Index

ACCRA 388
ACNielsen Consumer Panel 420, 479
Ad Hoc Committee on a Uniform Grocery Product Identification Code
Symbol Selection Subcommittee 41–2 as UGPCC 41
Airbnb 468
  founding of (2008) 458
Alberston 260
Alibaba.com 457, 462
Amazon, Inc. 54, 63–4, 97, 153, 462, 478
  book sales of 444
  marketplace 466
  Prime Now 90
American Red Cross 481
American Stores 370
antitrust issues 1, 278
  M&As 262–78
Apple, Inc.
  Apple Stores 64
  iTunes 434, 441
Argentina
  retail FDI in 180
Arizona State University 319
Asbury Automotive 349
Australia 396, 399, 459
  Melbourne 395
  New South Wales 402
Australian Competition and Consumer Commission (ACCC) 399
Austria 170, 237
automobile dealerships/manufacturers 343–4, 346, 349–50, 362
  adverse selection/moral hazard 356–7
  certified pre-owned 359
  closures 348
  dealership–manufacturer relations 343, 346–7, 354–5
  bargaining 354
  discounts 352–3
  discrimination 353–4
  inventory 351–2
  European market 347
  leasing 358–9
  lemon laws 360
  manufacturer’s suggested retail price (MSRP) 345–6
  regulation 355
reputation 360
sales 344
vehicle history reports (VHRs) 357
  vehicle identification number (VIN) 357
  warranties 359
Automobile Protection Association (APA) 346, 357
Automotive 361
Automotive News 361
AutoNation 348–9
AWG 372
Bain Capital 460–61
Bangladesh 184
barcode scanner
  innovations of 40–41
  Barnes & Noble 84, 86
  Bayesian Nash equilibrium 204–5, 206, 209, 316
  Behavioral Risk Factor Surveillance System (BRFSS) 427–9
Belgium
  pharmacies in 236–7, 243
  retail market regulation in 173
Best Buy 149, 253
big data 477–83
  examples of 478–82
  potential uses of 483–4
BitTorrent 440
BJ’s Wholesale Clubs 428
Brazil
  retail FDI in 180
British Petroleum (BP) 398, 404
C&S 372
Caltex 398
Canada 3, 237, 396–7, 403, 405
  Guelph 397
  Office of Consumer Affairs 345
  Quebec 403
  Toronto 397, 405
  Vancouver 400, 405
Carrefour 97, 194
Census of Retail Trade (CRT) 7–10, 48, 77, 477
  (1972) 45, 60
  (1977) 45, 60
  (1982) 45, 60, 62
chains 2, 10, 76–7, 180–81, 205, 220, 373–4
  development of 39–41
  economies of scale 47
  employment shares 11, 15–16
  market share 39
  national 8, 16, 24–5, 31–3
  apparel stores 27, 31–2
  food stores 29, 33
  general merchandising 27, 29
  restaurants 31–2
  role in retail trade 16, 22–4, 34
  productivity dynamics of 25–6, 34
  restructuring 17–18
    job creation 17–18, 21–2, 33–4
    job destruction 17–18, 21–2, 34
  types 7, 11, 15
  wholesale 10
Chile
  Internal Revenue Service 218
  Santiago 394
China, People’s Republic of 3, 159, 170, 192
  goods imported from 171, 184–5, 194–5
Chrysler
  dealership closure proposals 348
  CNW Marketing Research 359
  Consumer Expenditure Survey 354, 361
  consumer package goods (CPG) 137
  manufacturers 143, 149–50
  Consumer Price Index (CPI) 9, 57, 319, 388
  deflation of sales by 59
  price sample 62
  Consumer Reports 291, 357, 361
  cost functions
    general quadratic functional form 75
  Cost of Living Index (C2ER COLI) 419–21
  Costco 144, 252–3, 389, 404, 413, 416, 421,
    428–30
  founding of 417
  median income for 422
  store-level entry 384
  County Business Patterns 63, 422–4
  Craigslist 457
  CVS 97, 253

