Newsletter for Instructors

October
2016

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

- Macy's to Close 100 Stores as E-Rivals and Discounting Hit Legacy Retailers **(Chapters 1, 2, & 5)**
- Has Sears Discovered How to Profit from Its Softer Side? **(Chapter 12)**
- Will Third Time Be the Charm as Grocer Changes Loyalty Program Again? **(Chapter 11)**
- Will Drop Shipments Become a Major Online Fulfillment Tool? **(Chapter 10)**
- Happy Meal Fitness Trackers Are Now an Exercise in Crisis Management **(Chapter 13)**
- Have Consumers Accepted Dynamic Pricing? **(Chapters 14)**
- Will Selling in Fewer Stores Help Coach Sell More Handbags? **(Chapters 14)**
- When the Shop Looks a Lot Like Home **(Chapters 17 & 18)**
- Rent the Runway Snapchats Customers the Right Fit **(Chapters 3 & 18)**

Retail Tidbits

- Amazon Tests One-Click Product Placement
- Is Walmart on a Roll?
- Shh. It's Naptime at IKEA in China
- A Surprising New Boost for Dollar Stores

If you are interested in the text book please visit **www.mhhe.com/levy9e**. Simple registration is required to gain access to the newsletters and other instructor materials. If you would like to see this newsletter and the previous editions, go to:
http://warrington.ufl.edu/centers/retailcenter/research/publications.asp

RETAILING MANAGEMENT 9e

Teaching Tips

Additional Material for Teaching Retail Classes

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

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

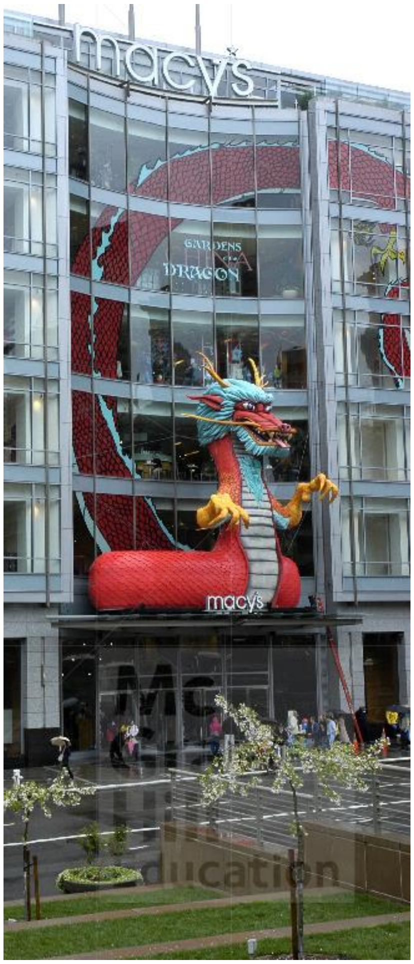
The website is available at **http://warrington.ufl.edu/centers/retailcenter/teach/**

Please consider sharing your materials with other instructors through this website by sending your course syllabi, classroom exercises, projects, teaching types, etc. to **bart.weitz@warrington.ufl.edu** or **mlevy@babson.edu**

Macy’s to Close 100 Stores as E-Rivals and Discounting Hit Legacy Retailers

Rachel Abrams and Sapna Maheswari, The Wall Street Journal, August 11, 2016. See also Sharon Terlep, “Estee Lauder Offers Downbeat View as Department Stores Struggle,” The Wall Street Journal, August 19, 2016.

Use with Chapter 1, “The World of Retailing,” Chapter 2, “Types of Retailers,” and Chapter 5, “Retail Market Strategy”



For years, as competitors like Sears and JCPenney struggled, Macy’s has provided the example to emulate. With its strong customer relationships and targeting skills, great locations, and positive reputation, the legacy department store seemed stable. Yet as the tides keep turning, even Macy’s keeps losing customers to discount competitors and online convenience, and its recent moves reflect its realization that it needs to make some radical changes if it hopes to stay alive.

