

# CD2024 633EC RETAIL E CHANNEL MANAGEMENT

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**UNIVERSITÀ  
DEGLI STUDI  
DI TRIESTE**

# I CANALI DI ACQUISTO

Se è certo che con la pandemia molti italiani abbiano rotto il ghiaccio con l'e-commerce, il new normal descrive un consumatore dalla propensione all'acquisto multicanale che, tra le altre cose, ritorna a guardare con interesse ai centri commerciali, disertati nel 2020.

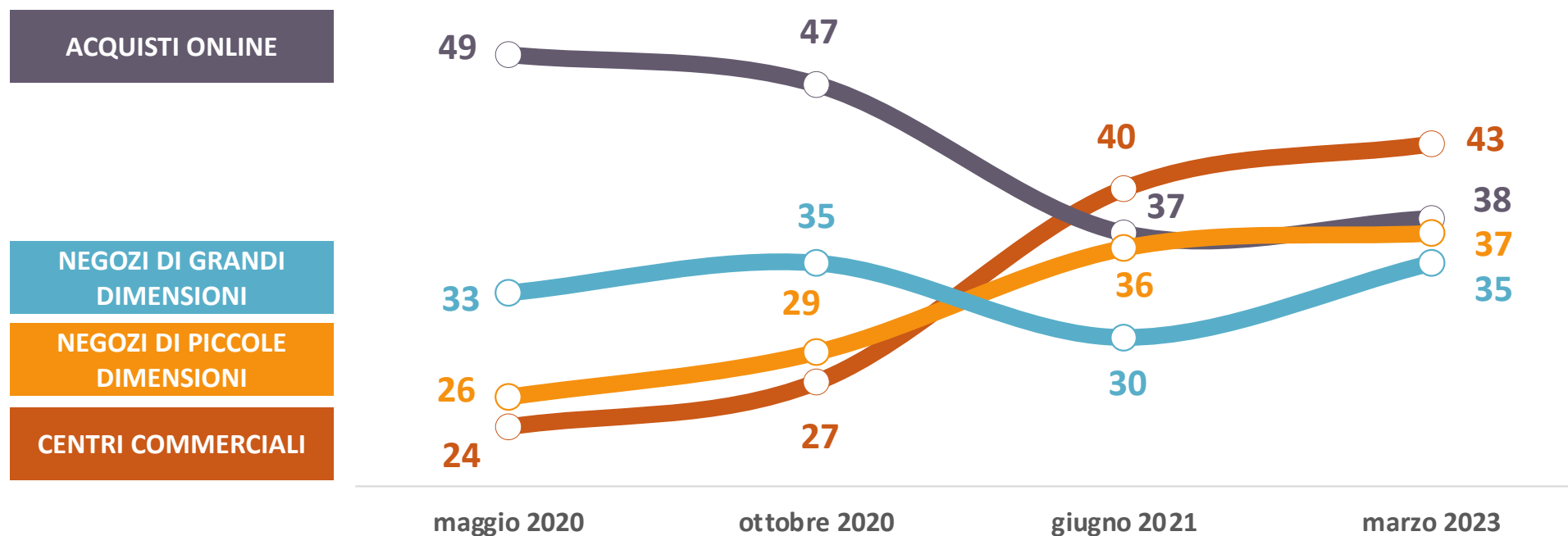
Fattore chiave nella scelta del canale d'acquisto è il tipo di prodotto: a un estremo troviamo la tecnologia, per la quale i grandi portali di e-commerce costituiscono la prima scelta, all'altro il food, dove oltre 8 persone su 10 scelgono i negozi fisici. Nel mezzo le altre categorie merceologiche che vedono il pubblico dividersi tra online e offline, seppure, potendo scegliere, il consumatore italiano mostri ancora una preferenza più marcata per il negozio fisico.

Sulla propensione all'e-commerce influisce anche il fattore età con uno spartiacque che, intorno ai 40 anni, divide Generazione Z e Millennials, più interessati su tutti i fronti all'online, da Generazione X e Boomers, più legati all'esperienza in store.

Infine, nella scelta pesa anche l'immagine associata ai due tipi di canale: l'acquisto online è visto come rapido, pratico e conveniente, mentre l'acquisto fatto in negozio è vissuto come più sicuro, sostenibile, etico ed emozionante.

