

# Retailing

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TONY KENT AND OGENYI OMAR

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First published 2003 by  
PALGRAVE MACMILLAN

Houndmills, Basingstoke, Hampshire RG21 6XS and 175 Fifth Avenue, New York, N.Y. 10010  
Companies and representatives throughout the world

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ISBN 978-0-333-99769-7      ISBN 978-0-230-37410-2 (eBook)

DOI 10.1007/978-0-230-37410-2

A catalogue record for this book is available from the British Library.

10 9 8 7 6 5 4 3  
12 11 10 09 08 07 06 05

# Contents

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Acknowledgements	x
Preface	xi
<b>PART ONE</b>	
<b>THE RETAIL ENVIRONMENT</b>	<b>1</b>
<b>1 Retailing in the Economy</b>	<b>3</b>
Introduction	3
The historical development of retailing	4
The contribution of retailing to the economy	7
Classifications of retailing	17
Summary	27
Case study	28
<b>2 The Changing Retail Environment</b>	<b>32</b>
Introduction	32
The retail environment	33
The external environment: political, economic, social and technological factors	35
Change and the retail industry	49
Change theories	50
Summary	55
Case study	56
<b>3 Channels of Distribution</b>	<b>59</b>
Introduction	59
Channels of distribution: manufacturing, wholesaling and retail	60
The process of distribution	68
Branded distribution channels	72
Changing patterns of distribution	74
Parallel trading and 'grey' markets	78
Summary	79
Case study	81
<b>4 Competitive Strategies in the Retail Industry</b>	<b>84</b>
Introduction	84
Defining retail competition	84
Definitions of strategy	89
Internal resources and competitive advantage	93

Strategic choice	99
Strategic directions	103
The fit of the strategy to the organisation	108
Summary	110
Case study	112
<b>5 International Retailing</b>	<b>116</b>
Introduction	116
The development of international and global markets	116
The internationalisation of retailing	118
Retail structures	120
The process of internationalisation	133
Market-entry strategies	135
Issues in implementing international strategies	140
Summary	141
Case study	143
<b>PART TWO</b>	
<b>STRATEGIC RETAIL FUNCTIONS</b>	<b>149</b>
<b>6 Marketing Functions in Retailing</b>	<b>151</b>
Introduction	151
Definitions of marketing	152
Marketing in retailing	153
Classifying consumers	155
Consumer behaviour	157
A model of buying behaviour and its application to the retail industry	160
Consumer profiles and market segmentation in retailing	161
Relationship marketing in retailing	169
The marketing mix in retailing	171
Summary	175
Case study	176
<b>7 Financial Planning and Control</b>	<b>180</b>
Introduction	180
Finance and management accounting in retailing	181
Risk assessment and project appraisal techniques	190
Sources of finance	198
Cost of finance	200
Budgeting and financial control of resources	203
Summary	206
Case study	207
<b>8 Retail Location Strategy</b>	<b>210</b>
Introduction	210
Location strategy	210
Types of location	212
Spatial patterns of retail location	220
Site assessment and evaluation	222
Government intervention in locational development	229

Site acquisition	231
Renovation and redevelopment of sites	232
Summary	233
Case study	234
<b>9 Human Resource Management (HRM)</b>	<b>238</b>
Human resource strategy	238
Organisational structure	240
Culture and human resources	245
Human resource management	249
The people factor	251
Effective working practices	257
Motivation and rewards	261
Summary	263
Case study	264
<b>PART THREE</b>	
<b>MERCHANDISE MANAGEMENT</b>	<b>269</b>
<b>10 Product Planning and Selection</b>	<b>271</b>
The buying function	271
Supplies selection and evaluation	278
Product selection	279
Sales planning and forecasting	284
Branch plans and space management	288
Summary	293
Case study	294
<b>11 Supply-Chain Management</b>	<b>297</b>
Introduction	297
Sourcing	297
Assessment of global sources of supply	302
The supply chain	305
Importation	316
Summary	319
Case study	320
<b>12 Inventory Management and Control</b>	<b>324</b>
Planning and controlling stock levels	324
Ordering, allocation and replenishment	328
Warehousing and distribution centres	335
Summary	346
Case study	347
<b>13 Retail Pricing: Policies and Practice</b>	<b>350</b>
Introduction	350
The theory and concept of pricing	351
Retail pricing calculations	359
Pricing strategies	364
Summary	372
Case study	374

