

## The Model for the Evolution of Retail Institution Types

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### 점포진화모델

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#### Abstract

Many researchers have studied the process of retail evolution in the United States and in Europe. Although extensively studied(e.g., Agergaard, Olsen & Allpass, 1970; Oren, 1989), used in conceptual work(e.g., Gist, 1968), and applied as foundation in empirical work(e.g., McNair, 1958), some limitations exist as follows: inability to cover multiple types of retail institutions and limited quantification. The purpose of this study is to build a conceptual framework combining existing retail evolution theories to overcome existing limitations. Data collection and analysis followed a qualitative research design, specifically a grounded theory type of design with a constant comparative analysis method. As a result of the study, a conceptual framework was built by synthesizing aspects of retail evolution theories and showed retail institution types in a change process.

**Key words:** Conflict theory, Cyclical theory, Environmental theory, Retail evolution; 갈등이론, 회전이론, 환경이론, 점포진화

### I. Introduction

Since the early work of McNair(1958), many researchers have searched for patterns in retail evolution that would explain changes seen in retail institution types in order to provide insight into past and future retailing. Among the many retail evolution studies, three theories are commonly recognized as the primary retail evolution theories: (a) Environmental theory, (b) Cyclical theory, and (c) Conflict theory(Brown, 1987; Oren, 1989). The basic premise of these theories is that a force(e.g., environment, conflict) causes a retail institution type to evolve into

a new institution type. Although extensively studied, used in conceptual work, and applied as foundation for empirical work, some limitations exist with these retail evolution theories. First, none of these retail evolution theories are able to explain the evolution for all types of retail institutions(Brown, 1987). Second, most of the previous writings have limited quantification. To overcome these limitations, other researchers have tried to integrate theories; however, few researchers have attempted to study the validity of the combination of all three theories. In addition, a clear graphical visualization of a combination theory has not been presented in previous research.

The purpose of this study is to build a conceptual framework combining existing retail evolution theo-

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ries, which more fully explains retail evolution. The objectives of this study are to: (1) review the current retail evolution theories, (2) highlight the quantitative support for the theories, (3) examine limitations of existing theories, and (4) build a more comprehensive conceptual framework for retail evolution. A qualitative research design was used to complete the objectives for this study. Specifically, a grounded theory type of design, with a constant comparative analysis method, was employed. Using information from the results of Objectives 1-3, a conceptual framework was built from previous research on retail evolution theories. The significance of this study is the potential contribution to the development of retail evolution theory and the presentation of a framework for academic study that may be more applicable to retail situations outside of the United States.

## II. Literature Review

In completing Objectives 1 to 3, a broad array of literature was reviewed in this qualitative study. Three areas of theoretical study represent most of the previous work on retail evolution: (a) Cyclical theory, (b) Conflict theory, and (c) Environmental theory (Brown, 1987; Oren, 1989). Consumer research relating to influence on retail evolution covers a number of topical areas including consumer demographics, product situation, shopping orientations and preference of store/product attributes (Brown, 1990; Carpenter & Nakamoto, 1989; Ingene, 1983; Kim & Chen-Yu, 2005; McNair & May, 1978).

### 1. Cyclical Theory

In some of the first work on Cyclical theory, McNair (1958) proposed the Wheel of Retailing, which states that the evolution process consists of three phases: entry phase, trade-up phase, and vulnerable phase. In the entry phase of the Wheel of Retailing, an innovative retail institution initially offers limited numbers of products with low prices and minimum services. The innovative retail institution over time upgrades its practices by providing more services (e.g., more variety in products, provi-

sion of credit) and better store characteristics (e.g., wide aisles, food courts), which are accompanied by an increase in prices. These upgrading practices move retail institutions into the trade-up or second phase. In time, the retail institution type ages into the third or vulnerable phase. The aging retail institution adds higher or more sophisticated levels of operational practices that parallel increased product prices. With these changes, this retail institution loses market share and profitability, which allows room in the market for emergence of a new innovative retailer with low costs, low margins and low price products.

