

What constitutes an effective retailing relationship?

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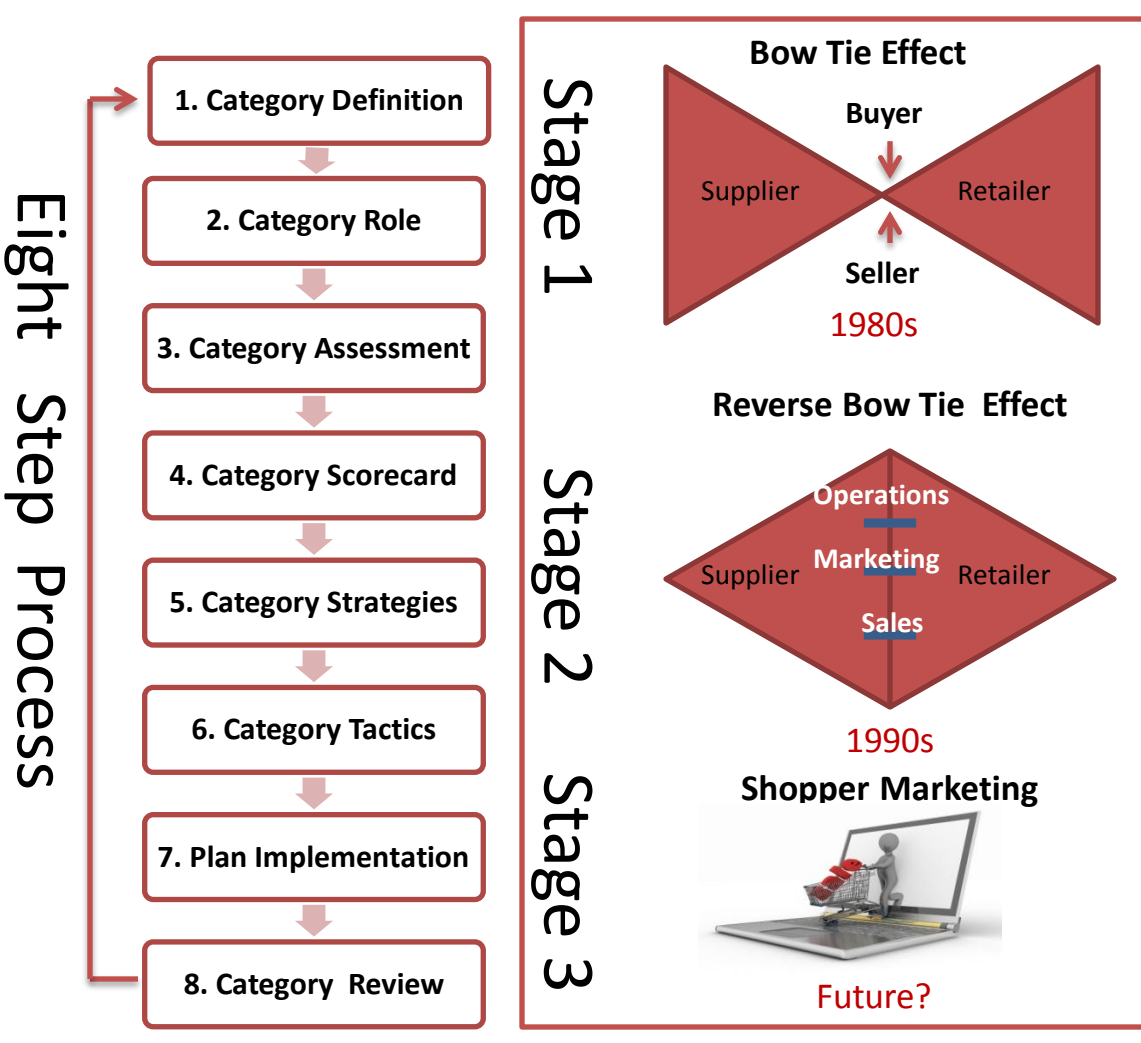
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RESEARCH BACKGROUND

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).



Trust in Relationships: An essential element for a successful relationship between suppliers and retailers (Viitaharju and Lahdesmaki 2011; Dwyer et al 1987). Lead to cooperative behaviour among individuals, groups, and organisations (Axelrod 1984; Gambetta 1988; Good 1988; Mayer, Davis and Schoorman 1995; McAllister 1995), and form the basis of a long-standing relationship or even partnership (Dertouzos, Lester and Solow 1989). Trust evolves in the interplay of people's values, attitudes, moods and emotions and the relationship will change and fluctuate over time (Morgan et al 2007).

