Retail Renaissance: A Case Study of Retail Education Reimagined

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Purpose of the Study: Technology and the internet disrupted and transformed the retail industry from a goods-dominated perspective to a consumer-centric paradigm. This transition requires a deep understanding of affective, cognitive, and behavioral aspects of the consumer for retail success. This case study is one approach by a department at a large, public university to prepare students for 21st century careers in a retail ecosystem unified by digitization, technology, and consumer centricity.

Method/Design and Sample: This case study describes how one department continuously evolved to build relevant curriculum guided by global consumer trends driven by technology, social phenomena, and competitive environments recreating the consumer experience.

Results: The case is an example of successfully transitioning programs and curriculum to prepare students for new retail career opportunities that do not exist today.

Value to Marketing Educators: Educators may gain insights for transitioning their own programs or curriculum. The continuous evolution of programs and curriculum in this case study ranged from developing courses expanding an array of competencies, developing minors, concentrations, and degree programs for undergraduate and graduate programs with college-level and interdisciplinary collaboration across the university.

Keywords: curriculum, consumer-centric, pedagogy, program development

INTRODUCTION

Technology and the internet emerged in the early 21st century as significant disruptors of the retail industry. Moreover, industry headlines announced hundreds of store closures and bankruptcies of long-established chains as they lost their relevance in a consumer-centric marketplace. However, a simultaneous significant part of this transformation was that store openings (14,248) outpaced closings (10,168) for a net gain 4,080 stores (Kesstenbaum, 2017). The NRF and Forrester 2019 State of Retailing Online Study reported that 43% of store-based retailers surveyed expected to have a net increase in number of stores with only 19% anticipating a declining number of stores (Kline, 2018). Moreover, 64% of consumers still prefer making purchases at stores, including Millennials and Gen Z consumers (Elbaz, 2018). This retail churn suggests that a retail renaissance is underway (Lobaugh, Bieniek, Stephens, & Pincha, 2018) and data support that premise. U.S. retail sales soared to a record $3.68 trillion in 2018 (Amadeo, 2019) with growth across all channels, and 91 percent of those sales were transacted in stores.

Retail Reimagined

Retail has become the unifying nexus of an emerging ecosystem comprised of industry sectors that sell products and services directly to consumers. Unprecedented in both its speed of change and breadth of impact, this retail transformation is powered by the digitization of processes, communication, and information; creation of an unprecedented amount of electronic data; ubiquity of mobile devices; and growth in artificial intelligence applications (Atluri, Dietz, & Henke, 2017).

Retailers now face disruptive business conditions driven by epic changes in consumer behavior and expectations. These changes are occurring at an unprecedented pace, fueled by digital and mobile technology. The two-way flow of consumer engagement from online – to – offline/ offline – to – online (O2O) has blurred shopping boundaries. Innovative stores are integrating the best of online and offline models to engage consumers and reimagine consumer engagement, social interaction, and convenience. The convergence and blurring between digital and physical environments require retailers to differentiate by becoming consumer obsessed and delivering a seamless experience regardless of channel.
Retail has moved away from a goods-dominated perspective to a services framework in which the intangibles, relationships, and experiences exist within a smart environment (Pantano, Priporas, & Dennis, 2018). The consumer controls the outcome of everything. In this new environment, consumers travel a multi-threaded dynamic path to purchase, and they expect retailers to support them with no limitations (Haslehurst & McKone, 2015).

The Consumer-Centric Paradigm

Throughout the 20th century, retailers directed store operations and the products and services they sold using internally determined strategies for growth and profit. Growth strategies focused on developing chains of stores and investing in real estate or long-term leases in densely populated areas. Retailers capitalized on the economies of scale in product offerings which gave consumers few options other than undifferentiated assortments across retail chains. Retailers controlled sourcing, distribution, pricing, promotions, and fulfillment (see Figure 1).

The 21st century ushered in a new retail reality formed by instant connectivity, contextual relevancy, and convenience powered by technology (Barber, 2018). In the retail sector, digital pioneers began bridging the gaps in the value chain, reducing consumers’ costs, engaging consumers in new experiences, and creating loyal customers (Atluri, et al., 2017).

In this new retail reality, well-informed consumers, product hyper choice, and seemingly endless digital channels (Court, Elzinga, Mulder, & Vetvik, 2009), known as endless aisles, underlie the phenomena of empowered consumers who control what, how, why, when, and where they are involved in the marketplace. This singularity of power that is held uniquely by each consumer is described as consumer centricity. Consumers now interact directly and indirectly with promotions through display ads, websites, and social media gaining information from influencers, reviews, family and friends, and brand communications. Digitally connected consumers can access supply chain information to inform their purchase decisions and search for pricing alternatives for the same or similar products. Moreover, consumers move seamlessly among online and offline retail formats and control their options for fulfillment location, time, and cost. In the consumer-centric paradigm, the consumer is in control (see Figure 2).
Consumer Experience: An Industry Mandate

Transitioning from the traditional product- and operations-driven business model to one fueled by consumer-centric strategies requires a commitment to understanding the consumer’s perspective, expectations, and friction points while recognizing the potential for business performance (Boyarsky, Enger, & Ritter, 2016). The consumer experience is often referred to as a journey as it encompasses the sum total of a consumer’s expectations, engagements and experiences. It may encompass multiple channels and touchpoints over a period of a day, weeks, or for an extended period-of-time. This journey is also dynamic in that it occurs in real time and can change at any moment.

