Visionary perspectives of apparel retailing in the next millennium:

Implications for the textile and clothing profession

by

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CHAPTER 1: INTRODUCTION

The retail environment is ever-changing. As Peterson (1992) stated, "retailing is, always has been, and no doubt always will be evolving, challenging, and competitive" (p. 1). Dynamism in retailing has been one of the most important historical issues both in retail academia and the business setting (Bucklin, 1983; Goldman, 1975; Savitt, 1989).

Recognizing that change in business is inevitable, many past researchers have attempted to examine historical changes in retailing, offering retail cycle theories in hopes of predicting the future of retailing. For decades, theories of retail change have been a central element of scholarship in the marketing/retailing field (Bucklin, 1983; Goldman, 1975; Savitt, 1989).

McNair's (1958) Wheel of Retailing, the Retail Accordion theory (Hollander, 1966), and the Retail Life Cycle concept (Davidson, Bates, & Bass, 1976) have been a few of the most widely used theories explaining the evolutionary cycle of retail institutions. The Wheel of Retailing describes the evolution of retail institutions and emphasizes price appeal as an important factor impacting strategic change in retail institutions. McNair (1958) hypothesized that new innovators emerge as low-cost, low-operation businesses. They then move to high-cost, high-price businesses by improvements in display, location, and customer services due to the increase of sales and market share. The cycle then begins again when new innovators emerge with low-cost margins, low-price, and low status.

Hollander (1960), and a number of other past researchers, sought to explore the generality of the Wheel theory (Deiderick & Dodge, 1983; Goldman, 1975; Gripsrud, 1986; Hirschman & Stampfl, 1980; Kotler, 1986; Markin & Duncun, 1981; Mason & Mayer, 1984; Savitt, 1989). Past writers concluded that the Wheel theory lacked adaptability to all retail institutions and all conditions (Bucklin, 1983; Deiderick, & Dodge, 1983; Goldman, 1975; Hollander, 1960; Siewers & Yudelson, 1986). Recognizing the insufficiency of the Wheel theory, numerous researchers proposed modifications and/or developed new retail cycle theories to more comprehensively explain changes in retailing.

Hollander's (1966) "retail accordion" theory emphasized changes in merchandise assortments. Hollander believed that the evolutionary cycle was first dominated by retail

institutions selling a general line and wide variety of products; it was later governed by specialized, narrow-line retailers. The alternate cycle repeated itself when wide variety assortment retailers became dominant.

In 1976, Davidson, Bates, and Bass proposed a "retail life cycle" concept which described four major stages of retail institutional change: 1) innovation, 2) accelerated development, 3) maturity, and 4) decline. According to the authors, the retail life cycle shares the same concepts with the product life cycle and is a never-ending evolutionary process that is becoming increasingly shorter. The validity of each theory addressing retail evolution has been regularly debated in the academic environment (Bucklin, 1983; Savitt, 1989).

Although retail change theories have been somewhat successful in explaining past retail evolutions (Davidson, Bates & Bass, 1976), difficulties still remain in predicting future advances in light of rapidly changing environments (Bates, 1989; Deiderick & Dodge, 1983; McNair & May, 1978; Savitt, 1984, 1989; Siewers & Yudelson, 1986). Recognition is given to the dynamic relationship between retailing and society since dynamics between the two have played a critical role in retail development. Economic, technological, and consumer changes are rated as major factors influencing retail change (McNair & May, 1978; Savitt, 1984, 1989; Siewers & Yudelson, 1986).

Hollander (1966); Bucklin (1972); and Savitt (1989) recognized the close relationship between economic trends and changes in retailing. For example, the economic depression in the middle 1980s, together with high unemployment rates and decreases in real purchasing power resulted in the explosion of discount stores and outlet stores offering low-end and budget priced merchandise (Levy, 1989). Futurists and business researchers predict that market conditions emphasizing low price will continue due to low economic growth rates and a value-conscious culture among consumers (Carn, Rabinski, & Vernor, 1995). Additionally, increasing economic globalization has resulted in a growing interdependence of world retail businesses, converging consumer buying patterns, and merging international capital markets (Cetron, 1994).

Technological change is also an important factor impacting the retailing environment. In recent years, the development of information technologies has been identified as one of the

most significant technological advances influencing retailing. Countless retail stores have adopted sophisticated Point of Sales (POS) systems offering retailers better sales analysis, stronger merchandise assortment, controlled inventory levels, and greater insights into consumer buying patterns (Bates, 1989). Moreover, the advancements in information and communication technologies promoted the development of electronic shopping via the Personal Computer (PC), Cable Television, and Interactive Video. Many retail practitioners predict that information technologies will be one of the most critical factors determining retail success or failure in the 21st century.

According to business researchers and contemporary futurists, major demographic changes also will continue to significantly impact retailing. Noted demographic trends include: 1) slower population growth, 2) increasing immigrants, 3) more single/unmarried households, 4) smaller families, 5) higher education levels, 6) more women in the work force and more dual-income families, 7) increasing disposable income, and 8) the aging populations (Anderson, 1992; Bates, 1989; Blackwell, 1994; Cetron, 1994; Coates, 1988; Dychtwald & Gable, 1990; Fosler, Alonso, Meyer, & Kern, 1990; McNair & May, 1978; Price, 1984; Rosenberg & Hirschman, 1980; Sarkissian, 1989). Dual income families, families headed by a single adult, and the high proportion of working women have all resulted in a poverty of time for traditional shopping activities (Bates, 1989; Carn, Rabianski, & Vernor, 1995; Naisbitt, 1982; Rosenberg & Hirschman, 1980). Time poverty has influenced retail institutions and business strategies in many ways including the growth of home-shopping options, the emphasis on interesting and convenient shopping environments, and improvements in customer services (Bates, 1989). Aging baby boomers also have impacted consumption patterns. Today, aging boomers spend more on travel or health care than they did 15 to 20 years ago.

Much of the previous research exploring future change and retail innovations has addressed retailing in general. In comparison, little research has focused specifically on apparel retailing although apparel has been one of the most important retail product categories[1]. Past

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[1] According to the National Retail Federation's 1992 edition of Department and Specialty Store Merchandising and Operating Results, apparel and fashion related products represent approximately 70% of the products carried by department and specialty stores.

researchers have also tended to concentrate on views from academia rather than intensively exploring perceptions of retail practitioners.

Surprisingly few researchers have attempted to study the perspectives of top retail management although such individuals are likely to be the strategic planners and chief decision makers within their firms. Ferguson (1980) indicated the importance of the business executives' views stating that "business executives may be the most open-minded group in the society, far more open than scholars and professionals, because their success depends on their being able to perceive early trends and new perspectives" (p. 340).

Purpose

The purpose of the study is to describe top executives' perspectives of the future of apparel retailing by conducting personal interviews during the 1996 National Retail Federation (NRF) Convention. In order to supplement the collected data, telephone interview methods were also used. Through in-depth interviews, current demographic, economic, consumer behavior, and technological trends influencing apparel retailing were explored. Existing retail evolution theories were used as the basis for understanding the retail life cycle, analyzing current trends, and predicting the future changes in the apparel retail area.

The results of the study will benefit both apparel retail educators and industry practitioners by enabling the development of apparel retail coursework, curricula, and student competencies that parallel the needs of the future retail environment. Study results will be critical in the preparation of graduates who will play an important role in apparel retailing in the next millennium. Study outcomes will also potentially lead to modification in existing retail cycle theories through the development of new theoretical propositions related to the future of apparel retailing.

Objectives

The objectives of this study are to:

1. Explore current demographic, economic, consumer behavior, and technological trends influencing apparel retailing.

2. Forecast the future of apparel retailing based on contemporary literature and practitioners' perceptions.

3. Identify implications for the textile and clothing profession, for educators, and for researchers based on the resulting visionary perspectives.

4. Develop new theoretical propositions related to the future of apparel retailing based on study results.

Definition of Terms

Apparel - "An inclusive term for clothing or garments; includes all categories of clothing from intimate apparel to outerwear for men, women, and children" (Jernigan & Easterling, 1990, p. 548).

Discount Store - "A retail establishment that operates on low margins to offer merchandise at prices below the recognized market level. Discount stores emphasize self-service and are typically volume-oriented" (Jernigan & Easterling, 1990, p. 553).

National Retail Federation (NRF) - "A trade association composed of department, chain, and mass merchandise and specialty stores retailing men's, women's, and children's apparel and home furnishings" (Jernigan & Easterling, 1990, p. 563).

Non-Store Retailing - "A form of retailing in which a traditional store building is not involved. Retail sales are made through such means as direct mail, door-to-door sales, vending machines, two-way television, and interactive computers" (Jernigan & Easterling, 1990, p. 563-564).

Retailing - "The business of buying goods from a variety of resources and assembling these goods in convenient locations for activities necessary to sell to the ultimate consumers" (Jernigan & Easterling, 1990, p. 567).

Specialty Store - "A store that deals either in one category of merchandise or in limited categories" (Jernigan & Easterling, 1990, p. 569).

Top Executive - Store owner, president, vice president, or CEO (Chief Executive Officer) who is responsible entirely to the management of a firm/store.

CHAPTER 2: LITERATURE REVIEW

Three categories of literature will provide insights into retail change principles and offer a conceptual framework for analyzing the data of the present study. In the first section, previous research regarding theory development in the retail field is reviewed with the focus on MaNair's (1958) Wheel theory and subsequent modifications. Secondly, environmental factors significantly impacting retail change are examined and the relationships between environmental factors and retail trends are described. Finally, past studies investigating the effectiveness of retail/merchandising education are surveyed to identify major competencies and coursework needs for present and future retailers.

Theoretical Developments in Retailing

For decades, theories of retail change have been a central element of scholarship in the marketing/retailing field (Bucklin, 1983; Goldman, 1975; Savitt, 1989). As the speed and magnitude of retail change accelerated, academic researchers and retail personnel attempted to find cycles or patterns of evolution among retail organizations as a way to predict future retail innovations (Davidson, Bates, & Bass, 1976).

In 1978, Goldman divided existing retail cycle theories into two categories: cycle type and stage type. When retail change theories are analyzed within these two categories, most theories have the characteristics of the "cycle" category which emphasizes the repeatability of the pattern. On the other hand, there have been a limited number of "stage" theories which consist of a series of stages progressing from simple to complex levels (Goldman, 1978). Among existing "cycle" theories, McNair's (1958) Wheel of Retailing is one of the most popular theories.

Wheel of Retailing

Undoubtedly, the most widely recognized retail change theory is McNair's (1958) "Wheel of Retailing" which was originally presented in a symposium at the University of Pittsburgh. The Wheel of Retailing is a theoretical proposition describing the evolution of

retail institutions. According to McNair (1958), new innovators emerge as low-cost, low-operating businesses. They then move to high-cost, high-price businesses as they improve in display, location, and customer services due to increases in sales and market share. The cycle is then repeated when other retailers return to the earlier stage of operation with low-cost margins, low-price and low status. In this model, the emphasis is placed on price appeal as an important factor impacting strategic change in retail institutions. Emphasizing the cyclic effect of the Wheel theory, McNair (1958) explained that the wheel always revolves, sometimes slowly, sometimes more rapidly, but it never does stand still.

McNair's theory proposes that principles of retail changes will remain constant although societal, economical, political, and cultural surroundings change. The concept of a "revolving" wheel is very meaningful in terms of the predictability of the future.

Validity of the Wheel Theory

Wheel theory has been viewed as one of the most comprehensive, cyclical retail theories, hence, a number of past researchers have sought to explore the Wheel theory and verify the generalizability of the theory (Deiderick & Dodge, 1983; Goldman, 1975, 1978; Gripsrud, 1986; Hirschman & Stampfl, 1980; Hollander, 1960; Kotler, 1986; Markin & Duncun, 1981; Mason & Mayer, 1984; Savitt, 1989). Hollander (1960) was the first researcher to attempt to analyze, further explain, and evaluate the Wheel theory. He specifically explored the Wheel theory in terms of the validity of its hypotheses and adaptability to various retail institutions under differing conditions. Recognizing the lack of efficacy of the Wheel theory to all retail businesses, Hollander presented several examples of non-applicable businesses (i.e., automatic vending started as a high-cost, high margin, high convenience type of retailing, branch store expansion of department stores, and the concomitant rise of planned shopping center, etc.).

In 1978, McNair himself, in association with May, acknowledged the limitations of the Wheel theory and presented a revised version which stressed the consumer's role in retail change. Based on an analysis of retail history spanning over 150 years, they concluded that the consumer's reaction to changing economic, technological, and social conditions have significantly impacted retail evolution patterns.

Goldman (1978) also attempted to assess the validity of the four major hypotheses of the Wheel theory in the contemporary market structure. Those hypotheses include: 1) institutional innovations in retailing penetrate the system on the basis of a "price" appeal; 2) the lower-prices characterizing the new institution are achieved through a reduction in operating costs made possible by the elimination of store services and the lowering of store standing and quality; 3) after establishing itself in the retailing system, the new retailing institution engages in a process of trading-up; and 4) trading-up is the cause of the appearance of new institutional innovations in retailing. In his paper, Goldman indicated that the main flaw of the Wheel theory was that McNair identified the only critical factor explaining the evolution in retailing as the relationship between changing cost and gross margin. Additionally, Goldman noted that little attention was given to the behavior of less price-oriented retail forms. Recognizing diversity in consumer characteristics, Goldman noted that high quality products and increasing convenience could also be important factors in attracting consumers.

More recently, Savitt (1984) insisted that retail product management (i.e., product availability, product change, and product life cycle, etc.) in addition to the price appeal factor stressed by McNair, should be considered as an important factor impacting retail change. Savitt attempted to extend the Wheel of Retailing by testing several hypotheses dealing with product management using ten year-historical data of a warehouse company. However, he concluded that the historical data did not fully verify the hypotheses, and like previous researchers, urged that retail evolution be viewed in a wide context considering varying environmental factors.

Past researchers have agreed that the Wheel theory lacked generalizability to every retail institution, under every condition, in every period. Writers are also quick to point out, however, that there are countless examples of conformity to McNair's prescribed pattern (Bucklin, 1983; Deiderick & Dodge, 1983; Goldman, 1975; Hirschman & Stampfl, 1980; Hollander, 1960; Markin & Duncun, 1981; Savitt, 1988; Siewers & Yudelson, 1986).

Modifications of the Wheel Theory

Recognizing the limitations of the Wheel theory, numerous researchers over the years have proposed modifications to the theory. Izraeli (1973), for example, attempted to enhance the Wheel theory's adaptability by including retail institutions offering high to low-end products. Reflecting a broad range of retail institutions, he visualized "three wheels" which consisted of low-end innovators, conventional retailers, and high-end innovators. According to Izraeli, the three wheels become similar in terms of their characteristics by influencing each other through the consistent turning of the wheel (interaction in market).

Deiderick and Dodge (1983) proposed a revised model of the Wheel theory by offering multiple dimensions of consumers, geographic expansion, breadth of merchandise, and a pricing stance (see Figure 1). The authors expanded the Wheel concept to encompass a moving, revolving wheel, rather than a stationary, revolving wheel. Their model describes the ever-changing relationships among four wheels which are comprised of four specific dimensions: consumer, geographic, merchandise assortment, and pricing. According to Deiderick and Dodge, consumer elements become interrelated and generate consistent interactions among the four. Recognizing the significance of environmental change, they concluded that the marketplace is strongly impacted by societal, economic, and technological environments.

According to the original Wheel theory, the most important principle of retail innovation is to reduce the total monetary cost of the transaction to the consumers. Siewers and Yudelson (1986), however, assumed that the total cost included time, effort, risk, and environmental costs spent on the transaction of the product as well as actual money. Based on this extended meaning of cost, they concluded that "an innovation occurs as individuals discover new ways to reduce the total cost" (p. 22). They further noted the adoption of new technology and change in operating systems as the ways to innovate.

Other Patterns of Retail Evolution

Past researchers have attempted to develop new retail cycle theories to more comprehensively explain changes in retailing and marketing area. In 1964, Regan proposed a
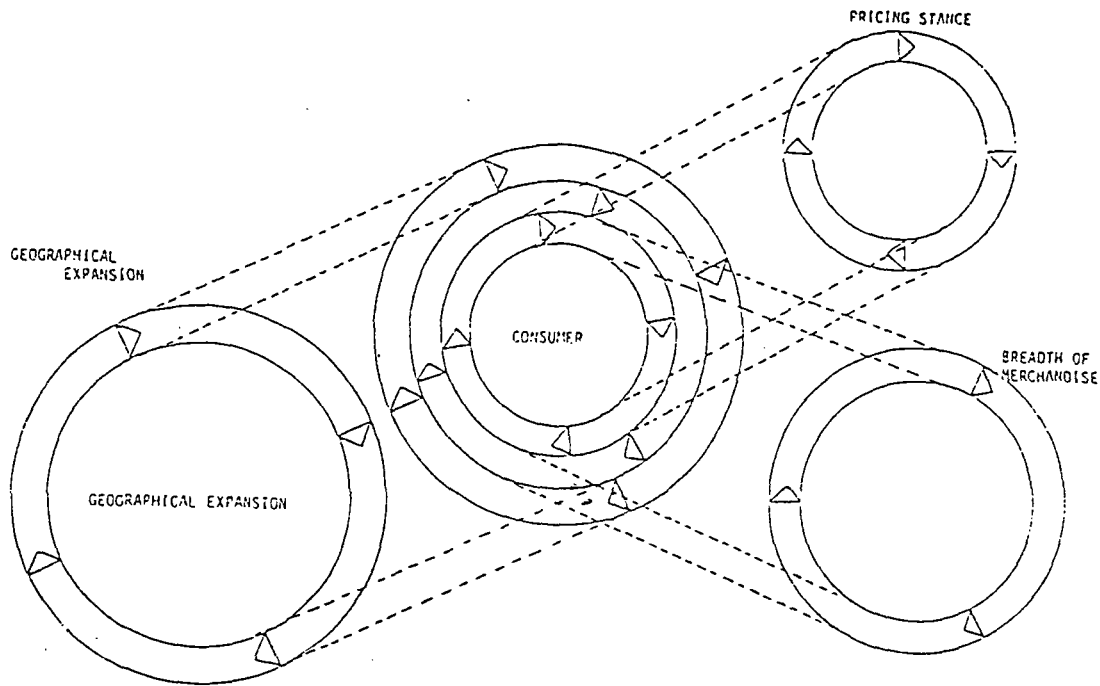
Revised Wheel of Retailing
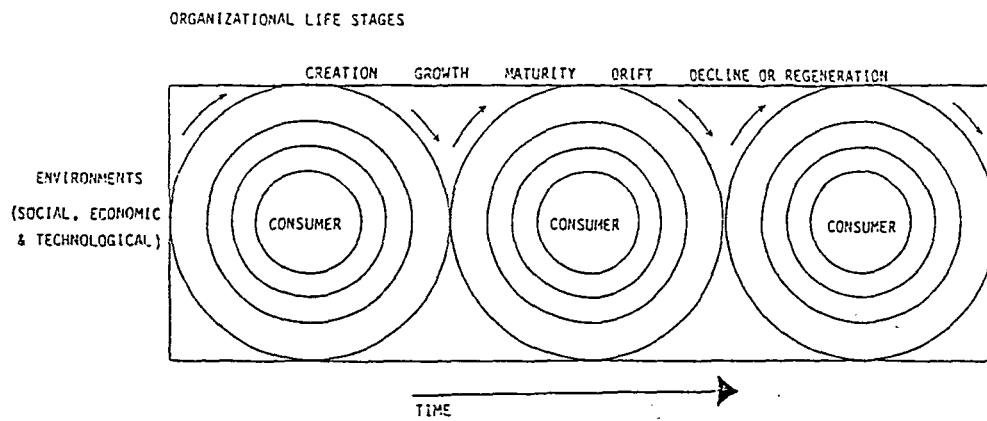
Dynamics of the Wheel of Retailing

Figure 1.   Deiderick and Dodge's (1983) Revised Wheel of Retailing Model (p. 151)

new concept that described the process of retail change by focusing on the level of service and the quality of merchandise (see Figure 2). Reflecting increasingly complex merchandise-service combinations, he identified the three stages of retail development as simplex, multiplex, and omniplex trading. According to Regan, simplex trading implies the relationships of three parings of high cost merchandise versus high level service, average cost merchandise versus average service and low cost merchandise versus low service. Regan (1964) explained the simplex concept through examples of mail-order businesses and discount stores offering average or low merchandise quality and service.