### 1) Quantification through store measurement

McNair (1958) tried to provide quantitative evidence of his theory with an examination and comparison of department stores' average expenses, average hourly wages, and gross margins by service additions. In his period of study, the expense rate in department stores increased from 31.1% in 1948 to 33.5% in 1955. Hourly wage in department stores was \$1.09 in 1949 and increased to \$1.32 in 1955, and the addition of sophisticated customer services increased operating margins. As the amount of each variable increased, retailers were assumed to have matured. Gist (1968) also explained the Wheel of Retailing theory with operating margins.

Gist (1968) set the dollar volumes and percentages of operating margins as hypothetical amounts in a mathematical model, not exact data from industry or government reports. Gist's theory is illustrated with the following example, using Retail Institutions A, B and C (RIA, RIB, RIC respectively). RIA starts with low prices and low margins. As time passes, RIA experiences increasing prices and margins, and becomes vulnerable to competition. At this point, a new institution, RIB, emerges with lower prices created by operations strategies such as economies of scale from central buying. As RIB matures, another new retail institution, RIC, emerges with operational innovations (e.g., economies of selling through mass media communication) that rival or exceed the operations of RIB.

Gist's (1968) model can be modified, where the length between "B" and "C" is shorter than that

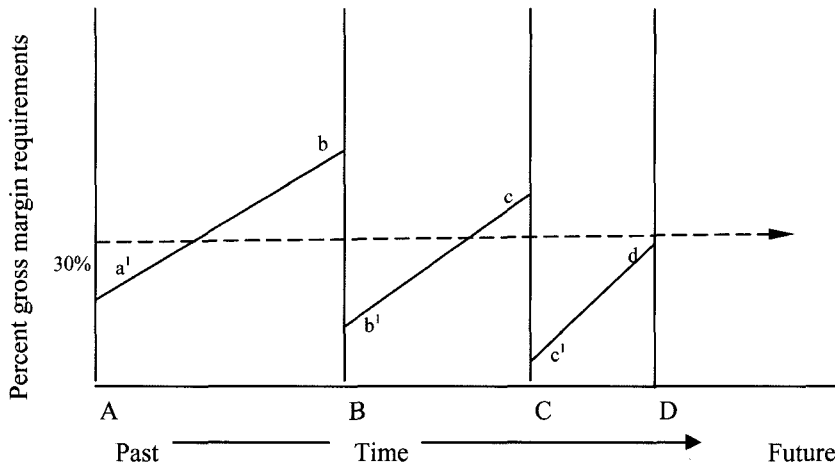


Fig. 1. Modified Wheel of Retailing theory(Adapted from Gist 1968).

Table 1. Lifecycle of retail institutions

| Retail institution               | Lifecycle<br>(from emergence to maturity) | Approximate year of emergence |
|----------------------------------|---|-------------------------------|
| Department store                 | 80 years                                  | 1860                          |
| Variety store                    | 45 years                                  | 1910                          |
| Supermarket                      | 35 years                                  | 1930                          |
| Discount department store        | 20 years                                  | 1950                          |
| Home improvement and Hypermarket | 10 to 15 years                            | 1965                          |

between “A” and “B”, and the length between “C” and “D” is shorter than “B” and “C”(Fig. 1). These modifications are based on additional study by later researchers(e.g., Brown, 1987; Davidson, Bates & Bass, 1976). Using an examination of years, these researchers found that the period from emergence of a retail institution type to maturity constantly decreased over time(Table 1). In addition to changes in cycle spans, development of technology and improvement of management skills can possibly force margin requirements lower than needed in the previous cycle(e.g.,  $a^1$ ,  $b^1$ ,  $c^1$  as noted in Fig. 1). Therefore, before reaching the margin point marked as innovative in the previous wheel’s cycle(e.g.,  $b^1$ ), a new retail institution can reduce its required margins to  $c^1$ (Fig. 1). Although these limited mathematical measurements lend support to the Cyclical Theory, lack of empirical quantification still exists. In addition, the methods of measurement and reliability of

these measurements have not been generally accepted by some researchers(e.g., Kaynak, 1979).

