



FURNITURE MAKING OPERATION MANAGEMENT

LEVEL IV V1

Based on September, 2012, Version 2 Occupational standards (OS)

LEARNING GUIDE -48-51



Module Title: Managing Product Presentation

LG Code: IND FOM4 M12 LO (1-4)LG (48-51)

TTLM Code: IND FOM4 TTLM 0221 V1

February 2021
Adama, Ethiopia



Table of Contents	page
LG #48	5
LO #1- Manage store merchandising	5
Information Sheet-1	6
Flowing according to store policies and plans customer visual merchandising.	6
Self-Check -1.....	11
Written Test.....	11
Information Sheet-2.....	12
Checking layout assessment.	12
Self-Check -2.....	13
Written Test.....	13
Information Sheet-3.....	14
Defining standards for visual presentation.	14
Self-Check -3.....	15
Written Test.....	15
Information Sheet-4.....	16
Assessing consult floor staff to customer response to space allocations.	16
Self-Check -4.....	19
Written Test.....	19
Lap test -1.....	20
Written Test.....	20
LG #49	21
LO #2- Plan and manage store advertising and promotions	21
Information Sheet-1	22
Managing policies and procedures in regard to store implement.	22
Self-Check -1.....	28
Written Test.....	28
Information Sheet-2.....	29
Organizing anticipated or researched customer activities in line requirements.	29
Self-Check -2.....	31
Written Test.....	31



Information Sheet-3.....	32
Managing promotions in order to achieve maximum customer impact.....	32
Self-Check -3.....	34
Written Test.....	34
Information Sheet-4.....	35
Regarding suppliers in to special promotional activities.....	35
Self-Check -4.....	43
Written Test.....	43
Information Sheet-5.....	44
Promoting shop centre or retail complex.....	44
Self-Check -5.....	45
Written Test.....	45
Information Sheet-6.....	46
Checking assessment to measure effectiveness promotions.....	46
Self-Check -6.....	48
Written Test.....	48
Information Sheet-7.....	49
Documenting and reporting on promotional activities.....	49
Self-Check -7.....	50
Written Test.....	50
Lap test -2.....	51
Written Test.....	51
LG #50	52
LO #3- Manage store pricing policies	52
Information Sheet-1.....	53
Pricing policies and organisation procedures.....	53
Self-Check -1.....	55
Written Test.....	55
Information Sheet-2.....	56
Changing information on pricing trends.....	56



Self-Check -2.....	58
Written Test.....	58
Information Sheet-3.....	59
According to store policies and legislative requirements.	59
Self-Check -3.....	73
Written Test.....	73
Lap test -3.....	74
Written Test.....	74
LG #51	75
LO #4- Manage housekeeping	75
Information Sheet-1.....	76
Maintaining store housekeeping procedures in regards.	76
Self-Check -1.....	78
Written Test.....	78
Information Sheet-2.....	79
Merchandising store presentation problems contingency plan in the event.	79
Self-Check -2.....	80
Written Test.....	80
Information Sheet-3.....	81
Documenting and reporting on promotional activities.	81
Self-Check -3.....	83
Written Test.....	83
Lap test -2.....	84
Written Test.....	84
List of Reference	86



LG #48

LO #1- Manage store merchandising

Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following **content coverage** and topics:

- Flowing according to store policies and plans customer visual merchandising.
- Checking layout assessment
- .Defining standards for visual presentation
- Assessing consult floor staff to customer response to space allocations

This guide will also assist you to attain the learning outcome stated in the cover page.

Specifically, upon completion of this Learning Guide, you will be able to:

- Flowing according to store policies and plans customer visual merchandising.
- Checking layout assessment
- .Defining standards for visual presentation
- Assessing consult floor staff to customer response to space allocations.

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
4. Accomplish the “Self-checks” which are placed following all information sheets.
5. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).
6. If you earned a satisfactory evaluation proceed to “Operation sheets
7. Perform “the Learning activity performance test” which is placed following “Operation sheets” ,
8. If your performance is satisfactory proceed to the next learning guide,
9. If your performance is unsatisfactory, see your trainer for further instructions or go back to “Operation sheets”.



Information Sheet-1	Flowing according to store policies and plans customer visual merchandising.
---------------------	--

Introduction

Managing Product Presentation ; presentation might be one of the most important meetings that a product manager has with internal stakeholders. ... It's about evangelizing your product strategy and persuading the stakeholders in the room that the plan and objectives you've laid out are the right ones to pursue.

The methods of start a product presentations are

Creating a Powerful Sales Presentation for demand customer .

Make the presentation relevant to your prospect demand.

Create a connection between your product/service and the prospect plan get to the point.

Be animated. Use showmanship. Use a physical demonstration.

Lastly believe in your product/service.

Effective product presentations are

Lead the customer through the buying decision and facilitate a satisfying transaction.

Must Know your product quality ,availability cycle life. Price and system of transportation .

Explain your offering in a sentence to identify about your product.

Know your prospect ,Customer and their demand.

Know what message your prospect is ready to receive.

Set your sales presentation goal and dress for success.

The product manager role in managing product presentations ,.

The Product Manager is responsible for the product planning and execution throughout the Product Lifecycle, including: gathering and prioritizing product and customer requirements, defining the product vision, and working closely with engineering, sales, marketing and support to ensure revenue and customer satisfaction .

product managers are expected to have;

Communication skills. Technical expertise. business skills. Research skills, analysis skills.

Interpersonal skills. Marketing **skills and delegation skills**

Manage store merchandising

The product roadmap presentation might be one of the most important meetings that a product manager has with internal stakeholders. It's about your product strategy and persuading the stakeholders in the room that the plan and objectives you've laid out are the right ones to pursue

Page 6 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
--------------	---	---	---------------------------



.Retail merchandising refers to the way retailers, brands and other product companies make their merchandise available in stores. the purpose of retail merchandising is to encourage purchases. Successful retail merchandising requires careful planning, implementing, managing, and analysis market selling ,inventory price and Environmental demand then their capacity.

Merchandising Strategy: Merchandising strategy involves the tactics (or business processes) that contribute to the sale of goods and services to the customer for profit.

A sound retail strategy involves developing a desirable retail merchandise mix of products that add unique customer value.

Basic Techniques basic merchandising techniques include displaying related merchandise together, simple and clean displays, ample aisle space, well-stocked shelves and prominent featuring of promotional items. For example, a furniture store may create a mock living room with different pieces of furniture items and fixtures to generate sales in these products. Attractive floor displays of seasonal goods in high-traffic areas also drive higher sales and profits.

The benefits of merchandising in the productions are ;to higher profits.to more satisfaction shoppers.

More engage buyers (longer on-site time) Faster inventory turnover.

Increases brand loyalty and Increase brand recognition.

the duties and responsibilities of a merchandiser to do

Control retail merchandiser: identify job description working closely with buyers and other merchandisers to plan product ranges. meeting with suppliers, distributors and analysts. managing budgets. Predicting sales and profits. negotiating quantities and delivery timescales. Supervising and training junior staff and managing levels and distribution of stock.

The merchandising s and methods to achieve production planning

Basic merchandising techniques include displaying related merchandise together, simple and clean displays, ample aisle space, well-stocked shelves and prominent featuring of promotional items. For example, a furniture store may create a mock living room with different pieces of furniture items and fixtures to generate sales in these products. Attractive floor displays of seasonal goods in high-traffic areas also drive higher sales and profits.

The National Retail Hardware Association recommends storing slow-moving and low-priced items away from customers to encourage sales of high-margin items.



Enhancing the Appeal

The first impression is usually the most important one, which is why window displays in brick-and-mortar stores and landing-page layouts in e-commerce stores are so important. They grab customers' attention and bring them into the store, which is not a simple matter in a mall with dozens of retailers. A bakery may highlight its attractive cakes and chocolate creations, while a clothing retailer may display the most recent fashions in its window display. Proper use of lighting creates a mood and illuminates the merchandise, especially during peak holiday selling seasons.

b Store Layout

The type of store usually dictates the floor and shelf layout. For example, grocery stores should have enough aisle space for shoppers to move their carts and accompanying toddlers around when they are doing their shopping. Retailers may often move items to the front of the shelves to avoid giving the impression of not having enough items on stock. Retail managers may use the sales-per-square-foot metric, which is the ratio of sales to total shelf and floor display space, to assess the effectiveness of a merchandising strategy and make the necessary adjustments.

C Online Merchandising

E-commerce stores should have a simple layout and an effective search tool for customers to browse through the store effortlessly. Software has advanced to the point where a simple mouse rollover of an item activates a pop-up window displaying the product details and even multimedia demonstrations of how to use the product. Online merchandising techniques include cross-selling, which is the highlighting of related products in search results, making special promotions appear on every page and offering user-friendly electronic checkout facilities.

d Other Techniques

End caps, which are the ends of store shelves, and power islands, which are free-standing displays strategically placed in high-traffic store areas, may draw attention to new and high-margin products. Taste testing, product demonstrations and how-to training sessions also highlight certain items and make the customer buying experience more enjoyable.

1.1 Flowing according to store policies and plans customer visual merchandising.

Visual merchandising is a purely aesthetic science, and it is the backbone of the retail industry. A store displays products according to specific visual design brief, which must be clear effective Signs for the store policies. he impact that retail merchandising has on customer experience as well as .According to Michael Levy in Retailing management, the decision with merchandise management, along with store management principles.

Page 8 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
--------------	---	---	---------------------------



The North American Industry Classification System (NAICS), which classifies and measures economic activity in the United States, Canada, and Mexico, classifies *retail merchandising* and *fashion merchandising* as two separate categories. NAICS organizes the retail trade industry according to the “similarity in the processes used to produce goods or services.” Retail merchandising refers to **business activities and retail management** philosophy that cover a wider category of goods and services than fashion merchandising. For example, retail merchandising includes classifications like beds Accessories Stores and cabinets Stores. The NAICS accepts that “knowledge of store visual merchandise trends” is a service that various retailers in the retail merchandising category provide. However, goods sold merchandising services also represent a separate economic activity under the Specialized Design product category. While there is some overlap between fashion merchandising and retail merchandising, fashion merchandising also involves a different supply-chain partnership and a unique retail mix. Retailers typically occupy the end of the supply chain involving manufacturers, wholesalers, and other suppliers and agents. Retail merchandising is, therefore, responsible for selling directly to the customer. Fashion merchandising may involve direct, value-added customer activities, but fashion merchandising professionals often sell directly to wholesale suppliers as well. Levy defines the retail mix as “the combination of factors used by a retailer to satisfy customer needs and influence their purchase decisions. According to Levy, the retail mix involves the following factors:

The merchandise and services that a retailer offers

To merchandise price

The advertising and promotional activities are good, the design and layout of stores (digital and physical)

The visual merchandising good

Fashion merchandising concerns a different combination of factors (and a narrower category of goods and services) than retail merchandising. For example, the merchandise, services, and store-design methods involved with fashion merchandising activities would not apply to used car dealers.

The last component of the retail mix, visual merchandising, is another type of merchandising activity in the retailer’s tool belt.

Visual Merchandising in a Retail Store

Visual merchandising is part of a sound retail merchandising strategy. It guides the planning and activities responsible for how customers see your *physical and digital stores, and the goods and services visible within. Visual merchandising applies to everything from the exterior of your retail store to the well-lit entryway all the way through to the well-placed furniture, fixtures, and*

Page 9 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
--------------	---	---	---------------------------



promotional displays. It helps create customer value by making the shopper journey efficient, unique, and memorable.

Just like In today's Omni channel marketplace, e-commerce, retail stores, and mobile channels converge to shape the customer experience. Visual merchandising is responsible for creating the digital or physical environment that appeals to your target customer and aligns with your overall retail value proposition. The creative methods of visual merchandising stimulate customers to make purchases. Retailers can design a customer experience with the layout of store merchandise, the UX design of e-commerce landing pages, and the usability and imagery of a mobile app achieved by these method.

The Science of Visual Merchandising with visual merchandising, retailers can influence how customers choose and what choices they make based on what those customers see in physical stores and online. Modern neuroscience studies suggest that the impact of messaging via *optical stimulation is measurable and real*. The field of neuron-marketing studies how customers make purchasing decisions and how retailers can influence customers.

In the book Retail Marketing Strategy methods : delivering Shopper delight, author Constant Berthoud discusses how brain research is an appropriate retail marketing tool. For example, the cites a study in which researchers affixed smiley face stickers to merchandise price tags. These emesis gave shoppers the perception that the prices of the items displaying the stickers were lower than the prices of the items without the stickers. Berthoud explains that shoppers are “unconsciously attracted by pleasure and a feeling of reward.” A well-known and simple visual image — in the relatable and popular form of communication (emesis) preferred by highly sought-after millennial and Gen-Zeros — had a powerful effect on customer value.

Merchandising Business the importance of retail merchandising to retailers of all sizes and categories supports an industry of merchandising specialists and consultants. These specialized merchandising businesses provide expertise and resources to successfully plan and execute retail strategies. Retailers without the personnel or resources to oversee merchandising budgets and activities or execute retail strategies in house rely on third-party solution providers like Umdasch Shop fitting.



Self-Check -1	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1, _____ is the retailers can influence how customers choose and what choices they make based on what those customers see in physical stores and online

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Checking layout assessment ,

It is very important that the store's layout and overall presentation work harmoniously together to attract customers to the store and encourage them to buy. Layout and presentation need to promote the store image and support the store's market position in a consistent manner.

