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DEPARTMENT OF BBA

SYBBA

SEM-III

SUBJECT – RETAIL MANAGEMENT

SPECIALIZATION- MARKETING

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Chapter1. RETAIL STRATEGY

Unit-2

Retailing Strategy

RETAIL OPERATIONS

Choice of Store location – Influencing Factors, Market area analysis – Trade area analysis – Rating Plan method - Site evaluation. Retail Operations: Store Layout and visual merchandising – Store designing – Space planning, Retail Operations - Inventory management – Merchandise Management – Category Management.

Choice of Store location – Influencing Factors, Market area analysis

Introduction: Store Location:-

Retail stores should be located where market opportunities are best. After a country, region city or trade area, and neighborhood have been identified as satisfactory, a specific site must be chosen that will best serve the desired target market. Site selection can be the difference between success and failure. A thorough study of customers and their shopping behavior should be made before a location is chosen. The finest store in the world will not live up to its potential if it is located where customers cannot or will not travel to shop. The primary role of the retail store or center is to attract the shopper to the location. Alternatively, retailers must take the store to where the people are, either at home or in crowds. Examples of taking the store to where the crowds are include airport location, theme parks and vending machines.

Every retail store strives for its competitive advantage. For some stores, it is price. For others, it is promotional expertise or the special services that are offered. Despite any differences among the various stores that may be competing for the shopper's penny, location offers a unique asset for all stores because once a site is selected, it cannot be occupied by another store. This advantage, however, points to the importance of location analysis and site selection. Once a facility is built, purchased, or leased, the ability to relocate may be restricted for a number of years. In short, location and site selection is one of the most important decisions made by a retail owner.

Factors affecting the establishment of a retail outlet

Proper establishment of shop is very important for success in retail trade. While deciding the location of a retail outlet the following factors should be taken into consideration:

1. Selection of the area:

Before commencing his business, a retailer should decide about the area which he would like to serve.

While deciding the area of operations, he should examine the population of the area, its nature (permanent or shifting), income level of the people, nearness to big markets, transport and communication facilities, etc. All these factors will reveal the demand potential of the area.

2. Choice of the site:

Once the area is decided, a specific site is selected for location of the retail shop. A retailer may open his shop in special markets or in residential areas.

The shop should be near the consumers in a congested locality or at a place frequently visited by the consumers. The place of location should be easily accessible to consumers.

3. Scale of operation:

A retailer should decide the size of his business. Size will depend upon his financial and managerial resources, capacity to bear risks and demand potential of the area.

4. Amount of capital:

Then the retailer has to decide the amount and sources of capital. The amount of capital required depends on the size of business, terms of trade, availability of credit, cost of decoration of shop and display of goods. Adequate finance is necessary for success in any business.

5. Decoration of shop:

The layout and decoration of shop are decided so that customers find the place attractive and comfortable for shopping. The retailer should arrange and display the goods in an attractive manner to attract more and more customers.

6. Selection of goods:

The goods to be sold are selected on the basis of the nature, status and needs of the customers. Changes in incomes, habits and fashions of customers must be considered in the choice of goods.

7. Source of supply:

The wholesalers and manufacturers from whom goods are to be purchased must be selected carefully. Availability of supplies, reputation of the brand, price range, and distance from the shop, means of transport, etc. should be considered.

8. Sales policy:

The retailer should adopt a suitable sales policy to increase sales and profits. Sales policy and prices should be decided keeping in mind competition and customers.

MARKET AREA ANALYSIS

A key part of any business plan is the market analysis. This section needs to demonstrate both your expertise in your particular market and the attractiveness of the market from a financial standpoint.

This article first look at what we mean exactly by market analysis before looking at how to make a good one for your business plan.

What is a market analysis?

A market analysis is a quantitative and qualitative assessment of a market. It looks into the size of the market both in volume and in value, the various customer segments and buying patterns, the competition, and the economic environment in terms of barriers to entry and regulation.

How to do a market analysis?

The objectives of the market analysis section of a business plan are to show to investors that: you know your market the market is large enough to build a sustainable business

In order to do that I recommend the following plan:

Demographics and Segmentation

Target Market

Market Need

Competition

Barriers to Entry

Regulation

The first step of the analysis consists in assessing the size of the market.

Demographics and Segmentation

When assessing the size of the market, your approach will depend on the type of business you are selling to investors. If your business plan is for a small shop or a restaurant then you need to take a local approach and try to assess the market around your shop. If you are writing a business plan for a restaurant chain then you need to assess the market a national level.

Depending on your market you might also want to slice it into different segments. This is especially relevant if you or your competitors focus only on certain segments.

Volume & Value

There are two factors you need to look at when assessing the size of a market: the number of potential customers and the value of the market. It is very important to look at both numbers separately, let's take an example to understand why.

Once you have estimated the market size you need to explain to your reader which segment(s) of the market you view as your target market.

Target Market

The target market is the type of customers you target within the market. For example if you are selling jewellery you can either be a generalist or decide to focus on the high end or the lower end of the market. This section is relevant when your market has clear segments with different drivers of demand. In my example of jewels, value for money would be one of the drivers of the lower end market whereas exclusivity and prestige would drive the high end.

Now it is time to focus on the more qualitative side of the market analysis by looking at what

drives the demand.

Market Need

This section is very important as it is where you show your potential investor that you have an intimate knowledge of your market. You know why they buy!

Here you need to get into the details of the drivers of demand for your product or services. One way to look at what a driver is, is to look at takeaway coffee. One of the drivers for coffee is consistency. The coffee one buys in a chain is not necessarily better than the one from the independent coffee shop next door. But if you are not from the area then you don't know what the independent coffee shop's coffee is worth. Whereas you know that the coffee from the chain will taste just like in every other shop of this chain. Hence most people on the move buy coffee from chains rather than independent coffee shops.

From a tactical point of view, this section is also where you need to place your competitive edge without mentioning it explicitly. In the following sections of your business plan you are going to talk about your competition and their strengths, weaknesses and market positioning before reaching the Strategy section in which you'll explain your own market positioning. What you want to do is prepare the reader to embrace your positioning and invest in your company.

To do so you need to highlight in this section some of the drivers that your competition has not been focusing on. A quick example for an independent coffee shop surrounded by coffee chains would be to say that on top of consistency, which is relevant for people on the move, another driver for coffee shop demand is the place itself as what coffee shops sell before most is a place for people to meet. You would then present your competition. And in the Strategy section explain that you will focus on locals looking for a place to meet rather than takeaway coffee and that your differentiating factor will be the authenticity and atmosphere of your local shop.

