

RETAILING MANAGEMENT

SECOND EDITION

Michael Levy • Barton A. Weitz



713.32
-668
E.2

贈閱



Retailing Management

SECOND EDITION

Michael Levy, Ph.D.
University of Miami

Barton A. Weitz, Ph.D.
University of Florida



E9961019

IRWIN

Chicago • Bogotá • Boston • Buenos Aires • Caracas
London • Madrid • Mexico City • Sydney • Toronto

© RICHARD D. IRWIN, INC., 1992, and 1995

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

Senior sponsoring editor: Stephen M. Patterson
Senior developmental editor: Andy Winston
Marketing manager: Jim Lewis
Project editor: Jane Lightell
Production manager: Laurie Kersch
Designer: Laurie Entringer/Kay Fulton
Cover illustrator: Arnie Levin
Photo research coordinator: Charlotte Goldman
Art manager: Kim Meriwether
Art studio: ElectraGraphics, Inc.
Compositor: Better Graphics, Inc.
Typeface: 10/12 Times Roman
Printer: Von Hoffmann Press, Inc.

Library of Congress Cataloging-in-Publication Data

Levy, Michael.

Retailing management / Michael Levy, Barton A. Weitz. —2nd ed.

p. cm. —(The Irwin series in marketing)

Includes bibliographical references and index.

ISBN 0-256-13661-0

I. Retail trade—Management. I. Weitz, Barton A. II. Title.

III. Series.

HF5429.L4828 1995

658.8'7—dc20

94-26274

Printed in the United States of America

2 3 4 5 6 7 8 9 0 VH 1 0 9 8 7 6 5

Retailing Management

The Irwin Series in Marketing

Gilbert A. Churchill, Jr., Consulting Editor
University of Wisconsin, Madison

- Alreck & Settle
The Survey Research Handbook, 2/E
- Arens & Bovée
Contemporary Advertising, 5/E
- Belch & Belch
Introduction to Advertising and Promotion: An Integrated Marketing Communications Approach, 3/E
- Bearden, Ingram, & LaForge
Marketing: Principles & Perspectives 1/E
- Bernhardt & Kinnear
Cases in Marketing Management, 6/E
- Berkowitz, Kerin, Hartley & Rudelius
Marketing, 4/E
- Bonoma & Kosnik
Marketing Management: Text & Cases, 1/E
- Boyd, Walker, & Larreche
Marketing Management: A Strategic Approach, 2/E
- Burstiner
Basic Retailing, 2/E
- Cadotte
The Market Place: A Strategic Marketing Simulation, 1/E
- Cateora
International Marketing, 8/E
- Churchill, Ford, & Walker
Sales Force Management, 4/E
- Cole & Mishler
Consumer and Business Credit Management, 10/E
- Cravens
Strategic Marketing, 4/E
- Cravens & Lamb
Strategic Marketing Management Cases, 4/E
- Crawford
New Products Management, 4/E
- Dillon, Madden & Firtle
Essentials of Marketing Research, 1/E
- Dillon, Madden, & Firtle
Marketing Research in a Marketing Environment, 3/E
- Engel, Warshaw, & Kinnear
Promotional Strategy, 8/E
- Faria, Nulsen, & Roussos
Compete, 4/E
- Futrell
ABC's of Selling, 4/E
- Hawkins, Best, & Coney
Consumer Behavior, 6/E
- Lambert & Stock
Strategic Logistics Management, 3/E
- Lehmann & Winer
Analysis for Marketing Planning, 3/E
- Lehmann & Winer
Product Management 1/E
- Levy & Weitz
Retailing Management, 2/E
- Mason, Mayer, & Wilkinson
Modern Retailing, 6/E
- Mason, Mayer, & Ezell
Retailing, 5/E
- Mason & Perreault
The Marketing Game!, 2/E
- McCarthy & Perreault
Basic Marketing: A Global-Managerial Approach, 11/E
- McCarthy & Perreault
Essentials of Marketing: A Global-Managerial Approach, 6/E
- Meloan & Graham
International and Global Marketing Concepts and Cases, 1/E
- Patton
Sales Force: A Sales Management Simulation Game, 1/E
- Peter & Donnelly
A Preface to Marketing Management, 6/E
- Peter & Donnelly
Marketing Management: Knowledge and Skills, 4/E
- Peter & Olson
Consumer Behavior and Marketing Strategy, 3/E
- Peter & Olson
Understanding Consumer Behavior, 1/E
- Quelch
Cases in Product Management, 1/E
- Quelch, Dolan, & Kosnik
Marketing Management: Text & Cases, 1/E
- Quelch & Farris
Cases in Advertising and Promotion Management, 4/E
- Quelch, Kashani, & Vandermerwe
European Cases in Marketing Management, 1/E
- Rangan
Industrial Marketing Strategy: Cases & Readings, 1/E
- Rangan
Readings in Industrial Marketing Strategy, 1/E
- Smith & Quelch
Ethics in Marketing, 1/E
- Stanton, Buskirk, & Spiro
Management of a Sales Force, 9/E
- Thompson & Stappenbeck
The Marketing Strategy Game, 1/E
- Walker, Boyd, & Larreche
Marketing Strategy: Planning and Implementation, 1/E
- Weitz, Castleberry, & Tanner
Selling: Building Partnerships, 2/E