Secondly, multiplex trading covers all merchandise-service combinations by trading up or down. As population, disposable income, sales volume, and profit increase over the years, retail store management selects various combinations of merchandise and service. For example, retail stores can increase the sales volume and profit potentials by offering high quality merchandise and average services or offering high level of retail services with relatively low cost merchandise. Supermarkets are examples of retail institutions adopting the multiplex trading concept.

Omniplex trading is a more complex pattern which describes another combination of low, average, or high merchandise costs associated with low, average, or high manufacturer's distribution cost. In omniplex trading, distribution costs include retail service costs and manufacturer's service costs. According to Regan (1964), no single store is organized to offer all combinations of goods and services to its customers, however, each of those combinations is available at some point in the distribution process of department stores.

The Retail Accordion is another valuable theoretical approach emphasizing the changes in merchandise assortments. Hollander (1966) found an evolutionary cycle alternately was dominated first by retail institutions selling a general line and wide variety of products and then it was dominated by specialized, narrow-line retailers. The process then repeats itself when wide variety assortment retailers become dominant. Retail examples confirming the Accordion concept (changes of product assortment range: narrow-wide-narrow) were found in the shoe industry, pharmacy retail business and grocery store retailing.
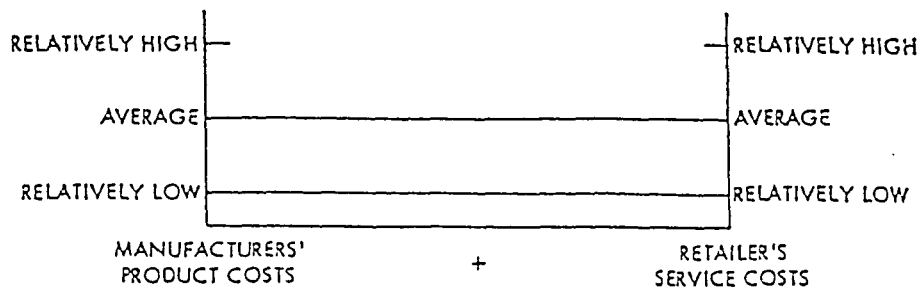
Simplex trading (i.e., mail-order business, discount store profile)
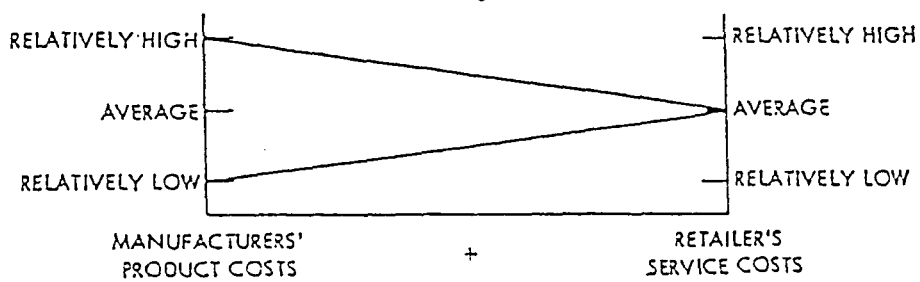
Multiplex trading (i.e., supermarket profile)
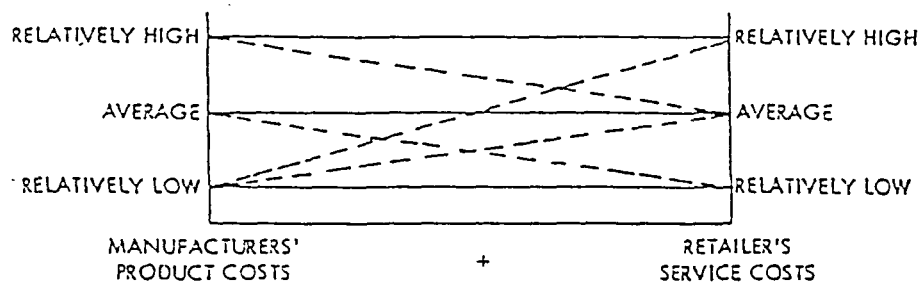
Omniplex trading (i.e., department store profile)

Figure 2.   Regan's (1964) Three Stages of Retail Development Model (p. 149)

to as a "regression" form of retailing. Finally, "assimilation" implies that retail stores tend to be similar to successful competitors. As an example of "assimilation", Dressmann (1968) referred to the movement of traditional food chains toward supermarkets.

Dialectic concepts were used to describe the process of retail evolution by Gist (1968). "Dialectics means, specifically, that the stages of each development repeat former stages, but on a different plane." (Gist, 1968, p. 106) According to Gist (1968), dialectic theory includes three elements: thesis (the original institution), antithesis (the new institution), and synthesis (the merging of the two types). The antithesis is a challenge to the thesis and the synthesis is a blending of the thesis with the antithesis (Gist, 1968). To confirm the validity of the dialectic evolution theory, Maronick and Walker (1974) examined the history of several retail institutions including department and discount stores (see Figure 3). According to the researchers, original department stores in the 1950s were characterized by high quality merchandise, broad assortments, broad supplementary services, attractive facilities, relatively high margins, and high price. In the late 1950's through early 1960's, discount stores offering low price-merchandise, few free supplementary services, and inexpensive facilities provided considerable competition for department stores. The emergence of discount stores were

Dialectic Evolution of Various Retail Institutions
(T=Thesis, A=Anthesis, S/T=Synthesis which in time becomes a Thesis)

Figure 3. Maronick and Walker's (1974) Dialectic Evolution of Retailing Model (p. 148)

Dialectic concepts were used to describe the process of retail evolution by Gist (1968). "Dialectics means, specifically, that the stages of each development repeat former stages, but on a different plane." (Gist, 1968, p. 106) According to Gist (1968), dialectic theory includes three elements: thesis (the original institution), antithesis (the new institution), and synthesis (the merging of the two types). The antithesis is a challenge to the thesis and the synthesis is a blending of the thesis with the antithesis (Gist, 1968). To confirm the validity of the dialectic evolution theory, Maronick and Walker (1974) examined the history of several retail institutions including department and discount stores (see Figure 3). According to the researchers, original department stores in the 1950s were characterized by high quality merchandise, broad assortments, broad supplementary services, attractive facilities, relatively high margins, and high price. In the late 1950's through early 1960's, discount stores offering low price-merchandise, few free supplementary services, and inexpensive facilities provided considerable competition for department stores. The emergence of discount stores were identified as the antithesis. Finally, both department and discount stores became institutions offering similar products, facilities, and services. Department stores offered self-service selection and lower-priced merchandise as well as luxury goods under the same roof. In contrast, discount stores upgraded not only the quality of merchandise but also customer services. Additionally, this trend resulted in the emergence of a new type of retail institution referred to as a promotional department store with moderate prices and limited services. The resulting retail changes were identified as the synthesis, which is believed to be the thesis in the next retail evolution.

Davidson, Bates, and Bass (1976) proposed a "retail life cycle" concept which describes four major stages of retail institutional change (i.e., innovation, accelerated development, maturity, and decline). The first stage is characterized by the emergence of a new, innovative institution representing rapid rises in sales and market share. The next stage, accelerated development, shows favorable profits as the retail institution becomes pressed by inflated costs resulting from larger staffs, advanced systems, and increasing needs for management controls. At the end of this stage, market share and profitability of the firm reach its maximum level. According to Davidson et al. (1976), the "maturity" stage is the most significant. In this stage,

the retail business encounters difficulties in managing complex organizations resulting in lower levels of operational quality. Firms maintaining previous systems without managerial change will experience a decline of sales and market share. In contrast, the firm modifying organizational systems, adopting new technologies, or accepting new business ideas will successfully remain in the maturity stage. Through the analysis of retail trends, Davidson et al. (1978) stated that new retail innovations move faster and faster from the first to third stage as the speed of societal change increases. The authors explain the retail life cycle as a never-ending, evolutionary process that is becoming increasingly shorter.

In addition to the numerous theoretical developments previously identified, other efforts have been exerted to develop new retail change theories. Most theoretical approaches provide meaningful insights into various retail evolutionary patterns but no single theory is able to explain every retail structure in every situation.

The merits of retail evolution theories are debated regularly in journal articles and at research conferences (Bucklin, 1983; Savitt, 1989). By providing for the systematic evaluation of past and present retail changes, change theories attempt to explain the retail life cycle, to analyze current trends, and ultimately help to predict future changes in the retail environment.

Changing Environments and the Future of Retailing

Although retail change theories have been somewhat successful in explaining past changes in retailing, difficulties still remain in anticipating future retail developments (Davidson, Bates, & Bass, 1976) due to the significant influences of rapidly changing environments (Bates, 1989; Deiderick & Dodge, 1983; McNair & May, 1978; Savitt, 1984, 1989; Siewers & Yudelson, 1986). Changes in the economy, technology, and consumers have been major factors in environmental change (Bogart, 1973; McNair & May, 1978; Savitt, 1984, 1989; Siewers & Yudelson, 1986). In the next section, these three factors are described with regard to their effects on past, present, and future retailing.

Economic Changes

Past researchers have recognized that economic trends strongly impact changes in retailing (Bucklin, 1972; Hollander, 1966; Savitt, 1989). Bucklin (1972) suggested that retail structure is shaped by the level of economic development of the society. Beyer (1992) specifically defined key parameters determining economic environments as disposable income, the rate of inflation, and interest rates. Experts predicted that the 1990's would offer unending economic uncertainty (Fierman, 1990) due to lack of consumer confidence about the future (Bartlett & Peterson, 1992). Beyer (1992) noted that the erosion of America's financial institutions and the continuing growth in federal government budget deficits will continue to negatively impact the economy.

Despite these challenges, Beyer (1992) is optimistic about the economic situation in the year 2000 stating the following predictions,

> I believe economic growth in the 1990s will be slightly stronger on average than in the 1980s. Economic growth is basically a product of labor force growth and productivity ... The good news is that productivity will be up by more than enough to offset the decline in new entrants to the labor force. Thus, real economic growth should be relatively strong, a bit stronger on average than it was in the 1980s. (p. 76-77)

In addition, a number of researchers predicted that economic globalization would be very important in the future economy (Cetron, 1994; Marshall & Tucker, 1992; Sheth, 1983; Treadgold, 1990; Wishard, 1989). Tradgold (1990) emphasized the significance of economic globalization stating that "it is clear that one of the most important forces shaping retailing in the 1990s will be the continuing internationalization of what has been historically only a domestic activity" (p. 6). Interdependence among national economies throughout the world is increasingly impacting the US retailing sector more than at any point in the past (Beyer, 1992).

Marshall and Tucker (1992) noted that technological advances related to transportation and communication were the two most important areas impacting the international economy. Development in air transport and ocean shipping reduces the cost of international transactions. Advances in radio, telephone, fax, and eventually computer communications increase operational control for corporations and companies (Marshall & Tucker, 1992). These benefits

from transportation and communication developments result in import and export increases, a merging of international capital markets, and world-wide consolidated buying patterns (Cetron, 1994). In addition, converging consumer tastes worldwide, a retail-saturation in home markets, lower trade barriers, and the opening up of Asian and Latin American economies have also assisted with the interdependence of world retail businesses (All the world's, 1995).

Today, consumers in Europe, North America, and the Far East are all familiar with department store formats, limited-line convenience stores, hypermarkets, and shopping malls (Treadgold, 1990). Names of contemporary retailers are commonly found in downtown areas, department stores, and shopping mall everywhere in the world. Specialty store formats such as Toys R Us, The Gap, and The Limited, and leading apparel designer brands including Calvin Klein, Guess, Anne Klein, and DKNY are now prominent world brands (Treadgold, 1990). Some of the best known names in American retailing are now owned by foreign companies. For example, BAT of the UK owns Saks Fifth Avenue and Marshall Field, Hooker Corporation of Australia operates three regional department store groups and Campeau Corporation of Canada owns Allied and Federated Department Stores, including Bloomingdales (Treadgold, 1990). Viewing the growing internationalization of the economy as a new opportunity for retailers, many researchers predict the continuing growth of a globalizational economy through the next century (Bartlett & Peterson, 1992; Cetron, 1994; Treadgold, 1990).

Technological Changes

Technology reduces uncertainty in achieving a desired outcome and provides higher productivity, greater efficiency, and better work environments (Gutek, Bikson, & Mankin, 1984; Rogers, 1983; Shim & Kotsiopulos, 1994). Technological change has been another major factor in retail innovations. Historically, advances in transportation (including rail and automobile) have greatly impacted retailing and consumer life styles. In recent years, however, the development of information technology has received increased attention from retail academia (Achabal & McIntyre, 1987). Information technology developments improved the

quality of communication between retailers and vendors and increased the retailer's knowledge of consumer buying and shopping patterns.

Advances in Communication Technology

The recent advances in electronic communication technology including Universal Product Code (UPC), Point Of Sales (POS) system, and Electronic Data Interchange (EDI) have made the retail industry more feasible and affordable (Farhoomand & Hrycyk, 1984). Universal Product Code (UPC) system is one of the most often used information technologies in the retail sector. The UPCs contain ten digits (the first five identify the vendor and the second five identify the items) which are read with optical scanners at the point of purchase (Achabal & McIntyre, 1992, p. 124). The use of UPC is accelerating to foster a more timely and accurate flow of products. The widespread use of UPC has enabled most retailers to use Point of Sales system (Bates, 1989).

Point of Sales system scanning interprets the information on UPCs using a laser beam and electronic sensors (Achabal & McIntyre, 1992, p. 123). Information collected through POS scanning has become an essential part in sales analysis and merchandise assortment planning. Now UPC is being used to transmit business information in a standard format among retailers, vendors, and manufacturers in a system called EDI (Blili & Raymond, 1993; Julien & Raymond, 1994).

Electronic Data Interchange (EDI) is an electronic network promoting more accurate and accessible communications between retailers and their partners. Particularly, EDI is the electronic transmission of basic business documents encoded into specific forms then transmitted via third-party networks (Achabal & McIntyre, 1992, p. 115). According to Achabal and McIntyre (1992), EDI is especially important for the transmission of large volumes of electronic purchase orders which contain individual quantity specifications. EDI enables retailers to better serve customers by saving leading time between the moment when the need to order is determined until the goods are received (Achabal & McIntyre, 1987).

Satellite is becoming increasingly employed in the retail field to supplement the function of EDI. Achabal and McIntyre (1992) note that "earth-orbiting satellites are placed into stationary orbits so that radio signals can be bounced off them. Each satellite has a number of

transponders to allow simultaneous communication with many different transmissions." (p. 122) Wal-Mart installed satellites in the 1980s to eliminate inconveniences involved in data transmission over the phone and to simultaneously talk to all chain stores as many times a day as wanted (Johnson, 1990). Through satellite systems, retail companies can contact each branch store separately saving astonishing amounts of time. J.C. Penny is also using satellite systems to obtain market information in two to three days rather than the previous 3-4 weeks (Tahmincioglu, 1990).

Some retail stores are also using Artificial Intelligence (AI) to help retailers monitor store inventories, make sales forecasts, and allocate floor space for better traffic flow (Sarkissian, 1989). According to Achabal and McIntyre (1992), AI refers to computerized symbolic reasoning that mimics some aspects of humans thought (p. 113). Expert systems, one area of Artificial Intelligence, deals with if-then strategies for problem solving to support a decision-making process for retailers.

Major benefits of computer information technology are in better and faster information access and improved customer services through Quick Response (Farhoomand & Hrycyk, 1984). Quick Response (QR), which pursues the minimization of the time spent from order to delivery, significantly impacts customer satisfaction by offering merchandise strongly reflecting customer wants at the right time. Advanced information technology would allow firms to better react to changes in consumer demand with improved product availability and low inventory carrying costs (Achabal & McIntyre, 1987). Data generated from electronic information systems provide the manager with the ability to instantaneously know what is selling and what is not, and to better adjust assortments and inventories toward market demand (Achabal & McIntyre, 1987; Bates, 1989; Julien & Raymond, 1994).

Many retail researchers expect information technology to be one of the most significant factors impacting retail success and failure in the 21st century. Newly invented devices and refined information and communication systems will continuously aid retailers in making effective merchandise, financial, distribution, and operational decisions (Bates, 1989) while providing customers with more convenient and enjoyable shopping environments.

In addition to distribution technologies, home-based electronic shopping is an area attracting increased attention due to consumer interests in information and communication technologies. Home based electronic shopping through internet, CD-Rom or Interactive Television Systems is becoming one of the fastest growing areas in retailing due to advantages of merchandise variety, convenience and speedy transaction completion.

Interactive Television Systems are an innovation of electronic shopping which uses remote controls accessed by consumers at home. For example, if a female consumer wants to buy a winter sweater for her husband through Interactive Video, she accesses the system by encoding information relative to her husband's size, an expecting price range, preferred color, pattern, fabric, brands, etc. Based on the customer's request, the system then selects appropriate merchandise from multiple stores and offers them to the customer with specific information about each item. The transaction takes place through credit card numbers and the sweater is delivered within 2-3 days using United Parcel Services (Blischok, 1994).

<u>Changes in Consumers</u>

According to Brown (1988) and Levy (1989), consumer demographics, lifestyle changes, and consumer shopping habits are the principle causes of retail revolution. Anderson (1992) stated that "consumption drives production and distribution; demand drives supply, therefore, anything affecting consumers ultimately affects producers and distributors" (p. 28). The increasing consumer impact on market structure has resulted in the dominance of consumer-driven strategies, consumer-oriented products, consumer-focused advertising, and a consumer-centered philosophy in today's retail arena.

<u>Demographic Trends</u>

Futurists and business researchers identify major demographic changes impacting retail in the future as the following: 1) slower population growth, 2) increasing number and economic power of the ethnic groups, 3) more single/unmarried households, 4) smaller families, 5) higher education level, 6) more women in the work force and more households with both husband and wife working, 7) increasing disposable income, and 8) aging baby boomer populations (Anderson, 1992; Bates, 1989; Blackwell, 1994; Cetron, 1994; Coates, 1988; Dychtwald &

Gable, 1990; Fosler, Alonso, Meyer, & Kern, 1990; McNair & May, 1978; Price, 1984; Rosenberg & Hirschman, 1980; Sarkissian, 1989). Key consumer characteristics can be inferred from demographic trends.

