TERM PROJECT

Your final project involves three separate parts. You can get started on this at any time, but your recommendations and the detail of your answers will need to be completed closer to the end of the term after you have read the chapters, completed your assignments, and gained a greater understanding of the retail concepts. If you like to shop, you’ll find this experience insightful and fun. If you don't like to shop, it may not be as much fun but it will still be insightful. We all need to shop at some time, and I think you'll learn a lot when looking at the experience through more critical eyes. In summary, this is what you are going to do:

Part A: Comparison Shopping
Part B: Retailer Analysis
Part C: Internet Shopping Analysis

PART A: Compare at least seven products among four food retailers on
✓ Variety
✓ Assortment
✓ Service
✓ Price
✓ Location
✓ Promotion
✓ Design and Display
✓ Type of Retail Institution

The form attached will provide guidance for you. You should have seven forms completed for this part of the project. From the information you gather, you are to come to some conclusions about each retailer's strategy. Give as much detail as you can. For each retailer identify:

a) the target market the you think the retailer is directing its efforts and why
b) how the retailer strives to satisfy the needs of the target market
c) how the retailer builds a long-term advantage over the competitors.
d) Conclude with how effective you think the retail strategy is for each retailer.
TERM PROJECT: PART A

Product #___: Type of Product_____________________________________________________

<table>
<thead>
<tr>
<th></th>
<th>STORE #1</th>
<th>STORE #2</th>
<th>STORE #3</th>
<th>STORE #4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How many variations are represented? (How many types of choc. chip cookies?)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assortment -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How many Brands of this one type? (Mothers, Keebler, Private label)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any service involved?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Samples, convenient pkg., self-help)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location (on shelf, in store)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Sale, coupons, samples,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design &amp; Display</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Special display? facing, signs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of Retail Institution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART B: Evaluate store layout, design and visual merchandising.

Go to a store of your choice and evaluate the store layout, design and visual merchandising techniques employed. Be sure to reference the concepts you have learned in your chapters. If a manager begins to question you because of your suspicious note taking, just explain that you are a student at SOU and if they have questions, they should contact me. If you feel more comfortable having my business card, please ask me for it.

Explain your answers to the following questions:

I. Appearance
   A. Is the store layout, design and visual merchandising techniques used consistent with the exterior of the store and the location? What does it say about the type of store this is and the market it is trying to attract?
   B. Is the store's ambiance consistent with the merchandise presented and your expectations as a customer?
   C. Does the store need a face lift, update, remodel or renovation? What improvements would you suggest?

II. Fixtures
   A. Does the lighting highlight merchandise, structure space, capture a mood, or downplay unwanted features?
   B. Are the fixtures consistent with the merchandise and the overall ambiance of the store?
   C. What type of image do the fixtures portray?

III. Promotion
   A. Evaluate the store's signage. Does it effectively sell merchandise?
   B. Has the retailer used any theatrical effects to help sell merchandise?
   C. Does the store make creative use of wall space to sell product?
   D. Does the sales staff use suggestive selling?
   E. Is the sales staff friendly and helpful?
   F. Is the image of the staff consistent with the image of the store?
IV. Layout
A. Does the store layout help draw people throughout the store? Why or why not?
B. How does the layout facilitate purchases?
C. What type of layout is used? Would another type of layout be better?

V. Merchandising
A. Has the retailer employed any techniques for achieving greater space productivity such as using the "cube," downsizing gondolas and racks, minimizing no-selling space, etc.?
B. Are there any displays that increase interest in the products being offered? If not, would you recommend any?
C. How has the retailer organized merchandise? What improvements could be made?

VI. Summarize your suggestions on how this retailer can improve the shopping experience for their customers, increase sales, and improve their image.

PART C: Evaluate Web Sites.

Go to the four retail web sites and shop for a product. For example, if I were shopping for a pair of jeans, I would try to find similar jeans at four different retailers. I might view Victoria’s Secret, GAP, J. Crew, Levi because they all offer about the same quality and target similar markets. Answer the following questions in detail:

a) Identify the retailers you chose and why.

b) How do you compare your experience shopping on the Internet to shopping in a local store for this type of product?

c) What are the advantages and disadvantages of the Internet shopping experience?

d) Compare the retail offerings of the product you were shopping for:
   a. product quality
   b. price
   c. suggestive selling
   d. website features
   e. design of website
   f. ease of website use
   g. closing of the sale

e) Which one of these sites would you use? Why?
RETAILING ASSIGNMENTS

Pick One - All students must select one of the options listed below (either/or) I've tried to make this as interesting as possible for you to incorporate the class learning in a fun way:

1. ENTREPRENEUR VS CHAIN - Retail Marketing of Two Different Types of Stores
Students are to analyze two different retail approaches such as an independent drug store compared to a national chain or a local small "Mom and Pop" hardware compared to a Home Depot or Lowes. Prepare an analysis of the impact of competitive forces and market factors in terms of entrepreneurial forces as compared to traditional retail chain marketing. This report should include a historical overview of the marketing evolution, business financial issues/costs, growth strategies, and product life cycle issues. Retail knowledge from the class will provide a framework including a complete literature review of articles, site research, and other sources.

2. ATMOSPHERICS ON SITE - Retail Marketing of Single Store Location In depth Site Analysis & Audit
Select a store that you are particularly interested in and do a site location audit. It may be a mall location or free standing retailer. Examples might be "destination" stores that have a unique ambiance or different way of creating store atmosphere. These include The Great Indoors, Rainforest Café, Mongolian BBQ, Pier One, PetSmart, Canterbury Village, Imports, Eastern Market, Detroit Institute of Arts Gift Shop, or other such establishments (yes Restaurants may be included too, they are retail food service establishments!) Explain the market dynamics, demographics, and other key atmospherics issues driving the marketing, services, policies, promotions, public relations, advertising, in-store signage and other factors. You should gather material, news stories, and even interview others about why they like the feeling of the place. Use your retail marketing knowledge to strategically analyze this what creates the store ambiance and image. Also, be sure to get permission from the manager and identify yourself as a student doing a project in advance and try not to interfere with customer sales.

3. WEB STRATEGY - E-tailing Students are to prepare the actual or hypothetical start-up of an E-Commerce Internet or "dot.com" company. This may be accomplished in a group or individual format of approximately 4-5 individuals. It is suggested that the team break up the assignment into web strategy, creative, media, integrated marketing, relationship, target segments, domain development, naming, research etc. for maximum productivity. Each member must contribute to the effort to the satisfaction of the group to receive the group grade. The purpose of this assignment is to provide a real life experience of starting up an e-commerce dot.com based on the insight gathered in this process combined with course learning. When possible, students should conduct brief surveys of what others think of the dot.com for supporting research. One example might be a used text consortium, or reverse auction site.

4. Additional Options - Apply the same approach as above to other approved topics, with approval:
Library, online, and survey research are recommended for these assignments. The final presentations should be professional and interesting. Students should submit a copy of the presentations on a computer disk, as well as hard copies and handouts of any presentation materials for grading purposes by the deadline date.
RETAIL ANTHROPOLOGY ASSIGNMENT

This assignment requires you to conduct some retail investigation in the field. Your report should be presented in summary style (like this description) and should be 4-5 pages long. Examples of this type of research are found at this URL: [http://www.envirosell.com/research.html](http://www.envirosell.com/research.html)

Professional retail analysts often hire consulting firms to conduct studies that watch how consumers act and move in store settings. This is called “Retail Anthropology.” There are several issues that can help retailers make sure that their store design is optimized for their customers. We’ll look at three specific ones: customer traffic flow, crowdedness, and accessibility. You will compare three retailers on these attributes. For this exercise, use simple rating scales from 1-10, where a “10” is best and “1 “is worst. Make a chart like the one below to summarize your findings.

a. Visit three retail stores in an industry that interests you, such as department stores, discount stores, clothing stores, hardware stores, electronics stores, etc. Describe the industry, the three stores you picked, and tell why you selected each.

b. Customer traffic flow: In each store, first watch how people move through the store. Do they follow similar paths? Are they attracted by certain displays or areas of the stores? Is the traffic flow efficient?

c. Secondly, compare how crowded each store is. Are the aisles wider in one store versus the other? Do customers get in each other’s way?

d. Finally, are all the stores equally accessible to people with disabilities? Do they have: automatic doors, ramps, handicapped accessible restrooms, water fountains, fitting rooms (if applicable), checkout counters? Are displays accessible to people in wheelchairs? If needed, is braille used? Hearing devices?

e. Fill in your chart and briefly discuss your findings. Were there patterns in the ways that customers behaved? Were certain stores “better” than others? What would you recommend if you were a consultant?

f. Could the stores you visited use e-commerce to improve in these three areas?

<table>
<thead>
<tr>
<th>Stores</th>
<th>Traffic Flow</th>
<th>Crowdedness</th>
<th>Accessibility</th>
<th>Overall Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store 1, name and address</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store 2, name and address</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store 3, name and address</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PROMOTION PROJECT

Students should form teams of two to work on this project. Student pairs should then select a retailer that is having some sort of July 4 promotion. Selection of the retailer requires that the manager or an assistant manager be willing to answer questions about the promotion. Only one student pair may work on a retailer, i.e., once a retailer is selected by a team, you have to find a different retailer.

Deliverable:
The deliverable will be a written report from ranging from 3-5 pages in length. Any attachments such as ads, circulars, etc, should be attached to the written report.

Due Dates:
Retailer selection will begin the first day of class. Retailer selections must be posted on the e-companion discussion board to reserve the retailer. Written reports are due at the beginning of class on July 5.

What should the report cover?
The report should cover any relevant aspect of the promotion. Much of this will be observed, however a great deal of the questions will need to be answered by store management. The report should at minimum answer the following questions:

Planning: When did the promotion planning begin? Who made the decisions in the planning (e.g., centralized or by local managers)? What are the objectives of the promotion? How were the products selected that are being promoted? To what degree are the suppliers participating in the promotion, and what form is their participation? What are the pricing incentives being used? When does the promotion begin and end?

Buying: How much extra inventory is being purchased for the promotion? How far in advance does the buying occur? What type of forecasting method(s) are used to assist in the buying?

Merchandising: How is the promotion being executed in the store? Are featured products in multiple locations? What sort of signage is being used?

Communication: What media are being used to communicate the promotion? When were the media buys made, and who made them? When do the ads run? If appropriate, how national advertising coordinated with local advertising? To what degree is co-operative advertising used? What other marketing is being used (e.g., radio promotion, circulars, web site)? How is the promotion being communicated to employees, and do the employees understand the promotion? What is the staffing level for the promotion period (i.e., is it greater than normal)?

Measurement: How will the success of the promotion be determined? What are the specific metrics? Which is more preferable at the end of the promotion, to have excess inventory or to have items out of stock?

