

University of Pennsylvania  
The Wharton School  
Marketing Department

Marketing 225/725 – Principles of Retailing  
Spring 2016

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### **Course Overview**

Retailing represents over \$4.6 trillion in 2014 annual sales. Retailing is projected to grow by 4.1% in 2015 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 9<sup>th</sup> Edition, Irwin/McGraw Hill, The New Science of Retailing by Marshall Fisher and Ananth Raman, Harvard Business Press and 5 case studies.

The required course book for this course is available as a print book from the UPenn bookstore listed as :

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

- 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](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](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. We will begin each class with discussion of current retail news.
2. *Post class engagement (20%)*: submission of three take-aways from each class (submitted via canvas 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	1/19	Retail marketplace overview	Levy, Weitz, & Grewal Chapters 1, 2, 5, 6, 7
2	1/26	Retail Strategy; Retail financial strategy and performance Retail math Jonathan Seiffer, Partner, Leonard Green Partners	Fisher and Raman Chapter 1 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	2/2	Merchandising planning, assortment & buying Guest speaker TBD	Levy, Weitz, & Grewal Chapter 12,13 Fisher and Raman Chapter 2 Red Lobster case write-up due
4	2/9	Private Label, Pricing & promotion Guest speaker TBD	Levy, Weitz, & Grewal Chapter 14, 15 Fisher and Raman Chapter 3 HEB case
5	2/16	Multichannel Retailing, Loyalty programs, Retail big data Guest speaker TBD	Levy, Weitz, & Grewal Chapter 3. 11 Sephora Direct case
6	2/23	Implementing retail strategy: marketing and customer experience Guest speaker TBD	Reed supermarket case write up due
7	3/1	Specialty Retail Future of Retail Guest speaker TBD	Levy, Weitz, & Grewal Chapter 7 Final take-home exam due by 3/6

Class	Date	Topics	Readings & assignments
1	3/15	Retail marketplace overview	Levy, Weitz, & Grewal Chapters 1, 2, 5, 6, 7
2	3/22	Retail Strategy; Retail financial strategy and performance Retail math; Site location Jonathan Seiffer, Partner, Leonard Green Partners	Fisher and Raman Chapter 1 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	3/29	Merchandising planning, assortment & buying Guest speaker TBD	Levy, Weitz, & Grewal Chapter 12,13 Fisher and Raman Chapter 2 Red Lobster case write-up due
4	4/5	Private Label, Pricing & promotion Guest speaker TBD	Levy, Weitz, & Grewal Chapter 14, 15 Fisher and Raman Chapter 3 HEB case
5	4/12	Multichannel Retailing, Loyalty programs, Retail big data Guest speaker TBD	Levy, Weitz, & Grewal Chapter 3, 11 Sephora Direct case
6	4/19	Implementing retail strategy: marketing and customer experience Guest speaker TBD	Reed supermarket case write up due
7	4/26	Specialty Retail Future of Retail Guest speaker TBD	Levy, Weitz, & Grewal Chapter 7 Final take-home exam due by 5/1