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Promotion Decision in Retailing





Introduction

It is the promotional methods using special techniques to motivate customers of a target market to respond or make purchases

Retailer offer goods at an affordable price or provide with certain gifts



Pull Strategy

- ▶ Creation of customer demand through extensive usage of mass media, electronic and outdoor media

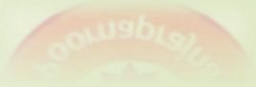
Push Strategy

- ▶ Firm can choose to offer discounts, run deals on its merchandise, offer several promotion from time to time.

Example, Big bazaar offering lowest prices and discounts

Shopper's Stop uses media vehicles to create its image of an exclusive store

Retail Promotion Mix



Sales
Promotion

Publicity

Advertising

Public
Relations

Personal
Selling

Sales Promotion

Short term technique to boost sales

Includes:

- 5% Cash Back
- Buy one get one free
- Discounted prices
- Free Finance facility
- 'Free gifts
- Offering Bonus points on every Purchase
- Vouchers and coupons





Publicity

Any non-paid communication to promote an organization or its products and services in public media. It includes

- ▶ Press Publicity
- ▶ Speech
- ▶ Special Events
- ▶ Sponsorships



Advertising

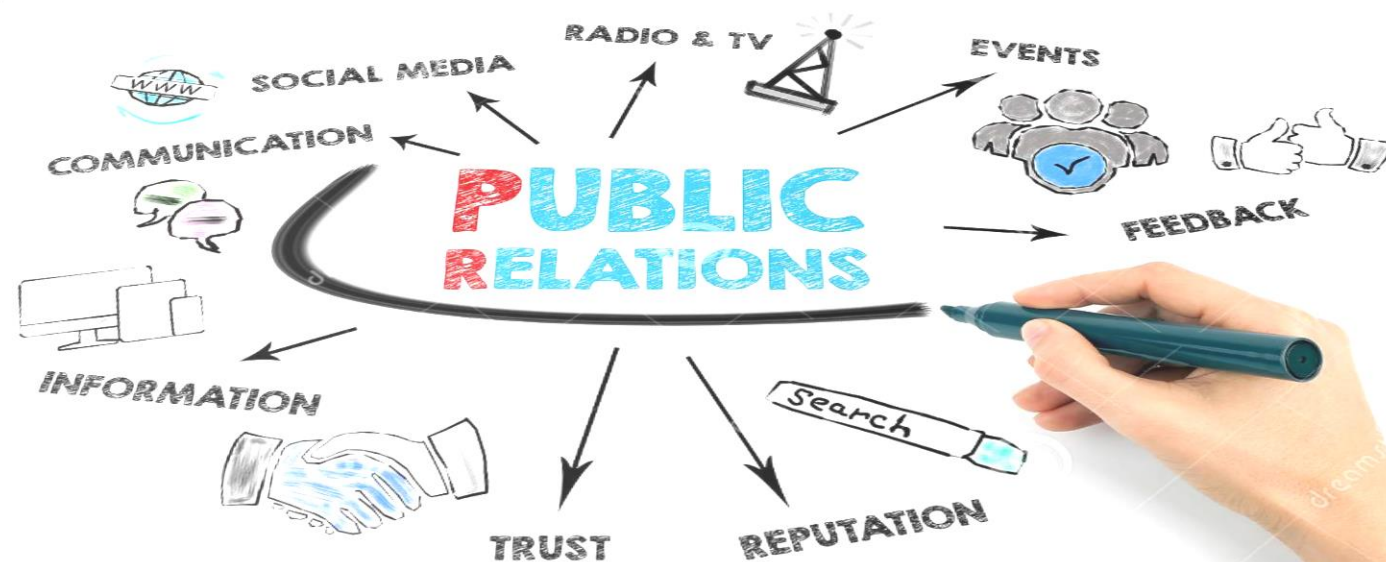
- Advertising is paid. It includes ads in newspapers, TV, radio's the web etc.





Public Relations

A management function which evaluates public attitude, identifies the policies and procedures of an organization for public interest and executes a programme of action to earn public acceptance.



Personal Selling

Involves oral communication with one or more perspective customer for the purpose of making a sale.



Global Retailing

Selling goods & services across the geographical boundaries of a country to the consumers available in the different parts of the world.

Intel, Facebook, Toyota, IBM, PepsiCo, Domino's etc.





Trends in Global Retailing

- Going internationalization
- Enhancing Service offering
- Trends towards specialty stores
- Mass Merchandisers
- Migration of retail formats
- Expansion of private brands

Strategies for Global Retailing

- Organic Growth Strategy
- Chain Acquisition
- Franchise
- Joint Ventures





Challenges faced

- Coping with changing technology
- Language and communication barriers
- Consumer empowerment
- Cultural Complexities
- International shopping policies

Information Technology and Retailing



- Application of computers to store, retrieve, transmit and manipulate data in the context of a business.
- Simplifies business operations
- Enhance competitiveness

Need of IT is to provide following information areas

- Product information
- Customer information
- Operations information

IT TOOLS in Retailing



- Bar coding, Scanning and Electronic Data Interchange (EDI)
- Supply Change Management
- Customer Relationship Management
- Inventory Management
- Warehouse Management System
- Enterprise Resource Planning
- Radio Frequency Identification

Emergence of Global Retailing



- A profitable opportunity
- Increases customer awareness, preference and purchasing power
- Barriers are eased out by govt. to promote global trade



Reasons for Emergence of Global Trading

- Increased Foreign Travel
- Satellite Television
- Declining Entry Barriers
- Saturation of Domestic Market