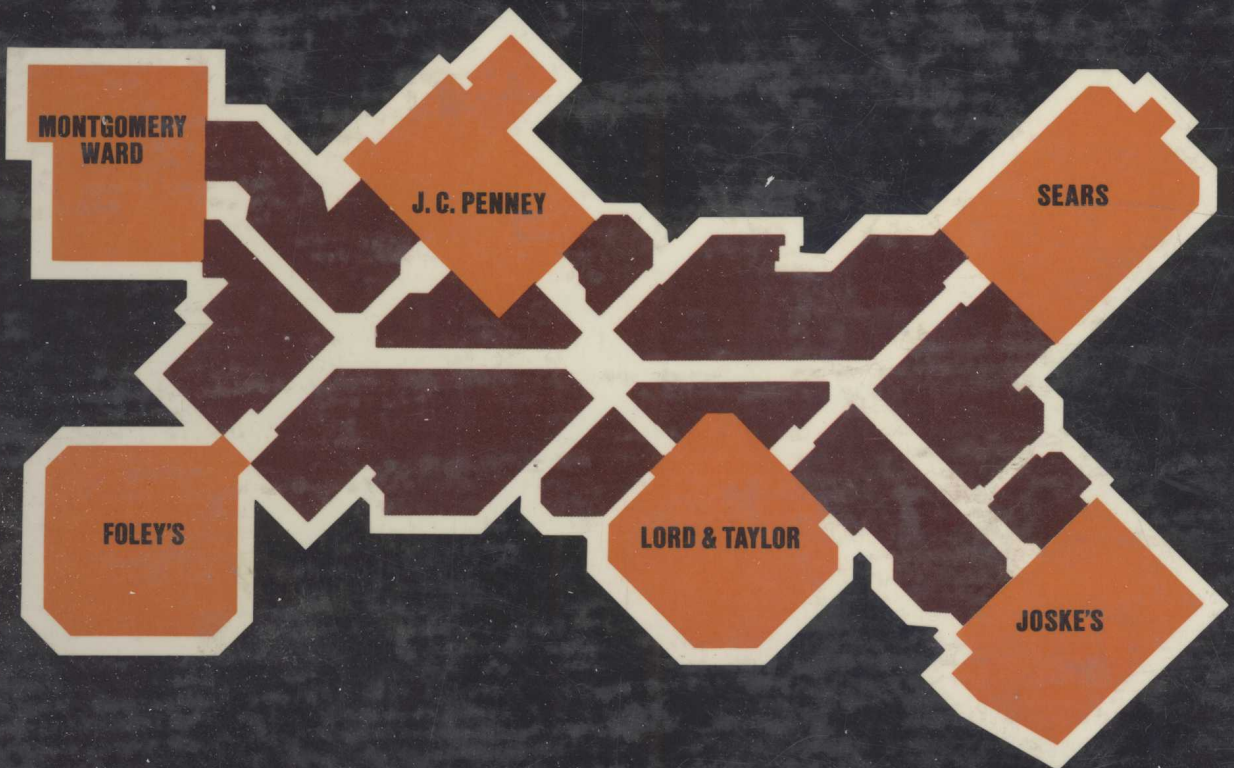


*Barry Berman/Joel R. Evans*

# **Retail** *Second Edition* **Management** *A Strategic Approach*



# **Retail Management**

## **A Strategic Approach**

**Second Edition**

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# **Retail Management**

**A Strategic  
Approach**

**To Linda, Glenna, and Lisa**

**To Linda, Jennifer, and Stacey**

**Thank you for even more patience and understanding.**

# Preface

We are gratified by the response to the first edition of this text, as evidenced by adoptions at more than 300 colleges and universities. In this second edition, we have set out to retain the material and features most desired by professors and students, add new material and features requested by professors and students, keep the book as current as possible, and maintain the length of the first edition.

As in the first edition, the concepts of a strategic approach and a retail strategy form the foundation of *Retail Management: A Strategic Approach*. As defined in the text, a strategic approach “concentrates on planning to meet the objectives and satisfy the retail concept.” A retail strategy is “the overall plan that guides the firm—a framework of action for a retail establishment. It outlines the philosophy, objectives, consumer market, overall and specific activities, and control mechanisms for a retailer.” 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.

The book is designed as a one-semester text for a beginning student of retailing. In most cases such a student will have already been introduced to marketing principles. We strongly believe that retailing should be viewed as one aspect of marketing and not distinct from it.

