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Class: BUS 348

Answer the following questions (single-space using a common style and font size - i.e. Times New Roman 12) on a Word doc and upload to the appropriate dropbox.

Short Answer (4 to 5 sentences)

1. Briefly define an independent retailer and provide an example from your local community. Will independent retailers disappear from business as chains get bigger (no right or wrong, but support your opinion)?
2. What is franchising? Provide an example using a major company. What are some advantages and disadvantages of franchising?
3. Describe the wheel of retailing as shown in Figure 5-1.
4. Briefly describe the retail life cycle.
5. Describe two ways that retail companies are evolving.
6. Compare and contrast single-channel, multichannel, and omnichannel retailing.
7. Electronic retailing continues to grow. How do you think the Internet and Web will continue to alter the retailing experience?

Long Answer (8 to 10 sentences)

1. Find some company that offers franchising and discuss what the franchising details are. For example, how much do you need to spend to get a retail store or gas station? What are some of the 'rules' to follow? Etc.

An independent retailer is a retail business that is independently owned and operated, with no affiliation to other stores. An example of an independent retailer in my local community is a small bookstore that specializes in rare and vintage books. Whether independent retailers will disappear from business as chains get bigger is a matter of opinion. Some people believe that chains have the advantage of larger marketing budgets and greater resources, which will make it more difficult for independent retailers to compete. Others believe that independent retailers will continue to thrive due to their unique product offerings, personalized customer service, and strong community ties.

Franchising is a type of business ownership where the franchisor (the company) grants the franchisee (the individual) the right to operate a business using the franchisor's name, products, and services. An example of a major company that operates through franchising is McDonald's. The advantages of franchising include access to established brand recognition, established systems and procedures, and support from the franchisor. The disadvantages of franchising include limitations on creativity and control, and the requirement to pay ongoing franchise fees to the franchisor.

The wheel of retailing, as shown in Figure 5-1, describes the cycle of change that retailers go through over time. The wheel starts with a new type of retail format that offers low prices and low margins. As the format becomes more successful, traditional retailers begin to copy it and offer similar products and prices. This leads to price cutting and reduced margins,

which eventually results in the failure of some retailers and the emergence of a new type of retail format.

The retail life cycle describes the stages that a retail store goes through from its inception to its eventual decline. The stages include introduction, growth, maturity, and decline. During the introduction stage, the store is new and focused on attracting customers. During the growth stage, the store experiences rapid expansion and increasing profits. During the maturity stage, growth slows and the store may begin to focus on cost-cutting measures to maintain profitability. During the decline stage, the store may close or be acquired by another retailer.

Retail companies are evolving in a number of ways. One way is through the use of technology, such as e-commerce and mobile shopping apps, to reach customers and streamline operations. Another way is through the use of data analytics to better understand customer behavior and preferences, which can help retailers to better target their marketing and improve their offerings.

Single-channel retailing refers to retailing that occurs through a single channel, such as a brick-and-mortar store or a website. Multichannel retailing refers to retailing that occurs through multiple channels, such as a brick-and-mortar store, a website, and a mobile app. Omnichannel retailing refers to retailing that provides a seamless shopping experience across all channels, so that the customer can move between channels without interruptions.

The Internet and Web will continue to alter the retailing experience by making it more convenient and accessible for customers. Retailers will increasingly use technology to provide personalized recommendations and offers, and to streamline the shopping experience. The use of data analytics will also become more prevalent, allowing retailers to better understand customer behavior and preferences, and to offer more targeted products and services.

One example of a company that offers franchising is 7-Eleven. 7-Eleven is a global chain of convenience stores that operates in 17 countries. To become a 7-Eleven franchisee, a potential franchisee must have a net worth of at least \$100,000 and liquidity of \$50,000. The initial franchise fee to open a 7-Eleven store is \$40,000 and the total investment to open a store ranges from \$37,550 to \$1,183,000.

As a 7-Eleven franchisee, the franchisee must adhere to 7-Eleven's operational standards, merchandise offerings, and marketing strategies. 7-Eleven provides its franchisees with extensive training, support and assistance in site selection, store design and construction, and ongoing operational support.

In exchange for following these rules, 7-Eleven franchisees receive the benefit of a recognized brand, established systems, and the ability to purchase merchandise and supplies at discounted prices. However, franchisees also have limited control over the products and services offered, as well as the prices they can charge.

In conclusion, franchising with 7-Eleven requires a significant initial investment and ongoing fees, but also provides the benefits of a recognizable brand and support from the franchisor. It is important for potential franchisees to carefully consider their financial resources, the level of control they desire over their business, and the cost of operating within the franchisor's guidelines.