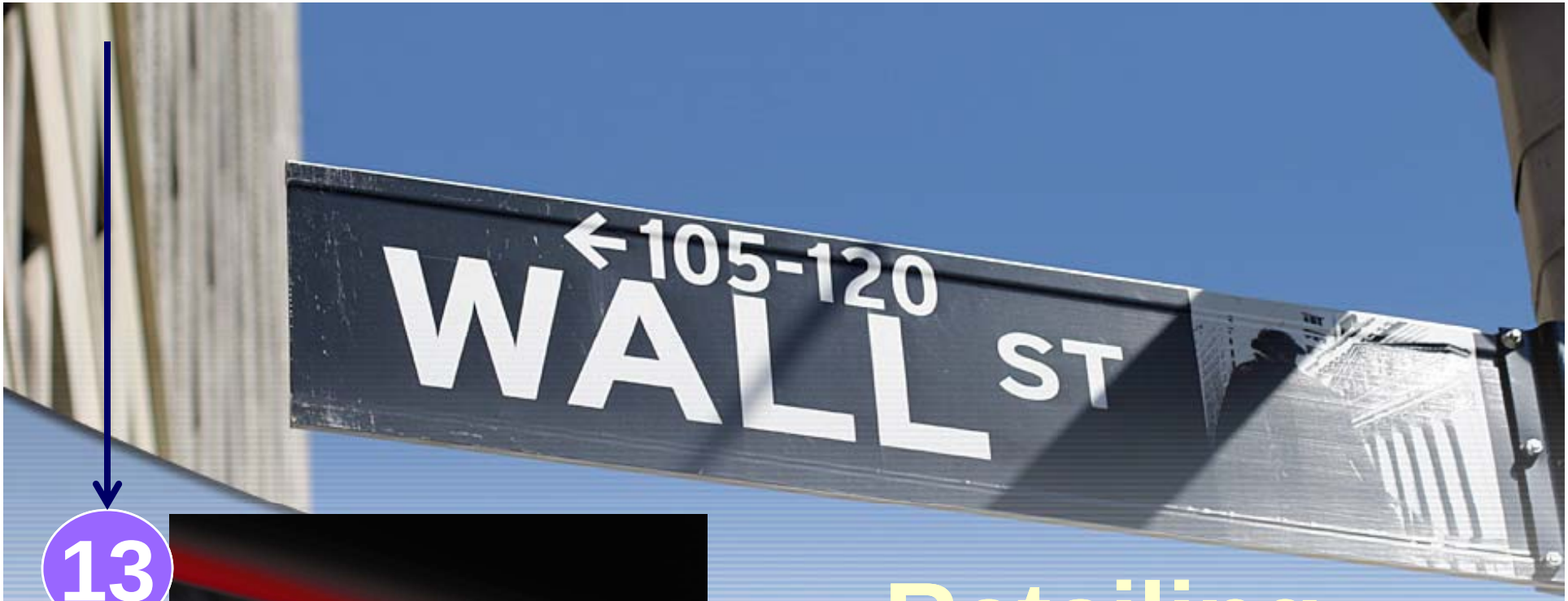
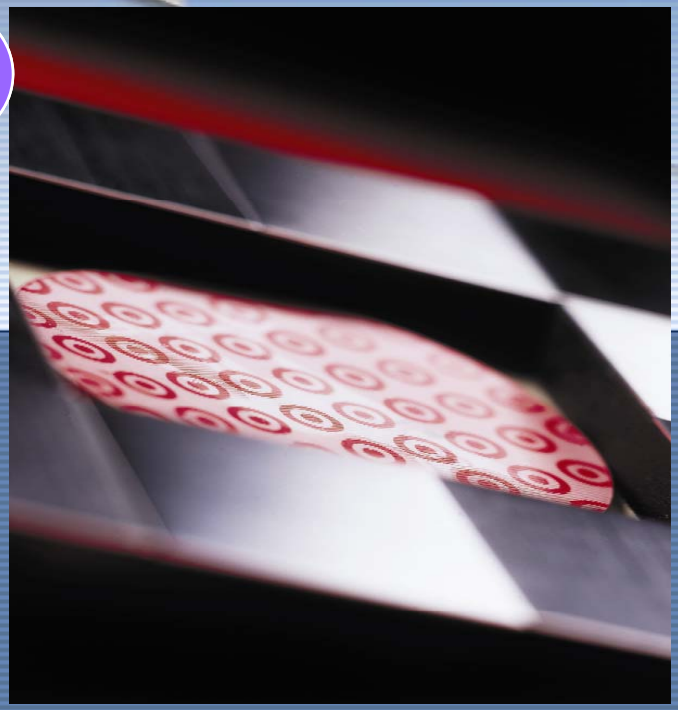


chapter 13



Retailing

Prepared by
Wahabs

Learning Objectives

chapter 13

1. **Discuss the importance of retailing in the U.S. economy.**
2. **Explain the dimensions by which retailers can be classified.**
3. **Describe the major types of retail operations.**



Learning Objectives (continued)

chapter 13

4. **Discuss nonstore retailing techniques.**
5. **Define franchising and describe its two basic forms.**
6. **List the major tasks involved in developing a retail marketing strategy.**



Learning Objectives (continued)

chapter 13

7. **Discuss the challenges of expanding retailing operations into global markets.**
8. **Describe future trends in retailing.**

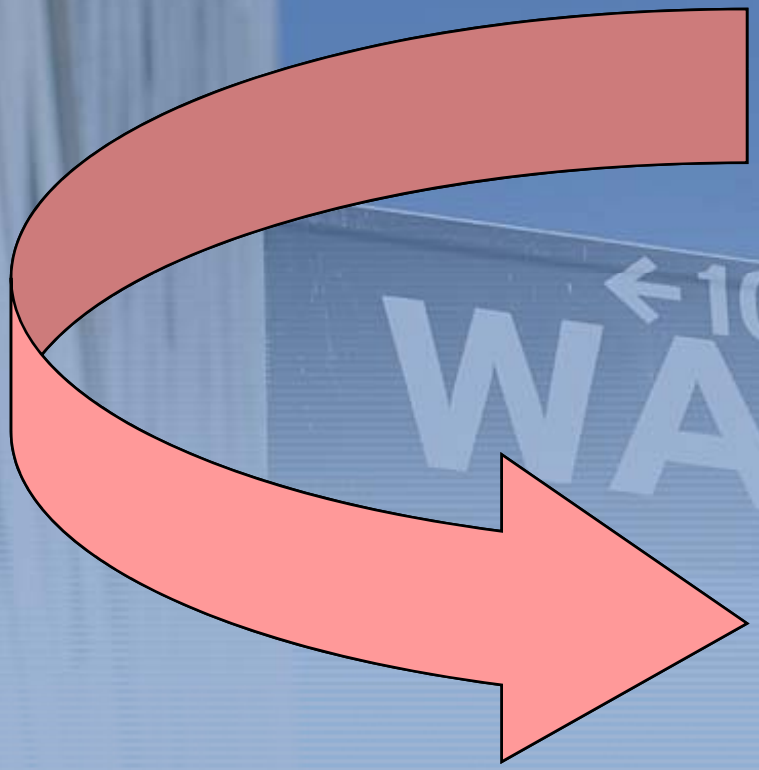
Learning Objective

1

Discuss the importance of retailing in the U.S. economy.

Retailing

1



All the activities directly related to the sale of goods and services to the ultimate consumer for personal, non-business use.

The Role of Retailing

1

- **Retailing is one of the largest employers**
- **Retailers ring up almost a third of the U.S. GDP**
- **Industry is dominated by a few giant organizations, such as Wal-Mart**

