

**MKTG 3540**  
**Retailing Management**  
**Tuesday/Thursday- 1:15 PM to 2:50 PM**

**Instructor Information**

<b>Instructor Name:</b>	Lauren Skinner Beitelspacher
<b>Office Location:</b>	212 Malloy Hall
<b>Office Hours:</b>	Tuesday/Thursday- 3:30 PM to 4:30 PM Or by appointment
<b>Office Phone:</b>	781-239-6441
<b>Email:</b>	<a href="mailto:lbeitelspacher@babson.edu">lbeitelspacher@babson.edu</a>

**Course Objective:**

The objective of this course is to familiarize students with the decisions involved in developing a sustainable competitive advantage in retailing and the concepts and principles for making those decisions.

Specific student learning outcomes are to develop an understanding of:

- the contribution of retailers to the value chain.
- consumer motivations, shopping behaviors, and decision processes for evaluating retail offerings.
- corporate objectives, competitor analysis, and competitive strategy.
- the traditional bases for segmentation and how segmentation can inform retail strategy.
- how retailers differentiate their offering as an element in their corporate strategy.
- factors affecting strategic decisions involving investments in locations, supply chain and information systems, and customer retention programs.
- how retailers communicate with their customers.
- tactics (pricing, merchandise assortment, store management, visual merchandising, customer service) for extracting profit from a retail offering.

**Required Texts and/or Additional Materials**

Retailing Management, 9<sup>th</sup> edition, Levy, Weitz, and Grewal, ISBN 978-0078028991

## Course Schedule

Session #	Date	Topic	Read before	Grading Points
1	19-Jan	Overview of Course		
2	21-Jan	Introduction to Retailing	Chapter 1	
3	26-Jan	Introduction to Retailing		
4	28-Jan	Types of Retailers	Chapter 2	
5	2-Feb	Multichannel Retailing	Chapter 3	
6	4-Feb	Customer Buying Behavior	Chapter 4	
7	9-Feb	Retail Strategy	Chapter 5	
8	11-Feb	Retail Strategy		
	16-Feb	Babson Monday-NO CLASS		
9	18-Feb	Financial Strategy	Chapter 6	
10	23-Feb	Financial Strategy		Individual-Mystery Shopping Assignment Due
11	25-Feb	Retail Locations	Chapter 7	
12	1-Mar	Retail Site Selection	Chapter 8	
13	3-Mar	Review for Midterm		
14	8-Mar	<b>MIDTERM EXAM</b>		
15	10-Mar	Information Systems and Supply Chain Management	Chapter 10	Group- Retail Strategy Assignment Due
	3/14-3/18	SPRING BREAK!!!!		
16	22-Mar	Guest Speaker- TJ Maxx		
17	24-Mar	Managing The Store	Chapter 16	
18	29-Mar	Managing the Merchandise Planning Process	Chapter 12	Industry Spotlight- Retail Management
19	31-Mar	Managing the Merchandise Planning Process		
20	5-Apr	Buying Merchandise	Chapter 13	
21	7-Apr	Real World- Retail Math		
22	12-Apr	Retail Pricing	Chapter 14	
23	14-Apr	Retail Communication Mix	Chapter 15	Group- Promotion Project Due
23	19-Apr	Store Layout, Design, and Visual Merchandising	Chapter 17	
24	21-Apr	Customer Service	Chapter 18	
25	26-Apr	Course Wrap Up and Review for Final Exam- Case Discussion		Individual-Term Project Due
	TBD	Final Exam		<b>Final Exam</b>

## **Participation**

Participation not only means that you come to class, it also means that you participate in the discussions during class. Participation means preparing for class, engaging in meaningful class discussion, and thoughtful participation in class activities.

We will have several guest speakers during this course. I am expecting you to be extremely professional. This means appropriate dress, preparedness, and NO checking your cell phone during visits or speakers.

## **Point Reducers and Common Courtesy**

Please do not come in late and please do not leave early.

DO NOT leave your cell phone on, and definitely DO NOT answer it.

Please do not talk while I am talking, or while another student is talking.

Please do not sleep in class.

NO texting during class.

NO laptops during class.

## **Academic Honesty**

Course participants are expected to maintain high standards of academic honesty. ***Academic honesty is a requirement for passing this course.***

If any of the following occur, I will assume you are cheating and follow the appropriate course of action to report it:

- 1) I see a cell phone out AT ANY POINT on a test day.
- 2) You plagiarize any component of your group or individual projects.
- 3) You copy someone's answers from their test.
- 4) You bring in outside notes or materials into the test.

