

QP -1

Roll No: -----



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, April 2018

Program: BBA RM

Subject (Course): Retail Operations

Course Code: BBCR 185

No. of page/s:

Semester – VI

Max. Marks: 100

Duration: 3 Hrs

Section A

Q 1. Answer all the Questions. (20 marks)

True or False

1. The image reflects what the store stands for. (2)
2. Extreme value or Hard discount stores are retailing formats. (2)
3. Non-customers are people who are not active in any market segment. (2)
4. That 'Service Pays.' is not relevant in across all retail formats. (2)
5. Shrinkage is an inventory reduction that is caused by shoplifting by employees only. (2)
6. *Cross Docking Distribution centers are now in vogue since they have merchandise packed, priced and marked as per the requirement of each retail store.* (2)
7. A Cash Drawer is a part of the cash register used for storing cash and other valuables (2)
8. The traffic flow or circulation is vital to the shopping comfort to the customer and the ease of finding items. (2)
9. EAS tags are the current trend. And are affixed by the vendors. (2)
10. If a store does not properly post its return policy, the customer is entitled to a refund within a specified time. (2)

Section B- 20 Marks

Answer all the questions.

Q 2. What is franchising? State the roles of the Franchisee & the Franchisor. (4)

Q 3. What do you understand by the 'standardisation approach' of a retailer? Give at least 2 examples. (4)

Q 4. What are the multifarious roles that a salesperson must play to create a delightful experience for the customer. (4)

Q 5. What do you understand by the term 'Interactive Kiosk'? (4)

Q.6 What are the key elements of the HR function?

Section –C- 30 Marks

Answer all the questions.

Q 7 .What is a buying Cycle?

Enumerate the features of a Staple Buying System. (5+5)

Q 8. What are the objectives achieved by the retailer by advertising his store?

What do you understand by the 'objective task method' for arriving at an advertising budget? (5+5)

Or

Q 8a. What are 'Budgeting' & 'Budgetary Control'? What are the sources for financing the retail store operation? (10)

Q.9. Create an Organisation Chart for a Department Store.

Section –D (30 Marks)

Case Study

Build-A-Bear Workshop: Where Best Friends Are Made

Modern consumers want good value, low prices, and convenience, but they also appreciate a great shopping experience.

Build-A-Bear Workshop usually locates its more than 400 stores in malls worldwide. It offers customers the opportunity to make their own stuffed animals, complete with clothing and accessories.

Currently, the company has sold more than 70 million furry friends. The bear-making process consists of eight steps, Choose Me, Hear Me, Stuff Me, Stitch Me, Fluff Me, Dress Me, Name Me, and Take Me Home.

Customers, or builders, choose an unstuffed animal and, working with the retailer's staff, move through eight "creation stations" to build their own bear (or other animal). At the first station, the Stuffateria, children can pick fluff from bins marked "Love," "Hugs and Kisses," "Friendship," and "Kindness."

The stuffing is sent through a long, clear tube and into a stuffing machine. A sales associate holds the bear to a small tube while the builder pumps a foot peddle. In seconds, the bear takes its form. Before the stitching, builders must insert a heart. The builders follow the sales associates' instructions and rub the heart between their hands to make it warm. They then close their eyes, make a wish, and kiss the heart before putting it inside the bear. After selecting a name and having it stitched on their animal, builders take their bears to the Fluff Me station, where they brush their bears on a "bathtub" that features spigots blowing air. Finally, they move to a computer station to create a birth certificate.

Bears go home in Cub Condo carrying cases, which act as mini-houses complete with windows and doors. In addition to serving as playhouses, the boxes advertise BuildA-Bear Workshop to the child's friends.

"[You] could buy a bear anywhere," says Clark, Chief Executive Bear. "It's the experience that customers are looking for." The experience isn't limited to the stores themselves. The retailer's Web site, buildabear.com, embraces the same theme. Build-a-Bearville (buildabearville.com) is its online virtual world where users can play with each other and play games.

The bears that they bought at the store have a unique code that allows the user to redeem gifts while playing games in Build-a-Bearville. Customers pay about \$25 for the basic bear, but they can also buy music, clothing, and accessories.

To keep the experience fresh, Build-A-Bear Workshop regularly introduces new and limited-edition animals. Clothes and accessories are also updated to reflect current fashion trends. Outfits for the bears complement the owner's interests and personalities with themes such as sports, colleges, hobbies, and careers.

Some children and their parents hold in-store birthday parties, with music playing from the store's official CD. To ensure customers enjoy a great experience every time they visit, all sales associates attend a three-week training program at "Bear University," and the firm offers incentive programs and bonuses.

The inventory in the stores changes frequently, with different bear styles arriving weekly.

Build-A-Bear Workshops also feature limited-edition and seasonal merchandise, such as a Beary Businesslike Curly Teddy for Father's Day; mummy, wizard, and witch bears for Halloween; and a Sweet Hugs & Kisses Teddy for Valentine's Day.

Answer the following questions

1. Is the Build-A-Bear Workshop concept a fad, or does it have staying power?

2. Describe the target customer for this retailer.
3. What can Build-A-Bear Workshop do to generate repeat visits to the store?
4. What products can Build a Bear introduce to expand the customer base?

