

University of Pennsylvania
The Wharton School
Marketing Department

Marketing 225 – Principles of Retailing
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Course Overview

Retailing is expected to represent just under 28% of the US GDP in 2016, with sales exceeding \$4.5 trillion and a projected growth rate of well over 4% annually in the foreseeable future.

In the past decade, the retailing industry has undergone enormous change, as digital and in-store experiences become indistinct, as the customer enjoys the benefits of constant connectivity, as shopping online or via mobile device offers more access and increasingly targeted personalized shopping options due to increasing reliance by retailers on customer and sales data analytics, and as omnichannel (the idea that every channel the retailer uses must work together to deliver a consistent customer experience) marketing becomes the norm. Inability to adapt to these changes has littered the retail landscape with many once-prominent companies such as Circuit City, Linens n' Things, Borders, and Sharper Image (now relaunched under different ownership).

This course will arm students with an overall understanding of retailing including key business functions. Therefore, this course is NOT focused solely on the marketing elements of retailing. Instead, it covers a broader perspective including retailing math and basic financial management, inventory management, positioning, consumer experience, assortment planning, pricing, promotions, media, consumer relationship management, private-label development, technology, real estate, and operations.

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.

- Select chapters from *The New Science of Retailing* by Marshall Fisher and Ananth Raman, Harvard Business Press - available in [study.net](#) pack.
- Select chapters from *Retailing Management: Michael Levy, Barton Weitz, and Dhruv Grewal 9th Edition*, Irwin/McGraw Hill - available in [study.net](#) pack
- Harvard Business School Cases available in [study.net](#) pack
- Additional readings will be posted on canvas

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
 - NRF & Shop.org newsletter focused on digital retail commerce
https://www2.smartbrief.com/signupSystem/subscribe.action?pageSequence=1&briefName=shop&campaign=subcat_retail

Course Attendance Policy

Students must attend for the first day of class in order to add the course once the semester has begun.

Students are expected to attend all classes and actively participate in case and class discussion. Absences and late arrival to class will lower class attendance and participation grades. Written assignments must be submitted by the date & time they are due.

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. Case write-ups must be submitted by 2 pm on the day they are due.
4. *Final take home exam (25%)*

Class	Date	Topics	Readings & assignments
1	1/16	Retail marketplace overview David Trone, Founder, Total Wine & More	Levy, Weitz, & Grewal: <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 1: Intro to Retail: pg. 7-17 <input type="checkbox"/> Chapter 5: Retail strategy: pg. 124-137 <input type="checkbox"/> Total Wine & More Case (available on canvas in file section)
2	1/23	Retail financial strategy and performance Jon Seiffer, Partner, Leonard Green Partners (confirmed)	Levy, Weitz, & Grewal: <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 2: Types of retailers: pg. 35-59 <input type="checkbox"/> Chapter 6: Financial Strategy: pg. 158-179 Fisher and Raman Chapter 1 WalMart Update 2011 case (HBP 9-711-546)
3	1/30	Merchandising planning, assortment & buying Tim Wilson, 1010 Data	Fisher and Raman Chapter 2 Levy, Weitz, & Grewal <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 12: Merchandising planning: pg. 317-325 <input type="checkbox"/> Chapter 13: Buying merchandise: pg. 358-362; pg. 364-371 Reed supermarket case write up due (HBP 4296)
4	2/6	Private Label, Pricing & promotion Matt Hamory, KPMG Managing Partner, TBD	Fisher and Raman Chapter 3 Levy, Weitz, & Grewal Chapter: <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 14: Pricing: pg. 388-403 HEB case (HBP 9-502-053)
5	2/13	Omnichannel, Loyalty programs, CRM Chieh Huang CEO Boxed	Levy, Weitz, & Grewal <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 3: Multichannel retailing: pg. 80-83 Sephora Direct case (HBP 9-511-137)
6	2/20	Implementing retail strategy: marketing and customer experience Rachel Blumenthal, CEO, Rockets of Awesome	Red Lobster case write-up due (HBP 9-511-052)
7	2/27	Specialty Retail Future of Retail Melanie Whelan, CEO Soul Cycle	Rent the Runway Case (HBP 9-812-077) Final take-home exam due by March 4 th at midnight