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Internal Assesment Test - II

Sub:	RETAIL MANAGEMENT						Code:	16MBAMM302
Date:	8/11/2017	Duration:	90 mins	Max Marks:	40	Sem: III	Branch:	MBA

		Marks	OBE	
			CO	RBT
Part A - Answer Any Two Full Questions (16*02=32 Marks)				
1 (a)	Define RMIS.	[02]	CO2	L1
(b)	Discuss the roles and responsibilities of a Store Manager.	[06]	CO1	L2
(c)	Explain in detail the techniques of "Visual Merchandising".	[08]	CO3	L4
2 (a)	What is Product Assortment?	[02]	CO2	L1
(b)	Analyze the impact of 'Good Store Design' on the growth of a retail organization.	[06]	CO3	L4
(c)	Explain Retail Communication Mix with suitable examples.	[08]	CO1	L5
3 (a)	Define End-Cap Marketing.	[02]	CO2	L1
(b)	Illustrate the types of store layouts with suitable diagram and examples.	[06]	CO3	L3
(c)	Classify the different types of "Retail Pricing Strategies".	[08]	CO2	L4
	Part B - Compulsory (02*04=08 marks)			
4	KFC restaurants are doing an about-face abroad. The KFC global design team has been working to overhaul and modernize the brand's visual appearance to the public. All new and remodeled stores there are being based on a sleek design concept that encourages patrons to linger. KFC certainly hopes their customers spend long hours in their restaurants, and that it is reflected in sales growth. As a result, KFC tries to keep renewing their concepts in this direction, satisfying customers' preference for spending time at places where they feel relaxed, where they perceive the place as part of their daily lives with the materials, colors and lighting.			
			CO3	L1
(a)	Identify the key elements that have contributed in enhancing the visual appeal of KFC. What visual merchandising techniques does KFC follow? [04]			
			CO2	L2
(b)	Discuss some of the factors affecting the exterior and interior layout of a store.[04]			

	Course Outcomes	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10
CO1:	To find out the contemporary retail management, issues and strategies.									1b	
CO2:	To evaluate the recent trends in retailing and its impact in the success of modern business.	2a				1a, 3a	3c				
CO3:	To relate store management & visual merchandising practices for effective training.		4b	2b, 3b, 4a		1c					2c

Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, support, conclude, compare, summarize.

PO1 - *Engineering knowledge*; PO2 - *Problem analysis*; PO3 - *Design/development of solutions*; PO4 - *Conduct investigations of complex problems*; PO5 - *Modern tool usage*; PO6 - *The Engineer and society*; PO7- *Environment and sustainability*; PO8 – *Ethics*; PO9 - *Individual and team work*; PO10 - *Communication*; PO11 - *Project management and finance*; PO12 - *Life-long learning*

Part A

1 (a)Define RMIS.

ANSWER: Management information systems have several applications in the retail industry. MIS is the systematic use of technology and people to manage the flow of information. In retail, MIS is used for point-of-sale data collection, logistics, inventory control and internal communication, all of which affect retail operations and marketing.

Retail management information systems support distributed stores by linking them. By allowing the instant exchange of information, store managers can stay in contact to more effectively control profits for the whole company. The system should support product management. It should also enable detailed analysis of customer data. A flexible system allows managers to set prices for variable time periods based on the store location. To meet the needs of sales and inventory managers, retail management information systems include a mobile user interface.

Supporting the basic functions of procurement, storage and delivery, a retail management information system allows a manager to manage customers, inventory, suppliers and product sales. The system allows you to track purchase orders and update inventory records dynamically. You can analyze cash, check and credit card transactions to reconcile information. Improve efficiency by examining overage and shortages to reveal trends that can be rectified.

BENEFITS:

Integration between payments, inventory and transactions improves operations and reduces costs by preventing duplicate entries. By tracking inventory effectively you can more quickly respond to customer requests. By being able to respond expediently you can also improve service, expand your customer base and increase profits. Accessing data easily allows you to identify opportunities to improve waste reduction, recycling materials and choosing environmentally friendly packaging. These strategies enable a profitable business. System safeguards ensure adherence to legal restrictions on pricing, promotion and other policies.

1(b) Discuss the roles and responsibilities of a Store Manager.