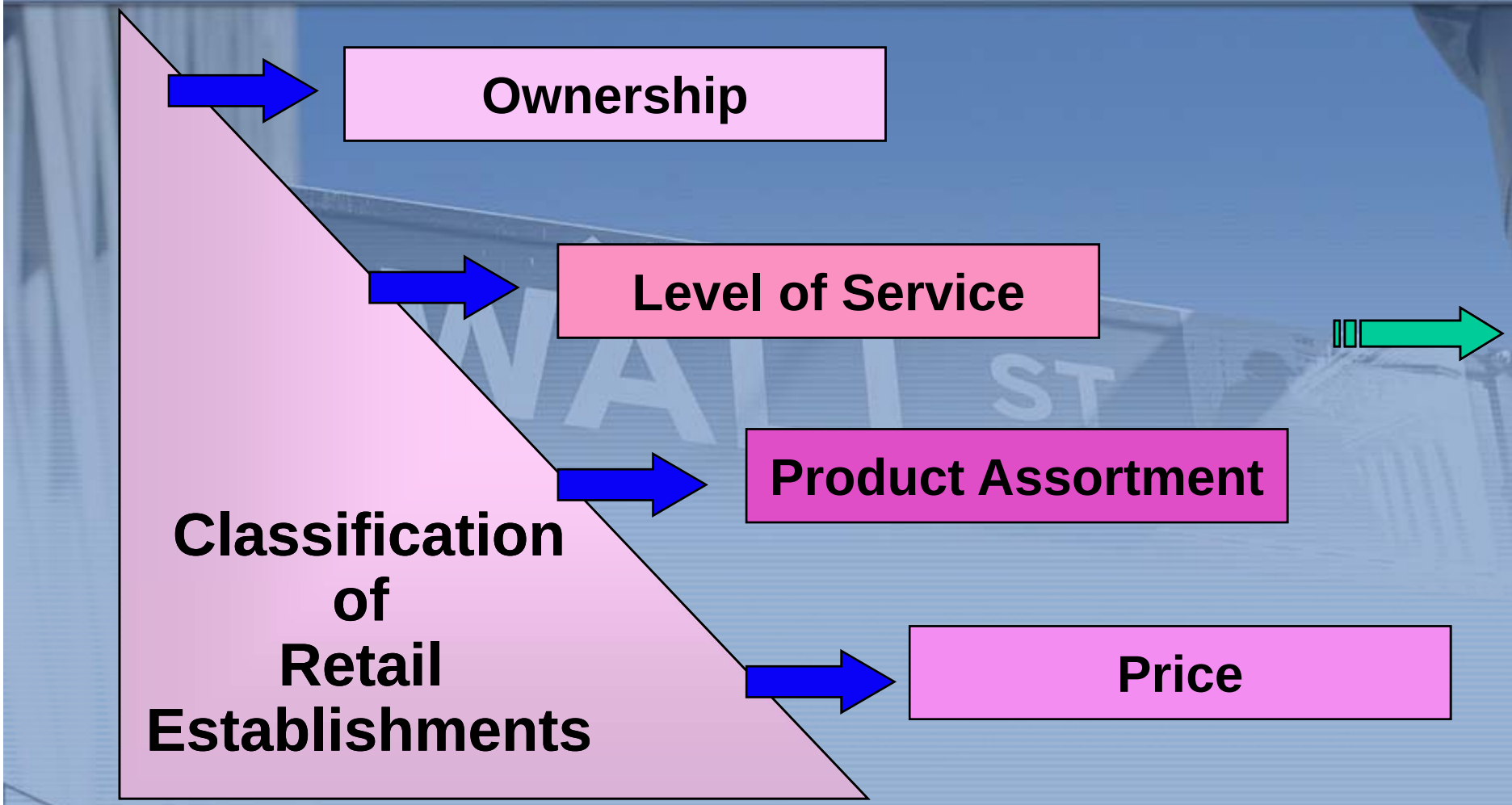


Learning Objective

2

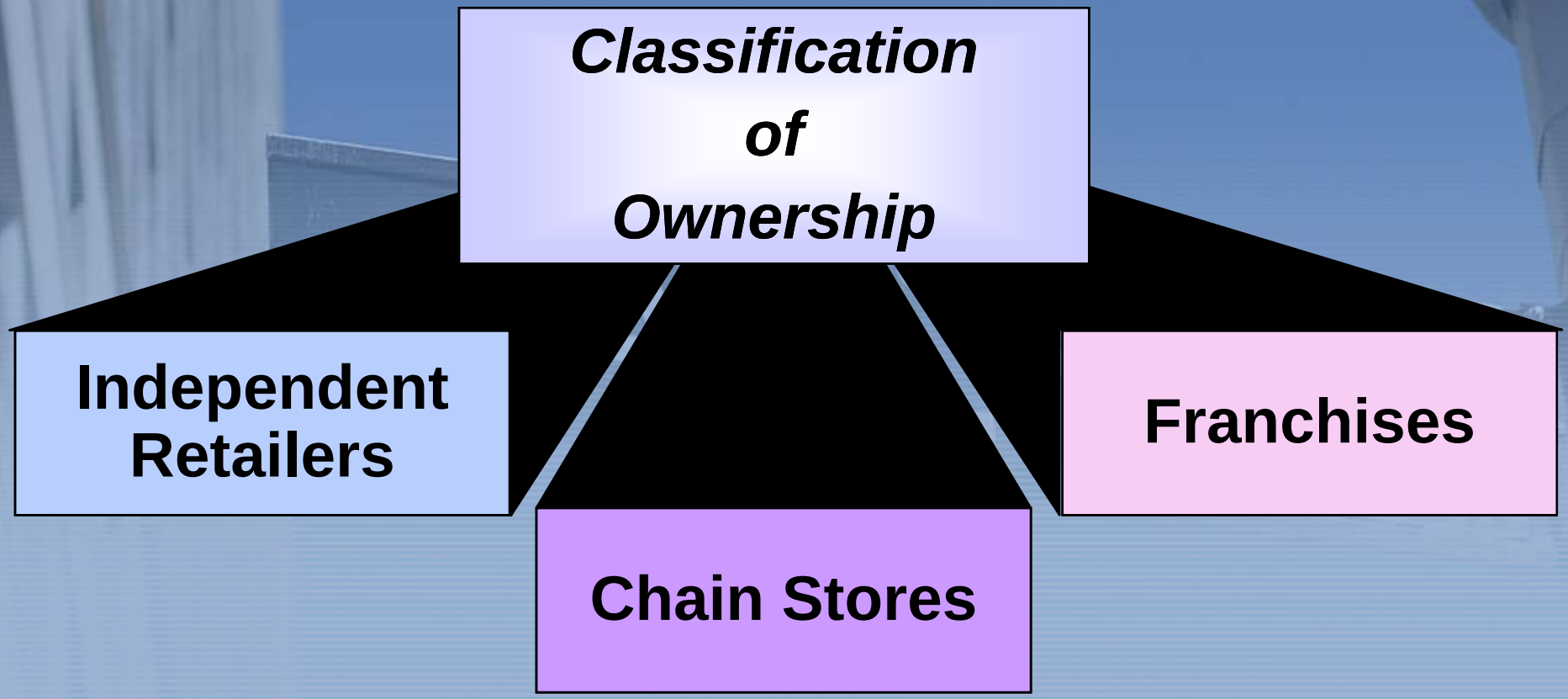
Explain the dimensions by which retailers can be classified.

Classification of Retail Operations 2



Ownership

2


Classification of Ownership
Independent Retailers
Chain Stores
Franchises

Level of Service

2



Factory outlets
Warehouse clubs

Discount stores

Exclusive stores

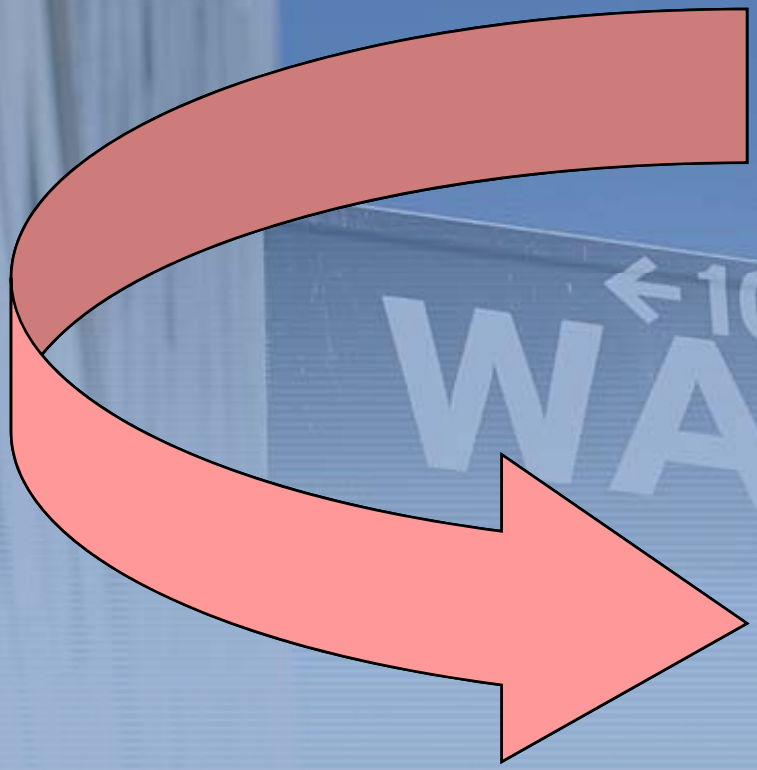
Classification Summary

2

Type of Retailer	Service Level	Assort-ment	Price	Gross Margin
Department Store	Mod Hi-High	Broad	Mod-High	Mod High
Specialty Store	High	Narrow	Mod-High	High
Supermarket	Low	Broad	Moderate	Low
Convenience Store	Low	Med-Narrow	Mod High	Mod High
Drugstore	Low-Mod	Medium	Moderate	Low
Full-line Discounter	Mod-Low	Med-Broad	Mod Low	Mod Low
Specialty Discounter	Mod-Low	Med-Broad	Mod Lo-low	Mod Low
Warehouse Clubs	Low	Broad	Low-lower	Low
Off-price Retailer	Low	Med-Narrow	Low	Low
Restaurant	Low-High	Med-Narrow	Low-High	Low-High

Gross Margin

2



The amount of money the retailer makes as a percentage of sales after the cost of goods sold is subtracted.

Learning Objective

3

Describe the major types of retail operations.

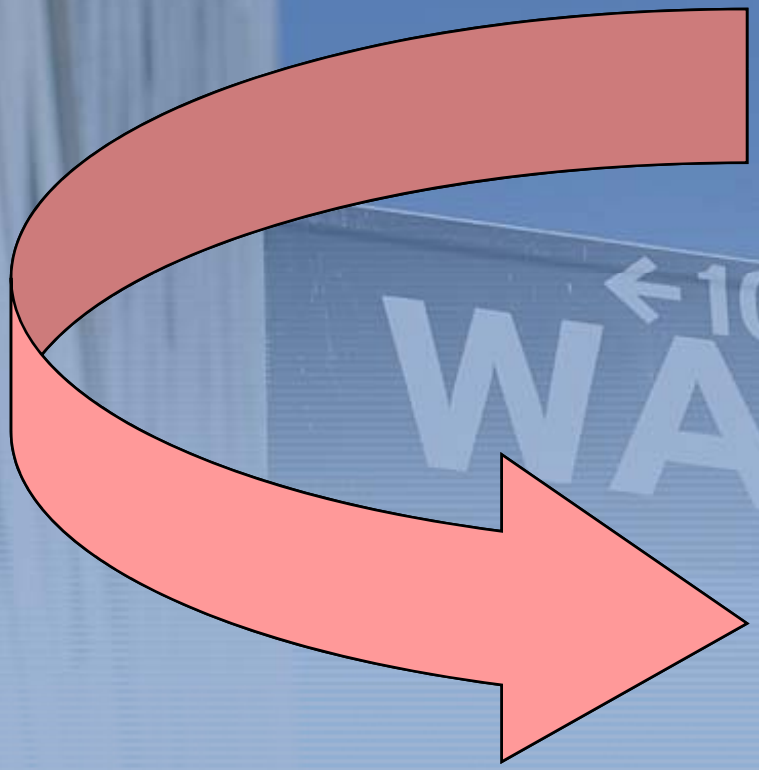
Major Types of Retail Operations

3

- Department Stores
- Specialty Stores
- Supermarkets
- Drugstores
- Convenience Stores
- Discount Stores
- Restaurants

