

Module 1 Assignment

1. Define retailing.

The retail industry describes retail companies that purchase products directly from manufacturers and sell them to the end consumer. The retail company combines products and goods from different manufacturers in one range. The retail trade can be divided into the stationary retail trade, ambulant retail trade, mail order business, and e-commerce of any size. Mail order and e-commerce in particular have gained in popularity with end consumers in recent years.

2. What kind of information do retailers communicate to customers? To suppliers?

Retailers transmit information from any area to the customer. It starts with the opening hours, which are transmitted from the retailer to the customer. It continues in the store with information on the products, for example, where the place of manufacture is, what exactly is in the product and what it is good for. If the information on the product is missing, the customer has the opportunity to approach a salesperson and ask for missing information. Even afterward, the customer has the possibility to ask the retailer for information from any segment.

An open exchange of information between the retailer and the supplier is also very important for both sides. The supplier must know exactly what the retailer wants for a product and meet his requirements in order to be able to keep him. In the same way, the retailer needs precise information from the supplier about products in order to pass it on to the customer in a binding manner.

3. Explain the retailing concept. Apply it to your school's bookstore.

The retail concept serves a city or an area as a decision-making basis for planning law control. The retail concept takes care to develop and implement a strategy, set clear goals, remain oriented to the city's own values, and, at the same time, keep the customers' wishes in mind. Retail is planned and built based on these principles. Our school's bookstore is located in a center hallway and at the entrance is the counter where library staff can meet customers directly and see who is entering and leaving the store. As you continue through, the desks and bookshelves follow, which are spread out in both directions so students can spread out. This retail concept is simplistic in design and ensures that there are no congested areas in the library and that staff notice customers as they enter and exit.

4. Why should a retailer devote special attention to its core customers? How should it do so?

Regular customers are very important for the retailer. Through them, he has a constant source of income on which he can rely and who are satisfied with his products and may recommend the retailer to others. The retailer can value the existing customers through personal approaches as well as better advice. Responding to their needs through surveys to make the shopping experience even better for the regular customer can also be an option. A retailer can also indirectly reward regular customers with a type of "loyalty points", which the customer receives by making a purchase of over a certain amount. He can then redeem these "loyalty points" for vouchers and discounts. Through these small gestures, the regular customer, which is very important for the existence of the retailer, feels valued, and his satisfaction increases.

5. Differentiate between social responsibility and consumerism from the perspective of the retailer.

On the one hand, a retail company always has a social responsibility. Topics such as the fair production of products and sustainability play a major role here. But the retail store also has a social responsibility to itself, which means running the business without losses. Consumer behavior of the customers plays a big role. If the retail trade has a large consumer demand, it can invest more in social areas. If this is not the case, the retail operation has to find other ways to sell its products. "Unfortunately" it is often the case that sustainable products from a fair production are more expensive than it is the case with contrary products. This increases costs at the retailer and consequently for the end consumer. These higher costs are not affordable for many people. So it is important for the retailer to find a good middle ground.

6. How would situation analysis differ for a show store chain and an online shoe retailer?

The situation analysis would be very different from a department store chain to an online shoe retailer. This is because both have completely different bases with which they work. While the department store chain, for example, is in direct contact with the customer and thus has to build up a real store, the online shoe retailer only has to build up a website that appeals to the customer. So while the department store chain has to try to convince the customer to repurchase by providing good advice, the online shoe retailer has to convince the customer to repurchase by providing a simple and easy structure of the website and delivery of the shoes. In principle, both retailers have different bases on which they must try to satisfy the customer and thus convince him to buy again.

7. What are the pros and cons of starting a new hair salon versus buying an existing one?

The advantages of setting up a new hairdressing salon over buying an existing one are that by setting up one can bring one's own identity and structure to the hairdressing salon. One can build thereby its own customer master with its values. Furthermore, one usually has a lower capital investment than is the case when buying a business. A disadvantage, which the opening of an own hairdressing salon brings in contrast to the purchase of one, is for example the uncertainty in which one finds oneself.

Opportunities and risks are uncertain and a guarantee of customers is missing due to the lack of regular customers. Furthermore, it is not uncommon that the start-up phase for self-founded companies is always somewhat difficult, since no structure is yet established, the name is not known and one must assert and prove oneself against the established competitors.

1. When a consumer shops at an upscale apparel store, what factors determine whether the consumer feels that he or she got a fair value? How does the perception of value differ when the same consumer shops at a low-end apparel store?

There are many factors that ensure that the consumer in an upscale clothing store feels that he has received a reasonable price. These include, for example, the factors of the quality of the clothing, the reputation of the brand and the level of the employees of the clothing store. If all these factors are served in the clothing store, the consumer has a feeling of satisfaction for which he is willing to pay more. Of course, the consumer can also look in other stores or on the Internet to find out how much the product he is interested in usually costs and form his own opinion. Now, when a consumer goes shopping in a lower-end clothing store, perceptions of value can influence him. The consumer is influenced by the lower prices of the clothing items. While he can afford to buy one piece of clothing for \$150 at an upscale clothing store, he may be able to afford three pieces of clothing for the same budget at a lower-end clothing store. Factors such as the quality of the products, the reputation of the brand, and the level of the store's employees become less important to the customer. So quality versus quantity have an impact on the consumer's perception here.

2. A competing bicycle store has a better location than yours. It is in a modern shopping center with a lot of customer traffic. Your store is in an older neighborhood and requires customers to travel farther to reach you. How could you use a merchandising, pricing, and communications strategy to overcome your disadvantageous location?

Sales, pricing and communication strategy are important in my situation and I need to apply them strategically to compensate for my location disadvantage. First, I should start by building an effective and appealing online store. In this online store, I could enable various options such as online ordering and home delivery. By further advertising on social media, I could generate a few customers. Besides building an effective online presence, I should now make my bike store more extravagant. I have to have something special with my bike store or offer what leads customers to take the longer way on themselves. I can achieve this, for example, by specializing in e-bikes or mountain bikes.

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To this special offer, I must then advertise with attractive prices and offers. Once I have built up a customer base through this enticement method, I can expand over time. A combination of setting up an effective online store and expanding my bike store, I can become more attractive and make the location disadvantage forgotten.