In organizing store layout, the manager is responsible for:

- allocating floor space;
- planning traffic flow; and Product placement.

Effectiveness layout assessments are Inquire ask appropriate people.

Observe watch them do the operation or do the particular steps.

Inspect relevant documents get a copy of the report, look through the pages or items and the comments that the reviewer made. ,it is Use Simple design testing methods

Preference Test: Show the user two designs or two variations on a design and ask which they prefer and why User Survey: Ask the user questions about details and features of the design.

Show the user your design for just five seconds and ask for their first impressions. Empathies. The first stage of the Design Thinking process is to gain an empathic understanding of the problem you are trying to solve. He steps: ask to identify the need and constraints, research the problem, imagine possible solutions, plan by selecting the most promising solution, create a prototype, test and evaluate the prototype, and improve and redesign as needed. Also called the engineering design process.



Self-Check -2	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1 define about planning traffic flow and Product placement.
- 2 , Effectiveness layout means _____

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____

**Defining standards for visual presentation**

Defining standards for visual presentation ;Visual presentation aims for communicating and sharing information in a dataset visually to others. visual presentation is the data visualization of data or information. The goal of data visualization is to communicate data or information clearly and effectively to readers. Typically, data is visualized in the form of a chart, info graphic, diagram or map. The field of data visualization combines both art and data science. . Visual presentation refers to the expression of ideas about some matters while using visual aids such as visual multimedia. From electronic media such as television screens and web pages to environmental contexts such as retail displays and road signs, visual communication is virtually everywhere. Visual aids are worth including in your presentations because they can help you explain information more coherently which makes presenting easier for you and learning easier for the audience. They also help add variety to your presentation thus making it more interesting for the audience



Self-Check -3	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1,Defining standards for visual presentation ,how can explain ?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Information Sheet-4	Assessing consult floor staff to customer response to space allocations.
---------------------	--

Assessing consult floor staff to customer response to space allocations;

Allocation of store space Store managers generally expend a great deal of time, thought and money designing and implementing a workable and effective store layout. The planning begins with allocating floor space based on selling area and/or the area where merchandise is displayed. From available space, room must also be made for employees to rest, customers to walk, sit and try on clothes and for other activities such as storing stock. Some of the space allocations are beyond the control of the manager e.g.the size of the storeroom or break room. commitments to manufacturers; sales figures for individual products; promotions; and Seasonal considerations.

Support today's staff and contribute to staff retention;

- acknowledge advancements in technology and trends in the way an office functions;

- allow employees to work more effectively;

- enable the GNWT to fully use or optimize its space; and

- ensure that the design of new office installations is based on sustainable design principles

The methods and procedures of a department occupying all or a portion of a floor or multiple floors within a single structure;

- when a department's staff and operations are located in separate structures,

- A regional or district office consisting of representatives of more than one department;

- a work group located in the same structure as a regional or district office but functioning independently of the main office and having greater than five staff.

Space allocations of different work groups can be combined to provide shared support spaces such as meeting or training facilities. One of the goals of the Standards is to promote full and/or dual usage of all functional spaces, and sharing of collaborative and work spaces will assist in achieving this objective.

Support Spaces

By providing more and a greater variety of collaborative spaces, the Standards aim to meet the needs of today's employees and to take advantage of technology that allows staff to work from many locations.



The macro allotment includes area both for workstations and for typical office support space, including collaborative (meeting), equipment, layout, and storage functional components. It is vital to define the group to be accommodated in an office installation

are interdependent, and are working towards achieving a common goal. In terms of office space, a work group is defined as a collection of component work groups that share common support spaces.

Work groups recognized by the Standards:

a department occupying all or a portion of a floor or multiple floors within a single structure; when a department's staff and operations are located in separate structures, each structure accommodates a "work group," each with its assigned macro allotment based on that work group's staff number.

A regional or district office consisting of representatives of more than one department; and a work group located in the same structure as a regional or district office but functioning independently of the main office and having greater than five staff.

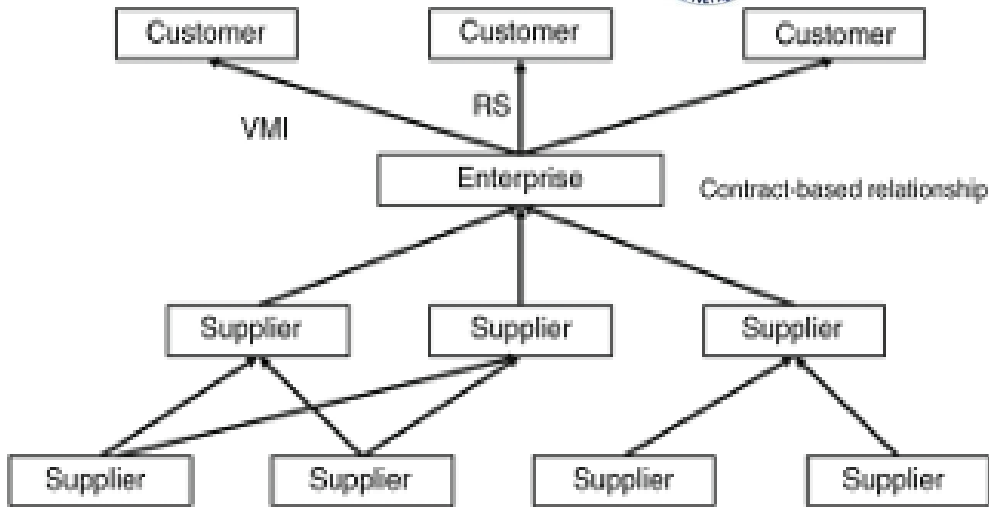
Space allocations of different work groups can be combined to provide shared support spaces such as meeting or training facilities. One of the goals of the Standards is to promote full and/or dual usage of all functional spaces and sharing of collaborative and work spaces will assist in achieving their objective.

It includes the position's workstation and an allowance for typical office support space as well as a circulation factor applied to both the workstation and support spaces.

The Standards recommend a circulation factor .

The Standards increase the area allocation for this function in order to incorporate a code requirement for a double sink as well as space for a refrigerator, microwave enclosure, water cooler, and refuge/recycle containers. In many offices, the beverage counter function has evolved into an informal meeting place where staff exchange information and generate ideas.

Larger office installations are allocated with more than one beverage station, which can be combined to create an office hub with a counter and seating. Another option is to include the station with a meeting space allotment, creating a free-flow open-area function space. To reduce noise disruption for workers, the Standards recommend that planners separate beverage counters from workstations and locate them near other support spaces specifically and collaborative facilities.





Self-Check -4	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1 , what is **circulation factor** ?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Lap test -1	Written Test
-------------	--------------

Time started: _____ Time finished: _____

INSTRUCTION:-

You are asked to find work place and collect the necessary tools and equipments to accomplish you work.

You are required to perform any of the following:

Check all project design ready for work.

Cut the stock to the necessary dimension.

Use measuring tools.

Digital Camera.

Check the selling table and their design

Lubricate the revolving parts.

Apply lubricants

Apply safety during your work and ready tools and equipment



LG #49

LO #2- Plan and manage store advertising and promotions

Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following **content coverage** and topics:

- Managing policies and procedures in regard to store implement
- Organizing anticipated or researched customer activities in line requirements.
- Managing promotions in order to achieve maximum customer impact.
- Regarding suppliers in to special promotional activities.
- Promoting shop centre or retail complex.
- Checking assessment to measure effectiveness promotions.
- Documenting and reporting on promotional activities

This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, you will be able to:

- Managing policies and procedures in regard to store implement
- Organizing anticipated or researched customer activities in line requirements.
- Managing promotions in order to achieve maximum customer impact.
- Regarding suppliers in to special promotional activities.
- Promoting shop centre or retail complex.
- Checking assessment to measure effectiveness promotions.
- Documenting and reporting on promotional activities

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
4. Accomplish the “Self-checks” which are placed following all information sheets.
5. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).
6. If you earned a satisfactory evaluation proceed to “Operation sheets
7. Perform “the Learning activity performance test” which is placed following “Operation sheets” ,
8. If your performance is satisfactory proceed to the next learning guide,
9. If your performance is unsatisfactory, see your trainer for further instructions or go back to



Information Sheet-1	Managing policies and procedures in regard to store implement.
---------------------	--

Promotion is a central element of the Marketing mix. A promotional activity is any effort made by a business to communicate with potential customers. Promotional activities have two main purposes. These are to:

- Inform customers about your store, its products, prices and services.
- Persuade customers to buy the products you sell.

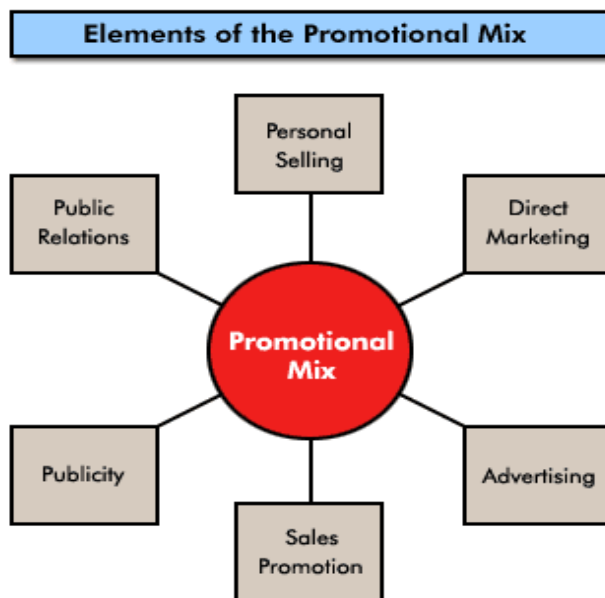
As with any management process, promotional activities must be planned and coordinated to ensure that they achieve the store's marketing objectives within its budget allocation.



While there are many types of promotional activities, the most common and widely used promotions in retailing are Personal selling, Advertising and Sales Promotions. Each activity is designed to achieve a specific communication task based on the company's objectives and the characteristics of the target market.

Types of Promotional Activities

There are six distinct forms of promotional activity.



1. Personal Selling

This is the face to face communication process that occurs between a customer and the store's sales representative. In addition to promoting products personal selling strives to build long term relationships with the customer. Generally, it is an expensive option when you consider the costs



associated with employing staff. The store's image will influence the level of personal selling and service it offers and this is usually reflected in the store's pricing policy.

2. Advertising ,Advertising is a marketing tactic involving paying for space to promote a product, service, or cause. The actual promotional messages are called advertisements, or ads for short. The goal of advertising is to reach people most likely to be willing to pay for a company's products or services and entice them to buy.

3. Sales Promotion

Sales promotions are designed to supplement and extend other promotional activities (usually advertising). Sales promotions generally offer short-term incentives to encourage the customer to purchase a specific product within a designated time. Sales promotion activities include:



- In store displays (Promoting a single brand or product range)
- Free samples (Giving customer's sampler packs of a new product)
- Brand promotional products (Cooler bags or T-shirts).

The store's merchandising efforts are part of its sales promotion activities and frequently overlap into the store's advertising efforts.

4. Direct Marketing

These are generally non-personal efforts to gain a direct response from the customer. Direct marketing tends to use interactive communication with the customer i.e. television advertising supported by a plea to 'call now'. While, classed as non-personal, they can incorporate a personalised message or salutation. Direct mail is a commonly used example of this strategy.

5. Publicity

Publicity is a non-personal form of promotion that is designed to build a positive attitude towards the company. The retailer does not pay for this form of promotion and frequently has no control over the end message. This can lead to the message being distorted or even presented in a less than positive light.

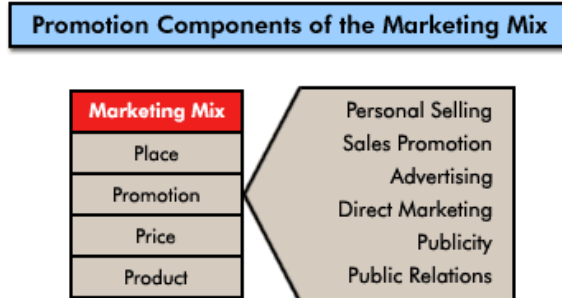
A favourable news story promoting the store is an example of publicity.

6. Public relations ,

Public relations are the planned efforts of a company to influence the attitudes and opinions of existing and potential customers. The focus of public relations is to 'build a good public image' or to head off negative rumours or events.



Unlike publicity, the promotional messages created by public relations efforts are paid for. The retailer has total control over the message, who will receive it and where it will be delivered. The release of information designed to create good publicity is a function of public relat



The regulation of sales promotions in retail markets has recently become an Sales promotions and advertising activities taken together constitute a large proportion retailers must manage to find the best application of sales promotion, which .

**2,1 ,Managing policies and procedures in regard to store implement;
business policies and procedures**

Company policies and procedures establish the rules of conduct within an organization, outlining the responsibilities of both employees and employers. Company policies and procedures are in place to protect the rights of workers as well as the business interests of employers.Policies and procedures are an essential part of any organization. Together, policies and procedures provide a roadmap for day-to-day operations. They ensure compliance with laws and regulations, give guidance for decision-making, and streamline internal processes.

