



## **National Unit specification: general information**

**Unit title:** Retail Buying (SCQF level 6)

**Unit code:** H1SJ 12

**Superclass:** BC

**Publication date:** July 2012

**Source:** Scottish Qualifications Authority

**Version:** 01

### **Summary**

This Unit develops knowledge of and skills in retail buying. Candidates will learn about the personal skills needed for buying and the roles and responsibilities of a buyer. They will gain knowledge of different buying structures, the stages of the buying process and the factors involved in producing a retail buying plan. On completion, candidates will have an understanding of the importance of the buying function to the success of a retail organisation.

The Unit is suitable for those seeking to establish a career in retailing. This Unit is an optional Unit in the National Certificate in Retailing at SCQF level 5 but could also be delivered as a freestanding Unit.

### **Outcomes**

- 1 Demonstrate an understanding of the role of buying in a retail organisation.
- 2 Analyse central and local buying structures.
- 3 Explain the stages of the buying process.
- 4 Produce a buying plan for an organisation.

### **Recommended entry**

Entry is at the discretion of the centre.

### **Credit points and level**

1 National Unit credit at SCQF level 6: 6 SCQF credit points at SCQF level 6\*

*\*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.*

## **General information (cont)**

**Unit title:** Retail Buying (SCQF level 6)

Achievement of this Unit gives automatic certification of the following Core Skills component:

Complete Core Skill            None

Core Skill component        Critical Thinking at SCQF level 6

There are also opportunities to develop aspects of Core Skills which are highlighted in the Support Notes of this Unit specification.

## **National Unit specification: statement of standards**

**Unit title:** Retail Buying (SCQF level 6)

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**

Demonstrate an understanding of the role of buying in a retail organisation.

#### **Performance Criteria**

- (a) Identify the personal skills required for an effective buyer.
- (b) Identify the roles and responsibilities of a buyer.
- (c) Explain the relationship between buying and the success of the organisation.
- (d) Explain the reasons why a buyer must know the organisation's objectives.

### **Outcome 2**

Demonstrate an understanding of buying structures.

#### **Performance Criteria**

- (a) Identify advantages and disadvantages of a centralised buying structure.
- (b) Identify advantages and disadvantages of a localised buying structure.
- (c) Identify advantages and disadvantages of buying for an independent organisation.

### **Outcome 3**

Explain the stages of the buying process.

#### **Performance Criteria**

- (a) Explain the information sources involved in selecting or reordering a product range.
- (b) Explain the factors involved in researching and selecting suppliers.
- (c) Describe the reasons why it is important for buyers and suppliers to have a good working relationship.

### **Outcome 4**

Produce a buying plan for an organisation.

#### **Performance Criteria**

- (a) Research a product range for a retail organisation.
- (b) Identify the target market for the organisation.
- (c) Identify methods used to evaluate the buying plan.

## **National Unit specification: statement of standards (cont)**

**Unit title:** Retail Buying (SCQF level 6)

### **Evidence Requirements for this Unit**

Written and /or oral evidence is required to demonstrate that candidates have achieved all Outcomes and Performance Criteria. Assessment for all Outcomes is under open-book conditions.

#### **Outcome 1**

Candidates must demonstrate an understanding and awareness of the role of the buying function in a retail organisation by:

- ◆ identifying five personal skills a buyer should have giving one reason for each
- ◆ identifying three roles and responsibilities that a buyer would be required to undertake
- ◆ providing two reasons why the buying role is so important to the success of the organisation
- ◆ providing two reasons why a buyer must know the organisation's objectives

#### **Outcome 2**

Candidates must demonstrate an understanding of buying structures by:

- ◆ identifying two advantages and two disadvantages of a centralised buying structure and providing examples of two stores that would use this structure
- ◆ identifying two advantages and two disadvantages of localised buying structure and providing examples of two stores that would use this structure
- ◆ identifying two advantages and two disadvantages of an independent buying structure and providing examples of two stores that would use this structure

#### **Outcome 3**

Candidates must explain the stages of the buying process by:

- ◆ identifying four information sources that a buyer would use when selecting a product range and explaining why each source is appropriate
- ◆ identifying three factors that would influence a buyer when selecting a supplier and explaining why each is important
- ◆ describing two reasons why a good working relationship is important for buyers and suppliers

## **National Unit specification: statement of standards (cont)**

**Unit title:** Retail Buying (SCQF level 6)

### **Outcome 4**

Candidates must produce a buying plan. This will include:

- ◆ researching a product range of at least 10 items for a retail organisation and providing two reasons for the product selection
- ◆ identifying the target market for the organisation
- ◆ demonstrating some items being bought in depth and the others in breadth
- ◆ product description, style, price, colour and size
- ◆ presentation in a suitable format

Candidates must then provide two examples of how a retailer could evaluate the success of a buying plan.