data envelopment analysis (DEA)
  development of 66–7
  Network DEA 68
  role in measurement of DMU 65
  advantages/disadvantages of 66
Dayton Department Stores 416
December Current Population Survey
  Food Security Supplement (2001–7) 428
demand estimation 307, 315–16, 325–6, 331–2
  broad estimators
    maximum likelihood (ML) 306
  consumer information 329–31
  discrete-choice demand 306
  mathematical programming with equilibrium
    constraints (MPEC) 316
  observed assortment variation 314–15
  product assortment 307–8
    all commodity volume (ACV) 309–10,
      312–14
    elasticity 312–13
    models of 308
    variation 308–9
  random utility maximization (RUM) 306–7,
    322
  stockout events 318–20, 324–5
  behavioural effect studies 328–9
  consequences of ignoring 320–21
  demand models 322, 324–7
  experimentally induced 327–8
  unobserved assortment variation 310–14,
    317
  linear demand model bias 311
  variations in 306
distribution 73–4
  services 74–6, 78–9, 83–4, 91
  assurance of product delivery 77–8
  customer satisfaction and productivity
    81–2
  economies of scale in retail 75
  elasticity of demand 80–81
  as fixed inputs 79–80
  franchises 87–90
  location accessibility/assortment 76–7, 85,
    91
  online retailing 84
  retail outputs 74–5
  separability of 85–7
dominant retailers 137–9, 151–3
  advertising 148–9
    commercial media (CM) 149
    in-store media (ISM) 149–50
    antitrust issues 138–9, 150–51
    influence of 138
      product quality 138, 146–7
      product variety 144–5
      slotting fees 142–4
      use of ICT 147–8
  Dominican Republic 202
  Dominick’s Finer Foods (DFF) 420
  Dunlop and Rivkin hypothesis 47
  DuPont
    development of waterproof cellophane
      (1927) 40
Index

489

eBay 90, 456–7, 459–60, 462–3, 467–70
B2C/C2C elements of 457, 459
eBay top rated seller (ETRS) 468
effective per cent positive (EPP) 468–9
marketplace bias in 470

E.J. Korvette
founding of (1948) 416
Elance
founding of (1999) 457
electronic data interchange (EDI) 57, 60, 137
entry regulation 233–4, 243–4, 247–8
cost–benefit analysis 241
effect on retail market outcome 238–9, 242–5
competition/market structure 242–3
employment/wages 246
productivity 245–6
reduced form studies 238–42
negative effects of 234
requirements/procedures 236
systems of 236

Etsy.com 457, 459–60
founding of (2005) 459
European Union (EU) 184, 378
automobile market of 162, 168
Commission 162
competition authorities in 101
Services Directive 234
Single European Market 169
vertical restraints in 99–100

expectation-maximization (EM) algorithm 322, 326
Expedia.com 446–7, 481
Exxon 404

FedMart
personnel of 413, 416–17
Flying J 404
Food Marketing Institute (FMI) 43, 368
scanner-adoption database 45
Ford Motor Corporation 348
foreign direct investment (FDI) 157–8, 182–4, 196
inward 180
manufacturing 181
backward spillover of 181–2
retail 184–6, 378
backward spillover 183–4
horizontal spillover 187–92, 194–5
liberalization of 180
relationship with local economies
Fortune 500 348, 413, 414
four-firm concentration ratio 43
France 237, 239, 436–7
apparel import penetration in 160

Loi Galland (1997) 97, 128
retail market regulation in 173
Frito-Lay 149
FuelWatch 398

Gal-Or 148
GasBuddy 406
general merchandise sector 27–9, 413–15, 418, 425–6, 429–30
discounters/mass-market merchandisers 414–16, 418–19
pricing 419–20
labor markets 423–4
market structure 422–3
sociocultural effects 426–8
supercenters, mass merchandisers, and club stores (SMCs) 420–21, 423–5
welfare 421–2

