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Module 1

Short Answers:

1. Define retailing

In retail, goods and services are usually sold by companies directly to end consumers, in other words, to non-commercial customers. This is also referred to as "business-to-consumer" or B2C. In the institutional sense, the term refers to all those companies that perform retail functions. In this context, the companies do not produce the goods themselves, but procure them from other companies and ultimately offer them for sale to the end users. Well-known retail sectors include clothing, food, and cosmetics, with the spectrum ranging from tiny stores to huge shopping centers. Although the term retail is often used synonymously with stationary store sales, strictly speaking, online retailers such as Amazon also belong to this category. In addition, retailers offer not only goods but also services. Examples of this are hotels or restaurants.

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

Retail companies pass on all sorts of details to their end customers. They provide the customers not only with the product or the service, but also with the explanation and the details which are important for the procurement. Accordingly, it starts with the retail business disclosing the opening hours to the end customer. Within the store, information about the products is then conveyed. This includes prices, advantages of different products, and so on. After the purchase, the customer is still taught the after-sales services such as the return guarantee or bonuses for the next purchase.

The exchange of information between the supplier and the retailer is a little more precise. Now, the classifications of the different products are also conveyed, the availability, different types of the product and the date and time of the delivery date. In addition, it is now important that the payment information is correct and the order numbers match for both parties.

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

The goal of a retailer is to satisfy the customer in the long term. Accordingly, it is important to build the retail concept on this and to follow customer-oriented paths. This involves developing and implementing a strategy, remaining value-oriented, setting clear goals and keeping the customer's wishes in mind. These four principles then form the retail concept. If we now apply this concept to our library, we must first define the customer group. Accordingly, it is us, the

students of the university. It therefore makes sense as a school library to have books in the assortment which we students need for our classes or which can provide us with important information about subject areas. In order not to have too many books in the assortment, the library should not disregard the coordinated efforts and look to increase the efficiency and for example offer e-books for lending. Third, it is important to be value-oriented and still rent the books to the students at a reasonable price. Lastly, it is important that the library approach these goals in a goal-oriented way and use the strategy to achieve the best goal.

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

Maintaining core customers is an important success factor for retailers, but one to which far too little attention is often paid. After all, the strategy of bringing as much traffic and new customers into the store as possible in order to boost sales falls short in the long term. It's important to pay more attention to core customers, because not only do loyal customers buy regularly, retailers can also learn a great deal about them - and use them as a source of inspiration to constantly improve the shopping experience in the store. This can be shown by addressing them personally as a sign of appreciation. Moreover, if you have a number of core customers who share the same interests, you can adjust your assortment accordingly to make your customers happier. In addition, you can offer various additional services to your loyal customers so that you can be sure that they will come back again. Lastly, you can talk to your core customers and approach them for improvement through personal collaboration.

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

From a retailer's perspective, social responsibility refers to a company's ethical and moral obligations to society. Importantly, issues such as labor rights, environmental sustainability and community engagement are included in the assessment. Consumerism, on the other hand, refers to the engagement of individuals and society in the acquisition and consumption of goods and services.

For a retailer, social responsibility would mean implementing practices such as fair labor standards, reducing waste and emissions, and supporting local communities. Consumerism, on the other hand, would focus on maximizing sales and profits by creating demand for products and services.

In practice, retailers can try to balance these two goals by fulfilling their social responsibility while meeting consumer demand.

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

The objective of the situation analysis is to develop an honest assessment of the opportunities and risks to which a potential or existing retailer is exposed. The analysis focuses on two questions. Firstly, what is the current status of the company and secondly, in which direction should the company develop. The situation analysis is guided by an organizational mandate to

evaluate ownership and management options and to outline the category of goods/services to be sold.

The shoe store focuses its opportunities and problems on competitors as well as new developments and may acquire competitive advantages with free delivery, for example.

The online shoe retailer has more influences to choose from as the store is exposed to global influences. Accordingly, other web-based competitors, delivery arrangements and the quality of the website are compared here. To get more chances, the online retailer needs to consider solutions like free returns.

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

The very first advantage is that you can build your own image to the company. Customers have no relation to the new hairdressing salon and are therefore not yet influenced by old experiences. Accordingly, you have the opportunity to attract customers in your own way and leave a good first image. Another advantage of starting a new business is that you have more freedom. You are able to put your own goals in the foreground and do not have to answer questions from others. Accordingly, you can decide for yourself in which direction the hair salon will move and which target group you will try to address.

Disadvantages are in any case that you do not yet bring a clientele with you. Accordingly, people do not know the store yet and you have to work out the clientele. In addition, inaccurate planning can quickly have a negative impact and there is a risk that the capital is not enough to keep the business alive in the first few months. Thus, there are a number of risks associated with opening a new store.

Long Answer

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?

When a consumer shops at an upscale clothing store, several factors may determine whether he feels he has received a fair price, such as the quality and workmanship of the clothing, the reputation and prestige of the brand, and the level of customer service and attention he receives. He may also look to see if the price of the garment is in line with similar products offered by other high-end retailers.

On the other hand, if a consumer shops at a lower-end clothing store, his or her perception of value may be more influenced by the price of the clothing and the perceived value of money. Factors such as brand reputation and customer service may be less important in this context, as the consumer is more concerned with finding affordable clothing options. In addition, the consumer may be more likely to compare prices with those of other retailers in the lower price segment.

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?

One strategy to overcome the bike store's disadvantageous location could be to focus on merchandising and pricing to create a unique and compelling shopping experience for customers. We could, for one, offer a greater range of higher quality and specialty bicycles that are not available for purchase at the competing bike store. Secondly, we can offer deals of competitive prices, sales and discounts to attract customers.

Another strategy could be to focus on building a strong online presence and implementing an effective communication strategy to reach potential customers. For this, we would need to develop a website that is easy to navigate, and which is informative as well as mobile friendly. Following this, we can focus more on social media platforms such as Instagram, Facebook, Twitter and TikTok. Thus, we can create a community and build a special relationship with potential customers. By offering online, we can also offer online ordering and delivery services to our customers, which makes it easier for customers to shop with you if they cannot visit the store in person. Now, if we combine these two strategies, we have a good opportunity to offset the disadvantages of our location and attract customers.