

B8604: New Frontiers in Retail

Spring 2022, B Term

Dates and Times: Tuesday, 5:40 pm to 8:55 pm

Classroom: Kravis 420

Instructors:

Oliver Chen, CFA

Senior Managing Director and Equity Research
Analyst: Retail, New Platforms, and Luxury Sector;
Cowen and Company, Equity Research Division

Prof. Kinshuk Jerath

Professor of Business, Marketing Division,
Columbia Business School

Instructor office hours: By appointment

TA: Sahil Jain (SJain23@gsb.columbia.edu)

TA office hours: By appointment

Course Description

Retailing is a large component of a country's economy and is an extremely dynamic industry as it responds to changing consumer tastes on the one hand and technological advances on the other hand. Especially in the last decade, due to the confluence of a number of societal and technological developments, retailing has seen massive change. Yet, these developments are ongoing, which implies that retailing will continue to be disrupted in the next decade at an accelerating pace. The high-level aims of this course are:

1. Develop an understanding of some basic frameworks to analyze retail, identify the broad societal and technological trends that are shaping and enabling retailing and how they fit into the frameworks, and project the trends and their impacts into the future to predict how retailing might evolve.
2. Take a deep dive into specific trends and topics of high importance to retailing today and in the near future.

The topics that we will focus on are the following (some of these topics overlap with each other or are otherwise closely connected, and will be discussed accordingly):

- Connected Retail and Customer Centricity
- Personalization and Individuality
- Retail Ecosystems
- Direct-to-Consumer Retailing
- Retail Marketplaces, including Peer-to-Peer Marketplaces
- Sustainability, Recommerce and Circular Retailing
- Decentralization in a Connected Social Community
- Social Commerce
- Data, Machine Learning and a Coordinated Backend
- Automation and Robotics
- Supply Chain and Inventory Management

The course is targeted towards students who will benefit from a high-level understanding of the retail industry and its current and expected future dynamics, specifically, retail industry practitioners, entrepreneurs and investment analysts.

For each of the topics mentioned above, we will take a deep dive into it, followed by a discussion of relevant prominent and pathbreaking companies. This will be followed by in-person, virtual, or hybrid discussions with speakers from many companies. The basic template for such a session would be:

1. You will do pre-class readings and work. For a Tuesday class:
 - Readings released the previous Wednesday, ~2 readings per speaker
 - Students enter responses by Sunday (thoughts on the topic and questions for the speaker)
2. Brief lecture and kick-off discussion, rooted in our frameworks (40 min)
 - Conceptual discussion of the topic (e.g., what it entails and how it impacts the retailing process, the potential market opportunity, discussion of the key players in the space)
 - Highlighting the key debates on the pros and cons of the disruptive impact
 - A discussion of the companies that speaker(s) will represent later in class
3. Hear from two distinguished speakers, back to back with break (50 min + 15 min + 50 min)
4. Concluding discussion to solidify learnings (40 min)

In addition to the class sessions, we will also have two site visits, one to the Rent the Runway facility in Brooklyn and the other to the Saks Fifth Avenue store on Manhattan. On these site visits, students will be able to meet some key executives in the facilities and get “behind the scenes” tours of various departments in the facilities.

The course will be co-taught by Prof. Kinshuk Jerath and Prof. Oliver Chen.

- Prof. Jerath (<https://www8.gsb.columbia.edu/cbs-directory/detail/kj2323>) is on the standing faculty at CBS. He conducts research in retailing and regularly consults for and advises established retailing companies and startups.
- Prof. Chen (<https://www.cowen.com/profile/oliver-chen>) is Managing Director and senior equity research analyst covering retail, new platforms, and luxury goods at Cowen and Company, and an adjunct professor at CBS.

Both instructors will be present in each session, and together discuss the various aspects of retailing and bring them to life with industry cases, academic articles, examples and anecdotes.

IMPORTANT NOTES:

1. As part of the course, we will share with you a number of reports and other materials from Cowen, Inc. **COWEN RESEARCH IS NOT FOR DISTRIBUTION OUTSIDE OF THIS COURSE. IT IS A SAMPLE TO BE USED FOR ILLUSTRATIVE PURPOSES ONLY. THE DATA IS TO BE USED FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE INTERPRETED AS A RECOMMENDATION TO PURCHASE OR SELL ANY SECURITY.**
2. To facilitate open discussion, the speakers’ talks/sessions will be considered **OFF THE RECORD**, and these parts of the class will not be recorded. Also, students should not post any recordings or video clips of the speakers on social media, websites, etc.

