



# SNS B-SPINE

Coimbatore-35  
An Autonomous Institution

## DEPARTMENT OF MANAGEMENT STUDIES

23BAT607 – MARKETING MANAGEMENT

I YEAR I SEM

UNIT 5 – MARKETING CHANNELS AND COMMUNICATION MIX

TOPIC 4 - RETAILING



# Introduction to Retailing

Retailing is a critical component of the distribution channel, involving the sale of goods and services directly to end-consumers for personal use. It is a vital link between manufacturers or wholesalers and the final consumers, offering a wide range of products and services to meet consumer needs and preferences. Retailers play a crucial role in marketing by creating an interface between products and consumers, ensuring accessibility, convenience, and customer satisfaction.



# The Retailer

A retailer is a business entity or individual that sells products and services directly to consumers. They can be brick-and-mortar stores, online shops, or a combination of both. Retailers serve as a direct point of contact for customers, and their performance significantly impacts the overall customer experience.



# Types of Retailers

Retailers can be classified based on various factors, including:

1. According to the Amount of service
2. According to product line
3. According to Relative prices
4. According to organisational Approach



## 1. According to the Amount of service:

- a. **Self-Service Retailers:** Self-service retailers offer minimal assistance to customers and allow them to browse, select, and purchase products without much intervention from the staff. Examples include supermarkets and vending machines.
- b. **Limited-Service Retailers:** Limited-service retailers offer some assistance to customers, such as providing information or basic guidance. They may have staff available to answer questions but do not engage in extensive customer service. Discount stores and convenience stores are examples of limited-service retailers.



c. Full-Service Retailers: Full-service retailers provide a high level of assistance to customers, offering personalized attention, expert advice, and various additional services. Luxury boutiques and high-end department stores are examples of full-service retailers.

## 2. According to product line.

a. Specialty Retailers: Specialty retailers focus on a specific product category or niche and offer a wide selection within that category. They cater to customers with specific interests or needs. Examples include electronics stores, pet stores, and sports equipment stores.



### b. Department Stores:

Department stores carry a wide variety of product categories under one roof, organized into departments. Customers can find clothing, accessories, home goods, and more in department stores. Examples include Macy's and Nordstrom.

### c. Category Killers:

Category killers are large specialty stores that dominate a particular product category. They have a vast selection of products within that category and often offer lower prices than smaller competitors. Examples include Best Buy (electronics) and Home Depot (home improvement).



#### d. Convenience Stores:

Convenience stores offer essential items for immediate and everyday needs.

Example: 7-Eleven - Provides snacks, beverages, groceries, personal care items, newspapers, and lottery tickets.:

#### e. Supermarkets:

Supermarkets offer a wide variety of food and household products for routine shopping needs.

Example: Walmart - Offers fresh produce, groceries, dairy products, frozen foods, bakery items, and non-food essentials.





## f. Superstores:

Superstores combine the offerings of a supermarket with a broader selection of non-food items, providing a one-stop shopping experience.

Example: Target - Offers everything from groceries and household items to electronics, clothing, home decor, and office supplies.

## 3. According to Relative prices.

### a. Discount Retailers:

Discount retailers offer products at lower prices than traditional retailers by maintaining low operating costs and offering limited services. Examples include Walmart and Dollar Tree.



#### b. Off-Price Retailers:

Off-price retailers sell brand-name merchandise at discounted prices due to overstocks, closeouts, or irregular items. TJ Maxx and Marshalls are examples of off-price retailers

### 4. According to Organisational Approach:

#### a. Independent Retailers:

Independent retailers are individual businesses or single-store operations owned and operated by one person or a small group of individuals



### b. Chain Stores:

Chain stores are multiple retail outlets under common ownership and management, offering the same products and services across different locations. Examples include McDonald's and Starbucks.

### c. Franchise Retailers:

Franchise retailers operate under a licensing agreement with a larger parent company (franchisor). They benefit from the franchisor's established brand and business model. Examples include McDonald's and Subway.



## Retailer Marketing Decisions:

Retailers make several critical marketing decisions to ensure their success and customer satisfaction:

**Merchandising:** Retailers carefully plan their product assortments, pricing, and promotional strategies to attract target customers and maximize sales.

### Store Layout and Design:

Creating an appealing and customer-friendly store layout is crucial for a positive shopping experience. Retailers strategically arrange products, displays, and signage to engage customers and facilitate their navigation.



## Customer Service:

Providing excellent customer service is essential for building customer loyalty and satisfaction. Retailers train their staff to assist customers, handle inquiries, and resolve issues promptly.

## Promotion and Advertising:

Retailers engage in various promotional activities, including advertising, sales promotions, and loyalty programs, to attract customers and drive sales.



## E-commerce and Omni-channel Strategies:

Many retailers have adopted e-commerce platforms and integrated omni-channel strategies to offer a seamless shopping experience across online and offline channels.