

Strategic Process Planning in Retailing

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ABSTRACT

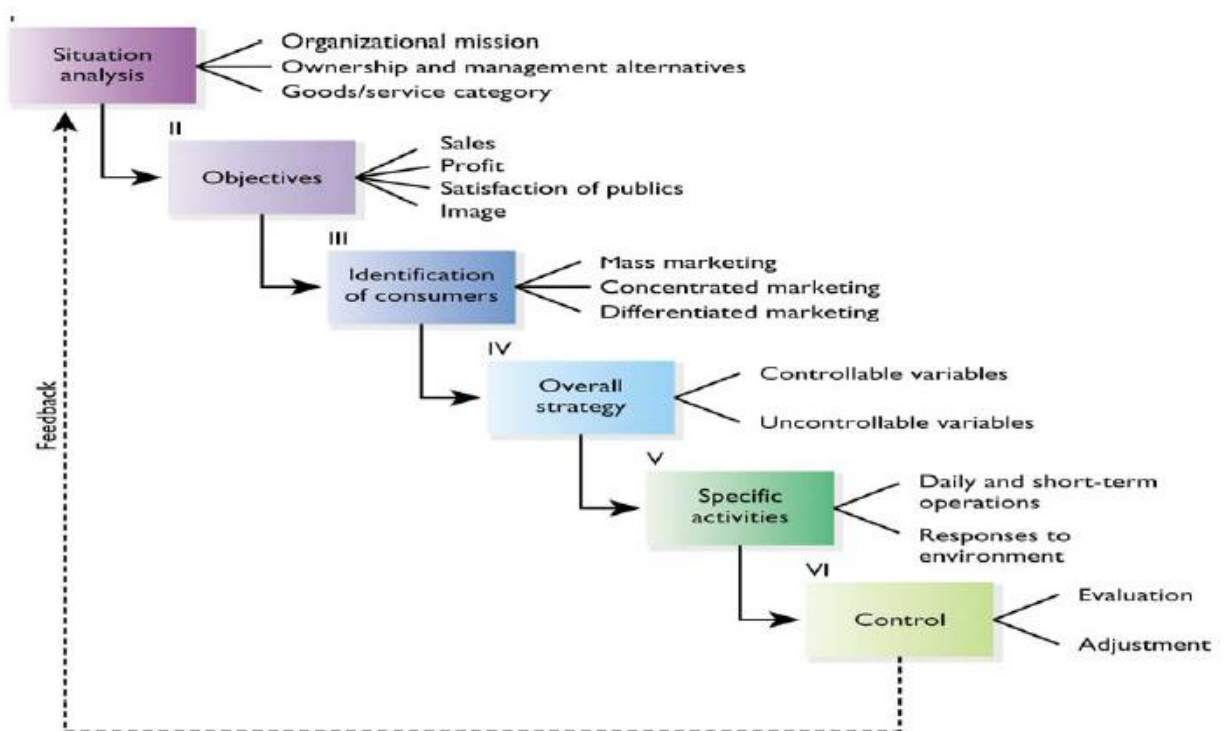
A retail strategy is the overall plan or framework of action that guides a retailer. Ideally, it will be at least one year long and outline the retailer's mission, goals, consumer market, overall and specific activities, and control mechanisms. Without a defined and well-integrated strategy, a firm may be unable to cope with the marketplace: "Despite the critical importance of a business plan, many entrepreneurs drag their feet when it comes to preparing one. They argue that their marketplace changes too fast for a plan to be useful or that they just don't have enough time. But just as a builder won't begin construction without a blueprint, eager business owners shouldn't rush into new ventures without a business plan.

1. Overview

The process of strategic retail planning has several attractive features:

- It provides a thorough analysis of the requirements for doing business for different types of retailers.
- It outlines retailer goals.
- A firm determines how to differentiate itself from competitors and develop an offering that appeals to a group of customers.
- The legal, economic, and competitive environment is studied.
- A firm's total efforts are coordinated.
- Crises are anticipated and often avoided. Strategic planning can be done by the owner of a firm, professional management, or a combination of the two. Even among family businesses, the majority of high-growth companies have strategic plans.

The steps in planning and enacting a retail strategy are interdependent; a firm often starts with a general plan that gets more specific as options and payoffs become clearer. In this chapter, we cover each step in developing a retail strategy, as shown in Figure 3-1. Given the importance of global retailing, a chapter appendix explores the special dimensions of strategic planning in a global retailing environment.



