



**DANIELS**  
COLLEGE OF BUSINESS  
UNIVERSITY of DENVER

DANIELS COLLEGE OF BUSINESS   UNIVERSITY OF DENVER	
<b>Our Vision</b>	A premier private business college globally recognized as a leader whose educational experiences, outreach, and knowledge creation transforms lives, organizations and communities.
<b>Our Values</b>	<b>Excellence. Ethics. Community.</b> We are committed to the values of excellence and ethics that serve to sustain a rich and dynamic learning community.
<b>Our Mission</b>	<b>Ethical Practice. Thought Leadership. Global Impact.</b> The Daniels College of Business is dedicated to educating ethical business leaders, advancing the theory and practice of business, and making a positive global impact.
<b>Our Goals</b>	<ul style="list-style-type: none"><li>• Market-relevant programs</li><li>• Research-driven knowledge creation</li><li>• Interdisciplinary collaboration</li><li>• Community of choice</li><li>• Financial and resource strength</li><li>• Leading-edge infrastructure</li><li>• Reputation</li></ul>
To read more: <a href="http://daniels.du.edu/aboutus/missionvisionvalues.html">daniels.du.edu/aboutus/missionvisionvalues.html</a>	

**DEPARTMENT VISION:** A nationally recognized marketing program - providing a distinctive learning experience through a personalized, relevant curriculum and real-world internships.

### **MKTG 3705: Retailing Management – Spring 2015**

**Meeting Time/Place:** Section 1 (CRN 4677): T/R 12:00-1:50 p.m. (Margery Read Hall 006)

**Instructors:** Michael Levy, PhD

**Office:** Margery Reed Hall 122

**Office Hours:** By Appointment

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**Phone:** 617-455-5130

### **DEPARTMENT POLICY SYLLABUS**

All students need to follow these expectations:

#### **University of Denver Honor Code**

All students are expected to abide by the University of Denver Honor Code. These expectations include the application of academic integrity and honesty in your class participation and assignments. The Honor Code can be viewed in its entirety at this link: <http://www.du.edu/studentlife/studentconduct/index.html>

All members of the University of Denver are expected to uphold the values of Integrity, Respect, and Responsibility. These values embody the standards of conduct for students, faculty, staff, and administrators as members of the University community.

In order to foster an environment of ethical conduct in the University community, all community members are expected to take "constructive action," that is, any effort to discuss or report any behavior contrary to the *Honor Code* with a neutral party. Failure to do so constitutes a violation of the DU Honor Code. Specifically, plagiarism and cheating constitute academic misconduct and can result in both a grade penalty imposed by the instructor and disciplinary action including suspension or expulsion. As part of their responsibility to uphold the Honor Code, instructors reserve the right to have papers submitted through Turnitin to check for plagiarism against a database of papers submitted previously at DU, a national database of papers, and the Internet.

### **Official Communications**

The standard method of communicating official information from the Daniels College of Business to its students is through email. Students are provided a DU account using the protocol of firstname.lastname@du.edu, but must set up a "preferred" off-campus email address. Emails sent to the DU account will be forwarded to the preferred email account. DU accounts do not store messages. More information is available at: <http://www.du.edu/studentemail/>.

### **Students with Disabilities**

A student who qualifies for academic accommodations because of a disability must submit a Faculty Letter to the instructor from the DU Disability Services Program (DSP) in a timely manner, so that the needs of the student can be addressed. Accommodations will not be provided retroactively, e.g., following an exam or after the due date of a project. DSP determines eligibility for accommodations based on documented disabilities. DSP is located in Ruffatto Hall, 1999 E. Evans Ave. (303-871-2278).

<http://www.du.edu/studentlife/disability/dsp/index.html>

### **Performance Assessment**

The Daniels College of Business may use assessment tools in this course and other courses for evaluation. Educational Assessment is defined as the systematic collection, interpretation, and use of information about student characteristics, educational environments, learning outcomes and client satisfaction to improve program effectiveness, student performance and professional success.

### **Conflicts of Interest, Including Gifts from Students**

The University of Denver requires all employees to avoid real or perceived conflicts of interest. Because of possible perceptions of undue influence, it is not appropriate for a student to give a gift to a faculty member while the student is still enrolled in that faculty member's class, including through the grading period. As a general rule, Daniels discourages the giving of gifts between students and faculty.

### **Emergency Procedures**

The College places great emphasis on the safety of its students. Please respect emergency instructions, including fire alarms. For more information, go to <http://www.du.edu/emergency/whattodowhen/index.html>.

