of merchandising

There are several types of merchandising used in retailing and wholesaling. **Product merchandising** focuses on the physical goods sold, such as clothing, electronics, or groceries. **Visual merchandising** involves the use of displays, lighting, colours, and layout to attract customers. **Digital merchandising** refers to presenting products online through images, descriptions, and website design.

Another type is **retail merchandising**, which includes planning product assortments and managing shelf space. **Wholesale merchandising** focuses on bulk product presentation and catalogue management. Fill in the blank: Merchandising that uses displays, lighting, and layout to attract customers is known as ______ merchandising.

Table 5.2: Types of merchandising

Table 5.2: Types of merchandising

Classifing Retail & Wholssale Strategies

OER

Type of Merchandising	Brief Description
1. Product Merchandising	Selection, assorsment, and availability of goods to meet target target customer demand.
2. Visuual Merchandising	Store layout, displays, and aeshetied to propot sales.
3. Visual Merchandising	Storre layout, displays, and aesthetics designed to attract customers and promote sales.
3. Digital Merchandising	Online product presention, website design, and user experience to drive e-commerce sales.
4. Retail Merchandising	Overall strategy for product presentation, pricing and promotion within a retail store
5. Wholesale Merchandising	Presenting products to retailers to secure bulk bulk orders and distribution agreements

Table 5.2: Merchardising Classification Overview

5.2.3 Merchandising planning and implementation

Merchandising planning refers to the **process of deciding what products to offer, when to offer them, and how they should be presented**. This involves analysing customer preferences, studying market trends, and forecasting demand. Retailers and wholesalers use merchandising plans to guide product selection, pricing, and promotional activities.

Implementation involves putting the plan into action. This includes arranging displays, coordinating stock levels, updating product information, and monitoring sales performance. Effective implementation ensures that merchandising plans achieve their intended results. Fill in the blank: Merchandising planning involves deciding what products to offer and how they should be ______.

Box 5.2: Steps in merchandising planning

Box 5.2: Key steps in merchaniding planning

A Framework for Retail Success

OER

Step	Brief Description
1. Analyze Customer Needs	Market research, demograthics, and buying behavior analyss
2. Develop Merchanding Strategy	Define product mix, pricing, and promotional goals
3. Select Products & Suppiers	Source goods, negotiate terms, terms, and manage inventory
4. Plan Store Layout & Displays	Create appealing visual preesitations and product placement
5. Execute & Monitor	Implement plans, track sales, and adjust strategies as nesed

