Retail Management

Session 1

Subhadip Roy

What are the two most important things that are changing the retail landscape?

Technology

Experience

Why technology?

Technology is changing

- The way needs develop
- The way we search
- The way we evaluate
- The way we buy
- The way we behave post purchase

Example

Why experience?

"The purpose of life is to live it, to taste experience to the utmost, to reach out eagerly without fear for newer and richer experience."
– Eleanor Roosevelt

Experiences........... Offline
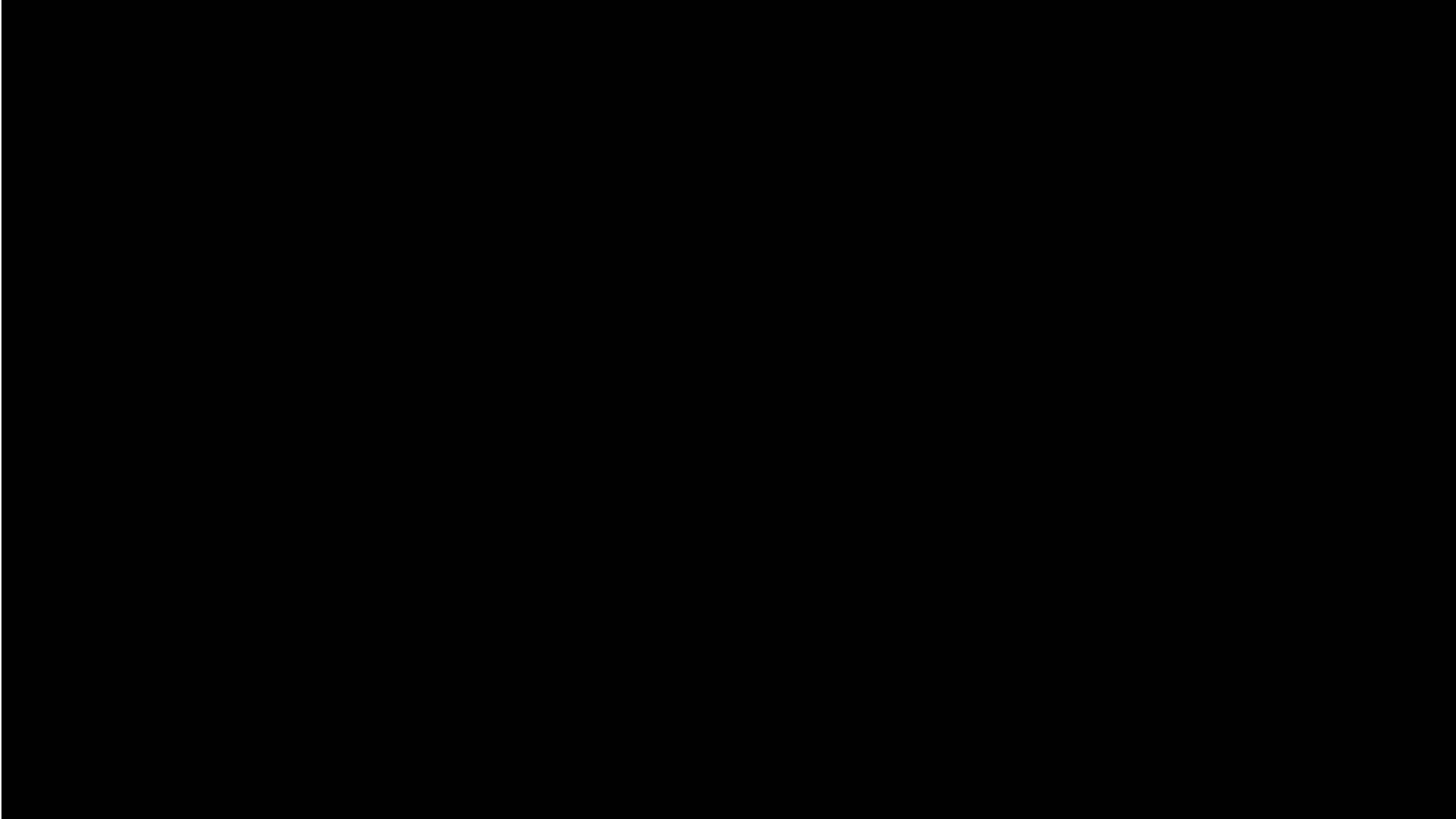
Experiences……….. Online

Experiences.......... Related

What is retailing?

