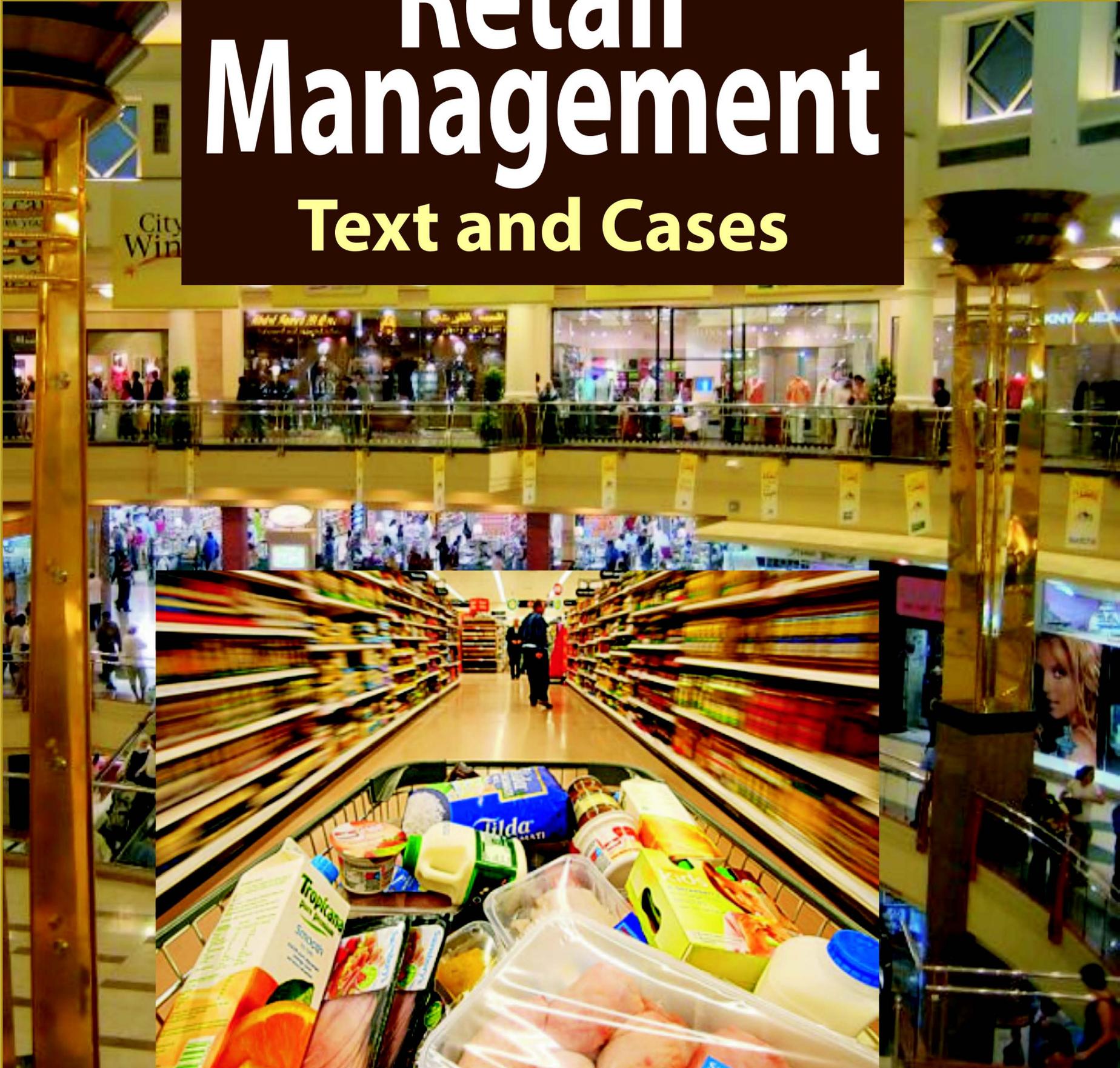


Retail Management

Text and Cases



U.C. Mathur



Retail Management

TEXT AND CASES

U.C. Mathur

Director MDP

Integrated Academy of Management and Technology
Ghaziabad



I.K. International Publishing House Pvt. Ltd.

NEW DELHI • BANGALORE

Published by

I.K. International Publishing House Pvt. Ltd.
S-25, Green Park Extension
Uphaar Cinema Market
New Delhi-110 016 (India)
E-mail : info@ikinternational.com

ISBN 978-93-80578-66-8

© 2010 I.K. International Publishing House Pvt. Ltd.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or any means: electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission from the publisher.

