1-1-2015

Realignment Strategies in the US Retail Industry During a Recessionary Time Dominant Themes, Trends, and Propositions

Manveer Mann
Montclair State University, mannm@mail.montclair.edu

Sang Eun Byun
Auburn University

Yishuang Li
Auburn University

Realignment strategies in the US retail industry during a recessionary time

Dominant themes, trends, and propositions

Manveer Mann
School of Business, Montclair State University, Montclair, New Jersey, USA, and
Sang-Eun Byun and Yishuang Li
College of Human Sciences, Auburn University, Auburn, Alabama, USA

Received 10 November 2014
Revised 24 November 2014
10 March 2015
Accepted 12 May 2015

Abstract

Purpose – The purpose of this paper is to examine the range of realignment strategies employed by retailers in the USA in response to the 2008 economic recession.

Design/methodology/approach – Following the grounded theory approach, National Retail Federation News Briefs published between 2008 and 2011 were analyzed by sorting them into thematic categories and comparing trends in strategic decisions during the recession (2008-2009) and after the recession (2010-2011). Based on the emergent categories, propositions were developed to provide theoretical explanations of the findings.

Findings – The authors found five thematic categories of realignment strategies: promotional, organizational, price, operational, and product realignments. In line with contingency theories, retailers used these strategies to achieve a greater fit with the altered business environment and consumer consumption patterns. While promotional realignment was most prevalent, followed by organizational realignment, different realignment strategies were pursued based on the strategic focus and long-term vs short-term orientation of the retailers.

Originality/value – The contribution of the findings is twofold: filling a critical gap in the literature examining the range of realignment decisions of the US retail industry in response to the recent economic recession; and enhancing the theoretical understanding of underlying factors or mechanisms of specific realignment decisions in the context of a turbulent economic environment.

Keywords Grounded theory, Recession, Retail industry, Realignment strategy

Paper type Research paper

Introduction

Recessions have different causes; vary in their depth, scope, and duration; and push each industry to react differently (Flatters and Willmott, 2009). The 2008 Global Financial Crisis, or the Great Recession, was triggered by the deterioration in the US subprime mortgage market (Rollins *et al.*, 2014). Lasting from December 2007 to June 2009, it was one of the longest periods of recession and the worst financial crisis since the great depression in the 1930s (NBER, 2010). Its repercussions were felt long after it was formally declared to be over (Hurd and Rohwedder, 2010). Compared with previous recessions, this recession had the slowest recovery in terms of employment growth (The Economist, 2011). As a result, the retail industry, which primarily depends on serving consumer needs, experienced economic challenges in the form of revenue losses for an extended period of time and was forced to re-evaluate existing strategies to remain profitable in a difficult business environment.

International Journal of Retail & Distribution Management
Vol. 43 No. 8, 2015
pp. 775-792

0959-0552
DOI 10.1108/IJRDM-11-2014-0151

Contingency theory suggests that the fit between an organization and its environment determines organizational performance such that an organization actively pursues strategic actions to align itself with the environment (Powell, 1992). As a result, retailers' strategic responses to economic challenges such as recessions can differ across firms (Walters, 1994). Katz's (1970) study proposed that for an effective business strategy, firms should concentrate resources where there is meaningful competitive advantage; however, if a firm's future earning power is less than its liquidated value, it should be sold. Accordingly, a retailer may focus on retrenchment, realignment, or investment (Sands and Ferraro, 2010). Retrenchment occurs when a firm downsizes its product/market objectives to improve performance by reducing costs or operation scales (Pearce *et al.*, 1987). A difficult business environment pushes some retailers toward retrenchment in the form of store closings, bankruptcies, and divestment (Sands and Ferraro, 2010; Srinivasan *et al.*, 2005). On the other hand, some companies, especially more financially robust organizations, view recession as an opportunity to establish competitive advantage and to increase investment in mergers/acquisitions, and/or development of new products, market segments, and channels of distribution (Sands and Ferraro, 2010; Srinivasan *et al.*, 2005; Walters, 1994). Yet others may choose a more cautious approach, focussing on realigning their existing resources with the changed business environment. Realignment occurs when a firm seeks financial stability by pursuing similar objectives under similar product/market domains while emphasizing incremental improvement and adjustment of performance to better fit the firm's strategy with its external environment (Pearce *et al.*, 1987; Walter *et al.*, 2013).

While investment and retrenchment can be crucial business decisions in recessionary times (Sands and Ferraro, 2010), it is more imminent and critical for firms' survival and sustained profitability to realign existing business strategies (Powell, 1992). However, with few exceptions (Rollins *et al.*, 2014; Sands and Ferraro, 2010; Simmons, 1981, 1983; Srinivasan *et al.*, 2004; Sum *et al.*, 2009), little literature documents retailers' realignment decisions during this period. The existing studies focussed on specific areas such as marketing (Piercy, 1983; Rollins *et al.*, 2014) and innovation (Hausman and Johnston, 2014), or examined the strategies of limited numbers of firms in specific sectors or contexts. For instance, Sum *et al.* (2009) compared 111 retailers' financial performances from 2006 to 2009 but focussed on financial success under two alternative business strategies: differentiator strategies and cost leader strategies. In another case, Alonso-Almeida and Bremser (2013) studied the coping strategies of the hospitality industry in Spain, thus providing limited relevance to the recession in the USA or the retail industry. Furthermore, firms' flexibility to implement realignment strategies during sudden environmental changes is critical for sustaining long-term profitability (Powell, 1992). Retailers attempting to reassess their business strategies can benefit from a systematic view of the strategic decisions that can be made in various functional areas to realign their resources and strategic focus/orientations with an evolved business environment. Therefore, an in-depth examination that provides a holistic perspective of the strategic decisions of the retail industry in response to the 2008 recession is warranted (Brunk and Blümelhuber, 2011).

Therefore, the purpose of this study is to examine the range of realignment strategies used by retailers in the USA during January 2008-December 2011. To provide a more holistic description, this study compares the recession time (2008-2009) with the post-recession time (2010-2011). These dates are based on the year-over-year change in retail sales reported by the US Census Bureau, which shows a dramatic drop in sales between 2008 and 2009 and significant recovery between 2009 and 2010. Specifically, this study addresses three research questions:

- *RQ1*. What types of strategies did retailers adopt to realign their existing strategies/resources to achieve a better fit between their strategic focus/orientations and the altered business environment? Into what thematic categories can these decisions be classified?
- *RQ2*. What were the most salient categories adopted by the retailers and were there any trends in realignment decisions in the during-recession and post-recession periods?
- *RQ3*. What were the motivations, commonalities, and variances of these realignment decisions adopted by different retailers?

Following a grounded theory approach, this study developed a set of propositions that summarize the realignment strategies employed by different types of retailers in the USA in response to the 2008 recession and build a conceptual framework. We took steps to ensure that the theoretical explanations are grounded in data, while refraining from a priori review of the pertinent literature to avoid biases in the data analysis (Corbin and Strauss, 1990). Upon completion of the data analysis, we integrated extant literature to interpret the findings.