Category Captain: Retailers assign the task of managing the category to one of their trusted suppliers. Responsible for developing and recommending the category strategy in line with the retailers corporate strategy (Kurtulus and Toktay 2011).

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 now shopper needs are becoming ever more important

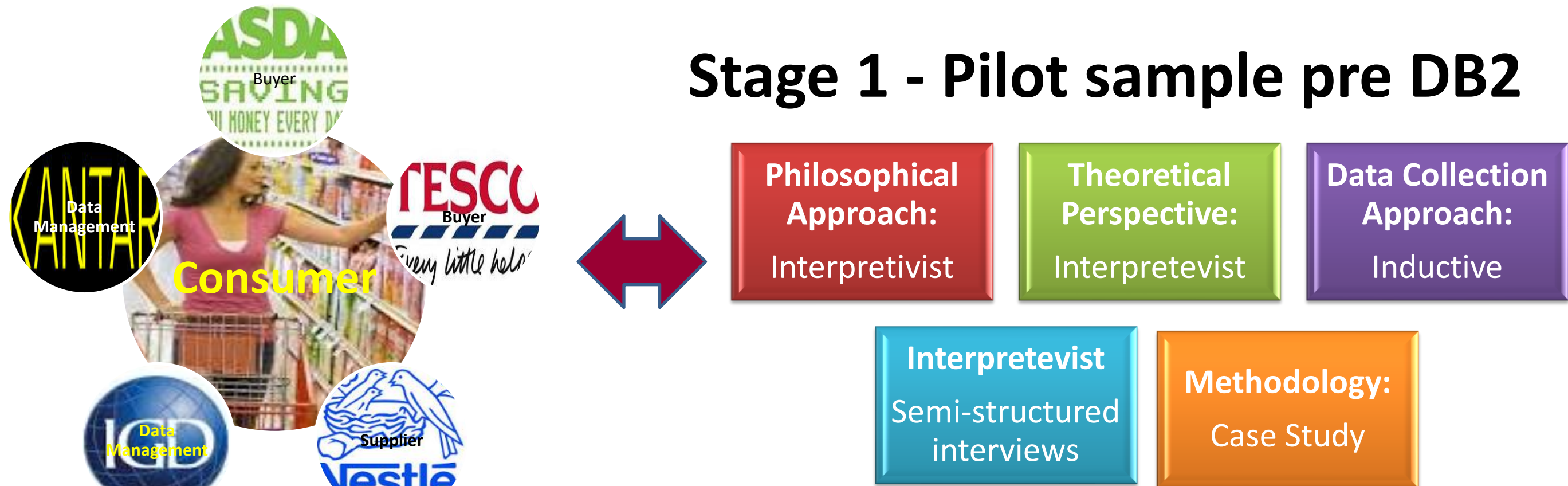
How does the development of a strong retailing relationship contribute to improving the financial performance for both the retailer and supplier

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!

RESEARCH METHODOLOGY

Stage 1 - Pilot sample pre DB2



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 (Viitaharju 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:
 - Category buyers from Asda and Tesco
 - Senior category manager from Nestle
 - Insight managers from data management houses Kantar World-panel & IGD

Theoretical Framework

- Include key constructs which improve trust in a relationship. Personal Communication, Personal Credibility, Personal Affection (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)

EXPECTED FINDINGS



Retail Problems

Retailer	LFL Sales Change	Weeks
Waitrose	+1.4%	53 weeks to 31.01.15
Sainsbury's	-1.9%	52 weeks to 14.03.15
The co-operative	+0.4%	52 weeks to 03.01.15
ASDA	-1.0%	52 weeks to 31.12.14
TESCO	-3.6%	53 weeks to 28.02.15
MORRISONS	-5.9%	52 weeks to 01.02.15

CONTRIBUTION

Academia

- The proposed research will contribute to social exchange theory, relationship theory, trust theory, and behavioural economics theory literature. This will be specifically an understanding of:
 - The effects of collaborative and trusting relationships between retail buyers and sellers and how this leads to greater commitment and improved satisfaction of consumer / shopper needs
 - Additional factors necessary for effective relationships to meet the needs of a changing retail environment
 - 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.

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Thank you for reviewing my poster and providing feedback!