

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

The six factors that make retail shoppers 'tick' do not directly relate to demographics. However, demographics are important in understanding consumer behavior and can provide insights into the preferences and needs of different groups of shoppers. Demographics, such as age, gender, income, education, and ethnicity, can influence a consumer's purchasing decisions, as well as their shopping behaviors and preferences.

For example, younger consumers may be more interested in the latest trends and technology, while older consumers may prioritize quality and durability. Consumers with higher incomes may be more willing to pay a premium for luxury products, while those with lower incomes may be more price-sensitive. Additionally, cultural and ethnic backgrounds can influence shopping behaviors, such as the types of products and brands that are preferred.

Overall, understanding demographics is crucial for retailers to tailor their marketing strategies and product offerings to meet the needs and preferences of their target audience. By analyzing demographic data, retailers can identify trends and patterns in consumer behavior, as well as opportunities for growth and expansion in new markets.

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

Some retailers may succeed or fail to understand the importance of demographics due to several reasons. One reason may be a lack of research or understanding of their target market's demographics and lifestyle attributes. Retailers who fail to keep up with changing demographics may miss out on opportunities to reach new markets and may lose their current customers. In contrast, successful retailers invest in research and analysis to understand their target market's demographics and lifestyle attributes, which allows them to adapt and tailor their marketing strategies accordingly. Another reason may be a lack of flexibility and adaptability. Successful retailers are agile and can quickly adapt to changes in demographics and consumer behavior. They are willing to modify their product offerings, store layouts, and marketing strategies to meet the evolving needs and preferences of their target market. On the other hand, inflexible retailers may struggle to keep up with changing demographics and consumer preferences, leading to a decline in sales and market share.

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

The six factors that make retail shoppers 'tick' are convenience, store atmosphere, merchandise selection, merchandise price, customer service, and perceived risk. When it comes to needs and desires, retailers should identify both to satisfy consumer motives, or the reasons for their behavior.

Needs are a person's basic shopping requirements consistent with their present demographics and lifestyle. For example, a person may need a new car to get to and from work and seek a dealer with Saturday service hours. Needs are based on practical considerations, such as functionality, reliability, and convenience.

Desires are discretionary shopping goals that affect attitudes and behavior. They may include factors such as the desire for a Porsche and a free loaner car when the vehicle is serviced. Desires are often influenced by lifestyle factors and can include considerations such as brand loyalty, status, and self-expression.

To identify consumer needs and desires, retailers may consider questions such as how far customers will travel to get to the retailer, what hours are desired, what level of customer service is preferred, what level of goods/service quality is preferred, how important is price, and what retailer actions are necessary to reduce perceived risk. Additionally, retailers should consider whether different market segments have special needs and desires and how they can tailor their offerings to meet those needs.

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

Quality and Durability: Consumers seek products that are well made and durable. They want to get value for their money and feel that the products they buy will last a long time.

Convenience and Speed: Consumers want to shop quickly and easily. They are attracted to retailers that offer a wide selection of products in a convenient location and at reasonable prices. Online shopping has become increasingly popular because of its convenience.

Low Prices and Discounts: Consumers are price sensitive and often seek out the lowest possible price for the products they want to buy. Retailers that offer discounts and promotions can attract bargain hunters.

Trust and Reliability: Consumers want to buy from retailers they can trust. They want to be assured that the products they buy are of good quality and that they will be able to return them if necessary. Trust is also built through good customer service.

Emotional Connection: Consumers are drawn to retailers that offer a unique shopping experience. They want to feel connected to the brand and have an emotional attachment to the products they buy. Retailers that offer a personalized shopping experience can create an emotional connection with their customers.

Social Responsibility: Consumers are increasingly concerned with the social and environmental impact of the products they buy. Retailers that demonstrate a commitment to social responsibility can attract customers who share those values.

Overall, shopping attitudes and behavior are influenced by a variety of factors, including the quality and durability of products, convenience and speed of shopping, low prices and discounts, trust and reliability of retailers, emotional connection to brands and products, and social responsibility. Retailers must understand these factors and strive to create a shopping experience that meets the needs and desires of their customers.

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

Convenience: Retailers can provide multiple channels for customers to shop, such as brick-and-mortar stores, e-commerce websites, mobile apps, and social media platforms. They can also offer flexible payment and delivery options, such as buy-online-pickup-in-store (BOPIS) and same-day delivery.

Value: Retailers can use pricing strategies, such as everyday low prices or promotional discounts, to communicate their value proposition to customers. They can also offer loyalty programs, rewards, and coupons to incentivize repeat purchases and customer retention.

