Marketing 372 (#05255) – "e-Tailing and Multichannel Retailing" Spring 2013 TR 9:30 – 11:00; UTC 4.102

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Course Overview & Objectives

Retailing has always been a critical element in the marketing system but its complexity and importance has grown multifold during the last decade with an increase in new retail formats and the explosion of web-based consumer purchasing. This course will provide a framework for an integrated view of retailing, covering the wide spectrum of retail channels ranging from pure-play e-tailing (clicks) to traditional brick-and-mortar retail formats to integrated multichannel systems, with an emphasis on enhancing the customer's buying experience while creating a competitive edge for the retailer.

We will address challenges in creating customer stickiness and retention, optimizing product assortments, leveraging buyers' shopping behavior patterns, understanding retailer's financial models, and discovering insights from customer transaction data.

The course will familiarize students with the decisions involved in running a retail organization and the concepts and principles for making those decisions. While the course focuses on the retail industry, including retailers of consumer services, the content of the course is useful for students interested in working for companies that interface with retailers such as manufacturers of consumer products or for students with a general management or entrepreneurial interest.

Materials

- Readings and case packet will be available for purchase at www.study.net
- Individual license for simulation from www.interpretive.com (details to follow)
- Supplementary readings will be posted on Blackboard (typically these will be links to articles in the UT library).

Instructional Elements

<u>Team work</u>: For many of the assignments, you'll work with other class members in a team format (3-4 person teams) on group-related assignments, preparing written analyses, and making oral presentations. <u>Please submit your team names by January 29th</u>.

Blackboard (http://courses.utexas.edu):

Blackboard will serve as the central distribution/communication vehicle for this course. The "Course Documents -> Class Sessions" section will contain folders for each class session. Please check the folder for pre-session readings, PowerPoint slides (if any) for the session, as well as other session-related materials. The slides will not always be complete - they may need to be annotated during the lectures. In the spirit of continuous improvement, the slides may also be changed. If I make dramatic changes I will try to bring new copies to the class.

In order to ensure that you receive all the emails sent out through Blackboard, please update your email address on UTDirect (www.utdirect.utexas.edu).

<u>Class preparation</u>: You are responsible for the text and handouts as assigned. Note that there may be pop quizzes over the assigned reading material, including cases. These quizzes will contribute to your class contribution grade.

<u>Class Contribution</u>: All students must be prepared to meaningfully participate in all class discussions and discuss each case on the day it is presented. <u>To facilitate communication, each student will use a name card</u> for the duration of the course. Remember, quantity of discussion is not a substitute for quality of discussion.

Because of the nature of the course, attendance and class interaction are mandatory. At the same time, attendance is NOT a substitute for participation: you must participate verbally in class to earn points toward your class participation grade.

Course Evaluation

Group Case write-ups (2 @15% each)	30%
In-term exams (2 @ 15% each)	20%
Simulation	20%
Term project (paper and presentation)	20%
Class contribution	<u>10%</u>
TOTAL	100%

<u>Final grades will be established by rank in class, not the absolute number of points</u>. There is no predetermined letter-grade distribution and the class's overall performance will be used to set the final distribution.

Group Financial Analysis Assignment

Evaluate the performance of the focal retailer assigned to your team. 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. or from informational web sites such as www.hoovers.com, determine the following productivity measures: gross and net profit margin percentage, overhead expenses (General and administrative expenses as a percent of sales), asset turnover, inventory turnover, sales per square foot, sales per employee. Compare these measures describing this year's performance with preceding three years' measures for the company (summarize this in Table 1). Next compare the latest year's measures for the focal retailer with the two competitors (summarize this in Table 2). Turn in a brief report of two to three pages with bullet point conclusions noting differences and analysis (why these differences arise and what they mean for evaluating performance) along with Table 1 and Table 2.

Group Case Write-ups and Presentation

Two group case analyses and write-ups, worth 15% each, will be due during the semester. The case analysis should reflect a complete analysis of the case including an analysis of the business & marketing situation, the identification of the main issue areas and the underlying problem, an evaluation of alternative courses of action, a recommended solution and a brief discussion of likely implementation issues. Please note that your analysis must be based only on the case facts – i.e. you should not do any outside research to support your analysis. The paper should be written from the perspective of the case

protagonist or a team of consultants advising the firm. A grading guide for the case write-ups will be posted on Blackboard.

Formatting:

- Maximum 8 pages, typed, double-spaced, Times New Roman, 12 pt. Font., 1 inch margins. The suggested page length includes space for exhibits, which you may either place within the text or at the end of the write-up. In either case, please ensure that each exhibit is referenced in the text and that it reflects some analysis rather than being just a reproduction of case data.
- Use a cover page listing the case title, class and section, and group members' names.

All case write-ups are due by the beginning of the class session when the case is discussed. Late cases will not be accepted – no exceptions since the cases will be discussed in class. Please submit a hard copy as well as a soft copy of your write-up.

Selected groups (pre-informed) will also make a 15 minute presentation of their analysis to the class (presentation slides have to be submitted along with the case write-up).