Scrambled Merchandising

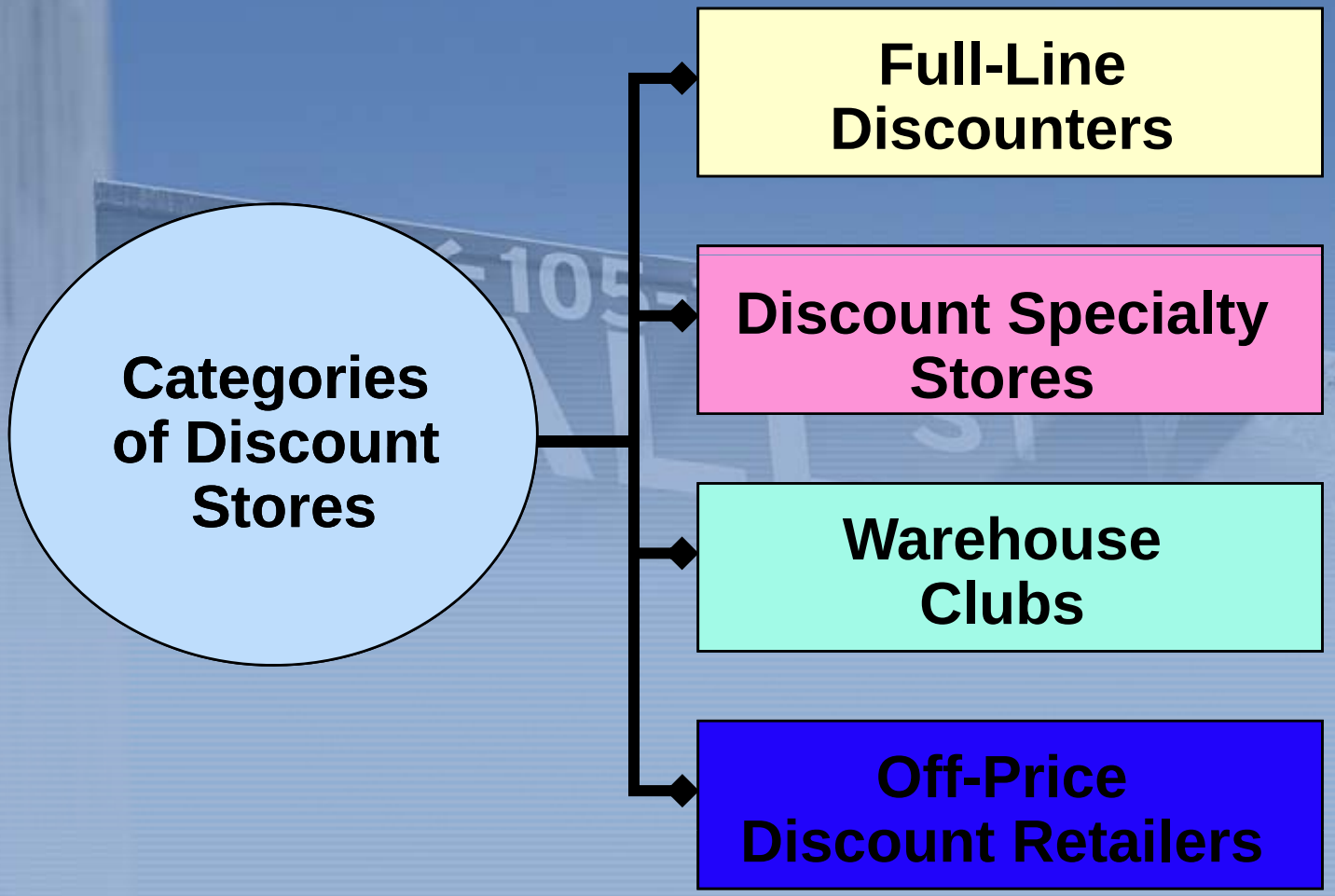
3



The tendency to offer a wide variety of nontraditional goods and services under one roof.

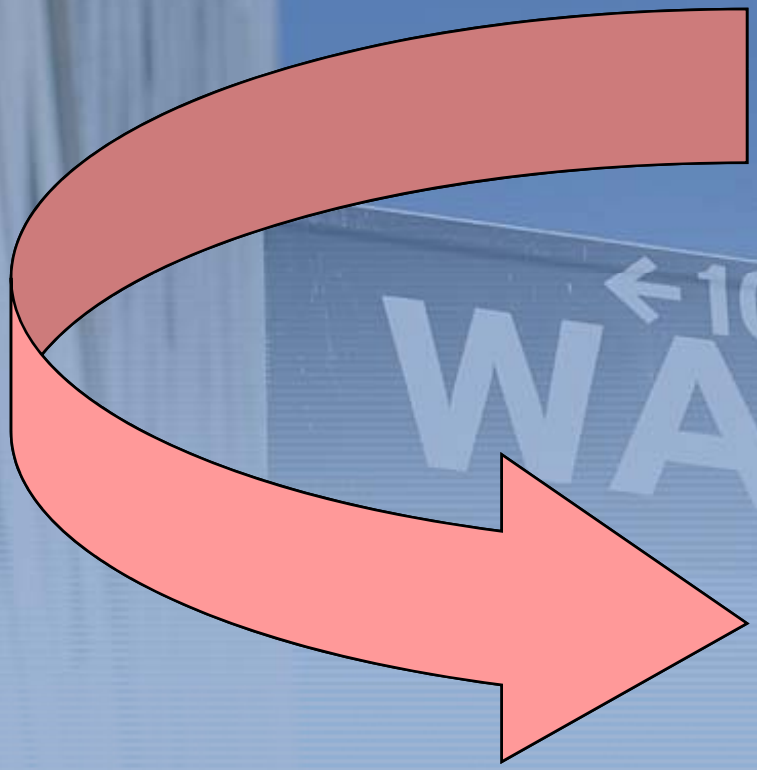
Categories of Discount Stores

3



Mass Merchandising

3



Retailing strategy using moderate to low prices on large quantities of merchandise and lower service to stimulate high turnover of products.

Hypermarket and Supercenter

3

Hypermarket	**A large retail store combining a supermarket and a full-line discount store.**
Supercenter	**Retail store combining groceries and general merchandise goods with a wide range of services.**

Learning Objective

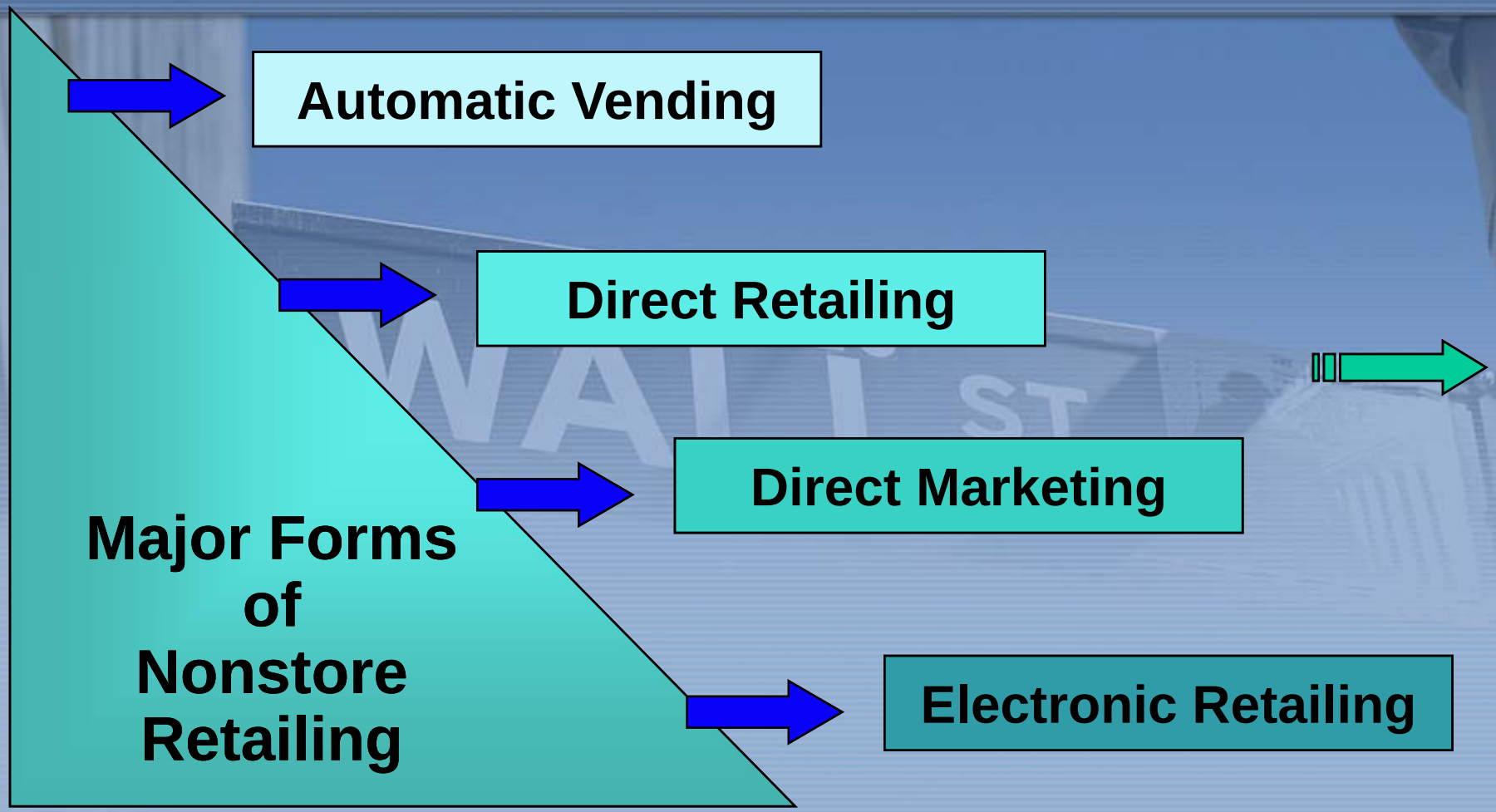
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Discuss nonstore retailing techniques.



