SQA Advanced Unit Specification

General information for centres

Unit title: International Retailing (SCQF level 8)

Unit code: HT5W 48

Superclass:	BC
Publication date:	August 2017
Source:	Scottish Qualifications Authority
Version:	01

Unit purpose

This unit is designed to enable the learner to understand the importance, complexity and difficulties facing retailers operating in an international retail environment.

Outcomes

On successful completion of the unit the learner will be able to:

1   Explain the key factors to be considered when operating in an international retail environment.
2   Evaluate the strategies employed by retailers entering and competing within international retail markets.

Credit points and level

1 SQA Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8)

Recommended entry to the unit

Access to this unit is at the discretion of the centre, but it would be beneficial if the learner had a basic understanding of the retail sector in either the UK or in another country.

Core Skills

Opportunities to develop aspects of Core Skills are highlighted in the support notes for this unit specification.

There is no automatic certification of Core Skills or Core Skill components in this unit.

Context for delivery

If this unit is delivered as part of a group award, it is recommended that it should be taught and assessed within the subject area of the group award to which it contributes.

The Assessment Support Pack (ASP) for this unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website.

Equality and inclusion

This unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

Unit specification: statement of standards

Unit title: International Retailing (SCQF level 8)

Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Outcome 1

Explain the key factors to be considered when operating in an international retail environment.

Knowledge and/or skills

- ♦ Extent and scope of international retailing
- ♦ Factors behind the growth of international retailing
- ♦ Social and cultural issues affecting international retailers
- ♦ Political and legal issues affecting international retailers
- ♦ Economic issues affecting international retailers
- ♦ Technological and infrastructure issues affecting retailing

Outcome 2

Evaluate the strategies employed by retailers entering and competing within international retail markets.

Knowledge and/or skills

- ♦ Methods to establish retail operations out with the domestic country
- ♦ Factors influencing choice of market entry strategy
- ♦ Segmentation and positioning
- ♦ Marketing research in an international environment
- ♦ Implications for the retail marketing mix

Evidence requirements for this unit

Learners will need to provide evidence to demonstrate their knowledge and/or skills across all outcomes by showing that they can:

Outcome 1

Each learner must provide evidence that he/she understands the different forces which shape and influence the retail environment in different countries. The evidence should be consistent and accurately:

- ♦ identify the extent of the internationalisation of retailing in a specific country.
- ♦ describe how ethnic groupings, religion, social class, education, language and the role of the family impact upon retailing.
- ♦ describe current economic conditions under which retailing takes place — inflation, unemployment, exchange rates, economic growth, buying power, retail sales figures.
- ♦ identify legal issues that affect retailers operating within a specific country.

♦ describe key political parties and movements currently operating within a country.
♦ explain the extent to which new technology — as it relates to retailing has been embraced in a country — electronic point of sale, the use of the internet, etc.

Outcome 2

Each learner must provide evidence that he/she understands the alternative ways in which retailers can enter foreign markets and their rationale for doing so.

Each learner must provide evidence of the ways in which retailers have to adapt their retail marketing mix in order to meet the needs of their chosen target market. The evidence should be consistent and should accurately:

♦ explain the advantages and disadvantages of methods of international market entry — internal expansion, mergers, takeovers, franchising, joint-ventures, non-controlling interest.
♦ identify factors influencing choice of market entry method — cost, speed, resources, potential profit, risks, control.
♦ analyse similarities and differences in market segmentation methods compared to the domestic retail environment.
♦ highlight the problems in obtaining marketing research information from primary and secondary sources.
♦ describe the marketing mix techniques used by retailers in order to meet the needs of international customers — adaptation versus standardisation of product, pricing, promotion, place and people elements.

Unit specification: support notes

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Unit support notes are offered as guidance and are not mandatory.

While the exact time allocated to this unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this unit

The unit forms part of the group award for the SQA Advanced Diploma Retail Management and it may also form part of other SQA Advanced programmes. The unit is designed to provide learners with an understanding of the complexities involved whenever a retailer decides to expand their current retail format into a different country — other than a cross-border expansion between two similar cultures such as the UK and Ireland.

Although the emphasis will be on UK retailers moving into foreign markets there should be opportunities to cite the experiences of non-UK retailers entering foreign markets and also foreign retailers entering the UK market. The critical issue is to identify what the retailer did right — or wrong — and to learn from it for future experience.