Perhaps the most notable announcement was that it would be closing 100 of its 728 stores, throughout the country, because those locations were more valuable as real estate investments than as retail stores. The move clearly results from investor pressures; Macy’s stocks have lost approximately 40 percent of their value over the past year. The stockholders insisted on the sale of the real estate assets and also called for new leadership, leading to the arrival of a new CEO. In selling the sites, Macy’s hopes to earn revenue that it can plunge into improving and enhancing its e-commerce channel.

Although this decision reflects its efforts to compete better with Amazon, Macy’s faces nearly as much competitive pressure from low price chains such as Marshalls and T.J. Maxx. Even as Macy’s has tried to address this market with its Backstage stores, traditional retail locations continue to suffer from a lack of motivation to get customers to visit the traditional department stores.

Such developments are bad news for some of the tenants within these stores, such as the cosmetic brands that have long relied on the streams of customers walking past their centrally located counters in department stores. For example, Estée Lauder (which also owns the Clinique and MAC brands) takes in approximately 30 percent of its global sales through department stores, and a full 9 percent of its revenues result from sales in Macy’s stores alone. The closure of 100 Macy’s stores thus is certain to have an influence.

And the cosmetic brands already are dealing with their own store troubles. Competition from dedicated retailers such as Ulta and Sephora have made it hard for them to keep up their sales through department store counters. Some analysts even predict that the current state of things will drive companies such as Estée Lauder to move more of their products to specialty retailer locations. If that trend becomes sufficiently prominent, the department stores would be left with gaping holes in the center of their stores, where the beauty counters used to be.

The trends for department stores like Macy’s thus appears to be entering into a negative cycle, where diminishing sales lead to closures and reduced offerings, which seem likely to diminish sales even further. Can they change course?

Discussion Questions:

1. **Why are department store retailers like Macy’s feeling a sales pinch?**
2. **What are they doing about it?**
3. **What implications does it have for Macy’s partners in the supply chain?**

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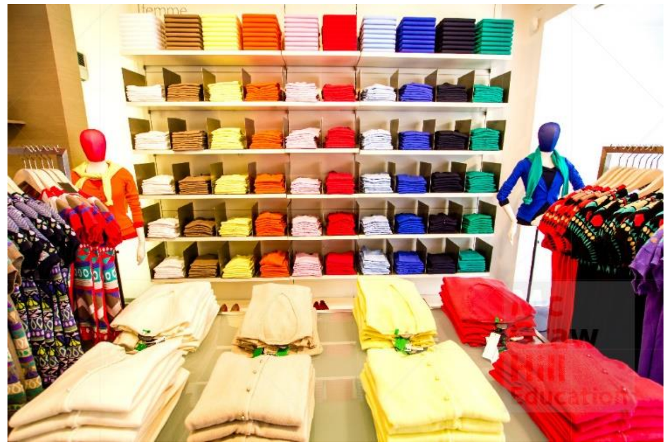
Has Sears Discovered How to Profit from Its Softer Side?

George Anderson, Retail Wire, August 24, 2016

Use with Chapter 12, "Managing the Merchandise Planning Process"



If you want to be among the first U.S. consumers to access the latest fashion offerings from Spain's Punt Roma brand or France's 3 Pommes, you will need to get to Westchester County in New York. Once you arrive, track down the high fashion retailer that will be bringing the brands to American shores: Sears!

In a surprising move, the department store chain that has largely become known for tools and inexpensive consumer goods is experimenting with a new concept called Showcase at Sears. In five locations, the stores-within-the-store will highlight 10 different Latin American and European brands that have not appeared for sale previously in the United States. Each dedicated shop, running at about 15,000 square feet, will feature a high energy vibe, dedicated service and sales personnel, products with prices running from about $10 to $175, and options in children's, women's, and men's clothing and accessories.

The introduced brands will include several options from Mexico, such as Fiorentina and Ilusion, two brands of women's intimate apparel; the women's lifestyle brand Biography and shoe company Zatchels from the United Kingdom; and Denmark's Jack & Jones for men's apparel.

