



RETAIL TERMINOLOGIES



- **Assortment**

- Determination of placing of goods

- **Promotion**

- Attempt to increase the sale of any particular product

- Types

- **Threshold Promotion**

- Provide 5% discount on purchase of item(s) having cost greater than \$2000/-

- **Multi Buy Promotion**

- Buy 2 Get 1 Free

- **Mix & Match Promotion**

- A comb free on purchase of a shampoo and a oil

- **Simple Promotion**

- Festival Offer

Retail Terminologies

- **Markdowns**
 - Reductions from original selling price
- **Markups**
 - Extra amount charged for an item above what the retailer paid the supplier
- **Clearance**
 - Final sale of an item or items to zero inventory
- **Intercompany Transaction**
 - Transaction between two companies

Retail Terminologies

- **Purchase Order**

Commercial document and official offer issued by a retailer to a supplier, indicating types, quantities, and agreed prices for products/services

- **Contract**

Acceptance of a purchase order(requested by a retailer) by a supplier

- **Invoice**

Commercial document issued by the supplier to the retailer regarding the sale transaction and indication of products, quantities, and agreed prices of the products/services

- **Replenishment**

Process of filling up the stock whenever the inventory goes below the minimum level, in order to avoid stock-out

Retail Terminologies

- **POS**

Point of Sale. It is the area where a customer completes a transaction, such as a checkout counter.

- **Store Facade**

A storefront or shopfront is the facade or entryway of a retail store located on the ground floor or street level of a commercial building, typically including one or more display windows. A storefront functions to attract visual attention to a business and its merchandise

- **In Store Branding**

Sales promotion at a retailer's location, bundled with offers, expert advice, product demonstrations, product samples, special discounts, etc. Also called in-store promotion.

Retail Sale Terminologies

- **Regular**
 - Normal Sales
- **Promotional**
 - Provide offer/ discount on sales
- **Stock Clearance**
 - Reduction to zero inventory
- **Intercompany**
 - Sales for the company's employees
- **EOSS**
 - End of Season Sale
- **BOGO**
 - Buy One Get One

- **Credit Memo**

Document issued by the supplier to the buyer reducing the amount that the buyer owes to the supplier under terms of an earlier invoice

- **Debit Memo**

Notification from buyer to the supplier that tells the supplier that a debit/payment was made in the supplier's account

Retail Terminologies

- **Audit**

The formal process of examining how your store performed in relation to plan. All too often, management completes programs but does not review how things went and where improvements can be made for the future.

- **Campaign**

Planned advertising schedule of specific length – usually up to 13 weeks in length.

- **Classification (Sub Classification) / Category (Sub Category)**

further breakdown of a classification into a more specific group of items, e.g., men's short sleeve dress shirts is a sub classification of the main classification of men's dress shirts.

- **Conversion Rate**

The number of people who enter a store divided into the number who made a purchase. Measures the “close” rate that a store achieves on specific foot traffic into the store.

Retail Terminologies

- **Cost of Goods Sold**

The price paid for the product, plus any additional costs necessary to get the merchandise into inventory and ready for sale, including shipping and handling.

- **CRM- Customer Relationship Management**

Customer relationship management (CRM) is a business strategy designed to reduce costs and increase profitability by strengthening customer loyalty.

- **EAN**

The European Article Number which is replacing the North American UPC code. The EAN has thirteen numbers, with one being placed the leading left outside the bar code. The next six numbers are assigned to the manufacturer and the remaining six are for product identification.

- **Gondola**

Primary merchandising fixture consisting of a base, free-standing vertical wall, and a number of four of sections of shelving

Retail Terminologies

- **Items Per Transaction**

Often referred to as “lines per ticket.” A measure of how many items are contained in the average transaction with each customer. The formula is total items sold for the day, week or month, divided by the number of transactions in the day, week or month.

- **Inventory Turnover**

The number of times during a given period that the average inventory on hand is sold and replaced

- **Merchandise Mix**

A merchandise mix is the breadth and depth of the products carried by retailers. Also known as product.

- **Operating Expenses**

The sum of all expenses associated with the normal course of running a business.

- **Outpost Display**

A secondary display – placed outside the department. e.g., at doorways or high traffic areas

Retail Terminologies

- **Plan-O-Gram**

A detailed plan of floor, wall and fixture layout. It requires a mapping of what items go where for each square foot or product frontage of shelf pace, wall, or hanging rack. Particular emphasis is put on placing the most profitable products in an advantageous purchasing position.

- **Radio Frequency Identification (RFID)**

Method for embedded tag to communicate SKU and other information from a product to a receiver. Currently being used at the pallet level for receiving, slow adoption at the Point of Sale due to both cost and some technical issues.

- **Segment (Consumer or Market)**

A single part of the market, separable from the rest of the market. It can be clearly identified as being different by a set of distinct and common characteristics such as demographics, lifestyle, geographic location, or buying habits.

- **Shrinkage**

(inventor Shrink) Retail shrinkage is a reduction or loss in inventory due to shoplifting, employee theft, paperwork errors and supplier fraud.

Retail Terminologies

- **SKU- Stock-keeping unit**

The finest identification of a specific item either by itself or in a range.i.e., one basic shoe style requires approximately 30 different SKUs which are the combination of the range of sizes multiplied by the range of widths stocked. This is increased by 100% each time a color is added in the full size and width range.

- **Suggestive Selling**

Suggesting the purchase of related items in addition to the original purchases, like a tie with a shirt, blouse with skirt, hats with jackets and so on.

- **Target Market**

The group of consumers to whom you are directing your business concept.

- **USP- Unique Selling Proposition**

What is special about your store and how your store stands out from your competition.

Retail Terminologies

- **Visual Merchandising**

Visual merchandising is the art of implementing effective design ideas to increase in-store traffic and sales volume.

- **Volume**

Suggesting the purchase of related items in addition to the original purchases, like a tie with a shirt, blouse with skirt, hats with jackets and so on.

- **Censormatic Machine**

- **Sensor Tags**

- **Racks/ Shelves**

Retail Terminologies

- **Relationship Retailing**

This is a strategy that businesses implement build loyalty and forge long-term relationships with the customers. Relationship retailing can come in the form of loyalty programs, personalised experiences or excellent customer service

- **Product Life cycle**

This term is used to describe the series of stages that each commercial product goes through when it hits the market. These stages include introduction, growth in sales revenue, maturity and decline

- **Pop-Up Stores**

These are short term stores or sales spaces that come and go within a given period of time. Eg: Mall booths, in Parks, retail spaces etc.

Retail Terminologies

- **Mobile Shopping**

A practice of purchasing good via mobile phones.

- **Mystery Shopping**

This is an activity practised by market research companies, watchdog groups & retailers themselves to evaluate product/quality and service. The mystery shopper acts like regular customer, then provides feedback and reports detailing their experience with the retailer.

- **High Speed Retail**

High speed retail is all about making the customer's shopping experience quicker. Eg: drive-through grocery stores, food trucks etc.

- **Flash Sales**

Sale events that take place for a limited period of time.

- **Etailing**

It's a short form of "Electronic Retailing". It Is the practice of selling goods over the internet

- **Dead Stock**

Dead Stock/ Inventory pertains to stock that has never been sold or has been in the inventory for a while

- **Cross Merchandising**

This refers to the practise of displaying or putting together products from different categories to drive add-on sales.

- **Flash Sales**

This term refers to retailers that integrate their brick and mortar stores with their ecommerce site. They bring the best of both the worlds. Most companies offer seamless web to store services such as in store pick-up & return.