### Miscellaneous Issues:

1. Attendance is mandatory for the exam and all project presentations regardless of whether your group is presenting or not. No make-up examination will be arranged unless it is required under the College Policy. Students who have a legitimate reason for missing the exam or an assignment must present their excuse prior to or 48 hours after the scheduled exam or assignment. If the excuse is deemed to be reasonable one (e.g., college sponsored activity, illness) and is justified with proper documentation, a make-up exam or alternate arrangement may be considered on case to case basis. An unexcused absence will result in a grade of zero for the exam or assignment.
2. The overwhelming majority of students in business school conduct themselves with the highest standards of professionalism. It is to this standard that students in this class will be held. All students are expected to abide by the Babson Honor Code. All tests and quizzes are to be the work only of that individual without help or guidance from any other person. Any evidence of collaboration, plagiarism, cheating, or fabrication on assignments, quizzes and exam will result in a referral to the judicial board.
3. The standards and expectation of the Babson **Honor Code** and its academic honesty and integrity policies apply to this course as well as to any other course you are taking here. The policy is articulated in your Undergraduate Handbook. Failure of any student to take appropriate steps to fully understand the Code will not be an acceptable nor tolerated excuse for any violations.
4. Any student who feels he or she may need an accommodation based on the impact of a disability should contact me privately and in a timely fashion to discuss his or her specific needs. Students must also contact the Manager of Disability Services at 781-239-4508 or in Hollister Hall to coordinate reasonable academic accommodations.
5. Class participation: will be judged based on class preparedness and class discussions. You are encouraged to question the concepts and ideas introduced in the class. You can also make the classroom experience richer for everyone by introducing current relevant examples from your outside readings or work. As you might expect, it is the quality rather than the quantity of contributions that will be stressed. Class participation requires active and constructive participation in class discussions (e.g., case discussions, article discussions) and activities, your mere presence in class does not constitute participation. The class participation grade is a subjective assessment and not up for discussion.
6. Some dates and times are likely to change.
7. Honor Code is in effect.

## Undergraduate Learning Goals

1. Rhetoric: Babson graduates can explore, reflect, analyze and communicate critically and effectively. (S)
2. Quantitative and Information Analysis: Babson graduates can think logically; reason quantitatively; develop and modify models inductively; utilize technology to access, synthesize, and analyze data; and communicate their conclusions accurately and effectively. (D)
3. Entrepreneurial Thinking and Acting: Babson graduates create, identify, assess, shape, and act on opportunities in a variety of contexts and organizations. (S)
4. Global and Multicultural Perspectives: Babson graduates know the historical and cultural contexts in which they live and operate, and meet the challenges presented by a world characterized by diverse cultures and ways of knowing. (S)
5. Ethics and Social, Environmental, and Economic Responsibility: Babson graduates are committed to continually developing ethical and professional character and abilities and make decisions based on an awareness of relevant stakeholders and an attempt to create and sustain social, environmental, and economic value. (S)
6. Leadership and Teamwork: Babson graduates understand their own sense of purpose and identity and are adept at leading and functioning effectively in teams. (D)
7. Critical and Integrative Thinking: Although Babson graduates are exceptionally competent in their chosen fields, they understand the limiting nature of the artificial barriers between disciplines and utilize an integrated, holistic approach to learning and decision making. (D)

**Preparing for Class:** Please read the relevant material prior to coming to the class.

**Grading:** Your final course grade in Retailing Management will be determined according to the following:

Mid-term Exam	20%
Final Exam	25%
Mystery Shopping Observation	5%
Term Project	15%
Group Strategy Assignment	15%
Promotion Assignment	10%
Professionalism, Class Participation, In Class Assignments	10%

The overall grade for the class will likely average between: 2.75 – 3.0

Professionalism is determined by your attendance, participation in discussions and class exercises. This grade is not up for discussion.

### Grading Scale:

93.50 to 100	A		
90.00 to 93.49	A-	87.50 to 89.99	B+
83.50 to 87.49	B	80.00 to 83.49	B-
77.50 to 79.99	C+	73.50 to 77.49	C
70.00 to 73.49	C-	67.50 to 69.99	D+
63.50 to 67.49	D	60.00 to 63.49	D-
Less than 60.00	F		

## STORE MYSTERY SHOPPING OBSERVATION

INDIVIDUAL-DUE FEBRUARY 23, 2016

Date: \_\_\_\_\_

Day of the Week: \_\_\_\_\_

Time of Day: \_\_\_\_\_

Name of Store: \_\_\_\_\_

Address: \_\_\_\_\_

Total Store Information:

Number of cars in the parking lot: \_\_\_\_\_

How many times were there 3 or more customers in a check-out lane: \_\_\_\_\_

Average items being purchased: \_\_\_\_\_

How long did you wait in line to check out? \_\_\_\_\_

How many items did you purchase? \_\_\_\_\_

General Shopping Information:

1) Were you greeted when arriving at the store?

2) Were shopping baskets/carts available and/or offered?

3) Were salespeople visible on the store floor? Did anyone ask if they could assist you in finding an item? When asking for assistance, did the salesperson take you to the item or point to the item?