**PART FOUR****OPERATIONAL MANAGEMENT 377**

<b>14</b>	<b>Store Design</b>	<b>379</b>
	Introduction	379
	Development of store design	379
	Communication through design	386
	The design process	390
	Store layout and customer flow	393
	Window display and visual merchandising techniques	395
	Summary	401
	Case study	402
<b>15</b>	<b>Retail Communications</b>	<b>405</b>
	Introduction	405
	Retail promotion	406
	Retail advertising	411
	Sales promotions	419
	Public relations and publicity	422
	Budget strategies for retail communications	424
	Legal issues in retail advertising	426
	Summary	427
	Case study	429
<b>16</b>	<b>Customer Service</b>	<b>432</b>
	Introduction	432
	Aims and objectives of customer service	433
	Customer service activities	435
	The customer service package	440
	Measurements of service quality	446
	The process of retail selling	450
	Staff training and development	452
	Summary	455
	Case study	456

**PART FIVE****NEW DEVELOPMENTS IN RETAILING 461**

<b>17</b>	<b>Information Technology in Retailing</b>	<b>463</b>
	Introduction	463
	The development and use of IT in retailing	464
	IT and product management	469
	IT and financial management	473
	Electronic data and marketing	476
	Strategic implications of IT development	482
	Summary	485
	Case study	487
<b>18</b>	<b>Non-Store and Internet Retailing</b>	<b>491</b>
	Introduction	491
	Developments in mail order	492

TV shopping, kiosks and CD-RUM	495
The Internet	498
Marketing and communication on the Internet	505
Site location and design	506
Payment and delivery systems	508
The future potential of the Internet	512
Summary	513
Case study	514
Index	519

# Acknowledgements

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The authors and publishers wish to acknowledge the following for permission to reproduce copyright material:

Simon & Schuster Inc. for material from Michael E. Porter, *Competitive Strategy* (© The Free Press 1980, 1998); John Wiley & Sons for material from G. Johnson (ed.) *Business Strategy in Retailing*, and also from S. McKie, *E-business Best Practices: Leveraging*; Henry Stewart Publications for material from Keith Dugmore in *Journal of Targeting, Measurement and Analysis for Marketing*; The World Advertising Research Centre for material from *The Retail Pocket Book 2001*; Roland Berger Strategy Consultants for material from *Category Management Best Practices Report*; Emerald Publishing for material from its journals, *International Journal of Retail and Distribution Management*, *International Marketing Review* and *Fashion Marketing and Management*; Blackwells for the diagram on page 250 from *Developments in the Management of Human Resources* by J. Storey; *Financial Times* for excerpts on pages 245, 246, 344, 265; J. Sainsbury for the layout of their Greenwich store; Ashgate Publishing Limited for the diagram on page 346 from P.G. Eibl, *Computerised Vehicle Routing and Scheduling and Road Transport*, published by Avebury; Kogan Page for diagrams from M. Stone and B. Foss, *Successful Customer Relationship Marketing* and A. Ruston and J. Oxley, *A Handbook of Logistics and Distribution Management*; Palgrave Macmillan for a diagram from *Retail Power Plays* by A. Wileman and M. Jary.

