

XIMB
Course Name

Credits	3
Faculty Name	Dr. Dwarika Prasad Uniyal
Program	PGDM
Academic Year and Term	2012-2013 Term V

1. Course Description

COURSE OUTLINE AND OBJECTIVES

What is retailing?

Retailing as an activity can be thought to be as old as formation of human societies. It can be traced to the times when man stopped producing all its requirements and trading came into being. The potters, blacksmiths and fishmongers, for instance, signify a community that involved themselves into selling to households. This was different from trade that happened on 'wholesale' leading to spice routes from Malabar (Kerala) to Europe and beyond through Afghanistan and silks routes in India and China. Retailers have become an integral part of society. Retailing has always been an integral part of economic development. Nations with strong retail activity have enjoyed greater economic and social progress. It contributes to the development by matching the individual requirements of the population with the producers and suppliers of merchandise. It is a clear indication of the spending pattern of the consumers of a country. By bringing the product to the customers, they are helpful in creation of demand of new offers leading to the expansion of market. Some of the benefits of a thriving retailing sector are access to products, better merchandise, not having to settle for a second or third choice when shopping for a particular product, greater customer satisfaction and higher levels of customer service. In a way they symbolise consumerism. The Eastern European countries experienced low rate of growth when they were under Communist regime. After the countries have opened to market forces and became part of the emerging economies, retailing is one of the forces driving

consumption. Many international retailers were instant hit as they provided the customers a different form of experience. A similar experience is being witnessed in India, where the new format stores are places to be and seen at and customers are deriving a significant hedonic utility out of shopping.

2. Student Learning Outcomes (typically 3-5 bullet points)

- **Be able to**To understand retailing as a business
- **Be able to**To know about the Indian Retail market
- **Be able to**To get an understanding of retailing strategy and various formats

The aim of this course to provide a set of concepts and frameworks for understanding the myriad tasks that retailer undertakes in order to bring about desired performance.

Upon completion of the course a student should be able to:

1. Design a Strategy for Retail
2. Define a Store Format using Retail Value Chain
3. Prepare a merchandise plan
4. Calculate initial mark-ups, actual mark-ups, and relate these to gross margins.
5. Pricing mechanisms
6. How to choose Good location and site for the Store
7. How to integrate Merchandise Buying with Efficient supply chain
8. Understand the role of retail communication and visual merchandising.

3. Required Text Books and Reading Material

Managing Retailing-2/e, 2012, P K Sinha- D P Uniyal, Oxford University Press

Other recommended Books:

- Why We Buy: The Science of Shopping: Paco Underhill
- Made In America: Sam Walton

4. Tentative Session Plan

Theme: the Retail Evolution

Session 1:

Learning objective: To understand and appreciate the gradual evolution of Retailing worldwide

Topic: How has Retailing evolved?

This session will cover the following:

- **Historical back ground of Retailing in the West**
- Indian Retailing Scenario
- Major Development in Indian Retail business
- Key players in Indian Retail Business

Case: None

Main reading: Ch.2. Retailing in India (Sinha-Uniyal, 2nd Edition, OUP)

Individual Assignment:

Go out in the Market, identify various new and traditional formats of Retailing and write a Story on the business of the retailer. Submit Hardcopy before the next class

Theme: the Retail Evolution

Session 2 & 3:

Learning objective: to learn and apply the important theoretical frameworks in retailing

Topic: Theoretical perspectives on the Development of Retail Business

The session will include the following:

- Wheel of Retailing: Malcom P.McNair
- Retail life cycle: Betes, Bass and Davidson
- Strategic resource model: Tigert

Cases: None

Background readings: Ch1. Domain of Retailing (Sinha-Uniyal, 2nd Edition, OUP)

Conceptual Exercise:

Map Retail Organizations in RLC

Theme: How Retail Strategy translates into Formats?

Learning objective: To learn about various different retail strategies, key business decisions and how they impact various formats

Session 4 and 5:

Topic: Retail formats

The session will include the following:

- Retail Strategy: Formulation
- Deciding retail formats
- Retail Value Chain
- Defining Format
- Food retailers
 - Supermarkets
 - Convenience Stores
- General merchandise retailers
 - Hypermarkets
 - Departmental Stores
 - Category killers

Case: Foodworld (A) (IIM Ahmdabad)

Background readings: Ch5. Delivering value through formats (Sinha-Uniyal, 2nd Edition, OUP)

Questions to prepare for class discussion of case: **(to be decided)**

Assignments:

Explain Food World's Format and strategy with the help of Retail Value chain

Sessions 6 and 7:

Theme: What to Buy, How Much to buy, Where to buy from and When?

Learning objective: To understand various aspects of buying, role of buyers and important mathematical tools used in merchandising

Topic: Buying & Merchandising

The session will include the following:

- Planning Merchandise Assortment
- Organizing the buying process by categories
- *Setting objectives for the merchandise plan*
- Measuring inventory turnover
- Sales forecasting
- Assortment planning process
- BOM/EOM stock
- Open to Buy

Case: none

Background Readings: Ch.9 Retail buying (Sinha-Uniyal, 2nd Edition, OUP)

Assignment: The class will be divided among various random groups and different departments of the Apparel Department store were allocated to them.

