

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2022

Course: Retailing

Program: BBA with specialization in marketing

Course Code: MKTG 2024

Semester: VI

Time : 03 hrs.

Max. Marks: 100

Instructions:

**SECTION A
10Qx2M=20Marks**

S.No	Question	CO
Q 1.	Multiple choice questions (Q1 – Q5) Any source of products or services for consumers is referred to as a _____. A) retail outlet B) contact point C) transaction point D) distribution outlet E) channel outlet	CO1
Q 2.	Which of the following is a recommended strategy for retailers when consumers select the outlet first and the brand second? A) appropriate pricing B) brand availability advertising C) brand image management D) price special on brands E) co-op ads featuring brands	CO1
Q 3.	Consumers acquiring product through mail, telephone, or computer orders is referred to as _____. A) outsourcing B) outlet shopping C) non-traditional shopping D) in-home shopping E) all of the above	CO1
Q 4.	Which of the following statements is FALSE regarding Internet retailing? A) Internet retailing is a booming and increasingly competitive business. B) Apparel is one of the largest sales categories on the Internet and one of the fastest growing. C) Research has shown that consumers shop online for reasons different to those for shopping from catalogs. D) Catalogs and the Internet appear to work in a complementary fashion. E) With respect to apparel, lack of touch can be a major barrier for nonstore retailers.	CO1

Q 5.	Which of the following is the major reason consumer giving for shopping online? A) want product delivered B) unique merchandise C) price D) impulse E) convenience	CO1
Mention True/False: (Q6 – Q10)		
Q 6.	Most purchases in supermarkets are planned.	CO1
Q 7.	One source of sales increases in response to price reductions comes from consumer stockpiling.	CO1
Q 8.	Physical conditions of store atmosphere include layout, equipment, colors, furnishings, and space.	CO1
Q 9.	Online marketers of apparel will never be able to overcome the lack of “touch” issue with consumers and therefore, apparel is having little sales success online.	CO1
Q 10.	Multi-channel shoppers generally spend less than single-channel shoppers do.	CO1
SECTION B 4Qx5M= 20 Marks		
Q11.	Do you believe that own-brand products will be even more successful in the future, and if so why? What reactions do you think manufacturers will have to these changes in terms of defensive strategies?	CO2
Q12.	Identify the different market segments and their reasons for the use of a post office, building society and a bank? What would be the outcomes of any repositioning the bank may adopt?	CO2
Q13.	If you had to plan the merchandise, stock changes for a food retailer during the Christmas period what would you recommend?	CO2
Q14.	What is a retailer and what is their function?	CO2
SECTION-C 3Qx10M=30 Marks		
Q15.	Do you believe that some aspects of location analysis techniques are better than others? If so, what are the techniques you would employ and which key aspects would you want to assess prior to location decisions being made? What were the reasons for your choice?	CO3
Q16.	Explain what is meant by a sales promotion. Considering five examples of different retail sales Promotions, describe what types of sales promotion would encourage you to buy, and why.	CO3
Q17.	What will be the key skills and knowledge requirements of retail marketing managers in the next decade? What are the reasons for and implications of your ideas?	CO3

OR

Think about the contemporary pressures from the wider environment and list all those that you believe will have an impact on a retail company's business. Are companies addressing these? If not, what action should be taken for retail companies to react to the most important changes you have identified? What, if any, are the wider and more general implications of the environmental changes you have identified?

SECTION-D
2Qx15M= 30 Marks

CASE: Britain: Supermarket profits boom while food poverty increases

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. 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, 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. 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’.

Q18	What are the main changes in high street retailing which may affect the consumer due to the power of the large players?	CO4
Q19	What are some of the important statistics you have found and the changes which may occur in the next decade?	CO4