**ANSWERS TO COMPREHENSIVE CASE QUESTIONS**

**PART ONE COMPREHENSIVE CASE**

**Ideas Worth Stealing**

Questions

1. What can *any* retailer learn from this case?

Ideas that retailers can learn from this case include the following:

* Include product-related advertisements with experience dimensions.
* Fund exciting competitions.
* Effectively use social media.
* Show appreciation to employees.
* Allow employees to interact with top-ranked personnel.
* Develop innovative pricing models through membership plans.
* Apply innovativeness to design of ordinary products.
* Use consumer sampling to get shelf space.
* Build a great customer experience.
* Tailor circulars to individual shoppers.

1. Relate the material in this case to the concept of the total retail experience.

The total retail experience includes all the elements in a retail offering that encourage or inhibit consumers during their contact with a retailer.

This case describes different ways a retailer can enhance a customer’s experience through use of social media, special events, innovative membership programs, innovative store displays, informed salespeople, customized offers, and so on.

1. What uncontrollable factors will affect a retailer’s ability to undertake the suggestions cited in the case? How would you handle them?

Examples of uncontrollable factors that can impede adoption of these suggestions include the following:

* Management resistance to change
* Budget funding
* Competitor responses
* The ability of existing personnel to implement plans
* The quality of a company’s databases and its marketing information system
* Supplier cooperation

1. Comment on this observation: “In business, you sell yourself first, your company second, and the product third.”

Selling yourself first means a salesperson establishing trust with a customer, then selling the company (customer service) and lastly, the product. Because many products are intensively distributed, the person and company dimensions are ways to differentiate the product.

1. Target has a Web site (<https://corporate.target.com/about/shopping-experience/>) about the shopping experience it provides. Relate what you find at this site to Target’s overall retail strategy, based on the steps discussed in Chapter 3.

These are the underpinnings of Target's shopping experience strategy:

* An exciting/enjoyable shopping experience
* Friendly service
* Fully stocked shelves
* Speedy checkouts
* Price matching
* Easy-to-locate merchandise
* A one-stop shopping experience
* Quality not sacrificed at low price levels

1. What kind of loyalty program(s) should Nordstrom offer? Present details in your answer.

As an upscale, fashion-oriented, full-service department store, Nordstrom's loyalty program should be focused on customer service.

Nordstrom’s loyal customers should be offered free alterations for life, special access to designer trunk shows, extended return and exchange privileges, personal shoppers (both in-store and in-office), and so on.

1. What recommendations would you suggest for any retailer as it looks to the future?

As retailers look to the future, they need to develop comprehensive plans and monitor their performance on a regular basis.

Retail planning needs to reflect the increased importance of the Web, omnichannels, global markets, the increased growth in minorities, Millennials, and senior markets.

Retail plans need to reflect the expanded view of competition. As an example, traditional grocery stores now face competition from supercenters, home delivery operations, office supply stores, Web-based merchants, convenience stores, etc.

**PART TWO COMPREHENSIVE CASE**

**What Consumers Find Expendable Versus Untouchable**

Questions

1. Differentiate between expendable and untouchable shopping. Why is this distinction important to retailers?

Expendable shopping involves purchases that can easily be postponed. In contrast, untouchable purchases are immune from a poor economy, job loss, or high inflation.

Planning for expendable shopping is much more difficult because it is subject to such variables as the economy, increases in the cost of raw materials, etc.

2. As an independent jewelry retailer, what could you learn from Table 1? How should you adapt to this?

As a rule, there is not that much difference in responses by age. The largest percentage of consumers (between 37 percent and 42 percent based on age) indicated that their response to a poor U.S. economy would be spending less overall. The second largest percentage of consumers (between 29 percent and 33 percent) would shop for sales more frequently.

An independent jeweler can use this data by offering more frequent sales, more extensively using coupons, and through direct price comparisons with leading Web-based retailers.

3. Do you think that the revenues of retail cooperatives will go up during weak economic times and decline during strong economic times? Explain your answer.

The real issue is whether retail cooperatives offer lower prices as opposed to distinctive products.

4. Relate the discussion in this case to the wheel of retailing and scrambled merchandising highlighted in Chapter 5.

The wheel of retailing argues that retailer innovators first appear as low-price operators with low costs and low profit margin requirements. Over time, these innovators upgrade their product quality, customer services, and facilities. As a result, they must raise their prices, and these innovators become vulnerable to new discounters. One way consumers can reduce the impact of poor economic conditions is to change from department store to discount store shopping.

Scrambled merchandising occurs when a retailer adds goods and services that are unrelated to each other and to the retailer’s original business. By virtue of scrambled merchandising, a store’s competitors expand. Superstores now sell perishable fruits and vegetables in competition with traditional supermarkets. In some cases the superstores sell these goods at