

## D/ DETAILED OUTLINE

### I. Section 1: Introduction

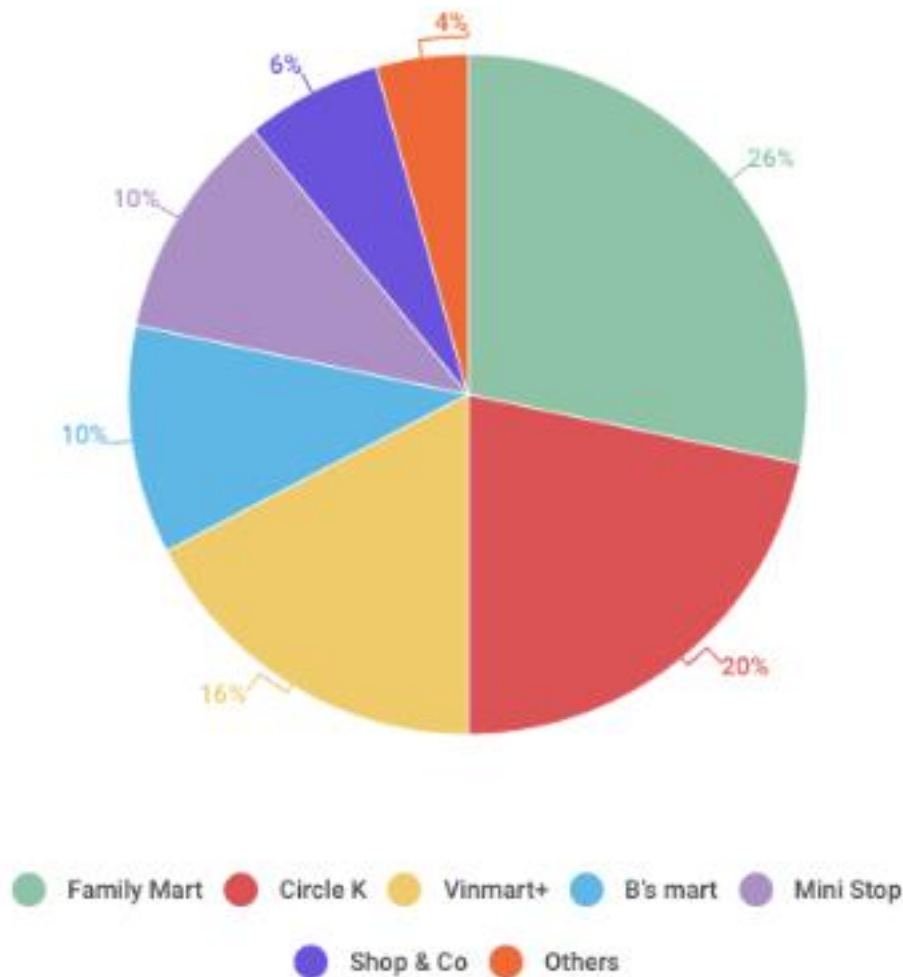
- Summarize the purpose of your report.
- Outline the methodology employed in your analysis and your key findings
- Brief introduction about the company and the industry.
- Discussion recaps key findings and connections to course concepts (2 sentences)
- Recommendations provide specific strategies based on analysis (2 sentences)
- Conclusion restates major points and takeaways (1-2 sentences)

#### Example: Circle K - Convenience Store Industry

- Report Purpose: This report analyzes Vietnamese consumer preferences and competition in convenience stores to provide recommendations for Circle K
- Methodology and Key findings:
  - Methodology:
    - Analyze consumer survey data
    - Apply Hotelling competition model
    - Provide recommendations for Circle K
  - Key Findings:
    - Convenience and location most important for consumers
    - Competition minimizes differentiation
    - Circle K should leverage scale to lower costs
    - Improve products, locations, promotions
- Brief introduction about the industry and company
  - Industry
    - Convenience stores growing at 15% annually in Vietnam due to urbanization
    - Industry valued at \$1 billion USD, forecast to reach \$2.5 billion by 2025
    - Stores located in high traffic areas for ease of access
    - 24/7 operations and quick service appeal to urban professionals and youth
  - Company
    - Circle K is an international convenience store chain with over 440 stores in Vietnam
    - Convenience stores offer a limited selection of staple food and daily necessities
    - Major competitors include VinMart, FamilyMart, B's Mart, and local chains

# Market share on Vietnam's convenience store market

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## II. Section 2: Analysis

### A: Consumers' preferences

#### 1. Factor Identification:

- Identify and describe the key factors influencing customer choice (e.g., price, quality, convenience, promotions, store environment, store layout).

