

Jagan Institute of Management Studies
End-Term Examination, December 2017 – January 2018
Trimester V – PGDM (RM) 2016-18

Franchising & Global Retailing

ET_RM_FGR_0201

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FOUR questions including Q1 & Q5 which are compulsory.

- Q 1** While the growth of internet, the ecommerce sector has seen a major shift. Challenges are faced in any new business. Critically examine Challenges seen in Retail Franchising **OR** in Multichannel retailing. **20**
- Q 2** Franchising has today, become a major business model in the retailing industry. With reference to the same, elaborate the following
- a) Types of Franchising.
 - b) Terms of Franchising.
 - c) Alternatives to Franchising. **15**
- Q 3** Multi-channel Strategy in the New Era of Retail. Comment & elaborate the different channels in practice with examples. **15**
- Q 4** Franchise Business plan is an important first step towards success. Describe its components. **15**
- Q 5** [Read the case and answer the questions given at the end.](#)
Shoppers Stop Ltd, one of the early adopters of Omni channel dominance, has laid down a clear business and technology execution blueprint for three years (2015-2017), with Rs 60 crore being dedicated towards beefing up technology, strengthening the digital supply chain, hiring specialised talent and optimising digital marketing operations.
Shoppers Stop Ltd operates about 76 department stores across 34 cities. Over the last year, the company launched several Omni channel and digital initiatives to shore up its customer experience. The agenda is to become a truly Omni channel retailer across the company's formats – HomeStop, HyperCITY, and Crossword– by 2017.
The company is following a three-pronged strategy divided into three phases — digital capability build out (2015), multi-channel (2016) and finally, true Omni channel retailer (2017).
“The idea is to be a brick and mortar play, online play, Omni channel play and marketplace play... so that customers can find us wherever they are and want to shop from. For a retailer like us, Omni

channel means putting the consumer at the centre of our strategy and allowing them to decide when, where, and how to shop. The consumer can order anytime, anywhere, and from any device,” Govind Shrikhande, MD, Shoppers Stop.

Strategy in depth

As a first step towards technology execution, Shoppers Stop partnered with Hybris Software, a SAP company and one of the world’s fastest growing commerce platform providers, for SAP Hybris Commerce & Order Management Platform in Q1 2015. This was followed by an investment in Warehouse Management System in Q4 2015, to provide seamless and unified shopping experience to customers across multiple channels.

In the same quarter, the company redesigned and launched a new website which is responsive across various screen sizes including mobile, tablets etc. The new website doubled the conversion rate.

The 2015 strategy also touched upon initiatives toward embedding ‘digital inside the store’. Magic Mirror was one such launch during Q4 2015 in Shoppers Stop Mumbai’s Inorbit Mall store. A first-of-its-kind in a department store in India, the Magic Mirror enabled customers to swipe through various products without having to physically ‘try on’ the desired products.

In addition to its own websites, Omni channel capabilities, and in-store features, Shoppers stop also entered into strategic alliances with major e-commerce players in 2015. The company set up anchor stores or microsites with Snapdeal (strategic, full assortment), Amazon, Flipkart, Jabong and PayTM to sell shoppers stop brands on these marketplaces. It also tied up with hyperlocal e-grocers such as ZopNow, Grofers and PepperTap, who picked up grocery from HyperCITY for deliveries.

The company’s Omni channel play also focused on payment solutions and customer analysis tools to provide a seamless experience through all ways possible. Shoppers Stop accepts Freecharge wallet in all its stores. The company claims to offer the same experience to the customer in terms of service at the store, calls, emails, and social media. They are also in a process of rolling out a Customer relationship management (CRM) to take this experience to the next level.

Throw light on the below with reference to the above.

- a) Omni channel as a marketing strategy. 5
- b) Learnings / Objective on the approach taken by Shoppers Stop. 5
- c) Enhanced Customer experience. 5
- d) In your opinion is this sustainable model. 5
