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Unit-I

2. How do retailers add value in the distribution strategy of a company? Discuss the role of technology in retail business. 10
3. What factors have been responsible for the growth of organized retail in India? Discuss the key challenges that it faces. 10

Unit-II

4. Differentiate between hypermarket, Supermarket, category killer and discount stores by citing suitable examples. 10
5. 'Layouts, signage and feature area are the main elements of store design'. Elucidate. 10

Unit-III

6. (a) Explain diagrammatically the relative advantage of locating a retail store at a Commercial Business Centre/District (CBD) shopping mall and free standing locations. 5
(b) How can Huff's Law be utilized for taking decisions pertaining to retail location? Explain. 5
7. How can employee productivity be increased in a retail store? Explain. 10

Unit-IV

8. Differentiate between EDLP and Hi-Lo pricing strategies. How can retailers reduce price competition? 10
9. (a) 'ABC Analysis ranks merchandise by performance measures'. Elucidate. 5
(b) Discuss the role of weighted average approach in evaluating vendors. 5

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M.B.A. (Semester-IV) (Mkt.)

Examination, 2015

MM-411

PLANNING & MANAGING RETAIL BUSINESS

Time Allowed : Three Hours] [Maximum Marks : 70

Note : Answer five questions in all. Selecting at least one question from each Unit. Questions No. 1 is compulsory.

1. Read the case given below and answer the questions that follow:
With its base of more than 15 million customers, Snapfish (www.snapfish.com) an online photofinishing retailer, is firmly entrenched as a major firm in its industry. Snapfish was recently acquired by Hewlett-Packard.
Like many of its competitors, Snapfish enables users to upload or E-mail digital photos and to enhance photos by changing color photos to black and white, by lightening dark images, and by cropping out unwanted images. It also lets users store photos online so they can be ordered by friends and family members. Through its guest book, friends and family members can communicate about the shared photos.

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(2)

In August 2004, Snapfish opened its first store in suburban Alexandria, Virginia. According to Snapfish's president, "We want to showcase how online and retail can work together." This 1,500-square-foot store, which is located between a drugstore and a restaurant, offers a full line of accessories that go with prints- such as aprons, calendars, key chains, and T-shirts. The store also enables customers to pick up prints at this store that were sent to Snapfish electronically from their home or office.

To expand its store presence, Snapfish is seeking a retail partner such as Costco, Kroger, Target, or Wal-Mart. This Would help Snapfish capitalize on the recent growth in ownership of digital cameras, which expanded from 4 percent of all households in 1999 to more than 40 percent of households in 2005. And the Photo Marketing Association International forecasts that market penetration for digital cameras will continue to expand. While the percent of digital prints processed online has remained flat (at 7.0 percent in 2005 as compared with 6.6 percent in 2003), about 40 percent of digital printing was conducted at retail locations (including self-service kiosks) in 2005 (Up from 16 percent in 2003). During the 2003 to 2005 time period, the percent of digital printing done at home dropped from 76 percent to 52 percent. Neither of Snapfish's major competitors, Ofoto (www.ofoto.com), a subsidiary of kodak, and Shutterfly (www.shutterfly.com) have store-based locations.

(3)

Both Wal-Mart (www.walmart.com), the market share leader in on-premises photo processing, and Walgreens (www.walgreens.com), the second largest store-based photofinishing firm, currently serve digital customers. Walgreens has installed digital minilabs in one-half of its stores in the past two years; and almost all of its stores offer self-service digital kiosks where consumers can enlarge, crop, edit, and print digital prints. Walgreens also lets customers upload digital photos to its Web site for processing. A partnership with these firms is unlikely.

According to a consultant with a digital photography marketing research firm, mass merchant retailers will decline to partner with Snapfish: "For Snapfish to be setting up a portion of a retailer's footprint- that's very creative idea that's a little far out for the current market. For starters, these merchants have long-term partnerships with Fuji and Kodak, Which also manufacture the digital minilabs now being installed at most retail location. "That consultant speculates that retailers who currently do not offer photofinishing, such as Best Buy (www.bestbuy.com) and Radio Shack (www.radioshack.com), would be better partners.

- (a) Describe the advantages and disadvantages of Snapfish's use of a bricks-and clicks strategy. 10
- (b) What are the pros and cons of a retailer's partnering with snapfish? 10
- (c) What should be the contract terms in a leased department' agreement between a retailer and Snapfish? 10