Method

Data collection

To classify and examine the realignment strategies adopted by retailers in the USA, we adopted an inductive approach and used the archives of *SmartBrief*, the daily e-newsletter by the National Retail Federation (NRF). Inductive research can exhibit rigor even if a single source of data is used (Gioia *et al.*, 2012) and newsletters are an appropriate and useful data source (Favaro *et al.*, 2009). The NRF collects industry news from diverse sources including the *NY Times, The Sun, USA Today, The Los Angeles Times, Convenience Store News, Stores Magazine, Internet Retailer*, and so on (*SmartBrief*, n.d.). A typical *SmartBrief* newsletter consists of several sections, including "Chain Restaurant News," "Top Story," "Retail Technology," "Industry Watch," and "Policy and Government Affairs." Each section includes articles from diverse news sites (e.g. the *Wall Street Journal*), blogs (e.g. The Baltimore Sun/Consuming Interests blog), and other sources (e.g. *Media Post News*), and each news item is summarized by the editors and linked to the original source for further reading (*SmartBrief*, n.d.).

To systematically collect a manageable amount of data on retailers' strategies in the during-recession period (2008-2009) and post-recession period (2010-2011), we selected one *SmartBrief* newsletter per week from January 2008 to December 2011. In each month, newsletters from different days of the week (Monday-Friday) were chosen by coding for a different day in each consecutive week. We coded the summary of each news article provided by the *SmartBrief*, excluding "NRF News" and "Sponsored Content" sections. When the summary did not provide sufficient detail regarding the news article, we reviewed the original sources. Each summary averaged 50-80 words. In total, 210 newsletters were selected and 2,131 news summaries were included for the analysis. Approximately 580 pages were analyzed.

Data analysis

We used Atlas.ti, qualitative data analysis software, for data coding. The analysis began with open coding in Atlas.ti, examining textual data to identify strategies emerging from the data. Using a constant comparison approach, we compared the data as it was collected with emergent categories to achieve saturation, i.e., to keep looking for new information until the data does not provide any new insights into the category (Corbin and Strauss, 1990). From the pool of open coding categories, we first identified the central phenomenon of interest or core-category, economic conditions. We then used axial coding to re-examine the data to understand the categories related to the core-category. In the initial phase of axial coding, Atlas.ti was used to identify codes that were directly associated with the core-category (economic conditions). These codes were then manually examined to attribute them to appropriate categories. Gioia *et al.* (2012) described this phase of the data analysis as the first order analysis that leads to a large number of categories.

The second order analysis involved examining each of the related categories to gain a deeper perspective on the core-phenomenon (Gioia *et al.*, 2012). Related categories can be causal conditions influencing the core-phenomenon, strategies addressing the core-phenomenon, the context that shapes these strategies, or the consequences of undertaking the strategies (Creswell, 2012). Accordingly, we re-examined the data by treating each related-category as a core-phenomenon and open-coded the data into appropriate categories. The open-coding was first performed by a team of two investigators to generate initial categories. These categories and the underlying codes were then reviewed by the third investigator. If any inconsistencies were found, all three investigators discussed the topic to reach a consensus and clearly define the category (Gioia *et al.*, 2012). When the data could fit more than one category, the three investigators discussed the case and attributed the data either to a single category or to a set of categories that it represented. Several iterations of this process were used to ensure that data were attributed to the appropriate categories and to consolidate the data into the final categories (see Table I).

Lastly, selective coding was undertaken to develop theoretical propositions. These propositions connected the categories in the coding paradigm. At this stage, we reviewed extant literature to draw upon established theories and concepts. Although grounded theory follows the procedures described above, changes in the order of the procedures and several iterations of a given procedure may be needed to move on to the next phase of analysis (Blythe, 2007). We recognize that grounded theory is limited because large volumes of data can make it difficult to conceptualize underlying categories amongst the "noise" of data (Allan, 2003). Accordingly, as we performed selective coding, we moved back to the open coding phase to ensure that the categories were well-defined and to validate the propositions with the data.

Findings and propositions

Through the iterative process, we classified a number of realignment strategies between 2008 and 2011 into five thematic categories: price, promotional, product, organizational, and operational (see Table I). Among these categories, promotional realignment was most prevalent ($f=146$), followed by organizational realignment ($f=98$), price realignment ($f=67$), operational realignment ($f=53$), and product realignment ($f=25$). As expected, reports on these five realignment categories were more salient during recession period than in the post-recession period, with the highest number of records in 2009. While a majority of news reports discussed a single retailer, several reports covered moves of multiple retailers. Considering the vast scope of our data (2,131 news summaries), we did not count the number of retailers cited in each

Strategy	Theme	During recession 2008	2009	Post-recession 2010	2011	2008-2011
Promotional realignment	Special events/campaigns	17	30	22	15	84
	Limited offerings	10	7	2	5	24
	Loyalty programs	7	3	8	3	21
	Integration of digital promotions	2	3	1	6	12
	Celebrity endorsement	2	1	1	1	5
	Total	38	44	34	30	146
Organizational realignment	Renovating offline/online stores	8	11	11	9	39
	Repositioning	12	5	5	3	25
	Resizing	3	1	3	4	11
	Branding/merchandising	3	5	2	3	13
	Customer service/experience	1	5	1	3	10
	Total	27	27	22	22	98
Operational realignment	Inventory management	0	6	4	3	13
	Supply chain management	1	4	3	4	12
	HR management	4	6	2	0	12
	Facility management	1	7	1	0	9
	Technology integration	1	2	2	2	7
	Total	7	25	12	9	53
Price realignment	Discounts and coupons	7	13	9	4	33
	Lower entry level prices	9	16	5	4	34
	Total	16	29	14	8	67
Product realignment	Localized and recession-resilient products	2	3	4	1	10
	Private label	2	4	0	4	10
	Better quality/design	1	1	1	1	4
	Total	5	8	5	6	24
Grand total		93	133	87	75	388

Table I. Summary of realignment strategies

of the categories. Below, we provide a detailed account of the various strategies used by retailers and develop propositions that explain underlying motivations, variances, and commonalities among the various strategic actions undertaken by different types of retailers.

Promotional realignment

When consumers' confidence in the economic future is low, well-planned promotions can play an important role in convincing consumers to spend more (Cundiff, 1975). Particularly, when a recession is longer and more severe, it is more critical to implement new, innovative, or creative promotional methods to successfully urge consumers to buy without damaging the firm's profitability and brand image. Our data revealed that between 2008 and 2011, retailers utilized a wide range of promotional strategies, which were classified into five categories: special events/campaigns ($f = 84$), limited offerings ($f = 24$), loyalty programs ($f = 21$), integration of digital promotions ($f = 12$), and celebrity endorsement ($f = 5$). In total, there were 149 reports. Promotional realignment was more frequent during recession than in the post-recession period ($f = 38$ in 2008; $f = 44$ in 2009; $f = 34$ in 2010; $f = 30$ in 2011).

