What is Retailing?
Retailing is: All the activities involved in selling goods or services directly to final consumers for their personal, non-business use.
Retailers - businesses whose sales come primarily from retailing.
Retailers can be classified as:
– Store retailers: Home Depot, Sears, Walmart
– Non-store retailers: mail, telephone, and Internet.

The Three Most Important Things in Retailing

• Location

• Location

• Location
Classification of Retail Stores

<table>
<thead>
<tr>
<th>Amount of Service</th>
<th>Product Line</th>
<th>Relative Prices</th>
<th>Retail Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Service, Limited-Service and Full-Service Retailers</td>
<td>Length and Breadth of the Product Assortment</td>
<td>Pricing Structure that is Used by the Retailer</td>
<td>Independent, Corporate, or Contractual Ownership Organization</td>
</tr>
</tbody>
</table>

Classification By Product Line

<table>
<thead>
<tr>
<th>Store Type</th>
<th>Length and Breadth of Product Assortment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Stores</td>
<td>Narrow Product Line, Deep Assortment</td>
</tr>
<tr>
<td>Department Stores</td>
<td>Wide Variety of Product Lines i.e. Clothing, Home Furnishings, &amp; Household Items</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>Wide Variety of Food, Laundry, &amp; Household Products</td>
</tr>
<tr>
<td>Convenience Stores</td>
<td>Limited Line of High-Turnover Convenience Goods</td>
</tr>
<tr>
<td>Mass Merchandisers, or Superstores</td>
<td>Large Assortment of Routinely Purchased Food &amp; Nonfood Products, Plus Services</td>
</tr>
<tr>
<td>Category Killers, or Cat. superstores</td>
<td>Giant Specialty Store that Carries a Very Deep Assortment of a Particular Line</td>
</tr>
<tr>
<td>Hypermarkets</td>
<td>Huge Superstores</td>
</tr>
</tbody>
</table>

Types of Non-Store Retailing

Non-store Retailing Accounts for More Than 14% of All Consumer Purchases, and May Account for 33% of All Sales by 2000.

Direct Marketing involves Eliciting a direct response from customers, such as:

- Direct Selling
- Automatic Vending
- Catalogs & Direct Mail
- TV Shopping Shows
- Online Shopping
- Home & Office Parties

Non-store Retailing Accounts for More Than 14% of All Consumer Purchases, and May Account for 33% of All Sales by 2000.
Retailer Marketing Decisions

Retailer Strategy
- Target Market
- Retail Store Positioning

Retailer Marketing Mix
- Product and Service Assortment
- Prices
- Promotion
- Place (Location)

The Wheel of Retailing

Conventional department stores
- High: status, margin, price
  - Prestige specialty stores

Mass merchandise retailers
- Low: status, margin price, service
  - Wholesale clubs

Retailer's Product Assortment and Services Decisions

Product Assortment Decisions
- Width and Depth of Assortment
- Quality of Products
- Product Differentiation Strategies

Services Mix
- Key Tool of Nonprice Competition for Setting One Store Apart From Another.

Store's Atmosphere
- Physical Layout
- "Feel" That Suits the Target Market and Moves Customers to Buy
Retailer's Price, Promotion, and Place Decisions

Price Decisions
- Target Market
- Product & Services Assortment
- Competition

Promotion Decisions
- Using Advertising, Personal Selling, Sales Promotion and Public Relations to Reach Customers.

Place Decisions
- Shopping Centers, Central Business Districts, Power Centers, or Outlet Malls, Location!

The Future of Retailing

- New Retail Forms and Shortening Retail Lifecycles
- Growth of Non-store Retailing
- Increasing Intertype Competition
- Rise of Megaretailers
- Growing Importance of Retail Technology
- Global Expansion of Major Retailers
- Retail Stores as "Communities" or "Hangouts"

What is Wholesaling?

- All the activities involved in selling goods and services to those buying for resale or business use.
- Wholesaler - those firms engaged primarily in wholesaling activity.
Types of Wholesalers

- **Merchant Wholesaler**
  - Independently owned business that takes title to the merchandise it handles.
  - About 80% of all wholesalers.
  - National or regional.

- **Manufacturers' Sales Branches and Offices**
  - Wholesaling by sellers or buyers themselves rather than through independent wholesalers.

- **Brokers/Agents**
  - They don’t take title to the goods, and they perform only a few functions.
  - No title to goods.
  - Facilitators.
  - Work on commission.
  - Market experts.

Classifying Wholesalers

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Wholesaler Marketing Decisions

- **Wholesaler Strategy**
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  - Retail Store Positioning

- **Wholesaler Marketing Mix**
  - Product and Service Assortment
  - Prices
  - Promotion
  - Place (Location)