Discussion Questions:

1. **What is Sears doing to bolster its apparel business?**
2. **Who will be the target market for this new apparel business?**
3. **Is that target market consistent with Sears' current customer profile?**
4. **Do you shop for apparel at Sears? Why or why not?**
5. **Do you believe this new apparel strategy will be successful enough to change people's attitude toward shopping for apparel at Sears?**

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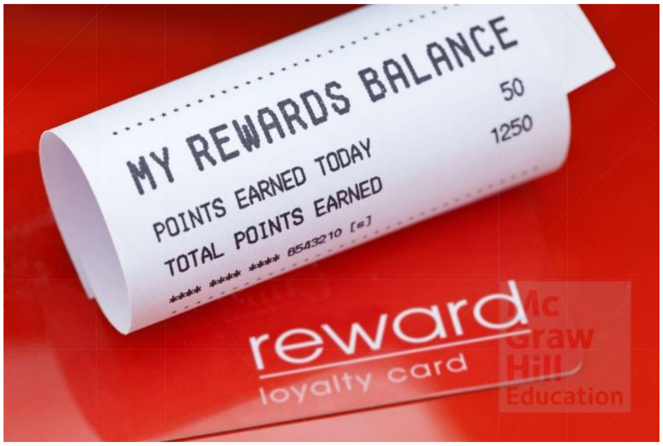
Will Third Time Be the Charm as Grocer Changes Loyalty Program Again?

Matthew Stern, Retail Wire, August 23, 2016

Use with Chapter 11, "Customer Relationship Management"



Can a loyalty program work if it doesn't exhibit loyalty itself? That's the question observers are asking about the Australian grocery chain Woolworths, which has substantially altered the terms and conditions for its customer loyalty program for the third time in less than a year.

Historically, the loyalty program was relatively straightforward: Shoppers who collected points by purchasing at the store could earn frequent flyer points on Australia's Quantas Airways, then redeem them for flight vouchers or upgrades through the airline. But in October of last year, Woolworths decided to try something new and keep the rewards in house, by introducing Woolworths Dollars. However, shoppers could only earn the Dollars on selected items, and then they could only redeem them for discounts on products sold in Woolworths stores. Faced with stringent consumer backlash, especially on social media, Woolworths quickly backtracked and promised that shoppers could trade in their Dollars for frequent flyer points too, at an exchange rate of 10 Woolworths Dollars for 870 Quantas points.

But customer dissatisfaction has already set in, such that a recent survey showed that nearly 60 percent of the respondents did not believe the loyalty program offered good value. So Woolworths decided to try again, this time introducing Woolworths Points. In this case, each dollar spent on anything in the store earns customers a point. Once they reach certain thresholds, shoppers can trade in those points for either in-store discounts or additional Quantas points. It also has expanded the qualifying purchase locations, to include two partners: a gas station chain and a liquor retailer.

With this revision, the program slightly shifts what it is rewarding. Rather than encouraging people to make large purchases, the Points program emphasizes the benefits of accumulating a lot of spending with the grocery store chain. In this sense, different customers might benefit more or less from the revised loyalty program.

Discussion Question:

1. **What was wrong with Woolworth's loyalty program?**
2. **Do you believe the new loyalty program will be successful? Why or why not?**

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Will Drop Shipments Become a Major Online Fulfillment Tool?

Tom Ryan, Retail Wire, August 22, 2016

Use with Chapter 10, "Information Systems and Supply Chain Management"

For retailers that want to offer a vast assortment of product options through their online channels, inventory management represents a perpetual challenge. Ordering all the products in advance from suppliers would mean that the retailers would need to invest in storage facilities, making it difficult for them to achieve the cost efficiencies associated with electronic retailing.

As a solution, some retailers rely on drop shipping, which is when the supplier sends the ordered product directly to the consumer. A shopper on the retailer's branded website places the order with that retailer, but the box that arrives on her or his doorstep actually comes directly from the manufacturer, rather than the retailer's distribution center or a local store.

The benefits of this option are straightforward: The products get to customers faster, and the retailer never needs to incur inventory costs to order, store, and ship the products itself. It can also expand its product offerings, because it can simply task a variety of suppliers with sending the wide array of options to consumers. It only pays for the products after it receives the order from the customer, so its accounting practices may improve as well. Accordingly, industry experts predict that approximately 75 percent of all retailers will soon rely on supplier's delivery systems to complete their customers' orders.

