

RETAILING MANAGEMENT

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Newsletter for Instructors

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Mixing It Up: Heathrow Introduces Blended Retail

Use with Chapter 2, “Types of Retailers” and Chapter 8, “Retail Locations”



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Airports create unique retail environments. Bored travelers, with little else to do, search for something, or sometimes anything, to buy. For retailers, these demands mean two main things: They can charge nearly any price they want, and they need to develop an assortment that offers nearly everything under the sun. Accordingly, a common type of airport store represents what we can refer to as blended retail, meaning that these retailers stock multiple, disparate categories of goods. By visiting such shops, travelers can easily find a drink, snack, puzzle, book, pillow, postcard, and souvenir, all in one place.

But at Heathrow Airport in London, the retail design has, historically, been a bit different. Most of its shops feature a clear segmentation and specialize in particular offerings rather than containing blended essentials. In some terminals, travelers would need to visit one kiosk for a newspaper, another for

coffee, a third for souvenirs for their family, and so on.

Such inefficiencies, especially in one of Europe’s busiest hubs, where many passengers have only quick delays between flights, can prove inconvenient and frustrating, both for consumers who want to shop and for shops that want to take their money. Furthermore, Heathrow recently has experienced exponential growth. The number of travelers has outpaced the capacities of its existing retail infrastructure. Noting these trends, Heathrow’s management began collecting extensive traveler feedback, which indicated that consumers actively sought more centralized retail locations. Next, the airport operators put out a call for blended essential retail designs, with the clear indication that successful proposals would account for large crowds and prioritize efficiency.

The review produced two clear choices for retail operators that would help Heathrow introduce more blended outlets. Namely, it selected an existing partner, the U.K.-based WHSmith brand, to expand its existing operations in the airport. Then it extended offers to a new partner called Relay, a retail brand operated by France’s Lagardère Travel Retail.

The newly introduced, blended stores will be evident across all of Heathrow’s terminals. In Terminal 2 for example, one Relay location will take up almost 15,000 square feet. In a relatively novel introduction, it will include a pharmacy, allowing travelers to pick up cold medicine or personal hygiene products. In other terminals, existing WHSmith outlets will expand their presence, providing more blended retail concepts stores throughout the spaces. For example, the chain hopes to introduce cafes as part of its expansion, featuring hot drinks and baked goods to offer some easy, on-the-go sustenance.

Discussion Questions

1. Would a blended essentials retail store work well in other settings, outside of airports? Which ones?
2. What adjustments would you suggest making to a typical blended retail airport store’s depth and breadth of offerings?

Sources: Kevin Rozario, “Heathrow’s Shift to Blended Retail Is a Big Win for Relay and WHSmith,” *Forbes*, July 19, 2025; Luke Barras-Hill, “Lagardère Travel Retail UK & Ireland Announces New Leadership Team,” *TRBusiness*, August 6, 2024; “Heathrow Invites Bids for Blended Essentials Stores Across T2,” *DFNI Magazine*, June 13, 2024.

TikTok Shop Might Be Made for Gen Z, But It Isn't Limited to Gen Z

Use with Chapter 3, "Digital Retailing"



istockphoto / Jakob Wackerhausen

When TikTok introduced its TikTok Shop in 2023, it reflected both an awareness of current consumer trends and a recognition of universal consumer behaviors. That is, Gen Z consumers have demonstrated their strong preference, among major social media platforms, for TikTok. But all consumers seek convenience and easy purchase routes. For brands looking to expand their reach, the TikTok Shop thus represents an effective way to account for all such considerations.

First, establishing brand pages and offerings in the TikTok Shop greatly increases their chances of reaching young consumers.

Second, because the platform reduces the number of steps, or clicks, between the brand's product advertisements and the purchases stage, it encourages greater conversion rates. As an added benefit, brands can pay TikTok Shops to handle all packaging and shipping logistics, making the process easier on their end as well.

These promises have been borne out for the most part. Brands with a presence on TikTok Shop, both well-known names and new entrants, have enjoyed positive results. For example, Nike grew its follower count significantly, and by establishing fun challenges for those followers, it also intensified their brand engagement. Small, independent food purveyors note their vastly expanded reach, such that new customers are finding them and placing orders. Once struggling E.l.f. Cosmetics seemingly has reinvigorated its brand image by embracing TikTok.

Recent surveys suggest that Gen Z shoppers plan to do all their holiday shopping through TikTok Shop this year. More than one-third of the respondents in this demographic also indicated that TikTok provided their primary source of inspiration for which gifts to select. In citing this effect, these consumers also readily acknowledged the relevance of influencers; the platform grants them access to appealing content creators, and it is their endorsements that provide the biggest driver of purchases.

