

RETAILING MANAGEMENT

11E

Newsletter for Instructors

March
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Where Layaway Meets the Circular Economy: The Klarna–Poshmark Partnership

Use with Chapter 3, “Digital Retailing,” and Chapter 4, “Multichannel and Omnichannel Retailing”



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already exhibit. That is, experienced resellers often scour the site, in search of products that are listed at low prices by inexperienced original sellers who do not recognize the value of the items they are listing. The experienced seller then goes on to relist the product at a higher price, sometimes mere moments after purchase. The difference, for savvy resellers, can be a tidy profit.

Such practices are notably unlike traditional consignment markets, such as thrift stores. Digital platforms and quick shipping capabilities enable items to switch ownership multiple times in a short span of time. Efficiency is thus a priority, but for the experienced resellers, the business model can demand a lot of time and effort, much of it quite repetitive. They need to monitor the site constantly to snap up good deals, and then they need to write brand new listings for each product, take new photographs of the items, and measure each part for fit.

It's at this point in the circular economy that Klarna can introduce a novel opportunity. It grants its existing customers access to Poshmark purchase histories, including the images and listing information used by previous sellers. Therefore, rather than crafting new and appealing descriptions and shooting new glamour shots, they can repost existing content. Furthermore, eligible entries can be leveraged to create templates that then offer suggested wording for subsequent listings of similar items.

To attract first-time sellers to embrace both firms, registrants automatically receive \$10 in Poshmark store credit if they also are using Klarna. At the same time, Klarna shoppers are being newly exposed to Poshmark and its offerings.

The novel partnership offers further evidence of Klarna's and Poshmark's ongoing determination to achieve first-mover advantages. The resurgent popularity of thrifting first became evident more than a decade ago, but market forecasters predict that the worldwide resale market will continue to grow steadily, and furthermore, e-commerce platforms are predicted to account for the majority of such transactions. By the 2030s, the global consignment market is expected to be more than twice its current size. Especially as global economic anxieties persist, resale markets promise consumers a viable solution to access a wide selection of items, without having to rely on conventional supply chains. Even if they want to purchase the most expensive luxury products that appear on Poshmark, they can do so now, by spreading out the payments over time through Klarna.

The concepts of layaway payments and resale markets might seem contradictory, but in today's marketing landscape, they are joined in reality. When the buy now, pay later service provider Klarna debuted its strategic partnership with Poshmark, one of the biggest digital consignment retailers in the world, the two companies asserted that their collaboration actually represented a natural complement. In particular, both firms tend to attract similar segments of budget-conscious customers. Furthermore, both of them represent first-movers and innovators, which have largely reinvented what were once brick-and-mortar applications for the digital age.

According to Klarna, its goal is to help streamline the circular economy, by facilitating the behaviors that many Poshmark sellers

Notably, seemingly in an attempt to capitalize on Poshmark's and Klarna's shared appeal to consumers of digital-first generations, they announced their partnership right before a back-to-school season, when young parents and college students were likely to be looking for a lot of clothing items but had little cash to spare.

Discussion Questions

1. Have you ever used a buy now, pay later service? What factors motivated your decision to do so at the time, and how do you feel about that experience in retrospect?
2. In addition to alleviating economic pressure, what are some of the benefits of consignment markets? Are there any costs?

Sources: Xanayra Marin-Lopez, "Klarna Users Can Now List Past Purchases on Poshmark," Retail Dive, July 24, 2025; Liz Morton, "Poshmark Partners with Klarna to Streamline In-App Resale," Value Added Resource, July 22, 2025, <https://www.valueaddedresource.net/poshmark-klarna-resale/>.

Recommendation Frustration: When Algorithms Fail

Use with Chapter 3, “Digital Retailing” and Chapter 11, “Customer Relationship Management”



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Recommendation algorithms have vastly altered how consumers choose a vast range of products, from digital entertainment, movies, and television shows, to books and music, to food delivery orders, to tourism options. Their impressive capabilities—based on their ability to integrate vast data about the consumers’ own prior choices but also the preferences of other, similar consumers—often enable people to discover new and appealing content, hidden gems, and options they never would have considered on their own. Yet as more and more service providers rely on algorithms to recommend purchases, and more and more consumers turn to them for ideas, their failures become more and more obvious too.

