ESRC Business Engagement Project:

A Scoping Study of Contemporary and Future Challenges in the UK Retail Sector

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1   INTRODUCTION

The Economic and Social Research Council (ESRC) is committed to increasing its engagement with the business community. One of the activities being undertaken is to establish an evidence base which highlights the user demand for ESRC research, identifying where such research already exists and what further research might be required. The objectives of this report are to present a set of contemporary challenges identified from conversations with managers in the retail sector and, briefly review recent academic literature to provide an overview of where and how the challenges have been addressed.

1.1   UK RETAIL SECTOR - BACKGROUND

The importance of the retail sector to the UK economy is considerable, accounting for 6% of Gross Domestic Product (GDP) in 2006 with retail sales of £256 billion, larger than the combined economies of Denmark and Portugal (BRC, 2007). Moreover, the retail industry includes some of the UK's best and most innovative companies: Tesco, for example, operates in 12 countries, generates sales of over £43bn and employs 450,000 people. Further, 9% of the top 250 global retailers originate from the UK (Deloitte, 2007).

Domestically, 11% of all UK enterprises are retailers, accounting for one in nine (2.9m) of the UK workforce, while the past five years has seen employment in retailing grow by 86,700 (BRC, 2007). Meanwhile, the activities of retailers continually provoke customer and media comment such as the apparent impact of store development on local economies, as highlighted in the current Competition Commission inquiry into food retailing (Competition Commission, 2007), or the unrelenting focus on the environmental records of high profile operators (e.g. DEFRA, 2007; Siegle, 2007; Tibbets, 2007).

Given the economic and social importance of retailing discussed above, it is a clear priority for the funding of academic research to understand its operation, strategies and wider social and economic effects. While retail sales continue to increase, conditions within the retail sector remain challenging, making growth ever more difficult to sustain. In particular, there has been a significant deflationary trend as retailers have reacted to competition through centralised sourcing, often in global supply chains, thereby driving costs down (see Figure 1). This trend has been particularly marked in non-food retailing (see Figure 2).

Figure 1: Total Retailing Value and Volume 1986-2006
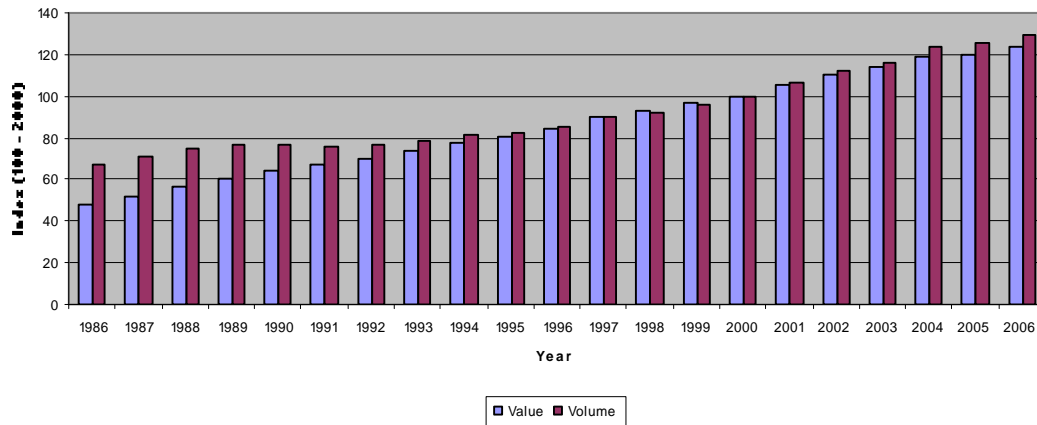
Source: Office for National Statistics (ONS)

Figure 2: Predominantly Non Food Retailing Value and Volume 1986-2006
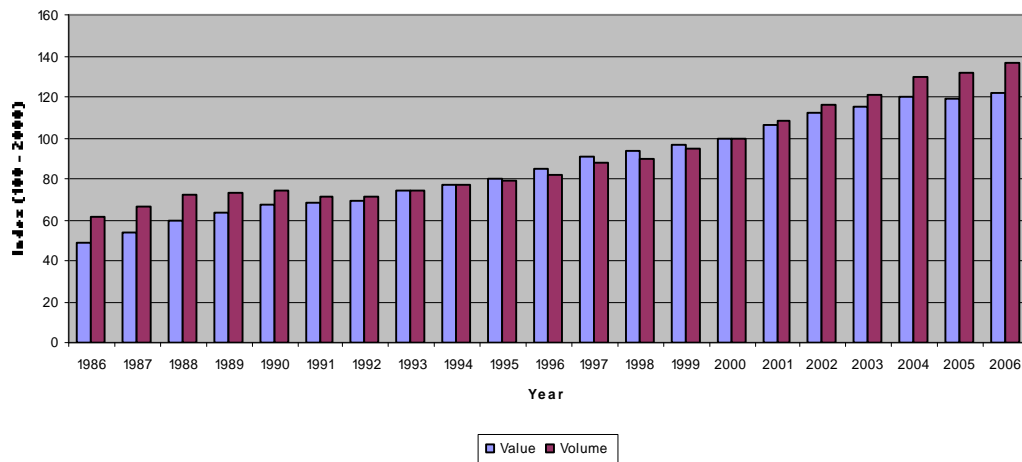
Source: Office for National Statistics (ONS)

Furthermore, retail sales make up a reduced share of consumer expenditure (see Figure 3) meaning that today's retail environment of slowing growth, increasing cost base (relative to sales) and strengthening competition has led to further retail consolidation. In the future, retailers will have to become even more attuned to consumer needs and wants, deepening their understanding of the drivers of customer loyalty.

Figure 3: Retail Spend as a Proportion of all Consumer Spending, 1995 - 2015e
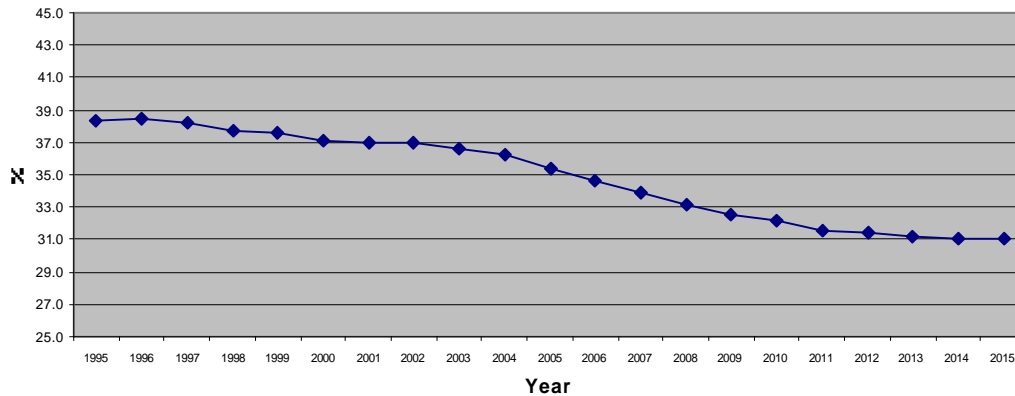
Source: Verdict Analysis

1.2   REPORT AIMS

Funding councils are especially concerned with eliciting feedback on current and future management priorities across sectors of economic activity in the UK and linking these with future research agendas. The Economic and Social Research Council (ESRC) has commissioned this report on the Contemporary and Future Challenges in the UK Retail Sector as a scoping study of contemporary management challenges in the UK Retail Sector onto which is mapped selected recent research output. Specifically, the report aims to:

- Identify a set of contemporary and future management challenges in the UK Retail Sector;
- Identify priority areas for increased collaboration between the Retail Sector and the Higher Education sector;
- Identify the extent to which agendas in the research community overlap with and address Retailers' in the UK in order to contribute to the specification of a future research agenda, and;
- Begin to define the territory where the results of relevant previous research can be identified, synthesised, and be made more readily available and digestible to the community of Retailers.

The report provides background on a set of management challenges and a brief review of selected previous research addressing the identified challenges. It takes the form of a discussion document and it is hoped will stimulate discussion to validate the challenges, give them flesh or identify new ones in order to further contribute to the three objectives of the exercise. The report is intended for use by policy makers and those who fund academic research who are working with practitioners and academics to deliver more relevant, targeted, grounded research addressing practitioner problems.

2   <u>METHOD</u>

The research for this report has been carried out using qualitative methods (primarily face-to-face interviews) with key industry professionals and commentators. While this sample cannot be argued to be exhaustive or statistically representative of the UK retail sector, the interviews have allowed the authors to generate a set of indicative priority areas that are at the forefront of senior executives' minds. Nine pressing themes have emerged:

- Retail sales productivity and innovation
- Retail planning and the effects of development on local economies
- Internationalisation – UK retail and the global economy
- Understanding the global supply chain
- Changes in the customer base
- Store design and the art of selling and service: implications for staff training
- E-tailing
- Balancing environmental/ethical concerns with retail performance
- Improving the academic/retail link

Concurrently, we undertook a brief review of the research literature to develop a picture of the distribution of previous research focus, the extent to which previous research addresses the emergent challenges and to give an indication of where any gaps lie. As is the nature of scoping studies, we have not undertaken an exhaustive review of the literature. An exhaustive review was not possible within the constraints of this project.

3   EMERGENT THEMES

Directly arising from our intensive discussions, a number of key priority areas have emerged. These topics are often linked but have in common a direct relationship with retailer strategy or implications for retail and public policy. They are explored below in no particular order of importance:

3.1   RETAIL SALES PRODUCTIVITY AND INNOVATION

The topic of innovation has been a central concern of AIM (e.g. Birkinshaw *et al.*, 2004; Philips *et al.*, 2006), while the issue of retail productivity has also been investigated (see Griffiths and Harmgart, 2004; 2005; 2006; Griffiths *et al.*, 2006). It is clear that practitioners regard work on this theme as important, especially in order to understand the implications for retail strategy:

- *The need for international comparisons with clear and digestible implications for retailers and competition policy.*

- *What drives productivity? – capital expenditure, information technology, economies of scale, global supply chain, replacement of old distribution centres, bigger stores (and implicit implications for retail planning?), stock rotation etc.?*

- *Understanding sales productivity in relation to floor space growth. An international analysis would shed light on issues in the UK retail market and be policy relevant.*

- *How can innovation improve the in-store shopping experience and also reduce costs?*

- *What are the implications for competition policy and structural change?*

- *What drives retail failure?*

It is fair to say that the work on retail productivity is at a relatively early stage where there remains considerable debate regarding the exact definition of productivity and the best way of measuring it (Sellers-Rubio and Mas-Ruiz, 2007). Following an initial report from management consultants McKinsey (1998) that analysed the entire UK economy but paid special attention to retailing, there was an influential DTI-commissioned Templeton College (Oxford University) report that specifically focused on the retail sector (Templeton College, 2004). This has catalysed a wide range of analysis on productivity that has focused on key issues that have clear implications throughout retailing and for government policy:

International comparisons of retail productivity (e.g. McKinsey, 1998; Reynolds *et al.*, 2005)

UK specific analyses and explanation of an apparent retail productivity "gap" (e.g. Griffiths and Harmgart, 2005; 2006)

Analyses of retail productivity in a non-UK setting (e.g. Barros, 2006; Keh and Chu, 2003; Dubelaar *et al.*, 2002)

Analysis of how to measure retail productivity (e.g. Moir, 2005; Sellers-Rubio and Mas-Ruiz, 2007)

The role of ICT in driving retail productivity (e.g. O'Mahony and Van Ark, 2005)

The relationship between store format type and size with productivity (e.g. Barros, 2006; Guy *et al.*, 2005).

Retail productivity and government regulation (e.g. Guy, 2006; Guy and Bennison, 2002)

This work continues but there remain concerns over the validity and value of cross country comparisons due to different regulatory regimes and the 'different social fabrics to which retailing is so intimately related' (Pellegrini, 2005, p 329).

In addition, some retail-specific work has started to examine retail *innovation*, which will undoubtedly increase with the current AIM focus on this issue in general (e.g. Birkinshaw *et al.*, 2005) and the nomination of an AIM Fellow, Michelle Lowe, to investigate this theme within the retail industry. Academic work to date on this issue has examined:

Store format innovation (Reynolds *et al.*, 2007)

Work related to management learning has examined how retailers "learn" during the internationalisation process (e.g. Currah and Wrigley, 2004; Palmer, 2005)

Innovation and the consumption experience (see AIM work by Voss and Zomerdijk, 2007).

Retailer innovation in the face of ever-tightening store planning regulations (Guy and Bennison, 2007; Wood *et al.*, 2006).

Importantly, following suggestion in the McKinsey (1998) productivity report that planning regulations in the UK can stunt productivity, work has analysed how large stores that display higher scale economies have become increasingly difficult to gain permission to build (Guy, 2006; Guy *et al.*, 2005). This underlines the complex interplay between productivity and government regulation that needs to be better understood.

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.1.1 Literature review: Retail sales productivity and innovation