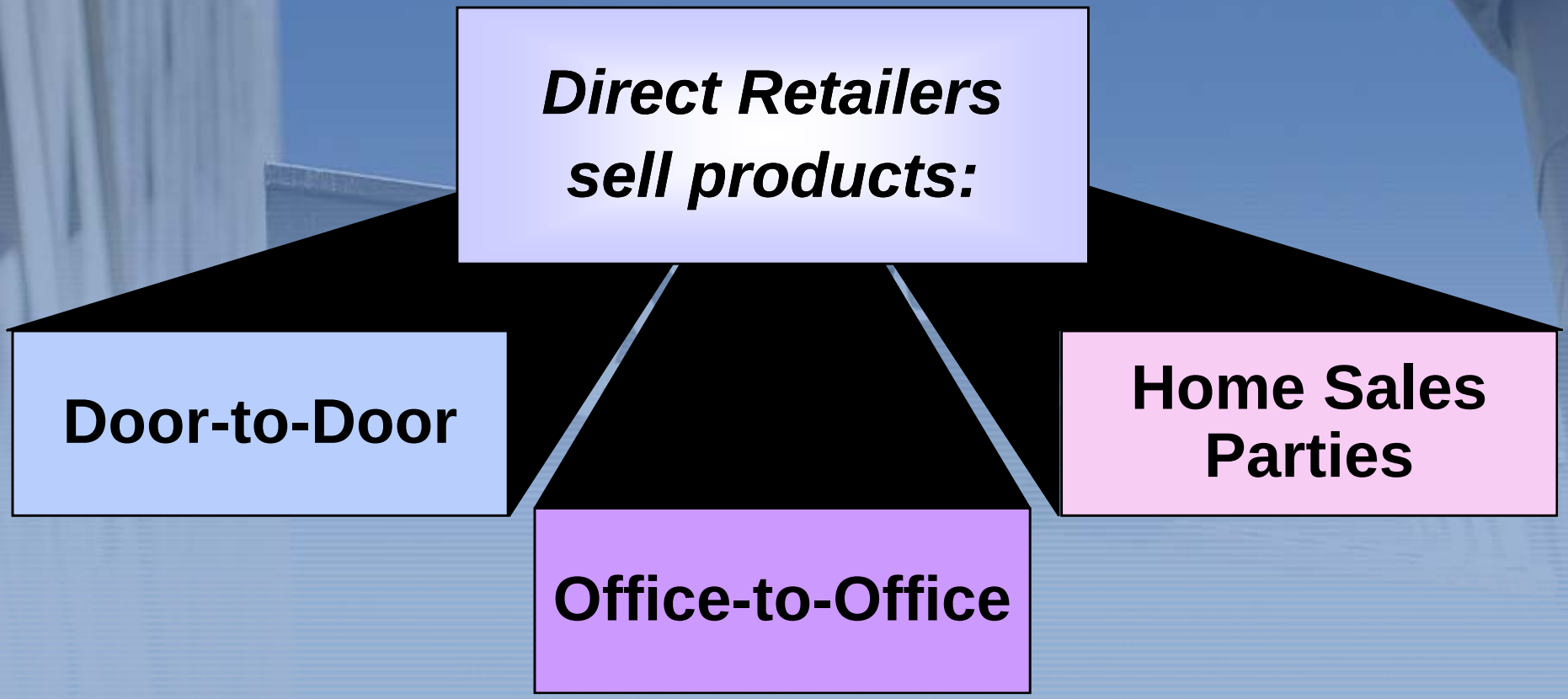
Nonstore Retailing

4



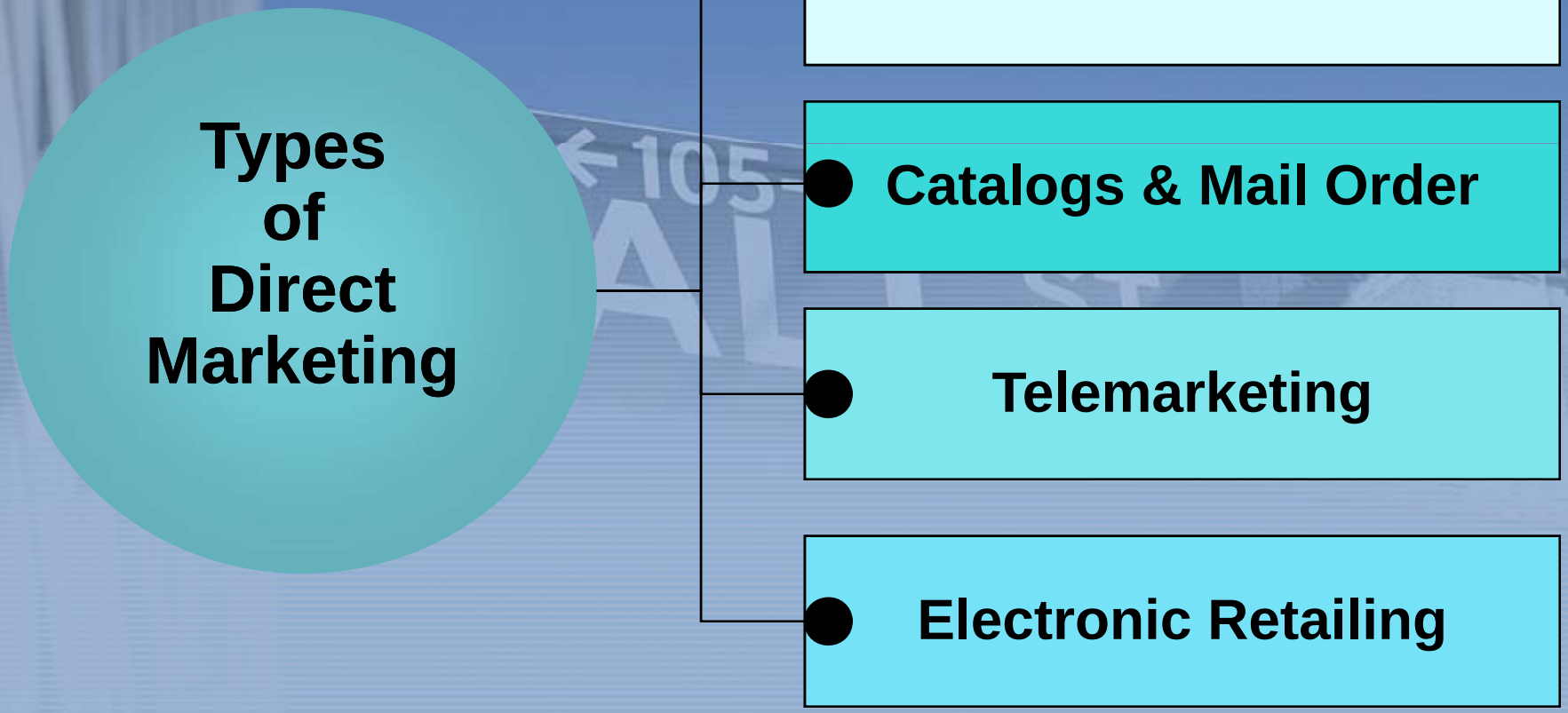
Direct Retailing

4



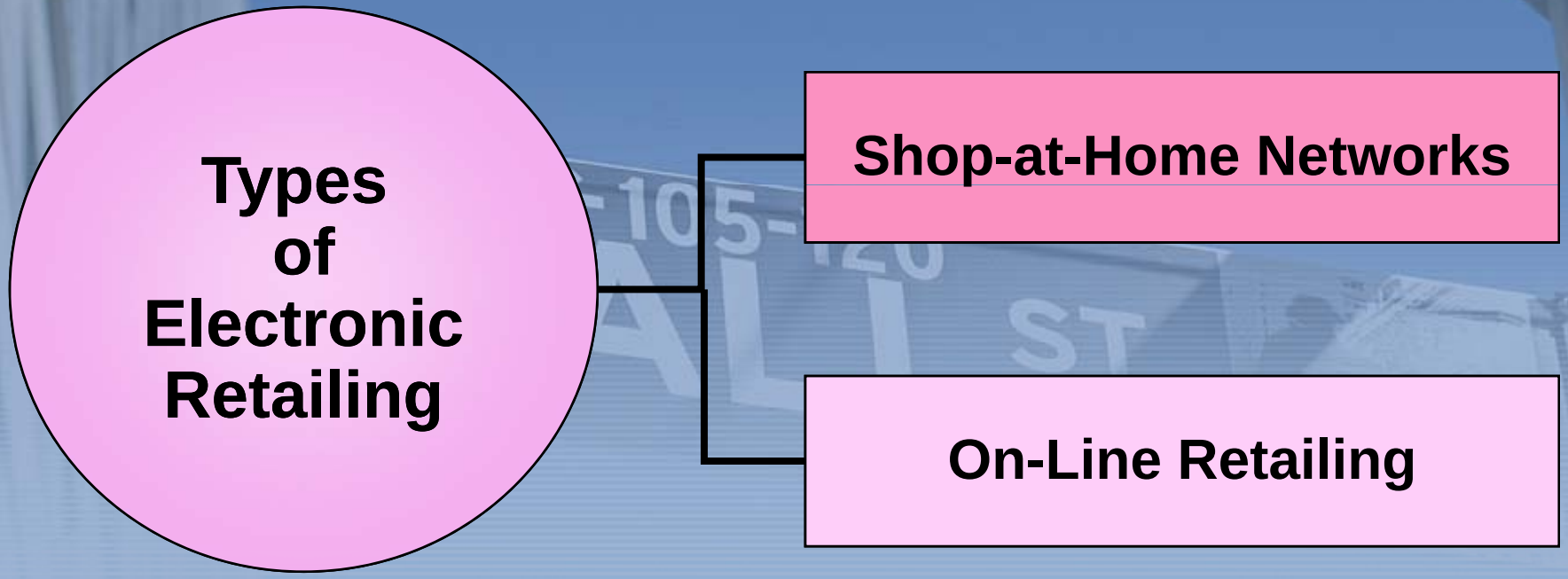
Direct Marketing

4



Electronic Retailing

4



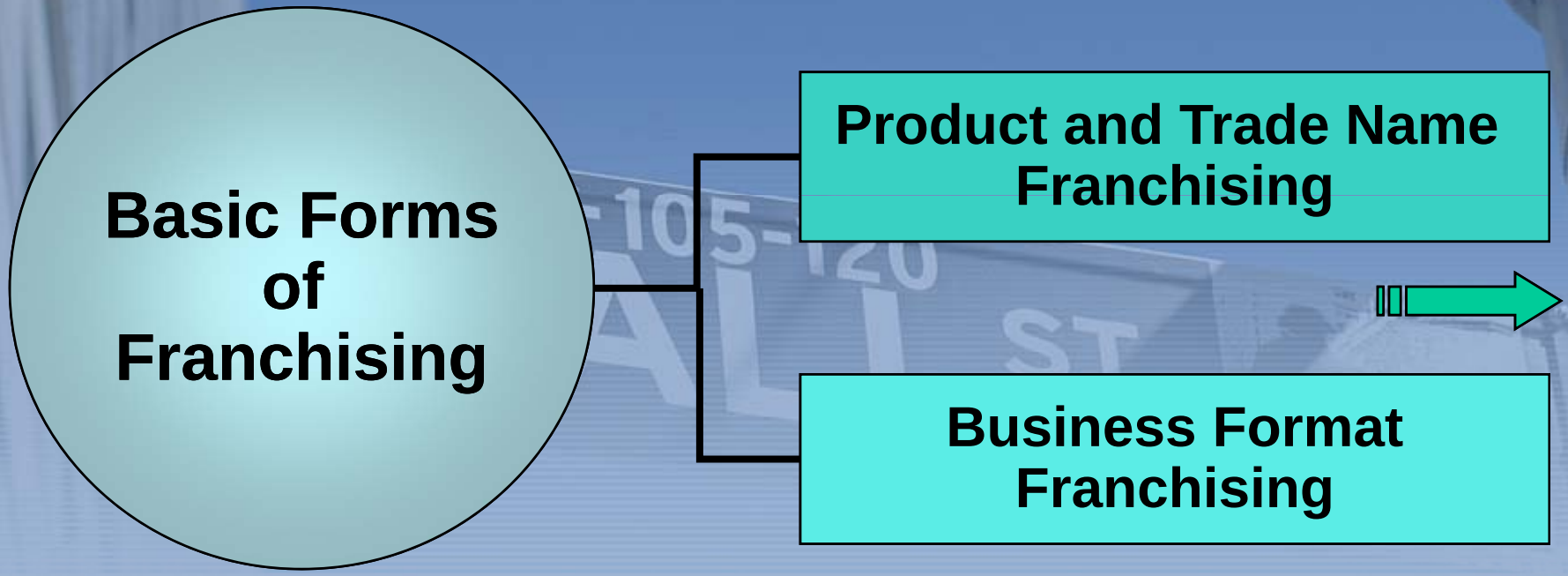
Learning Objective

5

Define franchising and describe its two basic forms.