# Finita la pandemia si consolida la preferenza del consumatore per la multicanalità. Tornano in auge i centri commerciali, disertati nel 2020

Se potesse scegliere liberamente dove fare acquisti nella prossima settimana, cosa sceglierebbe? (MASSIMO 2 RISPOSTE POSSIBILI)



NOTA INFORMATIVA: valori espressi in %. Date di esecuzione: 29 – 31 marzo 2023. Metodo di rilevazione: sondaggio CAWI su un campione rappresentativo nazionale di 800 soggetti maggiorenni.

# La scelta del canale di acquisto è legata al tipo di prodotto. Per tecnologia si guarda più all'online, per il food allo store fisico

Pensi ora ai seguenti tipi di prodotto/servizio. Qual è il suo canale preferito, quello che le piace di più, per ciascuna delle seguenti opzioni?  
(RISPONDE CHI ACQUISTA CIASCUNA TIPOLOGIA DI BENI)

	ONLINE GRANDI PORTALI	ONLINE SITI DI PICCOLI COMMERCianti	ONLINE SITI DI PRODUTTORI	GRANDI NEGOZI/ MAGAZZINI/ MONOMARCA	PICCOLI NEGOZI LOCALI/BOTTEGHE	CENTRI COMMERCIALI	TOTALE ONLINE	TOTALE TRADIZIONALE
TECNOLOGIA	35	8	9	26	6	16	52	48
LIBRI E RIVISTE	32	9	9	14	25	11	50	50
RICAMBI AUTO/MOTO	21	9	16	19	26	9	46	54
BENI DI LUSSO	11	17	15	22	23	12	43	57
PRODOTTI PER ANIMALI	18	10	13	24	16	19	41	59
COSMETICA, BEAUTY E CURA DEL CORPO	20	8	11	25	16	20	39	61
ABBIGLIAMENTO E ACCESSORI	23	8	7	23	16	23	38	62
ARTICOLI PER LA CASA	21	7	8	28	12	24	36	64
FARMACI E INTEGRATORI	13	12	11	14	41	9	36	64
GIOIELLI E PREZIOSI	7	9	11	20	41	12	27	73
CIBI E BEVANDE	5	6	8	34	18	29	19	81



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# Cosa piace comprare online e cosa no: sotto i 40 anni la propensione aumenta in gran parte dei settori

Pensi ora ai seguenti tipi di prodotto/servizio. Qual è il suo canale preferito, quello che le piace di più, per ciascuna delle seguenti opzioni?  
(RISPONDE CHI ACQUISTA CIASCUNA TIPOLOGIA DI BENI)

