

Higher National Unit Specification

General information for centres

Unit title: International Retailing

Unit code: DL2X 35

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

On completion of the Unit the candidate should 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 HN Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Recommended prior knowledge and skills: Access to this unit is at the discretion of the centre, but it would be beneficial if the candidate had a basic understanding of the retail sector in either the UK or in another country.

Core Skills: There may be opportunities to gather evidence toward core skills within this Unit, although there is no automatic certification of core skills or core skills components in this unit.

Context for delivery: 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. This unit is included in the framework for the HNC/D Retail Management award.

General information for centres

Assessment: This unit will be assessed by a separate assessment for each Unit/Outcome.

The first instrument of assessment will take the form of a report on a given country that retailers might consider operating in. Candidates can either be given a specific country to research or be provided with a list of options to choose from. This should be clarified as soon as possible to enable the candidates to begin gathering the information. Lecturers should be made aware of various retail textbooks which devote entire chapters to the retail structure of foreign countries. These can be useful to candidates as a starting point for their research.

The second instrument of assessment will take the form of a set of structured questions based on a case study or other stimulus material. This assessment will be completed under controlled conditions and candidates will be allowed to make use of both the case study/stimulus material and a single page of A4 notes relating to the case study. The case study/stimulus material should be issued prior to the date of the assessment but will not contain the questions to be asked. This assessment should last for at least one hour.

Both assessments should allow candidates to apply international retailing theory to business situations.

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The sections of the Unit stating the Outcomes, knowledge and/or skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

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

Evidence Requirements

To achieve this Outcome each candidate must provide evidence which demonstrates his/her knowledge and/or skills.

Each candidate 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

Higher National Unit specification: statement of standards (cont)

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- ◆ describe how the infrastructure of the country enables or hinders retailing – the state and extent of roads, railways, out-of-town shopping centres, city centre development.

Assessment guidelines

Candidates 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 candidates 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 candidate 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 candidate 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 candidates can explain why international retailing is such a problematic and complex area for retailers.

Suggested word count approximately 1,500 words.

Higher National Unit specification: statement of standards (cont)

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Outcome 2

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

Knowledge and/or skills

- ◆ Methods to establish retail operations outwith 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

To achieve this outcome each candidate must provide evidence which demonstrates his/her knowledge and/or skills.

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

Each candidate 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

Assessment guidelines

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

Higher National Unit specification: statement of standards (cont)

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The assessment will be completed in class and it is suggested that it should be conducted under controlled conditions with candidates 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 candidate 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 candidates 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 candidate 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 candidate has a sound knowledge of the whole subject.

Suggested word count approximately 1,500 words

Administrative Information

Unit code:	DL2X 35
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Higher National Unit specification: support notes

Unit title: International Retailing

This part of the Unit specification is offered as guidance. The support notes 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 HND Retail Management and it may also form part of other Higher National programmes. The Unit is designed to provide candidates 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.

Higher National Unit specification: support notes (cont)

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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 the delivery and assessment of this Unit

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

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Textbooks and magazines which may be beneficial to the centre or to the candidate 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

Open learning

If this unit is delivered by open or distance learning methods then it is possible that additional resources will be required for candidate support, assessment and quality assurance. For further information and advice please refer to the SQA guide: Assessment and Quality Assurance for Open and Distance Learning (A1030, February 2001).

Higher National Unit specification: support notes (cont)

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Candidates with additional support needs

This Unit specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance on Special Assessment Arrangements for Candidates with Additional Support Needs* (BA 2399, SQA, due 2004).

General Information for Candidates

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.