*To our families,
Shirley, Marcia, and
Eva, for their love
and patience.*

About the Authors

MICHAEL LEVY received his Ph.D. from The Ohio State University. He taught at Southern Methodist University before joining the Faculty as Professor and Chair of the Marketing Department at the University of Miami. He has taught retailing management for 16 years.

Professor Levy has developed a strong stream of research in retailing, business logistics, financial retailing strategy, pricing, and sales management that has been published in over 25 articles in leading marketing and logistics journals including *The Journal of Retailing*, *The Journal of Marketing*, and *The Journal of Marketing Research*. He currently serves on the editorial review board of three journals and has been a Guest Editor for a journal and Proceedings Editor for a national conference. Professor Levy has made presentations at the national meeting of the National Retail Federation.

Professor Levy has worked in retailing and related disciplines throughout his professional life. Prior to his academic career, he worked for several retailers and a housewares distributor in Colorado. He has performed research projects with many retailers including Burdines Department Stores, Mervyn's, Neiman Marcus, and Zale Corporation.

BARTON A. WEITZ received an undergraduate degree in Electrical Engineering from MIT and MBA and Ph.D. from Stanford University. He has been on the faculty of the UCLA Graduate School of Management and the Wharton School at the University of Pennsylvania. He is presently the J.C. Penney Eminent Scholar Chair in Retail Management in the College of Business Administration at the University of Florida.

Professor Weitz is the Executive Director of the Center for Retailing Education and Research at the University of Florida. The activities of the center are supported by 12 national and regional retailers including J.C. Penney, Kmart, Wal-Mart, Burdines, Richs, Parisian, Office Depot, and Electronics Boutique. Each year the center places over 100 undergraduates in paid summer internships with 25 or more retailers. Professor Weitz has won awards for teaching excellence at UCLA and the University of Florida and has made presentations at the national meetings of the National Retail Federation and the Direct Selling Association.

Professor Weitz is well known for his innovative research on the effectiveness of salespeople, sales force and human resource management issues, and retail buyer-vendor relationships. He has published over 30 articles in marketing and management journals and served on the editorial review boards of numerous academic journals including the *Journal of Retailing*, *Journal of Marketing*, *Journal of Marketing Research*, and the *Journal of Consumer Research*. He is a former editor of the *Journal of Marketing Research* and his wife was born to shop.

Preface

Our objectives in writing this textbook are: (1) to inform students about an important institution in our society—retailing; (2) to stimulate students about the exciting and challenging environment facing retail managers; and (3) to teach students state-of-the-art retail management practices. We wrote the book to be accessible and informative to a broad spectrum of students, including business and fashion merchandising majors at both four year universities and two year colleges.

This textbook focuses on some of the key issues that are facing the retail industry as it approaches the new millennium. The 90s have been and will continue to be a particularly turbulent era for retailers. Customer demographics, needs, and shopping behaviors are changing; new retail formats and location opportunities are developing to satisfy these changing needs; and emerging technologies are having a dramatic effect on retail operations.

To compete in this rapidly changing environment, retailers are placing more emphasis on strategic thinking. In addition to buying merchandise and managing stores, retailers need to develop long-term plans for creating advantages over their present competitors and potential competitors in the future. Some of the strategic issues discussed in the text are:

- ◆ The dynamic nature of competitors and customers in retail markets. (Chapters 2 and 4)
- ◆ How retailers develop strategies to build competitive advantages and pursue growth opportunities. (Chapter 5)
- ◆ Approaches for analyzing long-term financial performance. (Chapters 6 and 19)
- ◆ The role of location, organization structure and human resource management, distribution and information systems, vendor relationships, and customer service in developing strategic advantage. (Chapters 7, 8, 9, 12, and 17)

The effective collection and analysis of data and the creation of information that can be used for making decisions play a critical role in retailing. Even small retailers are using personal computers to help manage their businesses. In Chapter 9, we provide an overview of retail information systems. Then we show how this information is used to manage inventory (Chapters 10 and 11), make markdown decisions (13), evaluate sales associates (15), provide better customer service (Chapter 17), and analyze the retailer's overall performance. (Chapter 19).

