

## How to best reach the TARGET CONSUMER...



❑ Retail channels:



- Vending machine are resurging
- Mobile app and online store customers point of views are different (when and where they access/shop are different)
  - ❑ Represent a specific configuration of the retail marketing mix (e.g. store size, typical location, merchandise, price and service offered)
  - ❑ Often from the core of the retail strategy

Store Based Retail Channels (Food Retail Channels)	
Supermarkets	<p>Conventional Supermarkets:</p> <ul style="list-style-type: none"> <li>• Mainstay of grocery retailing for decades, but currently experiencing decline</li> <li>• Self-service stores</li> <li>• Non-food items: 10 – 25%</li> <li>• Located in cities and urban neighbourhood</li> <li>• Currently facing intense competition from other grocery formats</li> </ul> <p>→ supermarkets used to be <i>not</i> self service, but innovated</p> <p>→ food does not run on high margin, especially supermarkets</p>

Superstores	<p>Superstores &amp; Hypermarkets:</p> <ul style="list-style-type: none"> <li>• Larger stores with more diversified ranges – expanded deli, bakery, non-food, etc..</li> <li>• Offering a 'one-stop- shop' experience</li> <li>• Non-food items: 20 – 40% (higher profit)</li> <li>• In shopping centres and greenfield sites.</li> <li>• Generally follow either a <i>hi-low</i> or <i>EDLP</i> Pricing strategy.</li> </ul> <p>→ superstores are very interesting in customers POVs</p>
Small stores	<p>Small stores &amp; Convenience:</p> <ul style="list-style-type: none"> <li>• Limited ranges and assortments – mental convenience as well as store size.</li> <li>• Focus on a fast &amp; easy shopping experience. Long opening hours... @ a cost.</li> <li>• Limited food selection (essentials), focus on impulse lines.</li> <li>• Easy access to high- traffic areas (e.g. Near train stations, petrol stations).</li> </ul> <p>→ ready meal is more demanded nowadays with good quality</p> <p>→ the growing one is mini supermarket; bigger than convenience store, smaller than supermarkets</p> <p>→ brands that are stocked are the right ones with right sizes too as it is based on research</p> <p>→ TESCO Express's fresh veggies vs 7/11 fresh veggies? Obviously TESCO</p>
Hard discounters	<ul style="list-style-type: none"> <li>• Very aggressive pricing (20% - 30% below)</li> <li>• Limited lines and range depth: high turnover focus (vol businesses). → ALDI filters what they sell based on research. ALDI offers less products than Coles and Woollies.</li> <li>• No-frills environment, no service.</li> <li>• Focus on low-price store brands where possible.</li> <li>• Changing selection of low priced, advertised, non-food items – store traffic drivers.</li> <li>• Low-cost locations (not always)</li> </ul> <p>-----</p> <ul style="list-style-type: none"> <li>• Product unpacked, on pallets.</li> <li>• Limited choice – speedy shop</li> <li>• Non-food traffic drivers and margin improvers.</li> <li>• Own label brands</li> </ul> <p>----</p> <p>→ supply chain is so efficient</p> <p>→ not a lot of staff because no personalised service due to less offered</p>

	<p>products. Thus self service</p> <p>→ ALDI: running on low profit, low margin business, but high volume. Meaning it needs to bring customers in high volume (many purchases and many customers)</p> <p>ALDI still sells Milo because the brand is important for customers, but make their own wafers such as KNOPPERS (own brands are more profitable)</p> <p>ALDI weekly sales: bring people in store, sell high margin products, FOMO (who needs sleeping bag in a form of onesie? 'Stock might run out!!!' etc)</p>
Warehouse clubs	<ul style="list-style-type: none"> <li>• US-based, but expanding</li> <li>• Sell to both end users and small/med businesses (30% / 70%).</li> <li>• Limited lines and range depth, low prices.</li> <li>• Membership for an annual fee.</li> <li>• Large stores in low-cost locations.</li> <li>• Simple, no-frills store environments.</li> <li>• Branded items.</li> </ul> <p>→ Usually B2B (restaurants, etc)</p> <p>→ only to members</p> <p>→ usually sell branded products at the lowest possible price by bulk buying</p> <p>→ do not break the bulk for you</p> <p>E..g Costco Wholesale</p>
Restaurant & cafes	<p>Cafes, Restaurants &amp; Take-away:</p> <ul style="list-style-type: none"> <li>• Fastest growing retail sector in Australia.</li> <li>• Consumption on-site and off-site.</li> <li>• Freshly prepared &amp; Pre-packaged items.</li> </ul> <p>→ offsite: ready meal → so restaurants are now starting to compete with other food retails</p>

Store Based Retail Channels (Non-Food Retail Channels)	
Specialty Stores	<ul style="list-style-type: none"> <li>• Specialise in one or few product or service categories.</li> <li>• Good – high quality</li> <li>• Narrow assortment, but range depth: better selection and choice.</li> <li>• Knowledgeable staff → can read customers, know the products really</li> </ul>