Special events/campaigns. In total, we found 84 reports of special events/campaigns, making it the most salient strategy within this promotional category as well as across the five realignment categories. A wide range of special events or campaigns were used to attract and retain customers, often by offering free products or services. For example, Saks provided a double-decker bus for its tourists in New York to transport them from its flagship store to local landmarks and museums. Domino's displayed customer feedback on Times Square to create buzz about the brand. Several reports highlighted retailers' (e.g. Neiman Marcus) use of special events/campaigns as a strategy to survive the recession without relying solely on lower pricing. Walters (1994) also noted that to increase sales, retailers extend operating hours during a recession. Accordingly, we found that large retailers, including Macy's, Toys R Us, H&M, Walmart, and Target, extended store hours to increase transactions during special events such as Black Friday, Christmas, and Back-to-School. Several online retailers also extended Cyber Monday offers throughout the week. We found that the number of reports of special/campaigns events peaked in 2009 and gradually decreased afterward ($f=17$ in 2008; $f=30$ in 2009; $f=22$ in 2010; $f=15$ in 2011).

Limited offerings. Between 2008 and 2011, there were 24 reports regarding the adoption of limited-offer promotions primarily via limited-edition products and pop-up stores to generate buzz and sales. For example, limited-edition Air Jordan's introduced by Nike drew customers who started lining up the night before to buy the shoes. Companies such as eBay, Levi's, Reebok, Limited, Hermes, Gucci, and Joe Fresh Style opened pop-up stores, which were available for a limited time often in unannounced retail space. Reports of limited offers during recession period were almost double as compared to those in the post-recession period ($f=10$ in 2008; $f=7$ in 2009; $f=2$ in 2010; $f=5$ in 2011), suggesting greater reliance on limited offerings to generate immediate sales boosts and interest during the most turbulent period.

Loyalty programs. Promotion of loyalty programs can be used as a strategy to increase sales and customer retention (Walters, 1994). We found 21 reports such that chain restaurants (e.g. Subway, Denny's, and Papa John's) used loyalty programs most frequently, other retailers, including department stores (Nordstrom, Saks, and Neiman Marcus), supermarkets (e.g. A&P), and warehouse clubs (e.g. Sam's Club) also launched new loyalty programs during this period. Although there were some fluctuations by year, there were no significant differences in the total number of reports between the during- and post-recession periods ($f=7$ in 2008; $f=3$ in 2009; $f=8$ in 2010; $f=3$ in 2011). However, the literature suggests that generating additional revenue from loyal customers is less likely to succeed during a recession because of consumers' unwillingness to spend more (Favaro *et al.*, 2009). Köksal and Özgül (2007) also argue that in difficult economic times, it is more beneficial to focus on attracting new customers because customers are often engaged in comparison shopping. Consistent with these points, loyalty programs used primarily for customer retention were far less frequently reported ($f=21$) than special events promotions ($f=84$). Nevertheless, loyalty programs were the third most salient promotional strategy that appeared during 2008-2011.

Integration of digital promotions. Another category of promotional realignment was integrating digital promotions to facilitate sales ($f=12$). The forms of digital promotions included online promotions, mobile coupons, and promotional offers on social media, a promotional venue which is increasingly popular among retailers (Rollins *et al.*, 2014). For example, Macy's created buzz for Valentine's Day by giving away diamond rings to customers who crafted "Sweetest tweets" on Twitter. Living social deals were adopted by small retailers such as local eateries as well as large retailers such as McDonald's and Amazon.com. Several retailers tied in their special events/campaigns with digital promotions. For instance, Target launched digital coupons and customizable shopping lists to promote its back-to-school sales. Food Lion created an online giveaway that encouraged shoppers to use online coupons, and Kmart launched online layaway programs to increase transactions. The reports regarding digital promotions stayed fairly stable with low frequency until 2010 and showed a small jump in 2011 ($f=2$ in 2008; $f=3$ in 2009; $f=1$ in 2010; $f=6$ in 2011).

Celebrity endorsement. We found five reports of retailers using celebrity endorsement as a promotional tool. For example, Macy's used Mariah Carey and musician Carlos Santana as celebrity endorsers, Kohl's used Britney Spears, and Ann Taylor signed Katie Holmes. Although celebrity endorsement is a common practice for large firms to create brand imagery (Erdogan, 1999), it was the least frequently used of the strategies in all five categories ($f=2$ in 2008; $f=1$ in 2009; $f=1$ in 2010; $f=1$ in 2011). This finding reiterates that during a recession, promotional strategies that create immediate sales transactions are a greater priority than promotions whose returns are more likely to be realized in the distant future. Based on the above findings in promotion realignment strategies, we propose:

P1. During turbulent economic times, retailers realign various promotional strategies according to their strategic orientations. Specifically, they aggressively adopt creative promotions such as special events/campaigns and limited-offer strategies as short-term measures to stimulate customers to spend more. While there is less focus on long-term promotional activities during recessions, retailers may adopt loyalty programs to build their customer base long term.

Organizational realignment

Resource-based theory notes that as the external environment is in a state of flux, an organization's resources and capabilities are likely to be a stable basis of redefining organizational identity (Grant, 1991). As such, during a turbulent time, it becomes critical for retailers to realign their offerings and value propositions to changed consumer needs and wants (Favaro *et al.*, 2009). Our data showed that organizational realignment is the second most salient category ($f=98$) that appeared in response to a recession. Forms of organizational realignment included renovating offline/online stores ($f=39$), repositioning ($f=25$), resizing ($f=11$), focussing on branding/merchandising ($f=13$), and improving customer service/experience ($f=10$). The total number of reports of organizational realignment was fairly stable over the years ($f=27$ in 2008; $f=27$ in 2009; $f=22$ in 2010; $f=22$ in 2011).

Renovating offline/online stores. We found numerous cases of retailers committing resources to offline and/or online store renovations. This form was the most salient organizational realignment strategy ($f=39$). Many retailers remodeled their stores to be more visually appealing to customers. For example, McDonald's, J.C. Penney, and Macy's remodeled their stores to introduce more contemporary looks. In some cases, renovations were targeted to boost certain products or features; for example, Best Buy redesigned a section in stores to focus on cell phones and Target remodeled many of its smaller stores to include more grocery items. In addition, AT&T redesigned their stores to be more interactive with shoppers and Walmart redesigned some of its stores to attract upscale demographics. The reports in this category were fairly stable during 2008-2011 periods ($f=8$ in 2008; $f=11$ in 2009; $f=11$ in 2010; $f=9$ in 2011).