Step-by-Step: How to implement effective policies and procedures

To implement effective policies and procedures at your workplace, follow these steps to get the best results. By **Joanna Weekes**

To implement effective policies and procedures at your workplace, follow these steps to get the best results. **Step 1: Consultation**

When developing your policies and procedures, you must consult with all relevant stakeholders, including health and safety representatives, contractors (particularly those who work with you regularly), and of course your employees. Consultation should ensure that every person in your workplace understands the importance of company policies and procedures and why they need to be implemented effectively. It will also ensure that the policies and procedures are realistic and actionable on a daily basis.



Tip: Consultation helps to achieve more effective policies and procedures, and is a greater motivation for employees to follow them.

Step 2: Tailor the policy to your business

The policies and procedures you adopt need to be tailored to the needs of your business, not just lifted straight from a generic manual.

If you use policies and procedures from another source, it is essential that you adapt them to your company and your workplace operations.

Step 3: Define obligations clearly – be specific!

All policies should be short and succinct.

All procedural steps should be set out in clear and plain English.

This will create an ‘audio table standard’, meaning that you create a standard that can be used to measure whether your workplace health and safety obligations are being met or not.

The obligations outlined in an audio table standard should be defined in enough detail that persons in your workplace understand exactly what is expected of them.

Specifically state what actions should be taken. For example, don’t say “dispose of chemicals safely“, but state how this should be done at the site, e.g. “chemicals must be disposed of in the designated approved dangerous goods waste drum“.

Step 4: Make the policy realistic

Make sure your business has the time, resources and personnel to implement the policy.

There is no point in adopting a policy which aspires to the best practice possible if your business cannot realistically adopt the procedures set out.

This is the development stage of the policy and procedure done. Once you have completed these steps, you will have the policies and procedures your company needs to maintain a healthy and safe workplace.

But the next stage is just as important as the development stage, the implementation stage...

Don’t get too excited that you have developed the policies and procedures because without implementing them correctly, they won’t be of any use to you.

Step 5: Publicise the policies and procedures

Put your policies and procedures in writing and make them available to your entire workforce.

If possible, keep all your policies and procedures in a single manual, and make copies readily available to all employees.

Tip: Safety documents should also be published on the company’s intranet if you have one.

Step 6: Train all employees in policies and procedures

Page 25 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



You have an obligation to provide adequate information, instruction, supervision and training to your employees.

Ensure that new employees and contractors are trained and familiar with company policies and procedures, and that existing staff receive appropriate training, e.g. annual refresher courses. Policies and procedures should also be reiterated and discussed with staff regularly at team meetings to ensure that employees remain aware of the importance & advantages of the policies and procedures.

Tip: It is a good idea to have all employees and contractors sign off after they have read, understood and agree to comply with your workplace policies. You should also keep records of training and induction. Make sure that you record attendees and details of training content in case an employee fails to sign a training record.

Step 7: Be consistent in your policy implementation

Supervision of your workplace to ensure that the policies and procedures are being properly implemented by all employees is essential.

Follow-up to ensure that any failure to follow the policy or procedure is addressed.

Specify that full compliance with the stated requirements is needed to ensure a safe workplace.

After this, any deliberate breaches of policies or procedures must be treated seriously, and dealt with immediately and consistently.

All supervisors and managers must 'lead by example' in implementing policies and procedures. It is crucial that all OHS expectations are demonstrated through modelling and leadership at all levels of management.

If managers condone practices which do not fall within the policy, it could be argued that disciplinary action against an employee who fails to follow the policy is unfair. The consequence of any deliberate breach should be appropriate to the severity of the breach, whether it be: counselling; disciplinary action (e.g. a warning); or in serious circumstances, dismissal.

Step 8: Review all policies and procedures regularly

Policies and procedures must be reviewed periodically.

When any changes occur, ensure your policies and procedures remain relevant and effective. For example, a change may occur when a business purchases a new piece of machinery, starts using a new chemical or adopts a new production method. Any such changes mean that relevant procedures should be reviewed.



Tip: The review cycle will depend on the circumstances and document type, but it is a good idea to review policies at least every 2 years, e.g. an OHS training policy may only need to be reviewed every 3 years, but a chemical handling procedure should be reviewed more often due to the level of hazard involved.

Implement a document management system that:

triggers reviews; notes the dates of change; and involves interactive revision.

All employees and contractors need to be made aware of the changes to policy and procedure when they occur.

Step 9: Enforce the workplace policies and procedures

Once your policies and procedures have been implemented, they need to be enforced. Make sure that you approach this consistently as this is an important factor in being able to discipline a worker for a breach of policy

production via work orders. Since a work order contains data on all resources spent by the production process, it can be used to establish the production costs for each product. The management should be capable of production monitoring through work orders, in order to have all the information on production plant costs necessary for their management. Cost monitoring is the first step in the process of reducing production

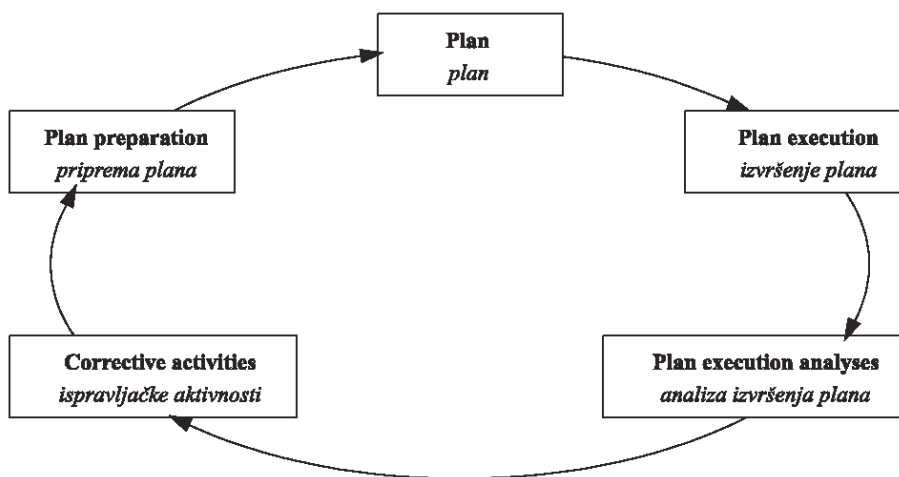


Figure 1 Connection between planning and controlling
Slika 1. Povezanost planiranja i kontrolinga



Self-Check -1	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1, what is personal selling ?
- 2, what is market position ?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Organizing anticipated or researched customer activities in line requirements.

Organizing anticipated or researched customer activities in line requirements.

Organizational Research” is defined as research obtaining information only about organizations, not about the individuals in or served by the organizations. Any research that gathers information about individuals (whether identified or not) must meet the human participants requirements described herein.

organizing data and organizing project

It is a process that refers to identifying and grouping. of activities to be performed, defining and delegating authority, specifying responsibility and establishing relationships to enable people to work together effectively in accomplishing objectives.

The identify stage includes a needs assessment process to determine the needs and problems in a community.

- ❖ The design phase includes the actual planning and design of a project.
- ❖ The implement stage refers to the implementation of the project, whether it is a single-year or multi-year implementation period.
- ❖ The evaluation of project results occurs at the end of a project and involves determining whether the project’s goal and objectives were achieved.

The evaluation stage then leads to the identification of additional or persisting problems, allowing the cycle to begin again.

- ❖ Project monitoring occurs throughout all stages allowing for small adjustments in the project’s planning, design, and implementation in order to ensure the project’s success.

How do you research your customers? you are must know the demand capacity and customer capacity stage. Then produce you product according forecasting.

Use Google Alerts, Mention or Talk walker Alerts. Interview current customers.

Study your web analyses .Use your competitors and industry methods .

Leverage professional social networks systems.

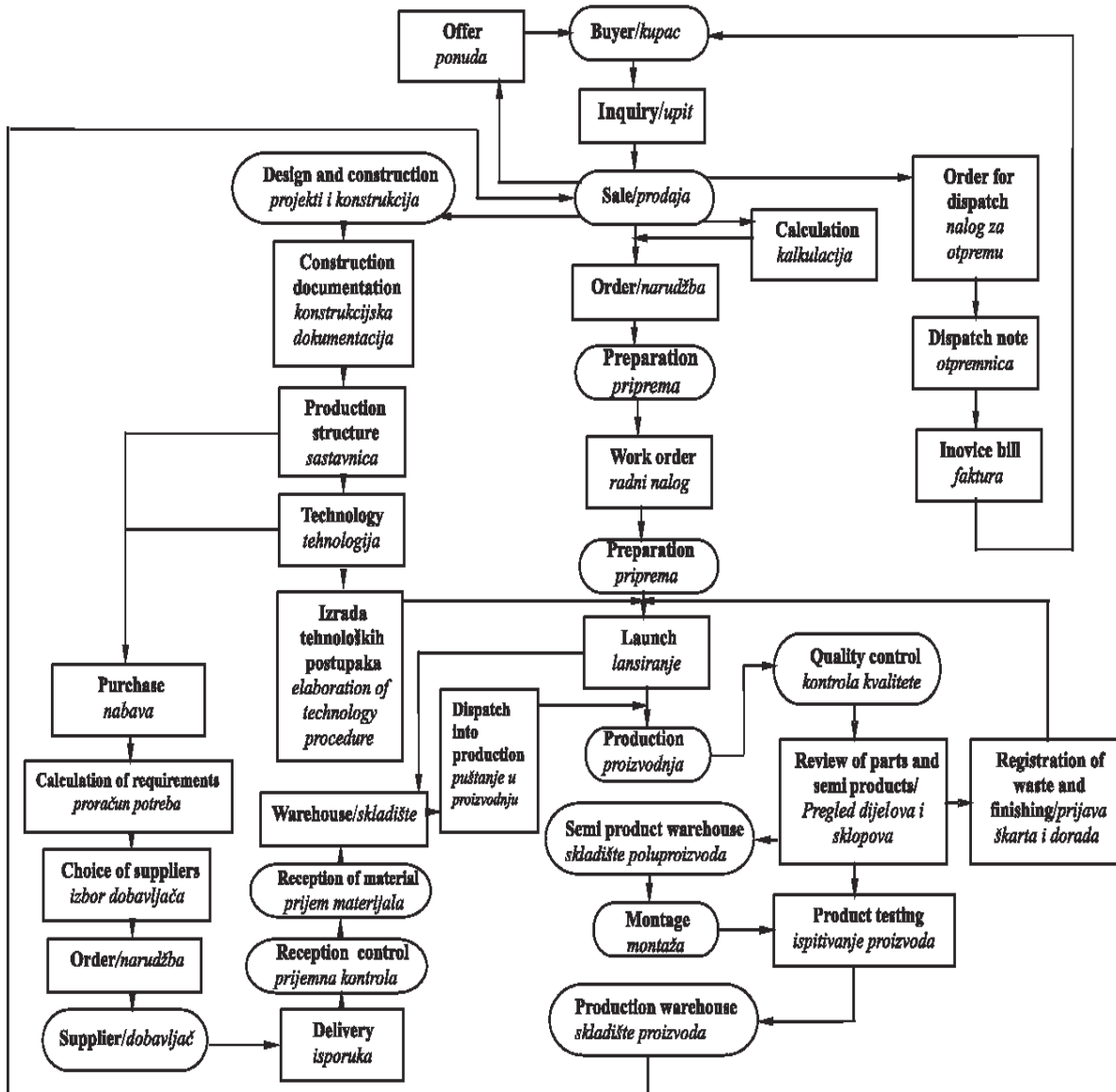


Figure 2 Basic functions of contracting, preparation and production (Mojdanić 1004)



Self-Check -2	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1 ,How do you research your customers?
- 2 how can define work order ?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

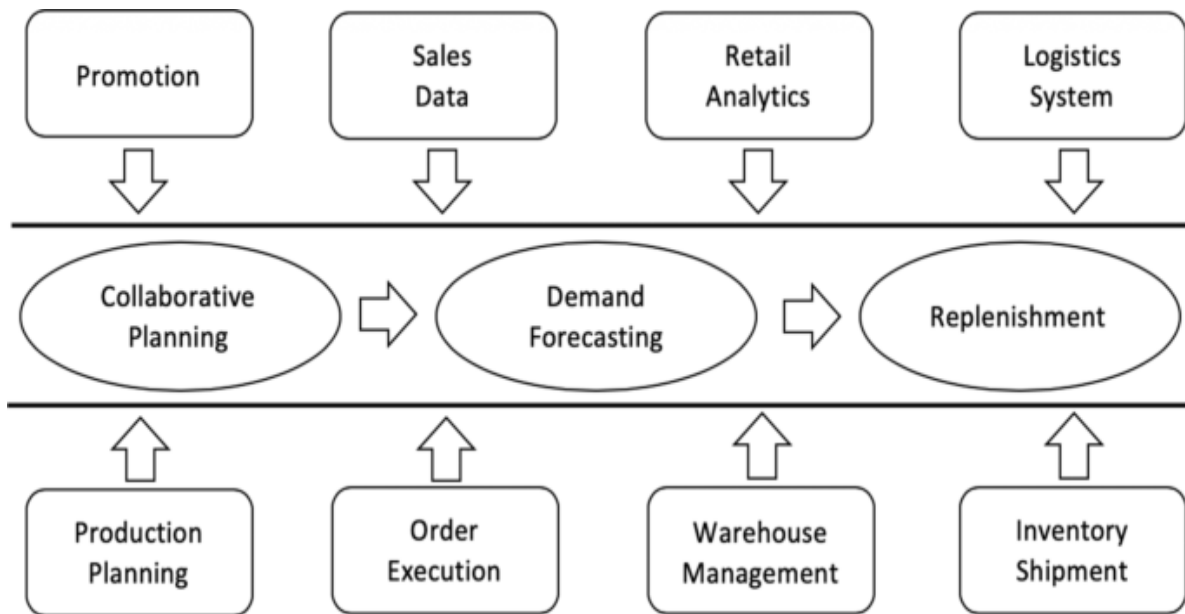
Answer Sheet

Score = _____
Rating: _____



Information Sheet-3	Managing promotions in order to achieve maximum customer impact.
---------------------	--

Managing promotions in order to achieve maximum customer impact. Promotion is a type of communication between the buyer and the seller. The seller tries to persuade the buyer to purchase their goods or services through promotions. It helps in making the people aware of a product, service or a company. It also helps to improve the public image of a company. This method of marketing may also create interest in the minds of buyers and can also generate loyal customers. Promoting customer flow =Customer Flow: This is the pattern of behavior and way that a customer navigates through a store. Understanding customer flow and the common patterns that emerge when customers interact with merchandise based on the store layout is critical to retail management strategy. Physical retailers are able to track this using analytics software and data from in-store video and the wifi signal from smartphones. For example, solution providers like Retail Next provide shopper analytics software for retailers to understand flow and optimize the customer experience based on in-store video recordings. The technology also exists to track the digital customer flow and online shopping behavior. Using “cookies” and other software, online retailers can track customer behavior, including how customers interact with their website .



