BXXX: New Frontiers in Retail

Spring 2022, B Term
Dates and Times: Evening
Classroom: TBA

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

Prof. Kinshuk Jerath
Professor of Business, Marketing Division, Columbia Business School

Instructor office hours: TBA
TA: TBA
TA office hours: TBA

Course Description
Retailing is a large component of a country’s economy and is an extremely dynamic industry. Especially in the last decade, due to the confluence of a number of technological and societal developments, retailing has seen massive change as new channels for interactions and new generations of consumers emerge. Yet, these developments are ongoing, which implies that retailing will continue to be disrupted in the next decade at an accelerating pace. The high-level aims of this course are:
1. Develop an understanding of the broad technological and societal trends that are shaping retailing and how, and project the trends and their impacts into the future to predict how retailing might evolve
2. How the ideas of “connected retail” and “customer centricity” are manifested in major retail developments
3. Take a deep dive into specific trends and topics of high importance to retailing today and in the near future

Related to the last point above, some of the topics that we will focus on are the following (some of these topics overlap with each other or are otherwise closely connected, and will be discussed accordingly):
- Artificial Intelligence, Data and Personalization in Retail
- New and Emerging Retail Platforms
- Social and Community Commerce
- Retail as an Omnichannel “Ecosystem” and Experiential Retail
- Direct-to-Consumer Retail
- Automation and Robotics in Retail
- Supply Chain and Inventory Management
- Re-commerce and Circular Retail
- Impact of Fintech
- Specific Topics including: Luxury, Health and Wellness, Grocery, etc.

We will take a deep dive into these topics, followed by a detailed discussion of relevant prominent and pathbreaking companies. This will be followed by in-person, virtual, or hybrid discussions with management teams from these companies. The basic template for such a session would be:
- An in-depth conceptual discussion of the topic (e.g., what it entails and how it impacts the retailing process, the potential market opportunity, discussion of the key players in the space)
• Highlighting the key debates on the pros and cons of the disruptive impact
• A discussion of the companies that speaker(s) will represent later in class
• Presentations and conversations with speakers/management teams from leading companies

For instance, a session on Re-commerce and Circular Retail may proceed like this:
• A conceptual discussion of what the characteristics of re-commerce and circular retail are
• A discussion of consumer sentiment around re-commerce and circular retail
• A discussion of the large and small players in this space
• What the accepting and re-selling of used goods implies for how the typical retailing process changes in terms of consumer interaction and supply chain logistics
• A discussion of some leading companies and newcomers such as The RealReal (https://www.therealreal.com/), CaaStle (https://www.caastle.com/), Trove (https://trove.co/) and BOROBABI (https://www.borobabi.com/) and how they execute on re-commerce and/or circular retail
• Presentations and conversations with management teams of one or more of the discussed companies (e.g., The RealReal or BOROBABI)

Through the course, a representative set of firms that you may get to hear from include Walmart, Target, Amazon, Farfetch, Costco, Ulta, ELF Beauty, Poshmark, Revolve, The RealReal, MyTheresa, Peloton, Planet Fitness, Alert Innovation, Takeoff Technologies, CaaStle, Trove, BOROBABI, Saks, Warby Parker, Affirm, Kalrna, etc.

The course will be co-taught by Prof. Kinshuk Jerath and Prof. Oliver Chen. Prof. Jerath¹ is on the standing faculty at CBS. He conducts research in retailing and regularly consults for and advises established retailing companies and startups. Prof. Chen² is Managing Director and senior equity research analyst covering retail, new platforms, and luxury goods at Cowen and Company, and an adjunct professor at CBS. Both instructors will be present in each session, and together discuss the various aspects of retailing and bring them to life with industry cases, examples and anecdotes.

¹ https://www8.gsb.columbia.edu/cbs-directory/detail/kj2323
² https://www.cowen.com/profile/oliver-chen/
**Course Overview**  
(The schedule is tentative and topics may be moved around to accommodate speaker availability.)

<table>
<thead>
<tr>
<th>Day</th>
<th>Topic(s)</th>
<th>(Potential) Companies Represented</th>
<th>Due that day</th>
</tr>
</thead>
</table>
| Session 1 | Introduction and Course Overview  
Key Technology and Societal Trends Shaping Retail  
Artificial Intelligence, Data and Personalization in Retail | Panel of executives                        | Pre-class exercise 1  |
|           |                                                                           |                                            |                       |
| Session 2 | Retail Platforms  
Social and Community Commerce                                               | Amazon, Farfetch, Poshmark                 | Pre-class exercise 2  |
|           |                                                                           |                                            |                       |
| Session 3 | Retail as an Omnichannel Ecosystem  
Experiential Retail  
Direct-to-Consumer Retail                                                    | Walmart, Target, Saks, Warby Parker, Revolve | Pre-class exercise 3  |
|           |                                                                           |                                            |                       |
| Session 4 | Automation and Robotics in Retail  
Supply Chain and Inventory Management                                           | Walmart, Amazon, Alert Innovation, Takeoff Technologies | Pre-class exercise 4  |
|           |                                                                           |                                            |                       |
| Session 5 | Re-commerce and Circular Retail  
Impact of Fintech                                                                | RealReal, CaaStle, Trove, BOROBABI, Affirm, Klarna | Pre-class exercise 5  
Group Project Stage 1 |
|           |                                                                           |                                            |                       |
| Session 6 | Niche Topics: Luxury, Health and Wellness, Grocery  
Course Wind-up                                                                | E.L.F., Ulta, LVMH                          | Pre-class exercise 6  |
|           |                                                                           |                                            |                       |
| 1 week After Last Class                                                            |                                            | Group Project Stage 2 |
Evaluation

