Module 3 Assignment

Short Answer (4 to 5 sentences)

1. *Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe demographics.*

   Demographic characteristics are related to easily identifiable and measurable population data, such as the gender, age or income of potential customers. The general information about groups of people lets the retailer determine his potential market. Depending on demographic characteristics, he can market his products differently or choose different products per se. The retailer can also base things like price levels on demographic characteristics.

2. *Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe lifestyles.*

   The lifestyle factor of a potential customer plays an important role for the respective retailer. The lifestyle is based on social as well as psychological factors of the potential customer and is influenced by demographics. Once the retailer has identified the social factors of the potential customers, he can understand the lifestyle. Based on this lifestyle, the retailer can select justified products for his trade.

3. *Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe needs and desires.*

   The needs and wants of a potential customer play an important role for the retailer. Wants and needs are adapted to the consumer's demographics and lifestyle. Wants describe the shopping goals of the potential customer, while needs describe the purchasing requirements. Both are important indicators for a retailer, as they allow him to adapt and refine his market.

4. *Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe shopping attitudes and behavior.*

   The attitude and behavior of the potential customer has a great influence on the retailer. It is the case that consumers who have a positive attitude towards shopping pay more for goods and services than the other way around. So the retailer must manage to create the shopping experience in his store in such a way that the consumer builds loyalty and thus continues to support the store because he has a positive attitude towards the retailer. Of course, other factors such as time, the importance of the purchase and the potential customer's wealth also play a role in this factor. So, it is important for a retailer to steer the consumer's attitude and behavior in its direction as much as possible and respond to that attitude and behavior as appropriate.

5. *Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe retailer actions.*

The actions of retailers can be described by an executable strategy. To begin, the retailer must determine a goal and filter out a market approach. Based on this step, he can select a specific target market. Once he has done this he can work out the characteristics and needs of the potential customer. After that, the retailer looks at what product category the consumer is making their decisions based on. After filtering the analysis, the retailer can then select an appropriate retail strategy for the target market. The factor of the retailer's actions plays an important role in the context of the potential customer, because the retailer determines with his actions whether the retail is interesting or uninteresting for the customer

6. *Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe environmental factors.*

Environmental factors have a huge influence on the consumer's buying behavior. For example, things like the state of the economy, the consumer's views on the future, the country in which they live, and even inflation rates play into their buying behavior. Other social fundamentals, such as values and assumptions, are also important. Furthermore, it can be said that the current trend towards the home office also has an impact on retailers and their retail strategy. The different environmental factors make consumers think differently and therefore influence their behavior.

7. *Briefly describe the consumer decision process as depicted in Figure 7-6.*

The consumer's decision-making process starts with the fact that there is an stimulus for him. He then becomes aware of a problem to which he wants to react and therefore searches for information. After finding the information, the consumer looks at the alternatives and evaluates them according to his judgment. The result is the purchase and the post-purchase behavior. It should be mentioned that both demographics and lifestyle play a permanent subconscious role in this decision process and influence the behavior of the consumer.

8. *Avoiding retail strategies based on inadequate information is important. Why?*

Fundamentally, it is important for a company to avoid a retail strategy that is based on insufficient information, because the unfinished execution of strategies and ideas usually ends in problems. This is because the retail industry is constantly changing and evolving, and it is important for a company to keep up with the trends and developments. If different factors are not taken into account, it is possible for example that the offered price level is either much too high or much too low and the management is confronted with problems because of this. If a retailer does not adapt its strategy to the circumstances and instead bases its strategy on unfounded assumptions, this will quickly lead to the retailer being ousted from the market.

9. *In building a retail system, several decisions must be made. Describe 2 of them listed in the text.*

When building a retail system, on the one hand, the decision of the given supply and inventory must be made. A retailer must accommodate this offer and inventory in its system and make a decision for it in advance. Furthermore, the retailer has to look at the different factors of the potential consumers and as a result, decide on a system suitable for its own products and corporate identity. The decisions for the construction of the retail system are important and valuable in the long term. Therefore, it should be paid attention to make the decisions well thought out.

10. *How can the UPC and EDI help companies gather information? What types of information would be gathered from these?*

The Universel Product Code (UPC) ensures that different products are marked with identification codes. By scanning these codes, the company can obtain information about the time of sale and the number of sales and use it in the future. In addition, the retailer gets a good overview of its inventory.
Electronic Data Interchange (EDI) is a way of exchanging information, such as inventory, delivery times or quantities, through computer contact. Through this exchange of information, the company can build decision-making capabilities, better control inventory and better respond to demand.

11. *Compare and contrast primary versus secondary data in the retail realm.*

Secondary data have the advantage that they can be collected quickly and are also inexpensive. On the other hand, secondary data may be incomplete, for example, important data may be missing. Primary data have the advantage that the information is up-to-date and customized to the topic under investigation. Furthermore, there are no conflicting data from separate sources. However, primary data is usually more time-consuming and expensive to obtain than secondary data. Furthermore, if only primary data is collected, the perspective on certain things may be limited.

Long Answer (8 to 10 sentences)

1. *Visit the websites of Aldi (www.aldi.us), Kroger (www.kroger.com), and Whole Foods (www.wholefoodsmarket.com). Evaluate their target-marketing concepts in relation to Chapter 7. How are their target-market strategies similar? Different?*

Aldi advertises various products on its website and claims to be #1 in price for the last six years. This suggests that there is a demographic segmentation, as it targets households and people who (have to) watch their spending. In general, it can be said that Aldi uses mass marketing.

This is due to the fact that Aldi makes its products interesting for the broad market and through the food industry has a broad mass of consumers anyway. Kroger offers food, and care products as well as the possibility of a doctor's appointment. In connection with the doctor's appointment, Kroger advertises their healthy products. What stands out about Kroger is that they already advertise coupons and other discount promotions on their main page. Whole Foods advertises sustainability and the benefit of its products to both people and nature on their website. Thus, Whole Foods appeals to people with a sustainable lifestyle and a desire for sustainability. The prices for their products are therefore also more expensive. So there is a clear segmentation in lifestyle and values. Thus, the target market strategies differ from company to company, with Aldi's and Kroger's target market strategies being close to each other, whereas Whole Foods has no similarities in target market strategy to them.

2. *As it relates to retailing, marketing analytics is a popular phrase/buzzword being thrown around. Describe what marketing analytics is and how a company might use it to make informed decisions.*

Marketing analytics is a method that helps retail companies gain insights from marketing data. In order to perform this process properly, retailers must first be aware of which marketing tool they want to analyze and evaluate. Once the retailer is aware of this, an analysis is performed on the area in consideration, including the past, the present, and the future. After the data has been filtered out, the analysis of this data must now take place. For this, various analysis methods and aids are used. From the analysis, a retailer can then draw valid conclusions and follow-up activities. Marketing analysis is very important for today's retailers because it allows them to understand how the market works and how they can use it to their advantage. Future trends, consumer behavior and other market specifics can be gleaned from the analysis. Fundamental to success is the accurate evaluation and clever analysis of the market, the values and data.