We would like to thank Lauren Beitelspacher (Portland State University) for preparing the abstracts for the Retailing Management newsletters for the last few years. We are sure our readers will agree that she has done a superlative job, and we will miss working with her.

Michael, Bart, and Dhruv

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

- **CVS to Stop Selling Cigarettes** (Chapter 13)
- **BMW Tosses Salesmen for ‘Geniuses’** (Chapters 4 & 18)
- **What Does it Take to Motivate Today’s Chain Store Associates?** (Chapter 16)
- **Eight Reasons Why Retail Employee Turnover is So High** (Chapter 16)
- **Saks Outlets to Get Sloppier** (Chapters 2, 4 & 17)
- **Deals! Deals! Deals! And What They Mean for Retailers** (Chapter 14)
- **Ikea Couches With Added Bling Boost Furniture Startups: Retail** (Chapters 5 & 13)
- **Amazon Deal With P&G Has Competitors Steaming** (Chapter 10)
- **When Toyota met e-commerce: Lean at Amazon** (Chapter 10)
- **Mexico Delivers for Walmart** (Chapter 10)
- **The Next Big Thing You Missed: Online Grocery Shopping Is Back, and This Time It’ll Work** (Chapters 2 & 5)
Retail Tidbits

- Amazon Recruits Retail Fashion Stars for its Marketplace
- Mall Operator Puts Twist on Click and Collect Program
- Walgreens to Use Software to Help Clinicians Assess Patients
- The World’s Top 10 Most Innovative Companies in Retail

If you are interested in the text book please visit www.mhhe.com/levy9e. 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://warrington.ufl.edu/centers/retailcenter/research/publications.asp

Teaching Tips

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/centers/retailcenter/teach/

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
CVS to Stop Selling Cigarettes

Timothy Martin and Mike Esterl, Wall Street Journal, February 6, 2014

Use with Chapter 13, “Buying Merchandise”

In February, the nation’s second-largest pharmacy chain announced that it would stop selling cigarette and tobacco products in all CVS stores by October 2014. The move was prompted by CVS’s goal of becoming more of a health-care provider that offers an integrative experience for customers.

The move is a costly gamble for CVS; the company estimates that it will forgo $2 billion in revenue from tobacco and tobacco related products. This revenue decrease will likely decrease CVS’s operating earnings by six to nine cents a share.

But CVS is committed to this initiative and believes that it is the right move to give it a competitive advantage over rival pharmacies. CVS also hopes that the move will help the firm strengthen relationships with hospitals, insurers, and physician groups as CVS transitions to a more comprehensive health-care alternative. According to executives at CVS, cigarettes have no place in an environment where health care is being delivered. CVS, like many pharmacies, is beginning to offer basic health care services like flu-shots and treatment for minor ailments.

The White House and government officials are applauding CVS’s efforts. The bold move by CVS will put pressure on competitors like Walgreens and Rite-Aid to adopt similar measures as each company is trying to be a bigger part of the customer’s health-care needs.

The tobacco industry is worth $100 billion and is grappling with a decline in sales, rising taxes, and new information campaigns that educate customers on the dangers of smoking.

Tobacco is the number one cause of preventable disease in the United States. According to the U.S. Surgeon General, tobacco is linked to 480,000 deaths annually and contributes $289 billion in medical care costs. Tobacco can still be purchased in gas stations, convenience stores, and specialty tobacco shops.

Discussion Questions:

How is the macro environment of the pharmacy business changing?
The demand for physician services is increasing and customers are facing longer waits and a shortage of skilled physicians. Companies like CVS and other pharmacies are trying to offer more basic health care services to customers to meet this increased demand. Customers are looking to pharmacies to meet their basic health care needs like flu shots and treatment of minor ailments.