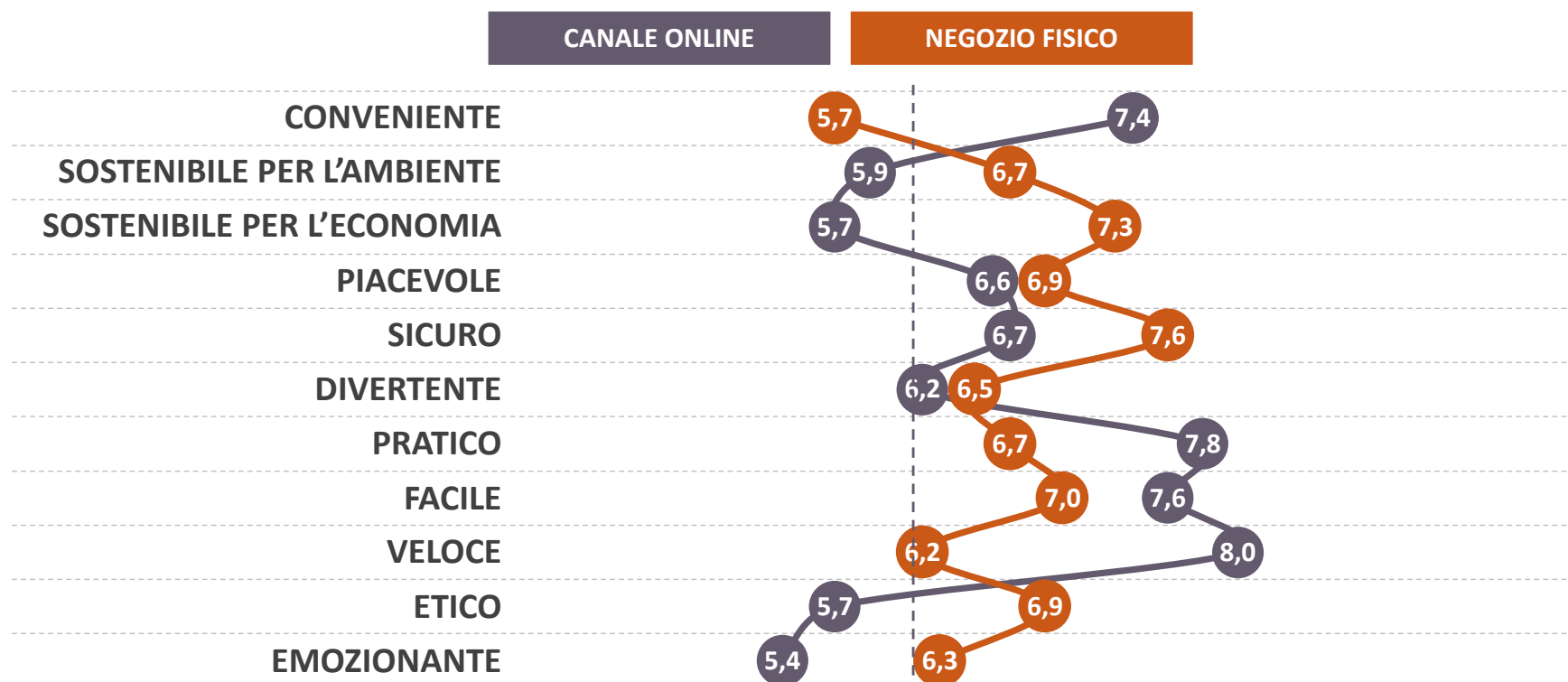
	TOTALE CANALI ONLINE	Gen Z	Millennials	Gen X	Baby Boomers
TECNOLOGIA	52	60	58	56	46
LIBRI E RIVISTE	50	67	58	52	37
RICAMBI AUTO/MOTO	46	73	59	46	31
BENI DI LUSSO	43	55	50	43	30
PRODOTTI PER ANIMALI	41	38	48	48	31
COSMETICA, BEAUTY E CURA DEL CORPO	39	51	49	38	30
ABBIGLIAMENTO E ACCESSORI	38	56	48	41	26
ARTICOLI PER LA CASA	36	38	44	38	28
FARMACI E INTEGRATORI	36	30	41	41	30
GIOIELLI E PREZIOSI	27	26	39	28	19
CIBI E BEVANDE	19	24	32	21	8