In a satirical essay, “Why Did the Algorithms Send Me Here?” Joe Queenan detailed a recent consumption experience involving a ticketing site. Having purchased tickets for a talk with a journalist, the site seemingly sprung to life, in his telling, offering well-placed recommendations for other events in his area. But none of those events had anything to do with the ticketed talk, nor any of his other interests.

Queenan chose not to name the platform in question, reflecting his broader point: Even when the algorithms fail, they have become so common and ubiquitous that, for many consumers, it is impossible to function in daily life without them. Thus, a new source of consumer friction and frustration has arisen in the algorithm age. The service failure that occurs when an algorithm is weak, overly general, or based on inaccurate criteria can create deep dissatisfaction.

Consumers have sought some workarounds. On Netflix for example, people have figured out how to reorient or reset their recommendation framework. In the former case, they prune their own search history. In the latter, they create an entirely new profile, which they use to select and watch particular content more intentionally. However, both solutions put the burden on consumers, rather than the algorithm or the service provider.

On other platforms, no such solutions seem available. For example, Goodreads offers book lovers a relevant platform for reviews and recommendations, but its results appear highly questionable. As many users have noted, the site tends to be “clunky and slow,” the available lists are often irrelevant, and the recommendations simply aren’t very good. Thus, the very name of the site seemingly makes a promise that it fails to achieve, reflecting the very essence of a service failure. Promoted as being expressly for bibliophiles, the site is ineffective in its advertised purpose. Yet visitors seem to keep coming back, in search of at least one good reading recommendation.

In a conventional market, we might expect consumers to reject the failed service and find an alternative. But rejecting algorithms altogether likely would represent a significant constraint on consumers’ experiences and enjoyment, which may be why they continue to function, poorly. Is the solution to the problem in the hands of consumers, or should the algorithm providers take the initiative to address the issue?

Discussion Questions

1. In your daily consumption, which recommendation algorithms do you use regularly? How effective is each of them, in your experience?
2. Answer the question that ends this abstract: Who is responsible for resolving the service failure created by poor algorithm recommendations?

Sources: Joe Queenan, “Why Did the Algorithms Send Me Here?,” *The Wall Street Journal*, April 5, 2025; Eli Becht, “How to Reset Your Netflix Algorithm,” *Pocket-lint*, October 18, 2024; Jonny Diamond, “The Problem(s) With Goodreads,” *Literary Hub*, September 5, 2019.

Is McDonald's Leaving Hong Kong, or Is It Doubling Down?

Use with Chapter 7, "Financial Strategy," and Chapter 9, "Retail Site Location"



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McDonald's caused a stir in Hong Kong, when it announced plans to sell eight of its most expensive properties. That reaction was nothing compared with its subsequent announcement that it would be selling all of its 23 owned retail locations in the region, valued at almost \$400 million. Was McDonald's abandoning Hong Kong?

Not quite. At the same time it indicated its intentions to divest its own operations, it announced plans to sign long-term leases in the exact same locations, such that each store could continue operations while undergoing a change in ownership, from McDonald's corporate to local affiliates. This strategic option, known as a sale-leaseback deal, usually gets adopted by businesses that need more liquidity. Seeking access to more cash, they trade off their property investments and thus gain more flexibility to spend.

But that explanation seems questionable when it comes to McDonald's, which would not be characterized as cash-poor or debt-laden. Thus, observers have predicted that, with the substantial revenue the corporation can generate from the sales of these expensive locations, it will undertake wider reinvestments into expanding its local footprint. That is, ironically, the divestment might mark the beginning of McDonald's expansion in Hong Kong, though this prediction remains speculation for now.

McDonald's reportedly already has sold several of the original eight offerings, including two locations in the coveted Kennedy Town and Mong

Kok neighborhoods. Collectively, both properties cover about 14,000 square feet and fetched almost \$24 million. The buyer responsible for both transactions was said to be the same person.

Discussion Questions

1. Why might McDonald's have chosen this particular moment to convert its holdings into leases?
2. What additional factors should an international corporation take into consideration when making a decision about franchises in other countries?