How will other chains like Walgreens react?
CVS banned tobacco sales as part of its commitment to health and wellness and as part of its strategy to offer health-related services. Selling tobacco products is not aligned with health and wellness. This strategy provides CVS with more authenticity when it partners with physicians and clinics. Because the pharmacy industry is trending this way in general, Walgreens will likely engage in a similar strategy in order to remain competitive.
BMW Tosses Salesmen for ‘Geniuses’

Christina Rogers and Joseph B. White, Wall Street Journal, February 19, 2014

Use with Chapter 4, “Customer Buying Behavior,” and Chapter 18, “Customer Service”

BMW is completely changing the car buying experience for its customers. The company is employing fewer sales people, ripping out showroom cubicles, installing flat screen televisions, and hiring “product geniuses” to explain the technology in its automobiles to customers. This move comes as companies begin to realize that customers prefer the atmosphere and ultraclean look of Apple stores to cluttered and chaotic showroom floors. BMW will do away with the balloons and banners that once dominated automotive dealerships and will instead create an environment that is more digital and hands-on. BMW also announced that it will create regional fleets where customers can go to test drive cars. This means that dealerships can stock fewer new cars.

At the recent National Automobile Dealers Association convention, it was evident that many companies in the automotive industry are turning to new software to help them update the shopping experience. For example, Startup SwervePay LLC is offering new mobile-phone software that allows dealers to coordinate payments and service work via text message. Seminars at the convention offered insights into selling more cars with Google Analytics and using mobile technology to reach new customers.

The auto dealership of the future will be very different from what it is today. Joe Shaker, owner of Shaker Automotive Group, suggests that the experience has to be more hands-on and retailers have to offer more interactive displays and virtual demonstrations to engage the customer. Dealers will also begin to hold more new-car inventory off-site to save on real estate and inventory costs.

Discussion Questions:

What factors are driving BMW’s decision to change the shopping experience it provides in dealerships?

Today’s consumers are armed with more information when they enter an automobile dealership. The days of the pushy salesman are long gone. BMW is changing its showroom floor to accommodate this shift in the customer experience to make the exchange more interactive for the customer. In addition, BMW is streamlining its operations in order to hold less inventory and reduce overhead costs.

Would you prefer the new or the old way of buying a BMW?

Ask students whether or not they prefer traditional car salesmen or the new automobile dealership experience. Some students will prefer the more interactive and digital experience as that is what they are used to. However, some students will likely prefer the personal detail and interaction that only a salesperson can provide.
What Does it Take to Motivate Today’s Chain Store Associates?

Erin Rigik, Retail Wire, February 14, 2014

Use with Chapter 16, “Managing the Store”

By 2025, Millennials will make up three-quarters of the workforce. For many of these employees, cash rewards are not always their primary motivation. Companies like QuickChek, RaceTrack, and Ricker Oil are trying to develop corporate cultures that engage employees, recognize employees, and create a continuous dialogue with employees about what motivates them.

Traditional reward programs are often based on tenure. In high turnover industries like retail, that excludes a large population. Companies should tie rewards into the core values of the company. This could mean rewarding employees for excellent customer service or achieving cost-cutting goals.

Ricker Oil, for example, uses a points-based variable compensation program. This program rewards employees for things such as holidays and anniversaries, but also includes store metrics. Ricker says the secret to the success of this program is to ensure that points can be managed on a timely basis.

RaceTrac found that its employees are motivated by recognition, communication, and trust. RaceTrac launched its Employee Assistance Program that offers fresh fruit delivered to team members, wellness challenges, free personal trainers, kickboxing and Zumba classes, and RaceTrac’s Run for Research 5K.

QuickChek offers educational rewards including college tuition reimbursement for eligible team members. QuickChek also offers QuickChek University (QCU) to its Assistant Store Leaders and Store Leaders. QCU is a comprehensive leadership development program. QuickChek also gives its employees “way to go” notes, birthday cards, team member of the month awards, and quarterly award winners. QuickChek meets with employees in town hall meetings and store meetings to encourage employees to share their concerns and have a voice.

Discussion Questions:

What can a retailer do to motivate store associates without actually paying them more money?