## 2) Quantification through retail institution types

According to Hollander(1960) and McNair and May(1978) in their conceptual articles, U.S. department stores originally emerged as a small-scale retail institution with low priced products. As department stores matured and entered the second phase of the Wheel, they offered more elaborate facilities and higher services. The cost for these upgraded products and operations significantly increased. Department stores became vulnerable to competitors. From the late 1920s until the mid 1950s, department stores renovated stores, and changed from counter-service to self-service to be competitive. In the mid 1970s, many department stores relocated to shopping centers due to rising land costs and increasing car ownership.

### 3) *Limitations*

The most common limitation noted among the critiques regarding the Wheel of Retailing (i.e., Cyclical theory) is that not all retail institutions start with low margins and low prices. Boutiques, vending machines, and convenience stores are operated initially with a high margin basis (Gist, 1968). Oren (1989) mentioned that the Wheel of Retailing theory focused only on margins and prices, while many other variables could affect retail evolution. Lack of clear distinction between steps in the evolution is another common limitation related to lack of quantification (Brown, 1987); therefore, analyzing each stage independently is also difficult. A further criticism is that not all retail institutions have evolved with the same pattern (Gist, 1968; Kaynak, 1979).

## 2. Conflict Theory

Among researchers who proposed a Conflict theory, Gist (1968) developed the Dialectic theory. He stated that an existing retail institution (i.e., thesis<sub>1</sub>) is challenged by its competitor (i.e., antithesis<sub>1</sub>), which has competitive advantages over the existing institution (i.e., thesis<sub>1</sub>). As time passes, the first retail institution imitates its competitor by upgrading store characteristics and ultimately recreates itself into a new retail institution (i.e., synthesis<sub>1</sub>). As an alternative change, a new retail institution (i.e., synthesis<sub>1</sub>) is created, offering better characteristics than either the existing retailer or its competitor (Oren, 1989).

### 1) *Quantification through store measurements*

Oren (1989) explained the dialectic retail evolution process by analyzing and comparing the following operations in each retail institution type: fulfillment process, price, trading area, product variety, inventory required, communication medium, delivery time, marketing concept, and relationship with other channel members. Gist (1968) and Levy and Weitz (2001) examined and provided quantitative support with the following variables: services (e.g., credit, delivery), organizational structure (e.g., number and structure of staff and administrative positions) and location.

### 2) *Quantification through retail Institution types*

According to Oren (1989), an electronic retail institution type results from the conflict between traditional in-store retail institutions and traditional direct retail institutions. The traditional retail institution typically exists in brick-and-mortar stores and obtains products through mass production with higher operational costs, regardless of individual needs of customers. The traditional direct retail institution is non-store based and uses traditional push forms of communication, such as telephone, mail and fax. According to the Conflict theory, a need is created by the conflicts or dipolar differences between the two traditional types, and electronic retailing emerged. In contrast, the electronic retail institution type is able to do two-way communication with customers; therefore, products and information can be highly personalized. And, their operating costs were lower than traditional retail institutions due to no need for investment in real estate.

### 3) *Limitations*

Researchers have noted that initial retail institution types (i.e., thesis) may not change (Maronick & Walker, 1975). In addition, the blending process is not always distinguishable. For example, what retail operations are involved, how these operations interact between institutions, and how a new operation is created are difficult variables to explain in a discrete and quantitative step-by-step process.

## 3. Environmental Theory

The common concept among previous research on the Environmental theory is that the retail environment is the key influence to retail changes, and to survive change and competition, retail institutions need to evolve by adapting or adjusting to the environmental changes (Blizzard, 1976; Brown, 1987). Gist (1968) predicted that retail evolution could occur only when environmental variables positively affected retail institutions or enhanced the institution's ability to adapt. Brown (1987), Oren (1989), and Stevens (1975) mentioned that a retailer's ability for adaptation was highly dependent on environmental condi-

tions, especially those of technology and economy. Cundiff(1965) suggested that retail institutions in an economically and socially advanced area, adapted with more advanced operational methods(e.g., decentralized locations, automated retailing) than retailers in areas of low economic and social development.

