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BUS348: Retail Management

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<div align="center">Module 4 Assignment</div>

Short Answer (4 to 5 sentences)

1. Define a trading area. How are retailers using geographic information system (GIS) in trading area delineation and analysis.

A trade area is a geographic region in which a retailer's customers are located and in which the retailer conducts business. The trade area can be determined by a number of factors, including the location of the store, the demographic characteristics of the local population, and competition in the area.

Retailers use geographic information systems (GIS) in delineating and analyzing trade areas by overlaying demographic and market data on maps. This allows them to identify potential customers, analyze competition, and make informed decisions about store locations and marketing strategies. GIS can also help retailers understand the impact of changes in the trade area, such as the opening of a new competitor or changes in population demographics. Overall, GIS provides retailers with a powerful tool for analyzing and understanding their trade area, which can help them improve business performance.

2. Compare and contrast the primary, secondary, and fringe trading areas.

The primary trade area is the region closest to a retailer's store, usually within a 10-minute drive or walk. This area generates the majority of sales and includes the retailer's most loyal customers. Retailers use this area to target their marketing efforts and offer personalized promotions.

The secondary trade area is the region outside the primary trade area where customers are willing to travel a little further to store at the store. This area can be up to a 20-minute drive or walk and includes customers who are less loyal to the store but still store there.

The fringe area is the region beyond the secondary trade area where customers are willing to travel much further to shop at the store. This area also includes occasional customers who shop at the store only for specific products or services.

Overall, the primary trade area is the most important and lucrative for retailers, while the secondary and peripheral areas provide additional opportunities for growth and expansion. By understanding the characteristics of each trade area, retailers can adjust their marketing strategies to maximize sales and profitability.

3. Briefly define the analog, regression, and gravity models.

The analog model is one of the most popular and simplest methods of sales forecasting, using historical sales data from similar products, stores or markets to predict future sales. This model assumes that past sales patterns will continue into the future.

The regression model is a statistical method of sales forecasting that uses a series of mathematical equations to describe the relationship between a store's sales and the variables that affect those sales, such as advertising expenditures, product prices, and weather conditions. The goal of this model is to identify the factors that have the greatest impact on sales and make predictions based on those factors.

The gravity model is a method of market analysis that predicts the flow of people or goods between two locations based on the distance between them and other relevant factors such as population, income, and transportation access. This model is often used in retail site selection to estimate the potential sales of a store based on the characteristics of the surrounding area.

4. Table 9-1 lists several factors to consider in evaluating retail trading areas. One of these is 'population size and characteristics'. Explain why these are important.

Population size and characteristics are key factors to consider when evaluating retail areas, as they directly impact a retailer's customer base and sales potential. Population size determines the number of potential customers available to the retailer, while demographic characteristics such as age, income, education and ethnicity can influence buying behavior and product preferences. For example, a retailer selling luxury goods would likely do better in an area with a high average income, while a retailer targeting younger consumers might do better in an area with a higher percentage of college students or Millennials. Knowing population size and characteristics can help retailers tailor their product offerings, marketing strategies and store locations to the needs and preferences of their target customers, maximizing sales and profitability.

5. Define and discuss the isolated store, unplanned business district, and planned shopping center.

The three types of sites are isolated stores, unplanned business districts, and planned shopping centers. An isolated store is a retail location that is not connected to other stores and typically serves a small, local customer base. An unplanned business district is a collection of retail stores and services that have developed organically over time, often along major streets or intersections. A planned shopping center, on the other hand, is a purpose-built commercial district with multiple retail stores, restaurants, and other amenities designed to attract a large customer base from a wide area. Each of these locations has its own advantages and disadvantages, and retailers must carefully consider factors such as customer demographics, competition, and accessibility when choosing a location for their business.

6. Define and discuss the unplanned business district.

An unplanned business district is a commercial area that has developed organically over time, often along major streets or intersections. These districts are typically characterized by a

mix of retail stores, services, and other businesses, often with a variety of building types and sizes. Unplanned commercial districts lack the cohesive design and planning of a purpose-built shopping center, but they offer a number of advantages, including lower rents and greater flexibility for businesses. They also often have a unique character and sense of community that can be attractive to customers. However, retailers in unplanned commercial districts also face challenges such as limited parking, greater competition and less predictable customer traffic.

7. Define and discuss the planned shopping center.

A planned shopping center is a commercial development purpose-built for multiple retail stores, restaurants, and other amenities to attract a large customer base from a wide area. These centers are typically characterized by a cohesive design and layout, with anchor stores such as supermarkets or department stores serving as a draw for customers. Planned shopping centers offer many benefits to retailers, such as increased visibility, higher customer traffic, and joint marketing and promotional efforts. However, they also have higher rents and operating costs than other types of locations, and retailers may face competition from other stores within the same center. Overall, a planned shopping center can be an attractive option for retailers who want to reach a large customer base and benefit from the synergies of a shared business environment.

8. Briefly define the three types of planned shopping centers: regional, community, and neighborhood.

There are three types of planned shopping centers: regional, community, and neighborhood. A regional mall is a large shopping center, usually operated by one or more large department stores, that offers a wide range of retail stores and services, often attracting customers from a large geographic area. A community shopping center is a smaller shopping center that serves the needs of a specific community, often with a grocery or drug store and a mix of local and national retailers. A neighborhood shopping center is a small shopping center designed to meet the needs of a local residential area. It is often operated by a grocery store or small supermarket and offers a mix of essential services such as a bank, pharmacy, and dry cleaner. The choice of type of shopping center depends on the retailer's target market and product offering, as well as the availability and cost of suitable commercial space in the desired location.

9. Figure 10-7 provides a location/site evaluation checklist. One of these is pedestrian traffic. What four elements should a proper pedestrian count include?

According to the book, a proper pedestrian traffic count should include these following four elements. First and foremost, the division of the count by age and gender (with very young children not counted). Next comes the breakdown of the count by time which allows for an examination of peaks, troughs, and changes in the gender of people passing each hour. The third element is the survey of pedestrians to determine the proportion of potential shoppers. Finally, there is the sample analysis of shopping trips to verify the actual stores visited.

Long Answer (8 to 10 sentences)

1. Visit the following: https://siteselection.com/SpecialReports/workforce/2023/how-labor-trends-are-impacting-site-selection-strategies.cfm . Read the short article and summarize what you have learned about how labor trends are impacting site selection.

The article discusses how trends in the labor market affect companies' site selection strategies. One important trend is the increasing shortage of skilled labor in many industries, which is leading companies to consider talent recruitment and retention as a key factor in site selection. This has led to a shift toward locations that offer quality of life benefits, such as affordable housing, good schools, and access to cultural amenities. Another trend is the increasing importance of diversity and inclusion in the workforce, as companies recognize the benefits of a diverse and inclusive workforce in terms of innovation and productivity. In response, some companies are specifically looking for locations with diverse populations and inclusive policies. In addition, the article notes that automation and technology are changing the nature of work, leading to a shift in the skills required for many jobs. As a result, some companies are looking for locations with strong technology and innovation ecosystems. Finally, the article highlights the importance of collaboration between businesses and local communities to address workforce challenges and ensure a sustainable supply of skilled workers over the long term.