Quality: Retailers can source and display high-quality products that meet or exceed customer expectations. They can also provide product information, reviews, and ratings to help customers make informed purchase decisions.

Variety: Retailers can offer a wide selection of products, brands, and styles to cater to diverse customer preferences. They can also use data analytics and customer feedback to personalize product recommendations and assortments.

Service: Retailers can train and empower their employees to provide friendly, knowledgeable, and responsive service to customers. They can also offer customer support via various channels, such as phone, email, chat, or social media, to address customer inquiries, issues, and complaints.

Experience: Retailers can design and enhance the in-store and online shopping experience to create a memorable and enjoyable journey for customers. They can use visual merchandising, store layouts, lighting, music, and other sensory cues to set the mood and engage customers. They can also use augmented reality, virtual reality, or interactive features to enhance the digital shopping experience.

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

Atmosphere: The ambiance, lighting, and design of a store can create a specific mood or feeling for shoppers. For example, a high-end fashion boutique may use dim lighting, soft music, and luxurious materials to create a sophisticated atmosphere that appeals to its target customers.

Store layout: The way in which a store is organized can affect shoppers' perceptions and behaviors. Retailers often use techniques such as product grouping, signage, and store displays to guide shoppers through the store and encourage them to make specific purchases.

Product placement: The location of products within a store can influence shoppers' purchase decisions. Retailers may place high-margin or popular items at eye-level or in prominent locations to increase their visibility and appeal.

Sales personnel: The behavior and expertise of sales personnel can affect shoppers' perceptions and purchase decisions. Friendly, knowledgeable staff can enhance the shopping experience and build trust with customers, while pushy or uninformed staff can have the opposite effect.

Technology: The use of technology in retail environments can enhance the shopping experience and make it more convenient for customers. For example, retailers may offer mobile payment options, self-checkout kiosks, or virtual try-on features to make the shopping experience more seamless and enjoyable.

Location: The physical location of a store can impact shoppers' access and convenience. Retailers often choose store locations based on factors such as foot traffic, proximity to competitors, and accessibility via public transportation or major roadways.

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

Figure 7-6 illustrates the consumer decision process and the factors that affect it. The decision process consists of five stages:

1. **Stimulus:** This is the first stage, where a consumer is exposed to a stimulus, such as an advertisement or a friend's recommendation.
2. **Problem Awareness:** In this stage, the consumer becomes aware of a problem or need that they have. This could be a desire for a new product or a solution to a problem.
3. **Information Search:** In this stage, the consumer looks for information about the product or service they are interested in. This could involve searching online, talking to friends, or visiting stores.
4. **Evaluation of Alternatives:** In this stage, the consumer evaluates the different options they have identified and decides which one to purchase.
5. **Purchase and Post-Purchase Behavior:** In the final stage, the consumer makes a purchase decision and evaluates their satisfaction with the product or service after the purchase.

The decision process is influenced by various factors, including demographics and lifestyle. Demographics, such as age, gender, and income, can impact a consumer's decision process. Lifestyle factors, such as social class, reference groups, and social performance, can also affect the decision process. For example, a person's family size or location may impact the products they are interested in, while their social class or reference groups may influence their evaluation of alternatives. The feedback loop in the diagram shows how a purchase can impact a person's lifestyle and, in turn, influence their future decision process.

8. Avoiding retail strategies based on inadequate information is important. Why?
- Avoiding retail strategies based on inadequate information is important because making decisions based on incomplete or inaccurate information can lead to costly mistakes. Retailers may invest resources into strategies that are not effective or fail to meet the needs of their target customers. This can result in lost sales, decreased profitability, and damage to the retailer's reputation. In addition, inadequate information can lead to poor customer experiences, which can harm customer loyalty and reduce the likelihood of repeat business. To avoid these negative outcomes, retailers must carefully analyze data and market trends to ensure they have a comprehensive understanding of their target customers and can develop effective strategies that meet their needs and preferences.

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

Two decisions that must be made in building a retail system are:

1. **Location:** Retailers must decide where to locate their stores, as the choice of location can have a significant impact on a store's success. Factors to consider include the demographics and psychographics of the local population, traffic patterns, visibility, accessibility, and proximity to competitors.
2. **Merchandise:** Retailers must decide what products to carry in their stores. This involves selecting the types of products, the brands, the sizes, the colors, and the styles. Retailers must consider the needs and preferences of their target market, the trends in the market, and the availability of the products from suppliers. Retailers must also determine the depth and breadth of their product assortment, which refers to the number of different product lines and the variety of products within each line that they will carry.