### **1) Quantification through environmental measurements**

Consumers, one of the environmental variables, have been quantified or measured by their product preference change, culture, and demographics(Brown, 1990; Ingene, 1983). Socio-economic conditions were measured by per capita income, inflation, employment, consumer expenditure, urban form and population size, density, and rate of growth(Brown, 1990; Ingene, 1983). Technology was measured by transportation, mass communication, and the availability of computers and refrigerators(Stevens, 1975). The legal variable was measured by planning regulations and shop hours(Brown, 1987).

### **2) Quantification through retail institution types**

Electronic retailing influenced by communication technologies is provided by Brown(1990) as an example of retailing change explained by the Environmental theory. Developing technology, such as electronic billing from point-of-scan helped the growth of electronic and other forms of direct retailing. In addition, product standardization achieved through automation and system uniformity increased consumers' trust in product quality and their willingness to risk electronic purchasing. Increased consumers' accessibility of electronic media replaced high initial costs for installing advanced distribution systems in direct retailing.

### **3) Limitations**

In the Environmental theory, retail evolution depends not only on changes in the environment but also on a retail institution's intention whether to adapt to or reject environmental changes(Brown, 1987; Oren, 1989). In addition, environmental variables, significant on some retail evolutions, could be non-significant influence to other retail evolutions.

Finally, the Evolutional theory does not present systematic patterns of change or changes over extended time, as in the two other theoretical areas.

## **4. Combination of Theories**

In addition to the three areas of theory, combinations of the theories have been made. As a combination of Cyclical and Environmental theories, some researchers proposed that a retail institution's cyclical evolution occurred concurrent to environmental changes. For example, Hollander(1960) noted that the environmental changes of growth in consumer expenditure and demand for quality and services were two main forces for trade-up practices by retail institutions. Agergaard, Olsen and Allpass(1970) proposed a spiral wheel, indicating that the retail institution would return not to its original position but to a higher level as surrounding environments simultaneously evolved along with the retail evolution. Some researchers proposed combination of Cyclical and Conflict theories(Bartels, 1981; Dreesman, 1968). Izraeli(1973) proposed a modified Wheel of Retailing theory, called the Three Wheels of Retailing theory(i.e., low-end innovation wheel, high-end innovation wheel, high and low-end conventional wheel). The creation of new retail institutions can occur at both ends of the cycle with emergence of two new high-end and low-end innovators. Guiltinan(1974) and Regan(1964) proposed combination of Environmental and Conflict theories; wherein, a retailing mix(e.g., product and service offerings) became complex when retail institutions were challenged by their competitors and consumers' expectation change with rising standards of living.

Some researchers proposed a combination of all three retail evolution theories(Kaynak, 1979; Shaw, 1978). The statistical analysis by Hall, Knapp and Winsten(1961) provided insight into changes in gross margin(i.e., Cyclical theory), number of stores within a region(i.e., Conflict theory), and environmental variables(i.e., Environmental theory); however, this study did not clearly state the procedure that institutions followed for retail evolution, as covered in the Cyclical or Conflict theories. Although

McNair's(1958) Wheel of Retailing has been historically identified as a Cyclical theory, he later wrote about the importance of environmental influences and retail conflicts with competitors(i.e., combination of all three retail evolution theories)(McNair & May, 1978).

### **1) Quantification through store measurement**

Measures used in the review of data for the combined models duplicated the measures used in single theory studies(e.g., Cyclical theory-changes in operating expenses; Conflict theory-comparison between retail institution types' attributes; Environmental theory-socioeconomic conditions, technology, legal applications, consumer changes) (Brown, 1990; Ingene, 1983; Ingene & Lush, 1981; Oren, 1989; Shaw, 1978).

### **2) Quantification through retail institution types**

Explaining the process and reasons for evolution of the department store is often used as an example of the Combination of all three theories. Department stores traditionally located in the center business district; however, both parking problems in downtown and laws and regulations restricted the operation of these stores(i.e., Environmental theory). Intra-firm problems, such as increasing operation costs for trade-up operations, caused the department stores to enter the vulnerable phase(i.e., Cyclical theory). Downtown department stores were in contrast to new suburban shopping centers(i.e., Conflict theory) (McNair & May, 1978). This evolution contributed to the closure of most downtown department stores and the demise of retailing in many U.S. cities.

