In March, Betsy Trobaugh, JC Penney Director of the Miller Center and Cathy Koenig, Office Depot Program Director traveled with sixteen students from the University of Florida to New York for a fashion tour of the Big Apple. This was the first tour of such magnitude and its success has launched it into being an annual spring break event.

The activities covered in this 4-day event exposed students to a variety of retailing themes that are difficult to cover in a traditional classroom. Students commented that prior to the trip, they had “no clue as to what they wanted to do after graduation, but after the trip, figured out what industry they wanted and what company they wanted to work for...!”

The first day featured a showroom visit to Brown Shoe on Fifth Avenue. Students were educated about shoe design, public relations and brand management. Students were excited to hear about industry ideas, see future season’s shoes, network with company executives and tour a showroom and store.

No trip to New York would be complete without a trip to the World’s Largest Store – Macy’s at Herald Square! Patti Lee, Senior Vice President of Macy’s Herald Square gave a wonderful and much insightful tour. The students learned about many private labels Federated has to offer and the reasons for selecting these private labels.

Students then visited Bloomingdale’s, a sister Federated store, in Soho where students saw the smaller version of the 59th store. Bloomingdale’s in Soho is 79,000 square feet of selling space on six levels. The next smallest store in the Bloomingdale’s group is 250,000 square feet.

Our experience at the Brown Shoe showroom was incredibly valuable. Not only did we get to see rooms full of future season’s shoes, but we were given the opportunity to network with several top executives from the company, some who flew into New York City just for us! They set up an agenda for us that included information about their public relations, marketing strategies, internships, executive training program and much more. The information we were given was unlike anything learned in the classroom—it was current and industry-related. Overall it was a wonderful experience. All of the executives were incredibly friendly, helpful and treated us like we were retail professionals.

Katie Carlson
NEW EDITION OF
RETAILING MANAGEMENT
BY LEVY AND WEITZ PUBLISHED

McGraw-Hill has just published the Sixth Edition of Retailing Management co-authored by Michael Levy and Bart Weitz. The textbook is used in over 150 colleges and universities to teach retail principles. During a three year cycle over 75,000 students will use the text.

The authors’ objective in preparing this sixth edition is to stimulate student interest in retailing courses and careers by capturing the exciting and challenging opportunities facing the retailing industry, an industry that plays a vital economic role in society. The sixth edition of Retailing Management explores three important developments in retailing: (1) the increased use of technology and analytical methods, (2) the globalization of the retail industry, and (3) the growing importance of ethical and legal considerations.

The text emphasizes that retailing has evolved into a high-tech industry as retailers increasingly use communications and information systems technologies and analytical models to increase operating efficiencies and improve customer service. Some of these new technology applications are: providing a seamless multichannel (stores, Web sites, and catalogs) interface so that customers can interact with retailers anytime, anywhere; store of the future using technology to provide a more rewarding shopping experience; Internet applications for effective human resource management; RFID (radio frequency identification) technology to improve supply chain efficiency; analysis of customer databases to determine customer lifetime value, targeting promotions toward a retailer’s best customers, undertaking market basket analyses; and using profit-optimization decision support systems for setting prices in different markets and taking markdowns.

Profiles of senior executives and recent college graduates working in the retail industry are featured to illustrate the interesting and rewarding aspects of retail careers. In addition to managers beginning their careers at Sears, Walgreens, and Dillards, profiles include CEOs and senior executives from JCPenney, Federated, Build-a-Bear, Tractor Supply, Save a Lot, Beall's, and Famous Footwear.
Style is no longer measured by a price tag or designer label. Now, fashion has forever stepped off the runway and into the streets. More and more, it's coming from Payless ShoeSource, with fun fashion footwear and accessories at surprisingly affordable prices. Payless calls it “democratizing fashion and design.”

How is Payless “democratizing fashion and design”? First, by delivering this season’s hottest trends at prices all customers can afford. The company does that by sending its buyers and other merchandise associates to Europe several times a year. They travel through the fashion centers in Paris and Italy to see and understand the trends that will influence U.S. fashion in coming seasons. Payless then works to interpret those trends with its own signature styles in footwear and accessories.

Payless also has partnered with fashion designer Laura Poretzky on the first-ever Payless designer collection, which debuted at New York Fashion week in February. The Abaeté for Payless Collection will appear in Payless stores and on Payless.com this Fall.

