

Toronto Metropolitan University – Chang School of Continuing Education

Discussion Board Written Report

Jul 17, 2025

CRMG200 - DA0

Abhishek Paul

Table of Contents

Discussion Post 1 (Bull's Eye - Loblaw Grocery).....	2
Discussion Post 2 (The Culture Factor formerly Geert Hofstede Cultural Insights).....	7
Discussion Post 3 (Pricing and Target Markets?).....	10
Discussion Post 4 (Your Favourite Retailer).....	13
Discussion Post 5 (Rise in Minimum Wages in Canada).....	16

Discussion Post 1 (*Bull's Eye - Loblaw Grocery*):

Module 2 | Week 2 May 12, 2025

Question:

Consider the Bull's Eye Diagram: Who would make the rings? If Loblaw Supermarkets was in the middle who would be on the various rings for their review? Why do you say that?

(Hint: Not all the material you need to review is in the textbook ...)

Response:

For this discussion question, I utilized the "Characteristics of food retailers" in module 2.

Exhibit 2–10

Characteristics of food retailers

	Conventional Supermarket	Limited-Assortment Supermarket	Supercentre	Warehouse Club	Convenience Store
Percentage food	70–80	80–90	30–40	60	90
Size (000 sq. ft.)	35–40	7–10	160–200	100–150	3–5
SKUs (000)	30–40	1–1.5	100–150	20	2–3
Variety	Average	Narrow	Broad	Broad	Narrow
Assortment	Average	Shallow	Deep	Shallow	Shallow
Ambience	Pleasant	Minimal	Average	Minimal	Average
Service	Modest	Limited	Limited	Limited	Limited
Prices	Average	Lowest	Low	Low	High
Gross margin (%)	20–22	10–12	15–18	12–15	25–30

This chart can be used to determine the target market and position of the stores mentioned below.

Characteristics of Loblaw: *From the following chart above, Loblaws can be considered a Conventional Supermarket. They hold a majority percentage of food and produce with large stores and a large quantity of SKUS (breadth and depth). In addition, much like other*

supermarkets, Loblaws positions itself as the convenient one-stop shop for grocery shoppers, with its many in-store features, like self-checkout, loyalty clubs, pharmacies, private label and health products. Targeting middle-income weekly grocery shoppers looking for convenience, options and quality.

Same Target Market | Same Position:

Sobeys: *Sobeys offers a similar assortment of products, including a private label brand (Compliments) and comparable in-store features. Additionally, Sobeys targets the same demographic of middle-income shoppers who seek value and quality products. This positions Sobeys as a direct competitor to Loblaws, sharing the same target market and market positioning.*

Same Target Market | Different Position:

Farm Boy: *Farm Boy positions itself as a premium and organic grocery store, offering its consumers healthy options as an alternative to the big-name retailers. They focus on organic produce and quality, premium products, maintaining a more narrow and specific assortment to ensure product quality, while still targeting the same demographic as Loblaws.*

Different Target Market | Same Position:

Food Basics: *This store holds the same position as Loblaw in that it offers a similar assortment of products and is a one-stop shop for groceries. Although it holds the same market position, the target market for Food Basics is lower-income families or money-conscious shoppers looking for*

affordable groceries. The Food Basics business model is a stripped-down version of Loblaws, offering fewer services and products, allowing for more affordable groceries.

Different Target Market | Different Position:

Amazon: This e-commerce site positions itself as a convenient one-stop shop delivery service for products. This can include products also sold at Loblaws, like non-perishables and hygiene products. Amazon attracts a more tech-savvy and time-conscious audience who do not have time for traditional grocery shopping. Although they do not target the same market and are positioned differently in the market, they are still on Loblaws' radar as they do sell some of the same products with more convenience.

Any Potential Competitive Options That Could Interact:

Family-Owned Businesses/Ethnic Grocery Stores: From a bird's-eye view, family-owned businesses and ethnic grocers may not seem like competition to Loblaws. These businesses are much smaller and do not have the operational power or wealth that Loblaws holds. However, many of these stores have successfully cornered the market within specific ethnic communities. From a personal perspective, many members of my community do the majority of their grocery shopping at these stores. By selling culturally specific items, they hold an advantage over large retailers like Loblaws in serving niche markets.

The4. (2024, October 2). The competitive landscape of Loblaw Companies. CANVAS, SWOT, PESTEL & BCG Matrix Editable Templates for Startups.