General Motors (GM) 346
dealership 352
closure proposals 348
Oldsmobile line 347
general purpose technologies (GPTs) 41–2
generalized method of moments (GMM) 324
Germany 3, 170, 237, 393, 396, 399, 459
apparel import penetration in 160
ground coffee market of 142

Giant Foods 43
Gillette 149
GoFundMe
founding of (2010) 458
Google, Inc. 462
Google Trends 481
Grand Union 374
Great Atlantic and Pacific Tea Company (A&P) 100, 369–70, 374, 387, 389, 413
founding of (1859) 40
Great Depression 40
Greece 237

H&M 97
expansion of 8
Harris Teeter 260
HEB 260
Herfindahl index 43
Herfindahl–Hirschman Index (HHI) 255, 267
Hertz 481
Home Depot 137, 150–51, 421
TEU imports of 161
Honda 350
horizontal merger analysis 250
Hotelling model 124
household production function
fixed inputs 79
Hurricane Rita (2005) 399, 404
method of simulated moments (MSM) 217, 324
Metro AG 194
Mexico 186, 239
    retail FDI in 180, 192, 378
Mobil 398
Monte Carlo simulations 310–11, 330
    Markov Chain 316, 324, 330
multinominal logit (MNL) model 311–14, 317, 322, 327, 329
    error term of 331
    independence of irrelevant alternatives (IIA) 326
    out of stock (OOS) variable 327
Napster 437
Nash equilibrium 108, 129, 216
    Nash bargaining solution (NBS) 120, 139–40
    of Nash bargains 119
Nash–Bertrand equilibrium 205–6, 316
    Nash–Bertrand price competition 253
National Association of Securities Dealers
    Automated Quotations (NASDAQ) 460
National Automobile Dealership Association
    346, 361
National Broadcasting Company (NBC) 441
National Cash Register Company (NCR) 38
    competitors purchased by (1893–1906) 39
    sales figures of 38–9
National Retail Federation 8
Neiman Marcus 64
Netflix 478
Nielsen 376
    HomeScan 386, 428
North American Free Trade Agreement (NAFTA) 185–6
North American Industrial Classification System (NAICS) codes 2, 9, 413–14
    Fort–Klimek time-consistent (FK-NAICS) 10
Norway 396, 398
oDesk
    founding of (2003) 457
Office Depot 252, 258
    proposed merger with Staples (Staples case) 257–9, 265, 276
OfficeMax 258
ordinary least squares (OLS) 240
Organisation for Economic Co-operation and Development (OECD) 160
    entry regulation indices 237
Orion Pictures Distribution Corporation
    dispute with Syufy 257
PayPal 467
point-of-sales (POS) 138, 147
Poisson distribution 322
Portugal 300
Price Club 416–17
    personnel of 413
    price obfuscation 2, 297–9, 302–3
    effects of 300
    models of 292–3
    studies of 297–300
    price search 290–91, 297–9, 302–3
    clearinghouse models 291–2
    concept of 287
Diamond paradox 288
    fixed sample search 291–2
    heterogeneous search 290–91
    reduced-form tests 294–5
    role of technology in 301–2
    sequential search 291–2
    structural empirical studies 295–6
    use of Diamond model 288, 290–91
private computer networks 38, 48–9
    electronic data interchange 48, 376
    inventory management 48
productivity
    concepts of 54–5
    measurement of 55–6, 65
    decision-making unit (DMU) 65–7
    macro measures of 55
    multi-factor 55, 57, 59, 67
    profit equation 83–4, 88
Publix 43
QuikTrip 404