Sources: "McDonald's Sells Kennedy Town, Mong Kok Shops for HK\$180 Million," The Standard (HK), November 11, 2025; "McDonald's to Sell 8 Hong Kong Retail Spaces Valued at \$153 Million, JLL Says," Reuters, July 28, 2025; Shawna Kwan and Venus Feng, "McDonald's Seeks to Sell \$153 Million in Hong Kong Store Space," Bloomberg, July 28, 2025.

Amidst the Retail Apocalypse, a New York City Mall Flourishes

Use with Chapter 8, “Retail Locations” and Chapter 9, “Retail Site Location”



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Depending on the day, and the source making the claim, shopping malls are either destined for the trash heap of history, victims of the retail apocalypse, or else enjoying a resurgence and providing harbingers of the future. The story keeps changing. But perhaps the problem is trying to tell one story about the diverse range of locations and retail designs that malls can embody.

For example, a recent estimate notes that only around 950 shopping malls are still in existence in the United States today, and recent years have seen about 10 closures on average. Yet among the survivors, we find the Tangram Mall in Flushing, Queens, which has been growing vastly more popular in the recent past. Its location in a borough of New York City—not

known for hosting large, indoor shopping spaces—makes this exception especially noteworthy.

As might be expected, Tangram Mall is not a typical shopping destination. It was built purposefully and expressly to meet the needs of Flushing’s large Asian American community. All signs in the mall are printed in both English and Chinese. The featured restaurants and retailers include a large number of Asian franchises. The mall operators also actively seek out new tenants to expand its offerings. For example, a recent expansion announcement cited the arrival of a Chinese-Korean eyeglasses retailer, a Filipino baby store, a Chinese hairdresser, and a Japanese-inspired lifestyle brand.

Even as it purposefully meets the needs of this consumer segment though, Tangram Mall creates additional appeals to attract broader audiences too. Thus, in addition to its diverse, pan-Asian retail locations, the mall integrates popular cultural offerings. Many of the eateries feature all-night karaoke parties for patrons; some of the most popular options stay open until 6:00 a.m. the next day. The arcade inside Tangram evokes 1990s-era nostalgia, with neon lighting and rows of console games, but the prizes that players can win are effectively tailored to the current generation of consumers, aligned with their interests and preferences. Similarly, the Pop Mart store sells popular, widely coveted Labubu dolls, attracting youngsters from all over the city, in search of collectibles that are not available elsewhere.

Some even more recent additions to the mall suggest that Tangram is seeking to diversify even further, by adding a selection of non-Asian restaurants and stores. Still, these inclusions seem strategically designed, rather than random. A taco truck favorite, Birria-Landia, recently opened a stand in the mall’s food court. Sandwiched between Thai fusion and a modern take on the banh mi, the Mexican eatery’s modern, experimental menu functions like an interesting and tasty alternative, rather than a confusing distraction from the rest of the offerings.

Thus, for retail mall operators, Tangram Mall seemingly offers a valuable lesson and compelling example. They can survive, but they must be willing to design their offerings in a way that gets people excited to visit.

Discussion Questions

1. What is the advantage of likeminded businesses having a single mall venue to attract shoppers, as opposed to each of the retailers opening independent locations nearby?
2. How can other malls adopt some of these strategies, even if there is no clearly defined, specific demographic to which they want to cater?

Sources: Matthew Haag, “With Labubus and a Cat Cafe, a Shopping Mall Thrives in New York City,” *The New York Times*, July 23, 2025; Emma Orlov, “Taco Favorite Birria-Landia Is Opening Another Location,” *Eater*, April 16, 2024; “New Tangram Shopping Destination, Queens NYC Sign Four New Stores,” *Retail & Leisure International*, July 8, 2022.

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Striking a Chord: Guitar Center Introduces AI

Use with Chapter 10, “Information Systems and Supply Chain Management” and Chapter 11, “Customer Relationship Management”



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Artificial intelligence as a tool is both endlessly knowledgeable and inherently limited. Few experts in any field can match its sheer capacity for amassing and categorizing data and search results, but most AI-enabled programs lack the refined taste and insights that can be provided by a true expert. For creative endeavors like music for example, AI might not be able to craft a symphony, but it might be ideally adapted to determine which flute is going to be best for a particular musician to play Mozart in a specific concert hall.

