Unit II







Situation analysis

- Organisational mission
- Ownership and management alternatives
- Goods/ service category
- Personal abilities
- Financial resources
- Time demands

- Objectives behind situational analysis
 - Sales
 - Profit
 - Satisfaction of public
 - Image (positioning)

Classification of retailers on the basis of Ownership Structure - I

- Independent single store ownership structure
 - Flexibility in choosing retail formats and locations.
 - High numbers
 - Low capital base
 - Higher flexibility
 - Low volume business

Classification of retailers on the basis of Ownership Structure - II

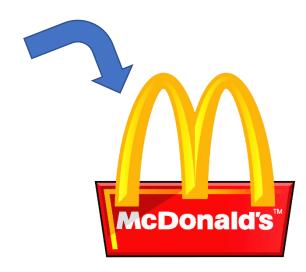
- Corporate chain store
 - Multi store under common ownership.
 - Same products and assortments across different stores.
 - Practices are standardize.
 - Centralized purchasing policy.



Classification of retailers on the basis of Ownership Structure - III

- Franchising
 - Franchisee owned and franchisee operated
 - Franchisee owned and company operated
 - Benefits from experience of others
 - Participation in training programs
 - Marketing support
 - Satisfaction of owning a business venture





Classification of retailers on the basis of Ownership Structure – IV

- Leased store/ departments [Shop-in-Shop]
 - One stop shopping experience.
 - Complimentary goods or assortments
 - Shared expenses (Cost efficient)



Classification of retailers on the basis of Ownership Structure – V

- Consumer cooperatives
 - Competitive price with reasonable quality
 - Gratifying shopping experience
 - Benefits of sales promotion scheme and gifts



Classification of retailers on the basis of Brand Availability

MBO (Multi Brand Outlets)

- Variety is hallmark of MBOs
- MBOs are difficult to manage
- Investment to setup store is low
- Only specific products of a brand are displayed

EBO (Exclusive Brand Outlet)

- Exclusivity is the main theme
- EBOs are easy to manage
- High Investment required to create ambiance
- The entire range of brand manufacturer is displayed

Wheel of Retailing - I

High-end strategy High prices · Excellent facilities and services Upscale consumers Medium strategy Moderate prices Improved facilities · Broader base of value- and serviceconscious consumers Low-end strategy Low prices · Limited facilities and services · Price-sensitive consumers

Source: http://www.yorku. ca/lripley/imUcha nnels.htm

Wheel of Retailing - II

·Outlet has · Outlet now maintains . HIGH PRICE EVEN HIGHER PRICE HIGH MARGIN EVEN HIGHER MARGIN HIGH REPUTATION HIGHLY REPUTED quad quad quad quad When a new · LOW PRICE competitor enters the LOW MARGINS market it has the LOW REPUTATION same charecterstics as box 1

Source:

http://www.mbaskool.com/busi ness-concepts/marketing-andstrategy-terms/2823-wheel-ofretailing-concept.html