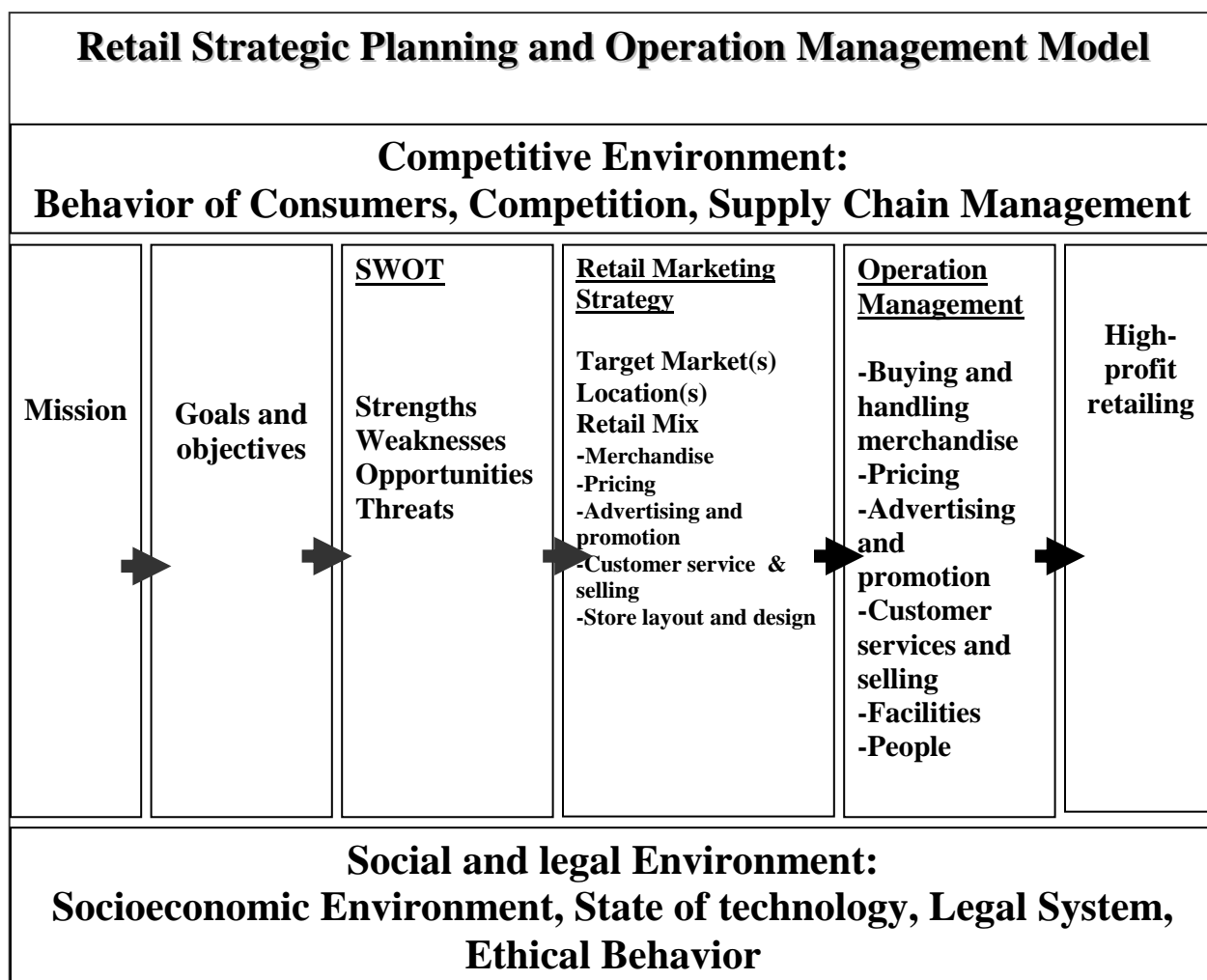


Semester Written Project: Retail Store Planning (15 Marks)

The purpose of this written project is to apply the theoretical material learned in the course through developing a strategic plan for a retail business. Students will work in a group of 3. Please let me know if you need help finding your group members.

Each team will choose a new small retail business and will develop a strategic plan for it for the semester. It can be of the same type of existing business but should have some new components. For example, the new business has different segment of target customers or positioning. The project involve stating the business mission, goals, *objective*, *SWOT analysis*, *development of retail marketing strategy*, and *developing an operation management plan based on the retail strategic planning and operation management model*.



You need my approval for your project by submitting the description of your idea (stage 1) before proceeding to the next stage. I will give feedbacks and will assist you improving your work.

For each part of the assignment please type and double space your report. You may use lists or charts where appropriate. Don't forget to cite your references! **You must write your group number, name of all group members and name of your store on the front page.**

These questions may help you organize your idea.

- What are they are selling? Product, Brands (Privat labels, non-Privat labels)
- Are you providing products or service or both?
- How big is the company? Local, National, International – Small is good for this project!
- Is it brick and mortar store, catalog, online store or multi-channel stores?
- Where are they? Who they are? Headquarters, Facilities, Distribution channels, Suppliers, Buyers
- What are the major competitors? Name them! Locally, who they are? On the internet or catalog, who they are?
- What is the target market? Geographic, Demographic, Psychosocial, Behavioral
- Who are the consumers? What do they need? What can you provide?
- How your idea is different from the existing businesses? When you compare yourself to your major competitors, what can make you unique?
- Where do you get initial investment? How?
- Is it possible to make profits? What is the cost structure of your business?
- Provide a paragraph of your mission statement at the end.

