

Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: RSCM (Retail Supply Chain Management)	Semester: II
Program: MBA -LSCM	Time: 03 Hours
Course code: LSCM 7007	Max. Marks: 100
Instructions:	

SECTION A

		Marks	CO
Q 1	Attempt all the questions.		
i)	A Specialty store typically would carry? a. Wide variety and Deep Assortment b. Wide variety and shallow Assortment c. Narrow variety and deep assortment d. Narrow variety and shallow assortment	2	1
ii)	Which pricing strategy is usually followed for Mobile handsets a. EDLP b. Leader Pricing c. Bundle Pricing d. Market Skimming Pricing	2	4
iii)	Huff formula for retail outlet is =	2	3
iv)	MCC practices.....model.	2	1
v)	Which one of these is not retail strategy for entry stage a. Direct Investment b. Joint Venture c. Strategic Pricing d. Franchising	2	3
vi)	For the existing target Markets and New Retail Format , which growth strategy needs to be followed: a. Market Penetration b. Market Expansion c. Format Development d. Diversification	2	1
vii)	ARB means.....and generally practiced in.....industry.	2	1
viii)	If cost is Rs. 80/unit and mark up is 10%, what would be max. retail price?	2	4
ix)	SCOR stands for.....	2	4

x)	VMI is suitable in case ofsuppliers.	2	2
SECTION B			
Q 2.	Attempt any Four Questions of the following:		
a.	Discuss key functions of a retailer.	5	1
b.	Discuss Bundling and ELDP strategies.	5	3
c.	Discuss the significance of Customers Experience.	5	5
d.	Critically evaluate the role of FSAAI and BIS.	5	2
e.	How you can measure performance for retail stores? Specify KPI.	5	2
SECTION-C			
Q 3.	Attempt any three questions of the following:		
a.	Explain the following terms in detail: a. Price Elasticity b. Surge Pricing c. Factors affecting the product pricing d. Mark up Pricing	10	3,4
b.	Discuss various retail formats, and growth retail strategies for aviation/petroleum industry.	10	1,4
c.	Discuss various forms of retail organizations. Specify the competencies required for a retail logistics executive.	10	2
d.	Describe basic functions of Retail Merchandising, what are the best practices for merchandise display and promotion. How a start-up can promote its merchandise efficiently by partnering with other players?	10	3,5
SECTION-D			
Q 4.	Attempt the following Case Study.		
	<p style="text-align: center;">Walmart’s Next Generation Store Makes Debut in Chengdu Leading the Development of Omnichannel Retail</p> <p>【December 13, 2018, Chengdu】 Today, Walmart launched its Next Generation Store on Shengbang Street, Hi-Tech New Zone, Chengdu, a representation of its future omnichannel development. This is another exploration that Walmart makes to accelerate innovation in retail, following its successful roll-out of Walmart Supermarket earlier this year. To address evolving consumption trends and changes brought about by retail digitalization, the Next Generation Store featuring fresh, value and easy will give customers an even easier shopping experience through considerate design and carefully selected products.</p> <p>Bernardo Perloiro, SVP and Chief Operations Officer for Walmart China Stores, said “At Walmart when we think about the future development of retail and retail and explore new things, it always starts with what our customers want. Our Next</p>		

Generation Store is also a customer-centric move to better meet customers' demand for quality and service up grade. The Next Generation Store is one of our future strategic focuses, and we look forward to replicating the learnings across the country once the pilot is successful."

More comfortable experience and considerate design

A regular hypermarket is usually 10,000 square meters large and it's often known for the one stop shopping experience it offers through a wide range of assortments and spacious shopping floor. As people's lifestyle changes and the pace of living become faster, Walmart's Next Generation Store aims at achieving a balance between sales floor and customers' needs. This newly opened store on Shengbang Street, Chengdu is about 5,000 square meters large, nearly 50% smaller than regular hypermarkets, while its leasing area is extended to about 4,000 square meters, selecting nearly 80 featured brands based on catering and community-oriented services, complementing the compact store's functions.