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Barros (2006)	To analyse a representative sample of hypermarkets and supermarkets working in the Portuguese market, using a benchmark procedure to compare companies that compete in the same market.	Portugal	Used panel data on retail firms for the years 1998-2003 (6 years☐×☐22 units=132 observations)	A two-stage procedure to benchmark the companies was adopted. In the first stage data envelopment analysis (DEA) is used and in the second stage a Tobit model is employed to estimate the efficient drivers.	First, that, on average, the efficiency of hypermarket/ supermarket retail companies is high compared with that found in other sectors. Second, larger retail groups are, on average, more efficient than the smaller retailers, and third, that national retailers are on average more efficient than regional retailers. Finally, scale plays an important role in this market. The efficiency drivers are market share, number of outlets and location. Finally, regulation has a negative effect on efficiency.
Dawson (2005)	Explores the concept of output in studies of retail productivity.	UK, France	n/a	Commentary/ Review article	Emphasises both the difference of retailing from manufacturing and the implications that these have for the nature and change in retail output. Notes the tendency of studies to "lose" the retail sector when adopting a broad brush approach to productivity.
Dubelaar *et al.* (2002)	Develops and tests a composite set of measures for retail productivity in pharmacists including exogenous factors.	New Zealand & Australia	690 pharmacists	Data analysed using LISREL to create models of relationships between and among productivity factors.	Reveals some competitive factors and demand-related factors play a significant role.
Griffiths and Harmgart's range of work (2004; 2005; 2006)	Focuses on the measurement of productivity in retailing, the problems to be tackled and the interpretation of the statistics.	UK	Review of data predominantly on the supermarket sector	Analyses IGD data amongst others	Authors argue that price has a key role in measuring productivity and that there is a need to understand what information prices reflect. Additionally, they argue that microscale data at the level of the firm is increasingly becoming available and that there is consequently an opportunity to examine the origins of the productivity gap (which they argue is real).
Guy and Bennison (2007)	Examines the responses of large store operators to UK government retail planning guidance.	UK		Qualitative interviews and questionnaires 2001-2004	Reveals the frustration but acceptance of planning change as retailers make efforts to become more flexible in their store expansion strategies.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Guy (2006)	Investigates tensions between the UK government's overall economic policy and land-use planning policy especially in relation to large scale stores	UK	Review of the literature	Review of the literature	Analyses how retail planning policy is a formulation of ambiguous and unclear policies based with the result being a 'typical British compromise'.
Guy *et al.* (2005)	Presents qualitative evidence of economies of scale in superstore retailing	UK	32 retailers	Questionnaire	Acknowledges difficulties in quantifying economies of scale. Suggests efficiencies are provided in superstores via proportional reductions in retailer costs and increased customer loyalty and spend per visit.
Keh and Chu (2003)	Measures the productivity of a chain of US grocery stores using data envelope analysis.	US	One chain of grocery stores.	Collected and analysed a set of pooled time-series, cross-sectional data using DEA analysis.	Allows distinguishing of productivity performance of the multiple outlets based on the various dimensions of outputs (distribution services) produced. Relative efficiency ratings found to be very useful to managers seeking to understand the performance of all outlets. Infers that productivity in sales arising from usage of capital and labour is very much linked to the efficient generation of services.
LeHew and Fairhurst (2000)	Investigates the relationship between selected mall attributes and productivity	US	96 malls	Self administered questionnaire sent to 500 regional mall marketing managers. Chi-squared and correlation analysis employed to identify attributes that were significantly related to productivity.	Results suggest that the attributes of successful malls cannot be transferred or adapted by lower performing malls. Market strategy variables that could be duplicated were not related to high productivity.
Pilat (2005)	Examines whether aggregate statistics on retail productivity provide an accurate assessment of productivity trends in the sector. Discusses the potential contribution that analysis with firm level data can make to understanding retailing performance.	UK	n/a	Analyses OECD data	Author advocates use of firm level data. Notes the role of regulation in affecting productivity.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
McKinsey (1998)	To assess the productivity of the UK economy including a specific focus on retail in one chapter.	UK with international comparisons	n/a	Compares publicly available international data.	Identified the following as key causes of the UK's poor performance: • the lack of a culture of enterprise and ambition; • lack of investment; • weak competitive pressures; and skill deficiencies. • in the case of retailing, notes the role of government regulation in blunting productivity – esp. land-use planning
Moir (2005)	Examines the validity of cross country comparisons of retail trade productivity.	International	n/a	n/a	Argues that there are large problems of measurement of retail productivity and that comparisons are best undertaken where markets are similar, something that may no longer be the case in retailing. Notes inabilities to define aspects of what is being measured and problems of communality and heterogeneity. Distinguishes between firm and sector productivity and the role of institutional frameworks (i.e. regulations).
O'Mahony and Van Ark (2005)	Examines the role of ICT in retail productivity	UK, US, France and Germany		Analyses a cross-country dataset developed by authors.	Argues that the adoption and diffusion of ICT is an important driver of change. Suggests that the UK & USA have seen growth in Total Factor Productivity (TFP) whereas France & Germany have not.
Palmer (2005)	Examines internationalisation of Tesco and extracts the salient lessons learned from this process	UK and Europe	62 interviews	Qualitative interviews	Offers some new insights into learning in international distribution environments. Suggests learning is not necessarily facilitated by step-by-step incremental approaches to expansion.
Pellegrini (2005)	Focuses on the shortcomings of aggregate productivity indices in comparing efficiency across retail systems.	n/a	n/a	Commentary	Reviews the limitations of international retail productivity measures, underlining the role of differing regulations and social systems between countries.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Reynolds *et al.* (2007)	Provides a brief summary of the retail innovation process and of the longer term retail format lifecycle, before placing this alongside recent UK research into the contemporary practice of format innovation.	UK	63 interviews	Qualitative interviews supported by quantitative evidence from government statistical sources.	Concludes that whilst existing models of retail format change can risk oversimplifying and formalising what are often experimental, incremental and often accidental processes, they can complement our understanding of longer term trends in UK retail formats.
Sellers-Rubio and Mas-Ruiz (2007)	Compares different approaches to the evaluation of economic performance in retailing	Spain	491	Simultaneously applies traditional productivity measures as well as parametric and non-parametric techniques to estimate efficiency.	Reveals important differences depending on the methodology employed. Overall no methodology is viewed better than the rest.
Templeton College (2004)/ Reynolds *et al.* (2005	To explore differences between retail productivity in the UK and global competitors..	US, UK and France	c.200 retailers across the US, UK and France	Interviews, literature review, analysis of specially constructed database.	Authors suggest that it is unwise to draw definitive conclusions from aggregate data, noting a wide variety of efficiency indicators by the sector. Notes specific structure, operating and regulatory environment in the UK. Makes the argument for improved data standards in the UK to allow more detailed analysis.
Wood *et al.* (2006)	Investigates innovative store development strategies with the tightening planning regulations in the UK supermarket industry.	UK	n/a	Commentary/ Review article	Emphasises the flexibility that UK food retailers now show in their store development noting: working within the constraints of that regulation; exposing and exploiting flaws in the legislation, and circumventing its impacts by expansion into more fragmented markets.

3.2   RETAIL PLANNING ISSUES AND THE EFFECT OF DEVELOPMENT ON LOCAL ECONOMIES

This is a key area that engages with Governmental planning policy, retailer strategy, and the public interest. Clearly there is a demand for the continued independent perspectives that academic research provides given that there is a range of interested parties for such work including Central Government, Local Authorities, retailers, NGOs, the media and the public at large. Interviewees suggested that studies that further deepen our understanding of the following would provide a wealth of topical information and data for policy to draw on:

- *Studies that assess the economic and social implications of shopping centre and store development across a variety of locations and spatial scales.*
    - o *Assessing the contribution of retailing to urban regeneration.*
    - o *Assessing the affects of development on independent and local retailing.*
    - o *Assessing the change in consumer behaviour from retail development.*

- *Understanding of the link between notions of "the community" and retailing. How are the two connected? Do certain types of retailing reinforce senses of community and, if so, what are the policy implications?*

- *A retrospective view on the effectiveness of planning policy. This will aid future policy modification and development.* This has been achieved with regard to PPG 6 (see CB Hillier Parker/Cardiff University, 2004)

- *Understanding customer perceptions and what they require from retailers and shopping provision.* See recent AIM funded work on this issue by Clarke *et al.* (2007).

- *Understanding the appropriate size of catchments and "the market" more widely. This has implications for the manner in which the competition authorities appraise competition.*

- *Does a large "anchor" store in a catchment drive retail performance of adjacent operators?*

To date, management academics, with their colleagues in economic geography and planning departments, have made useful contributions in this highly politicised area across a number of key themes:

The effects of store development – such work has a history stretching back into the 1970s and 1980s with the emergence of the out of town food hypermarket (e.g. Hallsworth, 1988) that charted its effects on town centres and, in part, catalysed planning regulatory tightening in the mid 1990s.

As Wrigley (2006) describes, recent academic work has been valuable in providing evidence to counter the view publicised across a range of Government and pressure

group literature that has been critical of retail store expansion and its wider economic and social effects. More recent work by academics investigating the effects of supermarket provision within towns has noted the enhanced role that they can play in "clawing back" trade from other larger centres and supporting other services in the town.

For example, Powe and Shaw (2004) found in their study of Alnwick in North-East England that 'through careful siting within market towns, supermarkets at least have the potential to provide an important 'anchor' for other services within the towns' (p 407). Such findings were broadly mirrored in Thomas and Bromley's study (2002; 2003) of small centres in South Wales which found that revitalization of the town centre is dependent on the scale, quality and location of the food shopping facilities to facilitate linked trips and generate "spin off" shopping activity.

Finally, additional work by the University of Southampton (2007) that contributed to the Competition Commission into food retailing, found that small format convenience stores that were redeveloped by Tesco following its takeover of T&S stores actually led to a relocalization of food shopping, away from distant superstores, towards stores in the local community.

The effects of mall development - Academic research has also historically focused on understanding the effects of shopping centre and mall development on local economies. This has centred on conventional out-of-town regional shopping centres such as Merry Hill, Meadowhall and the Metro Centre (e.g. Howard and Davies, 1993; Howard, 1993; Lowe, 1998; Lowe, 2000) often charting considerable impacts on previous retail areas. Other research has argued that such developments had much wider economic benefits that have been overlooked in much research and policy thinking (Robertson and Fennell, 2007). More recently, since tightened retail planning regulations have come into force and promoted in and edge-of town schemes, such impact studies have continued, noting more subtle changes in the focus of trade (Lowe, 2005 a and b, 2007; Crosby *et al.*, 2005).

The emergence of "food deserts", retailer responses and consumer implications - A wide array of recent literature has sought to gain empirical evidence for the apparent emergence of so-called food deserts in UK cities and their wider effects. One particular landmark ESRC study produced a wide array of widely cited work (Wrigley, 2002; Wrigley *et al.*, 2002a; 2002b; 2003; 2004) that analysed the eating habits of low-income families in the Seacroft area of East Leeds – one of the top five per cent most deprived places in England – before and after a large, new Tesco store opened in the area. This work found that making it easy for people in deprived urban areas to access healthy, affordable food may be enough to improve fruit and vegetable consumption for some.

This work has been complemented since by similar studies including Cummins *et al.* (2007) in Glasgow, analysing consumer responses before and after the construction of a superstore in the city. While broader in its focus than the ESRC study to analyse social effects, it found less evidence of an improvement of diet and weak evidence that poor psychological health in the area improved. Of those consumers who *did* switch to the hypermarket, the study found weak verification of a small improvement

in mean fruit and vegetable consumption but good evidence of psychological improvement.

Overall, these studies have uncovered the complexity of the relationship between store development and social change. As Woodliffe's (2007) work found, using focus groups at a district centre in Southampton, consumer disadvantage should be thought of as a complex process, rather than a pre-determined state based on membership of a social disadvantage group.

Implications for independent retailers and local economic responses to retain a robust retail sector. A range of work is emerging that focuses on the neighbourhood and independent retail sector and analyses the role of local shops both socially and economically and also the strategies employed to defend against larger operators. Such work has underlined the role of local retail within the community as "good neighbours" (Pioch and Schmidt, 2004; Smith and Sparks, 2000) and the disproportionate burden of Government regulation falling on independent operators (Schmidt *et al.*, 2007). Freathy and Hare (2004) note the emergence of voluntary food co-operatives (VFCs) in providing fresh fruit and vegetables in areas of poor food multiple retailer coverage.

This work also focuses on the vulnerable outlook for town centres and middle order settlements where reactions include town centre management (TCM) that is seen as a pro-active response to out-of-centre retailing (e.g. Warnaby and Medway, 2004) and the emergence of Business Improvement Districts (BIDS) that are aimed at improving and maintaining centre viability (e.g. Hernandez and Jones, 2005). The findings of this work underline the need for places to market themselves more actively as they compete for consumer footfall, increasingly adopting an entrepreneurial ethos.

Affects of retail change on consumers. Recent work sponsored by the ESRC has adopted a longer term *consumer* perspective on retail change. In a series of articles that has relevance for policy-makers, the effects on consumer choice of retail change over a 20 year period were analysed (Clarke *et al.*, 2006; Jackson *et al.*, 2006; De Kervenoael *et al.*, 2006; Kirkup *et al.*, 2004). The results showed considerable changes in shopping patterns whereby consumers shop closer to home and more often. In addition, the work found that people are more dependent on a particular store, but also use others regularly to 'fit' buying food into their busy lives. The research uncovered findings concerning retail choice – while regulators see choice in terms of how it exists between one store and another, the study found that customers are interested in the choice that exists within stores and that limited store choice also occurs in more affluent areas where owning a car or having a relative with one for example can dramatically alter actual choice.

Most recently, this ESRC work has been further developed by Advanced Institute of Management (AIM) research which – while not yet concluded – has released its preliminary findings in time for the Competition Commission Inquiry into grocery retailing. These results (Clarke *et al.*, 2007) highlight the contributions of different assortments of local retail stores to consumer satisfaction. It was found that while Tesco has the greatest contribution overall (across consumers, neighbourhood types and possible assortments), the local assortment was more attractive where there was requisite *variety* in store mix. The work also found that there is as much variation in

satisfaction *within* towns as *between* towns. This highlights that satisfaction masks significant local disadvantage where particular consumers are challenged by local or personal circumstances. The implication is that if policy-makers and planners are serious about protecting consumer satisfaction from detrimental effects of competition, they will need to 'drill down' analysis to the neighbourhood / intra-urban level.

Retail planning regulation implications for retailer strategy both in terms of store development and gaining planning permission. Management academics maintain a strong dialogue with policy makers with regard to the analysis of specific elements of planning policy (for example, see Guy's [2007b] critique of the retail "needs" test) but also in the assessments of its effectiveness (see CB Hillier Parker/Cardiff University, 2004).

Furthermore the formulation of planning policy has been analysed as it accounts for the myriad of different interest groups that all seek to affect its outcomes, with retailers (in particular) engaging in the lobbying of officials (Guy, 2006; Pal *et al.*, 2001). Finally, the responses of retailers to planning regulation has been analysed in terms of flexibility in store development strategies of the leading operators (Guy and Bennison, 2007; Wood *et al.*, 2006) and the subsequent implications for store forecasting and site appraisal (Wood and Browne, 2007; Wood and Tasker, 2008).

Finally, an emergent perspective has focused on **the poor evidence base that informs retail planning policy**. Echoing recent critiques offered by Guy (2007a) and a number of trade bodies responding to the Competition Commission Inquiry into food retailing, Findlay and Sparks (2008) recently noted, that '[t]here is frustration that the government is calling for policy based on an evidence base but there is no evidence on which to base policy' (p 3). They continue that there is now 'awareness that there is a lack of appropriate accepted data on a range of issues from local competition to productivity and even on the way that people shop' (p 3). Clearly this has grave implications for Government that arguably lacks the information upon which to formulate policy to achieve its goals. Academic work sponsored by the ESRC has commenced at Centre for Advanced Spatial Analysis, University College London that aims to fill this void and address the data deficiencies (see Davis, 2007).

