



RETAILING

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MASON

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all of

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Retailing

To Linda, Judy, and Chuck

Preface

For the career-oriented student, few topics are more exciting and dynamic than retailing. Studying the subject paves the way for the most diversified career opportunities available in the marketplace of the 1990s and beyond. Our fourth edition has been designed to reflect the dynamics of retailing and to make study of the field rewarding for both students and instructors.

APPROACH OF THE TEXT

This text uses a "how-to" approach and emphasizes strategic planning. We address all issues likely to concern a person interested in a retail career as an owner, a manager of an enterprise, or an employee who is uncertain of future directions. These issues are addressed from a pragmatic, how-to point of view, but we have not sacrificed the conceptual and analytical foundation necessary for a complete introduction to the field. The approach we have taken assumes no prior knowledge of retailing. Thus, the material is presented in simple, straightforward language. With the assumption of "no prerequisites needed," we have defined all terms carefully. We also provide many real-life examples.

The stage is set in the first chapter, which introduces and captures the excitement of retailing today. The strategic framework of the book is presented in Chapter 2.

The objectives of this text are to address issues concerning:

- The status of retailing today.
- What must be considered to plan for situations over which management has no control, in other words, the external environments of retailing.
- Key decisions to be made as part of a successful retail strategy.
- The ways a retailer can ensure that operations will be profitable.
- Whether retailing is a viable career (or investment) in your future.

This book presents the broad spectrum of opportunities that exist for the aspiring retailer. What types of stores are out there? Large ones like J. C. Penney and small ones like your local 7-Eleven; fancy ones like Neiman-Marcus and no-frills operations such as Price Club and T. J. Maxx all exist successfully.

Where will the action in retailing be during the 1990s? The small, secondary markets look good to many strategic planners. Will the outlying regional malls in metropolitan areas still be attractive investments? What about downtown (the central business district)?

Which names are part of the big retail action? Nordstrom, The Limited, Macy's, and the Neiman-Marcus Group are well known in upscale general merchandise. As the 1980s ended, Sears introduced its "everyday low price" strategy—too little, too late? We wonder about the future for Federated and Allied Stores due to the massive Campeau debacle. The A&S Plaza occupying the old Gimbel's property in New York City offers an exciting concept, as does the Bloomingdale's vertical mall on Michigan Avenue in Chicago. Do these enterprises indicate a trend in downtown development? What about the mega malls—the West Edmonton Mall in Alberta and the Mall of America in suburban Minneapolis-St. Paul—are they a trend? Hypermarkets? New grocery formats? Polish up the crystal

ball and look for continuing growth and success in services retailing. Yes, retailing is dynamic, diverse, and exciting; and retail organizations need people to manage all functions that exist to serve the customer.

ORGANIZATION OF THE TEXT

The book flows in a logical sequence since each topic fits into a planned framework. Part 1 of the framework, Structural Dynamics and Strategic Planning, discusses what retailing is like today (Chapter 1) by quickly initiating you into the retailing fraternity! Chapter 2 introduces students to the essence of strategic planning as a way of defining the purposes of the firm and deciding how to compete. Part 2 introduces students to the environmental factors affecting retail strategy development, including the key legal and public policy issues (Chapter 3); the critical dimensions of the demographic, social, and competitive environments (Chapter 4); and the new technology (Chapter 5).

Part 3 focuses on the issue of selecting markets in which to compete. Chapter 6 asks and answers critical questions about the consumer. Lifestyle merchandising is the topic of Chapter 7. Part 4 introduces students to the resources needed to compete, including issues in organizing and financing the new retail enterprise (Chapter 8). Chapter 9 presents the key issues in location, site, and building decisions; Chapter 10 discusses critical issues in the recruiting, selecting, training, and motivating of employees.

Part 5 focuses on positioning for competitive advantage and introduces students to merchandise and expense planning and control (Chapter 11); evaluating retail performance (Chapter 12); buying and inventory management (Chapter 13); determin-

ing retail prices (Chapter 14); physically handling and securing merchandise (Chapter 15); store design and layout and merchandise presentation (Chapter 16); keys to successful selling (Chapter 17); advertising, sales promotion, and publicity (Chapter 18); and sales-support services (Chapter 19).

Part 6 focuses on retailing issues, opportunities, and outlook. Franchising operations are discussed in Chapter 20; service retail organizations are the topic of Chapter 21. The text ends with Chapter 22, which provides an overview of trends, social dimensions, and prospects that affect retailing. Following this chapter is a comprehensive careers appendix to help students make better decisions about the many facets of a career in retailing.

SOME OTHER THINGS ABOUT THE BOOK

We have tried to make this book interesting and to reflect the excitement of retailing. Some of the premier retail firms in our country have provided excellent photographs. Study aids in many chapters provide additional substance to enlighten the topics. The introductory retailing capsule at the beginning of each chapter and the two cases at the end of each chapter also bring a high degree of realism to the material.

HOW TO STUDY RETAILING WITH THIS BOOK

Look carefully at the first page or two of each chapter. The information provided here is valuable. It indicates topics covered in the chapter and spells out the specific chapter learning objectives. If you can answer the questions raised on these pages, you're making progress. It's a good preview and review.

Each chapter includes discussion questions to make you think about what you've read and to test your memory and understanding of the chapter. Practice problems are given in some chapters so you can check your understanding of skills explained in the book. Always work the problems. Each chapter also includes two cases. These cases let you confront a real situation to make a decision or to judge someone else's actions. These cases are fun and good learning experiences.

This edition offers another outstanding plus—a Student Study Guide—which can be of great value in studying retailing. It contains self-examinations to allow you to test your knowledge. Short cases are included to let you apply your logic. The Student Study Guide will make learning more challenging and give you confidence in your mastery of retailing concepts.

In addition to the key terms highlighted in the chapter, important definitions have been added to the end of each chapter.

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