



# ***Canadian Retailing***

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# *Canadian Retailing*

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# *Canadian Retailing*

This book is dedicated to  
Anne Laroche and Betty,  
Michael, and Sandy McDougall

# *Preface*

For casual observers of the Canadian economic scene, the retailing sector often emerges as one of the most exciting, ever-changing and dynamic components. The decade of the 1990s will bring more excitement, particularly for the astute entrepreneur who understands retailing in the Canadian environment. What kinds of new retailing concepts will be introduced? How far will the concept of controlled environment be pushed, and will anyone outdo the West Edmonton Mall? How far will the information society go, and how will this affect the management of retail institutions, or the creation of new ones?

This text follows a managerial, practical approach to retailing, focussing directly on the issues faced by the owner, the manager, or the employee of a retail institution. It assumes no prior knowledge of retailing, and it covers the conceptual and analytical foundations necessary to understand all aspects of retail management. This is done from a pragmatic, practical point of view, and in simple straightforward language, with many real-life examples. Each chapter starts with a vignette that sets the stage for the material in the chapter. It ends with detailed chapter highlights, a list of the key terms, eight discussion questions, three application exercises, and suggested cases. The complete package is intended to maximize learning while doing.

The book follows a logical sequence toward strategy development for the retail firm. Chapter 1 introduces the student to retailing in Canada—its history, role, and evolution. Chapter 2 deals with the development of strategic planning as a method of defining the objectives of the firm, and deciding how to compete. Chapter 3 covers the critical environmental factors affecting retail strategy development (legal, economic, social, and technological). Understanding the retail consumer, including individual factors (Chapter 4) and social influences (Chapter 5), is critical to the success of the retail strategy.

To compete successfully, retailers need to understand how to finance and organize a business (Chapter 6). Franchising as a means of owning and operating a retail firm is examined in detail in Chapter 7. The key issues in the retail location and building decisions are covered in Chapter 8. Chapter 9 discusses the critical issues in the recruitment, selection, training, and motivation of retail employees. Merchandise and expense planning are covered in Chapter 10, and buying, handling, and inventory management in Chapter 11. Determining retail prices is the topic of Chapter 12, and store design, layout, and merchandise presentation are covered in Chapter 13.

In order to successfully promote their products or services, retailers need to develop in their employees the keys to successful selling (Chapter 14), design effective programs in retail advertising, sales promotion, and publicity (Chapter 15), and in customer support services (Chapter 16).

Adequate knowledge of the markets is essential to strategy development, but information must be properly sought out, and retail research methods are covered in Chapter 17. Similarly, internal evaluation is critical to the retail manager, including the elements involved in developing control systems (Chapter 18), and evaluating performance through an accounting system (Chapter 19). Chapter 20 provides an overview of trends, social dimensions, and prospects that affect retailing, including the emerging services retailing. Next, an appendix on careers in retailing is provided to help students make informed decisions about the many facets of working in a retail institution.

Another strong feature of the text is the set of cases and exercises that follows the Glossary. These are among the best case materials available in Canada, and they cover all aspects of the text. The cases are keyed to each chapter, and some cases can be used to cover several topics. Some cases were contributed by Canadian academics, and the others by the authors of the text. The mix of cases provides the instructors with some that are very comprehensive and others that are of more restricted scope; the rest can be used to focus on very specific issues. Thus, a wide range of teaching material is provided to maximize learning.

At the end of the text, an alphabetical glossary of terms is provided for the convenience of the reader. Many people have given encouragement, suggestions, and material, and we are most grateful for their assistance. Professor Lanita S. Carter, Memorial University of Newfoundland, Professor Margaret A. Sutcliffe, Ryerson Polytechnical Institute, and Ms. Glenna Urbshadt, British Columbia Institute of Technology reviewed an earlier version of this manuscript and provided many useful insights and suggestions. Many thanks to the case contributors who provided material for the book. We also appreciate the suggestions provided by Bill Ingledew in his review of a number of the chapters.

The production of this long manuscript involved many individuals to whom we are most grateful. Many thanks to Manuela Dohmen, Linda Meyer, and Laurie St. John (Coordinator) of the Commerce and Administration Support Services at Concordia, and Marita Vandertoyt and to the Word Processing Unit at Wilfrid Laurier led by Elsie Grogan and including Janet Campbell, Lori Kapshey, Susan Kirkey, and Mavis Sheen. These people proved once again to be cheerful, profes-

sional individuals who met both reasonable and other deadlines. The financial support of the Office of Research (Wilfrid Laurier) is also gratefully acknowledged. We would also like to recognize the dedication and professionalism of two people at Irwin, Rod Banister and Lynne Basler. Thanks.

Finally, we hope *Canadian Retailing* will provide you with a useful and rewarding learning experience for many years to come.

Michel Laroché  
Gordon H. G. McDougall



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# *Canadian Retailing*



# 1

## *Retailing in Canada: Structure and Trends*

### CHAPTER OBJECTIVES

After reading this chapter, you should be able to:

1. Relate retailing to the marketing discipline.
2. Place retailing within the channel of distribution.
3. Explain and describe the current retail institutional structure.
4. Discuss how retailing is classified and described quantitatively.
5. Review the explanations of institutional change.