3.1 Elements of Retail Strategies

2. Situation Analysis

Situation analysis is a candid evaluation of the opportunities and threats facing a prospective or existing retailer. It seeks to answer two general questions: What is the firm's current status? In which direction should it be heading? Situation analysis means being guided by an organizational mission, evaluating ownership and management options, and outlining the goods/service category' to be sold.

A good strategy anticipates and adapts to both the opportunities and threats in the changing business environment. **Opportunities** are marketplace openings that exist because other retailers have not yet capitalized on them. Ikea does well because it is the pioneer firm in offering a huge selection of furniture at discount prices. Threats are environmental and marketplace factors, can adversely affect retailers if they do not react to them (and, sometimes, even if they do).

Single-screen movie theaters have virtually disappeared since they have been unable to fend off the inroads made by multi-screen theaters. A firm needs to spot trends early enough to satisfy customers and stay ahead of competitors, yet not so early that shoppers are not ready for changes or that false trends are perceived. Merchandising shifts-like stocking fad items-are more quickly enacted than changes in a firm's location, price, or promotion strategy. A new retailer can adapt to trends easier than existing firms with established images, ongoing leases, and space limitations. Small firms that prepare well can compete in a market with large retailers.

During situation analysis, especially for a new retailer or one thinking about making a major strategic change, an honest, in-depth self-assessment is vital. It is all right for a person or company to be ambitious and aggressive, but overestimating one's abilities and prospects may be harmful-if the results are entry into the wrong retail business, inadequate resources, or misjudgment of competitors.

2.1 Organizational Mission

An organizational mission is a retailer's commitment to a type of business and to a distinctive role in the marketplace. It is reflected in the firm's attitude toward consumers, employees, suppliers, competitors, government, and others. A clear mission lets a firm gain a customer.

Following and distinguish it from competitors. See Figure 3-2.

One major decision is whether to base a business around the goods and services sold or around consumer needs. A person opening a hardware business must decide if, in addition to hardware products, a line of bathroom vanities should be stocked. A traditionalist might not carry vanities because they seem unconnected to the proposed business. But if the store is to be a do-it-yourself home improvement center, vanities are a logical part of the mix. That store would carry any relevant items the consumer wants.

A second major decision is whether a retailer wants a place in the market as a leader or a follower. It could seek to offer a unique strategy, such as Taco Bell becoming the first national quick-serve Mexican food chain. Or it could emulate the practices of competitors but do a better job in executing them, such as a local fast-food Mexican restaurant offering five-minute guaranteed service and a cleanliness pledge.

A third decision involves market scope. Large chains often seek a broad customer base (due to their resources and recognition). It is often best for small retailers and startups to focus on a narrower customer base, so they can compete with bigger firms that tend not to adapt strategies as well to local markets.

Although the development of an organizational mission is the first step in the planning process, the mission should be continually reviewed and adjusted to reflect changing company goals and a dynamic retail environment. Here are examples of well-conceived retail organizational missions

2.2 Ownership and Management Alternatives

An essential aspect of situation analysis is assessing ownership and management alternatives, including whether to form a sole proprietorship, partnership, or corporation-and whether to start a new business, buy an existing business, or become a franchisee.

A **sole proprietorship** is an unincorporated retail firm owned by one person. All benefits, profits, risks, and costs accrue to that individual. It is simple to form, fully controlled by the owner, operationally flexible, easy to dissolve, and subject to single taxation by the government. It makes the owner personally liable for legal claims from suppliers, creditors, and others; and it can lead to limited capital and expertise.

A **partnership** is an unincorporated retail firm owned by two or more persons, each with a financial interest. Partners share benefits, profits, risks, and costs. Responsibility and expertise are divided among multiple principals, there is a greater capability for raising funds than with a proprietorship, the format is simpler to form than a corporation, and it is subject to single taxation by the government. Depending on the type of partnership, it, too, can make owners personally liable for legal claims, can be dissolved due to a partner's death or a disagreement, binds all partners to actions made by any individual partner acting on behalf of the firm, and usually has less ability to raise capital than a corporation.