Grading criteria:
Grades for the project will be based on the following criteria:
1. Thoroughness of report: were all aspects of the promotion adequately examined?
2. Clarity of the report: how well was the report written? Is it clear, well organized, attractive? Are there spelling or grammatical errors that detract from the review?
3. Insight of the report: does the report provide clear insight to the likely effectiveness of the promotion?
CUSTOMER EXPERIENCE PROJECT

Students should work individually on this project. Students should select a particular product or product category that they or someone they know is interested in purchasing (or recently purchased) for personal use. This should be a product (as opposed to a service), and should be considered a “major” purchase (something not regularly purchased, and of high enough price that an extended decision process is used—for example, golf clubs would be appropriate, but golf balls would not). Examples would be a car, new clothing item, shoes, tennis racquet, golf clubs, snowboard, iPod, computer, television, bicycle, furniture item, home furnishings, kitchen appliance, camping gear, and so on. If you are not sure about the appropriateness of the product or category selected, ask the course instructor before embarking on the project.

Two retailers, ideally different formats, should then be selected as alternative places to purchase the product. For example, one might compare the experience of buying a used car from a dealership as opposed to an independent used car lot, purchasing a suit from a specialty clothing store as opposed to a department store, golf clubs from a pro shop as opposed to sporting goods store, or a television from Best Buy as opposed to Sam’s Club.

**Deliverable:**
The deliverable will be a written report in a table form ranging from 2-4 pages in length. Any attachments such as ads, circulars, etc, should be attached to the written report.

**Due Dates:**
Written reports are due at the beginning of class on June 19.

**What should the report cover?** The report should cover any relevant aspect of the purchase process. All of this can be observed, however additional insight can be gained from talking with store personnel and managers. The focus should be on the way that the purchase process differs between the two retailers. The report should at minimum cover the following areas:

Store A Store B

Description of customer base / segment shopping at this store (demographic, psychographic, etc.)
Knowledge of customer about the product when entering store
Type and extent of customer assistance provided
Breadth of assortment of product line, and the way the customer decide among the available options
Returns policy and warranty
Decision process (who is involved and who plays which role)
Type of payment used and financing used
Other products purchased in the same shopping trip
Insert / add any other likely differences you observe

**Grading criteria:**
Grades for the project will be based on the following criteria:
1. Thoroughness of report: were all aspects of the purchase process adequately examined, and were differences between the customer bases clearly defined for each section?
2. Clarity of the report: how well was the report written? Is it clear, well organized, attractive? Are there spelling or grammatical errors that detract from the review?
3. Insight of the report: does the report provide clear insight to the likely reasons why there are differences between the customers and their buying behavior at the different retailers?
STORE FORMAT COMPARISON PROJECT

Students should form teams of two to work on this project. Student pairs should then select a broadly defined product category that can be purchased from three different types of retail outlets, then select one retail store to represent each of the different types. The report will compare the way the category is sold from the different retail formats. All three formats must have a “brick and mortar” presence, although they may use multiple-channels. To have a good project, the students will need to interview the store or department managers of the various formats. Some examples of categories and retail types would be as follows:

Health and beauty aids: compare a drug store, grocery store, and mass merchandiser
Golf clubs and supplies: compare a pro shop, specialty golf store, and general sporting goods store
CDs: compare Independent records, Best-buy, and Barnes & Noble
Soda: compare grocery store, Sam’s Club (or Costco if you can get to one), and convenience store
Home furnishings: compare American Furniture Warehouse, Furniture Row, and Ethan Allen (or Ikea if you can get to one).
Gardening supplies: compare Lowes or Home Depot, Wal-Mart, and specialty store
Jeans: compare specialty store, department store, and the Leechpit
Pet care: compare Petsmart or Petco, a specialty shop, and a grocery store
Cosmetics: compare a department store, a drug store, and a grocery store
Greeting cards: compare C.J. Kard, a Hallmark store, and a drug store

Deliverable:
The deliverable will be a written report from ranging from 5-8 pages in length. Any attachments such as ads, circulars, etc, should be attached to the written report. The report can be submitted in tabular form (4 columns with column 1 describing the aspect examined, and columns 2-4 describing each store’s use of that aspect.

Due Dates:
Written reports are due by 5:00 p.m. on July 7.

What should the report cover?
The report should focus on the differences in the way the category is handled by each of the formats. Several ideas for comparisons are provided below, and additional items can be found in your text on p.66. Much of this will be observed, however a great deal of the questions will need to be answered by store management. The report should at minimum cover the following areas:

Store location and hours: Compare the location in terms of convenience and distance from the target market; compare the store hours. Are the hours or location limiting one of the stores (good vs. lousy location)?
Category role in the store: how important is the category to the overall store in terms of percentage of the total store sales, what is the role of the category in the store? How much space is devoted to the category in terms of total square feet, linear shelf feet, and as a percent of the total store selling space?
Assortment: What is breadth of the assortment? How many different brands? How many different products for each brand? How many different SKUs for each product? Which brands are featured? What is the depth of each SKU (how many units are on the shelf)? How much additional inventory is kept in the back room?
New items and discontinued items: How often are new items introduced and older items discontinued? What percent of the SKUs would be considered new in the past year?
Sales velocity: What is their inventory turn of the category? How does that compare with other categories carried by the store? How frequently do units sell (on average, e.g. how many units sell per week of the average SKU)? Which items are the big sellers for the category? How is the amount of shelf space determined for products? Are fast movers given more shelf space than slow movers?
Ordering and deliveries: How often is inventory ordered? How often are deliveries of inventory received by the store? How is inventory received (in case packs, in partial packs), and from where (trace the general supply chain to the manufacturer (e.g., jobber, distribution center, direct store delivery, broker, other wholesaler)), and where does it go once it reaches the store (directly to the shelf, in the back room, or some of each)?
**Seasonality:** To what extent does seasonality affect the category? Are most of the sales in December?

**Promotions:** How much of the category is sold on promotion as opposed to regular price? How are promotions planned and executed?

**Pricing:** What is the price range of the store (high, average, or low) relative to other store formats? What are the average margins? Does the store work with mark-down allowances? How are the markdowns used?

**Personnel and sales staff:** What is the average experience level of the personnel? Are there licenses or other factors that affect personnel (e.g., unions, certification, etc.)? How are the salespeople compensated (salary, commission, combination)?

**Multi-channel presence:** Does the store use other channels (direct marketing and Internet marketing) or does it rely solely on its brick and mortar presence?

**Effectiveness:** How does each store appear to be doing? Is there a strong future for the category in the format, or does it seem like a bleak future?

**Grading criteria:**

Grades for the project will be based on the following criteria:

1. Thoroughness of report: were all aspects of the category adequately examined across all three stores?
2. Clarity of the report: how well was the report written? Is it clear, well organized, attractive? Are there spelling or grammatical errors that detract from the review?
3. Insight of the report: does the report provide clear insight to key differences of the formats and each format’s ability to effectively sell the category?
ON SITE (IN EUROPE) RETAIL ASSIGNMENT SHEET

During your visit to Europe, you have several independent assignments to do. These are potentially subject to inclusion on the final exam.

1. You should make sure you write at least one page in your trip diary addressing each of these questions (total of at least 11 pages addressing these areas…one page for each of 11 areas). Your observations should try to avoid taking an ethno centric bias ie. avoid a culturally biased perception. Differences are neither right nor wrong- they are just "different". You are to hand in these assignments after we return from the program to Europe.

2. Did you have any prior stereotypes about what you would see in Europe related to lifestyles, culture, etc? Please fully identify these stereotypes and indicate how your perspective has changed (or not changed) during this European program. Please indicate the elements/experiences that contributed to this perspective. In at least two of the countries visited on this European program, visit local department stores. Observe differences and similarities between departments stores in these different countries. Additionally, compare these department stores to departments stores you have visited in the US. Compare the pricing, merchandising mix of the stores, merchandise layout (ie. product displays), and services provided. Please provide your overall evaluation of these experiences.

3. In each country, visit a supermarket. Observe differences and similarities between supermarkets in the different countries. Additionally, compare these Supermarkets to Supermarkets you have visited in the U.S. Compare the pricing, merchandising mix of the stores, merchandise layout (product displays), and services provided. Please provide your overall evaluation of these experiences.

4. In at least two of the countries visited, visit familiar/unfamiliar fast food restaurants in each country (eating there is optional). See if the menu is adapted to local tastes or standardized the same as in the U.S. Compare the pricing, merchandising mix of the restaurants, merchandise layout (product displays), and services provided. Please provide your overall evaluation of these experiences.

5. In at least two of the countries visited, visit some type of specialty store (men’s clothing, women’s clothing, hardware, toy…any kind of store.) Compare to the same type of store in the U.S. (You need only visit one kind of store.) Compare the pricing, merchandising mix of the stores, merchandise layout (product displays), and services provided. Please provide your overall evaluation of these experiences.

6. In at least two of the countries visited, what differences do you notice in "Dine In" restaurants compared to the US? Compare the pricing, menu mix of the restaurants, atmospherics (atmosphere or feeing you have), merchandise layout (display), and services provided. Please provide your overall evaluation of these experiences.

7. In at least two of the countries visited, look at the vehicles. How are the vehicles different between countries? How about the condition and age of the vehicles? Reflect on the driving styles? Compare the vehicles to those you are used to the the USA. Please provide your overall evaluation of these experiences.

8. In at least two of the countries visited, spend a little time watching TV. Observe how the programming may be different (except for the obvious language differences). Watch the advertising. How are they different? What are the similarities to the advertising in the U.S.A.? Please provide your overall evaluation of these experiences.

9. In at least two of the countries visited, Observe people on the street. How are they dressed? How are the people at work dressed? How do they interact. (in banks, stores, etc). Observe business dress and compare to that in the USA. Please provide your overall evaluation of these experiences.

10. Describe some of the personal changes you have experienced because of your international cultural experiences. To what do you attribute this change in perspective? Please provide your overall evaluation of these experiences.
Compare London and Paris or Rome or Athens (or other major city you will visit) to Saint Louis or Chicago. What do you consider the same and what do you consider different? To what do you attribute this evaluation? Please provide your overall evaluation of these experiences.

Your observations should avoid taking an ethnocentric bias – i.e. avoid a culturally biased perception. Differences are neither right or wrong - they are just “different.”
**STORE MYSTERY SHOPPING OBSERVATION**

Date: _____________________________
Day of the Week: __________________
Time of Day: ____________________
Name of Store: ________________________________________
Address: _____________________________________________

**Total Store Information:**
Number of cars in the parking lot:

How many times were there 3 or more customers in a check out lane: __________

Average items being purchased:
using baskets carts less than ½ full ___________
carts ½ or more full ___________

How long did you wait in line to check out?

How many items did you purchase?

**General Shopping Information:**
1) Were you greeted when arriving at the store?
2) Were shopping baskets/carts available and/or offered?
3) Were salespeople visible on the store floor? Did anyone ask if they could assist you in finding an item? When asking for assistance, did the salesperson take you to the item or point to the item?
4) Were salespeople using product knowledge when speaking with their guests?
5) Describe the store layout - e.g., overall feel of the store, promotions, signs, pleasing to shop at, etc... Were aisles clear?
6) Was the store clean and neat?
7) Did employees appear friendly? Were they smiling?
8) Were prices displayed prominently in the store?
9) Were sale items/store circulars displayed and/or available?
10) Check 3 sale items (and list) to see if the product is still available. Are products available?
11) Is the store easy to shop?
12) Is there a large variety of products?
13) Examine two different categories of products in the store (e.g., cereal, dairy, deli). Is there a lot of choice within this category? Are there name brands and store brands? How are these displayed? Is product available on the shelf?
14) Does the product look fresh and of high quality? Are there noticeable problems with any products?
15) Check the restrooms - are they clean, clearly marked, are paper products and soap available?
16) Were samples offered anywhere in the store? If yes, describe.
17) If you used a credit card or check, did the cashier use your name? If you did not use either, did you notice what happened to another customer if they did?
18) Provide comments on the quality of products/services.
19) Provide comments on the overall service - especially the checkout.
20) Was there anything noticeably wrong during your visit?