Repositioning. Another salient organizational realignment theme was repositioning ($f=25$). Repositioning was used by various retailers including Applebee's, Ann Taylor, Bath & Body Works, and J.C. Penney. Several retailers (e.g. Whole Foods, Target, Domino's, and J. Crew) chose to place more emphasis on savings and value as a result of reduced consumer spending. In other instances, repositioning was carried out to revitalize brand image. For example, Ann Taylor chose to break away from its traditional image to reposition itself as a trend-aware brand. Ralph Lauren adopted a digital repositioning strategy through a new web site with innovative features. Retailers also chose to refocus on their core value (e.g. Edie Bauer, Starbucks, and Old Navy). Such repositioning decisions peaked in 2008 and showed a downward trend in the post-recession period ($f = 12$ in 2008; $f = 5$ in 2009; $f = 5$ in 2010; $f = 3$ in 2011).

Resizing. Another theme revealed by our data was resizing of stores ($f = 11$), which increased slightly in the post-recession period ($f = 3$ in 2008; $f = 1$ in 2009; $f = 3$ in 2010; $f = 4$ in 2011). There were eight reports of mass discounters and category killers downsizing stores, including Walmart, Target, Whole Foods, Safeway, OfficeMax, RadioShack, and Best Buy. Contrary to this trend, two retailers (Forever 21 and Trader Joe's) chose to open bigger stores in response to the growing popularity of the brands. In support, Walters (1994) suggests that optimal store size can be utilized to exploit economies of scale, thereby enhancing operational margins.

Branding/merchandising. There were 13 reports of retailers' increased focus on branding and merchandising. For example, Family Dollar executed a three-year merchandising initiative as it gained more customers due to the weak economy. Walmart announced its focus on merchandising and marketing to sustain profitability as the economy recovered. Several retailers, including Red Mango and Ann Taylor, focussed on branding corporate names. Additionally, one report noted a trend among retailers to improve visual merchandising by methods such as designing creative shelf layouts and creating eye-catching window displays. Specifically, financially strong retailers (e.g. Walmart, Target, and Family Dollar) tended to increase their spending on merchandising or branding during recessionary times. The reports were fairly stable between the recession and post-recession periods ($f = 3$ in 2008; $f = 5$ in 2009; $f = 2$ in 2010; $f = 3$ in 2011).

Customer service/experience. There were ten reports of efforts to enhance customer engagement or experience. Various formats of retailers, including department stores (e.g. Sears, Nordstrom), supermarkets (e.g. Roundy's, Kroger), and specialty retailers (e.g. Steve Madden, 77kids) focussed on customer satisfaction through improved customer service and experience. For example, Nordstrom noted its focus on superior customer service, both in stores and online, as a long-term strategy. Kroger launched in-store clinics and provided customers with personalized offers based on loyalty-card data. Saks utilized personal shoppers to cater to its most elite customers with average annual budgets greater than $100,000. While large retailers tended to increase their marketing expenditures through additional initiatives (e.g. investment in data analytics, personal shoppers, etc.), smaller companies focussed on personal service and frequent refreshment of the merchandise. The reports were fairly stable between the recession and post-recession periods ($f = 1$ in 2008; $f = 5$ in 2009; $f = 1$ in 2010; $f = 3$ in 2011).

Drawing from the literature on organizational ambidexterity, the fit of an organization with its external environment is often realized through exploring the firm's dynamic capabilities (Makkonen *et al.*, 2014). By reconfiguring existing resources into tangible and intangible assets, retailers can explore new opportunities to realize an evolutionary fit within a dynamic business environment such as a recession (Makkonen *et al.*, 2014). The organizational realignment strategies that emerged from our data were aligned with a retailer's ability to explore its dynamic capabilities. For example, we found that retailers primarily seek out organizational realignment through resizing and repositioning in order to explore new market opportunities (e.g. Target, Wal-Mart). Considering that the nature of realignment activities generates a long-term effect, we propose:

P2. During turbulent economic times, retailers realign organizations to close the gap between their value propositions and evolving customer needs. Although retailers frequently renovate offline/online stores to attract consumers during- and post-recession periods, retailers' decision to realign tangible assets (e.g. renovating or resizing stores) and/or intangible assets (e.g. repositioning, branding/merchandising, or improving customer service/experience) is mainly driven with a long-term strategic orientation to enhance their value proposition over time.

Operational realignment

Many firms adapt to recession by undertaking a variety of operational realignment strategies to improve performance (Sands and Ferraro, 2010). The primary goal of most operational strategies to survive difficult economic times is cost reduction. Gulati *et al.* (2010) examined firms' strategic choices and financial performances of 4,700 public companies during three recessionary periods; 1980-1982, 1990-1991, and 2000-2002. Comparing data for the three years prior to each recession with data for the three years after it, they found that companies fare better in recessions if they cut costs primarily by improving operational efficiency and re-examining all aspects of business, rather than temporarily reducing costs by cutting the workforce. Our data revealed that retailers streamlined their operations through inventory management ($f = 13$), supply chain management ($f = 12$), HR management ($f = 12$), facility management ($f = 9$), and technology integration ($f = 7$). In total, we found 53 reports regarding operational realignment, with the highest number in 2009 ($f = 7$ in 2008; $f = 25$ in 2009; $f = 12$ in 2010; $f = 9$ in 2011).

Inventory management. Inventory management was another frequently used realignment strategy to cut costs and streamline operations ($f = 13$). For instance, Home Depot invested in rapid deployment centers to make inventory management more efficient while delaying opening new stores. On the other hand, several image-oriented retailers, Saks, Neiman Marcus, and Pier 1, deliberately reduced Stock Keeping Units (SKUs) to reduce markdowns and discourage customers from looking for bargains. However, four reports in the post-recession period mentioned a reverse in the stock-trimming strategy as some shoppers expressed dissatisfaction over reduced product selections. Overall, the number of the reports in this category were the highest in 2009 and then showed a downward trend in the post-recession period ($f = 0$ in 2008; $f = 6$ in 2009; $f = 4$ in 2010; $f = 3$ in 2011).

Supply chain management. Effective supply chain management allows retailers and suppliers to achieve greater operational efficiency (Fernie *et al.*, 2010). Accordingly, we found 12 reports of supply chain management. For example, Walmart reduced transportation times by using its own fleet of truckers and transportation contractors to pick up products directly from the manufacturers rather than having the manufacturers deliver goods to Walmart's distribution centers. Walmart also cut costs from its supply chain by buying more goods directly from manufacturers rather than through third-party suppliers or procurement firms. Retailers such as American Eagle looked for new suppliers in other low-wage countries as inflation rose in China.

McDonald's cut costs by removing gas hogs from its vehicle fleet. Macy's increased supply chain efficiency by doing business with large vendors. The reports were fairly stable between the recession and post-recession period ($f=1$ in 2008; $f=4$ in 2009; $f=3$ in 2010; $f=4$ in 2011).

