

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: Retailing	Semester: V
Program: BBA (CORE) Marketing Splz.	Time: 03 Hours
Course code: MKTG 2024	Max. Marks: 100
Instructions:	

SECTION A (20 Marks)

Q.1:	Multiple questions- 2 marks each	Marks
i)	High involvement is normally present in the decision-making process when the perceived risk in the purchase is high. This theory was given by: a) Engel–Kollat–Blackwell b) H. Sheth c) Abraham Maslow d) none of the above	2 Marks CO2
ii)	Touch-screen kiosks, customer-loyalty cards, handheld shopping assistants, and self-scanning checkout systems are all examples of how retailers use technology to _____. a) produce more acute forecast b) connect with customers c) interact with suppliers d) send information between store e) control inventory cost	2 Marks CO3
iii)	You own an independent store in your neighborhood. You still like to offer fresh seafood in your meat display case. Which type of wholesaler might best serve you? a) cash-and-carry wholesaler b) agents and brokers c) mail-order wholesaler d) drop shipper e) rack jobber	2 Marks CO4
iv)	A retail firm owned by its customers in which members contribute money to open their own store, vote on its policies, elect a group to manage it, and receive dividends is called a: a) corporate chain store. b) merchandising conglomerate c) voluntary chain d) consumer cooperative	2 Marks CO1
v)	The word Retail is derived from the----- word a) latin b) french c) english d) none of these	2 Marks CO1

vi)	Retailing creates..... a) time utility b) place utility c) ownership utility d) all of these	2 Marks CO2
vii	The most important retail marketing decision a retailer has to make is to _____. a) identify its target market b) choose the right service response it wants to support c) select the service mix d) Develop a nice store atmosphere	2 Marks CO2
viii	When retailers identify customer segments and develop unique strategies to meet the desires of these segments, they are using: a) mass merchandising b) niche retailing c) bifurcated retailing d) middle market retailing	2 Marks CO4
ix)	MRP stands for. a) minimum retail price b) maximum retail price c) minimum rate of profit d) maximum rate of profit	2 Marks CO1
x)	Independent retailers who use a central buying organization and joint promotional efforts are called a a) merchandising conglomerate b) corporate chain store c) retailer cooperative d) voluntary chain	2 Marks CO2

SECTION B

(20 Marks)

Q.2:	Differentiate between retailer and wholesaler?	5 Marks CO1
Q.3:	What is the importance of consumer behavior in retailing?	5 Marks CO1 & CO2
Q.4:	Write short notes on: a) Store layout <i>Or</i> Market- segmentation b) Traditional retailers	5 Marks CO1 & CO3
Q.5:	What do you mean by category management?	5 Marks CO3

SECTION-C

(30 Marks)

Q.6:	Explain Abraham Maslow theory of motivation with examples. How we can apply this theory in current retailing scenario?	15 Marks CO1 & CO3
Q.7:	What are the various roles and responsibilities of a Merchandiser? Is there any difference between traditional and modern roles and responsibilities of Merchandiser?	15 Marks CO3 & CO4

Elaborate your answer with examples.	
<i>Or</i>	
What do you mean by store location? How store location problem can be solved in an effective way? Discuss with suitable example wherever necessary.	

