

Title	Demonstrate knowledge of buying processes in a retail or distribution environment		
Level	3	Credits	3

Purpose	People credited with this unit standard are able to demonstrate knowledge of buying processes, and price setting in a retail or distribution environment.
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Classification	Retail, Distribution, and Sales > Retail and Distribution Core Skills
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Available grade	Achieved
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Guidance Information

- 1 Definitions

Buying processes refers to the systematic and measurable approach to buying a product or service.

Distribution environment refers to a workplace where the primary focus is on storage and distribution of stock.

Retail environment refers to workplaces where the primary focus is on customers purchasing goods or services.

Slow-moving refers to selling slowly.

Workplace procedures refer to applicable procedures found in the following: workplace performance guidelines and standards; manufacturer's procedures and specifications; Government and local body legislation.
- 2 Legislation relevant to this unit standard includes but is not limited to: Privacy Act 2020, Fair Trading Act 1986, Consumer Guarantees Act 1993, Contract and Commercial Law Act 2017, Credit Contracts and Consumer Finance Act 2003.
- 3 All assessment tasks must be carried out in accordance with workplace procedures.

Outcomes and performance criteria

Outcome 1

Demonstrate knowledge of buying processes in a retail or distribution environment.

Performance criteria

- 1.1 Factors that affect buying processes are described in terms of supply and demand, market position, and market image.

1.2 Types of buying processes applicable to retail or distribution are described.

Range buying – to pre-set levels, to replenish stock, for promotions.

1.3 Advantages and disadvantages of buying to pre-set stock levels are explained.

Range may include but is not limited to – technology, slow-moving line, competitor activity, environment, weather, demography, fashion, perishability, obsolete stock.

1.4 Factors influencing buying for promotions are identified and explained.

Range buying influence may include but is not limited to – new product, exclusivity, competitive edge, supplier over-stocking, supplier promotion, supplier competition, supplier incentive, deleted line, special price, loss leader; evidence of five is required.

Outcome 2

Demonstrate knowledge of price setting in a retail or distribution environment.

Performance criteria

2.1 Factors determining price are described.

Range factors may include but are not limited to – product cost, shipping cost, landed cost, labour, overheads, mark-up, supply and demand, discounting, competitive advantages, margin; evidence of five is required.

2.2 Effect of discounting on gross profit is identified and explained.

Planned review date	31 December 2027
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	31 October 1997	31 December 2013
Review	2	26 November 2003	31 December 2013
Rollover and Revision	3	17 October 2008	31 December 2013
Revision	4	19 June 2009	31 December 2013
Review	5	15 April 2011	31 December 2016
Review	6	21 May 2015	31 December 2021
Review	7	8 December 2016	31 December 2021
Revision	8	29 March 2018	31 December 2024
Review	9	2 March 2023	N/A

Consent and Moderation Requirements (CMR) reference

0112

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact Ringa Hora Services Workforce Development Council qualifications@ringahora.nz if you wish to suggest changes to the content of this unit standard.