

Different brands of car dealerships are usually located near one another on the S...

[Economics](#), [Trade](#)



1. Different brands of car dealerships are usually located near one another on the same street. What are the pros and cons of this strategy? There are several pros and cons when considering car dealerships locating near one another on the same street. Car dealers cluster because it is in their best interest to do so, given consumer behavior. Buyers would be less prone to buy if dealers were discrete and far away from one another, but they are more prone to shopping if dealers cluster along the same street. One disadvantage of this strategy is the high level of competition amongst each other. This strategy also encourages dealerships to decrease prices, have sales or promotions on vehicles to attract customers. It also encourages the employers to find additional ways to keep their employees motivated to maintain high quality customer service.

2. How does the mall that you shop at frequently combine the shopping and entertainment experience? The mall that I shop at frequently combines the shopping and entertainment experience by expanding the size of the mall and introducing a vast selection of food choices in the food court. Recently, they open another food court on the other end of the mall, which also has new restaurants from which persons can choose from when they desire to have a meal. In addition, they built a theatre which has eight screens that can be viewed on a daily basis. Also, the entertainment experience is enhanced by performances of both local and international artists on a regular basis as they perform different genres of music and dance.

3. Why would a Payless Shoe Source store locate in a neighborhood shopping center instead of a regional shopping mall? A Payless Shoe Source would locate in a neighborhood shopping center instead of a regional shopping mall because neighborhood

shopping centers are attached rows of stores managed as units, with onsite parking usually located in front of the stores. Payless would want to locate here because they offer customers convenient locations and easy parking, and they have relatively low occupancy costs. Whereas, a regional shopping mall have higher intensity of competition. This is so because it is an enclosed area with similar types of stores with the same products. Also, the occupancy cost is high, in addition to the restricted rules governing window displays and signage. And, customers don't always have time for a leisurely stroll through a mall. A freestanding location is more convenient because customers can park in front the store, buy what they want, and continue their other errands.

4. Staples and Office Depot both have strong multichannel strategies. How does the Internet affect their strategies for locating stores? Internet has become a major turning point in businesses today. Because of the internet, customers can now order their products from both Staples and Office Depot via the internet. There is no need for them to actually visit a store to see what they have to offer and purchase goods. As a result of this shift in the internet technology, Staples and Office Depot don't have to be as concerned about the location of their stores. Once their goods and services are well advertised and popular (which they are), people will see them via the internet and make the necessary purchases.