Guitar Center doesn't sell flutes for symphonies, but its AI tool, called Rig Advisor, promises to build and combine custom musical gear, according to each customer's preferences and inspirations. It can account

for specific requests, such as for an amp that supports louder sounds or a guitar that matches a particular tonal range. Akin to a professional, human consultant, Rig Advisor can provide suggestions, but it can do so faster and on immediate demand, even when the physical stores are closed.

In introducing this capability—the first in its market space to do so—Guitar Center noted that it represented the first step in a new, multi-phase business strategy. The first phase involves introducing Rig Advisor, based on the retailer's ongoing research into and development of intelligent tools that can help it boost sales. The second phase promises to support more experiential retail experiences, by integrating in-store QR codes with the retailer's app, then using those connected touchpoints to inform Rig Advisor further. Already, Rig Advisor is able to comment on specific products, based on the corresponding codes, and then generate responses and recommendations related to that specific product, in relation to the customer's specific criteria. Notably, the technology also supports some old-fashioned retail needs, like ensuring that a recommended product is actually in stock in a given location.

To achieve truly effective recommendations though, Rig Advisor necessarily must depend on additional data, reviews, and feedback from consumers, who can describe their own experiences with the app itself, as well as the products it suggested to them. Accordingly, more complicated queries still might require assistance from a human guitar expert, who leverages the technology as needed.

Discussion Questions

1. Weighing the likely time and energy invested in developing such a specific piece of technology for a niche market, against the potential benefit of being the first adopter in its space, does this seem like a wise investment for Guitar Center?
2. What sort of queries will be the true test of the technology's benefits and limitations? What type of answers could a potential customer have that would be hardest for most artificial intelligence to answer?

Sources: Xanayra Marin-Lopez, “Guitar Center Brings AI Assistant to the Store Floor,” Retail Dive, July 24, 2025; Crystal Koe, “Meet Rig Advisor, Guitar Center's New In-Store AI Shopping Assistant: ‘It's Like Having a Professional Gear Consultant in the Palm of Your Hand’,” Guitar.com, July 22, 2025, <https://guitar.com/news/music-news/guitar-center-rig-advisor-ai-shopping/>; Matt Owens, “‘Like Having a Professional Gear Consultant in the Palm of Your Hand’: Guitar Center Introduces Rig Advisor, the Guitar World's First-Ever AI Shopping Assistant,” Guitarist, July 21, 2025.

Return to Sender: E-Commerce Deliveries Are Failing Customer Expectations

Use with Chapter 10, “Information Systems and Supply Chain Management” and Chapter 18, “Customer Service”



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Frustration with delivery mistakes, be it damaged goods, delayed service, or costly shipping rates, is a nearly universal experience. Yet consumer dissatisfaction with such outcomes seems to be on the rise, a trend that seemingly reflects consumers’ changing expectations more than it does service providers’ actions.

The very idea of free and same-day deliveries and the guarantee of no-hassle returns might be the norm today, but these remarkable service levels have become possible only recently. Older consumers know what it was like to wait weeks for delivery, expect add-on shipping charges, or get stuck with a less-than-perfect option because the return window had closed.

But for Gen Z and younger cohorts, immediate, unquestioned, inexpensive service levels are all they know, and they’re simply not happy with any departure from those new norms.

Surveys indicate that approximately one-third of consumers, across generations, prioritize on-time arrivals over other features. That number jumps dramatically among Gen Z specifically, such that many of them demand quick access, citing it as an even greater priority than affordability. In turn, they express frustration with standard shipping options. For example, when retailers impose shipping costs, introduced only at the end of shopper’s purchasing process, it frequently induces frustration and cart abandonment. Furthermore, buyers complain about a lack of oversight by retailers that lack last-mile logistics capabilities, such that they cannot offer realistic guarantees of a seamless delivery process.

As a result of these increasingly intense and common expectations, many merchants have undertaken revisions to their logistics planning, in a way that can be deeply expensive and detrimental to their overall operations. These threats are especially notable for independent sellers operating in smaller, niche markets, like children’s toys or premium goods.

Yet they also recognize the threat of doing nothing and incurring consumers’ ire. Surveys indicate that, when subject to a delivery mishap, consumers tend to blame the retail merchant rather than logistics or shipping partners. For many shoppers, the logistics simply represent an extension of the seller’s customer service, because the seller is the one that chooses which delivery service to hire. According to this logic, it is ultimately up to the retailer to take responsibility for any delivery issues.