HR management. There were 12 reports of HR management as a tool to reduce costs and increase operational efficiency. Among these, eliminating jobs was one of the common methods adopted by many retailers. For example, Macy's eliminated 7,000 jobs in 2009, and Nordstrom reduced working hours of under-performing sales associates to cut costs. To monitor employees' work efficiency, Meijer installed a new software that rated cashiers based on their transaction speed. Health care management strategies such as encouraging employees to use in-store clinics and partnering with health care systems were also used to reduce HR costs. On the other hand, there were several reports of retailers investing in HR, two of which referred to Walmart's initiative to hire new employees and to create personal health records for employees. Nordstrom, Home Depot, and J.C. Penney also invested in HR by hiring new employees and providing sales training in an effort to improve operational efficiency and customer experience. Hiring more part-time employees was also reported to reduce operational costs. There were a greater number of reports in the during-recession period than in the post-recession period ($f=4$ in 2008; $f=6$ in 2009; $f=2$ in 2010; $f=0$ in 2011).

Facility management. We found several news items regarding controlling costs ($f=9$). The most frequently used measure to cut costs was real estate. For example, Steve & Barry reduced investment costs by choosing retail locations with lower real estate costs when opening 70 new stores. Some other retailers (e.g. Pier 1) negotiated leases to pay less for rent. J. Crew cut costs through store operations. Other reports regarding cost management were more generic; for example, Saks was reported to reduce costs as a method of survival during a period of decreased sales. Reports on cost management were more noticeable during-recession period, especially in 2009 ($f=1$ in 2008; $f=7$ in 2009; $f=1$ in 2010; $f=0$ in 2011).

Technology integration. Technology can be integrated to improve businesses in many ways. For example, IT applications can be used to generate cash flow by improving stock turn, or to increase gross margins by enabling retailers to make better buying decisions (Walters, 1994). Our data revealed several reports on changes in operational strategy through the integration of technology ($f=7$). Ocado, a UK grocer, ran highly automated operations from its high-tech warehouse. Publix Super Markets tested a new scanner that verifies information on coupons to save cashiers' time. In addition, Home Depot invested in contactless card readers that reduced check-out times because customers did not need to physically swipe their credit cards. These reports were fairly stable between the recession and post-recession periods ($f=1$ in 2008; $f=2$ in 2009; $f=2$ in 2010; $f=2$ in 2011). Based on the findings in operational realignment strategies, we propose:

P3. As recession puts strain on firms' profitability, retailers realign their operations according to their strategic orientations, especially during-recession (vs post-recession). Specifically, when the firm's strategic orientation is short term, retailers seek to eliminate jobs and reduce SKUs in order to cut costs quickly, while when it is long-term oriented, retailers focus on streamlining management of inventory, supply chains, and/or HR to improve efficiency and reduce costs.

Price realignment
Despite the negative consequence of price competitions on profit, shrinking market demand during recession can force companies to engage in competitive pricing strategies (Quelch and Jocz, 2009). We found 67 reports of price realignment spread across the four years with a greater incidence during-recession as compared to the post-recession period ($f = 16$ in 2008; $f = 29$ in 2009; $f = 14$ in 2010; $f = 8$ in 2011). Price realignment strategies commonly adopted by retailers between 2008 and 2011 included offering discounts and coupons and implementing lower-entry level prices.

Discounts and coupons. Our data revealed that a number of retailers catered to price-sensitive consumers by offering more deals through discounts and coupons. In total, there were 33 reports. Discounting strategies were most frequently used by grocery stores and supermarkets (e.g. Kroger, Walmart, H.E. Butt, Pathmark, and Albertsons), followed by restaurants (e.g. Burger King, Subway, and Taco Bell), but rarely by other types of retailers such as pharmacies or department stores. Although price realignment is one of the most common strategies used in adverse business environments, it can also have negative effects such as decreased brand equity (Carpenter and Moore, 2008). Accordingly, our data revealed that image-oriented retailers such as Zales and Saks resisted offering discounts. There were 20 reports of price realignment during recession, dropping to 13 in the post-recession period ($f = 7$ in 2008; $f = 13$ in 2009; $f = 9$ in 2010; $f = 4$ in 2011).

Lower entry-level prices. The data also showed that a number of retailers offered lower-priced merchandise. In total, there were 34 reports: 25 during recession period and nine in the post-recession period ($f = 9$ in 2008; $f = 16$ in 2009; $f = 5$ in 2010; $f = 4$ in 2011). Offering merchandise at lower entry-level prices was used consistently by a variety of retailers, including grocery stores and supermarkets (e.g. Kroger, Walmart, Target, and Harris Teeter), restaurants (e.g. Subway, Starbucks, and Dairy Queen), department stores (Macy's, Saks, Nordstrom, Neiman Marcus), specialty stores (Ralph Lauren, Abercrombie & Fitch, Zales), and electronics (Best Buy, RadioShack). However, low pricing through discounts may damage the brand image in the long run due to consumers' association of low prices with lower quality (Chou and Chen, 2004). Accordingly, retailers with a differentiation-focus specifically utilized lower-priced products to avoid discounts. For example, Saks offered lower entry-level prices for selected luxury brands to avoid discounts (e.g. Prada and Christian Dior). Based on our findings in pricing realignment strategies, we propose:

P4. During turbulent economic times, retailers realign their pricing strategies according to their strategic focus, especially in during-recession (vs post-recession) periods. Specifically, retailers with a low-cost focus tend to adopt discounting strategies, and retailers with a differentiation focus tend to adopt lower entry-level prices and avoid discounting.

Product realignment
During difficult economic times, retailers should plan or realign product strategies more carefully as consumers are reluctant to spend money and may not settle for products that do not precisely meet their needs (Favaro *et al.*, 2009). Specifically, Köksal and Özgül (2007) noted that as consumers place more importance on the value for money during recessionary times, product attributes such as quality, functionality, and price become more critical. We found that product realignment strategies employed by retailers between 2008 and 2011 included product assortment ($f = 10$), private label

($f = 10$), and better quality/design ($f = 4$). In total, there were 24 reports on product realignment. Although these strategies were used consistently over time ($f = 6$ in 2008; $f = 8$ in 2009; $f = 5$ in 2010; $f = 6$ in 2011), the total report number was far lower than those of pricing ($f = 67$) and promotional ($f = 146$) strategies.

Localized and recession-resilient product. There were ten reports on realignment through product assortment. Despite few reports, the use of this approach gradually increased until 2010 and then suddenly dropped to one in 2011 ($f = 2$ in 2008; $f = 3$ in 2009; $f = 4$ in 2010; $f = 1$ in 2011). Among these, there were eight reports of retailers' localized assortment and two on recession-resilient product categories. Four reports specifically noted the importance of catering to local tastes in international expansion. Walmart, Starbucks, McDonald's, and Starbucks realigned their product offerings to foreign markets. Another three reports mentioned the success of Macy's localized merchandising approach. In all these instances, retailers localized to differentiate themselves and increase profitability and market share. In addition, there were two reports, in 2009 and 2011, regarding retailers' focus on more recession-resilient product categories. According to one report, high-end designers focussed on accessories due to the low space requirements and one-size-fits-all nature of the product category. Another reported that Bebe highlighted more modest and work-appropriate clothing instead of its original focus on provocative apparel as a turnaround strategy.