### **3) Limitations**

Brown(1988) noted as a limitation the distinctions among events described by the Cyclical, Conflict and Environmental theories were not clear. He also noted that procedures and effects described with any of the three theories can occur concurrently.

## **5. Consumers' Influence on Retail Evolution.**

Previous retail evolution authors(e.g., Gist, 1968; Kaynak, 1979; McNair, 1958; McNair & May, 1978) have described consumers as simply a part of chang-

ing retail environments and did not discuss what might influence consumers' changes and how consumers' changes might affect retail evolution. One aspect of the consumer that is discussed by McNair and May(1978) is that a consumer's needs for a certain type of retail institution are affected by environmental influences. Carpenter and Nakamoto(1989) found that consumers' preference for attributes of a new or pioneer product affected their preference for other products in a same category. Increasing importance of the influence of the consumer is found in more recent literature both trade and academic(Berman & Evans, 2004; Engle, Blackwell & Miniard, 1995; Kim & Chen-Yu, 2005; Levy & Weitz, 2001; Moye & Kincade, 2002).

According to previous articles about Environmental theory and other retail and consumer behavior research, a consumer's preference for store/product attributes is influenced by his/her shopping orientations, and, in turn, a consumer's shopping orientations is affected by his/her demographics(e.g., Kim & Chen-Yu, 2005; Monroe & Giltinan, 1975; Sheth, 1983; Shim & Kotsiopulos, 1992). For example, consumers, who had a middle to low income(i.e., demographics), tended to be economic-conscious(i.e., shopping orientation). Because they were economic-conscious, they put more importance on price(i.e., store/product attributes) than other store/product attributes and patronized discount stores. According to several authors in both theoretical and empirical works(e.g., Engle, Blackwell & Miniard, 1995; Moye & Kincade, 2002), the consumer's situation(e.g., party, lay-off), which is a personal environmental influence, also influences preference for store/product attributes. The variable of situations in previous literature has included information, location, time, usage (e.g., formal, casual, gift), and whether the product is for self or other(e.g., Engle, Blackwell & Miniard, 1995; Moye & Kincade, 2002; Sheth, 1983).

## **III. Conceptual Framework**

In the process of decontextualization and recontextualization of the previous theories(Objectives 1-3), two major principles or themes emerged and were