**RETAILING
ISSUES IN THE
90s**

**Strategic
Perspective**

**Information
Technology**

Store Management Traditionally, retailers have emphasized the activities performed by buyers—merchandise planning, management, and promotions. Over the last 10 years, the emphasis has shifted from merchandise management to store management. Retailers are focusing more on developing competitive advantage by providing high-quality customer service in an attractive environment. Due to this shift, career opportunities in store management are increasing while the opportunities in the buying offices are actually shrinking.

In response to this increased attention to store management, chapters in Section 4 of *Retail Management* are devoted to recruiting, training, managing, compensating, and evaluating store employees (Chapter 15); creating a store environment that stimulates retail sales (Chapter 16); providing good customer service (Chapter 17); and selling merchandise (Chapter 18).

Customer Service All retailers, even the traditional self-service discount stores, are emphasizing the need to provide better customer service. Chapter 17 reviews the approaches that retailers use to provide improved service.

Entrepreneurship Retailing offers many opportunities for people to start their own businesses. This text provides information to help people with entrepreneurial interests start a business and manage it effectively. The plans and strategies of highly successful entrepreneurs like Sam Walton (Wal-Mart) and Les Wexner (The Limited) and fledgling retail entrepreneurs are presented. The text illustrates how small, independent retailers organize their business, develop a merchandise budget plan, prepare advertisements, and sell merchandise. Appendix B provides detailed information on starting a retail business, and Appendix C reviews the opportunities for operating a franchise.

Financial Analysis In response to increasing competition, the business side of retailing is becoming increasingly important. The financial problems of large firms like Macy's, Federated, CHH, Hills, and many owner-operated small retailers highlight the need for a thorough understanding of the financial implications of retail decisions.

In this text, we focus on the need to understand the economic aspects of retail decisions such as negotiating leases (Chapter 7), designing an organization structure (Chapter 8), developing merchandise assortments (Chapters 10 and 11), buying merchandise (Chapter 12), setting prices and markdowns (Chapter 13), determining advertising budgets and planning promotions (Chapter 14), and staffing stores and compensating sales associates (Chapter 15).

**BALANCED
DESCRIPTIVE,
DECISION-
ORIENTED
APPROACH**

**Descriptive
Information**

Retailing Management offers a balanced descriptive, how-to, and conceptual approach for understanding the retailing industry and the decisions made by retailers.

Throughout the text we have provided descriptive information so that students can learn about the retail vocabulary and institutions. The first section reviews the nature and types of decisions made by retailers (Chapter 1), the different types of retailers (Chapter 2), the trends in the retail environment (Chapter 3), and the needs of retail customers and the factors affecting their store and merchandise choice decisions (Chapter 4).

This descriptive information appears in all chapters, including the types of retail locations (Chapter 7), the typical organization of retail firms (Chapter 8), the flow of information and merchandise in a retail firm (Chapter 9), the branding strategies used

by retailers (Chapter 12), methods for compensating employees (Chapter 15), types of store layouts and merchandise display equipment (Chapter 16), and career opportunities (Appendix A).

Retailing Management goes beyond this descriptive information to explain how retailers make decisions and why they do the things they do. Step-by-step procedures with examples are provided for making decisions such as:

How-To Information

- ◆ Evaluating and selecting strategic opportunities. (Chapter 5)
- ◆ Analyzing the financial implications of a retail strategy. (Chapter 6)
- ◆ Evaluating and selecting retail locations. (Chapter 7)
- ◆ Developing a merchandise budget and assortment. (Chapters 10 and 11)
- ◆ Negotiating with a vendor to buy merchandise. (Chapter 12)
- ◆ Creating an advertisement. (Chapter 14)
- ◆ Evaluating the performance of sales associates. (Chapter 15)
- ◆ Allocating floor space to merchandise. (Chapter 16)
- ◆ Selling customers. (Chapter 18)

Each of these decisions is discussed in enough depth to enable students to make decisions as management trainees for large retailers and owner-operators of a store.