**Sample Report - Restaurant Mystery Shopping Experience**

My guest and I drove around the block of the restaurant four times before finding a parking space. We had to walk about 2 blocks to the eating establishment. We entered the restaurant and were immediately greeted by the
host (Foster). He greeted us, asked information about our needs (e.g., number of people, seating preferences), and promptly seated us. He was very polite and gave us the list of specials for the evening.

Our waiter, Russ, approached our table within 2 minutes of us sitting down. He asked if we had received the list of specials. He also asked for our drink orders. We asked what the drink specials were. The restaurant did not offer drink specials. He indicated what beer was on tap and what soft drinks were available. We ordered a glass of sprite and a coke with no ice. He indicated he would give us time to review the menu and return with our drinks. He did not recommend any appetizers. Within 5 minutes, our waiter brought our drinks to the table and asked if we had any questions about the menu or the specials. The drinks were placed properly on the table. The coke had ice in it. He asked if we were ready to order. We indicated we needed more time. After a few minutes, we closed our menus and the waiter appeared quickly to take our order. I ordered the olive burger and my guest ordered the Caesar salad. I was asked how I wanted the hamburger prepared and my guest was asked if he wanted anchovies on the salad. The waiter asked if we would like any appetizers with the meal and suggested the fried pickles. We indicated no appetizers were required. The food arrived within 15 minutes. My burger was warm and served open-faced with lettuce and tomato on the side. A pickle and chips were also provided. The burger was cooked to my specifications. The burger and chips were good and the pickle was crisp. My guest’s salad looked fresh and was a large serving. The food was presented in an appetizing way. Our waiter asked if we would like drink refills.

Within a few minutes, the manager, Lydia, came to our table. She introduced herself and asked if our meals were prepared to our satisfaction. She also asked if we would like a small loaf of bread to compliment the meal. We indicated that we would like the bread. Our waiter brought the bread shortly after the manager left our table.

After the meal, the dessert tray was brought. The desserts were very tempting and we decided to split an apple pie ala mode. We were asked if we would like that dessert heated. Our water glasses were refilled. Within 8 minutes the dessert was brought to the table as requested along with an extra plate and new forks. Overall the meal was very good, reasonably priced, and the service was timing and friendly.

The restrooms were clean and clearly marked. Although, customers have to walk past part of the kitchen to get to the restrooms. Toilet paper was missing in one of the stalls in the women’s restroom. My guest indicated that there was a few sheets of paper towel on the floor of the men’s restroom. The restaurant was nicely decorated and music was playing. The music was a little too loud for conversation and we did feel at times that we had to speak loudly to talk. Another customer asked that the music be turned down a little, and the host was happy to accommodate the request. Most of the other diners were dressed as if they had just come from the office - in more professional clothes. There were two families in the restaurant with small children, but most of the diners were 40 or older. There was a small bar to sit at where food could be ordered as well. The restaurant appeared 3/4 of the way full or full most of the time we were there, but we did not see many people waiting for tables. My guest and I concluded that we would return to the restaurant another time. Overall, the experience was positive.
STRATEGY EXERCISE

McDonald’s original market was families with young children and its format was selling hamburgers and French fries in freestanding stores at lunch and dinner time.

How would you classify these opportunities McDonald’s pursued?
   A) Adding breakfasts
   B) Locations in office buildings
   C) Locations in schools
   D) Adding salads to the menu
   E) Adding pizza to the menu
   F) Opening up seafood restaurants to compete against Red Lobster
   G) Opening up stores in China & Germany

Draw an “Opportunity Matrix” and classify each of the aforementioned moves by McDonald’s.

PART 2

Give an example of each type of growth strategy that Best Buy might use (include related AND unrelated diversification).

To help you, Best Buy currently targets five composite segments:
1. “Barrys” = affluent, professional males, 30-60 years old, who make a minimum of $150,000 a year and drive luxury cars
2. “Jills” = busy, suburban moms
3. “Buzzes” = focused, active, younger men
4. “Rays” = family men who like their technology practical.
5. Small businesses who buy their consumer electronics at Best Buy.
RETAIL ANALYSIS PROJECT

1) Description of the Assignment:
Select and visit a local retailer (I suggest you pick a ‘pure’ retailer (i.e., a retailer that is not also a wholesaler). After making some observations on its operations, write a report on this retailer. In order to obtain all of the information required to write this report, you may decide to either set up an interview with the owner (or manager) or research the retailer in the library and on the Internet before your visit to the store.

2) Format of the Assignment (Conformance to the format requirements is worth 1.5 points):
The report should be double spaced, minimum 2 pages long, and should not exceed 3 pages. Also, it should be written in Arial 11 font with 1.0 inch margins (top, bottom, left, and right).

3) Submission of the Assignment:
There are two ways to submit this assignment on March 28th, 2008:
Note: Do not e-mail me your assignment!

4) Outline of the Assignment:
Below are the outline and the corresponding points (Total points: 18.5):
Section 1: Introduction of the retailer (a total of 6.5 points for this section)
   • Location you've visited and the type of retailer (1.0 pt)
   • Type of retailer by retail mix and by ownership (1.5 pts)
   • Competitors of the retailer (major, direct, and indirect competitors) (1.0 pt)
   • Variety and assortment it offers (describe and evaluate their characteristics) (2.0 pts)
   • Channel(s) it operates in (1.0 pt)
Section 2: Strategy of the retailer (a total of 10 points for this section)
   • Target market (primary and secondary targets) (2.0 pts)
   • Retail format (1.5 pts)
   • Bases on which it can build (or has already built) sustainable competitive advantage (2.0 pts)
   • Describe one: CRM activities OR customer loyalty programs (1.5 pts)
   • The nature of relationships with main vendors (1.0 pt)
   • An example of a fashion and staple merchandise category this retailer offers (0.5 pt each, for a total of 1.0 pt)
   • Performance measures (input, output, or productivity) used to evaluate store operations (1.0 pt)
Section 3: Recommendations for the retailer (a total of 2 points for this section)
   • Growth opportunities, operational, or strategic recommendations (Select two of the three only) (1.0 pt each, for a total of 2.0 pts)
MULTI-ATTRIBUTE MODEL EXERCISE

You are going to use the multi-attribute model to analyze the current competitive status of your favorite store and make corresponding recommendations.

DIRECTIONS:

1) For your favorite store (the one that you wrote on your student information sheet), pick the 5 most relevant store benefits for the retail type that your store belongs to. (See Chapter Four's discussion of the multi-attribute model or your notes from class discussion for assistance).

2) Pick two top competing stores (intratype competition) of your favorite store.

3) Develop a questionnaire based on the multi-attribute model to assess FIVE PEOPLE'S evaluations of the three stores' performance on your FIVE benefits and the respondents' importance scores for those FIVE benefits.

4) **Type up the questionnaire.** Give to FIVE people that are familiar with your THREE featured stores. Design the questionnaire any way you want, making it an effective and efficient tool to collect the data you need. Include demographic information on the questionnaire and a place for the respondent to provide contact information. (I will be randomly contacting (email or cell) your respondents to verify their participation). Make sure you include in your questionnaire everything you need for the multi-attribute model comparison and to answer the questions below in Part 5. This is your survey. Collect whatever other information you think would be helpful to complete your assignment.

5) **Analyze the results.** Provide no more than a three-page bullet-point report on your findings. In your analysis consider at least the following: 1) Did the respondents' evaluation scores correspond with the store that they usually choose? What are some of the reasons why or why not? 2) What benefits are the most important for people shopping at this category of retailer? How does this correspond with what you know about this category of retailer. 3) What specific recommendations can you make to your favorite retailer based on what you learned from this analysis? CONSIDER RETAILING TACTICS YOU LEARN THROUGHOUT THE NEXT SEVERAL WEEKS TO FORM SUGGESTIONS FOR IMPROVEMENT. 4) What are some interesting findings from your data? 6) Turn in the questionnaires and the report Monday, March 10th at the beginning of class. Everything must be typed. This assignment is worth 20 points.
PRIVATE LABEL EXERCISE

Have the students guess if these brands are national or private-label and if private, have them guess where they are located.

Martha Stewart – Macy’s, K-mart
Durabilt - Target
Popular Mechanics - Walmart
Kenmore -- Sears
Liz Claiborne - national
Kobalt – Lowe’s
Maytag – National
Husky – Home Depot
Craftsmen - Sears
Esprit – private
Cartier - private
Sesame Street - Kmart
Arizona - JCP
Community Coffee – regional/national
Diehard - Sears
Michael Graves - Target
Stafford - jcp
Charter Club - Dillards
RETAIL STRATEGY PROJECT

Instructions:
This research paper should be written in paragraph form, double spaced, 12 font with the preset (normal) margins. Please use the headings listed below (A. History of the Company, B. Retail Strategy, 1. Target Market etc...) to make your paper flow well. A well researched paper should be at least 6-10 pages long.

First step - Select a retailer. Remember a retailer sells to the "ultimate consumer." You need to choose a retailer with a physical store who sells a physical product - otherwise it will be difficult to complete this project. If you are thinking of opening your own store, choose a retailer that sells the same type of merchandise that you would like to sell. (i.e. ski shop, music store, pizza place, furniture store, apparel boutique, hardware store etc...)

Second step - Interview the manager or owner at the retail store you selected. This is a required part of your project. Your paper should include the following:

A. History of the Company:  (50 pts.)
   • Who did you interview? (Full name and position.)
   How long have they been in business?
   • How has their business changed over the years?
   • What is their mission statement?
   • Do they plan to expand, penetrate, diversify or change their retail format in the near future?

B. Retail Strategy
1. Who is their Target Market: (15 pts.)
   • Define their customer according to demographics (age, gender, income level, education etc.)
   • Trade Area - primary, secondary, tertiary (refer to Chapter. 8)
2. Merchandise Assortment: (15 pts.)
   • What are the major brands they carry?
   • Do they have private brands?
   • Where does this retailer's merchandise fit on the category life cycle? (Chapter. 12)
   • Why do you think they chose this stage of the life cycle?
   Does this retailer carry convenience goods, shopping goods or specialty goods? (Chapter. 7)
3. Human Resources: (15 pts.)
   • How does this store prepare and train their sales people?
   • Are they paid on commission, salary or hourly wage?
   • Are the sales people allowed to cross sell? (if there are separate departments)
   • Do they outsource any activities in their business?
4. Store Location: (15 pts.)
   • Where is this retail store located? (CBD, Shopping Center, Specialty Center, MXD)
   • Why do you think they chose this location?
   • Is this site accessible for the customer?
   • What type of lease do they have? (may not be willing to give this information out)
5. Pricing: (15 pts.)
   • What is this stores pricing policy? (Everyday Low Pricing, High/Low Pricing etc.)
   • What other practices do they use to compete with price? (Coupons, Rebates, Price Bundling)
   • Does this retailer use the cost-oriented method of pricing or demand-oriented pricing.
   • Is there a frequent shopper program?
6. Communication Mix: (15 pts.)
What type of paid advertisements does this business use?
What type of unpaid communication does this business use? (Publicity)
Does this retailer use cooperative advertising? With whom?
What type of sales promotions does this retailer use? (Sales, Sampling, Demos, Contests etc.)

