

Procurement

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Procurement According to the policies and strategies of procurement and contracting, an organization operating in the segment of outdoor sports section, might try to offer effective products at a competitive price. This is done so as to enhance the level of reliability and brand image of the organization within the minds of its target customers thereby amplifying its scope of success. Moreover, the total number of products might also be delivered within a stipulated time –period so as to enhance its reputation and portfolio in the market among other suppliers. Therefore, the outdoor sports stores REI might try to use certain strategies at the time of selecting the sources of supply, suppliers, market place and competition.

Sources of supply: in order to satisfy the changing needs of the individual, maximum extent of the entrepreneurs of outdoor sport stores REI try to offer best products. Only then, the level of satisfaction rate of the customers might get enhanced thereby amplifying the rate of dominance in the market. However, in order to do so, the entrepreneurs desire to analyze the psychology and perception of the customers through vivid market research and competitor orientation policy. After doing so, the sources of supply are determined by the entrepreneurs of outdoor sports stores REI's, in order to attract a wide range of customers towards it and to retain them for longer period of time among others (Drummond & Ensor, 2006).

Not only this, by market research and customer orientation, the risk of switch over costs might be reduced that may prove extremely effective for the organization in the market among other rival players.

Suppliers- as per contracting policy, the suppliers might be selected after signing the document of placing the orders exactly in time and also with

exact materials. If the specified time period gets delayed then, the entire order of products might get cancelled along with the contractual document as well. Then, the suppliers may not be offered any sort of orders that might hamper the entire productivity and profitability of the organization. So, the suppliers are selected extremely consciously in order to retain them for longer period of time (Christensen, 2003).

Market places- the market places are selected on the basis of the geographical distribution of the area. This is because, if the range of buyers is high, then the rate of sale might also be increased thereby amplifying its total profit margin as well. Similarly, if numerous mass markets, super markets or hyper markets are present in the region then also, it might prove effective for the organization selling outdoor sports materials. This is because; at the time of purchase decisions, the family members might get involved that may enhance the level of sale and profit margin. This might help in enhancing the demand of the products thereby amplifying its image and reputation in the market among others (Bradley, 2007).

Competition- in order to enhance the rate of competition, the entrepreneur of outdoor sports store REI might try to offer exclusive designs and innovative features within its products. Only then, the customers might get fascinated towards the brand thereby enhancing its popularity in the market among others rival players.

References

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