Retailing Management also includes conceptual information so that students will understand why decisions should be made as outlined in the text. To quote Mark Twain, “There is nothing as practical as a good theory.” Students need to know these basic concepts so they can approach new situations that will arise in a rapidly changing environment. Examples of this conceptual material are:

Conceptual Information

- ◆ Retail evolution theories. (Appendix to Chapter 3)
- ◆ Customer decision-making process. (Chapter 4)
- ◆ Market attractiveness-competitive position matrix. (Chapter 5)
- ◆ Strategic profit model. (Chapter 6)
- ◆ Price theory and marginal analysis. (Chapters 13 and 14)
- ◆ The Gaps model of service quality management. (Chapter 17)
- ◆ Direct product profitability (DPP). (Chapter 19)

Extensive references and suggested readings are provided so students can explore information about these concepts and specific retailers and retail institutions.

This second edition maintains the basic philosophy in the first edition of a balanced approach emphasizing descriptive, how-to, and conceptual information with a heavy dose of examples. Changes have been made to place more emphasis on aspects of retailing that are becoming more important to successful performance, to make the textbook more user-friendly for the students and instructors, and to incorporate new examples and illustrations.

NEW FEATURES IN THE SECOND EDITION

Relationship Marketing. Retailers are placing more emphasis on building long-term relationships with customers and vendors. We added information in the second edition on marketing programs to build customer loyalty (Chapters 4 and 14) and to develop long-term, strategic relationships with vendors (Chapter 12).

Greater Emphasis on Emerging Issues

Financial Analysis. Chapter 19 has been added to discuss the approaches that retailers use to evaluate the performance of the firm in general and more specifically the performance of a category of merchandise and a store.

Information and Distribution Systems. Material on this important retail activity has been expanded and moved to Chapter 9.

International, Ethical, and Legal Issues. The treatment of these important issues has been expanded. Rather than concentrating the discussion in one or two chapters, we have incorporated this material through the text.

Increasing Interest and Ease of Reading

Examples and Illustrations. To make it easier for students to understand the material and make the textbook more interesting reading, we have increased the number of illustrations and examples. Examples are used extensively to illustrate the information presented in the text. Each chapter has several new Retailing Views—short vignettes that amplify the text material by describing how a specific retailer confronts an issue discussed in the chapter. Color photographs and exhibits are used to aid in the understanding of the material.

The examples in the text involve a wide variety of retailers ranging from an African-American entrepreneur who started a successful direct-selling cosmetics business to the large national retailers like Wal-Mart, Safeway, McDonalds, Kmart, J.C. Penney, Lands' End, and The Limited. Most of these firms actively recruit students on college campuses and have management training programs for recent college graduates. Thus *Retailing Management* teaches students about retailing in general and about the firms for which they might like to work after graduation. Appendix A offers additional information about career opportunities and how to get a job in retailing.

Refacts. In each chapter, we have included Refacts (Retailing Facts) in the margins. These refacts are interesting pieces of information about the retailing issues and companies discussed in the chapter.

Supplements. To improve the learning experience, the second edition of the textbook is complemented by a computer exercise package, a video package with 21 segments, 21 cases, and an instructor's manual with additional cases and teaching suggestions.

The *new computer exercise package*, developed by Professor Harold Koenig at Oregon State University, includes exercises on the strategic profit model, merchandise budgeting, and pricing.

Based on comments from users of the first edition, we have included *40 percent new cases*. The cases range from short descriptions of a problem situation confronting a retailer to longer profiles of actual retailers. For example, The Tardy Trainee by Laura Bliss at Stephens College provides a vehicle for students to decide how to handle an underperforming employee. Where America Shops: Trouble in Sears Auto Centers by Douglas Hoffman and Judy Siguaw at the University of North Carolina at Wilmington illustrates the ethical and legal problems that arose when Sears adopted a commission plan for its service workers.

The *video package* includes many new segments complementing the material in the text. For example, the segment on Burdines department store illustrates the demographics of its target market and positioning strategy adopted by the firm. This strategy is highlighted in the ads in the segment. Many segments are edited versions of high-quality training materials developed by retailers. For example, the segment on

visual merchandising was prepared by Eckerds, a major drugstore chain, and illustrates the principle in store layout and merchandise display in Chapter 16.

