

A CONTINGENT LOOK AT RETAIL INTERNATIONALIZATION: PROPOSITION OF A TAXONOMY AND DISCUSSION OF THEORETICAL CHALLENGES

*UMA VISÃO CONTINGENCIAL DA INTERNACIONALIZAÇÃO DO VAREJO:
PROPOSIÇÃO DE UMA TAXONOMIA E DISCUSSÃO DOS DESAFIOS TEÓRICOS*

**RENATA MARIA DE ALMEIDA
BASTOS GOMES¹**

IAG – Escola de Negócios da PUC-Rio
renatamariagomes@uol.com.br

**JORGE MANOEL TEIXEIRA
CARNEIRO²**

FGV/EAESP – Escola de Administração de
Empresas de São Paulo
jtcarneiro@gmail.com

LUIS ANTONIO DA ROCHA DIB³

Instituto COPPEAD de Administração
dib@coppead.ufrj.br

ABSTRACT

There is no agreement upon the set of dimensions to be used to categorize distinct types of retailers and, consequently, it is difficult to disentangle the particularities of the internationalization trajectories of specific types of retailers. In this article, we propose a taxonomy of the firms involved in international retailing and discuss the differences in the internationalization patterns of the retail business across the types of retailers. The data was collected from an extensive review of the literature on retail internationalization and from several secondary sources, such as a report of a research institute and retailers' websites, as well as from visits to stores. The proposed taxonomy identifies three distinct types: (i) traditional retailers, (e.g., Walmart, JCPenney), which distribute a varied array of third parties' brands, (ii) specialized branded retailers (e.g., Zara, H&M), which are exclusive distributors of their own brands, and (iii) direct branded retailers (e.g., Adidas, Louis Vuitton), firms that are brand manufacturers' that are also distributors of their brands, but in a non-exclusive manner, as such brands are also distributed through other retailers. This contingent view of retail internationalization helps overcome two weak points this field has: (i) the pervasive research practice of employing mixed samples of distinct types of retailers; and (ii) the inadvertent focus on traditional retailers, such as supermarkets and department stores, as if they were representative of the population of international retailers as a whole, which contrasts with the noticeable increase in the international retail distribution of consumer products through monobrand stores.

Keywords: retail internationalization, retailer types, taxonomy.

RESUMO

A literatura carece de uma identificação clara dos diferentes tipos de firmas envolvidas com atividades varejistas internacionais, dificultando a identificação das particularidades da traje-

¹ Pontifícia Universidade Católica do Rio de Janeiro. R. Marquês de São Vicente, 225, Gávea, 22451-900, Rio de Janeiro, RJ, Brasil.

² Escola de Administração de Empresas de São Paulo – FGV/EAESP. Av. Nove de Julho, 2029, 3º andar, 01313-902, São Paulo, SP, Brasil.

³ Instituto COPPEAD de Administração, Universidade Federal do Rio de Janeiro. Rua Pascoal Lemme, 355, ed COPPEAD, Ilha do Fundão, 21941-918, Rio de Janeiro, RJ, Brasil.

tória internacional de diferentes tipos de varejistas. Neste artigo, propomos uma taxonomia das firmas envolvidas na internacionalização varejista e discutimos as diferenças entre os padrões seguidos por cada tipo identificado. Os dados foram obtidos por meio de uma extensa revisão de literatura e de consulta a várias fontes de dados secundários (relatórios de um instituto de pesquisa e *websites* das firmas), bem como de visitas a lojas. A taxonomia de firmas envolvidas na internacionalização varejista resultou em três tipos distintos de *players*: (i) varejistas tradicionais, como Walmart e JCPenney, distribuidores de marcas de terceiros, (ii) varejistas monomarca, como Zara e H&M, distribuidores exclusivos de suas marcas e (iii) varejo direto dos fabricantes, como Adidas e Louis Vuitton, firmas desenvolvedoras de marcas que distribuem suas próprias marcas por meio de lojas monomarca, mas de forma não exclusiva, já que essas marcas também são distribuídas pelos varejistas tradicionais. Essa visão contingencial da internacionalização varejista permite a superação de dois pontos fracos desse campo: (i) pesquisas com amostras de diferentes tipos de varejistas; e (ii) conclusões com base em amostras de varejistas tradicionais, como supermercados, como se fossem representativas da população de varejistas internacionais. Notadamente, a ênfase das pesquisas com varejistas tradicionais não responde às evidências do crescimento da presença global de marcas distribuídas por meio de lojas monomarca.

Palavras-chave: internacionalização varejista, tipos de varejista, taxonomia.

INTRODUCTION

Retail internationalization (RI) is not a recent phenomenon (Alexander, 2012; Leknes and Carr, 2004), but research in the field still suffers from fragmentation (Alexander and Doherty, 2010; Burt and Sparks, 2002; Dawson, 2000; Swoboda *et al.*, 2009). Such undesirable state of affairs stems from the absence of an agreed upon definition of what constitutes RI (Dawson, 1994; Sternquist, 1997) and the still unclear identification of the main categories of international retailers and how they behave (Alexander and Doherty, 2010; Moore and Burt, 2007). Extant literature has concentrated on the internationalization of mass merchandise retailers – in particular, supermarkets and hypermarkets chains such as Walmart and Tesco – and has oftentimes inadvertently taken this category as representative of the population of international retailers. In addition, several studies have employed mixed samples of distinct types of retailers (Alexander, 2011; Sternquist, 1997; Vida and Fairhurst, 1998), which make it difficult to disentangle the particularities of the internationalization trajectories of specific types of retailers.

While some studies have proposed their own typology of international retailers, based on the observation of their international expansion movements (Pellegrini, 1994; Salmon and Tordjman, 1989; Treadgold, 1988), and some have focused on a particular type of merchandise, such as food and non-food (Alexander and Doherty, 2009) or retail segment, such as fashion and luxury (Fionda and Moore, 2009; Wigley and Moore, 2007), there is still a theoretical gap concerning which dimensions would be best to characterize the firms that are involved in the retail internationalization. Several researchers

(e.g., Alexander and Doherty, 2010; Ilonen *et al.*, 2011; Lopez and Fan, 2009; Moore *et al.*, 2000) have argued that many of the proposed typologies do not deal well with retail heterogeneity, an industry marked by different types of firms which are involved with the retailing activity, such as luxury retailers and fashion retailers, whose own brands are the main drive of their international expansion (Moore *et al.*, 2000).

Therefore, a new dimensional classification is necessary in order to account for the internationalization trajectories of firms that are involved exclusively with the distribution of their own branded products, rather than the distribution of branded products of third parties' (which characterizes the retailing activity of supermarkets and department stores). Examples of those firms involved in the exclusive distribution of their own branded products are found in several industries such as fashion (e.g., Zara, H&M, Calvin Klein), luxury accessories (e.g., Louis Vuitton, Gucci, Prada), cosmetics & toiletry (e.g., The Body Shop, MAC, L'Occitane), IT & telecom gadgets (e.g., Apple, Dell, Samsung), sportswear (e.g., Adidas, Nike, Under Armour), among others. Indeed, the exemplified firms are brand developers involved with both manufacturing (either directly or via outsourced sub-contracting) and retailing activities.

Considering the differences in the very nature of the firms involved in retail internationalization, we argue that some of the existing theoretical tenets in the field are not equally applicable to all firms and, therefore, such differences call for the advancement of new (contingent) theoretical underpinnings in order to account for differences in the internationalization trajectories across different types of retailers. In this study, we focus on dimensions which have not received proper attention in the retail literature – core activity (retail or manufacturing)

and brand origin (third parties' brands or own brands). Given differences, across and within, firms' types associated with their core activity and brand origin, research should investigate if there are relevant differences in the RI process across them, with respect to motives, market selection, entry modes, operational patterns and international performance outcomes, as well as profile of divestment.

The objective of this paper is twofold. First, to justify a new taxonomy of firms involved with international retailing, based on the above-mentioned two dimensions, which is relevant to identify similarities and differences across firms in order to characterize properly the RI process. Second, to provide arguments about the distinctive internationalization patterns of those firms that develop and sell exclusively their own brand, not only as a contingent approach to the "universalistic" research practice of employing mixed samples of distinct types of retailers (Davies, 1993; Moore and Fernie, 2004), but also as a contrasting and complementary avenue to the usual research focus on mass merchandise retailers.

