

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER– III EXAMINATION – WINTER 2019****Subject Code: 3539287****Date: 02-12-2019****Subject Name: Retailing and Franchising****Time: 10:30 AM TO 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. No. | | Marks |
|---------------|---|--------------|
| Q.1 | Explain the following terms, with examples. (a) Variety and Assortment (b) SKU (c) Category (d) Visual merchandising (e) FDD (f) Space planning (g) Sources of inventory shrinkage | 14 |
| Q.2 | (a) Explain the sources of sustainable competitive advantage for a retailer. | 07 |
| | (b) Which are the general merchandise retail formats existing in the current Indian retail market? | 07 |
| | OR | |
| | (b) How has the internet revolutionized the field of retail? | 07 |
| Q.3 | (a) Explain various city locations available for setting up a retail store. | 07 |
| | (b) Which are the factors to be considered while selecting a site for a new kids apparel store? | 07 |
| | OR | |
| Q.3 | (a) Explain the three major types of store layouts. | 07 |
| | (b) How can Indian retailers capitalize on the power of private brands? | 07 |
| Q.4 | (a) Which are some of the warning signs a potential franchisee should be looking out for, while evaluating a franchise opportunity? | 07 |
| | (b) When should a retailer choose a standardized approach and when should it choose a customized approach for customer service? Explain with examples. | 07 |
| | OR | |
| Q.4 | (a) What are the advantages and disadvantages of franchising to the franchisor? | 07 |
| | (b) Which elements of store atmospherics are ignored by Indian retailers? Explain with examples. | 07 |

Q.5 The Indian retail market is still in its nascent stage. The **organized** retail market is valued at US \$60 billion, which constitutes about 9 percent of the total retail sector and the **unorganized** retail market represents the remaining 91 percent of the sector. The same is the case with the food retail market where the organized market constitutes only 3 percent in comparison to the unorganized segment that forms 97 percent of the food retailing market. The organized retail in India is growing at a CAGR of 20-25 percent per year, which is a strong indicator of its growth potential in the years to come. The unorganized sector in food retail is predominantly dominated by general stores, kirana stores, convenience stores and street markets. There are more than 15 million mom-and-pop stores. On the other hand, the organized sector includes gourmet stores, department stores, discount stores, supermarkets and hypermarkets, e-tailers and cash-and-carry formats.

The food retail market is on a tremendous growth trend and the drivers that are set to take this market further can be broadly classified under three pillars:

1. Supply Side
2. Demand Side
3. Regulatory

The challenges restricting this industry can also be classified under three pillars – Supply side, Demand Side and Regulatory.

Emerging trends and scope of innovation in food retail market:

- Big players of the industry are becoming bigger: This trend is helping the bigger players to innovate and create new markets opportunities.
- Rise of organic foods and health and wellness segment: To keep up with the changing lifestyle of the average Indian consumer, companies are pushing them more to satisfy the needs of their consumers, which open a whole lot of opportunities for product and market innovation.
- Increased focus on private labels: Following the trend of the Western world, private labels are something that everyone is banking on for the Indian market as well. The results are very positive in numbers and show a great potential and scope of improvement in the future.

As the organized food retail market matures in India, there would be an increased need for retailers to differentiate through innovation.

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| (a) | How can retailers differentiate through innovation? | 07 |
| (b) | Which demand side factors might be posing challenges for the Indian food retail market? | 07 |

OR

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| Q.5 | (a) Will organized food retail grow and replace unorganized food retail? Justify your stand. | 07 |
| | (b) Which supply side factors might be responsible for driving the growth of the Indian food retail market? | 07 |