Published by Krishan Makhijani for I.K. International Publishing House Pvt. Ltd., S-25, Green Park Extension, Uphaar Cinema Market, New Delhi-110 016 and Printed by Rekha Printers Pvt. Ltd., Okhla Industrial Area, Phase II, New Delhi-110 020.

*Dedicated to
Bina my best friend and wife with love*

Retail is undergoing metamorphosis in the 21st century the world over. The Indian scene is fast catching up with the world in creating a hugely diversified retail with variants that were unthinkable even a decade back. The retail outlets are getting the much needed customer orientation, are getting customized to catch the buyers of the dedicated market segment. The web has become creative and totally interactive. Innovation, superior service and product quality are the retail breadwinners of today.

–U. C. Mathur

Preface

In India and perhaps in the entire world, at least the next decade is going to belong to the Retail Management. With steady growth of surplus funds with middle and upper-class people, the habit of going out for making purchases has become a regular pastime with the market segment belonging to the Consumer Group. Some enterprising businesspersons have anticipated the retail boom and opened their retail outlets pre-empting the increasing demand for such stores.

To be successful the retailers need to learn the areas, among others, that are of great significance for their business in the present scenario as given below:

1. Buying behaviour, customer and market focus
2. Brand selection, staying flexible and responsive to market needs
3. Mean Time Between Purchase(MTBP)—depends on products, package sizes and economic level of the customers of the target market segment
4. Need to hold on to valuable professionals at all levels
5. Optimizing use of time

As the competition is intensifying information about customers' needs, competitor's capabilities, and the strengths of company's products and brand and services are essential and critical to retail company's success.

Market information takes a route to reach the decision-makers. It starts from the field salesperson's level and through the hierarchy goes to the top with unnecessary filters diluting the same. At times the relevant information does not reach the decision-makers as the field salespersons have rare access to the top management. It appears that the hierarchy is meant only to prevent the information flow to the top. The filters along the route create waste paper baskets to dump the information without realizing the importance it might have for the top decision-makers.

The best way, therefore is to make people at each level responsible for making strategy as then the companies can get out of the top management myopic syndrome where everything gets tuned and fine-tuned by them.

Flexibility of operations would provide sustainable competitive advantage to the retail outlets. With it the company can take full advantage of the market information gathered by the field salespersons. Since the strategic implementation has to be carried out at each level, its formulation at each level would make the field force participant in strategic formulation and its implementation. The workforce becomes more knowledgeable, loyal and committed to the company's goals.

Retailers have to realize that their major asset is the intellectual capital in the form of the valuable personnel. The new generation of knowledge workers want more control of their work lives and more say in company's operational plans. The knowledge workers are going to help build the company's competitive advantage and therefore must be cherished and motivated whenever possible.

Competitive advantage comes from dedicated approach to time management as with local field persons take crucial decisions on customer complaints, promotion plans without the approval of the top management the time factor helps in gaining customer approval and brand acceptance creating customer loyalty in the shortest possible time.

Townfolks have been depending on the neighbourhood retailers for the daily needs. In the last five years, the entire retail business has undergone major metamorphosis with these retail shops facing competition from super marts, shopping malls which have sprung up like mushrooms in metro cities and they are seeping into the small towns with gusto and audacious thrust as they look at the proven success of such businesses in the metro cities. Some enterprising businesspersons have gone deep into the buyer psychology to provide the right ambience for a family outing rather than just a solo purchase mission. The next step for start of mega malls appears to be a natural corollary in the rural or semi-urban markets.

Middle-class Indians have been enjoying shopping expeditions for generations. Today, they plan outings not just for shopping but also for a movie and a meal with the family. The shopping malls/complexes have been designed to cater to these expeditions as the malls attract the customer through sheer magnitude of the visit experience. Retail management is going to get a boost in the business with international players joining hands with Indian counterparts to establish retail businesses here. These new business deals would bring about dramatic and yet more customer-friendly changes in the retail trade.

Some of the more important aspects of retail business are given below:

1. Purchasing: A good stock of saleable merchandise is a big plus factor for the retailers as it ensures that the customers will rarely go disappointed, without making purchases.
2. Merchandising and visual merchandising: The products need to be purchased correctly and to be on proper display to attract attention of the buyers who are, in many cases going to make impulse purchases of items they may not be needing at the time. Special offers, promotional programmes add that extra purchase incentive to the buyers.
3. Children's corner including a crèche: The retailers have realized the importance of making shopping not only a comfortable task but also make it a delightful experience. Family with small children finds a well laid out crèche an ideal place to keep their children for their safety and well-being as it goes shop hunting.
4. Movie halls: Going to movies is a regular pastime of the shoppers and when the well-groomed movie halls are located in the malls, it becomes an easy task to give in to the temptation to see a movie.

