

USED

RETAIL MANAGEMENT
A STRATEGIC APPROACH
EIGHTH EDITION

Barry Berman • Joel R. Evans
www.prenhall.com/bermanevans

RETAIL MANAGEMENT

A STRATEGIC APPROACH

E I G H T H E D I T I O N

Barry Berman

Hofstra University

Joel R. Evans

Hofstra University

Prentice
Hall

Prentice Hall

Upper Saddle River, NJ 07458

Acquisitions Editor: Leah Johnson
Assistant Editor: Anthony Palmiotto
Editorial Assistant: Rebecca Calvert
Marketing Manager: Shannon Moore
Marketing Assistant: Kathleen Mulligan
Senior Production Editor: M.E. McCourt
Managing Editor (Editorial): Bruce Kaplan
Managing Editor (Production): John Roberts
Production Manager: Arnold Vila
Assoc. Dir., Manufacturing: Vincent Scelta
Design Manager: Pat Smythe
Interior Design: Michael Jung
Cover Design: Michael Jung/Michael Fruhbeis
Composition: York Graphic Services, Inc.

Library of Congress Cataloging-in-Publication Data

Berman, Barry.

Retail management: a strategic approach / Barry Berman, Joel R. Evans. — 8th ed.

p. cm.

Includes index.

ISBN 0-13-026334-6

1. Retail trade—Management. I. Evans, Joel R. II. Title.

HF5429..B45 2001

658.8'7—dc21

00-055065

Credits and acknowledgments for materials borrowed from other sources and reproduced, with permission, in this textbook appear on pages C1–C2. Credits and acknowledgments for line art and textual materials borrowed from other sources and reproduced, with permission, in this textbook appear on the appropriate page within text.

Copyright © 2001, 1998, 1995, 1992, 1989 by Prentice-Hall, Inc. Upper Saddle River, New Jersey 07458.

All rights reserved. Printed in the United States of America. This publication is protected by Copyright and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. For information regarding permission(s), write to: Rights and Permissions Department.

**Prentice
Hall**

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

ISBN 0-13-026334-6

To LINDA, GLENNA AND PAUL, AND LISA AND BEN

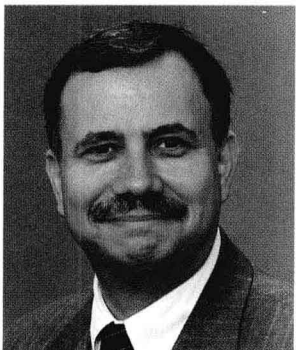
To LINDA, STACEY, AND JENNIFER

*Thank you for your enduring
patience and understanding.*

ABOUT THE AUTHORS



Barry Berman



Joel R. Evans

Barry Berman (Ph.D. in Business with majors in Marketing and Behavioral Science) is the Walter H. “Bud” Miller Distinguished Professor of Business and Professor of Marketing and International Business at Hofstra University. **Joel R. Evans** (Ph.D. in Business with majors in Marketing and Public Policy) is the RMI Distinguished Professor of Business and Professor of Marketing and International Business at Hofstra University.

While at Hofstra, each has been honored as a faculty inductee in Beta Gamma Sigma honor society, received multiple Dean’s Awards for service, and been selected as the Teacher of the Year by the Hofstra M.B.A. Association. For several years, Drs. Berman and Evans were co-directors of Hofstra’s Retail Management Institute and Business Research Institute. Both regularly teach undergraduate and graduate courses to a wide range of students.

Barry Berman and Joel R. Evans have worked together for more than 20 years in co-authoring several best-selling texts, including *Retail Management: A Strategic Approach*, Eighth Edition. They have also consulted for a wide variety of clients, ranging from small “mom-and-pop” retailers to *Fortune 500* companies. They are co-founders of the American Marketing Association’s Special Interest Group in Retailing and Retail Management, and currently serve on its board. They recently co-chaired the Academy of Marketing Science/American Collegiate Retailing Association’s triennial conference, “Retailing 2000: Launching the New Millennium.” In 1999, they were featured speakers at the annual meeting of the National Retail Federation, the world’s largest retailing trade association. Each has a chapter on retailing in the most recent edition of Dartnell’s *Marketing Manager’s Handbook*.

Barry and Joel are both active Web practitioners (and surfers), and they have written and developed all of the content for the comprehensive, interactive Web site that accompanies *Retail Management* (www.prenhall.com/bermanevans). They may be reached through the Web site or by writing to mktbxb@Hofstra.edu (Barry Berman) and mktjre@Hofstra.edu (Joel R. Evans).