Private label. Ten reports noted retailers' increased focus on private labels as product realignment strategies. The number slightly decreased in the post-recession period ($f = 2$ in 2008; $f = 4$ in 2009; $f = 0$ in 2010; $f = 4$ in 2011). A variety of retailers, including Walmart, Safeway, A&P, and Toys R Us focussed on private label brands as a growth strategy during recession. For example, private labels were a critical turnaround strategy which boosted sales for Toys R Us. Other reports noted that retailers emphasized private labels because affordability became more important in consumers' purchase decisions during the recession. For example, The Great Atlantic & Pacific Tea Co. promoted its private-label brands through new packaging and marketing. Due to the exclusivity and low price of private label brands, increased emphasis on such brands allows retailers to exercise both low cost and differentiation strategies.

Better quality/design. We found four reports ($f = 1$ in 2008; $f = 1$ in 2009; $f = 1$ in 2010; $f = 1$ in 2011) of realignment that specifically focussed on offering better product quality or design. For example, Domino's Pizza emphasized improving quality of product and service to survive during recession. Two reports noted efforts by specialty apparel retailers (e.g. Buckle and Gap) to improve design of the fashion items to boost sales amid tough economic conditions. Delivering better quality is traditionally used as a differentiation strategy that commands premium prices during normal times (Little *et al.*, 2009). However, during recessionary times, retailers' efforts to improve quality of product or service are less likely to be accompanied by increased prices (Köksal and Özgül, 2007). Based on the findings in product realignment strategies, we propose:

> *P5*. During turbulent economic times, retailers focus less on product realignment, but may adopt some realignment strategies according to their strategic focus in and to differentiate themselves from their competition. Specially, retailers with a low-cost focus tend to increase promotions of private label brands, whereas retailers with a differentiation focus tend to offer more localized products, recession-resilient products, or better quality and design.

Discussion

Conclusions

This study examined the nature and range of realignment strategies used by retailers in the USA in response to the 2008 recession. Our findings are in line with contingency theories that show that an organization actively adapts to align itself with the changing environment because the fit between an organization and its environment determines performance (Makkonen *et al.*, 2014). We found that retailers realigned strategies across and within different functional decision areas to achieve a greater fit with the business environment and consumer consumption patterns that were changing as a result of recession. In total, we found five thematic categories of realignment strategies: promotional, organizational, price, operational, and product realignments.

In addition to contingency theories which propose that the fit between an organization and its environment determines organizational performance (Powell, 1992), resource-based theory further suggests that an organization should formulate strategies that are in line with internal resources and the opportunities or risks created by the external business environment (Grant, 1991). Resource-based theory also posits that companies whose strategic focus is to exploit their core resources and capabilities are more adept at adjusting to external change (Grant, 1991). Amidst an economic downturn, organizations may adapt in various ways to align themselves with the changed business environment and create value for customers. As suggested by previous studies, organizations manage or adjust to the effects of recession in different ways such that some choose to invest in new opportunities to establish competitive advantage, while others focus on activities such as reducing costs and savings by refining existing processes (Sands and Ferraro, 2010). Consistent with this stance, we found that realignment decisions are based on the organization's strategic focus (low cost vs differentiation focus) or strategic orientation (short term vs long term). For example, we found that with regard to pricing strategies, when retailers have a low-cost focus or a short-term orientation, they tend to rely on lower prices through discounts or coupons, but when retailers use a differentiation focus or a long-term orientation, they realign their pricing by offering lower entry-level prices. Regarding product strategies, we found a tendency for retailers with a low-cost focus to emphasize private label brands, whereas retailers with a differentiation focus pursue products that are localized, are recession-resilient products or have better quality and design.

Furthermore, following the recommendations of the grounded theory approach, we integrated the findings from various thematic categories to develop a conceptual framework which provides deeper insights into the retail industry's realignment decisions in response to the 2008 recession (see Figure 1). Our model shows that realignment decisions within each of the functional areas are based on interaction with a firm's strategic focus and orientation. In particular, retailers executed short-term, low-cost focussed realignment decisions mainly in two functional areas: price realignment through discounts and coupons; and operational realignment through elimination of jobs and SKUs. Further, long term, low-cost focussed realignment decisions were mainly centered on operational activities such as improving operational efficiency through inventory management and supply-chain management (Fernie *et al.*, 2010). Conversely, short-term, differentiation-focussed realignment decisions were realized primarily through special events/campaigns promotions geared toward creating buzz and immediate sales. Finally, long-term, differentiation-focussed realignment decisions were executed mainly in three functional areas: organizational realignment of tangible assets (stores) and intangible assets (branding, service), price

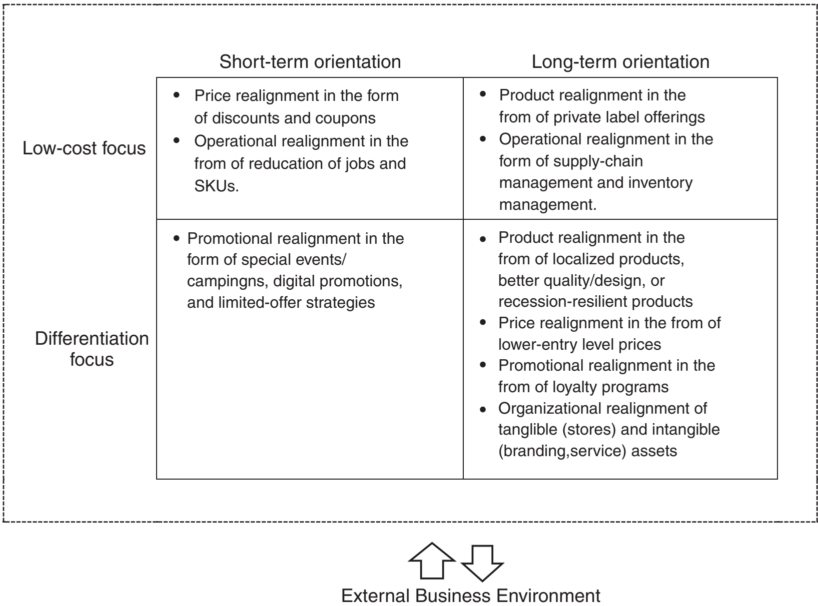

Figure 1.
Retailers' realignment strategies in response to a recession

reduction in the form of lower-entry level products, and promotional activities in the form of loyalty programs. Logic dictates that both low-cost and differentiation-focussed approaches can enhance organizational performance (Homburg *et al.*, 1999) and thrive in a difficult economic environment. However, while short-term measures can boost performance immediately, the outcomes are usually only temporary and carry a risk of damaging the brand image when strategies are poorly planned. On the other hand, high-performing firms in hostile environments tend to adopt long-term orientations to achieve more sustainable advantages (Gulati *et al.*, 2010). Therefore, balancing immediate needs with a long-term vision should be a critical realignment consideration.