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

The UPC (Universal Product Code) and EDI (Electronic Data Interchange) are two technologies that can help companies gather information about their products and transactions. The UPC is a barcode system that provides a unique identification code for each product, which can be scanned at the point of sale to record the transaction. This allows retailers to track inventory levels and sales data in real-time, which can help them make better decisions about ordering, pricing, and promotions. It also enables manufacturers to monitor the performance of their products in the market.

EDI is a computer-to-computer exchange of business documents in a standard electronic format between trading partners. It allows companies to automate many of their business processes, including ordering, invoicing, and shipping. This can lead to faster processing times, reduced errors, and lower costs. It also provides a wealth of data that can be used to analyze sales trends, inventory levels, and customer behavior.

The types of information gathered from these technologies include sales data, inventory levels, order quantities, product information, and customer demographics. This information can be used to make decisions about pricing, promotions, product development, and supply chain management, among other things. It can also be used to identify opportunities for growth and improve overall business performance.

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

Primary data refers to data that is collected directly from the source, while secondary data refers to data that has already been collected by someone else for a different purpose. In the retail realm, primary data can be collected through surveys, focus groups, interviews, and observational studies. Primary data can be customized to specific research needs and can provide more detailed and accurate information about a particular issue or problem. However, it can be expensive and time-consuming to collect primary data, and there is no guarantee that the data collected will be completely unbiased.

On the other hand, secondary data can be collected from a variety of sources such as government agencies, trade associations, and industry reports. Secondary data is often readily available and can be accessed at a relatively low cost. It can provide a broader perspective on the industry or market and can be used to identify trends or patterns. However, secondary data may not be tailored to specific research needs, and there may be concerns about the accuracy or relevance of the data collected by someone else.

Overall, both primary and secondary data have their advantages and disadvantages, and the choice of which type of data to use will depend on the specific research question and available resources.

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, Kroger, and Whole Foods are all prominent players in the retail industry, each with a unique target market strategy.

Aldi's target market is value-conscious consumers who are looking for affordable groceries. They have a limited selection of private label items that are priced lower than national brands, and their stores have a no-frills, bare-bones design that focuses on efficiency and cost savings. Their website also highlights their commitment to sustainability and responsible sourcing, which may appeal to environmentally conscious consumers.

Kroger, on the other hand, has a more diverse target market strategy. They offer a wide range of products and services, from traditional grocery items to pharmacy services and fuel centers. They also have a variety of store formats, including large supermarkets, convenience stores, and online ordering and delivery options. Their target market includes budget-conscious consumers as well as those who are looking for convenience and a one-stop-shop experience.

Whole Foods' target market strategy is centered around health-conscious and environmentally conscious consumers. They offer a wide range of organic and natural products, and their stores have a premium, upscale feel. They also emphasize their commitment to sustainability and responsible sourcing, as well as their support for local communities and small-scale producers.

Overall, all three retailers have different target market strategies, with Aldi targeting budget-conscious consumers, Kroger targeting convenience and a one-stop-shop experience, and Whole Foods targeting health and environmentally conscious consumers. However, they all share a commitment to responsible sourcing and sustainability, indicating that these are important values for many consumers today.

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 refers to the practice of collecting, analyzing, and interpreting data related to marketing performance and consumer behavior to gain insights that can be used to inform marketing strategies and decisions. In the context of retailing, marketing analytics can help companies make informed decisions by providing them with valuable information about consumer behavior, preferences, and trends, as well as insights into the effectiveness of their marketing campaigns and sales initiatives.

Marketing analytics involves using a variety of techniques, such as data mining, predictive modeling, and machine learning, to analyze large amounts of data and identify patterns and trends. This data can include information about consumer demographics, purchase behavior, online browsing behavior, and social media engagement, among other things.

By analyzing this data, retailers can gain insights into consumer behavior, such as what products and services are most popular, what factors influence purchase decisions, and how consumers interact with different channels and touchpoints. This information can be used to inform marketing strategies, such as product development, pricing, promotion, and distribution, as well as to optimize sales and customer engagement.

For example, a retailer might use marketing analytics to identify which products are most popular among different customer segments, and then use this information to tailor their product offerings and marketing campaigns to those segments. They might also use analytics to track the effectiveness of their marketing campaigns, such as by analyzing click-through rates, conversion rates, and other metrics, to optimize their marketing spend and improve their return on investment.

Overall, marketing analytics provides retailers with a powerful tool for making informed decisions and staying competitive in a rapidly evolving retail landscape.