In order to achieve these research objectives, we departed from a thorough RI literature review, visits to the retailers' stores and data about the operations of firms involved with international retail made available by several secondary sources (retailers' websites, special reports). After this brief introduction, the next section presents the research method, followed by the proposed taxonomy of international retailers. Next, we discuss the implications of such taxonomy to better understand RI processes for each type of international retailer. This paper ends with the implications of the differences across retailers' types on the development of RI field and suggestions for future investigations, as well as the presentation of limitations of this research.

RESEARCH METHOD

Our first research objective is to propose a taxonomy of retailers that is relevant to identifying similarities and differences across retailing activity in order to properly characterize the RI process. Data to support this objective was obtained from: (a) a review of the literature in RI, retailing and marketing fields, in order to identify existing taxonomies and retailers' type denominations, (b) retailers' websites, which presented information of their activities, (c) visits to some international retailers' stores, in order to illustrate the taxonomy with real examples, and (d) the Deloitte's Global Retailing Powers report (Deloitte, 2014).

The Deloitte's Global Retailing Powers report (Deloitte, 2014) has been used as a data source in several RI studies (e.g., Chan *et al.*, 2011; Mohr *et al.*, 2014; Mohr e Batsakis, 2014). Among the top 250 retailers listed in the report, we selected companies operating in more than one country (international retailers, *cf.* Chan *et al.*, 2011) and excluded retailers that are pure e-commerce players and do not use bricks and mortar

stores. For each of the 148 cases thus selected, we collected information about their retail sales, parent/company total sales and number of countries of operation. We checked additional sources of data (stores visits, retailers' websites and annual reports and available case studies) to classify correctly the cases into the proposed taxonomy.

In order to attain the second research objective, that is, to provide arguments about the distinctive internationalization patterns among retailers' types, we have resorted to (a) a review of the RI literature which covers the various aspects of the RI process, (b) a collection of the information available at retailers' websites and annual reports and (c) the experience of one of the authors of the current paper, who was a practitioner in the retail business as a shopping center developer in Brazil for 14 years.

A FINE-GRAINED CLASSIFICATION OF RETAILERS

LITERATURE CRITICAL REVIEW ON RETAILERS' TYPES

Retail internationalization processes and trajectories are expected not to be homogeneous across different retail types (Mollá-Descals *et al.*, 2011; Moore *et al.*, 2000). Hollander (1970) was recognized as the first to identify international types of retailers, such as "luxury goods retailer" and "specialized retailers". Other authors distinguish "food" and "non-food" retailers (Alexander e Doherty, 2009), and "fashion retailers" (Doherty, 2000; Wigley *et al.*, 2005). Although often used by scholars and practitioners, such classifications are non-exhaustive, not mutually exclusive, and often lack internal consistency.

Overall, several types of retailers can be identified across the stock of theoretical and empirical studies to date. In studies about hypermarket and supermarkets, these retailers are usually designated as mass merchandise, general merchandise, large or 'big box' retailers (Alexander and Doherty, 2009; Arnold, 2002; Diallo, 2012). However, large or 'big box' retailer are also used in the classification of department stores, such as Marks&Spencer (Mellahi *et al.*, 2002) and of specialized retailers that operate with large store format, such as Home Depot and Ikea (Bianchi and Arnold, 2004; Jonsson, 2010). Large specialist retailers are also known as category killers (Moore *et al.*, 2000).

Mass merchandise retailers and similar terms, represented by the supermarkets, hypermarkets, department stores and discount stores, usually employ large stores (the "big box" format) and sell a vast array of merchandise, including food, and of brands purchased from diverse manufacturers. As a way to increase their bargaining power, they may develop/sell products under their own private label, which compete with products of their traditional suppliers (Bao *et al.*, 2011; Diallo *et al.*, 2013). Apart from these similarities, there are particularities that characterize each category of mass merchandise retailers. Hypermarkets and supermarkets – such as Carrefour, Tesco, and Walmart – include food in their assortment; department

stores – such as Saks and Marks&Spencer – are organized in sections (“departments”), each representing a small store (Guy, 1998); and discount stores – such as Costco and Target – offer low-price-low-service (Kim and Jin, 2002).

Specialized retailers sell products of specific categories – such as toys (Toys R Us), shoes (Foot Locker), perfume and cosmetics (Sephora and Parfumerie Douglas), or home appliances (Home Depot and Ikea) – with deep assortment coming from many manufacturers. However, the store size of these retailers may vary; while Home Depot operates with ‘big box’ formats, Sephora’s stores are of a smaller size (Alexander and Doherty, 2009).

In common, the above-mentioned retailers are multi-branded retailers, i.e., they buy and sell products/brands from several manufacturers. However, the comparison between the several multi-branded types of retailers indicates that there is an underlying dimension that differentiates them, that is, product scope. In the case of the mass merchandising type of retailers, such as the supermarkets, the product scope is wide (general merchandise), while in the case of the specialized retailers, the product scope is narrow (specialized merchandise).

It is interesting to note that multi-branded retailers may develop private labels, which are distributed only in their own (or franchised) stores. While extant literature recognizes that the development of private labels originates from retailers’ intention to limit the power of manufacturers (Bao *et al.*, 2011; Steenkamp and Geyskens, 2014), there is also evidence that private labels also support retailers’ own brand expansion strategy. The case in point is Sephora, whose own branded products are sold in their stores, but also in department stores (e.g., El Corte Inglés, 2014), as well as in several *e-tailers*, such as Amazon (Kerber, 2011).

Studies of these types of multi-branded retailers prevailed in the initial phase of the RI literature and are still very popular (Alexander and Doherty, 2010). More recently, the increase in the international activity of fashion and luxury retailers called the attention of the academic community, which has led to a relevant number of studies on these retail sectors (Alexander and Doherty, 2010). Besides, well-known consumer brands, such as Apple, Nike and MAC, are also sold through chains of monobrand stores in a worldwide scale. However, little has been published in the RI literature about this type of retailing activity (Ilonen *et al.*, 2011).

In studies about those types of retailers, extant literature offers a plethora of terms with lack of uniformity, such as brand-oriented retailers, branded retailers and brand manufacturer’s retailers (Alexander and Doherty, 2009; Alexander, 1995; Brídson and Evans, 2004). Moreover, in some studies, firms involved with retail activities are identified by their stores types, such as single brand stores, company (owned) stores, (own) brand stores, branded stores or manufacturer’s retail direct channel (Brun and Castelli, 2008; Dolbec and Chebat, 2013; Ilonen *et al.*, 2011).

In common, these firms are involved with the retail activity by selling a narrow range of products under their own private brands. The comparison between multi-branded retailers, such as the supermarkets, and mono-branded retailers, such as the fashion retailers, indicates that there is an underlying dimension that differentiates them, related to brand management. While the multi-branded retailers manage a range of thirds parties’ brands, which might include or not, their private labels, the mono-branded retailers manage only their own brands, and do not manage any third parties’ brands.

However, mono-branded retailers are not exactly one single type of firm. While Zara is a retailer that also develops (and manufactures) its brands, Nike is a manufacturer that is also involved with the direct retailing of its brands. In the former example, the firm’s core business is retailing, but its value chain is backward integrated into manufacturing – either by operating their own manufacture activities or else by outsourcing from third parties. The reasons for backward integration relate to the need to achieve the proper balance between quality and price (Lopez and Fan, 2009). In the latter example, the firm’s core business is manufacturing (directly or outsourced) and brand development, but its value chain is forward integrated into distribution, by operating mono-branded stores. The reasons for the forward integration into retailing relate to the need to control better the (extended) brand experience offered to consumers (Castelli and Brun, 2010; Ilonen *et al.*, 2011).

The comparison between retailers backward integrated into manufacturing and manufacturers forward integrated into retailing suggests another underlying dimension that differentiates them, which is the firms’ core business. While the former firm’s core business is retailing, the latter’s is manufacturing.