Even if Gen Z represents a compelling target for brands though, they are not the only consumers engaging in social media-driven purchasing. Some reports indicate that Millennials even have surpassed Gen Z in purchases on both TikTok and Instagram, with an even greater disparity observed on Facebook.

Discussion Questions

1. What are some creative ways a legacy company might appeal to consumers through TikTok? What about a newly launched brand?
2. Why does social commerce appeal so much to younger generations?

Sources: Xanayra Marin-Lopez, "How TikTok Shop Is Changing the Way Brands Reach Customers," *Marketing Dive*, January 15, 2025; Christianna Silva, "Gen Z Is Shopping More on Snapchat than TikTok or Instagram, Study Shows," *Mashable*, October 2, 2024; "Millennials Overtake Gen Z in Social Shopping on TikTok, Instagram and Facebook," *Mobile Marketing*, January 8, 2025.

Lose Yourself in an Immersive Brand Pop-Up

Use with Chapter 4, “Multichannel and Omnichannel Retailing,” Chapter 15, “Retail Communication Mix”



istockphoto / Heidy Lee

Interactive spaces have grown increasingly popular, whether in modern art installations or retail experiences. Especially for young, fledgling companies, establishing an immersive pop-up shop can be a powerful means to accelerate growth. The temporary stores serve as a sort of test run, enabling retailers to explore consumers’ appetite for their offerings, before committing the time and resources required to establish a permanent location.

By making the pop-up shops not just temporary but also immersive, retailers can build a remarkable sense of urgency and excitement too, particularly among consumers whose fear of missing out on the experience drives them to the on-site locations. Accordingly, retail brands that feature an innately experiential offering, like beauty and cosmetics sellers, can and do benefit substantially from immersive pop-up stores.

Glossier captivated millennial consumers’ attention and built cult-like devotion among them, partly by installing pop-ups, a strategy that it maintains even today, as a well-known brand. For example, the Balm DotWorld kiosk installed in the Mall of America allowed shoppers to celebrate the launch of a Black Cherry shade, as the latest iteration of its popular lip balm Balm Dotcom.

A kiosk in a mall might be experiential in a sense, but for the skincare brand Rhode, the goal was true immersion. It took over an existing beach club, called Gran Folies, in Mallorca, Spain, for a two-week period. During this immersion, the club was rebranded as the Rhode Summer Club, promising visitors that they could enjoy the very first access to its new Lemontini lip tint shade. While testing out the lip tint, consumers also could lounge on chaises covered with the brand name, under Rhode-labeled umbrellas. Or they might float on Rhode-branded pool floats, then dry themselves with Rhode beach towels. Ice cream carts offered specialty Rhode products too.

Such a brand experience is far more than just a brand experience. It provided consumers and fans of the brand (and perhaps its founder, Hailey Bieber) an opportunity to create sun-soaked, vacation-tinted memories, which could be re-evoked and recalled each time they applied a bit of lip tint. For everyday fans who could not quite swing a trip to Mallorca, social media and promotional accounts of the events at the club highlighted the joy of the experience and a sense of longing to be part of the fun in some way, even if just by purchasing the same products.

But immersion is not solely a promise of beauty brands. Luxury fashion houses have embraced the trend too, often in the form of immersive dining concepts. From Louis Vuitton to Dior, Armani to Ralph Lauren, fashion houses use dining outposts as a way to extend their identity. Instead of simply offering fine luxury goods, they can sell an entire way of life. Thus when Coach opened a restaurant in Jakarta, Indonesia, seeking to establish its brand identity in this wealthy Asian market, it designed the space to be reminiscent of a quintessential New York steakhouse. The restaurant’s dramatic decorative elements even include a yellow taxicab hung from the ceiling. Then its nearby Coach Coffee Shop operates as a sister restaurant, offering warm beverages and fancy baked goods.

Such experiential, immersive locations serve several functions. They raise excitement and FOMO; they expand the brand’s image and identity to new regions and different offerings; and in some cases, they provide a more accessible introduction to the brands. Even cost-conscious consumers might enjoy a café au lait and scone in a Coach store, and young shoppers might be likely to splurge on a Rhode lip tint, for a sense of the experience promised by these brands.

Discussion Questions

1. What benefits and drawbacks do pop-up shops offer retailers?
2. Why might Coach open a restaurant in Indonesia and Rhode launch its latest product in Spain? Were these decisions made for different reasons?

Sources: Clara Ludmir, “How Brands Are Expanding Beyond Stores to Deliver Immersive Retail,” *Forbes*, March 10, 2025; Irene Dong, “Coach Opens First Cafe and Fine-Dining Experience in Indonesia,” *Inside Retail Asia*, March 4, 2024; “Rhode Opens Beach Club Pop-Up in Majorca,” *Global Cosmetics News*, July 10, 2025.