To give customers a better experience in a compact shopping environment, the Next Generation Store is designed by an experienced International team to reconstruct shopping scenarios based on the principle of customer centricity. The dominant color of the Next Generation Store gives the store a modern yet soft touch. By adjusting equipment and highlighting core information, the store makes sure that it communicates to the customers in a more straightforward and efficient way. On one hand, the shelves are redesigned to fit the shelves height during Asian's shopping process and parallel to customers' eye level, so that customers can have a clear view of the shopping floor. On the other hand, the shopping scenario guidance on the newly added screen wall will save customers time by helping them find what they want quickly.

In addition to customer-centric design, the Next Generation Store also has more considerate action flow and sectional display. Instead of using the traditional way of displaying products by categories, the store displays merchandise based on everyday shopping scenarios, including seasonal sections, toy and play zone for kids, fresh produce section, deli and bakery section, and new cafe. The display of these sections is based on themes and correlation. For example, the kids' zone has products such as kids' apparel, kids' toy, mom and baby supplies, and baby food, significantly improving shopping efficiency for customers. The store also introduces many customer experience zones such as toy tryout zone and cafe to increase customer interaction and make shopping more fun. Many details in designs also reflect the people-oriented nature of the Next Generation Store. For instance, the shopping carts in the store have phone stand and cup stand as well as wider children's seat, and power sockets are available in the cafe for customers to charge their electronic devices.



More carefully selected assortments with highlight on fresh

As online and offline retail continue to integrate, Walmart has been adjusting its assortments to better adapt to customers’ shopping habits. Compared with traditional hypermarket, Walmart’s Next Generation Store has more simplified assortments. The store offers over 10,000 SKUs, covering multiple categories including fresh, deli, baby products, apparel, and personal care and kitchen supplies, aiming to meet full families’ everyday needs. Focused on providing a wide variety of high quality fresh, the store chooses to reduce half of the general merchandise.

Walmart’s Next Generation Store puts in a lot of efforts to offer customers quality fresh products. To meet customers’ rising demand for healthy, green fresh foods, the store offers traceable vegetables, seafood and numerous choices of premium fruit and aquatic products. It is also piloting pre-packed live fish products which are prepared in the factory and uses a cabinet shelf for display to give customers more convenience. At the same time, the store offers high value products under Walmart’s private brand Marketside, which accounts for over 80% homemade SKUs in bakery and 20% in hot deli.

In terms of general merchandise, the Next Generation Store offers selective products while still meeting customers’ demand for different functions. The Next Generation Store starts from customers’ needs to carefully pick categories that customers love the most with a special focus on items favored by the younger generation. For example, the store brings in Lining, a Chinese national brand, and many personal care brands preferred by younger customers, and “internet sensations” such as Luckin Coffee, Answer Tea, Xin Rui Zao Wu and other cultural and creative brands favored by the younger generation in the leasing area.

Local relevancy is also a direction of assortment selection. Take this store in Chengdu as an example. It offers multiple local foods such as hot pot related products, Sichuan-style stew, cured meat, rabbit meat, as well as dendrobium and maca in the dry grocery area. Catering categories loved by local customers such as pot chicken, chuan chuan, house special pancake, and crispy pork can also be found in the leasing area.

Smarter store, easier experience

As the internet and digitalization develops, the Next Generation Store strives to bring in innovative digital retail solutions to improve operational efficiency and customer experience. WeChat mini program Scan & Go, an important step forward in retail digitalization by Walmart this year, is available in this store. By using this technology, customers can skip the lines at the checkout counter by scanning the barcode on products to complete payment by themselves, with no need to download another app. Since its official launch this April, Scan & Go has been rolled out to nearly 400 Walmart stores in over 180 cities and accumulated over 17 million users as of November. Its penetration rate in stores can reach up to 38%, meaning over 30% of customers choose to make payment via Scan & Go, and about 95% of them are happy to continue using this new way of payment.

At the same time, the Next Generation Store also introduced the latest machine integrating self-service checkout and Scan & Go. In the future, the mini program will push electronic vouchers to customers based on their shopping preferences while launching functions such as find my item to give customers even more value and convenience.

