



## Institute for Commerce & International Marketing at the Saarland University, Germany: A Research Center in the Field of Retail Management and E-Commerce

**By Joachim Zentes, Professor Dr., Director of the Institute for Commerce & International Marketing, Saarland University, Germany**

Web: [www.hima.uni-saarland.de](http://www.hima.uni-saarland.de)

Email: [hima@mx.uni-saarland.de](mailto:hima@mx.uni-saarland.de)

*Joachim Zentes is professor of International Management, Marketing and Retail Management at the Saarland University. He is director of the Institute for Commerce & International Marketing and director of the 'Europa-Institut' at the Saarland University.*

The Institute for Commerce & International Marketing (formerly: Institute for International Marketing) at the Saarland University, Saarbruecken, Germany, was established in 1991. Its director is Prof. Dr. Joachim Zentes.

The first activity of the institute is university education. The institute is at the same time closely connected to one of the chairs of business administration at Saarland University. About 150 to 200 students per semester are educated in lessons on retail management, logistics and IT, international marketing and international business. In addition to the undergraduate program, the researchers of the institute are involved in the activities of the so called Europa-Institute at the Saarland University, a MBA-program, in which graduate students from all over the world are taught in all aspects of international business, with a special focus on the European integration process. More information on that program can be seen at <http://www.europa-institut.com>.

Besides the educational activities, the Institute for Commerce & International Marketing carries out complex research projects and - interlinked with that - is active in management consulting. In both areas, the focus is on management questions of commercial companies, especially:

- the management of retail companies
- distribution and logistics
- the internationalisation process of companies
- cooperation, alliances and networks between companies, especially in the consumer goods sector.

In all of these fields, which have been research topics of the institute for over a decade now, e-commerce has become ever more important and has changed processes, possibilities, but also consumer expectations and behaviour. The research team of the institute has worked in this field, in research and consultancy and dealt - to give a few examples - with the following questions:

- How do the changing methods and approaches to retail marketing, such as category management and customer relationship management, influence the requirements towards supporting software? The institute drew a scenario of future developments in various aspects of retail marketing and evaluated, in how far retail information systems would need to respond to

the changes that are to be expected.

- What changes are necessary in e-commerce-tools as a result of the changing attitude toward value-added partnerships in the consumer goods sector, i.e. those trends that the ECR-debate have brought about in cooperative logistics, collaborative customer relationship management and similar initiatives? The institute worked out a scenario of likely future development of the networks between consumer goods industry, retailers and logistics providers and explained the implications for the software industry.
- Multi-channel retailing has acquired high topicality because of the increasing significance of the internet as a retail channel. One of the most important questions in this context is the following: Is the application of multi-channel systems advantageous or do channels within the system cannibalize each other? A large investigation of multi-channel-systems was undertaken to answer this question. The main focus of this study was the investigation of consumer behaviour in multi-channel-retailing-systems.
- After retailers were rather slowly to adopt new technologies in the past - at least as compared to industrial companies - the institute recently evaluated, in how far and in which areas IT-support tools in retailing still have the potential to enhance effectiveness and efficiency. A large empirical study was undertaken in order to capture the evaluation of opinion leaders in German retailing on that topic.
- Since e-commerce (as used to coordinate retail outlets from the headquarters, but also to coordinate processes between retailers and suppliers) does not only offer new possibilities to coordinate processes, but also to control them closer, the institute recently developed - in close cooperation with a large German software company - a tool called ??Retail Performance Measurement??. With this tool, the top management of a retailer can manage the company with 6 key performance indicators, in a system which is based on the idea of the balanced score card and on performance pyramids. Only when the key performance indicators display weaknesses in the performance, the top manager (or the responsible manager which is identified by the system) has to drill down the pyramids to find the source of the problem.
- A similar system has been suggested to manage supplier-relations of a retailer. In cooperation with a German software company, a software tool was developed which supports different stages of retailer-supplier-relations. Core of this tool is a supplier-evaluation scorecard which displays the performance of suppliers by specific key performance indicators and serves as a tool for decision support in the selection and acquisition of suppliers and the establishment and development of supplier-relations.
- At the moment, the Institute for Commerce & International Marketing continues the development of IT-support tools (always in close cooperation with a software manufacturer to ensure, that the developed solutions are eventually offered to the market) and has shifted its focus to CRM. While many CRM initiatives have been undertaken in the last years, a comprehensive management tool to evaluate and manage customer relations of a retailer is still lacking. One research team at the institute is recently working on this problem.
- Another topic, which is of interest in the recent research activities, is the so called 'controlled distribution'. With the increasing importance of the Internet as a sales channel (but not restricted to that) and with the power shift from manufacturers to retailers, manufacturers increasingly try to control their own distribution channels. This can happen either by direct-selling over the internet, it can be secured by owning retail outlets or by establishing franchising or similar cooperative systems. The different facets of this emerging phenomenon have been researched by the institute for several years now, but have been built into a major research program this year.

These were only a few examples of the many research and consulting problems, the Institute of Commerce & International Marketing is dealing with. Over the years, a lot of experience in the field of new developments in retail management and marketing and the necessary innovations in the IT-support tools for retailers as well as in the application of e-commerce - B2C and B2B - has been accumulated. The institute has come to notice, that e-commerce in all its forms has become a major source of change for retail companies and therefore dedicates a large share of its resources to the investigation of this highly relevant topic.