Fleet Feet in the Streets: Why Hoka Embraces Physical Stores

Use with Chapter 6, “Retail Market Strategy,” and Chapter 14, “Retail Pricing”



istockphoto / Robert Way

Shoes were among the earliest product markets to gain traction in ecommerce channels. Consumers could easily find the brand, model, and size they wanted, and unlike other apparel segments, people did not necessarily feel compelled to get a sense of their texture. Innovators like Zappos (later acquired by Amazon) encouraged such channel adoption, promising buyers that they could easily return any shoes that didn't fit quite right. Both retailers and shoe brands thus have enjoyed a steady online business. In such a market context, what might drive a well-known brand to prioritize shoe sales through brick-and-mortar stores?

Hoka offers a clear answer: Its market research has shown that sales through physical stores outperform online sales. The brand, owned by the Deckers corporation, specified further that cost-conscious consumers seem driven to search for deals on Hokas online, but brand aficionados,

who are more likely to pay full price, seem determined to visit retail stores in person. In response, Hoka has expanded its collaborations with various retailers, in addition to opening more of its own physical stores, including its first in Germany, which will join a store in London and two in Paris.

The brand's expansion across Europe parallels its product line expansion efforts. For example, after “sneaker loafers” made a big splash last year, the company introduced its own model, the versatile Speed Loafer. In a clear appeal to Hoka's core customers, it combines a functional sneaker sole with the more formal looking, leather upper construction of a loafer. Priced at just under \$200, the loafer also occupies a middle ground in terms of cost—more expensive than versions offered in retail stores by competitors like New Balance but far less costly than luxury versions available from high-fashion ateliers, such as Fendi.

Notably, the parent company Deckers also owns the UGG brand, known for its own unique, fleece-lined version of boots. Wholesale sales of UGGs to retail partners, to be stocked in stores, have been increasing, by almost one-third compared with last year, both domestically and overseas.

Discussion Questions

1. What factors might have led to Hoka's sales figures to be so much more appealing in physical retail channels, especially for full-price items?
2. Can introducing new products support the company's physical retail strategy? How?

Sources: Daphne Howland, “Hoka Brick-and-Mortar Stores ‘The Primary Venue for Full-Price Sales’,” *Retail Dive*, July 25, 2025; “Hoka Opens New Flagship Store in Berlin,” *SGB Media*, August 21, 2025; Ross Dwyer, “HOKA Debuts New Speed Loafer Silhouette,” *Hypebeast*, January 22, 2025.

Penny-Pinching: Kohl's Revises Coupon Policy

Use with Chapter 7, "Financial Strategy," and Chapter 14, "Retail Pricing"

For many years, Kohl's built its retail reputation on the excellence of its coupon programs, promising shoppers that, with a little effort, they could always find an amazing deal. In addition to the Kohl's Cash (i.e., reward points) that they could earn with each purchase, the chain gave shoppers the ability to compound their discounts, by applying multiple promotions to the same purchase.



Such allowances are relatively rare. Coupons regularly feature wording like, "Limit one coupon per purchase" to define the extent to which shoppers can apply discounts. But savvy Kohl's shoppers were able to apply a two-pronged approach, in which they combined a site- or store-wide promotion (e.g., percentage off the entire purchase) with vouchers for specific amounts off the items in their carts. The ability to stack coupons was so popular that the retail brand largely became synonymous with savings.

But when it began to struggle, faced with the slumping sales created by broader macroeconomic forces around the turn of the decade, Kohl's took the risky and radical move of imposing strict limits on promotions. No longer could shoppers double-up and stack their coupons. Having eliminated the very retail strategy that defined its brand, the retailer quickly saw most of the goodwill it had built with those consumers disappear. Not only were they less compelled by the promise of a discount to visit stores, they felt alienated and betrayed. Because the new policy got implemented suddenly, it meant that people who had worked to collect their Kohl's Cash suffered a perceived financial loss. The jarring and unexpected change constituted a violation of consumer trust, as much as a loss of savings.

The retailer's fundamental misunderstanding of what customers expected and wanted from it meant that, between 2020 and 2025, its core target market consistently reported spending less on clothing, taking more time to search for alternatives online, and prioritizing opportunities to save more. Their average confidence in the retailer fell below average, and the number of female shoppers who ranked Kohl's as their preferred retailer decreased by nearly half. Even as these trends emerged and grew, Kohl's left the new policy in place. A possible explanation for this decision might be that corporate executives paid attention to traditional retail metrics, without taking sufficient account of customers' emotional reactions and attitudes. It knew that customers were turning away, but it seemingly could not understand *why*.