PROPOSAL OF A TAXONOMY OF INTERNATIONAL RETAILERS

In view of the previous discussion, we propose a classification of international retailers with respect to three dimensions: (a) product scope – wide or narrow; (b) brands’ management – own or third parties’; and (c) company’s core business – retailing or manufacturing (see Table 1).

As per Table 1, four different retailers types were identified: (i) general merchandise retailers, retailing firms whose stores distribute a wide array of products/brands of several manufacturers, (ii) specialized retailers, retailing firms whose stores distribute a narrow array of products/brands of several manufacturers, (iii) specialized branded retailers, retailing firms whose stores distribute only the brands they develop and manage through backward integration, and (iv) direct branded retailers, manufacturing firms’ that develop and manage brands and are also involved with the direct distribution of their brands through retail mono-branded stores.

Table 1. A three-dimension classification of retailers.

Core Business	Product Scope		Brand Management
	Wide	Narrow	
Retail (buy-to-sell)	General merchandise retailers <i>E.g.: Tesco, Walmart, Marks & Spencer</i>	Specialized retailers <i>E.g. Home Depot, Toys 'r' Us and Boots</i>	Third parties' brands
Retail (backward integrated into manufacture)		Specialized branded retailers <i>E.g. Inditex (Zara), H&M, C&A and Fast Retailing (Uniqlo)</i>	Own brands
Manufacture (forward integrated into retail)		Direct branded retailers <i>E.g. Apple, Nike, Samsung, Swarovski, MAC, Louis Vuitton, Gucci, Burberry</i>	Own Brands

Direct branded retailers are involved a wide spectrum of retail sectors. There are examples of brand manufacturer retailers in IT & telecom gadgets (Apple, Samsung), sportswear (Nike, Adidas), luxury goods (Burberry, Louis Vuitton), chocolates (Lindt, Godiva), cosmetics & toiletry (MAC, L'Occitane), and apparel (Hugo Boss, All Saints, Desigual). A similar, and quite interesting, example is found in some service firms that sell tangible souvenirs, such as Disney Store and ESPN Store; although they are not manufacturers *per se*, their core business is not retail either. Additionally, cross sector branding activities are noticed in the stores of the Coca-Cola Clothing brand.

For the purposes of this paper and in order to avoid possible misinterpretation stemming from the multiplicity of terms used in the literature to refer to the retailers types, multi-branded retailers, either general or specialized, will be jointly named as *Traditional Retailers*. In seeking for parsimony, we opted to join both types into one because they differ only in one less relevant dimension (product scope). The distributors of the brands they develop and manage through backward integration into manufacturing (represented by some of the most prominent fashion retailers) will be named as *Specialized Branded Retailers*. And the manufacturers' direct retail business (e.g., in the fashion, luxury goods, sportswear, computers industries, among others) will be named *Direct Branded Retailers*.

Table 2 presents additional details (channel strategy, retail format and prevalent store size) on top of the ones presented in Table 1, which are also more fine-grained presented.

AN EMPIRICAL VERIFICATION OF THE PROPOSED TAXONOMY OF INTERNATIONAL RETAILERS

We searched in the 250 top retailers of Deloitte's report (Deloitte, 2014), and found 148 international retailers; out of those, 128 were classified as Traditional Retailers (either General Merchandise or Specialized Retailers), 10 were classified as Specialized Branded Retailers and another 10 as Direct Branded Retailers – the latter two categories being the focus of this study and listed in Table 3.

Most (or all) of the revenues of Traditional Retailers relates to retail sales, since they do not manufacture products. Specialized Branded Retailers are involved in manufacturing, but they usually do not sell their products to other retailers; rather, they sell them through their own or franchised retail stores. Therefore, most (or all) of their revenues also relates to retail sales. Direct Branded Retailers are product manufacturers, which have also engaged in retail; as such, most of their revenues do not necessarily come from their retail business.

The prevalence of Traditional Retailers in Deloitte's Top 250 international retailers list results from their sales volume across the globe, but not necessarily represents their visibility in the international retailing scenario. In terms of geographical diversification, Specialized Branded Retailers and Direct Branded Retailers operate in many more countries than the Traditional Retailers. While the former are present respectively in 48.7 and 51.6 countries on average, the latter operate in 8.5 countries on average (mass merchandise retailer), and 11.2 countries on average (specialized retailer).

ASPECTS OF THE RETAIL INTERNATIONALIZATION PROCESS

We review the literature on RI highlighting the differences in the internationalization process of the three proposed types of retailers, from now referred to as SBR, for Specialized Branded Retailers, and DBR, for Direct Branded Retailers. Traditional Retailers will be designated without abbreviations. When mentioned all together, they will be referred as retailers and when both SBR and DBR are mentioned together, they will be referred as Branded Retailers.

The RI literature review will follow the agenda used by Swoboda *et al.* (2009), resulting in the following aspects of the RI process: motives, market selection (and number of countries), entry modes, operational patterns, and divestment profile.

Table 2. *International retailer types' detailed information.*

Retailer type	Traditional Retailer	Specialized Branded Retailer	Direct Branded Retailer
	RETAILING	RETAILING	MANUFACTURING
Core activity	Focus on retail distribution of an array of products of several manufacturers	Focus on retail distribution, via mono-branded stores, of a specialized array of own branded goods	Retail as part of company's channel strategy
Activities in the value chain	Retailing	Retailing backward integrated into manufacture	Manufacturing forward integrated into retail
Merchandise range	General merchandise (food and non-food) or specialized merchandise (shoes, home appliances, toys etc.)	Specialty merchandise: mostly fashion-related goods (apparel, shoes, accessories etc.)	Specialty single branded merchandise: apparel, luxury goods, computers, sportswear, cosmetics etc.
Brand management	Manages corporate brand, while selling third parties' brands; may develop products under private labels.	Develops and manages own brands.	Develops and manages own brands.
Distribution strategy	Buy-to-sell products/brands from multiple manufacturers.	Own branded products sold exclusively through branded stores.	Own branded products sold through wholesale to traditional retailers and through branded stores.
Retail format	Hyper/Supermarket, Discount Store, Department Store, Category specialist (usually owned, but there can be franchised stores)	Branded stores, which sell only own branded products. (usually owned, but there can be franchised stores)	Branded stores, which sell only own branded products. (usually a combination of owned and franchised stores)
Prevalent store size	Large sized stores (big box). Specialized retailers may operate with smaller stores	Large and medium sized stores (universal size).	Medium and small sized stores (universal size).
Examples	General: Tesco, Walmart, Marks & Spencer; Specialized: Home Depot, Toys 'R' Us, Boots	Inditex (Zara, Pull and Bear, etc.), H&M, C&A, Fast Retailing (Uniqlo)	Apple, Nike, Adidas, Swarovski, MAC, L'Occitane, Louis Vuitton, Gucci, Burberry

Source: expanded and refined from Alexander and Doherty (2009); Arnold (2002); Bridson and Evans (2004); Brun and Castelli (2008); Burt and Sparks (2002); Castelli and Brun (2010); Diallo (2012); Dawson (1994, 2000); Dolbec and Chebat (2013); Guy (1998); Ilonen *et al.* (2011); Kim and Jin (2002); Lopez and Fan (2009); Mollá-Descais *et al.* (2011); Moore and Fernie (2004); Moore *et al.* (2000).

MOTIVES

Several scholars have suggested brand orientation as a pull factor in RI motives for Branded Retailers in the search for new markets, irrespectively of the situation of their domestic markets (Alexander and Doherty, 2009; Treadgold, 1988; Wrigley *et al.*, 2005). Pull factors were used to explain the expansion of luxury retailers (an example of DBR), which looked into foreign market niche opportunities to expand their unique brands (Dion and Arnould, 2011; Fionda and Moore, 2009; Nobbs *et al.*, 2012). In contrast, Traditional Retailers are more likely to expand to foreign markets as a response to the saturation of their domestic markets (Burt and Sparks, 2002).