<https://canvasbusinessmodel.com/blogs/competitors/loblaw-companies-competitive-landscape>

Moneygenius: Your money journey starts here. moneyGenius.ca. (2025, April 8).

<https://moneygenius.ca/blog/which-grocery-store-has-the-lowest-prices>

The farm boy story: It's all about the food. Farm Boy. (2025, January 7).

<https://www.farmboy.ca/our-story/>

Analysis:

A. Your Learning Objectives were consistent with the course materials

This discussion post is from module 2. In this module, the following were the learning objectives.

- Types of retailers and the various business/ownership classifications and strategies.
- Competitive Retail Strategy and approaches to benefit the retail organization.
- International retailing and impacts.

From this discussion post, various grocery stores have been mentioned and analyzed. For example, various types of retailers, including conventional supermarkets, e-commerce platforms, and specialty stores, were referenced. I examined the business strategies used by each retailer as well as the specific target demographics. Additionally, I examined the market positioning of these stores, including family-owned, e-commerce, and health-first. Highlighting the different strategies for each retailer to remain competitive. Overall, this discussion post connects with the learning objectives from Module 2, specifically when referencing types of retailer and their various classifications, as well as their positioning for organizational benefits and success in their competitive markets.

B. Explanation of how research was completed for the posting

A) I specifically applied the content from module 2 for this post. I used the information about the Bullseye diagram to frame my answer for this post. Additionally, the context about the elements of retail strategy was also beneficial in assisting me in analyzing the strategies and positioning each retailers use to compete with each other in the same industry.

B) From the textbook, I used the Characteristics of food retailers chart within chapter 2 (Types of retailers), to receive a better understanding of different types of retailer and their models/strategies. This assisted me in classifying each of the organizations within my post for the bull's-eye diagram for Loblaw.

In this post, I shared a personal experience of visiting various family-owned and ethnic grocery stores within my community. Using these examples, I was able to highlight how, with my experiences, I can see how smaller businesses can compete with Loblaws as they can cater to specific cultures, build strong customer support and loyalty within these cultures.

C) For this discussion post, I used external resources to accurately answer the discussion post and back up any claims that I have proposed.

- **Canvas Business Model:** This resource allowed me to gain insight into the competitive market and competitors of Loblaws

- **Money Genius:** Grocery price comparison of different retailers within Canada. Helped in understanding the positioning of each retailer in this industry

D) A post by one of my classmates that I read was by Israa Abuhelaiga. I found it interesting that she labelled Costco as a Different Target Market | Same Position to Loblaw. Costco is evolving and offering more product categories and services. For example, car servicing, eye test, prescription and hot food. This attracts more middle-income shoppers rather than bulk buyers and business owners. Therefore, Costco is evolving and slowly targeting the same market and demographic as loblaws, but positioned differently with bulk buying options and limited selection.

C. Explanation of how you completed the posting

- A) The main resource that I used was the textbook, which described the different retailer and their strategies. My personal experience also helped strengthen my point for other competitors, which Loblaws may have. I used these parameters as they provided the most information to complete my discussion post.
- B) I responded to Israa Abuhelaiga post
- C) I completed the research and the discussion post on Monday

D. Answers lead to additional learning

I gained an understanding of the competitive retail market which even big-box retailers face. For example, how smaller or more niche retailers have a large impact on the competitive

market that Loblaws faces. So on Loblaws' end, it is important to consider these factors (no matter how small or niche) when developing strong retail strategies.

Discussion Post 2 (*The Culture Factor* formerly *Geert Hofstede Cultural Insights*):**Module 3 | Week 3 May 21, 2025****Question:**

Please go to this website - <https://www.theculturefactor.com/country-comparison-tool>

You can type into the window a country and pick it. So pick a few countries to compare Canada to, see what you find. What additional interesting things did you see, understand and could add to the class to help your classmates understand this valuable resource a little better.

If you are unsure what each of these dimensions mean, have a look at the section within the site called Intercultural Management - <https://www.theculturefactor.com/intercultural-management>

Answer:

For my cultural factor analysis, I have chosen to compare Canada and Bangladesh.

Power Distance: *To begin, we can speak about the power distance of Canada and Bangladesh.*

Canada sits at a score of 39, and Bangladesh has a score of 80. These scores are understandable, as compared to Bangladesh, Canada has more open views on equality and flat hierarchies. This can be seen clearly where, in Canadian workplaces, employees are free to speak to upper management and contribute their ideas without being scrutinized or looked down on. Compared to Bangladesh, where a clear class distinction system is present, this openness with higher-ups is not typical.

