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Sr. No. of Question Paper : 173

Roll No.....

Unique Paper Code : 101637

Name of the Course : **Bachelor of Business Studies**

Name of the Paper : Retail Management

Semester : VI (2014)

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. **All** questions are compulsory.

1. Case Study

The Southgate Mall is an excellent example of how professional mall management can transform, refurbish and reposition a retail centre into a popular and profitable venture.

The Southgate Mall was built in 1983 and is located in the Sutherland Shire close to south of Sydney CBD, Australia. This retail property has a total built-up area of 250,000 sq ft. It comprises 58 specialty stores and is anchored by major local department store such as Coles Supermarket, Kmart and Woolworths. During 1999–2000, Southgate embarked on a bold refurbishment and repositioning programme worth \$ 13 million, aimed at increasing mall traffic, sales and rental value. The refurbishment programme, led by a professional mall management company, was a complete makeover of the premises. The mall management firm advised and

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implemented the change in management including repositioning of tenants, addition of a food court, correction of poor sight lines and access, addition of fresh supermarket, new shop fit-outs for all tenants, refurbishment of common areas and ceilings and re-evaluation and redirection of the marketing function.

In 2006, an additional 20,000 sq ft of retail space was added to the shopping centre. The mall management firm provided the leasing support to place tenants in the mall. This led to an additional income of \$ 620,000 per annum for the property and potential additional sales of \$ 20 million. The mall management firm also initiated a strategic marketing plan aimed at further strengthening the Southgate brand and reinforcing the mall's retail mix, with strong emphasis on fresh food offer. As part of the plan, it launched Fresh world, which helped increase customer traffic per week by 11.4% compared with the same week a year ago and by 17.7% on the previous week. The increase in foot traffic due to the addition of this store exceeded all expectations, with significant growth being experienced across individual specialty stores. The total centre average unit spend rose 5.4% and reported a moving annual turnover (MAT) increase of 2.8%. In conjunction with this development, the mall management firm implemented a sustainability initiative to reduce water consumption across the property. After adopting this measure, savings of \$ 12,000 per annum was generated, reducing overall property outgoings.

After these successful implementations, the mall management firm extended its services to advice on the master planning of the mall. Further acting on the mall management firm's advice, the adjoining building of about 19,500 sq ft was acquired, with the objective of further expanding Southgate's retail mix and enhancing the mall's food court.

Since the completion of the original development, Southgate has witnessed high levels of occupancy, ensuring continued growth in income revenue.

This portrays how a professional mall management company can deliver continued growth and performance through quality management services.

Questions :

- (a) From the case point of view, compare the advantages of locating in unplanned business districts versus planned shopping centres.
 - (b) What advantage does Southgate Mall gain by adopting this strategy ? Should this be called as a customer-focused business ? Why or Why not ? Give reasons. (7.5×2=15)
2. (a) Describe how the various elements of the retail image mix contribute to the store design with specific references.
- (b) What traits and competencies would you look for while hiring management, supervisory and operational staff in different departments ? (7.5×2=15)
3. (a) Discuss the relevance of trade shows in sales promotion. To what extent timing of sales promotion influence the retail sales ?
- (b) When a consumer dines at an upscale restaurant, what factors determine whether the consumers feels that he or she got a fair value ? How does the perception of value differ when that same consumer shops at a fast food restaurant ? (7.5×2=15)
4. (a) Why is it said that managing a store is a complex activity ? Critically analyze some of the activities that take place in managing retail store operations.
- (b) "Setting the retail price of merchandise is a complicated, but the most important aspect of managerial decision making." Explain different pricing strategies deployed by retailers in their business. (7.5×2=15)

5. Write short notes on any **three** of the following :

- (a) Retailing through Internet
- (b) Markups & Markdown in merchandise management
- (c) Importance of customer service
- (d) Floor Space management

(5×3=15)