The Next Generation Store provides customers with an omnichannel experience. Customers who live within 3 kilometers of the store can receive their online orders within 1 hour if they place orders on JDDJ. To accelerate product picking and optimize picking processes, the store has a full assortment picking zone in place and will be equipped with smart wearables for better efficiency and accuracy.

Continue to invest in Chengdu

Chengdu has always been one of Walmart’s key strategic markets. The company has been enjoying good development momentum in the city since it entered Chengdu and plans to accelerate its growth here. In addition to opening the Next Generation Store in Chengdu, Walmart will also invest in remodeling existing stores in the city to expand the current fresh areas as well as the full assortment pick up zone and bring in more local products such as hot pot seasoning, rabbit mear, Lao Cheng Nan cured food and tea-smoked duck to give Chengdu customers a better experience.

Moreover, Walmart plans to speed up the layout in Chengdu, develop different formats and patterns including Hypermarket, Next Generation Store, Sam’s Club, Supermarket, and Depots, and recruit more than 200 local associates every year to serve more customers in communities. The company expects to launch its mini program To-Go in Chengdu next year to give Chengdu customers an omnichannel shopping experience.

(Source:Wal-Mart%20China%20_%20Newsstand%20of%20Wal-Mart.html)

Attempt the following questions:

- a) Discuss retail strategy practiced by Walmart?
- b) Discuss the role of Customer Experience?
- c) How omni channel is gaining importance in this case? What are advantages to the customers?

3x10=
30

3,4,5

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SECTION A

		Marks	CO
Q 1	Attempt all the questions.		
i)	Define Next Generation Stores	2	1
ii)	Which pricing strategy is usually followed for Mobile handsets e. EDLP f. Leader Pricing g. Bundle Pricing h. Market Skimming Pricing	2	4
iii)	Discuss the factors for location decision for a shopping mall?	2	3
iv)	Discuss the strategies practiced by McDonald retail chain ?	2	1
v)	Which one of these is not retail strategy for entry stage e. Direct Investment f. Joint Venture g. Strategic Pricing h. Franchising	2	3
vi)	For the existing target Markets and New Retail Format , which growth strategy needs to be followed: e. Market Penetration f. Market Expansion g. Format Development h. Diversification	2	1
vii)	NFS means.....and generally practiced in.....industry.	2	1
viii)	If cost is Rs. 60/unit and mark up is 10%, what would be max. retail price?	2	4
ix)	OTIF stands for.....	2	4
x)	AGV Vs RTG	2	2

SECTION B

Q 2.	Attempt any Four Questions of the following:		
a.	Differentiate Omni channel from Multi channel.	5	1
b.	Discuss Bundling and Surge pricing.	5	3
c.	Discuss the significance of e-catalogue?	5	5
d.	Critically evaluate Dynamic Pricing practiced by airlines.	5	4
e.	Discuss SCOR in retail KPI.	5	2
SECTION-C			
Q 3.	Attempt any three questions of the following:		
a.	Explain the significance of CRM? Discuss the role of customer experience and NPS practiced by hospitality industry. Illustrate with examples.	10	3,4
b.	Discuss various pricing strategies in the retail sector. How pricing for MS/LPG differs than pricing of FMCG such as ice-cream/perfume etc.?	10	1,4
c.	A Retailer`s merchandise pricing for school uniform is Rs.600 for 1000 pairs , he offers 10% discount on sales price to students on sale price of Rs.1100 and sells 800 pairs. After the peak season is over he returns 200 uniforms back to the supplier with 20% discount on his purchase price. What is his Mark up % for this category of uniform?	10	4
d.	Describe Retail Merchandising process. What are the factors affecting merchandise display and promotion. How Amazon differs from Flipkart in promoting its merchandise?	10	3,5
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(Source:Wal-Mart%20China%20_%20Newsstand%20of%20Wal-Mart.html)

Attempt the following questions:

- a) Discuss the significance of assortment and retail strategy by Next Generation Store?
- b) Discuss the IT applications and Innovations practiced by Walmart store?
- c) How Walmart next Generation Store is different than Sam Stores and other retail chains of its competitors?

3x10=
30