This newsletter provides teaching tips and summarizes article abstracts for case discussions for the following topics:

- **How Patagonia Makes More Money By Trying to Make Less** (chapters 5 and 15)
- **Restoration Hardware Makes Showrooming Its Model, Not Menace** (chapters 5 and 6)
- **Playing to the Crowd: Top Retailers are Harnessing the New “Word of Mouth”** (Chapter 15)
- **Retail Group: Return Fraud costs $9 Billion a Year** (chapters 6, 14 and 16)
- **Boomer Influx Shakes Up Restaurant Industry** (chapter 4)
- **Staples Becoming Amazon’s Locker Room** (chapter 18)
- **On the New Shopping List: Milk, Eggs, and a Mortgage** (chapter 18)
- **Walmart Inquiry Reflects Alarm on Corruption** (chapter 13)
- **Shopping’s Great Age Divide** (chapter 4)
- **Christmas Without China: Shoppers Determined to Buy ‘Made in the U.S.A.’ Goods** (chapter 13)
- **The $1.6 Billion Grocery Flop: Tesco Poised to Quit U.S.** (chapters 2 and 5)
- **Consumer Reports Releases Annual “Naughty and Nice” List** (chapter 18)

If you are interested in the text book please visit [www.mhhe.com/levy8e](http://www.mhhe.com/levy8e). Simple registration is required to gain access to the newsletters and other instructor materials. If you would like to see this newsletter and the previous editions, go to: [http://www.warrington.ufl.edu/mkt/retailcenter/research/publications.asp](http://www.warrington.ufl.edu/mkt/retailcenter/research/publications.asp)
Teaching Tips

Short Videos Available on the Web

The Future of Retail
http://www.youtube.com/watch?v=t49JkakYAoE

Additional Material for Teaching Retail Classes

A website, part of the University of Florida Miller Center for Retailing Education and Research, provides materials for retail class instructors including:

- Nine syllabi from instructors
- Classroom exercises
- Team projects
- PowerPoint slides
- Copies of this newsletter and previous issues
- List of retail links, cases and videos

The website is available at
http://warrington.ufl.edu/mkt/retailcenter/teachretail/

Please consider sharing your materials with other instructors through this website by sending your course syllabi, classroom exercises, projects, teaching types, etc. to bart.weitz@warrington.ufl.edu or mlevy@babson.edu
How Patagonia Makes More Money By Trying to Make Less

Jeff Rosenblum, Fast Company, December 6, 2012

Use with Chapter 5, “Retail Market Strategy” and Chapter 15, “Retail Communications Mix”

During the holiday season, many companies encourage shoppers to buy as much as possible to maximize fourth quarter revenue. As part of its “Common Threads Initiative,” Patagonia takes a counterintuitive approach by asking customers to only buy what they need, promoting Patagonia’s continued commitment to sustainability. Patagonia’s products, while quite expensive, are built to last. Patagonia does not want its customers buying products they can’t use or don’t really need.

Patagonia’s brand promise centers on environmentalism. Patagonia’s mission statement is to “Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.” Patagonia invests in reducing its carbon footprint; customers can even track the environmental impact of any Patagonia item.

Patagonia explains to customers that a jacket for example, could require 135 liters of water to produce. This brand focus and consistent messaging has proven to be profitable for Patagonia, generating $400 million in revenue each year. Patagonia is one of the elite businesses that have found ways to couple good business practices with brand promises. Patagonia’s customers trust and admire the brand and aspire to uphold similar principles. Customers want to invest their dollars into products and companies that have similar values to their own.

Discussion Questions:

What message is Patagonia conveying in its advertising and corporate messaging?

Patagonia’s mission is to “Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.” Patagonia communicates its commitment to the environment and sustainable business practices by encouraging customers to only buy what they need. Patagonia also provides programs that allow customers to see the environmental footprint of every product Patagonia produces.

Since actions speak louder than words, what action does Patagonia partake in to support its message?

Patagonia actively encourages consumers to only buy what they need. Patagonia also allows customers to track the production of products to see the actual environmental impact of the product.

In the end, if you were looking at outdoor jackets and saw one of Patagonia’s messages, would you buy or not?

