What constitutes an effective retailing relationship?

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RESEARCH BACKGROUND

Category Management: Strategic management of product groups (categories) through trade partnerships to maximise sales and increase profit for both organizations, and satisfy consumer needs (Harris and McPartland 2013).

Shopper Marketing: Originated in Canada four years ago, being considered as the future model of category management. Retailer and the manufacturer have a collaborative business process that leverages the use of insight-driven marketing and advertising initiatives to satisfy the needs of targeted shoppers, focus on how shoppers buy it rather than how consumers use it (Marketing Magazine 2011).

AIM AND OBJECTIVES

Aim
To understand what constitutes an effective retailing relationship and how it needs to evolve in a changing retail environment

Objectives
- How trust, commitment, collaboration and communication between the buyer and supplier contribute to, and improve the relationship quality
- What additional factors are becoming necessary to drive future retailing relationships in a changing retail environment where the satisfaction of consumer and how shopper needs are becoming even more important
- How does the development of a strong retailing relationship contribute to improving the financial performance for both the retailer and supplier

Why this research is of interest to me?
Retailing is my passion! I was born into a 100 year old retailing family business and have also worked in category management for Asda and in the supply base. A fast paced environment which is going into the next phase of its evolution….. its exciting and I want to be part of it!

EXPECTED FINDINGS

Only tools relationships exist within Category Management

Impact of the intensiveness of Category Process

Category management works better in physical stores - what about growth of customer satisfaction (IGD 2015)

There is no explicit evidence that supplier performance is assessed (IGD 2015)

Hunches that have sparked my interest before my exposure to category management and my findings of the category management literature

Retail Problems

Stage 1 Pilot Research (pre DB2)

- Interpretivist approach is chosen as it views meaning from participants involved in the process to create a deep understanding (Vitahtaru and Lahdesmaki 2012)
- Focus for the pilot is the tea and coffee category as it has a balanced product assortment for effective category management (IGD 2015)
- Semi-structured interviews with the following category managers using inductive qualitative approach:
  - 1. Category buyers from Asda and Tesco
  - 2. Senior category manager from Nestle
  - 3. Insight managers from data management houses Kantar Worldpanel & IGD

Theoretical Framework

- Include key constructs which improve trust in a relationship. Personal Communication, Personal Credibility, Personal Attraction (Barnes et al 2015)

Stage 2 Research

- Establish learning from pilot
- Include consumer and shopper
- Based on feedback from managers regarding the metrics they would use for financial measurement and judging performance - introduce quantitative research to build on the pilot findings (results will show performance before and after the research)

Contribution

Academia
- The proposed research will contribute to social exchange theory, relationship theory, trust and behavioural economics theory literature. This will be specifically an understanding of:
  1. The effects of collaborative and trusting relationships between retailer buyers and sellers and how this leads to greater commitment and improved satisfaction of consumer / shopper needs
  2. Additional factors necessary for effective relationships to meet the needs of a changing retail environment
  3. The types of metrics that should be used to measure category management and shopper marketing performance
- Interviewing key stakeholders from retailers, manufacturers and consumers will raise the awareness of Sheffield Hallam University and increase its profile within the academic community

Professional Practice
- UK retailers and manufacturers will be interested in, and introduce the factors and effects of collaborative and trusting relationships into their operations
- Provide evidence to assist the decision making process of continuing to invest into Category Management or introduce Shopper Marketing
- A better understanding of the financial metrics to measure Category Management or Shopper Marketing performance
- Consultancy services to assist the industry through change

Literature reviews show there is very little written on Category Management, and as Shopper Marketing is a relatively new approach from America even less written. With the industry facing change gaps in the literature have emerged.

References


HARRIS, Brian, and McPARTLAND, Michael (1993). Category Management defined: What it is and why it works, Progressive Grocer, 15


