Module - I

1) What is Retail Management and explain the charecters.

Retail Management : it is the process which help the customers to procure the desired merchandise from the retail store for thier end use.

In simple it is the activity of managing stores that sell goods to the public.

Charecteristics of Retailing

Retailing can be distinguished in various ways from other business activities such as manufactur-ing. it differes from manufacturing in the following ways

* There is a direct end-user interaction in retailing.
* it is the only pt. in the value chain to provide a platform for promotions.
* sales at the retail level are generally in small unit size
* location is a critical factor in retail business.
* in most retail businesses, services are as important as core products.
* There are larger no. of retail units compared to other members of the value chain. this occurs primarily to meet the requirments of geographical coverage & population density.

2) Explain types of retail formates.

Types of Retail formates

- Store based
  - product mix
  - price
- Non-store based
- Service retail

The primary basis of classification of Retail formats is
i) Store based formates.
ii) Non-store based.
iii) Service retail.

i) Store based Retail formates :

The store based formates are the ones that primary operate from a physical brick-and-mortar environment. They can further be classified on the basis of
* the product mix that they offer or
* the price of the products sold by them

Stores classified on the basis of the product mix that they offer.

a) classification on the basis of the product mix offered :
- convenience store.
- supermarkets.
- Hypermarket.
- speciality stores.
- Category killers.
- Department stores.

b) classification on the basis of the price of the merchan-dise offered to the end customer.

- Off price retailers.
- discount department stores.
- outlet stores.
- warehouse clubs
- super warehouse store.
- limited assortment store
- supercenter.
- wholesale club.
- Dollar stores.

ii) Non-store Retail formates.

- Some of the prominent formates in non-store-sector are below

a) catalogue showrooms
b) Direct selling.
c) Direct marketing
- mail order
- Electronic shopping
- Television shopping
- Automated vending.

d) Airport Retailing

iii) Service Retail :

Retailers of service have classified on the basis of following parameters

* The degree of intangibility.
* The recipient of the service.
* The manner in which the service is delivered.

3) Explain the role of retailing.

Retail trade perform many valuable roles (func for the trade & commerce as a whole. Some of them are as follows.

i) Delivery of the goods to the end customer:

This makes shopping for all requirements quite hassle-free for the consumers.

ii) Is an essential part of the distribution chain.

bcz. the retailer takes over the cumbersome task of distribution of goods manufactured to the market

iii) finances the wholesaler: while booking his order of goods with the wholesaler, the retailer pass some % or the whole of the order in advance.

iv) Stores the goods acc. to market requirement:

the retailer invests his working capital in building a gamut of inventory reflecting market reqrs.

v) lends a hand in manufacturers marketing initiative.

Retailer plans & executes many advertising & promotion activities at the pt. of purchase i.e right in his store.

vi) Assumes storage & credit risks.

vii) Extends credit facilities to the consumers & assumes credit risk.

viii) Offers wide variety of customers & enticing price range in product line.

ix) provides convenience in shopping.

x) hears the voice of the market.

xi) Generating employment for masses.

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Explain FDI in retailing.

Foreign Direct Investment (FDI) in retail industry means that foreign companies in certain categories can sell products through their own retail shop in the country. At present FDI in pure retailing is not permitted under indian law. Govt of India has allowed FDI in retail of specific brand of products.

The Govt. of India was initially very apprehensive of the introduction of the FDI in the retail sector in india. The unorganized retail sector as has been mentioned other occupies 98% of the retail sector & the 2% is contributed by the organized sector.

→ The unorganized retail sector contributes about 14% to the GDP & absorbs about 7% of our labour force. hence the issue of displacement of labour consequent to FDI is of primal importance.

→ most striking developments in the last 2 decades has been in the FDI in the global economic landscape. FDI provides a win-win situation both to the host as well as home country. The rapid expansion in the FDI by multi-national enterprises since the mid-eighties may be attributed to significant changes in technologies greater liberalization of trade & investment regime, deregulation & privatization of markets in many countries including India.

→ initially FDI was not allowed in India in the retail sector bcz. of the fear of the job losses, procurement from international market, competition & loss of entrepreneurial opportunities. however the govt of later opened up the retail sector for FDI or FDI in retail sector was allowed.

→ FDI in multi-brand retailing is prohibited in india.

Advantages of FDI

* Growth in economy
* Job opportunities.
* Benefits to farmers.
* benefits to consumers. etc

Disadvantages of FDI

* Acc to the non-govt cell, FDI will drain out the country's share of revenue to foreign countries which may cause -ve impact on india's overall economy.
* The domestic organized retail sector might not be competitive enough to tackle international players & might lose its market share
* many of the small business owners & workers from other functional areas may lose their jobs:

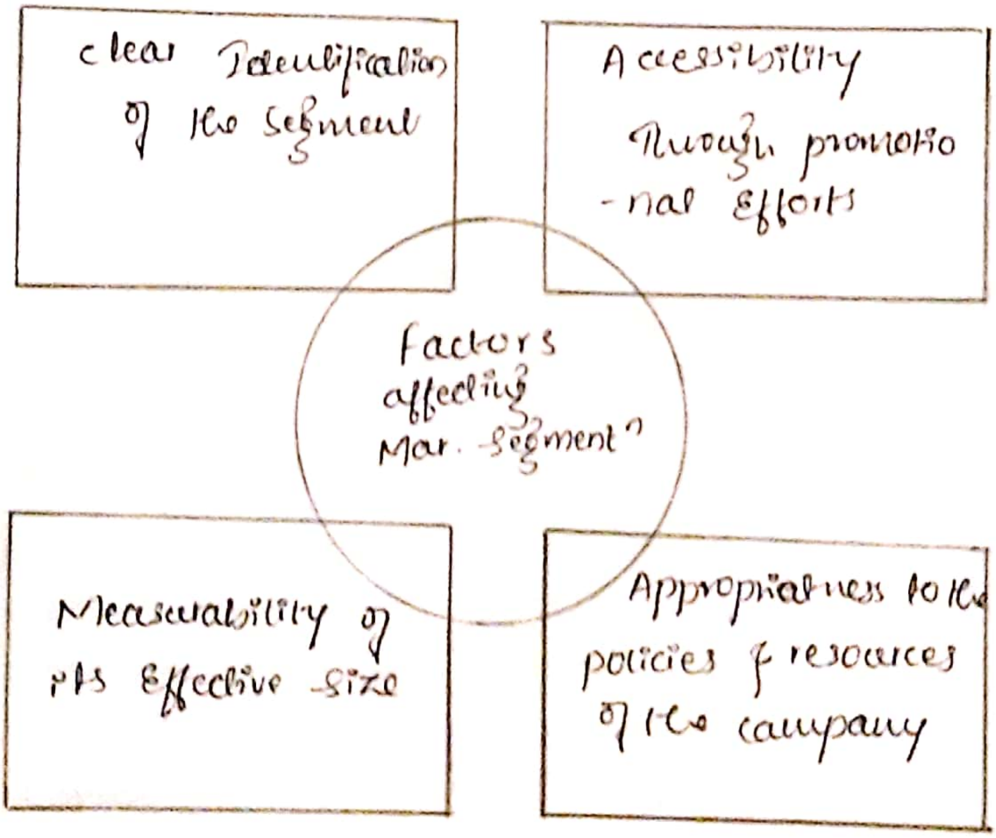
Modul - 2

1) What is Retail Market Segmentation. explain factors affecting market segmentation.

Market segmentation is the process of dividing the heterogeneous total market into small groups of customers who shares a similar set of wants, needs. each of these small groups possess some what homogeneous characters.

Also it is the process of defining & sub dividing a large homogeneous market into clearly identifiable segments having similar needs wants or demand characteristics.

<u>Factors affecting market segmentation</u>



2) What is Advertisement ? Explain its advantages.

Advertising refers to the supply of information about the products in order to acquaint the consumers with the merits of the products.

It also defined as 'selling in print'. or presenting a commodity in print to the the people in such a way that they may be induced to buy it.

- sometimes its called as 'printed salesman'.

Advantages of Advertisement

Advertising is beneficial to

* manufacturers
* middlemen
* consumers
* & the community as a whole

i) Advantages to Manufacturer

* it creates a new market for the products of the manufacturer & increases the sales.
* it enables him to maintain a steady demand for his products by avoiding seasonal fluctuations.
* it secures quick turnover & results in lower inventories in relation to sales.
* it enable him to drive the economies of large-scale operation & reduce the cost of prodn. per unit.

ii) Advantages to Retailers

* helps the retailers to secure more business.
* it reduces their sales efforts
* it furnishes product information to the retailer
* it increases retailer turnover.
* it builds prestige for his shope.

iii) Advantages to consumes

* helps consumers in making their purchases with utmost ease & confidence.
* it helps consumers to get quality goods.
* it increases the consumer surplus · bcz it ↑ the utility of the products for many people.

5) Explain factors affecting pricing.

Factors that affec pricing

i) Internal factors

a) Cost :- while fixing the prices of a product, the firm should consider the cost involved in producing the product. This cost includes both the variable & fixed costs.

b) The predetermined objectives :- while fixing the prices of product the marketer should consider the objective of the firms.

c) Image of the firm :- the price of product also be determined on basis of the image of firm in the market.

d) product life cycle e) credit period offered.

f) promotional activity.

ii) External factors :

a) competition :- while fixing the price of product, the firm needs to study the degree of competition in the market. if there is high competition, the prices may be kept low to effectively face competition.

b) consumers :- the market should consider various consumer factors while fixing the price. it includes price sensitivity of buyer, purchasing power & so on.

c) Govt control :- Govt. rules must be considered while fixing the prices.

d) Economic condition :- marketer also consider the economic condition prevailing in the market while fixing the prices.

e) channel intermediaries.

1) What is sales promotion. Explain diff sales promotion tools.

Sales promotion: It forms all the promoting activities other than personal selling, advertising, direct selling & public relations.

It also covers non personal & non media activities like free samples, coupons, rebates, discounts.

Different sales promotion tools

i) Consumer promotion tools
ii) Dealers / middlemen promotion tools (Trade p.T)

i) Consumer promotion tools:

The marketers need to choose the right sales promotion tool to reach its audience. major promotion tools directed towards consumers-

a) free samples
b) Exchanges.
c) Sales promotion letters.
d) coupons.
e) cash refund offers
f) pt. of purchase displays
g) Demonstrations.
h) Gifts / premium.
i) Frequency program.
j) free trails.
k) contests, games, prizes.
l) product warranties & guarantee

ii) Trade promotion tools (middlemen p.T)

The manufacturers need co-operation of the middlemen for sale of its products. below are the major trade promotion tools.

a) Attractive terms of sale :- take back offers, business on credit facility, price discount etc.

b) Dealer contests :- Dealer with max. sales or window display are rewarded.

c) Services to dealers : many r. help in designing & arrange ment of goods in the store etc.