Competition

The aim of this section is to give a fair view of who you are competing against. You need to explain your competitors' positioning and describe their strengths and weaknesses. You should

write this part in parallel with the Competitive Edge part of the Strategy section.

The idea here is to analyse your competitors angle to the market in order to find a weakness that your company will be able to use in its own market positioning.

One way to carry the analysis is to benchmark your competitor against each of the key drivers of demand for your market (price, quality, add-on services, etc.) and present the results in a table.

Trade Area Analysis

Essentially, trade area analysis is a methodology, process or technique that provides a basis for understanding, visualizing and quantifying the extent and characteristics of known or approximated trade areas.

A trading area is a contiguous area from which a retailer gets customers for the merchandise he is selling. A trade area may be a town, city, district, state, and country or even beyond the country's boundaries. The trade area may be divided into few layers (zones) depending upon the size and operations of the store, its location, merchandise offered and services offered.

Since most of the retail sales especially in big cities take place at stores, the selection of the store location and analyzing trade area becomes essential.

Retailers emphasize on trade area analysis because of the following reasons:

(i) A detailed analysis of trade area provides the retailer a picture about demographic and sociocultural aspects of consumers. For a new store, the analysis of trade area becomes necessary to

understand the prevailing opportunities and threats (if any) that may be a success path for new entrant.

(ii) It helps in identifying the consumer demographics and socio-economic characteristics.

(iii) It helps in assessing in advance the effects of trade area overlapping.

(iv) It helps in highlighting geographic weaknesses. For example, trading area analysis reveals that people from trans-river hesitate to come to city shopping areas due to pickpockets and thieves in evening. Further, comprehensive study reveals the fact that this is because of improper lighting arrangements and absence of police personnel. Therefore, shopping center could exert political pressure to make the area well lit and crossing safer.

- (v) It provides opportunity to understand and review the media coverage patterns.
- (vi) It helps in locating better site location by understanding the existing trade areas around the potential locations.
- (vii) It helps in understanding customers profile in terms of gender, age, income level, consumption pattern, standard of living, local requirements etc.

Retail

operations

The field of retail operations concerns the work that individuals do to keep a retail store functioning. This includes both retail salespeople and managers in all types of retail stores, including small stores with only a handful of workers and large chain stores with hundreds of employees. Retail operations include the following activities.

Store Layout, Design and Visual Merchandising :

Store layout and visual merchandising are factors that contribute to the uniqueness of a store.

The exterior and interior of a store convey several messages about the store to the consumers.

The building that houses retail store, (whether new or old) and the exterior design of the store are important aspects of the design of the store. Marquees, walkways, entrances, doors, display windows, the height and size of the building, colors and materials used, and theft prevention are some of the key factors to be kept in mind while developing a store's exterior.

Managing space is the first and foremost concern of almost every retailer, when it comes to designing the store's interior. Space is always an expensive and scarce resource. Retailers always try to maximize the return on sales per square foot. Planning a layout for the store's interior is the first step in designing the store's interior.

There are three kinds of layouts –

Grid Layout,

Race Track Layout

Freeform Layout.

Allocating space to various merchandise categories in a store is very important. Allocation of space can be based on many factors, like historical sales, gross margins, industry averages and strategic objectives. Apart from allocating space to various merchandise categories, space has to be allocated for carrying out some essential functions. Such space includes the back room for receiving the inventories and sorting them out, office and other functional spaces, aisles and customer service desks, floor space and wall space. The interior of a store influences the purchasing behavior of the customers to a great extent. Designing the interior of a store in such a way as to influence customer behavior is referred to as visual merchandising. It includes optimum and appropriate use of fixtures, displays, color, lighting, music, scent, ceilings and floor, and designing all of these properly. Merchandise presentation is the most significant aspect of store design, because it helps attract customers' attention. A retailer can resort to many forms of presentation such as idea-oriented presentation, item-oriented presentation, price lining, color presentation, vertical merchandising, tonnage merchandising and frontal presentation.

A well-planned retail store layout allows a retailer to maximize the sales for each square foot of the allocated selling space within the store.

Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns.

Each floor plan and store layout will depend on the type of products sold, the building location and how much the business can afford to put into the overall store design.

A solid floor plan is the perfect balance of ultimate customer experience and maximized revenue per square foot. Many retailers are missing this point. They simply focus on revenue and forget customer experience. Statistics today have proven that retailers who deliver on experience have higher revenues than those that don't - even if the square footage is smaller.

For example, some retailers "crowd" the sales floor with lots of merchandise. While this increases selection, it also decreases customer traffic flow space. Many customers are turned off by crowded stores. They prefer cleaner, wider aisles that make them feel less stress. Which

means that the experience for this customer is poor. Customers would prefer an edited merchandising approach in a department store. Examples of these stores would be Macy's or

Belk.

However, some customers prefer to "bargain hunt" in off-price stores. In these stores, the clutter actually adds to the "deal" atmosphere for the customer. Examples of these stores would be TJ Maxx or Ross.

Whatever your store type, make sure you are considering customer experience in the floor plan.

What may make for the most efficient space planning, might make for the worst customer experience. For example, I worked with a home improvement store to redesign their space. They had terrific merchandise, but terrible merchandising. The tile section was on the left side of the store, but the tools and supplies needed for the tile installation were on the right side of the store. This posed two problems. First, impulse buys were reduced. If you are installing new tile, that is what is on your mind. Anything that looks like it might help you with your endeavor will catch your eye and be a possible add-on sale. But if you put spray paint next to the tile, it's not likely you will get it in the customer's basket.

Second, because the customer had to walk from one side of the store to the other, they were frustrated. Sometimes they didn't even make the walk and then got home and realized they were missing something and had to go back - and none of us like that hassle.

Below are a few basic store layouts.

1. Straight Floor Plan

The straight floor plan is an excellent store layout for most any type of retail store. It makes use of the walls and fixtures to create small spaces within the retail store. The straight floor plan is one of the most economical store designs.

The downside to this plan is the sight lines in the store. Depending on the front entrance, it may be difficult for a customer to see the variety of merchandise you have or find a location quickly.

2. Diagonal Floor Plan

The diagonal floor plan is a good store layout for self-service types of retail stores. It offers

excellent visibility for cashiers and customers. The diagonal floor plan invites movement and traffic flow to the retail store.

This plan is more "customer friendly." With a straight plan, the customer can feel like they are in a maze. With this floor plan, the customer has a more open traffic pattern.

4. Angular Floor Plan

The angular floor plan is best used for high-end specialty stores. The curves and angles of fixtures and walls makes for a more expensive store design. However, the soft angles create better traffic flow throughout the retail store.