### **Professionalism Among Students and Faculty**

Professional behavior is expected of all students and faculty. This includes preparation for classes, on-time and complete attendance at classes, and appropriate participation in the form of attentiveness, contributions to our course, and respect for each other and the learning process. Respect for the learning process is the major guiding principle for professional behavior and extends to all communications, including e-mail.

Note that in some classes you may be required to sign a confidentiality statement for a client company. Regardless of whether your signature is required or not the department expects that students will neither upload nor download and repost client documents. This is not only unprofessional but also unethical!

### **Who Should Take this Class:**

Retailers lie at the end of the supply chain. They interface with the ultimate consumer as well as suppliers. Retailers make investments in real estate and solicit funds from the investment community. Importantly, omnichannel retailing has all but revolutionized the retailing scene in the last few years. As a result, this course should appeal to a number of rather different DU constituencies—those who want to go into:

Retailing management  
Suppliers to retailers (or any business selling inventory or services to retailers)  
Real estate  
Entrepreneurial ventures  
IT and e-commerce

### **Objectives:**

Familiarize students with the decisions involved in developing a sustainable competitive advantage in retailing and the concepts and principles for making those decisions.

### **Nature of Class Meetings:**

This course utilizes cases, experiential exercises, and class discussion. Little class time will be devoted to topics that students can readily comprehend on the basis of self-study. You are encouraged to participate and ask questions.

In most cases, a discussion will precede a written assignment or case. However, most assignments were designed around text material. So, the discussion in conjunction with the text are necessary to prepare the assignments or cases

### **Method of Evaluation:**

There will be two exams, a number of written exercises and cases, and several group presentations. Students are expected to arrange their personal schedules to be present. Students must inform the professor prior to turning in a late assignment or missing an exam or even valid excuses will not be considered.

For most assignments, you will prepare a PowerPoint presentation. When you turn in your PPT, utilize the notes convention so I can more easily go back and grade your presentation after class. For some assignments, not every group will have time to present, so your notes for the PPT will be used to establish your grade. Please email your assignments to me at [mlevy@babson.edu](mailto:mlevy@babson.edu) prior to class. Any assignment submitted after the class starts will receive a grade of zero.

### **Participation**

Class participation is worth 100 points and consists of both attendance and contribution to class discussions. If you never contribute in class or if you miss several classes, you will receive a low grade (C, D, or E) for class participation. If you contribute occasionally but rarely add value, your grade will be in the B-C range even if you attend every class. Grades of A are reserved for students who participate with insightful comments, experiences, or thoughtful questions in almost every class. At the end of the quarter, I will ask everyone to provide a short evaluation of everyone in their group. This evaluation will also be used to determine your class participation grade. You can ask for feedback on your participation performance at any time.

### **Missed Classes**

I do not take roll. If you must miss a class when an assignment is due, but it is not your group, you can submit an individual written assignment for the missed class at the beginning of the next class session and it will count toward your class participation grade. If you miss a class when a group assignment is due, you will receive a zero on that assignment unless you have prior approval.

### **Cases**

There are two Harvard cases in this course: Zara and Mitchells/Richards. You are expected to be familiar with these cases to the point that you can respond to specific questions assigned for that case in class and contribute to class discussion of the key issues presented. Students will be called on at random to take part in class discussions. Your class participation grade will depend on it. We will also do a merchandise budget plan case (Case 20 in text, page 563).

## **Presentations**

There will be several ten minute (or so) group presentations. All groups must prepare a presentation, and I will choose groups at random to present until we run out of time. This shouldn't be a problem, given the size of the class. Everyone in the group should participate in the presentation. Make sure you use the "notes" convention in PowerPoint so I can grade your presentation.

## **Text and Case Materials:**

*Retailing Management*, 9th edition, by Levy, Weitz and Grewal, McGraw-Hill Education, 2014.

Students are encouraged to explore the tutorials at [www.mhhe.com/levy9e](http://www.mhhe.com/levy9e) to help prepare for certain assignments and the exams. The tutorials are particularly useful for chapters 6, 12, and 14.

Case packets are available for sale at the DU Bookstore.

## **Assignments:**

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### **Defining a Retail Strategy—Presentation due March 31**

**Assignment:** The purpose of this assignment is to give you an opportunity to get out and examine retailing strategy from an objective, professional, and non-consumer point of view. The assignment is to compare two retailers' strategy as defined on pp. 124-132 of *Retailing Management*.