**Example:**

Factors that affect buying behavior:

- **Technology**
  - Online payments and orders
- **Store layout**
  - Convenience store layouts are optimized for fast, efficient shopping through high visibility, clear signage and traffic flows, strategic product zoning, and placement. By guiding shoppers to key items quickly, differentiating zones and displays, and maximizing impulse areas, the layout enhances convenience and exploration, influencing customer purchasing behavior.
  - Physical environment: Music, Lighting, Staff's attitudes,... If these factors give consumers comfortable feelings, they would be likely to stay longer
- **Price**
  - Law of Demand: Price rises → demand decreases
- **Convenience**
  - Fundamental criteria: Parking slots, have a wide range of product types, etc
- **Quality:**
  - Product Quality: The availability of different product types, the quality of product (especially convenient food)
  - Employee's attitude: The staff's behaviors, attitudes and emotions affect the feeling and purchase satisfaction considerably
- **Location/Placement**
  - 75% of citizens intend to purchase near their neighborhood (Thao, 2020)
  - The time & distance from consumers' home to the stores affect their satisfaction
  - Easily-found places

## 2. Data Analysis:

- a. Results & Explanation
  - Create a table ranking the importance of factors
  - Stating the most and the least influential factors
  - Briefly explain the reasons why

**Example:**

Location and store layout aspects are the most important factors when consumer purchasing at a convenience store as these factors enhance the convenient, fill-in shopper mission of convenience stores.

Meanwhile, Quality and Technology rank 3rd place and Price affects consumers' purchasing decisions the least.

b. Gender & Age Differences

- State out the differences and briefly explain based on reliable sources and data

**Example:**

**Gender Differences:**

- Males value convenience and speed more highly
- Reasons:
  - Female: More easily influenced by reviews on a product than men, and technology could be considered as creating/sharing comments related to the product ((Dam 2020; Lim and Yazdanifard 2014)
  - Female & Men both take the price into a lot of consideration. However, men are more willing to pay a higher price for a better product, since they are quality-centric consumers, while women are seeking for discounts or vouchers, carefully comparing a product from different brands to make the utmost of their purchase, regardless of the amount of time spent (Prabhu, 2015)

**Age Differences:**

- Younger consumers care more about technology and self-checkout
- Reasons: Younger adoption of digital shopping habits

**B. Part B: Hotelling competition**

**1. Hotelling Competition in the Industry Context**

- What is the Hotelling model?
  - Analyzes competition between firms selling differentiated products
  - Firms choose locations along a line representing the product spectrum
  - Consumers shop at the closest firm considering transportation cost
  - Firms compete to attract indifferent consumers in the middle
  - Results in minimal differentiation in equilibrium
- General application to every industry and company
  - The model applies to companies selling differentiated products
  - Product differentiation spectrum can represent physical location, features, quality, etc.
  - Companies compete for customers based on differentiation and positioning
  - They choose positions balancing differentiation from rivals vs. broader appeal
  - Intense competition leads to crowding in the most appealing positions
  - Results in commoditization as firms minimize differences

### **Example: Application to Circle K**

- Convenience stores offer differentiated products and services. Circle K also focuses on high premium products → differentiation from other competitors)
- Locations along high-traffic roads/areas represent product variants
- Consumers consider the convenience of store location and offerings
- Circle K competes with other chains for market share ([Nguyen 2023](#))
- Chains located close together competing for indifferent consumers (Leads to similar offerings and locations between major chains)

## **2. Analysis**

### Step 1: Indifferent Consumer

- Derive equation equating prices and transport costs to find indifferent consumer location