This design has the lowest amount of available display space, so it is best for specialty stores who display edited inventories versus large selections

5. Geometric Floor Plan

The geometric floor plan is a suitable store design for clothing and apparel shops. It uses racks and fixtures to create an interesting and out-of-the-ordinary type of store design without a high cost. This plan makes a statement. So make sure it is the statement you are wanting to make with your brand.

6. Mixed Floor Plan

As you might have guessed, the mixed floor plan incorporates the straight, diagonal and angular floor plans to create the most functional store design. The layout moves traffic towards the walls and back of the store.

It is a solid layout for most any type of retailer. And truthfully, the best experience stores have multiple shapes, elevations and designs. This appeals to a larger array of customers.

Most Important Elements of Visual Merchandising:

When people hear visual merchandising they typically get nervous and uneasy. They know it's an important retail term, but not sure exactly what it is or how to do it well. It can create uncertainty about where to start. If you're artistically challenged and financially deprived, creating visual displays can be especially difficult. But here are my five most important elements of visual merchandising.

They are easy to implement and won't break the bank and, most importantly, they will increase your sales. Strong visual merchandising has a huge impact on customer experience in your store.

Whether you're revamping your retail displays or creating new ones, use these five strategies to help you achieve more impactful and memorable visual merchandising. And put more money in your pocket this year.

1. Remember that color is king.

Color is powerful, and it can make or break your visual displays. A retailer might create an erratic display, but if the colors coordinate well, the display can still be a success. Consider using contrasting colors, like black and white, and monochromatic colors--both create intriguing, eye-catching displays.

Too many times we lose sight of the power of color and its ability to attract the eye. Consider your home. You probably have a solid grey or brown couch, but there is a "pop" of color from the throw pillows you place on the edges.

This is the same principle. Remember: wherever the eyes go, the feet will follow. So use color to catch the eyes of your customers and draw them to your displays.

2. Create a focal point.

Where does the viewer's eye focus on your display? Do their eyes move toward a specific location on the display?

Or are they confused about where to look? Create a hotspot--or focal point. Why?

Because hotspots can increase sales by 229 percent.

Examine your display from the customer's point of view: the top, the floor, both sides. Often the focal point is positioned too high for the customer to see. Always check your displays to ensure customers can easily view the hotspots and merchandise. Remember, the hotspot is the product, not a visual element you use to add to the story. By this I mean, if you put sand and seashells on the table as part of your sandal collection, make sure the sandals are the focal point and not the sand.

3. Tell a story

What's in it for customers? Tell them. Use powerful, sales-enabling signage to display the advantages of buying the product. Present three bullet points that tell customers why they need

the product or how their life will become easier because of the product. Remember, you're not writing an essay but rather a headline, powerful bullet points, and possibly a price proposition. By telling a story, you help the customer better understand the product and enable the buying decision.

A display may lack a worded sign or an educational sign. That's perfectly fine; as long as there's still a story, the sign can speak for itself.

For example, lifestyle graphics are very popular in telling the story. No words, but the image speaks volumes.

4. Expose customers to the maximum amount of merchandise.

A well-designed, impactful display exposes the customer to as much merchandise as possible while avoiding a sloppy mess. The more products customers see, the more they buy.

Consider using a circular store layout, which many retailers use. It's powerful because it exposes customers to more merchandise than traditional aisles. Where your store does use aisles, place a display in dead center so customers are forced to stop and look at the products. Have as many displays as possible, and present as much merchandise as possible. But keep displays clean and sharp, and ensure aisles are spacious and barrier-free to prevent deterring customers from products.

In my stores, I used dining tables from World Market to create a visual impact. Displaying our shoes on these tables was kitschy and bold. It caught a customer's eye for sure. And we got many compliments on the display tables since the tables were unique and a story in themselves as opposed to the traditional display pieces stores use.

5. Use empty space wisely.

There's a space in all retail stores that is the most underutilized. It's the section between the displayed merchandise and the ceiling. If this space in your store is empty, you need to start using it.

You can use this space for many different things, like signage providing information about products or brands. You could display customer testimonials with the customer's name and

picture. You could profile a designer or supplier.

You could also display lifestyle graphics that help customers make associations with your products. For example, a furniture store could display an image of a family cozied up on a couch, emitting those warm, fuzzy feelings that put shoppers in a good mood. A jewelry store could display a woman at a fine dining restaurant wearing a bracelet, creating an association between the store's jewelry and a luxurious lifestyle.

Visual merchandising is multifaceted, and retailers can choose from hundreds of ideas when designing displays. But these tips return the biggest bang for your buck. Use them to make your store as memorable as possible.

Store Design :-

Retail store design is a well-thought-out strategy to set up a store in a certain way to optimize space and sales. The way a store is set up can help establish brand identity as well as serve a practical purpose, such as protecting against shoplifting.

Retail store design is a branch of marketing and considered part of the overall brand of the store. Retail store design factors into window displays, furnishings, lighting, flooring, music and store layout to create a brand or specific appeal.

Essential Principles for Retail Store Design

Online shopping is increasingly big business, which means it's increasingly difficult for smaller retailers—especially those that don't have an online presence—to get their share. The physical shopping experience starts with good design, so take a good, hard look at your retail space, and perhaps with the help of a retail design agency, determine if there's more that you could be offering your customers.

1) Define your Space

First things first, defining your space is all about your brand and image, how it gets people into your store, and what they do once they're there. This is the big picture—what are you selling,

and who are you selling to? There needs to be a consistency of style and function in your store that reflect all of these different factors, to tie the whole shopping experience together.

A good example of this is Starbucks, a brand that has built its empire by focusing not so much on coffee, but on the experience of drinking it, by providing customers with cosy, comfortable chairs and free wifi, to encourage them to linger for long periods of time, and potentially make multiple purchases in a single visit.

2) Organizing the Space

When a customer shops online, they have an entire store at their fingertips, with the ability to look at multiple different types of products at essentially the same time. This isn't the case for the in-store shopping experience, so it's important that the space is well-organized, and as intuitive and easy to use, as possible. A customer who enters a store should have a clear path to follow, with different categories of products clearly sign-posted, logical and clear product groupings, and a means of quickly finding help if they need it. A well-organized store is one that makes customers feel safe and comfortable, and is structured so that they can get what they need without wasting time.

