



DNYANSAGAR ARTS AND COMMERCE COLLEGE, BALEWADI, PUNE – 45

SUBJECT: RETAIL MANAGEMENT (306)

CLASS: SY BBA (III SEM)

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Unit-1

Introduction to Retailing



Retail Management is the process which helps the customers to procure the desired merchandise from the **retail** stores for their personal use. It includes all the steps required to bring the customers into the store and fulfill their buying needs



Need for Retail Management - Why retail management ?

Peter wanted to gift his wife a nice watch on her birthday. He went to the nearby store to check out few options. The retailer took almost an hour to find the watches. This irritated Peter and he vowed not to visit the store again.-An example of poor management.

You just can't afford to make the customer wait for long. The merchandise needs to be well organized to avoid unnecessary searching. Such situations are common in mom and pop stores (kirana stores).



Retail Organizational Structure

Have you ever taken a moment to think about the structure that is around us every day? Structure can come in many different forms. For example, a sports team without a coach and a game plan is destined for failure. The same is true for retail stores. Understanding a retail store's **organizational structure** is important when creating a business plan to determine its customers and appeal to them. Many retail businesses rely on a structure that places emphasis on three areas: centralized operations, store operations, and regional operations.



Centralized operations include duties such as store planning and human resources. **Store operations** include merchandising and marketing and are performed daily by retail stores. **Regional operations** refer to distribution and warehousing. This organizational retail structure is beneficial because it encompasses all areas of a business.



Retail Store Management Positions

A major part of the organizational structure of a retail store is that most of them have multiple management positions. Let's take a look at some of the types of management positions and what duties are required of them.

1. Manager

The manager is the person primarily responsible for the day-to-day operations of a retail store. It is the manager who makes key decisions including on who to hire, who to fire, and if a customer is entitled to a refund or exchange..



2. Assistant Manager

The assistant manager is responsible for assisting the manager with the daily operations of the business. In the absence of a manager, an assistant manager is responsible for making the important decisions for the store. The assistant manager is also tasked with completing any duties as designated by the manager.



3. Finance Manager

When working in retail, everyone knows that money is what makes the wheels turn, and the finance manager is responsible for greasing those wheels. The finance manager makes certain that the retail store is carefully utilizing the money that comes in and ensures they are aware of how much money is going out.



4. Corporate Recruiter

Depending on the size of the retail store, there may also be a corporate recruiter position. This position involves a highly skilled employee with the task of finding top-level employees to work with the organization. These recruiters are searching for talent to fill management positions including manager, assistant manager, and finance manager. The recruiter must have a thorough understanding of what it takes to perform each of these jobs in order to find the right person.



Retail Store Department Personnel

Retail stores are renowned for their many departments, which are used to satisfy the many needs of many customers. With so many departments, it's important to have the right personnel for each one. Let's take a look at some examples of the types of department personnel and how they can be properly matched to their respective department.

Retail Industry

Historic/ Rural
Reach

- Weekly Markets
- Village Fairs
- Melas

Source of
Entertainment

Traditional /
Pervasive Reach

- Convenience
Stores
- Mom and Pop /
Kiranans

Neighborhood
Stores

Government
Supported

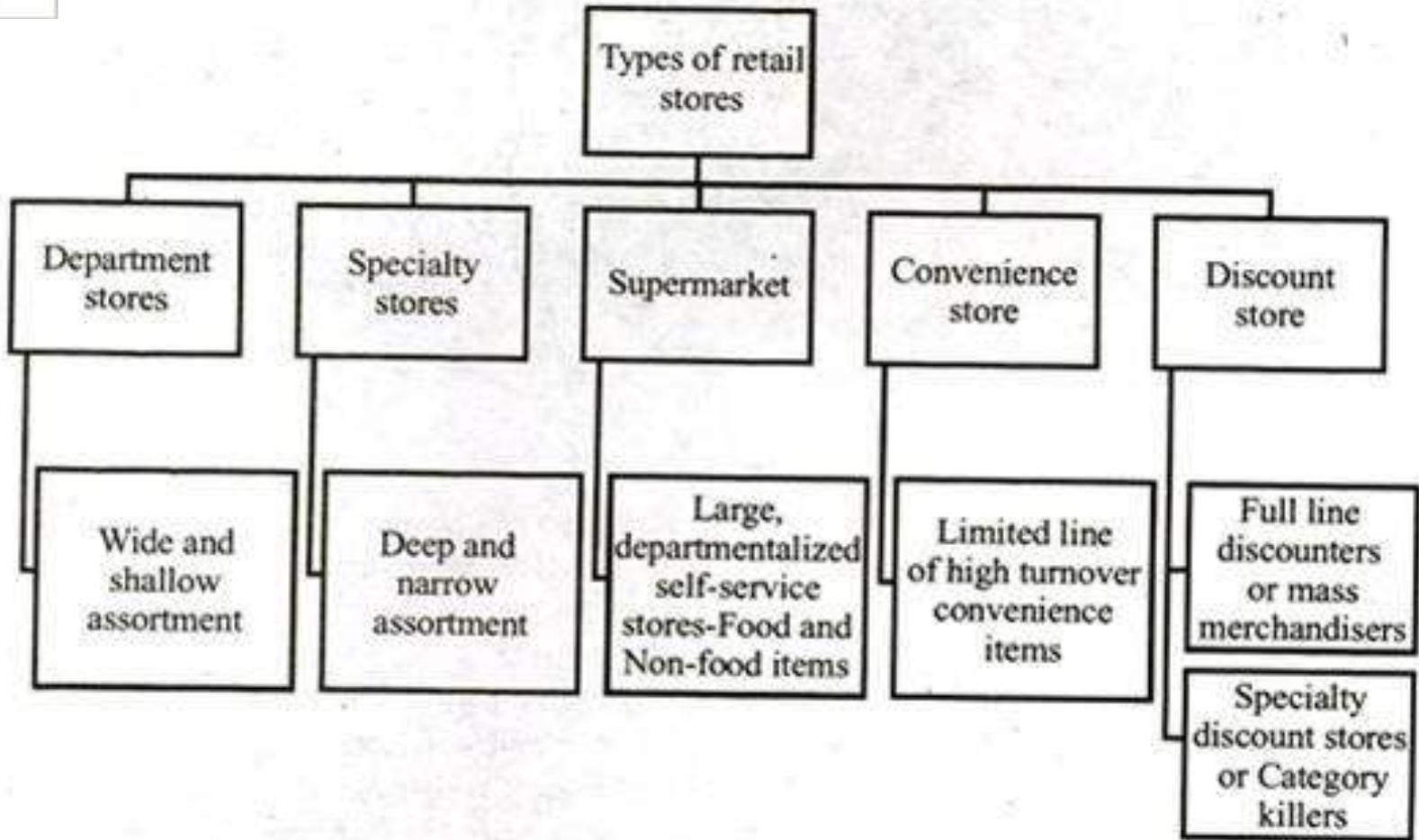
- PDS Outlets
- Khadi Stores
- Cooperatives