A **corporation** is a retail firm that is formally incorporated under state law. It is a legal entity apart from individual officers (or stockholders). Funds can be raised through the sale of stock, legal claims against individuals are not usually allowed, ownership transfer is relatively easy, the firm is assured of long-term existence (if a founder leaves, retires, or dies), the use of professional managers is encouraged, and unambiguous operating authority is outlined.

Depending on the type of corporation, it is subject to double taxation (company earnings and stock holders

dividends.) faces more government rules, can require a complex process when established, may be viewed as impersonal, and many separate ownership from management. A closed corporation is run by a limited number of persons who

control ownership; stock is not available to the public. In an open corporation, stock is widely traded and available to the public. Fig 3.3 presents a checklist to consider when starting a business.

Figure 3.3 Checklists to Consider When Starting a New Retail Business

Name of Business
A. Self- Assessment and Business Choice
<ul style="list-style-type: none"> ✓ Evaluate your strengths and weaknesses. ✓ Commitment paragraph: Why should you be in business for yourself? Why open new business rather than acquire an existing one or become a member of a franchise chain? ✓ Describe the type of retail business that fits your strengths and desires. What will make it unique? What will the business offer customers? How will you capitalize on the weaknesses of competitors?
B. Overall Retail Plan
<ul style="list-style-type: none"> ✓ State your philosophy of business. ✓ Choose an ownership form (sole proprietorship, partnership, or corporation). ✓ State your long and short run goals. ✓ Analyze your customers from their point of views. ✓ Research your market size and store location. ✓ Quantify the total retail sales of your goods/service category in your trading area. ✓ Analyze your competition. ✓ Quantify your potential market share. ✓ Develop your retail strategy. Store location and operations, merchandising, pricing, and store image and promotion.
C. Financial Plan
<ul style="list-style-type: none"> ✓ What level of funds will you need to get started and to get through the first year? Where will they come from? ✓ Determine the first year profit, return on investment, and salary that you need/want. ✓ Project monthly cash flow and profit and loss statements for the first two years. ✓ What sales will be needed to break even during the first year? What will you do if these sales are not reached?
D. Organizational Details Plan
<ul style="list-style-type: none"> ✓ Describe your personnel plan (hats to wear), organizational plan, and policies. ✓ List the jobs you like and want to do and those you dislike, cannot do, or do not

<p>want to do.</p> <ul style="list-style-type: none"> ✓ Outline your accounting and inventory systems ✓ Note your insurance plans. ✓ Specify how day to day operations would be conducted for each aspect of your strategy. ✓ Review the risks you face and how you plan to cope with them.
<p>NAME OF BUSINESS</p>
<ul style="list-style-type: none"> ✓ Why is the seller placing the business up for sale? ✓ How much are you paying for goodwill (the cost of the business above its tangible asset value)? ✓ Have sales, inventory levels, and profit figures been confirmed by your accountant? ✓ Will the seller introduce you to his or her customers and stay on during the transition period? ✓ Will the seller sign a statement that he or she will not open a directly competing business in the same trading area for a reasonable time period? ✓ If sales are seasonal, are you purchasing the business at the right time of the year? ✓ In the purchase of the business, are you assuming existing debts of the seller? ✓ Who receives proceeds from transactions made prior to the sale of the business but not yet paid by customers? ✓ What is the length of the lease if property is rented? ✓ If property is to be purchased along with the business, has it been inspected by a professional engineer? ✓ How modern are the storefront and store fixtures? ✓ Is inventory fresh? Des it contain a full merchandise assortment? ✓ Are the advertising policy, customer service policy, and pricing policy of the past owner similar to yours? Can you continue old policies? ✓ If the business is to be part of a chain, is the new unit compatible with existing units? ✓ How much trading-area overlap is there with existing stores? ✓ Has a lawyer examined the proposed contract? ✓ What effect will owning this business have on your lifestyle and on your family relationships?

Figure 3.4 A checklist for Purchasing an Existing Retail Business

2.3 Goods/ Service Category

Before a prospective retail firm can fully design a strategic plan, it selects a **good/service category** ----the line of

business – in which to operate. Figure 3.5 shows the diversity of goods/service categories.