7. Store Layout: (15 pts.)
What type of design layout does this store use? (Grid, Racetrack, Free Form etc.)
- Is it effective for customer flow?
- What type of fixtures do they use?
- What type of lighting are they using?
- Is music constantly playing? What type?
- What type of scent is in the store? Does it detract or attract?

8. Customer Service: (15 pts.)
- What type of services does this store offer? (Alterations, gift wrapping etc.)
- Talk to 3 customers - What is their perception of this store's customer service?
- How does this store handle customer complaints?
- Does this store have "mystery shoppers" to check level of service?
- Is the salesperson "empowered" to make decisions or is it up to management?

C. Competitive Advantage: (50 pts.)
- Does this retailer have a "competitive advantage" over similar stores?
- How can they retain this advantage or achieve an advantage over their competition? (This section should be 2-3 paragraphs minimum -- think about it!)
RETailer ANALYSIS ASSIGNMENT

Select a retailer that you have an interest in for this assignment and clear the retailer with me so that we can be sure you will find the information you need to complete the assignment using library databases and resources. The assignment will help you become familiar with the databases, industry, market, and company reports, and other electronic library resources recommended by Mike Davis, our business reference librarian. In preparing your report, be sure to footnote or reference the original sources that your information was drawn from (not the database where you found the source). Please do not summarize information without giving credit to the source from which it was drawn. Also include a bibliography of the sources you used.

Prepare a paper and presentation about your retailer using the guidelines that follow. The presentations will be done at the end of the semester so that this becomes a collaborative learning experience. In researching and preparing your paper, you should use a minimum of 5 sources of information.

1. Describe the current climate and situation that your retailer finds itself in as it attempts to compete. Describe what is occurring in the industry. Provide a brief overview of the retail sector in which the retailer operates. What environmental and economic factors are affecting the retailer? Describe competitive pressures, changing demographics and buying preferences, consumer behavior issues, image issues, etc. that affects this retailer and how they conduct business? How has the industry changed as a result of ecommerce and technology?

2. How has your retailer changed and evolved over time? What is your retailer’s primary business? What is their business model (how do they choose to operate)? What is their corporate strategy? What are their goals? What parts of their business are growing and generate the most revenue? How is your retailer seeking to increase revenue in the future?

3. Corporate Analysis – Who is the parent company of your retailer? What retailers are part of their portfolio? What is the parent company’s overall market strategy and how does this retailer fit into their overall strategy?

4. Competition
   a. Who are the retailers’ competitors (both direct and indirect)? How does your retailer compare to these competitors in terms of its size, market dominance/share, sales, profitability, etc.?
   b. What is your retailer’s competitive strength? How do they try to compete? Are there strategies that have not worked for them?
   c. What retailers have they identified as competitive threats? Why?

5. Retail Market Strategy
   a. Target Audience – Who is their target audience? (describe demographically and psychographically, if possible) How does this compare to the competition?
   b. What image do they want to convey? How do they attempt to position themselves in the minds of consumers in the market? What is their current image in the industry and in the minds of consumers? Is this image working for them? How does this compare with the image of competitors?
   c. How do they make use of technology (web and ecommerce, supply chain management, information systems, etc.)? How has technology affected the way they conduct business?
   d. What is their global presence and strategy? What countries have they entered? How successful have they been expanding into these countries? What obstacles have they faced?
   e. What is their location strategy? Why have they chosen this strategy?
   f. What is their approach to managing human resources? (if this info is available)
   g. Describe their merchandising strategy – how they buy, what they buy, breadth vs depth of merchandise, etc. How is it reflected in their financial strategy?
h. What is their **pricing** strategy and how does this affect their profitability?

i. Describe their approach to **advertising and sales promotions**. Has it been effective for them?

j. What challenges does your retailer face in terms of the retail strategy variables just described? Do some appear to be working better than others?

6. Do a **financial analysis** of your retailer and two to five of its top competitors. Include revenue growth, ROA, Gross Margin, Net Margin, GMROI, Inventory Turnover, etc. What does this analysis say about how your retailer operates and its profitability? What can your retailer do to improve its profitability?

7. Summarize your retailer’s primary **strengths and weaknesses** and support your assessment. What are their biggest **challenges** now and in the future? How are they preparing to meet those challenges? What do they view as their **opportunities** for the future?

- What do you think the future holds for this retailer? If you were hired as the CEO, what specific strategies would you pursue in the future for this retailer? What opportunities would you capitalize on? Why?
Assume you are interested in buying a digital camera. Go to [www.circuitcity.com](http://www.circuitcity.com) and [www.bestbuy.com](http://www.bestbuy.com) and compare shopping on these two sites for a digital camera. What features on the sites did you find helpful? What features made shopping more difficult? What camera would you buy? Why? From which site would you buy it? Why?

Go to [Shopstyle.com](http://www.shopstyle.com) and [Stylehive.com](http://www.stylehive.com). What are the purpose of these sites? How do they add value to customers? How do they make money? What input, if any, do retailers have to this site? Evaluate the site. What features do you like and dislike, such as the “look and feel” of the site, navigation, special features, etc. How would you use this site?

Shopping comparison websites such as [www.bizrate.com](http://www.bizrate.com), [www.pricegrabber.com](http://www.pricegrabber.com), and [www.mysimon.com](http://www.mysimon.com) assist consumers in finding the best price for products. Go to these sites shopping for a woman’s sweater, a PDA, and a digital camera (Cannon Powershot SD1000). Report on your experiences with these sites and the feature they offer. What features do they have that you like? Don’t like? How could they be improved? Would you use them? Why or why not?

Assume that you are going to buy an engagement ring for your fiancée. Compare and contrast your shopping experience when you go to [www.tiffany.com](http://www.tiffany.com) and [www.bluenile.com](http://www.bluenile.com). What are features of the sites do you like and dislike such as the “look and feel” of the site, navigation, special features you found useful or did not like, etc? How easy was it to locate what you were looking for? What was the checkout like? Etc?
Assume that you are getting married and planning your wedding. www.theknot.com and www.weddingchannel.com are some web sites designed to help you plan your wedding. Go to these sites and describe your experience. What are features of the sites do you like and dislike such as the “look and feel” of the site, navigation, special features you found useful or did not like, etc? What are the specific services offered by these sites that you would use.
DEFINING A RETAIL STRATEGY

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. 128-137 of Retailing Management.

Choose a store to compare with “your store” that sells the same classifications of merchandise, e.g. Ann Taylor and Talbotts. Another alternative would be to choose two departments within different stores as long as they sell the same classifications, e.g. Juniors at Neiman Marcus and Juniors at Target. 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.

Collect information on the two stores or departments by posing as a customer and interviewing a manager or buyer. Do not be deceptive about your intent. Most stores will be happy to help you. If they are reticent to help, please thank them and find another store. Some stores have policies against talking with the public about these kinds of things. You will also find that in many small chain stores, the manager has little knowledge about corporate strategy. So, plan ahead in case you have to go to more than one store. In the formal interview, you should be sure to have the questions thought out in advance. You may, of course, supplement your in-store visit with secondary research.

Financial Strategy

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.

Construct strategic profit models using the excel spreadsheet that can be found on the student side of the Online Learning Center at www.mhhe.com/levy6e. Go to tutorials, and then to strategic profit model. Go through the tutorial until you see the spreadsheet on the lower left side of the screen. There is also a blank SPM on p. 553 of the text. 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, or information as web sites like www.hoovers.com.

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.
LOCATION ANALYSIS PRESENTATION ASSIGNMENT

Go to “Your Store.” Define and analyze their trade area. Specifically, what are the primary, secondary, and tertiary trade areas? What are their boundaries? Why? Do you believe that the population living in the trade area provides the most potential for this store?

Assess the site. Is it a good location in general? Is it good for “your store”?

Use Chapter 8 as a guide to prepare this assignment.

STORE LAYOUT AND DESIGN ASSIGNMENT

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.
FINANCIAL ANALYSIS ASSIGNMENT

Evaluate the performance of the focal retailer assigned to you. 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 information as web sites like 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 (summarized in Table 2). Turn in a one or two pages of 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.

<table>
<thead>
<tr>
<th>Teams</th>
<th>Focal Retailer</th>
<th>Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,8</td>
<td>JCPenney</td>
<td>Macy’s, Dillard</td>
</tr>
<tr>
<td>2,7</td>
<td>Zales</td>
<td>Blue Nile, Tiffany’s</td>
</tr>
<tr>
<td>3,6</td>
<td>Target</td>
<td>Wal-Mart, Sears Holding</td>
</tr>
<tr>
<td>4,5</td>
<td>Office Depot</td>
<td>Staples, Office Max</td>
</tr>
</tbody>
</table>
COMPARISON SHOPPING ASSIGNMENT

The objective of this assignment is to have you take the retailer’s perspective and think about the different retail mixes they offer and how they compare to other retailers. The assignment is to pretend you are responsible for a merchandise category. Conduct a comparison of the retail offering for the specific merchandise category such as camcorders, men’s suits, country/western CDs, women’s athletic shoes, house paint, etc. for two different retailers. The retailers selected can be direct competitors using the same format such at Macy’s and Dillards department stores or retailers selling similar merchandise with different formats like Wal-Mart and Circuit City. The comparison should include the following:

1. (20%) The strategy pursued by the two retailers—each retailer’s target market and general approach toward satisfying the needs of the target market.

2. (40%) The retail mixes used by each of the retailers with respect to a specific merchandise category such as country music CDs, men’s dress slacks, or MP3 players including variety and depth of assortment, services, selling effort, advertising and promotion, pricing, and the location of the retailer and the merchandise category in the retail store.

3. (40%) Comparing the merchandise offering and pricing like the table in Exhibit 2-2, page 37. Compare the categories on breadth and depth of assortment by counting the SKUs of different types and prices by looking for the prices of similar items and compare the prices. The questions in Exhibit 2-13 on page 66 might be useful. Also might be useful.

Data Collection
To prepare this comparison you need to visit the stores (not the websites) and observe the retail mixes in the stores. Try to make an appointment with the department or store manager and conduct a structured interview to collect information about the strategy of the store, its target market, and its retail approach to appeal to the target market. In some cases, the manager might refuse to talk to you or let you collect data in the store. Then pretend you are a customer shopping for merchandise in the category to evaluate the customer service. Finally, look thoroughly at the merchandise in the category to make a comparison as if you were a competitor see in what the store has to offer. (see point 3 above)

Executive Memo
Summarize the results of the comparison shopping exercise in a memo—six to ten pages, double-spaced maximum plus exhibits (tables and figures). Concentrate on the difference in the retailing of the merchandise category, illustrating how different strategies result in different retail mixes and providing a thoughtful, insightful discussion of how and why these differences arise. Focus on comparing the store’s offering, not the retailer’s offering from its internet site. You could also point out inconsistencies in the store’s strategy and implementation through its retail mix for the category.