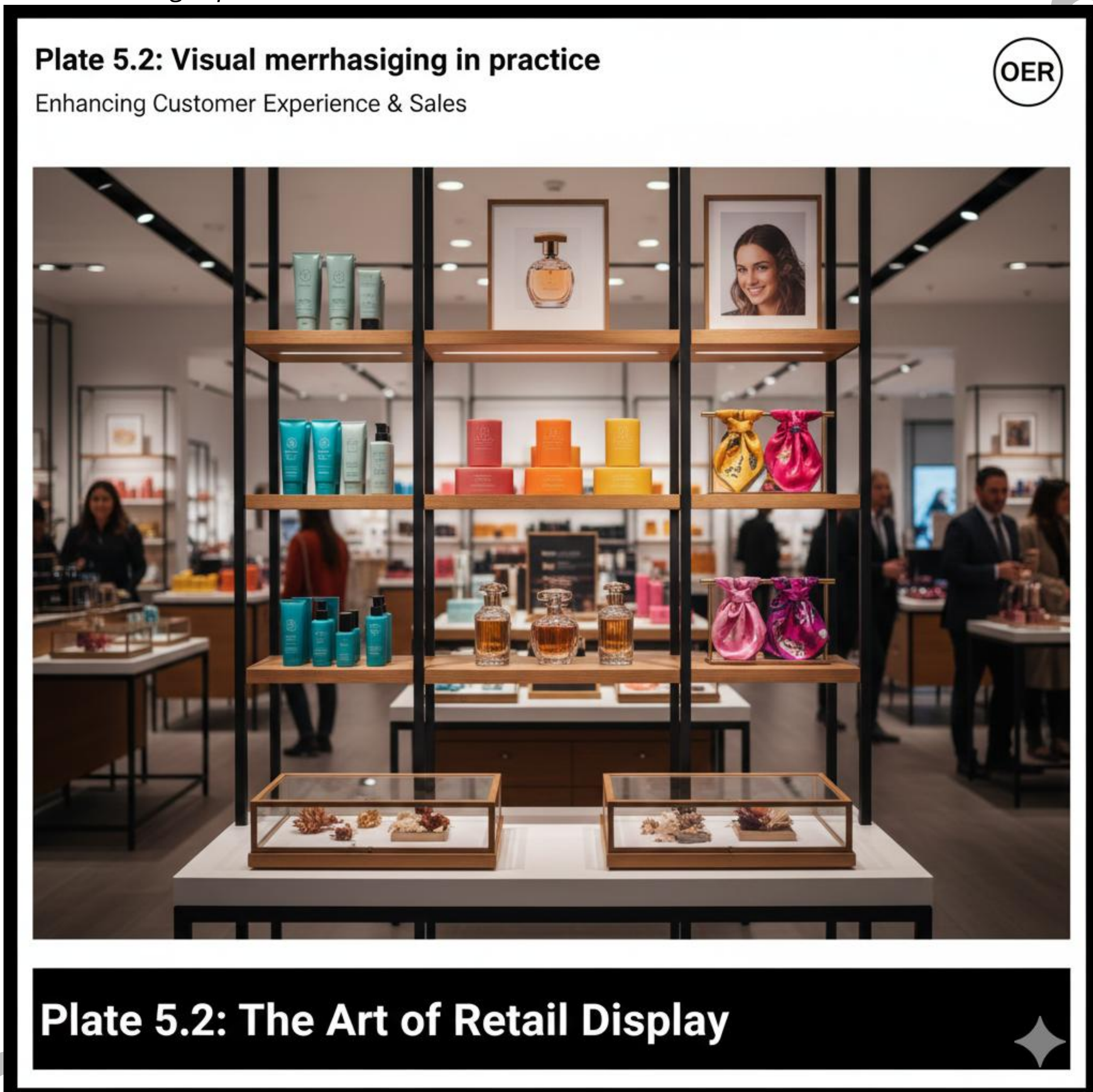
Box 5.2: Merischading Planning Process

5.2.4 Visual merchandising and product presentation

Visual merchandising refers to the **use of visual elements to create appealing product displays**. These elements include colour, lighting, signage, layout, and props. Visual merchandising helps attract attention, guide customer movement, and highlight key products. It plays a major role in influencing customer behaviour and enhancing the shopping experience.

Product presentation involves arranging goods in a way that is neat, accessible, and appealing. For example, grouping related products together can encourage customers to buy complementary items. Fill in the blank: Visual merchandising uses colour, lighting, and layout to create appealing product ______.

A photograph of a well-arranged retail display or product showcase *Plate 5.2: Visual merchandising in practice*



Pilot questions 5.2

1. What is the main purpose of merchandising?
2. What type of merchandising uses displays and lighting to attract customers?

3. What does merchandising planning involve?
4. Mention one element used in visual merchandising.
5. Why is product presentation important?