3) Offer a Sequential Experience

Successful stores deliberately plan the customer experience, both figuratively and literally. Literally, it's about planning the store's layout for the optimal customer experience; figuratively, it's more about the chronological path a customer takes to get there—awareness through advertising that encourages them to stop by (whether print, online or a store-front window), the visit to the store itself, exploring the store and browsing products, and finally, making a purchase.

4) Provide Visual Communication

Visual information includes signage, branding, and other written and graphical information that communicates essential information to customers. It should be clearly legible, and provide only important information that will actually enhance the customer's experience, and ideally, each

element should conform with the store's visual branding design.

This is a good place to take inspiration from the world of exhibition design, where the focus is on providing information quickly and succinctly, to people whose attention is typically divided between multiple different brands at once. Visual communication needs to be immediately recognizable, and provide information that can be interpreted and used quickly.

5) Invite Customer Participation

Good visual communication invites customers to participate actively in their shopping experience—for example, by ensuring that staff members are available and clearly visible as such, and providing the opportunity for the customer to have different types of experiences within the store. With the massive shift that online shopping has brought, this part of the store design process is also about offering experiences that the customer can't get online, whether it's one-on-one help and advice from staff, or the opportunity to try products out before purchasing.

Space planning:

Space planning is a fundamental element of the interior design process. It starts with an in-depth analysis of how the space is to be used. The designer then draws up a plan that defines the zones of the space and the activities that will take place in those zones. The space plan will also define the circulation patterns that show how people will move through the space. The plan is finished by adding details of all the furniture, equipment and hardware placement.

5 Space Planning Techniques

1. Enter the Decompression Zone

The first space you step into when you enter the store is designed to open your mind to the shopping experience, inviting you to browse and explore. A place designed to make you feel safe and secure. The decompression zone prepares you for what lies ahead, helping you focus. A good decompression zone:

Provides a wide, open space, that's free from clutter.

Allows easy entrance into the store with an overview of the merchandise.

Has no distracting marketing or advertising gimmicks.

Welcomes you by giving you a little space.

Flower displays at the entrance usually entice customers to come inside

Nordstrom, an upscale fashion retailer, rolls out a long red carpet from their decompression zone, guiding customers to their merchandise.

2. Clockwise vs Counter-clockwise

It's critical for retailers to make it easy for shoppers to find the products they're looking for.

Retail stores opt for space planning that goes counter-clockwise, from right to left, because most of the population is right-handed and will instinctively turn to the right.

However, recently many stores have opted for the more unfamiliar clockwise layout, left to right, hoping it may arouse shoppers' attention and stimulate them more than the familiar counterclockwise layout.

3. Slow Down

Many retailers create little visual breaks, known as speed bumps, to give shoppers the opportunity to make seasonal or impulse buys. Speed Bumps are created using signage, specials or placing popular items halfway along a section, so people have to walk all along the aisle looking. Retailers stock the items shoppers buy most frequently (staple items) at the back of the store, to maximize the amount time you spend inside the store, increasing basket size and impulse buying opportunities.

4. Visual Appeal by Blocking

Retailers create a triangular composition, otherwise known as tiered formation, using style or color, blocking certain products together – high at the back, tumbling to low in the front. They start with a center feature and merchandise out symmetrically, placing best seller items in a prominent visual location, enticing you to buy through visual appeal.

5. Shelf Spacing

Shelf space is positioned to manipulate shoppers into buying more. This is a highly debatable space planning technique amongst retailers, with some believing eye-level to be the top spot for a product while others reckon higher is better. Some retailers prefer the 'end caps' – where

products are displayed at the end of an aisle, believing those products receive the best visibility.

Benefits of Space Planning

By implementing above space planning techniques, retail stores create an aesthetically pleasing layout, allowing shoppers to find the products they're looking for while eliminating out of stock items. Products sell at a more even speed, creating less need for product ordering and shelf restocking.

A retail store might opt to first test these techniques by doing realograms beforehand and then once planograms have been implemented, evaluated the two against one another to determine technique effectiveness. Of course, an increase in sales would also be an indicator of space planning success.

Retail Operations

Retail operations is a field that studies all mechanisms to keep the store functioning well. It includes a broad spectrum of activities, from people management to the supply chain, store layout, cash operations, physical inventory, master data management, offers and pricing etc.

Most of these operations are basically executed using the Commerce system that retailers use in the stores and back office. Therefore, achieving excellence in daily store operations will thus be directly proportional to the system that the business relies on.

If we dive a bit further into store operations and try to extract the main priorities of each of them, we will see that we need to divide these priorities by the different retail profiles we may find; the perspective of retail owners, store managers or sales associates. We may find others, depending on the nature and size of the business, but we will focus on these three profiles in this blog post. In any case, you can still deeply explore this term and how to achieve operational excellence by attending this week's webinar.

1. Retail Operations from the perspective of retail business owners

What do retailers, understood as the business owners, care about? Strategy is the first pillar that comes to mind. Not just the execution of today's priorities, but the vision of how the future will be for the business, to ensure we are prepared for all the changes they may imply. For example, the commerce platform that retailers use need to support the business growth retailers expect for the mid to long term. Tools that will help them grow fast, at the same pace as their strategy plan. Tools that enable fast and riskless rollouts will be crucial to success in the plan execution, like the Copy Store/Terminal functionality of Open bravo.

When it comes to deployment or hardware compatibility, the commerce solution becomes equally important, as hardware is an important part of the budget in retail implementation projects. Hence, many of our clients require a solutions that fit their current hardware requirements, as they don't plan to invest in a hardware solution replacement in the short-term.

In terms of execution, I remember a concern that is common to many retailers I have interviewed in the requirements gathering stage, when the project starts, or just in the prospecting stage; that is, fraud detection and prevention. It is a concern that I have seen present in all retail projects. So we need to review all retail functionalities, decide which should be allowed by which profile and which will need a supervisor's approval to proceed with it. To give you a few examples: delete ticket is often a sensitive operation that should not be permitted unless approved, or re-printing a ticket, approving cash differences when cashing up, allowing a return, etc. There are many, and that's why Openbravo offers Approvals in almost all features in Web POS, so retailers decide which are allowed and when approval will be required in an attempt to prevent fraud.

The other classic method of detecting fraud is "surprise" physical inventory. So by procedure, everyday at the store closure, staff need to count the stock of certain products, and they can change day after day. Here, it has been very helpful to empower the store crew with the mobile physical inventory functionality, so they can execute this task fast and efficiently.

Then, retailers can view the results in a centralized way from the backoffice, where they will see all the indicators together in the same place, and most importantly, in real time. This is especially

interesting when having several stores. If you need to handle daily synchronizations to upload sales, or products, promotions etc. you need to seriously think about investing in a new platform to get rid of those troubles that are due to an old architecture. Openbravo can help you with that, with a cloud single repository, where a change in price will be delivered to all stores in seconds.

