

PGDM (RM), 2020-22
Retail Concepts & Environment
RM - 106

Trimester – I, End-Term Examination: October 2020

Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices among CILOs	3*10	30
B	Compulsory Case Study	20	20
			50

Section A

1. (A) CILO 1 (Remember)

- (a) What retailers would be considered intertype competitors for a convenience store chain such as MORE? What firms would be intertype competitors?
- (b) Why are retailers in the limited assortment supermarket and extreme value discount store sectors growing so rapidly?

OR

1. (B) CILO 1 (Remember)

- (a) Compare and contrast the retail mixes of:
 - a. Convenience Store
 - b. Traditional Supermarket
 - c. Superstore
 - d. Warehouse Store.

Can all of these food retail institutions survive over the long run?How?Why?

- (b) What are the factors that have contributed to the rise of retail in India? Explain the challenge that global retail will face in India?

2.(A) CILO 2 (Application)

- (a) From your perspective, what are the benefits and limitations of purchasing a home entertainment system directly from some component manufacturers rather than from a retailer?
- (b) Many experts believe that customer service is one of the retailers most important issues in the new millennium. How can the retailers that emphasize low prices (such as discount stores, category specialists, and off-price retailers) improve customer service without increasing costs and thus, prices?

OR

2(B) CILO 2 (Application)

- (a) At many optical stores you can your eyes checked and purchase glasses or contact lenses. How is the shopping experience different for the service as compared to the product? Design a strategy designed to get customers to purchase both the service and the product. In so doing, delineate specific actions that should be taken to acquire and retain optical customers.
- (b) Retailers have a choice of locating a mall's main floor or second or third floor. Typically, the main floor offers the best, but most expensive locations. Why would the specialty store choose the second or third floor?

3 (A) CILO 3 (Understand)

- (a) If you are considering the ownership of a Taco Bell franchise, what would you want to know about the location in terms of traffic, population, income, employment, and competition? What else would need to be researched about a potential location?
- (b) Any retailer's goal is to get a customer in its store so that they can find the merchandise that they are looking for and make a purchase at this location. How could a sporting goods retailers ensure that customers buy athletic equipment at its outlet?

OR

3 (B) CILO 3 (Understand)

- (a) Retailers are developing shopping centers and freestanding locations in Central Business Districts that have suffered decay. Some people have questioned the ethical and social ramifications of this process, which is known as gentrification. What are the benefits and problems associated with gentrification?
- (b) A family-owned used book store across the street from a major university campus wants to identify the various segments in the market. What approaches might the store owner use to segment its market? List two potential target market segments based on this segmentation approach. Then contrast the retail mix that would be most appropriate for the two potential target segments.

Section B

CILO 2 (Application)

Late Delivery

Background Information

Joanna Stores is a 500-store women's apparel chain that emphasizes popular-priced goods. Its vendor policies tend to be somewhat lax, and vendors have often been known to take advantage of the company, shipping merchandise late and getting away with it.

However, this fall season began badly. Sales were flat, and the dress department's inventory was higher than normal. As the end of August approached buyer Karen Clark was checking her open-order file and found that a very large order from Marie Modes, consisting of some 20,000 units, had not yet come in. She called Marie to find out when the goods would be ready and was told that the dresses might be a couple of days later than the August 30 cancellation date on the order. Hearing this, she asked for Martin Craft, the sales manager, and informed him that the store would not accept the order if it did not arrive before August 30.

Craft's reaction was equivocal "I'll be late with a couple of styles but will have 80 percent of the order in your place on September 2. I've got a huge investment in fabric and labor in this order, and I'm going to ship it"

Clark immediately sent off a cancellation notice, insisting on August 30. Craft responded by saying, "I'm still a few pieces short, and I'm shipping what I've got, cancellation or no cancellation." And sure enough, 18,000 dresses from Marie arrived at Joanna's door on September 2. And just as sure, Joanna refused the entire delivery. The dresses remained on the truck.

When Craft heard this, he was furious. "what am I supposed to do with these goods, eat it? You wrote us an order, we delivered it within the grace period, and you're gonna keep them. Either that or I'll see you in court."

Clark replied, "You do that, and we'll never do business again. You knew perfectly well when that order was due. If you were going to have difficulty filling it, you should have let me know a long time before this. You know we're a big outlet for you. You need us, so you'll get rid of this stuff. And I promise I'll write you a nice big order next season."

Questions

1. As an observer of this situation, what do you think should have been done? (10)
2. What would you advise the two principals to do to resolve the situation? (10)