Over time though, the problem has become unsustainable, so as of 2025, Kohl's began introducing some new, wider discounts. Perhaps even more important, it reversed the imposed limitations, both on how many vouchers shoppers can use and on the products to which they can apply them. Whereas, in recent years, they could not apply coupons to some top-selling brands, those popular items are now eligible for discount, including household staples from Lands' End, Cuisinart, Samsonite, and Nutri Bullet.

To facilitate the search for deals, Kohl's also has introduced new search options to its digital channels. In stores, redesigned displays highlight products on special sale. In demonstrating such clear determination to help customers find savings more easily, Kohl's seemingly is offering an olive branch and a sign of contrition, which could represent the first step toward rebuilding customer relationships. But trust takes time, which is a resource that, following its recent challenges, Kohl's may be lacking.

Discussion Questions

1. Do you think Kohl's will be able to win back enough consumer trust? Or is it too late?
2. Other than reintroducing prior promotions, what new strategies can Kohl's use to attract cost-conscious shoppers?

Sources: Gary Drenik, "Rethinking Retail: Kohl's Learns the Cost of Customer Guesswork," *Forbes*, June 11, 2025; "Kohl's Helps Shoppers Save Big With Coupons on More Brands," Kohl's Corporate, August 18, 2025; Kyle James, "9 Online Retailers Who Let You Stack Coupons," *Wise Bread*, June 27, 2018

Al Fresco: NYC Outdoor Dining Is Back

Use with Chapter 8, “Retail Locations”



istockphoto / Mary Salen

Remember the pandemic? The uncertainty, fear, and radical transformations it created affected everyone, in various ways. In New York City, as well as other major metropolises, the negative effects were unavoidable, but a notable and positive change also arose: In a novel experiment, city leaders allowed restaurants to erect temporary, outdoor dining areas. While social distancing rules were still being enforced, the experiment allowed dining establishments to open for business, and it permitted consumers to grab a bite to eat and enjoy a restaurant experience, while still staying safely apart from one other.

As much as restaurants and diners loved the option, it raised complaints from nearby residents, who noted the noise from outdoor diners, the crowding created by the temporary structures, and the risk of attracting vermin. Whether erected on sidewalks or parking lanes in streets, the outdoor venues limited the remaining space available

to residents. People also cited the public safety risk of structures that blocked pedestrian crossings or street signs. Over time, some of them started to be covered in graffiti, which frequently included profanities or obscene drawings, in full view of the general public. Furthermore, even well-maintained outdoor dining facilities were hastily built, and then, as their popularity grew, expanded in ways that became increasingly elaborate and extensive. Regulations were unclear; permitting compliance was haphazard at best.

Ultimately, city officials felt compelled to act and, in the aftermath of the pandemic, reimpose a ban on outdoor dining spaces. Yet the complete ban raised complaints too. Restaurants that had come to rely on their outdoor spaces noted that the elimination represented an excessive response. Consumers also pleaded for their return.

Thus, New York City introduced a permanent version of the previously temporary outdoor dining executive order. The program, called Dining Out NYC, seeks to find a solution that addresses the needs of neighborhoods, diners, and restaurants. It allows businesses that register to erect outdoor areas seasonally, but they must remove those structures during winter months. Each participating location is required to apply for and maintain a permit to operate, and the city promises stricter enforcement of the clearer rules and regulations, in the interest of public safety.

Although the compromise has been welcomed by many diners and restaurants, who enjoyed al fresco options during the most recent months marked by nice weather, some restaurant owners regard the new program untenable. In particular, the time and cost required to rebuild an outdoor dining patio every year, as well as confirm that it is perfectly up to code each time, threatens to eat too far into their bottom line.

In the first year of the program though, 600 locations popped up on New York City streets, and another 2,000 received permits to build sidewalk structures.

Discussion Questions

1. How could New York City modify its current outdoor dining program to allow more restaurants to participate, without compromising public safety?
2. For those that are considering applying for Dining Out NYC, what are some of the benefits of a permit? Some of the disadvantages?

Sources: Cindy Augustine, “Shacks! Rats! Regulations! New York City’s Outdoor Dining Scene Has Been on a Wild Ride,” *CMN*, June 14, 2025; Diana Ionescu, “NYC Outdoor Dining Could Get a Re-Do,” *Planetizen*, April 25, 2025; Raegan Medgie, “Restaurants Can Begin Building Outdoor Dining Spaces, DOT Says,” *ABC7 New York*, March 25, 2025

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Keep on (Food) Trucking: A Dedication to Feeding First Responders

Use with Chapter 9, “Retail Site Location” and Chapter 18, “Customer Service”



istockphoto / kostov

The best meal I’ve ever had was in a CVS parking lot. It was from a taco truck parked nearby, and it was as authentic a meal as you’ll find outside of Mexico. Corn tortillas, carne asada, onions, and cilantro, topped with salsa that added a nice kick, the food was deceptively simple, completely homemade, and incredibly delicious.