Slower Population Growth. The U.S. population is growing slowly, at a rate of less than 1 percent a year (Fosler, Alonso, Meyer, & Kern, 1990). According to Cetron (1994), the birthrate per 1,000 population has declined from 24 in 1950 to less than 17 in 1990 (p. 10). Despite decreasing birthrates, flourishing immigrants and extended life-expectancy will ensure that the population remains at a static level (Anderson, 1992).

Increasing Number and Economic Power of the Ethnic Groups. Since 1930s, the immigration rate has steadily increased. From 1991 through 1993, the increasing rate of immigration reached 4.8% compared to 1.7% in 1970s and 0.4% in 1930s (Cetron, 1994). Cetron (1994) indicated that one out of six workers belonged to an ethnic minority in 1990, and by the year 2000, they will be one out of three. The largest gains are among people of Asian origin, numbering nearly nine million in 1992, up 65% since 1980 (Anderson, 1992, p. 31). Hispanics number twenty-one million or 8% of the US population in 1994 (US Bureau of Census, 1995). These racial and ethnic trends are predicted to continue well into the next decade (Anderson, 1992).

More Single/Unmarried Households. Single heads of households are increasingly common in this century. Fewer than 11% of all households were headed by a single person in 1960 and the percentage climbed to 15% by 1991 (Cetron, 1994, p. 10). In 1994, almost 23% of all people aged 18 year and over remained unmarried compared to only sixteen percents in 1970 (US Bureau of Census, 1995). Furthermore, the divorce rate is increasing. In 1994, the divorce rate was 9.2%, almost three times higher than the 3.2% rate in 1970 (US Bureau of Census, 1995). The number of single mothers is expected to grow at an average rate of approximately 18% between 1990 and 2010 (Single parents, 1993). One parent family groups reached 31% in 1994, up from 13% in 1970 (US Bureau of Census, 1995).

Smaller Families. Families are getting smaller. According to the 1995 US Bureau of Census, households with only one family member were 24% in 1994, compared to 17% in 1970. Two family member households were 32% in 1994, up from 29% in 1970. However,

household numbers with three or more family members remained static or declined since the 1970s (US Bureau of Census, 1995).

Higher Educational Level. Today, more than 77% of all Americans are high school graduates (Anderson, 1992, p. 38). Twenty two percents have completed at least four years of college, up from 11% in 1970 (US Bureau of Census, 1995). An increased level of education has resulted in smarter, more savior consumers who seek out relevant information related to price, quality, facilities and services offered by the retail store.

More Female Workers/More Dual-Income Families. Cooney (1993) stated that one of the most dramatic labor force transformations in this century has been the tremendous increase of women in the paid work force. In 1970, only 32% of married women were employed, numbers increased to 61% only two decades later (US Bureau of Census, 1995). This increase is anticipated to reach almost 75% by the year 2000 (Cetron, 1994).

Working women have different buying behaviors compared to non-working women. Working women are divided into two groups: 1) single mothers or women living alone and 2) dual income-married women. The latter group has more discretionary income to spend on clothing, fine jewelry, other luxuries rather than does the former group. O'Hare (1993) stated that working women were more than twice as likely to spend at least $500 a year on clothing. The two groups, however, have the same tendency to prefer convenient shopping. According to O'Hare (1993), employed women are 50% more likely to go shopping on Saturday or Sunday than full-time homemakers.

Increasing Disposable Income, but Stagnant Spending Power. In the 1980s, consumers were younger and relatively confident about economic prospects and the future. Consumers of the '90s, however, are older, wiser, and more doubtful about the future (Barnard, 1992). Relatively ample disposable incomes of almost $5,000 in 1994, up from $4,050 in 1990 and $1,952 in 1980 exist (US Bureau of Census, 1995), but higher living costs, expenditures for children's education, and savings for the post-retirement years have sharply reduced discretionary spending power.

The demand for luxury goods, high-priced designer brands, and sales in high class department stores have dropped while discounter sales have grown steadily from 1989 to 1991

(Barnard, 1992, p. 78). Futurists and business researchers predict that these price-consciousness trends will continue due to low economic growth rates and a consistent value-conscious culture among consumers (Carn, Rabianski, & Vernor, 1995).

Aging Baby Boomer Populations. Persons age 65 and older made up only 9.8% of the American population in 1970. In the 1990s, 31 million people (12.8% of the total population) are aged 65 and older (Cetron, 1994, p. 10; Longino, 1994, p. 38; US Bureau of Census, 1995). Longino (1994) states that in another 35 years, the elderly population should double again. The Census Bureau predicts that 62 million people, almost one in five Americans, will be aged 65 and older by 2025. And by 2045, the elderly population will reach 77 million, more than the total population of the US in 1900 (Longino, 1994).

People aged 85 or older are also increasing at a fast rate. Almost 10% of the elderly population was aged 85 or older in 1994 (US Bureau of Census, 1995) and by 2045, the 85 and older age group will be one in five due to increasing longevity and the steadily movement of baby boomers toward this age group (Longino, 1994, p. 38). This aging group will replace the consumer group of 18 to 34-year-olds in size, resulting in a loss of about $40 billion a year in spending power (Gruen, 1995).

Sarkissan (1989) predicts that leisure activities or travel business will tremendously increase in the 55-64 age group of customers due to increasing free time and early retirements. Bartlett and Peterson (1992) also expect early retirements and enhanced health of this age group to cause an increase in the number of individuals becoming entrepreneurs and running their own businesses. Development of the gray-market is another interesting result of the aging trends. Retailers sensitive to the gray market trends are providing fashion shows specifically for old consumers and developing apparel merchandise sizes for the aging populations.

Changes in Consumer Lifestyle

Demographic shifts reported previously have resulted in significant changes in consumer values, shopping patterns and consumer lifestyles. Today, consumers consider value as time and effort involved in searching and buying the product as well as the price paid for the merchandise, therefore, the meaning of value implies consumers' life styles, attitudes, and opinions (May, 1989). May (1989) recognized that most purchases are made to provide for a

widening and diverse lifestyles. Past researchers identified three key shifts in consumer lifestyles as: 1) increasing needs for conveniences in shopping; 2) more emphasis on self-identity and family; and 3) the dominance of a casual lifestyle (Bartlett & Peterson, 1992; Bates, 1989; Carn, Rabianski, & Vernor, 1995; Lazer, LaBarbera, Smith, & MacLachlan, 1990; Wotruba, 1992). In the next section, each shift will be described.

Increasing Needs for Conveniences in Shopping. The tendency towards more dual income families, more families headed by a single adult, and higher proportions of working women has resulted in a poverty of time for traditional shopping activities (Bates, 1989; Carn, Rabianski, & Vernor, 1995; Naisbitt, 1982; Rosenberg & Hirschman, 1980). The increasing importance of time has influenced changes in retail strategies in a number of ways including the growth of mail-order retailers, the emphasis on interesting and convenient shopping environments, and improvements in customer services (Bates, 1989).

Consumer emphasis on convenience and timesaving has prompted retailers to provide the desired merchandise to satisfy varied life styles at a convenient location and reasonable price. Today, consumers are more impatient and less willing to wait or to travel long distances to shop (Wotruba, 1992). Increasing numbers of retailers, therefore, have adjusted store management, products, and services towards the customers' changing needs and wants. For example, quick checkout services using POS systems, one-stop shopping format, and easy parking services have been adopted. Furthermore, the mail-order industry and electronic shopping formats are serving today's busy consumers (Bates, 1989; Gruen, 1995).

More Emphasis on Self-Identity and Family. In the 1980s, "egoism", or the philosophy of self-interest, was considered a life-style trend with a major force in retailing (Blackwell & Talarzyk, 1983, p. 23). According to May (1979), the widening range of interests and activities, increasing affluence, and growing needs for self-expression created consumers who were seeking to establish their individuality through customization or unique varieties of possessions.

In recent years, however, a new "family" ethic has begun to appear (Cetron, 1994). This family-emphasis trend is regarded as an expansion of self-interest in the family as family size becomes smaller. Cetron (1994) notes that the granting of the "family leave" for parents of

new-borns or for caretakers of elderly or ill family members, is one example of family ethic in the 1990s (p. 8). To better serve consumers in the 1990s, retailers are offering customers more pleasurable (or at least less tiresome) shopping experiences. Retailers are filling their stores with interesting features, facilities, and services for whole family members as well as a broad and balanced assortment. Retailers providing merchandise and services aimed at maintaining and developing family-identity and consumer individuality will likely prosper in this century.

Dominance of a Casual Lifestyle. Another important consumer trend is the emphasis on a casual lifestyle. The casual lifestyle trend is creating a preference for more comfortable, less-formal clothing rather than formal, suit-type wardrobes. Today's consumers want to spend their time more on leisure activity, travel, hobbies, and other personal interests rather than on chore activities (May, 1989). Specialty retailers offering formal wear now are being replaced with sports wear and leisure equipment stores due to a continuing dressing-down trend.

Visionary futurists and academic retail researchers summarize the future of retailing in the next few decades as the development of specialty stores to meet consumers' specific desires. The growth of a home-shopping industry serving consumers who want products without spending much effort and time on purchases will also likely increase.

Apparel Retail/Merchandising Education

Retailing has been one of the most important career goals for students majoring in business administration, fashion merchandising, and even liberal art (Kotsiopulos, Oliver, & Shim, 1993; Rudd, 1981). The retail field is viewed as one of the fastest growing industries for employment opportunities. Andrews, Carter, Malizio, and San (1989) predicted that the number of retail employees will reach 4.8 million in the year 2000, representing a 33.5 percent increase since 1986.

The apparel retail industry is increasingly demanding professionally trained individuals. Additionally, the continuous emergence of new retail structure and consistently changing retail phenomena resulted in the need for retail/merchandising curricula. Lazarus (1978) stated that "retailing as a profession is changing more constantly than any other businesses, thus, an

educational program which purports to train retailers must be prepared to change at a similar pace." (p. 76). Chambers (1986) and Tuntland (1987) found that both retailers and educators recognized the importance of adequate and updated training programs for students pursuing a career in retailing.

In an effort to keep abreast with industry trends, retail academicians have given attention to practitioners' perceptions by studying the views of actual practitioners (Greenwood, 1981; Kotsiopulos, Oliver, & Shim, 1993). Much of previous research has focused on needed competencies and coursework requirements for successful retailers (Alkire, 1993; Avery, 1989; Chambers, 1986; Coates, 1971; Fischo, 1976; Garner & Buckley, 1988; Greenwood, 1981; Hartman, 1979; Huber & Davis, 1987; Hudson, 1978; Kelly, 1980; Kotsiopulos, Oliver, & Shim, 1993; Mariotz, 1980; Neal, 1981; Sheldon, 1985-86; Swerdlow, 1978). By reflecting retail practitioner views, college educators have attempted to update retail curricula, thus providing students with the necessary preparations for future careers.

In the next section, the research literature regarding major competencies and educational requirements necessary for students pursuing careers in the retail field will be reviewed[2]. In addition, educational approaches to increase interactions between the retail industry and academia for the sake of providing more effective education for retail students will be explored.

Competencies Needed for Retailers

Competency is defined as "an attitude, behavior, skill, or understanding demonstrated by a participant at a specific performance level" (American Home Economics Association, 1974, p. 4). Competencies required for retailers have been one of the most important research issues in retail education. By identifying major competencies necessary for retailers, college educators have attempted to provide better education programs for students in retailing. Traditionally, merchandising skills have been viewed as a key success factor in retailing (Salmon, 1989).

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[2] Although an extensive literature search took place, the researcher acknowledges that much of the research and literature is dated prior to the 1990s.

Recently, however, a variety of competencies has been noted and recognized for retailers working within increasingly extreme retail competition.

Prior researchers have attempted to access core or primary competencies needed for retail graduates. In 1971, Coates surveyed retail executives to investigate their perspectives on major competencies for retailers. In her study, responses concentrated on leadership and supervision. Kelly (1980) also explored significant competencies needed for retailers by surveying educators and retail practitioners. Respondents in this study highly rated communication skills, human relations, decision-making skills, and technical knowledge. Mariotz (1980) explored the perceptions of retail executives and students in relation to cooperative education competencies necessary for employment. In her study, retailers identified leadership qualities, interest in merchandise, and working ability with customers as major competencies needed for successful retailers.

In 1980, Beery examined mid-management and entry level fashion merchandising competencies and reported differences between requirements for the two levels. Competencies identified for entry-level employees were merchandise control, working ability with customers, and personal management. Eight skills were identified at the mid-management level including: 1) working ability with customers, 2) budgeting/pricing skills, 3) ability to apply theories toward technical aspects, 4) store planning/operation skills, 5) controllability of merchandise assortment, 6) ability to determine salable merchandise, 7) ability to develop and adjust store plans, and 8) ability to understand the fashion retail industry.

In Chamber's (1986) study, desirable competencies needed for entry-level positions in fashion merchandising were probed by surveying both educators and retailers. The most highly rated competencies in this study by both group were sales promotion, social skills, management and administration, buying/pricing skills, and selling skills. Also, retailers gave higher ratings for visual merchandising skills, inventory control, and ability to communicate with customers than did educators. The textiles and clothing educators focused on key competencies for retail employees including ability to work with people at all levels, flexibility, ability to prioritize, accuracy, communication skills, and attention to details (Stemm, Jett, & Hayden, 1986).

In Wolfe's (1989) study on competencies necessary to succeed in the retail business, the importance of the ability to work with others, strong communication skills, and interpersonal skills were emphasized. Further, fashion sense, good taste, creativity, management skills, and maturity were identified for students pursuing careers specifically in fashion retailing. Levy (1989) emphasized the significance of product-adoption skills for fashion retailers, stating that the retailers' ability to quickly capture and bring a trend to market would be a chief way to succeed in a highly competitive marketplace. He further indicated that successful fashion retailers must be very sensitive to new specialty concepts, point-of sales packaging, promotional themes, new/emerging customer segments or needs, and fashion shifts.

Salmon (1989) addressed key competencies needed for successful retailers in the future as 1) marketing skills analyzing accurately the wants and needs of target market; 2) organizational skills and logistical skills replenishing products to the selling floor just-in time without excessive stocks; 3) post-distribution skills distributing the right amount of the right products in the right branch stores after buying goods from vendors; 4) MIS skills managing information in an effective way; and 5) accounting skills. Correspondingly, Hymon-Parker (1993) found fashion retailing graduates should have better analytical skills, problem-solving skills, decision making skills, and the ability to understand buying and merchandising techniques.

In summary, the most important competencies indicated by past researchers encompass the following categories: 1) ability to supervise; 2) ability to solve problems; 3) ability to make right decisions; 4) ability to effectively demonstrate human relations; and 5) ability to lead (Hymon-Parker, 1993, p. 33). To improve abilities, courses from diverse retail education programs were recommended by a number of retail practitioners and fashion retail educators.

Education Requirements for the Apparel Retail Students

Higher education today tends to consist of a more focused curriculum providing a career-oriented and competency-based education (Ringenberg, 1991). Retail/Merchandising curricula is usually composed of marketing, math, consumer psychology, human resources, oral and written communication skills, advertising, fashion forecasting, internships, and other principle courses needed for retailers. Increasing emphasis on educational requirements for retail

students has magnified retail researchers' interests in identifying key courses to best prepare students for the retail field in the next millennium.

In 1978, a focused issue of the Journal of Retailing was specifically dedicated to retail education. In this issue, educators and retail executives mainly discussed competencies needed for successful retailers, inadequacies of retail managers, and educational requirements for retail practitioners. Academicians and practitioners were in agreement on the extreme importance of practical experience in retail education. Swerdlow (1978) indicated that the principles of retailing was the most significant course for retail students. Other important courses included retail merchandising, sales promotion, internships, retail store operations, textiles, and fashion fabrics, etc. Additionally, Swerdlow (1978) found that retailers believed more emphasis should be placed on training in human relations, internships, written and oral communication skills, and marketing courses including accounting, finance, consumer behavior, sales management, etc.

Lazarus (1978) recommended several courses for future retailers including studies in social psychology, organizational development, retail accounting, sales forecasting, systems analysis, effective advertising, and field experience. In Hudson's (1978) study, the importance of mathematical aptitude and communication skills was emphasized for successful retailers. Recommending more experience in selling, operating, and merchandising, Hudson (1978) also stated that college programs should be more practical and less theoretical.

Researchers have also focused on views of retail executives to identify significant courses needed for retail students. In 1962, Gillespie conducted a nationwide survey focusing on essential courses for retail education. In this study, senior retail executives selected merchandise math as the most important course for a career in retailing. Coates (1971) found that retail executives listed buying, pricing, salesmanship, product information, finance, and leadership as primary courses for retailers.

Since the second half of the 1970s, a number of valuable research studies have been conducted specifically addressing the responsive relationships between retail curricula and real job tasks. In Garett and Owens' (1978) study, fashion merchandising buyers and educators highly rated retailing, communications, human behavior, computer concepts in merchandising,

and textiles as essential. Neal (1981) surveyed retailers who had graduated from four-year or two-year fashion merchandising programs to ascertain significant courses needed for fashion merchandising curricula. Courses receiving the highest ratings were communication skills, basic math, textiles, fashion merchandising, visual merchandising, and internships.

Garner and Buckley (1988) identified the most important courses required for students majoring in fashion merchandising by surveying retailers, college graduates, and faculty. Areas receiving highest priority were inventory/stock management, merchandising and buying methods, price-quality relationships in apparel, salesmanship, consumer behavior, self-presentation in business, management, marketing, and speech communication. Wolfe (1989) also identified fashion marketing, sales promotion, fashion buying, merchandise math, and consumer motivation as important courses for success in the fashion retail industry. Mikitka and Van Camp (1992) found that natural and physical science, some advanced math, and computer science are required courses for retail students.

Past researchers have found considerable agreement between educators and practitioners concerning competencies and coursework of retail education. Overall, researchers concluded that retail personnel place a great amount of emphasis specifically on merchandising, basic mathematics (i.e., finance, accounting, etc.), communications and on-the-job experience. While emphasizing the importance of retail work experience, retailers and educators have recognized the crucial role of internship programs in preparing graduates for retail careers and assisting in the smooth transition from higher education to the retail work environments (Sheldon, 1985-86).

Efforts to Bridge the Gap Between Retail Industry and Academia

As the demand for fashion retail practitioners increased, fashion retail education became more responsive and relevant to the actual retail work environments (Hymon-Parker, 1993). At the 1984 annual meeting of Association of College Professors in Textiles and Clothing, fashion retail educators discussed three possible ways (i.e., internships, faculty internships, and advisory boards) to increase the ties and communications between academia and the retail industry. Hymon-Parker (1993) also identified these three approaches as a way to promote the

cooperation between fashion retailers and educators. Internships offer the student job experiences under retail supervision and the faculty internship is an educator's work practice. An advisory board consists of a group of professionals reflecting outside perspectives who meet regularly to provide guidance to retail programs (Hymon-Parker, 1993). These three specific approaches are further described in the next section.

Internships

Internship programs in higher education have played an extremely important role in bridging the gap between the retail industry and academia. Both retail educators and retail practitioners are in agreement that internships are a vital part of retail education (Garrett & Owens, 1978; Greenwood, 1981; Hudson, 1978; Hymon-Parker, 1993; Jernigan & Easterling, 1986; Lazarus, 1978; Sheldon, 1985-86; Strawbridge, 1978; Swerdlow, 1978). The internship is defined as "a temporary period of supervised work experience which provides the fashion retail student with an opportunity to apply theoretical principles to practical work situations" (Hymon-Parker, 1993, p. 5). The primary purposes of internships are to develop a student's personal and career potential and enhance their classroom studies (Sheldon, 1984).