Basic Forms of Franchising

5



Basic Forms of Franchising

5

Product and Trade Name Franchising	**Dealer agrees to sell certain products provided by a manufacturer or wholesaler.**
Business Format Franchising	**An ongoing business relationship between a franchiser and a franchisee.**

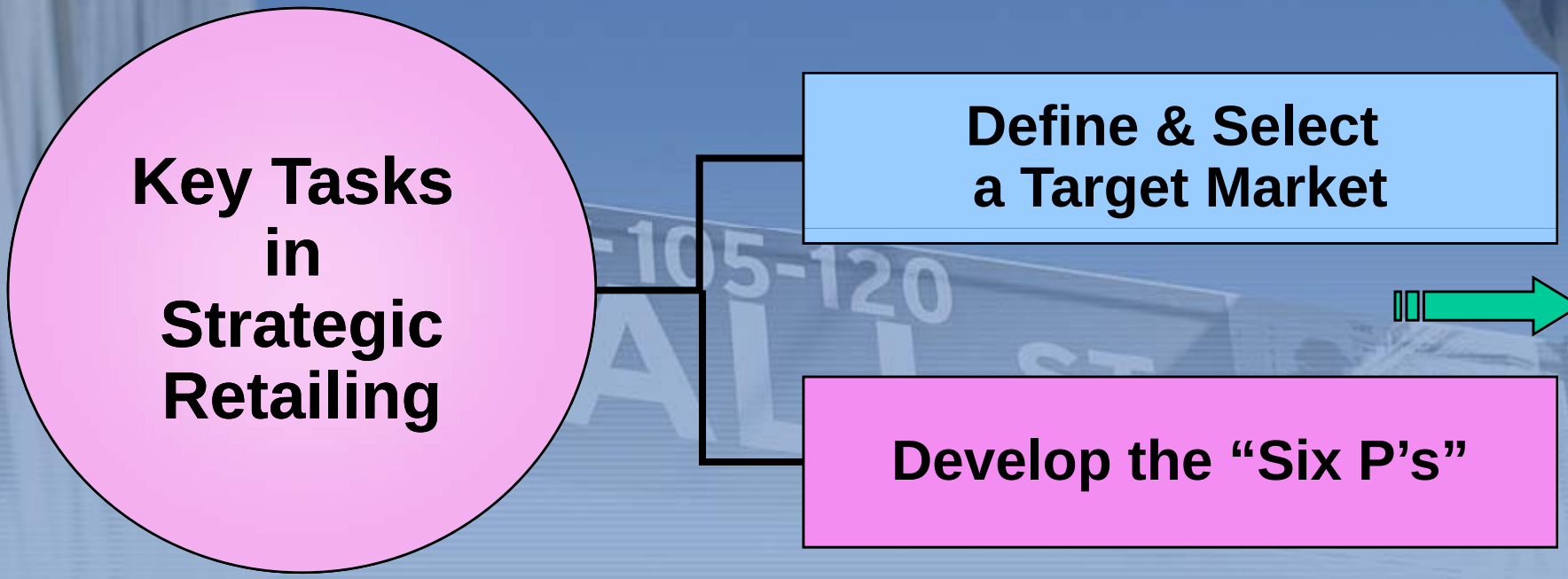
Learning Objective

6

List the major tasks involved in developing a retail marketing strategy.