Availability/Low
Costs/ Distribution

Modern Formats/
International

- EBOs
- Super Markets
- Department
Stores
- Shopping Malls

Shopping
Experience/
Efficiency



Types of Retail Stores



Market segmentation is the process of dividing a **market** of potential customers into groups, or segments, based on different characteristics. The segments created are composed of consumers who will respond similarly to **marketing** strategies and who share traits such as similar interests, needs, or locations.



DEMOGRAPHIC

age
education
income
family size
race
gender
occupation
nationality

BEHAVIORAL

purchase
consumption
lifestyle
usage

PSYCHOGRAPHIC

lifestyle
personality traits
values
opinions
interests

GEOGRAPHIC

needs
preferences
interests
based on location



The retail lifecycle

The retail lifecycle is comprised of four distinct stages, with each based on the sales and profit growth experienced during that stage. For example, a highly successful emergent company will experience rapid growth because sales are going so well. This will create quicker growth opportunities. By contrast, a growing company whose sales level off may find itself in a period of stable maturity before experiencing a potential decline if sales continue to drop.



Emerging

The **emerging stage** of the retail lifecycle resembles the infancy stage in human development. This is when a company is brand new. This stage is synonymous with innovation; new products, services and business opportunities are materializing. Businesses in the emerging stage are just beginning their journey in the retail lifecycle, and while profits may initially be low due to expenses and a lack of consumer familiarity with the brand, there is tremendous opportunity for growth.



Growing

Someone once said, "If you're not growing, you're dying," so the **growing stage** of the retail lifecycle is an important one. Growing means that a business has passed the sniff test with consumers; it fills a needed or wanted place in the market, where it's appreciated and trusted. In this stage, retailers establish themselves as a force in their industries and identify competitors. Growing means that profits are increasing and a business is investing in new opportunities, products, or services to keep consumers engaged and loyal.



Maturity stage

In this stage, companies of new retail formats are incapable of taking more market share and expand the customers' base. In this period, companies which won out in the growth stage are trying to maintain the market share. However, the profit margin begins to decline because the new retail formats could not make any company have edge on the others and companies have to decrease the price in order to defeat competitors.



Therefore, how to decrease the cost is the main problem that each enterprise faces. In order to pursue the differential advantage in the period of competition, the enterprises compete to make the market more mature and stable. Characteristics of new formats have been gradually lost and new formats change to traditional formats. Thus it becomes an important opportunity for the emergency of another new format.



Decline stage

In decline stage, the new formats have become the traditional ones and with the change of consumers' buying behavior and the appearance of newer formats, the market begins to shrink and traditional formats (original new formats) could not make any profit but may suffer great loss due to the decreasing sales. During this period, some companies decide to leave the market. As a result, the competition among the same retail formats is not serious but the competition of different formats will get increasingly intense.



Unit-2

Retailing Strategy



Identifying and understanding consumers in retailing helps the retailers to know who buys which product and when. This paves way for better know-how of the buying behavior of the **consumers**. Studying **consumer** behavior is important because this can help marketers **understand** what influences **consumers'** buying decisions.



A consumer is the direct user of the product or the service while a customer is a buyer of that product. A customer might not be a consumer as if a mother buys some product for her child, she is the customer and her child is the consumer. A number of companies divide a customer into 2 categories that include customer and consumer. As a matter of fact, it is at times not easy to understand the role of a decision-maker in this regard. The next important thing is how to identify a customer.



The following cycle is the normal cycle that every consumer and customer go through. First, they identify what they need where the role of the retail industry comes to play. The next thing is looking for the new product that would fulfill their need and that too in a better way. This paves way for the shelf presence of the product. If your product is a magical one, they will get to know it by means of word of mouth or if your advertising skills are too strong, they will learn about it through TV ads and other marketing campaigns.