Individualism: *The individualism score is also very interesting. With the nation of Bangladesh being more community-oriented through its culture, it has a very low score in terms of*

individualism (5), compared to Canada (72). This suggests that Bangladesh does not follow an individualistic framework, where individuals are expected to take care of themselves and their immediate family. Instead, in many South Asian cultures like Bangladesh, community, friends, and family are central. Friends and extended family are often considered part of one big family, and communities work together to progress collectively.

Indulgence: *This score is also very interesting, as it can be a crucial statistic that companies can use to determine retail strategies in these countries. With Bangladesh having a low score of 20, this shows the nation and its culture to have more restraint when indulging in social and leisure activities. This is in line with many South Asian cultures, which often emphasize modesty and prioritizing family and community over individual pleasure. In contrast, more Western countries like Canada, Western culture encourages enjoying life, having fun, and expressing oneself. These differences create a significant gap between the two countries in terms of lifestyle and consumer behaviour.*

Analysis: *This website can be a very powerful tool that many companies can use to study the type of consumer behaviour they may encounter in different countries and determine different strategies they can incorporate in their retail location for the highest turnover and consumer engagement.*

Reference:

Country comparison tool. (n.d.). <https://www.theculturefactor.com/country-comparison-tool>

Analysis:**A. Your Learning Objectives were consistent with the course materials**

This discussion post directly connects to the learning objective from module 3. The learning objectives from this module are the following.

- Identify current (domestic) consumer trends/shifts and their impact on buying decisions.
- Generate predictions for your organization based on an analysis of data.

In my discussion post, I analyze the cultural factors and environments of different countries. Using Bangladesh and Canada, I speak on their effect on consumer behaviour and buying habits using these cultural factors. The post is connected with Module 3, as topics such as consumer decision-making processes and how organizations analyze this data to understand consumer buying behaviour were discussed. In my post, I discussed how many organizations can use cultural differences such as “Power Distance,” “Individualism,” or “Indulgence” to create different retail strategies tailored to multiple cultures and markets. This directly correlates with the Module 3 learning objectives, which focus on how organizations can understand the retail market by leveraging cultural data and location differences to create strategies to succeed in these markets.

B. Explanation of how research was completed for the posting

A) From the module, the topic of culture was applied. I used this to analyze the differences between Bangladesh and Canada and how that can influence consumer buying behaviour. The culture modules assisted in understanding the belief systems of each country. Using the Hofstede website mentioned in the

module allowed me to analyze the cultural research for different countries (Power Distance, Individualism, and Indulgence). The culture segment assisted in building the consumer behaviour profile for each country, giving a better understanding of how organizations can use this to build a robust retail strategy.

- B) The context of Chapter 3 greatly assisted in creating this response, specifically the “Societal Factors Influencing Buying Decisions” section and the contents of “Canada’s Multicultural Market.” This text helped me get a better understanding of how different cultures can have different buying behaviours, for example, certain cultures having unique shopping habits such as haggling for better prices. For this discussion post, the information helped frame my answer on how societal factors (Power Distance, Individualism, and Indulgence) may change the way certain cultures shop. It also helped me understand how organizations can use these habits to alter their strategies in different cultural markets.
- C) In this specific discussion post, I did not reference any personal experiences that I have encountered. However, a personal reference that I could have included would be my experience in the retail markets in Bangladesh during my last visit. I could have connected this experience with the cultural differences between Canada and Bangladesh, highlighting how these differences directly affect the retail scene. For example, how purchasing decisions, customer service behaviours, and shopping habits vary between countries and my observations.
- D) I used Hofstede's website, specifically the Country Comparison Tool, to get accurate cultural dimension data to assist in analyzing the cultural differences

between Bangladesh and Canada and how this affects their respective retail markets.

- E) I read Shopnila Fardoush's post and her analysis on how the Country Comparison Tool can be used for a job interview, as it can help understand the work culture in many different countries. This gave good insight and sparked an idea for me; this tool can be powerful for someone considering which country they might like to work in, specifically by looking at the Power Distance statistic. This insight may become useful for culture alignments and personal preferences an individual may have when it comes to picking a destination for a career.