Moreover, we compared realignment strategies across four years to examine dynamics of strategic decisions as the economy recovers over time, an area that has been overlooked in previous studies. We found that reports about realignment decisions were more frequent during recession ($M = 45.2$, $SD = 25.70$) than in the post-recession period ($M = 32.4$, $SD = 21.38$), $t(4) = 3.59$, $p < 0.05$. Additionally, the greatest number of reports occurred in 2009, which has been reported as the year when the economy was at its worst (NBER, 2010). These findings are in line with the year-over-year change in retail sales reported by the US Census Bureau, which shows a dramatic drop between 2008 ($4,402,508 million) and 2009 ($4,082,092 million) and recovery between 2010 ($4,307,947 million) and 2011 ($4,627,809 million). More specifically, we found that strategies employed in recession differed from business-as-usual strategies in that retailers launched a greater number of initiatives aimed at boosting sales; for example, special events/campaigns, limited-offer/time promotions, discounts, and coupons. To further counterpoise the drop in sales, retailers paid greater attention to short-term cost reduction measures such as stock-trimming strategies and reduced staffing. While these measures are a knee-jerk response of most businesses during a recession, existing literature warns against launching too many initiatives without a clear sense of opportunity (Favaro *et al.*, 2009). Furthermore, Gulati *et al.* (2010) prescribe that cost reduction measures should be coupled with investment opportunities in order to thrive during and after recession.

While retailers typically reduce the needs-offer gap through low pricing strategies such as discounts and coupons (Hess and Ring, 2014), we also found that despite a recession retailers strive to protect their brand image from heavy or frequent price cuts by offering lower-entry level products or by launching a variety of creative or special promotions to lure hesitant consumers into their stores. This finding suggests that companies are forced to become more agile and innovative in order to counterpoise opportunities and risks during difficult economic conditions (Rollins *et al.*, 2014). In conclusion, these findings fill a gap in the extant literature by providing an in-depth review and theoretical explanation of realignment strategies adopted by retailers in the USA in response to the 2008 recession, the most severe recession since the 1930s.

Limitations and future research

Findings of this study must be evaluated in light of some limitations. First, in this study we provide a macro-perspective of the realignment strategies undertaken by the retail industry. Accordingly, we were unable to perform a detailed analysis at the firm level. For example, we found that retailers undertake both long-term and short-term measures to realign in response to the recession. However, we were unable to compare the effectiveness of short-term or long-term orientations within the bounds of our data. Therefore, future researchers should conduct a micro-analysis of retailers pursuing different strategic orientations and goals to analyze the comparative effectiveness of these strategies. Research on retailers that thrived or failed during recession could provide insights into the types of strategies that can ensure positive financial performance in a difficult business environment.

Second, literature suggests that to achieve an overall organizational alignment with the business environment, decisions within and across function should be aligned both vertically and laterally (Kathuria *et al.*, 2007). Vertical alignment refers to coordination of strategies at the various levels of the organization, while horizontal alignment refers to cross-functional and intra-functional integration (Kathuria *et al.*, 2007). Cross-functional integration implies consistency across functions, such as marketing and operations, so that decisions made in each of the functions complement one another (Kathuria *et al.*, 2007). Intra-functional coordination is achieved through alignment of strategic decisions within each function. In line with this body of literature, we found that retailers implemented strategic decisions across and within different functional decision areas, such as price, promotion, product, and operations, to achieve the single purpose of attaining a greater fit between the company and the altered business environment as a result of recession. It was beyond the scope of our study to differentiate between the various vertical levels of alignment, but vertical alignment can be an outcome of horizontal alignment. Given that when horizontal alignment is achieved, it is carried out from the bottom up to achieve consistency at various vertical levels of the organization (Kathuria *et al.*, 2007). Therefore, future research can examine whether horizontal realignment paves the way for vertical alignment.

Third, reciprocity exists between external environment and strategic focus and orientation: while the environment induces realignment activities, organizations may also actively seek opportunities for realignment (Walter *et al.*, 2013). For instance, we found that Saks, a differentiation-focussed retailer, offered lower entry-level prices to cater to the reduced consumer spending due to the recession. At the same time, Walmart, a low cost-focus retailer, redesigned some of its stores to attract upscale demographics, creating a dynamic process wherein the retailer actively decided to realign to seek a new niche segment – consumers trading down to lower-priced alternatives due to the recession. These findings suggest that interaction between organizational strategic realignment and external environment is an iterative and dynamic process which is particularly important under turbulent conditions (Walter *et al.*, 2013). Due to the nature of our data, we are unable to establish whether active or passive realignment decisions are more effective in enhancing performance, thus calling for further investigation.

Fourth, news media may report a story more than once. We acknowledge this fact as a potential limitation of our data. We also expect that not all activities and changes occurring in the retail environment are reported in news media; for example, common reduction of prices by retailers may not be reported. In an attempt to minimize validity concerns, we analyzed news stories over four years, an analysis which included over 2,000 news summaries.

Lastly, a recession diminishes economic growth and impacts society by altering consumer consumption patterns and the competitive structure and profitability of firms. While some businesses limit investment in research and development, others may continuously discover new ideas and strategies, considering a recession as an opportunity to reposition or revamp their businesses (Sands and Ferraro, 2010). Therefore, future research can lend a perspective on opportunities and threats presented by a recession by examining various investment decisions (e.g. geographic expansion and product/service development) and retrenchment strategies (e.g. store closings and divestment) to provide a more complete view of the retail industry's strategic decisions in response to the recent recession.

References

Allan, G. (2003), "A critique of using grounded theory as a research method", *Electronic Journal of Business Research Methods*, Vol. 2 No. 1, pp. 1-10.

Alonso-Almeida, M.d.M. and Bremser, K. (2013), "Strategic responses of the Spanish hospitality sector to the financial crisis", *International Journal of Hospitality Management*, Vol. 32, pp. 141-148.

Blythe, J. (2007), "Advertising creatives and brand personality: a grounded theory perspective", *Journal of Brand Management*, Vol. 14 No. 4, pp. 284-294.

Brunk, K.H. and Blümelhuber, C. (2011), "One strike and you're out: qualitative insights into the formation of consumers' ethical company or brand perceptions", *Journal of Business Research*, Vol. 64 No. 2, pp. 134-141.

Carpenter, J.M. and Moore, M. (2008), "US consumers' perceptions of non-price retail promotions", *International Journal of Retail & Distribution Management*, Vol. 36 No. 2, pp. 111-123.

Chou, T.-J. and Chen, F.-T. (2004), "Retail pricing strategies in recession economies: the case of Taiwan", *Journal of International Marketing*, Vol. 12 No. 1, pp. 82-102.

Corbin, J.M. and Strauss, A. (1990), "Grounded theory research: procedures, canons, and evaluative criteria", *Qualitative Sociology*, Vol. 13 No. 1, pp. 3-21.

Creswell, J.W. (2012), *Qualitative Inquiry and Research Design: Choosing Among Five Approache*, Sage Publications, Thousand Oaks, CA.

Cundiff, E.W. (1975), "What is the role of marketing in a recession?", *Journal of Marketing*, Vol. 39 No. 2, p. 1.