Theoretical models are important within the context of this unit, however, it is felt that the overall balance should be tilted towards practical examples of real-life retailers who operate or have attempted to operate overseas.

Outcome 1

Issues which may be considered within the delivery of this unit include:

Explain the difference between cross-border trading and international retailing.

Analysis of retailers who would be classified as international retailers and the number of countries they operate in, number of outlets utilised and retail format utilised.

Identify push factors — economic conditions, adverse demography, domestic trading restrictions, and maturity of format, strong competition, and market saturation.

Identification of pull factors — growth opportunities, potential scale economies, pre-emption of rivals, improved communications, suitable targets for acquisition, and low economic barriers to entry.

Identify social and cultural issues relevant in specific countries — language, religion, ethnic groupings, nationality, taste, values, role of women, education, consumer behaviour, social class.

Identify legal issues affecting retailers — planning restrictions, employment laws, and rules on competition, ownership and promotions, minimum wage

Identify key economic issues influencing retail activity — inflation rates, unemployment, interest rates, economic growth, taxation levels, distribution of wealth, exchange rates.

Political issues relating to retailing — role of the government in the economy, attitude towards non-domestic retailers, regional autonomy, influence of European Union, World Trade Organisation.

Infrastructure of specific countries — roads, railways, power, telecommunications, level of new technology.

This is a comprehensive and detailed listing. It is recognised that not all of these topics can be taught, however, they do provide a framework from which certain issues can be highlighted and utilised.

Outcome 2

Issues which may be considered within the delivery of this unit include:

- ♦ Alternative mechanisms to go abroad — expansion, mergers, franchise, joint-venture, non-controlling interest.
- ♦ Factors influencing choice of strategy — cost, commitment, control, speed, flexibility, management style, corporate culture.
- ♦ Segmentation and positioning factors — methods of segmentation, changing focus of target market, problems and issues with re-positioning.
- ♦ Retail marketing mix implications — pricing strategy and tactics, promotion – image, message and channels, brand name, own brands, customer service, distribution logistics, retailer-supplier relationships, on-line retailing.

Above issues could be related across retail formats — variety stores, department stores, specialist retailers, out-of-town retailers, food retailers.

Guidance on approaches to delivery of this unit

This unit forms part of the SQA Advanced Diploma in Retail Management. It is anticipated that this unit would be taught towards the end of a course when the learner has gained knowledge of other related subjects involving marketing and retailing. This will enable the learner to build upon their knowledge of these topics to enhance their understanding and appreciation of this unit.

Textbooks and magazines which may be beneficial to the centre or to the learner include:

Retail Marketing (2nd Edition), Peter McGoldrick — Chapter 14
International Retailing — Trends and Strategies, McGoldrick and Davies (Eds)
Retailing in the European Union, Stewart Howe (Ed)
International Retailing — Nicholas Alexander
The Internationalisations of Retailing, Akehurst and Alexander (Eds)
Retail Marketing, Ogenyi Omar — Chapter 15
Retailing, Kent and Omar, Chapter 5
Retail Management (International Edition), Hasty and Reardon, — Chapter 16
The Retailing Book: Principles and Applications, Paul Freathy, Chapter 2, 21.
The Grocers, Seth and Randall
Principles of Retail Management, Varley and Rafiq, Chapter 16
Checkout
Retail Weekly
Marketing
Marketing Week
Marketing Business

The Grocer
Business Week
Fortune

Guidance on approaches to assessment of this unit

Outcome 1

Learners are asked to produce a comprehensive report on behalf of a UK retailer considering entering an overseas market. This report should provide useful information that will be beneficial to the retailer and will highlight potential problems, issues or opportunities that await them.

Whilst the choice of the country to be researched lies with the lecturer, it is advisable that countries with sufficient levels of information are chosen to enable learners to obtain key facts and figures. For example, finding information on the retailing environment of France, Germany and the USA will be much easier than if it were Albania or Iran.

The learner should be advised about the nature of the market the retailer operates in, for example, toys, books, food, clothing, furniture, electrical, etc. This will enable the learner to focus on particular aspects of the country's retail environment.

The report should outline:

♦ Basic background information on the country — population, location, borders
♦ Economic issues
♦ Cultural differences
♦ Legal structure
♦ The political situation
♦ Technological developments
♦ Infrastructure
♦ Media availability — television, radio, newspapers

It is not always the case that each of these topics will be of equal importance for all countries, for example, with some countries the political situation may be more dynamic and a source of potential difficulties than in others.