Greenwood and Meszaros (1983) summarized the benefits of the internships as following: "1) contribution to student's career goals; 2) inexpensiveness of learning media; 3) possibilities of acquainting employees with academic programs, and 4) the opportunities to apply academic knowledge to specific job situations" (p. 93). Hymon-Parker (1993) also found similar perceptions between educators and retailers on strengths of internships. In the Hymon-Parker study, educators indicated that the internships: 1) help to pre-prepare students for business, 2) provides realistic opportunities for students, 3) potentially provide permanent employment for students, and 4) connect students to career networks. Retailers note that a retail internship provides a valuable opportunity to review candidates for future management positions with retailers (Hymon-Parker, 1993). Furthermore, as an integral component of the student's formal academic program, internships are intended to provide retail students with experiences in terms of planning and analytical skills (Horridge, Timmons, & Geissler, 1980).

Despite internship benefits, educators and retailers also recognize weaknesses in internships. According to the Hymon-Parker (1993) study, educators stated that internships

often fail to provide responsible positions for the students and require considerable expenses for visiting and staying in the work site. On the other hand, retailers argued that the lack of structure and faculty involvement are the main problems in administering internship programs.

Hymon-Parker (1993) also investigated ways to improve internships. Retailer and educator respondents recommended: 1) developing more focused and effective internship programs and supervision guides; 2) having interns more involved with customers and buying; 3) offering internships more frequently; 4) getting more faculty involvement by making it a part of the faculty workload; and 5) preparing students based on the specific job descriptions.

Historically, many fashion retail/merchandising programs have used internships to provide students with relevant job experiences due to the many benefits of internships (Sheldon, 1985-86). Today, many college retail programs require internships as one of their core courses. According to Horridge, Timmons, and Geissler's survey in 1980, ninety four of 131 colleges offering courses in merchandising, offered internship programs. Jernigan and Easterling (1986) reported that 153 (68.9%) out of 222 business and home economics schools provided internship programs.

Retail executives tend to hire graduates who have some experience in retailing due to training cost savings (Hartman, 1979; Keith, 1981). Swerdlow (1978) found that eighty four percent of the retailers interviewed believed that retail students with prior internship experiences had a distinct advantage over the entry-level management trainees without work experiences. In Sheldon's (1984) study, retail practitioners perceived that students who had internship experiences were better qualified for careers in retailing, had a more positive influence on other workers, and had a more favorable attitude toward their jobs.

In order to better link educational preparation and internships, specific courses were recommended for internees. As prerequisites for internships, educators suggested textiles, marketing, clothing construction, and merchandising mathematics (Horridge, Timmons, & Geissler, 1980). Sheldon (1985-86) found that retailers noted communications, human relations, merchandising, and management as the four most important courses pre-required for internships.

Internships provide students with realism in retail businesses by developing skills in salesmanship, merchandise information, pricing, buying, and management. The internship programs have been and will continue to be one of the essential elements in apparel retail/merchandising programs resulting in a closer link between retail education and actual work settings.

Faculty Internships

Faculty internships are taken by educators during a temporary leave period to gain realistic experiences in the industry world (Hymon-Parker, 1993). On-the-job experiences of faculty improve the quality of retail education by increasing the educators understanding of actual job tasks. Although it is increasingly common for college students to undertake internship programs, faculty internships seem to be rarely adopted in the retail education field. Alkire (1993) insisted that retail faculty needed to seek summer employment to keep retail education updated.

In 1984, faculty members from the Department of Home Economics at Illinois State University took mini-sabbaticals in the form of internships in the apparel industry (Stemm, Jett, & Hayden, 1986). Through three-week work internships, they were involved in three stages of the fashion business (i.e., manufacturing, buying, and store management). Faculty members participating in the internship program reported that the work experiences enabled them to: 1) better understand the current nature of the occupation, 2) predict future directions of the job, 3) determine the knowledge and skills needed for retail employment, and 4) identify improvements needed in the curriculum, internships, and student placement (Stemm, Jett, & Hayden, 1986, p. 53). Recognizing benefits of faculty internships, Stemm, Jett, and Hayden (1986) further stated that "faculty internships enable faculty to better provide students with realistic concepts of the world of work in the fashion industry through updated knowledge and skills, thus increased faculty credibility" (p. 54).

Hymon-Parker (1993) found that faculty internships were valuable in providing updated knowledge of retail operation and information of current trends in the fashion business. Both educators and retailers determined that limited training due to time constraints and unclear goals/objectives were the foremost factors resulting in less effective faculty internships.

Educators consistently reported that more in-depth training programs should be developed to provide positive experiences for the faculty. Retailers recommended that longer faculty internships could more effectively cover a broader range of areas in retailing.

Although faculty internships are not currently common in the retail field, it is strongly recommended by both industry practitioners and retail academicians alike. Actively implementing faculty internship programs will require increased levels of involvement and interaction between the two groups.

Advisory Board

An advisory board or committee is a group of people who meet to increase interactions between academia and industry. An advisory committee is composed of practitioners holding various job-titles and experiences. Positions of committee members may include small retail business owners, fashion buyers, retail executives, CEOs of apparel company, fashion designers, store managers, product developers, etc. Advisory committees provide valuable advice with respect to retail education programs by reflecting trends in the apparel industry (Hymon-Parker, 1993). An advisory board also helps to increase public relations, raise research funds, and assists in the placement of graduates (Brockmann, 1981).

Cunniggim (1985) examined the pros and cons of advisory committees noting that the purposes of the committee are to: 1) strengthen the academic program, 2) improve internal management of the school, 3) evaluate performance of education, 4) recruit personnel, 5) raise money, and 6) establish public relations. He also indicated while many educators want the advantages of an advisory committee, practitioners tend not to want to participate due to time constraints.

Hymon-Parker (1993) also noted that both educators and retailers reported that time and money constraints were chief challenges to an advisory board. In this study, recommended changes for improving advisory committees were to recruit more experienced members, increase size of the committee, meet more frequently, establish the role of the committee using specific guidelines, and provide better agendas.

As student numbers in retail programs increased over the past 20 years, educators and practitioners attempted to bridge the gap between industry and academia. Retail personnel and

educators have attempted to increase the relevance between retail education and actual retail careers through increased connections and communications. Continued efforts to understand each other will better prepare retail students for retail careers and ensure their continued contributions to the future retail industry.

Summary

The review of related literature was divided into three parts. In the first section, theories dealing with retail evolution were reviewed with the focus on McNair's (1958) Wheel of Retailing. Modifications to the Wheel theory and different theoretical patterns of retail evolution were explored. Theoretical propositions in retailing serve as a conceptual framework for the present study to gain an understanding of: 1) the dynamic characteristics of retail institutions, 2) cyclic effect of retail evolution, and 3) the process of retail development.

Secondly, changing environments and influences on retail structure in three major areas (i.e., economy, technology, and consumer) were explored. Present and future economic issues were addressed and economic globalization trends were stressed as a factor significantly impacting retail businesses. Recent technological changes using information/communication devices were identified related to new shopping patterns. Consumer demographic trends and lifestyle changes were also described to provide insight into the close relationships between the retail industry and various environmental factors. An understanding of future changes in retailing is dependent upon insights into environmental change.

Finally, the researcher reviewed the literature on apparel retailing/merchandising education. Existing literature with respect to retail education concentrated on studies addressing major competencies and important courses necessary for the students pursuing careers in the retail field. Lastly, three key methods of fostering improved interaction between academia and industry were examined. Student internships, faculty internships, and advisory boards benefit both retail practitioners and educators by improving retail curricula and developing competencies in those who will ultimately play a critical role in the world of retailing.

CHAPTER 3: METHOD

Research methods applied in this study are described in Chapter three. Research
techniques, sample selection, interview schedule, data collection procedure, and data analysis
methods are specifically included.

Techniques

In this thesis, the researcher studied the perspectives of retail executives related to the
future of apparel retailing. Main research issues were: 1) current challenges in the retail
industry, 2) major environmental factors impacting apparel retailing, 3) future challenges in
each retail segment (i.e., department, discount, specialty, non-store retailing), 4) business
strategies needed for retail businesses, and 5) necessary competencies for retailers. Interpretive
methods were chosen to explore a broad range of perspectives on diverse concepts and to
holistically describe the complex retail phenomena.

Specifically, personal and telephone interview methods were selected for data collection.
Marshall and Rossman (1995) state that interviews can be used as the sole way of gathering
data when the purpose of the study is to uncover and describe the participants' perspectives on
events. According to Fraenkel and Wallen (1993), interviewing is the most important data
collection technique for naturalistic research to explore detailed, thick descriptions of
phenomena. The selection of interview methods was also due to the fact that top managers are
very often unavailable and unwilling to complete mailed questionnaires.

Interview methods provide the advantages of communicating face-to-face, asking follow-
up questions, and probing into interview responses (Fraenkel & Wallen, 1993). Marshall and
Rossman (1995) also state that interviews are useful for discovering complex interconnections
in social relationships and provide background context for more focus on activities, behaviors,
and events. Furthermore, interviews offer great utility for uncovering the subjective side, the
"native's perspective" of organizational processes (Marshall & Rossman, 1995).

Sample Selection

To obtain nationwide data, the 1996 National Retail Federation (NRF) Convention was selected as an appropriate interviewing site. The researcher purposively selected a sample of ninety three US retailers representing specialty, department, discount, and non-store retailing from 113 members of the NRF Board of Directors. Eleven retailers not offering apparel products and 9 retailers managing international-based companies were excluded in the sample selection process. Initial contact with the informants (i.e., company presidents, CEO's, chairmen) included: 1) a letter asking for participation within the interview during the 1996 NRF meeting (Appendix C), 2) a condensed proposal of this study, 3) a form indicating a willingness to participate or not (Appendix D), and 4) a stamped return envelop. Contact with the 93 retail executives took place four weeks before the meeting date. Reminder postcards (Appendix E) were mailed ten days before the meeting date.

Twenty three out of 93 executives (39.7%) returned a form indicating a willingness to participate with an interview. However, only ten of the 23 respondents were willing to give an interview during the NRF meeting. The researcher arranged the interview time and location by contacting potential informants by the phone. In addition to the 10 respondents, one local NRF board member and a small apparel retailer were contacted by the researcher to pretest the data collection instrument. Instrument pretesting took place in Iowa for geographic convenience.

Since no discount store retailers responded to the interview request during the NRF Convention, a second sampling procedure was used to obtain an interview with discount retailers. Thirty nine presidents, CEOs or vice presidents responsible for an apparel division, as listed in the 1995 Discount Store Directory, were contacted. Discount stores contacted were those which appeared in the ten top discount stores listing identified by Chain Store Age Executives (January, 1996). Contact included 1) a letter asking participants for a telephone interview, 2) a condensed proposal of this study, 3) a form indicating their willingness to participate or not, and 4) a stamped return envelop. Of the 39 discount retail executives contacted, seven returned forms (17.9%). Only one retailer in the seven respondents (2.6%),

however, agreed to give a telephone interview. The researcher established an interview time with the one willing respondent.

Interview Schedule

An interview schedule was developed for both the telephone and personal interviews based on the objectives of the study. The interview schedule consisted of two parts: 1) a data gathering interview schedule composed of twelve questions (Appendix A) and 2) a questionnaire for collecting demographic information about the participant and company background (Appendix B).

The data gathering interview schedule was divided into six segments. Specifically,

- current challenges in retailing were the focus of questions 1 and 2;
- environmental changes impacting the future of apparel retailing were explored using questions 3 and 4, focusing specifically on consumer lifestyles, consumer buying behaviors, demographic changes, and new technologies;
- future changes in each retail segment (i.e., department, discount, specialty, non-store retailing) was the emphasis of question 5;
- business strategies for future retailers were the focus of questions 6 and 7;
- recommendations for retail education were asked in questions 8 and 9; and
- final comments on the future of apparel retailing were obtained using questions 10, 11 and 12.

To obtain a broad range of perceptions from interviewees, all questions were general and open-ended. Content validity of the interview schedule was established through the judgment of three Textiles and Clothing experts and one expert in Management and through pretest results.

The demographic questionnaire consisted of two sections. The first section contained questions focusing on the company for which the interviewees worked. Specifically, there were questions about the size of the company, number and locations of branches, and products and price lines offered by the company. In the second section, several questions were used to obtain information about career history, educational background, and other general

demographic data with respect to the participants. Questions in the demographic questionnaire were structured or semi-structured. The data collection instruments and consent form were submitted to and approved by the Iowa State University Human Subject Review Committee (HSRC) on the use of human subjects for this study.

As pretests, two personal interviews were conducted with regional retailers. One participant was the CEO of a regional department store chain and the other was owner/manager of a small specialty store. The researcher visited the work place of participants at the interview time established in advance. Personal interviews were conducted in the participants' offices and interview content was tape-recorded.

During the first interview, the researcher recognized the need for participants to have direct written access to the specific questions rather than just hear the questions read. Therefore, for the second pretest the researcher used a set of cards listing each question. The set of cards was considered as a very efficient tool allowing the interviewees to accurately understand the questions and to have something tangible to refer to whenever they miss the details of the questions. The researcher decided to consistently use the set of cards for all subsequent interviews.

For both pretest interviews, another observer (a textiles and clothing expert in retailing) was involved to assist in establishing the validity of results. After the interviews, the demographic questionnaires (Appendix B) were completed by the interviewees. The results of the two pretests were not only used to modify the interview instruments, but they were also included in the results of this study. The two informants for pretesting were selected due to geographical convenience and their innovations and success in business.

Data Collection Procedure

Data for this study were collected through 12 personal interviews and one telephone interview. Participation in interviews was voluntary and individuals expressed their willingness to participate in the interviews through consent forms (Appendix D). Personal interviews were conducted with top apparel retail executives attending the 1996 National Retail Federation (NRF) Convention held in New York City from January 14 to 17, 1996. The NRF Convention

was chosen as the interviewing site for the following reasons: 1) The NRF Convention is one of the most important annual meetings for the retail practitioners, and is well attended by top retailers nationwide, and 2) during the convention, subjects were freer to participate in the interviews since they were away from their usual work sites.

Ten interviews were conducted from January 14 to 16 in a New York Hilton Hotel lounge, a Hilton Hotel coffee shop or a Hotel Sheraton pressroom, according to the availability of appropriate settings. All interviews were tape-recorded; the length of the interview ranged from thirty minutes to one and a half hours. Dependability of findings were enhanced by the involvement of another observer in the data collection process, allowing the researcher to cross check the data and non-verbal expressions of respondents.

After conducting 12 personal interviews, the researcher conducted 1 telephone interview to fill the void of a discount store retailer perspective. The same interview instruments and a demographic questionnaire were also used for the telephone interview. Copies of both instruments were faxed to the informant one day before the interview date so that the interviewee could refer to them during the interview. The researcher contacted the participant over the phone at the interview time established in advance, and data were tape-recorded. Although the sample was limited to 13 respondents, redundancy in response content was obtained during the interviewing process.

Data Analysis

Qualitative data analysis is a search for general statements about relationships among categories of data (Marshall & Rossman, 1995). Marshall and Rossman (1995) summarized the analytical procedures for qualitative data as involving five steps: 1) organizing the data; 2) generating categories, themes, and patterns; 3) testing the emergent hypotheses against the data; 4) searching for alternative explanations of the data; and 5) writing the report.

Following these five steps, the thirteen interviews were transcribed by a hired transcriber using a computer word processing program. All of the tapes and transcripts were reviewed by the researcher for accuracy of response interpretation. The researcher then read the transcripts twice while making notes of main concepts and ideas which emerged from the transcriptions

through constant comparative analysis methods (Glaser & Strauss, 1967). In the second stage, the researcher sorted and collectively organized the concepts and ideas extracted from transcripts and generated categories, themes, and patterns from grouped ideas. In this stage, a broad range of data was summarized in tables according to categories, themes, and patterns. Thirdly, the relationships among the categories, themes and patterns were explored and theoretical concepts emerged from data analysis. In this phase, a theme table (Appendix F) was refined and trimmed. Once the table was complete, the researcher attempted to identify and describe plausible explanations for the data and themes. Lastly, the researcher wrote a narrative summary of results and listed key comments regarding important themes and categories. Further, hypotheses for future research were inductively generated from the data.

Dependability of findings was enhanced by the involvement of a Textile and Clothing expert who participated in the data collection process as well as data analysis. The expert verified the results by 1) independently conducting a constant comparative analysis of a randomly selected transcription, 2) generating themes from the data, and 3) confirming the inclusion of those themes in the results and theme tables generated by the researcher.

CHAPTER 4: RESULTS

In this chapter, the research findings are presented in relation to main themes generated from data collected through interviews. This chapter is divided into two sections. In the first section, profiles of participants and companies are summarized. Secondly, a broad range of responses to current and future apparel retailing issues are discussed focusing on five categories: 1) current challenges in apparel retailing; 2) changes in consumer behavior and implications for retailers; 3) future changes in apparel retailing; 4) competencies needed for future retailers; and 5) implications for retail education.

Demographic Information

In this section, profiles of interviewees and their companies are described. A total of 13 retail executives, chosen from various retail segments participated in this study. A range of retail segments (i.e., specialty, department, discount, non-store retailing) is involved and, for the sake of convenience and confidentiality, the researcher used code numbers for all interviewees. Specifically, code number D1 indicates that the informant was a department store retailer, S1 was a specialty store retailer, N1 was a non-store retailer, and C1 was a discount store retailer. Table 1 offers a summary of participant and company demographics.

Respondent Profile

Retailer D1 is chairman of a department store chain which has 48 branch stores in the Midwest. The company offers a bridge, better and moderate product mix, has gross sales of 600 million dollars and employs 5,500 workers. The informant has been working in the retail field for 23 years and has held his current position for 4 years.

Interviewee D2 is chairman and CEO of a department store chain carrying moderate price products with 36 chain stores in West California. The company has 5,000 employees and an annual gross sales of 400 million dollars. This participant has devoted himself to retailing for 40 years and has been in his current position for 14 years.