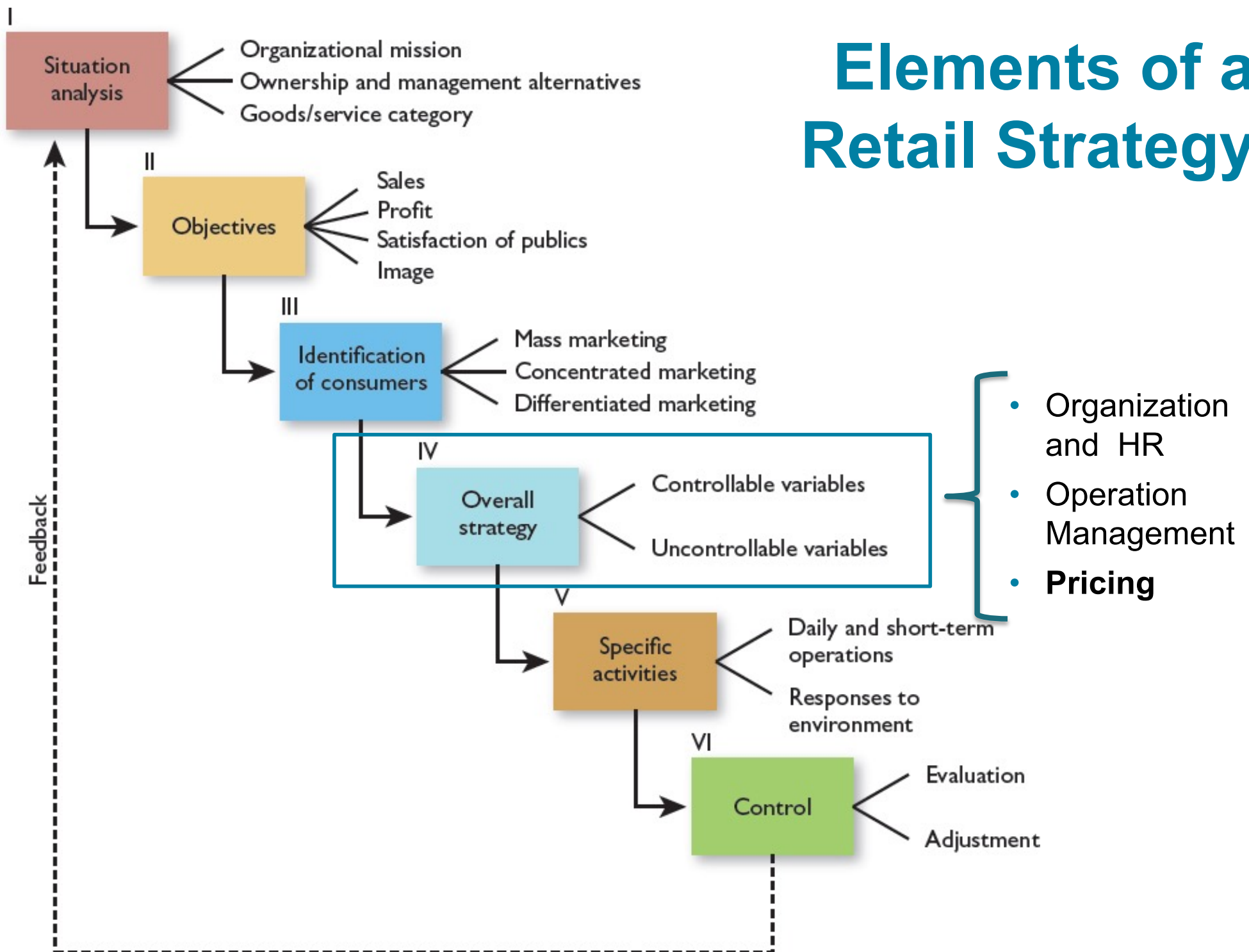
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# Rapidità, praticità e convenienza i driver dell'online, mentre il negozio fisico è visto come più sicuro, sostenibile, etico ed emozionante

Pensi ora all'esperienza di acquisto online/nei negozi fisici. Quanto secondo lei comprare online/nei negozi fisici è:  
(ASSEGNI UN VALORE DA 1 A 10 DOVE 1 = PER NIENTE E 10 = MOLTISSIMO)



# Elements of a Retail Strategy



# Retail Management: A Strategic Approach

Thirteenth Edition, Global Edition



## Retail Management

*A Strategic Approach*

THIRTEENTH EDITION

Barry Berman • Joel R. Evans • Patrali Chatterjee



## Chapter 17 Pricing In Retailing

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# Pricing Options for Retailers

Goods and services must be priced in a way that achieves profitability for the retailer and satisfies customers.