ANSWER:

- An individual responsible for managing the overall functioning of the store is called a store manager.
- A store manager takes care of the day to day operations of the store and ensures maximum profitability for his store.

In simpler words a retail store is a store manager's baby. They are responsible for ensuring their staff gives great customer service as well as monitoring the financial performance of the store. Typical responsibilities of the job include: recruiting, training, supervising and appraising staff, managing budgets.

RESPONSIBILITIES:

1. **Recruiting employees for the store is the store manager's prime responsibility**. He not only has to hire the right candidates for the store but also train them for their overall development. He must ensure that all the employees (floor manager, department manager, cashier and so on) contribute to their level best for the effective functioning of the store. He must act as a strong pillar of support and stand by his team at the hour of crisis. It is his duty to acquaint his team members with the latest trends in fashion or any other newly launched retail software. It is his responsibility to delegate responsibilities to his subordinates according to their specializations and extract the best out of them. The store manager must motivate his team members from time to time.

2. **The store manager must make sure his store is meeting the targets and earning profits**. He is responsible for the smooth and effective functioning of the store.

3. **The store manager is responsible for maintaining the overall image of the store**. It is his duty to sensibly display the merchandise so that it immediately catches the attention of the customers. The store manager must ensure that his store meets the expectations of the customers and lives up to its predefined brand image.

He must ensure:

- The store is kept clean
- Shelves and racks are properly stocked and products do not fall off the shelves.
- Mannequins are kept at the right place to attract the customers into the store and rotated frequently.
- The merchandise should be according to the season as well as the latest trends.
- The store is well lit, ventilated and offers a positive ambience to the customers.
- The signage displaying the name and logo of the store is installed at the right place and viewable to all.

4. **One of the major responsibilities of the store manager is to make the customers feel safe and comfortable in the store**. It is his key responsibility to make sure that the customer leaves the store with a pleasant smile.

5. **He is responsible for managing the assets of the store**. The security and safety of the store is his responsibility. The store manager must ensure that sufficient inventory is available at the store to avoid being "out of stock".

- He along with his subordinates are responsible for planning, managing profit and loss, handling cash at the store as well as collating daily sales as well as other necessary reports.
- He must ensure that the store is free from pilferage.

1 © Explain in detail the techniques of "Visual Merchandising".

ANSWER: A retail store is much more than a collection of merchandise arranged in haphazard fashion. Retailers go to great lengths to create an environment that guides shoppers through the store and entices them to make additional, often unplanned purchases. You can employ a number of visual merchandising techniques to make specific products more noticeable and to create a desired store image.

TECHNIQUES:

1. **End Caps**

Display sales items on end caps, fixtures at the end of aisles and facing the main aisles of your store. These displays will grab the attention of customers as they wander through the store. A common end-cap technique is cross-merchandising, where related items are grouped together to encourage add-on sales. An example of this would be when a grocery store displays spaghetti sauce with pasta products.

2. **Micro merchandising**

Draw attention to certain products in an otherwise mundane middle section of a long aisle with micro merchandising. Accomplish this by using a different type of shelving or fixture than the rest of the aisle or by implementing a different color scheme. Customers who would normally walk by the section without taking notice may be intrigued enough by the change of scenery to stop for further investigation.

3. **Theme Displays**

Use theme displays as a method of cross-merchandising by building displays around a special event or holiday. For example, grocers often build large displays around a football theme for the Super Bowl using a wide variety of snack items. More creative merchandisers might take it a step further by building a mini football stadium with cases of soda and displaying a variety of tailgating products in the area around it.

4. **Technology**

Advances in technology have led to the use of visual devices such as flat-screen televisions to broadcast in-store advertising messages. You can use this technology to provide information about store services or special sales and demonstrate new products. Take the concept even further by offering kiosks with touch-screen computers that function as interactive sales tools, allowing customers to learn more about products and services and even place orders.