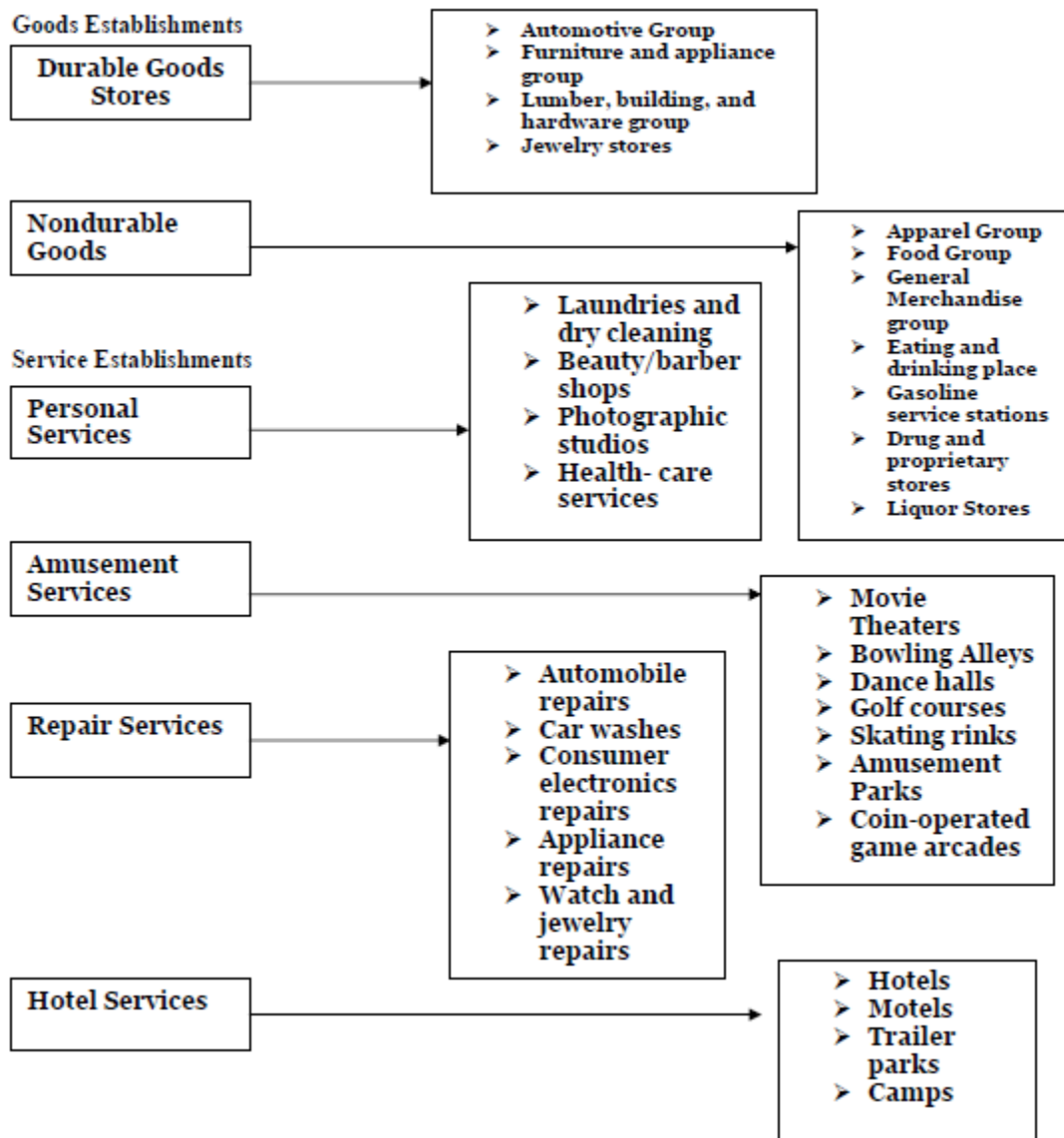


Figure 3.5 Selected Kinds of Retail Goods and Service Establishments

2.4 PERSONAL ABILITIES

Personal abilities depend on an individual's aptitude – the preference for a type of business and the potential to do well; education – formal learning about retail practices and policies; and experience – practical learning about retail practices and policies.

An individual who wants to run a business., likes to use initiative, and has the ability to react quickly to competitive developments will be suited to a different type of situation than a person who depends on other for advice and does not like to make decision. The first individual could be an independent

operator, in a dynamic business such as apparel; the second might seek partners or a franchise and a stable business, such as a stationery store. Some people enjoy customer interaction; they would dislike the impersonality of self service operation. Others enjoy the impersonality of mail order or Web retailing.