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.2.1 Literature review: Retail planning issues and the effect of development on local economies					
Study	**Research question**	**Country**	**Sample size**	**Method of data collection & analysis**	**Summary of empirical findings as they relate to the theme**
Clarke *et al.*, 2006; Jackson *et al.*, 2006; De Kervenoael *et al.*, 2006; Kirkup *et al.*, 2004	Consumer implications of retail change over 20 years on consumption habits, decision-making and store choice.	UK	2,500 interviews; 450 household focus groups	2,500 at-store interviews following up on research undertaken in the Portsmouth area in 1980, an at-home survey of more than 450 households, neighbourhood focus groups.	The results showed considerable changes in shopping patterns whereby consumers shop closer to home and more often. In addition, the work found that people are more dependent on a particular store, but also use others regularly to 'fit' buying food into their busy lives. The research also uncovered findings concerning retail choice – while regulators see choice in terms of how it exists between one store and another, the study found that customers are interested in the choice that exists within stores and that limited store choice also occurs in more affluent areas where owning a car or having a relative with one, the money to afford a taxi, being a large family and so on can dramatically alter choice.
Clarke *et al.* (2007)	Four principal objectives, to assess how different groups of consumers: 1. Perceive, value and use their selection of supermarkets; 2. Value and use additions to/deletions from their local retail facilities; 3. View the relative role of large and small stores in retail assortments; and 4. View the importance of the brand of the store, particularly for small outlets, in retail assortments.	UK	1800	Household-level personal interviews,	The provisional results highlight the contributions of different retail stores to consumer satisfaction with the local selection of grocery stores. It was found that while Tesco has the greatest contribution overall, the local assortment was more attractive where there was requisite variety in store mix. The work also found that there is as much variation in satisfaction within towns as between towns. This highlights that satisfaction masks significant local disadvantage where particular consumers are challenged by local or personal circumstances. The implication is that if policy-makers are serious about protecting consumer satisfaction from detrimental effects of competition, they will need to 'drill down' analysis to the neighbourhood / intra-urban level.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Crosby *et al.* (2005)	To examine the short and longer-term impacts on the land use of an existing town centre after the development of a major in-town shopping centre.	UK	n/a	Analysis of GOAD occupancy data	Finds that the centre shifted the retail prime pitch, weakened peripheral areas, increased turnover rates and vacancy. However, many of the initial short-term property market impacts on rent and vacancy appear to have dissipated. The added attraction of the town centre appears to have offset many of the trade diversion impacts.
Cummins *et al.*, 2007	A before and after study of residents in a deprived area of Glasgow following the opening of a Tesco hypermarket.	UK (Scotland)	4,000 residents	Postal questionnaire before and after hypermarket opening	Weak evidence for the impact of the hypermarket on population diet. Weak evidence that poor psychological health in the intervention area reduced. Of those consumers who switched, weak evidence of small improvement in mean fruit and vegetable consumption but good evidence of psychological improvement.
Guy (2006)	Investigates tensions between the UK government's overall economic policy and land-use planning policy especially in relation to large scale stores	UK	Review of the literature	Review of the literature	Analyses how retail planning policy is a formulation of ambiguous and unclear policies based with the result being a 'typical British compromise'.
Guy and Bennison (2007)	Examines the responses of large store operators to UK government retail planning guidance.	UK		Qualitative interviews and questionnaires 2001-2004	Reveals the frustration but acceptance of planning change as retailers make efforts to become more flexible in their store expansion strategies.
Lowe (2005a; 2007)	Examines the retail focused regeneration of the town centre of Southampton using interviews with civic leaders and reviews of the local and national literature.	UK	n/a	Literature review and interviews	Argues that the development represents a prominent example of the shift in orientation in UK retail development and planning in the late 1990s towards a strongly urban regeneration-led focus. In turn, the notion of such 'place building' has become entwined in current revisions of retail planning policy.
Pal *et al.* (2001; 2005)	Both papers review the large multiple retailers' role in planning policy formation and subsequent decision-making.	UK	n/a	Reviews of academic and Government material and analyses interview data.	Finds that retailers seek to bring their influence to bear on planning policy construction and subsequent decision-making.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Powe and Shaw (2004)	Uses a case study of one town to examine: (1) the extent of mutual dependence between market town services and hinterland residents; (2) the current role of market towns in servicing their hinterlands; (3) the attitudes and preferences of hinterland residents towards the use of market town services; and (4) how market town's services can be maintained in the face of current trends.	UK	432 questionnaires (stage 1); 249 questionnaires (stage 2); 6 focus groups (42 participants)	Questionnaires and focus groups	The results suggest a mutual dependence between market town services and hinterland residents and that the continuation of this relationship depends on market towns taking advantage of demographic trends in rural areas. Faced with changing demographics and the wider use of the Internet, potential is identified for 'clawing-back' trade from larger urban areas and creating an enhanced role for market towns.
Thomas and Bromley (2002)	Examines the reinvestment process in one town in South Wales.	UK (Wales)	1,229 questionnaires	Questionnaire surveys	Underlines positive regenerative role that the opening of an Asda store had on the town centre underlining that the "spiral of decline" is not necessarily inevitable for middle order centres.
Thomas and Bromley (2003)	Investigates the shopping linkages between a closely integrated new shopping precinct, incorporating an edge-of-centre superstore, in the small town centre of Llanelli in South Wales	UK (Wales)	642 questionnaires	Questionnaire surveys	Redevelopment, which retained a compact structure based upon spatial proximity, was found to encourage high levels of linkage between the component parts of the centre and generated favourable attitudes to the shopping environment. However, the successful spatial integration of the superstore with the centre needed a site that approximated to an in-town/edge-of-centre site rather than to a more peripheral edge-of-centre or out-of-centre site.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
University of Southampton (2007)	An analysis of consumer responses to the acquisition and conversion of formerly One Stop convenience stores by Tesco.	UK	650 questionnaires	Questionnaires (pre and post Express conversion)	Main findings: - major relocalisation of food shopping away from distance superstores - important travel-mode substitution effects involving increased walk/cycle-based and reduced car-based food shopping travel miles - important increases in consumer welfare from, and positive community response to, being able to access fresh/ healthy foods locally which previously involved considerable travel distances to obtain - little observable adverse impact on other local retailers (other than on previously locally dominant corporate retailers)
Wrigley, 2002; Wrigley *et al.*, 2002a; 2002b; 2003; 2004	1. To provide an evaluation of the nature of 'food deserts' in British cities as a contribution to the social exclusion and health inequalities debates in the UK and their policy implications. 2. To investigate within the context of three British cities (Leeds/Bradford and Cardiff) what constitutes and how to identify/measure areas of poor food retail access ('food deserts'), and to assess how such areas have evolved over time (i.e. how retail development trends over the past decade or so have altered access to food in those cities). 3. To design and conduct within one strategically chosen area of poor	UK	1,000 households and focus groups	A two-wave food diary/household questionnaire survey before and after the opening of the new store in Seacroft, involving more than 1,000 households; and further assessment via focus groups.	Found that making it easy for people in deprived urban areas to access healthy, affordable food may be enough to improve fruit and vegetable consumption for some. Fruit and vegetable consumption of those whose access to full-range food retailing was distinctly improved following store opening and increased by 2.5 portions per week. Amongst those who had mainly used a limited range budget store previously, fruit and vegetable consumption rose by three portions. Although important, these changes in diets were modest, and left the majority still significantly below the Government's recommended target.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
	food retail access in one of those cities a major 'before/after' study of the impact of the opening of a large new food store on a group of low-income households – specifically investigating the impact of significantly altered levels of accessibility to food retail provision on food consumption patterns. 4. To complement these investigations with: (a) qualitative studies of smaller groups of disadvantaged households, and (b) policy-related contextualization and analysis.				

3.3 INTERNATIONALISATION – UK RETAIL AND THE GLOBAL ECONOMY

The academic literature on retail internationalisation has been a core theme of recent academic work on retailing, attracting academics from a wide range of disciplines and sub-disciplines including economic geographers, human resource researchers as well as retail and business management specialists. However, interviewees felt that further academic work on this broad topic would be useful to uncover some main issues relevant for international business practice:

- *What drives success or failure in internationalisation*
  - o *Why some markets are more/less efficient than our own*
  - o *Understanding typical problems and provide solutions*
  - o *How are difficulties solved?*
  - o *How do successful retailers balance the demands of scale and local market sensitivity?*
  - o *Identifying best practice*

- *Market impacts*
  - o *Implications for host market*

- *Market adaptation and organisational learning*
  - o *How do successful retailers balance the demands of scale and local market sensitivity?*

- *Global, regional and responsible sourcing*
  - o *How the supply chain adapts with entry into new territories.*

- *The potential of emerging markets*
  - o *What are the implications of the emerging markets of Eastern Europe, India and China for the internationalisation strategies of retailers? How will operators have to adapt to these new environments and learn?*

Broadly speaking, the recent academic focus on international retailing can be divided into a few key themes. The research upon which this classification is devised is extensively detailed in the systematic literature review presented in Section 4 of this report:

Describing and analysing long term aggregate trends in international retailing. This is often realised through the use of extensive data sets and, at times, modelling (e.g. Burt, 1993; Gripsrud and Benito, 2005; Myers and Alexander, 2007; Pederzoli, 2006).

Case studies of retailer strategy and experience to illuminate key themes and strategic moves (e.g. Burt *et al.*, 2005; 2008; Fernie *et al.*, 2006; Jackson and Sparks,

2005; Palmer, 2005; Wigley and Moore, 2007; Wrigley, 2000; Wrigley and Currah, 2003).

Market entry and expansion strategies in international retailing (Doherty, 2007; Hutchinson *et al.*, 2006; Owens and Palmer, 2007; Picot-Coupey, 2006).

Understanding the challenge of the transnational operation. Such work has theorised the nature of the transnational retail corporation in the context of societal, network and territorial embeddedness, markets, cultures of consumption, planning and property systems (Wrigley *et al.*, 2005; Dawson, 2007; Coe, 2004).

Management learning, organisational culture and knowledge transfer in international retailing. Such work has been of interest throughout retailing and marketing as well as the economic geography disciplines more widely – see for example resonance with recent AIM work by Antonacopoulou *et al.* (2005). This research stream has underlined the extent to which retailers have had to adapt to new cultural, economic and regulatory circumstances and produce modified management strategies (Currah and Wrigley, 2004; Hunt and Hunt, 2005; Jonsson and Elg, 2006; Palmer and Quinn, 2005; Pioch, 2007).

Market adaptation and market impacts (Coe, 2006; Coe and Wrigley, 2007; Rogers *et al.*, 2005). Such work relates to broader work on foreign expansion by AIM Fellow Michael Jacobides (2005).

Global, regional and responsible sourcing. This literature has focused on the degree to which supply chains have to adjust to a new geographical, cultural and economic environments (Coe and Hess, 2005; Moore *et al.*, 2004; Rogers *et al.*, 2005) while some of this work links with the broader corporate social responsibility agenda (e.g. Hughes 2006; Hughes *et al.*, 2007).

Analysing failure in international retailing to establish key lessons for retailers (Bianchi and Ostale, 2006; Burt *et al.*, 2003; 2004; Christopherson, 2007; Jackson *et al.*, 2004).

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.3.1 Literature review: Internationalisation – UK retail and the global economy

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Bianchi and Ostale (2006)	Examines four cases of unsuccessful retail internationalization to the Chilean market.	Chile	20 interviews	Expert and consumer interviews.	Findings show that these retail firms defied local institutional pressures from consumers, suppliers, competitors, retail executives, and the business community. Management executives of these firms did not embed themselves in the broader social network. It was also apparent that the competition had anticipated and responded to their sources of competitive advantage. Finally, their scale was not big enough to command any advantages in the supply chain network.
Burt (1993)	Examines the trends observed in British retail internationalization over the 1960-90 period.	International		Analysis of database.	Geographical and cultural proximity, the use of specific entry mechanisms and the nature of the sector concerned are seen to be important considerations in understanding the patterns over time.
Burt *et al.* (2003)	To define and conceptualise failure in international retailing.	International		Review article	Presents a number of propositions that focus on concepts and processes of retail failure.
Burt *et al.* (2004)	Aims to establish the general characteristics and patterns of divestment activities international retailing	International	Analysed 270 divestitures	Database analysis	Summarises the geographical, temporal, entry mode and format related dimensions.
Burt *et al.* (2005)	A case study of Boots whose international retail strategy has evolved from a traditional store format based approach to one now based upon the internationalisation of a private brand product range.	International		Case study and review and analysis of secondary data.	The company's strategic shift from attempting to internationalise a store format to internationalising a private brand, has involved a fundamental re-assessment of what is being internationalised. The domestic store format has proved to be an alien or unmanageable concept when transferred abroad. The mode of entry for internationalisation has changed from acquisition, to joint venture based store development, then to partnerships with host retailers for the implant business.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Burt *et al.* (2008)	Secondary data analysis of patterns and processes in international retailing across three retailers: Ahold, Carrefour and Delhaize.	International		Review and analysis of secondary data	An examination of three leading international grocery chains on such criteria reveals little communality in pattern or process. Instead internationalisation is marked by different, perhaps serendipitous, patterns and by periods of retrenchment and reconsideration of activities, within a generic strategy of front of store adaptation and back of store standardisation.
Christophers on (2007)	Examination of Wal-Mart's performance, strategy and subsequent divestiture decision in Germany.	US and Germany		Case study	Wal-Mart's resources were shaped by the market governance regime in which the firm evolved, and not insignificantly, over which it had and has influence. Within this theoretical frame, Wal-Mart's reliance on the resources of network dominance and autonomous action that made for its success in the USA contributed to unsuccessful strategies in the German retailing market
Coe (2006)	Explores strategic localisation of Tesco Samsung in South Korea across products, sourcing and strategic decision making.	South Korea	3 interviews and mixed methods	Mixed methodology: site visits, interviews with managers, quantitative analysis of supplier data and longitudinal data analysis of secondary data.	Argues localisation across products, sourcing and staffing has been shaped by consumer culture and a relatively strong supplier base that can negotiate strongly.
Coe and Hess (2005)	Explores the implications of the rapid internationalization of a small cadre of retail transnational corporations over the last 15 years for supply network structures in a range of economies in Eastern Europe and East Asia	Eastern Europe and East Asia			Five sets of ongoing restructuring dynamics are identified: the centralization of procurement, logistical upgrading, supply network shortening and new intermediaries, the imposition of quasi-formal contracts, and the development of private standards. It is suggested that these processes are leading to an ongoing 'shakeout' of the supply base that is favouring relatively large, well-capitalized suppliers.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Coe and Wrigley (2007)	Maps out a detailed research agenda with respect to the host economy impacts of transnational retailing	International	n/a	Review article	Considers different dimensions of the host economy impacts of transnational retailing on retail competitiveness, supply chain dynamics, consumption practices and consumer/civil society, institutional and regulatory frameworks and, reciprocally, on the retail transnational corporations themselves. It concludes by calling for a concerted interdisciplinary research effort into this important and understudied aspect of economic globalization.
Doherty (2007)	Examines the factors that motivate international retail companies to choose franchising as a method for entering international markets.	UK		Qualitative methodology and a multiple case study design and interviews	Finds the motivating influences to be a combination of both organisational and environmental factors. International retailing experience, availability of financial resources, presence of a franchisable retail brand, company restructuring and influence of key managers emerge as the organisational factors while environmental influences are revealed as opportunistic approaches, local market complexities, domestic competitive pressures and availability of potential franchise partners.
Fernie et al. (2006)	Assesses Wal-Mart's entry into Europe.	Europe		Secondary data, semi-structured interviews, consumer surveys	German acquisitions have been unsuccessful due to the problems of integrating two disparate retail chains with different organizational cultures and heterogeneous portfolio of stores. Highly competitive nature of the German grocery market is also a factor.
Gripsrud and Benito (2005)	Investigates retailer's choice of foreign markets using a spatial interaction model.	UK retailers internationally	Spatial interaction model testing	Spatial interaction model testing	Good empirical support for the model. Finds evidence that market selection is influenced both by factors that make that market attractive an by distance.
Hughes et al. (2007)	Evaluates the distinct roles played by multi-stakeholder initiatives for ethical trade in the UK and USA	UK and US		Qualitative interviews	While the UK's core multi-stakeholder initiative, the Ethical Trading Initiative (ETI), encompasses retailers from a variety of sectors and takes a developmental and continuous learning approach to ethical trade, the US