Choose two stores that sell the same classifications of merchandise, e.g. Kate Spade and Marshalls. Another alternative would be to choose two departments within different stores as long as they sell the same classifications, e.g. fresh produce at Whole Foods and at Costco. You could even choose one department within a department store and one specialty store with the same merchandise classifications, e.g. Brooks Brothers and the men's suit department at J. C. Penney. The important thing is that these two stores/departments cater to two very different market segments.

Prior to going to the stores, you will need to do some background research. When you are in the stores, you can gather additional information through observation and by talking with a manager and fill in the holes with information that you were not able to get prior to the visit.

You will be required to answer the following questions.

1. What are its target markets?
2. What is its retail format? This should include descriptions of:
  - a. merchandise/services
  - b. pricing policy
  - c. advertising and promotion programs
  - d. store design and visual merchandising
  - e. typical locations
  - f. customer services
3. What are its bases for a sustainable competitive advantage? This doesn't just mean what do they do well. It means, what if anything do they do SO well that it is difficult for competitors to copy? How do they build barriers in the market to prevent the competition from copying easily? If you believe they don't have any sustainable advantages, then say so, and defend your position.

## Financial Strategy Presentation—April 7

Compare financial strategies of “your store” and another store that sells similar merchandise categories, but to a very different target market. If yours is a high margin/low turnover store, compare it with a low margin/high turnover store.

Be careful how you choose your stores. Obviously they must be publicly traded or you won’t get the information. Also, do not choose retailers with multiple divisions or your numbers will not make any sense. For instance, do not choose Ralph Lauren Polo because it is both a retailer and a manufacturer. Do not choose Marks & Spencer because its department stores will have very different numbers than its food stores. If you are not sure about which stores to choose, shoot me an email.

Obtain data using its annual report that you can get either in the “investor relations” area of its web site or from the Edgar files at [www.sec.gov](http://www.sec.gov) or information at web sites like [www.hoovers.com](http://www.hoovers.com). Calculate the following financial ratios, and then explain from a marketing perspective, why you would expect gross margin percentage, expenses-to-sales ratio, net profit margin, inventory turnover, asset turnover, and return on assets to be different for the two stores. Assess which chain has better overall financial performance. Your grade will be primarily based on your analysis of why these ratios are different.

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## Location Analysis Presentation—April 14

Go to “Your Store.”

Assess the site. What type of location is it? Is it a good location in general? Is it good for “your store”? (Use Chapter 7)

Define and analyze its trade area. Specifically, what are the primary, secondary, and tertiary trade areas? What are its boundaries? Why? Do you believe that the population living in the trade area provides the most potential for this store? (Use Chapter 8)

Use this link for GIS information: [http://www.esri.com/data/esri\\_data/ziptapestry](http://www.esri.com/data/esri_data/ziptapestry)

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## Merchandise Budget Plan, Case 20, p. 563 (Individual assignment, turn in, no presentation)—April 2

Although this is an individual assignment, you can work with people in your group or others in the class in deriving your answer. But if two or more people turn in exactly the same case, everyone will get a zero. You may do the plan by hand using the form on p. 579 in your text or you may prepare the plan using the Excel spreadsheet on the Online Learning

Center ([www.mhhe.com/levy9e](http://www.mhhe.com/levy9e)). You will need to prepare some intermediate calculations before inputting your answers onto the spreadsheet. Click on the Merchandise Budget Plan module. Click through the exercises until you get to “The Calculation Section.” You can access an Excel-based, six month merchandise budget plan by clicking on the link “merchandise budget.” Plug in the numbers from the case.

On a separate sheet of paper, explain how you determined the sales forecast, percentage of sales per month, and monthly stock-to-sales ratios.

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## Assortment Planning Presentation—May 5

Go to “your store.” If “your store” doesn’t have an Internet store, choose another store for this assignment. Evaluate “your store’s” bricks and mortar assortment. Is it the best assortment for the space and trade area, i.e., are they carrying the “right” depth and breadth? Why or why not? Be as specific as possible. Choose one major merchandise category and compare the store’s assortment with the assortment on the Internet site. How does the depth compare? Should there be items in the store that are currently only on the Internet site? If so, what would you remove from the store to make room for the Internet items?

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## Zara Case—May 14

Be prepared to discuss these Discussion Questions:

1. On what bases has Zara developed a sustainable competitive advantage?

2. Why is Zara successful globally, while most successful retailers, including apparel retailers, are not able to successfully expand to other countries?
3. Are these efficiencies sustainable for expansion in the U.S.?

