

Jagan Institute of Management Studies
End-Term Examination, September-October, 2017
Trimester I – PGDM (RM) 2017-19

Principle & Concepts of Retail
ET_RM_PCR_0510

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Write Short answer on any **THREE** of the following giving suitable examples
- a) Influence of technology on retailing.
 - b) Organized Vs Unorganized retail format.
 - c) Store location decisions are irreversible.
 - d) Store branding for retail business and consumer plays a significant role.
 - e) Retail Franchising. **15**
- Q 2** Why are retail life cycles becoming shorter? Discuss the implications of FDI and GST on retailing? **13**
- Q 3** Focussing upon retail sector of your choice, describe What are the issues involved in product range assortment and how do customers perceive assortment? **13**
- Q 4** Despite public and private sector initiative, still vending machines concept is not getting popularity as was expected from it, explain why? what suggestions you would like to give to customers and retailers that may enhance the applicability of vending machines in India? **13**
- Q 5** What do you mean by trading area? How a trading area can be analyzed? What factors must be considered while analyzing a trade area? give suitable examples of any retail format in your locality and describe its trading area? **13**
- Q 6** An effective staff management contributes to the success of store operations? Enumerate the importance of “People’s” contribution in achieving overall success in store operations? **13**
- Q 7** **Read the case and answer the questions given at the end.**

Adam Retail was a retail company having 27 stores in the NCR area. The company was carrying grocery, clothing, cosmetics and leather made items. Company was doing well without following any marketing concept. Company basic policy was to cater to loyal customers first. Company executives were of the view that it takes very less to retain the customer but to attract a new one. Therefore, company efforts were primarily concentrated on (a). Their liability to produce and provide, (b). What could be sold by their sales executives, and (c), the items on which the company was getting maximum profits.

Since its inception in 1983, company followed the same business philosophy. But with the entry of new domestic and international players, company started facing the problem of shrinking profits and decreasing turnover.

To overcome the impact, company thought of recruiting management graduate from India's leading B-School. Mr. Adesh Shrivastava a fresh management graduate (Gold Medalist) later joined the company. After thorough studying the business philosophy of Adam Retail, he was surprised to know the how a company can survive without applying the basic marketing concepts like understanding Consumer behaviour, Market segmentation, Brand Positioning, SWOT analysis and so on. As per his knowledge, he advised the company executives to alter the products and services offered due to change in customer's needs and wants. He also advised the company to stress on socio-cultural and income factors considering rapidly growing earning Indian middle class. Company executives were also convinced with his plan and were impressed by the reasoning he gave behind such policy changes.

Further, he modernized the goods and services offered by the company and invested approx 2.75 crore. Company executives were happy and were optimistic about company's future growth over its competitors.

But after nine months of such alterations, company did not find any proportionate increase in sales turnover.

This eye opening bitter fact, forced the management to call an emergency meeting of all 27 store managers in the same week. Managing Director (sales), Mr. S. Ramamurti after few rounds of meeting with various store managers, constituted a three member team to oversee the amendments and directed to submit their report within week time.

Mean while company decided to continue the Adesh Shrivastava's marketing philosophy.

As decided, on June 21, 2008 enquiry team headed by Mr. R.K. Agarwal (Senior Regional Manager) submitted its report to the M.D. (Sales). Report highlighted, as such there was nothing wrong with the new marketing policy and highlighted some basic facts being ignored .

Questions:

- a) What should the company do in such situation and why? **5**
- b) Where did gold medalist , Mr. Adesh go wrong? **5**
- c) As retail expert what other factors , if any , could have been involved? discuss with suitable examples? **6**
