

M.A. IN FASHION RETAIL MANAGEMENT
PROGRAMME (MAFRM)

Term-End Examination

June, 2012

MFM-033 : RETAILING AND MARKETING
STRATEGIES

Time : 3 hours

Maximum Marks : 100

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- Note :** (i) Section A is *Compulsory*.
(ii) Attempt *any two* questions from section B.
(iii) Section C and D are *Compulsory*.
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SECTION - A

4x5=20

1. Define and explain *any four* of the following terms giving examples. Give the mathematical formulae for calculation of these terms wherever applicable.
- Gross Margin
 - Employee training
 - Customer loyalty
 - Operating expenses
 - Data warehouse

SECTION - B

(Attempt any two)

2x20=40

2. Define retail market strategy. Explain each of the terms used in the strategy statement. Describe the strategy and the basis of competitive advantage adopted by any two of the below retailers. **20**
- (a) Big Bazaar
 - (b) Johnsan Watch Company
 - (c) Home Shop 18
3. What are the growth strategies that retailers usually adopt ? Discuss in - depth each of them, providing examples from either Indian or global context, to highlight how best that retailer has used that growth strategy to its advantage. **20**
4. Describe the strategic retail planning process. Assume that you are planning to open a fashion jewellery store, how will you go about developing the strategic retail plan, describe all the steps involved. **20**

SECTION - C

5. **True or False :** **6x1=6**

- (a) 'Happily Unmarried' has built its competitive advantages on the basis of unique merchandise.
- (b) Asset turnover is the retailer's net sales divided by its assets.
- (c) Walmart's entry into India is a diversification strategy for growth.
- (d) Democratic leaders make all decisions on their own and announce them to employees.
- (e) The CRM program of shopper's stop is called 'First citizens' club and contributes 30% to their turnover.
- (f) Discounting is a part of retail market strategy for factory outlets.

6. **Fill in the blanks :** **4x1=4**

- (a) The total revenue received by a retailer after all refunds have been paid to customers for returned merchandise is _____ .
- (b) _____ leaders get people to transcend their personal needs for the sake of the group or organization.
- (c) The top 25% of LTV customers comprise the _____ .
- (d) _____ is a technology that allows an object or person to be identified at a distance using radio waves.

SECTION - D

7. Study the case given carefully and answer the question below : 30
- (a) Can this type of advertising campaign improve Walmart's image in the eyes of associates, consumers, investors and the press ? Reason why you think so.
 - (b) What else could Walmart do to improve its reputation ?

CAN WAL - MART IMPROVE ITS COMPANY IMAGE ?

BACKGROUND FROM THE COMPANY

The company Sam Walton built has become the world's number one retailer. The organization has grown in a variety of retail formats, including Wal - Mart stores. Supercenters, Sam's Clubs, Neighbourhood Markets, online, and internationally. Wal - Mart operated units in the following countries as of April 2005 :

Country	Number of Stores	Country	Numbers of Stores
Argentina	11	South Korea	16
Brazil	151	Mexico	700
Canada	261	Puerto Rico	54
China	45	United Kingdom	285
Germany	89	United States	3,719

As wal - Mart has grown, it has also become a large job creator. According to the company home page, "more than 1.2 million Associates work at Wal - Mart in the U.S. The majority of Wal - mart's hourly store associates in the U.S. Work full-time. That's well above the 20 - 40 percent typically found in the retail industry. We are a leading employer of Hispanic Americans, with more than 139,000 Hispanic associates. Wal - Mart is one of the leading employers of African Americans, with more than 208,000 African - American associates. More than 220,000 of our associates are 55 or older. We project we will create positions for more than 1,00,000 new jobs in 2005."

WAL - MART FACES CRITICISM

Over the years, Wal - Mart has had its share of negative press about its labor and management practices. As large company and employer, Wal - Mart has grown to expect attention and criticism. Some of the key areas of concern include discriminating against women, resisting unions, paying lower wages and offering fewer benefits, purchasing merchandise from China, employing contractors who hire illegal immigrants, and growing too rapidly. Constructive criticism has helped Wal - Mart improve its operations; however, the company takes issue when the criticism becomes an unwarranted attack that tarnishes their reputation.

ADVERTISING CAMPAIGN TO IMPROVE CORPORATE IMAGE

To reverse negative criticism and improve its public image, Wal - Mart launched an informative web page, <http://www.walmartfacts.com/Default.aspx>; had key high - ranking executives appear for interviews on ABC, CNN, Fox and CNBC; and took out full - page advertising in over 100 newspapers. Wal - Mart is Proactively fighting back against critics and special interest groups to dispel myths about its employment and business practices.

To tell the Wal - Mart story and clear up misperceptions, the Web page contains company news and press releases, illustrates community impact and involvement programs, describes employee benefits and wages, and explains the status of current lawsuits facing the organization. This noncommercial Web page also

summarizes Wal - mart's diversity and equal employment opportunity policies, international operations, employee promotion strategies, charitable giving, and merchandise sourcing. An important objective of the Web site is to help associates, consumers, reporters, and investors learn about the company.

To reach the mass media and take control of its image, Wal - Mart's Chief Executive Officer, H.Lee Scott, appeared on many networks including ABC, CNN, Fox and CNBC for interviews. As part of this promotional campaign to show Wal - Mart in a positive light, he also granted interviews with *USA Today* and the Associated Press.

Wal - Mart put a full page ad. in more that 100 newspapers including the *New York Times* and *The Wall Street Journal* on January 13, 2005. The ads. contained a five - paragraph letter from CEO Scott in response to misinformation about Wal - Mart. To set the record straight, the national print ads. stated that the average wage for full - time hourly workers at Wal - Mart is \$ 9.68, which is almost twice the federal minimum wage of \$5.15 per hour.