2.5 Financial Resources

Many retail enterprises, especially new, independent ones, fail because the owners do not adequately project the financial resources needed to open and operate the firm. Table 3-1 outlines some of the typical investments for a new retail venture

TABLE 3-1	Some Typical Financial Investments for a New Retail Venture
Use of Funds	Source of Funds
Land and building (lease or purchase)	Personal savings, bank loan, commercial finance company
Inventory	Personal savings, manufacturer credit, commercial finance company, sales revenues
Fixtures (display cases, storage facilities, signs, lighting, carpeting, etc.	Personal savings, manufacture credit, bank loan commercial finance company.
Equipment (cash register, marketing machine, office equipment, computers, etc.	Personal savings, manufacturer credit, bank loan, commercial finance company
Personnel (sales people, cashiers, stock people. Etc.	Personal savings bank loan, sales revenues
Promotion	Personal savings, sales revenues
Personal drawing account	Personal savings, life insurance loan
Miscellaneous (equipment repair, credit sales [bad debts], professional services, repayment of loans	Personal savings, manufacturer and wholesaler credit, bank credit plan, bank loan, commercial fiancé company.

TABLE 3-2 Financial Requirements for a Used-Car Dealer	
Total investments (first year)	
Lease (10 years, \$60,000 per year)	\$ 60,000
Beginning inventory (32 cars, average cost of \$12,500) ^a	400,000
Replacement inventory (32 cars, average cost of \$12,500) ^a	400,000
Fixtures and equipment (painting, paneling, carpeting, lighting, signs, heating and air-conditioning system, electronic car register, service bay)	60,000
Replacement parts	75,000
Personnel (one mechanic)	45,000
Promotion(brochures and newspaper advertising)	35,000
Drawing account (to cover owner's personal expenses for one year: all selling and operating functions except mechanical ones performed by the owner)	40,000
Accountant	15,000
Miscellaneous (loan payment, etc)	100,000
Profit(projected)	40,000
Source of funds	
	\$1,270,000
Personal savings	\$300,000
Bank loan	426,000
Sales revenues (based on expected sales of 32 cars, average price of \$17,000	544,000
^a Assumes that 32 cars are sold during the year. As each type of car is sold, a replacement is bought by the dealer and placed in inventory. At the end of the year, inventory on hand remains at 32 units.	

2.6 Time Demands

Time demands on retail owners (or managers) differ significantly by goods or service category. They are influenced both by consumer shopping patterns and by the ability of the owner or manager to automate operations or delegate activities to other.

Many retailers must have regular weekend and evening hours to serve time pressed shoppers. Gift shops, toy stores, and others have extreme seasonal shifts in their hours. Mail order firms and those selling through the Web, which can process orders during any part of the day, have more flexible hours.

3. Objectives

After - situation analysis, a retailer sets objectives, the long – run and short run performance targets it hopes to attain. This helps mold a strategy and translates the organizational mission into action. A firm can pursue goals related to one or more of these areas: Sales, Profit, Satisfaction of publics, and image. Some retailers strive to achieve all the goals fully; others attend to a few and want to achieve them really well

3.1 Sales

Sales objectives are related to the volume of goods and services a retailer sells. Growth, stability, and market share are the sales goals most often sought. Some retailers set sales growth a top priority. They want to expand their business. There may be less emphasis on short run profits. The assumption is that investments in the present will yield future profits. A firm that does well often becomes interested in opening new units and enlarging revenues. However,

management skills and the personal touch are sometimes lost with overly fast expansion. Stability is the goal of retailers that emphasize maintaining their sales volume, market share, price lines, and so on. Small retailers often seek stable sales that enable the owners to make a satisfactory living every year without downswings or upsurges. And certain firms develop a loyal customer following and are intent not on expanding but on continuing the approach that attracted the original consumers.

Sales objectives may be expressed in rupees and units. To reach goals, a retailer can engage in a discount strategy (low prices and high unit sales), a moderate strategy (medium prices and medium unit sales), or a prestige strategy (high prices and low unit sales). In the long run, having unit sales as a performance target is vital.

