

PGDM (RM), 2020-22
Retail Store Management
RM -206

Trimester – II, End-Term Examination: January 2021

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 and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10 Or 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

Section A

1(A) CILO 1 (Remember)

- (a) What's the difference between extrinsic and intrinsic rewards? What are the effects of these rewards on the behavior of retail employees? Under what conditions, would you recommend that a retailer emphasize intrinsic rewards over extrinsic rewards?
- (b) Discuss how retailers can reduce shrinkage from shoplifting and employee theft.

OR

1 (B) CILO 1 (Remember)

- (a) Drugstore retailers, place diabetic test strips and perfume behind locked glass cabinets and nearly all over-the-counter medicines behind Plexiglas panels. These efforts are designed to deter theft. How do these security measures impact honest customers?
- (b) Shopping preference very much depends upon store location. For the following types of products, how far would a buyer travel to reach a store. Explain each category with its kind of buying behavior.

- Eggs and Milk
- Socks
- *Running Shoes*
- Home Theater system

2(A) CILO 2 (Application)

- (a) A department store is building an addition. The merchandise manager for furniture is trying to convince the vice president to allot this new space to the furniture department. The merchandise manager for men's clothing is also trying to gain the space. What points should each manager use when presenting his or her rationale?
- (b) If you plan to open a technology advance convenience store. How being a retailer you decide on the signage to be used in store? How you will make shoppers to adapt with same, and its interaction with their sensory elements?

OR

2(B) CILO 2 (Application)

- (a) Describe the ways in which designing a Web site is similar to and different from designing a physical store layout.
- (b) What are the pros and cons for both centralized cash wraps and departmental cash wraps for stores?

3(A) CILO 3 (Understand)

- (a) How can signage and graphics help both customers and retailers? Consider the following types of retail formats that you likely have visited in the past: discount store, department store, office super store, and a card and gift store. Describe which retail formats have implemented the best practices for coordinating signs and graphics with each store's image and which formats should improve this aspect of their store layout, design, and visual merchandising.

OR

3(B) CILO 3 (Understand)

- (a) One of the fastest growing sectors of the population is the over-60 age group. But these customers may have limitations in their vision, hearing, and movement. How can retailers develop store designs with the older population's needs in mind?

Section B

CILO 2 (Application)

Niketown

Some things don't need much explanation. When you see the Golden Arches, you think of McDonald's. When you see a swirling a swirling red, white, and blue sphere, you think of Pepsi. And when you see the curvy little swoosh, "Just do it" comes to mind.

With so many nontraditional shopping alternatives competing for the customer's attention, a key to survival in the 90s is retailers' ability to maximize their in-store environments. Customers are bored with ordinary shopping experiences. Convenience and price aren't enough. They want to be entertained.

With this in mind, Niketown was developed to create brand awareness about Nike as a company in an informative and fun way. It was established to promote a lifestyle as much as the product. "We wanted to engage the customer in both our products and the sport and fitness lifestyle that Nike represents," said Mary Burns, director of operations at Nike in Beavertown, Oregon.

There are six Niketown stores in operation: in Portland, Oregon; Chicago; Atlanta; New York City; Costa Mesa, California; and San Francisco's Union Square. The stores are tourist attractions and it's easy to see why. If you were to visit the Portland store (the original Niketown), this is what you would see: Flying superhumanly above the square is a life-sized statue of Michael Jordan. Nearby are other statues: Bo Jackson lifting weights and Andre Agassi running to smash a tennis ball. Niketown's background design is Disney like characters and the city of the future, featuring the cartoon show "The Jetsons." Fourteen small, themed salesrooms, which Nike calls pavilions, feature an array of sports shoes and apparel for everything from tennis to hockey.

The majority of the pavilions feature the sounds associated with that sport. If you enter one basketball pavilion (The Flight Pavilion), you'll hear the distant sound of basketballs bouncing on hardwood floors. If you enter the tennis pavilion, you'll hear the sounds of the racket smashing against the little yellow ball.

In the Land of Barkley, named after basketball player Charles Barkley, basketball hoops hold up display shelves, and basketballs support benches. The sounds being played are shoes squeaking on hardwood. The actual floor is hardwood so "wannabe" Barkleys can pull on a pair of shoes and squeak them on the floors like the big guys. The tennis pavilion features a sunken, miniature tennis court; its most popular piece is John McEnroe's broken racket. There's even a kid's pavilion, with bootie-sized air Jordan lookalikes and a measure on a wall that shows the height of Jordan's leap. At 40 inches, it's higher than some of his small fans' heads.

Even with all of this, one of the biggest attractions is the swim and volleyball area. The seats are surfboards. There's an aquarium with tropical fish and the floor features a center section designed to simulate a glass-bottomed boat, with videos of the sea life playing.

Nike cares that customers carry away fond memories of the brand rather than only a new pair of sneakers. "Niketowns provide Nike the opportunity to present the full scope of Nike's sports and fitness lines to our customers and to educate them on the value, quality, and benefits of Nike products," said Bruce Fabel, vice president of Nike's Retail Division. "Our research indicates customers who do not make a purchase at Nike Town will be more likely to buy Nike in the future from one of our retail accounts in the area."

Nike is not the only company pushing its own stores. A growing number of big-name manufacturers are turning into mainstream merchants, opening flashy stores called flagship

stores all over the nation. Swimsuit maker Speedo, children's clothing company Oshkosh B'Gosh, and shoemaker Nine West are just a few that are opening stores similar to Niketown, showcasing their brands and enhancing their image.

Questions

1. Why are manufacturers like Nike opening their own retail outlets? (10 marks)
2. How will consumers and retailers that sell Nike merchandise react to these new stores? (10 marks)