Table 1. Demographics of respondents and companies (n=13)

	Number	Percent
Demographics of Respondents		
Age (years)		
31-40	1	7.7
41-50	5	38.5
51-60	1	7.7
61-70	5	38.5
71-80	1	7.7
Gender		
Male	9	69.3
Female	4	30.7
Marital status		
Married	12	92.3
Divorced	1	7.7
Education		
College or advanced degree	11	84.6
Some college	2	15.4
Educational related to retailing		
Yes	6	46.2
No	7	53.8
Current position held		
President	4	30.7
CEO	1	7.7
President and CEO	3	23.1
Chairman	2	15.4
Chairman and CEO	1	7.7
Chairman Emeritus	1	7.7
Vice president	1	7.7
Current position experience (years)		
1-10	5	38.5
11-20	5	38.5
21-30	2	15.4
31-40	0	0
41-50	1	7.7
Retail work experience (years)		
11-20	2	15.4
21-30	5	38.5
31-40	4	30.8
41-50	2	15.4

Table 1. (continued)

	Number	Percent
Demographics of Companies		
Business types in which participants are involved		
Specialty Stores	8	61.5
Department Stores	3	23.1
Discount Stores	1	7.7
Non-store Retailing	1	7.7
Numbers of employees		
1-50	5	38.4
51-500	1	7.7
501-1,000	1	7.7
1,001-2,000	2	15.4
2,001-5,000	1	7.7
5001-10,000	1	7.7
10,001-20,000	2	15.4
Annual gross sales (million)		
n.a.	1	7.7
Less than 1	3	23.1
1.1-50	3	23.1
50.1-100	1	7.7
100.1-500	2	15.4
500.1-1,000	1	7.7
1,001-1,500	1	7.7
1,500.1-2,000	1	7.7
Number of branch stores		
No branch	4	30.7
1-50	5	38.4
51-100	2	15.4
101-150	1	7.7
151-200	0	0
201-250	1	7.7
Price line carried by companies		
Bridge-Better	2	15.4
Bridge-Better-Moderate	1	7.7
Better-Moderate	5	38.4
Moderate	3	23.1
Moderate-Budget	1	7.7
Budget	1	7.7

The D3 interviewee is president and CEO of a department store chain offering moderate price products with 53 chain stores in the Midwest. The company has 12,000 employees and annual gross sales of 1.1 billion dollars. The informant has been working in retailing for 39 years and has been in current position for 11 years.

The informant S1 is a female president of a regional specialty store carrying better and moderate priced apparel lines. Thirteen employees are working in her store. Annual gross sales are $900,000. This informant has been employed in the retail field for 30 years. She has been in her current position for the past 8 years.

The S2 retailer is chairman emeritus of a specialty store chain carrying moderate women's apparel. The company has 2,000 employees with gross sales of 160 million dollars with 205 branch stores in 26 States. The respondent has been working in retailing for 42 years holding a chairman position for 42 years.

The participant S3 is chairman of a specialty store chain with 25 branch stores carrying better and moderate women' apparel. The company has gross sales of 30 million dollars with 375 employees. The interviewee has been working in retailing for 40 years and has been in his current position for 30 years.

The S4 interviewee is president of a specialty store offering bridge and better women's apparel. This female respondent has been working in retailing for 23 years and in her current position for 16 years.

The informant S5 is president and CEO of a specialty store chain carrying better and moderate men's leisure and sports wear. The company has 12 branch stores, 50 employees and 5 million dollars in annual gross sales. The participant has been working in retailing for 22 years and in his current position for 3 years.

The S6 participant is president of a specialty store offering moderate women's apparel. The company has 28 employees with gross sales of 1 million dollars. The informant has worked in retailing for 35 years and has held his current position for the past 10 years.

The participant S7 is co-chairman and CEO of a specialty store chain carrying moderate and budget products with 100 branch stores. The company has 1,800 employees and gross

sales of 100 million dollars. The interviewee has been working in retailing for 50 years. He has held his current position for the past 20 years.

The S8 interviewee is president of a specialty store chain carrying better and moderate men's and women's apparel. The company has 20 branch stores, 600 employees and 40 million dollar gross sales. The informant has been working in retailing for 30 years and in his current position for 25 years.

The interviewee N1 is president and CEO of a non-store retail company specializing in bridge and better women's apparel. The company is a World Wide Web retailer, has 3 employees and gross sales of $600,000. This retailer has been holding a president position in retail for 20 years.

The C1 participant is vice president and general merchandise manager of softlines in a discount store chain with 124 branch stores. The company has 16,000 employees and 2 billion dollars in gross sales. The female interviewee has worked in retailing for 18 years and held her current position for the past 2 years.

<u>Demographics of Respondents</u>

The interviewees ranged in age from 40 to 71 but mainly concentrated in the 46-65 age group. About 70% of respondents were male and over 90% were married. The majority of the respondents (84.6%) had a college or advanced degree; the remaining participants had some college education. Only about half of the retail executives participating in this study (46.2%) had an education related to retailing.

Among thirteen informants, eight retail executives were involved with specialty stores, three informants reflected a department store point of view, one retailer represented discount stores, and one retailer represented non-store businesses. Current positions held by participants were top executive positions such as president, CEO, chairman and vice president. The informants had retail career experience ranging from 18 to 50 years and the majority of the participants had 20-40 years of work experiences in the field of retailing.

Company Demographics

Company size was identified by the numbers of employees and annual gross sales. The companies varied in size. The number of employees ranged from 3 to 16,000 with a mean of 3,336. According to the number of employees, forty six percent of the companies were characterized as 'small businesses' (500 or fewer employees[3]). Annual gross sales ranged from $600,000 to 2 billion dollars. Branch store numbers ranged from 0 to 205. Thirty percent of the companies had only one store. Price lines carried by each company varied. Among 13 companies, the largest percent offered better and moderate priced products.

Current Challenges in Apparel Retailing

The retail executives indicated six diverse challenges facing apparel retailing regardless of retail classification. The six major challenges are listed in Table 2.

Table 2. Current challenges in apparel retailing

1.	Over-stored retailing
2.	Extreme price competition among retailers
3.	Lack of creativity/uniqueness/newness in products and presentation
4.	Consolidations of retailers and vendors
5.	Changing consumer attitudes towards apparel
6.	Retail executives' lack of leadership

Over-Stored Retailing

One of the most significant challenges in current apparel retailing is the challenge of too much retail. Informants noted that new retail institutions are continuously being added although the American retail market is already saturated by existing retail stores of all types. This proliferation of stores has caused increasingly extreme competition in the retail world for the consumer's stagnant disposable income. Retailers describe the profound competition among retailers as a "dog eat dog industry" noting how retailers are "battling each other". One retailer, commenting on the increase in store numbers, noted the following,

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[3]   Siropolis (1982) defined small business as an independently owned and managed business that employs fewer than 500 persons.

> [The] only way the retailers get any growth is to take it away from somebody else [by] chasing each other's tail and when one company opens a good center, two more come in three miles from there and open another one. The result is everything gets deleted. (Participant #S3)

In addition to an increase in numbers of retail store, a geographic expansion of stores was also perceived as an important factor hurting the retail environment. It was noted by a respondent that store footage doubled between the 1980s and 1990s. Informants recognized that tremendous blocks of retail space no longer were productive due to high rent fees and the inconvenience factor generated from huge store space. Retailers noted that bigger and bigger was never equal to better and better; further explaining that over expansion had hurt many retail people in the process. Increasing numbers of stores are closing and the remaining stores are forced to provide heavy discount or sale pricing to survive. Informants predicted that far fewer stores would exist in the future, suggesting that up to 5,000 retail stores would be closing within the next year. On the other hand, it was predicted that small store growth trends would increase in response to large store inconvenience factors of long distances to parking lots, too much space to walk around in large stores, etc.

Extreme Pricing Competition Among Retailers

Another significant challenge to retailing as identified by respondents was heavy competitive pricing. Retailers reported that increasing pricing competition had led to excessive and extreme markdowns in all retail classifications. According to respondents, today's consumers don't have to shop discount stores, they can buy the same products at similar prices in department and specialty stores. Competitive discounting strategies have taught consumers to wait for sales and markdowns rather than buy at regular prices. One retailer commented by saying,

> When you go [shopping] you might buy one jacket that you couldn't live without at full price. But you are going to wait for all of other things that go with it to go on sale. The silk sweater, the cashmere sweater, the cotton sweater, the T-shirt, you are not going to buy it at regular price, you are going to wait until it is two for the price of one. One day sales, midnight sales, moon light sales, it is always on sale. (Participant #N1)

Low pricing strategies found in all retail segments have been especially hard on discount retailers. One informant, representing discount store businesses, stated that consumers who are very accustomed to markdowns don't want to buy products at regular price. Therefore a high mark-up becomes necessary to make a profit. However, discount stores can't use a high mark-up because their most important weapon is the low price.

The consumers' tendency to flock to sales has created a very painful situation for retailers in maintaining adequate margins. Retailers indicated that extreme competition in low pricing and high markdowns was destroying retail trade.

Lack of Creativity/Uniqueness/Newness in Products and Presentation

Retail executives also agreed that there was too much apparel being produced and much of it was just repetitious. The lack of newness in the design of apparel products was believed to be due to retailers' tendency to copy what existed rather than to create. Respondents also noted that apparel design based on consumer research resulted in a prevalence of homogeneous products in retail stores. One interviewee explained by saying,

> We conduct market research and try to offer what customers want. Other specialty stores do the same thing. If the offering gets too different then people don't want it. Specialty stores have very fine differences. It can't be called even an edge...Ann Taylor overlaps to some degree with Talbots and of course they all overlap today with department stores. (Participant #S2)

The consumers' tendency to seek low priced goods was regarded as a major reason for the lack of creativity in products. Respondents commented that simple, basic apparel was produced in excess and in mass to keep prices low. Participants also indicated that the prevalence of homogeneous products resulted in similar product presentation in retail stores.

Consolidations of Retailers and Vendors

Participants reflected on the tremendous down-sizing of corporations via mergers, acquisitions, affiliations, and amalgamations. Retailers believed that the government fostered and supported mergers and amalgamations, whether it was in the airline industry, banking, and telephone industry, etc. From a macro point of view, consolidations have created many

problems including job insecurity and continued layoffs for the middle class workers. From the micro view point, almost all respondents predicted that a few major department and discount stores would soon dominate the retail field.

Participants noted, however, that consolidations of major retail institutions have resulted in several retail advantages. First, consolidation allows the retailer to increase its financial position by keeping prices low, reducing overhead, and increasing buying power. Also, mergers make it possible to establish an efficient operating system through investment in technologies.

Consolidation creates disadvantages as well. Some respondents noted the difficulties in managing a large company. In response, large companies were often split into several divisions for better control. Retailers, however, reported that miscommunication or excessive competition among divisions caused serious company problems.

In addition to the consolidation trends in retailing, mergers have also been occurring among vendors and support service providers. Many buying offices have closed down during the last few years due to the decrease in retail stores needing vendor services and products. Today, large conglomerates are developing their own private labels for increased profits. Many small retail stores who have relied on small scale vendors are being forced to close down. Such trends make it very difficult for the small scale vendor to remain in the business.

Participants further noted that large vendors don't allow small business retailers to purchase products in small quantities or to select products at the same time period as large retailers. Small businesses, with little buying power or capital, have been suffering from high product costs and no priority in choosing products. One small business president stated the following.

> It will not be our competition that puts us out of business, it will not be our customers that put us out of business, it will be our vendors that put us out of business [because] I will not be able to buy products at the right price in quantities that I can use. (Participant #S6)

Nevertheless, most of respondents predicted that more consolidation in vendors would continue in the future.

Changing Consumer Attitudes towards Apparel

Retailers identified the changing consumer attitudes and behaviors towards apparel as another challenge to apparel retailers. According to the respondents, women were excited about apparel and fashion trends in the 1970s and 80s, but today's consumers just want comfortable clothes and are much less interested in fashion. Women today are more conservative in how they dress and have less need for new clothes. Rather, there are concerned with educating their children, preparing for retirement, and looking toward home needs. Retailers predicted that the current consumer attitudes and behaviors towards apparel would continue to strongly impact apparel businesses in the future.

Retail Executive's Lack of Leadership

Insufficient retail executive leadership was also identified as a challenge to the retail industry. Respondents indicated that few retail executives were planning for the future, commenting that leaders tended to be reacting rather than pro-acting. Retailers reported that many executives were reluctant to recognize the need for massive change, further noting the void in individuals capable of leading dramatic changes. Retailing was identified as an industry with potential, but informants insisted that realization of the potential will depend on newness, challenges, new ideas and a new vision.

Changes in Consumers and Implications for Retailers

Participants were questioned about specific demographic, economic, lifestyle, and consumer buying behavior changes impacting apparel retail businesses. Responses are summarized in Table 3.

Demographic Changes

Diverse demographic changes were discussed emphasizing aging population trends, increasing numbers of working women, increasing demands on disposable income, the growing numbers of homes with personal computers, and increases in ethnic group populations.

Table 3. Changes in consumers

Demographic Changes:
1. Aging population trends
2. Increase of women in the workforce
3. Less discretionary income and increasing demands on disposable income
4. More homes with computers
5. Increase in ethnic populations

Consumer Lifestyle Changes:
1. Casual Lifestyle
2. Increasing emphasis on individuality
3. More conservatism in women
4. More interest in home, family and children

Consumer Buying Behavior Changes:
1. Growing needs for customer services
2. More value-conscious consumers
3. Poverty of shopping time
4 More spending on experiences than products

Aging population trends

Retailers posed the aging population trend as one of the most important changes in demography. The tremendous increase in aging populations will continue and require niche markets for older generations based on characteristics and lifestyle distinctions. One respondent stated,

> There are a large number of elderly people in America that's increasing all the time. I honestly think there is a niche there for somebody on a national basis even to grow into a national operation that really caters to the gray hairs of America. I don't think that that is fully recognized and understood today. I think it is a universal need. (Participant #S3)

Respondents recognized that older populations were more demanding of services, noting concerns of parking lot distances and length of check out lines. Also, aging consumers are likely to place more emphasis on quality and value than younger consumers. According to respondents, the retirement age population on a limited income, has time to search out products with real value.

Reflecting the aging population's tendency to depend on service, one retailer discussed an emerging business opportunity by saying,

Today, we are seeing people go to rest homes and nursing homes once a month, selling clothing that is targeted to that customer. You don't hear too much about it but it is beginning. A lot of the older people have considerable money and care about themselves. (Participant #S7)

Respondents also reported that 50 and 60 year old women today are dressing younger than women did even five years ago. Some retailers stated that the trend would impact apparel product developments through the development of younger-looking and better fitted apparel designs for older women.

Informants also recognized that older generations tended to move to southern or western areas of the U.S. because of milder weather patterns. Several respondents expected to see good business opportunities in Southern or Western areas with growing aging populations. One participant in his 60s stated,

I have recently moved my residence to Florida and as I drive around Florida I think what a boom there is going to be because Florida is the closest place to the Northeast where you can go and get away from the cold weather in the winter...I suppose southern California and Arizona in the sunbelt states are going to boom because so many of these people are going to be nearing retirement. Even if they don't move permanently, they want to get some place where there is warm weather. I see it as just a great movement of people to the South. The south doesn't necessarily have to be Florida. In the East, it can be North Carolina, South Carolina, Georgia, and Florida. (Participant #S3)

Increase of women in the workforce

Retailers recognized that the shopping patterns of women have also changed as more women entered the workforce. They don't think of shopping as entertainment, they think of it as a burden or chore. Women as a major consumer group, like one-stop shopping and evening and weekends store hours. Participants predicted that one stop shopping would be absolutely essential to women consumers and that other new types of retail stores would emerge to serve this consumer group.

Less discretionary income and increasing demands on disposable income

There was consensus from participants that an erosion of the middle income population had led to a loss of billions of potential dollars in sales. This factor, coupled with a tremendous increase in demands on disposable income, was creating a population concerned with and

saving for retirement, the education of their children, home and health care, etc. Retailers were well aware of the demands on the consumer's decreasing disposable income. One retailer further explained,

> There is going to be less emphasis on clothing, more on saving for retirement, more on education, greater concern with health care, and the casual lifestyle. The computer businesses are going to be the winners and the apparel business... I don't see it growing anything like it did in the 60s, 70s and 80s. (Participant #S8)

More homes with computers

The increasing number of people who owned personal computers was addressed by participants. Retailers projected that the number of American homes with personal computers was headed for 50% and in 10 to 15 years the figure would probably be upwards of 80%. Respondents predicted that computers would be integrated into the consumers' everyday life, saving shopping time, providing more information about products, and improving variety and choice. As computer use grows, tremendous developments in non-store retail via computers were also anticipated to grow.

Increase in ethnic populations

As ethnic populations are increasing, the importance of ethnic groups in retail consumption was noted to be increasing in apparel retailing. Certain ethnic groups were spending more money on apparel than other ethnic groups, creating new target markets in many states. One respondent explained the increase in ethnic consumers in apparel retailing.

> When we opened our store in Memphis, Tennessee...a very traditional preppy type store...there was maybe 5% ethnic trade. Today it is still a real good store, still selling at the same price line. But now our customers are 50% ethnic. (Participant # S8)

To satisfy the needs of ethnic groups, retailers suggested developing various size lines (i.e., petite line or large size line, etc.) and developing designs specifically for the new ethnic niche markets.

Consumer Lifestyle Changes

Tracking consumer lifestyle changes was perceived to be an important way to help retailers predict the future of apparel retailing since consumer lifestyles reflect buying behaviors and needs for certain products and services. Four consumer lifestyle changes were identified including casual lifestyle trends, growing emphasis on individuality, increasing conservatism in women, and growing interests in home, family and children. (Table 3)

Casual lifestyle

There was participant consensus on the existence of comfortable and relaxed consumer lifestyles. As casual Fridays become increasingly common, people want more casual clothing in the workplace. Also, the increasing number of people working at home with computers has resulted in a great increase in casual clothing. Respondents expect this casual trend in the workforce to continue, thus negatively impacting apparel industry segments focused on better business wear.

Increasing emphasis on individuality

According to respondents, today's consumers are ego centered in many cases and seeking to differentiate from others. Retailers stated that consumers have become more individual and focused on their personal taste in apparel and less interested in designer induced trends. Retailers also indicated that more emphasis should be placed on newness and uniqueness of products to satisfy the consumer needs for individuality. Informants commented that new fabrications, new silhouettes, and new colorations were going to be much more important to fashion businesses.

Advantages and disadvantages for the fashion apparel industry were related. Some retailers believed this trend offered an opportunity for apparel businesses since fashion had always catered to people who care about how they look. In contrast, several respondents stated that retailers would have more difficulty in predicting fashion trends since consumers were pursuing more unique and individual styles rather than following fashion trends.

More conservatism in women

Retailers also reported a consumer tendency toward conservative dressing. Respondents insisted that conservatism in consumers created the lack of creativity in fashion apparel

products. Participants believed that today's consumers are so conservative that they don't want to look too different from other consumers. One respondent explained by saying,

> ... if you do something so different from anybody else then consumers in the present mind frame wrinkle their nose and say oh, I wouldn't buy anything like that. Because of the conservatism of consumers, they buy in a more set pattern... (Participant #S2)

More interest in home, family and children

It was also noted that people today are very focused on home, family and children. As family and home time becomes increasingly important, people gain interest in decorating and updating their home. Retailers commented that home furnishing businesses were progressing but apparel products were not selling as well. Reflecting the lifestyle changes, many specialty and department stores have opened home furnishing divisions to capture the growing consumer market.

Consumer Buying Behavior Changes

Consumer buying behavior was believed to be another key element impacting changes in apparel retailing. Respondents listed primary shifts in consumer behavior as increasing needs for customer services, more value-conscious consumers, poverty of shopping time, and more spending on experiences than products.

Growing needs for customer services

According to informants, various changes in consumers including aging trends, increasing numbers of working women, and busy lifestyles resulted in growing needs for customer services. Respondents indicated that current consumers expect retailers to provide conveniences, an exciting product mix, and well-informed presentations, etc. Respondents also recognized that retailers need to differentiate themselves from many other retail stores through customer service offerings to overcome deficits of homogeneity in products. Improved customer service would require that retailers carefully listen to customer complaints and dissatisfactions.