Objectively, and from the retailer’s perspective, such attributions and expectations might seem unreasonable. For consumers though, surprise shipping costs or delivery delays represent failures. These types of failures might prompt consumers to question their own purchase choices, which in turn can lead them into an emotionally precarious state. Their expectations are not met. Their purchase is not complete. They begin to distrust the entire interaction. When the resulting dissatisfaction grows substantial enough, the emotional aftereffects can be so intense that they undermine any sense of brand loyalty and the possibility of future purchases. The implications for retailers are distressingly clear: They have to find a way to meet even the most unrealistic expectations that consumers develop and promise nearly perfect delivery, or else risk getting left behind.

Discussion Questions

1. What are some measures that retailers can take to minimize customer dissatisfaction and delivery mishaps, regardless of company size or oversight over the logistics process?
2. Why might consumers have transferred more blame for delivery mishaps to merchants?

Sources: Michael Brady, “Consumer Ire Over Delivery Mishaps Shifts from Shippers to Merchants,” Retail Dive, July 22, 2025; “E-Commerce Customer Satisfaction—Statistics & Facts,” Statista, December 17, 2025; Marina Mayer, “America’s Largest Online Retailers Experience Gap Between Consumer Expectations vs. Actual Delivery Service Results,” Supply & Demand Chain Executive, September 3, 2025.

The Logic for Offering Returnless Refunds

Use with Chapter 10, “Information Systems and Supply Chain Management” and Chapter 11, “Customer Relationship Management”



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The complex, challenging, expensive process required for retailers to accept returns is well-established. It is especially difficult for companies with liberal return policies, such as Amazon, and it appears to be the impetus for Amazon’s recent policy change. In announcing the notion of returnless refunds (also referred to as returnless returns), Amazon has indicated that it will allow customers to keep a product that they are dissatisfied with but refund the price, without any action (e.g., packaging and shipping the product back) required by those customers.

For consumers, this change promises remarkable benefits. They gain convenience, a satisfaction guarantee, and likely a more positive view of Amazon. For the retailer, it eliminates the hassle and cost of processing

returns, which can be more expensive than the cost of the product itself, especially for inexpensive items. Notably, the policy appears to apply automatically only to relatively low-cost products.

In a recent study aimed at understanding the psychological implications of returnless refunds for consumers, researchers affirmed that eliminating the hassle of a return improved customers’ favorable views of the retailer. In more detailed findings, they note that the way a returnless refund is offered is nearly as important as it being offered at all. Specifically, the researchers offered half of the participants in one of their studies a returnless refund for a damaged product automatically. The other half had to send in proof of the damage before receiving the credit. Both groups indicated that they could complete the refund process easily, but the added level of automatic trust prompted the first group to express more favorable opinions of the retail brand offering the easy refund.

In another study, these researchers told participants that they had received fruit that was past its sell-by date. All of them were offered a returnless refund. But one set of respondents read that the offer was for their benefit, while another set read that it reflected the company’s attempt to save money. As might come as no surprise, the former group reacted much more favorably than the latter group. Another set of respondents, told that the policy was for the sake of the environment, provided reactions somewhere in between these two extremes. Such responsibility appeals may be effective though; in yet another study reported by the same researchers, granting a returnless refund for a shirt was viewed more favorably when it was coupled with a suggestion to donate the clothing, instead of throwing it away.

In parallel with these research insights, increasing numbers of retailers are testing their own practical applications of returnless refunds. Walmart opted in quietly, offering the option for a range of inexpensive products. Costco, Target, Home Depot, Shein, and Temu also have integrated the policy into their logistics, to varying extents and for specific purchase situations. Coming back to Amazon, it recently expanded its program to include third-party sellers, encouraging them to offer returnless refunds on items priced less than \$75.

Despite such widespread support though, the policy clearly creates a greater risk of opportunistic behaviors by consumers. Amazon alone reported a 144 percent increase in fraudulent returns between 2023 and 2024. To minimize this risk, most companies that have adopted returnless refunds have remained quiet about exactly how, when, and under what conditions the

system gets applied. They also rely on strong monitoring efforts, to identify opportunists and quickly ban them from returning any more items.