Many customers purchase Patagonia because it appeals to their lifestyle. However, some customers are turned off by the high price tag. Ask students if Patagonia’s messaging appeals to them or not.
Restoration Hardware Makes Showrooming Its Model, Not Menace

Joan E. Solsman, Wall Street Journal, December 12, 2012

Use with Chapter 5, “Retail Market Strategy” and Chapter 6, “Retail Financial Strategy”

Many retailers are scratching their heads looking for ways to combat showrooming. Restoration Hardware, an upscale housewares retailer, has embraced showrooming and been rewarded with 10 quarters of same-store sales growth in double digits.

Restoration Hardware went from a public company to a private company in 2008. During this transition, the retailer reduced its number of stores to just 73 stores. The company’s focus shifted to more website and catalog activity; retail locations were used more as a showroom for Restoration Hardware’s products. Restoration Hardware has paid considerable attention to increasing catalog traffic; some of the firm’s catalogs now exceed 600 pages. As a result, direct-to-customer sales rose by 27% last year and account for half of the firm’s business. In addition, website traffic rose 49% in November.

Furniture and housewares are a unique market, conducive to showrooming as they aren’t easily searchable by specifications. As Restoration Hardware plans for the future, it will reduce the number of mall locations and opt for bigger showroom spaces called Design Galleries.

Discussion Questions:

How is Restoration Hardware using showrooming to its advantage?

Restoration Hardware uses showrooming to its advantage by encouraging customers to “shop” items in the store and purchase through catalog or Internet channels. Because home furnishings is such a specific and customizable purchase, many customers prefer to see how something looks in person before making a purchase.

How will Restoration Hardware’s strategic profit model ratios changes as it moves to its showrooming model?

- We are assuming no change in sales. If sales do increase as a result of the showrooming strategy, there will be different interpretations of the following financial ratios.
- There will likely be no change to gross margin
- The expense to sales ratio depends on the relative costs associated with running “regular” stores and distribution centers versus “showrooming” stores and distribution centers. The interest expense associated with inventory should decrease because there will be less inventory in stores.
- Inventory turnover should increase because Restoration Hardware will have less inventory in stores. Even though there will be more inventory in distribution centers, the total inventory in the system will decrease.
- Asset turnover should increase as a result of the increased inventory turnover.
- Return on assets should increase as a result of the increased asset turnover.
Retailers are well aware of the power of social media; but the dramatic response to some initiatives has surprised even the most savvy social media strategists. During the summer of 2012, Chick-fil-A used social media to connect with customers in response to controversial remarks made by the company president. One of the company’s Facebook remarks, after the incident, earned over 311,000 fan actions. Another post that informed customers about the use of Muppets in the kids’ meals earned over 114,000 fan actions. Of course, not all of these are positive. When using social media, firms have to feel comfortable receiving both positive and negative responses.

Firms also use Facebook to inform customers with behind-the-scenes information. Macy’s, for example, posted pictures from a Fourth of July event and drew 50,000 actions. GameStop uses Facebook to create a community for its customers. Applebee’s asked customers to “like” its new dish of lemon shrimp and “share” it. This generated over 55,000 actions.

Starbucks has more than 32 million Facebook followers; McDonald’s and Target both have about 25 million followers. In order to achieve success with social media, firms have to have specific goals of what the social media will be used for and how it can leverage the firm’s brand.

Every year, Stores Magazine publishes its Top 100 Retailers list. The Top 100 have a total of 290 million fans and average around 150 posts during the third quarter of 2012. However, the typical posts from these firms drew an average of 2,673 responses.

Discussion Questions:

Which retailers are using Facebook to their advantage and what are they doing?

Many of the retailers listed in the Top 100 use social media to connect with customers. This article focuses specifically on ways how impactful certain communications are. For example, Chick-fil-A posted a comment this summer in response to the president’s controversial comments. The post generated over 311,000 fan actions.
Retail Group: Return Fraud costs $9 Billion a Year

Jim Walsh, USA Today, December 11, 2012

Use with Chapter 6, “Retail Financial Strategy,” Chapter 14, “Retail Pricing,” and Chapter 16, “Managing the Store”

Return fraud includes exchanging stolen goods for cash, using counterfeit receipts, or returning items that have already been worn. Return fraud costs the retail industry an estimated $9 billion per year. Of that $9 billion, $2.9 billion occurs during the holidays. The practice of “wardrobing” is the most common form of return fraud with customers purchasing items for special occasions and then returning them.