Retailing encompasses the business activities involved in selling goods and services to consumers for their personal, family, or household use. It includes every sale to the final consumer.

THEY'RE TRYING TO COMPETE AGAINST AMAZON, SO THEY REPLACED THEIR SALES ASSOCIATES WITH DELIVERY DRONES.

SALE

TOM FISH BURNE

©marketoonist.com

What are the major roles of a retailer?

Best serve your customers while earning profit

Plan, act and implement strategies to stand out in a highly competitive environment

Grow your business, while retaining a core of loyal customers

How to achieve this?

I   Situation analysis — Organizational mission / Ownership and management alternatives / Goods/service category

II Objectives — Sales / Profit / Satisfaction of publics / Image

III Identification of consumers — Mass marketing / Concentrated marketing / Differentiated marketing

IV Overall strategy — Controllable variables / Uncontrollable variables

V   Specific activities — Daily and short-term operations / Responses to environment

VI Control — Evaluation / Adjustment

Feedback

Let's Set Up a Store

Based on the product/product assortment given to you, work in your group and let me know:

Your target audience

The store location: geography, building type, area type, etc.

The products that you would offer

A rough idea about the store design and layout

Choosing a Store Location

Step 1: Evaluate alternate geographic (trading) areas in terms of residents and existing retailers

Step 2: Determine whether to locate as an isolated store or in a planned shopping center

Step 3: Select the location type

Step 4: Analyze alternate sites contained in the specific retail location type
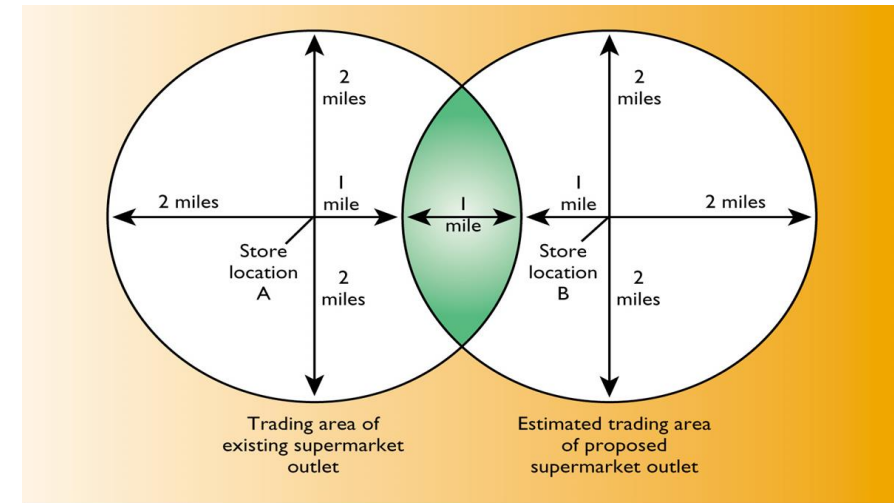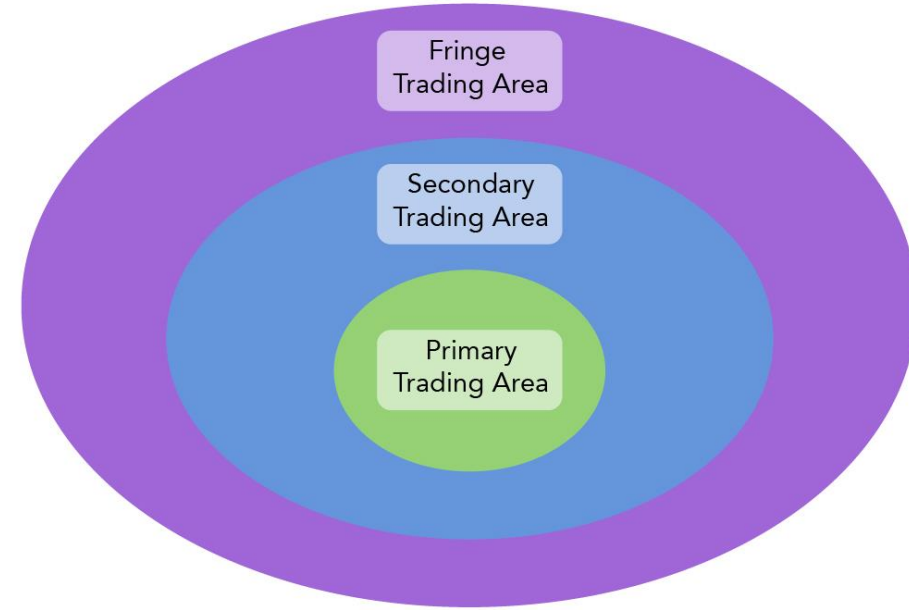
Business Districts