Errors Commonly Occurring in Display:

- Too much merchandise
- Too little merchandise
- Lack of underlying theme
- Too many props
- Poorly selected props
- Display changed to seldom
- Limited or no display budget
- Lack of attention to detail

Conclusion:
So by the combination of mannequin, lighting and props in a window display and a store highlight can further intensify the decision process where the former affects the affective pleasure of consumers and help them determine the suitability of a store's retail identity to personal preference, the latter intensifies the sensational feeling of consumers and encourage the tendency to try on or purchase which directly relates to the pre-purchase stage. Thus it can be concluded that visual merchandising play one of the important role in customers' decision making process.

2 (a)   What is Product Assortment?

ANSWER: In the retail industry, product breadth is the variety of products that a store offers. A good selection of merchandise is key to attracting and keeping customers, no matter what type of products you sell. Finding a balance between product breadth, depth, and the merchandise mix will be key to your store's success, but first, you need to understand what it all means. These are the fundamentals of retail inventory strategy and if you begin with a clear understanding of it, you will find it helpful for years to come.

The collection of goods or services that a business provides to consumers. The main characteristics of a company's product assortment are: (1) its length or number of products, (2) its breadth or number of product lines, (3) its depth or number of product varieties within a product line and (4) its consistency or how products relate to each other in a retail environment.

PRODUCT BREADTH:

In its most basic definition, product breadth is the variety of product lines that a store offers. It is also known as product assortment width, merchandise breadth, and product line width.

PRODUCT DEPTH:

The other part of the retail inventory equation is product depth (also known as product assortment *or* merchandise depth). This is the number of each item or particular styles that you carry of a particular product.

Product Breadth + Product Depth = Product Assortment

2(b)   Analyze the impact of 'Good Store Design' on the growth of a retail organization.

ANSWER: A store's layout is one of the key strategies in its success--therefore, a lot of time, effort and manpower goes into its design. Retailers use layout to influence customer's behavior by designing the store's flow, merchandise placement and ambiance. Layouts also help retailers understand how much revenue per square foot they are making; using this information, they can properly assess the strengths and weaknesses in their merchandising mix.

IMPACT ON RETAIL STORES:

1. Predict Consumer Behavior

The flow of a store's layout determines how customers shop. The longer a customer is in a store, the more likely she is to buy--therefore, the goal is to keep her shopping longer. Escalator placement (arrangement of the down and up escalators), arrangement of fixtures and even the placement of departments affect the store's traffic. For example, some food retailers put necessities such as eggs and milk in the back of the store so the customer has to navigate through other merchandise to get to them. Department stores also use this strategy, putting the kids department on the top floor so that parents have to walk through other sections--thus increasing the likelihood that they will purchase more.

2. Maximize Square Footage

A retail space makes more money when it maximizes sales per square foot--and this can be predicted with the use of its layout. So if a specific area is lacking in sales, the retailer can rearrange merchandise to meet sales goals. The purpose is to put as much merchandise on the floor with a mix of high- to low-priced goods and fast- to slow-selling goods. For example, a high-priced flat-screen TV will be merchandised with low-priced accessories. Additionally, high-priced items might be allowed more retail space, whereas low-priced items might be stacked on a fixture to place more products on the floor.

3. Provoke Additional Sales

The layout can organize product categories together so that customers find different items they are looking for in one location. Equally as important is the layout's ability to keep complementary products or similar brands in proximity so that a customer will be more inclined to buy products connected to the one they are shopping for. Grouping together designers that cater to a similar customer, or merchandising winter hats, gloves and scarves in the same area, is a way to bring additional cross-category or cross-brand sales.

4. Deter Shoplifters

Preventing shoplifting and theft is another purpose of store layout. High-priced items are sometimes kept in locked showcases in the rear of the store. Small items that can be easily shoplifted can be kept in a display or in designated section where there is more security support. Sometimes the store layout places the exit in area that either passes security or requires an extra maneuver, making it more difficult to flee the store with stolen merchandise.

5. Foster Positive Attitudes

Most retailers want customers to feel at ease and comfortable when shopping so that they transfer the same sentiments to the items they are purchasing. The store layout design can determine what emotions are evoked in the shopping experience. Factors such as merchandise arrangements, fixture colors and aisle space affect whether a customer likes, and therefore frequents, a store. Tall fixtures that restrict visibility might cause anxiety in shoppers, as they are forced to navigate every aisle. In clothing stores, a congested or ill-designed layout where fixtures are too close together can create tension, rushing shoppers through their purchase. Open layouts where merchandise is visible can eliminate tension, making customers want to shop longer.