3.2 Profit

With profitability objectives, retailers seek at least a minimum profit level during a designated period, usually a year. Profit may be expressed in rupees or as a percentage of sales. In a firm, yearly sales and total costs, pre-tax dollar profit and profits as a percentage of sales is calculate. If the profit goal is equal to or less than pre tax profit or as a percentage of sales, the retailer is satisfied. If the goal is higher, the firm has not attained the minimum desired profit and is dissatisfied.

3.3 Image (Positioning)

An image represents how a given retailer is perceived by consumers and others. A firm may be seen as innovative or conservative, specialized or broad-based, discount-oriented or upscale. The key to a successful image is that consumers view the retailer in the manner the firm intends.

Through **positioning**, a retailer devises its strategy in a way that projects an image relative to its retail category and its

competitors and that elicits a positive consumer response. For example, a firm selling women's apparel could generally position itself as an upscale or mid-priced specialty retailer, a department store, a discount department store, or a discount specialty retailer, and it could specifically position itself with regard to other retailers carrying women's apparel.

3.4 Identification Of Consumer Characteristics and Needs

The customer group sought by a retailer is called the **target market**. In selecting its get market, a firm may use one of three techniques: **mass marketing**, selling goods and services to a broad spectrum of consumers; **concentrated marketing**, zeroing in on one specific group; or **differentiated marketing**, aiming at two or more distinct consumer groups, with different retailing approaches for each group.

Supermarkets and drugstores define their target markets broadly. They sell a wide assortment of medium quality items at popular prices. In contrast, a small upscale men's shoe store appeals to a specific consumer group by offering a narrow, deep product assortment at above-average prices (or in other cases, below-average prices). A retailer aiming at one segment does not try to appeal to everyone.

Department stores are among the retailers seeking multiple market segments. They cater to several customer groups, with unique goods and services for each. Apparel may be sold in a number of distinctive boutiques in the store. Large chains frequently have divisions that appeal to different market segments.

After choosing the target market, a firm can detect competitive advantages and devise a strategy mix. See Table 3.3 The significance of competitive advantages the distinct competencies a retailer relative to competitors-must not be overlooked.

Strategic Implications	Mass Marketing	Concentrated Marketing	Differentiated Marketing
Retailer's Location	Near a large population base	Near a small or medium population base	Near a large population base
Goods and service mix	Wide selection of medium-quality items	Selection geared to market segment – high or low quality items	Distinct goods / services aimed at each market segment
Promotion efforts	Mass advertising	Direct mail, E-mail, subscription	Different media, and messages for each segment
Price orientation	Popular prices	High or low	High, medium, and low – depending on market segment
Strategy	One general strategy for a large homogeneous (similar) group of consumers	One specific strategy directed at a specific, limited group of customers	Multiple specific strategies, each directed at different (heterogeneous) groups of consumers

Table 3.3 Target Marketing Techniques and Their Strategic Implications

4. Overall Strategies

Next, the retailer develops an in-depth overall strategy. This involves two components: the aspects of business the firm can directly affect and those to which the retailer must adapt. The former are called **controllable** variables, and the latter are called **uncontrollable** variables. See Figure 3-8. A strategy must be devised with both variables in mind. The ability of retailers to grasp and predict the effects of controllable and uncontrollable variables is greatly aided by the use of suitable data.