P R E F A C E

As we enter the new millennium, we are delighted by the continuing positive response to this text, as evidenced by adoptions at hundreds of colleges and universities around the world. In the eighth edition, we have set out to capture the new spirit of retailing in an E-commerce world. *This edition represents the most sweeping revision of the text since its first edition.*

We have worked hard—eagerly, in fact—to produce a cutting-edge text, while retaining the coverage and features most desired by professors and students, *and* maintaining the length of prior editions. The concepts of a strategic approach and a retail strategy remain our cornerstones. With a strategic approach, the fundamental principle is that the retailer has to plan for and adapt to a complex, changing environment. Both opportunities and constraints must be considered. A retail strategy is the overall plan or framework of action that guides a retailer. Ideally, it will be at least one year in duration and outline the mission, goals, consumer market, overall and specific activities, and control mechanisms of the retailer. Without a pre-defined and well-integrated strategy, the firm may flounder and be unable to cope with the environment that surrounds it. The major goals of our text are to enable the reader to become a good retail planner and decision maker and to help focus on change and adaptation to change.

Retail Management is designed as a one-semester text for students of retailing or retail management. In many cases, such students will have already been exposed to marketing principles. We feel retailing should be viewed as one form of marketing and not distinct from it.

THE DAWN OF A NEW ERA FOR RETAIL MANAGEMENT: A STRATEGIC APPROACH

As Bob Dylan once said, “The times, they are a changing.” When we look back on how we wrote the first edition of *Retail Management*, we lived in a different time. We wrote out our drafts long-hand and had them typed. We didn’t have our own PCs because they were too expensive and they didn’t really do much. We photocopied research articles one by one in the library, often relying on dated material. We shopped at stores that were typically open from 10:00 A.M. to 7:00 P.M., Monday through Saturday. That meant always waiting in lines, settling for what merchandise local stores carried, and little opportunity to comparison shop. And believe it or not, there was no Internet or World Wide Web.

Now, in preparing the eighth edition of *Retail Management*, this is how we spent a typical day: At 7:00 A.M. one morning, we decided we needed new high-speed printers to replace our older model. Unlike earlier days, we didn’t visit five stores searching for the right model at the right price, we went right to the Web. First stop: CNET, a leading online computer and electronics “shopping bot.” There, we typed in “laser printers” and read detailed reviews and specification sheets for the leading models. While still at CNET, we decided to comparison shop for a particular printer model. Instantly, up popped a listing of 43 online retailers that carried the model, along with their prices, shipping policies, and in-stock positions. We clicked on Buy.com and, zoom, we went right to the link for the printer. At Buy.com, we ordered two printers and expanded memory cards. The next day, the printers

arrived. The time we started at CNET to the time we finished with Buy.com was no more than 30 minutes. No lines, no parking problems, no wait for the store to open, no hassle!

After buying the printers, it was back to work. We consulted our free automatic daily E-mails of the business section of the *New York Times* (which you, too, can get for free by subscribing at www.nytimes.com), visited various retail magazine sites for their regular news updates (take a look at www.discountstorenews.com, for example), and did our usual search of retailer sites (look at the revamped site of Wal-Mart, the world's largest retailer, at www.wal-mart.com). As we did research on particular retailing topics, we went to search engines such as Yahoo! (www.yahoo.com) and online library resources such as UncoverWeb (uncweb.carl.org).

What does this all mean? The “E” word—electronic—permeates our lives. From a consumer perspective, gone are the old Smith-Corona typewriters, replaced by word processing software on PCs. Snail mail is giving way to E-mail. Looking for a new music CD? Well, we can go to the store—or we can order it from CDnow (www.cdnnow.com) or Amazon.com (www.amazon.com) or maybe even download some tracks as we create our own CDs. Are you doing research? Then hop on the Internet express and have access to millions of facts at our fingertips. The Web is a 24/7/365 medium that is transforming and will continue to transform our behavior.

From a retailer perspective, we see four formats—all covered in *Retail Management*—competing in the new millennium (cited in descending order of importance):