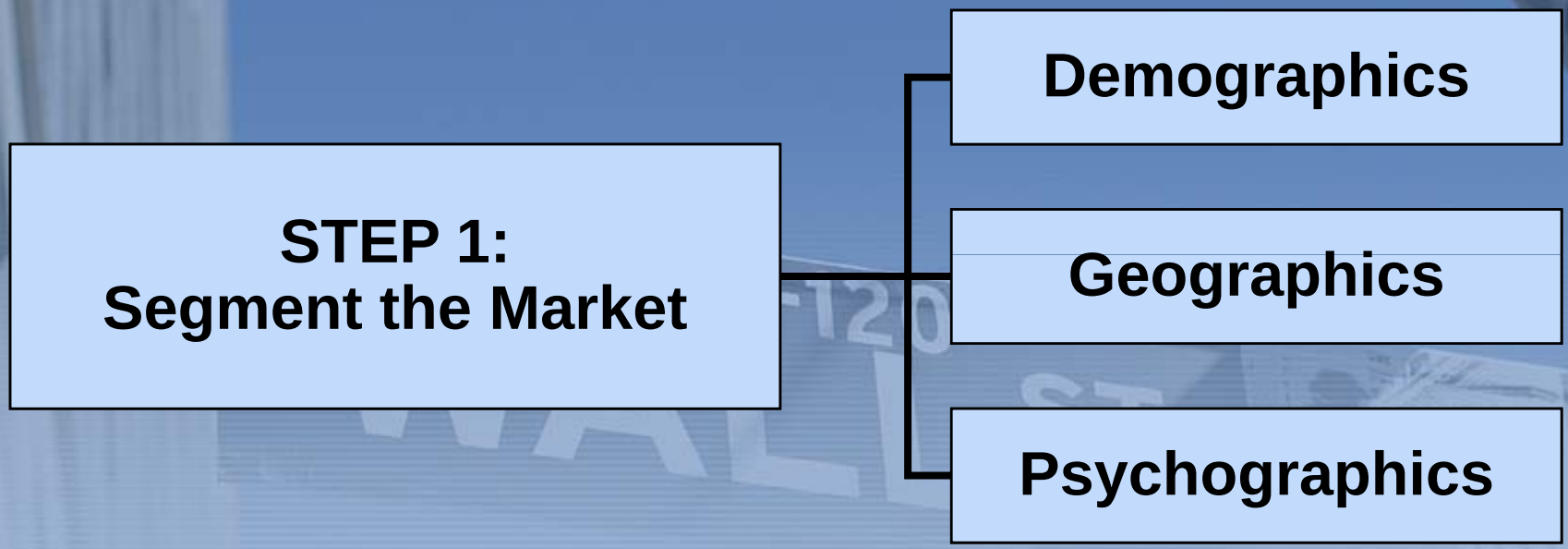
Retail Marketing Strategy

6



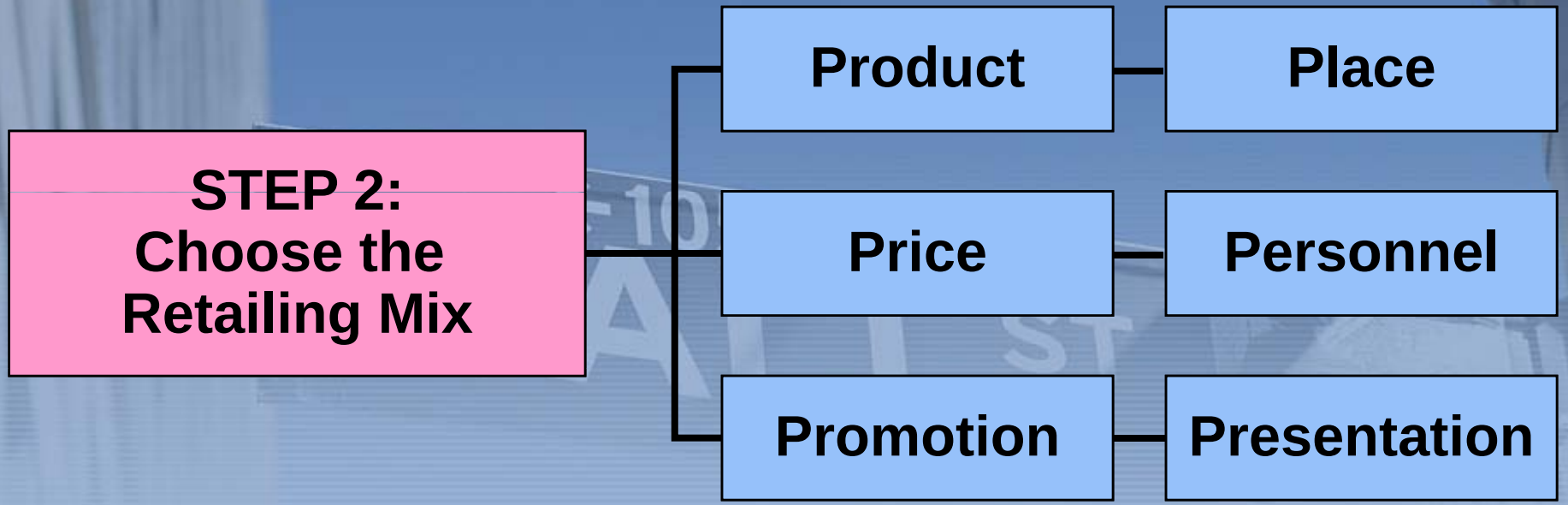
Defining a Target Market

6



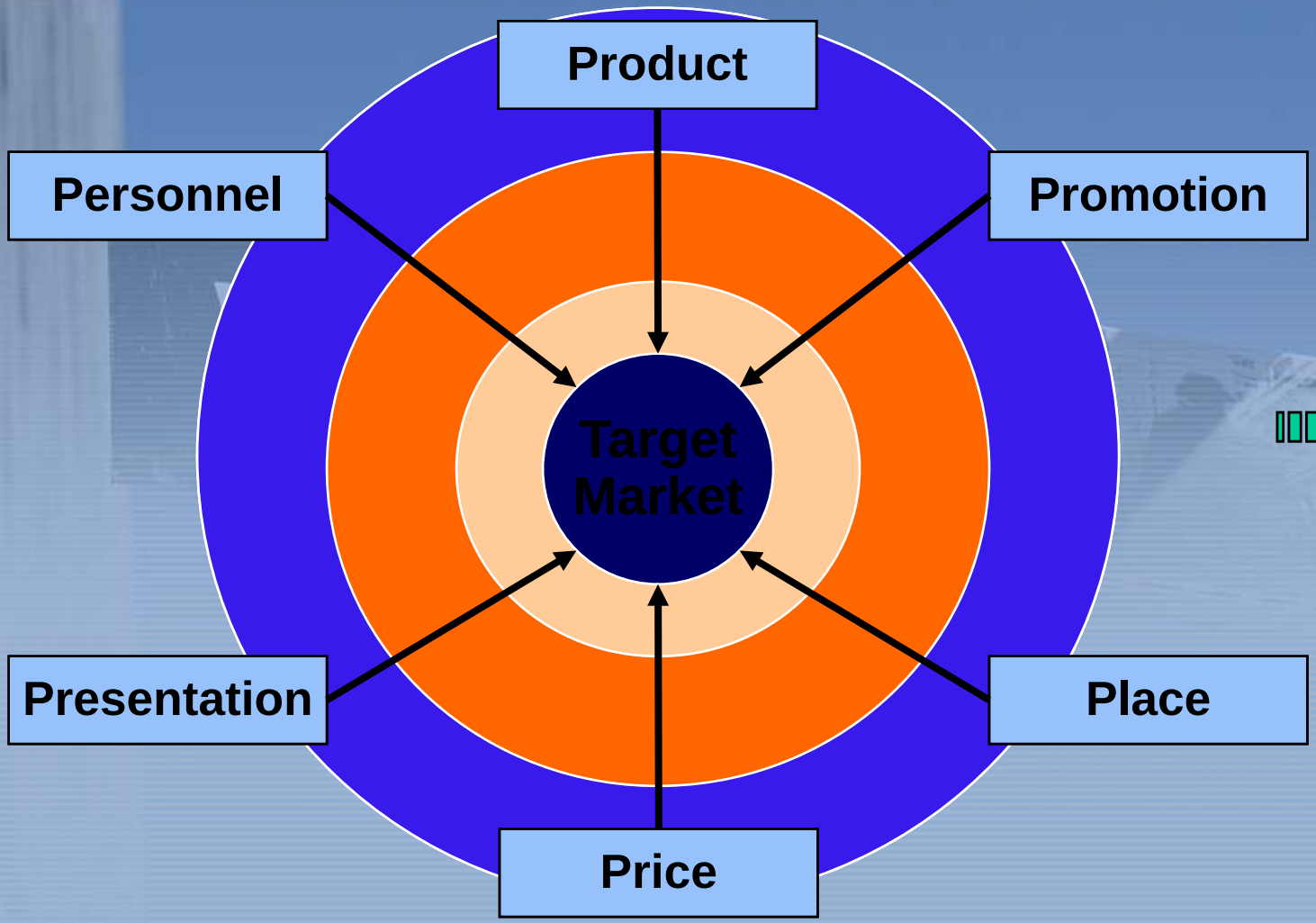
Choosing the Retailing Mix

6



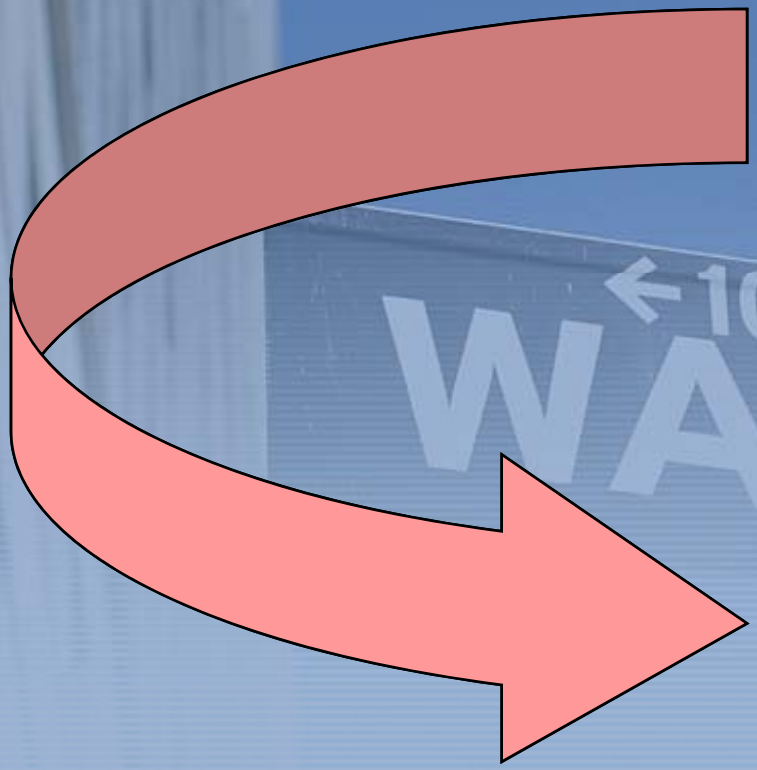
The Retailing Mix

6



Product Offering

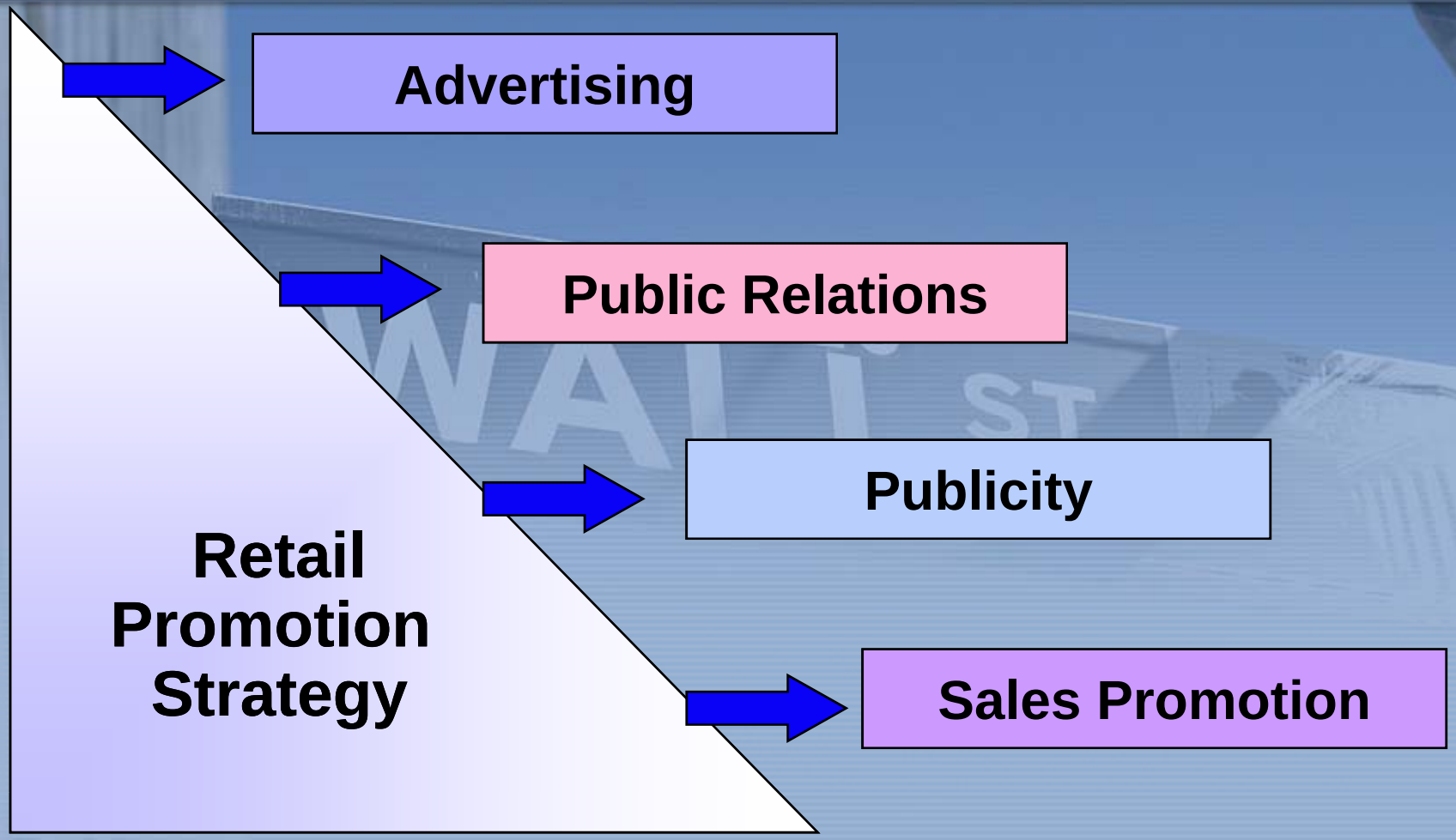
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The mix of products offered to the consumer by the retailer; also called the *product assortment* or *merchandise mix.*