Market segmentation and targeting

Market **segmentation and targeting** refer to the process of identifying a company's potential **customers**, choosing the **customers** to pursue, and creating value for the **targeted customers**. It is achieved through the **segmentation, targeting, and positioning (STP)** process.



Segmentation is the first step in the process. It groups customers with similar needs together and then determines the characteristics of those customers. For example, an automotive company can split customers into two categories: price-sensitive and price-insensitive. The price-sensitive category may be characterized as one with less disposable income.

1. Geographic
2. Demographic
3. Psychographic
4. Behavioural



The second step is **targeting**, in which the company selects the segment of customers they will focus on. Companies will determine this base on the attractiveness of the segment. Attractiveness depends on the size, profitability, intensity of competition, and ability of the firm to serve the customers in the segment.



The last step is **positioning** or creating a value proposition for the company that will appeal to the selected customer segment. After creating value, companies communicate the value to consumers through the design, distribution, and advertisement of the product. For example, the automotive company can create value for price-sensitive customers by marketing their cars as fuel-efficient and reliable.



Location of a Retail Store.

A business *needs* to find the right location to be successful. But, as urban markets grow and choices for retail space diversify, finding the right location can be challenging.

If you don't have a framework to make your decision, it's easy to get lost in the options.

Should you lease space in a mall? A suburban development anchored by a major tenant like a grocery store? A less expensive location farther from major traffic nodes? Or a professional building in an up-and-coming neighbourhood?



Know your customer. Know your product.

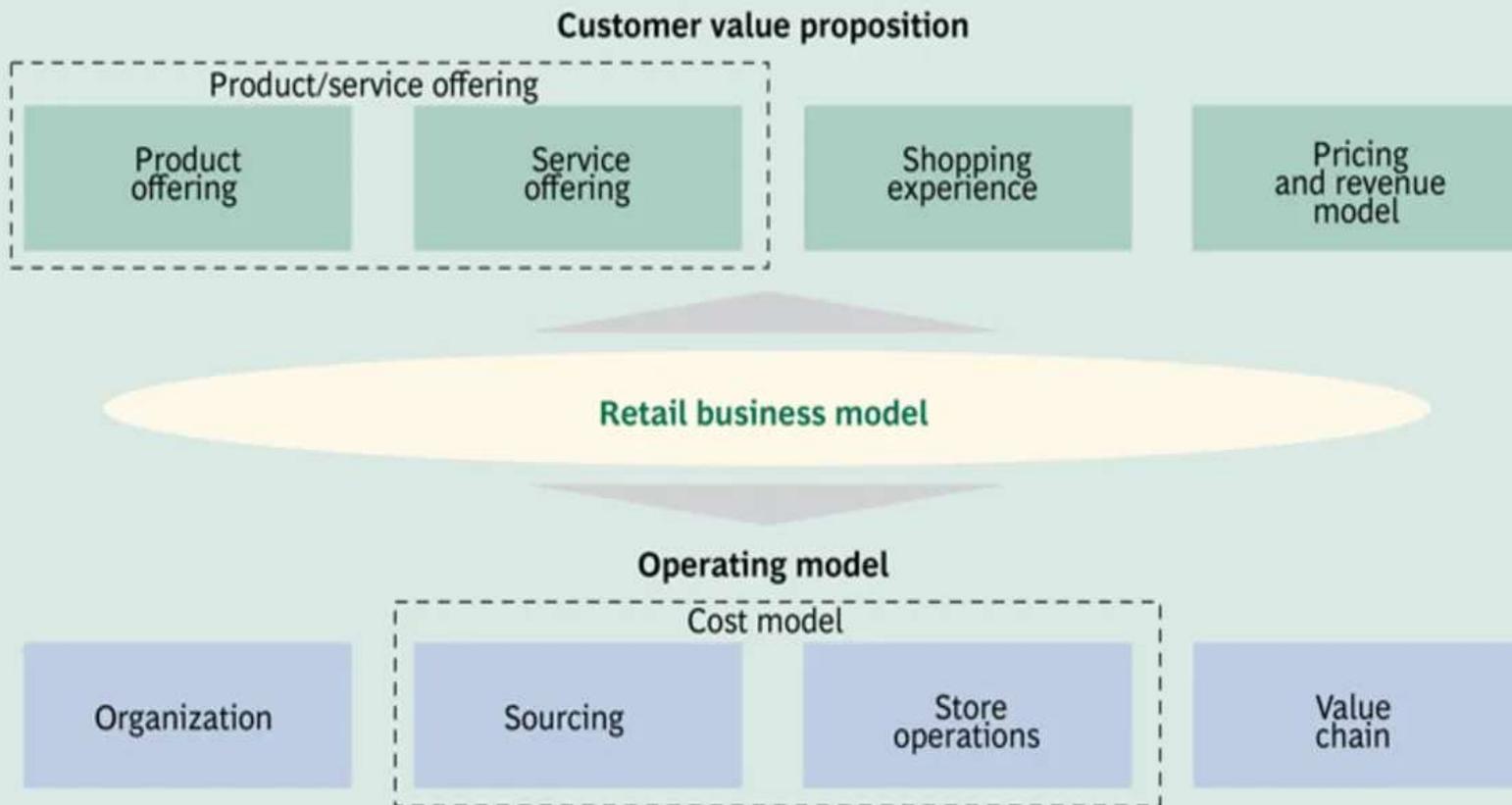
Every step in this process requires you to understand your customer and product.

