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**End Semester Examination, June 2022**

*Name of the Program:* MBA

*Semester:* IVth Semester

*Name of the Paper:* Retail Management

*Course Code:* MB-403(M2)

**Time: 3:00 Hours**

**MM: 100**

**Note:**

- (i) This question paper contains two sections.
- (ii) Both sections are compulsory.

**Section – A**

**Q1. Fill in the blanks/True-False**

(1 X 10 = 10 Marks)

- i) \_\_\_\_\_ is defined as a set of activities or steps used to sell a product or a service to consumers for their personal or family use.
- ii) Sales at the retail level are generally in \_\_\_\_\_ unit sizes.
- iii) An \_\_\_\_\_ is a retailer's selection of merchandise.
- iv) \_\_\_\_\_ is the consumer's predisposition to respond favourably or Unfavourably to an element of retail mix in its entirety.
- v) A \_\_\_\_\_ decision is influenced by the flow of pedestrian and vehicular traffic, which determines the footfall in a retail store.
- vi) Large retail chains optimize inventory and transportation costs by setting up distribution centers. (True/False)
- vii) The first and foremost method of retail is self service. (True/False)
- viii) Point of purchase is the place where a customer is about to buy the product. (True/False)
- ix) Free flow layout is also referred to as the 'boutique layout'. (True/ False)
- x) Customer loyalty is the cornerstone of the independent stores that are widely Prevalent in the Indian retail industry. (True/ False)

**Section – B**

**Note:**

Answer **all the questions** by choosing **any two of the sub questions** from (a), (b), (c) and question (d) is compulsory. Each sub-question carries 10 marks.

2. (a) How is organized retailing different from unorganized retailing? State the advantages and disadvantages of both forms.

(CO1, CO2)

(b) Discuss the key drivers of online retail in India with the help of various top players.

(CO1, CO2)

(c) Who is your favourite apparel retailer? Discuss the criteria you use in making your selection.

(CO1, CO2)

**(d) Case let (Compulsory):**

(CO1, CO2)

When the world's largest furniture retailer, IKEA, decided to enter the second most populous country in the world, it wasn't mere news. Founded in Almhult (Sweden) and headquartered in Leiden (Netherlands), IKEA had taken 12 years to enter India with quite a few firsts (departure from its global practices) for its 'long-term' play. IKEA built a global business empire selling affordable, Scandinavian-design inspired furniture with DIY model. Having honed the IKEA WAY over 51 countries with 403 stores and USD40.2 billion sales, IKEA's India entry was quite a news globally and in Indian business landscape. IKEA's entry was a news for a few firsts as it entered India. As of September 2018, IKEA's USD1.9 billion investment had been India's biggest single-brand FDI. For the first time ever, IKEA was experimenting with an omni-channel retailing strategy starting from Mumbai in 2019. IKEA's Hyderabad store has IKEA's biggest restaurant with 1000-seater with customized Nordic - Indian menu. DIY seemed to be replaced with LUHY (Let Us Help You) with home-delivery (using e-Vehicles) and assembling services (tie-up with UrbanClap). IKEA's first Indian store was launched in Hyderabad on August 9th 2018 after postponing the inauguration once (slated for July 19th 2018). The 4-storied store in HITEC city (2 floors for parking) was built in 400,000-square-foot (37161.26 square meters) with 7,500 well-researched products (1,000 products selling below INR200) had been quite a business disrupting force for Indian retailing industry in general, and for Indian furniture retailing industry in particular. While Hyderabad welcomed IKEA store with warmth, the CEO, Peter Betzel (Peter) stared at quite a few daunting challenges including product labeling (with MRP), taxes, IPRs, discerning Indian consumers and most importantly how the established competitors (offline as well as online) would ready their stealth weapons to take on India's new guest. Would Peter set the ground for IKEA to open 25 IKEA stores by 2025, as planned?

Q1. Why is it necessary to develop a thorough, well integrated retail strategy?

Q2. What is the role of benchmarking while entering a global retail business?

3. (a) Differentiate among the central business district, the secondary business district, the Neighborhood business district and the string.

(CO3, CO4)

(b) What is the role of Retail Information systems and supply chain management in today's Omni-channel retailing?

(CO3, CO4)

(c) What is the relevance of merchandise management in retail business? Discuss the Key issues involved in merchandise management.

(CO3, CO4)

**(d) Case let (Compulsory):**

(CO3, CO4)

With CRM, the Tesco's and Amazon's of this world were not only able to win new customers, clients, and users – they got lifetime value out of them. With targeted marketing campaigns, these brands hit the right people with the right offers, at *exactly* the right time.

McDonald's partners with Astute Solutions, allowing the restaurant chain greater insights into consumer feedback and satisfaction levels. Being able to assess restaurants by region, or even individually, means that McDonald's can quickly spot potential customer relationship issues, and resolve them before they become a serious problem.

And, with Astute Solutions, McDonald's can also:

- Provide both its franchisees and corporate managers with live access to customer information
- Integrate data from its dynamic network of restaurants into an effective CRM tool
- Increase the accuracy of its reporting, and inform more intelligent decision-making

As Christopher Garrity, McDonald's' own Senior Director of Customer Satisfaction, espouses:

"CRM [is a] critically important function for any large company. It's clear that Astute understands the important role it plays, and meets the ever-changing needs of our prime customers through continued innovation."

Q1. What is the role of CRM practices in retail industry?

Q2. In what ways is the knowledge of customer retention is essential for retail business?

4. (a) What do you understand by store layout? Explain the important types of retail layouts.

(CO4, CO5)

(b) Explain the factors affecting pricing decisions in retail Industry.

(CO4, CO5)

(c) What do you understand by visual merchandising? Discuss its objectives.

(CO4, CO5)

(d) **Case let (Compulsory):**

(CO4, CO5)

Whole Foods Market is a supermarket chain with less than two-hundred stores selling healthy, gourmet products such as organic vegetables, free-range poultry, foods without artificial ingredients or hydrogenated fats, and many environment-friendly products such as non-polluting detergents and chlorine free diapers. The company began in the 1970s as a natural-food stores that catered to hippies. Through the purchase of small health food stores in major cities, the company gained more exposure and access distribution channels for natural foods. During the late 1980s and the 1990s, the company's growth was fuelled by the by the upsurge's in Americans' desire for healthy living and their interest in gourmet cooking. Whole Foods does very little advertisements but receives constant free media exposure because it is often mentioned in popular TV series, praised by celebrities on talk shows, and featured in newspapers and magazines as a business success story.

The company educates consumers about foods, provides recipes, and even arranges trips where consumers meet with local fishermen. Its supermarket cashiers and stock personnel receive education about foods and earn above average-wages.

Whole Foods' prices are significantly higher than products in traditional supermarkets because the keys to its profitability and higher profit margins for products that traditionally yield slim margins, and much larger than per-square-foot sales than that of conventional supermarkets. But as the company's CEO pointed out, Americans spend far less of their income on food than other nations and that's why most of it doesn't taste very good; if they want to eat higher-quality foods, they have to pay for them. In 2014, Whole Foods stated its numbers to double the number of its stores by 2022.

Q1. Discuss the Positioning of Whole Foods.

Q2. Do you think doubling the number of stores is a sound strategy when "Americans spend far less of their income on food than other nations". Explain your point of view.