It is one of the basic elements of the *market mix*, which includes the four P’s: price, product, promotion, and place. It is also one of the elements in the promotional mix or promotional mix or promotional plan. These are personal selling, advertising, sales promotion, direct marketing publicity and may also include event marketing, exhibitions, and trade .

The main methods of promotions are:
Advertising. Public relations & sponsorship.



Personal selling. Direct marketing. Sales promotion.

Direct Marketing direct marketing is a form of advertising where organizations communicate directly to customers through a variety of media including cell phone text messaging, email, websites, online adverts, database marketing, fliers, catalog distribution, promotional letters and targeted television, newspaper and magazine advertisements as well as outdoor advertising.

Among practitioners, it is also known as a direct response.

Sales Promotion Sales promotion uses both media and non-media marketing communications for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability.

Personal Selling the sale of a product depends on the selling of a product. Personal Selling is a method where companies send their agents to the consumer to sell the products personally. Here, the feedback is immediate and they also build a trust with the customer which is very important.

Target market =Many companies may usually adopt a strategy that is known as target marketing. This strategy involves dividing the market into segments and developing products or services to these segments. A target marketing strategy is focused on the customers' needs and wants ,A target market refers to a group of customers to whom a company wants to sell its products and services, and to whom it directs its marketing efforts. Consumers who make up a target market share similar characteristics including geography, buying power, demographics, and incomes. he four main types of market segmentation are:Targeting Strategies E-marketers can select among four targeting strategies (Strauss, El-Ansary, &1. Mass marketing (undifferentiated targeting) -when the firm offers one .

1. marketing mix for the entire market.
2. Multi-segment marketing - when a firm selects two or more segments and designs marketing mix strategies specifically for each. Most firms use a multi-segment strategy.
3. Niche marketing - when a firm selects one segment and develops one or more marketing mixes to meet the needs of that segment.
4. Micro-marketing (individualized targeting) -when a firm tailors all or part of the marketing mix to a very small number of people. In the case of eLegal Doc, the best e-marketing strategy will be to pursue niche marketing, by selecting one of the target customers as the primary online segment.

Demographic segmentation: age, gender, education, marital status, race, religion, etc.

Psycho-graphic segmentation: values, beliefs, interests, personality, lifestyle, etc.

Behavioral segmentation: purchasing or spending habits, user status, brand interactions, etc.

Page 33 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



Self-Check -3	Written Test
---------------	--------------

1 write the advantages demand forecast in furniture business ?

2 , If you can furniture company how **Manage promotions** ?

Note: Satisfactory rating - 10 points

Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Information Sheet-4	Regarding suppliers in to special promotional activities.
---------------------	---

,Regarding suppliers in to special promotional activities.

the role of a supplier in the promotion

Market research a target market analysis is a study you do of your potential customers. Knowing how to do a market analysis will enable you to figure out exactly who you will market and sell to. When you conduct your target market analysis, focus on the five W's and H of your potential customers. Marketing research is a critical part of such marketing decision making; it helps in improving management decision making by providing relevant, accurate, and timely information Hence the marketing research is defined as information input to decisions, not simply the evaluation of decisions that have been made.

Four common types of market research techniques include surveys, interviews, focus groups, and customer observation .

1 , surveys to determine and delineate the form, extent, and position of (such as a tract of land) by taking linear and angular measurements and by applying the principles of geometry and trigonometry. Surveys can help gauge the representativeness of individual views and experiences. When done well, surveys provide hard numbers on people's opinions and behaviors that can be used to make important decisions. Surveys are used to increase knowledge in fields such as social research and demography. Survey research is often used to assess thoughts, opinions, and feelings. Surveys can be specific and limited, or they can have more global, widespread goals.

2 Store image ; The customer's impression of a retail store or a department, i.e., products carried, advertising, promotion, decor, service-level. Store layout:

Store image is the image or impression of a store in the minds of customers. Good overall impression of this nature in terms of products available in the store, the store itself and the experience they expect when shopping at the store .Suppliers are companies that provide goods or services that a company or business requires producing its products or achieving its aims. Suppliers can have an effect on a business's ability to produce a product or provide a service, A supplier is a person or business that provides a product or service to another entity.

The role of a supplier in a business is to provide high-quality products from a manufacturer at a good price to a distributor or retailer for resale. Suppliers that possess these 10 characteristics of a good supplier ; they are



Accountability for quality issues. Production capabilities.

Expertise in your product type and target market. Culture fit: the best suppliers are willing to work with you. Ease of communication. Cooperation with third-party QC.

How do you manage suppliers? Strategies for Managing Suppliers

Understand the cost and value of the entire supply chain.

Realize that supplier strategies go two ways. Accept accountability.

Incorporate appropriate service levels and metrics into agreements.

Spend equal time aligning incentives and penalties.

Supply Chains method plan for everyday exceptions.

Important to store images

The better quality of product consumer will have better impression to the store. ... Therefore, quality of product influences consumer preference and patronage behavior, and variety is a key factor to store image. In addition, price and perceived value is also one of the important factors to store image.

Store layout and space availability Store layouts speak to the design of a store's retail floor space and merchandising is the display of items, within the store layout, in such a way that shoppers are enticed to purchase. The layout and the merchandising of a store are both critical and connected. In this post, we will be sharing some basics on store layouts and how they are connected to merchandising.

Seasonal lines=line produces multiple collections related to various seasons. Larger apparel companies often have four or five lines, and each line will have a new collection produced for each season. There are eight seasons in fashion; each season ensures retailers remain stocked year-round with new merchandise. These seasons include Spring and Fall, as well as lesser known seasons such as holiday and resort.

Pricing policy=Generally, pricing policy refers to how a company sets the prices of its products and services based on costs, value, demand, and competition. ...

Pricing strategy entails more than reacting to market conditions, such as reducing pricing because competitors have reduced their prices.Pricing strategy is the policy a firm adopts to determine what it will charge for its products and services. ... A number of pricing strategy options are available, including markup pricing, target return on investment pricing, perceived value pricing, competition-based pricing, penetration pricing, and skimming pricing.

Calculating Productivity in Employees



Many external factors can affect your organization's productivity -- the national economy, a recession, inflation, competition, etc. Although you can't control everything, you can control and measure employee performance. Employee productivity has a huge impact on profits, and with a simple equation, you can track productivity per individual, team, or even department.

You can measure employee productivity with the labor productivity equation: total output / total input.

Let's say your company generated \$80,000 worth of goods or services (output) utilizing 1,500 labor hours (input). To calculate your company's labor productivity, you would divide 80,000 by 1,500, which equals 53. This means that your company generates \$53 per hour of work.

You could also look at labor productivity in terms of individual employee contribution. In this case, instead of using hours as the input, you would use number of employees.

Let's say your company generated \$80,000 worth of goods or services in one week with 30 employees. You would divide 80,000 by 30, which equals 2,666 (meaning each employee produced \$2,666 for your company per week).

Labor Productivity Formula

Calculating Productivity by Industry

While the formula to calculate employee productivity appears fairly straightforward, you may want to make tweaks based on industry. How you define and measure productivity changes based on your job, so you'll have to adjust your equation.

For example, the unit of service (UOS) will change depending on the job. The labor productivity formula doesn't require a UOS, but defining it can be helpful to add context to the output. A salesperson may have "calls made" or "deals closed" as his or her UOS, while a housekeeper in a hotel might have "rooms cleaned per shift" as her UOS.

Benchmarks and Targets

Productivity benchmarks and targets also change depending on the industry. Some jobs already have basic benchmarks established. For example, customer service representatives have benchmarks that establish how long a "productive" call should take. However, many companies will have to establish these benchmarks themselves.

And, based on these benchmarks, you may decide to change the target productivity. In many jobs, like customer service jobs, employee don't have much control over their own productivity (i.e. it depends on how many calls they receive, which they can't control). In that case, it's unrealistic to say they should target 100% productivity, so you may lower the target.

Industry Factors to Consider

Page 37 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



When you calculate productivity using the labor productivity method, your outputs will change based on the industry. Here are some examples:

Sales: To measure sales productivity, you should measure a variety of additional outputs, like the number of new accounts opened, the number of calls made, and the volume of sales in dollars.

Services: The service industry is one of the hardest industries in which to calculate productivity because of the intangible outputs involved. You could measure the number of tasks performed or the number of customers served.

Manufacturing: If you manufacture goods, you may want to use output per worker-hour required to produce a single product. In other words, you would want to calculate the product cost of one unit.

Measuring Efficiency

While productivity measures quantity, efficiency measures quality. You could calculate a very high productivity number per employee, but that number alone doesn't give you any insight into the quality of work (in theory, an employee could seem very productive, but actually be producing horrible outputs).

To compare the productivity numbers against a benchmark, you can compare the current productivity with the standard amount of effort needed for the same output. Divide the standard labor hours by the actual amount of time worked and multiply by 100. The closer the final number is to 100, the more effective your employees are.

For example, let's say the standard labor hours for a certain project is 80 and the actual amount of time worked is 92. You would divide 80 by 92, and multiply by 100, calculating your efficiency to be 87%.

Efficiency Formula

As you compare productivity and efficiency, there are a few different ratios to consider:

Idle time ratio: $(\text{Production downtime} / \text{total labor hours}) \times 100$

Activity ratio: $(\text{Expected hours needed to produce actual output} / \text{actual hours need to complete}) \times 100$

Labor capacity: $(\text{Actual hours worked} / \text{total budgeted labor hours}) \times 100$

Longitudinal Reporting

The biggest benefit to measuring employee efficiency is in longitudinal reporting, where you calculate efficiency over a period of time. This allows you to identify trends that may impact how you organize staff, or hire and remove employees.



Measuring long-term efficiency and productivity can also help you decide who should receive a promotion or bonus. And lastly, this type of reporting can play a role in predictive modeling: if you know an employee's efficiency rate, then you can predict how many items/tasks will be produced or completed in a certain amount of time.

Calculating Productivity in an Organization

1. Partial factor productivity

This formula is made up of the ratio of total output to a single input. Managers tend to use this formula most often because the data is available and easy to access. Also, partial factor productivity equations are easier to relate to specific processes because they only deal with one input.

To calculate partial factor productivity, let's say that a company produces \$15,000 worth of output and the weekly value of all inputs (labor, materials, and other costs) is \$8,000. You would divide 15,000 by 8,000, calculating a partial factor productivity of 1.8.

Partial Factor Productivity

2. Multifactor productivity

Whereas the partial factor productivity formula uses one single input, the multifactor productivity formula is the ratio of total outputs to a subset of inputs. For example, an equation could measure the ratio of output to labor, materials, and capital. This method is a more comprehensive measure than partial factor productivity, but it's also harder to calculate.

We've asked Dan Keto, a productivity expert from Easy Metrics, to provide an example to illustrate one possible multifactor productivity equation.

One of our clients manages cross-docking operations for one of the nation's largest retailers. Cross-docking is where you take imported containerized ocean freight, unload it, then reload it into outbound truck freight. It is basically like taking apart a Rubik's cube and then reassembling it. The industry paradigm is to look at the production metric for the workers handling the freight in terms of cases per hour (CPH). Over a longer period of time, this is a reasonable metric. However, to manage operations daily per employee, it is not effective.

Each freight container can have from 40 cases to 20,000 cases on it depending on the type of product on the container and have as many as 100 different SKUs. The freight mix has a dramatic impact on the time it takes to process the work. Depending on the container mix, CPH can vary from 20 cases per labor hour to over 400.

Using CPH, the client was unable to have any consistency in either its productivity or labor forecast requirements because they were not using other factors present in the data to more accurately

Page 39 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



calculate the labor standard. By incorporating SKUs, splits, case weight and cube into the calculations, we were able to develop a multi-factor labor standard that could accurately and consistently predict the amount of labor required for each container of freight.