The right location will be dependent on who you're selling to and their buying patterns. If you don't understand your customer you'll never be able to make informed decisions on where to open your business.



If you haven't gone through the process of writing a detailed business plan (or are having trouble getting the necessary level of detail), we'd suggest finding someone to help. The Government of Canada has free resources, but you can also find a professional business writer or a consultant to help guide you through the process.

Retail Business Models Integrate Two Distinct yet Intertwined Dimensions



Source: BCG analysis.



What Is a Retail Store Layout?

A retail store layout (whether physical or digital) is the strategic use of space to influence the customer experience. How customers interact with your merchandise affects their purchase behavior.



Store Design: The use of strategic floor plans and space management, including furniture, displays, fixtures, lighting, and signage. Website designers and user experience (UX) researchers use space management techniques and web design principles to optimize e-commerce websites. We'll further discuss a variety of popular retail floor plans later in this article.



Customer Flow: This is the pattern of behavior and way that a customer navigates through a store. Understanding customer flow and the common patterns that emerge when customers interact with merchandise based on the store layout is critical to retail management strategy.



While the exterior retail store layout includes exterior store design and customer flow, it also includes the following factors:

Geographic location of the retail store (real estate)

Size of the building and length of the walkways

accessible from the entrance and exit



Use of furniture and exterior space for people to gather and interact

Style of architecture of the retail building

Color of paint and choice of exterior building materials

Design of the physical entrance and exterior window displays



Unit-3

Managing the Retail Business

Retail Store Management

- Store manager has to play a dual role in a retail environment. On one hand, he is responsible for the various members of the staff and team who report to him and enable the smooth functioning of day to day operations of the store. On the other hand, he has to ensure that the policies and guidelines laid down by the management are adhered to by all employees of the store.
- Thus the managers are responsible for increasing the productivity of two of the retailer's most important assets: the firm's investments in its employees and its real estate.
- Store manager is responsible for all the activities that are conducted within the environs of the store like, opening the store on time, scheduling of staff, cleanliness, merchandising, CRM activities, handling customer grievances and complaints, closing of the store etc.



Principles of Retail Store Design

- 1. Totality** – Entire store has to be conceived as one unit, based on retailers vision and mission.
- 2. Focus** – The primary focus within the store has to be the merchandise. Achieving sales is the primary step towards being sustainable in the long run.
- 3. Ease of Shopping** – Store design should be such that it is easy for customers to navigate and shop.
- 4. Change and Flexibility** – Store design has to be adaptable to the environment and changing needs of the customers.

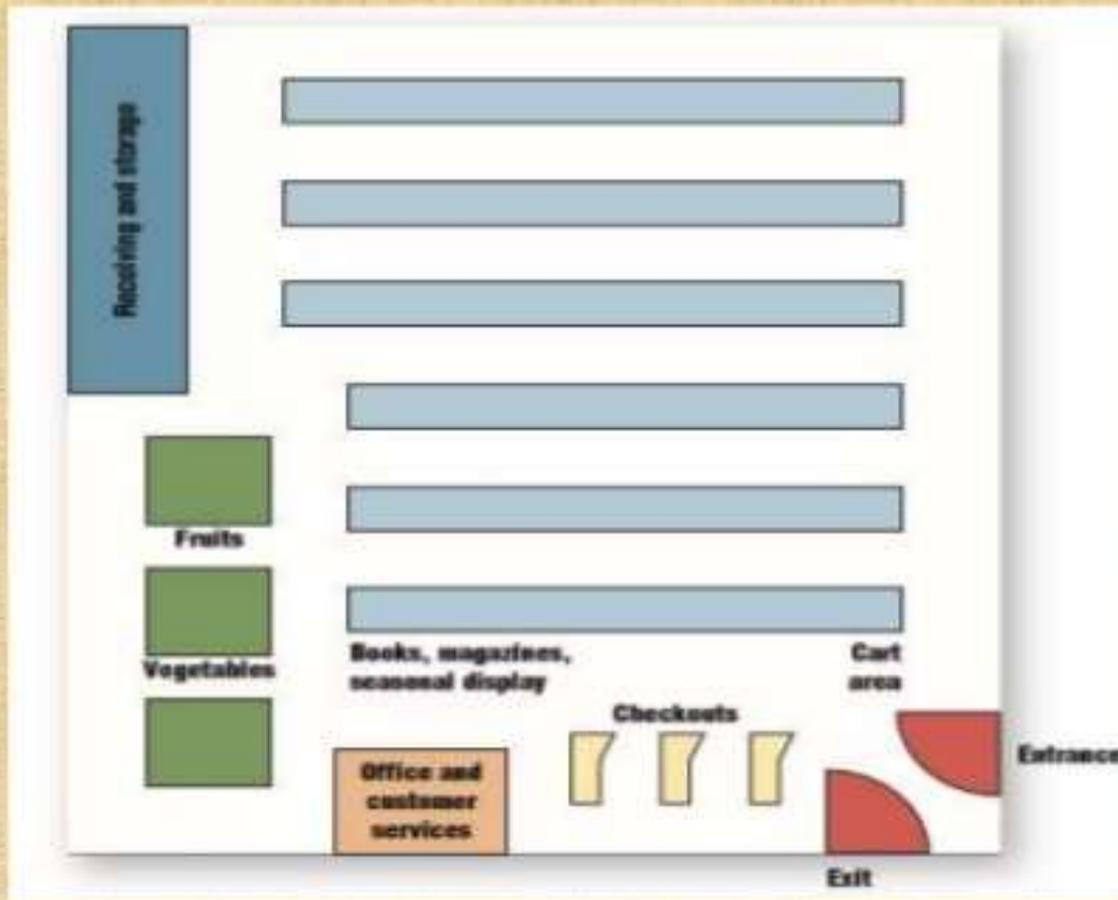


Principles of Retail Store Design

Three elements in the design of stores are the:

- (1) Layout
- (2) Signage
- (3) Feature Areas

Retail Store Design Element - LAYOUT





CLASSIFICATION OF RETAIL STORES





Retail Store Design Element - LAYOUT

Considerations in Store Layouts:

- Provide for the needs of elderly/ expecting women/ children/ disabled.
- In the International markets, it is very common to have ramps available for the movement of wheel chairs and strollers.
- Stores need to provide for seating arrangement for people, if they expect people to spend hours in the store



Retail Store Design Element – SIGNAGE & GRAPHICS

- Signage and Graphics help customers locate specific products and departments, provide product information, and suggest items or special purchases.
- Graphic is an image or visual representation of an object, such as photo panels, that can reinforce a store's image
- Signage is any visual representation which gives information to the customers about a store, building, street, park and so on.
- It is used to identify the location of merchandise categories within a store and the types of products offered in the category.



Retail Store Design Element – SIGNAGE & GRAPHICS

- Icons rather than words are used to facilitate communication with customers speaking different languages. For example, a red and yellow circus tent icon identifies the area for children's toys more effectively than a black and white, worded rectangular sign.
- Smaller signs are used to identify sale items and provide more information about specific products.



Merchandise planning is a data-driven approach to selecting, buying, presenting and selling **merchandise** to maximise your return on investment and satisfy consumer demand. **Merchandise planning** seeks to satisfy consumer demand by making the right **merchandise** available at the right places, times, prices and quantities.



Why is merchandise planning so important? (And what problems does it help stores avoid?)

If anyone ever asks you why a merchandise plan is important for a retailer, you should answer them by asking this simple question: what are the biggest expenses that any retailer faces? The answer they provide should be proof enough. That's because among the top few expenses they list - and alongside the more obvious ones like rent and payroll - you'll find merchandise. That makes sense, though, if you consider all the additional expenses that comes with buying and selling merchandise. Think shipping costs, delivery costs and storing costs to name just a few.



Order the wrong merchandise and you could easily double your costs and spend money that you don't have.

That said, having a merchandise plan is about more than just avoiding the problem of wasting money.

By not having a thorough and well-developed merchandise plan, you're left scrambling to meet the needs of your customers. And isn't that partly the reason why retailers exist - to meet consumer demand? As already mentioned, this is about offering the right product at the right time, right place and right price. The only likely way that that can ever happen is if you plan ahead.

And what if you don't? Imagine the consequences then if you will. While your shelves might be packed with merchandise, it'll be the wrong merchandise. That means you stand a good chance at having to offer discounts and markdowns just to get rid of unwanted stock. More than that, you'll find your customers moving to buy from your competition.



The challenges of planning your merchandise

- 1. Finding the balance between right product and right quantity**
- 2. A lack of clearly defined goals**



Retail **merchandising** includes activities and **strategies** such as in-store design, the selection of specific **merchandise** to match a target market, and the physical and digital marketing of **merchandise** to customers. ... The bags leave the retail store and serve as a type of moving **merchandising strategy** for brand awareness.

Retail Store Design Element – SIGNAGE & GRAPHICS

Types of Signs

- **Category Signage:** Used within a particular department or sector of the store, category signs are usually smaller than directional signs. Their purpose is to identify types of products offered; they are usually located near the goods to which they refer.





Digital Signage

- Digital signage eliminates the challenge facing retailers that send out static signage to stores announcing a special promotion or a new marketing initiative and then find the signage stacked in the storage area, never put on the selling floor, during the promotion.
- It ensures that the signage is installed in the right place at the right time.
- It eliminates the costs associated with printing, distributing, and installing static signage.
- It may decrease store labor costs while improving labor productivity.
- However, the drawback of using digital signage is the initial cost of the display devices and the system that supports the delivery of the signage.

Retail Store Design Element – FEATURE AREAS

- Feature areas are the areas within a store that are designed to get customers' attention. They include:
 - ✓ **Windows** - Window displays draw customers into the store and provide a visual message about the type of merchandise offered in the store and the type of image the store wants to portray.

Storefront window displays are an effective tool for building the store image, particularly with new customers who are unfamiliar with the store.





SPACE MANAGEMENT

The space within stores and on the stores' shelves and fixtures is a scarce resource. Space management involves two resource decisions:

1. Allocation of store space to merchandise categories and brands
2. Location of departments or merchandise categories in the store

Factors that retailers consider when deciding how much floor or shelf space to allocate to merchandise categories and brands are:

- (1) Productivity of the allocated space
- (2) Merchandise's inventory turnover
- (3) Impact on overall store sales
- (4) Display needs for the merchandise

Tools Used for Positioning of Items

1. Planogram

- Diagram that shows how and where specific SKUs should be placed on retail shelves or displays to increase customer purchases.
- Planograms help retailers plan the use of their space and gather data to help them make smarter visual merchandising choices that drive in-store sales.