We have improved and streamlined the *Instructor's Manual*. It is the most comprehensive available for a retailing text. It contains extensive materials to assist instructors in a clear, organized, and concise way. For each chapter, we have included:

- ◆ Conversion notes.
- ◆ Annotated listing of related cases and ancillary cases.
- ◆ Annotated outline and instructor notes.
- ◆ Discussion questions and problems with answers.
- ◆ Ancillary lectures and exercises.

In addition, the *Instructor's Manual* includes:

- ◆ Sample syllabus format and schedules.
- ◆ Cross listing of cases with appropriate chapters.
- ◆ Information on coordinating videos, the test bank, and cases.

We have devoted considerable time to preparing the second edition of *Retailing Management*, and are very interested in improving it in future editions. We welcome any comments or suggestions you might have.

Throughout the development of this text, several outstanding individuals were integrally involved and made substantial contributions. The support, expertise, and occasional coercion from our editors at Irwin, Steve Patterson, Andy Winston, and Eleanore Snow, are greatly appreciated. The book would also never have come together without the editorial and production staff at Irwin: Jane Lightell, Kim Meriwether, Laurie Entringer, Laurie Kersch, Bruce Sylvester, Charlotte Goldman, and Harriet Stockanes. We wish to also express our sincere appreciation to John F. Konarski III, Leda M. Perez, Elliot B. Gant, Sarah Goff, and Marcia Levy, Derick Schaefer for their assistance in developing a superior *Instructor's Manual*, and to Thomas K. Pritchett and Betty M. Pritchett of Kennesaw College for their comprehensive Manual of Tests. Finally, Nancy Rodriguez (Marketing Department, University of Miami) and Kathy Brown and Margaret Jones (Center for Retailing Education and Research, University of Florida) provided invaluable assistance in preparing the manuscript.

Retailing Management has also benefited significantly from contributions by several leading executives in retailing and related fields. We would like to thank:

Suzanne Allford
Wal-Mart Stores, Inc.

Tom Amerman
Parisian

Richard C. Bartlett
Mary Kay Cosmetics

Robert Beall
Beall's Department Store

Harvey Braun
Deloitte & Touche TRADE

Vicki Carmichael
Spec's Music Stores

David Doub
Dillard's Department Store

Joseph Firestone
The Electronics Boutique, Inc.

David Fuente
Office Depot

Brenda Grindstaff
Florida Retail Federation

ACKNOWLEDGMENTS

Preface

Pete Hisey
Discount Store News

Howard Kreitzman
Burdines

Donna Magee
Burdines

Kathleen McManus
Rich's/Goldsmith's

David Miller
J.C. Penney

Carole Nelson
The Ben Tobin Companies

Frank Newman
Eckerd Drug Company

James Oesterreicher
J.C. Penney

Ann Ruppert
Burdines

John Schneider
Urban Decision Systems, Inc.

Dave Schuvie
Kmart Corp.

Don Singletary
Home Depot

Herbert Tobin
The Ben Tobin Companies

Cynthia Cohen Turk
MARKETPLACE 2000

Robert Unger
Burdines

This textbook has benefited from the reviews of several leading scholars and teachers of retailing and related disciplines. Together, these reviewers spent hundreds of hours reading and critiquing the manuscript. We gratefully acknowledge:

Professor Mary Barry
Auburn University

Professor George W. Boulware
Lipscomb University

Professor Leroy M. Buckner
Florida Atlantic University

Professor David J. Burns
Purdue University

Professor Lon Camomile
Colorado State University

Professor J. Joseph Cronin, Jr.
Florida State University

Professor Ann DuPont
The University of Texas

Professor Chloe I. Elmgren
Mankato State University

Professor Richard L. Entrikin
George Mason University

Professor Kenneth R. Evans
University of Missouri—Columbia

Professor Richard Feinberg
Purdue University

Professor Peter Gordon
Southeast Missouri State University

Professor Larry Gresham
Texas A&M University

Professor Tony L. Henthorne
University of Southern Mississippi

Professor Eugene J. Kangas
Winona State University

Professor Herbert Katzenstein
St. John's University

Professor Leonard J. Konopa
Kent State University

Professor Terrence Kroeten
North Dakota State University

Professor Elizabeth L. Mariotz
Philadelphia College of Textiles & Science

Professor John J. Porter
West Virginia University

Professor Shirley M. Stretch
California State University, LA

Professor William R. Swinyard
Brigham Young University

We also thank the following reviewers for their diligence and insight in helping us prepare the second edition:

Jeffrey G. Blodgett
The University of Mississippi

Lon Camomile
Colorado State University

Thomas F. Gross
University of Wisconsin

Tony L. Henthorne
University of Southern Mississippi

Howard E. McCoy, Sr.
Virginia Commonwealth University

Robert H. Miller
Central Michigan University

Laura Scroggins
California State University-Chico

Janet Wagner
University of Maryland

Ronald Zallocco
University of Toledo

We received cases from professors from all over the country. Although we would like to have used more cases in the text and the *Instructor's Manual*, space was limited. We would like to thank all who contributed, but are especially appreciative to the following scholars whose cases were used in *Retailing Management* or the *Instructor's Manual*.