Retailers can motivate store associates by recognizing them for a job well done. Retailers can also motivate employees by giving them a voice to express their concerns or offer suggestions. Retailers are most successful when rewards are tied to the culture of the retail organization.
Eight Reasons Why Retail Employee Turnover is So High

Bob Phibbs (The Retail Doctor), Retail Wire, February 25, 2014

Use with Chapter 16, “Managing the Store”

A recent study found that the turnover rate for part-time retail employees is 67% and that it costs companies over $3,000 to find, hire, and train replacement employees. Companies are investing in refining their hiring practices, but are not researching why their turnover is high. According to The Retail Doctor, there are eight reasons why retail employee turnover is high.

8. Incentives are only given to management. In order to reduce turnover, retailers need to find a way to include everyone so that all employees can feel good about their job.

7. Retailers have antiquated policies like no refunds, no exchanges, and all employees have to work long hours and on weekends. It is time to refine these policies to be better for employees and customers.

6. Retailers offer minimum training. Even employees with previous experience might not understand a new company’s procedures. It is important that retailers set expectations for employees.

5. Retailers often throw employees into the job. Many employees don’t know how to pro-actively get to know other employees. It is important for retailers to provide opportunities to bring people together.

4. Retailers encourage employees to do and not think. Giving employees menial tasks constantly gives them ample time to lament how much they don’t like their jobs.

3. Retailers make every day the same. Retailers should mix it up for employees especially those who have been them for a while.

2. Retailers often hire the wrong people. It is important to see if a job candidate can actually talk to people.

1. Retailers often promote task-oriented employees to supervisors. Managers can’t be rewarded just for getting a task done, but rather for their ability to motivate and lead a team.

Discussion Questions:

What steps do you think are essential to reducing employee turnover at store level?

Ask students which steps are most meaningful to reduce employee turnover. Especially ask for feedback from students that are currently working in retail. The most essential steps are usually the ones that make employees feel engaged and valued.

Would you add any steps to those mentioned in the article?

Ask students if there is anything else that they would add to the discussion. Would students consider more contests or ways to reward employees? Tie this article to the other article on employee motivation.
Saks Outlets to Get Sloppier

Tom Ryan, Retail Wire, February 4, 2014


Saks Fifth Avenue is planning to make its Off 5th outlet stores appeal to the bargain hunters more by looking “a little more unkempt.” This will include stacking apparel in piles and stacking shoes by size rather than brand. Both of these are common practices at discount stores like Rack Room and T.J. Maxx. Currently the chain feels that its outlet stores look more like department stores rather than true outlet stores. Saks compares Off 5th to Nordstrom’s outlet stores (Nordstrom Rack); Nordstrom Racks are more of a mess and consumers love the thrill of the hunt. Retail analysts agree that the more a store is packed with merchandise, the more customers think of the store as a value store.

In addition, Saks plans to double the number of Off 5th locations to capitalize on the success of outlet chains. Currently, Saks has 71 Off 5th locations. Saks will also add to Off 5th’s assortment with more lower priced items and overstocked items from Lord & Taylor stores.

Saks is also investing over $1 billion in its 41 Saks Fifth Avenue locations to push higher-priced luxury and designer items in these locations.

Discussion Questions:

Why is Saks outlet stores changing the way it displays merchandise?

Saks believes that its outlet stores (Off 5th) are too nice and that customers don’t really perceive them as value stores. Saks compares its Off 5th stores to Nordstrom Rack. Part of the appeal to Nordstrom Rack customers is the “thrill of the hunt” and this often means looking through racks of merchandise and piles of clothes.

Do you believe this change is a good one?

Ask students if they agree with this move of Saks or not. Do they think that just because a store is an outlet store that it should look more unkempt?
Deals! Deals! Deals! And What They Mean for Retailers


Use with Chapter 14, “Retail Pricing”

Consumers inherently have a hunger for the best deal. The recent recession and somewhat shaky recovery have only increased consumers’ price consciousness. During the past holiday season, customers churned out deals to consumers even if it meant eroding the bottom line.

Consumers have the upper hand for various reasons:

First, consumers have more tools and access to information. Retailers no longer get to dictate when to have a sale. Companies like Hukkster, RetailMeNot, Tradesy, and Shop It To Me are constantly mining and monitoring retailers for deals.