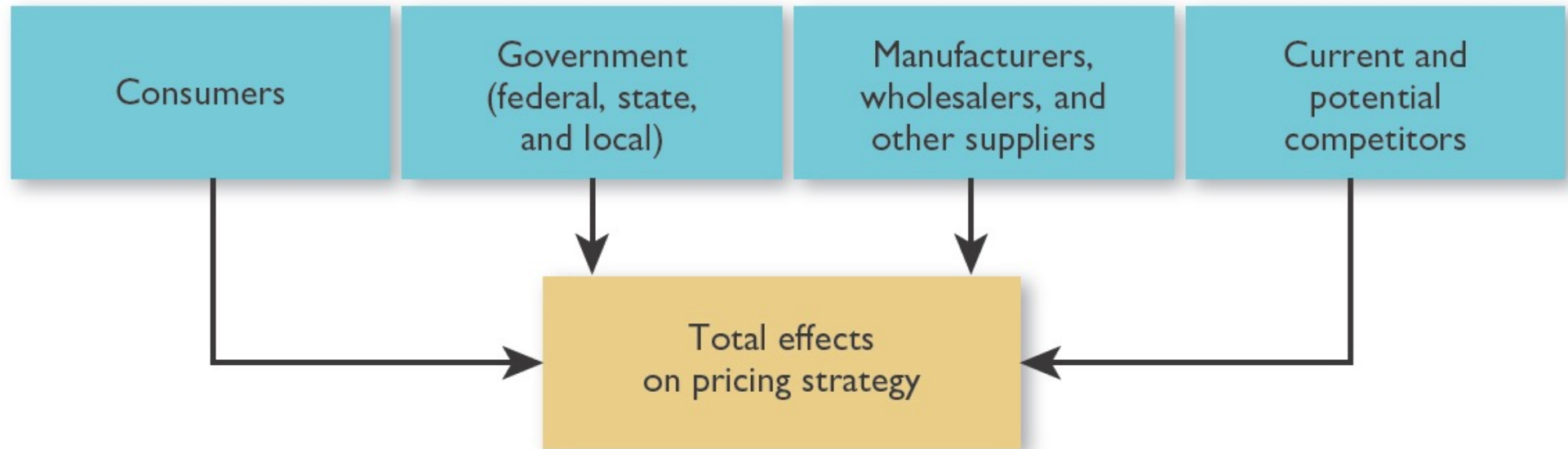
**A pricing strategy must be consistent with the retailer's overall image (positioning), sales and profit goals.**

- **Discount orientation:** low prices as the major competitive advantage. A **low-price image, fewer shopping frills, and low per-unit profit margins** mean a **target market of price-oriented customers**, low operating costs, and high inventory turnover.

# Pricing Options for Retailers

- **At-the-market orientation: average prices.** It offers solid service and a nice atmosphere to **middle-class shoppers**. **Margins are moderate to good**, and average- to above-average–quality products are stocked. **Hard to expand its price range.** Traditional department stores and many drugstores are in this category.
- **Upscale orientation: prestigious image** is the retailer's major competitive advantage. A **smaller target market, higher expenses, and lower turnover** mean **customer loyalty**, distinctive services and products, and **high per-unit profit margins**.

# Factors Affecting Retail Price Strategy



- Balancing all the external forces is crucial
- Can you make some examples of external shocks?

# Price Elasticity of Demand

- The sensitivity of customers to price changes in terms of the quantities they will buy:
  - **Elastic** – Small percentage changes in price lead to substantial percentage changes in the number of units bought.
  - **Inelastic** – Large percentage changes in price lead to small percentage changes in the number of units bought.

# Price Elasticity of Demand

$$\text{Elasticity} = \frac{\frac{\text{Quantity 1} - \text{Quantity 2}}{\text{Quantity 1} + \text{Quantity 2}}}{\frac{\text{Price 1} - \text{Price 2}}{\text{Price 1} + \text{Price 2}}}$$

- **Elastic** – Elasticity greater than 1
- **Inelastic** – Elasticity smaller than 1
- **Unitary Elasticity** – Changes in price are directly offset by changes in quantity