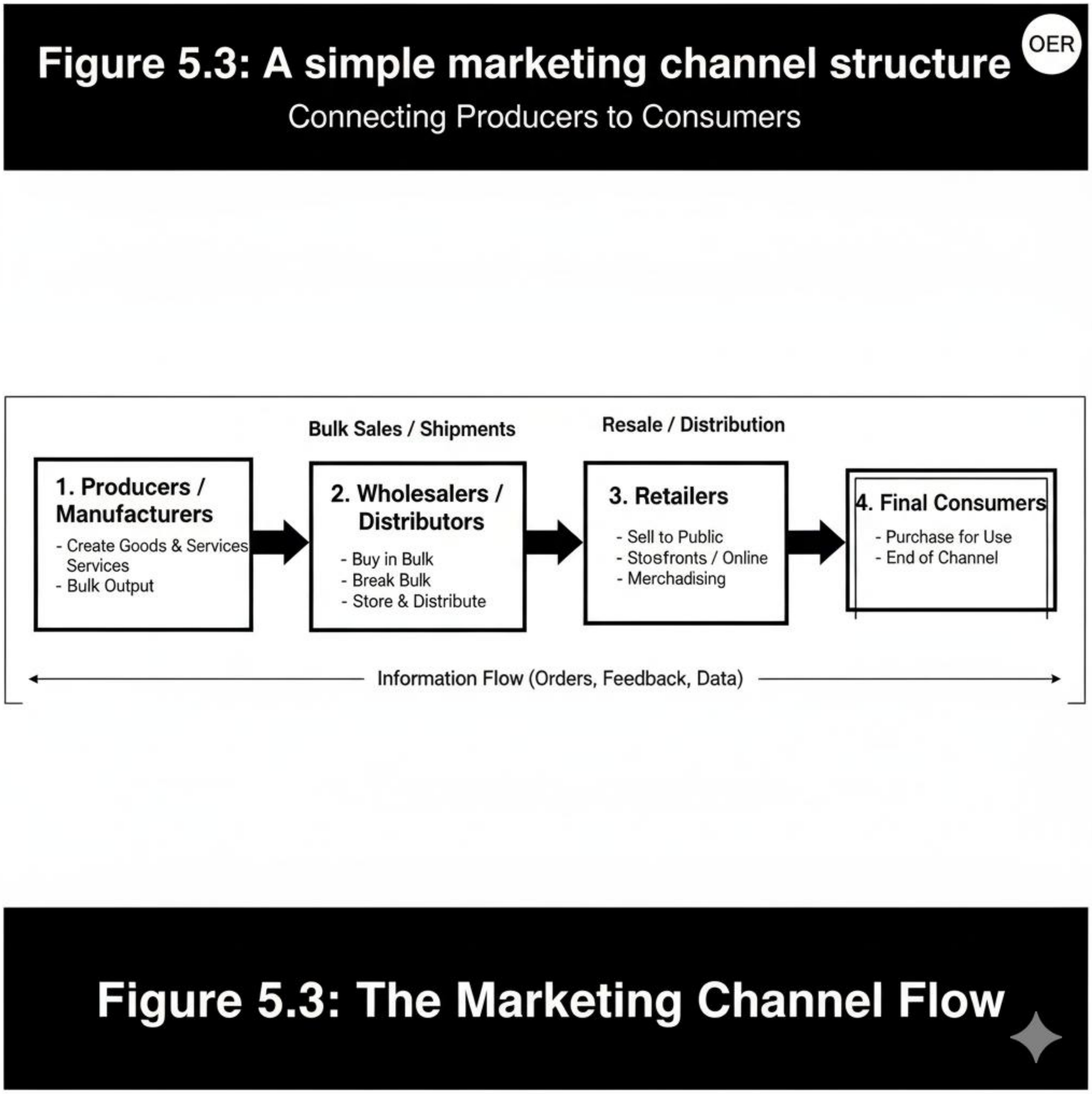
5.3 Channel Strategies in Retailing and Wholesaling

5.3.1 Meaning of marketing channels

Marketing channels refer to the **pathways through which goods move from producers to final users**. These pathways include all the organisations and individuals involved in transferring ownership or facilitating the movement of goods. Marketing channels help ensure that products are available in convenient locations and in quantities suitable for customers.

Channels may include producers, wholesalers, retailers, and agents. Each member plays a role in making goods accessible and affordable. As you reflect on this, consider how marketing channels make it possible for consumers to purchase goods produced far from their local area. Fill in the blank: Marketing channels are pathways through which goods move from producers to ______ users.

A diagram showing goods moving from producers to wholesalers, retailers, and final consumers *Figure 5.3: A simple marketing channel structure*



5.3.2 Channel members and their roles

Channel members are the **organisations and individuals involved in the distribution of goods**. Producers create the goods, wholesalers buy in bulk and distribute to retailers, and retailers sell directly to final consumers. Agents or brokers may also participate by helping negotiate sales without taking ownership of goods.

Each member performs specific functions. For example, wholesalers break bulk and provide assortment, while retailers offer customer service and product information. Agents help connect buyers and sellers. Fill in the blank: Wholesalers help retailers by breaking bulk and providing ______.