More value-conscious consumers

Retailers stated that the continuous depression in the world economy had caused value-consciousness in consumers. Moreover, consumers today don't buy products impulsively; they tend to be more fact-oriented. As people become better educated, consumers want more information about products. Consumers are also comparing price, quality, and service provided by retail stores in deciding where to shop. One respondent explained,

> Consumers want to know why they should buy this as opposed to another product. [Consumers want to know] what is better than the other…They want to know more about the product in advance. They want warranties and guarantees and all the kinds of things that they never wanted before. (Participant # N1)

In terms of apparel, retailers mentioned that today's consumers are much more discerning about where and how money is spent. For example, consumers in the 1990s were perceived to prefer versatile and longer use clothes rather than luxury apparel. Retailers further explained that consumers don't want to spend much money on clothing, because they can find similar products in any store due to homogeneous product offering in the apparel market.

Additionally, price competition and excessive discounts have led consumers to seek low prices, no matter how much they could actually afford to spend. According to respondents, excessive sales have made consumers believe that ticket price is not a real price, so they wait until the price drops to buy.

Poverty of shopping time

Respondents also identified a lack of shopping time as one of the most important changes in consumer behavior. According to informants, the busy lifestyle of consumers has resulted in a poverty of shopping time. Shopping is perceived as a burden by many consumers rather than entertainment.

In response, participants suggested that retailers concentrate on one-stop shopping formats, invest in mail-order and telecommunication retailing, invest in big box centers, get out from malls and extend opening hours, and adopt technologies for quick checkout service.

More spending on experiences than products

Recognizing that apparel retailing is currently one of the softest sectors in the retail industry, respondents stated that consumers are more willing to pay for exciting experiences rather than having fun in apparel shopping. Consumers were spending their money on travel, sports, and other exciting experiences rather than on clothing. One respondent reported by saying,

Ten years ago, a woman bought a new $400.00 suit to go out to make a presentation to a Board of Directors. Today, she may spend $400.00 on a discount ticket to fly to Paris instead and wear the old suit. How we want to use our money is changing and it is not just the baby boomers that are putting more money into multiple college tuitions and that kind of thing. It is that our interests have changed. We think globally. We want to go more places, we want to see more things, we want to do more things. (Participant #N1)

Consumer buying habits are based on consumer interests. Hence, if they are very active they may want to spend money on ski wear, golf club, tennis racket, etc. rather than on business suits. Also, if consumers like to see and experience different cultures, more money will be spent on air tickets, travel wear, hotels, etc. These readjustments of their priorities in spending is leading to the development of a travel, sports and leisure apparel industry at the expense of the luxury goods industry.

Future Changes in Apparel Retailing

Most respondents had difficulty in predicting future changes in apparel retailing beyond 5 years. Participants were comfortable with three to five year predictions and spoke with a relatively high degree of confidence. Retailers posed several possible changes based on current and emerging trends in the apparel retail market. Changes are summarized in Table 4. Additionally, specific predictions related to each retail segment (i.e., specialty, department, discount, and non-store retailing) are identified.

Fewer yet stronger retailers through consolidation

As a result of increasing retail consolidations, retailers predicted a considerable decrease in the numbers of existing apparel retail stores in the future. Participants noted, however, that retail survivors will be stronger than ever. Retail consolidations were recognized to exist in all

Table 4. Changes in future retailing

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1. Fewer yet stronger retailers through consolidations
2. Increasing market share of new retail formats
3. Diminishing malls, but growing regional small retailers
4. Increasing use of technology for shopping
5. More involvement in overseas sourcing and global retailing

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retail segments due to consolidation benefits which allow retailers to remain competitive by reduced overhead and increased buying power. In addition, the growth of non-store retailing (i.e., catalog shopping, TV home shopping, internet shopping, etc.) was also believed to be a factor forcing the decrease in numbers of apparel retail stores. Informants indicated that retail consolidations will continue at least for the next five years and far fewer stores will exist in apparel retailing at the end of the time period.

Increasing market share of new retail formats

Respondents predicted that new retail formats, including category killers and big box retailers, will increase market share in the future. Retailers defined category killers as specialty stores offering expanded and extensive specific merchandise categories under one roof (e.g., Toys R Us, Circuit City, etc.). Big box retailing is "a really focused retailer with a big concrete, brick building just like Best Buy." (Participant #S8) Respondents further explained that department and discount stores are not categorized as big box retailers since those stores deal with widely varied merchandise.

Conveniences of big box retailers and category killers (i.e., easy parking, close distance to parking lot, focused assortment, etc.), are an important reason why participants believed these specific retail formats will continue to grow in the next few years. Retailers predicted that more and more big box retail stores offering apparel and fashion products will be developed within the next 5 years.

Diminishing malls but growing regional small retailers

Respondents predicted that shopping malls would face difficulties in the next few years due to changes in consumer buying behaviors. According to informants, today's consumers do not enjoy shopping in the malls because of inconveniences of parking, long checkout line, too

much merchandise, etc. One retailer insisted that 15% of all currently existed malls would be closed by the end of the century or at least transformed to other retail formats such as big box retailers or category killers. Instead, participants noted that consumers want to shop in smaller stores and use their time for other exciting experiences. Therefore, participants projected the growth of regional small business retailers to satisfy busy consumer lifestyles.

Increasing use of technologies for shopping

All 13 interviewees predicted that in 10 to 15 years consumers would use more technologies for shopping, noting that busy consumer lifestyles will play an important role in the growth of technology shopping (i.e., TV home shopping, internet shopping, etc.). Informants explained, however, that the development of technology shopping will influence commodity shopping rather than fashion businesses. Some respondents believed that appliance stores would disappear in the future due to the dominance of non-store shopping formats offering lower prices, more information, and more convenience.

More involvement in overseas sourcing and global retailing

Respondents discussed the increase in overseas sourcing related to product development, stating that retailers should chase the pace of labor cost change and anticipate it. Additionally, informants stressed the importance of international sourcing knowledge including delivery time, speed of trade, quality and price in successful developments of private labels.

Although many of respondents expressed interest in international retailing, no company with international branch stores was among the participants. Difficulty in determining foreign consumer characteristics and buying behaviors had contributed to their hesitation in opening stores in foreign countries. One department store retailer explained,

> Today, retailing is becoming more global and American retailing, as we know it, is being transferred into a global picture...Our way of doing business is spreading to the globe. There is no question [about that] because our markets are already saturated...[However,] there are difficulties in implementing foreign retailing [as] a lot of European retailers have not been successful here in America. In global retailing, some [retail strategies] are transferable and some are not. (Participant #D1)

In addition, technological advances were believed to be as an important factor impacting the increase in global retailing. A non-store retailer, involved in internet shopping, further explained,

> Two hundred million people in 125 different countries will be served via the system by the year 1997... [To serve more consumers,] retailers needed to look at their distribution possibilities on a much more global basis than they did in the past. (Participant #N1)

Future Changes in Specialty Stores

According to those respondents, specialty stores will struggle in the future due to a lack of leadership in quality control, unique assortments, and speed of replenishment. Retailers pointed out that specialty retailers need to be on top of rapidly changing trends to stay competitive in the future.

In addition, increasing price competition resulting from retail consolidations was identified as a negative factor specifically impacting small specialty stores since small businesses have less buying power. Furthermore, high rents and less capital were noted as unfavorable factors impacting small business retailers. Moreover, informants stated that specialty stores have not been able to maintain their market share since they don't serve consumers who prefer one stop shopping formats.

Specialty store retail participants, however, expressed positive viewpoints related to their future emphasizing easy parking service, a variety in assortments, etc. Specialty store retailers insisted that such convenience factors will keep specialty stores competitive in the future.

Participants suggested that specialty retailers move their store locations away from malls and return to regional areas where there is less competition in order to reduce rent fee and attract busy consumers who want to shop in closely located stores. Respondents also stressed the needs for private label development to increase profits by attracting consumers who seek newness and uniqueness in products. Additionally, some retailers stressed the importance of fun in their presentations to satisfy consumers' expectations of interesting and exciting shopping environments. For example, one retailer suggested an interactive selling atmosphere. Specifically,

If you want to buy ski wear, you could go into a cubicle, actually try them on, and experience what the skis would actually feel like in snow. Or what the rainwear would feel like with water hitting you. More interactive things like that. (Participant #S4)

Another participant presented a theme marketing concept. For example, retailer can sell apparel products with seeds, plants, ceramic bowls, furniture, fountains, pictures, etc. under the garden theme.

Future Changes in Department Stores

Department store retail participants predicted that they would be survivors in the future due to great flexibility in fabrication, silhouettes and colors of products; strengths in pricing; conveniences of one-stop shopping format; and solid assortments and presentation. Respondents from specialty, discount, and non-store retailing also were optimistic about the future of department stores.

Some retailers predicted that department stores would be transformed to large specialty stores with highly proficient operations, a wide range of product categories, and focused assortments in each category. Another group of participants believed that department stores would be divided into two types. One type would be the service oriented high-fashion department stores; and the other would be discount, quick checkout stores. Moreover, retailers predicted a growth in high end, better priced department stores in 10 to 15 years. Retailers also believed that national and regional department stores would become much stronger through continuous mergers. Informants suggested that the department store retailers preparing for the future should keep a one-stop shopping format, develop meaningful private label products, and improve the level of customer services.

To the respondents, customer service meant being attentive, being available, being knowledgeable, and being able to serve customers in some way, shape or form. Customer service was perceived as an integral concept including: 1) interesting and exciting shopping environments; 2) uniqueness and high quality in offerings; and 3) a comfortable, friendly, clean, informative, and well organized atmosphere. As one department store retailer explained,

Customers want to be taken care of. That is not just with fashion, price, or service. It is a combination of all three in our way of thinking, so it is really a three legged stool to give the best possible intrinsic value for a piece of merchandise. (Participant #D2)

To provide high levels of customer service, respondents recommended that more research take place to enable retailers to more directly promote to their target consumers. Two retailers mentioned focus group methods as a way to increase customer satisfaction and improve business plans.

As another way to enhance knowledge about customers, one informant related to a specific company position stating the following,

Customer service is something that can be developed as a major element in a company. ...Last year, we created a position, director of consumer satisfaction. A woman who heads it was a buyer with us for a number of years. She talks to customers all the time. If anybody has any complaint, she does interviews with him or her. She spends all of her time trying to find out how successful or unsuccessful we are in customer service. (Participant #S2)

This company also identified another consumer research event to obtain customer comments.

We used to have a poster in the store which is 'Call the CEO if you have any questions and concerns. Glad to hear from you and had an 800 number to call'... I got quite a number of calls, maybe 30 to 40 a week. And I talked to most of them to find out what bothers them and to show them that we were very interested. (Participant #S2)

Another retailer suggested that stores make a profile of customers regarding buying history, body size, and preferred length of skirt or sleeves and use the information whenever customers shop their stores. Respondents stated that if customer service is a corporate strategy then all the sales associates, staff persons, and support persons have to understand that and be a part of implementing it. When all of the company employees implement the corporate culture, the strategies will be effective in meeting the service needs of their target consumers.

Future Changes in Discount Stores

In general, many respondents expressed pessimistic views on the future of discount store retailing. Specifically, informants stated that discount stores are being negatively impacted by extreme markdowns in department stores offering current fashion and quality merchandise. In view of major discount store bankruptcies, retailers predicted that more and more discount stores would close or transform to different retail formats. One specialty store retailer further explained by saying,

> Most of the regional discount stores have had an awful time. In New England, we have the four major discount stores. [Among those four stores] Bradles and Caldor are in Chapter 11, Jamesway has been liquidated, and Ames which came out of receivership two years ago is now closing many, many stores and laying off thousands of people... The regional discount stores are being hurt the most and their future doesn't look to me to be too promising. (Participant #S7)

In addition, the dominance of a few major discount store chains including Wal-Mart and Target was hurting regional discount store retailers due to their many strengths including a high level of customer service, better trained employees, and efficient technological operation. Some respondents, however, predicted Wal-Mart's profitability would not continue at the same rate in the future despite excessive geographic expansion.

Respondents also predicted a poor future for off-price operations (i.e., TJ Maxx, etc.) due to a lack of ability to adopt high quality, current fashion merchandise or private label programs. On the other hand, retailers expected the continuous growth of Price Clubs selling quality products in bulk. Informants also predicted that all types of discount store retailers (i.e., general discount stores, off-price operations, mass-merchandise discount retailers, etc.) will carry an increasing number of apparel products in their future product offerings.

Stressing the importance of retail distinction, interviewees recommended adopting new technologies for efficiency in operation in order to enhance discount store retail competitiveness in the future. Technologies also were believed to be advantageous for reducing the operating costs and increasing gross margin.

Although most of respondents recognized the importance of technology in retailing, retailers identified monetary restraints as the most significant obstacle to adopt technologies.

However, respondents believed that adoption of technologies should be in the forefront of future discount retail business strategies.

Future Changes in Non-Store Retailing

All thirteen respondents agreed that non-store retailing would increase its market share in 10 to 15 years. However, they also believed that in-store retailing would continue to be the primary retail format due to consumers' preference for touching, feeling, or trying on apparel. Immediate access to apparel products and building social interactions were also important factors in in-store retailing. Busy consumer lifestyles were enhancing the needs for conveniences in shopping resulting in the future growth of non-store retailers including catalog, internet, TV home retailing, etc.

Retailers also predicted that non-store retailing would increase in the future due to dominance of younger consumers familiar with electronic technologies. One specialty store retailer commented,

> I would suspect more shopping will be done through computers at home, but I think it is going to take a little time...I can remember, two or three years ago even being here at the NRF, they were saying home shopping is going to be a huge factor in two or three years. Well, it was not. I think in time it may well be but I don't know how soon or to what degree people will want home shopping. (Participant #S2)

There was some controversy in predicting the future of catalog retailing. Some respondents expressed more pessimistic views on the future of catalog retailing stressing high paper costs and decreasing consumer interest due to over-publishing and over-delivery. One respondent further explained by saying,

> It is very easy when a catalog comes in to throw it in the waste basket before my wife and kids get to see it. It's a one stroke elimination of an awful lot of potential buying and I think a lot of people are doing that. That doesn't mean necessarily me but I probably get a hundred catalogs or more a year and there is a great temptation as you clear your mail to do just that. (Participant #S7)

Younger people were believed to be much more interested in catalog shopping. One respondent explained the preference of young generations for catalog shopping by stating,

> I have a daughter who has a boyfriend that comes over. All he can talk about is when the J. Crew catalogue is coming in so he can buy things out of the J. Crew catalog. I think non-store retailing has a definite, definite future. (Participant #S5)

Retailers also predicted that many catalog retailers will be transformed to electronic shopping as technology becomes an increasingly important part of everyday life of consumers.

Several retailers expressed interest in virtual reality malls or computer shopping malls. In virtual reality malls (via the internet), consumers input their size and desired clothing style and the system shows what products are available in what stores. In the virtual reality mall system, consumers can also change color, style, and size of clothes. The system provides custom made garments and delivers it within a three week period. According to respondents, several retailers are working on virtual reality malls. Respondents expected an increase in the number of virtual reality mall retailers in the future noting increasing computer literacy in younger age groups and the tremendous numbers of internet users. One retailer predicted that forty percent of all retail transaction will be done through electronic shopping media (i.e., CD-Rom, interactive video, television, internet, etc.) by the year 2005.

Moreover, retailers believed the internet shopping would play a crucial role in international retailing due to the ease of consumer contact world wide and the low cost of advertisements via WWW (World Wide Web) sites.

As recommendations to non-store retailers, participants stated that solving the fitting and color matching problems would be a key to success. In order to solve the size fitting and color matching problems, retailers suggested using computer body scanners and customization systems. Stressing the importance of product quality and uniqueness, informants stated that non-store retailers should develop newness in products, color, service, and advertising.

Competencies Needed for Future Retailers

Retail executives stated that students pursuing careers in retailing should be educated both intellectually and practically. Table 5 categorized responses with the focus on three sections: characteristics, specific skills, and knowledge level.

Characteristics

Various characteristics necessary for future retailers were discussed. Almost all of respondents indicated high motivation levels, enthusiasm, and a high level of dedication as the most important characteristics. Willingness to work hard, energy, and drive were also noted as

Table 5. Competencies for retailers

Characteristics:
1. High motivation/enthusiasm/high level of dedication
2. Willingness to listen to and understand customer wants and needs
3. Leadership
4. Competitiveness
5. Creative, opportunistic, articulate and highly organized
6. Cooperative, team-oriented

Specific Skills:
1. Interpersonal skills
2. Communication skills (speech/writing)
3. Mathematical skills
4. Analytical skills

Knowledge Level:
1. Knowledge of products and products development
2. Knowledge of trends in the apparel business
3. Knowledge of new technologies
4. Knowledge of textiles and fabrication
5. Knowledge of accounting

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critical for retail success. Participants stressed the importance of accurately portraying retail careers.

> I would tell them not to live in a fantasy world, retailing is damn hard work. It is not a real glamorous business...I think that it is educator's responsibility to stress the fact that the fashion business is not a glamorous business. (Participant #S8)

> When you come in [retailing], you need to put in 50-70 hours a week as you begin your career... Today I still work probably 60-70 hours a week. (Participant # D1)

The willingness to listen to and accept other's ideas was also noted. This characteristic was perceived to be critical in retailing since people are so specialized that they do not tend to

have a real understanding of what other people are doing. Interaction among divisions will help employees better understand the systems of the entire company. One respondent further explained by saying,

> Learning to accept other ideas is important because one tends to become very stable in one's own thinking if you don't open the door to other people's ideas. Opening the door to other people's ideas requires you to be humble enough to accept them if they are as good or better than what ideas you have. (Participant #N1)

In addition, strong leadership qualities were believed to be an important difference between being successful and merely surviving in the highly competitive retail field. Retailers are also expected to be highly competitive; they also need to be aware of competitor actions. Retailers are expected to be creative, opportunistic, articulate and highly organized; they need to understand what is happening in the world and translate pertinent information into their business opportunities. Cooperation and teamwork are also perceived to be important retail characteristics since retailing often entails collective and combined employee efforts.

Specific Skills

Respondents identified four major skills needed for future retailers including interpersonal skills, communication skills, mathematical skills, and analytical skills. Retailers agreed that more educational emphasis should be placed on interaction skills with customers, peers and vendors. Also, participants believed that communication skills, including speech and writing skills, are extremely important in retailing since retailers spend much of their time communicating with consumers and other employees.

A high level of mathematical skills were particularly important for retail merchandise managers. As cost control becomes increasingly important due to extreme competition in apparel retailing, a keen sense on profitability and cost effectiveness becomes increasingly critical. Analytical skills were also considered crucial to understand consumers and retail markets, to accurately interpret knowledge, and to generate meaningful implications and strategic recommendations.

Knowledge Level

Participants identified four important knowledge areas essential for future retailers including: 1) knowledge of products and product development, 2) knowledge of trends in the apparel business, 3) knowledge of new technologies, and 4) knowledge of accounting.

Stressing the increasing importance of private label programs, respondents insisted that retailers need product knowledge specifically related to design, sourcing, fabric and fabric care, workmanship, manufacturing technologies, distribution channels, delivery, etc. Observing people's clothing behavior, monitoring fashion trend publications, and traveling to European markets were identified as important techniques for gaining product and fashion knowledge.

