Retailing, Direct Marketing & Integrated Marketing
Retailing
Retailing

- Selling products to the ultimate consumer
- A critical link between producer and consumer
- Retailers provide the right environment
- Can be a physical presence (such as a store) or an avenue (such as the internet)
Types of Retailers

• General Merchandise retailers
  - Department stores
  - Discount stores
  - Supermarkets
  - Superstores
  - Hypermarkets
  - Warehouse Clubs
  - Warehouse & Catalogue Showrooms

• Specialty retailers
  - Limited-line (traditional)
  - Off-price
  - Category killers
Non-store Retailing

- **Direct Selling**
  - Face-to-face contact (door-to-door)
  - “Party Plan” approach
  - Pluses include demonstrations and personal attention
  - Most expensive form of selling
  - Negative perceptions (safety issues, crooks)
Non-store Retailing

- **Direct Marketing**
  - Five basic forms
    - Catalog
    - Direct response
    - Telemarketing
    - Television home shopping
    - Online
  - No-call list becoming a problem

- **Automatic Vending**
Franchising

• Three major types
  - Manufacturer **authorizes** retail stores to sell a branded item
  - Manufacturer **licenses** distributors to sell a given product to retailers
  - Franchiser **supplies** systems, techniques, support, etc., instead of complete products

• Advantages include a proven system, support, limited capital needed

• Disadvantages include loss of control, continuing costs, long hours
Strategic Issues

• Marketing is War!
• Location! Location! Location!
  – Least flexible
  – Most important
  – Consider “Blaze” factor among other issues (target audience, type of products to be sold, entrance and egress, compatibility with surrounding businesses)
  – Traffic and pedestrian counts vital for walk-in or impulse business
Strategic Issues

- Retail Positioning
- Store Image
- Merchandising
Marketing Communications & Promotion
Marketing Warfare

Which is more important: planning or implementation?
Marketing Communications

The Role of Marketing Communications

- Inform the target audience
- Persuade the target audience
- Remind the target audience
Marketing Communications

The Objectives:

- Create Brand Awareness
- Stimulate Demand for the Product
- Generate Product Trial
- Identify Prospects
- Solidify Customer Retention
- Support the Distribution Channels
- Combat Competitive Attacks
- Reduce Sales Gyrations
Marketing Communications Mix

There are five key elements of Marketing Communications

- Advertising
- Public Relations
- Sales Promotion
- Personal Selling
- Direct Marketing* (authors don’t include)
Direct Marketing Communications

Elements include:

- Direct mail
- Telemarketing
- Direct response broadcast advertising
- Shopping networks
- Infomercials
- Online computer shopping services
Direct Marketing Communications

- Communication directly with the buyer to encourage a response by
  - Telephone
  - Mail
  - Electronic means
  - Personal visit
- A very fast growing segment
- Used by all types of marketers
Integrated Marketing Communications

- Multiple means of communicating with a target audience to form a constant, comprehensive and consistent message
- Considers any contact with a brand, product, or company to be part of marketing communications (stealth marketing)
Integrated Marketing Communications

• Horizontal integration
  - Across various methods of communication

• Vertical integration
  - Extending down from the marketer through the marketing channels
Push/Pull Approaches

• The Push Approach
  - Producer only promotes to the next level down the channel
  - Often used when there are several levels in the channel
  - Others are responsible for promoting to the end-user
  - Generally utilizes personal selling as the primary means
Push/Pull Approaches

• The Pull Approach
  - Producer promotes directly to the end-user
  - End-users “seek” the product at various retail outlets
  - Designed to generate demand and “pull” the product down through the various channel levels
  - Advertising and Sales Promotion are the primary means of communicating