VISUAL MERCHANDISING (VM)

- Visual merchandising is one of the visible elements of positioning strategy and is the “silent salesman”.
- VM is the presentation of a store and its merchandise in ways that will attract the attention of potential customers.
- It is the orderly, systematic, logical and intelligent way of putting stock on the floor.

The Role of VM is:

- Increase sales
- Inform and educate consumers about the product/ services
- Enable ease of shopping by informing colour, size, price and location
- Creating and enhancing the stores image.



CREATING AN APPEALING STORE ATMOSPHERE

To provide a rewarding shopping experience, retailers go beyond presenting appealing merchandise.

For example, Disney plans to spend about \$1 million a store to create a highly entertaining and rewarding experience for its customers using interactive technology.

The chain's traditional approach of displaying row after row of toys and apparel geared to Disney franchises will be given a high-tech makeover.

Children will be able to watch film clips of their own selections in a theater, participate in karaoke contests, or chat live with Disney Channel stars via satellite.

Computer chips embedded in packaging will activate hidden features. When children walk by a "magic mirror" while holding a princess tiara, Cinderella will appear and say something to them.



WEB SITE DESIGN OF A RETAILER

- Retailers website should be simple and not cluttered
- It should connect products that are similar in price and also complementary products
- Blend website with the store
- Web designers should strive for realistic colours and sharpness.
- Setting priorities for merchandise displays and locations is just as important on a Web site as it is in a physical store.
- The site should be designed to advise customers and guide them to the most important or most promising choices, while also ensuring their freedom to go anywhere they please. Like a newspaper, the most important items or categories should be given the bigger headlines and more prominent placement.



The Function of Merchandising

As part of a marketing strategy

According to the American Heritage Dictionary, merchandising is the promotion of merchandise sales, as by coordinating production and marketing and developing advertising, display, and sales strategies: basically everything we do to sell a product to the consumer.



Merchandising Strategy: Merchandising strategy involves the tactics (or business processes) that contribute to the sale of goods and services to the customer for profit. Tactics within the overall retail strategy include the variety of merchandise available for sale in store or online and how the retailer advertises and displays that merchandise to stimulate interest and create a customer experience. A sound retail strategy involves developing a desirable retail merchandise mix of products that add unique customer value.



The Function of Merchandising

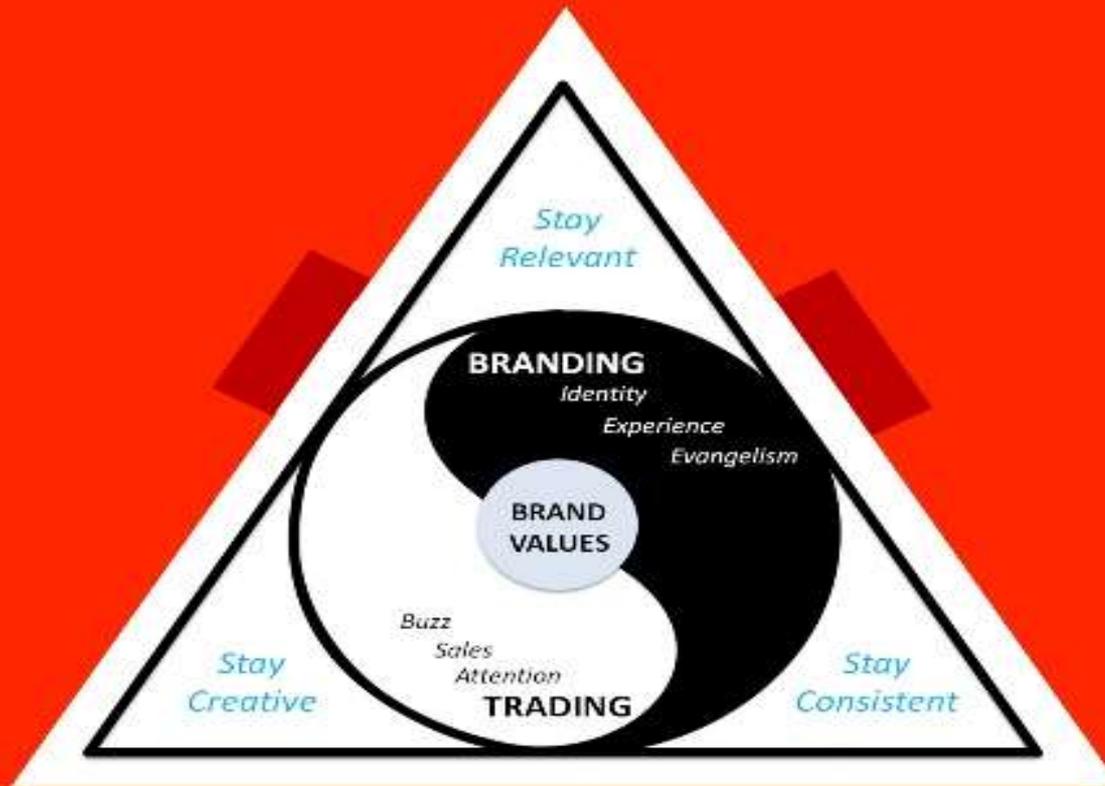
As a brand representative

How to Create Customer Dreams in Your counter?