But in this shift, retailers also face potential problems. When they don't deliver the product, they lose a critical interaction with the customer. Moreover, if they do not own any inventory, retailers cannot fully control the shipping speed or track the shipment. If something goes wrong with the delivery, a retailer relying on drop shipping is left with few answers for customers, because it doesn't know where the box is either. Such a compounded failure could have serious implications for its reputation.

If the product is particularly popular, a retailer might confront another issue. A supplier with a hot product likely prioritizes shipments to customers who visit its branded site. Even if it does not have a direct sales channel, each retailer must compete with others for inventory, increasing the risk that its own customers suffer a frustrating out-of-stock event.

On balance, each retailer must decide which is more important: a pragmatic ability to get products to customers quickly and less expensively or a reputation for reliable, assured service and delivery.

Discussion Questions:

1. **Why are some online retailers increasing the amount of drop shipping they use?**

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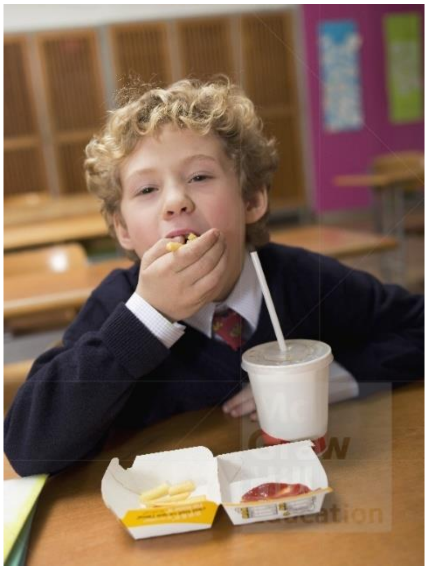
Happy Meal Fitness Trackers Are Now an Exercise in Crisis Management

Matthew Stern, Retail Wire, August 19, 2016

Use with Chapter 13, "Buying Merchandise"



When McDonald's started putting Step-It trackers into Happy Meals, the idea was to help its young consumers be healthier. Instead, the child-sized fitness trackers created a minor health crisis, with a wealth of reports that the band was causing skin irritation on the children's wrists. Thus the fast food chain had to pull the toys quickly, then figure out how to deal with the negative fallout of its attempt to do something positive.

Offering a toy that might help encourage fitness is just the latest effort by McDonald's to address concerns about the health implications of its menu items. For example, it decreased the serving size for the French fries included in Happy Meals, while also offering apple slices and yogurt as healthier alternatives.

But the exercise tool giveaway was different, and not in a good way. Rather than focusing on delicious food, the Step-It tracker applied an exercise option recommended for adults directly to children. Yet no scientific evidence offers support that exercise programs designed to track steps really work well in terms of increasing children's health. As a simple issue, the gait of children is naturally different, suggesting the need for disparate technology to measure the way they normally move.

The inclusion also may have created some brand confusion. Happy Meals traditionally have contained toys, such that the young consumers who received the fitness trackers likely regarded the wearable technology more as a toy than as an impetus to exercise more. Considering its inexpensive price, the Step-It offered quite limited functionality as well.

Thus far, there has been no word if McDonald's plans to try to provide the fitness trackers again, this time with wristbands that do not irritate children's skin. But the chain clearly senses the continued pressure to help protect and ensure the health of its customers, especially the youngest ones. Unfortunately, the embarrassing outcome of this experiment may make it even harder for the company to reposition itself as a viable alternative, even for those diners seeking healthy foods that fit well in their active lifestyles.

Discussion Question:

1. **Were Step-It fitness trackers included in Happy Meals a good idea for McDonald's? Why or why not?**

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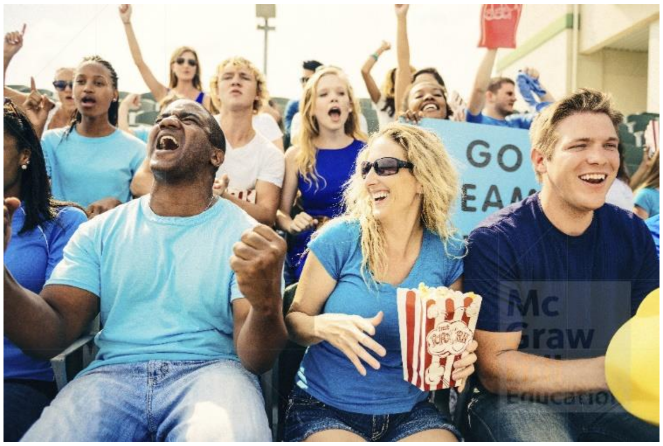
Have Consumers Accepted Dynamic Pricing?