- Combined “bricks-and-mortar” and “clicks-and-mortar” retailers. These are store-based retailers that also offer Web shopping, thus providing customers the ultimate in choice and convenience. Over 90 percent of the world's largest retailers, as well as many medium and small firms, fall into this category or will shortly. This is clearly the fastest-growing format in retailing, exemplified by such different firms as Barnes & Noble (www.barnesandnoble.com), Costco (www.costco.com), and Wal-Mart (www.wal-mart.com).
- Clicks-and-mortar retailers. These are the new breed of Web-only retailers that have emerged in recent years, led by Amazon.com (www.amazon.com). Rather than utilize physical store facilities, these companies promote a “virtual” shopping experience: wide selections, low prices, and convenience. Among the firms in this category are grocery retailer Peapod (www.peapod.com), Priceline (www.priceline.com)—the discount airfare, hotel, and more retailer, and toy retailer eToys (www.etoys.com). By 2003, total annual Web retailing revenues from all formats are expected to reach \$140 billion.
- Direct marketers with clicks-and-mortar retailing operations. These are firms that have relied on traditional nonstore media such as print catalogs, direct selling in homes, and TV infomercials to generate business. Almost of them have added Web sites, or will be shortly, to enhance their businesses. Leaders include Lands' End (www.landsend.com) and Spiegel (www.spiegel.com). In the near future, direct marketers will see a dramatic increase in the proportion of sales coming from the Web.
- Bricks-and-mortar retailers. These are companies that rely on their physical facilities to draw customers. They do not sell online, but use the Web for customer service and image building. Ikea uses its Web site to provide company information and store locations. Home Depot sells gifts, gives extensive advice on do-it-yourself projects, and has store directions. Firms in this category represent the smallest grouping of retailers. Many will need to rethink their approach as online competition intensifies.

On a personal level, we have spent the last few years striving to disprove the adage that you can't teach old dogs new tricks. And we've had loads of fun doing so. We both have developed our own Web sites (in addition to the Prentice Hall site—www.prenhall.com/bermanevans—accompanying *Retail Management*). We are active “surfers.” We are always looking for new links. There's even time for an occasional “intellectual” game such as Out of Order at Sonystation.com.

Has this helped us as authors? You bet. We have access to more information sources than ever before, from international trade associations to government agencies. The information in *Retail Management*, Eighth Edition, is more current than ever because we are using the original sources themselves and not waiting for data to be published months or a year after being compiled. We are also able to include a greater range of real-world examples because of the information at company Web sites.

Will this help you, the reader? Again, you bet. Our philosophy has always been to make *Retail Management* as reader-friendly, up-to-date, and useful as possible. In addition, we want you to benefit from our experiences, in this case, our E-xperiences.

E-xciting E-features

To reflect these E-xciting times, *Retail Management: A Strategic Approach*, Eighth Edition, incorporates a host of E-features throughout the book.

With regard to content, each chapter includes important practical applications of the Web within the context of that chapter. Here are some examples of how the discussion of the Web is integrated into *Retail Management*:

- *Chapter 1:* Careers in retailing (www.careersinretailing.com) and the Web addresses of the largest ten U.S. retailers.
- *Chapter 2:* How retailers can conduct customer satisfaction surveys (customersat.com).
- *Chapter 3:* The Guitar Center (www.guitarcenter.com), the largest U.S. retailer of musical instruments.
- *Chapter 4:* The retailer assistance that is available through the Small Business Development Center (sba.gov/sbdc).
- *Chapter 5:* Why Ikea (www.ikea.com) does not sell products at its Web site.
- *Chapter 6:* Web retailing for small and large retailers, such as blindsdepot.com (www.blindsdepot.com). There is also a detailed discussion of E-commerce.
- *Chapter 7:* Family Dollar's (www.familydollar.com) focused target market strategy.
- *Chapter 8:* MicroStrategy (www.microstrategy.com), one of many firms that market information systems software.
- *Chapter 9:* How retailers can learn about trading areas from government (tiger.census.gov) and nongovernment (www.esri.com) online sources.
- *Chapter 10:* The International Council of Shopping Centers (www.icsc.org), the world's largest shopping center association, with a variety of resources for retailers.
- *Chapter 11:* Retailers such as Target (www.target.com/jobs) that have entire sections of their Web sites devoted to retailing jobs.
- *Chapter 12:* Barnes & Noble's (www.barnesandnoble.com) return policy for online purchases.
- *Chapter 13:* Retail Technologies (www.retailpro.com), one of the firms that markets inventory management software.
- *Chapter 14:* The Doneger Group (www.doneger.com), the largest independent resident buying office.
- *Chapter 15:* How retailers often visit merchandise marts such as AmericasMart (www.americas.com) and CaliforniaMart (www.californiamart.com) when making buying decisions.
- *Chapter 16:* Why the *New York Times on the Web* (www.nytimes.com) reports that online retailers are modifying their return policies.
- *Chapter 17:* How shopping bots such as mySimon (www.mysimon.com) are revolutionizing the way in which people comparison shop.
- *Chapter 18:* How small retailers can benefit from free or low-cost Web store development by Bigstep.com (www.bigstep.com) and others.