2. Achieving excellence from store managers

Store managers are the ones on the shop floor day after day, and their priorities or needs can be slightly different from the ones above. We can say they are much more operational, for example, they need to efficiently handle people management or daily store operations like opening, closure or cash management. In big stores, where there is a high number of terminals and sessions by terminal, it can be difficult to manage unless the commerce solution offers a unified view to accurately control who opened a terminal or the cash position at its closure. Openbravo's module of Terminal Sessions Management can be a good tool in these scenarios, where all terminals and sessions in each terminal are monitored in real time.

Another frequent demand from store managers is to have certain autonomy from headquarters. I must say that I have seen retailers that do not want to allow this in their stores, sometimes abusing of their excess power. My personal opinion is that I have seen stores performing better with a bit of autonomy in certain business processes, otherwise, headquarters approval can be a bottleneck and a clear negative point for achieving excellence in the stores, where changes need to be done rapidly to respond to demanding customers. I'm thinking of being able to correct a price that is incorrect, block a user that we have seen doing something fraudulent, or updating the stock of products that are not accurate in the system. Openbravo offers a great solution for these retailers, allowing them to access the back office where all the data is centralized and can be restricted by users or roles, giving them access and rights to exactly what we want. And enabling auditors to be able to track down any changes made.

3. Priorities for sales associates

Sales associates are the last profile we are analysing today. We consider them an important part

of the purchase decision making process, as customers let associates influence them while deciding which product to buy. Empower then your sales associates with tools that will help them provide a rich customer experience, like rich product engines by product characteristics or stock visibility to offer flexible options to save-the-sale when there is no stock in the store. Moreover, as associates normally work by commission, it will be important that the commerce solution allows them to annotate their sales to differentiate them from cashiers or other associates.

Inventory Management

Inventory management is the management of inventory and stock. As an element of supply chain management, inventory management includes aspects such as controlling and overseeing ordering inventory, storage of inventory, and controlling the amount of product for sale.

The definition of Inventory Management is easy to understand. Simply put, inventory management is all about having the right inventory at the right quantity, in the right place, at the right time, and at the right cost.

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Inventory management techniques

Inventory management uses several methodologies to keep the right amount of goods on hand to fulfill customer demand and operate profitably. This task is particularly complex when organizations need to deal with thousands of stockkeeping units (SKUs) that can span multiple warehouses. The methodologies include:

- Stock review, which is the simplest inventory management methodology and is generally more appealing to smaller businesses. Stock review involves a regular analysis of stock on

hand versus projected future needs. It primarily uses manual effort, although there can be automated stock review to define a minimum stock level that then enables regular inventory inspections and reordering of supplies to meet the minimum levels. Stock review can provide a measure of control over the inventory management process, but it can be labor-intensive and prone to errors.

- Just-in-time (JIT) methodology, in which products arrive as they are ordered by customers, and which is based on analyzing customer behavior. This approach involves researching buying patterns, seasonal demand and location-based factors that present an accurate picture of what goods are needed at certain times and places. The advantage of JIT is that customer demand can be met without needing to keep quantities of products on hand, but the risks include misreading the market demand or having distribution problems with suppliers, which can lead to out-of-stock issues.
- ABC analysis methodology, which classifies inventory into three categories that represent the inventory values and cost significance of the goods. Category A represents high-value and low-quantity goods, category B represents moderate-value and moderate-quantity goods, and category C represents low-value and high-quantity goods. Each category can be managed separately by an inventory management system, and it's important to know which items are the best sellers in order to keep quantities of buffer stock on hand. For example, more expensive category A items may take longer to sell, but they may not need to be kept in large quantities. One of the advantages of ABC analysis is that it provides better control over high-value goods, but a disadvantage is that it can require a considerable amount of resources to continually analyze the inventory levels of all the categories.

Inventory control is the area of inventory management that is concerned with minimizing the total cost of inventory, while maximizing the ability to provide customers with products in a timely manner. In some countries, the two terms are used as synonyms.

The following eight techniques will help you improve your inventory management—and cash flow.

- Set Par Levels. ...
- First-In First-Out (FIFO) ...
- Manage Relationships. ...
- Contingency Planning. ...
- Regular Auditing. ...
- Prioritize With ABC. ...
- Accurate Forecasting. ...
- Consider Dropshipping.

Merchandise Management Meaning:

Merchandising is the sequence of various activities performed by the retailer such as planning, buying, and selling of products to the customers for their use. It is an integral part of handling store operations and e-commerce of retailing.

Merchandising presents the products in retail environment to influence the customer's buying decision.

Process in Identifying and Understanding Customer Needs

The retail landscape is evolving and the reason for this evolution is the customer revolution. Over the years customers have come long way with respect to their changing lifestyles and preferences, rising working population, higher income and rising aspirations of the middle class with rising disposable income and per capita income. Today customers are extremely well informed and updated due to advent of social media and digitalization. They are more aware of companies and the brands that are available in the market. Modern customers want everything instantly and at the click of the button. Customers are dynamic and are loyal to brands that provide superior product and service offering with value for money. In order to achieve customer satisfaction retailers conduct step-by step process to understand and identify needs of the customers.

Getting customer insight

Converting raw data into right data

Prioritizing customer needs

Developing retail strategy to satisfy customer needs

1. Getting Customer Insight: Gathering accurate and precise customer data is a key to successful market retail strategy. Developing sound retail strategy begins with bottom line investigation -as to identifying who your customers are and what they actually need. This is done by collecting basic demographic information about the customers with respect to:

- Gender
- Age
- Occupation
- Income level
- Education
- Marital and family status
- Family Size.

Such data will enable retailers understand reason as to why customers decide to choose their retail brand over its competitors. There are various ways in which the retailer gathers data of the customers. The following are the ways of collecting data from the customers.

(a) Survey method: Survey is one of the most common methods used by the retailer, in which he can directly ask customers for information. A survey consists of list of questions that can be either closed ended (objective form) or open ended (subjective/paragraph form). The retailer can either conduct in-store survey, over emails as well as over a phone call. One of the easiest methods is to create an online survey that can be hosted on the company website or with a third party. Sharing survey link through various social media platform has also become a common method of collecting data.

(b) Online Tracking: To cope up with the digitally equipped world many retailers have developed its own virtual space in order to attract, build and maintain customer relationship. Retailers have created their own website which allows them to keep online tracking of their customers. When a customer visits the retailer's website, they create as many as 40 data points. Accessing this data allows retailers keep track on: how many people have visited their site, how long were they on it, what they clicked on and many such information. Retailers use various analytic software and tools to gather consumer insight.