Retail Promotion Strategy

6



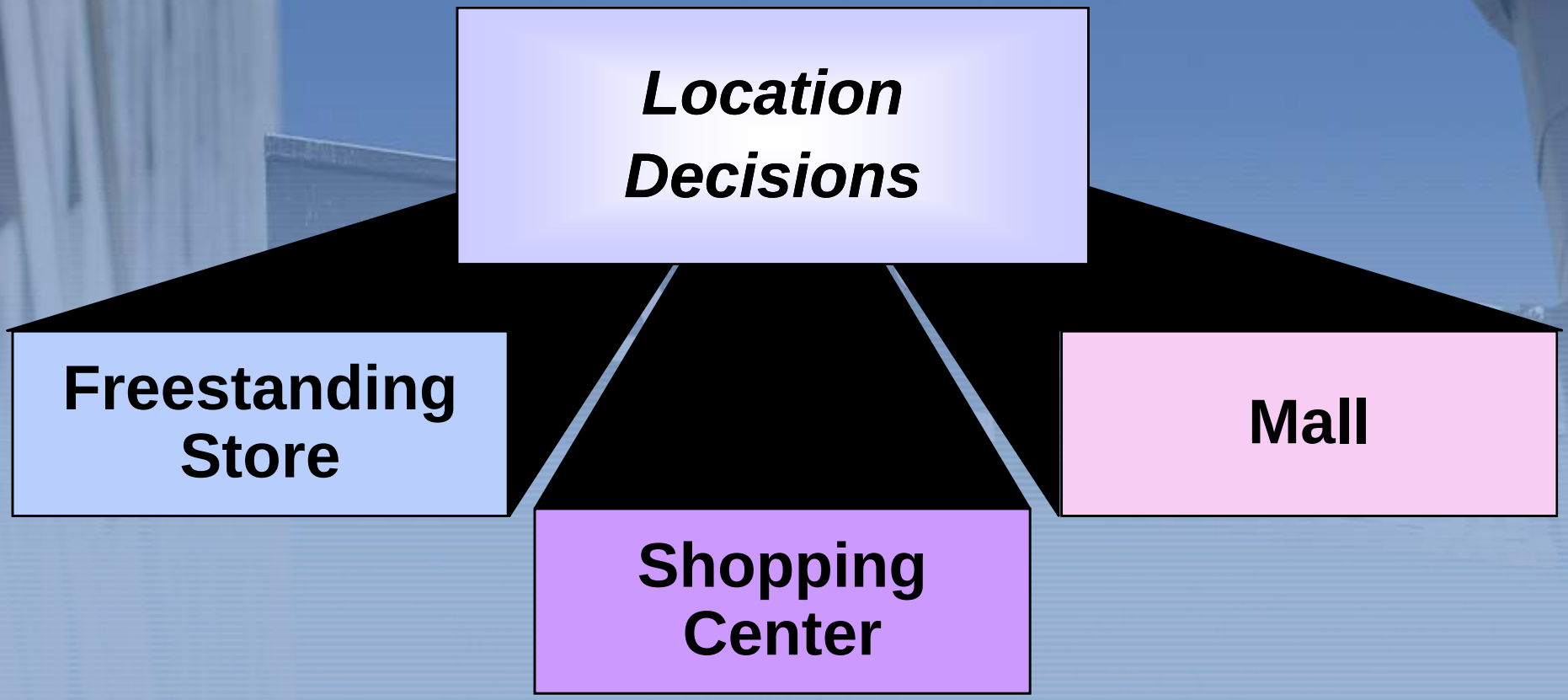
The Proper Location

6

- Large, long-term commitment of resources
- Location will affect future growth
- Local environment may change over time

Location

6


Location Decisions
Freestanding Store
Shopping Center
Mall

Shopping Center and Mall Locations

6

Advantages

- Design attracts shoppers
- Anchor stores draw customers
- Ample parking
- Unified image

Disadvantages

- Expensive leases
- Failure of common promotion efforts
- Lease restrictions
- Anchor store domination
- Direct competitors

