

PGDM - RM  
Retail Concepts & Environment-II  
RM-205

Trimester – II, End-Term Examination: December 2015

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	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

Section:A

1. Evaluation of Reilly's Law and Huff's Approaches to Trading Area Analysis for Tanishq retail outlet in Noida sector - 18.
2. How would you like to delineate the Trading Area of a new store likes of WH Smith.
3. Evaluate the Retail soft skill training Needs of the Organization where you are doing your OJT
4. Evaluate the practices, opportunities and problems of Trading Areas of Retail Chain Stores like Chumbak
5. What could be a successful Retail Strategy for an independent Retailer Located at Ansal Plaza mall, Greater Noida.

Section:B

6. In your own words, how the QSR Industry is growing in India. According to you, which are the three top franchising opportunity in QSR today?
7. Explain the Store operations blueprints of the organization where you are doing your OJT. How strained relations between Franchisor and Franchisee affect the business. What are its Causes and possible prevention?
8. How a traditional department store will develop can a Strategy to compete against "The New Discounters". What do you think, is the department store like Lifestyle still a viable retail organization in present e-retailing era?

## SONY LOOKS TO A SMALL-STORE FORMA

Sony is now gearing up to sell its TVs, DVD players, and their electronics through a number of small company-owned Sony Style stores. Since it began this strategy, Sony has opened more than 60 U.S. stores. Although apparel manufacturers such as Coach, Burberry, and Ralph Lauren often have hundreds of company-owned stores that compete with department and specialty stores, this strategy is uncommon for electronics

manufacturers. Due to its belief that many conventional electronics stores do a poor job in demonstrating merchandise to women, Sony is planning to place more Sony Style stores in upscale shopping centers and central business districts. It is opening stores near such female-oriented firms as Sephora, Tiffany and Louis Vuitton. Sony has also sought out US mall locations in the nation's largest 50 major metropolitan markets and bids for the best locations in these malls. Sony is currently close to reaching that goal. This location strategy is in sharp contrast with that of large electronics stores such as Best Buy that are situated in smaller malls.

Sony's newest strategy focuses on using small store formats. It recently opened an in-store Sony shop in Toys "R" Us' Manhattan Times Square flagship store. The 550-squarefoot store features Sony Cyber-shot digital cameras, Walkman portable MP3 players and CD players, Vaio notebooks, and Sony Readers. Employees are especially trained to allow shoppers to tryout Sony products in the store so that they can get hands-on experience prior to purchasing goods.

According to Sony Style's retail senior vice-president, Sony opened its first Sony Style store in response to consumer confusion about "the shift in technology from an analog to a digital world." The chain is targeted to women because Sony correctly anticipated that women would become an increasingly "major force of consumer electronics purchasing."

Sony Style stores feature a concierge desk where each shopper is greeted. Aisles are designed to easily accommodate strollers. And unlike conventional electronics store where competing brands are lined up in rows, every Sony model is placed on a different stand. This gives consumers a better idea of what the TVs or home theaters will look like in their living room or den. And all TVs are tuned to the Discovery Channel or to movie clips from Sony Corporation movies, not to sports channels.

Sales at Sony Style locations reached \$740 million as of 2006, making this division the 22nd largest consumer electronics chain in the United States. In 2007, Sony Style received *Twice* magazine's "Excellence in Retailing Award in the Best Vendor Category." Today, annual revenues are in the \$1 billion range.

Many electronics retailers fear that Sony will become a direct competitor, as well as their supplier. To reduce their concerns, Sony invites retailers that have nearby stores to their newest locations prior to their opening. Sony has also undertaken marketing research studies showing that the new stores, by better educating customers about the features of a Sony model, increase the sales of all stores in the area.

### Questions

1. Identify the pros and cons of Sony's small-store format.
2. Should Sony use prototype stores? Should it use rationalized retailing? Explain your answers.
3. Describe the pros and cons of a top-down space management approach for Sony, as well a bottom-up space management system.