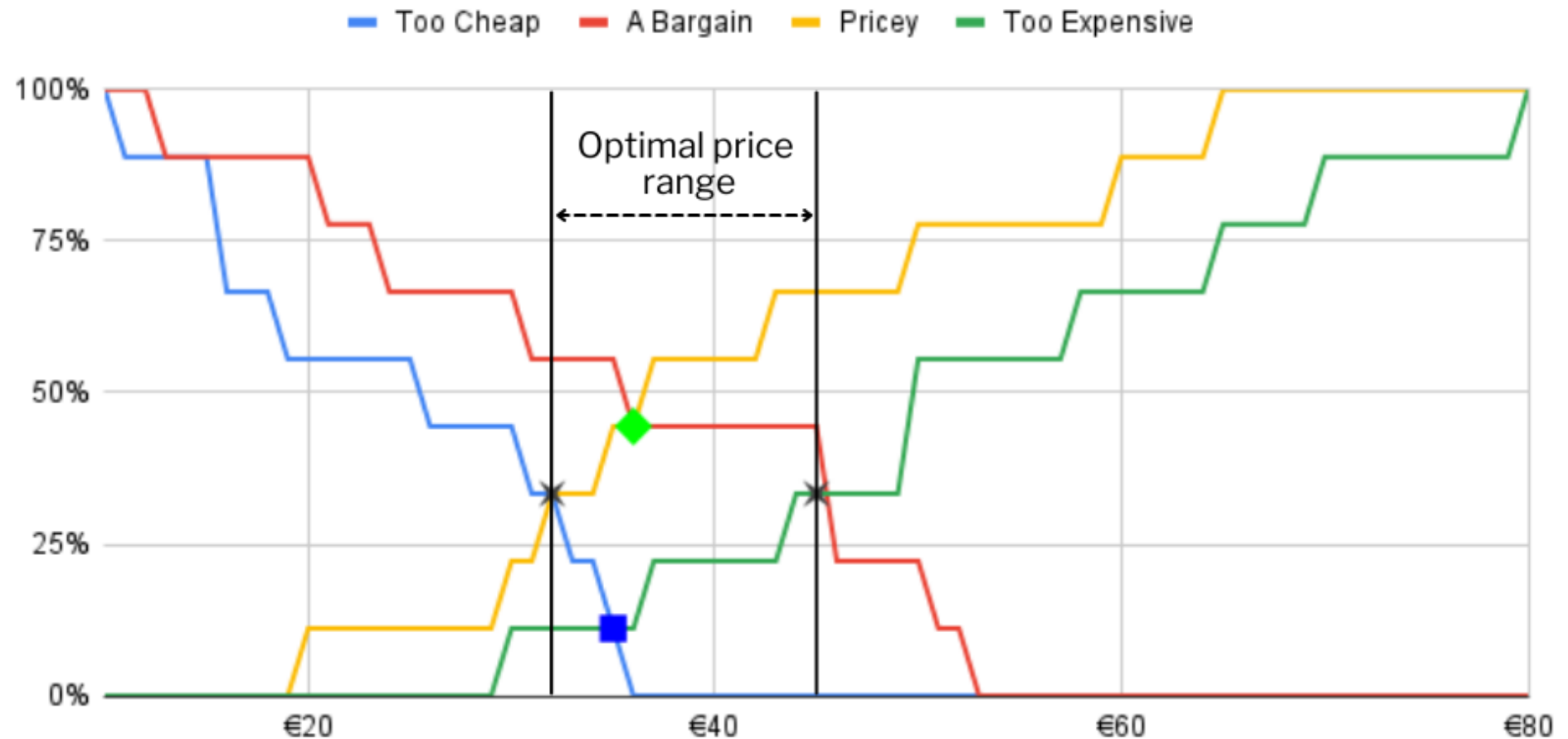
# Price Elasticity of Demand

## Van Westendorp's Price Sensitivity Meter

- A technique to assess customers' price sensitivity, based on 4 questions:
  - At what price would you consider the product to be so expensive that you would not consider buying it? (**Too expensive**)
  - At what price would you consider the product to be priced so low that you would feel the quality couldn't be very good? (**Too cheap**)
  - At what price would you consider the product starting to get expensive, so that it is not out of the question, but you would have to give some thought to buying it? (**Expensive/High Side**)
  - At what price would you consider the product to be a bargain—a great buy for the money? (**Cheap/Good Value**)

# Price Elasticity of Demand

## Van Westendorp Model



# Market Segments by Price Sensitivity

- **Economic consumers:** shop around for the lowest prices
- **Status-oriented consumers:** interested in prestige brands and strong customer services than in price.
- **Assortment-oriented consumers:** seek retailers with a strong selection and want fair prices.
- **Personalizing consumers:** shop where they are known and will pay slightly above-average prices.
- **Convenience-oriented consumers:** pay higher prices for convenience.



