

Matteo Guerrini

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Prof. Nicholas Bowersox

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. Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe demographics.
2. Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe lifestyles.
3. Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe needs and desires.
4. Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe shopping attitudes and behavior.
5. Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe retailer actions.
6. Figure 7-2 lists 6 factors that make retail shoppers 'tick'. Describe environmental factors.
7. Briefly describe the consumer decision process as depicted in Figure 7-6.
8. Avoiding retail strategies based on inadequate information is important. Why?
9. In building a retail system, several decisions must be made. Describe 2 of them listed in the text.
10. How can the UPC and EDI help companies gather information? What types of information would be gathered from these?
11. Compare and contrast primary versus secondary data in the retail realm.

### **Long Answer (8 to 10 sentences)**

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

- a. Demographics refer to the characteristics of a population, including age, gender, income, education, and occupation. Understanding demographics is essential for retailers to tailor their marketing and product offerings to meet the needs of their target customers. For example, a retailer targeting young adults may offer products that appeal to their interests and lifestyles, while a retailer targeting families with children may offer products that are more practical and affordable.

- b. Lifestyles refer to the activities, interests, and opinions that define a person's way of living. Retailers use lifestyle information to segment their customers and create personalized marketing campaigns. For example, a retailer may create a marketing campaign targeted at fitness enthusiasts by offering products that align with their active lifestyle. Similarly, a retailer may offer products that appeal to the environmentally conscious by promoting their eco-friendly features.
- c. Needs and desires refer to the specific products or services that customers require or want. Retailers use this information to understand what motivates customers to make a purchase and to align their product offerings accordingly. For example, a retailer may offer a range of smartphone models to meet the varying needs and desires of their customers, from high-end models with advanced features to budget-friendly options that prioritize affordability.
- d. Shopping attitudes and behavior refer to the way customers approach the shopping experience, including their expectations, preferences, and habits. Retailers use this information to improve the customer experience and create a shopping environment that meets their customers' needs. For example, a retailer may offer online shopping options for customers who prefer the convenience of shopping from home, or they may offer extended store hours for customers who prefer to shop in-person at night or early in the morning.
- e. Retailer actions refer to the strategies and tactics that retailers use to attract and retain customers. These can include marketing campaigns, promotions, discounts, and loyalty programs. Retailers use this information to differentiate themselves from their competitors and to create a unique value proposition for their customers.
- f. Environmental factors refer to external forces that impact the retail industry, such as economic conditions, technological advancements, and regulatory changes. Retailers must be aware of these factors and adapt their strategies accordingly to remain competitive and meet the changing needs of their customers.
- g. The consumer decision process depicted in Figure 7-6 includes five stages: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. Consumers recognize a problem or need, search for information about potential solutions, evaluate different options, make a purchase decision, and then evaluate their satisfaction with the purchase.
- h. Avoiding retail strategies based on inadequate information is important because it can lead to ineffective marketing campaigns, missed opportunities, and ultimately, lost revenue. Without a thorough understanding of their target customers, retailers risk investing time and resources into strategies that may not resonate with their audience or result in low ROI.
- i. Two decisions that must be made in building a retail system include determining the store format and location. Retailers must choose the most appropriate store format to align with their target customers' needs and preferences, such as a department store, specialty store, or discount store. Additionally, retailers must carefully consider the location of their stores to maximize visibility and accessibility for their customers.
- j. UPC (Universal Product Code) and EDI (Electronic Data Interchange) can help companies gather information by providing a standardized method for identifying and tracking products, as well as exchanging data between retailers

and suppliers. This information can include sales data, inventory levels, and order information. By leveraging this data, companies can make more informed decisions about their product offerings, pricing, and supply chain management.

- k. Primary data refers to data that is collected directly from customers through surveys, focus groups, or observational studies. Secondary data, on the other hand, refers to data that is collected by other sources, such as government

When evaluating the target marketing concepts of Aldi, Kroger, and Whole Foods in relation to Chapter 7, it is clear that all three companies utilize demographics, lifestyles, needs and desires, shopping attitudes and behavior, retailer actions, and environmental factors to inform their target marketing strategies. However, there are some notable differences in how each company approaches target marketing.

Aldi's target market is focused on customers who prioritize value and simplicity in their shopping experience. The company targets a range of demographics, from college students to families and retirees, with an emphasis on middle-income households. Aldi's product offerings are typically geared toward the everyday essentials that customers need, with a focus on private-label brands that are affordable and high quality.

Kroger's target market is broader and more varied than Aldi's. The company caters to customers across a wide range of demographics and income levels, offering a diverse selection of products and services to meet the needs of different customer segments. Kroger uses data analytics to better understand its customers' needs and preferences, and to tailor its offerings accordingly. The company also places a strong emphasis on customer loyalty and engagement, with programs like Kroger Plus and personalized offers based on customer purchase history.

Whole Foods, on the other hand, has a very specific target market: health-conscious consumers who are willing to pay a premium for high-quality, natural and organic products. The company targets a range of demographics, but its primary focus is on middle to upper-income households with an interest in health and wellness. Whole Foods places a strong emphasis on environmental factors, including sustainable and ethical sourcing of products, and appeals to customers who value these factors in their shopping decisions.

Marketing analytics involves the use of data and statistical analysis to identify patterns and trends in customer behavior, preferences, and purchase history. Companies can use this information to inform their marketing strategies, product development, and pricing decisions. Marketing analytics can also help companies to better understand their target markets and to tailor their offerings to meet the specific needs and preferences of different customer segments.

For example, a retailer might use marketing analytics to analyze sales data to identify trends in product demand, which could inform inventory management decisions and pricing strategies. The retailer could also use data from loyalty programs or customer surveys to identify areas for improvement in the customer experience and make changes to better meet the needs and expectations of its customers.

In summary, marketing analytics is a powerful tool for retailers looking to gain insights into their target markets and make data-driven decisions to improve their business. By leveraging data and analytics, companies can better understand customer needs and preferences, optimize their offerings, and build more effective marketing strategies that drive sales and customer loyalty.