They have to prepare a complete store layout and Merchandise plan for that department

Session 8 and 9 :

Theme: the Shift from Mind space to Shelf Space

Learning objective: To know more about this new and emerging field and how it impacts inventory planning, buying and profitability

Topic: Category Management

The session will include the following:

- How to analyze, category performance?
- Analysis of Various Merchandise Categories
- Allocate Floor and shelf space to various categories
- Category and Brand Management: two approaches

Case: Planet Health (IIMA)

Background Reading: Ch 7. Category management (Sinha-Uniyal, 2nd Edition, OUP)

Theme: How to Price a merchandise and Earn Margins?

Session 10:

Learning objective: To learn various pricing methods and their application in setting real life retail pricing and calculation of mark ups and mark downs

Topic: Pricing Strategies

The session will include the following:

Approaches to setting prices

- EDLP
- HI/LO
- *Break even analysis*

Price adjustments:

- Mark ups and mark downs

Case: None

Background Reading:

Ch 12. Establishing a pricing strategy (Sinha-Uniyal, 2nd Edition, OUP)

Assignment:

Identify a retail store

Study the various merchandise categories

Find the pricing structure

Explore the following:

- **Mark-ups**
- **Markdowns**
- **Discounting Strategy**
- **End of Season Sales**

Session 11-12:

Theme: Identifying the perfect Location for the Store

Learning objective: How to identify a good location and do site analysis

Topic: Location

The session will include the following:

1. The Process of Deciding Location
2. Retail Location Strategy
3. Trading Area analysis
4. Site Assessment and selection
5. Laws of Retail Gravitation
6. Marketing Index for Store location

Case: Filene Basement (HBS)

Background Reading: **Ch.6** Store location (Sinha-Uniyal, 2nd Edition, OUP)

In-class Conceptual Exercise:

1. Location analysis using:
 - a. Marketing Index
 - b. Huff's formula

Assignment:

A leading exporter who exports garments to stores like Zara, JC Penney, Nordstorm etc., decides to enter the field of Apparel retail. He has the merchandise and supply chain set up ready for this purpose. The exporter is based in Thirupur, Tamil Nadu. In addition to this he intends to open the apparel retail store:

Prepare a complete plan for the entry of the retailer in the potential markets.

Identify key locations in the chosen market and do a comparative location/site analysis

Session 13-14:

Theme: How to make right merchandise available at the store, right time and in right quantity?

Learning objective: To understand the importance of Supply chain, warehousing and logistics in actual implementation of retail strategy

Topic: Supply chain Management

The session will include the following

- ✧ Supply chain management
- ✧ 3rd party Logistics
- ✧ Warehousing
- ✧ Use of IT in SCM
 - ✧ VMI
 - ✧ RFID

Case: ZARA

Background Readings: Ch.8 Supply chain management (Sinha-Uniyal, 2nd Edition, OUP)

Session 15-16:

Theme: Understanding shoppers and Communicating with them

Learning objective: To learn how to make communication effective at the retail store

Topic: Retail Communication

The discussion will include

- Marketing in retailing
- Shopper Behaviour
- Retail communication
- Visual merchandising

Case: None

Background Readings:

Ch11 Retail communication mix (Sinha-Uniyal, 2nd Edition, OUP)

Session 17:

Theme: Malls in India

The discussion will include

- Mall marketing
- Leasing
- Facilities Management

- Field Visit to various Malls in Bhubneshwar

Session 18-19:**Theme: New Trends in Retailing**

Learning objective: To explore new trends emerging in Retailing business including e-tailing

Topic: New Trends in Retailing

The discussion will include

- E-Tailing
- Brick and Click Businesses
- Social Media
- Augmented Reality and impact on Retailing

Session 20:**Theme: Integrating the retail Strategy**

Learning objective: to integrate various functional aspects of retailing and make a retail business plan. This will include Summary of the course learning

Notes:

- **This syllabus and schedule are tentative. Cases and readings may be substituted at short notice. Additional topical materials may also be assigned at short notice.**
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Pedagogy:

Pedagogic mix may include standard standalone sessions, case studies, exercises, Field visits and presentations. Emphasis will be on discussion and active exchange of ideas. The course is intended to be a vehicle for self-learning and group learning. Carefully thinking out your position and displaying tenacity in defending it from attack by skeptics are both important requirements. A willingness to share your perspectives, knowledge, and experience is another important factor for a satisfactory classroom experience in this course. The learning process will be inductive i.e. we will understand the concepts as applied to a real life company. To ensure that learning occurs and doubts are clarified it is imperative that all designated pre-class preparatory work is done and we are all prepared to spend time in class in clarification of doubts / issues

5. Evaluation

Component	Weightage	Description
Quizzes	20%	Random unannounced quizzes
In-class Assignments	20 %	Assignment brief will be given in the class only
Case submissions	30%	Case analysis has to be submitted before the case discussion
End Term Exam	30%	Briefing will be given later

6. Academic Integrity

- Plagiarism will result in severe academic punishment
- It is a very interactive course which will involve group work and hence it is expected that all members will contribute and there will be no free riders.