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
					multi-stakeholder initiatives are focussed more on corporate accountability based on compliance monitoring exclusively in the clothing sector. Given recent organisational attempts to foster transnational dialogue between multi-stakeholder initiatives, though, the precise ways in which national-institutional contexts shape retailers' ethical trading approaches are fluid and mutable.
Hunt and Hunt (2005)	Studies French food retail chains in Poland and assesses their ability to transfer managerial practices and work routines.	France, Poland	70	Interviews	Retailers experienced difficulty in reproducing their model. Found both French and Polish management models were embedded in quite dissimilar home territories.
Hutchinson *et al.* (2006)	To specifically explore the role of management characteristics in the international development of SMEs.	UK		Multiple case study approach. Qualitative interviews.	Highlights the importance of objective and subjective characteristics as factors which impact not only the initial decision to expand and the support of overseas operations, but the subsequent path and pace of international development.
Jackson and Sparks (2005)	A case study of Marks and Spencer (M&S) in Hong Kong is used to explore aspects of the retail internationalisation process.	Hong Kong		Developed from four main sources: (1) national and trade press commentary.(2) M&S's publications and statements.(3) previous research. (4) informal interviews.	Emphasises that internationalisation is a non-linear, ongoing, dynamic activity involving developments, impacts and retrenchment at a variety of levels. Implications for future research in the area are drawn.
Jackson *et al.* (2004)	Explores international exit of M&S.	UK and France		Secondary data analysis and some interview of key personnel	Argues that the *process* of market exit is at least as important as understanding the *decision* to exit.
Jonsson and Elg (2006)	To develop a tentative approach to knowledge and knowledge sharing in international retailing based on a case study of IKEA's entry into the Russian market	Russia		Case study	Finds that knowledge sharing has an important role in the internationalization process and that it is crucial to distinguish between the different types of knowledge needed during the market entry phase. The study also implies that there may be different knowledge needs in different phases of the internationalization process.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Moore *et al.* (2004)	To identify the problems that may arise from fashion retailers' international relationships	International	42	Interviews with representatives of case companies.	It is found that these relationships face significant tensions, specifically with respect to strategy non-compliance, perceptual disagreements, and arguments concerning the demarcation of decision making responsibility.
Myers and Alexander (2007)	Aims to consider European cross border expansion by considering the flow of investment as represented by the operation of retail outlets.	Interational	Database analysis	Analysis of database on international retailing owned by Mintel	The patterns established from the data set suggest that retail internationalisation within Europe is occurring on a significant scale and that there is an emerging pan-European retail structure. Findings also show strong evidence of intra-regional linkages within Europe - a particularly strong flow of retail activity between markets that are geographically and culturally proximate.
Owens and Quinn (2007)	Investigates problems encountered in international retail joint ventures.	UK retailers internationally	40 interviews	Multiple case study approach, drawing on 40 interviews	Highlights the key problem areas encountered by retailers involved in IJV activity. Concludes that in contrast to production-driven joint venture activity, retailers appear to have a shorter and intensive adjustment period to effectively co-ordinate operational activity and bridge the corporate and behavioural differences between themselves and the partner.
Palmer (2005)	Examines internationalisation of Tesco and extracts the salient lessons learned from this process	UK and Europe	62 interviews	Qualitative interviews	Offers some new insights into learning in international distribution environments. Suggests learning is not necessarily facilitated by step-by-step incremental approaches to expansion.
Palmer and Quinn (2005)	Proposes an exploratory framework that enables the application of learning theory to the study of international retailing.	International focus	Review of the literature	Review of the literature	Demonstrates the role of learning within the retailer internationalization process and its influence on retailers' strategies. A learning perspective is proposed as a complementary theory to the existing theories developed in the retail internationalization literature.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Pederzoli (2006)	Proposes a model of international strategy of retail companies.	International		Tested by studying the international activities of 37 international companies. It defines the most important components of a successful strategy and, for each component, evaluates the importance of this variable in connection with others.	The model proposed is able not only to explain the internationalization process of many important companies during the 1990s and at the beginning of the 2000s, but also puts forward to the managerial sector the strategic variables for both the companies that have already started an internationalization process and those that wish to begin it.
Picot-Coupey (2006)	Draws upon a literature review and six case-studies from French specialised retailers to provide an exploratory framework for examining key determinants of entry and expansion choice.	French		Literature review and 6 case studies	Found that retailers consider four underlying dimensions of operation modes. These dimensions are affected by situational, individual and marketing factors whose explanatory impacts are moderated by the motives for internationalisation and relationship networks.
Pioch (2007)	Case study of an acquisition of a UK retailer to analyse whether organizational culture can be transferred across boundaries.	UK	60	Interviews with store managers, focus groups with employees (10).	The cultural integration espoused in the retailer's literature is not achieved, but differentiation and fragmentation prevail at store level, despite the probable existence of a strong sectoral culture
Rogers *et al.* (2005)	Investigates a western retailer's orientation levels in two foreign markets.	Eastern Europe	11	Corporate interviews	Finds that the market orientation–business performance link is valid for Western retailers in emerging economies. Here, the retailer applied market orientation predominately through; the use of matching with suppliers of own brand goods; top management emphasis on market orientation and risk taking.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Swoboda and Anderer (2008)	To systemise on a theoretical/conceptual basis the structural, systemic, and cultural instruments that retail firms use to coordinate their international activities	International	Based on 60 retailers	47 personal and 13 written, standardised interviews, closed-ended questions and five-point Likert scales were used	• Some retailers are only just beginning to use the full range of international coordination instruments. • Retail firms make most intensive use of systemic coordination. This is followed by structural and, at least, by cultural dimensions and instruments. • Organisational structure has no primary relevance as an instrument of coordination directly related to success. • Strategy and success were taken into consideration, which sustains the importance of coordination for retailers' international success.
Wigley and Moore (2007)	Aims to define the components crucial to international fashion retailer success and to establish how these components may be practically managed by a firm in order to achieve success.	International	2 case studies.	Case study approach based on observation, documentation and interviews.	Proposes that there are three components crucial to international fashion retailer success – coherent international brand management, disciplined distribution control, and retail presentation consistent with the marketing image. This may be achieved via centralised control structures or via effective management of relationships with foreign agents.
Wrigley et al. (2005)	Using recent theoretical developments that conceptualize TNCs as the complex nexus of intrafirm, interfirm and extrafirm relational networks, the paper explores the special characteristics of retail TNCs that distinguish them from their manufacturing counterparts,	International	n/a	Review article	Notes a high territorial embeddedness in markets and cultures of consumption, planning and property systems, and logistical and supply chain operations that defines the distinctive theoretical and organization challenge of the retail TNC. In turn, authors argue that this high level of embeddedness frequently implies a very different experience of host-market regulation than is found in other sectors. Also analyses how territorial embeddedness of the retail TNC is influenced by its societal embeddedness (home country institutional origins), and how network embeddedness is critical to an understanding of how places/host economies are inserted, reciprocally, into the organizational spaces of the retail TNCs.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Wrigley and Currah (2003)	Case study of Ahold's Latin American expansion and problems that it experienced	Latin America		Secondary data analysis (inc. analyst reports)	Offers a picture of retail multinationals facing distinctive organizational challenges as they seek to transpose internal and inter-firm practices to markedly different institutional environments, and of a highly contested retail internationalization process – not least by the suppliers of finance.

3.4 UNDERSTANDING THE GLOBAL SUPPLY CHAIN – CONTROL, DEVELOPMENT AND WIDER EFFECTS

The wide ranging issue of global supply chains was a popular theme in interviews that have managerial implications that need to be understood by the sector, while the wider societal and environmental implications are also significant.

While supply chains have been the subject of extensive academic work, our interviews suggested that the work currently discussed in the literature is not necessarily known by retail executives. Interviewees noted a concern with work on the following issues:

- *The extent to which supply terms due to a GSC superior and what the competition policy implications are.*

- *How retailers foster and control a GSC.*

- *The vulnerability and risk of a GSC.*

- *The food security implications of a centralised, global supply chain based on scale economies.* It is notable that very little academic work to date has investigated these issues.

- *The implications of environmental and ethical concerns of GSCs.*

- *The ease of controlling labour standards with GSCs.*

- *The cost/quality balance in GSCs.*

- *The alternative methods of physical distribution of products around the UK. Is rail, river or canal viable?*

It is unsurprising that management academics have been actively researching many of these issues notably within academic retailing journals, key texts (e.g. Fernie and Sparks, 2004) but also within specialised logistics and supply chain publications such as *Supply Chain Management: An International Journal*, *International Journal of Logistics Research and Applications* and *International Journal of Physical Distribution & Logistics Management*.

Below we note the key sub-themes that have emerged from recent academic literature concerning these issues:

Sustainable supply chains. This sub-theme clearly dovetails with the environmental and ethical concerns noted elsewhere in this report. On the subject of sustainable supply chains, work has progressed that has analysed:

- **Corporate social responsibility in the supply chain** (Hughes *et al.*, 2007; Mamic, 2005; Pedersen and Andersen, 2006)

- **Local sourcing and its relations with retailer strategy.** This work has analysed local sourcing strategy in the food market, identified the challenges involved and noted some potential solutions (e.g. Ilbery and Maye, 2006; Wagner *et al.*, 2005)

- **Labour standards voluntarily undertaken** (see for example Christopherson and Lillie, 2005)

Information sharing and cooperation has become a central research concern as technological developments have permitted informed decision making that has in turn affected the relationship between the retailer and the supplier. In particular, information is regarded as power (Williams and Moore, 2007) though trust is essential to maintain between both parties (Corsten and Kumur, 2005).

- **Category management.** This technique has seen food retailers especially use key suppliers as "category captains" in leveraging their resources and capabilities to implement effective category management that will both reduce retailer costs and provide a basis for differentiation. However, recent research suggests that the benefits of such an approach are not as clear as hypothesised (e.g. Morgan *et al.*, 2007) and that this practice is limited in its adoption in the fashion sector (Sheridan *et al.*, 2006).

- **Cross cultural issues in supply chain management** – pose considerable challenges to retailers and suppliers. Chen *et al.* (2007) for example have analysed three apparel supply chains between the UK and China, noting that attention should be focused on improvement of three common aspects capable of inhibiting performance: deficiencies in design specification, language barriers, and cultural/human barriers.

New technology and efficiency generation in the supply chain. This has been a core focus of work with the emergence of a range of new technologies that have heralded key advances in supply chain efficiencies that have seen lead times reduce rapidly over the past decade, both in the food sector (Smith and Sparks, 2004) and fashion market (Barnes and Lea-Greenwood, 2006).

- **Established technologies and collaborative approaches include: Quick Response (QR), Efficient Consumer Response (ECR), Collaborative Planning, Forecasting and Replenishment (CPFR)** and **Enterprise Resource Planning (ERP)** and have been discussed in a wide array of publications (see Fernie and Sparks, 2004 for a review).

- **Radio Frequency Identification Technology (RFID)** has been an extremely topical technology of debate with a wide ranging literature attached that examines its potential returns as well as its political dimensions pertaining to consumer privacy (see for example Attaran, 2007; Wong and McFarlane, 2007).

- **Cross docking and distribution centre design and development** has been analysed as a vehicle for improving and solidifying the strong competitive position of the leading retailers (e.g Whiteoak, 2004).

- **Retail exchanges** were a core concern in the early 2000s as a sourcing route with the use of technology to overcome the friction of distance but little work has focused on this issue since as it is generally felt that their potential was overplayed (Eng, 2004).

- **Factory gate pricing** is a strategy employed by leading retailers that possess established supply chains and focuses on establishing the price from suppliers for the completed goods minus transportation costs. In doing so it is seen as a logical extension of the general move by retailers to co-ordinate operations along the supply chain to reinforce their dominance (Potter *et al.*, 2007).

- **Reverse logistics** (ie. dealing with customer returns) has received some academic attention (Bernon and Cullen, 2007).

- **Regulation and its effect for supply chains and retailer efficiency** is clearly relevant and has been investigated by some academics (Quak and de Koster, 2007).

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.4.1	Literature review: Understanding the Global Supply Chain: control, development and wider effects				
Study	**Research question**	**Country**	**Sample size**	**Method of data collection & analysis**	**Summary of empirical findings as they relate to the theme**
Attaran (2007)	The objective is to go beyond the hype and explore basic issues related to RFID technology, including its promises as well as its pitfalls	US	n/a	General review	RFID is the most recent prolific technology that provides supply chain collaboration and visibility. RFID systems solution will increase corporate ROI while at the same time improving retail supply chain communication. Its stumbling point seems only to be a variety of issues outside the technology itself: marketing problems, false promises, security and privacy considerations, and a lack of standards.
Bernon and Cullen (2007)	An analysis of the management of product returns by UK high street retailers	UK	3 retailers	Interviews, postal survey and site visits. 3 case studies. Industrial focus group.	Finds that if organisations managed product returns in a holistic way, the level of returns currently experienced by retailers could be reduced significantly. A framework is put forward for managing reverse logistics through adopting the three management approaches of integration, collaboration and evaluation. In conclusion, it is argued that the use of such an integrated supply chain approach offers significant opportunities to reduce the cost of reverse logistics operations while maximising asset recovery values.
Chen *et al.* (2007)	To analyse simplified traditional fashion clothing supply chain models between the UK and China to identify the key issues in quality and communication management.	UK and China	3 supply chains. 9 interviews	A total of nine full interviews were undertaken from three simplified supply chains. A content analysis approach was used to analyse the data based on recurring themes	The research suggested that for fashion supply chain organisation and management between the UK and China attention should be focused on improvement of three common aspects capable of inhibiting performance: deficiencies in design specification, language barriers, and cultural/human barriers.
Corsten and Kumur (2005)	Investigates whether the extent to which suppliers of a major retailer adopting ECR has a beneficial impact on their outcomes	US	266 questionnaires	Questionnaires to suppliers and review of historical supplier data.	The results demonstrate that whereas ECR adoption has a positive impact on supplier economic performance and capability development, it also generates greater perceptions of negative inequity on the part of the supplier. However, retailer capabilities and supplier trust moderate some of these main effects.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Eng (2004)	Investigates the extent to which e-business tools of the e-marketplace are used by channel members in the retail sector for business-to-business supply chain management (SCM).	UK	104 questionnaires	Based on a survey involving food service companies, retailers, and wholesalers in the UK	It is shown that the e-marketplace supply chain applications enable the majority of companies to automate transaction-based activities and procurement-related processes rather than strategic supply chain activities. The results also indicate that full participation in e-marketplaces requires companies to integrate their internal and external supply chain activities and share strategic information.
Ilbery and Maye (2006)	Presents a summary of 'new' agro-food geographies for 5 different retail types that all source local food from suppliers in the Scottish– English borders. The paper examines where, how and why retailers source local food.	UK	n/a	Case study approach	Results reveal the complex nature of local food systems, especially in terms of intra-sector competitive dynamics (with a notable tension between direct forms of retail and established (independent) retailers), links and overlaps with 'normal' food retail systems and elastic notions of the 'local'. The paper also draws a key distinction between locally produced and locally supplied food products.
Pedersen and Andersen (2006)	Investigates how codes of conduct affect the supply chain of IKEA	International	n/a	Case study of IKEA	Is generally positive about codes of conduct as a contract between the company and society. Notes the problem of global supply chains introducing third parties and outsourcing and therefore the difficulties with maintaining this commitment.
Quak and de Koster (2007)	Studies the impact of governmental time-window pressure on retailers' logistical concepts and the consequential financial and environmental distribution performance	Netherlands	14 Dutch cases	Qualitative interviews and questionnaires	With the regulations the results suggest that cost and emissions increases are moderate, when few cities are affected. However, as more cities are affected, costs and emissions increase considerably, particularly if time-window lengths become shorter. Time-windows harmonized between cities lead to fewer negative effects.
Morgan *et al.* (2007)	Analyses the employments of category management and the difficulties associated with it.	UK	73 category managers	Qualitative fieldwork with retailer and supplier managers and primary data from 73 category managers in U.K. supermarket retailers	Findings suggest that focal supplier opportunism decreases retailer category performance and increases militant behaviors among non-focal suppliers in the category supply chain.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Potter *et al.* (2007)	Aims to analyse the reasons behind the leadership shown by a case study retailer through the introduction of factory gate pricing (FGP) within the grocery sector. Further, there is an evaluation of the transport management techniques used to support FGP and the operational benefits gained.	UK	1 retailer case study	Single case study using multiple information sources: Techniques used include process mapping, interviews, workshops and company presentations.	Strategically, the introduction of FGP has provided economies for the retailer strengthening its position in the market. Four main transport management techniques have been deployed to achieve this, generating reductions in transport and inventory costs while improving customer service levels. There are also some issues that need addressing, in relation to the need for a single point of control, who manages this point and the technological capabilities of transport providers.
Sheridan *et al.* (2006)	To review the potential contributions of category management (CM) to the UK fashion sector and subsequently to establish evaluation criteria for the application of CM in the UK fashion sector.	UK	3 case study retailers	Qualitative research was employed through an exploratory case study method.	Category management is limited in its application in the fashion industry. The study found that fashion companies adopted collaborative structures in order to implement a CM approach and a CM approach contributes to the development of a fast fashion business orientation.
Wagner *et al.* (2005)	To undertake an exploratory investigation to gain insights into attitudes and perceptions of supplier development and local sourcing programmes in the UK grocery retail sector.	UK	1 retailer	Semi-structured interviews	Retailers do seem to be undertaking supplier development as defined in the literature but the data collected highlights some of the difficulties experienced by all suppliers in supporting grocery retailer category management and branding strategies. From this, local sourcing also implies the involvement of the micro-enterprise producer. This has the potential for greater levels of power and trust imbalance
Williams and Moore (2007)	Presents a framework depicting the development of information power-based relationships between firms, and to describe the effect of information power on long-term relationships between supply chain partners	US	n/a	Review	The conceptual framework introduced indicates that information can be utilized as a coercive and non-coercive power base in supply chain relationships

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Wong and McFarlane (2007)	Present the results of the first phase of a 4-year study of the impact of RFID, and automated data capture in general, on shelf replenishment processes.	Europe and Japan	20 individuals. Six stores over six months	Qualitative interviews and participant observation	RFID can provide accurate and timely unique item level information to influence current shelf replenishment operations. Specifically, the issue of timeliness of information, decision and operations is critical to determine the potential impact of RFID technology on shelf replenishment policies.

