

## Industry insight – Retail

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### In a nutshell

The retail world is extremely diverse and can offer opportunities in a range of areas from buying, merchandising and store operations, through to marketing, HR and finance.

Retail is the UK's largest private sector employer with around 2.8 million employees ([Skillsmart Retail](#), 2011). There are many graduate schemes available in retail, particularly with the large, leading companies but there are also opportunities with smaller establishments.

The UK retail sector suffered during the economic downturn with many retailers going out of business. However, there are now signs of improvement with retail employment in quarter four of 2011 being 0.5% higher than in the same quarter of 2010. This is equivalent to around 4,000 more jobs. Although small, this growth is still encouraging and in 2011 UK retail sales were over £303billion ([British Retail Consortium](#), 2011).

Internet retail is a growing trend with sales in 2011 accounting for 9% of total retail sales with a value of £27billion (British Retail Consortium, 2011).

### What kind of work can I do?

- **Store operations** - working in a store, including roles from sales assistant to store manager. Fast progression, particularly on graduate schemes. Important aspects include customer service and making a profit. See [Retail manager](#).
- **Buying** - sampling and sourcing new products and predicting future trends. Research, including attendance at trade shows, is important. See [Retail buyer](#).
- **Merchandising** - analysing how products have performed to predict what will sell well and what amounts should be bought. See [Retail merchandiser](#).
- **Visual merchandising** - creating shop floor layouts, placing products in the best positions to encourage sales. Also creating window displays and point of sale promotions.
- **Retail banking** - highly customer facing and based on the high street, competing for business and offering services to customers. Roles are available in branch, or in online or telephone banking roles. See [Banker](#).
- **Call centres** - providing customer service over the phone often for large retailers, catalogues and retail banks. See [Call centre manager](#).
- **Design** - creating and designing new products and ranges for retail sale. See [Fashion designer](#) and [Industrial/product designer](#).
- **Marketing and PR** - communicating the brand to customers and maintaining the public image of the company, using TV, radio, print and online media, and stores. See [Market researcher](#), [Marketing executive](#) and [Public relations officer](#).
- **Human resources** - hiring and training staff, providing support to managers. Carrying out salary and performance reviews, identifying skills gaps and helping administer disciplinary procedures when necessary. See [Human resources officer](#).
- **IT** - working to provide efficient IT systems to help with the running of the retail outlet, from warehousing to point of sales. Online shopping is making IT an increasingly crucial part of retail. See [IT consultant](#).

- **Finance** - analysing and reporting on the business's finances to help with allocating resources and develop pricing models. Also involves evaluating financial risk. See [Financial manager](#), [Chartered management accountant](#) and [Financial risk analyst](#).
- **Warehouse and logistics** - responsible for getting stock from the factory or warehouse to the shop floor, on time and on budget using road, rail, sea or air. See [Freight forwarder](#), [Logistics and distribution manager](#) and [Warehouse manager](#).

## What's it like working in this industry?

- The retail industry is highly commercial, driven by sales and profit. It is a very dynamic industry, constantly having to change and adapt to appeal to customers and compete with the competition. Achieving sales targets is a big part of operations roles. Being a successful team member is also important and good interpersonal skills are required.
- Starting salaries within retail vary widely depending on the actual role and area worked in. Salaries for graduate training schemes typically start at around £25,000 but could be higher or lower than this according to the retailer.
- Average starting salaries in other areas (buying, merchandising, HR, marketing, IT, finance, etc.) are typically between £19,000 and £25,000. Starting salaries in banks could be slightly lower for counter work at around £15,000 - £20,000 but salaries rise well with progression and could reach £100,000+ with substantial experience and responsibility.
- Salaries in general retail increase with experience and senior posts can attract salaries of around £40,000 - £55,000. Some director level posts for large retailers (particularly in IT, finance, marketing and HR) can demand salaries of over £80,000.
- While the salary levels may not be as high as in some other sectors, retail does offer other significant benefits such as discounts on produce, bonuses, car allowance, life assurance, pension schemes, share options, private healthcare and generous holiday allowance. Promotion can also be rapid, especially from graduate training schemes.
- If working in a head office role (HR, IT, marketing, etc.), hours are generally Monday to Friday, nine to five. Working in a store is likely to involve more irregular hours, including evenings, weekends and bank holidays.
- Some roles, such as area manager or buyer may involve substantial travel within a working day and possible overnight stays.
- Flexible working patterns are common in the sector, with half of retail employees being part time.
- Around 9% of retail employees come from an ethnic minority background. This is compared to 8% in the economy as a whole.
- Men are underrepresented in retail with almost two thirds of employees being female. Just under a third of the retail workforce is aged 16-24 while nearly a quarter is aged over 50.
- Around 2.8 million people are employed in the retail sector. Around two thirds of these employees work for the 75 largest retail companies. There are approximately 188,000 retail enterprises which operate in around 286,000 retail establishments. 86% of these businesses employ fewer than ten people. (All stats from Skillsmart Retail, 2011.)
- The retail industry is global, and jobs are available around the world as well as both regionally and nationally in the UK. For more information on international jobs, see the opportunities abroad section below.