2© Explain Retail Communication Mix with suitable examples.

ANSWER: Communication is an integral part of the retailer's marketing strategy. Primarily, communication is used to inform the customers about the retailer, the merchandise and the services. It also serves as a tool for building the store image. Retail communication has moved on from the time when the retailer alone communicated with the consumers. Today, consumers can communicate or reach the organizations. Examples of this include toll free numbers, which retailers provide for customer complaints and queries. Another example is the section called Contact Us on the websites of many companies.

It is believed that every brand contact delivers an impression that can strengthen or weaken the customer view of the company. The retailer can use various platforms / channels for communication. The most common tools are:

1) Advertising
2) Sales Promotion
3) Public Relations
4) Personal Selling
5) Direct Marketing
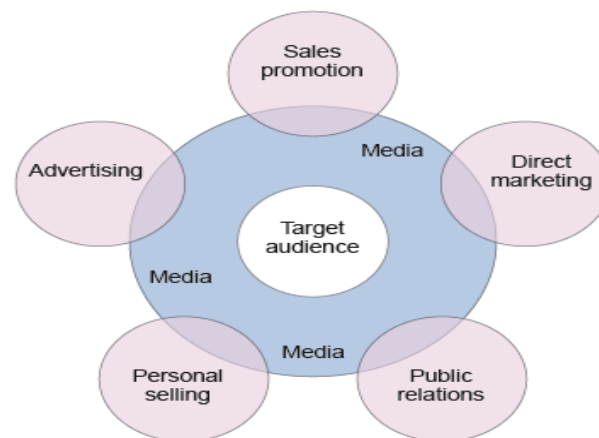
3(a) Define End-Cap Marketing.

ANSWER: In retail **marketing**, an **endcap** is a display for a product placed at the **end** of an aisle. It is perceived to give a brand a competitive advantage. It is often available for lease to a manufacturer in a retail environment.

Most grocery, drug and department stores use end cap displays to boost their sales. Retailers can place these convenient displays at both ends of every shelving unit. They often attract shoppers who only intend to buy items on the perimeter of the store, such as milk or eggs. End cap displays also encourage people to browse adjacent aisles that contain similar goods.

he most important element of an effective display is the product. Retailers usually try to select items with broad appeal. Common examples include snacks, beverages, and pain relievers. Stores shouldn't waste valuable end cap space on niche products like graphing calculators. Successful displays often contain seasonal or sale merchandise that has recently appeared in circulars.

A great example of a **successful end cap display** is the Kroger battery end cap which was designed for major retailers. The Kroger/Duracell battery center consists of an eye-catching display that complements existing decor. This Mechtronics creation features a large sign, gravity-fed dispensers and a clever three-sided design.

USERS OF END-CAP MARKETING:
- **Grocery stores** commonly place merchandise shelving in between each available register, featuring items such as magazines, candy, gum, and batteries. Sodas are often displayed in a small refrigeration unit at the end of these displays. Items near the POS frequently move at one-and-a-half to three times as fast as the same product on a shelf elsewhere in the store, and some items in high-traffic supermarkets have been reported to sell as much as 64 times faster.
- **Gas stations** similarly line products at their register counter. Here, energy vitamins and beef jerky are items added to those also commonly sold at grocery store registers.
- **Fast-food restaurants** commonly display desserts and gift cards at their POS. Dine-in restaurants in which customers pay at the counter instead of through their server (such as Denny's and Sizzler) may also feature items here.
- **Retail businesses**, including hardware stores, auto parts stores, hobby stores, and others place their own low-ticket items around their checkout locations.
- **Tobacco companies** focus much of their advertising around the point of sale; although their displays and advertisements are subject to more legal regulations than other products.
- **Brands** can purchase display space at a retailer's POS, or even use the POS system software to promote their product. For example, Hellman's designed a program that printed recipes featuring Hellman's mayonnaise (and other products purchased at the same time) on customers' receipts, which led to an increase in sales as customers put their mayonnaise to further use.
- **Starbucks** is a particularly good example of POS marketing, insofar as they have low-ticket merchandise on display there, a POS software that facilitates suggestive selling, and a receipt program that encourages repeat business.
- **Non-profit organizations** and causes can sell paper plaques (also called pinups, icons, or mobiles) at the point of sale, which visually represent a donation made, and offer the customer a social reward for donating (such as putting the donator's name on display).