- *Chapter 19:* Blockbuster's (www.blockbuster.com) use of its Web site in a very promotional manner.
- *Chapter 20:* How retailers can learn about the benefits of benchmarking (www.eprs.com/benchmarking.htm).
- *Appendix A:* How retail job opportunities may be found online from sources such as *Retail Jobnet* (www.retailjobnet.com).

But, that's not all! *Retail Management*, Eighth Edition, is packed with other E-features:

- A comprehensive Web site (www.prenhall.com/bermanevans), with an interactive study guide, more than 1,000 "hot links," a glossary, and much more.
- End papers with Web addresses of search engines, career banks, and more.
- Margin notes throughout each chapter keyed to important text concepts highlight the addresses of a variety of Web sites. Companies such as CDnow, Cheap Tickets, eBay, Macy's, Old Navy, Papa John's, Rainforest Café, REI, Tuesday Morning, and Williams-Sonoma are featured. You can also look at Web sites that show what it takes to be a franchisee (carvel.com/franchise_faq.asp), draw an online map of your community (tiger.census.gov/cgi-bin/mapbrowse-tbl), take an online demo from an outside buying office (www.buying-office.com/files/demo), and shop at an online auction (<http://www.haggle.com>). There are about 250 Web-based margin notes in all.
- A "Technology in Retailing" box in each chapter. Many of these relate to companies engaging in Web retailing, such as All the Right Gifts (<http://www.alltherightgifts.com>), Follett (www.efollett.com), Food.com (www.food.com), and Varsitybooks.com (www.varsitybooks.com).
- A Web-based exercise at the end of each chapter, involving the Web sites of such diverse organizations as Lettuce Entertain You (www.leye.com/restaurants/index.html), Starbucks (www.starbucks.com), and Supercuts (www.supercuts.com).
- Two comprehensive cases on Web-based retailing (Part Two and Part Three).
- A listing of 45 FREE online sources of retailing information (Table 8.2).

BUILDING ON A STRONG TRADITION

Besides the E-features just mentioned, *Retail Management*, Eighth Edition, carefully builds on its heritage as the market leader.

The Foundation of Retail Management: A Strategic Approach

These features have been retained from earlier editions of *Retail Management: A Strategic Approach*:

- Full coverage of all major retailing topics including consumer behavior, information systems, store location, operations, service retailing, the retail audit, retail institutions, franchising, human resource management, computerization, and retailing in a changing environment.
- A strategic decision-making orientation, with many flowcharts, figures, tables, and photos. The chapter coverage is geared to the six steps used in developing and applying a retail strategy, which are first described in Chapter 1.
- A real-world approach focusing on both small and large retailers. Among the well-known firms discussed are Amazon.com, Bloomingdale's, Costco, Gap, Home Depot, Lands' End, The Limited, McDonald's, Neiman Marcus, Spiegel, Starbucks, Tiffany, and Wal-Mart.
- Real-world boxes on current retailing issues in each chapter. These boxes further illustrate the concepts presented in the text by focusing on real firms and situations.
- A numbered summary keyed to chapter objectives, a key terms listing, and discussion questions at the end of each chapter.

- Thirty-eight end-of-chapter cases involving a wide range of retailers and retail practices.
- Eight end-of-part comprehensive cases.
- Up-to-date information from such sources as *Advertising Age*, *Business Week*, *Chain Store Age*, *Direct Marketing*, *Discount Store News*, *Entrepreneur, Inc.*, *Journal of Retailing*, *Progressive Grocer*, *Stores*, and *Wall Street Journal*.
- A convenient, one-semester format.
- “How to Solve a Case Study,” following Chapter 1 in the text.
- An appendix on franchising, following Chapter 4.
- An end-of-text appendix on careers in retailing and another with a detailed glossary.

New to the Eighth Edition

Since the first edition of *Retail Management: A Strategic Approach*, we have sought to be as contemporary and forward-looking as possible. We are proactive rather than reactive in our preparation of each edition. That is why we still take this adage of Wal-Mart’s founder, the late Sam Walton, so seriously: “Commit to your business. Believe in it more than anybody else.”

