



**SLEZSKÁ  
UNIVERZITA**

OBCHODNĚ PODNIKATELSKÁ  
FAKULTA V KARVINĚ

# Trade Organizations

## Retail types



# Typology of retail stores

- There are 7 main types of retailers which can be defined by the size of their business and the way they in which they sell their products:
  1. Department Store
  2. Supermarkets / Hypermarkets
  3. Warehouse retailers
  4. Speciality retailers
  5. Speciality warehouse
  6. Convenience store
  7. Discount retailer
  8. E-tail



# 1. Department store

- This type of retailer is often the most complex offering a wide range of products and can appear as a collection of smaller retail stores managed by one company.
- The department store retailers offer products at various pricing levels.
- This type of retailer adds high levels of customer service by adding convenience enabling a large variety of products to be purchased from one retailer.



# 1. Department store

- **Range of products:** wide, deep including food, restaurant (refreshment), "comprehensive shopping under one roof,"
- **Prices:** medium and higher at medium and higher quality goods
- **Localization:** city centers, regional shopping malls
- **Trends:** stagnation due to the market saturation





## 2. Supermarket/Hypermarket

- Generally this type of retailer concentrates in supplying a range of food and beverage products.
- However many have now diversified and supply products from the home, fashion and electrical products markets too.
- Supermarkets and hypermarkets have significant buying power and therefore often retail goods with reasonable margin.
- Supermarkets: 400 - 2 500 m<sup>2</sup>
- Hypermarkets: from 2 500 m<sup>2</sup>



## 2. Supermarket/Hypermarket

- **Range of products:** comprehensive range of food and basic non-food goods
- **Prices:** medium at a standard quality level of goods
- **Localization:** residential areas with an accessibility range of 400 - 700 m according to the density of the area, city boundaries with access roads and parking
- **Form of sale:** self-service combined with counter sale
- **Trend:** slows down due to saturation of the market, rebuilding and innovations are starting







# 3 Warehouse retailers

- This type of retailer is usually situated in retail or Business Park and where premises rents are lower.
- This enables this type of retailer to stock, display and retail a large variety of good at very competitive prices.



# 3 Warehouse retailers

- **Range of products:** comprehensive range of food and basic non-food goods
- **Prices:** lower due lower logistic expenses
- **Localization:** suburbs, city exits with access roads and parking
- **Form of sale:** self-service
- **Trends:** stagnation due to increasing customer convenience requirements





# 4 Speciality retailers

- Specialising in specific industries or products, this type of retailer is able to offer the customer expert knowledge and a high level of service.
- They also add value by offering accessories and additional related products at the same outlet.
- Examples are cycling, skiing, office supplies, footwear, fashion, computer technology, cosmetics, photo.



# 4 Speciality retailers

- **Range of products:** very narrow with considerable depth, goods of occasional and long-term consumption prevail
- **Prices:** higher, sales with specialized services (costs of professional staff)
- **Localization:** city centres and shopping malls, department stores
- **Trend:** growing





# 5 Speciality warehouse

- Specialising in specific industries or products, this type of retailer is able to offer the customer expert knowledge and a high level of service.
- From 800m<sup>2</sup> and more.
- Examples are IKEA, HORNBACH, DECATHLON, OBI, SCONTO.



# 5 Speciality warehouse

- **Range of products:** very narrow with considerable depth
- **Prices:** low to medium
- **Localization:** suburbs, city exits with access roads and parking
- **Form of sale:** self-service
- **Trends:** fast development at the expense of specialized stores







## 6. Convenience retailer

- Usually located in residential areas this type of retailer offers a limited range of products at premium prices due to the added value of convenience.
- Some of them has long open hours and provide customers with products of daily consumption.



## 6. Convenience retailer

- **Range of products:** medium wide with a small depth, focusing on daily necessities with a significant dominance of food
- **Prices:** higher
- **Localization:** countryside and less dense urban areas
- **Form of sale:** self-service combined with counter sale
- **Trends:** decrease due to the concentration of supermarkets and shopping centers







# 7. Discount retailer

- This type of retailer offers a variety of discounted products.
- They offer low prices on less fashionable branded products from a range of suppliers by reselling end of line and returned goods at discounted prices.



# 7. Discount retailer

- **Range of products:** up to 800 items, narrow with a small depth
- **Prices:** lower
- **Localization:** residential areas with an accessibility range of 400 - 700 m according to the density of the area, city boundaries with access roads and parking
- **Form of sale:** self-service
- **Trends:** stagnation







## 8. E-tailer

- This type of retailer enables customers to shop on-line via the internet and buy products which are then delivered.
- This type of retailer is highly convenient and is able to supply a wider geographic customer base.
- E-tailers often have lower rent and overheads so offer very competitive pricing.



## 8. E-tailer

- E-tail is emerging and complementing (not replacing) brick and mortar.
- Drugs, fresh fruits and vegetables are convenient to buy offline.
- Electronics, hobby and books are good examples of e-tail use.



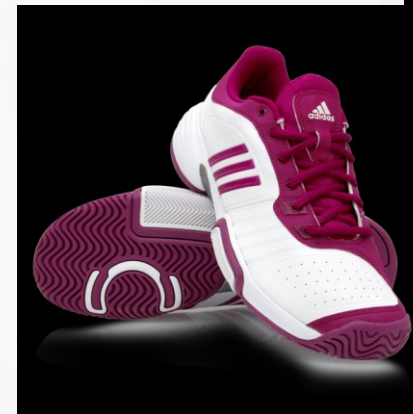
# Excercise

- Work in pairs or single
- You will see several product categories
- Match those with most convenient retail types
- Prepare short talk with arguments why



# Products

- Groceries
- Mountain bikes
- Drones
- Water
- Matches
- Tuxedo
- Chips
- Running shoes



# Thank you for your attention