The consumer experience is about creating a unique value proposition for each customer. Experiences are shaped by a series of contextual touchpoints, each requiring cross-functional execution to gain understanding of the consumer’s mindset throughout the entire journey (Boyarsky, et. al, 2016). Creating value through the consumer experience requires a shared company vision centering on the consumer, understanding how the consumer wants to engage, and delivering on consumer expectations. Foundational to the consumer experience is a deep understanding of a consumer’s wants and needs, value orientations and efficiencies.

Retail Talent for the 21st Century

Automation, including artificial intelligence and robotics, is being developed and used to benefit retail businesses. While this will result in job losses in many sectors, it will also create new career opportunities that do not exist today (Bughin, Manyika, & Woetzel, 2017).

Retail is a human–based industry. It grows or shrinks according to the level of consumer engagement in the marketplace. Deep understanding of affective, cognitive and behavioral aspects of the consumer is critical to retail success. This insight can be gained through company-specific consumer intelligence using analytics that decipher business data broadly for trends and uniquely for insights into an individual consumer’s feelings, thoughts, and actions. Successful retailers require a workforce with knowledge of data analytics, data analysis implications, advanced cognitive capabilities (e.g., high-level logical reasoning capabilities), as well as increased social and emotional skills as they apply to consumers.

A higher percentage of retail jobs in the future will likely require college as well as advanced degrees to secure the creativity and necessary cognitive, social and emotional skills needed for success (Bughin, et al., 2017). Moreover, as technology is integrated across all aspects of retail, retail careers will require graduates in non-traditional retail pathways such as technology. Successful technology applications need creators who understand retail and the consumer. With the emergence of unified retail (“2018 Customer experience”, 2018), there is a need for a tech-savvy workforce. This includes professionals who understand the benefits and implementation of technology applications in unifying online and offline retail. This supports retail curricula which includes strong technology components where graduates understand the benefits of technology applications to retail and can work in tandem with technology professionals.

Retail Education Reimagined

The new era of retail began in August 1994 with the first secure online retail transaction (Grothaus, 2015). Over the next 25 years, retailers and retail educators contemplated strategies to address the quickly changing reality of what retail is and how consumers want to engage with retail businesses. In 2011 omnichannel retail was heralded as the new retail paradigm for the 21st century; however, it is quickly falling away as retail organizations realize the need, opportunity, and possibility for even more integrated strategies that move the retail organization from supply chain to the consumer experience. This is the new era of unified retail.

The evolution of retailing, retailers, and retail education along with advancing technologies is well documented (Grewal, Motyka, & Levy, 2018). Numerous educators have addressed the need to
transform education to prepare students for a retail industry that is continuously being disrupted and reinvented (Crittenden, Biel, & Lovely, 2019; Rohm, Stefí, & Saint Clair, 2019). However, a comprehensive discussion and analysis of unified retail and how technology, consumer centricity, and the consumer experience are disrupting 21st century retail and its impact on retail education is lacking.

Retail Education Reimagined: A Case Study

Academic programming in one department at a tier – one research university in the southwest U.S. has continuously evolved over the past 20 years to prepare graduates for retail careers. Its pioneering efforts to build relevant curriculum were guided by three global consumer trends 1) technology innovation is transforming consumer expectations, 2) social phenomena are redefining consumer engagement, and 3) competitive environments are recreating the consumer experience.

Program and curriculum development require careful research and planning, assessment of current and future resources, and matching current and future faculty expertise across the expanded array of competencies. A college core offered a coherent strategy that connected all programs within the college with the underlying construct of consumer experiences across consumer products and services industries. Within the department, faculty identified a series of core courses that were foundational to all its programs based on their relationship to a retail paradigm. See Table 1.

<table>
<thead>
<tr>
<th>College Core Course</th>
<th>Department Core Courses</th>
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<tbody>
<tr>
<td>Career Development</td>
<td>Introduction (Specific to field of study)</td>
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<tr>
<td>Creating Consumer Experiences</td>
<td>Digital Retailing</td>
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<td>Managing a Diverse Workforce</td>
<td>Retail Principles</td>
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<tr>
<td>Internship</td>
<td>Retail Merchandising</td>
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<td>Home Furnishings Industry</td>
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<td></td>
<td>Consumers in a Global Market</td>
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<td></td>
<td>Profit-centered merchandising or profit-centered retailing</td>
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<td></td>
<td>Advanced Applications (Capstone)</td>
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The department developed a series of new undergraduate courses in the following areas: 1) analytics, 2) innovation, 3) strategy, and 4) technology to give context to the B.S. degrees in digital retailing, retail, and consumer experience management. Specific content, application and skill sets were identified for each degree program. See Table 2.