For the eighth edition, there many changes in *Retail Management*:

1. The organization of the text has been revamped.
 - a. There are new chapters on building and sustaining relationships (Chapter 2) and on merchandise management (Chapter 14). Relationships are covered early in the text to signify their importance in retail planning.
 - b. There are substantially revised chapters on Web, nonstore, and other nontraditional retailing (Chapter 6); identifying and understanding consumers (Chapter 7); information gathering and processing in retailing (Chapter 8); implementing merchandising plans (Chapter 15); and establishing and maintaining a retail image (Chapter 18).
 - c. There are new end-of-chapter appendixes on service retailing (Chapter 2) and global retailing (Chapter 3), both with a strategic flavor. These appendixes amplify the discussions in their respective chapters and give extended attention to these topics.
 - d. All of the chapters have been streamlined so they flow better and truly capture the spirit of retailing in the 21st century.
 - e. Appendix A on careers is updated. Appendix B describes the contemporary Web site that accompanies the text. Appendix C (Glossary) includes several hundred key terms.
 - f. The end papers are totally updated.
2. The in-chapter boxed material—which is all new—is more topical and includes thought-provoking questions. Every chapter contains a “Technology in Retailing” box, a “Retailing Around the World” box, and an “Ethics in Retailing” box. And there is a **New!** boxed feature in each chapter (“Careers in Retailing”), a real-life look at people from all walks of retailing life.
3. All chapter-opening vignettes are new.
4. All of the chapter-ending cases are new or revised and all are now based on real retail situations and firms. Nineteen cases have a video component; they are denoted by a video symbol in the text.
5. All of the part-ending comprehensive cases are new and based on real retail situations and firms.
6. There is a **New!** case and exercise book that is bundled free with the text.

7. These substantive chapter changes have been made:
 - a. Each chapter begins with an opening vignette relating customer service and customer relationships to the topics in that chapter. These are the modern-day linchpins of successful retailing.
 - b. Chapter 1 (An Introduction to Retailing) is more tightly written and sets the stage for the new Chapter 2.
 - c. **New!** Chapter 2 (Building and Sustaining Relationships in Retailing) examines concepts that are critical for today's retailers, including value, the chain, the value delivery system, customer satisfaction, customer and channel relationships, and ethics. The chapter concludes with a **New!** appendix on planning for the unique aspects of service retailing.
 - d. Chapter 3 (Strategic Planning in Retailing) has been repositioned, so that it now follows the new material on relationship retailing. It concludes with a **New!** appendix on the special dimensions of strategic planning in a global retailing environment.
 - e. Chapter 4 (Retail Institutions by Ownership) is more tightly written, examines recent institutional trends, and deals with food and general merchandise retail strategies.
 - f. Chapter 5 (Retail Institutions by Store-Based Strategy Mix) is more tightly written, examines several recent institutional trends, and deals exclusively with food and general merchandise retail strategies.
 - g. **Substantially revised!** Chapter 6 (Web, Nonstore-Based, and Other Forms of Nontraditional Retailing) places the E-commerce revolution in perspective, with considerably more discussion of Web retailing—including the role of the Web, the scope of online retailing, characteristics of Web users, factors to consider in planning whether to have a Web site, and several examples of Web retailing in action. There is also a more in-depth discussion of video kiosks and a new section on the emergence of airport retailing.
 - h. **Substantially revised!** Chapter 7 (Identifying and Understanding Consumers) has a much tighter and more focused retailing orientation. There are new sections on consumer needs and desires, shopping attitudes and behavior, retailer actions, and environmental factors affecting consumers.
 - i. **Substantially revised!** Chapter 8 (Information Gathering and Processing in Retailing) has more material on building and using a retail information system, data-base management, data warehousing, data mining, and micromarketing and the roles of different channel members in acquiring data.
 - j. Chapters 9 and 10 (Trading-Area Analysis and Site Selection) have more discussion of the technology available for site selection (especially geographic information systems) and the uses of computerized census data. New visual examples are provided throughout these chapters.
 - k. Chapter 11 (Retail Organization and Human Resource Management) has new material on women and minorities in retailing. More real-world examples are provided.
 - l. Chapter 12 (Operations Management: Financial Dimensions) is updated, and talks more about retail bankruptcies, consolidations, and restructurings.
 - m. Chapter 13 (Operations Management: Operational Dimensions) is more tightly focused, with merchandising topics such as category management and inventory management moving to Chapters 14 and 15.
 - n. **New!** Chapter 14 (Developing Merchandise Plans) discusses the premise of a merchandising philosophy, presents a framework for merchandise planning, describes category management, and looks at merchandising software.
 - o. **Substantially revised!** Chapter 15 (Implementing Merchandise Plans) emphasizes the application of a merchandising strategy, logistics, and inventory management.