In October, Ohio prosecutors charged six men with 31 counts of fraud including money laundering, identity fraud, and receiving stolen property by returning expensive clothing to Nordstrom. These men would purchase expensive ball gowns to attend transvestite balls and would return the gowns after wearing them. The total bill for the gowns exceeded $150,000. Nordstrom has an extremely generous and friendly return policy. The accused were cashing counterfeit checks to buy gift cards to buy Nordstrom merchandise. They would then wear the merchandise and return the items for cash. As generous as Nordstrom is, when customers ask for cash returns, Nordstrom asks for identification. These men gave their real licenses.

In 2011, the National Retail Federation estimated that retailers lost about $34.5 billion to all forms of “shrinkage” including theft, shoplifting, supplier fraud, return fraud, and paperwork errors. This accounts for 1.41% of retailer sales. This is a decrease from 1.49% in 2010.

Discussion Questions:

How do customers commit return fraud with retailers?

Customers commit return fraud in several ways. Customers will return stolen merchandise for cash, will use counterfeit receipts, and wardrobing. Wardrobing includes returning merchandise that has already been worn.

How does return fraud impact maintained markup and gross margin?

Maintained markup includes shrinkage, markdowns, and discounts to employees. Return fraud impacts shrinkage and therefore reduces both maintained markup and subsequently gross margin.

Back
Boomer Influx Shakes Up Restaurant Industry

Julie Jargon, Wall Street Journal, November 28, 2012

Use with Chapter 4, “Customer Buyer Behavior”

Fast food isn’t just for teenagers and families on the run anymore. Baby boomers are now shaking up the quick service restaurant industry by going out to eat with the same frequency as younger customers. For customers 48 and older, the average number of restaurant visits per year is 210. For customers 18-47, the average number is 211. In 2008, older consumers ate out less and 18-47 year olds ate out almost 240 times per year.

As a generational cohort, baby boomers have more discretionary income. In addition, many Boomers are so busy with working or outside activities, that they don’t have the time or desire to cook. Younger consumers were harder hit by the recession. For decades, the restaurant industry focused on the 18-34 year old demographic, but the Boomers are causing restaurants to quickly rethink that strategy.

Panera Bread, for example, strives to appeal to baby boomers. About 41% of Panera customers are 50 or older. Panera uses homey interiors, soft music, and fresh ingredients to appeal to this market and maintain continued growth. 13% of Panera’s frequent customers have an annual income between $100,000 and $150,000. Panera also offers breakfast, which accounts for 1/5th of its sales. Older customers are now driving breakfast sales.

Chipotle, on the other hand, advertises using youth oriented messages, even though its average ticket is almost $9.00. Many analysts worry that Chipotle will lose business to the less expensive Taco Bell. Chipotle claims that it isn’t worried about Taco Bell. According to Chipotle, it has a large customer base that includes not only younger customers, but baby boomers as well. Chipotle must not be alienating too many customers as its profits rose 20% last quarter from the previous year.

Burger King has historically focused on attracting younger male consumers. As Burger King felt the impact of the recession, the firm quickly realized that it needed to expand its appeal and began offering new products like snack wraps, smoothies and salads. The number of customers 50 and older increased in the third quarter of 2012 and Burger King’s same store sales increased 1.4% during the same time period.

Wendy’s also enjoyed same store sales growth of 2.7%. This growth could be attributed to its increased focus on older customers. Wendy’s has been offering coupons and more premium products to attract more Baby Boomers.

Discussion Questions:

With regard to fast-food dining, how are the demographics shifting? Why?

Traditionally, fast-food dining was dominated by 18-34 year old customers. However, this generational cohort was hardest hit by the recession and is now eating out less. Customers 48 and older are now eating out more frequently. As the Baby Boomers are becoming more active, fast-food appeals to their on-the-go lifestyle. In addition, this generation has more disposable income and can spend more to eat out.
Which restaurants are winning? Why?

Panera Bread is a big winner with the Baby Boomers because the restaurant offers a more “homey” atmosphere, healthier food options, and fresher ingredients.