Course Overview

(Some changes are possible in the schedule.)

Day	Topic(s)	Companies Represented	Deliverables (all due at 11:59 PM)
Session 1 Tuesday, March 22	Introduction and Course Overview Frameworks Key Technology and Societal Trends Shaping Retail	Marc Metrick (CEO, Saks) Michael Mente (co-CEO, Revolve)	March 20: Pre-class Exercise 1
Session 2 Tuesday, March 29	Retail Marketplaces Social and Community Commerce Livestreaming	Elliot Jordan (CFO, Farfetch) Mark Yuan (CEO, And Luxe)	March 27: Pre-class Exercise 2
Optional Site Visit Friday, April 1	Saks Fifth Avenue site visit		
Session 3 Tuesday, April 5	Retail as an Omnichannel Ecosystem Experiential Retail Direct-to-Consumer Retail	Jeff Gennette (CEO, Macy's) David Gilboa (co-CEO, Warby Parker)	April 3: Pre-class Exercise 3
Session 4 Tuesday, April 12	Automation and Robotics in Retail Supply Chain and Inventory Management Retail Analytics	John Lert (CEO, Alert Innovation) Prashant Agarwal (CEO, Impact Analytics) Neha Singh (CEO, Obsess Virtual Store Platform)	April 10: Pre-class Exercise 4 April 12: Group Project Stage I
Session 5 Tuesday, April 19	Re-commerce and Circular Retail	Julie Wainwright (CEO, The RealReal) Jennifer Hyman (CEO, Rent the Runway)	April 17: Pre-class Exercise 5
Optional Site Visit Friday, April 22	Rent the Runway site visit		
Session 6 Tuesday, April 26	International Aspects of Retail Fintech and Retail	Andreas Schulmeyer (CEO, Packable) Denise Incandela (EVP, Walmart) Nick Molnar (co-CEO, Afterpay)	April 24: Pre-class Exercise 6
Friday, May 6			Group Project Final Version

Evaluation

1. Pre-class readings and quizzes—individual (8% each x 5 best of 6 = 40%)
2. Class attendance and participation—individual (20%)
3. New Frontiers of Retail project—group* (40% each)

* Groups should ideally have four members; less than four will be allowed.

Pre-class work—individual (Assignment Type C)

Before each class, readings will be provided and there will be an online “quiz” that each student will take individually. The quiz may have two types of questions. First, you will be asked open questions that invite opinion or thoughts or require some simple analysis (for which there will be no right or wrong answers, but a reasonable attempt is required to deserve points). Second, you will be asked to suggest questions that the speakers will be asked during their sessions. The goal of the readings and quizzes is to prepare you to get maximum learning from the following class. The quizzes will have to be completed individually and submitted before 12:00 PM on the day of class. Each quiz will be for 10% and there will be 6 of them. We will take your top 5 scores in these quizzes.

Class attendance and participation—individual

Attendance will be taken and you are encouraged to participate in each class. Several criteria will be considered when evaluating your class participation. This includes the quality and the quantity of the class participation. High quality class participation includes comments that add to our understanding of a situation. High quality class participation can be supported with qualitative and/or quantitative analysis. Your comments should take into account the comments and analyses of your classmates. Participation should move our discussion forward.

New Frontiers of Retail Project—group (Assignment Type A)

Each group of four students will complete a project on a topic of their choice discussed in one of the sessions, or on a closely related topic. This can be one of three things:

1. Writing a comprehensive, 4- to 6-page whitepaper on the chosen retail phenomenon
2. Creating an 8- to 10-minute podcast in which students play roles of panelists and discuss a topic.
3. Creating an 8- to 10-minute podcast with a speaker (only for speakers who are interested in doing this, which the instructors will find out).

The whitepaper or podcast should incorporate content from the pre-class readings, in-class lectures and discussions, speakers’ viewpoints, and information that the group may find on their own, all of which constitute secondary research. Furthermore, the group must conduct some primary consumer research as well on the topic. The deliverables will be in two stages: in Stage 1 (midway through the course) an outline of the whitepaper should be submitted and this will be for 10% of the course grade; in Stage 2 (about one week after the classes finish) the final whitepaper/podcast should be submitted and will be for 30% of the course grade. Both faculty and one industry expert will provide broad feedback on the Stage I of the paper. Some coaching and tips will be provided to students to enable them to produce a high-quality, externally shareable podcast (if they do one). Please use the template available on Canvas for the paper. The students should remember that the audience for the whitepaper/podcast is not the professors but the outside world and that we will release these on the LinkedIn page for the course and will be shared with C-level executives in retail. The standards for evaluating the paper/podcast will be very high.