4) Were salespeople using product knowledge when speaking with their guests?

5) Describe the store layout - e.g., overall feel of the store, promotions, signs, pleasing to shop at, etc... Were aisles clear?

6) Was the store clean and neat?

7) Did employees appear friendly? Were they smiling?

8) Were prices displayed prominently in the store?

9) Were sale items/store circulars displayed and/or available?

10) Check 3 sale items (and list) to see if the product is still available. Are products available?

11) Is the store easy to shop?

- 12) Is there a large variety of products?
- 13) Examine two different categories of products in the store (e.g., cereal, dairy, deli). Is there a lot of choice within this category? Are there name brands and store brands? How are these displayed? Is product available on the shelf?
- 14) Does the product look fresh and of high quality? Are there noticeable problems with any products?
- 15) Check the restrooms - are they clean, clearly marked, are paper products and soap available?
- 16) Were samples offered anywhere in the store? If yes, describe.
- 17) If you used a credit card or check, did the cashier use your name? If you did not use either, did you notice what happened to another customer if they did?
- 18) Provide comments on the quality of products/services.
- 19) Provide comments on the overall service - especially the checkout.
- 20) Was there anything noticeably wrong during your visit?

## RETAILING- TERM PROJECT

INDIVIDUAL-DUE DATE- APRIL 26, 2016

Your project involves three separate parts. You can get started on this at any time, but your recommendations and the detail of your answers will need to be completed closer to the end of the term after you have read the chapters and gained a greater understanding of the retail concepts.

Part A: Comparison Shopping

Part B: Retailer Analysis

Part C: Internet Shopping Analysis

**PART A:** Compare at least seven products among four food retailers on

- ❖ Variety
- ❖ Assortment
- ❖ Service
- ❖ Price
- ❖ Location
- ❖ Promotion
- ❖ Design and Display
- ❖ Type of Retail Institution

**The form attached will provide guidance for you. You should have seven forms completed for this part of the project. From the information you gather, you are to come to some conclusions about each retailer's strategy. Give as much detail as you can. For each retailer identify:**

- a) the target market the you think the retailer is directing its efforts and why.
- b) how the retailer strives to satisfy the needs of the target market.
- c) how the retailer builds a long-term advantage over the competitors.

You must also:

- d) Conclude how effective you think the retail strategy is for each retailer.



## TERM PROJECT: PART A

Product #\_\_: Type of Product\_\_\_\_\_

	STORE #1	STORE #2	STORE #3	STORE #4
Variety- How many variations are represented?  (How many types of choc. chip cookies?)				
Assortment - How many brands of this one type? (Mothers, Keebler, Private label)				
Any service involved? (Samples, convenient pkg., self-help)				
Price				
Location (on shelf, in store)				
Promotion  (Sale, coupons, samples,				
Design & Display (Special display? facing, signs)				
Type of Retail Institution				

## TERM PROJECT: PART B

Evaluate store layout, design and visual merchandising.

Go to a store of your choice and evaluate the store layout, design and visual merchandising techniques employed. Be sure to reference the concepts you have learned in your chapters. If a manager begins to question you because of your suspicious note taking, just explain that you are a student at Babson taking a retailing management course.

Explain your answers to the following questions:

- I. Appearance
  - A. Is the store layout, design and visual merchandising techniques used consistent with the exterior of the store and the location? What does it say about the type of store this is and the market it is trying to attract?
  - B. Is the store's ambiance consistent with the merchandise presented and your expectations as a customer?
  - C. Does the store need a face lift, update, remodel or renovation? What improvements would you suggest?
- II. Fixtures
  - A. Does the lighting highlight merchandise, structure space, capture a mood, or downplay unwanted features?
  - B. Are the fixtures consistent with the merchandise and the overall ambiance of the store?
  - C. What type of image do the fixtures portray?
- III. Promotion
  - A. Evaluate the store's signage. Does it effectively sell merchandise?
  - B. Has the retailer used any theatrical effects to help sell merchandise?
  - C. Does the store make creative use of wall space to sell product?
  - D. Does the sales staff use suggestive selling?
  - E. Is the sales staff friendly and helpful?
  - F. Is the image of the staff consistent with the image of the store?
- IV. Layout
  - A. Does the store layout help draw people throughout the store? Why or why not?
  - B. How does the layout facilitate purchases?
  - C. What type of layout is used? Would another type of layout be better?
- V. Merchandising
  - A. Are there any displays that increase interest in the products being offered? If not, would you recommend any?
  - B. How has the retailer organized merchandise? What improvements could be made?
- VI. Summarize your suggestions on how this retailer can improve the shopping experience for their customers, increase sales, and improve their image.

## TERM PROJECT: PART C

Evaluate Web Sites.

