

Retail Formats

- Classification of General Merchandise Retailers
- Classification of Non Store based Retailers

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Classification of Store-based retailer

General Merchandise Retailers

- Specialty store
- Variety store
- Traditional department store
- Off-price chain
- Factory outlet
- Flea market
- Category Killer

Specialty store

Small stores which specialize in a specific range of merchandise and related items.

Most stores have an extensive depth of stock in the item that they specialize in and provide high levels of service and expertise.

The pricing policy is generally in the medium to high range

Specialty store



A typical speciality store gives attention to a particular category and provides high level of service to the customers.



A pet store that specializes in selling dog food would be regarded as a specialty store.







Specialty Stores of India is at its nascent stage and heading for a stupendous growth in the near future.



Specialty store

- Categories inviting interest are electronics and electrical products, office products and stationary, toys, lingerie, chocolates, Indian culture and furnishings.





- The company's motto is "Where Best Friends Are Made".
- Customers go through an interactive process in which the stuffed animal of their choice is assembled and customized during their visit to the store, and is the largest chain that operates in this style
- Choose your bear
- Give a voice to your bear
- Stuff the bear
- Stitch the bear
- Fluff the bear
- Dress the bear
- Name the bear
- Go home with a nice **BIG** bear house box

Signage's at the Build a Bear Workshop



Wow them!!



Specialty store

Location:
Business district or
shopping center

Prices:
Competitive to
Above average

Merchandise:
Very narrow width and
extensive depth of
assortment; average to
good quality

Atmosphere and
Services:
Average to excellent

Promotion:
Print ads
Heavy use of displays
Extensive sales force

Variety store

A variety store or price-point retailer is a retail store that sells inexpensive items, often with a single price for all items in the store.



In India, they are known as 49 & 99 shops. Typical price range in these shops is 49 & 99 Indian Rupees. Items are generally cheap gift articles, toys, watches, office stationery, and crockery.

Product:

Typical merchandise includes cleaning supplies, toys, household goods, gardening equipment, cooking supplies, small tools, personal hygiene supplies, kitchen supplies, organizational supplies, small office supplies, holiday decorations, electronics supplies, gardening supplies, home decor, novelties, toys, pet supplies, DVDs ,food products, automotive supplies, among other products.

Variety store

There are three reasons a variety store is able to sell merchandise at such a low price:

The product is a generic or private label, often specially manufactured for such stores, using cheaper ingredients and processes than products intended for the mass market.

The product was manufactured cheaply for a foreign market but was then re-imported by an unauthorized distributor (grey market goods).

The product is purchased from another retail store or distributor as discontinued and discounted merchandise

Variety store

Location:
Business district, or shopping
center

Prices:
Single Price Level

Merchandise:
Poor width and
depth of
assortment;
average quality;

Atmosphere/ Services:
Below average

Promotion:
Rarely advertised;
limited selling

Departmental Stores

- A department store is a retail establishment which satisfies a wide range of the consumer's personal and residential durable goods product needs.
- Department stores usually sell products including apparel, furniture, home appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewellery, toys, and sporting goods.
- Department stores are usually part of a retail chain of many stores situated around a country or several countries.



Departmental Stores

Location:

Business district, shopping center or isolated store

Prices:

Average to
Above average

Merchandise:

Extensive width and
depth of
assortment; average to
good quality

Atmosphere and Services:

Good to excellent

Promotion:

Heavy ad and catalog
use; direct mail;
personal selling

Off-price Chain

Off-price retailers sell clothing and accessories from major-label brands at a significant discount.

These companies take advantage of overruns, cancelled orders, and forecasting mistakes made by their counter-parts in the full-price retail sector.