Store Design

The primary objective of store design is implementing the retailer's strategy

Meets needs of target market
Builds a sustainable competitive advantage
Displays the store's image

C. Borland/PhotoLink/Getty Images

(c) Brand X Pictures/PunchStock

Impact on Customer Behavior

Attract customers to store

Enable them to easily locate merchandise

Keep them in the store for a long time

Motivate them to make unplanned purchases

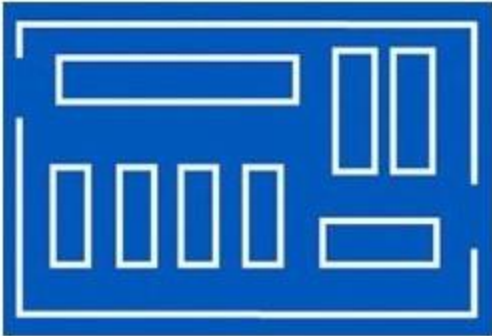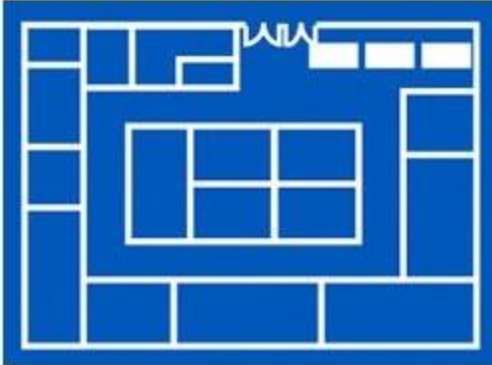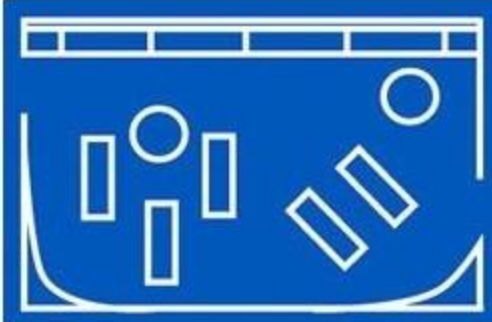Provide them with a satisfying shopping experience

Types of Store Layouts

Retail Floor Plan	Best For	Example Store Layout
Grid Floor Plans are commonly used in grocery, big box, and convenience stores. Also known as straight layout.	Small retailers who carry large inventories of shelf-stocked goods such as books and magazines, toys, specialty foods, hardware, cards and small gifts, kitchenwares, and homewares	
Loop Floor Plans maximize wall display space and expose customers to all products along a set pathway. Also known as a racetrack layout.	Apparel, accessories, toy, homewares, kitchenwares, personal care, and specialty retail stores	
Free Flow Floor Plans allow the most creativity and are used in many small upscale, specialty, and boutique settings.	Upscale apparel, accessory, personal care, specialty brand, and mixed use businesses like bakeries and delis that also sell packaged goods	

Aldi Grid Layout

Loop Layout

Free Form Layout…store?

Usage of Signage and Graphics

Locational – identifies location of merchandise and guides customers

Category – identifies types of products and located near the goods

Promotional – relates to specific offers – sometimes in windows

Point of sale – near merchandise with prices and product information

Lifestyle images – creates moods that encourage customers to shop

Merchandize Management

Activities involved in acquiring particular goods and/or services and making them available at the places, times, and prices and in the quantity that enable a retailer to reach its goals.