- p. Chapter 16 (Financial Merchandise Management) is more tightly written and updated.
- q. Chapter 17 (Pricing in Retailing) focuses more on the concept of value and the different ways in which price strategies may reflect a good value to consumers.
- r. **Substantially revised!** Chapter 18 (Establishing and Maintaining a Retail Image) has more on the relationship between atmospherics and retail positioning, as well as how to keep the customer in the store—or at the Web site. There is a new section on atmospherics and Web retailing.
- s. Chapter 19 (Promotional Strategy) has enhanced illustrations of promotion efforts in a retail setting and covers the latest trends in retail promotion—including the use of electronic media.
- t. Chapter 20 (Integrating and Controlling the Retail Strategy) adds to the previous coverage of benchmarking and gap analysis, and introduces a retailing effectiveness checklist.

A WEB SITE FOR THE 21ST CENTURY:

[www.prenhall.com/
bermanevans](http://www.prenhall.com/bermanevans)

We are E-xtremely E-nergized (like the E-nergizer Bunny) about the Web site that accompanies *Retail Management: A Strategic Approach*, Eighth Edition. The site is a lively learning, studying, interactive tool. It is easy to use (see Appendix B for more details), provides hands-on applications, and has easy downloads and hot links. We believe the supplement will be of great value to you.

The Web site has several elements, including:

- **Career and Company Information:** Advice on resumé writing, how to take an interview, jobs in retailing, retail career ladders, and a comprehensive listing of retailers (about 500 companies, complete with their addresses, phone numbers, and Web addresses). There are “hot links” that go directly to the career sections of the Web sites of 120 retailers.
- **Study Materials:** Chapter objectives and summaries, and chapter-by-chapter listings of key terms.
- **Interactive Study Guide:** 20 multiple choice, 20 true-false, and 15 fill-in questions per chapter. You can get page references for wrong answers, check your score, and send the results to yourself or your professor.
- **Glossary:** All of the key terms from *Retail Management* with their definitions. Terms may be accessed alphabetically through an easy-to-use search feature.
- **Web Site Directory:** Hundreds of retailing-related Web sites, divided by topic. The sites range from search engines to government agencies to retail firms to trade associations.
- **Computerized Exercises:** 16 user-friendly exercises. These are keyed to the text and noted by a computer icon throughout *Retail Management*.
- **Free Downloads and Demos:** Encourage you to visit specific Web sites to gather useful information and try out innovative software.

HOW THE TEXT IS ORGANIZED

Retail Management: A Strategic Approach has eight parts. Part One introduces the field of retailing, the basics of strategic planning, the importance of building and maintaining relations, and the decisions to be made in owning or managing a retail business. In Part Two, retail institutions are examined in terms of ownership types, as well as store-based, nonstore-based, electronic, and nontraditional strategy mixes. The wheel of retailing, scrambled merchandising, the retail life cycle, and the World Wide Web are covered. Part Three focuses on

selecting a target market and information gathering methods, including discussions of why and how consumers shop and the retailing information system. Part Four presents a four-step approach to location planning: trading-area analysis, choosing the most desirable type of location, selecting a general locale, and deciding on a specific site.

Part Five discusses the elements involved in managing a retail business: the retail organization structure, human resource management, and operations management (both financial and operational). Part Six deals with merchandise management—developing merchandise plans, implementing merchandise plans, the financial aspects of merchandising, and pricing. In Part Seven, the ways of communicating with customers are analyzed, with special attention on retail image, atmosphere, and promotion. Part Eight deals with integrating and controlling a retail strategy.

At the end of the text, Appendix A highlights career opportunities in retailing, Appendix B explains the components of the Web site and how to use it, and Appendix C is a comprehensive glossary.

FOR THE PROFESSOR

A complete teaching package is available. It includes a comprehensive Web site for instructors, a detailed instructor's manual, color PowerPoint files, transparency masters, a large test bank, and notes for video lectures. All of the instructional materials have been developed or written by the authors (except for the videos, which we personally selected).

Please feel free to send us comments regarding any aspect of *Retail Management* or its package: Barry Berman (E-mail at mktbxb@hofstra.edu) or Joel R. Evans (E-mail at mktjre@hofstra.edu), Department of Marketing and International Business, Hofstra University, Hempstead, N.Y., 11549. We promise to reply to any correspondence.

B. B.
J. R. E.

ACKNOWLEDGMENTS

Many people have assisted us in the preparation of this book, and to them we extend our warmest appreciation.

We thank these individuals for contributing cases and exercises to the supplement that accompanies *Retail Management: A Strategic Approach*.

