

## **Case study Retail Shop**

Your classmates are a group of friends who have decided to open a small retail shop. The team is torn between two storefront ideas. The first idea is to open a high-end antique store selling household items used for decoration in upscale homes. Members of the team have found a location in a heavily pedestrian area near a local coffee shop. The store would have many items authenticated by a team member`s uncle, who is a certified appraiser.

In discussing the plan, however, two group members suggest shifting to drop-off store for online auctions such as eBay. In this „reverse logistics“ business model, customers drop off items they want to sell, and the retail store does all the logistics involved – listing and selling the items on eBay or Amazon, and then shipping them to buyers – for a percentage of the sales price. They suggest that a quick way to get started is to become a franchisee for a group such as „I sold it“.

1. What is the business strategy for each of these two store concepts?
2. How would the organizational structure be different for the concepts?