Back
Staples Becoming Amazon’s Locker Room

George Anderson, Retail Wire, November 7, 2012

Use with Chapter 18, “Customer Service”

Reuters recently announced that Staples has agreed to place Amazon lockers in all of its U.S. locations. The lockers are used to hold Amazon packages that weigh 10 lbs. or less. Amazon customers, who either have no space or don’t want packages left at their door, can pick up their packages at the Amazon locker. 7-Eleven also provides this service for Amazon.

For Staples, there are several advantages. First, Amazon will pay the firm a fee for hosting the lockers. Second, the lockers will bring more customers into the store. Finally, Staples’ deal with Amazon is exclusive and Office Max and Office Depot will not be able to offer lockers. However, some analysts wonder if this practice might encourage comparison shopping where Staples might fall short.

Discussion Questions:

In what ways will Staples be helped or hurt by having Amazon Lockers in its stores?

It will benefit Staples to host the Amazon locker rooms because this practice will bring more customers into the store and Amazon is paying Staples for the service. One potential downfall is that it might encourage customers to comparison shop Amazon and Staples products and Staples products might fall short on price.

What other chains beyond Staples and 7-Eleven would make good Amazon Locker hosts?

Ask students what other retailers would make good Amazon Locker hosts. Some independent retailers have shops on Amazon.com, would these retailers benefit from hosting Amazon lockers? What about big box retailers like Bed Bath and Beyond or Best Buy?
On an ordinary trip to Costco, one customer picked up staple items like paper towels and vegetables, but she also walked away with a new mortgage that saved her over $200 a month. Mortgages are not typically on most consumers’ shopping lists; however, as banks are becoming stingier with credit, retailers are stepping in with new customer service options to fill the void. Costco also sells home and auto insurance. For Costco, these products allow for greater increases in membership. Home Depot offers customers loans for home renovation projects. In 2011, Home Depot began offering loans of up to $40,000 as well as no interest credit card payments. Office Depot and Sam’s Club offer small business loans to entrepreneurs.

Some advocates of this practice suggest that this new retail phenomenon is beneficial to society as it makes financial products available to customers who may not have access to them before. However, retailers are not held to the same restrictions and standards as banks. In addition, retailers can charge higher interest rates to lower income consumers. Many retailers view progression as a growth strategy to get more money into the hands of customers.

One of the reasons that retailers are pursuing the banking industry is because of the growth of the “underbanked” population. According to the FDIC, around 10 million households in the United States do not use a bank and 24 million households may have bank accounts, but still use nonbank products like prepaid debit cards.

This statistics is especially appealing to Walmart as almost a quarter of its customers are unbanked. To meet the needs of these customers, Walmart partnered with American Express to launch a prepaid credit card. However, some customers are unhappy with this service as it charges $3.00 every time customers load money. In addition, consumer advocates suggest that there is not enough disclosure of fees and that prepaid cards are too loosely regulated.

**Discussion Questions:**

**Which retailers are offering banking services, and which services are they offering?**

*Costco is offering mortgage services as well as home and auto insurance. Home Depot is offering loans to customers for home renovation projects. Office Depot and Sam’s Club are offering small business loans to help entrepreneurs get started. Walmart is offering prepaid credit card services.*

**Why have these retailers added banking services?**

*As banks are getting stingier with credit, customers are looking for alternative ways to handle their money. In addition, almost 10 million households in the country do not use a bank, so there is a large market for retailers to attract.*
Walmart Inquiry Reflects Alarm on Corruption

Stephanie Clifford and David Barstow, New York Times, November 15, 2012

Use with Chapter 13, “Buying Merchandise”

Walmart announced in November that it was extending its investigation of federal antibribery law infractions beyond Mexico and China and into India and Brazil as well. Walmart has employed hundreds of lawyers and three former federal prosecutors to investigate the extent of the corruption. To analysts, this announcement suggests that Walmart is aware of violations of the Foreign Corrupt Practices Act. This investigation launched after the bribery scandal occurred when new stores were opening in Mexico.

Walmart’s announcement indicates that Walmart is aware of mass corruption in its international operations. In April, the New York Times reported that Mexican Walmart subsidiaries paid hefty bribes to build more stores. The investigation indicated that Walmart de Mexico executives implemented a large campaign of bribery to accelerate expansion. The Times also reported that Walmart’s Arkansas headquarters suppressed an internal investigation of the bribery charges. In spring 2011, Walmart developed a compliance program and has since invested almost $35 million into the program. Since the allegations were posted in April, 2012, Walmart has spent $99 million on the current investigation. Walmart’s internal investigation found that the firm was not appropriately conducting background checks on third-party agents in foreign countries. In addition, Walmart found that most of the accountants and lawyers used in subsidiary firms were untrained and uneffective.