Knowledge of computers will become increasingly important in developing efficient operations and in making sound business decisions. Reflecting on the lack of technology in colleges and universities, one retailer stated,

> I work with the school of retailing at _____ from time to time and one of my greatest disappointments is that they have no technology. They have one computer for every 30 students and they don't use them. Also, the system is old. We have donated our computer system to them with the help of STS who is our software provider. The company and I will continue to work to develop retail technologically because, when the students go into the industry, they have no clue of what they are going to have in front of them. A lot of what retail is becoming is going to be based on technology. (Participant #N1)

Specifically for upper level executives, retailers recommended building a general and comprehensive knowledge base of all areas of the business, rather than focusing on a particular area in the field.

Implications for Retail Education

In this section, courses recommended for retail students and techniques for building effective relationships between academia and industry are noted (see Table 6).

Recommended Courses

All 13 respondents placed great emphasis on practical training for students pursuing a career in retailing. Meaningful internship programs are also highly recommended for retail

Table 6. Implications for retail education

Recommended Courses:
1. Internships
2. International Study
3. History of retailing
4. Social psychology
5. Marketing: Human relations, accounting/finance, consumer behavior, etc.
6. Writing/speech communication
7. Product development

Methods for Building a Link between Academia and Industry:
1. Provide faculty internships
2. Increase contacts between retailers and educators by:
    a. attending practitioners' professional meetings,
    b. establishing seminar for practitioners, educators and students
3. Conduct case studies about various companies
4. Create a college store to train retail students

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students as well as part time job experiences. Retailers noted that an overseas educational experience was ideal for broadening world views and studying diverse cultures and global consumers.

Moreover, one retailer noted that a history of retailing course is very useful for retail students since knowledge about the past trends provides a great basis for predicting the future trends. Social psychology was also considered as an essential course to broaden knowledge about the needs and wants of individual consumers. Several marketing courses including human relations, accounting/finance, consumer behavior, etc. also were discussed as helpful courses for retail students to improve their ability to understand environmental changes and translate them into marketing. In order to improve the quality of communication in companies, writing and speech communication courses also were recommended for retail students. Further, as private label programs become increasing important, students will need product development courses.

Methods for Building a Link between Academia and Industry

Respondents discussed various ways to build a better link between academia and industry. Stressing the significance of work experience in building retail knowledge, several informants

indicated that lack of retail work experience among educators was a serious problem in retail education. In the words of retailers,

> Let me tell you a story about a professor at _____ University. She retired about 5 years ago and she decided she would get a part time job at retailing. She went to work for Burger's and her comment to me was I never knew it was like that. She had never worked in retailing. (Participant #S6)

> I would strongly suggest that retail educators take a sabbatical for 3 to 6 months and participate in a retail operation so that they have hands on experience in some way, shape or form rather than just theoretical experience. Practicality and reality may be something totally different from theory. Having experienced the reality will enhance the educational experience. (Participant #S4)

In addition to faculty internships, informants suggested retailers attend professional meetings for retail practitioners and invite practitioners to the university for seminars with students to enhance the consistency between retail education and career preparation.

To provide retail students with more valuable education, one respondent stressed the need of case study methods by saying,

> I teach a class in retail leadership at _____ . In this class, I don't use any textbook but each week I cover a different company. I try to give them material about a company a week in advance to read and then we will talk about that company. What are they doing right and what aren't they doing right and why. I also give them some examples of my own experience. (Participant #S2)

As another idea for building an effective retail education curricula, one respondent suggested creating a college owned apparel retail store to provide students with increasing opportunities to practice merchandising, buying, selling, etc.

CHAPTER 5: SUMMARY AND CONCLUSIONS

Overview of Research

Dynamism in retailing has been one of the most important historical issues both in retail academia and the business setting (Bucklin, 1983; Goldman, 1975; Savitt, 1989). Past research regarding change in retailing has concentrated on the relationship between retailing and society, because dynamics between the two have played a critical role in retail development.

Demographic, economic, consumer behavioral, and technological advances have significantly impacted retailing as well as other business areas (McNair & May, 1978; Savitt, 1984, 1989; Siewers & Yudelson, 1986). Recognizing that change in business is inevitable, many earlier researchers have attempted to examine historical changes in the retail field, developing retail cycle theories and predicting the future of retailing based on these theories.

Much of the previous research, however, has addressed retailing in general. In comparison, little research has focused specifically on apparel retailing although apparel has been one of the most important retail product categories. Past researchers have also tended to concentrate on views from academia rather than intensively exploring practitioners' perceptions. In addition, there has been little effort to study the perspectives of top management although such individuals are likely to be the strategic planners and chief decision makers within their firms.

In the present study, the researcher explored the future of apparel retailing by conducting personal interviews with retail executives during the 1996 National Retail Federation (NRF) Convention. The overall purpose of the study was to provide valuable insights for retailers and educators by investigating views on the future of the apparel retail field, business strategies necessary for the future, and needed skills and knowledge for future retailers.

Specific objectives of this study were: 1) to explore current demographic, economic, consumer behavioral, and technological trends which influence apparel retailing, 2) to forecast the future of apparel retailing based on contemporary literature and practitioners' perceptions, 3) to identify implications for the textile and clothing profession, for educators, and for researchers based on the resulting visionary perspectives, and 4) to develop new theoretical propositions related to the future of apparel retailing based on study results.

Data for this study was collected primarily through personal interviews. To obtain nationwide data, the 1996 National Retail Federation (NRF) Convention was selected as an appropriate interviewing site. Ten US retailers from the National Retail Federation (NRF) Board of Directors (i.e., company presidents, chairmen or CEOs of leading retail organizations) participated with the interviews.

In addition to the 10 respondents, one NRF board member and a small apparel retailer were contacted by the researcher to pretest the data collection instrument. Instrument pretesting took place in Iowa due to geographic convenience. Additionally, one informant was selected from the 1995 Discount Store Directory to fill the void of views from discount store retailers. A total of 13 informants participated in this study reflecting various retail segments (i.e., eight from specialty store, three from department store, one from discount store, one from non-store retailing). Twelve interviews took place face-to-face; one was conducted over the phone.

For both the personal and telephone interviews, a demographic questionnaire and a qualitative, unstructured questionnaire including general, open-ended questions focusing on study objectives were developed, pretested, and administrated to the thirteen informants. Transcripts of 13 audio-taped interviews were analyzed through constant comparative analysis methods to generate dominant themes. Dependability of findings was enhanced by the involvement of another observer (a textiles and clothing expert in retailing) participating in the data collection as well as data analysis process.

Summary of Results
Current Challenges in Apparel Retailing

Informants identified six major challenges to apparel retailing including 1) over-stored retailing, 2) extreme price competition among retailers, 3) lack of creativity/uniqueness/ newness in products and presentation, 4) consolidations in retailers and vendors, 5) changing consumer's attitude toward apparel, and 6) retail executives' lack of leadership.

Over store retailing, including the saturation of retail shops and excessive geographic expansion of retail stores, was one of the most important challenges to retailing resulting in a tremendous increase in numbers of store closings during the last few years. Extreme

competition in pricing among retailers was also considered as a significant challenge to the current retail environment. Retailers explained that excessive markdowns in each retail segment had created consumer distrust of regular priced products. Today, consumers wait for discounting rather than buying at regular price. Informants indicated that this extremely competitive pricing will continue to negatively impact retailers. In response to the lack of uniqueness in products and presentation, retailers insisted that the development of private labels were needed for enhancing competitiveness. It was also believed that a few major retail stores had consolidated to yield the benefits of mergers (i.e., reduced overheads, increased buying power, priority in selecting products from vendors, etc.). These mergers had resulted in bankruptcies for many small retailers. Lastly, the consumers' decreasing interest in apparel was identified as one of the most significant challenges to apparel retailers. Participants recognized that retail executive leadership and visionary perspectives were currently lacking in the modern retail environment.

Changes in Consumers and Implications for Retailers

Respondents identified various consumer changes noting implications for retailers. Consumer change focused on demographic, consumer lifestyle, and consumer behavioral patterns.

Demographic changes

Consistently with current literature (Anderson, 1992; Blackwell, 1994; Cetron, 1994; Dychtwald & Gable, 1990; Fosler, Alonso, Meyer, & Kern, 1990), retailers identified five major demographic changes including 1) aging population trends, 2) increase in women in the workforce, 3) less discretionary income compared to increasing demands of disposable income, 4) more homes with computers, and 5) increase in ethnic populations. An increasing number of aging people resulted in the emphasis on customer services. More and more women are entering the work force, and suffering from poverty of shopping time. To effectively serve these consumers, participants recommended extending store hours and develop one-stop shopping environments.

In spite of static disposable income, increasing consumer interest in exciting activities and innovative products has required more discretionary income. Additionally, as the rate of computer use is increasing, more people are willing to use computers as shopping tools. The integration of computers into the lives of consumers was perceived to be evidence of the growth of non-store retailing.

Consumer lifestyle changes

Respondents indicated that four consumer lifestyle changes had significantly impacted the retail industry including the dominance of casual lifestyles; increasing emphasis on individuality; more conservatism in women's shopping behavior; and consumers' increasing concern for home, family, and children. Most changes were compatible with the existing literature (Bartlett & Peterson, 1992; Carn, Rabinski, & Vernor, 1995; Lazer, LaBarbera, Smith, & MacLachlan, 1990; Wotruba, 1992). However, a conservative shopping behavior trend was a new finding in this study.

Retailers explained that the dominance of casual lifestyles; along with dressing-down trends, had stimulated the development of casual wear retailing, while causing the depression in formal wear retailing. Informants reported that consumers seek unique products more than people did in the past, placing more and more emphasis on individuality. Respondents, recognizing conservatism in consumers, insisted that today's consumers, not wanting to dress too differently from others, are opting for conservative dress. Consumers were also perceived to be very concerned with home, family, and children. Respondents indicated that the home-furnishing industry is in heavy competition with the apparel industry to obtain the consumer's discretionary income.

Consumer buying behavior changes

In terms of consumer buying behavior changes, respondents agreed on four primary shifts including 1) growing needs of customer service, 2) more value-conscious consumers, 3) poverty of shopping time, and 4) more spending on experience than on products. This findings were consistent with past studies (Bartlett & peterson, 1992; Carn, Rabinski, & Vernor, 1995; Gruen, 1995; O'Hare, 1993; Sarkissan, 1989; Wotruba, 1992). Today's consumers are better educated and very interested in customer services provided by stores. Respondents identified

customer services as an important retail concept. Consumers expected more value; more facilities; more unique and interesting goods; more information; and a comfortable, exciting, and less time-consuming shopping environments.

Value-conscious trends made consumers much more discerning about where money is spent. According to the respondents, today's consumers are seeking versatile and long wear clothes along with lower priced, better quality apparel. Additionally, the busy lifestyle of consumers has resulted in a lack of time for shopping and increasing needs for shopping conveniences. As a result, the development of one-stop shopping centers, the growth in non-store retailing, and increasing adoption of new technologies for efficient operations were predicted.

Lastly, the respondents stated that people today are much more willing to pay for exciting experiences rather than products. Therefore, the growth in the travel service industry and sports/active wear retailing was predicted by the respondents.

Future Changes in Apparel Retailing

Five major predictions regarding future retail structures were made by informants including: 1) fewer yet stronger retailers due to consolidations; 2) new retail formats gaining market share (i.e., big box retailer, category killers, etc.); 3) malls diminishing due to inconveniences in parking and long walking distances (but regional small retailers will increase due to conveniences); 4) more technologies including internet, CD-Rom, etc. will be used for shopping; and 5) increasing global retailing.

The future of the specialty stores

There was a difference in opinion among respondents with respect to the future of specialty stores. Department store informants insisted that specialty stores would diminish due to lack of leadership in quality and fashionability. Increasing pricing competition and consumer preference for one-stop shopping were believed to negatively impact the future of specialty stores. In contrast, specialty store retailers saw a bright future for specialty stores emphasizing the benefits of specialty stores (i.e., closer distance to home, close and easy parking, and variety in selection, etc.). Respondents recommended that future specialty store retailers

develop private label products, generate distinction in presentation, move store locations away from malls and return to regional areas to survive in the future world of retail.

The future of the department stores

For most respondents, there was consensus on the promising future of department stores. Informants agreed that department stores would be stronger due to: 1) great flexibility in fabrication, silhouettes and colors of products; 2) strength in pricing; 3) conveniences through one-stop shopping; and 4) solid assortments and presentation. Respondents recommended that future department store retailers keep a one-stop shopping format and enhance the level of customer services.

The future of the discount stores

In terms of discount retailing, respondents predicted a poor future due to extremely competitive pricing. It was commonly perceived that a few major discount stores including Wal-mart and Target would dominate through consolidations. For discount store retailers, suggestions included increasing customer services and adopting technologies for efficiency in operation.

The future of the non-store retailing

Respondents agreed that the positive predictions for the future of non-store retailing was attributed to advantages of conveniences, broad selections, and customization. However, respondents indicated that in-store shopping would recontinue to be the most important shopping format due to negative factors in non-store retailing (i.e., inability to touch, feel, try on, get the product immediately, build social interactions, etc.). Informants predicted that computer shopping via the internet or CD-Rom would increase its market share. Recommendations for the future non-store retailers included solving fitting and color matching problems, providing unique products with high quality, and more creativity in Web, CD-Rom retailing to serve more customers and differentiate from other types of retailers.

Competencies Needed for Future Retailers

Characteristics

Almost all respondents identified high motivation, enthusiasm, and a high level of dedication as the most important characteristics that future retailers should have. The willingness to listen to and understand customer wants and needs was also identified as an important trait. Leadership skills were believed to be an important difference between being successful and merely surviving in the highly competitive retail field. Contemporary retailers also need to be competitive, articulate, and highly organized. Cooperation and teamwork also were perceived as important skills for retailers since retailing often represents collective employee efforts. Findings were consistent with past research in relation to the emphasis on leadership, accuracy, and ability to work with people (Beery, 1980; Hymon-Parker, 1993; Mariotz, 1980; Wolfe, 1989). However, the importance of high motivation levels and competitiveness was a new finding in this study.

Specific Skills

Respondents identified four major skills needed for retailers including interpersonal skills, communication skills, mathematical skills, and analytical skills. Retailers agreed that more emphasis needs to be placed on interaction skills with customers. Retail executives believed that communication skills (including speech and writing skills) were extremely important in retailing. Better communication skills were perceived as essential to success in relationships with stores, divisions, peers, and customers.

Additionally, merchandise managers were perceived to need better mathematical skills. A keen sense on cost control becomes extremely important as pricing strategies increase in importance. Analytical skills were considered to be critical to understanding consumer behavior in the retail market and to accurately interpret knowledge. Past researchers also emphasized the importance of communication skills, interpersonal skills and pricing skills (Beery, 1980; Chamber, 1986; Kelly, 1980; Salmon, 1989; Stemm, Jett, & Hayden, 1989; Wolfe, 1989).

<u>Knowledge Level</u>

Participants recognized that 1) knowledge of products and product development, 2) knowledge of trends in the apparel business, 3) knowledge of new technologies, and 4) knowledge of accounting would be important for future retailers. Respondents stated that all retailers, regardless of position, should be knowledgeable about their products in terms of design, sourcing, fabrication, fabric care, workmanship, manufacturing technologies, distribution channels, delivery, etc. because product development will play an increasingly important role in future retail profits.

Respondents recognized the importance of trend information in the apparel business. Observing people's clothing behavior, monitoring fashion trend publications, and traveling to European markets were methods for keeping abreast with market changes. Computer knowledge will be important in developing efficient operations and in making sound, data-based business decisions. In addition, retailers emphasized the importance of accounting knowledge indicating the increasing importance of cost controlling and pricing. Respondents, in this study also recognized product development and new technologies as key educational requirements for retailers.

<center>Implications for Retail Education</center>

All respondents placed a great emphasis on the importance of practical training for students who are pursuing a career in retailing. Internship programs were highly recommended to better understand what really goes on in retailing. Emphasizing the importance of an overseas experience to broaden world views and study diverse cultures, respondents recommended international study programs for retail students.

Interestingly, one retailer accentuated the importance of history of retailing courses, recognizing that knowledge of past trends provides a great basis for predicting future trends. Social psychology was also considered to be useful to broaden knowledge about the needs and wants of individuals. Several business courses including human relations, accounting/finance, consumer behavior, etc. also were identified as helpful courses for retail students. To improve the quality of communication in companies, writing and speech communication courses were

recommended for retail students. Moreover, as the importance of private labels becomes increasing, students were expected to take product development courses.

Over the years, basic business courses including accounting/finance, human relations, communications as well as internships have been considered as educational requirements for retailers (Garner & Burkley, 1988; Hudson, 1978; Neal, 1981; Swedlow, 1978; Wolfe, 1989). In this study, respondents also stressed international study and history of retailing as additional key courses for retail students.

Ways to build a link between academia and industry

Respondents discussed various ways to build a better link between academia and the retail industry. Stressing the significance of work experience to build retail knowledge, faculty internship programs were strongly recommended for retail educators. Additionally, seminars with retail practitioners and application of case study teaching methods were recommended.

Implications for Practitioners

The study results have implications for retail practitioners. Most importantly, retailers can use the study results to identify current and future consumer characteristics. Retailing is a totally consumer driven business and respondents identified the consumer as the most important determinant of retail success or failure. Customer services directed toward a continuously changing consumer and quick response to consumer needs and wants were projected to become increasingly important in the future.

Respondents agreed on increasing ethnic consumer groups, higher education levels, more women in the workforce, increasing disposable income and aging population trend. Besides these consumer trends, past researchers indicated slower population growth, more single/unmarried households and smaller family trends.

Recommendations were offered by respondents for preparing for the retail industry in the 21st century based on changing consumer characteristics. Those recommendations included:

- develop niche markets for increasing aging populations and ethnic groups,

- provide high levels of customer services to serve increasing numbers of working women, and

- concentrate on the development of unique products and presentations for consumers who emphasize individuality, creativity and newness.

Furthermore, mergers and acquisitions in various retail segments were recognized to be negatively impacting apparel retailing. This trend was projected to continue into the next century, resulting in bankruptcies of many small retail stores.

In addition, respondents spoke overwhelmingly of the damage and negative impact price-based retail competition was having on retailing in general. Excessive sales and extreme markdown trends in all retail segment (i.e., specialty, department, discount, non-store retailing) resulted in difficulties in maintaining retail profits. This strong trend of undercutting the pricing of competition was predicted to bottom out in the not so distant future, giving rise to a new and very different retail environment. Whether this environment would be based on specialized niche markets, innovative private label programs, electronic retail, or something not yet introduced was unknown. But one thing did appear certain to the respondents in this study and that was that a very different operational paradigm would soon emerge in the world of retailing.

Implications for Educators

Findings of this study will benefit retail educators by providing guidelines for retail education as we near the next millennium. Study results will also impact apparel retail coursework, curricula, and student competencies ensuring that they parallel the needs of the future retail environment. Consensus on the extreme importance of practical training including internships and work experiences for retail students was noted in the study results. Besides internships, specific courses (i.e., international study, history of retailing, social psychology, human relations, accounting, consumer behavior, communications, product development) were recommended for retail students.

Accordingly, retailers strongly recommended faculty internship programs to help faculty in keeping abreast with a rapidly changing retail industry. Respondents also suggested that retail educators and students attend professional meetings for retailers and participate in seminars with practitioners.