Such authenticity is a cornerstone of the competitive advantages sought by food trucks around Los Angeles, including in the Pacific Palisades, an affluent neighborhood in a western pocket of the city. In this region, diverse local immigrant communities, hailing from South America and Asia, come together to share their food from small stands and stalls, at a more affordable price and with better quality than many more conventional, sit-down, brick-and-mortar offerings nearby.

But even the most authentic, competitive, and affordable offering cannot reach its customers and enjoy success if authorities make it impossible for them to operate. In this case, a local Ralph’s grocery store served multiple vendors with a cease-and-desist order, which demanded that they stop parking their food trucks within a 200-foot radius of its location. The move came as a surprise to both operators and their customers, who noted the long and popular history of the trucks in the city, as well as the pleasant atmosphere and ease with which most sellers had operated alongside brick-and-mortar businesses in the past.

Ralph’s persisted in its suit though, claiming that the food stalls generated pollution and unwanted traffic. Ultimately, the vendors complied, moving their operations to other, less busy locations, meaning that their sales took a dive.

That was the situation they were facing in early 2025, when a smoldering brush fire in the area grew into a devastating inferno. The small blaze, fed by the abundant dry brush in Southern California, soon affected a vast area of the city. Residents across all income levels, cultures, and professions lost their homes, schools, businesses, and possessions.

As firefighters worked tirelessly to put out the blazes, from out of the clearing smoke emerged another kind of heroes: Food truck vendors, struggling to make ends meet and comply with strict regulations, came out in full force to feed first responders. In one visible example, Rodolfo Barrientos, who operates a truck called Gracias Señor, partnered with World Central Kitchen to begin cooking and distributing food, working to make sure firefighters and law enforcement were properly fed. When asked why he was so eager to help a community that seemingly had turned its back on him, Barrientos’s response was simple. “I didn’t pick the Palisades,” he said. “The Palisades picked me.”

Discussion Questions

1. How might local lawmakers find a solution that takes both the interests of local businesses and vendors into account?
2. When can doing the right thing also be profitable? How might these vendors use this publicity as an effective marketing tool?

Sources: Chris Lindahl, “Ralphs Wants Palisades Taco Truck to Find a New Place to Park: Report,” *Patch*, January 12, 2024; Hugh Garvey, “A Palisades Taquero on the Healing Power of Food,” *Sunset Magazine*, March 25, 2025; “Ralphs Issues Lawsuit Against Palisades Food Trucks,” *Palisades News*, December 11, 2024.

On Track for Luxury Locomotives

Use with Chapter 9, “Retail Site Location”



istockphoto / kmn-network

The lasting popularity of Agatha Christie’s novels stems, at least partly, from the fun they spark for readers by introducing a vast cast of characters, nearly any of whom could be the murderer. And while the modern iteration of *The Orient Express* (the actual train, not the novel) doesn’t have anything to do with murder, the vast cast of characters involved in bringing it back to life as an exciting, glamorous, and luxurious experience and retail offering promise equal amounts of fun.

Long out of service, the luxury conglomerate LVMH has initiated an expansive campaign to get *The Orient Express* train running again. At the same time, it plans to establish a range of associated Orient Express hotels and sailboats, in partnership with the global hospitality group Accor. While LVMH will apply its experience with luxury and refined

sensibility to the project, including opulent settings that promise to rival the splendor of the original continental rail, Accor will ensure that the offerings meet the demands of twenty-first century travelers in European markets. The retrofitted carriages will contain modern amenities but also features classical silks and wood paneling, reminiscent of the Art Deco period in which *The Orient Express* gained its greatest fame.

The partnership also raises opportunities for complementary retailers, who can participate by establishing operations on the trains and sailboats or in the branded hotels. One experiential offering on *The Eastern & Oriental Express*, for example, is Tastes of Tomorrow, a high-end dinner theater troupe. The master chefs tailor menus to the terrain currently being traversed by the train. Building on this experiential focus, a perfumery onboard promises products that can help passengers enjoy a sensory-driven escape.

One of LVMH’s signature brands, Dior also has partnered with *The Royal Scotsman* to market wellness-centric experiences throughout the ride. Participants can choose from Pilates classes and guided breathwork, as well as receive advice from a dedicated nutritionist, before heading off to the Dior-branded spa to select pampering options from its menu of signature beauty treatments.

