**----------------------------------------------------------------------------------------------------------------PHASE FIVE SPREADSHEET MODEL:**

**BASIC CONCEPTS**

The problems you will work in phase five relate to chapters 10-14 in Part Four--"Managing Retail Operations" and Part Five – “Retail Administration” of *Retailing* (2011) by Dunne, Lusch and Carver. These decisions are primarily merchandising, pricing, advertising and promotion, store design and layout, personal selling and retail administration.

The baseline financial information can be found by clicking on the driving gloves

[CLDGO001](baseline%20phase%205.xlsx)

To complete the problems in this section you need to understand the following concepts:

1. **average number of items purchased** is the number of items the typical customer purchases on a visit to the store
2. **average item price** is the average price which a customer pays for an item purchased at the store
3. **total items purchased** is the total number of items that are sold by the store over a one year period

Utilizing the preceding concepts coupled with the concept of total transactions we can establish the following relationships.

1. **average transaction size** = (average number of items purchased) \* ( average item price)
2. **average number of items purchased** = (total items purchased)/(total transactions)

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The baseline financial information can be found by clicking on the driving gloves

[CLDGO001](baseline%20phase%205.xlsx)

Click to return to exercises:

[10-A](Exercise%2010A.docx) [10-B](Exercise%2010B.docx)

[11-A](Exercise%2011A.docx) [11-B](Exercise%2011B.docx)

[12-A](Exercise%2012A.docx) [12-B](Exercise%2012B.docx)

[13-A](Exercise%2013A.docx) [13-B](Exercise%2013B.docx)

[14-A](Exercise%2014A.docx) [14-B](Exercise%2014B.docx)