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## Entry and progression

## How do I find a job?

Retail sector jobs are advertised through:

- company websites;
- dedicated retail websites, e.g. [The Grocer](#), [InRetail](#), [Retail Careers](#), [Retail Choice](#), [Retail Week](#);
- online and printed general press, including magazines, local and national newspapers;
- graduate websites and recruitment literature;
- careers fairs;
- retail recruitment agencies;
- trade associations;
- university careers centres;
- [LinkedIn](#).

Large retailers usually offer formal graduate training schemes. Applications are often made through an online form and details are advertised on company websites. Candidates who are short-listed attend an assessment centre, followed by an interview and may be asked to complete online tests.

Jobs may be advertised internally, giving an advantage to current employees. It is also worth sending in speculative applications to those retailers you would really like to work for. Ask for your details to be kept on file for when any vacancies become available.

Recruiters advertise all year round, although graduate schemes usually start from the autumn onwards. While there is an expiry date to apply for any graduate scheme, if the retailer fills all of the assessment centre places before the date, the employer will remove the job from their website. It's therefore important to apply for the role immediately and not to leave it until the last minute.

## What skills do I need?

[Skillsmart Retail](#) (2011) state that there is more of an issue with existing retail staff lacking the required skills (known as a skills gap) than there is with employers not being able to recruit staff with the appropriate skills (skills shortage).

The skills that retailers look for include:

- strong customer focus;
- customer service skills;
- excellent communication and interpersonal skills;
- good level of numeracy and IT skills;
- negotiation and persuading skills;
- evidence of leadership and management qualities;
- drive and enthusiasm;
- good risk assessment skills;
- well-developed commercial awareness;
- flair for creativity;
- ability to work under pressure, to tight deadlines and to meet targets;
- organisational skills.

It's becoming increasingly competitive to get a retail head office role and a degree is essential to increase your chances. To be considered for a graduate training scheme many

retailers ask applicants to have at least a 2:1 in their chosen subject, however, other store-based roles do not always require applicants to have a degree.

Employers will be looking for tangible examples of the skills you possess. If you don't have any sort of retail experience, you can easily show examples of your skills through the work you do at university, as part of your course or extra-curricular work. This may be for a society, voluntary work or any other sort of work which involves communicating with people, working as a team, meeting deadlines or hitting targets.

You can seek help with developing relevant skills through the [National Skills Academy for Retail](#). It provides a wide range of resources and information to help with getting in or getting on in retail and also has skills shops around the country which you can visit for face to face advice.

## **Where can I find work experience?**

In order to stand out from other applicants when applying for a job in retail, it's advisable to gain relevant work experience beforehand.

Most retail outlets employ part-time sales assistants, which involves working on the shop floor, selling, replenishing stock and customer service. This kind of work often sits well alongside your studies, with some stores offering contracts of just a few hours a week. This is an excellent way of experiencing the consumer end of the retail supply chain and is very useful for building up essential interpersonal skills. It is also helpful in understanding customer spending habits. Apply in-store with a CV or via the company website. You should get as much experience as you can (without it interfering with your studies).

Work placements and internships are also available in-store and within head offices. Your university careers service may be able to help you find a placement and you can also contact companies directly. You would usually contact the human resources department in the first instance. Opportunities may also be available to work-shadow people in roles such as merchandising or buying. Again contact companies directly for more information.