For Stage I feedback, the following have kindly agreed to share their expertise as Industry Expert Mentors:

- Stephen Sadove (former CEO of Saks Fifth Avenue and former Chairperson of National Retail Federation)

- Chris Baldwin (former CEO of BJ's Wholesale Club and former Chairperson of the National Retail Federation)
- Marc Metrick (CEO, Saks)
- Charles Gorra (CEO, Rebag)
- Brook Armstrong (CEO and Co-Founder, Blockskye)
- Steve Miller (CFO, Warby Parker)
- Mark Yuan (CEO, and luxe)

ATTENDANCE, CLASSROOM NORMS AND EXPECTATIONS

You are required to attend each class. If you want an excused absence, please contact OSA and ask them to send Prof. Jerath an email (or forward their approval email to Prof. Jerath).

Students are expected to adhere to CBS Core Culture in this class by being Present, Prepared, and Participating.

Laptops and cell phones are not allowed in class.

INCLUSION, ACCOMMODATIONS, AND SUPPORT FOR STUDENTS

At Columbia Business School, we believe that diversity strengthens any community or business model and brings it greater success. Columbia Business School is committed to providing all students with the equal opportunity to thrive in the classroom by providing a learning, living, and working environment free from discrimination, harassment, and bias on the basis of gender, sexual orientation, race, ethnicity, socioeconomic status, or ability.

Columbia Business School will make reasonable accommodations for persons with documented disabilities. Students are encouraged to contact the Columbia University's Office of Disability Services for information about registration. Students seeking accommodation in the classroom may obtain information on the services offered by Columbia University's Office of Disability Services online at www.health.columbia.edu/docs/services/ods/index.html or by contacting (212) 854-2388.

Columbia Business School is committed to maintaining a safe environment for students, staff and faculty. Because of this commitment and because of federal and state regulations, we must advise you that if you tell any of your instructors about sexual harassment or gender-based misconduct involving a member of the campus community, your instructor is required to report this information to a Title IX Coordinator. They will treat this information as private, but will need to follow up with you and possibly look into the matter. Counseling and Psychological Services, the Office of the University Chaplain, and the Ombuds Office for Gender-Based Misconduct are confidential resources available for students, staff and faculty. "Gender-based misconduct" includes sexual assault, stalking, sexual harassment, dating violence, domestic violence, sexual exploitation, and gender-based harassment. For more information, see <http://sexualrespect.columbia.edu/gender-based-misconduct-policy-students>.

ASSIGNMENTS

All of your assignment submissions are subject to the [CBS Honor Code](#). Violations of the CBS Honor Code may lead to failing the assignment, failing the course, suspension, and/or dismissal. In order to avoid ambiguity that may lead to unintentional violations of the Honor Code, assignment description types have been standardized and specified below.

<u>Type</u>	<u>Designation</u>	<u>Grade</u>	<u>Preparation of submission</u>	<u>Discussion of Submission*</u>	<u>Discussion of Concepts**</u>
A	Group Work	Same grade for all group members	By the group	Permitted to discuss (within group)	Permitted
B ¹	Individual w/ Discussions of Concepts and Submission	Individual grade	Individual preparation	Permitted to discuss; sharing solutions or submission files is not allowed	Permitted
B ²	Individual w/ Discussions of Concepts Only	Individual grade	Individual preparation	Not permitted to share/discuss solutions or submission	Permitted
C	Individual	Individual grade	Individual preparation	Not permitted to share/discuss solutions or submission	Not permitted***

The designated group can be either an assigned study group or a self-selected one.

* Submission means any work and/or output pertaining to the specific assignment. If an assignment submission contains a calculation or decision related to a specific set of data and setting, discussing the details how to make this calculation or decision with regard the data/setting is to discuss the submission. Providing another student with a draft of the calculation or decision is sharing the submission.

** Concepts mean any ideas, examples, readings, or other related materials from the class/course. Conceptual discussion should not be based on a specific set of data or setting related to a calculation or decision required in the assignment, but could be based on other related examples, preferably those from class/course materials.

*** As no conceptual discussion is permitted, Type C is akin to a take-home exam.