(b)   Illustrate the types of store layouts with suitable diagram and examples.

ANSWER: A well-planned retail store layout allows a retailer to maximize the sales for each square foot of the allocated selling space within the store.

Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns.

Each floor plan and store layout will depend on the type of products sold, the building location and how much the business can afford to put into the overall store design.

TYPES OF LAYOUTS:

1. **Straight Floor Plan:** The straight floor plan is an excellent store layout for most any type of retail store. It makes use of the walls and fixtures to create small spaces within the retail store. The straight floor plan is one of the most economical store designs. The downside to this plan is the sight lines in the store. Depending on the front entrance, it may be difficult for a customer to see the variety of merchandise you have or find a location quickly.
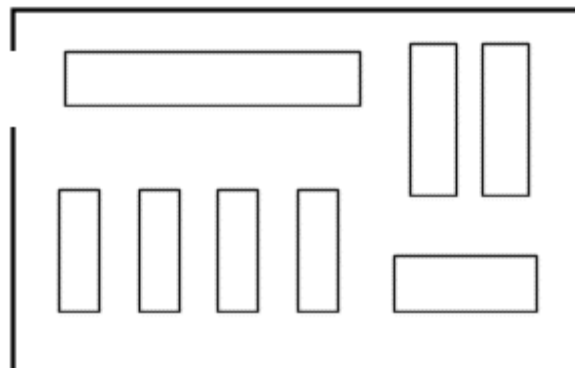

2. **Diagonal Floor Plan:** The diagonal floor plan is a good store layout for self-service types of retail stores. It offers excellent visibility for cashiers and customers. The diagonal floor plan invites movement and traffic flow to the retail store.

   This plan is more "customer friendly." With a straight plan, the customer can feel like they are in a maze. With this floor plan, the customer has a more open traffic pattern.
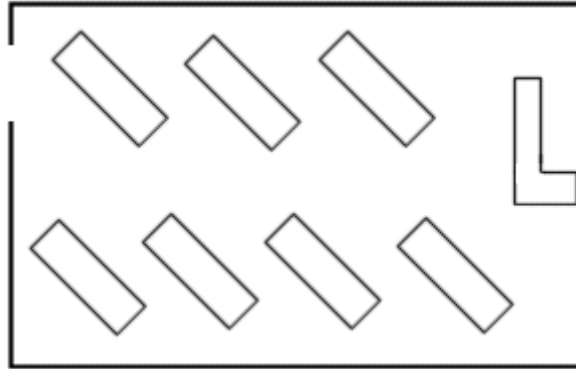
3. **Angular Floor Plan:** The fixtures and walls are given a curved look to add to the style of the store. Angular floor plan gives a more sophisticated look to the store. Such layouts are often seen in high end stores.
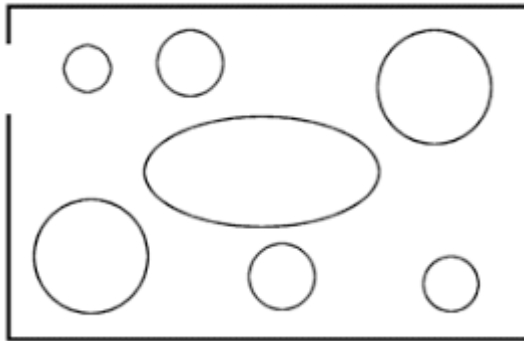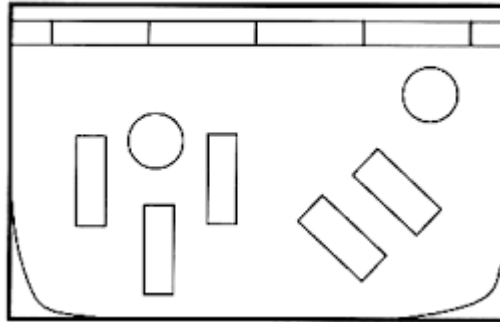