3.5   THE CHANGING CUSTOMER BASE: UNDERSTANDING AND IMPLICATIONS

This is a key and wide ranging area of concern that crosses all retail sectors and has implications across the social sciences in terms of potential avenues for research. Specific sub-themes described by interviewees include:

- *Understanding customer demands – actually getting under the skin of what customers want.* This has been a focus of continuing AIM and ESRC research more widely (see Clarke *et al.*, 2006; 2007; Jackson *et al.*, 2006).

- *There is a need to break down the customer market to understand and identify market potential and growing (and contracting) areas of demand. In short, the customer market is not simply one homogenous market.*

- *Potential to understand demand differentiation by variables such as culture, location, income etc.*

- *Answering questions such as the size of the so-called informal economy could yield significant practical implications across the retail consumer market.*

- *Exploring the implications of large scale changes to disposable consumer income.*

- *Deepening understanding of what drives customer loyalty and the extent to which retail brands can be leveraged into new product areas. There is need to understand the consumer decision making process in more depth.*

- *Further understanding external market influences on the way consumers behave: the effects of taxation on customer use of selected products (e.g. cigarettes, alcohol, potentially unhealthy foods) and how is this related to broader social concerns?*
    - *For example, the extent to which these products are influenced by price, educational, cultural or psychological factors. For example, do alcohol promotions cause under-age binge drinking?*

- *The changing nature of the consumer – e.g. the growth of the so-called "time poor" consumer. Understanding factors that are driving subtle shifts in the consumption process and how retailers can respond.*

- *Across all of these issues there is scope to explore on a large scale (such as traditional survey) but also at a micro-level, employing focus groups and diaries.*

Given the breadth of this theme it is difficult to identify *dedicated* research streams explicitly centred on this issue. Some relevant recent research includes the following research strands and specific projects:

Clearly academics retain a strong focus on establishing **what drives customer loyalty and brand affinity across different retail settings and sectors** as widely analysed across all of the core retail and marketing journals. For example, work from a fashion retail perspective has recently analysed differing perceptions of branding, identifying a gap between the perceptions of parents and the actual brand awareness of their children. The research indicated that children tend to be brand aware at a younger age than their parents believe (Harradine and Ross, 2007).

Academics continue to analyse **the retail -specific implications of demographic changes in the population**. See for example the recent British Council of Shopping Centres (BCSC)-sponsored academic work on the ageing population and its retail implications (Myers and Lumbers, 2008; see also Wilson *et al.*, 2004).

A research stream that continues to contribute to the **understanding of consumers originates from anthropologists and social scientists under the broad banner of "consumer culture"** (see for e.g. Jackson, Lowe, Miller & Mort, 2000). Retail-relevant ESRC funded research in this area has, for example, examined the relationship between shopping, place and identity to further understand consumers and their consumption practices (Miller *et al.*, 1998).

More recent work has emerged from the 5 year ESRC and Arts and Humanities Research Council (AHRC) funded Cultures of Consumption programme (see http://www.consume.bbk.ac.uk/index.html). This rich research stream consisted of 26 separate but related research programmes, many of which are of direct relevance to retailers seeking to understand consumers. For example, Chan and Goldthorpe (2004; 2007), investigated how cross cultural consumption is related to social status. They found that education and social status rather than social class predict lifestyle and cultural consumption.

The trend toward mortgage equity withdrawal has been analysed in another project in the Cultures of Consumption programme. Work by Smith and Searle (2008) examined the flows of consumption expenditure drawn from housing equity withdrawal, noting that it is most commonly directed at the home but also toward a wide range of other commodities including holidays, luxury products and the general support of lifestyle. Clearly further work in this area offers great potential benefit to retailers to deepen the understanding of consumers.

Meanwhile, another project in the programme, led by human geographer, Peter Jackson, focused on analysing perspectives on food commodity chains from the perspective of consumers, manufacturers, retailers and farmers. It revealed how food is increasingly "sold with a story" and how food producers have to manage the changing meanings of food. Importantly for retailers, this work uncovered some important consumer perspectives, such as the manner in which consumers think differently about food depending on the manner in which it is sold and packaged (see Jackson *et al.*, 2006; 2007; 2008). Such work relates to concerns over food safety and

in particular recent work that has sought to understand consumer trust with regard to food safety on a cross- cultural basis (Halkier *et al.*, 2007).

More broadly, there have been a number of ESRC and AIM funded studies that have **surveyed large samples of consumers regarding their demands and changes in retail-specific behaviour**. For example, an ESRC sponsored study in 2006 (Clarke *et al.*, 2006; Jackson *et al.*, 2006) surveyed 2,500 consumers regarding retail change over 20 years on consumption habits, decision-making and store choice. Meanwhile recent AIM work by Ian Clarke and colleagues (2007) has assessed customers' demands of their grocery stores within specific catchments – work that is policy relevant and has fed into the current Competition Commission Inquiry into food retailing.

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.5.1 Literature review: The changing customer base: understanding and implications					
Study	**Research question**	**Country**	**Sample size**	**Method of data collection & analysis**	**Summary of empirical findings as they relate to the theme**
Clarke *et al.*, 2006; Jackson *et al.*, 2006; De Kervenoael *et al.*, 2006; Kirkup *et al.*, 2004	Consumer implications of retail change over 20 years on consumption habits, decision-making and store choice.	UK	2,500 interviews; 450 household focus groups	2,500 at-store interviews following up on research undertaken in the Portsmouth area in 1980, an at-home survey of more than 450 households, neighbourhood focus groups.	The results showed considerable changes in shopping patterns whereby consumers shop closer to home and more often. In addition, people are more dependent on a particular store, but also use others regularly to 'fit' buying food into their busy lives. The research also uncovered findings concerning retail choice – while regulators see choice in terms of how it exists between one store and another, the study found that customers are interested in the choice that exists within stores and that limited store choice also occurs in more affluent areas where owning a car or having a relative with one (for example) can dramatically alter choice.
Clarke *et al.* (2007)	Four principal objectives, to assess how different groups of consumers: 1. Perceive, value and use their selection of supermarkets; 2. Value and use additions to/deletions from their local retail facilities; 3. View the relative role of large and small stores in retail assortments; and 4. View the importance of the brand of the store, particularly for small outlets, in retail assortments.	UK	1800	Household-level personal interviews,	The provisional results highlight the contributions of different retail stores to consumer satisfaction with the local selection of grocery stores. It was found that while Tesco has the greatest contribution overall, the local assortment was more attractive where there was requisite variety in store mix. The work also found that there is as much variation in satisfaction within towns as between towns. This highlights that satisfaction masks significant local disadvantage where particular consumers are challenged by local or personal circumstances. The implication is that if policy-makers are serious about protecting consumer satisfaction from detrimental effects of competition, they will need to 'drill down' analysis to the neighbourhood / intra-urban level.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Harradine and Ross (2007)	To explore key differences in the perceptions of parents and children towards branding, examining differences and potential implications	UK		A range of research methods including pre-focus groups, focus groups, a census of all children and a survey of parents.	The study demonstrated a gap between the perceptions of parents and the actual brand awareness of their children. The research indicated that children tend to be brand aware at a younger age than their parents believe. The study indicated that children have a growing ability to receive information about brands and are able to use this knowledge to inform the growing influence that they exert in the buying process.
Myers and Lumbers (2008)	To assess the implications of rising numbers of over 55 year olds for retailers.	UK	88	Interviews and focus groups	Findings suggest that retailers will have to improve their retail experience, pricing, size of stores/malls, targeted promotions, personalised service and the physical layout of stores.
Smith and Searle (2008)	Assesses mortgage equity withdrawal	UK	n/a	Review of survey data	Weighs up the costs and benefits of 'wealth effects' and 'equity leakage' for both housing and economic policy. Note however, that this is NOT retail or marketing specific in its focus.

3.6 STORE DESIGN AND THE ART OF SELLING AND SERVICE: IMPLICATIONS FOR STAFF TRAINING

An area where it was felt more research would be beneficial included deepening our understanding of successful store design and the service experience, and - more practically - any implications for staff training.

While it is clear that academics have not been silent on issues related to store layout, store experience and service, this research may not have been sufficiently communicated to retailers. Additionally, the managerial implications of this work have not been made sufficiently clear. Specific issues that were raised by interviewees on this issue included:

- *How can store layout be improved both in terms of within stores and with regard to the organisation of shopping centres?*

- *How can assisted selling be achievable while keeping costs down?*

- *What are implications for training staff?*

- *How does staff training dovetail with constructing a store experience?*

Academics have analysed relevant issues concerning this wide ranging theme:

Store and mall design and the interaction of the service environment with customer purchasing behaviour have been long established topics of concern for marketing and retail academics. Such work has included the study of:

- **The assessment of atmospherics of the store and mall and their effects on store performance.** There is a well established literature that draws on a range of factors that make up overall store atmosphere such as the role of music (Garlin and Owen, 2006; Vida *et al.*, 2007), odours (Michon *et al.*, 2005) and crowding (Eroglu *et al.*, 2005) on consumer behaviour.

- **The role of creating customer experiences by the retailer.** Since the highly influential work of Pine and Gilmore (1999) on the so-called "experience economy" which advocates that retailers generate in-store experience and retail theatre for consumers, there has been a concern with analysing and understanding the success of these strategies. Developing this classic study, in a widely cited paper, Kozinets *et al.* (2002) note how retailers are increasingly exploiting the mythological appeal of the narratives conveyed by their physical and symbolic structure via flagship stores. They suggest that these landscapes combine entertainment, therapeutics, and spiritual growth and are at the frontier of retail theming.

  In their study of how retailers as well as consumers relate to in-store experiences, Blackstrom and Johansson (2006) found that retailers use ever

more advanced techniques in order to create compelling in-store encounters to their consumers. In contrast, the depiction given by consumers reveals that their in-store experiences to a large extent are constituted by traditional values such as the behaviour of the personnel, a satisfactory selection of products and a layout that facilitates the store visit.

AIM Senior Fellow Chris Voss and AIM Research Fellow Leonieke Zomerdijk (2007) have contributed to this debate, by analysing innovation in experiential services from a customer journey approach rather than from the perspective of technology or viewed as a single transaction.

Other related recent work has adopted a qualitative approach analysing what creates customer delight in a retail setting. Such work suggests that empowering employees is useful to create a customer-centric experience while providing an offer differentiated from the competition is also linked to delight (Arnold *et al.*, 2005). Healy *et al.* (2007) note that there is a need for retailers to deepen their understanding of the retail experiences of consumers through the use of ethnography, rather than studying different facets of retail atmospherics (e.g. music, lighting and crowding) in isolation.

- **Improving store and mall design**. Academics have rarely focused directly on this issue but a notable exception is work by retail consultant, Paco Underhill who draws on his extensive consulting experience in two key texts (2000; 2004). Underhill's thesis concerns practical developments that retailers can make to store interiors, layout and service in order to promote greater customer satisfaction and consumption.

Customer service is key to building store experience and creating store atmosphere. Indeed, a recent edition of the *Journal of Retailing* was dedicated to this issue entitled 'Competing through Service' and argued that:

> 'firms that leverage service can build strong relationships with customers that will generate barriers to competition, increase customer loyalty and switching costs, and make market activities more efficient' (Bolton *et al.*, 2007, p 1).

Indeed, recent research in a mall setting noted the positive effect that *personal* service and customer experiential value has on customer behavioural intention (Keng *et al.*, 2007). Similarly, the findings of Arnold *et al.* (2005) suggest that employees should be empowered to deliver more personalised service, but other studies (notably Netemeyer and Maxham, 2007; Schau *et al.*, 2007) have concluded 'that firms must be cautious about giving service representatives latitude in how they perform routine customer service transactions and recommend that some employee behaviors (though not all) should be standardized in the retail service sector' (Bolton *et al.*, 2007, p 3). Clearly this creates challenges for retaining service quality through standardisation while still exhibiting a high standard of customer care; not least as retailers are reacting to high labour costs in developed countries by outsourcing customer support functions.

Other recent work has distinguished between service brands and service representatives by consumers – research that has considerable implications for service

recovery. Hess *et al.* (2007) note that in instances of poor service, consumers distinguish between the employee and the organisation. Customers are less likely to attribute failure to the retailer if they have had prior excellent service, therefore underlining the need to reduce variability in service quality across organisations. Other research streams include examining service recovery and the reacquisition of "lost" customers, urging retailers to consider a customer's reasons for leaving and their relationships with the current service provider (Tokman *et al.*, 2007).

It is unsurprising that recent studies have argued that service is more than adding value to products but also about the collective roles of marketing, strategic business, human resource, information systems, financial and operations management to produce and distribute better products. Consequently 'effective competing through service has to do with the *entire organization* viewing and approaching both itself and the market with a service-dominant logic' (Lusch *et al.*, 2007, p 5, our emphasis).

Given the key competitive advantage that good customer service can provide for retailers, it is concerning that a recent analysis of UK employers' perceptions of skills gaps in retail has noted unease regarding the ability of employees to engage with customers at the required level. Indeed, they found that 'Potential retail employees generally presented a lack of communication skills and lack of people skills/customer service awareness' (Hart *et al.*, 2007, p 278).

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.6.1 Literature review: Store design and the art of selling and service: implications for staff training