While Payless is clearly paying a lot of attention to its product offering, the company’s true focus is on its customers. Payless’ mission is: “To become the first choice for style and value in footwear and accessories for our target customers.”

In the past, customers have chosen Payless in a very analytical way — with price being the driving factor. But, the company found that shoe shopping is less an analytical endeavor and more an emotional adventure for its target customers. So, Payless is working to build an emotional connection with the customer. The company’s brand essence is “Inspiring, fun, fashion possibilities for the family...Payless!”

Matt Rubel, CEO and President, said, “Today, we have a better understanding of the aspirations that drive our customers’ purchasing decisions. By achieving an emotional connection with consumers, we can build brand loyalty, and in the process build a long-term relationship in which Payless will consistently deliver an inspiring shopping experience.”

In its efforts to change consumer perceptions and freshen its image, the company recently unveiled a new logo, has revamped its marketing, is launching a redesigned e-commerce site and is working with Callison Architecture Inc. on new store designs.

Payless’ target customers are diverse, but all have one thing in common — a passion for expressing their individual style through fashion. Payless reaches those customers with stores in every state and Puerto Rico, plus 500 international locations—from Canada to Central America and the Caribbean, South America, Guam and Japan.

Payless is the largest family footwear retailer in the Western Hemisphere, with 2005 sales of nearly $2.7 billion and more than 4,600 stores. That’s 180 million pairs of shoes and 600 million customer visits. The company is entering a new chapter in its 50-year history, and the future looks bright.

“I firmly believe we are just beginning a very exciting era for Payless ShoeSource,” said Rubel. “We have clarity to our vision of the unique role we can play in bringing fashion and design in footwear and accessories to a broad spectrum of the populace, whoever they may be or wherever they may live. We are committed to our mission of being the first choice for the consumer in meeting their footwear and accessory needs.”
What is the foremost important thing in retailing? It is to deliver experiences that consumers want. Consumers’ experiences are formed by their contacts with products and services at stores. The value of those experiences is created by “people” who manage products and services. Retail businesses are fundamentally people businesses and employees are a key driver of retail firms’ values. The quality of Human Resource Management (HRM) practices for selecting, developing, and maintaining talents in a retail organization will determine its real success or failure. Retailers now begin to realize that both their financial performance and long-term sustainability rely on the talents of store managers and merchandise managers. Several retailers have begun to pay attention to the research addressing those issues. However, there are no established indices to compare to an industry average or best practices. In response to the critical need for industry-wide standards, the David F. Miller Center for Retailing Education and Research at the University of Florida is undertaking a study of retail talent development.

Facing the growing need for talented managers and the high costs of turnover in the competitive retail industry, it is extremely important that HRM programs are able to identify and attract potential high performers and prevent the loss of these talented managers. The Miller Center for Retailing is conducting a national survey to investigate current retail firms’ HRM practices for recruiting, selection, and training/development, and evaluation and their relationships to the retention of talented management trainees in early career stages. The study is sponsored by the NRF Foundation, the research and education arm of the National Retail Federation and the National Association of Colleges and Employers (NACE). The outcome of this study will address the characteristics of effective retail talent development programs (i.e., programs that effectively recruit and develop retail managers) for retailers to benchmark for making better hiring decisions and developing better management training program.

The Miller Center for Retailing also is conducting a study of determinants of college students’ retail career choice. Recruiting talented people into retail organizations has been challenging because the negative perceptions (e.g., long hours and low pay) of retailing as a destination career have prevailed. Now, young college students are starting to see a renewal of opportunities in the retail industry as they take into account rewards along with fast promotions. However, challenges remain because retailers have to compete for a handful of bright and motivated people who have the right competences for retail organizations. Retailers have confronted another challenge of attracting talents because Y generation, young workforce, is sharply different from preceding generations. To select the right talents for the organization, it is important to understand what factors determine retail career choice for young people and what types of competences and expectations these people have. To facilitate the development of better recruiting programs, the Miller Center for Retailing is conducting a study that investigates factors students consider when evaluating management trainee job offers from retailers. Specifically, the center is conducting a conjoint study with a pool of simulated job profiles with different levels of starting salary, promotion, training/development, benefits, work environment, and work-life balance to reveal determining factors for retail career choice. The study also will address whether those factors are different by the groups of people with distinct pools of core competences and career expectations. The outcome of the study will help retailers to make better hiring decisions.