Advantages	Disadvantages
Wide and Deep (many goods/service categories and a large assortment in each category)	
Broad market	High inventory investment
Full selection of items	General image
High level of customer traffic	Many items with low turnover
Customer loyalty	Some obsolete merchandise
One-stop shopping	
No disappointed customers	
Wide and Shallow (many goods/service categories and a limited assortment in each category)	
Broad market	Low variety within product lines
High level of customer traffic	Some disappointed customers
Emphasis on convenience customers	Weak image
Less costly than wide and deep	Many items with low turnover
One-stop shopping	Reduced customer loyalty
Narrow and Deep (few goods/service categories and a large assortment in each category)	
Specialist image	Too much emphasis on one category
Good customer choice in category(ies)	No one-stop shopping
Specialized personnel	More susceptible to trends/cycles
Customer loyalty	Greater effort needed to enlarge the size of the trading area
No disappointed customers	Little (no) scrambled merchandising
Less costly than wide and deep	
Narrow and Shallow (few goods/service categories and a limited assortment in each category)	
Aimed at convenience customers	Little width and depth
Least costly	No one-stop shopping
High turnover of items	Some disappointed customers
	Weak image
	Limited customer loyalty
	Small trading area
	Little (no) scrambled merchandising

Technology……again???
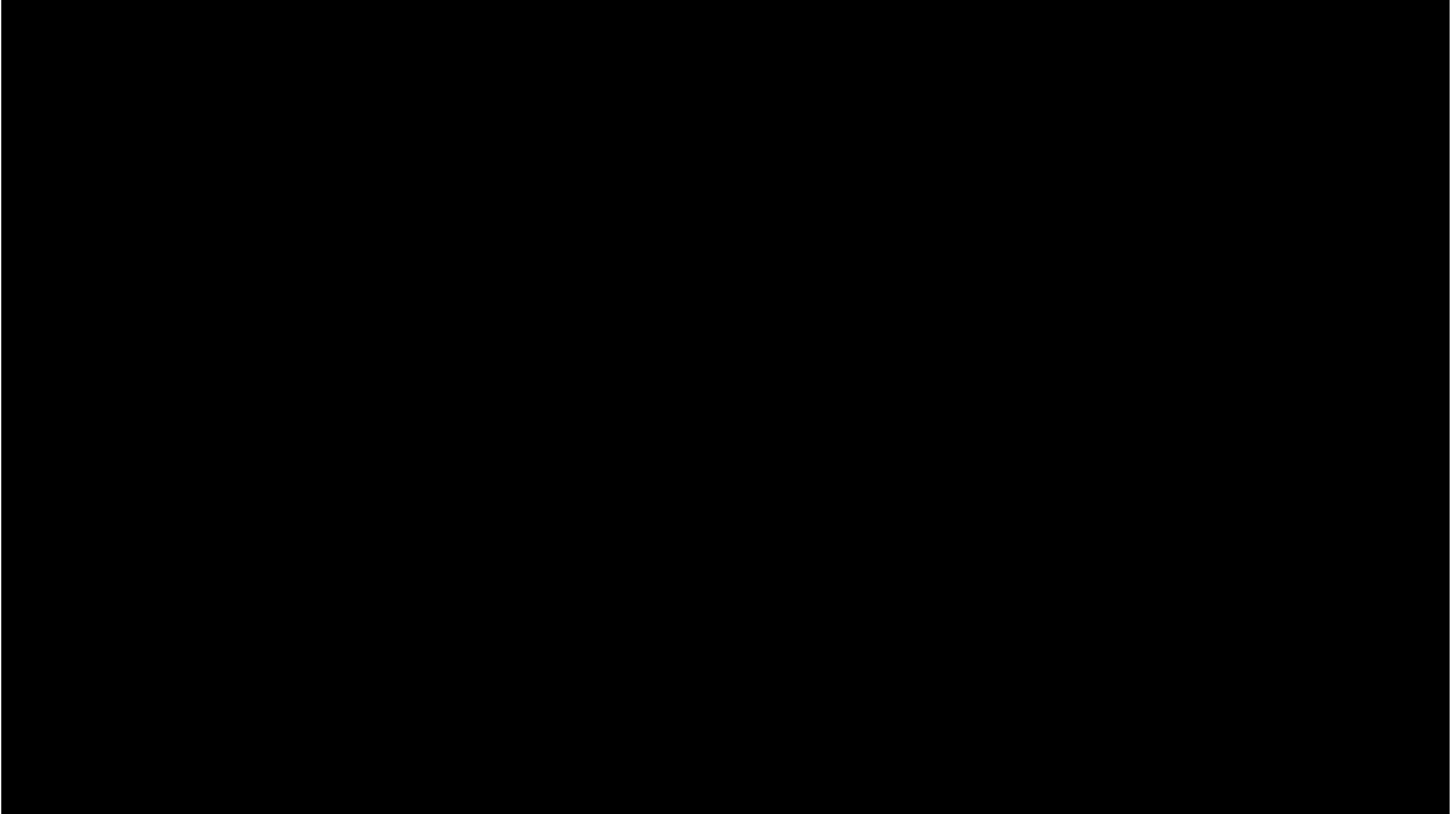
Visual Merchandizing