4. **Geometric Floor Plan:** The racks and fixtures are given a geometric shape in such a floor plan. The geometric floor plan gives a trendy and unique look to the store.
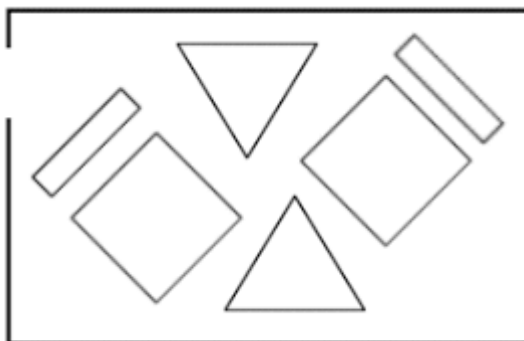
5. Mixed Floor Plan

The mixed floor plan takes into consideration angular, diagonal and straight layout to give rise to the most functional store lay out.

Figure 12.5
Mixed Floor Plan

Tips for Store Design and Layout

- The signage displaying the name and logo of the store must be installed at a place where it is visible to all, even from a distance. Don't add too much information.
- The store must offer a positive ambience to the customers. The customers must leave the store with a smile.
- Make sure the mannequins are according to the target market and display the latest trends. The clothes should look fitted on the dummies without using unnecessary pins. The position of the dummies must be changed from time to time to avoid monotony.
- The trial rooms should have mirrors and must be kept clean. Do not dump unnecessary boxes or hangers in the dressing room.
- The retailer must choose the right colour for the walls to set the mood of the customers. Prefer light and subtle shades.
- The fixtures or furniture should not act as an object of obstacle. Don't unnecessary add too many types of furniture at your store.
- The merchandise should be well arranged and organized on the racks assigned for them. The shelves must carry necessary labels for the customers to easily locate the products they need. Make sure the products do not fall off the shelves.
- Never play loud music at the store.
- The store should be adequately lit so that the products are easily visible to the customers. Replace burned out lights immediately.
- The floor tiles, ceilings, carpet and the racks should be kept clean and stain free.
- There should be no bad odour at the store as it irritates the customers.
- Do not stock anything at the entrance or exit of the store to block the way of the customers. The customers should be able to move freely in the store.

3© Classify the different types of "Retail Pricing Strategies".
ANSWER: The price at which the product is sold to the end customer is called the retail price of the product. Retail price is the summation of the manufacturing cost and all the costs that retailers incur at the time of charging the customer.

FACTORS AFFECTING RETAIL PRICING:

Retail prices are affected by internal and external factors.

Internal Factors

Internal factors that influence retail prices include the following −

- **Manufacturing Cost** − The retail company considers both, fixed and variable costs of manufacturing the product. The fixed costs does not vary depending upon the production volume. For example, property tax. The variable costs include varying costs of raw material and costs depending upon volume of production. For example, labor.

- **The Predetermined Objectives** − The objective of the retail company varies with time and market situations. If the objective is to increase return on investment, then the company may charge a higher price. If the objective is to increase market share, then it may charge a lower price.

- **Image of the Firm** − The retail company may consider its own image in the market. For example, companies with large goodwill such as Procter & Gamble can demand a higher price for their products.

- **Product Status** − The stage at which the product is in its product life cycle determines its price. At the time of introducing the product in the market, the company may charge lower price for it to attract new customers. When the product is accepted and established in the market, the company increases the price.

- **Promotional Activity** − If the company is spending high cost on advertising and sales promotion, then it keeps product price high in order to recover the cost of investments.

External Factors

External prices that influence retail prices include the following −

- **Competition** − In case of high competition, the prices may be set low to face the competition effectively, and if there is less competition, the prices may be kept high.

- **Buying Power of Consumers** − The sensitivity of the customer towards price variation and purchasing power of the customer contribute to setting price.

- **Government Policies** − Government rules and regulation about manufacturing and announcement of administered prices can increase the price of product.

- **Market Conditions** − If market is under recession, the consumers buying pattern changes. To modify their buying behavior, the product prices are set less.

- **Levels of Channels Involved** − The retailer has to consider number of channels involved from manufacturing to retail and their expectations. The deeper the level of channels, the higher would be the product prices.

