

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

Retail Branding
ET_RM_RB_2712

Time: 3 Hrs.

M. Marks: 70

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

- Q 1** Attempt any **FOUR** of the following questions:
- a) A strong BRAND is always business growth enablers. Explain the Advantages of BRAND.
 - b) What is Brand Equity and Customer Equity, explain with example of BIGBAZAR or SAMSUNG.
 - c) In Social media branding what is shifting from ‘one to many’ – ‘many to many’ model, explain with examples.
 - d) What is difference between Search Engine Optimization (SEO) and Google Add Words? Explain through example of STARTBUCKS.
 - e) Through examples, explain the difference in Retail Marketing Strategy and Retail Branding Strategy.
 - f) Branding decision follow a principals of Strategic vs Tactical evaluation. Explain the impact on choice of decision making using comparative analysis
 - g) Being Competitive mantra is bringing in perspective of MORE SUSTAINABLE vs LESS SUSTAINABLE. Explain competitive advantages making the comparative analysis. **16**
- Q 2**
- a) Brand Management focus on creating Brand values. What are the different dimensions of Brand Building? **6**
 - b) Taking **one** of the examples from either **McDonalds/ Walmart/Apple**, explain what Brand Associations Strategy has been adopted by Retailer to be the top slot in their segment. **6**
- Q 3**
- a) If NALLI a strong name in Silk SAREES, decided to gets into limited market of MEN’S formal dressing. How it will decide on which one to pursue? Explain the same with matrix of Target market segment and Retail formats **6**
 - b) What is key to in success in global market? What are the various options of entering in to International market explain taking cases of McDonalds in India, TATA motors in UK. **6**

- Q 4** a) What it takes in Building Brand Equity? **3**
 b) How Brand Equity can be measured? What are factors contributing to Brand Equity? **6**
 c) How Brand Architecture does helps in carving out Brand development strategy? **3**
- Q 5** a) For an effective business growth in current times there has to be an outlined and detailed Social media Branding Strategy. Explain each part of Social media Strategy which can be Specific, Measurable, Attainable, Relevant, and Timely (SMART). **8**
 b) While branding a PRODUCT, it is always advisable to – Think oneself as product, as same qualities apply to personal brands. Give this fact how will you strengthen your brand and leverage social media to maximize the same **4**
- Q 6** a) Draw Social Media Branding Plan for JIMS/Education Institute which is focused on Professional & Higher Learning programs. **6**
 b) Social Media is best useable, if we abide by the Laws. What are the social media laws and explain them with reference of above example and their parlance to DO & DON'T. **6**

Q 7 [Read the case and answer the questions given at the end.](#)

Wal-Mart: Staying on Top of the Fortune 500

I. Background

Wal-Mart is the largest retail store in the United States, and is larger than any other retail chain in the world. Currently Wal-Mart operates over 4,150 retail facilities globally. Also, the company is the dominant retail store in Canada, Mexico, and the United Kingdom (www.walmart.com). According to the Fortune 500 index of the wealthiest and most powerful corporations in the world, Wal-Mart holds the number one spot, ranked by its total sales. The company is ranked as the second most admired company in the world by Fortune (www.fortune.com).

Wal-Mart provides general merchandise: family apparel, health & beauty aids, household needs, electronics, toys, fabrics, crafts, lawn & garden, jewelry and shoes. Also, the company runs a pharmacy department, Tire & Lube Express, and Photo processing center as well (www.walmart.com). When Sam Walton created Wal-Mart in 1962, he declared that three policy goals would define his business: respect for the individual, service to customers, and striving for excellence (www.walmart.com). Wal-Mart's corporate management strategy involves selling high quality and brand name products at the lowest

price. In order to keep low prices, the company reduces costs by the use of advanced electronic technology and warehousing. It also negotiates deals for merchandise directly from manufacturers, eliminating the middleman.

Wal-Mart centered on small-towns first, and then tried to move to large cities. This happened while other retailers centered on larger urban centers. However, as the economy faced a downturn, people wanted low price stores. Furthermore, as people became mobile, they moved to small towns and suburbs and were willing to travel further to buy low price products. During the 1980's, local chambers of commerce supported Wal-Mart because they believed that the company helps a local economy by providing good quality products at low prices. Unfortunately, critics contend that the success of Wal-Mart hurts the existing local independent merchants. Despite the criticism that Wal-Mart destroys small-town competitors, the local chambers of commerce endorsed Wal-Mart.

II. Wal-Mart Company Strategy

a. Dominate the Retail Market Everywhere

A key strategy of Wal-Mart is to dominate the retail market. Company founder Sam Walton put in place a retail philosophy the company still follows. Wal-Mart is primarily a discount retailer because they sell their products at the lowest possible prices. By selling at the "lowest price." Walton outlines that the essence of successful discount retailing to cut the price on an item as much as possible, lowering the markup, and earn profit on the increased volume of sales.