Elements of Visual Merchandising

Color Is The King

Use color to catch the eyes of your customers and draw them to your displays

Always check your displays to ensure customers can easily view the hotspots and merchandise

Create a Focal Point

Expose Customers to the Maximum Amount of Merchandise

Use Empty Space Wisely

What Our Customers Have to Say About Us

— John

Use empty space for signage providing customer testimonials with the customer's details

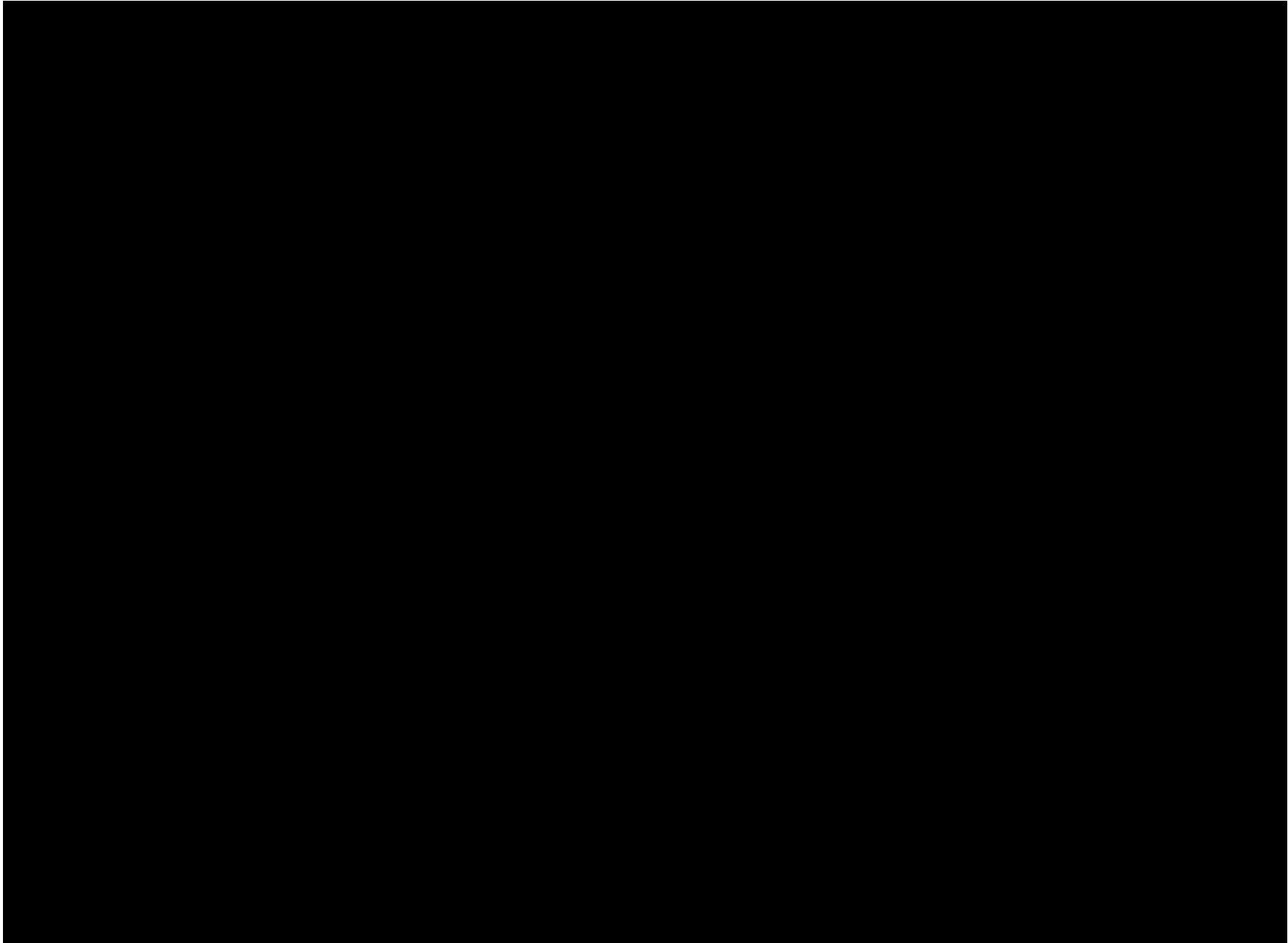Use powerful, sales-enabling signage to display the advantages of buying the product