### Step 2: Circle K Profit Function

- Derive profit as revenue minus costs:  $\Pi_K = (P_K - MC)Q_K$
- Assume constant MC, neglect fixed costs

### Step 3: Circle K Best Response

- Take FOC of profit function to find optimal  $Q_K$  given rivals' output
- Derive best response function:  $Q_K^* = f(Q_X)$

### Step 4: Rival Profit Function

- Derive similar profit function for rivals
- Assume different constant MC than Circle K

### Step 5: Rival Best Response

- Take FOC of rival profit to find optimal response
- Derive rival's best response function

### Step 6: Equilibrium Prices and Profits

- Set best responses equal to find mutual best responses
- Calculate equilibrium  $P$  and  $\Pi$

### Step 7: New Equilibrium with Lower Circle K MC

- Recalculate equilibria using new lower MC for Circle K
- Compare to see impact on prices and profits

## **Part C: Guest Lecture**

- Succinctly summarize lecture topics and key themes. Avoid trying to recap everything; instead, focus on the main points.
  - **Example:** The guest lecture covered emerging technologies in the retail industry. Key themes included automation, digital commerce, and personalized marketing.
- Connect the lecture content to core course concepts and theories. Explain how it reinforces, builds on, or contrasts with what you've learned.
  - **Example:**
    - Personalized promotions relate to consumer demand factors
    - Warehouse automation ties to firm cost functions

- Contrasted with neoclassical models on technology adoption
- Reflect on how the lecture impacted your current thinking and whether it introduced new ways of approaching issues.
- Discuss at least two relevant discussions from the guest lecture that can be applied to the assigned company. You should detailedly discuss how it can be applied and why it should be applied in your company scenario.
  - **Example:**
    - Leveraging loyalty member data to provide personalized promotions  
=> Could increase customer visits and basket size
    - Installing self-checkout lanes to reduce labor costs  
=> Improves efficiency but some customers may find frustrating

### Section 3: Discussion and Recommendation

#### 1. Discussion

- Briefly recap key findings from analysis sections
- Explain the importance of each analysis result and connect findings to your business performance

#### **Example:**

##### Part A - Consumer Factors

- Technology, store layout, and convenience are the most important factors that consumers consider
- Significance for customer targeting

#### 2. Recommendation

- You should apply the following structure
  - Recommendation details
  - Benefits
  - Risk Management
  - Implementation Roadmap

#### **Example:**

##### Recommendation 1: Expand Self-Checkout

- Recommendation details
- Customers scan and pay for items themselves using kiosks
- Reduces need for cashiers while maintaining checkout speed
- Benefits
  - Lower labor costs by reducing cashiers
  - Faster checkout can increase customer satisfaction

- Risk Management
- Ensure ample checkout options for non-tech savvy customers
- Provide staffed assistance for issues like age verification
- Implementation Roadmap
- Pilot 5 self-checkout kiosks in highest traffic stores
- Gauge customer feedback and resolve issues
- Expand to 15 more locations if successful
- Train staff on providing self-checkout assistance

#### **Section 4: Conclusion**

- Summarize Key Findings

Restate the most important findings and insights from the analysis and discussion sections. Only highlight key points.

- Emphasize Strategic Recommendations

Recap 2-3 top recommended strategies based on the analysis. Note how they would improve performance.

#### **D/ TIPS & TRICKS**

- Use charts and graphs to illustrate your points, making data more accessible to your audience.
- Ensure that your works are well-organized, concise, and thoroughly researched. Your arguments should be well-supported with credible sources and data. Additionally, maintain clarity and coherence in your report, making it easy for readers to follow your position and reasoning.
- Each section should naturally lead to the next, building a coherent argument for your position on the policy initiative. Additionally, make use of headings, bullet points, and visuals for readability and clarity.
- Plan your structure, edit rigorously, and stay focused on the assignment's main objectives to maximize efficiency.
- Use client brand colors and visuals for custom, professional look and especially when pitching to a client, can leave a positive impression.
- Use reputable sources like government data, industry research reports, and academic articles for analysis
- Check assumptions and logic behind economic models to ensure proper application. Few students managed to fail this step!