Presentation by All Teams
Each presentation must be no longer than 10 minutes. Practice the timing of the presentation, because you will have to sit down at 10 minutes. The presentation should highlight the key finding of the executive memo focusing on the category assortment and retail mix not the company strategy. In addition to conveying the information, you need to make the presentation interesting for the audience.
RETAIL STRATEGY ASSIGNMENT

To insure that you can get information about the retailer, the retailer you select should:

- Be a publicly held company so that you can access its financial statements and annual reports. Do not select a retailer that is owned by another company. For example, since Banana Republic is owned by The Gap, you can only get financial information about The Gap and not the divisions it operates such as Banana Republic.

- Focus on one type of retailing. For example, Abercrombie & Fitch just operates one type of specialty stores and thus would be a good choice. However, Wal-mart operates discount stores, warehouse club stores, and supercenters and thus would not be as a good choice.

Some examples of retailers that meet the first two criteria are: Whole Foods Market, Dress Barn, Burlington Coat Factory, Ross Stores, Ann Taylor, Cato, Chico’s, Finish Line, Foot Locker, CVS, Walgreens, Staples, Office Depot, Borders, American Eagle Outfitter, Pacific Sunwear, Abercrombie & Fitch, Tiffany, Zales, Autozone, Pep Boys, Hot Topics Wet Seal, Best Buy, Family Dollar, Dollar General, Circuit City, Michaels, PetsMart, Macy’s, Dillard’s, Pier 1 Imports, Home Depot, Lowe’s, Bed Bath & Beyond, Mens Warehouse, Kroger, Kohl’s, Radio Shack, Safeway, and Target.

Prepare an analysis of the company.
(10%) Identify direct competitors and the retailer’s strategy-- the retailer’s target market and positioning, its retail mix (merchandise variety and assortment, pricing, locations, etc.), and.
(20%) Outline the retailer’s strengths (its basis for competitive advantage) and its weaknesses relative to competitors
(30%) What are logical growth opportunities for the firm?
(10%) What the treats in the environment that may adversely affect performance?
(20%) Include a financial analysis for the retailer comparing its present to past performance and to performance of competitors.
(10%) 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

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

Please review the efforts of the retailers below (as reflected in their websites) to attract the best and brightest college students into their management training programs.

JCPenney
http://www.jcpenneycareers.com/Career_Opportunities/N3_campus_rec_index.htm

Sears Holding
http://www.searsholdings.com/careers/college/

Macy’s
http://www.macysjobs.com/college/

Wal-mart
http://www.walmartstores.com/GlobalWMStoresWeb/navigate.do?catg=262

Which of these retailers do you think is most effective and attractive? Which is the least effective and attractive? Which is the least effective? Why? What should each of these retailers do to increase their effectiveness?
DEALING WITH TEAM ASSIGNMENTS AND FREE RIDING

I have attached (see immediately below, after the horizontal rule) a description of Team Member Expectations, Ideal Team Member Criteria, and a Peer Evaluation for Group Projects that I use for Principles of Marketing. I hand out this document when I assign the team projects and the students are dividing into teams. I have found it is helpful to fully explain my expectations before the group work begins.

Also, I like to set the bar high and show students an example of an excellent team paper and presentation from the previous semester. I tell the class that successful teams meet once per week.

I recommend that students choose their teams wisely. For example, students may be close friends, but not the best choice for a group project. I also recommend that students look at their schedules carefully. If one person has a night class on Monday, and another student plays a sport that travels on Tuesday, and a third person has a part-time job on Wednesday and Thursday, then it will be difficult to find a time for team meetings.

I still have an occasional team that has an underperforming student. If the team approaches me early I can help them correct the problem. If the team does not contact me or they wait until the night before a project is due, there is little I can do to help.

Lastly, I have a Project Day two weeks before a team assignment is due. Usually teams hand in a draft of the first half of the paper. I take 30 to 40 minutes of class time and each student proofreads the entire paper while looking at the outline for the assignment. Each student uses a different color to mark up and edit the paper. Once a student has proofed a page, they put their initials on the bottom of the page. Later I read over the draft and make a lot of comments. This submission is graded, say 10% of the final project's points. This way students learn how to proofread, edit each other's sections and give constructive comments to each other. They also see how I will grade the assignment. This especially helps teams that would procrastinate until the last minute for the entire project.

Team Member Expectations

Why does this Marketing course incorporate team assignments?

"Many companies are putting employees into self-directed work teams as an important mechanism for dealing with today's complex and rapidly changing environment. As a result, businesses recommended that curriculum and teaching methods be designed to develop students' communication and interpersonal skills through the use of student groups in the learning process." (1) Students are finding that employers are asking prospective candidates to describe their experiences working in teams during the interview process. (3)

Collaboration is a current buzzword in business and students need to have experience and successful strategies for working in teams prior to entering the workplace. Possessing strong team skills makes courses that require group work easier and more productive. (2)

Some of the disadvantages of teams that the professor would like to avoid in this course are the free rider problem and the divide and conquer approach. A free rider is a person in the group who is not contributing or doing their fair share. Free riders lower group morale and adversely impact the timeline to complete the project. The divide and conquer approach is where the team project is divided up into sections and just before the paper is due it is stapled together. Teams that adopt this approach miss the opportunity to learn from collaborative group interaction and prepare for the demands of teamwork in the business world. (2, 4)

How will I be evaluated on my participation on the team assignments?

At the end of the semester each student will complete a Peer Evaluation for Group Projects. This assessment instrument will give the instructor feedback on how individuals contributed to the two group projects this semester. (Emerging Industry Presentation and the Final Marketing Plan Paper and Presentation)
Peer evaluations are designed to accomplish the following:

- Instill individual accountability for the team assignments
- Evaluate each person’s level of participation in the team projects

What should we do if our team is “dysfunctional”?

If your team is not making progress on either of the team projects, please contact the professor as quickly as possible. Waiting until the last minute with concerns about how your team is performing is not recommended. The professor is available to meet with teams to assist them with dividing up the group projects, having effective team meetings or other questions and concerns.

Ideal Team Member Criteria

Important items that contribute to being an ideal team member:

1. Able to use the library resources to collect information
2. Attends all team meetings
3. Comfortable using PowerPoint
4. Communicates well with other team members
5. Respectful of other team members
6. Displays an analytical business style
7. Gives constructive feedback
8. Has strong presentation skills
9. Meets assigned deadlines
10. Open to ideas from other team members
11. Organized
12. Enthusiastic attitude about the team assignments
13. Productive team member
14. Volunteers for tasks
15. Sets realistic deadlines
16. Shares the responsibility for team assignments
17. Submits quality work
18. Takes on a leadership role
19. Comes to team meetings prepared
20. Writes well and can edit other student’s work

References


2. Vik, Gretchen N. "Doing more to teach teamwork than telling students to sink or swim." Business Communication Quarterly, December 2001.


Peer Evaluation for Group Projects

MK 240 Marketing

Team Number _______________________

INSTRUCTIONS:

In the attached table, please note the extent that each member of your group participated in both team projects (Emerging Industry Presentation and the Final Marketing Plan Paper and Presentation). The professor will use your rankings to
evaluate each person’s contribution to the team projects.

Feel free to provide additional comments on the reverse side to mention specific aspects of your own performance and/or to explain your rationale for the rating you have assigned, especially where an individual may have contributed disproportionately (or failed to participate sufficiently).

Peer Evaluation for Group Projects

Person completing this form: ______________________________

Contribution/Participation

Names
Poor
Fair
Good
Excellent

1. Yourself
2.
3.
4.
5.

Please answer the following two questions.

1. What were some of the positive aspects of working in a team for these two assignments?
2. What would you do differently the next time you have a team project to make it a better learning experience for you and your team?

- There’s a JME dealing with exactly this issue. They conducted an experiment trying different approaches to controlling free riding; not clear any of the approaches worked.
- Right now, I’m reducing the size of my groups in an effort to place more pressure on each person to contribute and to give the hardworkers an incentive to evaluate the slackers more objectively and less “politely”. Not sure that it will work, but I’m trying it.
- One thing that has helped: Once we’re about 50% along in the semester-long project, I ask students to complete informational, ungraded peer reviews. Slackers seem shocked that their peers are unhappy, and generally respond by starting to contribute.
- Finally, not to make it too simplistic, but there are probably three types of students: hard workers, slackers, and the gray area in between. The pure slackers are probably the easiest to deal with, as students are more likely to give them poor peer evaluations. Figuring out the gray area, and motivating those students to contribute fully, is more complex.

I use the attached (below) form. Furthermore, in the first class itself I announce very clearly that free riders might lose 5-10% or might even fail if they don’t work. I kind of put it little more threateningly and it has worked for me for the last 7 years. Moreover, I keep reminding them about this every month. I never faced that gang up scenario but if that happens you can surely call the person who has worked and show them a futuristic scenario as to tomorrow when they will be part of an interview, this person who has not worked at all and have got same grades as them might get chosen and they might not. Small things like this lead to big things and I am sure if they are using 'united we stand', there is no counter strategy to ‘divide and rule’.

GROUP MEMBER EVALUATION FORM

For each member in your group, determine how much you feel he or she contributed to the development of your group project throughout the course of the semester. Below, write down the name of the group member, and then rate the individual’s contribution from 0 to 100, where 100 is the best possible score. You are responsible for evaluating the effort...
each member invested, and not the intellectual abilities of the member.

YOUR NAME:

PROJECT TOPIC:

Next there is a table with the following columns:

Team member(s) name, Conceptualization, Project execution, Other, Overall contribution

If you gave a group member an especially low rating, please briefly explain why

I use a peer evaluation form and use the average for all members (including the one being graded) to assign 5% of the course grade. The peer evaluations are (theoretically) based on the grade that the respondent believes each member of the group earned on the project. I've frequently been impressed by the honesty evidenced: students assigning themselves the lowest grade among their group, or not giving anyone in the group an A because they don't believe the product was an A effort. (I do not disclose the peer evaluation grades.)

I've never had a situation where multiple slackers ganged up on the one doing the work -- I guess if I knew that was the case I'd use my discretion to reallocate the grades based on my own observations.

What I have experienced is students seeing this as a chance to earn an easy A for 5% of the course, even when their project was only worth a B or lower. Or (frequently) the slackers assigning everyone an A, while the workers give differential grades. Based on years of seeing this happen when the "all A's" evaluations come from students who don't participate in class, do poorly on exams, etc., I've almost come to regard this situation as a "tell" (not to be confused with entire groups who give each other all A's and add write-in votes that they all worked well together and had a great group experience).

The most disturbing experiences I've had are when the group splits into "in" and "out" segments, and those given poor ratings complain that they couldn't contribute because meetings were set when they couldn't attend, they weren't kept in the loop, etc. I'd love to take the position my professors did that "managing group dynamics is part of the learning experience" and stay out of it, but it's not in my nature. Luckily this has been a rare occurrence, so I haven't had to mediate (probably unsuccessfully) frequently.

I do try to give the students some time in class during the term to work on their projects while I'm there to consult with them. It gives me a little sense of the dynamics of each group to inform my interpretation of the evaluation forms.