New Fall Collection

Tell a Story

A well-designed, impactful display exposes the customer to as much merchandise as possible while avoiding a sloppy mess

VM at Home Depot
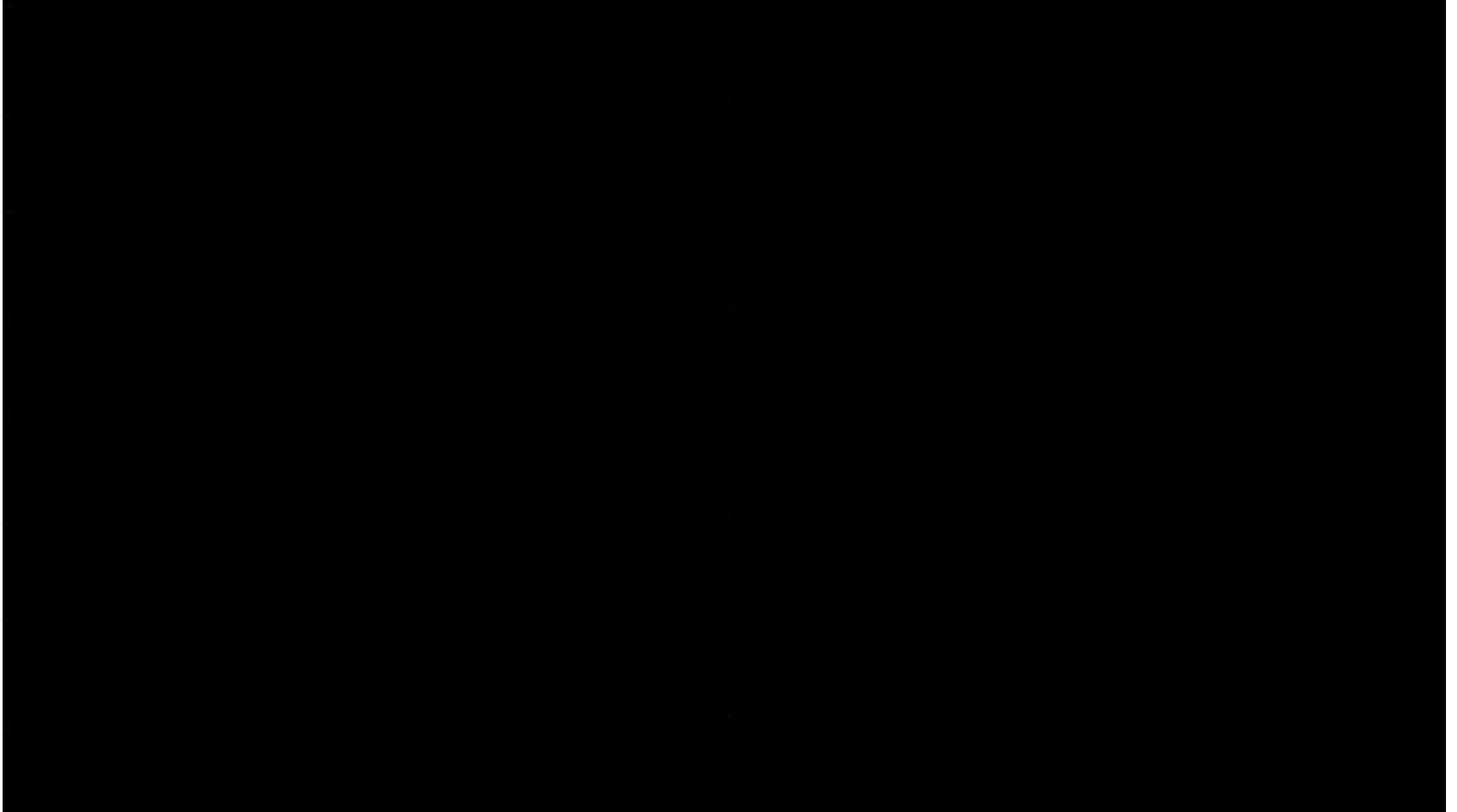
The Bookstores

Thank you

Have a nice weekend......

Err... whatever is left of it