

Final Exam

Chapter 4: Types of Retail by Ownership

There are six different types of retail by ownership. One type is independent ownership, in which an independent retailer owns its own retail outlet. Another type is a chain, in which multiple stores operate under common ownership. Franchising is another type, which describes a contractual agreement between a franchisor, such as a wholesaler, and a franchisee that allows the franchisee to operate a business model under the franchisor's name. Furthermore, there is the type of leased department, which is a department in a retail store, e.g. a discount store. The owner of the leased department is responsible for all aspects of the operation and usually pays a percentage of sales as rent. The penultimate type of retail by the owner is the vertical marketing system. A vertical marketing system consists of all levels of independent businesses along a distribution channel. The last type is a consumer cooperative, where the retail business is owned by its own customer members. All the different types of retail by ownership offer different perspectives and possibilities, which a retailer must be aware of before opening his business.

Chapter 7: What Makes Retail Shoppers Tick

There are six main factors that influence consumers and their behavior. The first factor is demographics. Demographic characteristics are related to easily identifiable and measurable population data, such as the gender, age, or income of potential customers. Another factor is the lifestyle of consumers. The lifestyle is based on social as well as psychological factors of the potential customer and is influenced by demographics. The third factor is needs and desires. Wants describe the shopping goals of the potential customer, while needs describe the purchasing requirements. The fourth factor is shopping attitudes and behavior, which show the characteristics of consumers when shopping. The fifth factor is retailer actions, which describe, for example, certain interactions of the retailer with the consumers. The last factor at this point is environmental factors, which include, for example, the economic basis of a region.

Chapter 9: Importance of a Store Location

Having the right location for your retail business is of great importance. This is because various factors, such as demographics but also factors such as supply and demand, have an impact on the success of a retailer. To choose a long-term and sustainable location for his business, a retailer can follow some steps. The first step is to analyze geographic zones with their characteristics and existing businesses and competitors. After this step is taken, a retailer must decide whether to position itself as an isolated business in an unplanned business district or in a planned shopping center within the geographic area. In the third step, the retailer must select the general location for an isolated store, an unplanned business district, or a planned shopping center. The final step is to analyze alternative locations, which are included in the defined retail location type. Once a retailer has evaluated and analyzed these factors they can make a reasoned decision on a location in which to station their business. As mentioned at the beginning, this stationing is fundamental to the success of a business because the retailer depends on these factors. Supply and demand determine the market and a retailer must be aware of this.

Chapter 12: Operations Management

Operations management is the basis for the success and productivity of a company. I justify this by saying that operations management controls various processes in the retail sector, taking care to achieve the greatest possible benefit. Operations management follows the principle of working as effectively as possible. This approach ensures that sales and profitability increase. In order to be as effective as possible, a retailer's operations management must manage various areas in a way that makes sense over the long term. In addition to the general management of various areas of the business, however, revenues and expenses must also be managed and monitored. Observing and managing revenues and expenses is of great importance, as these provide information about current resources and the sales ratio. In addition to the costs shown, operations management also manages retail strategy, as well as business planning. It can be seen that operations management monitors and manages a wide range of business performance and fundamentals and must ensure that inconsistencies are prevented. This activity is extremely important for a company, as it allows long-term goals to be achieved and pursued.

Chapter 17: Developing a Retail Price Strategy

Developing a basic pricing strategy is fundamental to a retailer's success. Various factors that influence the pricing strategy must be considered and included in the strategy approach. One factor that influences the pricing strategy is the consumer. In which demographic situation are the consumers and what are their needs and desires are points which must be included in the own strategy. Another factor is the government and related laws. The policies and laws must be respected and followed and the retailer must therefore make sure to follow them and incorporate them into their strategy. The third factor is the manufacturers of the products as well as the suppliers. The participants of this factor lay by their approaches and their price structure bases, to which a retailer must orient itself. As the last factor influencing the price strategy, I can name current and potential competitors. Competitors have a great influence on the pricing strategy of a retailer because of their existence and because they can poach customers and consumers. The price strategy is therefore influenced by many factors, which must be examined and analyzed by the retailer in advance so that he can then set up an effective price strategy.