The Miller Center for Retailing will continue to conduct research that addresses important retail industry issues that contribute to retailing communities.
Times Square is a memorable destination for anyone, but these retailing students were exceptionally lucky! JC Penney had unfolded their virtual store at One Times Square. This unique approach to retailing featured JC Penney’s Spring line of cookware, bedding and private label clothing with computer kiosks in each department to help make the shopping easy and convenient for the consumer. This exciting virtual store was in Times Square for less than a month, but the on line impact will continue to serve the Manhattan market.

Times Square also included a stop at the most famous Toys "R" Us where students could see four stories of toys! Inside, the giant ferris wheel carts represented the most successful toys ever made. Students marveled at how a location can be an exciting part of a shopper’s experience.

Finally, a visit to the world-renowned, often respected and sometimes worshipped Women’s Wear Daily. Women’s Wear Daily exposed students to the world of fashion journalism so students could understand how fashion trends can dictate to the retailing industry.

The next student trip to New York is scheduled for March 12 – 16, 2007.

Jazmin Crayton

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One of the highlights of our “New York Retail Tour” most definitely was our visit to the Macy’s Herald Square store. It was a great experience to tour the World’s largest store. Patti Lee, senior Vice President of Macy’s Herald Square Store gave us a wonderful and much insightful tour. We were able to observe everything from kitchen appliances to junior apparel. Ms. Lee explained the layout of the store as well as the reason for choosing certain colors, floor designs, and different aerial ambiances. The junior section was probably the most impressive to us, with its DJs, huge dressing rooms and runway layouts. We also learned about many private labels Federated has to offer and the reasons for selecting these private labels. It was amazing to roam the store not as a shopper but as a student and engage in questions and discussions. This was for sure one of the highlights of our trip.

Arzu Erenguc

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Cathy Koenig, Betsy Trobaugh and Arzu Erenguc (UF Student) celebrate in Times Square Toys "R" Us.
JAZZY STORE ENVIRONMENTS NOT ALWAYS BEST FOR CONSUMERS

by Cathy Keen

Attention shoppers: A new University of Florida study finds that buyers want stores to be turn-ons when they browse for fun but prefer sedate environments when seeking mundane merchandise for everyday life.

Unfortunately, some store managers get it wrong by making their establishments too flashy for customers who only want to get their trip for groceries, toiletries or household goods over with, said Barton Weitz, a UF marketing professor.

“While research on store environments is mixed, with some saying an arousing, exciting environment is good and others saying it is bad, we came up with a theory that says, ‘It depends on what people go shopping for,’” he said. “It might be good for department stores but bad for supermarkets and discount stores.”

Weitz and Velitchka Kaltcheva, a University of Miami marketing professor, also found that certain design elements make the difference.

Mall browsers may be turned on by bright colors, pulsating music and video screens, while grocery store customers are put at ease by streamlined aisles, pastel greens or blues and soft melodies in the background, Weitz said.

Some retailers devote considerable attention to design, Weitz said. When Toys “R” Us opened its Times Square location in 2001, it spent $35 million to make it the ultimate toy store, with a five-story Ferris wheel, a replica of a large T-Rex and a full-sized Barbie dollhouse.

“There are stores where you walk through a portal to get in – sort of a Greek row of columns – and the idea is to transport you into a different world so that you lose your worldly concerns for spending money,” he said.

In contrast, other retail chains, such as Costco and The Home Depot, succeed with minimalist warehouse-style shopping environments, he said.

In the study, which is published in the January issue of the Journal of Marketing, 166 UF undergraduate students in an introductory marketing class viewed hypothetical retail environments on

See JAZZY STORE page 8...

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Stew Leonard, Jr., President & CEO, Stew Leonard’s
When I entered college, I was confused about my dreams and aspirations. My family had been in the restaurant business since I was 5 years old, and it was the only thing I knew. I worked full time at a couple of food service establishments during my college and by doing so, I realized that I loved managing people, being a motivational leader and contributing to the success of a business. I still was not sure whether I should be working in restaurants, so I decided to try different avenues.