Knowledge@Wharton, Retail Wire, August 18, 2016

Use with Chapter 14, "Retail Pricing"



In a recent academic study of pricing techniques for Major League Baseball (MLB) games, researchers suggest that rather than creating customer backlash, dynamic pricing for products such as game tickets can lead to customers who are more satisfied, willing to spend more, and more pleased with their purchases. These results thus align with the spreading emergence of dynamic pricing in more and more industries, from ride-sharing services to restaurant reservations.

In the market for sporting events, when services such as StubHub arose to help customers buy and sell unused tickets, MLB and other leagues faced a clear challenge. But shutting down the alternative sales channels quickly proved impossible, so most of them have entered into collaborative agreements with the resale site, to create an official market that offers at least some control for the teams and some protection for customers. On these sites, the individual ticket sellers set the prices, such that someone anxious to get rid of a pair of seats to this Friday's game likely charges less than another fan who can't decide whether to go or not and thus will only sell them if he or she can get more than face value for the tickets. Such pricing shifts have long been the practice adopted by scalpers and other grey market providers. By legitimizing the sliding price scale through StubHub sales, teams and their owners started to realize that they needed to rethink some other pricing norms that had long been in place but that perhaps were no longer appropriate.

By charging different prices to customers who buy tickets for specific games at different times, teams can rationalize and increase their revenues. According to the research study, a static price that is carefully chosen actually can be preferable to dynamic pricing, though identifying that optimal static price remains incredibly challenging.

Furthermore, the dynamic pricing model offers various benefits for both sellers and buyers. The MLB clubs that have used it have increased their revenues, as well as gathered extensive data about the prices people are willing to pay. The fans have gained greater familiarity with the concept of shifting prices, recognizing that "whether it's with airplanes, professional sports, ride-sharing services, dynamic pricing is here to stay."

Discussion Question:

1. **What is dynamic pricing?**
2. ***What are the advantages and disadvantages of dynamic pricing from the retailer's perspective?***
3. ***How do you, as a consumer, feel about dynamic pricing?***

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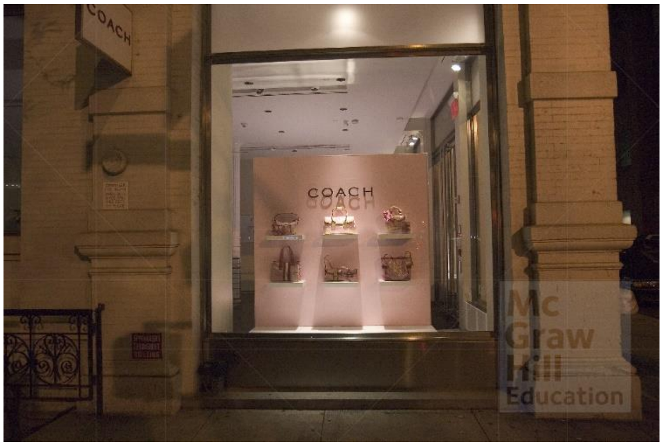
Will Selling in Fewer Stores Help Coach Sell More Handbags?

George Anderson, Retail Wire, August 10, 2016

Use with Chapter 14, "Retail Pricing"



When a brand puts its products in a retail store that it doesn't own, it cannot control the prices that the retailer charges for its products. For example, if Macy's wants to run a promotion and sell Coach handbags at a deep discount, there is little that Coach can do to stop it. That's a key reason behind Coach's recent announcement that it would be pulling its lines from many retailer chains, making it harder for shoppers to find its products but perhaps also making sure that those customers continue to regard it as a luxury brand.

In its recently announced move, Coach says it will eliminate about 25 percent of the retail locations in which it currently inserts its leather goods, which is equivalent to about 250 retail stores. At the same time, the brand announced that it would reduce its own markdown allowances, noting that the department store channels already offer many promotions, such that no further deals were needed from the brand.