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**Mitchells/Richards Case—May 19**

1. How do the Mitchells work toward keeping the four service gaps closed?
2. Which elements of the retail mix will provide a sustainable competitive advantage? How does Mitchells develop and maintain loyal customers?

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**Store Layout and Design due May 26  
(All groups will present)**

Go to “your store” and evaluate the store layout, design, and visual merchandising techniques employed. Explain your answers to the following questions:

1. In general, is the store layout, design and visual merchandising techniques used consistent with the exterior of the store and location?
2. Is the store's ambiance consistent with the merchandise presented and the customer's expectations?
3. Does the store look like it needs to be redesigned? Do you think it needs a face lift, update, remodel or renovation?
4. To what extent is the store's layout, design, and merchandising techniques flexible?
5. Notice the lighting. Does it do a good job in highlighting merchandise, structuring space, capturing a mood, and downplaying unwanted features?
6. Are the fixtures consistent with the merchandise and the overall ambiance of the store? Are they flexible?
7. Evaluate the store's signage. Do they do an effective job in selling merchandise?
8. Has the retailer used any theatrical effects to help sell merchandise?
9. Does the store layout help draw people through the store?
10. Evaluate the retailer's use of empty space.
11. Has the retailer taken advantage of the opportunity to sell merchandise in feature areas?
12. Does the store make creative use of wall space?
13. What type of layout does the store use? Is it appropriate for the type of store? Would another type layout be better?
14. Ask the store manager how the profitability of space is evaluated; for example, profit per square foot. Is there a better approach?
15. Ask the store manager how space is assigned to merchandise. Critically evaluate the answer.
16. Ask the store manager if plan-o-grams are used. If so, try to determine what factors are considered when putting together a plan-o-gram.
17. Has the retailer employed any techniques for achieving greater space productivity such as using the “cube”, down-sizing gondolas and racks, and minimizing non-selling space?
18. Are departments in the most appropriate locations? Would you move any departments?
19. What method(s) has the retailer used for organizing merchandise? Is this the “best” way? Suggest appropriate changes.

**MKTG 3705 Retail Management**  
**Spring 2015**

<b>Day/Date</b>	<b>Class Activity</b>	<b>Reading Assignment</b>	<b>Points</b>
Tues Mar 24	<b>Class Introduction</b> <b>Strategy Discussion</b>	Chapter 1. 2  Chapter 5	
<b>Thurs</b> <b>Mar 26</b>	<b>Financial Strategy Discussion</b>	<b>Chapter 6</b>	
Tues Mar 31	Strategy Presentation (all groups)		75
Thurs Apr 2	Location Analysis Discussion	Chapter 7, 8	
<b>Tues</b> <b>Apr 7</b>	<b>Financial Strategy Presentation (all groups)</b>		
<b>Thurs</b> <b>Apr 9</b>	<b>Merchandise Budget Planning</b>	<b>Chapter 12</b>	
Tues Apr 14	Location Analysis Presentations (all Groups)		75
Thurs Apr 16	Exam 1		200
<b>Tues</b> <b>Apr 21</b>	<b>Merchandise Budget Planning (Continued)</b>	<b>Chapter 12</b>	
<b>Thurs</b> <b>Apr 23</b>	<b>Staple Goods Buying Systems/Open-to-Buy</b>	<b>Chapter 12</b> <b>Appendix</b>	
<b>Tues</b> <b>Apr 28</b>	<b>Assortment Planning/Merchandise Budget Planning Case Due</b>	<b>Chapter 13</b>	<b>50</b>
Thurs Apr 30	Customer Relationship Management (CRM)	Chapter 11 "Making Loyalty Programs Sing" Handouts	
Tues May 5	Assortment Planning Presentations (All Groups)		75
<b>Thurs</b> <b>May 7</b>	<b>Pricing</b>	<b>Chapter 14</b>	
<b>Tues</b> <b>May 12</b>	<b>Pricing (Continued)</b>		

Thurs May 14	Zara/ <b>Merchandise Planning Problems Due</b>	Chapter 10	25
Fri May 15	Staples DC Tour Friday time 11:00-12:30 in Brighton Co.		25 extra credit
Tues May 19	Customer Service/ <b>Pricing Problems Due</b> Mitchell's/Richards	Chapter 18 "The Service Edge in The Retail Market	25
Thurs May 21	<b>Exam 2</b>		<b>200</b>
Tues May 26	Store Layout Design and Visual Merchandising Presentations (All Groups)	Chapter 17	<b>75</b>
Thurs May 28	<b>No class in lieu of Staples DC tour</b>		