C. Explanation of how you completed the posting

- A) The sources that I considered were the information about cultural differences and retail markets from the textbook, as well as the data found from the country comparison tool. These provided the basic foundational knowledge on understanding these topics. Additionally, the knowledge from my personal experiences of being Bangladeshi and Canadian also greatly assisted in the information discussed about the 2 cultures.
- B) I responded to Shopnila Fardoush post
- C) I completed the research on Monday and the discussion post on Wednesday

D. Answers lead to additional learning

I gained a deeper understanding of how the cultural dimensions can affect the way retailers develop strategies and position themselves in different cultures. Writing this discussion post gave me a deeper understanding of the tool that these companies can use and the data that

they can analyze when attempting to expand globally. Overall, this discussion post reinforced the idea of the cultural awareness that companies must have to succeed in different markets.

Discussion Post 3 (*Pricing and Target Markets?*):

Module 5 | Week 5 Jun 3, 2025

Question:

How does this module's review of pricing connect with our understanding of the term on Retailer Target Markets done in the other module?

I want you to input a complete answer on how it connects and offer as mentioned in the outline detailed background research or insights to help support your comments.

Answer:

In previous modules, retail target markets revolved around the consumer, specifically demographics, geography, and lifestyle. These characteristics define the consumer, allowing retailers to target and strategize around these variables. Companies strive to create products and an image that reflect the needs and wants of the consumer. For example, grocery stores target frugal shoppers by positioning themselves as a no-frills, value option, directly appealing to these types of consumers. This concept directly correlates with this week's modules, as it affects the way companies implement pricing strategies.

Companies typically enforce pricing strategies based on their target consumers' characteristics. Concepts like first-degree price discrimination are directly correlated to consumer traits such as demographics, lifestyles, and behavioural patterns.

In this pricing strategy, retailers charge consumers the maximum price they are willing to pay for goods. This is often determined by the consumer's lifestyle, such as a high-class or lavish lifestyle, or demographic, such as low-income or high-income status. These traits allow retailers to set prices knowing the consumer will pay. An example of this is certain grocery stores changing the price of groceries based on location. More specifically, prices vary between higher- and lower-income neighbourhoods. For instance, the price of milk or eggs may be higher in wealthier neighbourhoods, knowing that residents have the money and are willing to pay that amount. The opposite can be said for lower-income neighbourhoods.

The article below details a study conducted by UC Berkeley and Stanford, which found that grocers in higher-income areas can increase their prices by 9% without losing any demand.

town, A. (n.d.). The case for charging rich and poor shoppers different prices. CNNMoney.

<https://money.cnn.com/2017/11/28/news/economy/grocery-store-prices-wealth/index.html>

A. Your Learning Objectives were consistent with the course materials

This discussion post directly connects to the contents of module 5. The following are the learning objectives from this module.

- Define and identify quantifiable performance objectives in the context of retail organizations.
- Connect the process of obtaining and planning for quantifiable performance objectives to your retail organization.
- Describe the difference between retail pricing and pricing for non-retail business purposes.

- Identify how retail pricing is interdependent and supports a competitive position if successfully tied to retail strategy and branding.

In this discussion post, I discuss how retailers use pricing strategies to maximize profits. I mention certain concepts, such as first-degree price discrimination, and explain how consumer characteristics, such as income level, lifestyle, and geographic location, influence these strategies. For example, I discussed how retailers may use demand-based pricing in richer neighbourhoods, where consumers are willing to pay higher prices for goods and services. This ties directly to the learning objectives from Module 5, specifically the connection between retail pricing strategies and competitive positioning in the market.

B. Explanation of how research was completed for the posting

- A) From Module 5, topics such as pricing policies and best practices, as well as demand-based pricing, were used as research for this post. I was able to research the different strategies that retailers may use in determining their prices. The concept of setting a price by demand was a large point made in my discussion, and how many retailers may fix prices based on the customer's willingness to pay. By understanding these strategies, I was able to make a connection between higher prices and wealthier neighbourhoods, where retailers recognized that consumers have a willingness to pay higher prices.
- B) From the textbook, I researched different pricing methods. The price adjustments section in Chapter 11 describes how retailers adjust their prices to achieve higher gross margins. In this section, first- and second-degree price discrimination were mentioned. I specifically mentioned first-degree price discrimination, as retailers

charge customers based on their willingness to pay. This helped with my analysis of how grocery store prices vary between different customer demographics and geographic locations.