## National Unit specification: support notes

### Unit title: Retail Buying (SCQF level 6)

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

This Unit broadly aligns to the National Occupational Standards for Retail Buying set by Skillsmart Retail. In particular this Unit deals with elements of the knowledge and skills outlined in:

P1 (1.1–1.6) P6	Select and review suppliers of merchandise for retail sale.
P1-2	Forecast trends and developments impacting on range management and buying.

This Unit is intended to provide candidates with an insight into the role of the buyer and the buying function. Class discussions should focus on how the buyer's decision can affect the success and performance of the organisation, what is involved in the buying process and the skills that a buyer will require. The candidates should produce a buying plan of a product range suitable for a retailer of their choice.

#### Outcome 1

The pre-conceived idea and the reality of the job of a buyer should be discussed. The glamorous role that is often portrayed by the nature of the job should be offset against the hard work and commitment that is required.

Personal Skills required for an effective buyer should be discussed and include enthusiasm, conscientiousness, professionalism, motivation, numeracy, creativeness, good time management and inter-personal skills. Candidates should research websites and trade magazines which cover buying vacancies to analyse the criteria for the role. This could show the different buying roles that organisations use.

The role of the buyer within different organisations should be analysed and discussed. Buyers can be involved in the product development aimed at a specific type of customer. There are different levels involved in a buying team. Independent stores may have only one buyer/owner. Multiple stores may employ trainee buyers, assistant buyers, buying managers and headed by a buyer director. The larger the company, the more the buyer will be buying in depth. However, they will be buying in greater quantities and they will be responsible for a higher amount of financial turnover.

## **National Unit specification: support notes (cont)**

### **Unit title: Retail Buying (SCQF level 6)**

Candidates should be aware of different buyers. A buyer for a smaller retailer will probably buy a broader range of products. Large retailers will have different buyers for different departments. Different departments can include menswear, ladies wear, children's wear, furniture and household. Each department is divided into different categories, eg children's wear would include nightwear, swimwear, accessories, jackets, denims, tops, footwear and underwear and each department will have their own buyer.

Most buyers for high street retailers are involved with the design and development of a product range. Some department store buyers and independent buyers usually buy branded merchandise from sample ranges.

The importance of the buying role should be stressed as one of the largest forms of investment made by an organisation, tying up large amounts of cash. Good stock selection enhances the organisation's image and increases profit for the business.

Relevant aims and objectives should be discussed within four main categories: corporate, marketing, financial and organisational. The buying must be in line with the organisation's objectives, eg expansion, more ethical trading, etc.

### **Outcome 2**

Discussions regarding centralised buying could include advantages such as discount on bulk orders; bulk purchases; specialised buying team; less rent paid for storage. Disadvantages could include full time buyers required; distribution costs; local needs may be ignored.

Discussions regarding localised buying could include advantages such as helping the local economy; fresh produce; no transport costs; tailor the needs of the customer.

Disadvantages could include limited price negotiation; no uniformity of merchandise in branches. Candidates should be aware that some stores will use central and local buying.

Discussions regarding independent buying should include advantages such as buying tailored to the target market; the potential to order from many different companies; and less of a requirement for major storage space. Disadvantages could include limited price negotiation and minimum orders may be too high.

## National Unit specification: support notes (cont)

**Unit title:** Retail Buying (SCQF level 6)

### Outcome 3

Information sources could include; previous, current and predicted sales; future and current trends; customer demand; information from trade exhibitions/shows; trade journals; company reps and agents.

Factors involved in researching and selecting suppliers could include:

- ◆ product — what the supplier can offer, the quality of the goods, value for money and product development
- ◆ terms of trade — the cost price of the goods, the payment terms including Cash on Delivery (COD); credit terms, eg 30, 60 and 90 days credit; payment plan; discount for prompt payment, discounts available and the level of investment required, eg minimum order levels
- ◆ reputation of supplier — portfolio of customers, ethical trading standards, and their technical capacity
- ◆ support — buyer/supplier relationship, stock management, availability of stock, customer service, eg how they deal with faulty goods
- ◆ marketing — how the supplier helps with in-store merchandising, promotional events and advertising
- ◆ discount for bulk buying

Sale or Return (SOR) on goods should also be discussed.