Whereas broader distribution can increase sales by making the product available to more shoppers, Coach believes that access to its products also needs to be limited by price considerations, to avoid the threat that people will fail to perceive the leather goods as luxury items that demand higher prices to acquire. Other brands are considering similar moves in their effort to protect their brand image; Michael Kors announced recently that it too would be reducing both its inventory levels and the markdown allowances it provides to retailers.

Currently, Coach sells its products in its own branded stores, as well as multiple department stores, such as Nordstrom, Macy's, Belk, Bloomingdale's, Dillards, and Lord & Taylor. By removing items from many of these stores, Coach recognizes the risk that it might undermine some consumers' ability to make their initial purchase and get to know the brand. It also predicts that its immediate sales numbers might decline. But over time, the benefits of maintain its luxury image should, according to the brand, outweigh these short-term challenges.

Discussion Questions:

1. **What is the desired impact of reducing the number of stores that sells Coach from Coach's perspective?**
2. **Do you think it will work?**

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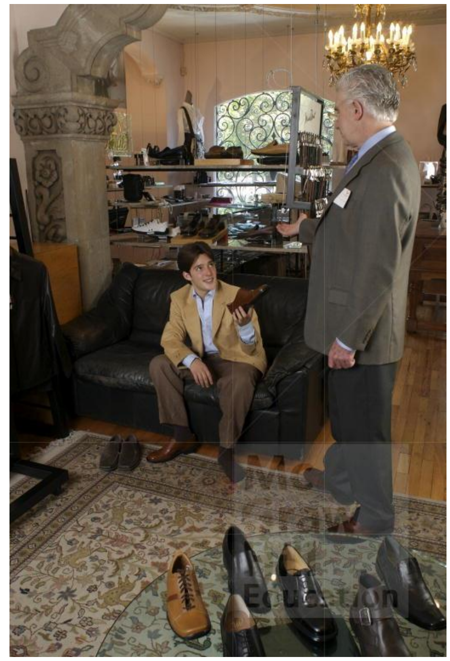
When the Shop Looks a Lot Like Home

Michael Rock, The New York Times, August 2, 2016

Use with Chapter 17, "Store Layout, Design, and Visual Merchandising," and Chapter 18 "Customer Service"



In this think piece, the author offers his views on where retail stores are today, and why. Tracing the development of retail spaces, he argues that the demand for "bigness"—including big box stores that offer a little bit of everything—ultimately has led to a situation in which there are no limits on consumers. They can literally access anything at any time, with minimal effort, as signified by the massive reach of e-commerce, the increasing presence of rapid and automated drone deliveries, and the emergence of automatic reorder capabilities (e.g., Amazon's Dash button).

But with such bigness comes such a vast range of options that consumers find themselves overwhelmed and confused. Accordingly, this author puts forth the proposition that even as shopping spaces online get bigger, more brick-and-mortar locations are shrinking their overall environment. This shrinkage refers both to the physical space they encompass and the offerings they provide for customers' consideration.

As an example, he cites Apple Stores, noting that in essence, they only sell four products: phones, computers, tablets, and watches. There might be some accessories that come with those products, but its assortment ultimately is deeply restricted, and by offering a limited assortment, Apple ensures its own relevance.

Another example comes from the market for housewares and appliances, where modern retailers create environments designed to mimic consumers' actual homes. They can take a shower in the store to test the faucets at Pirch in New York; they can spend the night at New Road Residence in London to try out the sheets, mattresses, and towels before buying them. Even if not all stores go quite to these extremes, the shopping experience is increasingly designed to signal a sense of home and comfort, whether that entails salespeople offering bottles of water to their "guests" or fellow shoppers being encouraged to interact as like-minded friends. Even the payment process, especially in high-end stores, makes the interaction feel less transactional and more personal. Some retailers use silver trays to present the credit card slip for customers to sign; others like Apple rely on technology to make the purchase seem effortless.