Implications for Researchers

Although McNair's (1958) original Wheel theory was disproved as a generalizable concept for all retail institutions and all time-periods (Bucklin, 1983; Deiderick & Dodge, 1983; Hirschman & Stampfl, 1980; Markin & Duncun, 1981; Savitt, 1988; Siwers & Yudelson, 1986), the Wheel theory provided valuable theoretical frameworks for this study. First, McNair (1958) identified the retailing as a "revolving wheel", reflecting a consistently changing and never static retail phenomena. Secondly, the Wheel theory proposed that retail businesses are continually impacted by diverse environmental factors including societal, economical, technological changes. In addition, study findings supported Deiderick and Dodge's (1983) revised Wheel of Retailing concept which recognized the critical impact of consumer factors in retail changes.

Study results will contribute to apparel retail scholarship by providing insights into current and future changes in retailing. Based on study findings, several hypotheses for future research were inductively generated and are as follows.

H1: Successful apparel retail institutions in the year 2000 are more likely than struggling institutions to have:
A. highly focused and specialized target markets
B. uniqueness in products or service offerings
C. high level of customer services
D. new technologies for
    a. product distribution
    b. product creation
E. product development programs

H2: Successful apparel retailers in the year 2000 are more likely than struggling retailers to have:
A. traits of:
    a. motivation, enthusiasm, and dedication
    b. leadership
    c. competitiveness
    d. creativity
    e. teamwork
B. skills of:
    a. interaction with people
    b. communication (speech/writing)

        c. mathematics
        d. analyzing multiple sources of data
   C. knowledge of:
        a. products and products development
        b. apparel business trends
        c. new technologies
        d. accounting

Assessment of the Research Approach

It is possible that, due to the competitive nature of retailing, some participants may not have fully disclosed personal knowledge related to future trends and critical strategies for success. For the sake of business, information may have been withheld.

Interviewing time constraints due to the busy schedules of respondents also limited the researcher's ability to gather a wide breadth of information. However, the interview format did allow for in-depth information to be collected from the top retail executives.

Financial resources available to the researcher did not allow for a specific room for interviewing in the Convention Hotel. Therefore, different interviewing locations (i.e., coffee shop, lounge, press room, etc.) may result in a difference in comfort level of respondents in responding to the questions during the interviews.

Respondents also may reflect some bias toward their retail segment. For example, retailers from department store segment tended to express more positive views on their future and a more negative view of other fields. Finally, a purposive sampling and small sample size (N=13) also does not allow study findings to generalize to all retailers. However, interview methods with open-ended questions were found to be an effective data collection method for exploring a broad range of apparel retail issues related to the future of retailing.

Issues for Further Research

Various issues for further research follows:

1) The four areas in this study (current challenges in apparel retailing, changes in consumers, future changes in apparel retailing, and needs for future retail education) could be

separately explored in future in-depth research. By increasing sample size and length of interviews, more in-depth information about the future of retailing could be obtained.

2) In order to achieve a higher response rate from top retail executives, conducting interviews during several retail practitioner professional meetings was recommended.

3) Focus group methods would be helpful in obtaining in-depth information about future retailing and business strategies. Groups would be useful in stimulating ideas and comments.

4) Research comparing perspectives of retail practitioners and retail educators is needed to examine better linkages between educators and retailers.

APPENDIX A: DATA GATHERING INTERVIEW SCHEDULE

DATA GATHERING INTERVIEW QUESTIONS

1. In your view, what are the most important challenges currently facing the retailing industry?

2. How do these challenges differ for specialty, department, discount, and non-store (e.g., mail-order, catalogue shopping, TV home shopping, etc.) retailers?

3. Think ahead 10 to 15 years. There are a number of factors that could affect retailers, specifically apparel retailers, in the years ahead. What environmental changes do expect to see impacting apparel retailing and how so?

4. What do you see happening in each of these areas and how will it affect apparel retailing?

- Consumer lifestyles (e.g., poverty of time, increasing needs for convenient shopping, needs of more leisure time, etc.)

- Consumer buying behaviors

- Demographic changes (e.g., aging, smaller size of family, increasing rate of single parents, increasing numbers of working women, etc.)

- New technologies (e.g., development of electric mail-order business, increasing use of PC for shopping, increasing interest on interactive video shopping, etc.)

5. With these thoughts of potential changes in mind, how will specific types of retail establishment be modified?

- Specialty store retailers
- Department store retailers
- Discount store retailers
- Non-store retailers

6. What business strategies will be necessary to survive in the field of retailing in the next decade?

7. How is your business preparing to meet the challenges of the changing retail environment in the next millennium? Specifically, what new strategies regarding customer service, employee training, adoption of new technology, and change in advertising/distribution channel/assortment planning, etc. are being initiated?

8. What skills/abilities are currently valued in retail executives and how will these skills/abilities change? In another words, what are the important skills/abilities for contemporary retail executives (e.g., buyers, merchandisers, managers, product developers, etc.) and what do you see to be the important skills/abilities for future retail executives?

9. What advice would you offer college educators responsible for the preparation of retailers and merchandisers to help them improve the educational experience?

10. Do you have additional comments or suggestions with respect to apparel retailing in the next millennium that you would like to offer at this time?

11. Is there a question not asked today that you believe should have been asked in a study titled visionary perspectives of apparel retailing in the next millennium: implications for the Textile and apparel profession?

12. As you answer these questions, were you thinking about US based retailing or global retailing?

APPENDIX B: DEMOGRAPHIC QUESTIONNAIRE

"Visionary Perspectives of Apparel Retailing in the Next Millennium: Implications for the Textile and Clothing Profession"

Please respond to the following: Code #: _____

Demographic Information about your company

1. Is apparel the only product category carried by your company?

    Yes _____   No _____

2. What is your company's target market?

    _____

    _____

3. What price line types does your company offer?

    1) Bridge   2) Better 3) Moderate   4) Budget/popular

4. Does your company have branch stores? Yes _____   No _____

    If yes, how many?   _____

        Where are they mainly located?   _____

        Does your company have international branch stores or chain stores?

                Yes _____   No _____

5. Is your company United States based?   Yes _____   No _____

6. How many people are employed by your company?   _____

7. Could you give us an estimation of the total annual gross sales of your company?

        S _____

Demographic Information about yourself

8. How many years have you been working in a career position in retailing?   _____

    years

9. Which best describes the method by which you selected a career in retailing? (circle one number)

    1) Preplanned   2) Accidental

10. When did you first decide upon a career in retailing?
    1) Before high school
    2) During high school
    3) During college
    4) After entering labor market
    5) Other _____

11. Which of the following patterns best describes your career history?
    1) Continuous employment pattern (employed continuously throughout adult life)
    2) Interrupted pattern (took time off and then returned to uninterrupted employment)
    3) Sporadic entry and exit history (frequently entered and exited employment in adult life)

12. How many years have you been in your current position? _____ years

13. Which of the following position levels best describes your present level in the company?
    1) Lower level executive
    2) Middle level executive
    3) Upper level executive

14. Age (please, specify) _____

15. What is your current marital status?
    1) Single (never married)
    2) Married
    3) Separated
    4) Divorced
    5) Widowed

16. What is the highest level of education you obtained?
    1) Grade school or less
    2) Some high school
    3) High school graduate
    4) Some college
    5) two year program/certificate
    6) College or advanced degree

17. Do you have an educational background specifically related to retailing?   Yes _____   No _____

    If yes, specify _____

18. Where do you get information about current trends in retailing?
    (i.e. business magazines, conferences, information services, etc.)

_____

_____

Thank you very much for completing this questionnaire.

Mailing Address:

Eunah Yoh
Department of Textiles and Clothing
1052 LeBaron Hall
Iowa State University
Ames, Iowa 50011-1120

FAX #:

Department of Textiles and Clothing
Iowa State University
(515)294-6364

APPENDIX C: INTRODUCTORY LETTER TO RETAILERS

Dear _____

Already, contemporary futurists and visionaries are offering their predictions into how current retail scenarios will change as we enter the next millennium. An important group of individuals we seldom hear from, however, are the retail executives who are the chief decision makers and strategic planners within their firms. Marily Ferguson, an investigative journalist, indicated the importance of business executives' views, stating "business executives may be the most open-minded group in the society, far more open than scholars and professionals, because their success depends on their being able to perceive early trends and new perspectives."

With these thoughts in mind, we are asking for a little of your time during the January NRF meeting so that the information can be collected for a study titled "Visionary Perspectives of Apparel Retailing in the Next Millennium: Implications for the Textile and Clothing Profession". Your insights will be extremely useful in preparing graduates who will play a crucial role in the apparel retail arena in the next millennium. As an interview participant, you will also be offered an executive summary of the final study results.

Specifically, personal interviews lasting approximately one hour will be conducted with 10 to 12 top retail executives between January 14 - 17, 1996. The date and time is entirely up to when it most conveniently will suit you. We are sincerely hopeful that you could find or make time for this interview because what you have to say about the future of apparel retailing is very important. In the event that you are unable to be interviewed, it is possible to have a substitute you recommend serve in your place.

Keep in mind that your anonymity is insured -- your name or your company's name will never be revealed (unless you want to be). Although interviews will be tape recorded for accuracy, all tapes will be erased after the report is written. During the interview, general questions will be asked to investigate your perspectives of apparel retailing in the next millennium. Participation may be withdrawn at any time, but we hope you will be able to assist us by completing the interview. The length of interview depends on you, but it should last about an hour.

Two items are attached. The first item is a more complete review of the study proposal. The second item is a single one page sheet allowing you to indicate your willingness to participate(or not) with the interview. Please take a few minute to complete it between now and December 29. A stamped return envelop is enclosed for your convenience. Hopefully, you will view this study as an important step in the preparation of a qualified workforce and offer your time and valuable perspectives.

If you have any questions about this study, please feel free to call. We anxiously await your reply.

Most sincerely,

Eunah Yoh   Dr. LuAnn Gaskill
M. S. Candidate   Associate Professor
515/294-8519   515/294-3816

APPENDIX D: CONSENT FORM

"Visionary Perspectives of Apparel Retailing in the Next Millennium:
Implications for the Textile and Clothing Profession"

Name: _____   Company: _____

Store type: ___ Department store
(check one)   ___ Specialty store
                     ___ Discount store
                     ___ Non-store retailing

Does your company carry apparel products? ___ Yes   ___ No

_____

Please, check one of three items indicated below.

☐ Yes, I am willing to give you an interview while in New York on the following date(s).

_____ January 14   (Please indicate days when you
_____ January 15   will be available to be
_____ January 16   interviewed.)
_____ January 17

You will be called closer to the NRF meeting so that a time and place can be established.

☐ Yes, I would like to give you an interview but am unable. In my place, I am sending another executive from the company to complete the interview on the following date(s).

_____ January 14   (Please indicate date(s) when substitute
_____ January 15   will be available to be interviewed.)
_____ January 16
_____ January 17

Substitute's name: _____
Position/Title: _____
Address: _____
                      _____
Phone #:   _____

☐ No, I am unwilling/unable to give you an interview.

Thank you very much. Please return by December 29, 1995 in the attached envelope.

APPENDIX E: REMINDER POSTCARD

Dear _____

      Two weeks ago, a letter requesting your participation in an interview during the NRF meeting was mailed to you. The letter included a single one page sheet allowing you to indicate your willingness to participate(or not) with the interview. We understand that you are extremely busy as a retail executive, however, your insights will be greatly useful in preparing graduates who will play a crucial role in the apparel retail arena in the next millennium. Please take a few minute to complete the sheet and mail it back to us today. Hopefully, you will view this study as an important step in the preparation of a qualified workforce and offer your time and valuable perspectives.

      If you already returned it, please accept our thanks for your time. If you have any questions about this study, please feel free to call. We anxiously await your reply.

Most sincerely,

Eunah Yoh   Dr. LuAnn Gaskill
M. S. Candidate   ·   Associate Professor
515/294-8519   515/294-3816

APPENDIX F: MAJOR AND MINOR THEMES

Current challenges in apparel retailing
Over-stored retailing
Extreme price competition among retailers
Lack of creativity/uniqueness/newness in products and presentation
Consolidations of retailers and vendors
Changing consumer attitudes towards apparel
Retail executives' lack of leadership

Changes in consumers
Demographic Changes
    Aging population trends
    Increase of women in the workforce
    Less discretionary income and increasing demands on disposable income
    More homes with computers
    Increase in ethnic populations
Consumer Lifestyle Changes
    Casual Lifestyle
    Increasing emphasis on individuality
    More conservatism in women
    More interest in home, family and children
Consumer Buying Behavior Changes
    Growing needs for customer services
    More value-conscious consumers
    Poverty of shopping time
    More spending on experiences than products

Changes in future retailing
Fewer yet stronger retailers through consolidations
Increasing market share of new retail formats
Diminishing malls, but growing regional small retailers
Increasing use of technology for shopping
More involvement in overseas sourcing and global retailing

Competencies for retailers
Characteristics
    High motivation/enthusiasm/high level of dedication
    Willingness to listen to and understand customer wants and needs
    Leadership
    Competitiveness
    Creative, opportunistic, articulate and highly organized
    Cooperative, team-oriented
Specific Skills
    Interpersonal skills
    Communication skills (speech/writing)
    Mathematical skills
    Analytical skills
Knowledge Level
    Knowledge of products and products development
    Knowledge of trends in the apparel business

Knowledge of new technologies
Knowledge of textiles and fabrication
Knowledge of accounting

Implications for retail education

<u>Recommended Courses</u>
Internships
International Study
History of retailing
Social psychology
Marketing: Human relations, accounting/finance, consumer behavior, etc.
Writing/speech communication
Product development

<u>Methods for Building a Link between Academia and Industry</u>
Provide faculty internships
Increase contacts between retailers and educators by:
attending practitioners' professional meetings, and
establishing seminar for practitioners, educators and students
Conduct case studies about various companies
Create a college store to train retail students

APPENDIX G. HUMAN SUBJECTS APPROVAL

Information for Review of Research Involving Human Subjects
Iowa State University
(Please type and use the attached instructions for completing this form)

1. Title of Project __Visionary Perspectives of Apparel Retailing in the Next Millennium:__
   __Implications for the Textile and Apparel Profession__

2. I agree to provide the proper surveillance of this project to insure that the rights and welfare of the human subjects are protected. I will report any adverse reactions to the committee. Additions to or changes in research procedures after the project has been approved will be submitted to the committee for review. I agree to request renewal of approval for any project continuing more than one year.

Eunah YOH	12-15-95	*Eunah Yoh*
Typed Name of Principal Investigator	Date	Signature of Principal Investigator

Textiles and Clothing	1078 LeBaron	294-8519
Department	Campus Address	

__294-8519__
Phone Number to Report Results

3. Signatures of other investigators   Date   Relationship to Principal Investigator

Dr. LuAnn Gaskill	12-15-95	Major Professor

4. Principal Investigator(s) (check all that apply)
   ☐ Faculty   ☐ Staff   ☒ Graduate Student   ☐ Undergraduate Student

5. Project (check all that apply)
   ☐ Research   ☒ Thesis or dissertation   ☐ Class project   ☐ Independent Study (490, 590, Honors project)

6. Number of subjects (complete all that apply)
   _12_ # Adults, non-students   ___ # ISU student   ___ # minors under 14   ___ other (explain)
   (approximate)   ___ # minors 14 - 17

7. Brief description of proposed research involving human subjects: (See instructions, Item 7. Use an additional page if needed.)

   In this Proposed study, the researcher will explore and investigate top executives' and visionary futurists' perspectives of the future of apparel retailing by conducting personal interviews during the 1996 National Retail Federation (NRF) Convention. The sample will be selected from the NRF Board of Directors. Interview questionnaire is attached. All questions are general and open-ended.

(Please do not send research, thesis, or dissertation proposals.)

8. Informed Consent: ☒ Signed informed consent will be obtained. (Attach a copy of your form.)
                                        ☐ Modified informed consent will be obtained. (See instructions, item 8.)
                                        ☐ Not applicable to this project.

9. Confidentiality of Data: Describe below the methods to be used to ensure the confidentiality of data obtained. (See instructions, item 9.)

        All information obtained from interviews will be kept completely confidential. Code numbers will be used to identify firms and individuals who were interviewed. No names of companies and individuals will be used in study reports unless they verbally give us permission to identify them or their businesses. The only individuals who will listen to the taped interviews will be the principle investigator and the major professor. Interviewed tapes will be erased by the end of July, 1996.

10. What risks or discomfort will be part of the study? Will subjects in the research be placed at risk or incur discomfort? Describe any risks to the subjects and precautions that will be taken to minimize them. (The concept of risk goes beyond physical risk and includes risks to subjects' dignity and self-respect as well as psychological or emotional risk. See instructions, item 10.)

        No risk involved.

11. CHECK ALL of the following that apply to your research:
- [ ] A. Medical clearance necessary before subjects can participate
- [ ] B. Administration of substances (foods, drugs, etc.) to subjects
- [ ] C. Physical exercise or conditioning for subjects
- [ ] D. Samples (Blood, tissue, etc.) from subjects
- [ ] E. Administration of infectious agents or recombinant DNA
- [ ] F. Deception of subjects
- [ ] G. Subjects under 14 years of age and/or   [ ] Subjects 14 - 17 years of age
- [ ] H. Subjects in institutions (nursing homes, prisons, etc.)
- [ ] I. Research must be approved by another institution or agency (Attach letters of approval)

If you checked any of the items in 11, please complete the following in the space below (include any attachments):

Items A–E   Describe the procedures and note the proposed safety precautions being taken.

Items D–E   The principal investigator should send a copy of this form to Environmental Health and Safety, 118 Agronomy Lab for review.

Item F   Describe how subjects will be deceived; justify the deception; indicate the debriefing procedure, including the timing and information to be presented to subjects.

Item G   For subjects under the age of 14, indicate how informed consent from parents or legally authorized representatives as well as from subjects will be obtained.

Items H–I   Specify the agency or institution that must approve the project. If subjects in any outside agency or institution are involved, approval must be obtained prior to beginning the research, and the letter of approval should be filed.

Checklist for Attachments and Time Schedule

The following are attached (please check):

12. ☒ Letter or written statement to subjects indicating clearly:
   a) purpose of the research
   b) the use of any identifier codes (names, #'s), how they will be used. and when they will be removed (see Item 17)
   c) an estimate of time needed for participation in the research and the place
   d) if applicable, location of the research activity
   e) how you will ensure confidentiality
   f) in a longitudinal study, note when and how you will contact subjects later
   g) participation is voluntary; nonparticipation will not affect evaluations of the subject

13. ☒ Consent form (if applicable)

14. ☐ Letter of approval for research from cooperating organizations or institutions (if applicable)

15. ☒ Data-gathering instruments (Tentative instrument--revisions may be made after pretesting)

16. Anticipated dates for contact with subjects:

First Contact	Last Contact
January 14. 1996	March 15. 1996
Month / Day / Year	Month / Day / Year

17. If applicable: anticipated date that identifiers will be removed from completed survey instruments and/or audio or visual tapes will be erased:

July 31, 1996
Month / Day / Year

18. Signature of Departmental Executive Officer   Date   Department or Administrative Unit

Mary Littrell   12-15-95   Textiles and Clothing

19. Decision of the University Human Subjects Review Committee:

X Project Approved   ___ Project Not Approved   ___ No Action Required

P. M. Keith   12/21/95   _PM Keith_
Name of Committee Chairperson   Date   Signature of Committee Chairperson

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