(c) Transactional data tracking: Retailers use transactional data to track and identify the actual needs of the customers. Whether the retail firm sells products in-store or through online platform-retailers

maintains records of every single transaction which provides them with valuable customer insight. This data is generated from the company website, a third party contractor or through the in-store point-of-sale. The collected information gives retailers deep knowledge and understanding with respect to what, when, how much, how often the customers make purchases from the retail store.

(d) In-store traffic monitoring: Advancement in technology has been true game-changers for the retail industry. Technology has helped retailers keep a better track of their customers. Many retailers have installed security systems with motion sensors that will help retailers track customer's movement patterns throughout the retail store. The sensors provide valuable data about customers as to what are the busiest hours of the day that the customers are found in the stores and how frequently customers visit the store. It may also help give retailers an idea about what is drawing customers to their store at certain times.

The data that is collected from different sources is raw data that needs to be analyzed and monitored.

2. Converting raw data into right data:

One of the keys to achieve retail success is to be data-centric. Huge amount of data is collected by the retailers in order to understand the actual customer needs. But all of the data may not prove relevant and beneficial to the retailers. However, retailers use various detailed analytic metrics to scan and extract relevant data. Retail marketers use a variety of systems that are designed to collect, measure and manage big data. In order to get right and precise customer insight, the retailers must opt for software that can:

Consolidate customer data and match customer identities across various touch points.

Segment and target customers based on demographics, psychographics and behavioral variables.

Identify the process of consumer buying journey. Generate key insight to understand the factors impacting KPI (Key Performance Indicators) such as revenue, sales, customer acquisition and retention and Customer Life Time Value.

There are various software available in the market that can help retailers identify right data that can be used in understanding needs of the consumers.

The six major categories are:

(a) Customer Data Platform: A Customer Data Platform is packaged software that creates a persistent, unified customer database that is accessible to other systems" -CDP Institute.

(b) Business Intelligence Tools: "A set of technologies that transform raw data into meaningful and useful information used to enable more effective strategic, tactical, and operational insights and decision making that contributes to improving overall enterprise performance." -Forrester

(c) Customer Analytics Tools: Customer analytics tools "are used to segment buyers into groupings based on behavior, to determine general trends, or to develop targeted marketing and sales activities." -Gartner.

(d) Journey mapping tools: Journey mapping tools are software that "illustrates customers' processes, needs, and perceptions throughout their relationships with a company." -Forrester

(e) Digital Experience Platforms: "An integrated set of core technologies that support the composition, management, delivery, and optimization of contextualized digital experiences"-Gartner.

f) Customer Journey Analytics platforms: Journey Analytics platforms enable (

Retail firms, "combine quantitative and qualitative data to analyze customer behaviors and motivations across touch points and over time to optimize customer interactions and predict future behavior." - Forrester

Hence choosing right combination of the above mentioned tools can help retailer identify and understand the real time customer needs.

3. Prioritizing customer needs:

Customer analytics will help retailers track final data which can further be used to find out what actually drives customers buying behavior. Customers have several need: that they want to fulfill A retailer may create a product/service that fulfills an important need or want of its customers; however the customer's willingness to buy a particular product or service at a given time is measured by his priority.

For example, when a next generation- iPhone is about to be launched in the market customers line up outside the stores as well as are willing to wait for days to get the brand. This shows that there is a high degree of priority for this customer segment. On the other hand, the greater the number of options available for fulfilling the need or want, generally the lower the level of priority. When you see a commercial for a new type of dishwashing detergent, you typically don't rush directly to the store to purchase it. This shows that you have a low priority. The major factor determining the customer need priority is the level of effort that the retailer will take to convince the customer to purchase the product. There are several factors that can be used to determine customer's priority towards a given product.

The severity of the need and want that the customer has for the product (also referred to as the customer's level of 'pain' or 'hurt'). How urgent is it for the customer to fulfill his/her needs. This is to do with timing that the customer decides to buy a product/service. Whether customer chooses to buy the product right away or is willing to postpone his/her plan to buy.

Cost is also one of the factors that a customer consider while prioritizing the need for a product. Basically, the greater the number of options (substitute goods and services), the lower the level of priority. Customers may feel that there are other retailers with similar product offering and therefore customer may not settle down on a product/service offered by a retailer at a given point of time.

4. Developing retail strategy to satisfy customer needs:

Once the needs of the customers are prioritized the retail marketer develops a strategic plan that enables the firm satisfy the most important and urgent need of its customers through a superior product/service offering with maximum value. Disciplined mid and long-term strategic planning and focused execution is an indispensable part of sustainable retail management and performance.

Segmentation, Targeting and Positioning Strategy (STP)

One of the most effective and reliable Marketing Strategy that has stood the test of is STP (Segmentation, Targeting and positioning) that involves a three-stage timeketing process. Dave Cahfey (2018) discovered that STP Marketing Model is the second most widely accepted model, only beaten by the popular SWOT/SWOC Matrix. In the Modern Marketing World application of STP has become critical to the success of Retail Organization. STP sets a broader perspective with respect to the segments crafted, target customers selected and the way product/brand is positioned in the minds of the customers. STP helps retailers' priorities its propositions and then develop and deliver personalized and relevant messages to engage with different sets of customers.

Market Segmentation Grouping the Potential Customers

Targeting-Selecting the Right Customers

Market Positioning Placing the Product/Brands in the Minds of Customers

In the previous Chapter we learnt about market segmentation, need for segmenting market, benefits of segmentation and the bases on which the customers are divided. This chapter will focus on understanding market segmentation strategy, identification and selection of right target customers and retailer's way of positioning its brand in the minds of the customers. The main concern of retail organization is to decide whether to segment the customers or have a mass marketing strategy. As there are various benefits and advantages of customer segmentation, maximum organizations choose to segment market rather than keeping it unsegmented. The retailer has to further decide how to g about while dividing the customers and what strategy is to be used in the process of market segmentation.

Following are the steps that are followed by retailers in the process of Marke segmentation Strategy.

1. To determine customer segmentation Goal:

The first step retailers undertake is to think about why are they creating a customer segmentation strategy by asking question as to why is the firm spending so much time efforts on segmentation and what they hope to achieve from this process. The goal can be to develop customized /personalized

market offering, energizing efforts by focusing its resources on a specific customer group. The goal behind segmentation can also be to develop niche product offering. However a very important thing to be note here is that when developing the customer segmentation goals, retailers should remember that it should be unique to the business, segmenting customers isn't about one-size-fits all process. For eg. The goal will be unique, based on the retailer's value proposition, nature of product, and type of retail business model as well as who the customers are. So when determining the customer segmentation goals, retailers should use company's specific traits and business needs as a launching pad.