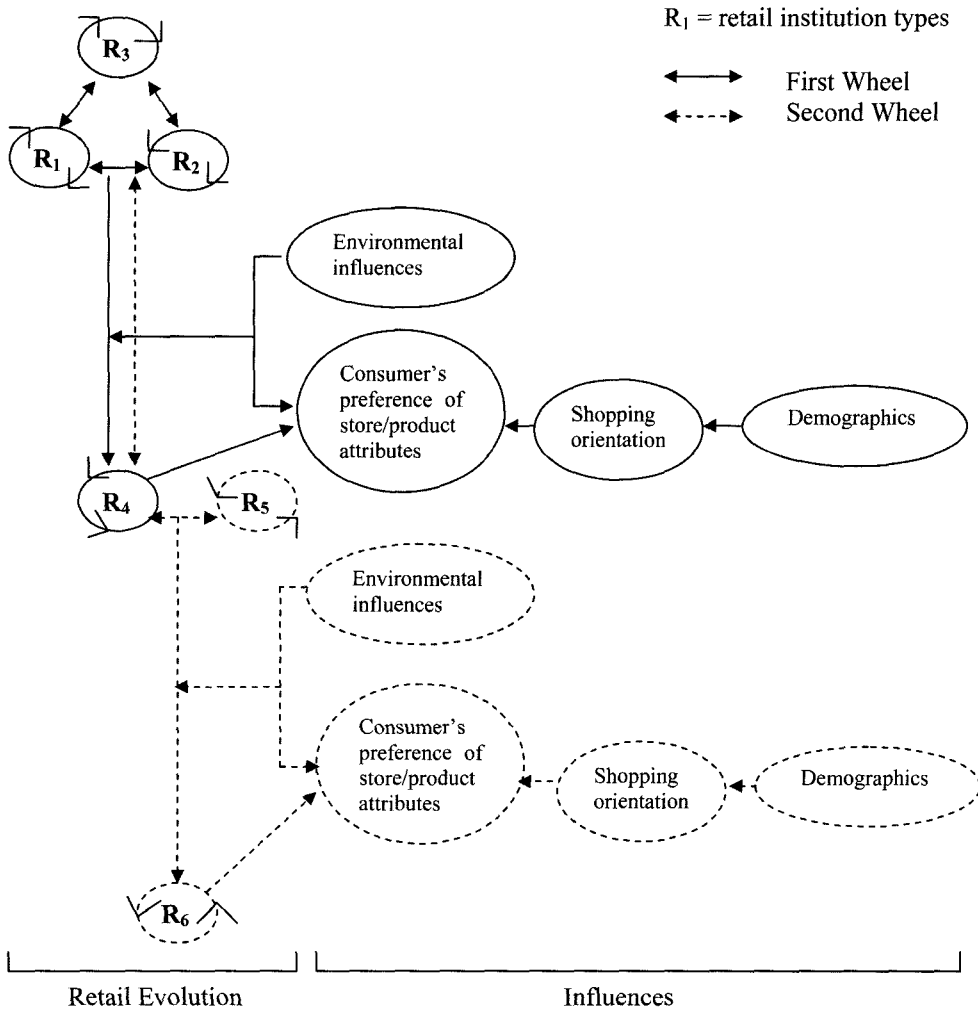


Fig. 2. Combined Retail Evolution Model(Reprinted from Kim & Kincade, 2006).

formed into a new conceptual framework for retail evolution: (1) rhythmical patterns of spiral change with effects of conflict or challenge from competition, and (2) the influence of retail environments and consumers(Fig. 2). In the following sections, these themes from the conceptual framework are discussed through the use of previous store measures and examples of store change.

**1. Patterns of Spiral Change and Effects of Conflict**

Developed from a synthesis of the Cyclical theory

and the Conflict theory, the Retail Evolution process contains a spiral change of retail institution types in a progression from an initial retail entry into the market(i.e., R<sub>1</sub>) through multiple subsequent entries(i.e., R<sub>2</sub> to R<sub>1</sub>). As grounded in the Cyclical theory, the process starts with the “R<sub>1</sub>” type of retail institution type, which is evolving cyclically within the institution type but not returning to the same starting position(i.e., a spiral wheel). As time passes, this retail institution type enters the trade-up(or mature) phase, where sales are rising with the growing attraction this institution type has for consumers. With more time, operational costs start rising and prices increase

accordingly as noted by McNair(1958) and Gist (1968). Through the retail evolution processes delineated by Agergaard, Olsen and Allpass(1970), a retail institution returns to a higher level of position. A higher-level position for a retail institution could be indicated by the implementation of more advanced operating systems, more store facilities, or increased automation of supply chain activities. With higher operational costs, this institution type enters the vulnerable phase. At this point, profit is expected to drop, and market share is expected to shrink. With rising costs and falling market share and profit, the institution type becomes vulnerable to its competitors, and this vulnerability provides a vacuum for an emergence of a new retail institution type. Other retail institution types that subsequently enter the market also begin changing in a spiral evolution.

Using interpretation of change as proposed in the Conflict theory in conjunction with spiral movements from the Cyclical theory, the conceptual framework poses that the "R<sub>1</sub>" retail institution type, while spiraling, conflicts with "R<sub>2</sub>" type. The basis for this conflict was proposed by Gist(1968), who showed that an existing retail institution(i.e., thesis<sub>1</sub>) is challenged by its competitor(i.e., antithesis<sub>1</sub>). Providing further support for this conflict and change were the ideas from Izraeli(1973), who proposed the Three Wheels of Retailing theory, indicating that three retail institution types can conflict with each other, while they are evolving within their own wheel. Potential conflict among three or more existing retail institution types(e.g., "R<sub>3</sub>" type is included in the conceptual framework. As a result of this conflict, a new modified retail institution type is created (i.e., "R<sub>4</sub>" type of retail institution).