SECTION-D (Case Study)	(30 Marks)
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	<p style="text-align: center;">Britain: Supermarket profits boom while food poverty increases</p> <p>At the outbreak of the foot and mouth crisis, Prime Minister Tony Blair accused Britain’s supermarkets of having farmers in an ‘arm-lock’ to produce cheap food. Ever careful not to bite the hands that feed New Labour – Blair’s cabinet contains Lord Sainsbury, head of one of Britain’s top five supermarket chains and a major financial backer of the party – this populist jibe at the food retailing giants was soon dropped. This is an issue that Labour cannot wish away, however. The so-called ‘cheap-food’ policy of the supermarkets is the opposite of how it is portrayed by Labour. It is a policy of maximising profits at the expense of both their suppliers and, more importantly, their customers. The arm-lock employed by Britain’s supermarkets is first of all placed on farmers, in order to drive down the price that the major food retailers pay for agricultural produce. But the supermarkets do not pass this saving on to the millions of working people who use their facilities. Instead shoppers are being forced to pay over the odds for the food they eat.</p> <p>For example, if organic produce is difficult to obtain or is sold at a relatively high price, sales are likely to be limited – the retailer thus shaping consumer purchasing behaviour. Furthermore, as retailer own-brand lines take an increasingly large proportion of the market, retailers are also influencing the development of new products. Many retailers use new product development as a competitive tool – for example, Marks & Spencer led the way with added value ‘ready meal’ products and continues to develop innovative products such as their range of ‘Steam Cuisine’ meals. The issue of retailers as gatekeepers brings into question the concept of social responsibility. It has been suggested that the only responsibility of businesses is to make profits</p> <p>This situation was exemplified by last week’s announcement by the Tesco supermarket chain of record profits of over £1 billion – the equivalent of £2.7 million a day. Britain’s food retailing is the most concentrated in Europe, with the top five supermarket chains – Asda, Morrison, Safeway, Sainsbury and Tesco – controlling 70 percent of all food purchased. This trade was valued at £76.78 billion in 2000, an increase of 4.5 percent over the previous year. Developing international operations are increasingly necessary as the UK food retailing market is so heavily saturated. In reporting Tesco’s record profits, business weekly The Economist writes that the company’s ‘growth prospects now depend upon expanding overseas’. The magazine pointed out that Tesco has already opened 68 foreign hypermarkets, with overall foreign sales growing by 43 percent to £2.9 billion, and increasing by a massive 85 percent in Asia. The purchasing power of these supermarket chains is such that it ‘has forced margins down at many food suppliers. Price discounting by the large supermarkets has been passed on to suppliers, and a number of suppliers have lost contracts as supermarkets have rationalised their supply arrangements.’ The expansion of large supermarket outlets, often in out-of-town locations that are poorly served by public transport, has been at the expense of locally based shops, able to serve those without cars. Industry figures record that between 1975 and 1995, the number of produce outlets fell from 30,000 to just 8,000.</p>	
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	<p>The powerful position of Britain’s supermarket chains has created an oligopoly, with a very few players controlling virtually all outlets for food and fresh produce, and able to dictate terms to the primary producers. A 1996 report in the Australian Agribusiness Review pointed out that ‘the UK leads the world in food retailer supply chain linkages for meat and produce’. These are horizontal retail alliances, where individual retail chains are powerful buyers in their own right. ‘In Europe, the chains combine in buying groups to further enhance their buying power. These groups account for one third of the total European food market’, the report notes. The final report produced by the Competition Commission last year found that UK food prices were on average 12–16 percent higher than in France, Germany and Holland and that this could only partially be accounted for by the relative strength of the pound against European currencies. The investigation concentrated on two main areas of complaint. Firstly, pricing practices, where the Commission concluded that three of the current practices ‘distorted competition and gave rise to a complex monopoly situation’. These areas were identified as: persistent below-cost pricing, ‘price flexing’ – varying prices in different geographical locations – and the adoption of pricing structures that concentrated competition on a very small number of lines across the majority of the outlets from ostensibly competing chains. However, the Commission gave the supermarkets a free hand to continue their operations unchecked. The Commission recommended ‘no remedy for identified adverse effects’, arguing that imposing regulations would cost too much. Secondly, concerning the relationship between the supermarket chains and their suppliers, the Commission found that two common practices in this area ‘also operated against the public interest’. Evidence of coercive practices is clear from the report, which states, ‘Most suppliers were unwilling to be named, or to name the main party that was the subject of the allegation. There appeared to us to be a climate of apprehension among many suppliers in their relationship with the main parties’. Here, the Commission merely recommended the establishment of a Code of Practice, which would be drawn up by the retailers and suppliers themselves, but ‘approved by the Director General of Fair Trading’.</p>	
Q.8:	Think about the trends that have occurred in your local high street. Read this Minicase about the increasing power of the supermarkets. What are the main changes in high street retailing which may affect the consumer due to the power of the large players?	15 Marks CO1 & CO3
Q.9:	What are your suggestions to local retailers for improving the ways to compete supermarkets?	15 Marks CO1 & CO4