Retail Institutions By Store-based Strategy Mix

Dr. Swagato Chatterjee

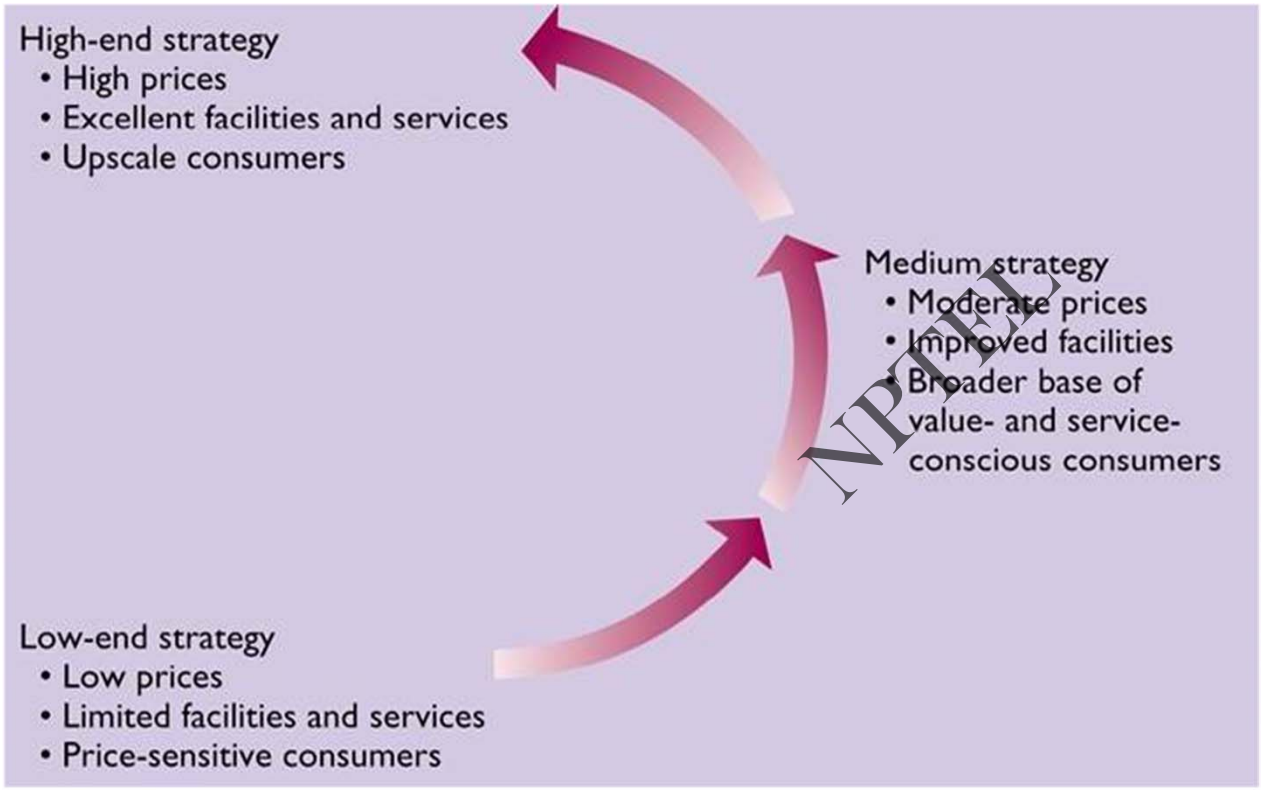
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Wheel of retailing and scrambled merchandising

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The Wheel of Retailing



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Lessons of the Wheel of Retailing

- Do not lose sight of your prime customer's price consciousness
- Beware of the dangers in upgrading target markets– Old segment gets "sticker shock" and new segment does not accept retailer's revised positioning
- Do not create opening for new cost-conscious retailer to emerge
- Employ customer benefit costing to weigh the cost and benefits of specific service upgrades
- Use unbundled pricing to separately charge for select services such as delivery, installation etc.

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Scrambled Merchandising by a Shoe Store



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Why Scrambled Merchandising? (Format Blurring)

- Desire for one-stop shopping format.
- Concern to adopt “hot” products to increase store traffic
- Looking to increase store sales per square foot and same store sales especially in a recessionary period
- Computer electronic retailers need to offset maturity of businesses and reduced price levels
- Looking to make up for lost sales due to Web
- Desire for cross selling opportunities
- Looking for high gross profit businesses

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