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Short Answer (4 to 5 sentences)

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

Demographics basically describe objective, quantifiable data of a population or population group. Examples of data about demographics include age, gender, ethnicity, income, education etc. They help retailers to identify and understand their target market. Furthermore, the data can be used in order to then develop marketing strategies that focus on those who are most likely to buy a retailer's products/services.

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

Lifestyles describe ways of how people live their lives and spend time and money. Lifestyle characteristics include interests, habits, hobbies etc. These are important pieces of information for retailers to know of their customers in order to be able to cater specifically to their audience's lifestyles. In connection with demographic data, data on lifestyles can be used in order to create marketing strategies.

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

It is important for retailers to know their customers' needs and desires in order to be able to fulfill them and make sure that customers are satisfied. Needs describe customers requirements that are in line with their demographics (for example their budget). A desire in this context is something that the customer would like to have when it actually is unnecessary and not a requirement. A common example for a need is a car in order to get from A to B, a desire in this case could be a specific kind of luxury car that is not a requirement and might also be outside of the price range for the customer.

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

Shopping attitudes and behavior describe people's attitudes towards shopping, where they shop and how they make decisions. Attitudes and motivations towards shopping have big impacts on how shoppers behave in retail settings. Aspects like overall enjoyment and time they spend at retailers are big factors here. Overall decision making

of shoppers is another important aspect that is included in this factor, decisions are made on the basis of various factors and can have a variety of backgrounds.

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

Retailer actions include different kinds of marketing strategies and how they appeal to different groups of customers. Before this takes place, however, the retailer must find out which target group they want to cater to, once it is identified, retailers start taking action in different ways. Mass marketing describes the tactic of not really targeting anyone specifically but catering to the general public and a very broad range, examples here include supermarkets or drugstores. Concentrated marketing strategies describe tactics that are specifically targeted to one specific customer group, for example specifically targeting teenage girls. Differentiated marketing is a strategy that focuses on two or more specified target groups, examples here are clothing stores that cater both to men and women and for example also have specific sports collections.

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

Many factors that influence the retailing market are not specifically in connection with the individual shopper, however, they still have an impact. Examples of environmental factors include the state of the economy, regulations that can come from the government, technological innovations or also competition. These factors influence the industry and as a result also indirectly the customers in their attitudes and behaviors as well as decision making. These factors should be taken into consideration when retailers plan strategies and they should be reviewed if any changes happen.

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

Overall the decision process has one part that describes the process itself and another part that describes factors affecting the process. The process itself starts with a stimulus, where a person's attention is aroused, it continues with the feeling of this good fulfilling a need and solving a problem. After searching for information and comparing and evaluating alternatives, the shopper comes to a decision, which in 7-6 is a purchase. After the purchase, post-purchase behavior can include either following purchases or a reevaluation of the done purchase. Factors that affect this whole process are demographics and lifestyle of the customer that can lead him towards different directions in the decision making process.

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

Gathering inadequate information and making strategies based on them in order to save money and time or because of a lack of research skills can have negative impacts on the results. There are many mistakes that can be made when it comes to developing strategies, including relying on intuition, copying someone who was successful, continuing what was done before etc. While making strategies on the basis of the named examples can become a success, it is very unlikely because they are not calculated. Strategies should be developed on the basis of clear information, so that they are calculated and risks can be kept at a low.

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

Data gathering and analysis should be an ongoing process for retailers; retail information systems help in doing that by anticipating the information needs of retail managers and collecting, organizing, and storing relevant data on a continuous basis. There are several decisions that must be made in the process of building a retail information system. One of them is to see whether the information system should be managed internally or outsourced, where both ways can work as long as the system serves the retailer's information needs. Another decision that must be made is how much the RIS should cost, where usually retailers spend around 0.5 to 2.5 percent of their sales on an RIS.

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

Retailers often rely on UPC and EDI in order to be more efficient with their information systems. Universal Product Code is a unique barcode with an attached unique 12-digit number that is assigned to each individual product sold by retailers both in store and online, helping with tracking products that are sold, shipped and received. UPC also helps with comparing prices as well as controlling inventory. With UPC item's model number, size, color etc. can be identified when it is sold, as well as send the data to a computer that monitors unit sales and inventory levels. EDI is a technology used to be able to transfer this kind of data between retailers or retailers and suppliers without having to use paper.

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

Both primary and secondary data are factors when it comes to the marketing research process in retailing. When addressing an issue, data from different sources can play an important role. Secondary data describes data that has previously been collected internally for purposes other than the current issue or could also be collected externally for example including governmental reports. Primary data is data that is collected for the given issue specifically which can take place through different ways, like observations, surveys, or experiments.

Long Answer (8 to 10 sentences)

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?

After visiting the three different websites, there are a few different points that one can make in relation to chapter 7. First of all, one concept that I kept in mind is mass marketing, which describes a marketing approach of not specifically targeting anybody, but targeting the general public and catering to a very broad range of people. This approach is usually used by supermarkets or drugstores. After visiting the websites I would say that Aldi and Whole Foods do actually have a more specific group that they target while I consider Kroger as a retailer that does not have a specific target and that has a broader range of customers than the other two. Right from the start one can see that Aldi is advertising their low prices, targeting lower income customers. Whole Foods on the other end looks way more fancy from the start and seems to value the perception of being high end, catering to a demographic with a higher income I would say. In my eyes these are some major differences when it comes to the target-market strategies of the three companies, which can be seen on their individual websites. A similarity that can be seen is that all websites portray an image of freshness, which is valued by all different types of target groups no matter the price, a certain level of quality and freshness is required.

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 very important process in today's business world. It basically describes the evaluation of data that represent the performance of a retailer's marketing strategies. By evaluating different data, the retailer can compare their performance with

their goals that they have previously set. This way a retailer can see whether for them a marketing strategy was a success or not. They can also see whether they should refine their marketing strategy. Furthermore, they can evaluate based on the data they found in what way they should refine their strategy in order to optimize their return on investment. Businesses need analytics in order to make informed decisions that will help them succeed. Successful businesses and successful marketing is not based on vague ideas, but on informed decision making that is based on marketing analytics.