Class discussions with regard to the buyer and supplier relationship could include that retailers and suppliers have the same aim; to sell as many products as possible. Relationships between the buyer and supplier are built on trust, respect, and reliability and for buyers to obtain a new supplier comes at a cost. It takes a great deal of time to search, evaluate, negotiate and establish a new rapport with a supplier. However, buyers should always be researching new suppliers who could offer better terms.

### Outcome 4

Candidates should be made aware of buying in depth and breadth and the reasons retailers use each method. Re-order levels and minimum quantities should be discussed and buyers having to work within a budget. Each order is part of a whole merchandising/plan and buyers must programme stock to be delivered at regular intervals. Discussion should cover how fashion buyers tend to buy in seasons and in 'stories'.

The detail of the buying plan should include the necessary criteria, eg style, cost price (if attainable), retail price, size, colour and pack/outer quantity.

Measuring the performance of the product selection could include sales performance, increase in profit, and increase in customers.



## National Unit specification: support notes (cont)

**Unit title:** Retail Buying (SCQF level 6)

### Guidance of learning and teaching approaches for this Unit

Class discussions should include the role of the buyer and skills required. Candidates should research and evaluate different job advertisements. Different retailers should be discussed and researched to evaluate their buying objectives with regard to any change of direction or policy.

A guest speaker from a retail organisation would help candidates to define the buyer's role and enhance their understanding of the topic. Different groups within the class could undertake research on different buying structures and present the advantages and disadvantages to class members.

Different goods/retailers could be researched to establish how often their goods are likely to be sold and replenished and the approximate lead-in time required for each product. The negotiation process should be discussed and the use of role plays and other practical activities would help candidates' understanding.

Group activities including research of current trends for different products should be encouraged. Each candidate should research an organisation of their choice and identify a suitable product range.

### Essential Skills

By adopting the above learning and teaching approaches and/or through the Outcomes and corresponding Evidence Requirements, the Unit should provide candidates with an opportunity to develop the following essential skills for life, learning and work:

**Enterprise** — the entire Unit provides opportunities for experiencing the enterprise environment, entrepreneurial activities, and career development.

**Employability** — through developing knowledge and skills in self-management, customer and employer awareness.

### Guidance on approaches to assessment for this Unit

The assessment of Outcomes should be integrated where possible.

For Outcomes 1, 2 and 3 it would be appropriate to integrate some or assessment in an open-book, restricted response assessment.

For Outcome 4, an open-book assignment is recommended, to include the buying plan and a short report. Candidates have to select a product range of at least 10 items for a retail organisation and produce a buying plan which includes product information.

A short report should include the retail organisation, the target market, product selection with reasons for choice and methods that could be used by the retailer to measure the effectiveness of the buying plan.

## National Unit specification: support notes (cont)

**Unit title:** Retail Buying (SCQF level 6)

The Buying Plan could be presented as a spreadsheet including all product information. For example, description, price, size, colour and quantities. Some products should be ordered in breadth and others in depth. A storyboard could be included to give visual information on all the products.

### Opportunities for the use of 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 e-checklists. Centres which wish to use E-assessment must ensure that the national standard is applied to all candidate evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. Further advice is available in *SQA Guidelines on Online Assessment for Further Education (AA1641, March 2003)*, *SQA Guidelines on E-assessment for Schools (BD2625, June 2005)*.

### Opportunities for developing Core Skills

In this Unit candidates will develop knowledge of retail buying.

Candidates will:

- ◆ demonstrate an understanding of the role of buying in a retail organisation
- ◆ demonstrate an understanding of buying structures
- ◆ explain the stages of the buying process
- ◆ produce a buying plan for an organisation which may include using calculations and a spreadsheet

This means that as candidates are doing the Unit they may be develop aspects of the Core Skills of *Communication, Problem Solving, Numeracy and Information and Communication Technology (ICT)*.

This Unit has the Critical Thinking component of Problem Solving embedded in it. This means that when candidates achieve the Unit, their Core Skills profile will also be updated to show they have achieved Critical Thinking at SCQF level 6.

### Disabled candidates and/or those with additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements)

## History of changes to Unit

Version	Description of change	Date

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