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WHAT IS RETAIL BUSINESS?

In this article you will learn about retail business and what is involved in trying to run a business. Also, about objectives and aims and how businesses judge their performances in order to succeed. I will discuss two different businesses, Subway and CEX (computer exchange) and show how they do this.

CEX

CEX is defined as a large multinational business because it has over 250 employees and sells from stores around the world. The size of a business depends on the amount of employees they have. Micro businesses have up to 9 employees and small businesses have between 10 and 49 employees. A medium business has 50 to 249 employees and a large business has over 250 employees. The number of employees that a business has is very important to consider. If a business has too many they may have too many wages to pay and could be losing money. On the other hand, if a business has too little employees there may be too much work for each current employee to do. This will mean the company should employ more people.

CEX operates in the second hand goods subsector. A subsector is the range of products the company deal with. They buy, sell and exchange technology and entertainment products, including phones, video games, DVDs, CD's, computers and TV's. The location that a company opens a store depends on what type of product they are selling and the type of outlet they are opening. Companies that open a shop in out of town locations do this because they want to open cheaply. This is usually where superstores and hypermarkets open, for example, Morrisons and Tesco. CEX stores are usually located in city centres but are sometimes found in primary locations, such as shopping centres.

RETAIL CHANNELS

'A retail channel is the method that a retailer chooses to sell their products or services to the market. For example, CEX's retail channels include over 300 CEX outlet stores spread around the world located in the UK, Spain, US, Australia and India. A retail channel is a method that a retailer uses to sell their products. CEX also sells through the internet on their own website, www.webuy.com, this is called etailing. As they have over 10 stores that sell similar products, CEX has multiple/chain stores. This is the format of the business (the type of outlet they use to sell their products).

OWNERSHIP

There are five different ways in which a business can be owned, these include the business being a sole trader or a partnership. A sole trader is a small business such as a food stall, market stalls tend to be owned by sole traders. A partnership is where every member of staff owns a part of the business; this means that everyone receives a share in the profits. An example is the John Lewis partnership. CEX is a private limited company, although they do sell their business to franchisees. Ltd.'s often are family-run businesses because they have limited liability and this gives them security. They are divided up into shares, the people who own these shares are called shareholders. Shareholders are not personally responsible for the businesses debts. If you want to be a CEX franchisee it costs a minimum of £40,000 capital, CEX however is an Ltd, which means that anyone can buy shares in the company.