Go to four retail web sites and shop for a product. For example, if I were shopping for a pair of jeans, I would try to find similar jeans at four different retailers. I might view Nordstrom, J. Crew, and Levi because they all offer about the same quality and target similar markets. Answer the following questions in detail:

- a) Identify the retailers you chose and why.
- b) How do you compare your experience shopping on the Internet to shopping in a local store for this type of product?
- c) What are the advantages and disadvantages of the Internet shopping experience?
- d) Compare the retail offerings of the product you were shopping for:
  - a. product quality
  - b. price
  - c. suggestive selling
  - d. website features
  - e. design of website
  - f. ease of website use
  - g. closing of the sale
- e) Which one of these sites would you use? Why?

## **RETAIL STRATEGY ASSIGNMENT**

### **GROUP PROJECT- DUE MARCH 10, 2016**

To insure that you can get information about the retailer, the retailer you select should:

- Be a publicly held company so that you can access its financial statements and annual reports. Do not select a retailer that is owned by another company. For example, since Banana Republic is owned by The Gap, you can only get financial information about The Gap and not the divisions it operates such as Banana Republic.
- Focus on one type of retailer. For example, Abercrombie & Fitch just operates one type of specialty stores and thus would be a good choice. However, Wal-mart operates discount stores, warehouse club stores, and supercenters and thus would not be as a good choice.

Some examples of retailers that meet the first two criteria are: Whole Foods Market, Ross Stores, Ann Taylor, Chico's, Finish Line, Foot Locker, CVS, Walgreens, Staples, Office Depot, Borders, American Eagle Outfitter, Pacific Sunwear, Abercrombie & Fitch, Tiffany, Zales, Autozone, Pep Boys, etc.

Prepare an analysis of the company.

(10%) Identify direct competitors and the retailer's strategy-- the retailer's target market and positioning, its retail mix (merchandise variety and assortment, pricing, locations, etc.).

(20%) Outline the retailer's strengths (its basis for competitive advantage) and its weaknesses relative to competitors.

(30%) What are logical growth opportunities for the firm?

(10%) What the threats in the environment that may adversely affect is performance?

(20%) Include a financial analysis for the retailer comparing its present to past performance and to performance of competitors.

(10%) Assess its performance and position in the marketplace, and prospects for the future. Is it future promising or questionable? What does it need to do in the future to provide strong financial returns? Why?

Finally include bibliography of articles and other sources for information used in making your report.

Sources: 10K reports at [www.sec.gov](http://www.sec.gov), article in magazines and newspapers found through library database, company web site

## PROMOTION PROJECT

### GROUP PROJECT- DUE APRIL 14, 2016

Students should form teams of four to work on this project. Student teams should then select a retailer that is having some sort of spring sale or promotion. Selection of the retailer requires that the manager or an assistant manager be willing to answer questions about the promotion. Only one student team may work on a retailer, i.e., once a retailer is selected by a team, you have to find a different retailer.

**Deliverable:** The deliverable will be a written report from ranging from 5-7 pages in length. Any attachments such as ads, circulars, etc, should be attached to the written report.

**Due Dates:** Retailer selection will begin in February. Written reports are due at the beginning of class on April 14, 2016.

#### **What should the report cover?**

The report should cover any relevant aspect of the promotion. Much of this will be observed, however a great deal of the questions will need to be answered by store management. The report should at minimum answer the following questions:

**Planning:** When did the promotion planning begin? Who made the decisions in the planning (e.g., centralized or by local managers)? What are the objectives of the promotion? How were the products selected that are being promoted? To what degree are the suppliers participating in the promotion, and what form is their participation?

What are the pricing incentives being used? When does the promotion begin and end?

**Buying:** How much extra inventory is being purchased for the promotion? How far in advance does the buying occur? What type of forecasting method(s) are used to assist in the buying?

**Merchandising:** How is the promotion being executed in the store? Are featured products in multiple locations? What sort of signage is being used?

**Communication:** What media are being used to communicate the promotion? When were the media buys made, and who made them? When do the ads run? If appropriate, how national advertising coordinated with local advertising? To what degree is co-operative advertising used? What other marketing is being used (e.g., radio promotion, circulars, web site)? How is the promotion being communicated to employees, and do the employees understand the promotion? What is the staffing level for the promotion period (i.e., is it greater than normal)?

**Measurement:** How will the success of the promotion be determined? What are the specific metrics? Which is more preferable at the end of the promotion, to have excess inventory or to have items out of stock?

#### **Grading criteria:**

Grades for the project will be based on the following criteria:

1. Thoroughness of report: were all aspects of the promotion adequately examined?
2. Clarity of the report: how well was the report written? Is it clear, well organized, attractive? Are there spelling or grammatical errors that detract from the review?
3. Insight of the report: does the report provide clear insight to the likely effectiveness of the promotion?