These significant features have been retained from the first edition:

1. A career orientation, with actual career ladders and a thorough discussion of ownership and employment alternatives and an appendix on careers in retailing.
2. A decision-making orientation, with many flow charts, figures, tables, and pictures.
3. A real-world approach that focuses on retailers such as McDonald's, Sears, A&P, Toys 'R' Us, Safeway, and The Limited.
4. Full coverage of all major retailing topics—including consumer behavior, marketing research, store location, service retailing, the retail audit, retail institutions, and retailing in the 1980s.
5. Thirty-five end-of-chapter cases involving a wide range of retailers.
6. Up-to-date information gathered from such sources as *Progressive Grocer*,

*Chain Store Age, Stores, Merchandising, Business Week, Journal of Retailing, Journal of Marketing, the National Retail Merchants Association, and the 1980 Census.*

7. A 17-chapter organization. This structure allows the text to be covered conveniently in a one-semester course.
8. Numerous questions at the end of each chapter in the text.
9. An appendix explaining how to solve case studies.
10. A comprehensive companion text in retailing (*Applying Retail Management: A Strategic Approach*) that contains chapter objectives, questions, readings, cases, and an appendix on retail mathematics.

These features have been added for the second edition:

- Chapter objectives and opening vignettes.
- An appendix on franchising at the end of Chapter 3.
- New or expanded coverage of energy management, wheel of retailing, shrinkage, computerization, merchandise handling, emerging retail institutions, retail information systems, consumer credit, cooperative advertising, retail expense control, retail life cycle, and scrambled merchandising.
- Information on international retailing.
- Fifteen new cases, many by distinguished colleagues.
- Two comprehensive cases at the end of the text.

We have repositioned two chapters for the second edition. Retail strategy is introduced in Chapter 2, before retail institutions, to provide a clearer overview and foundation for the text. Service retailing has been moved to Chapter 15 in order to enable all of the functional areas of traditional retailing to be presented first.

As mentioned, *Retail Management: A Strategic Approach* is divided into seventeen chapters. Chapter 1 acquaints the reader with the framework of retailing and available careers within retailing. The growth and success of McDonald's, a small real-estate broker, and Federated Department Stores are described to illustrate the concept of strategic retailing, the orientation of the text.

Chapter 2 introduces and explains the retail strategy process and its stages: situation analysis, objectives, identification of consumer characteristics and needs, overall strategy, specific activities, control, and feedback.

Chapters 3 and 4 examine the institutions of retailing. In Chapter 3, independent retailers, chain stores, franchises, leased departments, vertical marketing systems, and consumer cooperatives are described. In Chapter 4, retail institutions are analyzed on the basis of retail strategy mix (convenience store, supermarket, combination store, superstore, box store, warehouse outlet, specialty store, variety store, department store, full-line discount store, retail catalog showroom, off-price chain, factory outlet, and flea market), nonstore retailing (vending machines, direct-to-home, and mail order), and service versus product retailing.

Chapters 5 and 6 relate consumer behavior and marketing research to retailing. In Chapter 5, the consumer's decision process, factors affecting the process, and types of decision processes are detailed. In Chapter 6, the marketing research process, secondary data, primary data, and the retail information system are examined.

Chapters 7 and 8 explain how a store location is chosen. Chapter 7 concentrates on trading-area analysis and characteristics of trading areas. Government and other data that describe trading area attributes are discussed. Chapter 8 deals with the selection of a specific store site from among several types of locations.

Chapter 9 describes how to set up a retail organization, organizational patterns in retailing, and personnel management.

Chapters 10 and 11 explore merchandise planning and management. Chapter 10 is involved with the merchandise buying and handling process (which includes all aspects, from setting up a buying organization to negotiating the purchase and to reevaluating on a regular basis) and the basic merchandise decisions of what, how much, when, and where to buy merchandise. Chapter 11 covers the financial aspects of retailing and centers on inventory valuation, merchandise forecasting and budgeting, unit control systems, and financial inventory control. Numerous computations are illustrated in this chapter.

Chapters 12 and 13 discuss communicating with the customer. In Chapter 12, store atmosphere, customer services, and community relations are described. In Chapter 13, elements of the retail promotional mix, planning the retail promotional strategy, and reviewing and revising the promotional plan are described.

Chapter 14 examines pricing: factors affecting retail pricing (the consumer, the government, suppliers, and competition) and the development of a retail price strategy. Numerous computations are explained.

Chapter 15 examines planning by a service retailer and considers the special problems or considerations that occur when selling or renting a service rather than selling a physical product. Strategic concepts are applied to service retailing.

Chapter 16 concentrates on integrating and controlling the retail strategy. Planning and opportunity analysis, productivity, profitability, energy management, technology, and retail auditing are each discussed.

In Chapter 17, retailing in the 1980s is presented. Trends in demographics, life-styles, consumerism, technology, retail institutions, and the international environment of retailing are evaluated.

Two comprehensive cases are placed after Chapter 17. These are followed by four appendices: careers in retailing, a listing of retail employers, how to solve a case, and a glossary.

A complete teaching package is available for instructors.



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*Barry Berman*  
*Joel R. Evans*  
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