

Chapter 2

Retail Formats and Classification of Retailers

Teaching Objectives

- Meaning of retail format
- Format selection process and strategy
- Classification of retailers
- Ownership based
- Business of franchising
- Store-based retailers
- Franchising and entrepreneurship
- Non-store-based retailers: e-retailing, m-retailing, and t-retailing
- Omni-channel or multiple-channel retailing

Introduction to Retail Formats

Here, the meaning of the retail formats and their importance is explained with some simple examples. This discussion can then be followed by the process of format selection in the context of the following:

- Adopted retail marketing mix elements
- Competition analysis
- Ownership of the retail business itself

- Characteristics of the premises
- Infrastructure and ambience
- Orientation of the merchandise portfolio and range
- Service level and pricing considerations

Classification of Retailers

Store-based Formats

Here, the attributes of various traditional and modern formats are explained with appropriate examples. In the modern age of digital technology, various new formats have emerged, and at the same time, retailers are experimenting with new formats to offer a seamless shopping experience to their shoppers and, in turn, to increase the loyalty–patronage behavior of the targeted audience.

Franchising

Here, the different types of franchising arrangements are discussed with appropriate examples. Brief discussion on its advantages and possible disadvantages are also required to provide a clear view of the concept to the learner. The instructor is also suggested to conduct a detailed discussion on the importance of franchising toward growth in entrepreneurship.

Non-store-based Formats

The instructor here is expected to discuss the meaning of e-retailing and its attributes which are also the reasons for its increasing growth rate. This can be supported with appropriate examples and statistical data or findings from the latest research in the subject area. This can be followed by a discussion on the meaning and significance of New Age formats which are the integration of different channels of retailing such as offline, online, mobile, and social media. This is referred as “omni-channel” or “multichannel” retailing.

To increase the effectiveness of sessions on these concepts, along with appropriate examples, the instructor is suggested to use audiovisual resources as well.