- C) In this discussion post, I did not share any personal examples that I have faced. However, if I were to include one, I would reference my experiences visiting the Metro locations between downtown Toronto and Scarborough. I have found that the prices listed in downtown locations are slightly higher than those in Scarborough. This concept aligns with first-degree pricing and demand-based pricing. As people shopping downtown are often wealthier, neighbourhoods are often more expensive compared to those in Scarborough. Therefore, retailers may adjust these prices according to the perceived income levels of their shoppers in different locations. This personal example directly aligns with the concepts of price adjustments and demand-based pricing mentioned in the textbook and modules.
- D) I used an article from CNNMoney titled “The Case for Charging Rich and Poor Shoppers Different Prices,” which talked about research done by UC Berkeley about grocery prices between rich and poor neighbourhoods. Overall, there was a discrepancy in prices, as prices in grocery stores in wealthier neighbourhoods were higher than in poorer neighbourhoods, overall supporting the points made in my post.
- E) I responded to Michelle Seidenfeld-Katz as she also noticed the price discrepancy between different stores downtown. She provided a personal example of seeing these discrepancies in different downtown locations, supporting my points of

first-degree price discrimination and reinforcing my analysis of price differences in geographic location

C. Explanation of how you completed the posting

- A) Using the resources from the textbook, which described different pricing techniques, was the main concept that helped answer the discussion question. Specifically, the first degree price discrimination helped explain the differing retail prices between different wealth sectors. Additionally, the source from CNNMoney and the research done from UC Berkeley greatly assisted in strengthening my points.
- B) I responded to Michelle Seidenfeld-Katz post
- C) I completed the research and the discussion post on Tuesday

D. Answers lead to additional learning

This discussion post emphasized how retailers implement pricing strategies not only for higher sales but increased profit margins. It puts into perspective that the prices of products are not only due to the quality or the item, but the retailer's ability to charge that amount to a specific group of consumers. For example, the same product being sold at a different prices in different retail locations

Discussion Post 4 (Your Favourite Retailer):**Module 6 | Week 6 Jun 9, 2025****Question:**

Throughout Canada several of the provinces raised their minimum wage over the past 12 - 24 months and specifically in Ontario a plan is in place for future raises so that it happens annually. Again another one this October.

Of course, the pandemic changed this thinking around Long-term homes, early childhood caregivers and medical staffing etc and the thinking around pay.

Think out of the box, what impact has or will a min wage increase have on employees, companies, the economy and those looking for work?

This is not a political debate but a business impact discussion. You have to be able to discuss items like this respectfully and with data ... make your best effort.

Answer:

I recently visited IKEA and noticed their interesting store layout. This layout allows customers to traverse through their store while passing through all the different sections and furnishing options. IKEA facilitates this by adding arrows to the floors to guide traffic, with no obvious sign of exit until the end. As a result, this allows consumers to feel like they are on a journey during their shopping trip, experiencing a retail space rather than simply consuming it.

Layout: *This store layout is similar to the race track layout that was mentioned in this week's textbook chapters. IKEA controls the flow of traffic through a one-directional path, which drives users to all departments. Traditional aisles are often not seen, as most of the products are on display for customers to test, touch, and experience. IKEA's maze-like feel encourages consumer*

exploration and discovery, increasing the likelihood of impulse purchases. Additionally, the ready-made models entice customers into feeling like they are already living in the space and encourage emotional connections. Unlike conventional retailers that prioritize speed and efficiency for maximum profits, IKEA reaches this goal through immersion and storytelling.

My Experience: *From my visit, walking through IKEA truly felt like an immersive experience. As I was shopping, it did not feel as if I was in a store, but more like a design gallery with real-life home models. This drastically lengthened my time in the store as I walked through all the departments, visualizing and experiencing all of the different products. Other features I noticed were the calm and natural lighting, which made me feel comfortable, unlike many other stores with bright and harsh fluorescent lighting. I noticed that this store format reduces the efficiency that many other stores strive for using the grid layout or free-form layout, allowing for longer time spent dwelling and increased experiential value.*

Summary: *IKEA's race track layout encourages experience and immersion rather than efficiency and quickness, greatly enhancing the time spent in-store and increasing impulse purchases. This demonstrates how retail layouts and strategies can increase sales.*

Mukherjee, P. (2022, December 21). How IKEA has mastered Gruen effect. Medium.