Using a linear regression model, the standard formula for this method is

$$\text{HOURS} = AX + BY + CZ + D$$

In the case of the above example, $\text{HOURS} = A*(\# \text{ Cases}) + B*(\text{Splits}) + C*(\text{SKUs}) + D*(\text{Cube}) + E*(\text{Weight}) + F$. The coefficients A-F are the calculated weighting factors multiplied against the input to get you the end result. These coefficients can be either calculated using time in motion studies (industrial engineering model) or if you have a large enough data set, linear regression tools. Modern technology and big data can now give even small operations the ability to calculate cost effectively multi-factor productivity standards.

The end result using the above example was that the client was able to see down to each employee what the productivity level was and then proactively manage and train accordingly. Labor costs were reduced by over 30%.

3. Total factor productivity

This formula combines the effects of all the resources used in the production of goods and services (labor, capital, material, etc.) and divides it into the output. This method can reflect simultaneous changes in outputs and inputs, however they do not show the interaction between each output and input separately (meaning they are too broad to be improve specific areas).

Once again, this equation is hard to calculate. Our productivity expert from Easy Metrics, a labor management system, shares an example to illustrate one possible calculation.

Measuring total factor productivity is both art and science. The key thing to keep in mind when building out this productivity metric is to focus on inputs that have a reasonable correlation for cost and efficiency to the output. Engineers will often want to measure every possible input factor around a process. Using big data analysis, we have often found that the correlation of many of these input factors is below the natural variance (noise) that occurs within the process, so collecting that information is often not worth the cost of doing so. One of our customers is a large food processor that produces packaged vegetable products. They have roughly 200 employees per shift, working 16 equipment driven production lines and approximately 1000 different product SKUs. Their standard metric was to look at lbs per labor hour produced to measure their efficiencies, however this can be very misleading because depending on what the product is, there is a high variance between each product.



We worked with them to increase the number of factors measured to get a clear understanding of overall productivity as well as identify areas to focus on that can drive higher productivity. These factors were:

Machine uptime: Measured as a percentage of shift hours

Missing time: Variance between worker time clock time and time on production line

Labor standard versus lbs/hr: Developed multivariate production standards based on pack style and commodity type/mix. Result scored as a percentage of standard where 100% means operating at expected productivity level.

Product yield/loss: Qualitative factor that measured output weight versus input weight

Input product quality factor: Commodity quality variances create variances in productivity

Production run factor: Takes into account time to switch lines over to new product types. Short runs proportionately have comparatively larger set-up times per pound produce.

The end result was a comprehensive reporting dashboard with one macro result of the total productivity factor, scored as a percentage where 100% is daily goal, then each above sub-factor broken down so they could identify deficiencies. Each sub-factor is weighted in proportion to its importance. Labor standards and machine uptime were give weightings of each 30% with the other factors weighted less since those two factors were the primary driver of productivity.

Total Productivity Factor = $0.30 \times \text{Machine Uptime} + .10 \times \text{Missing Time} + .30 \times \text{Labor Standard} + .10 \times \text{Product Yield} + .10 \times \text{Input Quality Factor} + .10 \times \text{Production Run Factor}$

The client now has clear visibility into their operations and the information at hand to address deficiencies as they arise.

Other Things to Consider

Once you have identified the formula that works best for you organization, there are a number of other factors to consider:

Productivity index: Because productivity is a relative measure, it must be compared to something else for the data to be valuable. You may have a set of numbers representing your organization's productivity, but how do you know if those are good numbers or bad numbers? To understand your own organization's productivity, you must create a productivity index. This is the ratio of productivity measured in a certain period of time to the productivity measured in a base period. For example, if the base period's productivity is 2 and the following period's productivity is 2.3, the productivity index would be $2.3/2 = 1.15$, meaning that your organization's productivity had increased 15%. By tracking these numbers over time, you can identify patterns and evaluate success or failure.



Value added: Value added is a common measure for goods and services (output). It is the difference between what a customer pays and what the business pays for the raw materials. The higher the value of a product or service, the more money that can be put toward wages, profits, or taxes. Value added is calculated by subtracting the total cost from the sales of output.

Utilization: Utilization measures management's work. It looks at labor (available time) to open work and indicates how well managers have used labor resources. For example, there are 450 working minutes in an eight-hour shift. If 380 of those minutes were spent actually working, that person's utilization would be 84%.

6 ways to maintain a great supplier relationship

Understand the needs of your supplier. What's important to them? ...

Be a great customer. Think about what you love about your customers and do the same for your suppliers.

Communication. timely feedback. choose suppliers that align to your values.loyalty.



Self-Check -4	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1, Market researcher based on _____
- 2 what is output ?
- 3,whats input ?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____

**Promoting shop center or retail complex.**

main aspects of a promotional mix: Advertising, Personal selling, Sales promotion, Public relations, and Direct marketing.

A promotion mix is a set of different marketing approaches that marketers develop to optimize promotional efforts and reach a broader audience. The marketer's task is to find the right promotion mix for a particular brand.

Tools of Promotion -advertising, Sales Promotion, Public Relation & Direct Marketing.

-advertising=the activity or profession of producing advertisements for commercial products or services.an advertising agency"advertisements collectively.

"despite being instructed to take the signs down, he says he has no intention of removing the advertising"

Promotion looks to communicate the company's message across to the consumer. The four main tools of promotion are advertising, sales promotion, public relation and direct marketing.





Self-Check -5	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1 ,Write Tools of Promotion ,advertising, Sales Promotion, Public Relation & Direct Marketing.

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Checking assessment to measure effectiveness promotions.

Checking assessment to measure effectiveness promotions.

Assessment the effectiveness of a promotion

But the only way to determine whether your promotions are truly effective is by accurately measuring the four metrics: *profits, sales volume, customer satisfaction, and achievement* of goals. Evaluate whether or not the promotion is appropriate for your company. Note the type of promotion, the language used in the marketing copy and the visual impact, and measure it against your standard materials. Look for ways it reinforces your brand image and brand promise, through design style, imagery and voice. Effective promotion results from communications and activities that increase sales in ways that optimize the use of your marketing dollar. Calculate your return on investment for the campaign by subtracting your sales promotion total cost from your gross profits, dividing that number by your sales promotion cost and then multiplying that number by 100 to get a percentage.

promotional strategies are

The combination of traditional advertising, personal selling, sales promotion, public relations, social media, and e-commerce used to promote a product is called the promotional mix. Each firm creates a unique promotional mix for each product. How might you measure the effectiveness of your advertising and promotion decisions?

intelligence. The best way to measure marketing effectiveness is the number one way to measure marketing effectiveness is number and value of leads generated. The ROI formula we use at idio for evaluating all of our campaigns is: $ROI = (Gain - Cost) / Cost$.

Advertising effectiveness helps brands determine if their ads are hitting the mark with their audience, and whether they're getting the best returns. This enables them to measure the strengths, weaknesses and ROI of specific campaigns, so they can adjust accordingly. Promotions refer to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others.

Promotional analysis is a technique of evaluating success or failure of a promotion using past time series data. The objective of promotional analysis is to help a retailer

understand the impact of past promotions and hence formulate future strategies which could be applied and adapted to produce profitable results.



calculate production By dividing the number of products produced by the man-hours involved, you calculate the average production rate. As an example, if your employees produced 800 units in the 200 total man-hours during the week, divide 800 by 200 to calculate 4 units per man-hour. The actual formula used to calculate production could be any variety of the following: $Q = KL$ (Output = Capital times Labor) $Q = K + L$ (Output = Capital plus Labor) Or output could just be a function of the variable factor, so $Q = L$ (Output = Labor). Total product costs can be determined by adding together the total direct materials and labor costs as well as the total manufacturing overhead costs. To determine the product cost per unit of product, divide this sum by the number of units manufactured in the period covered by those costs . calculate raw material cost per unit Add together your total direct materials costs, your total direct labor costs and your total manufacturing overhead costs that you incurred during the period to determine your total product costs. Divide your result by the number of products you manufactured during the period to determine your product cost per unit.



Self-Check -6	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1, How might you measure the effectiveness of your advertising and promotion decisions?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask your teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____

**Documenting and reporting on promotional activities**

documentation and reporting DOCUMENTATION serves as a permanent record of client information and care. REPORTING takes place when two or more people share information about client care, either face to face or by telephone.

Step 1: Identify and Name the Process your product.

Step 2: Define the Process production Scope.

Step 3: Explain the Process Boundaries product life cycles

Step 4: Identify the Process Outputs for demand

Step 5: Identify the Process Inputs of quality

Step 6: Brainstorm the Process Steps

Step 7: Organize the Steps Sequentially .

Step 8: Describe who is Involve

reporting and documentation so important?

Documentation help ensure consent and expectations. It helps to tell the narrative for decisions made, and how yourself or the client responded to different situations. In this same manor, it is important to record information that can help support the proper treatment plan and the reasoning for such services



Self-Check -7	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1, write the advantage of **documenting and reporting on promotional activities** ,their technique

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Lap test -2	Written Test
-------------	--------------

Name: _____ Date: _____

Time started: _____ Time finished: _____

INSTRUCTION:-

Cut the stock to the necessary dimension.

Use evaluating tools.

Lubricate the revolving parts.



LG #50	LO #3- Manage store pricing policies
Instruction sheet	
<p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none">• Pricing policies and organisation procedures.• Changing information on pricing trends• According to store policies and legislative requirements <p>This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, you will be able to:</p> <ul style="list-style-type: none">• Pricing policies and organization procedures.• Changing information on pricing trends• According to store policies and legislative requirements .	
Learning Instructions:	
<ol style="list-style-type: none">1. Read the specific objectives of this Learning Guide.2. Follow the instructions described below.3. Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.4. Accomplish the “Self-checks” which are placed following all information sheets.5. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).6. If you earned a satisfactory evaluation proceed to “Operation sheets7. Perform “the Learning activity performance test” which is placed following “Operation sheets” ,8. If your performance is satisfactory proceed to the next learning guide,9. If your performance is unsatisfactory, see your trainer for further instructions or go back to “Operation sheets”.	



Information Sheet-1	Pricing policies and organisation procedures.
---------------------	--

Documenting and reporting on promotional activities

Pricing policies and organization procedures. Increasing social welfare by better balancing and more effectively delivering, social and economic policies over time.

Boosting economic development and consumer welfare by encouraging market entry, innovation, and competition, and thereby promoting competitiveness.

Controlling local regulatory costs so as to improve productive efficiency by reducing unnecessary costs, in particular for SME.

Improving sub-national public sector efficiency, responsiveness, and effectiveness through public management reforms.

Rationalizing and restating local laws.

Improving rule of law and democracy through legal reforms, including improved access to regulation and reduction of excessive discretion of regulators and enforcers.

Marketing Concept

It is clear how product, distribution, and promotional activities can be guided by the marketing concept. Through marketing research (which, by the way, is a fifth important category of marketing activities), a personal computer manufacturer can learn, for example,

the features and styling consumers want and then build machines to satisfy consumer preferences. A bank could determine the hours consumers would prefer walk-in service and could arrange to have those services available during those hours. A cell phone service provider may find out that many consumers are unaware of all of the convenient features of their service and may design a promotional program to communicate this information.

However, it is less clear how pricing activities can be guided by the marketing concept.

Certainly, customers would prefer paying less. In fact, paying nothing at all might well be their first choice! But it is simply not feasible to “give away the store.” An organization that gives away the value it creates will soon cease to exist, and thus the value it creates will disappear. This does not serve customers well. Rather, it is in the customer’s interest for an organization that creates customer value to set prices that maximize the organization’s profitability, since that would give the organization the greatest possible chance of continuing to create that value.

Lest this endorsement of profit maximization sound somewhat extreme, rest assured

Page 53 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



that in a free-market system, competition will tend to keep maximum profits modest. Nothing attracts competitors more quickly than a highly profitable product. Further, the marketing concept points the price setter to consider not only the customer value that can be harvested but also the customer's feelings about the price that is being charged.

Examples of such price feelings that need to be considered include the following:

- The feeling of a price being substantially higher than the customer's expectations (sometimes referred to as sticker shock")
- The feeling that a price is unfair or is higher than can be justified
- Customers perceiving they are receiving a discount, or a price lower than their expectations

It is important to note that both identifying the value that the product represents to the customer and considering customers' price expectations and feelings depend on understanding and attending to customer needs. The marketing activity of capturing the value created by the other marketing activities is

obviously of essential importance to a business organization. One could imagine an organization failing to carry out distribution or promotion activities and still be in business. But if there is no attention to pricing, a business organization cannot be viable.

The activity of making decisions about prices consists of two general components. One component is price setting, which consists of decisions about individual prices. These decisions concern the price of a specific item to a specific customer or market in the curren



Self-Check -1	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1 how product distribution and promotion

Note: Satisfactory rating - 10 points

Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Information Sheet-2	Changing information on pricing trends.
---------------------	--

Documenting and reporting on promotional activities

Changing information on pricing trends Price Structure;

Although there are benefits to moving from negotiated prices to fixed prices, there are also disadvantages. One strength of interactive pricing is that it makes it easy for the seller to charge different prices to different buyers. For example, when prices are negotiated individually, a customer willing to pay a particularly high price could be charged, say, \$200 for an item without interfering with the seller's ability to charge more typical customers a lower price, say, \$125 for the same item. The practice of charging different customers different prices for the same item is known as price segmentation.