Second, consumers have certain expectations. Consider JC Penney’s recent attempts at reducing the number of sales and discounts. Even though the prices were lowered to an everyday low pricing strategy, the psychological shift was too much and alienated JC Penney’s core customers.

Third, there is a psychology to discounting. Discount shoppers are less loyal and many customers love the thrill of a low-price discovery. Price-matching policies help retailers retain loyal customers, but often they erode the bottom line. Some research shows that offering personalized discounts to targeted customers doesn’t work because it eliminates the “discovery” of the deal.

Fourth, daily deals hurt profits and rarely retain new customers. Small retailers flocked to companies like Groupon because the daily deal site helped them attract new customers. However, these retailers quickly discovered that bringing in new customers on a deal that lost the company money didn’t bring the customer back for the full price items later.

Finally, some retailers should embrace deal sites like Hukkster, RetailMeNot, Tradesy, and Shop It To Me because these sites can provide valuable customer insights about customer shopping and search habits. These sites can also help retailers move inventory that might be difficult to discount otherwise.

Discussion Questions:

Describe the discount-oriented shopper?

The discount-oriented shopper is one who searches for deals and appreciates the “thrill” of the low-cost discovery.

What are some of the reasons discounts are so important to consumers?

Discounts became increasingly important to customers during the recession. Now, customers have so much access to information that they can comparison shop at the touch of the button. Customers can use sites like Hukkster, RetailMeNot, and Tradesy to receive instant discounts.
How do you get the best value for your purchases?

Ask students if they are discount shoppers. Do they use any of the sites mentioned in this article? How much time do they invest in shopping for the “best deal?”
Ikea Couches With Added Bling Boost Furniture Startups: Retail

Katarina Gustafsson, Bloomberg, February 18, 2014

Use with Chapter 5, “Retail Market Strategy” and Chapter 13, “Buying Merchandise”

Ikea is one of the world’s largest furniture retailers and claims that the design, manufacturing and sales of its merchandise accounts for 2.7 million jobs worldwide. Customers love shopping through the Ikea aisles sorting through the over 9,000 options available. The problem for some shoppers, however, is that they can’t find truly unique products at Ikea.

A niche group of startups is trying to create offerings for customers to make their Ikea purchases special and different from other customers. Some of the offerings include a $989 slipcover for Ikea’s popular Ektorp sofa. Other offerings include $17 screw-on feet for Ikea’s winged chairs. Some are calling this the Ikea economy and comparing it to the ecosystem of merchandise like specialized docks, headphones, and apps for Apple products. Ikea releases 2,000 products per year, providing plenty of opportunity for growth.

Companies like Bemz sell coverings for Ikea’s couches, chairs, and beds in over 35 countries. Bemz’s goal is to offer individualized, unique merchandise for mass-market products. Bemz’s revenue in 2013 was around $8 million U.S. dollars. In Sweden, Prettypegs makes legs for Ikea furniture and Superfront sells facings and tops for Ikea cabinets. Mykea, based in Amsterdam, offers customers stickers that help customize Ikea furniture. And in Melbourne, Comfort Works manufactures slipcovers for Ikea sofas and chairs. According to the co-founder of Superfront, “this is an industry that will grow.”

Some customers are using these services to change the look of their rooms and furniture by season, arguing that changing out slipcovers or stickers is cheaper than buying new furniture.

Discussion Questions:

What are some retailers doing to cash in on Ikea’s success?

Retailers are offering customers products to customize their Ikea merchandise. For example, one company, has created slipcovers that only fit Ikea’ sofas.

Why are these firms successful?

These firms are capitalizing on Ikea’s success. Ikea sells over 9,000 products. Many customers flock to Ikea because of the affordability, yet they still want their items to look unique and match their personalities and tastes. These retailers offer customers easy options to customize Ikea’s products to their preferences.
Amazon Deal With P&G has Competitors Steaming

Daphne Howard, Retaildive.com, February 26, 2014

Use with Chapter 10, “Information Systems and Supply Chain Management”

Amazon has created a Vendor Flex program in order to become the go-to retailer for all of consumers’ daily product needs. One of the first partners for Amazon with the Vendor Flex program is Proctor & Gamble. Amazon is building fulfillment centers within P&G’s own warehouses. This is creating a cost savings for both Amazon and P&G by eliminating an additional transportation cost. However, not everyone is excited about this new partnership. Companies like Target, who have had long-term relationships with P&G, are taking action.