[Insert table here] *Table 5.3: Channel members and their roles* Sample AI prompt: "Create a simple table listing producers, wholesalers, retailers, and agents with their roles." Search string: "channel members roles OER table"

5.3.3 Channel design and selection strategies

Channel design refers to the **process of deciding how many intermediaries to use and what type of channel structure is most suitable**. Businesses may choose direct channels, where producers sell straight to consumers, or indirect channels, which include wholesalers and retailers. The choice depends on factors such as product type, market size, cost, and customer preferences.

Selection strategies involve choosing channel members who are reliable, efficient, and capable of reaching the target market. For example, a producer may select wholesalers with strong distribution networks or retailers with high customer traffic. Fill in the blank: Channel design involves deciding how many ______ to use in the distribution process.

Box 5.3: Factors influencing channel design

Box 5.3: Factors influening channel design

Key Considerations for Distribution Strategy

OER

Factor	Brief Description
1. Product Type	Persisable, complex, bulk; impacts handling & storage.
2. Market Size & Geography	Number of customers, density, and reach.
3. Customer Preferences	Buying habits service expectations.
4. Customer Preferences and access	Etablished routes and competitive landscape
5. Competitor Channels	Logistics, inventory, and operational expenses
6. Cost & Efficiency Control & Coverage	Desired influence over marketing and sales

