

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER – (4) –EXAMINATION - WINTER - 2017

Subject Code: 849901

Date: 15/11/2017

Subject Name: Retailing - II

Time: 10:30 AM – 1:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q-1 Analyze the case and answer the questions:

Retail in Detail – Unorganized to Organized (14)

India is called a nation of shopkeepers and organized retail, which has just made an entry and has a very small share in the total retail industry in the country. Retail is the second largest employment generating sector in the country. The entry of major retailers in the countries raised passions among the politicians, policy makers and smaller retailers that the presence of bigger organized retailers would lead to the elimination of the smaller shopkeepers leading to a large-scale problem of unemployment and may be even social problem.

The government had studied the impact of organized retail on the *kirana* stores. The outcome is that they are unhappy with the interim findings and have asked for a larger base in the retail studies. In addition to this, is the protest raised by the Kerala Distributors Association against major FMCG companies for bypassing them and selling their products directly to the large retail stores. The concern expressed is that if the companies start supplying directly to the major retailers with a price difference, then it would eventually lead to the death of the small and medium traders in the business. The national body of distributors – the Federation of All India Distributors Association – has expressed its support to the Kerala Distributors protest and is planning for a nationwide stir.

The issue, which the entry of organized retail at a real big scale is raising, is will the small mom-n-pop (or *kirana*) stores disappear from the landscape of the Indian retail and would they be dominated by Wal-Mart, Star Bazaar or big Bazaar? If this were to happen it would have wide-spread implication on the Indian society as a whole. One may say that it would not happen because we have immense faith in the entrepreneurial spirit of the small entrepreneurs in the country; they will find ways and means of surviving the onslaught of the Wal-Mart's and Reliance and would find themselves profitable niches to operate in.

Yes, but the structure of the retail in the country would change for sure. As the proportion of organized retail increase, it would lead to the reduction in the number of smaller shops. And these small mom-n-pop stores might require a helping hand from the government, which would have to play a more proactive role in working out schemes and be ready to face the fall out of the impact of organized retail on smaller retailers.

Finally, it would be realistic to expect that the collective efforts of the new large entrants in the retail sector would lead to rationalization. The benefits will not only accrue to these new large retailer, but also to millions of small shopkeepers and trader.

Questions:

- 1) Do you think organized retailing will eventually replace the *kirana* shops in future?
- 2) Describe the key opportunities and threats facing small retail businesses today.

Q-2

- (a) Describe and evaluate the merchandising philosophy of your favorite department store. (07)
- (b) Distinguish between these two terms: *logistics* and *inventory management*. Give an example of each. (07)

OR

Q-2

- (b) Explain with suitable example what is category management (07) and its importance to retailer and manufacturer in present market conditions.

Q-3

- (a) How may a local furniture store try to generate positive (07) publicity?
- (b) What are meant by *selling, merchandise, personnel*, and (07) *customer space*?

OR

Q-3

- (a) Role of packaging in retail communication. (07)
- (b) Explain Reilly's Law. What are its advantages and (07) disadvantages?

Q-4

- (a) Describe various cost heads a potential franchisee should (07) consider in order to estimate the financial requirement of entering a franchise.
- (b) In what way the legal system inadequate for the growth of (07) franchise business in India.

OR

Q-4

- (a) Explain the relational contract theory put forward by I. R. (07) McNeil.
- (b) Describe briefly the dynamics of relationship between the (07) franchisor and the franchisees.

- Q-5 What are the growth opportunities for Indian retailing? What (14) are the drivers of growth? What are the challenges being faced by Indian retailer's?

OR

- Q-5 Why franchising is more popular with the services retailer (14) rather than goods retailers? Identify two franchises dealing in services and goods respectively and try to get the answer.