Discussion Questions

1. Perform a cost–benefit analysis of returnless refunds. What are the main costs for retailers, and what are the main benefits?
2. What additional safety features might be added, to make it harder for potential thieves to take advantage of lenient return policies?

Sources: Lisa Ward, “Why ‘Returnless Returns’ Can Pay Off for Companies,” *The Wall Street Journal*, July 24, 2025; John P. Costello and Christopher J. Bechler, “Just Keep It: When and Why Returnless Product Returns Foster Brand Support,” *Journal of Marketing Research* 63, no. 1 (2026), 191-209; Rebekah Harding, “Walmart and Amazon Are Changing Their Return Policies. Will This Change the Way You Buy?,” *The Daily Dot*, May 5, 2025; Sara Roth, Mike Brookbank, “More Retailers Offering ‘Returnless Refunds,’” *News 5 Cleveland WEWS*, February 5, 2025.

Dogs, Cats, and Bookworms: Bookstores Are Getting Pets

Use with Chapter 17, “Store Layout, Design, and Visual Merchandising”



istockphoto / vladans

What do you call a bookstore that is hard to find? A novel location.

It’s a silly joke, still good for a giggle from children. But today, as print sales decline and brick-and-mortar shops struggle to keep their doors open, independent booksellers cannot rely on silly jokes, or risk obscure locations, to attract buyers. Instead, some retailers have embraced another kind of novel appeal: adding cuddly pets as a regular presence in their stores.

For many readers, the pairing likely seems natural. The image of a bookish reader, curled in a comfy chair with a snoozing animal, is familiar in popular culture and art. Furthermore, cats have long been fixtures of independent bookstores. Today, some stores are taking that notion to

another level, by adding multiple pets, including more exotic animals, to their neighborhood shops. For example, Wild Rumpus Books, in Minneapolis, Minnesota, hosts two cats, two birds, two chinchillas, a crested gecko, and about ten fish. Likewise, Bear Pond Books in Montpelier, Vermont, boasts a Russian tortoise named after a beloved children’s classic, Veruca Salt from *Charlie and the Chocolate Factory*. Each year, Bear Pond Books throws a birthday party for Veruca, complete with tortoise-themed stories.

For some retailers, the actual responsibility for caring for the animals might be more than they want to accept. Yet they still might leverage the combined appeal of pets + books. The dog-themed bookstore *Tales & Tails*, in Fredericksburg, Virginia, features a variety of dog-themed books and merchandise, as well as a café full of doggie dining options. A dog-friendly space at the back of the shop hosts customers who prefer to bring their canine companions with them while shopping.

Another option for stores that prefer not to have permanent pets leverages a social responsibility element too. *Adventures Underground Bookstore* in Richland, Washington, made headlines after partnering with a local animal rescue to host adoption events. The event was considered especially notable, because the majority of animals available were those that rescue groups consider some of the hardest to place: guinea pigs, rabbits, turtles, and all sorts of reptiles.

As this variety of approaches indicates, it seems as if there’s no bad way for booksellers and animals to come together. When they do, in nearly any capacity, it gives the often overlapping markets of animal lovers and book lovers a compelling reason to visit.

Discussion Questions

1. What are some other ways that bookstores can incorporate animals?
2. Are there other retail markets that might benefit from adding pets to their stores? Are there those that could not leverage this tactic? List examples of each.

Sources: Elisabeth Egan, “More Purring, More Buying? Why Bookstores Showcase Their Pets,” *The New York Times*, July 23, 2025; Michele Kettner, “Find a New Dog-Themed Bookstore in Downtown Fredericksburg,” *Northern Virginia Magazine*, June 9, 2025; Steven Hogencamp, “Pet Adoption Event at Richland Bookstore Finds Homes for Small Animals,” *NBC Nonstop Local News*, July 27, 2025.

Ground Rules: How Should Retailers Set Store Policies?

Use with Chapter 18, “Customer Service”



istockphoto / bo feng

Retailers set their own rules and store policies. But they also function in the presence of other rules, which actually remain unspoken and might be called norms or expectations of proper social etiquette. For example, a retailer might establish a standard that says the customer is always right but also insist that, for shoppers, you break it, you buy it. Different social norms support each of these standards, which can create a tricky situation for retailers. When damage occurs, should stores insist on holding customers responsible for the costs, or should they acquiesce and recognize that accidents happen, for which customers cannot be blamed?