RETAIL PRICING STRATEGIES:

1. Demand-Oriented Pricing Strategy

The price charged is high if there is high demand for the product and low if the demand is low. The methods employed while pricing the product on the basis of demand are −

- **Price Skimming** − Initially the product is charged at a high price that the customer is willing to pay and then it decreases gradually with time.

- **Odd Even Pricing** − The customers perceive prices like 99.99, 11.49 to be cheaper than 100.

- **Penetration Pricing** − Price is reduced to compete with other similar products to allow more customer penetration.

- **Prestige Pricing** − Pricing is done to convey quality of the product.

- **Price Bundling** − The offer of additional product or service is combined with the main product, together with special price.

2. Cost-Oriented Pricing Strategy

A method of determining prices that takes a retail company's profit objectives and production costs into account. These methods include the following −

- **Cost plus Pricing** − The company sets prices little above the manufacturing cost. For example, if the cost of a product is Rs. 600 per unit and the marketer expects 10 per cent profit, then the selling price is set to Rs. 660.

- **Mark-up Pricing** − The mark-ups are calculated as a percentage of the selling price and not as a percentage of the cost price.

- **Break-even Pricing** − The retail company determines the level of sales needed to cover all the relevant fixed and variable costs. They break-even when there is neither profit nor loss.

- **Target Return Pricing** − The retail company sets prices in order to achieve a particular Return On Investment (ROI).

- **Early Cash Recovery Pricing** − When market forecasts depict short life, it is essential for the price sensitive product segments such as fashion and technology to recover the investment. Sometimes the company anticipates the entry of a larger company in the market. In these cases, the companies price their products to shorten the risks and maximize short-term profit.

3. Competition-Oriented Pricing Strategy

When a retail company sets the prices for its product depending on how much the competitor is charging for a similar product, it is competition-oriented pricing.

- **Competitor's Parity** − The retail company may set the price as close as the giant competitor in the market.

- **Discount Pricing** − A product is priced at low cost if it is lacking some feature than the competitor's product.

4. Differential Pricing Strategy

The company may charge different prices for the same product or service.

- **Customer Segment Pricing** − The price is charged differently for customers from different customer segments. For example, customers who purchase online may be charged less as the cost of service is low for the segment of online customers.

- **Time Pricing** − The retailer charges price depending upon time, season, occasions, etc. For example, many resorts charge more for their vacation packages depending on the time of year.

- **Location Pricing** − The retailer charges the price depending on where the customer is located. For example, front-row seats of a drama theater are charged high price than rear-row seats.

PART B

4(a)   Identify the key elements that have contributed in enhancing the visual appeal of KFC. What visual merchandising techniques does KFC follow?

ANSWER: The decoration theme in KFC is closely related to their logo: the walls are painted in red and Mr. Colonel's image can be found everywhere in store. The store also provide easy accessibility for customers with disabilities. Usually around 4 to 5 cashiers to avoid long lines.

Such layout planning brought varies advantages to KFC's business. The main advantage of design reduces bottlenecks in customer flows while utilizes labor efficiently. Its clear and neat layout also provide flexibility and ease for supervision.

4 (b)Discuss some of the factors affecting the exterior and interior layout of a store.

ANSWER: If you have Retail Store, Factory Outlet, or any store establishment you need to think of your inside arrangement which will refers to the display area, the counter, the furniture and other equipment, the shelves, etc. Convenience of

1. **The Type of Customers** – Will the store cater to a specific age group, race and gender, or national, international or will it be for general patronage?

2. **The Type of Merchandise Sold**– What type of merchandise will the store is selling? dry goods, wet goods, schools supplies, office supplies, electronics or services.

3. **The Space/ Area Limitation of the Store** – Does your store have big space? Small space? The area or space allotted for the store will affect the arrangement of goods, pieces of furniture, equipment,   etc.

4. **The Furniture and Equipment of the Store** – Is there a need for the big pieces of furniture and equipment? These things should be limited only to the essentials. Those that are not important in the efficient management should not be included. It will only obstruct smooth flow of movement of both the customer and the seller.

5. **Manpower –** This refers to the person who will be managing the store. A bigger store would require more people to attend to the customer's needs.