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Module 1 Assignment

1. Define retailing.

Retailing is a distribution procedure that includes all the steps necessary to sell the goods to the ultimate customer directly. It includes the selling of products and services from a sale point to the final consumer who will use the product. Regardless of how things are sold, any business entity that sells products to the final consumer and not for commercial use or resale is considered to be involved in the process of retailing. This includes manufacturers, wholesalers, and retailers.

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

Retailers can reach you in a number of different ways. Although many of them are individualized because to technology, others of these are impersonal, such mass advertising or exposure. Consider all the methods a store communicates with customers: via social media, emails, texts, mailings of coupons, etc.

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

The crucial link connecting manufacturers and consumers is retailers. They serve as the last point of sale and are crucial to the entire supply chain. In actuality, they offer services to both consumers and wholesalers.

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

The success of a firm depends on who its primary customers are. Regular customers who purchase goods or services from a business account for a sizeable portion of its sales. Additionally, core customers are more likely to inform other people, including other customers and business owners, about their great experience. This helps companies identify what they are doing right and wrong and uses word-of-mouth marketing to build their brand and increase sales. By identifying its key customers based upon lifetime sales as well as online evaluations, a company may target them with discounts and special offers. They can also be given more care when customer service difficulties emerge, and they can be thanked individually.

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

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

Situation analysis is the open assessment of the possibilities and probable issues facing a future or current store. A chain of shoe stores may assess opportunities and issues like growing department store competition or other recent events impacting a significant number of store units and might even investigate such overall competitive advantages. The online shoe retailer might pay more attention to external factors, long-distance

shipping arrangements, or price comparisons with the other online shoe merchants. Due to problems with fit as well as color accuracy, the online shoe merchant may also need to look at the potential of offering free return shipping.

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

Opening a new hair salon gives you more freedom to choose your location, ambiance, and target market. It enables a plan to be completely customized to the needs and advantages of the new owner. However, opening a new hair salon involves expenses for building or remodeling, a delay before the store can be opened, an unproven name and reputation, and the requirement to forge new supplier ties. A store can launch more quickly, create continued sales and profits, and possibly negotiate favorable lease terms and/or financing from the seller by purchasing an existing hair salon. This allows the retailer to obtain the established name, client base, location, trained staff, and also facilities. However, because previous store fixtures may also be present, it may be more difficult to create and implement a plan that plays to the advantages and preferences of the new owner. Last but not least, it will be necessary to estimate the value of goodwill.

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?

While shopping at an upscale apparel store, there are several factors that can influence on the perception of the customer. Firstly, if they go to that store it's because most probably they already know the brand or have heard of it. They are already going with a feeling of excellence in the product they're looking for. Secondly, they focus on the quality of the product rather than the quantity; they are willing to pay a bigger amount of money for an exclusive and unique product. Therefore, the customer is also paying for the exclusivity they will feel by dressing that expensive coat or carrying that fancy bag; upscale apparel stores play with the feeling of empowerment that comes with wearing their brand. It's also about the location itself, since it's not the same entering to a store in 5th Avenue than in Chinatown, as a representation of the importance of the store location in order to keep provoking those feelings of exclusivity. On the other side, a low-end apparel store follows different strategies in order to adapt to the product they're offering. Customers may feel to get a fair value of their money if the product meet their quality-price demands. It's not about uniqueness and empowerment, it's more about leaving the store with the perception of having bought what they were looking for at a decent price. Therefore, these stores offer more quantity products that satisfy customer needs, trying to maintain a minimum quality and experience product for people to buy it.

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?

It will be crucial to make merchandising choices that can broaden and deepen the range of available goods and services. For a modest fee, the shop can double the manufacturer's guarantee and provide a free tune-up for the bike within a year of purchase. More concentrated marketing efforts and a wider selection of products and services might draw in more clients. Examples of these categories are three-wheel bicycles and mountain bikes. They can also offer better deals in some kind of special bicycles, taking into consideration promotions and subcategories of articles that can be included to the main product. By doing this, it can generate a worth it feeling where customers wouldn't like to make a bigger effort on going to the store. Also, I believe that a communication strategy is essential to compensate for the previously mentioned disadvantages. They should try to use those channels that can attract as many potential customers as possible, and highlight the various offers and opportunities that can be found in their store. The money that they are probably saving for not being on such a good location, can be an inflection point if it's used on a smart way, knowing their disadvantages but also the potential opportunities to offer.