Upon learning of the Vendor Flex program between Amazon and P&G, Target reacted by moving P&G products from prominent end-cap positions to less prestigious and visible locations. Target also stopped considering some of P&G’s brands as “channel captains” and instead seek sales advice from competing brands.

Discussion Questions:

What is the supply chain relationship between Amazon and P&G?

*Amazon and P&G have a strategic partnership and have integrated their business functions. Amazon is building fulfillment centers in P&G’s own warehouses. This allows Amazon to ship P&G’s products out faster.*

Why do they do it?

*Amazon has created this Vendor Flex program to enhance its capabilities to be the one-stop shop for all consumer needs. This joint venture allows Amazon to get products to consumers faster. P&G has likely recognized Amazon as one of the fastest growing retailers and knows that it needs to partner with Amazon in order to sell more of its merchandise.*

Is this relationship good for Amazon and P&G’s competitors? Its customers? Explain your answer.

*This relationship is not good for Amazon and P&G’s competitors as it creates an unfair advantage. Online retailers will not be able to get products to consumers as quickly as Amazon. For both Amazon and P&G customers, this relationship is beneficial because they will be able to get products faster and perhaps at a lower price. Ask students to reflect on their opinions of this relationship. Do they think this creates an unfair advantage for Amazon.*

BACK
When Toyota Met E-Commerce: Lean at Amazon

Marc Onetto, February 2014, McKinsey Quarterly

Use with Chapter 10, “Information Systems and Supply Chain Management”

Amazon is committed to reducing waste as part of its efforts to reduce costs to the customer. When Amazon first began, it believed that most problems could be solved with technology. Yet, as the company has grown, it now realizes that it needs to engage all of its employees in order to continuously improve. In the early stages of Amazon, the company tried to automate all of the functions of the fulfillment center, but that doesn’t work for all products. The company realized that it had to reinvent automation, following the lean principle of “autonomation.” Autonomation means keeping the humans for high-value work and using machines to support that work. Autonomation allows humans to use their creativity and flexibility while reducing the number of errors and defects.

Amazon also realized that it needed to standardize its standardized work. Amazon noticed when it began that even its most standard tasks were still vague and employees were often left to figure things out for themselves. So, Amazon created a “well-defined” standard process and assigned kaizen teams to eliminate all abnormalities. Kaizen is the “philosophy of continually improving the products, processes, and activities of a business to meet or exceed changing customer requirements.”

There are plenty of kaizen examples within Amazon. For example, one day, Jeff Bezos opened a box of shampoo and all the bottles were broken and spilled all over him. Based on this experience, Bezos implemented a “three strikes” packing process for merchants. After the third incident of a packing problem, merchants no longer have a relationship with Amazon.

Bezos also talks about implementing the andon cord which is an innovation adopted from Toyota where frontline employees are empowered to address quality or other issues by stopping production. Customer service agents are empowered to “stop the line” when they receive multiple complaints about a defective product. The andon cord has been very impactful and eliminated tens of thousands of defects per year.

Amazon’s next innovations in lean-management principles will likely focus on software creation as Bezos believes that software engineers have yet to prevent defects in real-time. Amazon is also excited about 3-D printing and the implications for lean management.

Discussion Question:

What does Amazon do to streamline its supply chain?

Amazon uses lean-management principles to streamline its supply chain. Amazon uses a variety of techniques to reduce waste in its supply chain. Some examples include implementing autonomation, kaizen principles, and the andon cord. Each of these initiatives is designed to empower employees and reduce waste and increase efficiencies in processes.

