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Total Number of Pages : 03

MBA 404A

FOURTH SEMESTER (BACK) MBA-2016

RETAIL MANAGEMENT

Branch : MBA

Question Code: MBA 404A

Full marks-70

Time-3 Hours

Answer Question No.1 &2 which are compulsory and any four from the rest. The figures in the right hand margin indicate marks

Q.1- Explain the following briefly:

2x10

- a) Visual merchandising
- b) Retail equity
- c) Shop-in-shop
- d) Destination store
- e) Width of assortment
- f) Free standing location
- g) Breaking bulk
- h) Demographics
- i) Vertical price fixing
- j) Home shopping

2. Case study:

The Food World chain has grown rapidly over the past seven years and there are now 90 stores. Most Food World stores are located in Chennai and Bangalore, and the chain is focused on the south. Food World had to shut down the first three supermarkets it opened in Pune. The average size of the stores varies from 4000 to 5000 sq.ft. The initial focus on Chennai and Bangalore was partly because Spencer already had prime properties in these two cities. Food World's turnover was Rs.3bn.in 2002-03. Its business has been delivering operating profits for the last two

years. A major aspect of Food World's strategy was to develop its supply chain and source as much as possible directly from producers. It deals directly with a number of top fast moving consumer goods(FMCG) companies such as HUL, Henkel, CocaCola Godrej, SaraLee, Tropicana and Colgate and also procures many commodities(such as rice,pulses,fruits and vegetables) from as close to the source as possible. A large number of contract farmers supply fruits and vegetables directly to Food World. Another important strategy is the emphasis on private labels. Here the focus has been primarily on the non life style area, including generic products like ketchups, jams, garbage bags and so on. Private label sales account for about 30% of the total sales. The company plans to increase the number of Food World supermarket to 525 by March 2006 but will remain focused on the south. Today, a typical Food World supermarket is around 4000 sq.ft.During the next few years, the company is planning to experiment with two different store formats near the same hubs. Food World is looking at large superstores measuring 12000-15000 sq.ft.These would offer a large variety of fruits and vegetables, fresh produce, and general merchandise. The company is looking for suitable properties but Food World says that the number of such "super Food World flagship stores" will be small--Five or six at the most.

ASSIGNMENT:

- 1- Discuss the sourcing policy of the company and evaluate it.
- 2- Is Food world's decision to focus on south and to experiment with two different store formats near the same hub a right one? Justify your opinion.
3. Explain the characteristic features of franchising and chain store format of retailing with their relative merits and limitations. 10
4. How would you expect the buying behavior and decision process to differ when shopping on internet compared to shopping in a store? Outline the factors that influence the retail buying behavior. 10
5. How would you as a manager, deal with socio-economic issues raised due to the rise of organized retailing in a massive scale vis-à-vis the traditional and unorganized formats of retailing? Justify your answer with example. 10
6. Explain the strategic importance of merchandise planning to a retailer. Discuss various types of merchandise and the steps involved in merchandise planning process. 10
7. Pricing is an important aspect of retailing. Explain the objectives of pricing and the factors that influence the pricing decision of a retailer. 10

