

# **IBM – NALAYATHIRAN RETAIL STOCK INVENTORY ANALYTICS**

## **LITRETURE SURVEY**

# **A Literature Review of Retailing Sector and Business Retailing Types**

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### **ABSTRACT**

retail sector probably is the most important sector of economy because it has to do directly with consumer. It includes all stores, from kiosks and small groceries to supermarket chains and shopping malls that sell products and services to final consumer for personal and household use. The aim of this paper is to make an investigation of retail sector and its business type. To gather the data, second resources has been used. A deeply scanning of literature has been performed. According to the investigation, the retailing sector generally is organized in two main groups: the retailing within the store and retailing out of the store. Retailing within the store is classified according to different characteristics, but the most important types of classification are those based on the form of the ownership, merchandise and price. According to the ownership-based classification, the most important types are independent stores, chain stores, franchising and leased department stores. According to the merchandise-based classification the most important types of retailing are department stores, supermarkets, specialty stores, convenient stores, superstores and retailer services. According to the price-based classification, the most important types of retailing are discount stores, factory outlets, category killers, off-price stores, warehouse clubs and hypermarkets. According to the place-based classification the most important type of retailing are shopping centers. The most important types of retailing out of the store are direct selling, direct marketing and automatic vending machines selling.

### **Retailing Functions**

People often think that retailing is just selling goods at a store, while retailing at the same time includes the sale of services. For example, accommodation in a hotel, visit at a doctor, hair cutting, buying DVDs, VCDs or distributing a pizza at home are all retail services (Aydın et al.,

2013: 4).

Retailing can be differentiated in numerous manners from other business activities. It has following characteristics (Arora, 2012: 12):

☒ There is a direct end-user interaction in retailing.

It is the only point in the value chain to provide platform for promotions.

Sales at the retail level are generally in small unit sizes.

Location is a critical factor in retail business.

In most retail business, services are as important as core products.

There are a larger number of retail units compared to other members of the value chain.

Retailing performs various functions in our day to day life. Its main role is seen in the distribution channel of marketing. It serves producer, consumer and economy as a whole in a big way (Tiwari, 2009: 7).

A retailing or retailer's function is important for consumers and manufacturers and wholesalers. Retailers work as buying specialists (agents) for clients and sales agents for their suppliers: while fulfilling these roles, they perform various marketing activities such as meeting customer needs, creating product types, collecting market information, and granting customer's credit. These provide the consumer's connections with producers or wholesalers (Mucuk, 2009: 285).

The retail economic bases can be explained by four concepts of utility (Altunışık et al., 2012: 283; Aydın, 2013: 15-16; Perakendecilik Noktaları: 2016):

### **In Store Retailing**

The main purpose of retail stores is to provide profit by selling final consumer goods. In accomplishing this goal, retailers offer significant benefits to consumers (Altunışık et al., 2012: 282; MEGEP, 2008: 16). The retailer by providing the right product, in the right place and in the right time, realizes the sale and transfers the ownership and provides the place, time and ownership utility (Mucuk, 2009: 285-286).

### **Non Store Retailing**

Even why the most of the retail trade is done in stores, another part is done away from the store that this is called "non store retailing." Non store retailing gradually increasing has developed new varieties, which has accelerated the growth of this type of retail (Mucuk, 2009: 289)

## **Conclusion**

Retailing includes all activities associated in selling products and services to ultimate consumer for personal, family and household use. It makes the distribution of products from large volumes in small volumes. Retailing makes a connection between the producer and consumer, so it's not a mistake calling it a bridge that connects the producer with its consumers. People or businesses who deal with retail are called retailers and the retailer is a person or agent or agency or company or organization who or which is crucial in reaching the products or merchandise or services to the end consumer. Retailing is and old industry that has existed from the first people in the form of goods" exchanging

## **List of References**

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- Aydın K., (2013), "Perakende Yönetiminin Temelleri", Nobel Yayını, 4. Basım.
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## **Retailing research: Past, present, and future**

**Journal of Retailing**

**(2007)**

The field of retailing has experienced significant changes in recent years. In this article, we review articles published in Journal of Retailing over the 2002–2007 time span, classified into ten broad topic categories: price, promotion, brand/product, service, loyalty, consumer behavior, channel, organizational, Internet, and other. Some areas have received a reasonable amount of attention; others would be worthy of additional work. We summarize a key insight from each article in the Appendix. Finally, we highlight some key insights for each area and some avenues for further research, in the hope that this review spurs additional research into these and other areas of importance to both academicians and retail practitioners.

## **Integrated retail decisions with multiple selling periods and customer segments: Optimization and insights**

**A. Ghoniem *et al.***  
**Omega**  
**(2015)**

### **Highlights**

- Optimizing retail assortment, pricing, and inventory decisions with substitutable products.
- Linearization of base nonlinear MIP yields optimal solutions to large problem instances.
- Real data on Tuna in support of the deterministic maximum-surplus consumer choice model.
- Trade-offs due to seasonality in customer preferences, supply costs, and product cannibalization.
- Time variability of parameters results in higher inventory levels and wider assortments.

Integrating retail decisions on such aspects as assortment, pricing, and inventory greatly improves profitability. We examine a multi-period selling horizon where a retailer jointly optimizes assortment planning, pricing, and inventory decisions for a product line of substitutable products, in a market with multiple customer segments.

Focusing on fast-moving retail products, the problem is modeled as a mixed-integer nonlinear program where demand is driven by exogenous consumer reservation prices and endogenous assortment and pricing decisions. A mixed-integer linear reformulation is developed, which enables an exact solution to large problem instances (with up to a hundred products) in manageable times. Empirical evidence is provided in support of a classical deterministic maximum-surplus consumer choice model. Computational results and managerial insights are discussed. We find that the optimal assortment and pricing decisions do not exhibit a simple, intuitive structure that could be analytically characterized, which reflects the usefulness of optimization approaches to numerically identify attractive trade-offs for the decision-maker. We also observe that suboptimal inventory policies significantly decrease profitability, which highlights the importance of integrated decision-making. Finally, we find that the seasonality of consumer preferences and supply costs present an opportunity for boosting the profit via higher inventory levels and wider assortments.