Beyond the carriages, *The Orient Express* also maintains an online shop, filled with branded trinkets and collectibles. Purchasing such souvenirs can help the lucky few who are able to afford a ticket to ride with a sense of ownership and a form of conspicuous luxury that they can use as a talking point once they return from their travels.

Along the way, characters milling about the train stations also are getting in on the game. High-end rail stops promote their luxurious offerings; local artisans present handcrafted, one-of-a-kind designs. Their inclusion is purposeful and strategic, such that every food or fashion brand integrated onto the platforms is designed to cultivate the overall brand identity and encourage consumers to embrace a slower, more thoughtful process of experiencing the world. Rather than accepting the rushed feel of most modern travel, these providers promise a new option, based on an old form of travel. It represents the ultimate luxury of slow enjoyment, where the journey is the destination, and the sights along the way are to be savored.

Discussion Questions

1. Why are trains and ships uniquely well suited to wealthier customer segments?
2. How might brands integrate other references to the original glamor of the period, while still creating a product suited to meet modern needs?

Sources: Kate Hardcastle, “All Aboard a Retail Renaissance: How Luxury Rail Showcases Great Consumer Experience,” *Forbes*, July 23, 2025; Rosie Paterson, “Scotland’s Majestic Landscapes Meet Holistic Wellness Aboard Belmond and Dior’s Inaugural Train Retreat,” *Country Life*, March 27, 2025; AFP, “LVMH, Accor Team Up to Develop Orient Express Brand,” *FashionNetwork*, June 14, 2024.

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In the Driver's Seat: Walmart Expands Fulfillment Services

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



istockphoto / Sundry Photography

Retailers might dream of completely loyal shoppers, who visit only its stores for all their purchases. But such dreams are, for the most part, unrealistic in today's retail markets. No one store can meet all of a customer's needs. However, in its attempt to come closer to doing so, Walmart had developed an expanded fulfillment service. Through this service, independent sellers can pay Walmart for the right to use its massive network of distribution centers, advanced logistics, and efficient return systems.

Some of these services include transporting third-party goods from Asian ports to U.S. warehouses. By taking over such complex transport operations, it promises to help smaller businesses navigate the complicated import process. Furthermore, Walmart has entered into an agreement with Symbotic, designed to build

automated fulfillment points that will support web purchases. Currently, Walmart is on track to implement collection and delivery points within 400 stores. On the other side of the deal, Symbotic acquired Walmart's existing robotics properties, which allowed it to improve its own fulfillment services in turn. Together, they have achieved the capacity to offer storage and transportation options to other sellers, which promises to increase overall profits.

In this strategic expansion, Walmart clearly is aiming to compete more effectively with Amazon and its existing, integrated logistics services. The tactic appears popular and promising, according to expert evaluations. For example, the financial services firm UBS praised the new fulfillment services as crucial for both revenue and net profit growth. Notably, even though logistics offerings are not part of Walmart's core retail business model, they enable the company as a whole to flourish. Such service expansions also promise to come to the benefit other parts of the company, considering that reliable delivery and easy returns incentivize customers to shop on Walmart's own web platform too.

Discussion Questions

1. What are some other ways that Walmart might compete with Amazon's fulfillment and end-to-end logistics services?
2. What kinds of business-to-business connections benefit from Walmart's development of fulfillment services, upstream or downstream or both?

Sources: Liz Young, "Walmart to Offer Logistics Outside its Own Marketplace Sales," *The Wall Street Journal*, August 27, 2024; Robb M. Stewart, "Symbotic to Buy Walmart's Advanced Systems and Robotics Unit, Signs Commercial Agreement," *The Wall Street Journal*, January 16, 2025; Sheryar Siddiq, "UBS Maintains Buy Rating on Walmart, Highlights Fulfillment Services," *Yahoo! Finance*, July 3, 2025.

Efforts by the United Kingdom to Regulate Buy Now, Pay Later Schemes

Use with Chapter 14, “Retail Pricing”



istockphoto / allanswart

Buy now, pay later schemes are a modern take on traditional layaway payment options, with a few critical differences. That is, consumers receive the products immediately, while future payments are pending, and many of these plans do not charge interest. They thus have offered an appealing compromise for buyers and sellers: Customers gained a flexible way to buy on credit, without having to incur interest, and retailers accessed an easy way to increase sales and avoid the frustration (for both sellers and shoppers) of declined credit cards.

Yet the appeal may have been too great. Many enthusiastic buy now, pay later adopters got in over their heads. No longer constrained by credit limits that imposed controls on their spending, some shoppers entered into debt agreements that their income could not support. Even without being charged interest, the costs rose: If they enrolled in automatic

repayment plans, they likely suffered bank overdraft fees. If they tried to control the repayments on their own, but failed, they could be hit by late fees from the lenders. Unfortunately, some consumers were surprised by such fees, because the description of when and how they would be imposed appeared within complex, lengthy loan agreements.