Alexander (1995) proposed a motivation matrix in which Traditional Retailers are more prone to expand by push factors

and Branded Retailers, called by the author as brand-oriented retailers, by pull factors, being the latter prone to be born global, as their original brand inception is usually globally oriented. Strong brand image, niche strategy and innovative retail formats allowed Branded Retailers to explore the opportunities identified in foreign markets, resulting in intense expansion both domestically and internationally (Alexander and Doherty, 2009; Quinn, 1999; Williams, 1992).

MARKET SELECTION

RI literature, as well as anecdotal evidence, usually support the argument that Branded Retailers can select more distant markets and may operate in many more countries than Traditional Retailers (Deloitte, 2014; Moore *et al.*, 2000).

Table 3. Specialized Branded Retailers and Direct Branded Retailers included in Top 250 Global Powers of Retailing.

Rank	Company's Name	Product Category	Country of origin	2012 retail revenue (US\$m)	2012 parent group revenue (US\$m)	% retail/group revenue	# countries of operation
SPECIALIZED BRANDED RETAILERS							
45	Inditex, S.A.	Apparel/Accessories	Spain	20.560	20.560	100%	88
52	H & M Hennes & Mauritz	Apparel/Accessories	Sweden	17.800	17.800	100%	49
59	The Gap, Inc.	Apparel/Accessories	US	15.651	15.651	100%	47
85	Fast Retailing Co., Ltd.	Apparel/Accessories	Japan	11.773	11.803	100%	28
95	L Brands, Inc.	Apparel/Accessories	US	10.459	10.459	100%	56
116	C&A Europe	Apparel/Accessories	BE/GE	8.904	8.904	100%	20
168	Next plc	Apparel/Accessories	UK	5.501	5.662	97%	72
199	Abercrombie & Fitch Co.	Apparel/Accessories	US	4.511	4.511	100%	20
215	Arcadia Group Limited	Apparel/Accessories	UK	4.218	4.218	100%	43
229	Groupe Vivarte	Apparel/Accessories	France	4.026	4.026	100%	64
					<i>Average</i>	100%	48,7
DIRECT BRANDED RETAILERS							
41	LVMH Moët Hennessy	Luxury Goods	France	22.770	36.143	63%	76
50	Apple Inc./Apple Stores	Computers/Eletronic	US	18.828	156.508	12%	14
125	Steinhoff Int'l Holdings	Furniture	S. Africa	7.952	13.117	61%	21
138	Cie Financ.Richemont SA	Luxury Goods	Switzerland	7.009	13.078	54%	75
152	Kering S.A.	Luxury Goods	France	6.293	12.522	50%	85
173	The Sherwin-Williams Co.	Home appliances	US	5.410	9.534	57%	8
200	Coach, Inc.	Apparel/Accessories	US	3.500	5.075	69%	16
203	Celesio AG	Pharmacy	Germany	4.453	28.642	16%	9
207	Dell Inc.	Computers/Eletronic	US	4.369	56.940	8%	164
210	Nike, Inc.	Sportware	US	4.326	25.313	17%	48
					<i>Average</i>	41%	51,6

Source: Deloitte's Top 250 Global Powers of Retailing (Deloitte, 2014).

The reasons for broader market selection options are found in the characteristics of foreign markets where Branded Retailers' targeted consumers have already experienced their brands, by travelling abroad, or where their brands are well recognized and highly valued, because of brands' global marketing efforts, including merchandising initiatives in films and TV series.

Although extant literature contends that firms tend to select geographically close foreign markets that exhibit similar economic, cultural, and political systems to enter in the first moment of their internationalization process (Evans *et al.*, 2000; Treadgold, 1988), some studies found that Branded Retailers could use their own brands' image and niche orientation to overcome psychic distance barriers or mitigate their effects

(Evans *et al.*, 2000; Moore *et al.*, 2000, Simpson and Thorpe, 1995). Alexander (1990) emphasized the importance of the niche opportunity when DBR select a new market to enter, using as example the targeted cosmopolitan consumers of luxury goods who can be found in large cities of many countries.

ENTRY MODES

International retailers' entry modes are usually presented as a continuum, ranging from high to low control, risk and cost (Treadgold, 1988). Organic expansion is characterized by a high degree of control, cost and risk, followed by merger, acquisition, and joint venture, while franchise presents lower

degree of control, costs and risks (Burt, 1993; Doherty, 2000). RI literature indicates that Traditional Retailers are prone to high control market entries, as merges and acquisitions (Burt *et al.*, 2008; Wrigley and Lowe, 2007), joint ventures (Palmer, 2006) and organic growth (Palmer and Owens, 2006; Wrigley and Lowe, 2007; Wrigley *et al.*, 2005).

Branded Retailers count with a broader spectrum of entry modes, when they possess a strong brand identity clearly positioned and do not operate with big box type of stores, and may adopt mixed or composed entry mode types, including franchising (direct to franchisees or through a master franchisee) (Burt, 1993; Doherty, 2000; Lopez and Fan, 2009; Picot-Coupey, 2009; Waarts and van Everdingen, 2006). However, organic growth seems to be the preferred mode for SBR, as noticed by Lopez and Fan (2009) for Zara and as stated by H&M in their investors' information prospect: "H&M stores are run by H&M, with the exception of some markets where we collaborate with franchising partners. Franchising is not part of the general expansion strategy" (H&M, 2014).

Flagship stores are considered as an entry mode of DBR (Nobbs *et al.*, 2012), such as the luxury designer retailers, paramount to the success of the international expansion of their brands (Fionda and Moore, 2009). The flagship store provides a retail setting where DBR can leverage brand loyalty, promote brand image and communicate brand meaning in foreign countries (Arrigo, 2015). As argued by Moore *et al.* (2010, p. 156), "[flagship stores] are distinguishable from the rest of the retail network due to their scale, design, location and set-up and operating costs".

OPERATIONAL PATTERNS

The nature of the retailing activity, when compared to manufacturing, has raised questions about what is in fact internationalized (Dawson, 1994). Some scholars point to the transference of the retail concept, i.e., such as retail know-how, innovation, offer, formula, identity, format and brands (Burt *et al.*, 2005; Dawson, 2000). In the marketing literature, the following aspects or activities have been argued to be transferrable across markets: store image, assortment depth and breadth, and store environment (Ailawadi and Keller, 2004; Lindquist, 1974; Mazursky and Jacoby, 1986). Ultimately, store image can measure the impact of retail as a brand (Burt and Sparks, 2002; Dawson, 1994, 2000) in consumers' patronage.

Yet, it has been argued that the store image concept does not emphasize how consumers perceive the store that carries a single brand, such as the stores of the Branded Retailers, as the very brand appeal may exert stronger level of influence on the consumers' perception of the store image (Lopez and Fan, 2009; Moore *et al.*, 2010). Branded Retailers seek the international expansion of the brands they develop and see themselves as brands, rather than retailers (Frasquet *et al.*, 2013; Ilonen *et al.*,

2011; Moore *et al.*, 2010). Brands are developed in a centralized manner, including the retail settings, and "exported" to foreign markets. In contrast, Traditional Retailers "export" their retail formula, which includes the retailer's corporate image (Burt and Mavrommatis, 2006).

However, the retail activity of the DBR is only a part of their distribution strategy, as those retailers also export their brands to be distributed by local (multibrand) retailers in foreign markets. Consequently, while DBR export brands and also open brands' exclusive stores in foreign markets, SBR internationalization usually is carried out only by the opening of brands' exclusive stores.

As argued by (Ilonen *et al.*, 2011), DBR seems to be gaining a global scale, noted by the increase in flagships and mono-branded stores. Brands like Le Creuset, Apple and Nike, originally sold only through Traditional Retailers, are also seeking growth by delivering to the consumer a brand's complete shopping experience (Brun and Castelli, 2008). Alexander and Doherty (2009, p. 101) argued that "retailing has been traditionally the less important arm of a manufacturing-based commercial activity", but recognized the importance of the fast growing forward integration activity of manufacturers into flagship stores and/or designer fashion brands (Kozinets *et al.*, 2002; Manlow and Nobbs, 2013)

Brand orientation plays an important role in the adaptation vs. standardization debate and RI scope (Swoboda *et al.*, 2009). Branded Retailers are usually seen as global retailers, which exploit their brands' value around the globe, subject to few adaptations. Sternquist (1997) noticed that retailers with global orientation are vertically integrated, ranging from product conception to retailing, and expand into foreign markets in a standardized combination of their retail formula and valuable brands for foreign consumers.