Group Project

Each group is expected to prepare a strategic analysis of their focal retailer with respect to competitors. Details on the project will be posted on Blackboard. As a quick overview, each team is expected to:

- (i) Review the history of the retailer, identify its direct competitors, and describe its general strategy—the retailer's target market and positioning, its retail mix (merchandise variety and assortment, pricing, locations, etc.).
- (ii) Outline the retailer's strengths (its basis for competitive advantage) and its weaknesses relative to competitors
- (iii) Include a financial analysis for the retailer comparing its present to past performance and to performance of competitors.
- (iv) What the threats in the environment that may adversely affect is performance?
- (v) What are logical growth opportunities for the firm?
- (vi) 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. The report should be between 10 and 20 pages plus exhibits.

Sources: 10K reports at www.sec.gov, article in magazines and newspapers found through library database, company web site

Exams:

There will be two in-term exams, each with multiple-choice questions as well as a few essay-type questions. The exams will take place during regular class hours at the regular class location. The exams will cover all material covered in the class. The second exam will be cumulative, but weighted heavily toward the material covered after the first exam. All exams will be closed book and closed notes.

Exam dates are listed on the tentative course outline, at the end of this syllabus. NO "early" or "late" exams will be scheduled. Every exam will require arithmetic calculations. You are therefore advised to bring a simple calculator with you. You will not be allowed to use any wireless communication device or It's calculator function during an exam. You cannot borrow a calculator from another classmate during the exam, either.

Other Procedural Matters

- The use of cell phones and laptop computers in class is forbidden.
- All assignments are due at the start of class on the schedules submission date. Work submitted late will receive a grade of ZERO unless prior arrangements have been made.
- Attendance is mandatory. You will be <u>allowed two absences</u>. Each further absence will result in two points being deducted from your <u>final score (%)</u> in the course. This <u>includes</u> absences for job interviews and other necessary absences. If you have more than two job interviews that conflict with class, you must document ALL interviews and provide the information to me in order to receive an exception to the absence limit. There are NO OTHER EXCEPTIONS.
- Group members will evaluate individual contributions to the group at the end of the semester using a constant sum scale. These evaluations will be used in determining final grades. Do not be a slacker. This part of the evaluation process is very important in determining your final grade.
- Academic honesty is expected on all written assignments. This means that all individual work is INDIVIDUAL. You are not to discuss your case analyses with other students in this class, other classes, classes from previous semesters, or any other student at this or other universities. You are also not to use written case analyses from previous semesters, club/sorority/fraternity test files, study guides, or any other material pertinent to the cases unless you initiate that information yourself (i.e., library references). If you have ANY DOUBTS as to what is acceptable activity, ask me before proceeding. You diminish yourself and the University when you engage in any dishonest activity or submit anything other than purely original work. Any breech of this requirement will be penalized "to the full extent of the law". At the very least you will earn an F in the course, and you may be dismissed from the University.

PLEASE USE YOUR NAME CARDS FOR EVERY CLASS SESSION

Thank you for taking the course and I look forward to working together.

The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

Course Schedule (subject to change)

	Date	Session Content	Readings	Deliverables
		(Topic/Case)		
1	1/15	Course Introduction		
2	1/17	Introduction to the World of	Chapter 1,	
		Retailing; Types of Retailers	2	
3	1/22	Multichannel Retailing	Chapter 2,	
			3	
4	1/24	e-tailing & Multichannel	Chapter 3	
		Retailing		
5	1/29	Shopping Behavior	Chapter 4	Submit: Team names
6	1/31	Shopping Behavior	Chapter 4	
7	2/5	Retail Market Strategy	Chapter 5	
		e-Tailing Strategy		
8	2/7	Multichannel Retail Strategy		All groups: Submit case write-up at start of
		Case (1): Starbucks		class
9	2/12	e-tailing strategy	Chapter 5	
10	2/14	Financial Analysis	Chapter 6	
11	2/19	Group project-wo	rk day (schedu	ule meetings with Instructor/TA)
12	2/21	Retail Locations & Site	Chapter 7,	All Groups: submit the Financial Analysis
		Selection	8	Assignment
13	2/26		Guest	Lecture
14	2/28	EXAM 1		All material to-date
15	3/5	Merchandise and Category	Chapters	
		Management	12, 13	
16	3/7	Merchandise and Category	Chapters	
		Management	12, 13	
			SPRING	BREAK
17	3/19	Merchandise & category		
		management		
		Case (2): Merchandising at		
		Nine West Retail Stores		
18	3/21	Customer service; Customer	Chapter	
		Relationship Management	11, 18	
10	2/26	D. Halling Community	Charat	All and a Charles and the Charles
19	3/26	Building a Community	Chapter	All groups: Submit case write-up at start of
20	2 /2 2	Case (3): Alloy.com	11, 18	class
20	3/28	Data Analytics in Retail		
21	4/2	Guest Speaker		
22	4/4	Retail Pricing	Chapter 14	
23	4/9	Retail Communication Mix	Chapter 15	
		Promoting e-commerce sites	a	
24	4/11	Store Layout, Design, and	Chapter 17	
		Visual Merchandising;		
		e-tailing website design		

25	4/16	EXAM II	All material after exam I
26	4/18	Mobile Commerce & The	
		Future of Retailing	
27	4/23	Project presentations	Complete project reports & presentation slides (hard and soft copies) are due before start of class
28	4/25	Project presentations	
29	4/30	Project presentations	
30	5/1	Project presentations / Wrap-	
		up	