You could also gain experience by working on a voluntary basis for a charity shop. Most high streets have charity shops looking for extra help; for further details either go directly to the shop or contact the head office.

## **Is postgraduate study useful?**

You do not need postgraduate qualifications to enter, or succeed in, retail; however, the right postgraduate course may enhance your career progression. Postgraduate courses can help to develop your business skills within the retail environment. Specifically, you can study retail management, buying and merchandising, logistics, purchasing, marketing and HR. Available courses range from certificate or diploma to Masters level.

Some employers encourage postgraduate study as part of your professional development and will fund your course and give you time off to study. There are some areas of retail in which postgraduate study is more common and may be required to aid progression. For example, those pursuing a career in marketing may study for a Postgraduate Diploma at the [Chartered Institute of Marketing \(CIM\)](#), or those in HR may study for a certificate or diploma from the [Chartered Institute of Personnel and Development \(CIPD\)](#). In these specialist careers having a postgraduate qualification may also increase your earning potential.

Other relevant professional qualifications can be obtained from [The Chartered Institute of Logistics and Transport \(CILT\) UK](#) and the [Chartered Institute of Purchasing and Supply \(CIPS\)](#).

## How can my career develop?

The retail sector offers structured and rapid career progression to graduates working on graduate training schemes. Within store operations (especially in large retailers) there is usually a clear line of progression from sales assistant through to store manager and area or regional manager. Career structures for other areas of retail or for smaller companies may vary depending on the retailer. In some instances it will be possible to continue to progress to senior or management levels in the same company, while other positions will require moving to other employers that are perhaps bigger.

The retailer's website should give a good indication of their job roles along with information on training and the progression path. If it doesn't, it's worth asking questions on these topics at interview or discussing them with your line manager if you think you're ready for a promotion.

Training is usually given on the job or through external providers which can help you to continuously update your skills base which in turn can help with progression.

Networking is a useful way of finding out about upcoming positions within other departments or other companies. When you're networking you'll find the retail industry will appear to be very small and everyone is well connected. [LinkedIn](#) is a useful networking tool, helping to build your contacts and keep them in one place. You should also aim to keep up to date with the industry by reading relevant press such as [The Retail Bulletin](#), [Internet Retailing](#), and [Talking Retail](#), and by looking at the websites of associations such as [Interactive Media in Retail Group \(IMRG\)](#) and [British Retail Consortium](#).

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## Typical employers

### Big players

The sector is dominated by a small number of large retailers, many of whom offer graduate training schemes.

- **Books, news and stationery:** includes a number of large retailers, such as WHSmith, Waterstones and Blackwells.
- **Clothing:** the current leaders are the Arcadia Group (including Topshop, Topman, Dorothy Perkins, Burton, BHS, Evans, Miss Selfridge, Outfit and Wallis), Primark, Inditex (includes Zara) and Next.
- **Department stores:** large retail formats dealing with a wide range of products, traditionally based in town centres. Examples include John Lewis, Marks & Spencer, Debenhams, House of Fraser, Selfridges and Harvey Nichols.
- **DIY and gardening:** retailers include Kingfisher Group (B&Q), Wickes and Home Retail Group (Homebase).
- **Electricals:** sensitive to changes in technology, this area is under increasing competition from large grocery stores. Firms include DSG International (includes Dixons, Currys and PC World), Comet, Carphone Warehouse and Sony.

- **Food retailers:** form a major part of the retail industry, worth over £100billion. Although still primarily selling food, the largest companies have diversified into non-food products. The biggest companies are Tesco, ASDA (owned by the largest retailer in the world, Wal-Mart), Sainsbury's, Morrisons, Co-operative Group, Lidl and Aldi. The major drinks retailers in this area are Majestic Wine and Oddbins.
- **Furniture and floor coverings:** the biggest firms are Ikea and Dunelm Group.
- **Health and beauty:** Boots is the leader, while Holland and Barrett and Superdrug also have a major presence in the high street.
- **Mail order:** Home Retail Group, which includes Argos, leads the area. Littlewoods, Freemans and Grattan are also key players.
- **Office supplies:** includes Office World and Staples.
- **Online retail:** the leading retailer is Amazon, followed by Argos, Apple and Play.com.
- **Retail banking:** the ten largest retail banks in the UK are HSBC, Royal Bank of Scotland, Lloyds TSB, Halifax (owned by Lloyds), Bank of Scotland (owned by Lloyds), Barclays, Santander (Spanish owned), Co-operative, Nationwide (classed as a building society), Tesco Bank.