BACK
Mexico Delivers for Walmart

Amy Guthrie and Shelly Banjo, Wall Street Journal, February 19, 2014

Use with Chapter 10, “Information Systems and Supply Chain Management”

A video accompanies this article at the following link:

http://online.wsj.com/news/articles/SB10001424052702303874504579375541104928668

Walmart is finally able to offer same-day grocery delivery...in Mexico! In the United States, companies like Walmart and Amazon are in a competitive race to offer grocery delivery, especially same day. Walmart is committed to matching Amazon’s service offerings within the next two years, even though only 2% of Walmart’s sales come from the Web.

With Walmart’s $466.1 billion in revenue in 2013, more than half is composed of grocery items. Customers are used to picking out the freshest fruit, vegetables, and meet creating logistical challenges for same-day grocery delivery. Online grocery stores are the “next frontier” for grocery retailers.

In Mexico, Superama, Walmart’s high-end grocery chain, delivers groceries in as little as three hours. Walmart is betting big on the Mexican market as a “detonator for growth” and is looking to triple the number of stores offering grocery delivery in Mexico within the year. Mexico is one of Walmart’s largest foreign markets, contributing $27 billion (or 6%) in annual sales. Superama has helped Walmart dominate market share (92%) of online grocery shopping in Mexico. E-commerce is successful in Walmart as the country has dense urban areas. In Mexico, Walmart also uses portable credit-card terminals for deliveries so customers don’t have to enter credit-card information online.

Superama, began home delivery in 1993. Managers would take orders by phone or fax. As volume increased they created a web page and now a mobile application that accounts for 20% of Superama’s online orders. Demand is highest in Mexico City where much of Mexico’s wealth is. With traffic congestion and an increased number of dual-income families, the demand for grocery delivery is high. Superama’s target market is households with income of $3,000 a month which is 35% of the local population. Most of the deliveries are made by freelance drivers who get $1.50 per delivery using their own transportation and don’t receive health benefits directly from the company. In the U.S., Walmart uses its own delivery-trucks.

Discussion Question:

Why is it easier for Walmart to profitably deliver to customers in Mexico than in the U.S.?

In Mexico, Superama can use freelance drivers for deliveries. These drivers are paid $1.50 per hour with no benefits and use their own transportation. In addition, Mexico City has a wealthier population in a denser environment. This means that not only can Walmart reach these customers quickly, but the demand for the service is higher.

BACK
The Next Big Thing You Missed: Online Grocery Shopping Is Back, and This Time It’ll Work

Marcus Wohlsen, Wired Magazine, February 4, 2014

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

In the early 2000’s, Webvan tried to sell groceries online and failed miserably. But today’s tech-savvy retailers are trying again. Both Amazon, with its Amazon Fresh offering, and Walmart are throwing their hats into the online grocery arena. Amazon and Walmart have invested heavily in their delivery infrastructures in order to increase overnight and same-day delivery offerings. They are now allocating their significant resources to enhancing their infrastructures even more to accommodate grocery offerings.

Startups are also getting in on the game. Instacart is a San Francisco startup that buys customers groceries from their favorite stores and delivers them within an hour or two. The founder of Instacart, Apoorva Mehta, used to work as a software developer for Amazon’s order-fulfillment operations. Instacart is an example of a lean startup that is avoiding the excesses of predecessors like Webvan. Instacart uses existing fulfillment centers (grocery stores). Instacart also streams inventory lists from brick-and-mortar stores to its mobile app. Users can shop the inventory and fill their in-app cart from the list. The order goes to an offline surrogate who can also suggest substitute products or accept custom requests. Instacart is saving money in startup costs by not having its own facilities or storing its own inventory. Furthermore, Instacart uses a “sharing economy” for its labor force. Workers just use their mobile phones to log into the Instacart system when they are available to shop and take orders.

Walmart, with its aggressive pricing strategy, has become the country’s largest grocer. This is something that Amazon is trying to change. Walmart is moving slowly into the online delivery system, though, in order to work out the kinks. For example, Walmart has begun offering To Go service where customers place their orders online, the orders are gathered and bagged in store, and the customer picks them up in-store.