2. Defining the market segments:

Once the segmentation goals are clearly determined the next step is to define and decide each customer group that is to be segmented. At this point the broader and heterogeneous customer market is divided into smaller homogeneous sub-groups with similar demographics, buying preferences, motives, attitude, etc. The factors that are considered while segmenting the market depends on the nature and type of retail store, merchandize offered, the retail business model, the distribution channel selected to sell products, and the nature of Industry. There are certain specific requirements that are to be fulfilled by the retailers in order to create effective and productive market segments.

(a) Measurable and Identifiable Segments: Market segments are basically measured in terms of sales volume and value. (i.e. the number of customers within each segment). Accurate customer insight is necessary to be able to identify the size of an each market segment to a reasonable degree of accuracy, so that retailers can then decide whether, how and to what extent they should focus their efforts on marketing to this segment. A retail firm should be able to determine who is within the segment and who is outside. Every segment should be different from another segment which will make it unique and visible from rest of the other segments.

(b) Consistency within the segments: The customer segments are heterogeneous from one another, but have homogeneous characteristics within the segment. Proper customer insights and research will enable retailers come-up with consistency within each of the segment.

(c) Accessible: An important criteria while Identifying segments, is to find out how a particular segment can be reached. Different segments may need different approach and a unique treatment with respect to delivery and communication of message, type of Media, as well as Media Coverage.

(d) Actionable: A very important criterion for segmenting a market is to find out how practical is it to target a segment with a right product offering. Does the company have enough knowledge and resources to satisfy the needs of a particular segment and what efforts are needed to convert its potential customers into qualified customers.

3. Deciding the bases on which the market is to be segmented:

At this stage the retailer has to list out variables on the basis of which the customers are grouped together. Here the retailer has to make a very important decision as to which variables would be

appropriate in order to match with the retail product offering. There are various bases on which the customers are segmented. For eg. Alma Mater is an Indian online retail store co-founded by an inspiring Entrepreneur Varun Agarwal in 2009.

Today Alma Mater is India's largest school and college merchandise company that has worked with over 400 schools and colleges across 500 cities in India and have customer base of over a million. Alma Mater is an online brand offering customized merchandise and alumni memorabilia for schools, colleges, and companies. The core products which the company specializes in are, T-shirts, sweatshirts, pullovers, bulk custom printed t-shirts, hoodies and personalized gifts. The company has segmented the market based on the demographic and Psychographic variables. The company targets school and college going students between the age group of 14 to 24 years. The company focuses on understanding the lifestyle they follow and the interest they undertake. This cohort group believes in living a particular lifestyle, they are much informed and brand conscious and are reshaping the retail space. With product information, reviews and price comparisons at their fingertips, they turn to brands that offer superior value at reasonable price."

4. Formulating various Marketing Mix for the selected market segments:

Choosing a right market segment is at the heart of segmentation process. The retailer at this stage finalizes as to which segments to be chosen for the set of products that are to be offered. This stage concentrates on choosing a right segment for the right product. Philip Kotler (1967), defines the term Marketing Mix as, "A set of controllable variables a firm uses to influence buyer response." Marketing Mix acts as a toolkit which is used by the retail firms in order to frame a right and appropriate product offering that matches with the needs of the selected markets segments. The retailer may choose one, or group of segments in order to satisfy its potential customers. Different marketing mix framework is developed for each segment depending upon customer needs, buying preferences, buying motives, and the buying behaviour journey. Right marketing mix for right market segments helps retailers deliver superior customer value to its customers as well as achieve Competitive Advantage.

Targeting Strategy in Marketing

Definition of Target Market specific group of people that retailer wants to reach with a particular Target Market offering. These are the people Planneklly buy the particular product and service offering. For.e.g. A Wedding Planner Company may decide to focus on the smaller and a more specific group of customers. Instead of Marketing to the masses, they focus solely on selling the Product experience to couple who planning to get married. Targeting acts as an important marketing strategy in creating superior and specific product offering. It enables the retailers focus its efforts and resources on the specific product offerings. Targeting right customer with right product offering is a key to customer satisfaction.

Targeting helps retailers to:

1. **Speak directly to defined target customers:** Marketing messages resonate more deeply with audiences when readers can relate directly to the information. Retailers that focus on mass market often struggle with developing marketing campaigns that connect directly with the audiences' The audiences have different ways of decoding the messages communicated by the retailers. Right targeting will enable firms to create right message and select right media to reach the right audiences.
2. **Attract and convert high-quality leads:** A lead is a person who shows a specific interest in a product or a brand. This underlying interest converts a lead into a potential customer. The primary goal of the company /retailer is to generate as many leads as possible. When a retailer design a communication message that is customized as per the target audiences, the firm is more likely to attract the right segment. Developing a right target strategy can help retailers connect with the right people, which will result into attracting high-quality, qualified leads that will turn into actual customers.
3. **Targeting helps differentiating the brand from its competitors brand:** When the retail firm focuses on communicating only to a specific segment, rather than an entire market it starts to stand out from its competitors. Customers can easily identify the retailers brand and its Unique Selling Proposition when the retailers create target messages that relate to a specific brand. Developing right and focused target market communication strategy helps customers choose retailer's product over its competitors.

Strategic Positioning and Execution

Introduction: Retailers before developing a product offering decides on setting a step-by-step process on creating segments, deciding on target markets and building a market positioning and differentiation strategy. In this section we have already covered Segmentation and Targeting strategy. Now it is time to understand the concept of Market

Positioning framework. What is Positioning?

The concept of Positioning is an act of placing/positioning a product/brand in the minds of customers. At this level the retailer has to decide how and around what parameters, the product offer will be placed before the target segment. The significance of Positioning can be easily understood from the words of David Ogilvy, the Advertising Expert, "The results of a campaign depends less on how we create the Advertising than on how we position the product."

For example:

A handbag maker may position itself as a luxury status symbol

A TV maker may position its TV as the most innovative and cutting-edge brand

A fast-food restaurant chain may position itself as the provider of cheap meals

Definition of Positioning:

Al Ries and Jack Trout in their book *Positioning: The Battle for Your Mind* states, "Positioning is what you do to the mind of the prospect; you position the product in the prospect's mind. According to them, positioning is more concerned with the consumer's perception of the product offer, than the offer as such".