Because no universal, simple solution exists, employees in the store often must navigate each situation in the moment, among the conflicting pulls of social norms, good manners, and legal recourse. In such a situation, hypothetical cases can help establish some sense of potential resolutions, by outlining the various considerations that need to be addressed.

The humor writer John Hodgman offers just such insights, weighing in on the ethics of a low-stakes, nearly universally familiar shopping situation: the grocery store accident. That is, a grocery store shopper accidentally spills a carton of blueberries to the floor, after having paid for them. The shopper takes responsibility for the loss, cleans up the berries, and moves on, but his spouse wants to ask the store for a refund of the cost of the carton. Hodgman weighs the case through the lens of societal norms and agrees with the shopper that the responsible party is the one who should bear the cost of the damaged product.

But what if the spill happened before purchase? Should a shopper who drops a carton of blueberries be forced to pay for them, even though they will be unable to consume them? According to a legal advice site, the store could not have the shopper arrested for refusing to pay for something that has been accidentally damaged. An accident is not a crime. Nor may a retail location bar a customer from leaving until they pay for accidental damage. Doing so even might constitute false imprisonment, which is illegal.

Were a retailer really determined to be compensated for its loss though, it could take the clumsy customer to civil court, claiming negligence that resulted in loss. The exact criteria for negligence is ambiguous and depends on the situation. Furthermore, realistically, most store owners would not be willing to incur the expense and effort needed to recoup the cost of a carton of blueberries. The point though is that some avenue for recourse does exist, in extreme versions of this situation.

Despite their different views, these perspectives suggest a similar, underlying insight: Regardless of company policy, the outcome of any given situation likely will be determined by its unique details. Had the spouse been present during the initial interaction, and demanded compensation for the accidentally spilled blueberries, the store likely would have replaced the box, in the hope of placating a loyal customer, even without any legal requirement to do so, and even if its policy required the customer to take responsibility.

Furthermore, in this case, the shopper declined to request compensation and took responsibility for his mistake. The outcome was thus determined by the consumer, so neither the store nor its employees needed to make difficult decisions. But in

another situation, with a less cooperative shopper, the choices made ultimately should take into consideration not only norms, laws, and store policies but also what is best for the business's long-term profit.

Discussion Questions

1. What variations in this situation would make it the retailer's responsibility?
2. How could similar hypothetical cases help retailers make decisions about other store policies? Describe a possible usage.

Sources: John Hodgman, "What Should Happen When You Spill Blueberries at the Store?," The New York Times, July 11, 2025; "If You Break It, Must You Buy It?," FindLaw, March 21, 2019.

Tidbits

The DressX–Puma Partnership on Roblox

Use with Chapter 3, “Digital Retailing,” and Chapter 15, “Retail Communication Mix”

DressX offers a digital styling platform that allows users to create outfits virtually, then purchase their creations. In an effort to expand its reach to young buyers, it also entered into a partnership with Puma, which agreed to host its dedicated DressGo function in its existing Roblox world. In line with Puma’s broadly competitive vibe, visitors can participate in style competitions, leveraging Puma’s existing Roblox clothing collections, together with new options provided by DressX. Regardless of the outcome of the competition, players can purchase physical versions of the garments being showcased in the game, of course. In addition to helping DressX reach the younger consumers who tend to lurk on Roblox, the partnership gives Puma a new channel for appealing more to female gamers and thus diversify the fan base for its sporting gear and athleisure offerings. It is not the first such initiative for DressX, which has released digital capsule collections on Roblox in the past. Those experiments drove the digital clothing retailer to create a novel layering technology for virtual pieces, such that users could combine different styles on the same avatar. Still, the sheer scale and reach of Puma’s operations marks this collaboration as a notable step in DressX’s efforts to become established within the Roblox metaverse.

Sources: Xanayra Marin-Lopez, “DressX Enters Roblox With New Game, Collabs With Puma,” Retail Dive, July 17, 2025; Jennifer Braun, “DressX Launches First Collection of Metaverse Fashion Wearables on Roblox,” FashionNetwork, April 20, 2022; Rachel Douglass, “Dundas Joins Roblox in Collaboration With DressX,” Fashion United, September 12, 2022.