Patricia M. Anderson, Quinnipiac College
Joe K. Ballenger, Stephen F. Austin State University
Mary A. Bartling, Mount Mary College
Anne Heineman Batory, Wilkes University
Stephen S. Batory, Bloomsburg University
Marianne C. Bickle, Colorado State University
Doreen Burdalski, Philadelphia University
John Callahan, Eastern Financial Federal Credit Union
James W. Camerius, Northern Michigan University
Kenny K. Chan, California State University, Chico
James W. Clinton, University of Northern Colorado
Dean Cohen, Johannesburg, South Africa
Howard W. Combs, San Jose State University
Andrew Cullen, The Penmore Group
William P. Darrow, Towson University
John D' Auria, Metro-Dade County
Roger Dickinson, University of Texas at Arlington
Molly Eckman, Colorado State University
Jack D. Eure, Jr., Southwest Texas State University
Larry Goldstein, Iona College
Jonathan N. Goodrich, Florida International University
Michele M. Granger, Southwest Missouri State University
Edward Heler, Heler2 Consultancy, LLC
Lisa A. Henderson, Drexel University
Terence L. Holmes, Murray State University
David C. Houghton, Northwest Nazarene University
Brian R. Hoyt, Ohio University

Gail Hudson, Arkansas State University
Michelle Smoot Hyde, Brigham Young University
Karen Hyllegard, Colorado State University
Gale A. Jaeger, Marywood University
Carol Felker Kaufman, Rutgers University, Camden
William W. Keep, Quinnipiac College
Patrick Kemp, Medic Aid Communications
Doris H. Kincade, Virginia Tech University
Algin B. King, Towson University
Gail H. Kirby, Santa Clara University
Antigone Kotsiopulos, Colorado State University
Mark R. Leipnik, Sam Houston State University
Richard C. Leventhal, Metropolitan State College
Michael R. Luthy, Bellarmine College
Kathryn L. Malec, Manchester College
Raymond A. Marquardt, Arizona State University East
Suzanne G. Marshall, California State University, Long Beach
Sanjay S. Mehta, Sam Houston State University
Allan R. Miller, Towson State University
Deborah M. Moscardelli, Central Michigan University
Jennifer Paff Ogle, Colorado State University
Sharon S. Pate, Western Illinois University
Melodie Philhours, Arkansas State University
Carolyn Predmore, Manhattan College
Stan Rapp, Cross Rapp Consulting Group
Lynn Samsel, University of Nebraska-Lincoln
Sangeeta Sarma, University of Kentucky
Bridgette Shields, Crucial Technology
Leslie Stael, University of Kentucky
Susan C. Strickler, South Dakota State University
Rodney L. Stump, Morgan State University
William R. Swinyard, Brigham Young University
Kellye D. Threlfall, Old Dominion University
Connie Ulasewicz, San Francisco State University
Ginger Woodard, East Carolina University

XX ACKNOWLEDGMENTS

We thank the following reviewers, who have reacted to this or earlier editions of the text. Each has provided us

with perceptive comments that have helped us crystallize our thoughts:

M. Wayne Alexander, Morehead State University
Larry Audler, University of New Orleans
Ramon Avila, Ball State University
Betty V. Balevic, Skidmore College
Stephen S. Batory, Bloomsburg University
Joseph Belonax, Western Michigan University
Ronald Bernard, Diablo Valley College
Charlane Bomrad, Onondaga Community College
John J. Buckley, Orange County Community College
David Burns, Youngstown State University
Joseph A. Davidson, Cuyahoga Community College
Peter T. Doukas, Westchester Community College
Jack D. Eure, Jr., Southwest Texas State University
Letty Fisher, Westchester Community College
Myron Gable, Shippensburg University
Linda L. Golden, University of Texas at Austin
J. Duncan Herrington, Radford University
Mary Higby, Eastern Michigan University
Charles A. Ingene, University of Washington
Marvin A. Jolson, University of Maryland
Ruth Keyes, SUNY College of Technology
J. Ford Laumer, Jr., Auburn University
Richard C. Leventhal, Metropolitan State College
John Lloyd, Monroe Community College
James O. McCann, Henry Ford Community College
Frank McDaniels, Delaware County Community College
Ronald Michman, Shippensburg University

Howard C. Paul, Mercyhurst College
Roy B. Payne, Purdue University
Dawn Pysarchik, Michigan State University
Curtis Reiersen, Baylor University
Barry Rudin, Loras College
Julie Toner Schrader, North Dakota State University
Steven J. Shaw, University of South Carolina
Gladys S. Sherdell, Montgomery College
Jill F. Slomski, Gannon University
John E. Swan, University of Alabama in Birmingham
Anthony Urbanisk, Northern State University
Lillian Werner, University of Minnesota
Kaylene Williams, University of Delaware
Terrell G. Williams, Utah State University

Special thanks and acknowledgment are due to the Prentice Hall people who have worked on this edition, especially editor Leah Johnson, production editor Mary Ellen McCourt, Web site coordinator Cindy Harford, assistant editor Anthony Palmiotto, and administrative assistant Rebecca Calvert. We also appreciate the efforts of Diane Schoenberg, Michael Polis, and Allan Randmae for their editorial assistance; and Linda Berman for compiling the indexes.

