

Survival/breakeven

For many new retail businesses, the initial objective is to survive the difficult time of gaining customers, establishing a good local name and building a reputation.

Also, this applies for some large businesses in times of difficulty.

To survive, a business must at least breakeven. This means that it makes neither a profit nor a loss.

Increase market share

The market share is the proportion of sales made by a business in relation to the whole market. The market share is calculated by the number of customers a business has and is usually given as a percentage.

Market share is important as it shows how well the business is doing compared to the competition.

Customer satisfaction

Customer satisfaction measures how goods or services supplied by a retail business meet or surpass a customer's expectation.

If a retailer fails to meet customer satisfaction, then it could result in a decrease in sales and profit.

Profit maximisation

Increasing profit is different from increasing revenue as profit is what remains after all the costs of running the business have been met.

$\text{Sales revenue} - \text{costs} = \text{profit}$

Increasing profit is possibly the main objective for most retail businesses.

Aims are used by retail businesses to focus the business and reach future targets. Many retailers will use their aims to create more specific objectives such as increasing profits by 10% over the next 12 months.

Specific retail aims

Aims that are specific to the retail industry, examples include:

- introducing an additional service such as click and collect or a home delivery service
- introducing a multi-channel approach by starting a website to accompany the physical store
- training staff to improve their product knowledge
- replacing the manual stock control with IT systems.

Increase sales revenue

Sales revenue is the total value of the products and services sold.

An increase in sales revenue can be achieved through selling more products to existing customers, selling products to new customers or changing prices.

Ethical, environmental and social

Ethical, environmental, and social elements go beyond the activities of the business. Retailers operate in the wider community and their actions can affect society.

Examples include:

- reducing the carbon footprint of the business
- switching suppliers to source organic food and local produce
- developing Fairtrade Foundation objectives
- supporting local charities.

Diversification

Diversification is expanding the business into different markets selling different products.

Diversification can increase sales and profits through new revenue streams and limit a negative impact in its original market.