The future then is likely to blur the lines between personal and retail spaces even more. The author imagines smart closets that allow consumers to ship and receive different sizes, colors, and styles from home, such as in the form of "a Chanel Dash button." The warehouses where retailers maintain their inventory will become, he predicts, extensions of a consumer's own closet or pantry, such that each person can order, access, and send back products without barriers or hindrances.

The future may be unknown, but according to the author of this article, it clearly is going to be dedicated to making shopping more enjoyable, easier, and convenient for consumers, wherever they choose to shop.

Discussion Questions:

1. **What are some stores doing to enhance the shopping experience?**
2. **Do these predictions about the future of shopping seem reasonable to you? Why or why not?**

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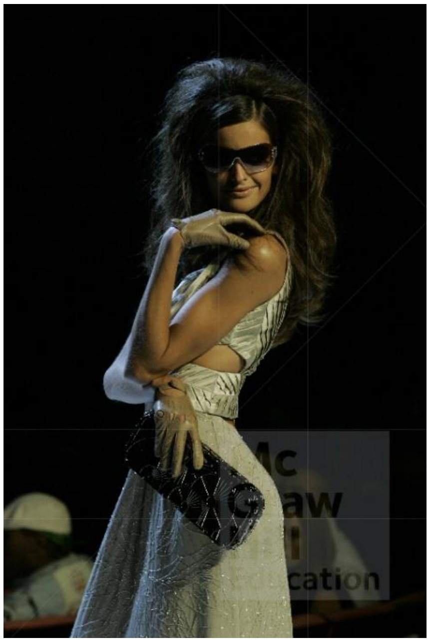
Rent the Runway Snapchats Customers the Right Fit

Hilary Milnes, Glossy, August 15, 2016

Use with Chapter 3, "Multichannel Retailing," and Chapter 18, "Customer Service"



For the fashion rental retailer Rent the Runway, getting a customer's order right is critical on multiple levels. Most customers place their order less than a week before the event for which they need the rental fashions. And those events tend to be fancy, high profile events, such that the customers want to look their very best in a luxury, designer gown. Faced with these high service demands, Rent the Runway is turning to social media to find new ways to connect with customers before they place their orders, thus increasing the chances that the dress will fit on the day of the big event.

Rent the Runway promises designer gear for women who want to look great at a party or event to which they have been invited, but who don't have the time, money, or desire to pay for an expensive ball gown or cocktail dress that they might never wear again. Because of the unique demands and needs of these shoppers, Rent the Runway already allows customers to order the next size of the same outfit, to make sure that one of them will fit. They also can request two different dresses in the same order, for a flat handling fee.

But such efforts were not quite enough. Panicked customers who realized only too late that the bodice of a dress was too tight or that the hem trailed on a particular skirt were unhappy, even though the company already offered extensive customer service assistance by phone. Noting that customers were contacting the company not just through e-mail and phone calls but also through Snapchat, to share pictures and videos, Rent the Runway decided to try something totally different. It now encourages customers to upload pictures or videos of themselves, how they move, and what kinds of clothing they like to the corporate site.

In the meantime, Rent the Runway has recruited a pool of models from among its own employees. Approximately 250 workers from the customer service department at its corporate headquarters have agree to help and offer themselves as sort of living mannequins, with varied body types that generally offer matches with customers' bodies. Thus, when the customer uploads a video, provides her body type information, and explains what she's looking for, the company solicits the assistance of a model with a similar body type. This model then tries on the chosen outfit and offers a review of minor details that might make a difference, such as how easy it is to sit in a skirt or how low the neckline falls.

The customer and customer service representative then engage in a conversation, covering the customer's detailed questions and concerns. The plan is for service representatives to spend about 10 minutes with each customer, ensuring that the product ordered is the best option for this shopper.

With its broad sample of employees, Rent the Runway has thus far been able to match every customer to a model who can wear the dress and post the resulting information to the customer's Snapchat account. If it can keep up the conversation, it seems poised to achieve even higher levels of satisfied—and well-dressed—customers.

