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Retailers and wholesalers add value to the marketing system because they offer something that consumers want and not just in small stores but in big stores such as Costco and wal-mart. Retailing is good because it offers individuals a small amount of goods for their own personal use. Wholesale is good for companies and big families because it offers them with more product for a cheaper price. This can only benefit small and big business because they are offering goods to all consumers in all product areas.

A contractual vertical marketing system is where firms at different levels of production and distribution work together to achieve greater economies or sales than they would on their own. These firms coordinate their strategies through contractual agreements in order to eliminate channel-conflict that may arise out of individual objectives.

Retailers are searching for new marketing strategies to attract and hold customers. In the past, retailers attracted customers with unique products, more or better services than their competitors offered, or credit cards. Today, national-brand manufacturers, in their drive for volume, have placed their branded goods everywhere. Thus, stores offer more similar assortments—national brands are found not only in department stores but also in mass-merchandise and off-price discount stores. As a result, stores are looking more and more alike. Service differentiation among retailers has also eroded. Many department stores have trimmed their services, whereas discounters have increased theirs. Customers have become smarter and more price sensitive. They see no reason to pay more for identical brands, especially when service differences are shrinking. For all these reasons, many retailers today are rethinking their marketing strategies. With that said I would be I would be factoring in positioning and figuring out price, place, promotions and what services to provide.

Mall: Malls typically are enclosed, with a climate-controlled walkway between two facing strips of stores. The term represents the most common design mode for regional and superregional centers and has become an informal term for these types of centers.

Strip center: A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an “ L” or “ U” shape.

Neighborhood Center: This center is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. According to ICSC’s SCORE publication, roughly half of these centers are anchored by a supermarket, while about a third have a drugstore anchor. These anchors are supported by stores offering pharmaceuticals and health-related products, sundries, snacks and personal services. A neighborhood center is usually configured as a straight-line strip with no enclosed walkway or mall area, although a canopy may connect the storefronts.

Community Center: A community center typically offers a wider range of apparel and other soft goods than the neighborhood center does. Among the more common anchors are supermarkets, super drugstores, and discount department stores. Community center tenants sometimes contain off-price retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured as a strip, in a straight line, or “ L” or “ U” shape. Of the eight center types, community centers encompass the widest range of formats. For example, certain centers that are anchored by a large discount department store refer to themselves as discount centers. Others with a high percentage of square footage allocated to off-price retailers can be termed off-price centers.

Regional Center: This center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attractions are its anchors: traditional, mass merchant, or discount department stores or fashion specialty stores. A typical regional center is usually enclosed with an inward orientation of the stores connected by a common walkway and parking surrounds the outside perimeter.

Superregional Center: Similar to a regional center, but because of its larger size, a superregional center has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional centers, the typical configuration is as an enclosed mall, frequently with multilevels.

Fashion/Specialty Center: A center composed mainly of upscale apparel shops, boutiques and craft shops carrying selected fashion or unique merchandise of high quality and price. These centers need not be anchored, although sometimes restaurants or entertainment can provide the draw of anchors. The physical design of the center is very sophisticated, emphasizing a rich decor and high quality landscaping. These centers usually are found in trade areas having high income levels.

Power Center: A center dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or “ category killers,” i. e., stores that offer tremendous selection in a particular merchandise category at low prices. The center typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants. Theme/Festival Center: These centers typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. The biggest appeal of these centers is to tourists; they can be anchored by restaurants and entertainment facilities. These centers, generally located in urban areas, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed use projects.

Outlet Center: Usually located in rural or occasionally in tourist locations, outlet centers consist mostly of manufacturers’ outlet stores selling their own brands at a discount. These centers are typically not anchored. A strip configuration is most common, although some are enclosed malls, and others can be arrangedin a “ village” cluster.

Now more than ever people are shopping around for the best price, quality and product and this is a cause for retail convergence because it is now greater competition for retailers and they have to learn to differentiate and make their product stand out the most in the mind of the modern day price consumer without invading their privacy or using unethical tactics to get their products noticed. I now have so much choice when it comes to buying a product, This is good in one way that I can pick the best product for me and good that retailers now know I have a choice and I can and will choose what I perceived to be the best Product based on the marketing information and research and promotion available at the time of my decision making. Thus in my opinion I believe that the retail convergence is a good thing and has helped more than harmed the retailers and makes them more accountable to the consumers.

The use of intermediaries results from their greater efficiency in making goods available to target markets. Offers the firm more than it can achieve on its own through the intermediaries contacts, experience, specialization, and scale of operation. Channel intermediaries offer contacts, experience, specialization, and economies of scale to organizations that cannot offer these attributes on their own. Marketing channels allows producers to realize the benefits that only larger organizations may be able to support.