



PEARSON NEW INTERNATIONAL EDITION

Retail Buying

Jay Diamond Gerald Pintel

Ninth Edition



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questions

review questions

1. Describe the concept of Focus TV as offered by Executive Solutions Inc.
2. Define the term *focus group* and discuss how this research methodology helps the retailer with his or her decision making.
3. Define the term *college board*.
4. Why is the questionnaire such an important part of market research?
5. In what way does the e-mail questionnaire better serve the retail establishment?
6. How does the observation method of information gathering differ from the observation technique?
7. Briefly describe the nature of the PRIZM concept as utilized by Claritas, Inc.
8. What is the scope of demographic analysis and how does it help buyers and merchandisers make better product selections for their customers?
9. List the different demographic classifications pertaining to age.
10. On what does the VALS study featured by SRI Consulting Business focus?
11. According to the VALS consumer classifications, what are the differences between Actualizers and Experiencers?
12. If the upper class is the wealthiest group in the United States, why do researchers break the category into two components?
13. Which is the largest social class in the United States and what portion of the population does it represent?
14. What assumptions does the family life cycle make regarding purchasing?
15. Why is the multiple-member shared household becoming more and more important to market researchers?
16. In what ways do rational motives differ from emotional motives?
17. What factors do consumers who are regular patrons of retail enterprises consider?
18. Describe Maslow's hierarchy of needs.

Case Problem 1

Pot Pourri, Ltd., opened its doors as a women's specialty store ten years ago. Throughout its first eight years of operation, Pot Pourri catered to the more affluent female, each year beating the previous year's sales figures. Sales volume last year was \$5.5 million.

Fifteen months ago the company decided to expand its operation by acquiring additional space in an adjoining building and by adding two new merchandise lines. The store developed a program to include menswear and children's wear departments. The rationale behind the move was the ever-growing demand for these two merchandise classifications by the retailer's clientele. After considerable investigation, Pot Pourri went ahead with its plans and opened the expanded operation six months ago.

Purchasing for the new departments was assigned to Amanda Mitchell, former women's wear assistant with the company, and Marc Richards, formerly the buyer in a large menswear department of a medium-priced department store.

At this point, Pot Pourri is disappointed with the new departments' business. Sales are well below what was anticipated. The problem seems to be one of improper merchandise selection rather than customer traffic, because the number of shoppers on the selling floor has been considerable.

In an effort to correct the situation, management is planning to organize a research study. It is hoped that the findings will alleviate the present situation. The only management concern at the moment is cost. Although their thinking is progressive, both the size of the company and the budgetary restrictions limit the type of research they can undertake.

QUESTIONS

1. Do you think management's move toward expansion was correct?
2. Discuss the type of research that would probably benefit the store most, bearing in mind its organizational and financial situation.

Case Problem 2

The Male Ego, a menswear chain, has just recruited Joy Green to serve as their merchandise manager for sportswear. Until recently, she enjoyed many years as the buyer of men's apparel for an off-price menswear operation. Her tenure with the company helped it become one of the leaders in this retailing segment.

With her considerable experience in the field, albeit not in exactly the same arena as is The Male Ego, the company thought her track record good enough to hire her for this position. She has always had an excellent reputation in the industry with the vendors from whom she purchased.

Not one to jump right into a new position without carefully studying the consumer market she would serve, Ms. Green embarked on a plan that would help her learn more about the wants and needs of her new clientele. She began first by walking through the selling floors of the chain's more important units, and "eyeballing" the shoppers. She could see

what they were wearing and try to establish criteria for her first merchandise collection. She also delved deeply into the company's past sales records to try to determine the types of products that had the most appeal. With all of this information carefully digested, she still wasn't completely satisfied. She wanted to have a greater insight into the lifestyles of The Male Ego's current customer base as well as those who would be potential patrons.

Ms. Green is still searching for the right information without having to use a marketing research firm to do the job.

QUESTIONS

1. Which recognized study do you believe Ms. Green should examine to give her an indication of lifestyle classifications?
2. Once she has determined which profile best describes her company's customer, how might she go about getting direct input from that group?

WHAT to BUY

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WHAT to BUY

ON COMPLETION OF THIS CHAPTER, THE STUDENT SHOULD BE ABLE TO:

- Discuss the effect of the store's merchandising policies on the buyer's selection of goods.
- Explain the importance to the buyer of past sales information that addresses price, color, size, and style.
- Discuss how computers have enabled the buyer to make meaningful decisions about purchases.
- Describe the various research techniques that bring information to the buyer that helps with future buying decisions.
- Explain how sales associates and managers help the buyers assess customer needs.