## Small to medium-sized enterprises (SMEs)

There are plenty of opportunities for those who would prefer to work in a smaller company. 86% of retailers employ fewer than ten people and these small outlets employ just under a third of the total retail workforce. This means that although the sector is dominated by the big players listed above, there are a variety of small stores, boutiques and outlets where you can find employment.

The smaller enterprises are less likely to offer graduate training schemes but will still provide on-the-job training. You may also take on more responsibilities from an earlier stage as there will be fewer staff to share the tasks. You might also have the opportunity to work in a number of areas, e.g. operations and marketing. To reach the most senior levels (store manager, etc.) you may need to move employers as vacancies may not be as regularly available as in larger companies.

The small outlets are more likely to advertise their opportunities in-store, through local press, or word of mouth.

## Self-employment

Many people choose to open their own retail outlets, usually starting with small premises and moving to larger ones or opening multiple stores if they are successful. It's important to appreciate the level of commitment involved in such enterprises and you should seek independent advice and consider taking a course in setting up a business. You will need to carry out market research and it helps to have a unique selling point in your business.

Retail experience is usually essential if you are to be successful at running your own shop. It may be a good idea to consider internet selling or market stalls first as they can provide a solid starting point for a fairly low outlay.

If you're in a position to purchase your own outlet, you could consider joining a franchise. This means you'll be buying into an established name and may be provided with training and support. However, remember that the franchiser will take a percentage of the turnover. Examples of franchises include, Clarks Shoes, Bang & Olufsen and Thorntons. See the [British Franchise Association \(BFA\)](#) for more information.



## Opportunities abroad

The retail sector is becoming increasingly global and it is possible to find work abroad. Competitive retailers across the world have taken advantage of global supply chains and the economies of scale, which come with high-volume operations. In order to be successful, retailers must be able to deal with issues such as currency fluctuations, sudden political change, oil prices and tax rules.

Many high street names have head offices outside of the UK. For example, H&M is based in Sweden and Inditex, the world's largest fashion retailer, including brands such as Zara and Massimo Dutti, is based in Spain. Carrefour is the largest hypermarket chain in the world and its headquarters are in France. The largest retailer in the world is Wal-Mart, a US company, which sells everything from clothing to food and homeware. It owns ASDA in the UK and has over 10,000 stores under 69 different titles in 27 countries.

In retail banking, Santander is based in Spain and also has operations in Latin America, Portugal, Germany, Poland and parts of the US. HSBC is global and has operations in a wide variety of countries and Lloyds TSB has offices around the world including Spain, Dubai, Hong Kong and Singapore.

A large number of British retailers also have stores and operations abroad. For example, Tesco has a presence in China, India, Japan, Malaysia, South Korea, Thailand, America and parts of Europe. If there is a particular large retailer that you'd like to work for take a look on their website to see if they have operations overseas.

When considering a job abroad you should take into account immigration and visa requirements. Finding a job in the EU is much easier than the rest of the world, as a visa is not required. Knowledge of a foreign or European language would be an advantage.

A growing number of European retailers are considering graduates from specific disciplines, such as fashion design, merchandising, graphic design, but this is rare and in other disciplines you will need experience to find a job abroad. Gaining experience within a blue-chip retailer before you apply for a job overseas will make you more employable to companies.

## Will my qualifications be recognised?

The Bologna Process introduced a standardised degree system across most of the EU, and many countries now adopt the familiar Bachelors, Masters and Doctorate classifications. These are also comparable to the degree systems in places like the US, Canada and Australia.

Specific retail qualifications (or other professional qualifications in areas like HR or marketing) that are offered by professional bodies and organisations are typically internationally recognised. Any qualifications from small courses or on-the-job training may not be formally recognised but may still be accepted if accompanied by a breakdown of what was covered.

There are a number of organisations that help with the transfer of your qualifications. [ENIC-NARIC](#) is a good place to start, as it gives information on the policies and procedures for the recognition of qualifications in 54 countries.

