Retail Review Sheet – Exam 3
Chapters 4, 15-18

Consumer Behavior
Buying process – stages (need recognition, search, evaluation, choice, visit, loyalty)
Social factors influencing the buying process (family, culture, subculture, reference groups)
Limited and extensive problem solving, impulse buying
Segmentation – Benefit segmentation, geodemographic segmentation (PRIZM), lifestyle segmentation (VALS), buying situation segmentation
Criteria for evaluating market segments
Brand and store loyalty
Decision making, multi-attribute attitude model
Consideration set
Post-purchase evaluation
Target speaker (Richard Lachapelle) – Life Cycle of a Product from development to instore merchandising, cross-functional team, Target’s corporate culture

Pricing
Price elasticity of demand, elastic vs. inelastic demand
Horizontal vs. vertical price fixing
Predatory pricing, leader pricing, bait and switch pricing
Resale price maintenance
Markup at retail and cost
Markup percentage
Calculating the retail price of goods given cost and markup
Maximum price a buyer should pay given markup objective and retail price
Maintained markup given sales history of an item
Initial markup given planned sales, expenses, profits, and reductions
Markdowns
Demand, cost, and competition-oriented pricing
Pricing strategies – leader pricing, price lining, price bundling, odd pricing, EDLP, etc.
Demand ceiling, demand floor, psychological pricing (all pricing methods)
Break-even analysis – calculating break-even
Shopping bots, search engines

Retail Communication Mix, Retail Image, and Promotion
Store image and atmospherics
Store layout and design, layout patterns – grid, free flow, loop, boutique
Experiential merchandising, solutions selling
Space management – sales per square foot, GMROI, planogram
Visual merchandising
Brand image, brand equity, brand awareness, brand associations
Integrated marketing communications program
Retail Promotional Mix – Advertising, sales promotions – contests, coupons, etc., personal selling, publicity, public relations, point of purchase
Types of media used by retailers, advantages, disadvantages
Communication objectives, short and long-term promotional objectives
Methods of budgeting – marginal analysis, objective and task, percentage of sales, competitive
parity, affordable, rule-of-thumb
Envirosell video clip (also Exhibit 18-4 and 18-5)

**Store Management**
Recruiting and selecting employees, training, evaluating employees
Leadership, types of leaders (autocratic, democratic)
Motivation
Compensation methods (straight salary, commission, quota-bonus, incentives)
Rewards (intrinsic and extrinsic)
Shrinkage, reducing shrinkage

**Walgreens speaker** (Jerry Telson) - location strategy, site selection, criteria for choosing a
potentially profitable location, developing customer loyalty when opening new stores

**Global Retailing**
Why retailers are expanding internationally
Challenges faced by retailers when entering foreign countries (e.g., China and India) – see
“Retail’s One-China Problem” article, video clip notes on McDonald’s global strategy
Strategies for getting a foot hold in a global market and achieving growth
Major differences between retailing in the U.S. and abroad (Europe, India, etc.)
Retailing trends in European countries
Retail formats with best potential