In response, the U.K. government assigned its Financial Conduct Authority to study the situation and offer suggestions. The Authority quickly moved to institute new regulations, which match those imposed on other forms of credit. For example, sellers must conduct mandatory credit checks prior to offering buy now, pay later plans as a purchase option. In addition, they are required to inform consumers of the fees and penalties up front, in clear and simple language. For consumers who believe they have been defrauded or treated unfairly, the Authority has created official channels for complaints as well, promising to subject the buy now, pay later companies to disciplinary action if necessary.

Such regulations arguably need to be part of a wider program of consumer education, seller ethical standards, and government oversight. Education systems might devote more attention to how debt accrues and the risks it creates. Sellers could be held to normative expectations that they present payment options clearly, then implement the plans fairly. And effective regulations should hold all parties accountable, to avoid situations in which consumers who cannot pay now find themselves even less able to pay later.

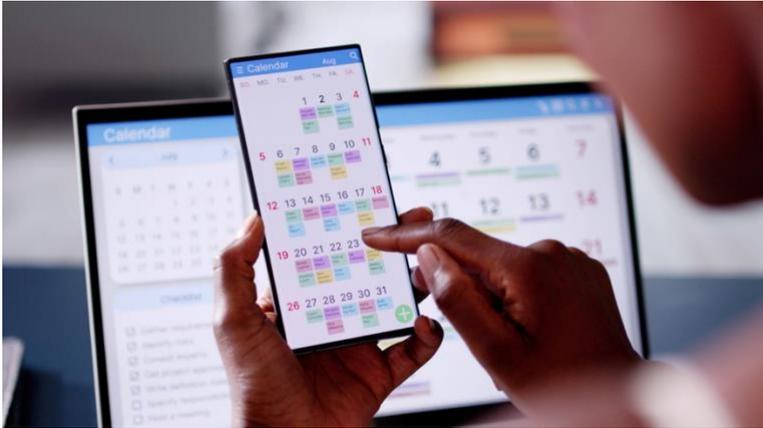
Discussion Questions

1. What are other rules might be put in place to curb harmful practices linked to buy now, pay later plans?
2. Should lending policies be regulated by individual customer responsibility, social norms, or government regulations?

Sources: Kate Hardcastle, “The Fine Print Era: Rethinking Retail Finance,” *Forbes*, July 18, 2025; Vicky Shaw, “The Big Change Coming to Buy Now, Pay Later Scheme,” *The Independent*, July 18, 2025; Yamini Kalia, “UK’s Financial Watchdog Proposes Protections for Buy Now, Pay Later Borrowers,” *Reuters*, July 18, 2025.

Scheduling Conflicts: Workers Struggle With Work–Life Balance

Use with Chapter 16, “Human Resources and Managing the Store”



istockphoto / Andrey Popov

In many ways, the demands of modern life have increased more quickly than the resources available to meet them. The latest American Job Quality Study, conducted by Gallup, indicates just how challenging this imbalance has become for workers.

The results of the study demonstrate unequivocally that the quality of employees' work experience is just as important as simply being employed. Those who are dissatisfied in their jobs risk greater anxiety, chronic stress, and disrupted sleep, all of which can have detrimental effects on their long-term happiness and satisfaction.

Notably, such dissatisfaction often stems from unreasonable or unsustainable scheduling demands. Currently, almost two-thirds of U.S. workers report that their employers are failing to provide them with schedules that meet healthy standards. In some cases, those problematic schedules feature a constant and frustrating lack of predictability, such that employers routinely refuse to provide clear scheduling information at least two weeks in advance. In other cases, the problem stems from a lack of stability, such that workers indicated they could not expect to receive consistent assignments of roughly the same number of working hours (and thus regular wages) each week.

Intensifying these challenges, workers highlight their persistent inability to control their schedules. Almost half of the workers interviewed reported having no input into which hours or days they worked. In a related sense, they emphasized the inflexibility of their jobs, such that they found it nearly impossible to request and be granted leave when they needed it for personal reasons.

Some demographic segments are disproportionately affected by these constraints. In particular, shift and part-time workers—who are especially common in retail settings—report more irregular hours, on-call shifts, and schedule changes with little notice. These retail workers often lack collective bargaining power. Furthermore, the employees with the worst schedules tend to be the ones who depend most on their current employers, such that they perceive few opportunities for employment or advancement elsewhere. Their dependence relates to the wide range of difficult life demands facing retail workers, who often lack the resources to find reliable childcare. In some states, eligibility for public assistance, such as Medicaid or SNAP benefits, requires the applicants to demonstrate that they have reliable working hours.