<table>
<thead>
<tr>
<th>Analytics</th>
<th>Department Core Courses</th>
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<tr>
<td>• Digital Retail Analytics</td>
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<td>• Consumer Analytics and Data Visualization</td>
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<td>• Profit-Centered Retailing</td>
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<tr>
<td>Innovation Strategy</td>
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<tr>
<td>• Retail Start-Ups</td>
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<td>• Digital Retailing Strategies</td>
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<td>• Omnichannel Retail Strategies</td>
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<td>• Consumer Engagement in Digital Channels</td>
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<td>• Retail Principles</td>
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<td>• Sustainable merchandising</td>
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<tr>
<td>Technology</td>
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<tr>
<td>• Digital Platforms and Website Development</td>
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<tr>
<td>• Virtual Merchandising</td>
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Department faculty and industry partners determined that successful retail careers in the next decade would require three critical areas of understanding: 1) bridge all retail channels for successful retail profit and loss; 2) frame the retail paradigm from the perspective of the consumer journey, and 3) focus on consumer facing digital commerce.

The department addressed the following questions as they reimagined the retail education strategies: Do graduates have the skillsets to succeed and thrive in 21st century retail careers? Do graduates understand how to be effective in a fast-paced and fluid retail environment? Do graduates understand the consumer centric model and how it is differentiated from the traditional retail model? Have graduates mastered an understanding of data analytics as a tool for understanding consumers, building strategy, and building comparative analyses? Can graduates apply concepts to strategies that will drive retail innovation for profit, growth and success? The department addressed these questions through eight steps that created innovative programs for a new retail era (See Table 3).
The department developed an innovative B.S. in digital retailing degree (Step 1, 1999). The proposed degree languished at the state level due to no taxonomy in the U.S. Classification of Instructional Programs (CIP) under which this ground-breaking degree could be classified. The degree was approved (2002) after 2000 revisions included a new and appropriate CIP.

Responding to a global retail company’s search for online master’s programs, the department developed a 100% online option for its M.S. in Merchandising (Step 2, 1999).

Consumer centricity was a gap identified for graduate students enrolled in technology and information programs. Faculty developed a concentration (24 SCH) in consumer behavior and experience management to support the university’s Ph.D. in Information Science (Step 3, 2016). The department continued program development with an undergraduate minor (18 SCH) in consumer experience management open to all university majors (Step 4, 2016).

Responding to the new consumer-centric paradigm in retail, the department developed a B.S. in Retail that allows for growth in interdisciplinary courses considered through the lens of unified retail as the emerging standard (Step 5, 2016). The university selected the department to develop a B.S. in Consumer Experience Management as an innovative program to be offered jointly on its main campus and new metropolitan campus (Step 6, 2017). The department developed an online Graduate Certificate in Digital Retailing to meet a growing workforce need for technology expertise (Step 7, 2018). The university’s Interdisciplinary M.S. in Data Analytics began offering a digital retailing concentration (12 SCH) to provide students quantitative skillsets for advancement in decision sciences and applied analytics fields. (Step 8, 2018).

**Challenges**

Faculty at this university are pioneers in two fields (i.e., digital retailing and consumer experience management) that are critical to the retail industry and retail education.
In addition, the faculty added a new degree in retail at a time when the retail industry is facing unmitigated disruptions and challenges to its relevancy in its current state. The university embraced all eight educational innovations, as did the college’s industry partners. Notable challenges were met when articulating these new fields of study to the state’s board of education and to the larger public.

Creating awareness and building advocacy for the new programs resulted from communication with faculty and training sessions with college recruiters, university ambassadors, academic advisors within the college and across the university, high school career counselors, and high school recruiting events. Messaging to students and parents during preview events and orientations was critical in articulating career opportunities.

Faculty with the academic credentials and digital retailing expertise and experience were rare. Self-identified faculty developed digital credentials through additional academic coursework, industry internships, and/or training programs. Also, industry executives with specific expertise were recruited as adjunct faculty; similarly, some faculty were recruited for new full-time lecturer positions supporting the degrees.

**Student Impact**

Enrollment in the digital retailing program was slow, but steady until 2011 when it increased 450% through 2019. Digital retailing graduates are in high demand. According to internship and alumni data, 100% of graduates are employed in the field within six months of graduation. The first three consumer experience majors were admitted into the program in Spring 2018; by fall 2019, the program grew to 73 majors. The retailing program was launched in Fall 2016 and is experiencing the slowest growth of the three newest programs.

**Summary**

Retail is transitioning into a broad ecosystem unified by digitization, technology, and consumer centricty. Preparing students for careers in this exciting and challenging environment means retail programs need continuous revision to stay relevant.

This case study presents comprehensive insights into the strategies and actions one department achieved through vision, industry insights, and stepping out of its comfort zones to prepare students for unified retail in the 21st century consumer-centric economy. By taking these steps, the department realized additional benefits. The innovative degrees and programs are creating a culture of discovery. Faculty and students are engaging in industry-sponsored projects, forming research teams as university undergraduate research fellows and mentors, adding new technologies such as gamification to enhance course learning, and integrating applied research across the curriculum.

**REFERENCES**