<https://medium.com/design-bootcamp/how-ikea-has-mastered-gruen-effect-c51b0c3b6d80>

Analysis:**A. Your Learning Objectives were consistent with the course materials**

This discussion post connects to the contents of module 6. The following are the learning objectives from this module.

- Successfully analyze and execute the primary retail success model. Location, Location & Location.
- Design a store experience that connects key elements of retailing to ensure consumer engagement and the creation of a bond.

In my discussion post, I discuss the layout that my favourite retailer, IKEA, uses to increase in-store foot traffic. I mention how the racetrack store design maximizes product exposure for the customer and encourages purchases. I mention how this layout, combined with the in-store experience of product layout and lighting, engages customers in a comfortable experience and encourages immersion. Overall, this increases the time spent in the store, creates an emotional bond, and fosters more purchases. This analysis directly aligns with my understanding of store design for a consumer experience and aligns with the learning objective in this module as well.

B. Explanation of how research was completed for the posting

A) From Module 6, I used the information from the “Store Design and Layout” section for my research. I used the store layout information to analyze the design that IKEA uses. I applied the racetrack layout concept from this module,

mentioning how IKEA implemented it in stores to foster customer engagement and storytelling. This allowed them to increase store traffic, drive sales, and build store loyalty.

- B) From the textbook, I used the content from Chapter 6 for my research. I specifically referenced the sections about customer loyalty within the store design objectives, types of design within the store design elements, and creating an appealing store atmosphere for the customer. The research and context retrieved from this content helped me analyze IKEA and how they foster customer loyalty with their immersive and engaging store design, as well as using lighting, colours, and signage to foster a positive experience for the customer.
- C) I spoke about my personal experiences when visiting IKEA and reflected on how their effective store design encouraged me to visit all item categories within the store, spend more time browsing, and purchase more items. Additionally, I reflected on how I felt more connected to the products as they provided immersive item viewings for their products.
- D) I used an external article that spoke about how IKEA's layout is specifically designed to encourage more purchases and keep customers in their stores longer. They did this by implementing the Gruen Effect with the racetrack store design. This article reinforced my analysis of IKEA's store layout and consumer behaviour.
- E) I read Fahim Sharifi's post and how he analyzed the store layout of SportChek. I used this post to reflect on the differences in store layout between SportChek and my analysis of IKEA. I responded to his post and referenced that a more

immersive design would improve store foot traffic and, in turn, increase sales.

Overall, Fahim's post assisted in understanding the differences between strategies stores implement for their layouts and design.

C. Explanation of how you completed the posting

- A) To answer this discussion question, I used sources from my personal experience of visiting IKEA. This experience allowed me to provide my insight into the structure and design of the retail floor and how this affected my retail experience. Additionally, research about the different retail floor plans also assisted in providing the technical reasoning for IKEA's design in my post.
- B) I responded to Fahim Sharifi post
- C) I completed the research and the discussion post on Tuesday

D. Answers lead to additional learning

From this post, I learned how retailer strategically design their store to induce higher sales and increase foot traffic. I learned that most stores use layout as a tool to increase sales rather than operational necessity. This gave me insight into unique store designs I may see, for example, IKEA, where it is not just a design but a tool to increase sales and foot traffic.

Discussion Post 5 (*Rise in Minimum Wages in Canada*):

Module 7 | Week 7 Jun 17, 2025

Question:

Throughout Canada several of the provinces raised their minimum wage over the past 12 - 24 months and specifically in Ontario a plan is in place for future raises so that it happens annually. Again another one this October.

Of course, the pandemic changed this thinking around Long-term homes, early childhood caregivers and medical staffing etc and the thinking around pay.

Think out of the box, what impact has or will a min wage increase have on employees, companies, the economy and those looking for work?

This is not a political debate but a business impact discussion. You have to be able to discuss items like this respectfully and with data ... make your best effort.

Answer:

An increase in the minimum wage is associated with many advantages and disadvantages; many facets of the business are affected, such as labour costs, margins on goods, and hiring/recruitment.

Affects on Business: Oftentimes, an increase in minimum wage can cause a rippling effect on many businesses' operations. A small increase of \$1 per hour can lead to an extra \$1,820 per year for each employee. This does not account for any additional overhead that the employer has to take on, such as EI, vacation and CPP, which adds 10%-15% in extra cost, making a \$1 per hour increase (\$1,820) actually, \$1.10-1.15 (~\$2,000) per year for each employee.