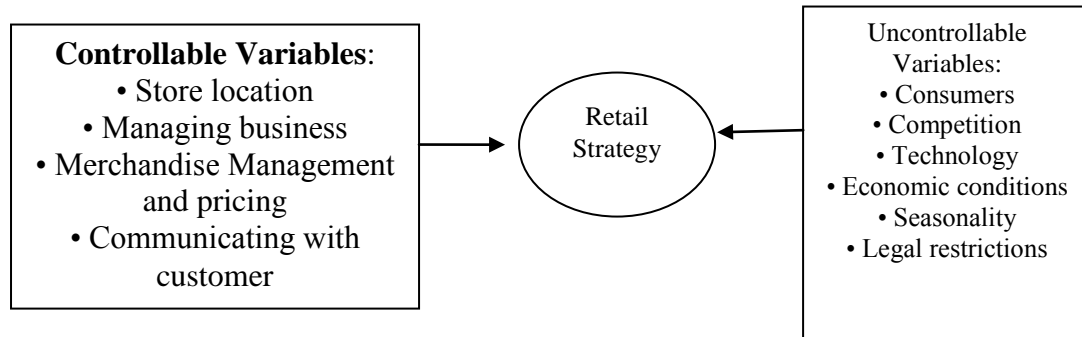


Fig 3.8 Developing an Overall Retail Strategy

4.2 Store Location

A retailer has several store location decisions to make. The initial one is whether to use a store or non-store format. Then, for store-based retailers, a general location and a specific site are determined. Competitors, transportation access, population density, the type of neighborhood, nearness to suppliers, edge traffic, and store composition are considered in picking a location. The terms of tenancy (such as rent and operating flexibility) are reviewed and a build, buy, or rent decision is made. The locations of multiple outlets are considered if expansion is a goal.

4.3 Managing a Business

Two major elements are involved in managing a business: the retail organization and human resource management, and operations management. Tasks, policies, resources, authority, responsibility, and rewards are outlined via a retail organization structure. Practices regarding employee hiring, training, compensation, and supervision are instituted through human resource management. Job descriptions and functions are communicated, along with the responsibility of all personnel and the chain of command. Operations management oversees the tasks that satisfy customer, employee, and management goals. The financial aspects of operations involve asset management, budgeting, and resource allocation. Other elements include store format and size, personnel use, store maintenance, energy management, store security insurance, credit management, computerization and crisis management.

4.4 Merchandise Management and Pricing

4.1 Controllable Variables

The controllable parts of a retail strategy consist of the basic categories shown, in Figure 3.8 store location, managing a business, merchandise management and pricing, and communicating with the customer. A good strategy integrates these areas.

In merchandise management, the general quality of the goods and services offering is set. Decisions are made as to the width of assortment (the number of product categories carried) and the depth of assortment (the variety of products carried in any category). Policies are set with respect to introducing new items. Criteria for buying decisions (how often, what terms, and which suppliers) are established. Forecasting, budgeting, and accounting procedures are outlined, as is the level of inventory for each type of merchandise. Finally, the retailer devises procedures to assess the success or failure of each item sold.

With regard to pricing, a retailer chooses from among several techniques; and it decides what range of prices to set, consistent with the firm's image and the quality of goods and services offered. The number of prices within each product category is determined, such as how many prices of luggage to carry. And the use of markdowns is planned in advance.

4.5 Communicating with the Customer

An image can be created and sustained by applying various techniques. The physical attributes, or atmosphere, of a store and its surrounding area greatly influence consumer perceptions. The impact of the storefront (the building's exterior or the home page for a Web retailer) should not be undervalued, as it is the first physical element seen by customers. Once inside, layouts and displays, floor colors, lighting, scents, music, and the land of sales personnel also contribute to a retailer's image. Customer services and community relations generate a favorable image for the retailer.

4.6 Uncontrollable Variable

The uncontrollable parts of a strategy consist of the factors shown in Figure 3.8 consumers, competition, technology, economic conditions, seasonality, and legal, restrictions. Farsighted retailers adapt the controllable parts of their strategies to take into account elements beyond their immediate control.

4.7 Consumers

A skillful retailer knows it cannot alter demographic trends or lifestyle patterns, impose tastes, or "force" goods and services on people. The firm learns about its target market and forms a strategy consistent with consumer trends and desires. It cannot sell goods or services that are beyond the price range of customers, that are not wanted, or that are not displayed advertised in the proper manner.

4.8 Competition

There is often little that retailers can do to limit the entry of competitors. In fact, a retailer's success may encourage the entry of new firms or cause established competitors to modify their strategies to capitalize on the popularity of a successful retailer. A major increase in competition should lead a company to re-examine its strategy, including its target market and merchandising focus, to ensure that it sustains a competitive edge. A continued willingness to satisfy customers better than any competitor is fundamental.

4.9 Technology

Computer systems are available for inventory control and checkout operations. There are more high-tech ways to warehouse and transport merchandise. Toll-free 800 numbers are popular for consumer ordering. And, of course, there is the Web. Nonetheless, some advancement is expensive and may be beyond the reach of small retailers. For example, although small firms might have computerized checkouts, they will probably be unable to use fully automated inventory systems. As a result, their efficiency may be less than that of larger competitors. They must adapt by providing more personalized service.

