

University of Pennsylvania
The Wharton School
Marketing Department

Marketing 225/725 – Principles of Retailing
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Course Overview

Retailing represents \$4.5 trillion in 2013 annual sales. Retailing is projected to grow by 4.4% in 2014 exceeding the US's average economic expansion rate. Retailing is expected to represent 27% of nominal US GDP and that share has been increasing since a drop off in 2009, when consumer confidence was at a low after the recession.

Over the past 25 years, few industries compare with the level of change affecting retailing. Retailing has been an industry which has incubated hundreds of new concepts which have evolved with the changing wants and needs of the consumer. Yet the retailing landscape is littered with the names of prominent companies that have been forced out of business or have been forced to merge with others to succeed including Border's, Circuit City, Mervyns, Shaper Image, and Linens n Things.

This course will arm students with an understanding of the consumer-facing activities of retailers including positioning, consumer experience, assortment planning, pricing, promotions, media, consumer relationship management, private-label development, and operations. The course will also cover critical components from finance, information technology, real estate, and operations within the retailing context.

Upon completion of the course, students will be able to:

- explain the complexities of operating a retail business
- appreciate the difficulties associated with balancing profitability & delighting the customer,
- gain insight into the ways Wall Street and other investors evaluate and value different retailers
- articulate the choices involved in implementing a winning retail strategy such as the right product, the right inventory, the right locations, the right timing, the right price/promotion, and the right service experience.

This course is especially valuable for students who are considering 1) a career in retailing, retail-affiliated businesses (e.g., manufacturers or wholesalers), or retail-related functions (e.g. advertising or distributors), 2) financial sector careers involved with investments in retail companies, and 3) management consulting with a focus on the retailing industry.

Course Materials

Classes will be highly interactive and include a combination of reading and case preparations.

- Custom Book: includes readings from Retailing Management: Michael Levy, Barton Weitz, and Dhruv Grewal 9th Edition, Irwin/McGraw Hill and 5 case studies. The text is available as a hardcopy from the Wharton Printing customer service window and as an e-book from www.mcgrawhillcreate.com/shop.
- Academic and Trade Articles: Selected articles are posted on Canvas.

Suggestions for additional readings and materials beyond those required for each session include:

- The New Science of Retailing by Marshall Fisher and Ananth Raman, Harvard Business Press
- Wharton's Jay H. Baker Retailing Center site features research, publications, K@W retail articles, and news archive
- Free retail focused newsletters:
 - NRF SmartBrief – daily headlines
https://www2.smartbrief.com/signupSystem/subscribe.action?pageSequence=1&briefName=nrf&campaign=subcat_retail
 - NRF & Shop.org newsletter focused on digital retail commerce
https://www2.smartbrief.com/signupSystem/subscribe.action?pageSequence=1&briefName=shop&campaign=subcat_retail

Grading

1. *Class participation (15%)*: participation in each class will be evaluated in terms of the level of involvement in class discussion, evidence of understanding and insights conveyed and value of your contribution to each session.
2. *Post class engagement (20%)*: submission of three take-aways from each class (submitted via email by Friday 5 pm following each class)
3. *Case write-ups (40%)*: you will be required to analyze two cases and submit written evaluation of the situations addressing critical questions provided by the course instructor. The questions will require combining information drawn from the case, public sources, and related store visits. Case write-ups can be done solo or in groups of two.
4. *Final take home exam (25%)*

Class	Date	Topics	Readings & assignments
1	1/21	Retail marketplace overview	Levy & Weitz, Chapters 1, 2
2	1/28	Retail financial strategy and performance Retail math	Levy & Weitz, Chapter 3 WalMart Update 2011 case (HBP 9-711-546) Prepare a list of KPI's for Wal-Mart, Target, and Amazon for use during the class discussion
3	2/4	Retail Positioning Merchandising planning, assortment & buying Jonathan Seiffer, Partner, Leonard Green Partners	Levy & Weitz, Chapter 6, 17 Red Lobster case write-up due
4	2/11	Private Label, Pricing & promotion Matt Hamory, Partner, Oliver Wyman	Levy & Weitz, Chapter 18 HEB case
5	2/18	Loyalty programs Retail big data	Sephora Direct case
6	2/25	Implementing retail strategy: marketing and customer experience Helena Foulkes, President, CVS/pharmacy	Reed supermarket case write up due
7	3/4	Specialty Retail Future of Retail Seven Silverstein, President, Spencer Gifts and Spirit Halloween	Final take-home exam due by 3/6