In order to accomplish price segmentation with fixed prices, it is necessary to have more than one price for a single product. For example, a product may have one price when purchased alone and another price when purchased in large quantity or when purchased along with other items. The product may have one price when purchased during the week and another when purchased on a weekend. It may have one price when purchased in the city and another when purchased in a rural area. These numerous prices for an item are part of the pattern of the seller's prices. In general, the pattern of an organization's prices is known as its price structure.

The price structure of a seller involves more than the array of prices that can be charged for the same item. Most organizations sell more than one product, and the pattern of prices across these different products is another component of the organization's price structure. Often the various products are interrelated such that the price charged for one item should take into account the prices charged for other items sold by the organization.

Price Format

The third category of pricing issues involves how a price is expressed when it is communicated to potential customers. For example, early fixed prices tended to be round numbers, such as \$1.00, \$5.00, or \$2.50. However, by 1880 retail advertisements began to appear showing items priced at a penny or two below the round number (see Figure 1.4). The practice of pricing an item just below a round number does not substantially affect the level of a price, but it does affect how that price level is expressed. The form of expression



of a price is known as the price format.

Expressing a price in a “just-below” format often has the effect of lowering the price’s leftmost digit. This may make the price level appear lower than it actually is and have a positive effect on sales. It is sometimes suggested that early retailers used this technique as a means of reducing dishonesty among clerks. For example, a price such as \$1.99 would oblige employees to use the cash register to make change and thus reduce their opportunity to



Self-Check -2	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1,how you consider changing information on pricing trends Price Structure ?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____

**According to store policies and legislative requirements**

How to price a new product is a top management puzzle that is too often solved by cost theology and hunch. This article suggests a pricing policy geared to the dynamic nature of a new product's competitive status. Today's high rate of innovation makes the economic evolution of a new product a strategic guide to practical pricing.

New products have a protected distinctiveness which is doomed to progressive degeneration from competitive inroads. The invention of a new marketable specialty is usually followed by a period of patent protection when markets are still hesitant and unexplored and when product design is fluid. Then comes a period of rapid expansion of sales as market acceptance is gained.

Next the product becomes a target for competitive encroachment. New competitors enter the field, and innovations narrow the gap of distinctiveness between the product and its substitutes. The seller's zone of pricing discretion narrows as his or her distinctive "specialty" fades into a pedestrian "commodity" which is so little differentiated from other products that the seller has limited independence in pricing, even if rivals are few.

Throughout the cycle, continual changes occur in promotional and price elasticity and in costs of production and distribution. These changes call for adjustments in price policy.

Appropriate pricing over the cycle depends on the development of three different aspects of maturity, which usually move in almost parallel time paths:

1. Technical maturity, indicated by declining rate of product development, increasing standardization among brands, and increasing stability of manufacturing processes and knowledge about them.
2. Market maturity, indicated by consumer acceptance of the basic service idea, by widespread belief that the products of most manufacturers will perform satisfactorily, and by enough familiarity and sophistication to permit consumers to compare brands competently.
3. Competitive maturity, indicated by increasing stability of market shares and price structures.

Of course, interaction among these components tends to make them move together. That is, intrusion by new competitors helps to develop the market, but entrance is most tempting when the new product appears to be establishing market acceptance.

The rate at which the cycle of degeneration progresses varies widely among products. What are the factors that set its pace? An overriding determinant is technical—the extent to which the



economic environment must be reorganized to use the innovation effectively. The scale of plant investment and technical research called forth by the telephone, electric power, the automobile, or air transport makes for a long gestation period, as compared with even such major innovations as cellophane or frozen foods.

Development comes fastest when the new gadget fills a new vacuum made to order for it. Electric stoves, as one example, rose to 50% market saturation in the fast-growing Pacific Northwest, where electric power had become the lowest-cost energy.

Products still in early developmental stages also provide rich opportunities for product differentiation, which with heavy research costs holds off competitive degeneration.

But aside from technical factors, the rate of degeneration is controlled by economic forces that can be subsumed under rate of market acceptance and ease of competitive entry.

Market acceptance means the extent to which buyers consider the product a serious alternative to other ways of performing the same service. Market acceptance is a frictional factor. The effect of cultural lags may endure for some time after quality and costs make products technically useful. The slow catch-on of the garbage-disposal unit is an example.

On the other hand, the attitude of acceptance may exist long before any workable model can be developed; then the final appearance of the product will produce an explosive growth curve in sales. The antihistamine cold tablet, a spectacular example, reflected the national faith in chemistry's ability to vanquish the common cold. And, of course, low unit price may speed market acceptance of an innovation; ball-point pens and all-steel houses started at about the same time, but look at the difference in their sales curves.

Ease of competitive entry is a major determinant of the speed of degeneration of a specialty. An illustration is found in the washing machine business before the war, where with little basic patent protection the Maytag position was quickly eroded by small manufacturers who performed essentially an assembly operation. The ball-point pen cascaded from a \$12 novelty to a 49-cent "price football," partly because entry barriers of patents and techniques were ineffective. Frozen orange juice, which started as a protected specialty of Minute Maid, sped through its competitive cycle, with competing brands crowding into the market.

At the outset innovators can control the rate of competitive deterioration to an important degree by non-price as well as by price strategies. Through successful research in product improvement innovators can protect their specialty position both by extending the life of their basic patents and by keeping ahead of competitors in product development. The record of IBM punch-card equipment is one illustration. Ease of entry is also affected by a policy of stay-out pricing (so low as



to make the prospects look uninviting), which under some circumstances may slow down the **process of competitive encroachment.**

Steps in Pioneer Pricing

Pricing problems start when a company finds a product that is a radical departure from existing ways of performing a service and that is temporarily protected from competition by patents, secrets of production, control at the point of a scarce resource, or by other barriers. The seller here has a wide range of pricing discretion resulting from extreme product differentiation.

A good example of pricing latitude conferred by protected superiority of product was provided by the McGraw Electric Company's "Toaster," which, both initially and over a period of years, was able to command a very substantial price premium over competitive toasters. Apparently this advantage resulted from

- a. a good product that was distinctive and superior and
- b. substantial and skillful sales promotion.

Similarly, Sunbeam priced its electric iron \$2 above comparable models of major firms with considerable success. And Sunbeam courageously priced its new metal coffeemaker at \$32, much above competitive makes of glass coffeemakers, but it was highly successful.

To get a picture of how a manufacturer should go about setting a price in the pioneer stage, let me describe the main steps of the process (of course the classification is arbitrary and the steps are interrelated):

1. estimate of demand,
2. decision on market targets,
3. design of promotional strategy, and
4. choice of distribution channels.

Estimate of Demand

The problem at the pioneer stage differs from that in a relatively stable monopoly because the product is beyond the experience of buyers and because the perishability of its distinctiveness must be reckoned with. How can demand for new products be explored? How can we find out how much people will pay for a product that has never before been seen or used? There are several levels of refinement to this analysis.

The initial problem of estimating demand for a new product can be broken into a series of sub problems:

1. whether the product will go at all (assuming price is in a competitive range),
2. what range of price will make the product economically attractive to buyers,



3. what sales volumes can be expected at various points in this price range, and
4. what reaction will price produce in manufacturers and sellers of displaced substitutes.

The first step is an exploration of the preferences and educability of consumers, always, of course, in the light of the technical feasibility of the new product. How many potential buyers are there? Is the product a practical device for meeting their needs? How can it be improved to meet their needs better? What proportion of the potential buyers would prefer, or could be induced to prefer, this product to already existing products (prices being equal)?

Sometimes it is feasible to start with the assumption that all vulnerable substitutes will be fully displaced. For example, to get some idea of the maximum limits of demand for a new type of reflecting-sign material, a company started with estimates of the aggregate number and area of auto license plates, highway markers, railroad operational signs, and name signs for streets and homes. Next, the proportion of each category needing night-light reflection was guessed. For example, it was assumed that only rural and suburban homes could benefit by this kind of name sign, and the estimate of need in this category was made accordingly.

It is not uncommon and possibly not unrealistic for a manufacturer to make the blithe assumption at this stage that the product price will be “within a competitive range” without having much idea of what that range is. For example, in developing a new type of camera equipment, one of the electrical companies judged its acceptability to professional photographers by technical performance without making any inquiry into its economic value. When the equipment was later placed in an economic setting, the indications were that sales would be negligible.

The second step is marking out this competitive range of price. Vicarious pricing experience can be secured by interviewing selected distributors who have enough comparative knowledge of customers’ alternatives and preferences to judge what price range would make the new product “a good value.” Direct discussions with representative experienced industrial users have produced reliable estimates of the “practical” range of prices. Manufacturers of electrical equipment often explore the economic as well as the technical feasibility of a new product by sending engineers with blueprints and models to see customers, such as technical and operating executives. In guessing the price range radically new consumers’ product of small unit value, the concept of barter equivalent can be a useful research guide.

For example, a manufacturer of paper specialties tested a dramatic new product in the following fashion: A wide variety of consumer products totally unlike the new product were purchased and spread out on a big table. Consumers selected the products they would swap for the new product. By finding out whether the product would trade evenly for a dish pan, a towel, or a hairpin, the



executives got a rough idea of what range of prices might strike the typical consumer as reasonable in the light of the values received for his or her money in totally different kinds of expenditures.

But asking prospective consumers how much they think they would be willing to pay for a new product, even by such indirect or disguised methods, may often fail to give a reliable indication of the demand schedule. Most times people just do not know what they would pay. It depends partly on their income and on future alternatives. Early in the postwar period a manufacturer of television sets tried this method and got highly erratic and obviously unreliable results because the distortion of war shortages kept prospects from fully visualizing the multiple ways of spending their money. Another deficiency, which may, however, be less serious than it appears, is that responses are biased by the consumer's confused notion that he or she is bargaining for a good price. Not until techniques of depth interviewing are more refined than they are now can this crude and direct method of exploring a new product's demand schedule hold much promise of being accurate. One appliance manufacturer tried out new products on a sample of employees by selling to them at deep discounts, with the stipulation that they could if they wished return the products at the end of the experiment period and get a refund of their low purchase price. Demand for foreign orange juice was tested by placing it in several markets at three different prices, ranging around the price of fresh fruit; the result showed rather low price elasticity.

While inquiries of this sort are often much too short-run to give any real indication of consumer tastes, the relevant point here is that even such rough probing often yields broad impressions of price elasticity, particularly in relation to product variations such as styling, placing of controls, and use of automatic features. It may show, for example, that \$5 of cost put into streamlining or chromium stripping can add \$50 to the price.

The third step, a more definite inquiry into the probable sales from several possible prices, starts with an investigation of the prices of substitutes. Usually the buyer has a choice of existing ways of having the same service performed; an analysis of the costs of these choices serves as a guide in setting the price for a new way.

Comparisons are easy and significant for industrial customers who have a costing system to tell them the exact value, say, of a forklift truck in terms of warehouse labor saved. Indeed, chemical companies setting up a research project to displace an existing material often know from the start the top price that can be charged for the new substitute in terms of cost of the present material. But in most cases the comparison is obfuscated by the presence of quality differences that may be important bases for price premiums. This is most true of household appliances, where the



alternative is an unknown amount of labor of a mysterious value. In pricing a cargo parachute the choices are:

- (1) free fall in a padded box from a plane flown close to the ground,
- (2) landing the plane,
- (3) back shipment by land from the next air terminal, or
- (4) land shipment all the way. These options differ widely in their service value and are not very useful pricing guides.

Thus it is particularly hard to know how much good will be done by making the new product cheaper than the old by various amounts, or how much the market will be restricted by making the new product more expensive. The answers usually come from experiment or research.

The fourth step in estimating demand is to consider the possibility of retaliation by manufacturers of displaced substitutes in the form of price cutting. This development may not occur at all if the new product displaces only a small market segment. If old industries do fight it out, however, their incremental costs provide a floor to the resulting price competition and should be brought into price plans.

For example, a manufacturer of black-and-white sensitized paper studied the possibility that lowering its price would displace blueprint paper substantially. Not only did the manufacturer investigate the prices of blueprint paper, but it also felt it necessary to estimate the out-of-pocket cost of making blueprint paper because of the probability that manufacturers already in the market would fight back by reducing prices toward the level of their incremental costs.

Decision on Market Targets

When the company has developed some idea of the range of demand and the range of prices that are feasible for the new product, it is in a position to make some basic strategic decisions on market targets and promotional plans. To decide on market objectives requires answers to several questions: What ultimate market share is wanted for the new product? How does it fit into the present product line? What about production methods? What are the possible distribution channels?

These are questions of joint costs in production and distribution, of plant expansion outlays, and of potential competition. If entry is easy, the company may not be eager to disrupt its present production and selling operations to capture and hold a large slice of the new market. But if the prospective profits shape up to a substantial new income source, it will be worthwhile to make the capital expenditures on plant needed to reap the full harvest.



A basic factor in answering all these questions is the expected behavior of production and distribution costs. The relevant data here are all the production outlays that will be made after the decision day—the capital expenditures as well as the variable costs. A go-ahead decision will hardly be made without some assurance that these costs can be recovered before the product becomes a football in the market. Many different projections of costs will be made, depending on the alternative scales of output, rate of market expansion, threats of potential competition, and measures to meet that competition that are under consideration. But these factors and the decision that is made on promotional strategy are interdependent. The fact is that this is a circular problem that in theory can only be solved by simultaneous equations.