The high, intense rates of worker dissatisfaction that such scenarios create can lead to decreased productivity, more absences, and lower retention. Ultimately, it is not just the workers but also the retailers, and all of society, that bears the cost. For example, if unhappy, burnt out workers leave, retailers must undertake expensive recruitment efforts to fill those jobs, if they hope to remain in business.

In addressing these existential threats, analysts argue that the findings represent an indictment of our current system, as well as a warning of its potential collapse. If retailers accept the wake-up call, change is possible. In particular, communication is vital: Active communication from leadership of the parent company should remind retail managers to respect employees' needs. Meaningful communication from supervisors can grant workers a greater sense of respect and control over their own schedules. Creative scheduling (e.g., flextime) also offers a promising option to help employees achieve better balance between their work and personal lives. Finally, technology tools arguably could help retailers account for the many variables that define employees' needs and thereby build out schedules that match each worker's individual demands and concerns. Implementing these advanced tools can create stability within the schedule, at relatively minimal costs.

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Such moves promise to benefit everyone. For savvy retailers, ensuring benefits to their employees can lead to benefits for their customers and then for themselves and their prospects of success.

Discussion Questions

1. Is dissatisfaction inevitable among retail employees? What features of the retail industry make it difficult to establish regular schedules, for example?
2. What other strategies might businesses use to create more predictable and stable schedules for workers?

Sources: Kameryn Griesser, "Most US Workers Struggle with Their Schedules. Here's Why Employers Should Care," *CNN*, June 10, 2025; Brianne Roesser, "Study Finds Work Schedules Fail to Support Work-Life Balance," *Spectrum News 1*, June 11, 2025; "Study Links Employee Well-Being to 'High-Quality' Work Schedule," *Safety + Health Magazine*, July 9, 2025.

Tidbits

A Country Mile: Amazon Expands Delivery Service Areas

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

It may be hard to remember a time when same-day delivery represented an almost unattainable luxury, available only to consumers willing to pay handsomely for the special service. The efficient delivery model established by Amazon has made such deliveries commonplace. But there are still pockets of consumers for whom it was inaccessible, such as those living in remote, rural towns. That access gap is shrinking now, as Amazon expands its same- and next-day delivery options to more rural towns, on the basis of a \$4 billion investment. The money primarily targets infrastructure projects, designed to make access more secure and easier. Furthermore, it promises to offer an expanded selection of essential items to consumers living in these remote areas. Reflecting the wisdom of the investment, Amazon already has reported increased purchases in areas where the expanded service has been introduced. Its ultimate aim is to create delivery access for more than 4,000 new geographic areas by the end of 2026. In so doing, Amazon also anticipates 100,000 new job opportunities, to fulfill the labor needs of various delivery stations and the larger pool of drivers required to get the deliveries where they need to go.

Sources: Adriano Marchese, “Amazon Expands Prime Delivery Services Across Rural U.S.,” *The Wall Street Journal*, June 24, 2025; Deborah Sophia, “Amazon to Expand Prime Delivery Services in Smaller Cities, Rural Areas in US by Year End,” *Reuters*, June 24, 2025; Lauren Forristal, “Amazon to Spend Over \$4B to Expand Prime Delivery to Rural Communities in the US,” *TechCrunch*, June 24, 2025.

More Brands Launching Retail Media Networks

Use with Chapter 15, “Retail Communication Mix”

We’ve discussed retail media networks several times in these abstracts. These advertising platforms, owned and operated by retailers themselves, continue to expand. Although Amazon still maintains the lion’s share of this market—its advertising platform exceeds the aggregate size of all other domestic platforms combined—more and more retailers are working to enter the space. For example, the global specialist media company Future PLC announced a new partnership with Ocado Ads, a U.K. retail network that exhibits a sharp growth trajectory. Future already owns various popular publications that can boast dedicated readerships, but it also seeks to leverage its global reach by supporting more targeted campaigns, informed by sales data that Ocado can provide. In the United States, a new retail media network has emerged from a collaboration between EG America and Axonet, which specializes in advertising through convenience stores specifically. The partnership aims to establish advertising plans to appeal to the core consumer bases attracted by different franchises that fall under EG America’s ownership, including Cumberland Farms, Kroger, and Kwik Shop.

Sources: Sara Karlovitch, “The Future of Retail Media Networks: Here’s What the Numbers Say,” *Marketing Dive*, March 14, 2025; “Future Moves into Retail Media,” *InPublishing*, July 17, 2025; Rachel Gignac, “EG America Launches Retail Media Network,” *CSP Daily News*, April 23, 2025.