

Student Exercises in Online Learning Center (OLC) for Retailing Management, 7th Edition

http://highered.mcgraw-hill.com/sites/0073381047/student_view0/index.html

The student side of the OLC contains the following modules:

- 1) The Strategic Profit Model (SPM) (Chapter 6)
- 2) Multiattribute Model (Chapter 4)
- 3) Market Position Matrix (Chapter 5, Appendix)
- 4) Human Resource Management (Chapter 9)
- 5) Assortment Planning (Chapter 12)
- 6) Merchandise Budget Plan (Chapter 13)
- 7) Vendor Evaluation Model (Chapter 13)
- 8) Location Case Exercise (Chapter 8)
- 9) Pricing (Chapter 15)
 - Markup Percentage
 - Maintain Markup and Initial Markup
 - Breakeven Analysis
 - Markdown Model

What are they?

The website modules are intended to give the student an “alternate” presentation of selected topics from the text. Some of these topics have been selected because they have been a “stumbling block” for students in retail management. The majority of topics presented in the modules involve calculations, and are intended as a supplement—not to replace the text or lecture. Students can spend as much or as little time as they wish working through the examples provided. The modules can also be used to supplement lectures in mediated classrooms.

Strategic Profit Model (SPM)

The SPM tutorial was designed to provide a refresher for the basic financial ratios leading to Return on Assets. The calculation page or the Excel spreadsheet can be used for Case 13 to compare Blue Nile with Tiffany’s. 9: Best Buy and Radio Shack: Comparing Strategic Profit Models.

Market Position Matrix

A market attractiveness/competitive position matrix provides a method for analyzing opportunities that explicitly considers both the retailer’s capabilities and the retail market’s attractiveness. This exercise is designed to go with the Appendix to chapter 5 and the Get Out & Do It CD Exercise 5 in chapter 5. Experimenting with Exhibit 5-8, students can evaluate different merchandise categories in a store, or any other retailing investment opportunity.

Assortment Planning

This exercise is designed for Get Out & Do It Exercise 7 in chapter 12. In this exercise, students are to assume the role of the wrench category manager in hardware store chain. The student can download the excel spread sheet with data about each wrench stocked in the hardware chain.

Merchandise Budget Plan

When students first see a merchandise budget in Chapter 13, the rows and columns of numbers seem overwhelming. Clicking through the examples in this module helps students see that as they break the budget down into pieces, each piece by itself is not difficult. The Merchandise Budget Plan Tutorial provides multiple examples of the calculations required to complete the merchandise budget.

Vendor Evaluation Model

The vendor evaluation model is a different application of the multiattribute model discussed in Chapter 4. Instead of a customer evaluating different stores, a buyer is evaluating different vendors. The Get Out and Do It CD Exercise number 4 in Chapter 13 allows students to experiment with the performance and importance ratings found on the CD

Location Case Exercise

The “Location” link on the Online Learning Center includes an Excel spreadsheet tutorial to accompany “Get Out and Do It” Exercise Number 6.

Student Assignment:

Go to the Online Learning Center and click on “Location.” You will see an EXCEL spread sheet that contains the sales for 40 retail locations of a sporting goods retail chain plus characteristics of each location – number of households in trading area, percent of households with children under 15 years old, percent of households in appropriate tapestry segments that the retailer is targeting, distance from a Wal-Mart store, and distance from a Sports Authority store. Estimate a multiple regression model predicting sales as a function of the site characteristics and use the estimate weights to evaluate the three sites at the bottom of the spread sheet.

Teaching Objective:

Enables students to have a hands-on experience using the regression analysis approach, described on pages 226 and 227 for estimating the sales potential for three location sites that a sporting goods retailer is considering.

Pricing

The pricing module contains four sections that complement Chapter 15, Pricing.

1. Markup Percentage

Calculate markup as a percentage of retail, given retail and cost; or calculate retail, given markup as a percentage of retail and cost. Use with Discussion Questions 6 & 7.

2. Maintain Markup and Initial Markup

Calculate initial markup, given maintain markup, planned reductions, and planned sales. Use with Discussion Questions 4 & 5.

3. Breakeven Analysis

Calculate breakeven units and dollars, given fixed cost, unit variable cost, and the unit selling price. Use with Discussion Question 9.

4. Markdown Simulation (Max Margin's Markdown Challenge)

The Max Margin's Markdown Challenge was developed by Oracle. This section of the Online Learning Center sets up the scenario that the student has been hired as a markdown manager in a department store.