The retail evolution process in the conceptual framework is both evolutionary and repetitive. With more time, the cycling "R<sub>4</sub>" type institution ages and becomes an established retail institution type and conflicts with "R<sub>5</sub>"(i.e., a new retail institution type), and additional existing types(e.g., "R<sub>1</sub>", "R<sub>2</sub>", "R<sub>3</sub>"). This conflict and emergence can continue potentially to type "R<sub>1</sub>". The work of Gist(1968) provides grounding for this conflict between an existing retail institution type and a newly emerged competitor, and

the work of Israeli(1973) supports the concept of a conflict among two or more existing types. This conflict provides the impetus for a new "R<sub>6</sub>" type institution.

In the conceptual framework as contrasted to previous work on retail evolution, multiple retail institution types cyclically evolving and conflicting with each other, is similar to the combined theory(e.g., Izraeli, 1973), but with the difference that evolution is spiral instead of the simple cyclic change in previous combined theories. In addition, the possibility of a conflict among three or more existing retail institution types(e.g., "R<sub>3</sub>") was rarely discussed in the previous combined theories. Although Izraeli proposed conflict among three institution types, most previous combined theories did not include this aspect. The themes of patterns of spiral change and effects of conflict portray a more complex retail evolution path than what is portrayed in previous literature. The development of this theme also removes some of the limitations in pattern similarity as noted by Gist (1968) and Kaynak(1979), and should provide an improved framework for studying the increasingly complex array of retail institution types.

## 2. Environmental and Consumer Influences

The concepts in this theme are grounded in the Environmental theory literature and consumers' shopping behavior literature. Environmental influences include but are not limited to social, cultural or geographical, technological, legal and economical conditions(e.g., Blizzard, 1976; Brown, 1987; Kaynak, 1979). These environmental influences significantly affected retail evolution, according to the previous researchers. The theme of the environmental influence has been quantified in several studies(e.g., Brown, 1990; Ingene, 1983, Stevens, 1975) is retained but amended in the proposed conceptual framework. In the proposed conceptual framework, the transition to or creation of a new retail institution type(i.e., the patterns of spiral change and effects of conflict) are affected by environmental influences and changing consumers' preferences toward store/product attributes. These influences further the emergence of a new retail



institution type.

The consumer variable, previously included within the environmental influences in the Environmental theory, is separated from the environmental influences in this research study. In decontextualizing and recontextualizing of the previous research, consumers were identified as a major and interactive influence in the retail change process, not as one of the numerous environmental influences. In fact, some writers on Environmental theory avoid the mention of the consumer(e.g., Blizzard, 1976) and many previous researchers do not clearly define consumers' roles in the retail change process(e.g., Gist, 1968; McNair, 1958). However, a growing body of marketing, consumer behavior and retailing literature studies the consumer, and trade literature in retailing indicates an increasing importance of consumers in the retail environments. Further support for this separation in the second theme comes from the finding that changing preferences by consumers for store/product attributes may affect directly retail evolution (Arnold et al., 1998; Monroe & Guiltinan, 1975).

The variable of the consumer, or more specifically the consumer's preference for store/product attributes, is, in itself, a complex process with additional influential forces. Another aspect of the consumer influence in the conceptual framework proposed as a result of Objectives 1-3 is the reciprocal effect of the relationship among the retail institution, the environment, and the consumer. This aspect is included because previous research shows that a new retail institution might initiate consumer changes in preference for store/product attributes. Carpenter and Nakamoto(1989) and McNair and May(1978) indicate that a consumer's retail institution needs are affected by environmental influences and other factors. This finding showed that new store/product attributes(i.e., a new retail institution type) might affect consumers' existing preference. Therefore, the influence from "R<sub>4</sub>" to consumers' preference for store/product attributes is included(i.e., "R<sub>4</sub>" → Consumers' preference).