It is possible to make some approximations that can break the circle: scale economies become significantly different only with broad changes in the size of plant and the type of production methods. This narrows the range of cost projections to workable proportions. The effects of using different distribution channels can be guessed fairly well without meshing the choices in with all the production and selling possibilities. The most vulnerable point of the circle is probably the decision on promotional strategy. The choices here are broad and produce a variety of results. The next step in the pricing process is therefore a plan for promotion.

Design of Promotional Strategy

Initial promotion outlays are an investment in the product that cannot be recovered until some kind of market has been established. The innovator shoulders the burden of creating a market—educating consumers to the existence and uses of the product. Later imitators will never have to do this job; so if the innovator does not want to be simply a benefactor to future competitors, he or she must make pricing plans to recover initial outlays before his or her pricing discretion evaporates. The innovator's basic strategic problem is to find the right mixture of price and promotion to maximize long-run profits. He or she can choose a relatively high price in pioneering stages, together with extravagant advertising and dealer discounts, and plan to recover promotion costs early; or he or she can use low prices and lean margins from the very outset in order to discourage potential competition when the barriers of patents, distribution channels, or production techniques become inadequate. This question is discussed further later on.

Choice of Distribution Channels

Estimation of the costs of moving the new product through the channels of distribution to the final consumer must enter into the pricing procedure, since these costs govern the factory price that will result in a specified consumer price and since it is the consumer price that matters for volume. Distributive margins are partly pure promotional costs and partly physical distribution costs.

Page 65 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



Margins must at least cover the distributors' costs of warehousing, handling, and order taking. These costs are similar to factory production costs in being related to physical capacity and its utilization, i.e., fluctuations in production or sales volume.

Hence these set a floor to trade-channel discounts. But distributors usually also contribute promotional effort—in point-of-sale pushing, local advertising, and display—when it is made worth their while.

These pure promotional costs are more optional. Unlike physical handling costs they have no necessary functional relation to sales volume. An added layer of margin in trade discounts to produce this localized sales effort (with retail price fixed) is an optional way for manufacturers to spend their prospecting money in putting over a new product.

In establishing promotional costs, manufacturers must decide on the extent to which the selling effort will be delegated to members of the distribution chain. Indeed, some distribution channels, such as house-to-house selling and retail store selling supplemented by home demonstrators, represent a substantial delegation of the manufacturers' promotional efforts, and these usually involve much higher distribution-channel costs than do conventional methods.

Rich distributor margins are an appropriate use of promotion funds only when the producer thinks a high price plus promotion is a better expansion policy in the specialty than low price by itself. Thus there is an intimate interaction between the pricing of a new product and the costs and the problems of floating it down the distribution channels to the final consumer.

Policies for Pioneer Pricing

The strategic decision in pricing a new product is the choice between (1) a policy of high initial prices that skim the cream of demand and (2) a policy of low prices from the outset serving as an active agent for market penetration. Although the actual range of choice is much wider than this, a sharp dichotomy clarifies the issues for consideration.

Skimming Price

For products that represent a drastic departure from accepted ways of performing a service, a policy of relatively high prices coupled with heavy promotional expenditures in the early stages of market development (and lower prices at later stages) has proved successful for many products.

There are several reasons for the success of this policy:

1. Demand is likely to be more inelastic with respect to price in the early stages than it is when the product is full grown. This is particularly true for consumers' goods. A novel product, such as the electric blanket when it first came out, was not accepted early on as a part of the expenditure pattern. Consumers remained ignorant about its value compared with the



value of conventional alternatives. Moreover, at least in the early stages, the product had so few close rivals that cross-elasticity of demand was low.

Promotional elasticity is, on the other hand, quite high, particularly for products with high unit prices such as television sets. Since it is difficult for customers to value the service of the product in a way to price it intelligently, they are by default principally interested in how well it will work.

2. Launching a new product with a high price is an efficient device for breaking the market up into segments that differ in price elasticity of demand. The initial high price serves to skim the cream of the market that is relatively insensitive to price. Subsequent price reductions tap successively more elastic sectors of the market. This pricing strategy is exemplified by the systematic succession of editions of a book, starting with a very expensive limited personal edition and ending up with a much lower-priced paperback.
3. This policy is safer, or at least appears so. Facing an unknown elasticity of demand, a high initial price serves as a “refusal” price during the stage of exploration. It is difficult to predict how much costs can be reduced as the market expands and as the design of the product is improved by increasing production efficiency with new techniques. When an electrical company introduced a new lamp bulb at a comparatively high initial price, it made the announcement that the price would be reduced as the company found ways of cutting its costs.
4. Many furniture companies are not in a position to finance the product flotation out of distant future revenues. High cash outlays in the early stages result from heavy costs of production and distributor organizing, in addition to the promotional investment in the pioneer product. High prices are a reasonable financing technique for shouldering these burdens in the light of the many uncertainties about the future.

Penetration Price;

The alternative policy is to use low prices as the principal instrument for penetrating mass markets early. This policy is the reverse of the skimming policy in which the price is lowered only as short-run competition forces it.

The passive skimming policy has the virtue of safeguarding some profits at every stage of market penetration. But it prevents quick sales to the many buyers who are at the lower end of the income scale or the lower end of the preference scale and who therefore are unwilling to pay any substantial premium for product or reputation superiority. The active approach in probing



possibilities for market expansion by early penetration pricing requires research, forecasting, and courage.

A decision to price for market expansion can be reached at various stages in a product's life cycle: before birth, at birth, in childhood, in adulthood, or in senescence. The chances for large-volume sales should at least be explored in the early stages of product development research, even before the pilot stage, perhaps with a more definitive exploration when the product goes into production and the price and distribution plans are decided upon. And the question of pricing to expand the market, if not answered earlier, will probably arise once more after the product has established an elite market.

Quite a few products have been rescued from premature senescence by being priced low enough to tap new markets. The reissues of important books as lower-priced paperbacks illustrate this point particularly well. These have produced not only commercial but intellectual renaissance as well to many authors. The patterns of sales growth of a product that had reached stability in a high-price market have undergone sharp changes when it was suddenly priced low enough to tap new markets.

A contrasting illustration of passive policy is the pricing experience of the airlines. Although safety considerations and differences in equipment and service cloud the picture, it is pretty clear that the bargain-rate coach fares of scheduled airlines were adopted in reaction to the cut rates of nonscheduled airlines. This competitive response has apparently established a new pattern of traffic growth for the scheduled airlines.

An example of penetration pricing at the initial stage of the product's market life—again from the book field—occurred when Simon & Schuster adopted the policy of bringing out new titles in a low-priced, paper-bound edition simultaneously with the conventional higher-priced, cloth-bound edition.

What conditions warrant aggressive pricing for market penetration? This question cannot be answered categorically, but it may be helpful to generalize that the following conditions indicate the desirability of an early low-price policy:

A high price-elasticity of demand in the short run, i.e., a high degree of responsiveness of sales to reductions in price.

Substantial savings in production costs as the result of greater volume—not a necessary condition, however, since if elasticity of demand is high enough, pricing for market expansion may be profitable without realizing production economies.



Product characteristics such that it will not seem bizarre when it is first fitted into the consumers' expenditure pattern.

A strong threat of potential competition.

This threat of potential competition is a highly persuasive reason for penetration pricing. One of the major objectives of most low-pricing policies in the pioneering stages of market development is to raise entry barriers to prospective competitors. This is appropriate when entrants must make large-scale investments to reach minimum costs and they cannot slip into an established market by selling at substantial discounts.

In many industries, however, the important potential competitor is a large, multiple-product firm operating as well in other fields than that represented by the product in question. For a firm, the most important consideration for entry is not existing margins but the prospect of large and growing volume of sales. Present margins over costs are not the dominant consideration because such firms are normally confident that they can get their costs down as low as competitors' costs if the volume of production is large.

Therefore, when total industry sales are not expected to amount to much, a high-margin policy can be followed because entry is improbable in view of the expectation of low volume and because it does not matter too much to potential competitors if the new product is introduced.

The fact remains that for products whose market potential appears big, a policy of stayout pricing from the outset makes much more sense. When a leading soap manufacturer developed an additive that whitened clothes and enhanced the brilliance of colors, the company chose to take its gains in a larger share of the market rather than in a temporary price premium. Such a decision was sound, since the company's competitors could be expected to match or better the product improvement fairly promptly. Under these circumstances, the price premium would have been short-lived, whereas the gains in market share were more likely to be retained.

Of course, any decision to start out with lower prices must take into account the fact that if the new product calls for capital recovery over a long period, the risk may be great that later entrants will be able to exploit new production techniques which can undercut the pioneer's original cost structure. In such cases, the low-price pattern should be adopted with a view to long-run rather than to short-run profits, with recognition that it usually takes time to attain the volume potentialities of the market. It is sound to calculate profits in dollar terms rather than in percentage margins, and to think in terms of percentage return on the investment required to produce and sell the expanded volume rather than in terms of percentage markup. Profit calculation should also recognize the contributions that market-development pricing can make to the sale of other products and to the



long-run future of the company. Often a decision to use development pricing will turn on these considerations of long-term impacts upon the firm's total operation strategy rather than on the profits directly attributable to the individual product.

An example of market-expansion pricing is found in the experience of a producer of asbestos shingles, which had a limited sale in the high-price house market. The company wanted to broaden the market in order to compete effectively with other roofing products for the inexpensive home. It tried to find the price of asphalt shingles that would make the annual cost per unit of roof over a period of years as low as the cheaper roofing that was currently commanding the mass market. Indications were that the price would have to be at least this low before volume sales would come. Next, the company explored the relationship between production costs and volume, far beyond the range of its own volume experience. Variable costs and overhead costs were estimated separately, and the possibilities of a different organization of production were explored. Calculating in terms of anticipated dollars of profit rather than in terms of percentage margin, the company reduced the price of asbestos shingles and brought the annual cost down close to the cost of the cheapest asphalt roof. This reduction produced a greatly expanded volume and secured a substantial share of the mass market.

Pricing in Maturity

To determine what pricing policies are appropriate for later stages in the cycle of market and competitive maturity, the manufacturer must be able to tell when a product is approaching maturity. Some of the symptoms of degeneration of competitive status toward the commodity level are: Weakening in brand preference. This may be evidenced by a higher cross-elasticity of demand among leading products, the leading brand not being able to continue demanding as much price premium as initially without losing position.

Narrowing physical variation among products as the best designs are developed and standardized. This has been dramatically demonstrated in automobiles and is still in process in television receivers.

The entry in force of private-label competitors. This is exemplified by the mail-order houses' sale of own-label refrigerators and paint sprayers.

Market saturation. The ratio of replacement sales to new equipment sales serves as an indicator of the competitive degeneration of durable goods, but in general it must be kept in mind that both market size and degree of saturation are hard to define (e.g., saturation of the radio market, which was initially thought to be one radio per home and later had to be expanded to one radio per room).



The stabilization of production methods. A dramatic innovation that slashes costs (e.g., prefabricated houses) may disrupt what appears to be a well-stabilized oligopoly market. The first step for the manufacturer whose specialty is about to slip into the commodity category is to reduce real prices promptly as soon as symptoms of deterioration appear. This step is essential if the manufacturer is to forestall the entry of private-label competitors. Examples of failure to make such a reduction are abundant.

By and large, private-label competition has speeded up the inevitable evolution of high specialities into commodities and has tended to force margins down by making price reductions more open and more universal than they would otherwise be. From one standpoint, the rapid growth of the private-label share in the market is a symptom of unwise pricing on the part of the national-brand sector of the industry.

manufacturers should declare open price war in the industry. When they move into mature competitive stages they enter oligopoly relationships where price slashing is peculiarly dangerous and unpopular. But, with active competition in prices precluded, competitive efforts may move in other directions, particularly toward product improvement and market segmentation.

Product improvement at this stage, where most of the important developments have been put into all brands, practically amounts to market segmentation. For it means adding refinements and quality extras that put the brand in the elite category, with an appeal only to the top-income brackets. This is a common tactic in food marketing, and in the tire industry it was the response of the General Tire Company to the competitive conditions of the 1930s.

As the product matures and as its distinctiveness narrows, a choice must sometimes be made by the company concerning the rung of the competitive price ladder it should occupy—roughly, the choice between a low and a not-so-low relative price.

A price at the low end of the array of the industry's real prices is usually associated with a product mixture showing a lean element of services and reputation (the product being physically similar to competitive brands, however) and a company having a lower gross margin than the other industry members (although not necessarily a lower net margin). The choice of such a low-price policy may be dictated by technical or market inferiorities of the product, or it may be adopted because the company has faith in the long-run price elasticity of demand and the ability of low prices to penetrate an important segment of the market not tapped by higher prices. The classic example is **Henry Ford's** pricing decision in the 1920s.

In Summary ;In pricing products of perishable distinctiveness, a company must study the cycle of competitive degeneration in order to determine its major causes, its probable speed, and the

Page 71 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



chances of slowing it down. Pricing in the pioneering stage of the cycle involves difficult problems of projecting potential demand and of guessing the relation of price to sales.

The first step in this process is to explore consumer preferences and to establish the feasibility of the product, in order to get a rough idea of whether demand will warrant further exploration. The second step is to mark out a range of prices that will make the product economically attractive to buyers. The third step is to estimate the probable sales that will result from alternative prices. If these initial explorations are encouraging, the next move is to make decisions on promotional strategy and distribution channels. The policy of relatively high prices in the pioneering stage has much to commend it, particularly when sales seem to be comparatively unresponsive to price but quite responsive to educational promotion.