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# Preface

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The retail industry is increasingly imposing itself in a number of fields. In the economy it is a major employer and creator of wealth; it provides many opportunities for consumption, not only of products but also of experiences. Shopping is a leisure activity for many, an agreeably social way to spend time (although families may disagree on this). In a changing world, retailers are a reassuringly familiar part of our everyday landscape, and retail brands provide consistent, if sometimes disappointing, reference points. If anything retailers at least partly shape these changes, driven by the energy of competition to offer new products and services in enjoyable and occasionally entertaining shopping environments. And with the Internet, these physical environments can now virtually extend into our homes. The industry is nothing if not relevant.

For these reasons the retail industry has come more specifically to the attention of academics. At its most prosaic, where primary and manufacturing industries have declined and fallen, distribution has remained in place and the focus simply shifts. However the industry has become more complex offering extensions to existing fields of study as well as inviting enquiry into new ones. Some highlights stand out; the development and application of information technology has been a key driver of change in critical areas of customer service and in the management of suppliers and merchandise; and brand management has become an altogether more sophisticated activity as has locational planning.

Given this context the purpose of this book is to provide a study of retailing from a Eurocentric perspective. As emphasis is placed on independent student learning, so the need has emerged for an accessible textbook that embraces the main issues facing the retail industry. In part, then, the book is designed to meet the needs of student learners, providing both underpinning knowledge and analytical and conceptual tools. In this respect, a specific feature is the relation of theory to practice in the retail industry. For the same reasons, it aims to shine some light into some of the more obscure corners of the industry so that students are made aware of the linkages and relationships between different functions and activities. Where appropriate, examples have been drawn from countries outside the UK to emphasise the differences both in retail practice and the application of underlying principles.

The other objective of the book has been to support the traditional management pedagogical approach of lectures and seminars. The book is structured to move from higher level and external issues to more detailed internal and developmental ones:

**Part 1** begins with an overview of retailing and continues into an analysis of the macro environment. Chapter 3 introduces the process of distribution, and Chapters 4 and 5 deal in more detail with competitive retail strategies and the internationalisation of retailing.

**Part 2** develops the key functions of marketing, financial planning and control, location and human resources and their relationship to strategic-level decisions.

**Part 3** deals with the issues concerning merchandise management in more detail. This is an area that deserves close attention, and the authors draw on their retail management experience to define the *sequence* of management activities as it takes place in the industry. The section opens with a chapter on *product planning and selection*, progresses logically into *supply-chain management*. Decisions about which products and from where they are to be sourced relate closely to the next chapter on *inventory management and control*: the movement of products through the company's internal distribution chain and into the store. The final chapter assesses *pricing* policies and merchandise pricing practices available to retailers. Therefore this section deals with the process of merchandise management from planning to in-store availability.

**Part 4** concerns the store, or operational environment. Chapter 13 distinguishes the design process from management approaches before moving to discuss operational functions. Chapters on communication and service develop customer-focused issues that have a bearing on the store itself.

**Part 5** introduces information technology and non-store retailing including e-commerce, and new developments. This needing recognises the constantly changing and dynamic nature of these functions.

Each chapter is supported by a case study, with specific questions for classroom discussion, as well as more general questions on the substance of the chapter to stimulate further thinking about an exciting and dynamic industry.

Many people have contributed their time, views and suggestions in the course of preparing and writing this book. Colleagues and students at the London Institute have provided numerous insights into the retail industry over the past six years. In particular we should like to thank Jonathan Baker, Helen Beswick, Alan Hirst and Dawn Lavelle for their comments. Professor Barry Davies and Dr Charles Blankson have contributed valuable advice. We have benefited from considerable help and advice, too, from the retail industry in meetings with long-suffering training managers in London, we extend our particular thanks to Alexandra Logan. Other experts have contributed generously in different fields, and here David Zinkin, John Serocold, Emma Brown and Richard Kent have been most helpful. Most of all we should thank Elizabeth-Anne and Victoria for their forbearance over the time taken to prepare the book.

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Retailing goes as back as time goes and the best part of it is that the concept of retailing hasn't changed for centuries. But before we move on to elaborating retail definition or its concept, you should be clear of these two terminologies "Good: Product offered in the market in exchange for money.