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Retail Management
Professor Bowersox
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Short answer:

1. Define retailing

Retail is selling goods and services to customers for a profit. Businesses purchase goods in large numbers (wholesale) and sell them in smaller amounts to their customers with a margin, the business' profit. Retail can take place in person, meaning in stores where customers walk in, but can also take place online. Online retail has gained a lot of popularity over the last few years.

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

Retailers communicate a lot of information to customers and they use different ways to communicate them. Opening hours, prices, discounts, warranty information and also general information about products and services are communicated through advertisements, websites, social media or personnel working in the store. Information that is communicated to suppliers is different. This mostly includes aspects like sales performance, complaints, or issues that might occur with certain products.

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

The retailing concept consists of four principles, that are: Customer orientation, coordinated effort, value driven, and goal orientation. Together these help to build a successful retailer. For my school's bookstore I would say they can use this concept and determine their customers (which are mostly students and faculty) and their needs, maximize efficiency and have great service, and offer good products and appropriate prices. Lastly, the bookstore should set goals and set up a strategy to reach them.

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

Having core customers is incredibly important for retailers as they are not only customers, but also seem to be very satisfied with the way the retailer operates. This can be a big advantage for a customer as these core customers will probably tell their friends and families about the good experiences they make there, which is great

marketing for the retailer. There are different ways of showing core customers special attention, there could for example be a “loyalty system”, where customers gain points with every purchase, which in turn can be translated into real money at a certain point. Another way of doing so, would be to send out emails or actual mail to their core customers that have also left their addresses and everything in the system. That way special days like birthdays could be honored with special offers or discounts.

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

Social responsibility from the perspective of a retailer means that the retailer acts in the best interest for society, while not forgetting about itself. Things like participating in social events are free, however, there are also aspects like donating to charities, which obviously can involve smaller to high amounts of money. Consumerism, on the other hand, revolves around organizations, including the government, which protect the rights of consumers. Consumers have different rights, such as the right to safety, and the right to be informed.

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

Situation analysis basically talks about the problems and opportunities that retailers face. For a shoe store chain the problems they might face are competition by other stores nearby or also by online retailers. Opportunities, however, include the fact that people can actually try on the shoes and see the actual colors etc. in person without having to have them shipped. An online shoe retailer, on the other hand, might face problems when it comes to competition with other online retailers and the pricing and quality of website and services for example. These potential problems could also be opportunities though, if the retailer finds a way to set itself apart from the competition.

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

Starting a new hair salon gives the owner the possibility to build it the way he/she wants, including the location, how the store looks and also the group of customers that it's supposed to target. On the other hand, it also takes a lot of money and time to renovate it and to get everything set up the way it is supposed to be. Buying an already existing hair salon would give the owner an already established name, that comes with workers, customers etc. That way the owner would most likely not spend as much money, however, it also sort of limits the freedom when it comes to making it his/her own store, as location, design, and target market are already given.

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 apparel store, there are different aspects that will play a role when it comes to him feeling like he got a fair deal or not. First of all, he can expect an overall positive experience when it comes to service. There should be someone that greets him and guides him through the store, if he wishes to receive help. Apart from the service, that should be great, the quality of the product is another big factor. From an upscale apparel store the consumer can expect to receive a good quality product that will keep its shape and color also after washing it a few times. Material and fit of the product play an important role when it comes to whether the consumer feels like he got a good deal or not. At a low-end apparel store, the perception of value differs due to the price difference. Lower price can mean that the service will not be as good, while the customer can expect to get help, it might take a moment to find an employee that is free. Furthermore, the quality of product will most likely not be expected to be as good. However, for what it costs the product can still be valuable.

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?

A merchandising strategy should be developed, which would help my store to offer a wider range of products and possibly brands that the competing store does not offer. Furthermore, my store could give some extra attention to a certain area, such as mountain bikes and specialize on them. That way the people that are specifically into mountain bikes might want to take a look, because we offer a wider range in that specific category. The service should be excellent so that our customers will tell others about their positive experiences and possibly get them to come to our store to get their own picture. Apart from service, also the pricing can make a difference that will set us apart from the competitor. While the competition probably has a higher rent due to the location in a very busy area, we might be able to sell our goods at a lower price while still making good profit. Lower prices often attract new customers and make them willing to drive a little longer. The given ways of setting us apart from the competition should be communicated in effective marketing campaigns in different media.