Mission statement is the key step in initiating a business plan. Mission statement should be briefly highlighted:- Who are you?, What do you do?, Where you are headed? Think all of these questions clearly among your group members.

SWOT Analysis

10

In this stage you are asked to provide a detailed environmental analysis of your business by developing a SWOT analysis.

SWOT analysis is the process of analyzing a firm's *internal strengths* and *weaknesses* and analyzing the *opportunities* and *threats* that are posed by the *external* environment. The purpose of the SWOT analysis is to enable a firm to set its position to take advantage of particular opportunities in the environment and to avoid or minimize environmental threats. You may research your company's strengths, weaknesses, opportunities and threats by looking at information of the existing firms in the industry. They can be your major competitors that share the same target markets. You may also have to collect information about the different environments from talking to store managers of related business or your potential customers. These questions may help you identify SWOT of you firm.

Internal Environmental Analysis:- Strengths and Weaknesses

- Do you have a clear strategic direction?
- What are your financial resources? A deteriorating competitive position?
- Do you have good competitive skills?
- What are those acknowledged market leaders? Are they doing well?
- Can you access to economies of scale?
- Do you have cost advantages? Do you have advanced R&D? How?
- Do you have competitive advantages? How do you get them?
- What are your product lines?
- Identify your product innovation abilities?

- How can you gain market image?

External Environmental Analysis:- Opportunities Threats

- Who are your customers? Who can be your potential additional customer groups to serve?
- How likely it is for new competitors to enter the market?
- How likely it is for you to enter new markets or segments?
- In the situation of slow market growth, what is your alternative strategy?
- How can you fulfill your broad range of customer needs?
- How diversify the related products is? Growing competitive pressure?
- How vulnerability the firm is to recession and business cycle?
- How complacency among market rivals?
- Do you see growing bargaining power of suppliers/ buyers?
- How faster the market growth is? Changing buyer needs and tastes?

After asking yourself these questions, you may select your company's three most important strengths, weaknesses, opportunities and threats that relate directly to the question that is driving the SWOT Analysis. Then, identify and briefly explain each of the three most important strengths, weaknesses, opportunities and threats. Then, answer these questions:

- How can strengths be maximized?
- How can weaknesses be resolved or minimized?
- What opportunities exist to expand markets and products?
- What threats exist to limit expansion and growth?

Based on your SWOT analysis, you may state your business goals and objectives. Please address your logical explanations.

Retail Market Strategy and Operation Management

20

In this stage you are asked to develop your strategic plan and operation management plan to achieve your objectives. Based on information you learned from the textbook, you may analyze “your store” retail market strategy. Start by clearly identify the retail format concept and what you’re your store gains sustainable competitive advantages. Discuss the following issues related to retail market strategy:-

- Your target market:- Geographic, Demographic, Psychosocial, Behavioral
 - a. What is the logic behind selecting this target market for your business?
- Your location decisions (for a short and long term if needed)
 - a. You must include an actual location that is currently available, square footage and cost (if possible) for your original store
 - b. Mall, Strip center, power center, free standing? Central business district or suburbs?
 - c. Size and demographics of trade area? How many direct and indirect competitors are? Who they are? How do they impact your store?
 - d. Future plan?
- Your retail mix: what make “your store” gains sustainable competitive advantages
 - a. Merchandise mix and Vendor relations
 - i. Who will be the key vendors?
 - ii. How deep will assortments be for each vendor?
 - iii. Are there private labels? How important are they?

- iv. What are your policies related to buying and handling merchandises?
- b. Pricing
 - i. Will you use low price policy? If so how will you achieve lowest cost? If not how can you compete with those low price competitors?
 - ii. Would you emphasis more in higher price-higher value policy?
 - iii. What kind of pricing strategy other people in the industry use? Why do you choose to use the same strategy or not the same? Explain
 - iv. What will be the low, average, high prices for merchandise in key categories? Give some example of your products and their prices
- c. Advertising and promotion
 - i. What type of advertising will be used? Where will it appear? How frequently, price or image oriented?
 - ii. Will there be frequent sales promotions? What type of promotions will be used?
- d. Customer services and selling
 - i. Will customer service be a standardized or customized?
 - ii. How many sales people?
 - iii. Do salespeople greet customers? What level of personal service is offered?
 - iv. Are sales people knowledgeable? Use suggestive selling? Training?
 - v. Would you include customer relationship management program (CRM)? Is the CRM practice differentiating your store from the major competitors?
 - vi. What is your human resource management plan? How can you get people to work for you? Explain
 - vii. How can you train your work force to have customer oriented mind?
- e. Store layout and design
 - i. Will selling areas be devoted to specific types of merchandise?
 - ii. How will the merchandise be organized?
 - iii. What type of fixtures, lighting, spacing and visual merchandising?
 - iv. What type of customer would find them appealing?
 - v. What are your facilities management plans? Is your store's design and layout flexible? How?

For each of your decision, please provide your group rationale. You may provide specifically idea how your business will deal with the challenges due to its weaknesses threats in the environment, and how will utilize its strengths and the opportunities in the environment. Please link your idea with important concepts in the text book. You may use your SWOT analysis as a guideline on defining your marketing and operation strategy. Please make sure that your operation management plan is correlated with your operation management plan.

Once you develop your business please, please provide 1-2 pages of an executive summary which will be placed at the beginning of the report. It can be a few paragraphs summarizing the whole concept of your business, mission statement, retail format, target market, store location, key competitive advantages, sales volume and profit projections. Reader should be able to understand who you are and what you are trying to do from just looking at your executive summary report.

The report should be no longer than 22 pages, 2 pages executive summary and 20 pages details.

Please prepare presentation slides of your semester project.