Have you ever walked into a counter and just fallen in love?

It's as if the counter was created just for you.

From Trading to Brand Leadership





TRADING: Create Attention



Different Retail Merchandising Strategies for Driving Sales

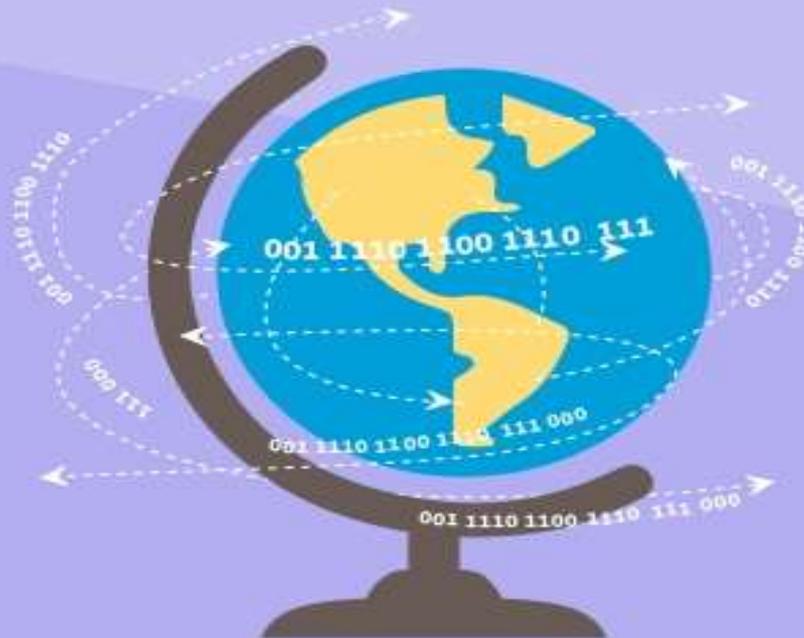




Unit-4

Future of Retailing

**TODAY, IN ECOMMERCE,
"E" = EVERYWHERE.**





Researching a product can happen in-store, online or over a cuppa with friends. Buying a product can happen in-store, online or over that same cuppa. And rating that product? Ditto.



Within this omnichannel world, the online channel is growing. Online spending in Australia increased at a compound annual rate of 18.2% over the five years through 2014-15.*

*Source: IBISWorld Industry Report 0102, Courier Pick-up and Delivery Services in Australia, October 2014.

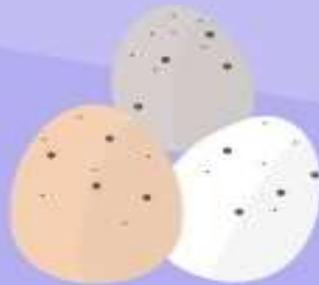


To keep up with this trend – and capitalise on it – retailers need to know what an omnichannel shopper looks like, and how to keep them happy.



THE RISE AND RISE OF THE OMNICHANNEL SHOPPER

THE CONSUMER



1800s

The consumer went to market and bartered their eggs for wool.



1900s

The consumer went shopping with a full purse. They came home with an empty purse and a full bag.



Augmented Reality Shopping is Changing the Way you Buy
Augmented reality shopping is the future and retailers are coming up with cool ways to provide shoppers an augmented reality shopping experience. From interactive mirrors to navigation inside the store, brands have used AR apps to transform the way you try, buy and use their products



The future of shopping is here with Augmented Reality Shopping and it looks cooler than you can imagine. With the advent of e-commerce, retail stores have adopted the newest of technologies like Augmented Reality (AR) to enhance the customer's shopping experience to get an edge over other stores. They have transformed the whole journey of a shopper from entering a store to opening the final product at home in unimaginable ways. This has resulted in increased brand engagement for them and a whole new way of shopping for us. So, let's take a look at how some retailers are using augmented reality shopping to give us a memorable experience



In-Store Navigation
Try it Before you Buy It
Mirror, mirror on the Wall
Home Shopping
AR in the Product

WHEN IT ALL STARTED...

... pop-up stores have existed for centuries !

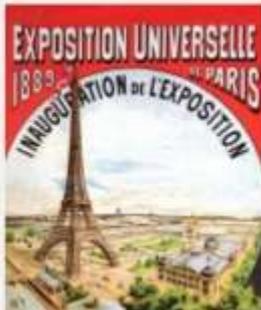
FAIRS (MIDDLE - AGE)



TRAVELLING THEATRE (19th c)



UNIVERSAL EXHIBITS



BUT REVAMP IN THE US (2002)



A lasting trend, Because it offers crucial benefits

BRAND EXPERIENCE

It is mandatory for a brand to tell a story



NEW EMOTIONS FOR SHOPPERS

Shoppers are looking for fun, for entertainment
We all want to dream !



MEETING SHOPPER NEEDS

We want our product when we need it...
And we want it now !



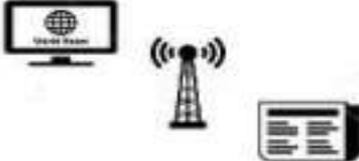
BREAK STANDARDIZATION

Brands are more global.
We can find the same offers everywhere



easymalls

POP-UP STORES : FOR WHO ?