Some research on SBR (specifically, fashion retailers) provided evidence of the positive impact of the international replication of standardized integration of brand identity and store environment on performance in the host market, as well as in the relationship with stakeholders (Mollá-Descals *et al.*, 2011; Wrigley and Moore, 2007).

In contrast, Traditional Retailers are more vulnerable to the foreign market environment, such as local competition, culture, supply chain and regulation (Alexander and Doherty, 2009; Rocha and Dib, 2002), and their operational patterns are normally adapted to each foreign market.

In respect to the international retailers' operational challenges, Alexander and Doherty (2009) argued that Traditional Retailers should focus on their distribution competences to deal with adaptation challenges, as the scarcity of big sites, for instance, and benefit from their corporate brand strength, while Branded Retailers should emphasize the brand appeal in selected targeted markets, as they face few adaptation barriers. DBR faces an important operational challenge, as the manufacturer has to change its whole business model to become

a retailer (Ilonen *et al.*, 2011) – but that is a challenge that is dealt with before the internationalization process takes place.

DIVESTMENT

Despite growing interest, literature on RI divestment still searches for appropriate theoretical ground that accounts for the many external and internal factors that affect the RI process (Alexander and Quinn, 2002; Cairns *et al.*, 2008). Extant research focuses only on the divestment process of Traditional Retailers, but little is known about Branded Retailers' international divestment.

RI divestment may take place through various forms (Alexander and Quinn, 2002; Cairns *et al.*, 2008), ranging from closure of stores, sale of the store chain in a country, termination of a business contract (joint venture, franchising) or organizational restructuring, and therefore "divestment may or may not involve market exit" (Alexander and Doherty 2009, p. 326). However, Traditional Retailers' divestment is more likely to happen by completely leaving the host market (Cairns *et al.*, 2008).

Alexander *et al.* (2005) showed that the stability of the volume of this activity are mostly related to external factors, both coming from domestic and foreign market, as for instance, during periods of economic crisis. In terms of internal factors, smaller retail chains (which run fewer than 40 units) are more

prone to divestment while companies with market longevity resist better than the younger ones.

Branded Retailers of considerable size may be more resistant to failure, due to resource availability. However, divestment is more likely to happen by reducing the quantity of stores in the host market until a minimum point where operations become not profitable any longer due to structural local costs (Alexander and Quinn, 2002) and definite exit is taken. DBR may also abandon their retail operations in a given host market and keep the brand sold through other indirect retail channels, such as local retailers.

SUMMARY OF THE ASPECTS OF THE RETAIL INTERNATIONALIZATION PROCESS PER RETAILER TYPE

The aspects of the retail internationalization process previously revised are summarized in Table 4 per each different retailer type.

Traditional Retailers internationalize their retail formula (Bao *et al.*, 2011) and usually expand abroad because of push factors – often, saturation of their domestic market (Alexander, 1990, Williams, 1992). They tend to select psychically close countries (Treadgold, 1988), thus entering a small number of countries. They often adopt high-control entry modes (Palmer and Owens, 2006) and their operational pattern is oriented to

Table 4. Retail internationalization aspects.

Aspects	Traditional Retailer	Branded Retailer	Direct-Channel Retailer
Why (motives)	Push factors	Pull factors	Pull factors
Where (market selection, number of countries)	Highly influenced by psychic distance, prefers psychically close countries.	Targets a specific group of consumers as per life style, and is less influenced by psychic distance.	Targets a specific group of consumers as per life style, and is less influenced by psychic distance.
	Fewer countries	More countries.	More countries.
How (entry modes)	Organic, M&A, J/V	Organic, Master Franchise	Mixed models (wholly-owned, franchised) and flagship stores
How (operational patterns)	Internationalization of the retail formula, adapted to the host markets. Consumers experience in the store, retail services technology, under a corporate brand	Internationalization of the branded store, with few adaptations to the host markets. Consumers experience the integrated store and brand experience	Internationalization of the brand image, with few adaptations to the host market. Consumers enjoy the full brand experience in the stores and may buy the brands in other channels
Divestment Profile	Divestment takes place by leaving the market or M/A with local player	Divestment in stages: store chain reduced to a minimum to justify local market support (distribution centers, offices)	Divestment may occur by reducing store presence or changing brand channel variety

Source: expanded from Alexander (1990); Alexander and Doherty (2009); Alexander and Quinn (2002); Bao *et al.* (2011); Brun and Castellí (2008); Burt and Mavrommatis (2006); Burt *et al.* (2005); Cairns *et al.* (2008); Childs and Jin (2014); Dawson (1994, 2000); Evans and Bridson (2005); Evans *et al.* (2000); Ilonen *et al.* (2011); Frassetto *et al.* (2013); Guercini and Runfola (2010); Manlow and Nobbs (2013); Mollá-Descals *et al.* (2011); Moore and Fernie (2004); Moore *et al.* (2010); Palmer and Owens (2006); Salmon and Tordjman (1989); Simpson and Thorpe (1995); Sternquist (1997); Treadgold (1988); Vida and Fairhurst (1998); Williams (1992).

adapt to the host country characteristics. They may be more resistant to failure, due to resources availability, and divestment is more likely to happen by completely leaving the host market (Cairns *et al.*, 2008).

Specialized Branded Retailers internationalize the branded store formula, influenced by pull factors, usually the opportunity to exploit an appealing brand and innovative/exclusive products in several host markets, whose consumers have similar life styles and "standardized" preferences (Moore *et al.*, 2000). Their offer is unique, as they sell exclusively the brands they develop and these brands are sold exclusively through their stores, owned or master franchised. They may be more resistant to failure, due to resource availability. Divestment is more likely to happen by reducing the quantity of stores in the host market until a minimum point where operations become no longer profitable due to structural local costs (Alexander and Quinn, 2002) and definite exit is taken.

Direct Branded Retailers internationalize their brands by using a great variety of distribution forms, ranging from selling through Traditional Retailers to mono-branded stores, as well as via e-commerce (Frasquet *et al.*, 2013). Pull factors motivate DBR to foreign markets, stemming from the opportunity to expand their appealing brands and technology/uniqueness to similar customer segments in several host markets. As they target specific consumers, segmented by their life styles and aspirations, psychic distance is mitigated by standardized preferences, influenced by consumer global convergence (De Mooij and Hofstede, 2002). They offer to local consumers the complete brand experience (Brun and Castelli, 2008), either through own or franchised stores, and ultimately through the unique experience provided by flagship stores (Manlow and Nobbs, 2013). Divestment may occur in many forms, ranging from the reduction in the number of stores to even only one store, to the complete absence of the direct retail format and the maintenance of the brand's presence in market through the local retailers (Alexander and Quinn, 2002).

DISCUSSION AND CONCLUSIONS

We identified differences in business models across retailer types, which can affect their RI patterns, responding to the first objective of this paper. Understanding such differences and taking a finer-grained approach to RI is necessary to respond to the emergent role of branding as a major force of retail's internationalization (Wigley *et al.*, 2005).

The results from the analysis of the different aspects of the RI process across the herein proposed retailers' types contributed to achieve the second objective of this paper, by answering the question: are there significant differences in the RI processes across the proposed types of retailers that justify the development of a contingent body of research? Considering what has been discussed here, the answer is 'yes'.

Direct Branded Retailers, manufacturers that also sell through direct retailing, possess features that allow them to internationalize faster and broader: the strength of their brand, the attractiveness of the products/technologies to given consumer segments across several countries, the importance of the direct retail to their main manufacturer business and their standardized formats. Specialized Branded Retailers, retailers that sell exclusively their own brands, count on an internationalized supply chain and brand appeal that sets them apart from fierce price competition and helps them achieve a global position. Traditional Retailers, retailers of multi-branded third parties' products, on the other hand, lack brand differentiation and face major adaptation issues, which lead them to operate in few and usually psychically close markets. Although their retail formula is easily transferable to host markets, it is also easy to be imitated and may have been preempted by indigenous competitors, making them strategically more vulnerable to host market competition (Dawson, 1994).