# The Government and Retail Pricing

- **Horizontal Price Fixing:** among manufacturers, among wholesalers, or among retailers to set certain prices.
  - **It's Illegal** (Antitrust Policy, *i.e.*: *cartelli*)
- **Vertical Pricing Fixing:** When manufacturers or wholesalers seek to control the retail prices of their goods and services (illegal, *Prezzo consigliato*)
- **Minimum Price Laws:** To protect some categories of goods and producer (may happen in agriculture, or medical goods)
- **Unit Pricing:** when buying packages of multiple goods, the seller is obliged to publish also the unit price (or the price per kilo, liter...)

# Competition and Retail Pricing

- **Market pricing** – Retailers often price similarly to each other and have less control over price because consumers can easily shop around.
- **Administered pricing** – Firms seek to attract consumers on the basis of distinctive retailing mixes. This occurs when people consider image, assortment, service, and so forth to be important and they are willing to pay above-average prices to unique retailers.

# A Framework for Developing a Retail Price Strategy



# Objectives and Pricing



- **sets premium prices and attracts customers less concerned with price than service, assortment, and prestige.** Targeted segment is price insensitive and new competitors are unlikely to enter (*e.g.: organic food*)
- **Large revenues by setting low prices and selling many units.** This approach is proper if customers are price sensitive, low prices discourage actual and potential competition.

# Specific Pricing Objectives

**Which other objectives could be targeted with a pricing strategy?**

# Specific Pricing Objectives

- ✓ To maintain a proper image
- ✓ To encourage shoppers not to be overly price-conscious
- ✓ To be perceived as fair by all parties (including suppliers, employees, and customers)
- ✓ To be consistent in setting prices
- ✓ To increase customer traffic during slow periods
- ✓ To clear out seasonal merchandise
- ✓ To match competitors' prices without starting a price war
- ✓ To promote a “we-will-not-be-undersold” philosophy
- ✓ To be regarded as the price leader in the market area by consumers
- ✓ To provide ample customer service
- ✓ To minimize the chance of government actions relating to price advertising and antitrust matters
- ✓ To discourage potential competitors from entering the marketplace
- ✓ To create and maintain customer interest
- ✓ To encourage repeat business

# Price Policy Choices

- No competitors will have lower prices; no competitors will have higher prices; or **prices will be consistent with competitors.**
- All items will be **priced independently** or the **prices for all items will be interrelated** to maintain image and ensure proper markups.
- **Price leadership will be exerted**; competitors will be price leaders and set prices first; or prices will be set independent of competitors.
- **Prices will be constant over a year or season**; or prices will change if costs change.

# Price Strategy

- **Demand-oriented pricing:** estimate the quantities that customers would buy at various prices. This approach studies customer interests and the psychological implications of pricing
  - **Psychological pricing**
    - **Price-quality association:** given that usually high prices are associated with high quality, increase quality perception with services, store atmospherics and customer service may be helpful.
    - **Prestige pricing:** too low prices may communicate low quality and status. Some people look for prestige pricing when selecting retailers and do not patronize those with prices viewed as too low.



# Price Strategy

- **Cost-oriented pricing (markup pricing):** set prices by adding per-unit merchandise costs, retail operating expenses, and desired profit. **The difference between merchandise costs and selling price is the retailer's markup.**
- **Competition-oriented pricing:** retailer sets its prices in **accordance with competitors'**. A competition-oriented retailer might not alter prices in reaction to changes in demand or costs unless competitors alter their prices.

# Competition-oriented pricing

Retail Mix Variable	Alternative Price Strategies		
	Pricing Below the Market	Pricing at the Market	Pricing Above the Market
Location	Poor, inconvenient site; low rent	Close to competitors, no location advantage	Few strong competitors, convenient to consumers
Customer service	Self-service, little salesperson support, limited displays	Moderate assistance by sales personnel	High levels of personal selling, delivery, etc.
Product assortment	More emphasis on best-sellers	Medium or large assortment	Small or large assortment
Atmosphere	Inexpensive fixtures, racks for merchandise	Moderate atmosphere	Attractive and pleasant decor
Innovativeness in assortment	Follower, conservative	Concentration on best-sellers	Quite innovative
Special services	Not available	Not available or extra fee	Included in price
Product lines carried	Some name brands, private labels, closeouts	Selection of name brands, private labels	Exclusive name brands and private labels

# Ideal Yield Management Pricing Applications

- Yield management pricing is a **computerized, demand-based, variable pricing technique**, whereby a retailer (typically a service firm) determines the **combination of prices that yield the greatest total revenues for a given period**.
- It is widely used by **airlines and hotels**. It may be too complex for small retailers and requires software.