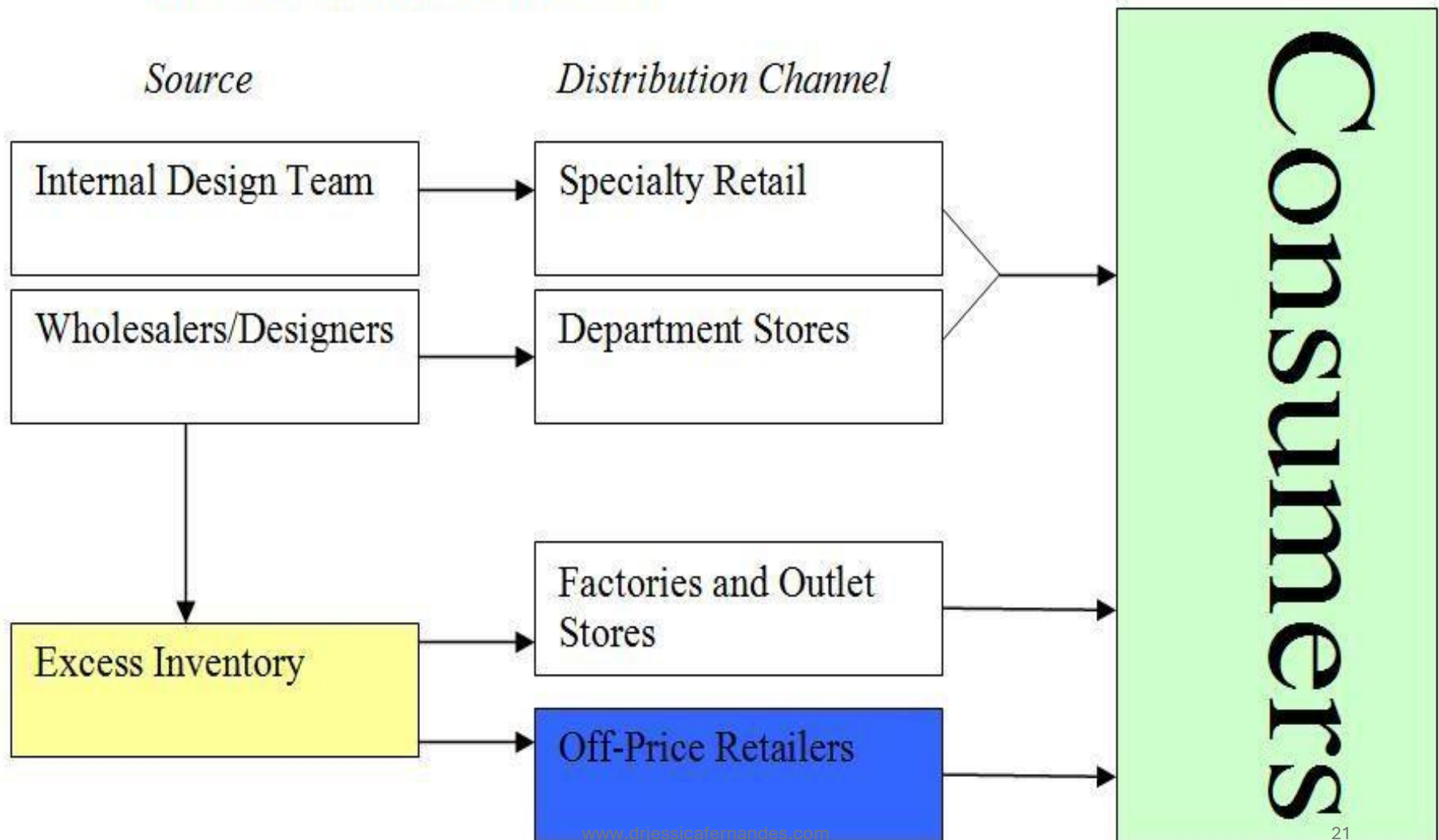
Off-price Chain

When a major designer produces more clothing than it can sell through specialty retailers or department stores, or a store can't move all of the items in a particular line, the excess inventory is sold at a 20%-60% discount to an off-price retailer.

The company passes these savings onto consumers, marking up goods by a lower percentage than full-price stores and instead building their operating margins by moving a high volume of inventory quickly, at rock-bottom prices.

Off-price Chain

Off-Price Retail Product Flow



Off-price Chain

Location:
Secondary site, often in
industrial area

Prices:
Very low

Merchandise:
Moderate width and
low depth of
assortment; emphasis on
Manufacturer/own brands
at discount

Atmosphere and
Services:
Low

Promotion:
Little or none

Factory outlet

An outlet store or factory outlet is a brick and mortar or online retail store in which manufacturers sell their stock directly to the public.

Traditionally, a factory outlet was a store attached to a factory or warehouse, sometimes allowing customers to watch the production process.

Factory outlet



A promotional advertisement for "DENIM FEST". It features a man and a woman standing in jeans. A large blue banner across the middle reads "BUY 1 JEANS & GET 2 T-SHIRTS FREE ON MEN'S, WOMEN'S & KID'S WEAR". To the right, there are logos for BARE DENIM, BUFFALO, UMM, and Le Cooper. At the bottom, it says "PANTALOON FACTORY OUTLET" and provides the address: "3-2-262 Trumala Estate, Himayat Nagar, Near Telugu Academy, Hyderabad. Tel.: 6663 8084/5 • 94, Minerva Complex, S. D. Road, Secunderabad. Tel.: 040 - 6632 5145/6 (Exclusive store for Men's wear)".



Factory outlet

Location:
Out of the way site
or discount mall

Prices:
Low

Merchandise:
Moderate width and
poor depth of
assortment;
Irregulars,
Unsold/returned
merchandise

Atmosphere/ Services:
Average to low

Promotion:
Little

Flea market

A flea market is a type of bazaar where inexpensive or second hand goods are sold or bartered.

It may be indoors, such as in a warehouse or school gymnasium; or it may be outdoors, such as in a field or under a tent.

They often "run away" and are set up in a different location after a short time period.

The flea-market vendors may range from a family that is renting a table for the first time to sell a few unwanted household items to a commercial operation including a large variety of new or used merchandise, including scouts who rove the region buying items for sale from garage sales and other flea markets, and several staff watching the stalls.

Many flea markets have food vendors who sell snacks and drinks to the patrons, and may be associated with carnivals or concerts.



Flea market

**Location:
Isolated store**

**Prices:
Very Low**

**Merchandise:
Extensive width and
poor depth of
assortment;
low continuity;
variable quality**

**Atmosphere / Services:
Very low**

**Promotion:
Limited**

Category Killer

A large retail chain store that is dominant in its product category.

This type of store generally offers an extensive selection of merchandise at prices so low that smaller stores cannot compete.

The existence of a category killer eliminates almost all market entities, whether real or virtual.



Category Killer

Location:
Business district or
shopping center

Prices:
Competitive to
low

Very large store.
Merchandise:
Narrow width and
Enormous depth of
assortment; average to
good quality

Atmosphere and
Services:
Average to low

Promotion:
Print ads
Heavy use of displays
Self-service focus