radio-frequency identification (RFID) 1, 38, 482
    concept of 49
    criticisms of 49
    tags 49
    use of 49–50
Ralphs 43
    personnel of 45
Recording Industry Association of America (RIAA) 436
Republic of Ireland 237
    retail market regulation in 173
    resale price maintenance (RPM) 97–8, 105, 115, 127, 129–30, 132
    maximum 118
    price floors 100
    retail gasoline 392–3, 401–2, 406–7
    long-weekend effect 400
    price gouging 403–4
    pricing dynamics 399–400
Edgeworth price cycles phenomenon 392, 395–9, 406–7
Perth cycle 398
‘rockets and feathers’ phenomenon 392–5, 399, 407
sales-below-cost (SBC) laws 403
structural market transformation 404–5
vertical relationships 405–6
retail productivity 54, 57, 59, 67–9
concept of 54–5
impact of technological innovations on 60–62, 64–5, 68
IT 62–3
measurement of 55–6, 67–8
consumer demand 56
input/output 56
retail sector 1–3, 7–8, 25, 34, 50
analysis 17
firm-level productivity 10
national chain 33
apparel stores 26, 29, 31–2
food stores 26, 29, 33
general merchandising 26–7, 29–30
restaurants 26, 29, 31–2, 34
role of national chains in 16, 22–4
structure of 9–10
vertical organization of 1
retailer–supplier relations 97–8, 100–102, 112–14, 117–20, 127–8
asymmetric retailers 122–3
buyer power generation mechanisms 126–7
supplier cost curve shape 125–6
supply sources 123–4
bargaining
linear prices 119–20
two-part tariffs 121–2
bilateral 98
buyer power 100–101
economic features of 99
interim observability 118
models 102, 105–6
linear pricing 107–9
notation 102–3
pricing/profits 103–5
take-it-or-leave-it 106–8
two-/multi-part tariffs 109–11
monopoly supplier/competing retailers
111–12, 116
private offers 115–17
public policy 99
vertical restraints 99–100
returns to scale (RTS) 75
R.L. Polk & Co.
CARFAX 357, 361
Roberts/United Artists 257
S&P 500 Index 297
Safeway 260, 370
Annual Report (1979) 45
Sam’s Club 413, 421, 428, 430
store-level entry 384
Second World War (1939–45) 11, 373, 413
Shell 404
Shopping Bag Food Stores
merger with Von’s 255–6
Singapore 406
Sirius XM 481
Sonic Automotive 349
South Korea 160, 237
retail markets of 301
Spain
apparel import penetration in 160
Standard Industrial Classification (SIC) 9–10
Standard Metropolitan Statistical Area (SMSA) 43
Stanford Large Network Dataset Collection 481
Stanford University 481
Staples 97, 252
office supply superstore (OSS) concept 258–9
proposed merger with Office Depot (Staples case) 257–9, 265, 276
stochastic frontier analysis (SFA)
role in measurement of DMU 65, 67
stock keeping units (SKUs) 78, 309, 325, 417, 460
out-of-stock 319
supermarket industry 220, 260–61, 368, 380–82, 389, 420–21
concentration 384–5
access to healthy food 386–7
buying power 385–6
impact on pricing 385
development of 369–73
club stores 375
cooperative associations 371–2
limited assortment superettes 375
European market 378–9
impact of Walmart 387–8
market structure 379
endogenous fixed cost (EFC) model 379–80, 386
price/format 382–4
scale/scope 379–80
space/taste 381–2
Sweden 393
alcohol market of 236
Switzerland 170
Syfy Enterprises 256
   dispute with Orion Pictures Distribution Corporation 257