1. Pre-class readings and quizzes—individual (3% each x 6 = 18%)
2. Class attendance—individual (2% for each class x 6 = 12%)
3. Class participation—individual (10%)
4. Retail Company presentation—group* (10%)
5. New Frontiers of Retail project—group* (50% each)

* Groups should ideally have six members; four, five and seven member teams will be allowed. It is preferred but not required that team composition be the same for all group work.

Pre-class work—individual (Assignment Type C)
Before each class, readings will be provided and there will be an online quiz that each student will take individually. The quiz may have two types of questions. First, there may be some questions that have a specific answer and can be answered correctly if the readings are read reasonably carefully. Second, there may be open questions that invite opinion or require some simple estimation (for which there will be no right or wrong answers, but a reasonable attempt is required to deserve points). The goal of the readings and quizzes is to prepare you to get maximum learning from the following class. The quizzes will have to be completed individually and submitted before 12:00 PM on the day of class. Each quiz will be for 3% and there will be 6 of them, adding up to 18% of the course grade.

Class attendance—individual
Attendance will be taken and for each class that you attend you will get 2%, adding up to 12%.

Class participation—individual
Several criteria will be considered when evaluating your class participation. This includes the quality and the quantity of the class participation. High quality class participation includes comments that add to our understanding of a situation. High quality class participation can be supported with qualitative and/or quantitative analysis. Your comments should take into account the comments and analyses of your classmates. Participation should move our discussion forward. Class participation is for 10% of the course grade.

Retail Company Presentation—group (Assignment Type A)
Each group of six students will make a 5-minute presentation on a retailing company of their choice which will focus narrowly on one innovative thing that the company does well, and the impact of that innovation on that company. These presentations will start from the second session and will happen at the very beginning of the session. The presentations have to be approved by the instructors. We can expect to have one, two or three, such presentations in Sessions 2 through 6. This will account for 10% of the course grade.

New Frontiers of Retail Project—group (Assignment Type A)
Each group of six students will complete a project on a topic of their choice discussed in one of the sessions, or on a closely related topic. This will involve writing a comprehensive, 4- to 6-page whitepaper on the chosen retail phenomenon, and creating an 8- to 10-minute podcast based on the whitepaper (and which will serve as an invitation to read the whitepaper). The whitepaper and podcast should incorporate content from the pre-class readings, in-class lectures and discussions, speakers’ viewpoints, and information that the group may find on their own, all of which constitute secondary research. Furthermore, the group must conduct some primary consumer research as well on the topic. The deliverables will be in two stages: in Stage 1 (midway through the course) an outline of the whitepaper should be submitted and this will be for 10% of the course grade; in Stage 2 (one week after the classes finish) the final whitepaper and the accompanying podcast should be submitted and each will be for 20% of the course grade. Some coaching and tips will be provided to students to enable them to produce a high-quality, externally shareable podcast.
ATTENDANCE, CLASSROOM NORMS AND EXPECTATIONS

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

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

Laptops and cell phones are not allowed in class.

INCLUSION, ACCOMMODATIONS, AND SUPPORT FOR STUDENTS

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

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

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

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

<table>
<thead>
<tr>
<th>Type</th>
<th>Designation</th>
<th>Grade</th>
<th>Preparation of Submission</th>
<th>Discussion of Submission*</th>
<th>Discussion of Concepts**</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Group Work</td>
<td>Same grade for all group members</td>
<td>By the group</td>
<td>Permitted to discuss (within group)</td>
<td>Permitted</td>
</tr>
<tr>
<td>B1</td>
<td>Individual w/ Discussions of Concepts and Submission</td>
<td>Individual grade</td>
<td>Individual preparation</td>
<td>Permitted to discuss; sharing solutions or submission files is not allowed</td>
<td>Permitted</td>
</tr>
<tr>
<td>B2</td>
<td>Individual w/ Discussions of Concepts Only</td>
<td>Individual grade</td>
<td>Individual preparation</td>
<td>Not permitted to share/discuss solutions or submission</td>
<td>Permitted</td>
</tr>
<tr>
<td>C</td>
<td>Individual</td>
<td>Individual grade</td>
<td>Individual preparation</td>
<td>Not permitted to share/discuss solutions or submission</td>
<td>Not permitted***</td>
</tr>
</tbody>
</table>

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

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

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

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