Barry Berman
Joel R. Evans
HOFSTRA UNIVERSITY

ABOUT THE BOXED MATERIAL

IN RETAIL MANAGEMENT: A STRATEGIC APPROACH

As noted earlier, there are four applications boxes per chapter: "Technology in Retailing," "Retailing Around the World," "Ethics in Retailing," and "Careers in Retailing." Through these boxes, a wide variety of thought-provoking situations are presented.

"TECHNOLOGY IN RETAILING" BOXES

<i>Chapter</i>	<i>Title</i>	<i>Text page</i>
1	Consumers Find It's a "Bot" Comparison Shopping	17
2	The Lure of Electronic Gift Cards	51
3	The Sports Authority Is in New Balance	85
4	Churchs Reaches Out and Touches Its Franchisees	123
5	Using Common Systems to Segment Uncommon Customers	151
6	Online Comes to College Bookstores	180
7	From Comfort Creatures to Looky-loos: The Many Faces of Internet Shoppers	243
8	All the Right Data for All the Right Gifts	264
9	ZIP Coding Through the Marketplace	295
10	Shopping Centers Address Their Cybermall Competition	347
11	Employee Training Made as Easy as CBT	386
12	Automating Payments Won't Sink Retailers' Float	413
13	Making Retail Checkouts Goopy (GUI)	434
14	Connecting with Retail Buyers	479
15	Merchandising Software Breaks New Bounds	508
16	Re 'SKU'ing Inventory Costs	531
17	Costco.com Goes to Phase II	585
18	The Digital Age of Jewelry Retailing	620
19	Feeding Hungry College Students in Cyberspace	634
20	Computer-Aided Auditing Is Passing the Test	691

"RETAILING AROUND THE WORLD" BOXES

<i>Chapter</i>	<i>Title</i>	<i>Text page</i>
1	Now THIS Is Customer Service—In America or Japan	20
2	Kennys Covers the World of Irish Books	30
3	A Starbucks Decision About Entering Kuwait	89
4	Bodying in for the Long Haul	129
5	Sweden's Ikea Stays Offline	160
6	Vending Machines Face the Euro Challenge	192
7	Asian Men Tour the Grocery Aisles	223
8	Know Your Markets When Moving Away from Home	253
9	Dutch Royal Ahold Capitalizes on U.S. Locations	303
10	Crossing the Border from Mexico to Texas	342
11	A Penney Spent Is a Dollar Earned in Latin America	372
12	Financing the Malls of Europe	404
13	TelePizza Reigns in Spain	425
14	In South Africa, It's Cool to Be Imported	462
15	Miami International Fashion Week	494
16	Buy It in Spain, Sell It in Germany	527
17	Paying for 'Fast' Food at Japanese Restaurants	559
18	Bringing the Tiffany Aura to Paris	610
19	Promoting U.S. Shopping Centers to Foreign Tourists	647
20	Wal-Mart Works to Conquer the Globe	685

"ETHICS IN RETAILING" BOXES

<i>Chapter</i>	<i>Title</i>	<i>Text page</i>
1	Doing Well by Doing Good	13
2	The Changing Role of Pharmacists	55
3	The Continuing Saga of Sears' Questionable Sales Practices	91
4	Small Retailers Beware	116
5	Are Flea Markets Fair Competitors?	168
6	Payment Security and the Web —The Retailers' Perspective	188
7	Diversity Means "Share the Mall"	228
8	Privacy Issues and the Smart Card	274
9	The Battle Over Item Price Labeling in New England	315
10	The Emergence of Power Developers	338
11	Raiding the Executive Suite at Federated	364
12	The Double Sided Sword of Chapter 11 Filings	407
13	Operating in an Environmentally Friendly Manner	429
14	Is That Really Tommy Hilfiger in Wal-Mart?	471
15	South Park Merchandise Goes South	502
16	With Some Payment Plans, Consumers Need to Say Grace	546
17	Shoe Store Owners Take on Nine West	562
18	Age Verification for Alcohol and Tobacco Sales	623
19	Substantiating Ad Claims Means Not Overstating Promises	656
20	Is Diverting a Diversionary Tactic?	687