Price

6

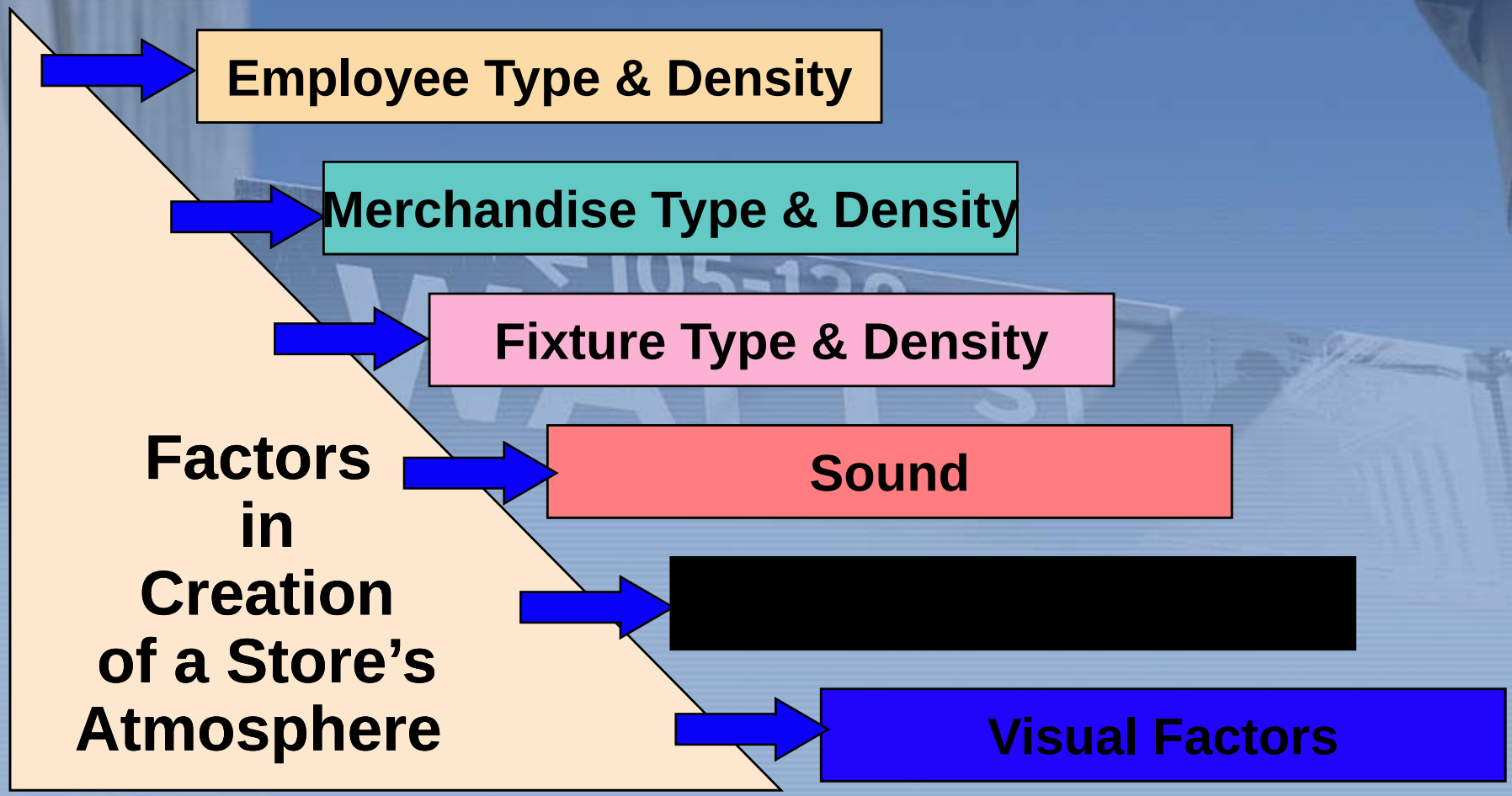


Good Value

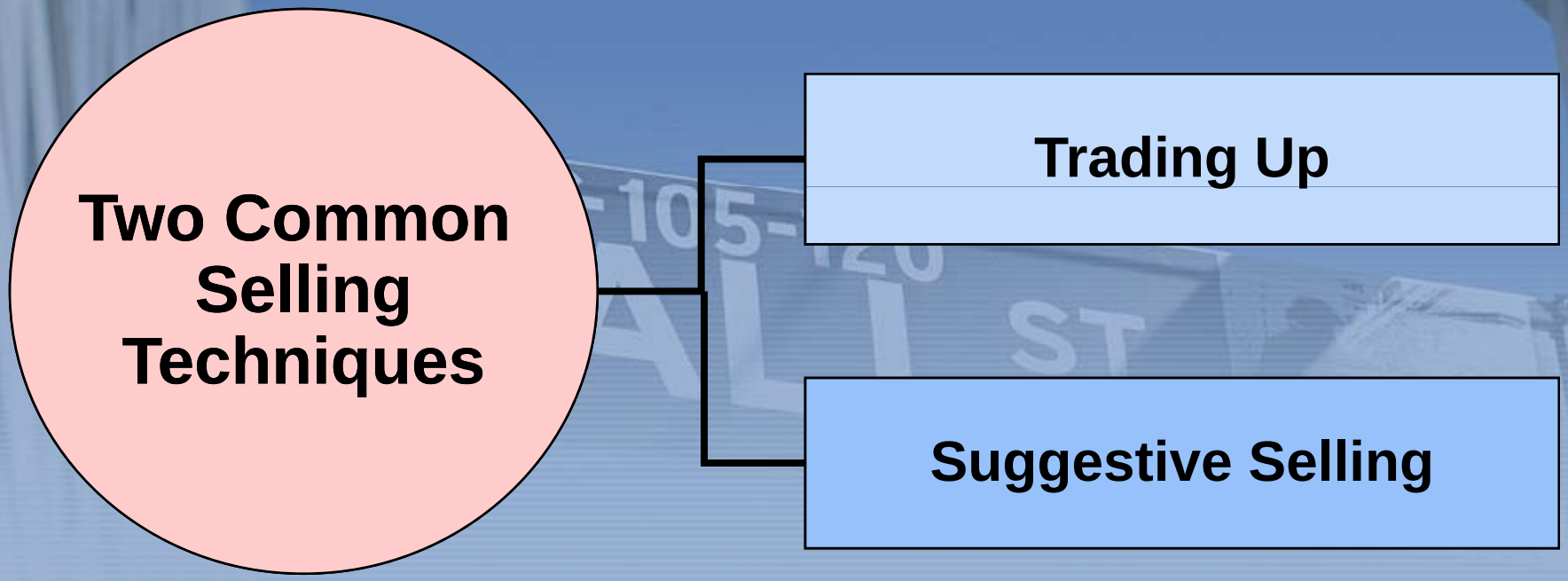
Quality Image

Presentation of the Retail Store

6



Personnel and Customer Service 6



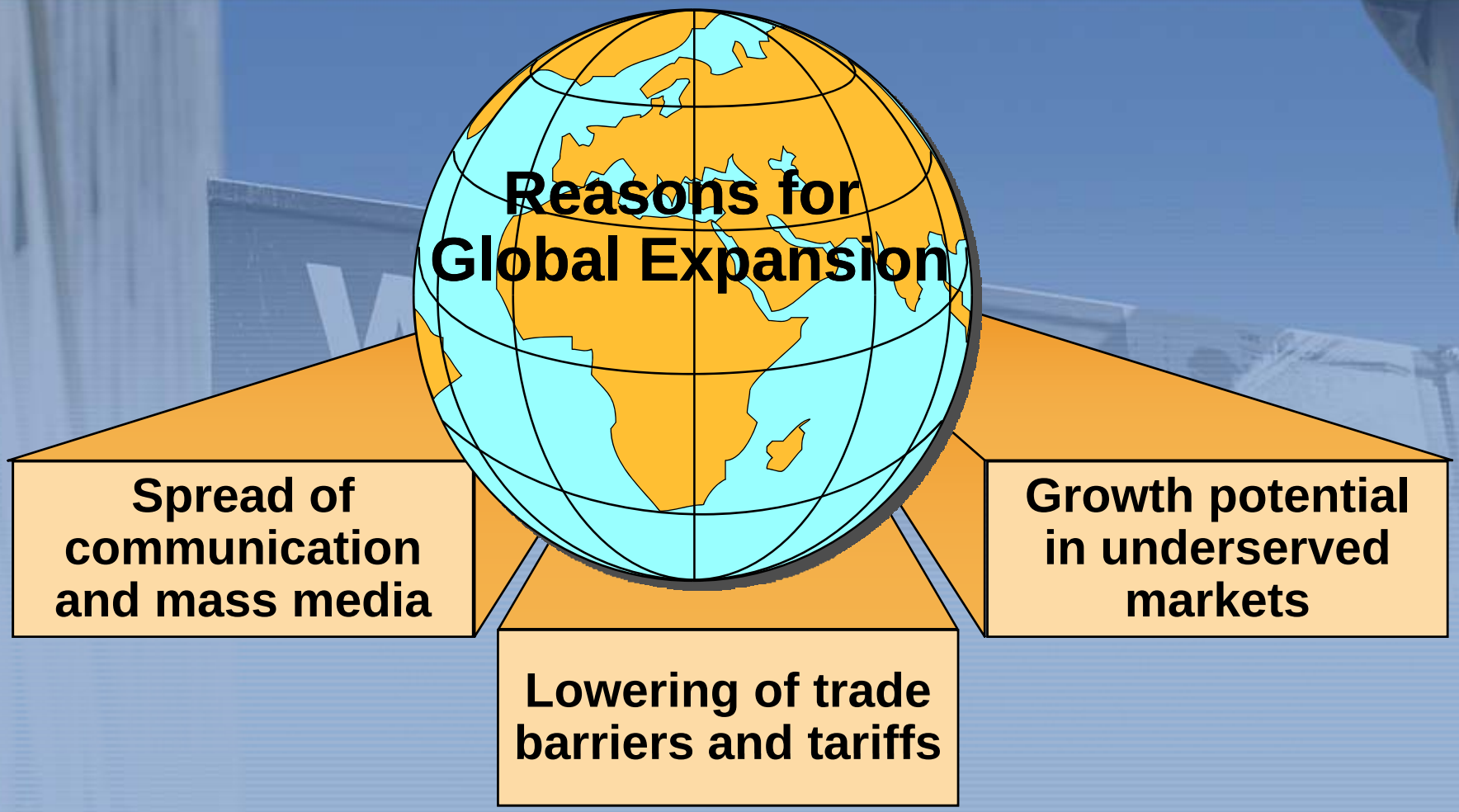
Learning Objective

7

Discuss the challenges of expanding retailing operations into global markets.

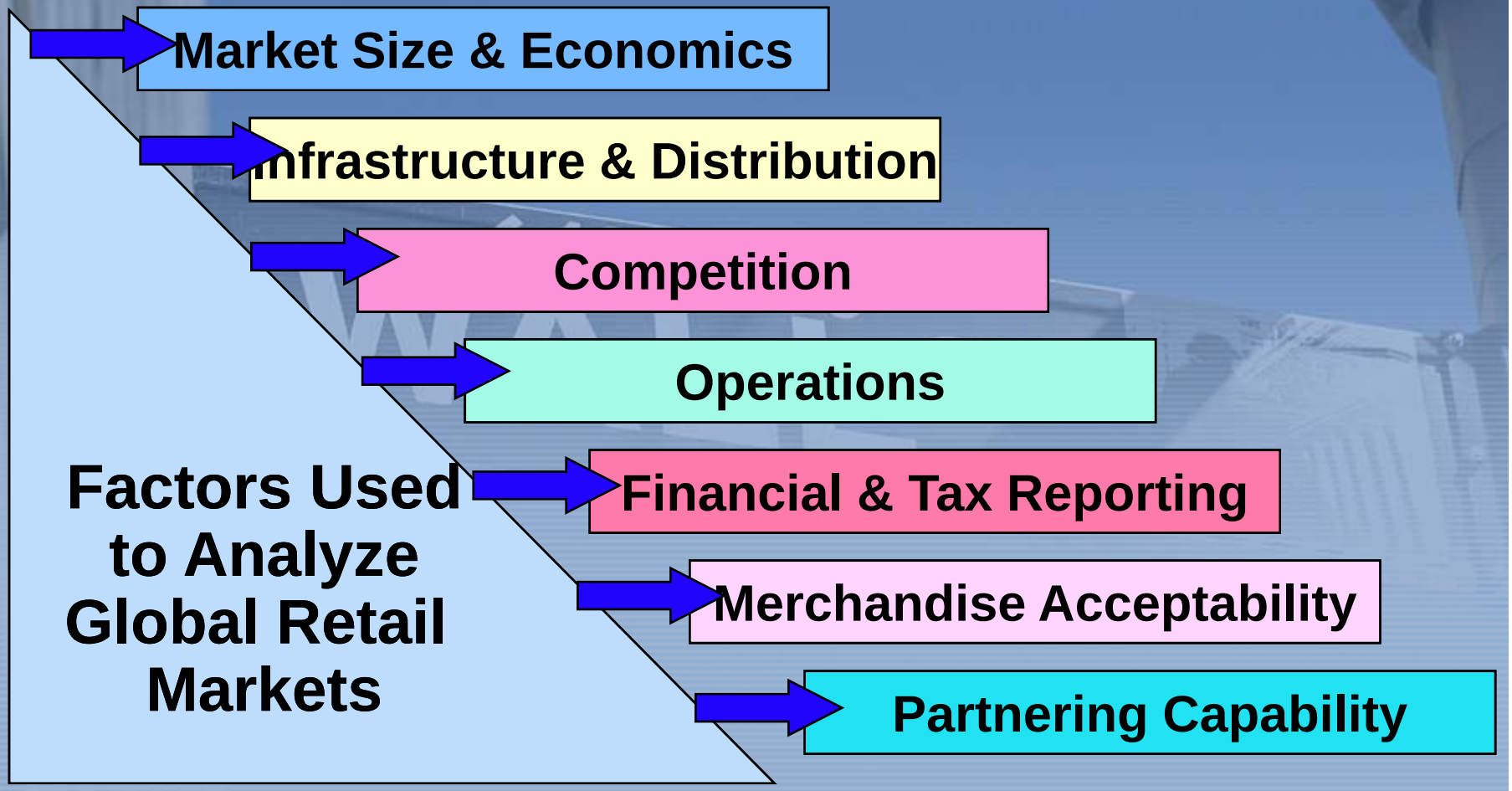
Global Retailing

7



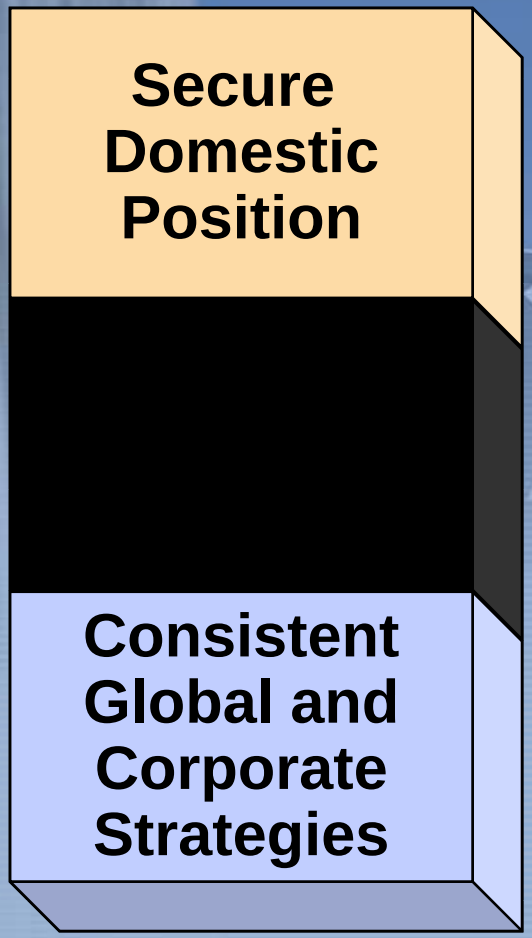
Global Retailing

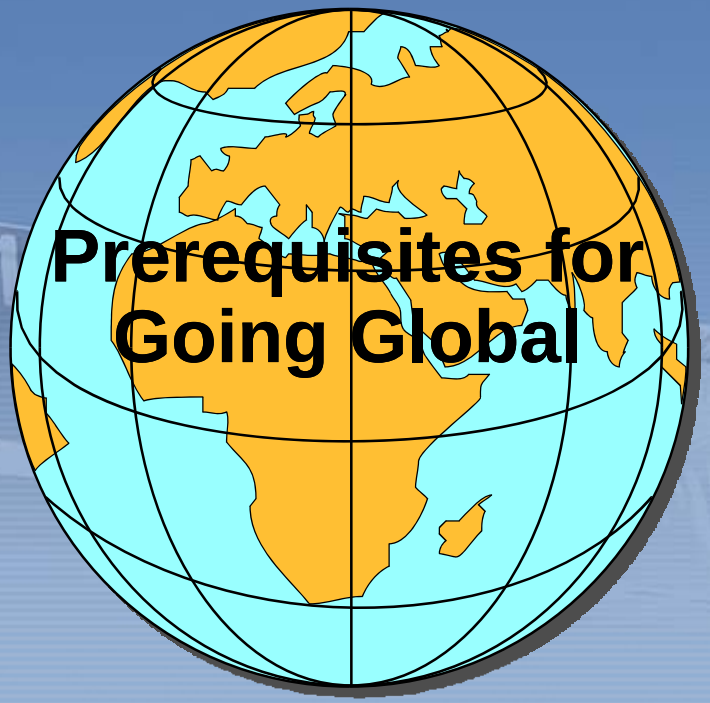
7



Global Retailing

7





Learning Objective

8



Describe future trends in retailing.

Trends in Retailing

8



Entertainment

Convenience and Efficiency

Customer Management

Customer Management

8