Professor Ronald Adams
University of North Florida

Professor Laura Bliss
Stephens College

Professor James Camerius
Northern Michigan University

Professor David Ehrlich
Marymount University

Professor Ann Fairhurst
Indiana University

Professor Linda A. Felicetti
Clarion University of Pennsylvania

Professor Joseph P. Grunewald
Clarion University of Pennsylvania

Professor K. Douglas Hoffman
University of North Carolina at
Wilmington

Professor Dilip Karer
University of North Florida

Jan Owens
University of Wisconsin—Madison

Professor Catherine Porter
University of Massachusetts

Professor Richard Rausch
Hofstra University

Professor Judy Siguaw
University of North Carolina at Wilmington

Professor William R. Swinyard
Brigham Young University

Professor Irvin A. Zaenglein
Northern Michigan University

Professor Michael Levy
Marketing Department
University of Miami
Coral Gables, FL 33124

Professor Barton Weitz
Marketing Department
University of Florida
Gainesville, FL 32611

Contents In Brief

SECTION 1 THE WORLD OF RETAILING **2**

- 1 Introduction to the World of Retailing 4
- 2 Retail Market Structure 28
- 3 The Changing Retail Environment 63
- 4 Customer Buying Behavior 95

SECTION 2 RETAILING STRATEGY **126**

- 5 Retail Market Strategy 128
- 6 Financial Strategy 157
- 7 Store Location 186
- 8 Retail Organization and Human Resource Management 222
- 9 Integrated Retail Distribution and Information Systems 249

SECTION 3 MERCHANDISE MANAGEMENT **272**

- 10 Planning Merchandise Assortments 274
- 11 Buying Systems 303
- 12 Purchasing Merchandise 331
- 13 Pricing 367
- 14 The Retail Promotion Mix 396

SECTION 4 STORE MANAGEMENT AND OPERATIONS **430**

- 15 Managing Store Employees and Reducing Inventory Losses 432
- 16 Store Layout, Design, and Visual Merchandising 464
- 17 Managing Customer Service 495
- 18 Retail Selling 521

SECTION 5 EVALUATING AND CONTROLLING THE RETAIL OPERATIONS **550**

- 19 Retail Evaluation and Control 552

Contents in Brief

Cases in Retailing Management 576
Appendix A Careers in Retailing Management A-1
Appendix B Starting Your Own Retail Business A-16
Appendix C Starting a Franchise Business A-29
Glossary of Retailing Terms G-1
Name Index I-1
Company Index I-7
Subject Index I-11
Credits CR-1

Contents

SECTION 1 THE WORLD OF RETAILING

2

- 1 Introduction to the World of Retailing 4**
 - What Is a Retailer? 6
 - Retailing's Role in Distribution Channels 6
 - Functions Performed by Retailers 7
 - Organization of the Distribution Channel 9
 - Economic Significance of Retailing 10
 - Retail Sales 10
 - Employment 10
 - The Top 25 Retailers 11
 - Opportunities in Retailing 11
 - Management Opportunities 11
 - Entrepreneurial Opportunities 12
 - The Retail Management Decision-Making Process 15
 - Understanding the World of Retailing 16
 - Developing a Retail Strategy 19
 - Implementing a Retail Strategy 22
 - Evaluating and Controlling Retail Operations 24
 - Summary 24*
 - Appendix: Trade Publications for Retailers 24*
 - Key Terms 26*
 - Notes 26*
 - Suggested Readings 27*

- 2 Retail Market Structure 28**
 - Types of Retailers 28
 - Retail Mix 28
 - Type of Merchandise 29
 - Customer Services 32
 - Cost of Offering Breadth and Depth of Merchandise and Services 32
 - Retail Institutions 32
 - Food Retailers 33
 - Traditional General Merchandise Retail Stores 37
 - New Types of General Merchandise Retailers 42
 - Nonstore Retailing 48
 - Services Retailing 52