Traditional Retailers and Direct Branded Retailers seem to share only one common feature – both are distributors of merchandise to consumers – but no other similarities. As for Direct Branded Retailers and Specialized Branded Retailers, while a quick look might suggest that they look alike in many dimensions of RI, there are in fact some differences related to their distribution activities. In this respect, fashion retailing research is providing a valuable amount of knowledge about innovative formats and an international supply-chain being created to support the expansion of strong brands worldwide.

In this paper, we attempted to offer a view of the international retail scenario considering the retailing activity enlarged in its scope of activity, also encompassing manufacturing and brand management.

Additionally, we argue that Direct Branded Retailers is likely to be the main source of new international retailers, as manufacturers' willingness to grow internationally may possibly fill up retail arena with their brands' direct stores (Bell *et al.*, 2001). With respect to global luxury brands, Bain & Company (2014, p. 17) reports that:

Company-owned retail stores continued to gain share relative to other channels. From 2007 through 2014, the share of company-owned retail sales has gained 10 percentage points and now totals nearly one-third of the luxury-goods market. This reflects an ongoing "retailization" of what had been wholesale formats (for example, department stores) ... with brands increasingly seeking global control of their operations.

In fact, many other brands not listed in the Delloite's Global Powers of Retail report (Delloite, 2014) are relevant players in the global scenario, as most of them are known by many consumers in developed and emerging countries, for instance: Adidas, Michael Kors, Nespresso, Coach, L'Occitane, MAC and Swarovski.

Branded Retailers may be inaugurating a new form of RI, which in fact sets them away from the boundaries of RI and pushes their status to the level of global brand "exporters". In other words, which type of retailer is likely to lead the internationalization of retailing towards a global direction? As per data here provided about the number of countries per retailer's type, these retailers focused on branding activities (Specialized Branded Retailers and Direct Branded Retailers) are already leading retail globalization, somehow forcing RI field to consider this phenomenon, rather than remain confined into the limits of the activities of Traditional Retailers.

Finally, the retailer types here proposed may also contribute for further research towards the development of RI models more capable of predicting internationalization movements of firms that are differently involved with the retailing activity, as well as the configuration of host markets' retail arena.

These arguments notwithstanding, retailing dynamics will hardly conform to typologies over time. As this paper is written, new research is probably being developed to accommodate the differences among fashion and luxury fashion (Ko and Megehee, 2012), specialized supermarkets (e.g., the life-styled Whole Foods), entertainment-oriented brand stores (e.g., Disney and ESPM stores) and online-only retailers (e.g., Amazon). Additionally, some complex hybrid cases were encountered. Firstly, Sephora, a Traditional Retailer (specialized) whose core activity is to sell brands of many manufacturers, is strongly internationalizing its own brand and also supplying department stores (a Traditional Retailer) with its Sephora branded-products. Secondly, some Specialized Branded Retailers are also selling their brands through shop-in-shop (corners) in department stores, as the case of the British apparel brand Top Shop sold in the American specialized retailer Nordstrom, and the case of the Spanish apparel brands of Inditex (Zara, Pull and Bear etc.) sold in the Spanish department store El Corte Inglés, among other examples.

Limited by the fragmented theories of RI and the scarcity of proper empirical data, this research offered a taxonomy that encompasses the largest international retailers, but probably will not be able to encompass all the international retailers found in the global marketplace. Restaurants and fast food retailing were intentionally not covered in this paper since they are less product-dependent, leaning closer to services, and for the sake of parsimony, pure ecommerce retailers were also not covered. Similarly, no geographical or spatial analysis was performed in a way to identify specific patterns of expansion, mainly those typically intraregional ones.

The above discussion describes some elements of RI for each of the proposed retailer types supported by literature review and by some empirical evidences. Findings are still to be tested and refined, mainly those related to the Direct Branded Retailers as few specific research has been conducted on them, to the best of our knowledge. Nevertheless, there is a general claim for more research in the area to build strong enough

theoretical ground to support different retail business types (Alexander and Doherty, 2010; Frassetto *et al.*, 2013; Ilonen *et al.*, 2011; Moore and Fernie, 2004).

REFERENCES

- AILAWADI, K.L.; KELLER, K.L. 2004. Understanding retail branding: conceptual insights and research priorities. *Journal of Retailing*, 80(4):331-342. <https://doi.org/10.1016/j.jretai.2004.10.008>
- ALEXANDER, N. 1990. Retailers and International Markets: Motives for Expansion. *International Marketing Review*, 7(4):75-85 <https://doi.org/10.1108/02651339010142797>
- ALEXANDER, N. 1995. Expansion within the Single European Market: A motivational structure. *The International Review of Retail, Distribution and Consumer Research*, 5(4):472-487. <https://doi.org/10.1080/09593969500000027>
- ALEXANDER, N. 2011. British overseas retailing, 1900-60: International firm characteristics, market selections and entry modes. *Business History*, 53(4):530-556. <https://doi.org/10.1080/00076791.2011.574691>
- ALEXANDER, N. 2012. Retailing in international markets, 1900-2010: A response to Godley and Hang's "Globalisation and the evolution of international retailing: A comment on Alexander's "British overseas retailing, 1900-1960". *Business History*, 55(2):302-312. <https://doi.org/10.1080/00076791.2012.692082>
- ALEXANDER, N.; DOHERTY, A.M. 2009. *International Retailing*. New York, Oxford University Press, 371 p.
- ALEXANDER, N.; DOHERTY, A.M. 2010. International retail research: focus, methodology and conceptual development. *International Journal of Retail & Distribution Management*, 38(11/12):928-942. <https://doi.org/10.1108/09590551011085993>
- ALEXANDER, N.; QUINN, B. 2002. International retail divestment. *International Journal of Retail & Distribution Management*, 30(2):112-125. <https://doi.org/10.1108/09590550210418137>
- ALEXANDER, N.; QUINN, B.; CAIRNS, P. 2005. International retail divestment activity. *International Journal of Retail & Distribution Management*, 33(1):5-22. <https://doi.org/10.1108/09590550510577101>
- ARRIGO, E. 2015. The role of the flagship store location in luxury branding: an international exploratory study. *International Journal of Retail and Distribution Management*, 43(6):518-537. <https://doi.org/10.1108/IJRDM-08-2013-0158>
- ARNOLD, S.J. 2002. Lessons learned from the world's best retailers. *International Journal of Retail & Distribution Management*, 30(11):562-570. <https://doi.org/10.1108/09590550210449412>
- BAIN & COMPANY. 2014. Luxury Goods Worldwide Market Study. Available at: <http://www.bain.com/publications/articles/luxury-goods-worldwide-market-study-december-2014.aspx>. Accessed on: 15/07/2015.
- BAO, Y.; BAO, Y.; SHENG, S. 2011. Motivating purchase of private brands: Effects of store image, product signatureness, and quality variation. *Journal of Business Research*, 64(2):220-226. <https://doi.org/10.1016/j.jbusres.2010.02.007>