I'm attaching the form I use (below - next). While there is room for 10 names on the form, the groups almost always have 3-5 students. It's never been tested for reliability and validity, but I settled on it after years of trying other versions like constant sum scales to weight individual group members' grade for the project, etc. I found, for example, that most students had little sense of how such a weighting would impact grades, while at least they know what they're doing when asked to grade each other and themselves. It's imprecise, but seems to work fairly well

PEER EVALUATION FORM

This peer evaluation is designed to correct possible inequities in grading your group project. You are asked to rate your team members according to each person's contribution to the team effort. The ratings should reflect a team member's time, effort, ability, and willingness to work things out with the other members. It should not reflect the grade you think your group paper/presentation should receive.

Please take your time and follow the instructions below. Try to assign grades that accurately reflect the extent to which you and the other members of your group contributed to your learning and/or your group's performance. This will be your only opportunity to reward the members of your group who actually worked hard on your behalf. If you give everyone the same rating you will be hurting those who did the most and helping those who did the least.
On the other hand, if all the members of your group contributed pretty much the same amount, you probably had a very positive experience. That situation is to be commended and celebrated, and should be reflected in the Peer Evaluation Grades. Don't be petty!

1. On the lines in the left column below, list each member of your project group, including your own name. Use last names as well as first names.

2. In the right column below, please rate each of the members of your group, including yourself, by giving him/her a letter grade from A to F (A+ is not allowed).

Evaluations should be turned in individually and confidentially on the day the project is due. The Peer Evaluation Grade will be computed as the average grade assigned each class member by all members of his/her group (including himself/herself).

Course:________________________________________ Section/Time:_____________ Term:_________________

Title of Project (not course name):________________________________________________________________

__________

NAMES GRADE
1. (Your name:) (Grade yourself:)
2. (Other Members)
3.
4.
5.
6.
7.
8.
9.
10.

Peer Evaluation - If a team member does not complete the assigned duties or does not do a fair share he or she will suffer the consequences, not the other team members!! The procedure is as follows:

1. I will grade your advertising campaign team project. Grades will be numerical based on the above criteria and weights.
2. Each team project must be accompanied by a rating from each team member handed in the last day of class indicating the contribution of each individual member. You may not rate yourself.
3. Contribution must be indicated by percentage and must average out to 100 percent for the team.
4. The percentage given to any participating individual member can vary between 80 percent and 120 percent. 100 would indicate an expected level of contribution meriting the team paper grade. For example, a 110 would add 10 percent of the team grade to the student's grade, and a 90 would subtract 10 percent of the team grade from the student's grade.
5. A percentage of 0 must be given to team members who do not participate, for any reason whatsoever, in production of a particular team project. This is the only reason which can be used to assign a 0 percentage for individual contribution (i.e., you "fire" that member). If your team fires a member during the semester, you must immediately notify me. This must happen at least thirty days before the final due date.
6. If a 0 percentage is assigned to a team member, the average of 100 percent for the team will be determined by excluding the absent member. (100 percent will be averaged only for active participants.)
7. The team grades will be returned with the grades assigned to individuals, the latter being determined by multiplying the team grade times the contribution percentage assigned to the individual or averaging individual ratings.

You may wish to use the following criteria in your peer evaluations:

1. Number of meetings attended and prompt attendance at meetings
2. Amount of work contributed
3. Quality of ideas and work contributed
4. Cooperation/contribution to the team effort
5. Time contributed
6. Timeliness and consistency of work contributed
7. Inspiration, leadership provided to the team
8. Enthusiastic and positive attitude about team activities and fellow team members

Example:

Team project grade = 90
Individual Individual Team Individual
Team Member Contribution % Grade Grade
Robert Goulet 95% 90 85
Lady Bird Johnson 100% 90 90
Jerry Falwell 95% 90 85
Evel Knievel 120% 90 108
Luciano Pavarotti 80% 90 72
Liz Claiborne 110% 90 99

600/6 539/6
Average 100% Average 90

Columns 1 and 2 will be filled out by each team member for his or her peers and will be handed in the last day of class. The instructor will grade the project and return the form, averaging the individual contributions in column 2 and filling in Columns 3 and 4.

Interim Peer Evaluations - Feb. 27. Each student is to fill out the peer evaluation form discussed below. Although these ratings will not affect your final grade in any way, they will provide constructive feedback to team members on how other team members perceive their contributions to the project so far. Each student's peer evaluation sheet-to be filled out anonymously for this interim report-will be photocopied by me and returned to other team members. Those doing a less-than-average job will then be forewarned to improve their efforts so that their final grade does not suffer as much as it might otherwise.

Firstly, I simply set a limit to group size - no more than 3-members. Free riding virtually disappears.

Secondly, I encourage groups to manage problems (with my help if need be). In particular, I 'give them permission' to fire offenders. Three email contacts with a recalcitrant group member, and no response? Send a fourth telling them their services are longer required! Email is better than phone, etc. 'cos it can be demonstrated.

Thirdly, I DIScourage peer evaluations. Mostly it is used to 'punish' the free-riders without any noticeable benefit generally accruing to the workers - ie, it drops the grade of the lazy ones, but does nothing for anyone else in the group. I have toyed with the idea of implementing a grading system that allocates a grade, and where the working peers gain points at the expense of the free-rider - but that might encourage ganging up and bullying.

I do a lot of group work as a pedagogical preparation for the real world where nearly all business is done in teams or requires team work of some sort - two strategies that I have used in the past that have worked extremely well are:

1. Very authoritative - tell the students that every assignment must be handed in with a peer evaluation (e.g. how much work did everyone do) which is signed by all members
2. Very hands off - the students are told that all members of the group will receive the same mark and it is up to them to ensure other groups members tow the line equally

1 is more suited for undergraduates or large classes while 2 seems to work best for more mature or postgraduate students in my experience - the key is to be 100% upfront and explicit about your approach from the start and dispell the chance to free ride before groups are even formed and that group work issues should be dealt with sooner rather than later - don't wait till 2 days before the hand in date to tell the lecturer that your group isn't working

In most of my courses, I create essay questions on the final that are strongly correlated with the knowledge one must gain
by doing the project. While I provide peer evaluations, I do not use them in the grading process. I save those for when the students feel the grades were not fair.

The challenge with my strategy is when I teach a course where I can't correlate the project and the final exam. This is rarely the case, but I am struggling in sales management at the moment. I also signal in the classroom, several times during the semester, that the purpose of the final is to ‘catch’ free riders. I tell my students that I would prefer to not have a final and have their project be the major focus of the course, but that I must have the final to catch the free riders. These essays are not short answer and require substantial thinking by students and most students quickly identify themselves if they didn’t contribute substantially to the project. I also grade very aggressively, average score on essay questions is below 50% as there are usually several free riders per group. So far, I have observed a correlation between essay scores and peer evaluations.

The downside: It is possible for a student to enter the final with an A grade and exit the final with a B in the course. This can cause some flak after grades are posted and be costly from a time perspective, but the strategy is usually very defensible.

I have used this strategy in the following courses:

- Marketing Principles
- Professional Selling and Sales Management
- Marketing Research

The sales course has been the most challenging and I am still developing the right combinations of project type and essay questions.

I’ve discovered that the best way to deal with free riding in team projects is to have each student turn in multiple peer evaluations during the semester. Team members who get bad evaluations early on get a signal that they have to change their ways. If their contributions don’t improve, you have a paper trail supporting any penalties you impose on their grade.

I tried to prevent problems rather than punish poor performers. When I did take off points, it was always based on my judgment rather than a formula based on average evaluations. I rarely took off more than one letter grade. Given the weight I assigned to team projects, that had a pretty significant effect on the student's grade.

The following statement is in my syllabus. I used more severe deductions in previous semesters, but I felt it was too severe.

*****Team Member Evaluations***** Each team member will be evaluated on their contribution to each team assignment by all other team members. Team members will use the following 3-point scale to evaluate each member:

- 3-Good Team Member-Contributed roughly the same amount of work as the other team members.
- 2-Bad Team Member-Contributed very little work, or their work was so poorly done or turned in so late that another group member had to do (or re-do) their work.
- 1-Absolutely Horrible Team Member-Contributed nothing except standing in for the presentation.

Your team assignment grade will be deducted from the initial team assignment grade as followings:

- If all team members give you evaluations of 2 or lower (except all 1s), your grade for that assignment will be 75% of the initial team grade. For example, if your team's project grade is a 90, and team members give you evaluations of 2, 2, and 1, your grade for the project will be a 67.5.
- If all team members give you evaluations of 1, your grade for that assignment will be 50% of the initial team grade. For example, if your team's project grade is a 90, and team members give you evaluations of 1, 1, and 1, your grade for the project will be a 45.
- Your grade will not be deducted unless all team members give you an evaluation lower than 3. For example, if your team's project grade is a 90 and team members give you evaluations of 2, 2, and 3, your grade for the project will still be a 90.
So far, I've only had to reduce one person's grade by 25 percent. They did not argue with me about it. I think reducing grades is much easier if there is consensus among the other group members.

This method may not work as well if you have several team assignments, as some students may be hesitant to give low evaluations to team members because they will have to continue to work with them.

Have the team or group gather the data and have peers evaluate the efforts each individual provided (A small part of the grade). But then require each individual to submit a reporting ANALYZING the data and the experience.

I use peer evaluations, then adjust an individual's point total by that.

It is a good idea to do a "midterm" evaluation so that people are not surprised at the very end.

Here is the text I included in the syllabus:

When all group members have contributed equally to the project (both the written portions and the Trade Show) all members of a group will receive the same grade for the project. However, group members do rate the efforts and participation of each other, and these evaluations may result in adjustments to the project grades based on peer reviews. "Free-riding" does lead to significant grading penalties for "slackers," and bonuses for those who pick up the slack. In fact, course grades have dropped by as much as two full letter grades (e.g., B to D) based on

<table>
<thead>
<tr>
<th>Name</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION: 11:30

ASSIGNMENT #7: PROJECT EVALUATION

EVALUATION OF YOUR OWN GROUP

Since this was a group project, you will now have the opportunity to evaluate the contributions made by each of the members of your group.

Your own contributions:

On the back, please describe any parts of your group project in which you participated. Your contributions may include conducting library research, assembling materials, creating the ad, typing, etc., etc.

Contributions of your group members

You now have the opportunity to evaluate the contributions of each member of the group. Please list the names of all group members (including yourself) in the space below. Next, please allocate 100 total points among to the other group members based on your perception of their contributions. For example, if you had 5 members in your group, including yourself, you will be evaluating 5 people. If everyone contributed equally to the project, you would give each member 20 points. In people did not contribute equally to the project, you may change your allocation accordingly.

Name | Points
-----|--------
      |        
      |        
      |        
      |        
      |        
      |
make sure the point total is 100!

Give details of any exceptionally high or low ratings here and on back:

To avoid free riding, I do the following.

Each group member evaluates every other group member on a 10 or 100 point scale.

All ratings must be explained.

Anyone receiving lower than a 90% average rating has their grade weighted by that rating.