[Europass](#) is another UK-based organisation that helps with documentation to work, study or train in Europe.

## Future trends

### Sustainable retail

Retailers have already started to consider some sustainability issues such as use of plastic bags and packaging, but many are going further than this and environmental and social challenges are moving higher up their agendas. Some are leading the way by imposing strict criteria on their supply chains and are proactively selling sustainable products to their consumers. Others are working on lowering their environmental footprint and are working with own-label products to reduce impact ([Forum for the Future](#), 2012).

Marks & Spencer is one of the companies leading the way in sustainable retail. They are working on Plan A, which sets out 180 commitments to achieve by 2015. It includes combating climate change, reducing waste, using sustainable raw materials and trading ethically.

### Social media

As social media continues to grow, so does the role it plays in retail. It is an ideal platform to get consumers talking about goods and brands and provides the opportunity for retailers to be able to listen to what their customers have to say. Consumers have the chance to share reviews and experiences, which in turn can help retailers to improve customer care. It also provides an excellent marketing platform for retailers who can use it for promotions and offers.

### Multichannel retail

Consumers are becoming increasingly reliant on being able to use more than one channel when purchasing something. Many will look on a store website to check specific lines or prices before visiting the store to buy a product. And a lot will go further than this in the amount of channels they use, being able to choose from store, website, mobile and catalogue. Many expect to browse for their product using one of these channels and then purchase, collect or return the goods through another channel. Retailers need to work to make sure their services through all of these channels are streamlined and work efficiently together to give the consumer the best multichannel shopping experience available.

### Mobile payments

Increasingly, consumers want to be able to make purchasing decisions in a flexible way and the demand to be able to pay for purchases using a mobile phone has grown. This area is expanding along with developments in smart phones and new technologies. The biggest contender to lead the mobile payments market forward is Near Field Communication (NFC), which provides a contactless payment method through radio communication.

NFC phones are becoming increasingly common and more retailers are beginning to consider upgrading their Point of Sales (POS) systems to enable mobile payments. For it to succeed the concern of security will need to be addressed, particularly in messages to consumers who will worry about what would happen if their phone were to be stolen. Currently, the idea is that a pin will have to be entered to authorise payment, but research and development is being carried out into fingerprint-scanning technology to increase security levels.

As well as providing an improved and more efficient transaction experience for the customer, mobile payments will also help retailers. They will be able to monitor customer transactions and use them to adjust future offers to suit their target audience. It will also



allow for an improved labour productivity as service will be speeded up, allowing for fewer tills servicing the same number of customers.

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## Jargon buster

- **B2B** - business-to-business (information shared between businesses).
- **B2C** - business-to-consumer (as above but information is between business and end consumer).
- **BOGOF** - Buy One Get One Free. A special offer or promotion.
- **EDLC** - Every Day Low Cost. Store trading strategy.
- **EDLP** - Every Day Low Price. Store trading strategy.
- **EPOS** - Electronic Point Of Sale. Data recorded at checkout from bar-code information. Used for forecasting and stock control.
- **GWP** - Gift With Purchase.
- **GP** - Gross Profit.
- **FMCG** - Fast Moving Consumer Goods, e.g. grocery items.
- **Footfall** - consumer traffic into a store or area of a store.
- **Forecast** - calculation of future sales.
- **Gross margin** - difference between cost price and selling price. Expressed as £ or %.
- **Like for like comparison** - comparing sales figures from the current period with sales figures from the same period the previous year.
- **NFC** - Near Field Communication. Used for mobile payments.
- **POS** - Point Of Sale. The physical location where a customer pays for a product or service.
- **RPI** - Retail Price Index.
- **RSP** - Retail Selling Price. Price sold by retailer to the consumer.
- **SBO** - Sales-Based Ordering. System of product ordering using EPOS data to maintain stock.
- **Shrinkage** - percentage of loss of stock through employee theft, shoplifting, administrative error, or supplier fraud.
- **SWOT** - strengths, weaknesses, opportunities and threats. Used to analyse competition.
- **USP** - Unique Selling Proposition/Point. The real difference in a product, for example, taste or packaging.
- **YOY** - Year-On-Year. Comparison of results with the same time in previous years.
- **WSSI** - Weekly Stock and Sales Intake.

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