Subrato Sengupta, in his book, *Brand Positioning* says, "The aim of product positioning is to create a perception for our brand in the prospect's mind so that it stands apart from competing brands. We must cover that space in the consumer's mind as if we had won a long-term lease over it. We must find a strong position in that mind and sit on it..."

Selecting Site Location

Today retailers have various options to connect with its customers-through physical retail store as well as online retail platform. Despite of increase in online store brands many customers like switching from online stores to physical outlet depending upon the product that they are planning to buy. There are many customers who prefer shopping from physical outlet as it has its own bundle of benefits. When it comes to visiting.

Factors that are considered by the retailer while selecting a retail location:

Type of Store format: Choosing a right store location to a larger extent depends upon the store format under which the retailer is operating. Convenience stores deal in day-to-day products that require easy access so that the customer make quick purchases. Convenience stores are small in size and are located mostly near the crowded and residential settlements. Supermarkets and Department stores are large in size and are usually located in urban cities with maximum population. Hypermarkets on the other hand are weekend shopping destination that are large in size (from 40,000 sq. ft. to 200,000 sq. ft.) and has large catchment area with huge parking facility. Such hypermarkets are mostly located in outskirts of major cities. Hence type of store format is an important factor in deciding a store location.

Target customers:

Customers are core to the retail organization. Who your target customers are is one of an important question that the retailer should ask him/herself before choosing a retail location. For e.g. the age and income group of customers helps in deciding the store location. Café coffee Day (CCD), a lifestyle oriented café brand is mostly located near colleges and educational institutions targeted to young generation group of customers. Whereas Barista- Coffee café's are usually located near business and

conventional centers targeting business executives and company employees. High-end fashion and luxury stores are mostly seen in affluent suburban areas. Hence target customers are an important factor considered by retail firm while selecting a store location.

Businesses and competition in the proximity:

Retailers usually set up their store in places which have similar kind of retail business in and around the same area. Retailers consider this as a smart move to place store at a point which has businesses around, which can eventually help drive traffic into their own store. For e.g. Automobile showrooms of different brands in a same locality, Gems and Jewelry showrooms set up at a single particular area in the city. Many a times the place is popularly known by the business that operates in that area-such as Zaveri Bazaar a major hub for B2B and B2C jewelry market located in South Mumbai. Another important factor to be considered is the competitors. "Quite simply, the best place to be is as close to your biggest competitor as you can be," says Greg Kahn, founder and CEO of Kahn Research Group in Huntersville, North Carolina. Kahn makes a very valid point. He says that your competitors have done good research on the demographics before opening their store there. They have also spent a good amount on advertising to drive traffic there. "Why spend the money when they've already (spent it) for you?", asks Kahn.

Footfall:

Footfall is the number of people entering the store or the shopping premises at a particular point of time. There are various sophisticated location analysis tools that can help retailers gain insight into a traffic pattern in a certain area. With this retailers can understand the optimum level of traffic for a particular targeted area. Understanding the footfall at neighboring store will help retailers in a big way to estimate foot traffic at the store. Footfalls create a visibility for the store brand and helps in driving sales by bringing people to the stores.

Accessibility:

Accessibility is a critical factor while deciding a store location. For customers accessibility is an important factor while choosing a store for buying products. The store should be easily accessible to the common people using public transport. Setting a store with wide range and good quality products in a deserted area would serve absolutely no purpose.

Creating In-Store Dynamics

Store image

The planning and execution is crucial to retail strategy because that's what separates retailers from their competitors. Today retailers are not just product suppliers but an important link between the manufacturers and retailers. For consumers, retailers act as a touch point for all their queries and problems with respect to product and service decisions. Retailers in order to achieve customer satisfaction work towards creating an appealing retail image that is well accepted by the consumers. Technology advancement has given consumers scope to shop offline as well as online. Retailers in both the cases seek that they offer unique shopping experience to their customers through various touch points. One of the ways retailers achieve customer satisfaction is through enhancing their in-store shopping experiences.

Retail Merchandising: Retail Merchandising is an umbrella term that Retailers pass the selection, placement and display of products within the store. Retail Merchandising is a process that creates a set of experiences for its customer as well as help retail stores drive sales revenue. Retail Merchandising aims at offering right kind of product/service at a right place, at a right price, to a right target customer. Proper and efficient Merchandising helps to influence the customer's buying decision.

Window Display:

Window display brings life to the entire retail store. It is a fine art of displaying store merchandise in such a way that it creates long lasting impression on the customer's minds. Window display acts as a first point of contact between the store and customers and it also acts as a silent salesman. Window display helps in attracting right target group and acts as a filter. By looking at the display from outside a shopper gets an idea about the product the retailer deals in as well as whether the store has potential to satisfy their buying needs. A lot of time and energy of the sales people is saved as they may concentrate on those shoppers who have the potential to become their customers.

Proper and adequate lighting:

Earlier lighting was considered as a way to guide shoppers to find their way through the store. It was just one of the basic functions of the retail store. But today lighting has become an important medium of display. A well-lit product can demand a customer's attention. Proper lighting acts as a key to attract shoppers towards the store and merchandise. Today lighting has become an integral part of the store's interior and exterior design. Too much or too little lighting or even the wrong type of lighting may create a false impression about the store or merchandise on display. Balanced and adequate retail lighting contrasts the variety of products and allows the customers to focus on one thing at a time.

5. Use of Color theory: Color holds power and acts as a non-verbal form of communication. It has an ability to change people moods, emotions and behaviors. It also acts as a major source of information. Countless studies have been conducted on the relationship between color, particularly in the areas of marketing and branding. Here are some of the findings:

Color influences 85% of shoppers' purchase decisions.

About 62-90% of the product assessment is based on colors alone.

Colors increase brand awareness by 80%, vil

Color Psychology is used by experts in order to attract shoppers towards the store and create an environment that foster unique shopping experience. Since people are drawn to warm colors- red, yellow and orange can help drive customers into the store through the entrance. Cool colors such as green and blue signifies color of reliability and trustworthiness and are useful in areas where customers need time to deliberate over the purchase decision.

Well trained employees that can provide exceptional customer experience:

Company employees are the first advocates of your business. They are the people who know the retailers and the brand much better than the customers. Sales employees are the people who serve as an important link between the retailers and customers. However the retailer sees that they hire sales associate who are passionate about their job and have skills sets to deal with customers in any circumstances. Attracting and building customer relationship is a major responsibility of the sales people. The sales personal have to be trained adequately in order to give customers the right advice so as to help them make the right decision.