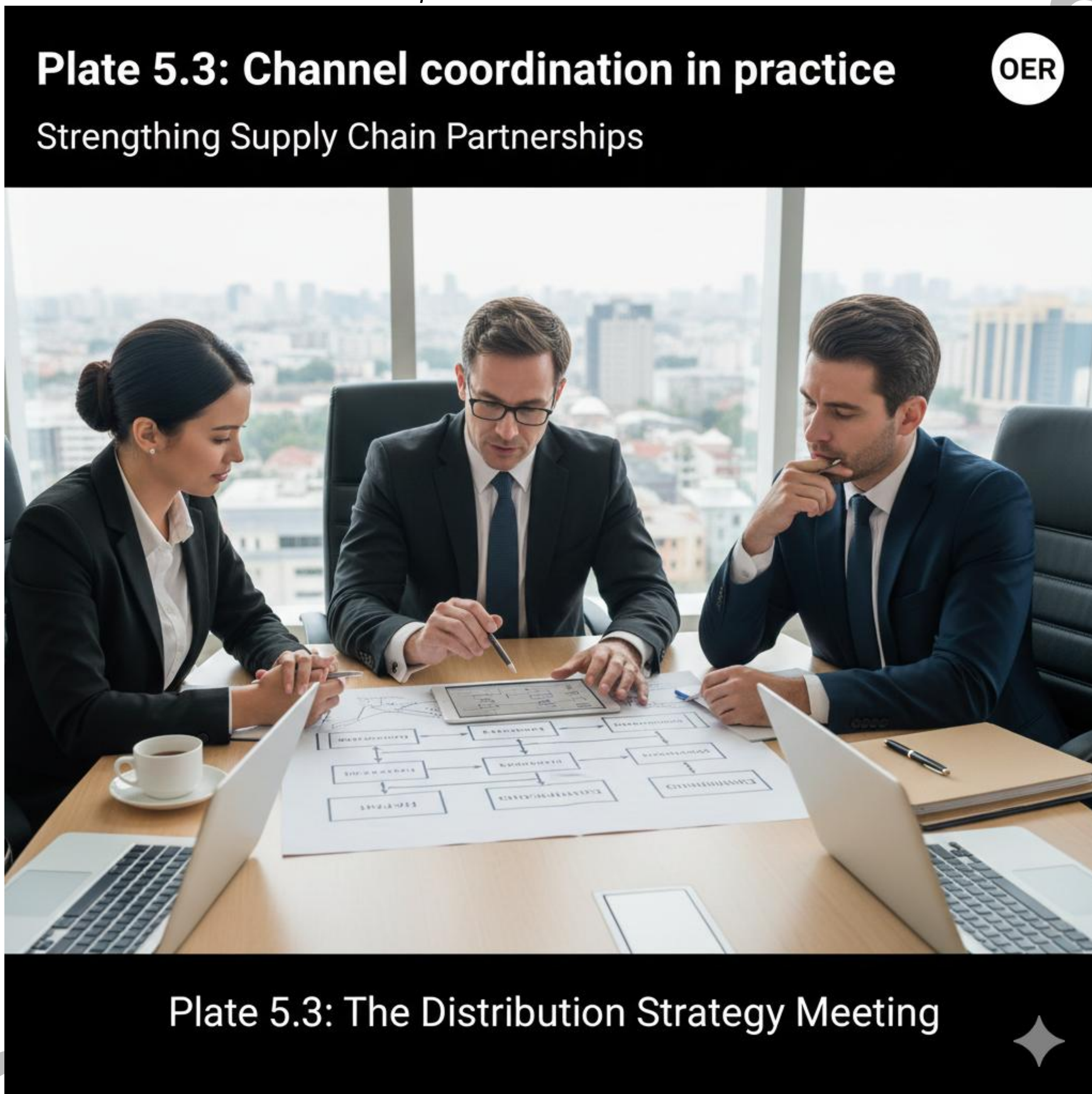
Box 5.3: Channel Design Determirnants

5.3.4 Channel coordination and conflict management

Channel coordination refers to the **efforts made to ensure that all channel members work together smoothly**. Coordination may involve sharing information, setting common goals, and establishing clear communication systems. Good coordination helps reduce delays, improve product availability, and enhance customer satisfaction.

Conflict may arise when channel members have different goals or expectations. Conflict management involves identifying the source of conflict and resolving it through negotiation, cooperation, or adjustments to channel policies. Effective conflict management strengthens relationships and improves channel performance. Fill in the blank: Channel coordination ensures that all channel members work together ______.

A photograph of business partners meeting to discuss distribution or channel coordination
Plate 5.3: Channel coordination in practice



Pilot questions 5.3

1. What are marketing channels?
2. Mention one role performed by wholesalers in a marketing channel.

3. What does channel design involve?
4. Why is channel coordination important?
5. Give one method for managing channel conflict.

Series Summary

This Series explored the key activities that support product acquisition, presentation, and movement within retailing and wholesaling. You began by examining purchasing, including its meaning, importance, the steps in the purchasing process, criteria for selecting suppliers, and the role of negotiation. This provided a foundation for understanding how businesses obtain the goods they sell. You then studied merchandising, focusing on its meaning, types, planning processes, and visual presentation techniques. Finally, you explored channel strategies, including the meaning of marketing channels, the roles of channel members, channel design, and methods for coordinating channel activities and managing conflict.

By working through these topics, you should now be able to explain purchasing principles, describe merchandising practices, identify channel members and their roles, and analyse strategies for designing and coordinating marketing channels, as outlined in the Series Learning Outcomes.

Glossary of Terms

Agent An intermediary who helps negotiate sales without taking ownership of goods.

Channel design The process of deciding how many intermediaries to use and what type of channel structure is suitable.

Digital merchandising Presenting products online using images, descriptions, and website design.

Merchandising Planning, developing, and presenting products to stimulate customer interest and encourage purchases.

Negotiation The process of discussing and agreeing on the terms of purchase.

Product merchandising Focusing on the physical goods sold by a business.

Purchasing The process of obtaining goods and services needed for resale or operations.

Supplier selection The process of choosing suppliers based on criteria such as price, quality, and reliability.

Visual merchandising Using visual elements such as colour, lighting, and layout to create appealing product displays.

Wholesale merchandising Presenting bulk products and managing catalogues for wholesale buyers.