Whatever country is chosen it is important that learners can explain why international retailing is such a problematic and complex area for retailers.

Suggested word count approximately 1,500 words.

Outcome 2

This outcome could be assessed with a set of structured questions based on a case study or other piece of stimulus material. The case study/stimulus material should encourage the learner to relate international retail theory to a real-life/given situation. This should generate evidence which shows that the learner understands the nature of the topic and the difficulties involved in implementation.

The assessment will be completed in class and it is suggested that it should be conducted under controlled conditions with learners allowed to make use of the original case study/stimulus material and one sheet of A4 notes. Access to notes should not be a major

issue as assessment questions should encourage the learner to relate his/her knowledge to a particular business problem or situation.

The case study/stimulus material could be from a variety of sources including a textbook, magazine article(s) or newspaper report(s). Alternatively a video or news programme could be utilised as a suitable source. Either way it is important that there is enough depth to the material to enable the learners to relate to a variety of international retailing topics.

As the outcome is being assessed in a holistic way it is not necessary for the learner to provide evidence of all areas of knowledge and skills. It is suggested that the assessment should be designed in such a way as to allow the assessor the opportunity to sample only certain parts of the course work but still be satisfied that the learner has a sound knowledge of the whole subject.

Suggested word count approximately 1,500 words.

Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the evidence requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at **www.sqa.org.uk/e-assessment**.

Opportunities for developing Core and other essential skills

Communication: Written Communication (Reading) at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Written Communication (Reading) at SCQF level 6 involves identifying significant information, ideas and supporting details in a written communication. This would fit the requirements for Outcomes 1 and 2 which require the learners to spend time researching and studying diverse sources of information.

Communication: Written Communication (Writing) at SCQF level 6

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Written Communication (Writing) at SCQF level 6 involves presenting all essential information and supporting detail in logical and effective order. This would fit the requirements of Outcome 1 in which learners can produce a report to detail the findings of their investigation.

Information and Communication Technology (ICT): Accessing Information at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Accessing Information at SCQF level 5 involves learners carrying out searches and evaluating the results. This fits with the requirements of Outcomes 1 and 2 where learners can use the internet to carry out relevant searches.

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Information and Communication Technology (ICT): Providing/Creating Information at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Providing/Creating Information at SCQF level 5 involves selecting appropriate websites/data sources to research a current issue and presenting findings in an appropriate format, which can be demonstrated in Outcomes 1 and 2.

Problem Solving: Critical Thinking at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Critical Thinking at SCQF level 5 involves assessing the relevance of factors to a situation or issue. This can be demonstrated in all Outcomes where learners can produce a comprehensive report on behalf of a UK retailer considering entering an overseas market.

Problem Solving: Planning and Organising at SCQF level 6

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Planning and Organising at SCQF level 6 involves identifying and ensuring you have the necessary resources, selecting these from a wide range of familiar and unfamiliar sources, possibly involving a search. This would fit with Outcome 1 in which learners can work on the preparation and production of a comprehensive report.

Administrative information

Version	Description of change	Date

General information for candidates

Unit title: International Retailing (SCQF level 8)

This unit is designed to build upon your existing knowledge of retailing and to understand the complex issues involved in international retailing.

You will consider the factors which 'push' retailers towards operating in international markets, mainly problems in their domestic markets, and 'pull' factors such as the attractiveness of trading overseas.

By analysing the social, cultural, economic, legal, political and technological development of individual countries you will be in a position to produce a country profile that would be beneficial to a retailer prior to trading abroad.

The second outcome relates to the marketing activities of the retailer in their non-domestic markets. This includes issues relating to market segmentation, positioning and marketing research, both of which are fundamental issues for retailers.

The application of the retail marketing mix will be analysed in depth but with an emphasis upon the different problems and solutions compared to the domestic retail environment. This will include branding, the product mix, pricing strategies, advertising, public relations, sales promotions, location, layout and format.

There will be a strong emphasis upon case studies and real-life retailer examples.

In order to complete this unit successfully you will be required to achieve a satisfactory level of performance for each outcome.

Completion of this unit will allow you to develop aspects of the following Core Skills:

- ♦ *Communication*
- ♦ *Problem Solving*