

Jagan Institute of Management Studies
End-Term Examination, December, 2016 – January, 2017
Trimester V – PGDM (RM) 2015-17

Franchising & Global Retailing
ET_RM_FGR_2212

Time: 3 Hrs.

M. Marks: 70

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

- Q 1** International Franchisee format is one of the quickest and less capital intensive methodology for diversifying international operations overseas. Leading international fast food chains like **McDonalds, Burger King, Pizza Hut and Dominos** are opting for this mode for expanding their global market presence. Also, there are situations where leading international **Hotel Chains and Universities** are exploring the franchisee options with a view to maximize market reach and access in defined geographical territories. In light of this statement answer the following questions:
- a) What are the distinct advantages, benefits and disadvantages of international franchise operations? How can an organization hedge against possible risks associated with selection of an appropriate franchisee partner for doing business? **8**
- b) From the above examples cited outline how international firms could select one of the following options for expanding business portfolio overseas: **8**
- The Business Format Franchisee.
 - Management Franchisee
 - Master Franchisee routes
- Q 2** Assume a Multi-national Firm is planning to diversify its operations into emerging markets like India and China. What are the critical components of the terms and conditions you need to evaluate before finalizing a Franchisor – franchisee agreement? Outline the pivotal and important roles and responsibilities of a franchisor and franchisee partner and how these responsibilities are accounted for and supervised in a global perspective. **13**
- Q 3** Describe the factors prompting International Retailing Operations? Briefly define the various formats of international retail stores? Outline how leading international brands like ZARA, H&M, and Marks and Spencer’s evaluate the commercial and financial feasibility of their proposed international ventures? **13**

- Q 4** What are the essential ingredients and components of a strategic business plan and franchisee planning for a firm planning to diversify operations globally under the franchisee route? State the major reasons and factors prompting MNCs to evaluate franchisee operations in India? **13**
- Q 5** The major benefits of Multi-Channel Retailing are as follows:
i) Improved Customer Convenience
ii) Positive Imperative for growth
iii) Expanded Customer base through wider market reach
iv) Higher profits and balancing of risks
Evaluate the above features and justify the existence of multi-channel retailing and give examples to support your answer? **13**
- Q 6** What are the changing trends in international retailing? Outline giving examples the factors forcing firms to diversify operations internationally? Why have international supermarket chains like Carrefour, Wal-Mart encountered severe challenges and difficulties in achieving business success in Asia and India? **13**
- Q 7 a)** Clearly highlight your views and opinion on 100% FDI in E-commerce and Multi/Single Brand retailing in India? What are the inherent benefits and disadvantages of influx of FDI into India in the forthcoming future? **8**
- b)** Discuss the possible ramifications and implications of the demonetization drive executed by the present government in India? How would it impact franchisee business and what strategies could firms adopt to overcome the challenges and difficulties – explain with reference to firms like GAP and NIKE? **7**
