

(Following Paper ID and Roll No. to be filled in your Answer Books)

Paper ID : 270407

Roll No. 

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**M.B.A.**

**Theory Examination (Semester-IV) 2015-16**

**RETAILING & DISTRIBUTION MANAGEMENT**

**Time : 3 Hours**

**Max. Marks : 100**

**Section-A**

1. Answer the following questions in not more than 30 words each. (2×10=20)
- (a) Define the concept of retail and discuss the various activities carried out by the retailers.
  - (b) Discuss the concept of multiple channel system with the help of suitable example.
  - (c) Explain the concept of infomediary.
  - (d) What factor should be taken into consideration while deciding a warehouse format for an organisation?

- (e) Explain the situation in which partnering channel relationship is developed.
- (f) Discuss how a company can gain competitive advantage through logistics management with the help of suitable example.
- (g) What role does the Indian Railways play in Indian transport system?
- (h) What value does retailers delivers to the customers?
- (i) Distinguish between Disintermediation and Reintermediation.
- (j) What do you understand by category management?

#### Section-B

2. Answer any five questions from this section.

(10×5=50)

- (a) What is logistic management? What are various components of logistic management system?
- (b) Explain the functional areas of physical distribution.
- (c) Discuss the role of Internet technology in redefining the distribution system in India.

(2)

- (d) What are the drivers of changing face of retail structure in the developing world, particularly in the context of India?
- (e) Discuss briefly various types of retail formats which are popular in Indian context.
- (f) Define merchandise management. Discuss the merchandise measurement techniques.
- (g) Discuss the evolution of retailing industry in India.
- (h) Why should a manager pay attention to total distribution cost concept while deciding the distribution mix?

#### Section-C

3. Read the following case and answer the questions given at the end.

The local traders - grains, provisions and dry fruits sellers - have chalked out an interesting strategy to counter the 'mall' from manufactures and passing on the discounts they get in bulk purchases to customers. The shopkeepers has to do a rethink on selling strategies after they lost business to malls like Big Bazaar and Food Bazaar, which sell goods below maximum retail price (MRP).

(3)

To increase their bargaining power visa-vis suppliers, the traders have decided to form an association that will be called Ghatkoper Retail, Provision, Kirana, and Dryfruits Merchants Association. The traders' organisation, which will be formally launched in April, promises to protect the interest of the traders as well as the customers. The membership drive is on in full swing and the response is encouraging.

So far, we have enlisted the support of 100 traders from the suburb, 'says Amubhai Ghelani, proprietor of Ghelani Stores in hingwala Lane. Ghelani says once the association is in place, the traders will not be at the mercy of suppliers. He further says that malls like Big Bazaar are able to sell the products at the lower prices because the MNCs and corporate sell them the product at discounted rates. 'We don't get the products at lower rates and so we cannot pass on the benefits to our customers,' he explains. With more than 100 member already enlisted, the traders are working on the finer points of the scheme for retaining customers. 'The association will place orders with suppliers on behalf of all the traders. Since the order will place in bulk, the cost price will decrease and we will pass this benefit to our customers,' says Vinod Chedda of Food Spot on Tilak Road. Once the plan is in place, Ghelani expects to sell branded products at the rates that are 2-8% lower than the present rates. Citing one example, Ghelani says, 'If small traders buy a product of worth Rs. 100 from suppliers, the same will cost only RS. 80 if purchased in bulk.' Commenting

on the benefits a trader can derive from this association, Ghelani says, 'Apart from benefiting loyal customers, the association will be in better position to take up disputes with suppliers and major companies. A lone trader does not have the will or the resources to fight his case.' The association will be a blessing in disguise for the traders, 'says Chedda. He explains that often manufacturers decline to take responsibility for damaged or faulty products that have been sold to customers. 'This tarnishes the images of the traders, though he is not directly responsible for the fault. The association will take up the issue with manufacturers on behalf of retailers. With respect to Mumbai, with the presence of Giant Hypermarket, which is also competing on the price platform, Big Bazaar is experiencing a competition from similar kind of retail format. Discount stores in Mumbai are wooing the value - for - money - oriented consumers.

Whilst Big Bazaar's positioning has been "Isse sasta aur kahin nahin" (Nowhere else you get it cheaper). Giant's positioning is 'Bada Choice Chota Price' (Big choice small price). However, both appear to claim to be the cheapest but neither is planning to cut prices on any of its line to attract customers' from the others. That's probably because of the different locations that they are in - Lower Parel and Malad, respectively.

Giant offers maximum reduction on food items, sanitation products, and apparels. The reduction ranges between 10-

15%. Big Bazaar on the other hand gives more discounts on buckets, luggage, and non-stick cookware's, all of which, it claims, are around 15-20% cheaper. In the apparel Section, it claims prices are lower by 50%. 'Our proposition, 'Isse sasta aur kahin nahin' encapsulates our business model of a discount store concept which our customers have accepted,' said the marketing manager, Big Bazaar. 'Our model is a high volume, low margin business, more of a mass - market model,' said the marketing manager, Giant Hypermarket. Giant offers discount, which ranges from 3-20% whereas Big Bazaar has discounts usually on the their-in-store brands rather than the established mega brands.

### **Questions:**

- i) Evaluate the retail format of Big Bazaar and discuss its business strategy. 10
- ii) Identify and analyse the recent challenges faced by Big Bazaar. Suggest strategies to overcome them. 10
- iii) In the context of Big Bazaar retail mix strategy, evaluate the scope for organized retailing in India. 10