

7.17: Methods to Gather Information

Learning Objectives

- Identify some inconclusive methods retailers may use to gather information and make decisions



One of the challenges of a retail business is the need to purchase inventory well in advance of customer demand. Traditionally, retailers have relied on observation and even intuition to guide their purchasing decisions. Retailers can do this by listening to customer comments while they shop, noticing out-of-stock conditions on store shelves, visiting competition, and conversing with suppliers to receive (somewhat biased) information.

Beginning roughly in the 1960s, the evolution of marketing as a discipline presented retailers with more interactive techniques to gather information about their customers. They began using surveys, interviews, and focus groups.

Before sophisticated information technology, retailers relied largely on prior activity and this “anecdotal” information on which to understand their customers. Technology was kept in the back room and used for simple business operations. Now, data-driven technology is at the core of retail business.

To run a successful retail business, management must be able to answer questions that only information technology can provide. Which are our most profitable store locations? What products are selling best and are the most profitable? How is our customer base changing its buying pattern? Is our flow of inventory in line with anticipated sales?

Today, the latest data-driven technology has even changed the paradigm from asking what all of our customers will want to asking what EACH of our customers will want.

Practice questions

<https://assessments.lumenlearning.co...sessments/9201>

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