I always notify the lower grade recipient to give him/her an opportunity to respond. In doing so, I send that person the groups’ ratings of them (with identifiers stripped out) If there's a possibility that it's really a personality issue...I contact the group and ask them to clarify their ratings. It works pretty well...although you will run into people reluctant to affect another's grade.

Downside

* People tend to give very little thought to this at the end of the semester.

--Free riders tend to be predator types taking advantage of non-predators...so the non-predators are intrinsically reluctant to "dis" the predator unless he or she is a total jerk.

I have now decomposed all group projects into 3-4 stages, and might begin asking for evaluations at each stage. These would get shared (anonymously) with each person so they have the opportunity to respond and improve before the semester is over.

Hope all goes well. David

Groups are required to prepare and sign a group contract that covers everything from designating a project manager, indicating a target grade (and resolving their differing goals), schedule of work, and grounds for firing. I ask them to be very explicit about the latter so that it makes it easier on them later to actually fire a member. Most firings that I've had occur have been for total lack of participation, however.

Groups have to meet with me 4 weeks before their presentation (which are spread across the semester). I ask that all members be present, not a representative. That initial meeting gives me at least a feel for how any one individual is participating (even via eye contact with me).

Three weeks before their presentation date, they must turn in a reference list of what they've found so far. This can be pretty rough but I'm looking at both the quality/type of references they're seeking (so I can steer them in another direction if necessary) and the sharing of workload. The reference list must have the indication of who contributed each individual reference. Where there's an imbalance, I point it out to the group and suggest that they resolve this imbalance or let me know if they cannot.

Two weeks before their presentation date, they must submit a draft outline (full sentence/thought format). This doesn't give me individual-specific feedback but the emerging group leaders (if any) usually let me know at this point whether people are pulling their weight. This by itself doesn't go into my evaluation of individuals, but it is something I can file away
in the case that someone protests their eventual peer evaluation.

Once all groupwork is done, they are asked to individually submit peer evaluations on a series of 10-point questions, the total of which sums to 100. I keep to myself the specific target scores that can affect their grade, but essentially if they average a peer score of 80 or less, they get only 80% of the project grade. I've had a few really bad examples (peer scores in the 30's for example), and recently added the bar that a score of under 50 gives them only 50% of the project grade. It's a decidedly imperfect method but it goes in the right direction and allows for wiggle room in the accuracy of their peer scores. Further, if there's a huge disparity in any individual's peer scores, I look to see what happened. That may have been a personality conflict. Usually that situation doesn't result in a score under 80 anyway but if it did I'd try to dig into it a bit with the students.

I think this method does away with the concern that the rest gang up on the one that did all the work. I can usually tell by then who has been in the leader role throughout the process. Most important is that I try to have that connection with the group from the word go. I can't control everything nor view everything but it helps a lot in feeling confident about the grade impact!

I actually am dealing with the aftermath of one such problem from last semester. The key to dealing with these things is that the faculty member has to be willing to expend extra resources (time, energy, etc.) to both prevent and mitigate social loafing (or free riding as you put it). Here are some steps that I take, and some strategies I have used in the past:

1. I explain in the beginning of the semester, what social loafing is. Gets them all thinking about the last time they were in a group and had this happen;
2. I assure them that at the end of the semester I will have no problem failing them should social loafing occur, though I certainly do not want to do that;
3. Then I explain the procedure to be used to monitor this situation. Here is where I have tried different things, all with differing levels of success. Here are two of them, with the accompanying difficulties they present:

Allowing groups to “fire” non-performing members. I give the students until the 11th week of a 15 week semester to do this, with the understanding that it must be justified and documented (offenses must not be personality driven, for example). The “punishment” to the fired student then is that they still must complete the project, but must do all the work alone yet be held to the same criteria for grading. Problems: the “fired” student then comes to the instructor to ask for help in completing the project, which requires much extra work on the instructor's part. If the instructor does not help, then the punishment is doubled, and any Ombudsman would have a problem with this. I.E. if the instructor is assisting the other groups, he/she really is obligated to assist the single-person “group.”

Providing a review form for each of the members of a group to evaluate the performance of each other group member at the end of the semester. Problems: The main problem with this method is that if the grade of a student is lowered (relative to the group's) based on this evaluation, then the student is in effect being graded by peers. This may violate grading policies at universities. I have worked for a public U where this was the case, and at a private U where it was not.

Overall problem no matter what method used: the student whose grade is lowered due to group problems (caused by the student's own social loafing behavior) often does not see things the same way as their fellow members. The way I get past this first of all is to ask the student IF they contributed, and if so to provide to me proof of that. This should take the form of a Word document or something which is tangible (I will give an example of this in a minute). If they say they did not contribute due to problems with the group (e.g., meetings were only when the student worked; one (or two) member(s) did all the work without allowing anyone else to contribute; etc.) then I ask the student why they had not come to me and told me this; why would the student place their grade in the hands of other students?

Regarding the production of work actually completed, here are two common situations, both of which occurred last semester (in the same group). One student said that she had been unable to make the final meeting to pull the whole paper together because of a personal obligation (coaching a youth basketball team). When asked to provide the work which she would have contributed during that meeting, she was unable to do so...finally admitting that she had not actually done anything prior to the emergency. The second member had done her part, but a roommate sat on her laptop that day and broke the screen. So she could not see to retrieve the document. I asked why she had not simply taken the laptop to a friend's house or the University and plugged a screen into it to retrieve the document? She had not thought of that, but felt that she still should be given credit for having done the work. I asked why she could not have re-written the part, rather than forcing her group-mates to re-write it? Ooops, hadn't thought of that either. So I finally asked her to send me what she had done, with the file date-stamped to show when it was actually created. She did so, sending me a file
with a four-sentence-long paragraph...her sole contribution to a 16 page project. In both cases, the "F" was not changed.

Anyway, a complicated situation almost always ensues when trying to deal with social loafing. You have to make a decision if you want to expend your resources to do so.

I ask my students to keep meeting minutes and individual time sheets of their contributions and submit them several times over the course of the term. I also have them submit peer evaluations, but with the caveat that I will only look at them if a member of the group does not submit a timesheet. Timesheets and meeting minutes remove the problems with peer evaluation (emotion, primacy/recency) and give me full control over interpreting the documents submitted. It also takes more time to fake these documents than it is worth.

The benefit of this technique is that the group members learn to keep paperwork that is standard in business and I am able to see clearly who was assigned which tasks as well as who completed them. I adjust grades both up and down based on any major discrepancies in work. Should one person do more work, their grade is increased on the grounds that had they been in a group with similarly motivated students they would have achieved more. I also grade students down for not having contributed to the same level as other group members, again on the grounds that if everyone had contributed as much, they would have achieved less.

Thanks for bringing this up. I'd really be interested in learning what you find out about this important topic.

I also find it difficult to gauge how students are doing in the group work. I've tried some things that have helped but these techniques are still somewhat flawed. (1) I always try to have students work with a lot of different people, so I always rotate group assignments 4-6 times per semester. That way they get to work with almost everyone in the class at least once and the top and bottom performers usually end up clustered in the same group at some point so I can more easily track who consistently is on the best teams, and who always seems to be on the worst performing teams. (2) I ask students to name the top performer in their group and the worst performer, and over the semester, some people's names start to come up over and over so I get a flavor for who is really working hard.

I set up the assignments in which the outcome of project represents 75% of the grade and 25% is the result of peer evaluations. It is a mathematical calculation in which the decrease of one group member actually raises the grades of the others that did do the work. So if one person did not contribute and the project gets a be, (assuming that it comes out in the peer eval), the free rider's grade decreases as the others increases. I have the students email me their peer eval to keep it private and input it on a spreadsheet. If you want to know more, let me know.

I have to admit that I avoid group assignments for almost all my classes. If the only true purpose of the groups is to reduce grading, I find some other option (another topic). I start by asking myself, "What pedagogical benefit does grouping contribute? If I can't find a persuasive answer I don't group students. When I do have groups I discovered one practice that has cut problem student issues dramatically. When there are no outside constituencies available (class consulting projects in my case) I allow students the option of resigning and doing a parallel assignment solo if they feel they are unfairly carrying the load or getting ganged up on by the others. I allow groups to "fire" free loaders by unanimous vote of the others, so the free loader has to do it solo. I have never had a fired student ever show up again for class. The word of mouth keeps it from happening for a couple years into the future. And, I keep groups as small as possible. I have also required time sheets documenting specific contributions during group work time. This doesn't work quite as well. After 37 years in the game I have to say this doesn't always work or solve all the problems. Every class, course, and group has a different dynamic and the nature of the department, chair, and college affects the options available. Good luck.

I've been using group projects, cases, and other assignments for many years. I've tried everything and nothing is perfect. But, I have developed one approach that students appreciate, gives them more control, makes the process more fun, and eliminates many of the headaches you talk about.

Long before the apprentice, I abandoned peer evaluations and instituted "firing" options. Here is an excerpt form one of
A Note on Teams

"Well Pete, I figured it should be the one with the capacity for abstract thought. But if that ain't the consensus view, then hell, let's put it to a vote." (Ulysses Everett McGill, Oh Brother Where Art Thou, why he should lead)

As the quote suggests, the person with the most ability may not always be the leader in a team. In fact, (think about it), the person with the least interest has the greatest power (think about it again). Sorry, that's life.

Thus, there will not be any peer evaluations of teams. It never works well. Students don't want to betray friends and they often strike deals with each other. And, when on a real team in business, you will rarely get the chance to evaluate team members; it is assumed that all members work hard and if not, other members will do something about it. So it goes in this class for both the project and case teams. However, like in business, a team can "fire" a team member. If a team member is not making an acceptable contribution to the team effort, then the rest of the team must vote to first put the member "on warning" which requires notification with reasons and stating what the person must do to correct the situation (copy me in on it). If the team member does not take corrective action within a reasonable period (at least 1 week), then the team can notify the member that he or she has been fired from the team (copy me in again). This team member must then proceed individually with the project or cases for the remainder of the semester. Do not wait until it is too late to cite a team member for lack of contribution. I hear the woes every semester from one team or another who procrastinated and found themselves with 1-2 members doing all of the work. If that is the case (pun intended), so be it. I cannot help you unless you help yourselves.

As you can probably infer, the main point is to prevent the situation from even happening by instilling a certain level of fear. Also, I point out in class that if one is on a team where he or she is doing all the work, don't give it away to the team; this person can act as if he or she is doing nothing and deliberately get fired. Better to get full credit for one's work if one is going it alone anyway.

In probably 10 years of using this approach I've had only three "firings." The students fired are always amazed and often just drop the course since they were not really participating anyway. By the way, I also tell them that I don't want to hear about any team problems except being copied in on warning and firing emails.

My group project paper is worth 100 points. There is a presentation worth 50 and a "peer evaluation" worth 50. I have had students give the free rider only 5-10 points out of 50. I have also had groups NOT put the free riders on the paper, so they got a zero on the paper.

As long as you make it clear at the beginning of class that you will stand by the groups' evaluations, I have had any problems.

I teach both at an undergraduate and postgraduate level and at both of these levels I have this (free riders or poor contribution) issue. Unfortunately, free riders always argue about peer-evaluation and better performing peers are often frustrated by the amount of work they have to do to bring a group assignment up to standards.