Online grocers still have to overcome the tactile components of grocery shopping. For non-perishable goods like cereal, customers might be more inclined to purchase online. Yet, many customers will want to feel for the freshness of their fruits and vegetables. For many customers, grocery shopping is still a pleasure and concerns over quality are high.

Discussion Question:

Why might the “grocery delivered to your door” model work today, when it failed a decade ago?

Webvan failed because it built warehouses and purchased and housed the inventory. Today’s startups are much leaner and don’t invest in any of the same initial costs. Instacart, for example, buys directly from grocery retailers and delivers immediately, reducing the need for warehousing and inventory costs. Companies like Walmart and Amazon also have the infrastructure in place to accommodate grocery delivery. Also, a decade ago, customers might not have been as eager to engage in e-commerce transactions as they are now.
Amazon Recruits Retail Fashion Stars for its Marketplace

Tom Ryan, Retail Wire, February 24, 2014

Amazon is currently recruiting fashion retailers like J.Crew, Abercrombie & Fitch, and Lord & Taylor to sell on its Amazon Marketplace. Per this agreement, customers would be directed to the retailers’ website to make the purchases. The retailers in turn would pay Amazon fees for directing traffic to their websites for any resulting transactions. In addition to the revenue generated from the fees, this move would also fill in gaps in Amazon’s product mix. The move would also boost Amazon’s Prime shipping program as Prime members would still receive free delivery for their purchases. In addition, adding more fashion retailers allows Amazon to compete more with Google. And finally, the move would allow Amazon to gain even more access to the shopping habits of an additional customer base.

Mall Operator Puts Twist on Click and Collect Program

Bernice Hurst, RetailWire, February 5, 2014

Westfield, a global shopping center group has partnered with Collect+, a parcel service provider. These two companies are working together to offer an area in a West London mall where customers can come to pick up online orders and try them on before deciding whether to accept or return merchandise. Over 260 retailers are represented. In addition, Westfield has long opening hours to offer maximum flexibility to customers. Collect+@Westfield offers customers a dedicated space with fitting rooms and free parking. Customers can use Collect+’s services to return unsatisfactory items immediately.

Walgreens to Use Software to Help Clinicians Assess Patients


Walgreens is rolling out new software to its clinics that guides health-care providers through patient checkups requiring the providers to ask certain questions or request tests based on the patient’s history. This is the first time that Walgreens has used any kind of predictive software. As Walgreens prepares for the future, part of its growth strategy is to add to the number of health care clinics it offers for checkups and treatment of basic health care needs. The software analyzes data of over 100 million patients and uses algorithms to determine health conditions of new patients. There is a boom in the number of businesses that now manage and analyze large volumes of health-records. Using powerful advanced analytics at the point of care will hopefully streamline the diagnostic process and improve the overall experience and interaction for the patient.

The World’s Top 10 Most Innovative Companies in Retail

Fast Company Staff, February 12, 2014

Retail has been transformed in the past year. The retailers that are leading the charge have found the right balance with customers between physical and digital, experience and affordability, and convenience and quality.
Warby Parker tops the list because it has merged online commerce and brick-and-mortar, without losing its “cool factor.” Amazon revolutionized shipping times for online merchandise, first with two-day shipping to Prime members, and then to one-day and same-day in some markets. The Legaspi Company is number three because it has revitalized shopping malls by turning them into Hispanic cultural centers. J.Crew has become one of the world’s most iconic American clothing brands by offering customers high-quality, fashionable merchandise at middle-class value. Walmart is applauded for its smart mobile solutions. Walmart’s mobile app customers spend 40% more than its non-app users. eBay is innovating by offering one-hour delivery in metropolitan areas like New York, Chicago, and Dallas. Burberry is appealing to a new generation of customers, Millennials, with its classic designs. Zady offers customers background information on their purchases as well as telling them information on who actually makes the clothes. Farfetch allows customers to shop boutiques around the world from Milan to New York from the comfort of their own homes. Finally, Macy’s is implementing “omnichannel” retail by reforming its supply chain to allow stores to also act as fulfillment centers.