

IMT- 83

RETAIL SALES TECHNIQUES

Notes:

- a. Write answers in your own words as far as possible and refrain from copying from the text books/handouts.
- b. Answers of Ist Set (Part-A), IInd Set (Part-B), IIIrd Set (Part – C) and Set-IVth (Case Study) must be sent together.
- c. Submit the assignments in IMT CDL H.O. along with the assignments Question Papers for evaluation .
- d. Only hand written assignments shall be accepted.

<u>A. First Set of Assignments</u>	5 Questions, each question carries 1.5 marks.
<u>B. Second Set of Assignments</u>	5 Questions, each question carries 1.5 marks.
<u>C. Third Set of Assignments</u>	5 Questions, each question carries 1.5 marks. Confine your answers to 150 to 200 Words.
<u>D. Forth Set of Assignments</u>	Two Case Studies : 7.5 Marks. Each case study carries 3.75 marks.

SECTION - A

1. (a) Discuss broadly the drivers for the emergence of organized retailing and new retail formats in India.
(b) Enlist and explain the principles of Retail Sales .
2. (a) Explain the role of a centralized retailer .
(b) Why do human resources play an important role in retailing?
3. (a) Describe the concept of Buying Formats.
(b) What is product range and how is it planned for a store?
4. (a) Discuss the relevance of Visual merchandising.
(b) How does the category format help a retailer in managing various categories of merchandise?
5. How is planning and implementation of rural sales different from that of urban sales? Discuss the similarities and differences between them.

SECTION - B

1. It has been seen that floor staff have little patience with customers in spite of knowing their importance. What suggestions can you offer them on how to deal with customers?
2. What do you mean by growth strategy? What type of growth strategy you would like to suggest a designer clothes retailer who is facing competition from domestic and foreign players?
3. Critically examine the significance of the gaps model for improving the quality of retail service in recent context .
4. Write short notes on
 - a. Cross selling.
 - b. Objection handling techniques of retail salespersons.
5. (a) What are the various steps of planning a retail advertisement campaign?
(b) Discuss the relevance of trade shows in sales promotions.

SECTION - C

1. (a) Describe the various levels of Price Discrimination.
(b) Explain the concept of GMROI
2. What do mean by the term Retail Pricing? Differentiate between demand oriented pricing and cost oriented pricing.
3. What is Trading area? What factors must be considered while analysing a trading area ?
4. (a) Explain the features of Vertical Marketing System.
(b) How is an Independent retailer different from a chain store retailer?
5. Write notes on :
 - a. Parasite store.
 - b. Destination store.
 - c. Hypermarkets.

CASE STUDY - 1

Grocery Shops to Fight Malls'

The local traders-grains, provisions and dry fruits sellers-have chalked out an interesting strategy to counter the 'mall effect'. They are buying good in bulks from manufacturers and passing on the discount they get on bulk purchases to customers. The shopkeepers had to do a rethink to selling strategies after they lost business to malls like Big Bazaar and Food Bazaar, which sells good below maximum retail price (MRP).

To increase their bargaining power vis-a-vis suppliers, the traders have decided to form an association that will be called Ghatkopar Retail, Provision, Kirana, and dry fruit Merchants Association. The traders organization, 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 in the association is in the place, the traders will not be at the mercy of suppliers. He further says that Big Bazaar are able to sell products at lower prices because the MNCs and corporate sell them the products at discounted rates. 'We don't get the products at lower rates and so we cannot pass on the benefit to our customers,' he explains. With more than 100 members already enlisted, the traders are now are working on the finer points of schemes for retaining customers. 'The association will place orders will be placed in bulk, the cost price will decrease and we will pass this benefit to our consumers,' says Vinod Chedda of Food Spot on Tilak road. Once the plan is in place Ghelani expects to sell branded products at rates that are 2-8% lower than the present rates. Citing one example Ghelani says, 'If small traders buy a product worth Rs100 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 a better position to take up disputes with suppliers and major companies. A lone trader does not have the will of 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 image of the trader, though he is not directly responsible for the fault. The association will take up the issue with the manufacturers on behalf of the customers. This will strengthen the goodwill between the traders, manufactures, and the customers.' Adds Kantibhai Shah of Vijay Dal Mill in Ghatokpar (W), 'The association will also take up the problems customers face with the trader.'

Questions

1. Discuss the strategy being adopted by traders to counter the organized retailer.
2. Apart from price what are the other considerations that make superstores like Big Bazaar score over the Local trader.

CASE STUDY - 2

Food World: Challenges in Expansion

Food World was the first mover in the organized retailing sector. The chains have no plans to venture beyond the southern region just yet. Food World wants to focus on the southern markets and achieve saturation. It has a current sales figure of Rs 350crore. The major hurdles in the expansion plans are high set-up costs in terms of setting up of buying/distribution infrastructures, which are gradually, amortized over a larger number of stores. At macro level, the obstacles in looking at a pan-India model for grocery are the federal nature of the country, the weak infrastructure, and the major variances in eating habits in different parts of country. One will have to replicate the retail administration costs for at least each region, and therefore the gestation period of the project becomes huge.

Questions

- 1.What are factors which food world must consider before while selecting for location ?
- 2.Discuss the external challenges faced by food world in expansion.
- 3.What are the costs which food world has to take care of when setting up a new store? Elaborate?