The consequences of these allegations are tremendous. If Walmart is at fault for violating the Foreign Corrupt Practices Act, Walmart’s overseas expansion would be significantly slowed and under increased scrutiny. International growth is at the core of Walmart’s growth strategy with Brazil, India, China, and Mexico its primary growth targets. International sales accounts for 29% of the firm’s sales.

Since the beginning of the investigation, Walmart has already implemented some changes. First, general counsels for each country now report to the general counsel of Walmart International versus reporting directly into their countries’ subsidiary headquarters. Walmart also hired several compliance executives, one of whom used to work for the FBI. Walmart has also updated its protocol on investigations demanding that international subsidiaries update corporate headquarters immediately before beginning any inquiries into wrongdoings.

Discussion Questions:

What did Walmart’s corruption investigation conclude?

Walmart’s corruption investigation is ongoing. The firm, so far, has found that international subsidiaries were not conducting appropriate background checks on third-party providers such as lawyers and accountants. The investigation also found that many of the international employees were untrained in their fields.

How has Walmart reacted to the findings?

Walmart has reacted by hiring compliance executives, changing the reporting structure of lawyers internationally, and changing its protocol on internal investigations.
Shopping’s Great Age Divide


Use with Chapter 4, “Customer Buying Behavior”

According to retail analysts, the Millennial generation has about $200 billion in annual spending power; Baby Boomers, on the other hand, have about $3.4 trillion. During the holidays, shoppers aged 25-44 planned to spend the most of all the age groups, averaging about $820, but the 45-64 year olds planned to spend about $760. However, it is important for retailers not to ignore the younger customers because they will have buying power that rivals the Baby Boomers’ by 2020 and they currently have a huge impact on their parents’ spending decisions. Younger customers do not want to shop where their mom shops. Baby Boomers still want to visit the brick and mortar stores while Millennials are into showrooming and purchasing items online. Millennials also seek the advice and input from their reference group to assist with purchase decisions.

Macy’s knows that it is increasingly important to reach the Millennial consumer. The firm created a separate Millennial division last year and has altered its stores to have shop-in-shops to appeal to these customers. However, some retailers, like J.C. Penney can overcorrect and try too hard to appeal to the younger generation. Penney’s remodeled its stores, changes its merchandise assortment, changed its logo and implemented an everyday low pricing strategy and sales fell 27% during the third quarter.

Discussion Question:

How do younger shoppers approach shopping differently than their parents?

Younger shoppers have tremendous buying power and that buying power will only continue to increase. Millennials don’t want to shop at the same stores as their parents. Millennials seek the advice of their social network in making purchases. Millennials will use online and mobile tools to comparison shop.

Back
Christmas Without China: Shoppers Determined to Buy ‘Made in the U.S.A.’ Goods

Meghan Price, Unionleader.com, December 1, 2012

Use with Chapter 13, “Buying Merchandise”

Customers have long understood the importance of buying local. However, this year, consumers are also becoming increasingly aware of the importance of buying American made merchandise. Many shoppers realize that when they purchase American made goods, it helps create jobs within the country.

A Pennsylvania blogger, Sarah Mazzone, mostly focused on buying green merchandise, quickly realized that most environmentally friendly goods were not actually manufactured in the U.S.A. According to her blog, Mazzone estimates, “The average American spends over $700 annually on holiday spending. If just $64 of this was spent on gifts made in the U.S.A. the economic impact would equate to the creation of 200,000 American jobs.”

Many customers and companies are calling the phenomenon of purchasing American made goods “Christmas without China.” Many small and local businesses are striving to sell only locally made or American made merchandise in order to attract customers and help build their local economies. For example, Jim Therriault, owner of New England Everyday Goods, only sells merchandise made in New England. He believes his customers feel good about supporting local business and the local regional economy. Great Bay Pottery of North Hampton makes mugs and plates. The firm has seen an increased number of retailers from across the country purchase its products as a way to sell U.S.A. made pottery.

Discussion Questions:

Why are some retailers actively seeking Made in U.S.A. merchandise?

