

Module 2
Assignment

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)?

When a businessman bases his decisions on his own judgment, we say that he is independent. He doesn't need to look for outside validation. He dedicates himself to buying and selling things in the market in order to profit from this intermediary, believing in his own knowledge and abilities and refusing to change his approach simply because someone else claims it is superior.

The best example is a family store where they members buy the products in the market and sell them afterwards. I believe that, even though independent retailers have decreased compare to some decades ago, they are still important for the development of small cities or rural places, for example.

2. What is franchising? Provide an example using a major company. What are some advantages and disadvantages of franchising?

The franchise is an associated trade system between financially and legally independent companies, but linked by a contract by virtue of which, one of them grants the other, in exchange for economic considerations, the right to exploit a brand and a commercial formula. materialized in distinctive signs, while ensuring the technical support and regular services necessary to facilitate such exploitation. We would consider the following benefits: They don't demand the same level of upfront investment as creating a company and a brand from scratch. They frequently transcend international borders and have a tendency to proliferate quickly. Financial and commercial risk are lower. However, the following are the key drawbacks: The franchisee is not the owner of the brand; the franchisor makes the majority of the decisions, which restricts its ability to innovate and act autonomously; and standards and strategic guidelines are imposed and tied to the manuals.

3. Describe the wheel of retailing as shown in Figure 5-1.

The stages that some retail businesses go through over their lifecycle are explained by the hypothesis known as the "wheel of retailing." It describes specifically how a modestly sized bargain store become a high-end business. To draw in potential customers, the bulk of new merchants launch with such a low-cost, low-margin corporate strategy. However, as their sales start to increase, they progressively switch to a high-cost, high-revenue structure by acquiring more elaborate property. This upward movement is graphically represented on a circular diagram as well as chart by the retailing wheel.

4. Briefly describe the retail life cycle.

A product's life cycle is the period of time between when it is introduced to the market and when it is discontinued. It is essential to understand this cycle in order to set pricing strategies, manage margins, and develop sales policies in minority-owned businesses. We can divide a product's life cycle into four stages: introduction, growth, maturity, and decline.

5. Describe two ways that retail companies are evolving.

With ecommerce growing at an exponential rate and tendencies toward omnichannel shopping experiences, the retail sector is transforming. Along with these changes, the sector will profit from direct-to-consumer tactics in the next years, rely more on first-party data, and respond to a demand for supply chain efficiency.

6. Compare and contrast single-channel, multichannel, and omnichannel retailing.

Single channel marketing refers to a manufacturer or retailer's efforts to attract customers through just one type of distribution, such as online, in-person, or traditional retail. Also, the center of your marketing plan is where omnichannel and multichannel differ most. Multichannel refers to employing more than one channel and therefore is focused on the product or service, whereas omnichannel entails using all accessible media channels and is oriented on the customer.

7. Electronic retailing continues to grow. How do you think the Internet and Web will continue to alter the retailing experience?

The Internet can enhance retailing in many ways, including by providing better customer experiences, managing more intelligent storage, or streamlining supply chains and real-time inventories, despite the fact that this progress has already been available to us in recent years.

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.

By using the franchise business model, the franchisee can benefit from the franchisor's business plan, brand reputation, and experience. Establish the business plan. Look for opportunities in booming industries that interest you, and once you've decided which industry you want to concentrate on, search for various franchising businesses. Look for finance because it's important to get guidance on the costs involved and all the steps required to launch a franchise. Sign the pre-contract to get an exclusive space for your business and the time you need to get everything ready before you begin offering the brand's services or products. Find a location and establish the firm by following the instructions. Sign the franchise agreement, which outlines the professional relationship between the franchisee and the franchisor as well as the contributions that each will provide to the other.

In the case of wanting to acquire a McDonald's franchise, to show it as an example, we will have to go through a phase of acquisition processes. In the United States, there are over than 13,000 McDonald's restaurants, and at least 90% of them are owned and run

by franchisees. The cost of purchasing a McDonald's franchise is high. To even be considered for a franchise, the corporation wants potential franchisees to have \$500,000 in free liquid assets, and if accepted, they must also pay a \$45,000 franchise fee. According to the business, acquiring one of its franchises will cost anywhere between \$1,008,000 and \$2,214,080 in total. McDonald's also seeks for people who can acquire several franchises because the training program that franchise aspirants must complete before being able to buy a store can take up to two years to complete.