

Retail management simulation report

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Retail Management Report Introduction Within any given market segment, good product management is requisite in ensuring commercial success of a retail chain. In practical contexts, actual sales of a product may not be congruent with planned sales. This happens especially during the inception stages of a retail exercise. Like any other management task, retail management requires considerable environmental scanning, planning, implementation and control of sales activities. Such procedure management activities in retailing will ensure that enough resources are set aside in carrying out marketing activities. Amount of resources set aside is as a result of reflection from pre-prepared budgets. During the retail process, management will be undertaking a detailed comparison between planned and actual figures. Periodic analysis of both the planned and actual data enables realization of shortcomings within the retail chain (Neelesh 48). Shortcomings may be in form of unfavorable priced products which deter customers from making purchases. Timely realization of shortcomings resulting from an adopted retail strategy will call for overhaul or modification of the underlying marketing approach. Market Analysis and Pricing Strategy

With respect to statistics obtained from the retail project, it is undeniable that there is a close association between sales volume and product pricing. This relationship can be seen in all the three types of products offered in the market. The best men's casual slacks appears as the highly priced product by all the groups while the good slacks are lowly priced by the groups and even by the external market. Relationship between price and sales volume can be observed on each product's market share. In the month of August, the external market enjoyed a share of 2.78% with a pricing of \$79.55 on the best slacks. Group 1 enjoyed a share of 3.74% for offering the same best

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slacks at a lower price of \$55.01 as compared to the price of external market. On the other hand, group 12 decided to price its best slacks at \$93.00, thus covering a market share of 1.33%. As retail time passed, product pricing and market shares changed significantly. In November, external market had increased price of best slacks to \$80.04. Group 1 was selling the same price at \$50.99 while group 12 had dropped its price to \$91.00. As a result of the price changes, market shares for the three groups shifted to 1.41%, 4.21% and 2.25% respectively. Based on the different types of products, good men's casual slacks were retailing at \$39.31 with a corresponding market share of 2.75%. On the other hand, group 1 had a lower price of \$32.39 for the good slacks, thus enjoying a market share of 3.39%. When compared to the best slacks in the same month of November, group 1 had a higher market share and a lower price for good slacks as compared to its market share and respective price for best slacks. Based on these trends, it is evident that pricing strategies influence customers' tendency to make a purchase. Actually, lowly priced products attract higher sales than highly priced ones (Neelesh 56). This is the reason why best men's casual slacks posted a lower market share than better and good slacks. Another conspicuous pricing trend is that as time goes by, groups tend to reduce product prices in order to capture a substantial market share. Fortunately, reduction in prices over sales period causes a desired increase in market share. The reason why groups sold slacks at lower prices than the external market was a strategy meant to attract customers. In practical context, it is viable to attract more customers by selling products at low prices than competitors. In order to make considerable sales, one group would decide to price its best slacks at significantly low prices in order to

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attract more customers, who may end up purchasing highly priced products like those from good and better categories. Product Performance Review

Within the market, best men's casual slacks started with a low sales volume compared to the planned sales quantity. Within the month of August, actual sales for best slacks were \$46, 787 against the projected \$50, 693. In October, actual sales had exceeded planned sales by a margin of \$13, 342. Despite the surge in revenue in October, actual sales for the succeeding two months of November and December dropped significantly below the planned figure. The drop in actual sales within the months of November and December is attributed to decrease in product stock for best slacks (Neelesh 23). In addition, there was substantial drop in sales transactions for the same two months. In October, sales for best slacks peaked because of better pricing strategies coupled with sizable stocks to satisfy the high demand. With respect to product-by-product review, it is evident that better slacks performed better in terms of sales compared to the best slacks. In the month of August, better slacks projected total sales of \$152, 940 against the planned figure of \$61, 600. Similar to the best slacks, actual sales of better category were high in the month of October as compared to planned sales. In order to fully appraise impact of sales in the overall retail strategy, we will look into the project's income statement. Based on the income statement, best slacks posted merge revenue of \$46, 787 in August and closed at \$39, 044 in January. On the contrary, better slacks posted revenue of \$152, 940 and closed at \$66, 542 in August and January respectively. At this point, it is worth acknowledging the fact that decreases in revenue towards the end of the project's period can be attributed to corresponding reduction in the cost of sales, especially resources allocated to promotion. Conclusion In

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conclusion, it is undeniable that pricing is a good marketing strategy of capturing a substantial market share. Lowering product price below that of competitors within the external environment leads to realization of a larger market share (Neelesh 43). On the other hand, cost of sales demonstrated a close relationship with revenue generated. The higher the cost of sales in form of advertising charges the higher the revenue generated from sales. Work Cited Neelesh, Jain. Retail Management: A Realistic Approach. New York: John Wiley & Sons Publishers, 2008. Print.