MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

MAIN CAMPUS

UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR
EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCB 410

COURSE TITLE: RETAIL MANAGEMENT

DATE: THURSDAY, 14TH /12/2023 TIME:8:00 -10:00AM

Instructions:

- Answer three questions. Question one is compulsory

TIME: 2 HOURS

MMUST observes ZERO tolerance to examination cheating

➢ This paper consists of 3 printed pages. Please turn over.

QUESTION ONE

Read the case below and answer questions which follow.

Supermarkets with a difference.

The grocery supermarket sectors of most European retail markets are highly concentrated. In the UK, the grocery sector is dominated by retail giants Tesco, Asda and J. Sainsbury. Below this premier league' of operators, a number of smaller, regional chains are managing to survive.

One such retailer is Morrisons. Founded in 1899 by William Morrison, the father of the current

chairman, the company has survived up until recently as a regional grocery supermarket chain, with the majority of its stores covering the North of England. Morrisons stores offer a wide product range in both foods and non-food items half of which are sold under the Morrisons brand. The stores are supported by modern retail operations, and a central buying organization.

In fast moving consumer goods retailing, differentiation is not easily achieved; however, Morrisons have chosen to use store design and visual merchandising as a route to making their outlets a little different to the other grocery stores that they compete with. The careful attention to store design begins with the architectural detail of the stores; many of the stores being visually different, and complementary to local architectural styles and materials. For example, the Sheffield store is housed in disused Yorkshire stone army barracks, which make for a sturdy and impressive backdrop to the store. Inside, Morrisons have adopted a 'market street' concept, where a number of stall-type service counters, complete with striped awnings and street signs, hark back to the time of the traditional specialist shops, and include a butcher,

a fishmonger, a pie shop, a delicatessen and a baker. The signage and canopies help to create the atmosphere in this part of the store, where customers are encouraged to interact with store personnel, and gain the individual attention often lacking in the supermarket shopping experience.

Other themed areas include modern food combinations such as pizza and curry selections and salad bars, whilst the fresh produce area returns to the traditional theme, with fruit and vegetables displayed on old-fashioned wooden carts. In 2004 Morrisons took over Safeways, the fourth largest grocery chain in the UK. Safeways had a more widespread geographical

coverage and so the combined force gives Morrisons the opportunity to compete with the other 'big 3' on a national level.

Source: Buying and Merchandizing. Rosemary Varley (2006)

a.) With reference to the case above, identify FOUR types of fixtures and fittings in Morrisons supermarket and explain characteristics of each fixture. (10 Marks)

b.) Discuss THREE store layout strategies used by Morrison supermarkets that are likely to give it a competitive edge against other market players. (10 Marks)

c.) Suggest FOUR product presentation approaches that Morrisons supermarket can adopt in order to attract more customers (10 Marks)

QUESTION TWO

a.) Stephen would wish to establish retail chain outlets in South Nyanza, Kenya. He wants to recruit staff for this purpose. Help him to understand the human resource environment that characterize retailing. (10 Marks)

b.) What secondary data information sources can retail managers make use of in arriving at informed decisions. (10 Marks)

QUESTION THREE

The process of merchandising involves understanding of consumer needs, identifying and sourcing of the right merchandise deciding the right assortment, planning distribution of merchandise to different locations in the right quantities and deciding on the right pricing.

a.) Discuss any five components of this process (10 Marks)

b.) The quality of a retail strategy depends on how well a firm identifies and understands it customers and how well it forms a strategy mix to appeal to them. Bring out FIVE customer demographic factors useful to retail firms in strategy formulation. (10 Marks)

QUESTION FOUR

a.) According to Phillip Kotler, Retailing includes all the activities involved in selling goods or services to final consumers for personal and non-personal use. Explain the importance of

retail marketing in the world of business. (10 Marks)

b.) Store location is one of the most significant strategic decisions in retailing. Mercy wants to establish one along Nairobi Highway far from Nakuru town to address shopping needs of long-distance travellers.

i) Identify this type of store location. (2 Marks)

ii) Discuss advantages of the store location identified above. (8 Marks)

QUESTION FIVE

a.) Demonstrate how Michael Porter's Five Forces Model explains the challenges to retail development in Kenya. (10 Marks)

b.) Retailers are crucial players in the emerging market scenario. With reference to this statement, discuss the functions of a retailer in the chain of distribution. (10 Marks)