During my junior year of college, I came across a flier for the University of Florida’s Retail Center program that offered paid internships and a Certificate in Retailing Leadership. I thought this was a good way to gain experience and expand my business knowledge. I interviewed with many different retailers and decided upon Nordstrom because of their strong presence in South Florida and their admirable goals and dedication to customer service.

Nordstrom’s internship program focused specifically on management throughout their various departments: visual merchandising, customer service, loss prevention, alterations, and several others. However, for the majority of the program we worked as department managers, expected to be on the sales floor and meeting sales goals. This was not my area of expertise, so it provided a great outlook into the selling side of retail. I completed the internship acquiring valuable management skills and selling skills, but I was still confused about my career.

During my last semester, I again attended the Career Showcase staring blankly at the barrage of tables; retailers, software companies, consulting firms — nothing sounded like me. At one point, I had an epiphany. What I really wanted to do was work in the restaurant business. Through Nordstrom, I learned to be an excellent manager. I had the ability to entertain people, provide great service, and create a wonderful work environment. I realized I could combine what I learned on my internship with my love of restaurants! I contacted a regional manager for Nordstrom’s Restaurant Division. I was very clear with my objective and Nordstrom was open to it as well.

Nine days after graduating from UF, I was on my way to Atlanta to begin my role as Assistant Manager of a restaurant in one of Nordstrom’s stores. I was in their MIT program for about 3 months. My training began by working with the staff, then understanding the flow of a dining room in order to establish an efficiently run business. One year later, my responsibilities now include ordering, processing, scheduling, recruiting, hiring, training and controlling expenses. I am proud to say that in 2005, I contributed to $1.2 million in sales volume and over $100,000 in profitability.

Very recently I was given the opportunity to be the General Manager of another Nordstrom restaurant after only one year as an assistant! I look forward to being a successful manager by exchanging knowledge with those around me to improve our business and as well as myself. I hope my story reassures college students that anything is possible in the retailing industry. There is so much to retailing that contributes to the company’s overall objective. Many corporate retailers have marketing, design, IT, and product development divisions that seek creative and talented people. By taking the time to learn about a company like Nordstrom, I learned that I was able to partner my talent for growing people and my desire to work in the restaurant industry which was something I knew a lot about. It’s amazing to think my dream job started with a flier from the Miller Center for Retailing.
computer screens, which manipulated arousal levels by varying three visual elements: design complexity, color warmth and color saturation. The students were assigned one of two scenarios for their supposed shopping experience: needing to buy a T-shirt quickly for a weekend camping trip or visiting stores on a rainy Saturday afternoon to relieve boredom.

The participants with the task of buying the T-shirt found the low-key environment much pleasanter than more stimulating surroundings, while those with the recreational mission preferred the jazzed-up version. The challenge for retailers is determining which decorating scheme best fits their customers' motivations, Weitz said.

“You can't look at shoppers when they walk in and ask, 'Are you here because you're bored or because you're on a task,' and depending on their answer change the store,” he said.

You can, though, if the shopping is being done online.

In the virtual world, the “store” can be adjusted by asking people when they click on to a company's computer Web site whether they are browsing or want to find something in particular, Weitz said. Browsers might be served a Web site with rich complex media, including music and pop-ups, while others would see a much simpler layout, he said.

In the brick-and-mortar world, retail stores may need to resort to satisfying their customers' competing demands by tailoring design schemes by department, Weitz said. In Circuit City or Best Buy, for example, the section of the store carrying cables and connectors, where shoppers are not likely to want to spend much time, might be quite starkly decorated, while the home entertainment department could be more elaborate, he said.

Or stores could change digital signage to suit customers' needs at different times of the day, using full motion videos in the morning if early shoppers like to be entertained and simpler messages in the evening if the priority is on saving time, Weitz said.

Unfortunately, many retailers hire interior decorators who are more interested in winning architectural awards than making stores useful to consumers, Weitz said. “I think these people lose sight of the fact that the reason for designing a store is to sell more stuff,” he said. “Sometimes making it more exciting and beautiful doesn't help.”

Michael Levy, a marketing professor at Babson College, said Weitz's research has significant implications for retail managers. “Past research has lumped all theories about how store environments impact the shopping experience into one bucket,” he said. “Professor Weitz's research prescribes specific actions for retailers depending on the type of shopping trip they expect their customers to take or what types of products they are selling.”