Erdogan, B.Z. (1999), "Celebrity endorsement: a literature review", *Journal of Marketing Management*, Vol. 15 No. 4, pp. 291-314.

Favaro, K., Romberger, T. and Meer, D. (2009), "Five rules for retailing in a recession", *Harvard Business Review*, Vol. 87 No. 4, pp. 64-72.

Fernie, J., Sparks, L. and McKinnon, A.C. (2010), "Retail logistics in the UK: past, present and future", *International Journal of Retail & Distribution Management*, Vol. 38 Nos 11/12, pp. 894-914.

Flatters, P. and Willmott, M. (2009), "Understanding the post-recession consumer", *Harvard Business Review*, Vol. 87 Nos 7/8, pp. 106-112.

Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2012), "Seeking qualitative rigor in inductive research: notes on the Gioia Methodology", *Organizational Research Methods*, Vol. 16 No. 1, pp. 15-31.

Grant, R.M. (1991), "The resource-based theory of competitive advantage: implications for strategy formulation", *California Management Review*, Vol. 33 No. 3, pp. 114-135.

Gulati, R., Nohria, N. and Wohlgezogen, F. (2010), "Roaring out of recession", *Harvard Business Review*, pp. 1-10.

Hausman, A. and Johnston, W.J. (2014), "The role of innovation in driving the economy: lessons from the global financial crisis", *Journal of Business Research*, Vol. 67 No. 1, pp. 2720-2726.

Hess, R.L. Jr and Ring, L. (2014), "Off-price versus price-off: use of discriminant analysis to identify competitive differences across retail formats", *International Journal of Retail & Distribution Management*, Vol. 42 No. 10, pp. 902-928.

Homburg, C., Krohmer, H. and Workman, J.P. (1999), "Strategic consensus and performance: the role of strategy type and marketrelated dynamism", *Strategic Management Journal*, Vol. 20, pp. 339-357.

Hurd, M.D. and Rohwedder, S. (2010), "Effects of the financial crisis and great recession on Amercian households", Working Paper Series No. 16407, National Bureau of Economic Research.

Kathuria, R., Joshi, M.P. and Porth, S.J. (2007), "Organizational alignment and performance: past, present and future", *Management Decision*, Vol. 45 No. 3, p. 503.

Katz, R.L. (1970), *Cases and Concepts in Corporate Strategy*, Prentice-Hall, Englewood Cliffs, NJ.

Köksal, M.H. and Özgül, E. (2007), "The relationship between marketing strategies and performance in an economic crisis", *Marketing Intelligence & Planning*, Vol. 25 No. 4, pp. 326-342.

Little, P.L., Mortimer, J.W., Keene, M.A. and Henderson, L.R. (2009), "Evaluating the effect of recession on retail firms' strategy using DuPont method: 2006-2009", *Journal of Finance and Accountancy*, pp. 1-7.

Makkonen, H., Pohjola, M., Olkkonen, R. and Koponen, A. (2014), "Dynamic capabilities and firm performance in a financial crisis", *Journal of Business Research*, Vol. 67 No. 1, pp. 2707-2719.

NBER (2010), *Business Cycle Dating Committee, National Bureau of Economic Research*, available at: www.nber.org/cycles/sept2010.html (accessed July 9, 2015).

Pearce, J.A., Robbins, D.K. and Robinson, R.B. (1987), "The impact of grand strategy and planning formality on financial performance", *Strategic Management Journal*, Vol. 8 No. 2, pp. 125-134.

Piercy, N. (1983), "What marketing lessons can retailers learn from the recession?", *Retail and Distribution Management*, Vol. 11 No. 3, pp. 15-20.

Powell, T.C. (1992), "Organizational alignment as competitive advantage", *Strategic Management Journal*, Vol. 13 No. 2, p. 119.

Quelch, J.A. and Jocz, K.E. (2009), "How to market in a downturn", *Harvard Business Review*, Vol. 87 No. 4, pp. 52-62.

Rollins, M., Nickell, D. and Ennis, J. (2014), "The impact of economic downturns on marketing", *Journal of Business Research*, Vol. 67 No. 1, pp. 2727-2731.

Sands, S. and Ferraro, C. (2010), "Retailers' strategic responses to economic downturn: insights from down under", *International Journal of Retail & Distribution Management*, Vol. 38 No. 8, pp. 567-577.

Simmons, G. (1981), "The effect of the recession on the retail trade", *Retail & Distribution Management*, Vol. 9 No. 3, pp. 10-17.

Simmons, M. (1983), "Retailing out of the recession: the beginning of the breakthrough?", *Retail and Distribution Management*, Vol. 11 No. 1, pp. 16-19.

SmartBrief (n.d.), "NRF *SmartBrief*", available at: www.smartbrief.com/nrf/index.jsp?campaign = signup_box_index (accessed November 10, 2014).

Srinivasan, N., Jain, S.C. and Sikand, K. (2004), "An experimental study of two dimensions of country-of-origin (manufacturing country and branding country) using intrinsic and extrinsic cues", *International Business Review*, Vol. 13 No. 1, pp. 65-82.

Srinivasan, R., Rangaswamy, A. and Lilien, G.L. (2005), "Turning adversity into advantage: does proactive marketing during a recession pay off?", *International Journal of Research in Marketing*, Vol. 22 No. 2, pp. 109-125.

Sum, S., Mathews, R.M., Pourghasem, M. and Hughes, I. (2009), "Internet use as a predictor of sense of community in older people", *CyberPsychology & Behavior*, Vol. 12 No. 2, pp. 235-239.

The Economist (2011), *American Recessions and Recoveries: Recessions Compared*, available at: www.economist.com/blogs/dailychart/2011/07/american-recessions-and-recoveries (accessed July 9, 2015).

Walter, J., Kellermanns, F.W., Floyd, S.W., Veiga, J.F. and Matherne, C. (2013), "Strategic alignment: a missing link in the relationship between strategic consensus and organizational performance", *Strategic Organization*, Vol. 11 No. 3, pp. 304-328.

Walters, D. (1994), "The impact of the recession on retailing management decisions and performance", *International Journal of Retail & Distribution Management*, Vol. 22 No. 4, pp. 20-31.

Further reading

Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2013), "Seeking qualitative rigor in inductive research: notes on the gioia methodology", *Organizational Research Methods*, Vol. 16 No. 1, pp. 15-31.

About the authors

Dr Manveer Mann is an Assistant Professor of Marketing at the School of Business, Montclair State University. She received her PhD from the Auburn University. Her research interests include consumer behavior and retailing. Dr Manveer Mann is the corresponding author and can be contacted at: mann.manveer@gmail.com

Dr Sang-Eun Byun is an Associate Professor in the Department of Consumer and Design Sciences at the Auburn University. Her research focusses on consumer decision-making, experiential retailing, and global sourcing/retailing.

Dr Yishuang Li is a Doctoral Candidate in the Department of Consumer and Design Sciences at the Auburn University. Her research focusses on consumer behavior and technology applications in retailing.