In contrast to previous retail evolution work, the consumer variable in the proposed conceptual framework is expanded beyond what is discussed in many

previous retail evolution theory articles. For example, a separate and multi-direction of influence has not been proposed in the previous combined retail evolution theories, which generally include a consumer variable within the environmental influences that affects retail evolution. Acknowledging the growing importance of consumers and the reciprocal nature of environmental influences, a consumer's preference for store/product attributes and the associated environmental influences are proposed in the conceptual framework to have a cause and effect relationship separate from other environmental influences(i.e., Consumers' preference ↔ "R<sub>1-4</sub>"). Grounded support for this more complex and indirect relationship is provided in Sheth's model(1983). Although most previous researchers describe a consumer's situation as a direct influence on his/her preference for store/product attributes, this study proposes an indirect relationship between the two variables. The relationship is intervened with a consumer's shopping orientation, which is assumed to change depending on the situations(e.g., Moye and Kincade, 2002). In the proposed conceptual framework, a consumer's situations and product types are assumed, therefore, to affect changes in his/her shopping orientation. In turn, a consumer's shopping orientation influences his/her preference for store/product attributes.

#### IV. Implications and Recommendations

The conceptual framework proposed as a result of the grounded and constant comparative analysis of this research should be usable as a model that could explain more retail evolution situations than previous more narrowly focused models. Using the proposed relationships, retail planners could examine ways to exploit their environmental changes, predict consumers' changes depending on these environmental influences, and gain competitive advantage to provide benefits to customers. The framework also provides information about a retailer's control over the future of retailing, by predicting the emergence and characteristics of a new retail institution type through analyzing current retail institution types. In addition, the proposed framework should be applicable to retail

situations in outside of the United States since the framework was developed by combining previous studies from the United States and other countries.

Using this information, a future scenario is predicted in the following example. If a retailer chooses a path that spirally adjusts well to environmental and consumer influences, the store type could extend its lifecycle. Because the lifecycle of a retail institution appears to becoming shorter than noted in previous research, a retailer should respond quickly. If a retailer decides to stay static and tries to avoid evolution, the store type might serve a niche market, especially consumers who prefer the traditional retail type as they are accustomed to finding it, but that market size becomes smaller. If a retail institution type does not change or evolve, its market may be reduced; therefore, the most viable choice for this retailer is proceed with spiral evolution, instead of staying static or making no change. Knowing that consumers are the core of a retail operation and knowing the reason for consumer change, retailers should be able to predict the retail changes(i.e., spiral retail evolution) that provide a competitive advantage and ultimately increase store patronage.

Although some quantitative measures were found to support the proposed framework, future research can generate more and better measurement schemes to indicate more precisely the maturation for a retail institution type and the point at which this change occurs. Also, future researchers can test retailing changes in various countries, which perhaps have different retail environments. This stream of research could lead to finding other significant variables and relationships, and to testing the conceptual framework and increasing its generalizability.

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## 요 약

역사적으로 많은 미국과 유럽의 학자들이 이론적(Conceptual work)으로 또는 실전을 (Empirical work) 통하여 점포진화모델을 제시하려 많은 노력을 기울여왔다. 그러나 이런 많은 연구들에도 불구하고 다음과 같은 한계가 여전히 존재하고 있다: 다양한 종류의 점포기관의 진화에 적용할 수 없다는 점, 그리고 양적 연구(Quantitative research)가 부족하다는 점. 이 연구의 목적은 기존 점포진화이론을 포괄하고 위의 한계점을 극복하는 이론적인 점포진화모델을 개발하여 제시하는 것이다. 연구방법에는 질적연구디자인 (Qualitative research design), 특히 지속적인 비교분석방법(Constant comparative analysis)을 통한 기초이론(Grounded theory) 형식의 디자인이 사용되었다. 연구결과, 기존의 점포진화이론의 여러 측면들을 종합하여 점포기관들의 변화과정을 제시하는 새로운 이론적인 모델이 제시되었다.

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