# Ideal Yield Management Pricing Applications

- **Significant variation in demand by time of day, season, day of week** (weekend vs. weekday).
- **Demand that is capable of being segmented.** Significant differences in price elasticity by market segment.
- Existence of reservations: **Demand is somewhat predictable.** Service is reserved by consumers in different time periods (ranging from well in advance to just before the service expires). Uncertainty of actual usage despite reservations creates possibility of unsold seats. **Service providers can protect against no-shows through overbooking.**

# Ideal Yield Management Applications

- Cost characteristics: **Low costs of marginal sales in comparison to marginal revenues.**
- **High fixed costs.**
- Capacity limits: **Capacity is relatively fixed.** The fixed number of output units needs to be allocated among customers. **Service providers have excess capacity at certain times and excess demand at other times.** When demand peaks, many services face binding capacity constraints that prevent serving additional customers.

**Which industry has this characteristics?**

# Integration of Approaches to Price Strategy

- If prices are reduced, will revenues increase greatly? (**Demand orientation**)
- Should different prices be charged for a product based on negotiations with customers, seasonality, and so on? (**Demand orientation**)
- Will a given price level allow a traditional markup to be attained? (**Cost orientation**)
- What price level is necessary for a product requiring special costs? (**Cost orientation**)
- What price levels are competitors setting? (**Competitive orientation**)
- Can above-market prices be set due to a superior image? (**Competitive orientation**)

# Specific Pricing Decisions

- ✓ How important is price stability? How long should prices be maintained?
- ✓ Is everyday low pricing desirable?
- ✓ Should prices change if costs and/or customer demand vary?
- ✓ Should the same prices be charged to all customers buying under the same conditions?
- ✓ Should customer bargaining be permitted?
- ✓ Should odd pricing be used?
- ✓ Should leader pricing be utilized to draw customer traffic? If yes, should leader prices be
  - ✓ above, at, or below costs?
- ✓ Should consumers be offered discounts for purchasing in quantity?
- ✓ Should price lining be used to provide a price range and price points within that range?
- ✓ Should pricing practices vary by department or product line?

# Price Strategy Concepts

- Customary Pricing
  - Everyday low pricing  
(consistent low price, McDonalds)
- Variable Pricing
  - Yield Management Pricing
- One-Price Policy (same price everywhere, everyday)
- Flexible Pricing
  - Contingency Pricing  
(bargain-base like jewelry)
- Odd Pricing (x.99€ price)
- Leader Pricing (set a price lower than competitors)
- Multiple-Unit Pricing
- Price Lining limited range of price points, with each point representing a distinct level of quality



# Pros and Cons of Everyday Low Pricing

## Pros:

- Reduced advertising expense
- More predictable sales levels
- Fewer peaks and ebbs of sales distribution

## Cons:

- Decreased excitement
- Potentially less store traffic due to specials
- Less “cherry-picking” by consumers who only purchase specials

# Reasons to Use Multiple-Unit Pricing

- A firm could seek to have shoppers increase their total purchases of an item.
- This approach can help sell slow-moving and end-of-season merchandise.
- Price bundling may increase sales of related items.

# Price Lining

Plans	BASIC FREE Always	BRONZE \$ 9 per month	SILVER \$ 19 per month	GOLD \$ 29 per month	PLATINUM \$ 50 per month
Disk space	5 GB	20 GB	50 GB	100 GB	500 GB
Databases	1 database	5 databases	10 databases	50 databases	unlimited
Bandwith	50 GB	100 GB	200 GB	500 GB	unlimited
E-mail accounts	1 acc	20 acc	50 acc	100 acc	unlimited
Subdomains	none	3 subdomains	10 subdomains	20 subdomains	unlimited
24/7 support	✘	✔	✔	✔	✔
	Sign Up	Sign Up	Sign Up	Sign Up	Sign Up