UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL
MARKETING DEPARTMENT

MARKETING 225/793 – RETAILING
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OVERVIEW

This course provides an interdisciplinary overview of the retailing industry. Retailing represents a significant portion of the U.S. and world economies – in the United States alone, retailers employ over 23 million people and exceed $4.1 trillion in annual sales. Over the past thirty years, few industries have undergone the level of change that retailing has. By anticipating and reacting to changes in consumer shopping behavior, competitive economics and technological innovation, 'upstart' retailers such as Wal-Mart and Kohl's sit at the top of their industries, while former 'icons' of retail's past are relegated to history books and nostalgia items on eBay.

The primary focus of this course will be on the customer-facing activities of retailers, including assortment planning, private-label development, the management of in-store operations, and pricing and promotion. In addition, we will explore current issues facing retailers, such as customer relationship management, industry consolidation, supplier relations, customer buying behavior, and dynamic changes in promotional media including social media and website offerings. We will also survey topics in finance, operations, information technology, and real estate as they relate to retailing. We will consider all retailing formats including: department stores, mass merchandisers, dollar stores, specialty retailers of all sorts, online and bricks and mortar, grocery stores, and category killers in home improvement, office supplies, and electronics.

Upon completion of the course, you should be able to:

- appreciate the complexities of operating a retail business;
- understand the challenges retailers face in striking a balance between generating profits and pleasing customers, and
- explain what factors are involved with offering the right product, in the right quantities, in the right place, at the right time, at the right price, with the right service.

The course is relevant for students interested in working for retailers or retail-affiliated businesses (e.g., wholesalers or manufacturers), and retail-related functions (e.g., advertising or third-party logistics providers). The topics we will cover provide a firm foundation in many facets of retailing, including merchandising, pricing, logistics and site selection. To complement and expand upon these topics, students interested in pursuing further work in retailing should take OPIM 697 – Retail Supply Chain Management.

COURSE MATERIALS

Coursework consists of reading and case preparation, active participation in class discussion, six short written assignments, and a take-home final exam.

- **Custom Book**: includes readings from the leading text Retailing Management, Michael Levy and Barton Weitz, 8th Edition, Irwin/McGraw Hill and includes 6 additional case studies. The text is available as a hardcopy from the Wharton Printing customer service window for about $80 and as an e-book from www.mcgrawhillcreate.com/shop for about $62. Search for Hoch retailing class at Wharton on the website.
- **Academic and Trade Articles**: PDF's of selected academic and trade articles are posted on Canvas.

Each class session will have required readings, including book chapters, academic journal articles, and newspaper/ magazine articles that provide additional background and context for that session's topic. For those students interested in keeping up-to-date on current events in the industry (that should be all of you), I recommend these resources:

- Wharton's Jay H. Baker Retailing Initiative maintains a list of links to online industry trade journals at http://bakerretail.wharton.upenn.edu/links.html
- Retail Forward, an industry consultancy, provides various retail newsletters via email. The daily "all retailing" newsletter is very comprehensive; you can enroll for free at: http://www.retailforward.com/freeContent/newsletters/sign_up.asp
- Women's Wear Daily (WWD), a trade publication covering apparel and fashion, also offers a daily email newsletter at www.wwd.com.
- FMI (Food Marketing Institute) and NRF (National Retail Federation) websites.

GRADING

Grading will be based on three components:

1) Class Participation (15%)	Class participation is based on the quality of your comments, rather than the quantity of comments during class sessions.
2) Four Short Assignments (30% total)	The short assignments are listed below. Further details of each will be discussed in class and posted on Canvas.
3) Final Exam (55%)	Take-Home: the 2 hour exam will be available for download on Canvas. You can take the exam during any contiguous 2 hour period between 9am 3/1 and 9 am 3/2.

The 5 short assignments represent will be graded on a 1 (lowest) to 10 (highest) scale. Assignments can be done solo or in groups of two.

	DUE DATE
1) Competitive assortment analysis (write-up=10%)	10/31
2) Retail Site Location (write-up=10%)	11/14
3) Sephora Direct (2 page case analysis=10%)	11/26

OUTLINE OF CLASS SESSIONS			
CLASS	**DATE**	**TOPICS**	**READINGS AND DELIVERABLES**
1	10/24	• Industry overview • Department stores • Specialty Retailing	▪Ch. 1 Types of retailers ▪Ch. 2 Multichannel retailing ▪Gap case (HBP 9-706-402)
2	10/29	•Retail math •WalMart	▪Ch. 3 Financial strategy ▪WalMart Update 2011 case (HBP 9-711-546)
3	10/31	•Specialty Apparel Retailing and Retail Site Location •*Elliot Jaffee (Chairman) and Elise Jaffee(VP) Ascena Group (Dress Barn)*	▪Ch. 4 Retail locations ▪Ch. 5 Retail site location ▪*Retail Site Location due*
4	11/5	•Retail Positioning •Retail Brand Portfolio Management	▪Reed Supermarket case (HBP 4296) ▪Ralph Lauren (Canvas) ▪Luxe Retailers (Canvas)
5	11/7	•Merchandising •Assortment planning •Space management	▪Ch. 6 Managing the merchandise planning process ▪Ch. 17 Buying merchandise ▪Shelf Management and Space Elasticity (Canvas) ▪
6	11/12	•Private Label	▪How Should National Brands Think about Private Label (Canvas) ▪PL ad age (Canvas) ▪*Competitive Assortment analysis due*
7	11/14	•Category Management	▪HEB Own Brands case (HBP 9-502-053)
8	11/19	•Retail pricing policy •In-store promotion	▪Ch. 18 Retail Pricing ▪EDLP, Hi-Lo, and Margin Arithmetic (Canvas)
9	11/21	•Shopping behavior	▪Cherry Picking (Canvas)
10	11/26	•Old and New Media •Retail Website, Branding and *e-Commerce* •*Julie Bernard, Macy's New Media VP*	▪Sephora Direct: Investing in Social Media, Video, and Mobile case (HBP 9-511-137) ▪*Sephora Direct: Investing in Social Media, Video, and Mobile case (2 page write-up due)*
11	11/28	•Retail Loyalty Programs	▪Developing an Effective Loyalty Program (Canvas)
12	12/3	•Global Retailing: India, China, Brazil	▪Shiny Provision Store case (Ivey 910A17) ▪Limited Brands Int'l Expansion (Canvas) ▪Start reviewing for the final exam
13	12/5	•Take-Home Final Exam	You can take the exam anytime between 9am 12/5 and 9am 12/6
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