Discussion Question:

1. **What is Rent the Runway doing to improve the customer experience?**
2. ***Evaluate its new program.***

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Retail Tidbits

Amazon Tests One-Click Product Placement

Tom Ryan, Retail Wire, August 24, 2016

Two of Amazon's most popular and effective innovations have been its 1-Click purchasing option and its development of content offerings for Prime subscribers. Now the retailer is seeking to combine these two features. In Amazon-generated entertainment content, viewers soon will be able to click on products placed within the shows and make the purchase automatically. For example, an entertaining travel show, broadcast in Japan, presents various locations and their local cuisine, as hosted by a popular comedy team. Viewers will be able to click on menu items as they are sampled by the hosts; Amazon also might make it possible for viewers to order books or other content by the comedy team if they find the patter appealing. This option suggests a broadened form of product placement, such that Amazon could control the entire supply chain: Produce the content, determine the product placements, and then earn the revenue from selling those promoted products. Although still in an experimental phase, the notion seems to make sense. It leverages Amazon's existing capabilities and strategic advantages. And it responds to consumers' natural curiosity about and desire for the items they see on their screens, by offering them a hassle-free, straightforward way to shop while they also are being entertained.

Is Walmart on a Roll?

George Anderson, Retail Wire, August 19, 2016

By rededicating itself to the "spirit of Walmart," the international retailer has addressed performance concerns convincingly, with seven straight quarters of heightened customer traffic in stores and an 11.8 percent improvement in e-commerce sales. Walmart also points to the continued improvement in customer satisfaction scores, in-store sales, and inventory management. What factors have allowed Walmart to enjoy such positive outcomes recently? Some key elements include its increased online grocery offerings, which will expand even further with Walmart's imminent acquisition of Jet.com. Furthermore, Walmart has devoted itself to an omnichannel approach, and as Walmart's CEO acknowledges, "The distinctions that we talk about … between stores, apps, pick-up, delivery, and sites are continuing to blur into the background for customers. For them, it's just Walmart." Finally, across all these efforts, Walmart persists in its dedication to lowering the costs for customers. For example, its online capabilities mean that customers can largely control how they save, such as by ordering sufficient quantities to get a discount or ensuring that their shopping basket is large enough to avoid delivery charges. The acquisition of Jet expands those options, reinvigorating that spirit of Walmart in ways that appeal greatly to the customers who appear to be flocking back to it.

Shh. It's Naptime at IKEA in China

Dan Levin, The New York Times, August 26, 2016

As an international retailer, IKEA tries to maintain consistency in its offerings across borders, to keep costs low and maintain its overall reputation. But sometimes local customs and customer preferences mean that a retailer has to make accommodations to regional tastes. For IKEA in China, that doesn't mean changing the furniture as much as it implies altering store policies. In the rest of the world, customers are strongly discouraged from getting too comfortable on the furniture on display. In China though, customers frequently and happily curl up on couches and chairs to take naps. Some even go so far as to kick of their shoes and climb under the covers to snuggle into the beds on display, whether other customers are already there or not. Cultural norms seemingly do not prohibit sleeping in public; the practice is widespread and unlikely to change. Thus IKEA simply lets sleeping customers lie, in the hope that when they wake, they might have enjoyed their nap enough that they want to take a similar bed or chair home with them.

A Surprising New Boost for Dollar Stores

Steven Russolillo, The Wall Street Journal, August 24, 2016

Both the major dollar store chains, Dollar General and Dollar Tree, have enjoyed substantial jumps in their sales and store traffic and thus in their stock market performance over the past five years. During the modern economic recession, customers flocked to the low price options. The retail chains seemingly have leveraged those behaviors, retaining customers even as those shoppers' spending power improves. Dollar General expanded its price ranges, which increased its margins and allowed it to offer a broader array of slightly higher priced products. Dollar Tree acquired the Family Dollar chain, expanding its presence in various markets. Both retailers also have shifted to smaller stores, with lower overhead, and developed product assortments that feature more "luxury" or discretionary purchase items, such as decorative housewares and cosmetics. Such moves reflect the chains' recognition of the status of their target markets: As the recession fades and unemployment rates decline, the wages of the poorest U.S. workers increased by 3.1 percent, the largest increase since 2009. Thus customers with a little more confidence in their resources are willing to spend a little more on fun purchases, even if they still need to save and take advantage of the low cost, smaller quantity options that the dollar stores provide. In turn, these retailers—and their investors—appear confident that their impressive performance will continue.

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