On the other hand, the policy of relatively low prices in the pioneering stage, in anticipation of the cost savings resulting from an expanding market, has been strikingly successful under the right conditions. Low prices look to long-run rather than short-run profits and discourage potential competitors.

Pricing in the mature stages of a product's life cycle requires a technique for recognizing when a product is approaching maturity. Pricing problems in this stage border closely on those of oligopoly.



Self-Check -3	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1 What are the d/t between cost store price ?
- 2, identify Design of Promotional Strategy and advertising product strategy then how to apply in the Furniture Company
- 3 Define the methods of furniture product pricing ;then how to develop net profit systems

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Lap test -3	Written Test
-------------	--------------

Name: _____ Date: _____

Time started: _____ Time finished: _____

INSTRUCTION:-

You are asked to find work place and collect the necessary tools and equipments to accomplish you work.

You are required to perform any of the following:



LG #51

LO #4- Manage housekeeping

Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following **content coverage** and topics:

- Maintaining store housekeeping procedures in regards
- Scheduling standards store housekeeping and maintained.
- Merchandising store presentation problems contingency plan in the event

This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, you will be able to:

- Maintaining store housekeeping procedures in regards
- Scheduling standards store housekeeping and maintained.
- Merchandising store presentation problems contingency plan in the event

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
4. Accomplish the “Self-checks” which are placed following all information sheets.
5. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).
6. If you earned a satisfactory evaluation proceed to “Operation sheets
7. Perform “the Learning activity performance test” which is placed following “Operation sheets” ,
8. If your performance is satisfactory proceed to the next learning guide,
9. If your performance is unsatisfactory, see your trainer for further instructions or go back to “Operation sheets”.



Information Sheet-1	Maintaining store housekeeping procedures in regards.
---------------------	---

Housekeeping refers to the management of duties and chores involved in the running of a household, such as cleaning, cooking, home maintenance, shopping, and bill payment. These tasks may be performed by members of the household, or by other persons hired for the purpose.

Management of housekeeping

A housekeeping manager oversees the operations of the housekeeping department. ... Working with hotel guests who have specific housekeeping needs. Coordinating housekeeping needs with other hotel department managers. Performing cleaning tasks when staff don't show up for work or the team is shorthanded. 2 types of housekeeping?

Institutional housekeeping and domestic housekeeping. Institutional housekeeping= applies to housekeeping maintenance in commercial lodging establishment like hotels, resorts, inns and amarelle. Domestic housekeeping= refers to housekeeping maintenance in a house

Maintaining store housekeeping procedures in regards ;

Housekeeping maintenance definition and their methods Workplace Organization or simply called 5S, is an integral part of the Lean and KAIZEN™ process. The 5S's are Sort (Seri), Straighten (Seaton), Scrub (Seiko), Standardization (Seekers) and Sustain (Shinseki Maintenance). The maintenance of buildings and equipment may be the most important element of good housekeeping. Maintenance involves keeping buildings, equipment and machinery in safe, efficient working order and in good repair. It includes maintaining sanitary facilities and regularly painting and cleaning walls. A good housekeeping program plans and manages the orderly storage and . layout and the movement of materials throughout it will help when planning work procedures. reflectors, windows, cupboards and lockers may require manual cleaning. keeping floors in good order also means replacing any worn, ripped business goals. Store Maintenance is a national provider of reactive, planned maintenance and compliance testing solutions, serving retailers 24 hours a day 365 days of the year in the UK and also the majority of European Countries. Housekeeping is to be clean, orderly, and sanitary. Floors are to be clean and dry. Aisles and passageways are to have sufficient clearance. They are to be kept clear, without obstructions that could create a hazard. Good housekeeping involves the principle of waste elimination through workplace organization. 5S was derived from the Japanese words sierra, sexton, season, seekers,



and shitsuke. In English, they can be roughly translated as sort, set in order, clean, standardize, and sustain. 5s, or any lean system, helps to eliminate waste, streamline production, and optimize efficiencies. When you adopt 5s thinking, you make a commitment to put safety, organization and effectiveness ahead of production deadlines, profits and output.

What is 5S and its importance?

The 5S philosophy is “a place for everything and everything in its place,” and helps to eliminate wasted time, wasted space and wasted inventory. Implementing 5S raises product quality and improves work productivity, resulting in lower costs and higher efficiencies

Types of 5 S ;

Sort: Separate required tools, materials, and instructions from those that are not needed. Remove everything that is not necessary from the work area.

Store: Sort and organize all tools, equipment, files, data, material, and resources for quick, easy location, and use. Label all storage locations, tools, and equipment.

Shine: Set new standards for cleanliness. Clean and remove all trash, grease, and dirt. Everything must be clean, tidy, and neatly put in its appropriate place. Cleanliness provides a safe workplace—and makes potential problems noticeable, e.g., equipment leaks, loose parts, missing guards, loose paperwork, or materials.

Standardize: Engage the workforce to systematically perform steps 1, 2, and 3 above daily, to maintain the workplace in perfect condition as a standard process. Establish schedules and set expectations for adherence.

Sustain: Make 5S part of your culture, and incorporate it into the corporate philosophy. Build organizational commitment so that 5S becomes one of your organizational values so that everyone develops 5S as a habit. Integrate the 5S methodology into the performance management system.



Self-Check -1	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1 ,**What is 5S and its importance?**
- 2,Write **Maintaining store housekeeping procedures**

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Information Sheet-2	Merchandising store presentation problems contingency plan in the event.
---------------------	---

Merchandising store presentation problems contingency plan in the event

Scheduling standards store housekeeping and maintained.

Practices such as having barebones staff in stores and unstable scheduling (schedules that vary on a day-to-day basis) have flourished in the guise of enabling greater profits for retailers. In study after study for over a decade, operations researchers have found that retailers understaff during peak hours. Increasing staffing, they found, could increase sales and profits. And yet this message on the costs of lean scheduling fell on deaf ears.

Our goal, in a randomized controlled experiment at Gap, was to shift retail associates to more-stable schedules and study the business results. The interdisciplinary team was led by Principal Investigator Scheduling is the process of arranging, controlling and optimizing work and workloads in a production process or manufacturing process. ... In manufacturing, the purpose of scheduling is to minimize the production time and costs, by telling a production facility when to make, with which staff, and on which equipment. effective stable scheduling initiative is not a simple human resources issue. A truly effectively move will require a concerted strategy that starts at the top and includes not just HR but also operations, marketing, and supply chain.

Here's the bottom line: a shift to more stable schedules is a win-win for retailers and their employees. During a challenging time in the retail industry, Gap made a commitment to its values and it paid off. Retailers would be well-advised to take the initiative to implement more stable scheduling for their associates and improve customer service to effectively combat the threat from online retailers. schedules improved customer service in these and other ways. One very simple improvement? Employees found it easier to show up on time, because they were able to more accurately predict their commuting time. Changing company practices so that employees could take the same bus at the same time of day turned out to be a powerful way to improve the customer experience.



Self-Check -2	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1,workloads in a production process or manufacturing process
- 2 ,**Merchandising store presentations are** _____

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Information Sheet-3	Documenting and reporting on promotional activities.
---------------------	--

Documenting and reporting on promotional activities

Merchandising store presentation problems contingency plan in the event

The definition of contingency plan

Contingency planning can be effective in mitigating these risks. ... Contingency planning is defined as a course of action designed to help an organization respond to an event that may or may not happen.

Key principles of contingency planning ;

- Contingency planning should be practical. In other words, it should be based on realistic parameters and should not be a bureaucratic exercise undertaken for its own sake. This starts with a scenario that is detailed enough to allow equally detailed planning and preparedness – but not overly detailed. It also requires enough flexibility to adapt plans in the likely event that real life differs from the assumptions made in the scenario.
- Contingency planning should be simple and easy to do. Contingency planning should not be a complex task undertaken only by specialists; rather, all staff – and indeed community members should be able to participate.
- Contingency plans should be realistic enough that they can be implemented when needed. Plans which are not grounded in reality run the risk of failure and may create a false sense of security.
- Contingency plans should allow for efficient, effective and equitable use of resources to appropriately meet humanitarian needs.
- Contingency planning should be process-driven. Although written plans are important, without a good process contingency planning can be ineffective, resulting in plans being left on the shelf or in the filing cabinet.
- Contingency planning should be participatory, in order to maximize the benefits of the planning process.
- Contingency planning exercises should be followed up. Preparedness actions that are identified as a result of contingency planning should, where possible, be taken up, and further planning should be done if necessary.

Page 81 of 87	Federal TVET Agency Author/Copyright	TVET Program Title- FURNITURE MAKING Operation Management Level -IV.	Version 1 January 0121
---------------	---	---	---------------------------



- Contingency planning processes should be regularly tested through exercises, such as table-top exercises. This helps improve planning and increases staff members' familiarity with the plan.
- Most contingency planning efforts start with scenario
- Useful in generating consensus development keep it simple and general if there is no specific threat, on the nature of potential crises but when there is an emerging crisis engage in more detailed scenario development
- Avoid the 'scenario trap' Contingency planning should always contain a response strategy, humanitarian responses as this anchors the other elements of the plan. A simple strategy can be developed when there is no specific threat. A more complex and detailed strategy can be developed when an emerging crisis is identified.

The common challenges in visual merchandising

Visual Merchandising Challenges and how to Overcome Limited Display Space.

Limited flexibility. Limited budget. Getting your window displays right.

Sales Staff Ease-of-Use.

Creating a positive in-store shopping experience to turn new customers into repeat customers.

Size of the retail operation.

the process of merchandising involves understanding consumer needs, identifying & sourcing of right merchandise, deciding the right assortment, planning distribution of merchandise to different locations in the right quantities, deciding on the pricing, communicating merchandise offerings to the target customers.



Self-Check -3	Written Test
---------------	--------------

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

1 , Visual Merchandising Challenges and how to Overcome limited Display Space workshop ?

Note: Satisfactory rating - 10 points Unsatisfactory - below 10 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____



Lap test -2	Written Test
-------------	--------------

Name: _____ Date: _____

Time started: _____ Time finished: _____

INSTRUCTION:- You are asked to find work place and collect the necessary tools and equipment's to Applying the right procedure

I. Choose the correct answer

- For a successful approach to merchandising, a manager will need to actively:
A. monitor layout and presentation C. attract customers to the store
B. Set goals D.A & C E. A & B
- _____ is a central element of the Marketing mix.
A. Advertising C. Manager E. All
B. Market research D. Promotion F. B & C
- Which is Types of Promotional Activities?
A. Public Relations C. A & B E. All
B. Personal Selling D. F. No answer
- _____ is any form of paid, non-personal presentation by an identified sponsor. It incorporates television, radio, print and digital methods.
A. Direct Marketing C. promotion E only B
B. Advertising D. personal selling F. All
- _____ are the planned efforts of a company to influence the attitudes and opinions of existing and potential customers.
A. Public relations C. Direct marketing E. B & C
B. Publicity D. A & C F. all
- _____ are designed to supplement and extend other promotional activities (usually advertising).
A. Sales promotions C. Public relations
B. Personal selling D. Advertising
- _____ tends to use interactive communication with the customer.
A. Publicity C. Public relations
B. Direct Marketing D. personal selling
- types of cooperative advertising
A. Order-taking C. Vertical
B. Order-getting D. A & B



9. Types of Advertising Messages

- A. Pioneer
- B. Reminder
- C. Competitive
- D. All
- E. A & B

10. Which one the components of media advertising?

- A. Radio
- B. Print
- C. A & B
- D. news paper
- E. All

Matching

“A”

1. Information focuses on measurement.
2. Information focuses on opinion or personal views.
3. Component of market mix.
4. Television.
5. Reasons to advertise.
6. Components of Advertising Media.
7. Step of developing a promotional strategy.
8. Measures of value.
9. Factory influences of pricing.
10. Types of pricing.

“B”

- A Customary
- B. Print
- C Supply & demand
- D To clear excess stock.
- E Quantitative
- F Quantity
- G Revise & review
- H Large regional area
- I Price
- J Qualitative



List of Reference

- 1 , Wwww.world Furniture shoop
- 2 , www.Furniture productin process
- 3 , case stude of furniture manufacturer Research
- 4 ,The knowledge and skill of presenter (Ibrahim Hashim)
- 5 book Retail Marketing Strategy
- 6 **Joanna Weekes** furniture and production procedure (Book)



The trainers who develop *this outcome based curriculum*

No	Name	Region	Level	/Profession/ Qualification	TVET College	Email & Phone No
01	ASHEBIR ATNAFU	SNNP	A	Construction management	Hossana	Geji1993@gmail.com 0911821805
02	BOGALE YILMA	SNNP	A	Construction management	Butajira	0910411083
03	HUSSIEN MOHAMMED	B/G	A	Wood Technology Management	Asossa	0913837021 Hussenmoha856@gmail.com
04	IBRAHIM HASHM	D/D	B	Wood Tecknology	D/D P/Tevt	0921442756 Ibrahimhashim2756@gmail.com

Adviser during developing this *outcome based curriculum*

No	Name	Profession	Mob. No	College	Email
01					

This out Come Based Curriculum was developed on Jan, 2021 G.C at Adama, Ethiopia