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Arnold *et al.* (2005)	To determine the sources of "delightful" and "terrible" shopping experiences for retail shoppers	US	113	Interviews	Finds that empowering employees is useful to create a customer-centric experience. Also providing an offer differentiated from the competition is also linked to delight.
Blackstrom and Johansson (2006)	Investigates the substance of arguments about an experience-oriented economy and experience-seeking consumption in retailing. Analyses how retailers as well as consumers relate to in-store experiences.	Sweden	See left	Case study research approach (n=7) and the Critical Incident Technique (n=252)	Retailers use ever more advanced techniques in order to create compelling in-store experiences to their consumers. In contrast, the depiction given by consumers reveals that their in-store experiences to a large extent are constituted by traditional values such as the behaviour of the personnel, a satisfactory selection of products and a layout that facilitates the store visit.
Eroglu *et al.* (2005)	Two studies were conducted to examine whether shopping values are affected by perceived retail crowding, and whether shopping values mediate the relationship between perceived retail crowding and shopping satisfaction.	US	Study 1: 153 Study 2: 296	Questionnaire	Results of the first study show that perceived retail crowding affects shopping values, albeit not very strongly. Study 2 indicates that the impact of perceived crowding on shopping value is mediated by emotions experienced by the shopper. The emotions and shopping value reactions, in turn, mediate the effect of spatial crowding on shopping satisfaction. Interestingly, the results show that when these mediating variables are accounted for, human crowding positively affects shopping satisfaction.
Healy *et al.* (2007)	Makes a case for more ethnographic research examining how consumers experience themed retail spaces to achieve a greater understanding of the whole retail experience.	n/a	n/a	Methodological paper	The paper proposes a 'toolkit' for marketing researchers that will assist with the collection of dynamic data from the experiential retail environment, including the contextual shifts of the consumer (from home, to store, and post-consumption). In addition, it identifies a number of suggested strategies for conducting, analysing and interpreting retail ethnography.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Hess *et al.* (2007)	Investigates customer responses to interactional service failures, such as a service provider who is rude, inattentive, or unfriendly.	US	288 and 304	Participants in both studies responded to a survey in which the scenario described one of eight randomly assigned experimental conditions.	Empirical results demonstrate that customers' responses to these interactional failures distinguish between the offending employee and the organization. Dissatisfaction with the organization critically depends on the customer's attribution of globality—how widespread the interactional failure is throughout the organization.
Garlin and Owen (2006)	A meta-analytic review of the effects of background music in retail settings.	n/a	148	Review. Uses a sample size of 148, taken from 32 studies	A conservative approach to the analysis reveal small-to-moderate, yet quite robust effects in terms of background music and the dependents: value returns, behaviour duration and affective response.
Keng *et al.* (2007)	To explore the impacts of service encounters on customer experiential value and subsequently on customer behavioural intentions in a shopping mall context in Taiwan.	Taiwan	186	Data were gathered using mall intercepts at three large shopping malls in northern Taiwan. Structural equation modelling was employed to assess the proposed research model empirically.	Personal interaction encounters positively influenced perceptions of efficiency and excellence value; physical environment encounters positively affected perceptions of playfulness and aesthetics; and all dimensions of customer experiential value (i.e. efficiency, service excellence, playfulness, and aesthetics) positively affected customer behavioural intentions.
Kosinets *et al.* (2002)	To conceptualize and explore themed flagship brand stores in terms of the mythological appeal of the narratives conveyed by their physical and symbolic structure.	US	1	Uses a field study of ESPN Zone Chicago to examine these features in a sports-themed retail brand store.	Concludes that mindscape-related themes, which combine entertainment, therapeutics, and spiritual growth, are at the frontier of retail theming.
Lusch *et al.* (2007)	Review article that argues that retailers should adopt Service-dominant logic as contrasted with a goods-dominant logic to provide a framework.	US	n/a	Review article	Review article that argues that retailers should adopt Service-dominant logic as contrasted with a goods-dominant logic to provide a framework.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Michon *et al.* (2005)	Investigates the moderating effects of ambient odours on shoppers' emotions, perceptions of the retail environment, and perceptions of product quality under various levels of retail density.	US	279	The context for the experiment is a real-life field location—in a community shopping mall. Results analysed using a multigroup invariant structural equation model	Ambient odours positively influence shoppers' perceptions only under the medium retail density condition.
Netemeyer and Maxham (2007)	Examines predictive validity differences of service employee ratings of their performance versus supervisor ratings of employee performance with respect to customer satisfaction and customer likelihood of spreading positive word-of-mouth after a service recovery attempt.	US	Two samples – 132 and 320	E-mailed survey with customers, customer service employees and supervisors.	The results generally show that supervisor ratings are more strongly positively related to customer satisfaction and WOM than are employee ratings of their own performances. The results also show that both supervisor ratings and employee ratings are related to customer satisfaction and WOM in a curvilinear fashion (as well as linear fashion).
Schau *et al.* (2007)	Analyses the implications of when service operatives divert from the "script" in service encounters.	US	2,000 encounters	The authors analyze more than 2,000 service encounters. Used video tapes of encounters and semi-structured interviews.	While on-script encounters are preferred, language code switching can also have positive outcomes at little cost to organizational efficiency. In contrast, dialect and brand code switching subvert the service script with negative consequences. Brand code switching is found to be particularly problematic for small market players attempting to compete against market leaders.
Tokman *et al.* (2007)	Develops an empirical model to identify the factors driving win-back offer effectiveness in the case of "lost" customers	US	429 respondents	Online questionnaire	The findings indicate that, in order for win-back offers to be effective, service providers must consider a customer's reasons for leaving and their relationships with the current service provider. Value determinants (price and service benefits provided in the win-back offer), social capital and service importance play a prominent role in shaping customer switch-back intentions regardless of the level of previous satisfaction.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Vida *et al.* (2007)	Examines the effects of in-store background music valence (liking) and music fit with the overall store image on consumer evaluative and behavioural responses in the context of a high-end supermarket chain.			The hypothesized relationships are examined via covariance analysis using store-intercept consumer data.	Finds that shoppers' liking of music in the natural retail setting and the perceived music fit with the store image positively affected length of shopping time, which, in turn, indirectly influenced customers' expenditure.

3.7 E-TAILING – BUSINESS MODELS, THE CONSUMER AND SUSTAINABILITY

While internet retailing has received a huge amount of academic consideration, it was felt by practitioners that there are some key practical issues that could be addressed more directly in research as well as the current literature being communicated in a more accessible and digestible fashion for business use:

- *What are the physical implications for store space growth? Are there broader implications for retail property?*

- *What are implications for retail productivity? Which sectors are affected?*

- *How can the "bricks n'clicks" approach become profitable? How can retailers gain scale economies? What are the long term growth projections for this form of retailing?*

- *How can customer data gathered in this process be productively used?*

- *How can customers be actively retained?*

- *Can retailers actually build a strong and loyal relationship with consumers? If so, how?*

- *Understanding customer views and opinions. For example:*
  - *What is the relationship between e-shopping and conventional stores?*
  - *What factors are important in overcoming consumer resistance to using e-tailing?*
  - *Do security concerns remain and how can they be overcome?*
  - *How important are press reports of service failure in forming negative perceptions and changing behaviour?*
  - *What is the level of real customer satisfaction?*
  - *How much substitution is there really?*
  - *What is the relationship between the store and the Internet? Is there best practice at some retailers? If so, how can this be replicated?*
  - *What is the role of a retailer's brand name and how can it be leveraged to best effect?*
  - *How is e-shopping integrated into consumers' lives? Who makes the consumption decisions and is it different than with conventional shopping?*

- *With the emergence of so-called Web 2.0 (Tapscott and Williams, 2007), what are the implications for retailers? How can they become integrated into these networks and make their services more relevant to consumers?*

Given the topicality of online retailing since the mid-late 1990s, there have been robust research streams that have analysed a wide range of topics related to e-tailing.

While the AIM agenda to date has not yet explicitly addressed these issues, they have been explored within management research. For ease of reading, we have divided this work into a number of pertinent sub-themes:

Implications of online retail strategy (Burt and Sparks, 2003):

- **Models of e-tailing development from a retailer perspective** (Ashworth *et al.*, 2006).

- **Linking customer facing multi-channel mediums** (store, web, catalogue) has been another key concern with the consumer not recognising the logistical challenges of fusing the value chain (Berman and Thelan, 2004; Neslin *et al.*, 2006).

- **Reviews of best online practice** (Hackney *et al.*, 2006).

- **Pricing implications of online business** is especially important for bricks n'clicks operators as errors and inconsistencies can have considerable implications for business performance (Bock *et al.*, 2007; Venkatesan *et al.*, 2006; Zhao and Cao, 2004).

- **Improving the sociality, visual merchandising and experience of online shopping** given the lack of physical interaction associated with virtual shopping (Ha *et al.*, 2007; Wang *et al.*, 2007). In this channel, web site design and retail display are key, with an appropriate balance between simplicity and interactivity is important from the perspective of customers (Currah, 2003). Indeed, some research has explored the usability of pattern customising technology in the achievement and testing of fit for mass customisation (see Apeagyei and Otieno, 2007).

- **Data mining and personalising web sites for individual consumers** (Zhang, 2007).

Analysing the distribution challenge in terms of delivery or "last mile" solutions (Punakivi *et al.*, 2001) **and fulfilment** (Delaney-Klinger *et al.*, 2003; Yousept and Li, 2005) has been important as this is located at the customer-facing end of the value chain where service failure can have considerable implications for loyalty and repeat purchasing behaviour.

Online customer behaviour has complemented the work that has been ongoing concerning conventional consumer behaviour throughout marketing, retailing and business management more widely. This has focused on some specific online retail themes**:**

- **Understanding online loyalty** (Rafiq and Fulford, 2005; Wallace et al, 2004).

- **Understanding the relationship between store and online** (Weltevreden, 2007).

- **Customer trust and online retailing** (Pan and Zinkhan, 2006).

- **Testing established models of consumer behaviour** (Hansen, 2006; Hansen *et al.*, 2004).

- **Socialisation and usage** (Lueg *et al.*, 2006). Some interesting recent research in a fashion context has explored how virtual online communities discuss and consider fashion choices and the role that marketing has on consumers (Thomas *et al.*, 2007).

Implications of online retailing for retail property (Dixon and Marston, 2002)

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.7.1	Literature review: E-tailing: business models, the consumer and sustainability				
Study	**Research question**	**Country**	**Sample size**	**Method of data collection & analysis**	**Summary of empirical findings as they relate to the theme**
Apeagyei and Otieno (2007)	To evaluate and present the usability of one pattern customising technology in the achievement and testing of garment fit	UK	n/a	Examines the usability of one pattern customising technology in the achievement and testing of fit and presents primary data from experiments on the provision and testing of garment fit of specified size patterns for a jacket and skirt.	The study found that 3D software for fit provision and testing is still in its infancy, although advancements are currently being made in this area. It establishes that while fit can be virtually tested with 3D technology, its usability is not yet fine-tuned. It evaluates procedures and presents problematic features of the 3D software. It underscores that although some issues concerning efficient provision and testing of fit still exist, 3D technology overall provides adequate evaluation of fit.
Ashworth *et al.* (2006)	Conceptualizes and contrasts the stages involved in the move online for an existing high street retailer and a new market entrant in the lingerie/fashion sector.	UK		Comparative case study approach focusing on interviews.	Findings indicate that the route to success lies in bridging five essential knowledge gaps as each organization progresses through five critical stages on the route to achieving sustainable e-retail.
Berman and Thelen (2004)	Analyses the benefits of a multi-channel, integrated approach and provides a check-list to enable a retailer to assess its readiness to undertake a multi-channel strategy.	n/a	n/a	Review/Commentary	Outlines the advantage of a multi-channel strategy, the characteristics of a well-integrated multi-channel strategy and the pitfalls associated with it.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Bock *et al.* (2007)	Explores how the maturity of an Internet market affects on-line market pricing in relation to types of products and retailers. It analyzes the pricing differences between pure on-line retailers (e-tailers) and hybrid retailers (multichannel retailers) for three categories of products in two countries with different levels of Internet maturity.	China and the US	48 retailers	Price analysis	The results show that (1) e-tailer price dispersion is lower in the United States than in China, (2) price levels in the two countries vary with product types, and (3) in both countries, e-tailers have lower price levels and price dispersion than hybrid retailers. These findings suggest that the maturation of Internet markets may lead to lower prices and price dispersion, but with variations dependent on type of product and retailer.
Burt and Sparks (2003)	Reviews the published evidence on the impact of e-commerce on the retail process. It reviews the situation rather than introducing new evidence.	n/a	n/a	Review/Commentary	First, the largest retailers are now pursuing Internet-enabled advantages and cost reductions in operations, which could translate to an enhanced competitive position in process, structure and relationship terms. Secondly, consumer reactions to the new real and virtual offers will be fundamental to their success and failure, but as yet consumer reactions are not fully understood. Thirdly, existing retail floorspace will need enhancement in quality and presentation if it is to continue to provide retail functions.
Delaney-Klinger *et al.* (2003)	A comparison of the online business models of Tesco and the defunct WebVan.	UK and US	n/a	Analysis of secondary data and literature review	Demonstrates how creating a match between a firm's operating and marketing strategies is critical and outlines the benefits that bricks and mortar operators can leverage.
Dixon and Marston (2002)	Examines the impact of e-commerce on sales and rental values and on the future space and ownership/leasing requirements of U.K. retailers	UK	n/a	Case study of one town, literature review and secondary data analysis.	The difficulties of isolating the impact of e-commerce from other forces for change in retailing are highlighted. In contrast to other viewpoints, the results show that e-commerce will not mean the death of conventional store-based U.K. retailing, although further benchmark research is needed.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Kackney *et al.* (2006)	To evaluate and present best practice strategies employed by major retail organisations in Internet retailing	UK	n/a	A conceptual synthesis of current knowledge, based on theoretical constructs and empirical observations.	There is evidence of varying degrees of progress and lessons learnt, from adopting strategies and internet technologies, with new ways of conceptualizing and managing virtual retail operations. The research challenges existing thinking and makes sense of the plexus between this technology and the market place.
Ha *et al.* (2007)	The purpose of this study was to examine visual merchandising (VMD) elements of apparel retail web sites, to describe the state of apparel online VMD and to develop a taxonomy of online VMD cues whose effects can be studied empirically	US and Korea	100 web sites	Web site content analysis in US and Korea.	Results of the study revealed that many VMD features of offline stores have been implemented online. In addition, some VMD features of online apparel stores do not have a direct offline parallel. The taxonomy of VMD cues can be used by researchers to systematically study the effects of the cues following the SOR Model.
Hansen (2006)	To develop and empirically tested a model for understanding what factors determine repeat buying behaviour of already experienced online grocery consumers.	Denmark, Sweden	2270 consumers	Online (web-based) survey of Danish/Swedish consumers using self-administered questionnaires.	Results suggest that consumers' attitude towards online grocery buying is positively affected by perceived offline physical effort and negatively affected by offline shopping enjoyment. Also, it was found that a perceived high Internet grocery risk does not form an action barrier for consumers who already have a positive attitude towards online grocery buying. The results also indicate that consumers may hesitate from repeat online buying if they are faced with high online complexity.
Hansen *et al.* (2004)	Tests the ability of two consumer theories—the theory of reasoned action and the theory of planned behavior—in predicting consumer online grocery buying intention.	Denmark, Sweden	2260	Online (web-based) survey of Danish/Swedish consumers using self-administered questionnaires.	Results suggest that the theory of planned behaviour (with the inclusion of a path from subjective norm to attitude) provides the best fit to the data and explains the highest proportion of variation in online grocery buying intention.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Lueg *et al.* (2006)	The consumer socialization (CS) perspective is applied to explore factors that influence a developing consumers' use of different shopping channels—mall and Internet	US	1258	Questionnaire	Results indicate that involvement with a channel has a major influence on agent communication, time and money spent, and future intentions to shop in that channel. Agent communication was also found to influence shopping behaviours and intentions.
Neslin *et al.* (2006)	Reviews the opportunities and challenges posed by multi-channel customer management.	n/a	n/a	Review	The authors identify five major challenges practitioners must address to manage the multichannel environment more effectively: a) data integration, (b) understanding consumer behaviour, (c) channel evaluation, (d) allocation of resources across channels, and (e) coordination of channel strategies.
Pan and Zinkhan (2006)	Explores the impact of privacy disclosures on online shoppers' trust in an e-tailer through a two-phase study	US	150	Questionnaires	Results suggest that online shoppers find a short, straightforward privacy statement more comprehensible than a lengthy, legalistic one. However, how a privacy policy is presented (in terms of wording) does not affect a shopper's trust in the store to any significant degree
Punakivi *et al.* (2001)	Investigates existing home delivery service concepts and presents simulation results of the differences in operating cost levels of the attended receipt solutions compared to the unattended receipt solutions.	n/a	n/a	Simulation results obtained using RoutePro. Algorithms utilise digital maps of the selected area, enabling different road type usage exacting simulation outcomes such as working hours and the number of vehicles needed.	Home delivery solutions enabling secure unattended reception are operationally the most cost efficient for last mile distribution.
Rafiq and Fulford (2005)	Aims to examine the effectiveness of UK supermarkets in transferring store loyalty to online loyalty.	UK	45	Online consumer survey	The research suggests that smaller retail brands have two main options, namely growing the size of the brand or building a niche brand. For a market leader the challenge is to become a "super-loyalty brand". That is, to achieve levels of loyalty higher than predicted by the double jeopardy effect, either through segmentation or through better service provision than that of competitors.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Thomas *et al.* (2007)	To examine the fashion-related discussion which is taking place on MySpace.com.	US	6,623 posts	Content analysis of online discussions	Eight recurring categories of fashion related information were identified in the study. The four most popular discussion categories were personal style, brands and designers, tips and advice, and retailers. The prevalence of these four topics suggests that consumer driven marketing is a growing and influential component of fashion marketing.
Venkatesan *et al.* (2006)	Constructs a multi-level hierarchical linear model to empirically test whether market level characteristics moderate retailer characteristics in explaining price dispersion.	US	194 online retailers	Based on a dataset of 13,393 price quotes for 1880 best selling products across eight product categories from 194 online retailers.	Provides the first known empirical evidence for the existence of mixed pricing strategies among online retailers. Contrary to conventional wisdom, we find that retailers providing quality service are able to charge higher prices as the competition increases.
Wallace *et al.* (2004)	Investigates customer retailer loyalty in the context of multiple channel retailing strategies.	US	580	Questionnaire	Results show that multiple channel retail strategies enhance the portfolio of service outputs provided to the customer, thus enhancing customer satisfaction and ultimately customer retailer loyalty.
Wang *et al.* (2007)	Investigates how the social cues inherent in avatars influence consumers' affect and shopping value.	US	Study 1: 333 Study 2: 250	Asked study respondents to browse experimental Web sites and then complete questionnaires that contained items to measure the model's constructs	Findings suggest that there is a competitive advantage for online retailers that use social cues that provide consumers with enhanced perceptions of human connection and the formation of emotional bonds
Weltevreden (2007)	Explores the impact of e-shopping on shopping at city centres in the Netherlands for 25 retail categories.	Netherlands	3200	E-mailed online questionnaire	Results indicate that in the short run, e-shopping is unlikely to have a significant effect on purchases at city centre stores. In the long run, however, e-shopping may well substitute for going to actual stores. Furthermore, consumers today frequently consult the Internet before making a purchase from a store, and the city centre constitutes a source of information before an online purchase is made.
Yousept and Li (2005)	Uses the case of ASDA.com, to demonstrate the challenges in building and developing an online grocery business in the UK.	UK	n/a	Case study	Particularly delineates the operational aspects of B2C e-commerce in the grocery business: fulfilment centre and fulfilment process.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Zhang *et al.* (2007)	Describes a toolset that exploits web usage data mining techniques to identify customer Internet browsing patterns. These patterns are then used to underpin a personalised product recommendation system for online sales.	n/a	n/a	Neural networks	Demonstrates that this approach can overcome the scalability problem that is common among these types of system. Also shows that a personalised recommender system powered by the SOM predictive model is able to produce consistent recommendations
Zhao and Cao (2004)	To investigate how an e-tailer's inventory policy may affect customers' online purchase decisions, the e-tailer's price levels, and its overall profitability.	US	n/a	Construction of a two-period model, in which both the search and experience attributes of inventory policies are considered.	Findings show that the zero-inventory e-tailer charges lower prices than the positive-inventory one, but the price differential decreases over time if the market expands rapidly. The findings also show that the zero-inventory policy is preferred under a moderately positive relationship between reservation price and impatience for delivery, whereas the positive-inventory policy is preferred when these two variables are independent of each other. Furthermore, the results show that a more rapid expansion of market is a favourable condition for the zero-inventory e-tailer.