5. Food plazas and eateries: Families, couples, people going on dates find the eating joints exclusive, of high standard and yet within their budget. At times couples just sit and chat in the air-conditioned ambience of the malls without having to spend a rupee. As these couples become familiar with the malls they select these malls for shopping as well.
6. Live music, dance shows on special occasions: The malls organize such shows that attract large crowds and then it is left to the different shopkeepers to entice them into buying their wares.
7. Gaming stalls hold special attraction for the young at heart who love spending time and money there.
8. Festival programmes: Special interior decorations, promotion programmes and live performances are the highlights of malls celebrating Christmas, Deepawali, Durga Pooja, Eid and the like.
9. Discount stores: Such shops thrive on volume business as they offer low price of standard products, including exchange offers. They keep a limited variety of goods and have an eye on budget buyers, who accept even slightly odd products for low prices.
10. Easy travel, car parking, valet parking: These add to customer's comfort and are good for the entire shopping mall.
11. Point of purchase (PoP) advertising: The PoP advertising in such malls is designed to focus the customer's eyes on the products on display.
12. Interior decorations: Attractive interiors help in getting the customers inside the shops who otherwise were doing window-shopping only. Once inside the shop salespersons use all their expertise to sell at least something to the visitor.
13. Window displays: These form part of interiors of shops and create an urge to step in at least to have a better view of the window displays.
14. Banners and signage: These form the guide-factors for leading the buyers without actually pushing them.
15. Ingress and egress: Ease of entry and exit are essential elements of success of any retail outlet.

The book *inter alia*, covers these important aspects of retail business.

Certain products like medicines, automobiles, petrol, tyres and confectionary are sold through retail stores that are exclusively devoted to these products. India has witnessed in the last sixty years or more two major companies having their "company owned" retail outlets, Usha and Bata. Usha started retailing its own fans and sewing machines in their exclusive retail shops. Bata too put up a large number of shoe outlets all over the country for sale of their shoes. It was only after decades of having near monopoly situation in their product range that only in the last twenty years or so these companies thought of diversifying into related products. Usha started selling a large range of consumer durables, by making them or by just buying and selling to make optimum use of their prime location shops. Bata too has a range of personal wear materials like T-shirts, cardigans, tracksuits and their sales have strong

synergy with sale of shoes. These companies realised that their shops all over were gold mines with a regular customer group coming to buy their main products.

Bata and Usha are classical examples of planning long-term customer brand recall, getting improved brand equity through standard merchandising practices. The shop outer looks; their façade and their interiors have been designed with such expertise and precision that the brand identity becomes obviously clear once one or more signs appear before the customers. The exteriors and interiors of shops are full of such signage. These companies have started selling other brands including international ones but their main focus remains on their own brands.

Retail management has become a multifaceted discipline with a large variety of products being retailed and a host of retail channels available for doing the same. The book attempts to converge on the basic nuances that integrate these disciplines as the student learns the retail business with live wire real-life examples and interactive sessions as well as selected corporate case studies. A class tested management game has been included in the book that starts from the end of the first chapter and runs through the entire book. The game is expected to motivate the students in learning the finer nuances of retail management through practical sessions.

I wish to place on record my thanks and gratitude to the publisher and to Ms. Punam Dayal, Mr. Sanjoy Mathur and Mr. Pankaj Mathur.

U. C. Mathur

Contents

<i>Preface</i>	<i>v</i>
1. Introduction	1
Aims and Outcome	1
Retail Ethics	5
Retail Manpower Planning	5
Service and Sales Positions	6
Store Management	6
Marketing and Advertising	7
Supply Chain Management, Logistics and Distribution	7
Purchase Planning	7
E-Commerce and IT	7
Financial and Accounting	7
Prevention of Losses	8
HRM	8
Entrepreneurship	8
An Overview of the Retailing Business	9
Retailer and E-tailing	11
Retail Power	15
Customer Behaviour	17
Role of Strategic Planning in Retailing	20
Situation Analysis	21
Five-Force Model	21
New Entrants	21
Substitute Products	22
Suppliers	22
Buyers	22
Competitors	22
Competitive Strategies	22
Evaluation of Strategic Opportunities	23
Alternative Retailing Strategies	23
Boston Consultancy Group	23
GE Model	26
Retail Positioning	28
The Retail Mix	28
Plan Implementation and Control	29
Emergent Strategy versus Planned Strategy	30

Retail Management



Publisher : **IK International**

ISBN : **9789380578668**

Author : **U C Mathur**

Type the URL : <http://www.kopykitab.com/product/6786>



Get this eBook