Customers are becoming increasingly aware of the impact on local and national economies from buying local and buying Made in the U.S.A. merchandise. As this focus continues, retailers are trying to stock merchandise that is locally or nationally made to meet the needs of these customers.

Would you pay more for merchandise Made in the U.S.A?

Ask students if they would pay more for Made in the U.S.A. merchandise. Does this matter to them? Is there a perception of higher or lower quality for Made in the U.S.A. merchandise?
The $1.6 Billion Grocery Flop: Tesco Poised to Quit U.S.

Paul Sonne and Peter Evans, Wall Street Journal, December 6, 2012

Use with Chapter 2, “Types of Retailers” and Chapter 5, “Retail Market Strategy”

In 2007, London based Tesco, attempted to win over the U.S. by introducing a novel shopping environment that was larger than a convenience store but smaller than a supermarket and focused primarily on fresh-food offerings. In December, Tesco announced that it will likely sell or close its 199 Fresh & Easy stores in the U.S. In addition, Tesco announced that the Chief Executive for the Fresh & Easy stores would also leave the company. According to Tesco executives, leaving the U.S. market will allow the firm to return to its better business practices.

The Fresh & Easy stores were opened in California, Arizona, and Nevada mostly near new housing developments. In 2008, the subprime mortgage crisis hit and many of these housing developments were ravaged. Tesco hoped that it would revolutionize the way U.S. consumers shopped. Tesco did in depth research to determine the smaller store format was the best for 21st century American consumers.

However, many of Tesco’s ideas were lost in translation. Many American customers didn’t understand the Fresh & Easy branded products. American customers are extremely brand conscious. In addition, many Tesco stores were located in areas where people drive, and consumers would just drive to larger supermarkets, where they could obtain national brands. American consumers also didn’t understand the format, was the store a convenience store, a discount store, or something else?

Discussion Questions:

What is Fresh & Easy’s retail format?

Fresh & Easy’s retail format was smaller retailer stores (smaller than a supermarket and larger than a convenience store) that sold primarily fresh food products.

What did Tesco expect its Fresh & Easy’s sustainable competitive advantage to be?

Fresh & Easy thought it would be able to capitalize on the convenience factor of its stores. It also thought that it would be the perfect store for the American shopper.

Why did Fresh & Easy fail?

Fresh and Easy failed for several reasons. First, Americans wanted more national brand merchandise. Second, Americans did not understand the format. Finally, Fresh & Easy stores were located next to housing developments that lost many of their residents during the recession.

Back
Consumer Reports Releases Annual “Naughty and Nice” List

George Anderson, Retail Wire, November 20, 2012

Use with Chapter 18, “Customer Service”

Consumer Reports (CR) has published a list of 20 companies that have particular policies that it sees as being either consumer friendly (nice) or unfriendly (naughty).

Among retailers making CR’s nice list are:

- **Kohl’s** - The chain offers a "No Questions Asked - Hassle Free" return policy without a time limit on all purchases.
- **Nordstrom** - Free shipping on all online purchases and returns.
- **Publix** - The supermarket chain has put its policy of giving consumers products for free if there is a scanning error in writing.
- **Safeway** - The grocery store operator backs up its promise of “fresh and delicious” produce with a refund or replacement if its shoppers are not happy with their purchase.

Among those making CR’s naughty list are:

- **Abe’s of Maine** - The consumer electronics retailer’s fine print on returns pretty much negates its "30-day money back guarantee."
- **Forever 21** - The apparel chain has different rules for returns of items purchased in its stores and on its website.
- **Tiger Direct** - Restocking fees run amok.
- **CompUSA** - The site adds items to consumers' shopping carts that need to be unchecked to avoid later being billed for the "purchase."

**Discussion Questions:**

Which retailers are considered by Consumer Reports to be particularly nice? Why?

The stores mentioned in the article are Kohl’s, Nordstrom, Publix, and Safeway. These retailers are customer friendly primarily because of their no-hassle, friendly returns policies.
Which retailers are considered by Consumer Reports to be particular naughty? Why?

The stores mentioned are Abe’s of Maine, Forever 21, Tiger Direct and CompUSA. These stores are “naughty” because of their strict return policies. In the case of CompUSA, the company charges customers for items they may not even want to purchase.

Back