Taiwan 160
Taobao 457, 462
Target 137, 148, 214, 219, 413, 417–18, 430
   median income for 422
   TEU imports of 161
TaskRabbit
   launch of (2008) 457
Taylorism 370
   technological innovation 38–50
      chain structure 39–40, 50
      impact on retail productivity 60–62, 68
      security-based 39
Tesco 97, 137, 194
   total factor productivity (TFP) 182, 185, 187
      impact of entry regulation on 245–6
Toyota Corporation 348
Toys ‘R’ Us 47, 97
Treaty of Rome 234
TripAdvisor.com 446–7
   auctions 462–5
      bidding patterns 464
         Buy-it-Now (BIN) 465–6, 471
      behavioral biases in 470–71
      business to consumer (B2C) 457, 460
      buyer/seller fees 461–2
      consumer to consumer (C2C) 457, 459–60
      crowdfunding 458
      first-mover advantage/differentiation 459–60
      negotiations 466–7
Uber
   founding of (2009) 458
Uniform Grocery Product Code Council (UGPCC)
   members of 41
United Kingdom (UK) 3, 237, 239, 246, 309, 368, 379, 380–81, 459
   apparel import penetration in 160
   Automobile Dealer Franchise Act (1956) 346–7
   automobile dealerships 221, 343–4, 358
   Automobile Information Disclosure Act (1958) 344
   Bentonville, AR 8, 424, 427–8
   Boston, MA 400
   Cash for Clunkers program 353
   Clayton Antitrust Act (1914) 250–51, 257
   Congress 255, 404
   Department of Justice (DOJ) 84, 151, 251, 254–7, 374
   Department of Motor Vehicles (DMV) 348, 361–2
   discount store chains in 217
   economy of 38
   Federal Trade Commission (FTC) 40, 100–102, 251, 253, 255–61, 276, 359, 368, 374, 384–5, 392, 399, 403
   premium, natural, and organic
      supermarkets (PNOS) market
      definition 260–61
   Food and Drug Administration (FDA) 41
   government of 150
   Hart–Scott–Rodino (HSR) Act 251–2, 278–9
   Horizontal Merger Guidelines (1982) 251–4, 269
   Hurricane Katrina (2005) 404
   Las Vegas, NV 255
   Lexington, KY 400
   Los Angeles, CA 374–5, 396, 416
   Magnuson–Moss Warranty Act 359
   Medicaid 425
   Newport, AR 417
   retail sector of 7–8, 45
      grocery 74–5
      labour productivity growth in 9
      structure of 10
   Robinson–Patman Act (1936) 97, 100, 150–52, 369, 372
   Rogers, AR 417
   San Diego, CA 400, 416–17
   Sherman Act 100
   Supreme Court 99–100, 151, 447
   Troy, OH 41, 375
   vertical restraints in 99–100
   Washington DC 227, 400, 403, 441
   universal product codes (UPCs) 38, 375, 479–80, 482
      development of 41–2
      diffusion of 42–4, 47–8
      long-run effects 47

Albany, NY 350
short-run effects 45–7
technology of 42
price look-up (PLU) code 42, 46–7
American Time of Use Survey (ATUS) 82
Current Population Survey 448
multi-factor productivity index 65
Quarterly Workforce Indicators 424
US Census Bureau 1, 9, 11, 268
Assets and Expenditures Survey (AES) (1992) 48
US Federal Trade Commission 1–2
Vons
merger with Shopping Bag Food Stores 255–6, 374–5
Wakefern 372
Always Low Prices 425
economies of density 417–18
entry market choices of 142, 422–5
expansion of 8, 376, 378, 418–19
goods imported by 184–7, 192
inventory management/distribution networks of 34–5
labour productivity of 61
personnel of 413
prescription drug program 429
Retail Link 137
TEU imports of 160–61
Walmart TV 149
Ward’s Automotive 361
Washington Apple Commission 80
Wegmans Food Markets 64, 260
West Texas Intermediate (WTI) 401
Wharton Customer Analytics Initiative (WCAI) 481
Whole Foods 64
personnel of 261
Project Goldmine 261
proposed merger with Wild Oats (2007) 259–61, 265, 276, 383–4
Wild Oats
proposed merger with Whole Foods (2007) 259–61, 265, 276, 384
Woolco 417
Yahoo!, Inc. 81, 464
Yahoo.com 459
Zappos.com 153