One useful move was to ask students to submit their parts to the group assignment to a tutor in advance (well before the due date). The problem with this that students expect a feedback before they submit their assignment, some particularly demanding students tried to involve their tutors in working on the assignment.

I have used group projects throughout my teaching career having taught team projects at four different universities, every semester and in every class I have taught except statistics and principles of marketing. The following are my
observations:

The first consideration is team size. I see this as one of the most critical elements that can either thwart or give rise to a situation where freeloading occurs. A team of three is the ideal size for most projects. Fewer than three there usually not enough creativity/brain storming/outside of the box effort. At four or more there is nearly always at least one freeloader. Also the larger the group the less flexibility they have for team meetings, generally they meet less frequently and the quality of the output is less than in smaller teams. Part of this is that in larger groups more assumptions about it "not being my responsibility" keep students from taking the initiative and being responsible.

The downside of smaller teams is that it requires more effort on your part as the instructor. There are more projects to grade, sometimes more clients to recruit, and certainly more effort required to manage the different strengths and weakness that occur across teams. However, since I have primarily taught at "teaching" not research schools, where the mission of the University is based on increased interactions between faculty and students - through "lower" student/faculty ratio,… I have recognized that this is an assumption of my job and responsibilities. Yesterday, as an example, I had 17 students come to me throughout the day for advising, class team projects, and for individual assignments. I had 8 students waiting to see me at 7:00 - my office hours being at 7:30 - in theory since I have a class at 8 and one at 9:30. The last student left my office at 6:20 p.m. With the exception of teaching and the diversity commissioners meeting I had to attend I was never without students in my office yesterday. Today I have already seen 6 students. So yes, the smaller team size means more out of class effort. It is also dependent upon the class - Strategic has considerable more out of office meetings with students where when I have taught small business, promotions, advance theory, marketing research, … my office meetings with students is considerably less.

Fortunately, at GCSU, unless you make the error yourself to provide student overrides you will not have more than 50 students in a class. Though three is the ideal, I often allow teams to form with four students. Partly because of attrition and firings. It is typical that at least one team per class will lose a team member during the semester due the student withdrawing from the course or, because their team mates fired them. Thus a team of three can quickly become a team of 2 or even on a couple of occasions a team of one.

When I have classes of more than 45 students then I allow teams of up to five. In general, I don't like to have more than 8 teams in a class - that works well for 24 to 32 students in a class. The most teams I have ever managed in a single course is 12.

The second issue that I have found plays significantly in regards to freeloading is team member selections. I use part of the first four class periods for team building/ice breaker activities that explore the strengths and weakness, skills and abilities, and personalities of the classmates. I discuss the skills that a team will have to have to be successful, we talk about what makes a successful team, the role of professionalism and ethics in teams, how to hire a team member and how to fire a team member (students are required to read "Team building and responsibilities") . Then I let teams self select. When 40 - 80% of a student's grade is tied to team work, they generally do their best to find a suitable team to match their needs. Not all students want to work for an A, thus in larger classes there is usually a team that very clearly bonds on the notion that C is sufficient.

The third thing I do to help control freeloading is to get feedback four times during the course of the project. I have developed a ten item list that students rate each other and themselves and then must explain the ratings. These peer evaluations usually start out that everyone is doing perfect across all ten items, but by the third and fourth, the truth starts to be revealed. I stress at each collection time that it is not sufficient to simply tell me that a team member is not carrying their load, they must also tell the other person. They are future professionals; I am not their mother - they must take some responsibility for managing the group efforts. The grade for projects are always equally shared in my classes because in business an agency is hired as a whole not by its individual members. The peer evaluations are used to weight individual participation grades in the class. I have never had a student challenge their peer evaluations. I have on occasion had a student who rates a team member extremely poorly. In general, I average the team evaluations collected from all the team members, but if one member is particularly out of line as compared to the rest of the teams marks I look at the specifics and then determine on a case per case basis the appropriate strategy. These cases have been very rare.

The final thing I would add to this is that, unfortunately there will always be some individuals who attempt to freeload. If we make a serious effort to limit the ability to freeload and a students still freeloads, let it be. Why should the classroom be any different than the real world. Look around in your own work environment there are plenty of individuals who do not pull an equal share of their load. Those that "freeload", will never reach the kind of long-term success as those who do the work honestly and ethically. In the short-run they may appear to "win" but it doesn't last. As for the individuals who were used by the freeloaders, they also learn important lessons.
Here are the links to the documents I wrote that I use in my classes:

Team building and responsibilities: http://hercules.gcsu.edu/~rfonteno/Shared%20Materials/Team%20Responsibilities.pdf

Peer evaluation form can be found linked to my class page as an excel spreadsheet: http://hercules.gcsu.edu/~rfonteno/Strategy.htm

I don't know the solution to the problem, but something I am trying is requiring teams to work out assignments on a Group Discussion Board on Blackboard. The requirement is that all members of the team have to contribute. I will know if someone doesn't and they will receive a zero on the assignment. I can also evaluate individual contributions to team assignments and provide advice if someone is regularly off-base in contributions.

An upside is that the Discussion Board is electronic. The excuse of not being able to find a time to meet is minimized. I still suggest portions of assignments that are probably best handled face to face.

The downside is that it takes more time, both to create assignment instructions and to grade.

This is applied in a product development class.

I use peer evaluations, and I do reduce project and even semester grades based on those evaluations. If the project runs more than a couple of weeks, I recommend multiple evaluations (weekly or monthly). Also have every member describe their contribution in detail. The slackers often have a difficult time knowing what the project contains. If there is a conflict, you can bring the team into your office for discussion, or query each member to determine how much they really know about the project.

Another helpful tool is to require every member to participate in the group presentation, but you determine the order of presentation on the spot. You also insist that every team member answer questions from you and the class.

I also allow teams to fire slacker members. (You could allow a worker in a group of slackers to resign from the group.) Termination of a group member must be a unanimous decision by all other group members, approved by me, and must be done in the first quarter or third of the project. In more than a decade, I have only had two instances where a team even approached me about termination.

I have attached (see immediately below) the syllabus for an MBA class that used semester long team projects as the central focus of the class. There are a number of suggestions that might be helpful.

**Group Dynamics:** Each group will have up to four members, and every student will initially be part of a self-selected group. You can structure your group in any manner you wish. You can designate a single project leader (ala that New Yorker with the "Huge" show, ego, and hair), or you can have an equal partnership. You can subdivide the work in any manner that is effective. You can designate a single point person as the client contact, or not. I want every student in each group to give at least one in class report, and every student must participate in the in-class workshops and the final presentation. Except in extreme circumstances, I expect each team to resolve its personnel issues.

If a group member fails to contribute satisfactorily, then that person may be fired. This is an extreme measure and should only be taken as a last resort. The decision must be unanimous among the other team members, and must be approved by the professor. To fire someone, the team must submit a written request, signed by all of the other members of the team, to the professor, explaining why the student should be fired from the team. Any student who is fired will receive a grade of "F" in the course. Also note that poor participation, as assessed by the other group members, can significantly reduce the student's grade on the project, and for the semester.

**Group Project Log/Diary:** Each group must submit a group project log or diary with the group project. This log is to track project input. Keep dates and times of meetings, attendance, assignments to individual group members, progress (and lack of progress) reports, etc. This is a tool for managing your group project, and your group members. It can help you and me to evaluate each member's contribution.
Grading: The entire semester grade will revolve around your team’s project. Sixty percent of your grade will be based on your group’s grade. The other forty percent will be a function of the individual’s efforts. The service learning method requires a great deal of work outside of the classroom. To compensate for the expected work load, no exams or other assignments will be given this semester. Therefore, the workload should not pose a problem.

Each group member will submit four confidential participation grades (full/equal participation = 100%; non-participation = 0%) for every group member, including yourself. These are due: 2/1, 3/1, 4/5, and 5/3.

I teach at a private university in Mexico, and indeed I experience the same problems as you. Peer evaluation works relatively nicely for me; I inform students at the beginning of the course that I have peer evaluation forms (every student has to evaluate him or herself, and the other members of the group), and I also tell them that I will assign points according to their evaluations. However, I also tell them that I will talk to all members of the group in case that there are differing evaluations. What happens in the free rider case typically is that the free rider does not submit his/her form, and the other members of the group do. I then first talk to the free rider, and honestly I never had the problem that the free rider did not admit that he was not participating as much in the group as the other members. Maybe that works in my specific cultural (or university) context, and at other universities people would outright lie to you, but for me it seems to work.

Cons: indeed it’s not perfect, and sometimes I feel that free riders are not reported because the other students in the group, although not satisfied with the free rider, don’t want to harm him to much. The opposite (like a conspiration against the free rider, or free riders “ganging up” on the person who did the work) apparently never happened to me (because I guess the “flamed” person would talk to me and complain).

To avoid freeloading in groups assignments, I have students complete the attached form after every group-related activity. I, in turn, originally got this form from my dissert chair. I find it is not that much work - most groups don’t report any problems. However, where there are problems, I learn about them quickly. Students lose up to 10 points off their own individual group grades. Those lost points are then divided up among their group members. This provides the other members with an incentive to report any problems. Students are required to hand in this (see immediately below) form. Otherwise, they lose 10 points. I hope this helps. - Blaine

Group Member Evaluation
MK324 Consumer Behavior

Group #: _____ Exercise: ____________________________ Date: ______

Congratulations! For your fine performance this period your group has been awarded an annual bonus of $100,000. Divide the bonus among the members of your group based on their contribution to the team’s overall performance. Briefly explain differences in your evaluation of group members in the comments section. Do NOT allocate any bonus money to yourself, even if you believe you did all or most of the work. You may explain your contribution in the comments section.

Your Name ______________________________

Other Group Members Performance Bonus
____________________________________ $_________
____________________________________ $_________
____________________________________ $_________
____________________________________ $_________
____________________________________ $_________
TOTAL $ 100,000

Comments: ______________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
_______________________________________________________________
I include member evaluations as part of the group final project. I tell them that I will, and then I collect an evaluation in which each individual member allocates 100 points among all of the group members. In the case when basically everybody in the group says that someone did not carry his/her weight, I reduce the overall grade for the project for that individual member. On the other hand, if everyone in the group points to one member as a real leader who went above and beyond, I raise that person's grade.

I haven't had any complaints. (I think that most people realize when they have slacked off). One time I felt there was enough lack of clarity that I needed to talk to all of the members of the group. Overall, I feel that this works quite well. In the majority of groups, points are allocated fairly equally. (I don't do anything for small variations - I really only use it to keep people from free riding and to have the ability to lower the grade of those few who do).

Here is what I do in order to avoid free riding.

Imaging you have 4 group members: A, B, C, D.

You give to the students a peer evaluation form, and you ask each member to evaluate the other students. Example: A evaluates B, C and D B evaluates A, C and D And so on.

At the end, you make an average of the evaluation. For instance, if A got 100% by B and 50% by C, he got 75% Or something like that. I used that last semester and it worked fine. I am using that again this semester and I think it will work.

I attach to this email the peer evaluation form I am using.

---

TEAM MEMBERS OVERALL CONTRIBUTION
Your Name: Section number (circle one): Group number: 01 02
Other Team members:

Research Process
Written Reports
Oral Presentation
Preparation