3.8 BALANCING ENVIRONMENTAL/ETHICAL CONCERNS WITH RETAIL PERFORMANCE

Given the topical nature of these concerns, it is unsurprising that environmental and ethical concerns were so robustly represented in our interviews. Business academics have started to analyse these strategies and their implications but such work is at a relatively early stage and primarily descriptive in nature at present.

Specific issues identified in interviews for future analysis include:

- *Can retailers be global but act (and be seen to act) locally?*

- *How can retailers become "environmentally friendly" consistent with a progressive sales generation strategy?*

- *The implications of environmental taxes on business performance.*
    - *For example, in the event of increased tax on car use and congestion charges how will the catchments of large stores change? How will this affect the sunk costs of long term investment in stores?*

- *How important are consumers' views? Do they change behaviour in response to ethical concerns?*

- *What are the commercial benefits of sustainability and how can they be developed?(e.g. carbon labelling)*

- *Is the concern with the push towards ethical/fair trade with poorer nations diametrically opposed to the concern with the carbon footprint of products?*

Early work such as Whysall's review (2000) noted the need for retailers to consider wide ranging ethical issues, adopt a stakeholder model and generate "best practice". Other early work has analysed the emergence of fair trade retailing and reviewed how it can be leveraged as a differentiation strategy to achieve competitive advantage (Nicholls, 2002) – something that has been reinforced subsequently through a range of studies (e.g. Jones *et al.*, 2003).

Subsequently, a wide range of work has emerged that has uncovered interesting aspects of ethical strategies by retailers. Notable work to date has focused on the following sub-themes:

General reviews of corporate social responsibility and Codes of Conduct at retailers. This has been analysed both in a UK context (Jones *et al.*, 2005; 2007; Piacentini, 2000) and also internationally (Mamic, 2005). Frequently it has acknowledged the difficulty for stakeholders to possess sufficient information by which to evaluate corporate performance of corporate social responsibility (CSR) (e.g. Whitehouse, 2006) and therefore the lack of clarity of their success.

Analyses of consumer decision-making with regard to ethical products. Most frequently this work analyses aggregate groups of responses (e.g. Babin *et al.*, 2004; Chatzidakis *et al.*, 2007; Shae and Shiu, 2003; Vantomme *et al.*, 2006) and at others, consumers' responses to ethical policies of *specific retailers'* ethical stances (e.g. Iwanow *et al.*, 2005). In addition, other research has investigated retail salespeoples' ethical perceptions and how this affects behaviour (e.g. Bahaudin and Sims, 2006; Dubinsky, 2004).

Analyses of ethical supply chains and sourcing. This stream of research investigates the sourcing ethics both within specific retail sectors (e.g. Fearne *et al.*, 2005; Pretious and Love, 2006) and specific companies (e.g. Graafland, 2002). It analyses the evolution of corporate codes of conduct, supported by multi-stakeholder initiatives, to ensure retailers global supply chains are progressively learning to become more ethical and displaying a more responsible form of capitalism (Hughes, 2006; Hughes *et al.*, 2007). At times such analysis has uncovered breaches of retailer's codes with one study finding that over two thirds of suppliers not complying with the majority of studied standards (Egels-Zanden, 2007).

The following table summarises key literature that has been referred to in the preceding discussion of themes.

3.8.1 Literature review: Balancing environmental/ethical concerns with retail performance					
Study	**Research question**	**Country**	**Sample size**	**Method of data collection & analysis**	**Summary of empirical findings as they relate to the theme**
Babin *et al.* (2004)	Investigates how interacting with a salesperson generates ethical perceptions that shape consumer emotions.	US	Convenience sample of 220 undergraduates	Several hypotheses were developed and tested. They model the influence of three moral philosophical dimensions (moral equity, contractualism and relativism) on affective responses and future purchase intentions	Results from the study extend both research themes and generally suggest that good ethics is good retailing practice. The research supports the use of the multidimensional ethics scale (MES) in a consumer behaviour/patronage context.
Bahaudin and Sims (2006)	The purpose of this study was to test the effectiveness of an informal socialization process for reported employee attitudes towards unethical behaviour within a large retail organization.	US	477	Compares the reported ethical attitudes of full-time employees (N = 203) who were socialized using an informal approach, to the reported ethical attitudes of their managers (N = 274) who were socialized using a formal approach.	The results indicate that the informal approach to ethical socialization was not as effective as the formal approach to ethical socialization. Employees were more accepting of unethical behaviour than were their managers.
Dubinsky *et al.* (2004)	Examines the impact of retail salespersons' moral philosophy on their perceptions of situations.	US	201 salespeople	Questionnaire. Analysed via t-tests, ANOVA, LSD tests	Findings reveal some evidence that moral philosophy does indeed have an effect on retail salespeople's ethical beliefs.
Fearne *et al.* (2005)	To explore the nature and scope of good and bad practice in the relationships that UK supermarkets have with their suppliers of own-label products in the main commodity sectors.	UK	140	Postal survey	The results demonstrate the heterogeneity in relationships between supermarkets and their suppliers of own-label products in the main commodity sectors the extent to which retail and supply chain strategy is likely to influence the way in which supermarkets deal with suppliers. Best practice was most evident in the two supermarket supply chains where supply base rationalisation has virtually ceased and the adoption of lead suppliers and sole suppliers has been most evident in recent years.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Graafland (2002)	Studies how C&A organises the implementation of its values in the sourcing process.	Europe & Asia	25	25 personal in-depth interviews with C&A managers and 12 personal interviews with Asian suppliers.	On the whole, C&A shows a good performance by having a concrete and realistic code of conduct for suppliers, controlling the application of this code by SOCAM, publishing an annual report of the results of SOCAM, sanctioning suppliers who do not meet the requirements of the code and improving the situation by allowing suppliers to develop corrective plans.
Iwanow *et al.* (2005)	To explore the extent to which consumers' ethical concerns impact upon apparel purchase decisions and highlight the value of The Gap's corporate code of conduct in meeting these concerns.	UK	200	Face-to-face questionnaires. Respondents were recruited from central shopping areas using a convenience sampling method.	Despite consumers possessing a high level of awareness of ethical issues, results reveal that factors such as price, quality and style have a greater influence on their apparel purchase behaviour than their concerns about the ethical practices of the supplier
Hughes *et al.* (2007)	Evaluates the distinct roles played by multi-stakeholder initiatives for ethical trade in the UK and USA	UK and US		Qualitative interviews	While the UK's core multi-stakeholder initiative, the Ethical Trading Initiative (ETI), encompasses retailers from a variety of sectors and takes a developmental and continuous learning approach to ethical trade, the US multi-stakeholder initiatives are focussed more on corporate accountability based on compliance monitoring exclusively in the clothing sector. Given recent organisational attempts to foster transnational dialogue between multi-stakeholder initiatives, though, the precise ways in which national-institutional contexts shape retailers' ethical trading approaches are fluid and mutable.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Mamic (2005)	Assesses codes of conduct instigated in the sports footwear, apparel and retail sectors.	China, Sri Lanka, Guatemala, Honduras, Mexico, Cambodia and Thailand	96	Interviews with 22 managers of MNEs and 74 of their suppliers	Implementing broad-based Codes of Conduct addressing labour, social and ethical issues in a disaggregated supply chain is a complicated and multi-faceted undertaking. This clearly requires the "buy in" of senior management.
Nicholls (2002)	Analyses the emergence of fair trade retailing and produces an ethical strategy matrix.	UK	Review article	Review article	Argues that fair trade retailing offers retailers the opportunity to develop their own profile in terms of CSR and scope to develop competitive advantage in a niche area of the market.
Pretious and Love (2006)	Investigates purchasing ethics within the UK clothing retail sector in the context of structural changes in the sector and the growth of international sourcing as a necessary strategic tool to maintain competitive advantage.	UK	16 managers	Questionnaire and interviews with managers in apparel buying departments.	Uncovers the existence of formal ethical purchasing guidelines within apparel retailers. In reality, adherence to purchasing guidelines, even where they are detailed in codes of conduct, shows variation between retailers and amongst individuals, sometimes within the same retail organisation.
Shaw and Shiu (2003)	Outlines results from a large scale national UK survey of known "ethical" consumers.	UK	1,472 known "ethical" consumers	Reliability analysis and structural equation modelling techniques were used. Using two data sets, a model of decision-making was developed and cross-validated.	Results of the study reveal the improved ability of this new model of ethical consumer decision-making in the explanation of intention to purchase fair trade grocery products.

Study	Research question	Country	Sample size	Method of data collection & analysis	Summary of empirical findings as they relate to the theme
Vantomme *et al.* (2006)	To propose and test a measurement technique of implicit attitudes that can partly account for the attitude-behaviour gap in ethical consumer behaviour, to investigate to what extent implicit attitudes determine ethical buying behaviour, and to discuss the marketing implications of the findings.	Belgium	86	Logistic regression analysis	Supports the relevance of implicit measures such as the Implicit Association Test (IAT) as a useful tool in this context. Found that the IAT effects for buyers and non-buyers of Fair Trade products were significantly different, showing that the IAT can be used to differentiate between buyers and non-buyers. Moreover, it is suggested that to incite nonusers to consume in a socially responsible way, not only explicit, but also implicit attitudes need to be changed.

3.9   IMPROVING THE ACADEMIC/RETAIL LINK

It is clear that much academic research – both that supported by AIM and more widely – confronts issues that are of interest to retail practitioners. However, an issue that came across clearly throughout all of the interviews was the perceived lack of communication of this retail-related academic work. With the exception of the National Retail Planning Forum (NRPF) which uses and disseminates some academic work, it is misguided to believe that retailers or the wider interested community ever pick up an academic journal. In the main, the industry does not have time to search around for such potentially relevant information.

Our interviews suggest that retail related research is *potentially* important to practitioners but that they find that useful material generally comes from commercial consultancies (e.g. Mintel, Verdict) or trade associations (e.g. Institute of Grocery Distribution). In addition, individual retailers or trade associations such as the British Council of Shopping Centres (http://www.bcsc.org.uk) or Accessible Retail (http://www.accessibleretail.co.uk/) commission their own research (see for example the BCSC's recent 'Shopping Places for People' series of reports – BCSC, 2006). Finally, some retailers will commission their own research both from consultancies but also fund short academic projects that are typically targeted at a particular issue (for example a Competition Commission Inquiry). This sometimes takes the form of building relationships with academic departments (e.g. Tesco's relationships with the Universities of Warwick, Aberdeen, Southampton and Surrey) but this is the exception rather than the rule.

Efforts need to be directed at linking retailers and academia to change perceptions toward a view that academic work can aid practitioners and ultimately increase business performance. While there are some retailers that explicitly recognise this, academic work is vastly under-utilised in the retail commercial context.

It was frequently mentioned that academic work in retailing is seen as distanced from practical retailing and over-theoretical. Indeed, there is a general perception that it is overly quantitative and abstract. This presents challenges to academics to present their work to the commercial world in a fundamentally different way to dissemination in the academic sphere. Research findings have to be easily accessible, digestible and focus on the managerial implications. The conventional journal publication is therefore not necessarily the best vehicle for achieving these aims.

4   CONCLUSIONS

Following discussions with retail practitioners, we suggest that there are four key factors that research councils should consider when prioritising academic research in retailing:

First, there is a need to continue efforts to engage in issues that are directly relevant to policy making. As such, the early dissemination of the preliminary findings of the ongoing AIM study: 'Evaluating Food Retailing Competition at the Micro-level Using Consumer Choice Profiling' in time for the deliberations of the Competition Commission is therefore helpful (see Clarke *et al.*, 2007).

Second, there is a perception that academic research is distanced from the "real" world and practical commercial retailing. Retailers want to see direct application and usefulness from topical research. For example, recent AIM work such as that concerning retail productivity (Griffiths and Harmgart, 2005; 2006) and the forthcoming work on retail innovation (ESRC, 2007) have proved illuminating and will be extremely welcome.

Third, independence is one of the key advantages of AIM and its recent work has allowed it to make insightful contributions that are not linked to any particular interest body. In essence research is required that "has no axe to grind" and will therefore be respected across the sector, whatever the interest of each respective stakeholder. This is especially the case for some of the more policy relevant and politically sensitive issues such as the effect of store development on local economies as well as more wide ranging competition issues where retailers are diametrically opposed to non governmental organisations and pressure groups (see the recent work of Clarke *et al.*, 2007 for the importance of such perspectives).

Fourth, there are key lessons here for the research councils as well as academia itself in terms of disseminating results of academic research in a location and format that is easily accessible for the industry. At present, AIM uses a variety of methods to disseminate its results including workshops, executive briefing documents and formal academic articles. This was an issue extensively discussed with Dr Kevin Hawkins, Director General of the British Retail Consortium, who suggested the development of a web site that could be regularly updated to act as a "one stop shop" on the practical and managerial implications of new academic research. In subsequent interviews respondents have, in principle, supported this idea. This has the potential to be a straightforward vehicle for maintaining contact with the sector that requires minimal funding.

5 ADDENDUM TO "ESRC BUSINESS ENGAGEMENT PROJECT: A SCOPING STUDY OF CONTEMPORARY AND FUTURE CHALLENGES IN THE UK RETAIL SECTOR"

5.1 INTRODUCTION

Over breakfast on 12th March 2008, the ESRC Business Engagement Forum for the Retail Sector was held at the Institute for Contemporary Arts in London, Chaired by Dr Kevin Hawkins former Director General of the British Retail Consortium.

