



Category Killers: The Retail Revolution and Its Impact on Consumer Culture

Robert Spector

Harvard Business School Press (Jan 7, 2005)

Unknown \$27.95 (272pp)

978-1-57851-960-6

For those old enough to remember a world without Wal-Mart, this book starts with an interesting romp through retail history. The days of bustling downtown shopping areas with Mom-and-Pop stores filled to the brim with American-made products is but a distant memory now. Department stores still exist, but in the last half century, discount giants like Wal-Mart, Kmart, and Target have changed consumer expectations and the entire supply chain. Specialty businesses still exist, but their companies must deal with mammoth organizations like Circuit City, PetSmart, Barnes & Noble, and Starbucks. The author discusses how these large competitive forces came into being and how they changed the world economy.

In the first part of the book, Spector introduces the concept of a “category killer” and describes big box retailing as it exists today. He examines how Charles Lazarus of Toys “R” Us revolutionized the toy business by selling brand-name products at deep discounts in a bare-bones ‘supermarket’ environment. Aided by the growing popularity of television in the 1950s, whereby toy manufacturers created demand for their products, Lazarus believed that the key to success lay in maintaining large inventories year round. He was right. Customers flocked to his stores, lured by availability and good prices.

Focusing on centralized buying and computerized inventory management, Toys “R” Us eventually wielded enormous buying power. For example, some toy makers found themselves designing their packaging specifically for that company. Department stores had to either match Toys “R” Us prices or get out of the toy category—killing the retail category. In a chapter called “Category Killers Everywhere,” Spector introduces other giants competing in other areas—booksellers, home products, electronic appliances, office supplies.

In the second part of the book, Spector expands his discussion to include how and why category killers dominate their competition. He covers basic issues like pricing, competition, growth, and expansion for companies like Home Depot, Starbucks, and Target. However, no analysis of modern retailing would be complete without a look at Wal-Mart, the behemoth of behemoths. In fact, the rest of the volume is merely a prelude for Spector’s observations about Sam Walton’s impact on business, and on the economy of the United States and the world. As he points out, “the Wal-Mart Effect ... has exerted a tighter rein on inflation than a truckload of Alan Greenspan’s.”

This book is intriguing even for readers who aren’t fascinated by the history of discount retailing. He writes simply—this is no esoteric academic tome, but a quick, enjoyable read aimed at the everyday guy. Perhaps that’s because the author is dealing with something that is dear to the heart of capitalists everywhere—shopping.

JOYCE FAULKNER (August 18, 2009)

Disclosure: This article is not an endorsement, but a review. The author of this book provided free copies of the book to have their book reviewed by a professional reviewer. No fee was paid by the author for this review. Foreword Reviews only recommends books that we love. Foreword Magazine, Inc. is disclosing this in accordance with the Federal Trade Commission’s 16 CFR, Part 255.