

## 1.18: The Retail Mix

### Learning Objectives

- Explain the retail mix

So how do we take our retail planning strategy and put it into an actionable plan? Part of the success of any retailer is taking that strategic plan and breaking it apart into actionable and meaningful steps that will lead to success. A well thought out and planned retail mix provides the retailer with a focused position and helps differentiate them from the competition. A retail mix, defined, is the marketing plan put in place to address key factors such as location, price, personnel, services, and goods. The retail mix is also referred to as the “6 Ps.”

### The Retail Mix



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One important thing to keep in mind is that any competitive advantages you have in your strategy should help form your retail mix. In addition, the retail mix should always have the target market in mind. The retail mix will differ based on the store and the type of product offered to the customer.

Discussing and evaluating your retail mix in the organization offers a number of benefits. First, you are addressing the needs of your target market. In essence it forces the retailer to make the customer top of mind and foremost in all strategy decisions. It also allows for a business planning strategy within the retailer. By approaching all six components the retailer is ensuring they are able to meet the needs of the customer using all these components. Lastly, it allows the retailer to respond to competition. For example, a key competitor for JCPenney is Kohl's. If Kohl's drops prices a national brand such as Levi's, JCPenney might follow suit.

Let's now take a look at the components of the **retail mix** that are ultimately the pieces of the retailer's strategy.

### 1. Price

What is my pricing strategy? What is my markup strategy and how does that affect my overall retail price? You must make sure you calculate your retail price based on the markup you receive and not the costs involved. You also want to think about profitability and relate this back to the goals of your area as well as your organization.

## 2. Promotion

What promotional tools will you use to influence the consumer's purchase decision and, overall, their intention to purchase? This is where you also want to make sure you include a budget that shows where resources are allocated as well as a time table for the promotional activities. Remember to include specific examples of your proposed promotional activities. Some examples include online promotions, print advertising, and any television advertising.

## 3. Place

What are the hours of operation for your store? How many employees do you need and when do you need them? This is where you can also include a general description of the responsibilities of each associate along with some type of detailed info on the organization's structure. This could also be dependent upon the area in which you are located as well as the needs of the customer.

## 4. Product

What type of product do you intend to carry? What is the depth (how much you will carry of an item) as well as the breadth (number of SKUs) you will carry in your assortment? What is your anticipated turn as well as inventory levels? Later we will discuss in more detail the importance of inventory turnover and how it contributes to profitability. This is where you want to make sure you have adequate inventory levels to meet customer demand. Too much product could lead to excessive markdowns which deteriorates profitability while too little desired merchandise might lead to missed sales opportunities. Does your product meet your customer's needs?

## 5. Presentation

Will you have a free-standing location? Will you be located in the mall? How is the location you have chosen a good fit for your target market? It is during this time you will also want to provide a thorough trade analysis that shows the population in the area and how they are a good fit for your business.

## 6. Store Image

What is the layout of your store? What are the graphics that set your store apart? What does the signage look like inside and outside of your store? These are all key elements you want to consider.

For the final segment of this section let's take a look at how we the retailer can take the one element of the mix (product) and transform it into a customer experience as well as why this is important.

**A link to an interactive explanation of Curate Retailing: Tailoring the Product Mix to a Customer Experience can be found at the bottom of this page.**

### practice questions

<https://assessments.lumenlearning.co...sessments/9135>

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