4.10 Economic Conditions

Economic conditions are beyond any retailer's control, no matter how large it is. Unemployment, interest rates, inflation, tax levels, and the annual gross domestic product (GDP) are just some economic factors with which a retailer copes. In outlining the controllable parts of its strategy, a retailer needs to consider forecasts about international, national, state, and local economies.

4.11 Seasonality

A constraint on certain retailers is their seasonality and the possibility that unpredictable weather will play havoc with sales forecasts. Retailers selling sports equipment, fresh food, travel services, and car rentals cannot control the seasonality of demand or bad weather. They can diversify offerings to carry a goods/service mix with items that are popular, in different seasons.

Thus, a sporting goods retailer can emphasize ski equipment and snowmobiles in the winter, baseball and golf equipment in the spring, scuba equipment and fishing gear in the summer, and basketball and football supplies in the fall.

4.12 Legal Restrictions

Table 3.4 shows how each controllable aspect of a retail strategy is affected by the legal Environment. Retailers that operate in more than one state are subject to federal laws and agencies. The Telemarketing Sales Rule protects consumers.

4.13 Integrating Overall Strategy

At this point, the firm has set an overall strategy. It has chosen a mission, an ownership and management style, and a goods/service category. Goals are clear. A target market has been designated and studied. Decisions have been made about store location, managing the business, merchandise management and pricing, and communications. These factors must be coordinated to have a consistent, integrated strategy and to account for uncontrollable variables (consumers, competition, technology, economy, seasonality, and legal restrictions). The firm is then ready to do the specific tasks to carry out its strategy productively.

Table 3.4 The Impact of the Legal Environment on Retailing

Controllable Factor Affected	Selected legal Constraints on Retailers
Store Location	Zoning laws restrict the potential choices for a location and the type of facilities constructed. Blue laws restrict the days and hours during which retailers may operate. Environmental laws limit the retail uses of certain sites. Door-to-door (direct) selling laws protect consumer privacy. Local ordinances involve fire, smoking, outside lighting, capacity, and other rules. Leases and mortgages require parties to abide by stipulations in tenancy documents.
Managing the Business	Licensing provisions mandate minimum education and/ or experience for certain personnel. Personnel laws involve nondiscriminatory hiring, promoting, and firing of employees. Antitrust laws limit large firm mergers and expansion. Franchise agreements require parties to abide by various legal provisions. Business taxes include real-estate and income taxes. Recycling laws mandate that retailers participate in a recycling process for various materials
Merchandise Management and Pricing	Trademarks provide retailers with exclusive rights to the brand names they develop. Merchandise restrictions forbid some retailers from selling specified goods or services. Product liability laws allow retailers to be sued if they sell defective products. Lemon laws specify consumer rights if products, such as autos, require continuing repairs. Sales taxes are required in most states, although tax-free days have been introduced in some locales to encourage consumer shopping. Unit-pricing laws require price per unit to be

	<p>displayed (most often applied to supermarkets). Collusion laws prohibit retailers from discussing selling prices with competitors. Sales prices must be a reduction from the retailer's normal selling prices. Price discrimination laws prohibit suppliers from offering unjustified discounts to large retailers that are unavailable to smaller ones.</p>		<p>completed orders, often made by in-home sales, within three days of a contract date.</p>
<p>Communicating the customer</p>	<p>Truth-in-advertising and -selling laws require retailers to be honest and not omit key facts. Truth-in-credit laws require that shoppers be informed of all terms when buying on credit. Telemarketing laws protect the privacy and rights of consumers regarding telephone sales. Bait-and-switch laws make it illegal to lure shoppers into a store to buy low-priced items and then to aggressively try to switch them to higher-priced ones. Inventory laws mandate that retailers must have sufficient stock when running sales. Labeling laws require merchandise to be correctly labeled and displayed. Cooling-off laws let customers cancel</p>	<p>"This table is broad in nature and omits a law-by-law description. Many laws are state or locally oriented and apply only to certain locations; the laws in each place differ widely. The intent here is to give the reader some understanding of the current legal environment as it affects retail management.</p>	

5. Conclusion:

Strategic planning is critical to business success. Different from classic business planning, the strategic variety involves vision, mission and outside-of-the-box thinking. Strategic planning describes where the company wants to go, not necessarily how the company going to get there. However, like all other "travel plans," without knowing where we want to go, creating details on how to arrive are meaningless. Strategic planning defines the "where" that your company is heading.

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