This can be a financial burden on many businesses, especially small businesses. Where these wages cannot be afforded, leading to a reduced need for labour demands, and resulting in hiring freezes, layoffs, and reduced hours. Research from the Bank of Canada from 2017 revealed that scheduled increases in minimum wage can lead to 30,000-140,000 job losses, a significant decline in employment, although an increase in employment income.

Increasing the minimum wage can also lead to higher wages for more skilled employees. If entry-level wages are approaching wages for higher-skilled and experienced workers, businesses must increase wages across their organization, maintaining worker motivation and a relative hierarchy. Further increasing cost and reducing affordability for businesses.

To maintain profits, businesses then pass on these costs to the consumer in the form of higher prices for goods, leading to inflation and broader socioeconomic issues. As a result, the financial burden in many cases does not get reduced across the employment scale when the minimum wage is increased.

Agency, C. R. (2025, March 25). Government of Canada. EI premium rates and maximums – Calculate payroll deductions and contributions - Canada.ca.

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/employment-insurance-ei/ei-premium-rates-maximums.html>

Bankofcanada. (n.d.).

<https://www.bankofcanada.ca/wp-content/uploads/2017/12/san2017-26.pdf>

The ripple effect of Ontario's minimum-wage increase – Globe and Mail op-ed. C.D. Howe Institute. (2025, February 7).

<https://cdhowe.org/publication/ripple-effect-ontarios-minimum-wage-increase-globe-and-mail-op-ed/>

Analysis:

A. This discussion post connects to the contents of module 7. The following are the learning objectives from this module.

- Explain the link between HR Policies and Procedures and the overall retail strategy. The importance of staffing is critical for brand development/customer service and has a significant impact on profitability; this is a key section to understand for management.

In my discussion post, I discuss the effects of increasing the minimum wage on businesses and the major impact it has on business operations. I touch on the profitability point, as this change has a significant impact on business profitability and ties into HR policies and procedures, such as hiring practices, expense control, and employee demographic changes. Overall, this connects with the module's learning objectives of HR and their importance in retail strategies

B.

A) From Module 7, I used information from the HR challenges in retailing. The content is about the aspects that lead to high turnover. This content allowed me to understand the causes of high turnover and how raising the minimum wage can have a ripple effect in creating these causes. In my post, I emphasize the increase in costs that retailers incur during the increase in minimum wage. I talk about how raising the minimum wage may increase the pay scale across an organization,

forcing a higher emphasis on HR expense control, which could result in possible layoffs and higher turnover.

- B) From the textbook, I mainly used the content from Chapter 12 for my research for this discussion post. The section about compensation and motivating retail employees was useful as it helped analyze the effects of raising the minimum wage would have on highly skilled workers. As mentioned in my post, as the bottom of the pay scale rises, there is a need to increase wages above it to maintain worker motivation and incentivize their work. This section helped me understand this concept and utilize it in my discussion post.
- C) I did not reference any personal examples. If I did, I would reference my personal experience working as a part-time worker. During my tenure, I experienced a pay of \$17.50, just a little over the minimum wage in Canada. Although this was higher compared to the previous year, prices for consumer items also increased. This would connect and strengthen my post in that, although an increase in minimum wage would mean higher wages for entry-level positions, it would, as a result, lead to inflation as retailers would push the additional costs of wages onto the consumer, overall increasing the price of consumer items in stores.
- D) I used many articles and external resources to strengthen my points with statistics. Resources like the “Bank of Canada” gave insight into the EI and CPP payments employers make and the effects when minimum wage increases.

C. Explanation of how you completed the posting

- A) For this discussion question, I mainly used the external resources about EI and CPP from the Bank of Canada. Using these resources allowed me to show the effects of minimum wage on businesses with data to back it up. Some information from the textbook and modules was also used for foundational knowledge, but to accurately answer the question, the data from external sources was much more effective.
- B) I responded to Fahim Sharifi post
- C) I completed the research and the discussion post on Tuesday

D. Answers lead to additional learning

This discussion post gave me insight into the effects raising minimum wage can have, rippling results across an entire organization. It made me understand that rules and regulations implemented by government bodies can greatly affect organizations and have a domino effect on all members of society. For example, raising the minimum wage can lead to layoffs, higher costs on goods and homelessness.