Thirty-one representatives from industry, policy making, regulatory authorities, industry associations and academia came together to reflect upon the findings presented in ESRC's Scoping Study of Contemporary and Future Challenges in the UK Retail Sector and how the worlds of business and Higher Education might better collaborate in order to address these challenges.

In the sections that follow, we try to reflect and represent the conversations of that day. The purpose of this addendum is to provide a synthesis of the conversations that took place that morning. Over the course of the meeting the challenges identified in the scoping study were discussed and developed and new challenges and perspectives introduced for consideration.

5.2 FOCUS OF THE REPORT

Generally, delegates agreed that the challenges identified in the scoping study did currently occupy the minds of managers in the UK Retail Sector. However, a number of gaps were identified and the importance of being alert to sub sectoral differences and sensitivities was highlighted. Specifically, the skills agenda and the lack of retail and catchment data were highlighted; the latter having particular implications for property and planning issues as well as for the implementation and the initial formation of planning policy. Additionally, the need to take into account sectoral differences and differences in size between retail operations in any attempt to deal with the sector as a whole was emphasised.

Curiously, every respondent during the interview stage of this scoping study noted the importance of Corporate Social Responsibility, environmental and/or ethical challenges in contemporary retailing. Yet, other than the observations that "…the CSR and ethics issue will run and run" and that there is a tension between the "efficiency and sustainability agendas" the theme received surprisingly little attention at the Business Engagement Forum.

Possibly reflecting the composition of the Forum, the content of the scoping study was criticised, in some part, for too much of an orientation toward large retailers. Having said that, the challenges presented in the study were not strongly contested from the perspective of smaller retailers, and the Higher Education community was urged to acknowledge two important points:

1) At a headline level, the challenges are important across the whole industry, but at different levels of the industry the challenge will manifest in different ways, will have different implications and require different solutions: account must be taken of sub-sectoral variation.

2) In its current mode of engagement and in the language it uses, the Higher Education community distances itself from the world of retail practice and renders its knowledge outputs difficult to access. As one respondent had it, "the challenges presented in this format and language would mean little to independents…they wouldn't turn to this sort of writing, it would be of little value to them".

Both of these points have implications for the way in which the Higher Education community in general, and the ESRC in particular, respond to the challenges in the UK Retail Sector as articulated in this scoping study and by the delegates at the Business Engagement Forum.

5.3   PROPERTY AND PLANNING

Some delegates felt that the theme of property and planning had not received sufficient attention in the scoping study. Notwithstanding regional and national issues, a number of delegates stressed the importance also of a local perspective on planning and the sustainability of locations on the high street. The contribution the Higher Education community was encouraged to make here was in terms of:

- Developing better understanding of local demand and consumer segmentation
- Assessing the property and planning agenda to inform retailers of how to move forward and manage property
- Contributing to the development of a more consistent approach to town centre and planning policy. Perceived inconsistent and contradictory planning regimes (locally and nationally) were felt to stifle innovation.
- Assessing whether or not the high street, in its current format, is sustainable and could it work more efficiently for the industry?
- Determining the important factors in 'local' economies (to be defined) in influencing store development?
- Examining the influence and extent of impact of regulation on market conditions?
- Providing a robust evidence base concerning consumer behaviour (which may help contribute to the complex current and emerging debates regarding environmental sustainability versus economic efficiency), specifically the often knee-jerk reactions and evaluations of out of town, edge of town, and in-town shopping. Real evidence is required on exactly how 21st century consumers use such centres (this relates to points made below on understanding the customer).

5.4   UNDERSTANDING THE CUSTOMER

Understandably, issues relating to understanding the customer generated a high level of conversation amongst delegates. There was wide agreement with the observation that we appear to know a lot about 'how' customers behave, but our understanding of

the underpinning 'whys' is limited. However, we may not know as much as we think, and doubt was cast on the reliability and appropriateness of some of the data that is available. For example, some users are suspicious of the results of customer surveys fearing a bias toward socially desirable responding also, data that is routinely used in decision-making (such as might be drawn from the Office for National Statistics) often is not directly relevant and may need manipulating or inferences drawn from it. If it is the case that customers are giving socially desirable responses in surveys (and this has yet to be demonstrated, though it is widely suspected) then novel, longitudinal research methods are encouraged, including: consumer diaries and accompanied shopping.

At the Forum, there were strong calls for improved data quality and a better evidence base to inform the retail future, particularly for new models providing deeper understanding of customer behaviour and the factors impacting upon it. It appeared to be a commonly held view that existing models are based on historical assumptions and patterns, and so there is a need for hard evidence on how customers live their daily lives and which factors impact upon their behaviour as customers. The dynamics of consumer behaviour have not been sufficiently researched and this is an area the delegates felt would be valuable to retail development and growth. It was acknowledged that understanding the customer is a complex and time-consuming business and, to develop the sort of knowledge the industry requires, would require the collection and analysis of time-series data.

Largely validating the questions highlighted in the main body of the report (see Section 3), delegates emphasised the following:

- How reliable is the data returned from customer surveys? To what extent are responses conditioned by perceived social norms?
- What does the customer understand by emergent retail concepts (e.g. food miles), and what are the implications for service delivery?
- With reference to new retail pathways (e.g. internet shopping), what are the new consumer behaviours (e.g. do an online shop and then top up on the way home at a convenience store)?
- With reference to wider contextual factors (e.g. mortgage equity release, work/life balance, migration and immigration), how are consumer behaviours impacted and shaped?
- How firm is customer commitment to principles such as environmental sustainability? At what stage do principles begin to wobble when economic pressures begin to bite?
- Do we really understand what the customer wants from the retail experience? Are we actually producing and designing an environment that meets customer needs?
- Is the customer really as socially and environmentally aware and responsible as we are led to believe?
- How predictable is customer behaviour and what data is required to achieve this?
- How can the data currently available (e.g. loyalty cards) be better applied to generate deeper understanding?

- Can a way be found to encourage the sharing of proprietary information about customers for the greater benefit of the sector (e.g. aggregating or synthesising loyalty card data from multiple stores)?

5.5   DATA, USE AND THE EVIDENCE BASE

There is a big issue around data generation, dissemination and use in UK retailing, one delegate referring to it as a 'hotch-potch' compared against international competitors such as USA and Australia. It is difficult to get hold of the right information in a timely fashion that can be assimilated to make business decisions. Often, users are not clear what information is available and where it is held. Furthermore, it is always clear to the user if s/he is comparing like for like information which makes analysis difficult, sometimes misleading and can lead to inappropriate decision-making.

Whilst noting that those commissioning research may not even think of universities as a possible source, the delegates identified a number of areas where information supply needs to be improved:

- There is very poor local data, no Census of Distribution (though the National Retail Planning Forum, supported by an ESRC grant, is understood to be working on the Census of Distribution), no central data on retail planning applications and no accepted measure of turnover or productivity.
- No data on internet sales. All conjecture.
- More work needs to be done on ONS data sets – they are not always optimised for business use.
- How and why is the industry changing – what factors important in change (time series research encouraged)
- In the Census there is demand for an income question. To date, this has been blocked due to political pressures but it would have huge benefits to business as all of the spatial data on income is currently derived from other sources.
- Improved data availability and specificity would have implications for:
    - Catchment analysis
    - Retail planning formation and decision making
    - Productivity

From the point of view of research evidence into practice, during the Business Engagement Forum, in addition to those cited in the main report, one further study was noted as having been particularly impactful: The Leeds "food deserts" intervention study from the University of Southampton (see Wrigley, Warm et al 2003, 2004; Wrigley, Guy et al 2002a; Wrigley 2002). It is not clear, though what the characteristics are of these studies that have made them impactful and others not. A clearer understanding of why they were impactful might help future studies be better designed or at least their results translated with an end user in the world of policy and practice in mind.

Furthermore, there was a clearly articulated appetite for some sort of a précis or executive summary for practitioners to use as an entry point into the findings of academic research. These could be linked to the original studies should users wish to investigate the work further. But, in communicating the results of their work more

widely to a practitioner audience, academics are encouraged "to speak the language of the industry and communicate the findings and implications more clearly". That is, to publicise and clarify: one delegate noted that, in the previous week, he had had no contacts from social scientists but 7 or 8 updates from leading research and consulting firms about what they are doing. The industry would value knowing who in the academic community is active in which related fields, and being kept informed (with the potential to be involved in) new research initiatives. In recent years, the Advanced Institute of Management research has been publishing its "Innovation Directory"[1] . Now in its third edition, the Directory contains information about research activities and people in the UK Innovation Research community. A similar initiative for the retail sector might usefully meet practitioners' knowledge requirements in this area.

Possible approaches to better communication of research findings were considered. These included: the need for individuals to be assigned the specific task of getting information out; through network development – perhaps using Business Links, Chambers of Commerce and Federations as part of the knowledge supply chain to get into the smaller retailers (larger retailers tending to commission own bespoke research), or; developing a retail-specific network, one that could draw down existing research.

5.6 INNOVATION

Several fundamental questions were raised relating to innovation. These questions have been addressed in the academic literature in other domains (e.g. manufacturing), and there may be some opportunity for this learning to be transferred. However, the service sector in general and retail in particular have been poorly represented in the corpus of innovation research.

- What differentiates innovative and non-innovative retailers?
- How can innovation occur when it is stifled by a lack of conformity in approaches to retail planning at a local level?
- What is, and what drives retail innovation?
- Innovation in retail is intangible and difficult to measure: an appropriate set of metrics, to inform policy makers, is desirable.

5.7 SMALL FIRMS

The Higher Education community was urged not to let the smaller retailers 'slip off the radar' as they form a particularly important part of the sector and also fulfil important social functions. Furthermore, we were told, they have less time and are less-inclined to turn to academic output in order to address their challenges. Perhaps here, there is an opportunity for the Higher Education community to adopt a local perspective, a role for universities to disseminate the findings of research at a local level. However, whilst geographic proximity can play an important role in shaping university-industry interactions, little is known about the mechanisms that moderate its effects and the number of UK firms that use universities as a source of information remains low (see, for example Bishop et al 2008). Failing that, it appears that there is little opportunity for small retailers to access the results of academic research. But,

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[1] See http://www.aimresearch.org/index.php/our-research/aim-management-research-fora/aim-innovation-directory

firstly, the HE community must ensure it is addressing the sorts of questions to which smaller retailers want answers. Those suggested at the Business Engagement Forum include:

- For several decades now, Asian families have underpinned the small and convenience store sub sector. But now, as the third generation of these families are seeking occupations in sectors other than retail, what are the implications of this for local delivery?
- What next for the small Asian-run retail outlets as family members move toward other occupations?
- What are the characteristics of the successful small retailer?
- What is the business model of the small, successful retailer?
- What are the determinants of university/firm interaction?
- Better understanding of the competitive and complementary dynamics at a local level between large and small retailers. How can the small retailer compete with and complement the large retailer?
- What are the implications for smaller retailers of 'followership' status? For example, following the lead of the multiples on environmental and ethical practices? Is there a place for leadership?

5.8   ACADEMIC RELATIONS

The output of academic research is valued for its integrity, independence and rigour, and the expertise of those who produce it. But, frequently it is hard to identify, access and digest. To improve the infiltration of research into practice the Higher Education community should not be so reliant on the world of practice to come looking but be more active in pushing their work into the business community. Several suggestions were made, including:

- Ensure relevance by incorporating practitioners into the research process at the very earliest stages.
- Let the sector know who in the academic community is doing what and begin to develop better informed networks. AIM has published an 'Innovation Directory', now in its fourth edition, that lists, as far as is possible, academics active in the field of Innovation Research and Teaching in the UK. Something similar targeted toward the Retail Sector and its sub-sectors could be an important component of developing such networks.
- Disseminate results and updates of activity through trade press such as :
  - o   IGD
  - o   Retail Bulletin
  - o   Namnews
  - o   Retail Week
- Develop a one stop shop for dissemination of syntheses of research findings – a data library or website. The challenge here would be one of the 'translation' of retail academic studies into a format that can be digested by the retail world.
- Knowledge transfer should occur through people not only through knowledge artefacts.

If there was a message to the Higher Education community from this Business Engagement Forum, it was "Get out of your silos, don't generalise but target specific

sectors of the industry and give the industry the opportunity to get involved at an early stage in the research process – at the conceptualisation and design stage". As one delegate put it "Who is doing research that is interesting to me, and why aren't they getting in touch"? Delegates appeared to embrace the idea of becoming involved in projects with the Higher Education community to address their industry challenges, and the HE community was encouraged to continue making the approach always mindful of "speaking the right language". However, consideration also needs to be given to communicating results to store managers and owner mangers who spend more time 'on the floor' as opposed to in offices results should be delivered in an appropriate form – synthesised, short and relevant.

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Steve Gotham	Projects Manager	Allegra Strategies Limited
Kevin Hawkins	Former Chairman	British Retail Consortium
David Helson	Consultant	AEA Technology
Davinder Jhamat	Research Co-ordinator	The British Council of Shopping Centres
Peter Jones	Director	Turley Associates
Michelle Lowe	Professor of Retail Management and Lead Innovation Fellow	Advanced Institute of Management Research
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Richard Max-Lino	Lead Technologist, High Value Service Sector	Technology Strategy Board
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7   INTERVIEWEES

Executives consulted include:

- Dr Simon Bills, Senior Retail Analyst, McKinsey & Company
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- Keith Cameron, HR Director, Marks & Spencer•
- Ian Cheshire, Chief Executive Officer, B&Q
- Martin Colthorpe, Senior Marketing Manager, Tesco
- Michael Flood, Manager, Strategic Customer Analysis, John Lewis Partnership
- Michael Green, Chief Executive of the British Council of Shopping Centres
- Dr Kevin Hawkins, Director General of the British Retail Consortium
- Richard Hyman, Chairman of Verdict Consulting
- Matthew Hully, Development Analyst, John Lewis Partnership
- James Lowman, Chief Executive, Association of Convenience Stores
- George Nicholson, The National Retail Planning Forum
- Mark Roughley, Insight Manager, Tesco
- Kate Swann, CEO WH Smith

8   APPENDIX: INDICATIVE AIM RESEARCH TO DATE IN RELATION TO THEMES:

- Retail productivity (Rachel Griffith/Heike Harmgart) (see http://www.aimresearch.org/workingpapers/017rgpaper.pdf)

- Evaluating Food Retailing Competition at the Micro-level Using Consumer Choice Perceptions of Store Assortments (Clarke et al) (See http://www.aimresearch.org/prevaluating.html)

- Successful Strategic Transformers/Sustained Innovation (Johnson/Yip) (See http://www.aimresearch.org/events/091105gjohnson.pdf)

- Ideas Factory: Closing the Gaps, Crossing the Levels (Clegg et al). Specifically project 1 (see http://www.aimresearch.org/ideasoverview.html or http://www.cs.nott.ac.uk/~dap/network/project1.html)

- Innovation in Experiential Services – An Empirical View (Chris Voss and Leonieke Zomerdijk) (see http://www.london.edu/assets/documents/PDF/Innovation_in_Experiential_Services_with_cover.pdf)

- Retail Innovation (led by Michelle Lowe) (see http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/PO/releases/2007/april/innovation1.aspx?ComponentId=19192&SourcePageId=19249)

- Dynamic Capabilities and Organizational Learning: Socio-Political Tensions in Organizational Renewal (Elena Antonacopoulou; Jason Ferdinand; Manuel Graca; Mark Easterby-Smith) (see http://www.aimresearch.org/workingpapers/014eapaper.pdf)

- Why Is Productivity So Dispersed? (Rachel Griffith, Jonathan Haskel and Andy Neely) (see http://www.aimresearch.org/workingpapers/049rgpaper.pdf)

- Playing Football on a Soccer Field: Value Chain Structure, Institutional Modularity and Success in Foreign Expansion (Michael Jacobidies) (see http://www.aimresearch.org/workingpapers/026mjpaper.pdf)

- Management Innovation (Julian Birkinshaw; Gary Hamel; Michael Mol) (see http://aimresearch.org/workingpapers/021wpaper.pdf)

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