Another subset of this strategy is the competitiveness of every unit. Each store is encouraged to ferociously compete against all other stores in its customer base until the Wal-Mart store gains dominance over its local competitors. Wal-Mart is currently ranked as the world's number one retailer and the number one company in the world in terms of sales (over \$200 billion) on the Fortune [500 list \(www.walmart.com\)](http://www.walmart.com) (www.fortune.com) The key strategy is to dominate a market. Using its size and volume buying power, the company effectively implements its strategy.

b. Growth by expansion in the US and Internationally.

A strategic goal of Wal-Mart is to expand. It has done so successfully. Looking at the facts and figures clearly shows the corporations dominance and power. Currently the corporation employs over 1.3 million employees, one million in the US alone. The company owns over 4000 stores worldwide. Over 1,200 units (stores) are in operation internationally. Domestically, Wal-Mart is the largest US retailer, employing around 1 million people. It has over 3,000 stores and outlets, and 77 distribution centers. The company serves more than 100 million

customers weekly in all 50 states, Puerto Rico, and several nations around the world.

Internationally, the retailer operates in Mexico, Canada, Argentina, Brazil, China, Korea, Germany, and the United Kingdom. Its expansion strategy internationally has been aggressive and powerful. The latest expansion strategy is for the company to gain entry into a nation by corporate takeover of a national retailer. Once the company is bought, Wal-Mart converts the stores into Wal-Mart stores. Three countries, all with no previous Wal-Mart stores, became part of the corporation's international presence when domestic retail chains were overtaken. In 1994, Wal-Mart bought 122 Woolco stores in Canada; today there are 196 units in Canada. In 1998 Wal-Mart bought the Wertkauf store with 21 units, now there are 94 Wal-Mart's in Germany. In 1999, Wal-Mart acquired the ASDA chain with 229 units in the UK. Today, the UK has 252 Wal-Mart stores.

This particular strategy, of corporate takeover, puts the company at an advantage when it enters into a new market. In one stroke, a large competitor is eliminated, and at once, Wal-Mart has real estate and employees, and a massive presence in its targeted location. This is an effective use of the company's size and wealth, as few if any competitors are able to do this effectively. The company builds up brand familiarity, while retaining the old familiar outlets. Gradually, as the local Wal-Mart stores begin to make money, and local management assess their competition environment, the company begins to redesign the acquired stores to look like "Wal-Mart's, it then begins to build new and larger stores in that new market. Wal-Mart is now the largest retailer in Canada and the UK.

c. Create Positive Brand and Name Recognition

The company aims to create positive impression of customer satisfaction with the Wal- Mart brand. Their goal is to have the customer associate the retailer with the reputation of offering the best prices. The company accomplishes this through television advertising campaigns and newspaper adverts. Characteristic of Wal-Mart advertising is the use of actual Wal-Mart stores and employees in its commercials. Key themes, such as "Low Prices Always" are featured. The company engages in partnerships and co-branding. For example, many Wal-Mart stores have a McDonalds restaurant inside them. Due to the size of the retailer, certain exclusive promotions are made with Hollywood movie companies and music companies, for exclusive in Wal-Mart promotions and distribution.

d. Branching out into New Sectors of Retailing

A successful company strategy has been to branch out into new sectors of retailing. Wal-Mart has recently become a major pharmacy,

automotive repair shop, and is now moving into grocery sales. This is an example of success - it exemplifies Sam Walton's vision of being the best retailer around. After a store expands physically and geographically, it must then expand in terms of what they sell; branching out and competing with other businesses.

The traditional retail business of Wal-Mart has been selling discount and cheap house wares and plastic goods, clothing, sporting goods, and toys. Other departments include but are not limited to stationary and office supplies, hardware, home improvement, paint supplies, arts and crafts, cosmetics and toiletries, shoes, books and magazines, greeting cards, and confectionery. Wal-Mart has also encroached into home electronics, automotive supplies, pharmaceuticals, jewelry sales, photo finishing, travel planning, and home gardening. More recently Wal-Mart has begun to move into the grocery store business with its new "Neighborhood Markets." Everywhere the store has a department; it competes with those businesses, which specialize in that sector, often putting smaller competitors out of business. Wal-Mart can be judged by the fear it puts into its potential competitors and by the uproar caused by them protesting a Wal-Mart incursion, as is the case with grocers (www.walmart.com, 2000, 2001 Annual Reports

In summation: Wal-Mart's growth is conducted by expanding stores physically and territorially. Expansion is not limited to the United States, the company is now an international retailer. When a store is in place, its goal is to dominate its local competition in every department of merchandise sold, to become the number one retailer in that sector. Once dominance in a sector is achieved, the company expands by diversifying into new sectors of retail.

Questions:

- a) What has been the transformational strategy for Walmart? 3
- b) Walmart has always passed on the price incentive to customer, in what way it was able to give the price advantage to customer? 4
- c) What branding technique helped Walmart to expand beyond the home operations of US? 4
- d) Did online promotion and social media been helpful to Walmart's growth? 3
- e) What is Companies Brand encashment strategy or capitulating in Brand Equity? 4