 <p>Pure Players</p>	 <p>Retailers</p>	 <p>Bank, Insurance</p>
 <p>Start-uppers</p>	 <p>A-brands</p>	 <p>Hi-techs</p>
 <p>Media / Publishers</p>	<p>& why not politics and institutions ??!</p>	

THE EMERGENCE OF A POST DIGITAL RETAIL

BEFORE THE DIGITAL REVOLUTION

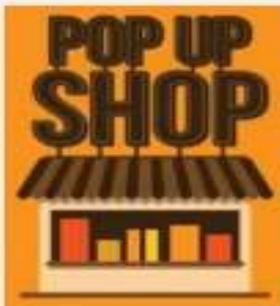
→ Shops were a fixed places and shoppers were mobile

Downtowns and malls are a opportunity for shoppers to chill out, to socialize and discover new trends

AFTER THE DIGITAL REVOLUTION

→ Access to consumer goods are mobile

Digital shopping is easier, faster, and propose a larger offer.



POP-UP STORE BRINGS THE MOST OF BOTH RETAIL

Pop Up are experiential, exciting, and able to renew every day.

Pop-Up stores can also create a digital experience

POP-UP STORES ARE MULTIFUNCTIONAL



EVENT



Create THE brand event



**NEW
TALENTS**



Allow young talents to
emerge



INNOVATION



Make people see & try your
innovation



**MEETING
YOUR
CUSTOMERS**



Create a physical link



**TEST &
LEARN**



New range, new
geographic zone, ...

POP-UP STORES ARE MULTIFACETED

FOOD TRUCKS



Stores



Middle of nowhere



Containers



POP-UP STORES ARE CRAZY



FOCUS ON POP-UP STORE IN MALLS

Why does that make sense ?

A PERFECT MIX BETWEEN LASTING & SHORT LIVED STORES



Commercial centres are every where :
Top 20 is visited by 20% of French pop.



Malls shoppers are in a purchasing
process but are fully open to new things !



Knowledge of shoppers flows : you can
be seen by millions of people



Ability to adjust the offer to seasonality



A great tool to create differentiation
between Retail property group

WHERE CAN YOU SET UP YOUR POP-UP STORE IN MALLS ?

Everywhere !!



KEY SUCCESS FACTORS FOR A GREAT SET UP IN MALLS

The basics :



1 The place

3 Brand expression

5 Be open !

7 Digitalize

2 Visibility

4 Identified Space

6 Meet your customer

8 Make try



Social shopping is a method of e-commerce where shoppers' friends become involved in the shopping experience. Social shopping attempts to use technology to mimic the social interactions found in physical malls and stores. With the rise of mobile devices, social shopping is now extending beyond the online world and into the offline world of shopping.



Group shopping sites include companies like [Groupon](#) and [LivingSocial](#). These sites encourage groups of people to buy together at wholesale prices, essentially a [Costco](#)-like model for the online world.

Shopping communities bring like-minded people together to discuss, share, and shop. Using [the wisdom of crowds](#), users communicate and aggregate information about products, prices, and deals. Many sites allow users to create custom shopping lists and share them with friends. ^[2] To date ^[when?], fashion communities have largely dominated this space. Yet, shopping communities are not limited exclusively to fashion. Some platforms like Zwibe are across all categories and actually pay the influencer if they make a sale in their group. Other shopping communities include [Listia](#), an online community for free stuff. Activity-based clubs (such as travel or adventure-sports clubs) are the in-person analogy for this category of social shopping.



Recommendation engines allow shoppers to provide advice to fellow shoppers. The in-store analogy for this category of social shopping is asking a fellow shopper for advice. Traditional online product review companies such as [Amazon](#) have helped many consumers to date but currently emphasize obtaining and giving advice to strangers. Up and coming^[citation needed] social shopping startups encourage conversations about purchases with a user's friends or acquaintance.

Social Shopping Marketplaces which bring sellers and buyers together to connect and transact like [Shopcade](#), [Polyvore](#), [Storenvy](#), [Etsy](#), [SavelGo](#), and [Impulse](#).^[3] The offline analogy for this category is a farmers market or bazaar. The marketplace brings together independent sellers and creates a forum for them to display and sell their wares to buyers. The marketplace affords buyers and sellers methods to connect and communicate whilst also performing the role of [e-commerce](#) facilitator for sellers and discovery engine for buyers.

Shared Shopping mechanisms for catalog-based [e-commerce](#) sites. These allow shoppers to form *ad hoc* collaborative shopping groups in which one person can drive an online shopping experience for one or more other people, using real-time communication among themselves and with the retailer

RISE OF PRIVATE LABELS

19th Century-
Inconsistent quality
products produced by
local farmers



20th Century-Large
Scale Manufacturers
replaced small scale
farmers



Brand Creation by
the usage of mass
communication tools
like TV, Radio.



Present- Focus of
Retailers on Private
Labels has
increased. Top
Retailers like Wal-
Mart earns about 40
% of their sales from
private labels



21st Century-
Retailers dominate
the manufacturers.
Top 5 retailers are 2-
3 times by sales of
top 5 manufacturers



1970's-Retailers
began to develop
national and
international chains

PRIVATE LABELS & INNOVATIONS

- ✘ It is more important for private labels to innovate and customize to stay in the market and retain margins
- ✘ Imperative to find out the customers needs and then create wants and desires based on those needs
- ✘ An advantage - Retailers know their customer base better than branded companies and can develop products that fit their unique customer attributes.
- ✘ Can have customized products for a small base of consumers. Big brands would have to cater to a larger and a more diverse population