- BELL, J.; MCNAUGHTON, R.; YOUNG, S. 2001. "Born-again global" firms: An extension to the "born global" phenomenon. *Journal of International Management*, 7(3):173–189. [https://doi.org/10.1016/S1075-4253\(01\)00043-6](https://doi.org/10.1016/S1075-4253(01)00043-6)
- BIANCHI, C.C.; ARNOLD, S.J. 2004. An Institutional Perspective on Retail Internationalization Success: Home Depot in Chile. *The International Review of Retail, Distribution and Consumer Research*, 14(2):149–169. <https://doi.org/10.1080/0959396042000178179>
- BRIDSON, K.; EVANS, J. 2004. The secret to a fashion advantage is brand orientation. *International Journal of Retail & Distribution Management*, 32(8):403–411. <https://doi.org/10.1108/09590550410546223>
- BRUN, A.; CASTELLI, C. 2008. Supply chain strategy in the fashion industry: Developing a portfolio model depending on product, retail channel and brand. *International Journal of Production Economics*, 116(2):169–181. <https://doi.org/10.1016/j.ijpe.2008.09.011>
- BURT, S. 1993. Temporal trends in the internationalization of British retailing. *International Review of Retail, Distribution and Consumer Research*, 3(4):391–410. <https://doi.org/10.1080/09593969300000025>
- BURT, S.; DAVIES, K.; DAWSON, J.; SPARKS, L. 2008. Categorizing patterns and processes in retail grocery internationalisation. *Journal of Retailing and Consumer Services*, 15(2):78–92. <https://doi.org/10.1016/j.jretconser.2007.05.008>
- BURT, S.; DAVIES, K.; MCAULEY, A.; SPARKS, L. 2005. Retail Internationalisation: From Formats to Implants. *European Management Journal*, 23(2):195–202. <https://doi.org/10.1016/j.emj.2005.02.006>
- BURT, S.L.; SPARKS, L. 2002. Corporate branding, retailing, and retail internationalization. *Corporate Reputation Review*, 5(2-3):2–3. <https://doi.org/10.1057/palgrave.crr.1540174>
- BURT, S.; MAVROMMATIS, A. 2006. The international transfer of store brand image. *The International Review of Retail, Distribution and Consumer Research*, 16(4):395–413. <https://doi.org/10.1080/09593960600844178>
- CAIRNS, P.; DOHERTY, A.M.; ALEXANDER, N.; QUINN, B. 2008. Understanding the international retail divestment process. *Journal of Strategic Marketing*, 16(2):111–128. <https://doi.org/10.1080/09652540801981553>
- CASTELLI, C.M.; BRUN, A. 2010. Alignment of retail channels in the fashion supply chain: An empirical study of Italian fashion retailers. *International Journal of Retail & Distribution Management*, 38(1):24–44. <https://doi.org/10.1108/09590551011016313>
- CHAN, P.; FINNEGAN, C.; STERNQUIST, B. 2011. Country and firm level factors in international retail expansion. *European Journal of Marketing*, 45(6):1005–1022. <https://doi.org/10.1108/0309056111119985>
- CHILDS, M.L.; JIN, B. 2014. Is Uppsala model valid to fashion retailers? An analysis from internationalisation patterns of fast fashion retailers. *Journal of Fashion Marketing and Management: An International Journal*, 18(1):36–51. <https://doi.org/10.1108/JFMM-10-2012-0061>
- DAVIES, G. 1993. Is retailing what the dictionaries say it is? *International Journal of Retail & Distribution Management*, 21(2):3–7. <https://doi.org/10.1108/09590559310028059>
- DAWSON, J.A. 2000. Retailing at century end: some challenges for management and research. *The International Review of Retail, Distribution and Consumer Research*, 10(2):119–148. <https://doi.org/10.1080/095939600342325>
- DAWSON, J.A. 1994. Internationalization of retailing operations. *Journal of Marketing Management*, 10(4):267–282. <https://doi.org/10.1080/0267257X.1994.9964274>
- DELLOITTE. 2014. Global Powers of Retailing 2012. Available at: <http://www2.deloitte.com/global/en/pages/consumer-business/articles/global-powers-of-retailing.html>. Accessed on: 18/07/2014.
- DE MOOIJ, M.; HOFSTEDE, G. 2002. Convergence and divergence in consumer behaviour: implications for international retailing. *Journal of Retailing*, 78(1):61–69. [https://doi.org/10.1016/S0022-4359\(01\)00067-7](https://doi.org/10.1016/S0022-4359(01)00067-7)
- DIALLO, M.F. 2012. Retailers' Internationalization in Emerging Markets: A Comparative Study of a French and a Local Retailer's Key Success Factors in Brazil. *International Business Research*, 5(10):91–99. <https://doi.org/10.5539/ibr.v5n10p91>
- DIALLO, M.F.; CHANDON, J.-L.; CLIQUET, G.; PHILIPPE, J. 2013. Factors influencing consumer behaviour towards store brands: evidence from the French market. *International Journal of Retail & Distribution Management*, 41(6):422–441. <https://doi.org/10.1108/09590551311330816>
- DION, D.; ARNOULD, E. 2011. Retail Luxury Strategy: Assembling Charisma through Art and Magic. *Journal of Retailing*, 87(4):502–520. <https://doi.org/10.1016/j.jretai.2011.09.001>
- DOHERTY, A.M. 2000. Factors influencing international retailers' market entry mode strategy: qualitative evidence from the UK fashion sector. *Journal of Marketing Management*, 16(1-3):223–245. <https://doi.org/10.1362/026725700785100514>
- DOLBEC, P.-Y.; CHEBAT, J.-C. 2013. The Impact of a Flagship vs. a Brand Store on Brand Attitude, Brand Attachment and Brand Equity. *Journal of Retailing*, 89(4):460–466. <https://doi.org/10.1016/j.jretai.2013.06.003>
- EL CORTE INGLES. 2014. Available at: http://www.modaelcorteingles.pt/marcas-de-a-a-/?first_letter=D. Accessed on: 14/07/2014.
- EVANS, J.; BRIDSON, K. 2005. Explaining retail offer adaptation through psychic distance. *International Journal of Retail & Distribution Management*, 33(1):69–78. <https://doi.org/10.1108/09590550510577138>
- EVANS, J.; TREADGOLD, A.; MAVONDO, F.T. 2000. Psychic distance and the performance of international retailers—a suggested theoretical framework. *International Marketing Review*, 17(4/5):373–391. <https://doi.org/10.1108/02651330010339905>
- FIONDA, A.M.; MOORE, C.M. 2009. The anatomy of the luxury fashion brand. *Journal of Brand Management*, 16(5-6):347–363. <https://doi.org/10.1057/bm.2008.45>
- FRASQUET, M.; DAWSON, J.; MOLLA, A. 2013. Post-entry internationalisation activity of retailers: An assessment of dynamic capabilities. *Management Decision*, 51(7):1510–1527. <https://doi.org/10.1108/MD-02-2013-0081>
- GUERCINI, S.; RUNFOLA, A. 2010. Business networks and retail internationalization: A case analysis in the fashion industry. *Industrial Marketing Management*, 39(6):908–916. <https://doi.org/10.1016/j.indmarman.2010.06.010>