Concept Check Questions 5

Objective questions

1. Purchasing ensures that the right products are sourced at the right what *(Linked to SLO 5.1)*
2. What is the first step in the purchasing process *(Linked to SLO 5.2)*
3. Merchandising that uses displays and lighting is known as what type of merchandising *(Linked to SLO 5.3)*
4. Marketing channels move goods from producers to which group *(Linked to SLO 5.5)*
5. Channel coordination ensures that channel members work together how *(Linked to SLO 5.6)*

Short-answer questions

6. State one criterion used to select suppliers. *(Linked to SLO 5.2)*

7. Mention one type of merchandising. *(Linked to SLO 5.3)*

8. Explain one purpose of merchandising planning. *(Linked to SLO 5.4)*

9. Describe one role performed by wholesalers in a marketing channel. *(Linked to SLO 5.5)*

Long-answer questions

10. Analyse the importance of purchasing in ensuring product availability and business profitability. *(Linked to SLO 5.1 and SLO 5.2)*

11. Evaluate how merchandising practices and channel strategies work together to support effective distribution. *(Linked to SLO 5.3, SLO 5.4, and SLO 5.6)*

Answers to Concept Check Questions 5

Objective questions

1. Price
2. Identifying needs
3. Visual merchandising
4. Final users
5. Smoothly

Short-answer questions

6. Price, quality, reliability, or location
7. Product, visual, digital, retail, or wholesale merchandising
8. To decide what products to offer and how they should be presented
9. Breaking bulk, providing assortment, or distributing goods

Long-answer questions

10. Basic response

Purchasing ensures that businesses obtain the right goods at the right time and price, which supports product availability and profitability.

10. Value-added response

Purchasing plays a vital role in ensuring that businesses maintain adequate stock levels and meet customer demand. By selecting reliable suppliers, negotiating favourable terms, and following a structured purchasing process, businesses can reduce costs, improve product quality, and maintain consistent availability. Effective purchasing also supports profitability by controlling expenses and preventing stockouts or overstocking.

11. Basic response

Merchandising presents products attractively, while channel strategies ensure goods move efficiently through the distribution system.

11. Value-added response

Merchandising and channel strategies work together to support effective distribution by ensuring that products are both available and appealing. Merchandising focuses on selecting, presenting, and promoting products in ways that attract customers, while channel strategies determine how goods move from producers to retailers and final users. When these activities are coordinated, businesses can maintain steady product flow, reduce delays, enhance customer satisfaction, and improve sales performance.

Answers to Pilot Questions 5

Part 5.1

1. Price
2. Needs
3. Price, quality, reliability, or location
4. Terms
5. It ensures timely and accurate delivery

Part 5.2

6. Purchases
7. Visual
8. Presented
9. Displays, lighting, colour, or layout
10. It makes products attractive and accessible

Part 5.3

11. Final
12. Assortment
13. Intermediaries
14. Smoothly
15. Negotiation or cooperation

References and Attributions 5

Note: All illustrations in this Series were represented as placeholders. Below are the suggested sources and prompts used for attribution.

Figures, Plates, Tables, and Boxes

Figure 5.1: Suggested AI prompt, "Create a labelled diagram showing the purchasing cycle from identifying needs to receiving goods." Suggested search string: "purchasing cycle diagram OER".

Figure 5.2: Suggested AI prompt, "Create a labelled diagram showing components of merchandising such as product selection, pricing, and display." Suggested search string: "merchandising components diagram OER".

Figure 5.3: Suggested AI prompt, "Create a labelled diagram showing producers, wholesalers, retailers, and final consumers in a marketing channel." Suggested search string: "marketing channel structure diagram OER".

Plate 5.1: Suggested AI prompt, "Generate an image of a buyer and supplier discussing terms or reviewing a purchase order." Suggested search string: "purchasing negotiation buyer supplier OER image".

Plate 5.2: Suggested AI prompt, "Generate an image of a well-arranged retail display using colour, lighting, and layout." Suggested search string: "visual merchandising retail display OER image".

Plate 5.3: Suggested AI prompt, “Generate an image of business partners meeting to discuss distribution or channel coordination.” Suggested search string: “channel coordination meeting OER image”.

Table 5.1, Table 5.2, Table 5.3: Suggested AI prompts for creating simple tables listing purchasing steps, merchandising types, and channel member roles. Suggested search strings: “purchasing process steps OER table”, “types of merchandising OER table”, “channel members roles OER table”.

Box 5.1, Box 5.2, Box 5.3: Suggested AI prompts for creating one-column tables listing supplier criteria, merchandising planning steps, and channel design factors. Suggested search strings: “supplier selection criteria OER table”, “merchandising planning steps OER table”, “channel design factors OER table”.