

Functional areas of retail business

Purchasing

Also known as procurement.

This is the buying of stock that will be sold in the retail businesses physical outlets, online or any other retail channel.

A retail business will purchase stock from suppliers, it is important that the stock is at the quality and quantity needed, at a suitable price, and delivered at time that is suitable for the retail business.

Logistics

Manages the process of getting the right products to the right customers in the right place at the right time.

Logistics involves the purchasing and transportation of products, the warehousing of products, managing stock, fulfilling orders, and making sure the stock is safe and secure.

Warehousing

Part of the logistic function, warehousing is the storing of products before they are moved to the retail stores or delivered to customers.

The products need to be stored securely and be able to be moved quickly to the store or to customers.

Sales

Is responsible for selling the product to the customer.

The sales function determines how the business interacts with its customers and receives revenue. The sales function will include all the activities needed to sell products and includes the sale staff that make sales and keep customers loyal to the business.

Customer service

Is the support that a retail business gives to its customers. This takes place before, during and after a customer has bought the product or service.

Marketing

Finding out who your customers are, known as market segmentation.

Finding out what your customers want, known as market research.

Offering a product that meets customer needs, calculating a price that customers will pay, promoting the product or service to persuade customers to buy it and making the product or service available to buy at the right place, known as the marketing mix.

Finance

Manages the money that flows into and out of the business.

Looking for sources of finance for start-up, growth and to pay the running expenses of the business.

Creating financial documents, such as profit and loss accounts and cash flow forecasts.

Maintaining financial records and analysing financial records and business performance.

Human resources

Is responsible for all staff-related issues.

These include including the recruitment of new staff, the induction, training and development of staff, staff performance systems, disciplinary procedures, ending employment and complying with relevant government legislation.

Administration and ICT

The supportive functions that help the retail business run efficiently and achieve its aims.

ICT is responsible for the infrastructure, hardware, software and networking of computers in a retail business. They are also responsible in providing support to staff and making sure data is secure.