Note: - Pl. start your question paper from next page

QP 2

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End Semester Examination, April 2018

Program: BBA RM
Subject (Course):
Course Code: BBCR 185
No. of page/s:

Semester – VI
Max. Marks: 100
Duration: 2 Hrs

Section A

Q 1. Answer all the Questions. (20 marks)

True or False

11. The retailer is the link between the producer and the consumer. (2)
12. The retail stores perform the function of carrying their merchandise to the producers. (2)
13. Automatic Vending is a non-store retailing format.(2)
14. Wandering Customers are the least profitable customers as sometimes they themselves are not sure what to buy. (2)
15. Payment with credit cards has no effect on handling cash. (2) .
16. Stock Management gives us the position of inventory at a given time and is triggered by the sales process. (2)

17. Inter outlet transfers are a means for managing inventory and prevention of value loss. (2)
18. When an overage or shortage is identified, a supervisor recounts the deposit. (2)
19. The spine layout of a retail store does not need a walkway to access various parts of the store. (2)
20. Merchandise reservation too is governed by a policy and must state clearly: the lead time to reserve merchandise. (2)

Section B- 20 Marks

Answer all the questions.

- Q 2. What are the salient features of the catalog channel? (4).
- Q 3. Explain the components of the service triangle.
- Q 4. What do you understand by service recovery? How does it help the retailer? (4)
- Q 5. What kind of knowledge and competencies go into making a salesperson effective? (4)
- Q 6. What is the concept of 'Open to Buy' system? (4)

Section –C- 30 Marks

Answer all the questions.

- Q 7. What are the 10 basic principles of merchandising? Explain any two principles. (8 +2)
- Q 8. Enumerate the various kinds of sales promotions. Explain any 3 with examples (10)

Or

- Q 8a. What do you understand by "Cultural Development" in an organisation? Enumerate the different kinds of cultures observed in retail stores. (6 +4)
- Q.9 How will you calculate Gross profit margin, Operating Profit Margin & Net Profit margin? What are liquidity and financial ratios? (5 +5)

Section –D (30 Marks)

Q 10 Case Study –Starbucks' Retail Strategy

- a) What is Starbucks' retail strategy? (7)

- b) What is its target market, and how does it try to develop an advantage over its competitors? (7)
- c) Describe Starbucks' retail mix: location, merchandise assortment, pricing, advertising and promotion, store design and visual merchandising, customer service, and personal selling. How does its retail mix support its strategy?(16)

Starbucks offers more than a cup of coffee; it offers an experience that includes the beverage, the store, the service, and an opportunity to take a break from life's hectic pace to relax with friends or mull over a thorny problem.

Designs vary in any particular store to match the local market, the typical Starbucks store works around a planned mix of organic and manufactured components: light wood tones at the counters and signage areas; brown bags; polished dark marble countertops; glass shelves; thin, modern, white track lighting; and pure white cups.

Even the logo delivers the double organic/modern message: The Starbucks icon is earthy-looking yet rendered in a modern abstract form, in black and white with a band of color around the center only. The colors of the lamps, walls, and tables mimic coffee tones, from green (raw beans) to light and darker browns.

Special package and cup designs are coordinated to create livelier, more colorful tones around holidays. Starbucks also keeps its look lively with rotating in-store variations based on timely themes.

Starbucks stores are spacious so that customers can read in overstuffed chairs, gather around tables, or wander around the store while drinking their coffee.

Stores sell pastries, breakfast sandwiches, and lunch offerings as well as coffee paraphernalia ranging from coffee beans and mugs to French presses and home cappuccino machines.

Although coffee beverages are standardized across outlets, food offerings vary from store to store. Starbucks also has strict quality standards. For example, espresso is brewed precisely 18 to 23 seconds and thrown away if not served within 10 seconds of brewing. Coffee beans are donated to charities if they are still in the store seven days after coming out of their vacuum-sealed packs.

To ensure strategies appeal to its target market, Starbucks engages consumers through social media and the company's My Starbucks Idea Web sites. New iPhone applications launched by the company help customers locate stores, search for nutrition information, and reload Starbucks Cards.

As Starbucks grew, its customer base evolved. Starbucks' historical customer profile—affluent, well-educated, white-collar women between the ages of 24 and 44 years— expanded. For example, about half of the stores in southern California welcome large numbers of Hispanic customers.

Newer customers tended to be younger, less well educated, and in a lower income bracket than Starbucks' more established customers. These newer customers were more interested in convenience than the experience, so Starbucks installed automatic espresso machines in its stores.

But as mass-market vendors like McDonald's and Dunkin' Donuts improved their coffee offerings and touted their lower prices and premium brands like Peet's threatened Starbucks' dominance, the company realized that its drive toward convenience was commoditizing the Starbucks experience.

Returning to the company core values and guiding principles, including quality beverages and customer service, has been fundamental to reversing the company's slide.

Schultz's campaign to restore Starbucks to preeminence involved a rigorous and disciplined review of all aspects of the business, with special attention paid to operational efficiency from the beginning of the supply chain to the barista at the counter.

It was done by investing in the company's core values, including a significant sum spent to bring Starbucks employees to a city hit by hurricane Katrina. The staff spent their time there as volunteers, fixing up houses and cleaning roads. The project, says Schultz, reminded staff of the company's commitment to being an important part of the community and helped reinstall company values.

The company also invested in technology and tools that increase the speed and lower the cost of bringing new products and strategies to market and better staff training to improve the customer experience.

Starbucks' resurrection acts as an illustration of how a corporation can be turned around by aligning employees behind a provocative vision that is backed by careful strategy