- GUY, C. 1998. Classifications of retail stores and shopping centres: some methodological issues. *GeoJournal*, 45(4):255–264. <https://doi.org/10.1023/A:1006960414161>
- H&M. 2014. Available at: <http://about.hm.com/en/About/Investor-Relations.html>. Accessed on: 14/07/2014.
- HOLLANDER, S.C. 1970. *Multinational Retailing*. Institute for International Business and Economic Development Studies, Michigan State University East Lansing, MI, 260 p.
- ILONEN, L.; WREN, J.; GABRIELSSON, M.; SALIMÄKI, M. 2011. The role of branded retail in manufacturers' international strategy. *International Journal of Retail & Distribution Management*, 39(6):414–433. <https://doi.org/10.1108/09590551111137976>
- JONSSON, A. 2010. How to Maintain a Process Perspective on Retail Internationalization: The IKEA Case. In: P. SCHNEDLITZ; D. MORSCHETT; T. RUDOLPH; H. SCHRAMM-KLEIN; B. SWOBODA (eds.), *European Retail Research*, London, Gabler, p. 27–49. https://doi.org/10.1007/978-3-8349-8938-3_2
- KERBER, N. 2011. Sephora Case Study. Available at: <http://pdf.thepdfportal.com/PDFFiles/120362.pdf>. Accessed on: 15/07/2014.
- KIM, S.; JIN, B. 2002. Validating the retail service quality scale for US and Korean customers of discount stores: an exploratory study. *Journal of Services Marketing*, 16(3):223–237. <https://doi.org/10.1108/08876040210427218>
- KO, E.; MEGEHEE, C.M. 2012. Fashion marketing of luxury brands: Recent research issues and contributions. *Journal of Business Research*, 65(10):1395–1398. <https://doi.org/10.1016/j.jbusres.2011.10.004>
- KOZINETZ, R.V.; SHERRY, J.F.; DEBERRY-SPENCE, B.; DUHACHEK, A.; NUTTAVUTHISIT, K.; STORM, D. 2002. Themed Flagship Stores in the New Millennium. *Journal of Retailing*, 78(1):17–29. [https://doi.org/10.1016/S0022-4359\(01\)00063-X](https://doi.org/10.1016/S0022-4359(01)00063-X)
- LEKNES, H.M.; CARR, C. 2004. Globalisation, International Configurations and Strategic Implications: The Case of Retailing. *Long Range Planning*, 37(1):29–49. <https://doi.org/10.1016/j.lrp.2003.11.005>
- LINDQUIST, J.D. 1974. Meaning of Image. *Journal of Retailing*, 50(4):29.
- LOPEZ, C.; FAN, Y. 2009. Internationalisation of the Spanish fashion brand Zara. *Journal of Fashion Marketing and Management*, 13(2):279–296. <https://doi.org/10.1108/13612020910957770>
- MANLOW, V.; NOBBS, K. 2013. Form and function of luxury flagships. *Journal of Fashion Marketing and Management: An International Journal*, 17(1):49–64. <https://doi.org/10.1108/13612021311305137>
- MAZURSKY, D.; JACOBY, J. 1986. Exploring the Development of Store Images. *Journal of Retailing*, 62(2):145–165.
- MELLAHI, K.; JACKSON, P.; SPARKS, L. 2002. An exploratory study into failure in successful organizations: The case of Marks & Spencer. *British Journal of Management*, 13(1):15–29. <https://doi.org/10.1111/1467-8551.00220>
- MOHR, A.; BATSAKIS, G. 2014. Intangible assets, international experience and the internationalisation speed of retailers. *International Marketing Review*, 31(6):601–620. <https://doi.org/10.1108/IMR-09-2013-0186>
- MOHR, A.; FASTOSO, F.; WANG, C.; SHIRODKA, V. et al. 2014. Testing the Regional Performance of Multinational Enterprises in the Retail Sector: The Moderating Effects of Timing, Speed and Experience. *British Journal of Management*, 25:S100–S115. <https://doi.org/10.1111/1467-8551.12013>
- MOLLÁ-DESCALS, A.; FRASQUET-DEL TORO, M.; RUIZ-MOLINA, M.-E. 2011. Internationalization patterns in fashion retail distribution: implications for firm results. *The Service Industries Journal*, 31(12):1979–1993. <https://doi.org/10.1080/02642069.2011.540754>
- MOORE, C.; BURT, S. 2007. Developing a research agenda for the internationalization of fashion retailing. In: T. HINES; M. BRUCE (eds.), *Fashion Marketing: Contemporary Issues*. Oxford, Routledge, p. 89–116.
- MOORE, C.; FERNIE, J. 2004. *Retailing within an international context*. In: M. BRUCE; C. MOORE; M. BIRTWISTLE (eds.), *International Retail Marketing: A Study Case Approach*. Oxford, Routledge, p. 3–37.
- MOORE, C.M.; FERNIE, J.; BURT, S. 2000. Brands without boundaries—the internationalisation of the designer retailer's brand. *European Journal of Marketing*, 34(8):919–937. <https://doi.org/10.1108/03090560010331414>
- MOORE, M.; DOHERTY, A. M.; ALEXANDER, N.; CARPENTER, J. 2010. International retail brand origin recognition. In: 6th Thought Leaders International Conference on Brand Management. Lugano, 2010. Available at: https://pure.strath.ac.uk/portal/files/28217146/Monday_InternationalIII_MOORE.pdf. Accessed on: 15/07/2015.
- NOBBS, K.; MOORE, C.M.; SHERIDAN, M. 2012. The flagship format within the luxury fashion market. *International Journal of Retail & Distribution Management*, 40(12):920–934. <https://doi.org/10.1108/09590551211274928>
- PALMER, M. 2006. International retail joint venture learning. *The Service Industries Journal*, 26(2):165–187. <https://doi.org/10.1080/02642060500369263>
- PALMER, M.; OWENS, M. 2006. New directions for international retail joint venture research. *International Review of Retail, Distribution and Consumer Research*, 16(02):159–179. <https://doi.org/10.1080/09593960600572183>
- PELLEGRINI, L. 1994. Alternatives for Growth and Internationalization in Retailing. *The International Review of Retail, Distribution and Consumer Research*, 4(2):121–148. <https://doi.org/10.1080/09593969400000012>
- PICOT-COUPPEY, K. 2009. Determinants of a Retailer's Choice of International Expansion Mode: Conceptual Model and Empirical Validation. *Recherche et Applications en Marketing (English Edition)*, 24(4):23–54. <https://doi.org/10.1177/205157070902400402>
- QUINN, B. 1999. The Temporal Context of UK Retailers' Motives for International Expansion. *The Service Industries Journal*, 19(2):101–116. <https://doi.org/10.1080/02642069900000021>
- ROCHA, A.; DIB, L.A. 2002. The entry of Wal-Mart in Brazil and the competitive responses of multinational and domestic firms. *International Journal of Retail & Distribution Management*, 30(1):61–73. <https://doi.org/10.1108/09590550210415266>
- SALMON, W.J.; TORDJMAN, A. 1989. The internationalisation of retailing. *International Journal of Retail & Distribution Management*, 4(2):3–16. <https://doi.org/10.1108/eum000000002916>

- SIMPSON, E.M.; THORPE, D.I. 1995. A Conceptual Model of Strategic Considerations for International Retail Expansion. *The Service Industries Journal*, 15(4):16–24.
<https://doi.org/10.1080/02642069500000047>
- STEENKAMP, J.-B.; GEYSKENS, I. 2014. Manufacturer and retailer strategies to impact store brand share: Global integration, local adaptation, and worldwide learning. *Marketing Science*, 33(1):6–26. <https://doi.org/10.1287/mksc.2013.0801>
- STERNQUIST, B. 1997. International expansion of US retailers. *International Journal of Retail & Distribution Management*, 25(8):262–268. <https://doi.org/10.1108/09590559710178347>
- SWOBODA, B.; ZENTES, J.; ELSNER, S. 2009. Internationalisation of retail firms: state of the art after 20 years of research. *Marketing: Journal of Research and Management*, 5(2):105–126. <https://doi.org/10.15358/0344-1369-2009-jrm-2-105>
- TREADGOLD, A. 1988. Retailing without frontiers: The emergence of transnational retailers. *International Journal of Retail & Distribution Management*, 16(6):8–12.
<https://doi.org/10.1108/eb018382>
- VIDA, I.; FAIRHURST, A. 1998. International expansion of retail firms: A theoretical approach for future investigations. *Journal of Retailing and Consumer Services*, 5(3):143–151.
[https://doi.org/10.1016/S0969-6989\(96\)00056-2](https://doi.org/10.1016/S0969-6989(96)00056-2)
- WAARTS, E.; VAN EVERDINGEN, Y.M. 2006. Fashion retailers rolling out across multi-cultural Europe. *International Journal of Retail & Distribution Management*, 34(8):645–657.
<https://doi.org/10.1108/09590550610675958>
- WIGLEY, S.; MOORE, C.; BIRTWISTLE, G. 2005. Product and brand: Critical success factors in the internationalisation of a fashion retailer. *International Journal of Retail & Distribution Management*, 33(7):531–544.
<https://doi.org/10.1108/09590550510605596>
- WIGLEY, S.; MOORE, C.M. 2007. The operationalisation of international fashion retailer success. *Journal of Fashion Marketing and Management*, 11(2):281–296.
<https://doi.org/10.1108/13612020710751437>
- WILLIAMS, D.E. 1992. Motives for retailer internationalization: their impact, structure and implications. *Journal of Marketing Management*, 8(3):269–285.
<https://doi.org/10.1080/0267257X.1992.9964196>
- WRIGLEY, N.; COE, N.M.; CURRAH, A. 2005. Globalizing retail: conceptualizing the distribution-based transnational corporation (TNC). *Progress in Human Geography*, 29(4):437–457. <https://doi.org/10.1191/0309132505ph559oa>
- WRIGLEY, N.; LOWE, M. 2007. Introduction: Transnational retail and the global economy. *Journal of Economic Geography*, 7(4):337–340. <https://doi.org/10.1093/jeg/lbm025>

Submitted on July 7, 2015
Accepted on September 13, 2016