

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING

RETAIL MARKETING MANAGEMENT – CBU 2206

FINAL EXAMINATION – MAY 2014

TIME ALLOWED: 3 HOURS

INSTRUCTIONS TO CANDIDATES

Answer any **four** questions.

INFORMATION TO CANDIDATES

- (i) Questions may be answered in any order.
- (ii) All questions carry **25** marks each.
- (iii) As much as possible, use relevant examples.
- (iv) This paper contains **seven** questions.

Question 1

“The Zimbabwean retail industry is shifting from the formal to the informal through the use of off-price retailers and the industry is also witnessing the growth of the ‘Mall’ culture.”

- a) Explain, using specific examples, these two retail formats looking at their key characteristics. **[10 marks]**
- b) Discuss the factors that have led to the growth of these off-price retailers and shopping malls in Zimbabwe. **[15 marks]**

Question 2

‘A key element of any retail strategy is the aspect of the store environment’

Using the systems model of environmental effects, outline why the store environment is an important component of any retail strategy. **[25 marks]**

Question 3

Discuss any four buying systems that can be used by a retailer in terms of when and how to purchase merchandise for its operations, assessing both the pros and cons of each identified method. **[25 marks]**

Question 4

Choppies Supermarket, a recently opened supermarket chain from Botswana is looking for ways to establish a sustainable competitive advantage in the grocery retail sector. The owners of the supermarket have heard that retail service quality is important in achieving retail success, but they are not sure of how to put it into action.

How can the owners of Choppies Supermarket use the additional 3ps of the services marketing mix to differentiate their supermarkets from those of competitors? **[25 marks]**

Question 5

‘A popular pricing method used by specialty retailers is the concept of perceived value pricing.’

Explain the pricing strategies that these specialty stores use for each of the different perceived value definitions. **[25 marks]**

Question 6

Identify any five sales promotion techniques that Zimbabwean retailers are using, analysing the benefits and challenges associated with the use of each of these promotions. **[25 marks]**

Question 7

As part of its merchandise sourcing process, Edgars Stores uses multi-attribute criteria to evaluate its potential suppliers. The store intends to purchase a new line of men's suits and has identified five potential suppliers. It has come up with an analysis as tabulated below (Ratings 1 = lowest and 10 = highest)

Table 1: Edgars Supplier Rating

Attributes	Weight	Supplier Ratings				
		A	B	C	D	E
Supplier Reliability	20%	9	10	7	7	6
Price	30%	9	5	6	7	10
Order Processing Time	15%	8	9	5	7	9
Merchandise Quality	10%	10	8	7	7	8
Guarantees/Warranties	25%	9	8	6	7	7

Provide **Edgars** with answers to the following questions:

- a) Which supplier is the strongest overall and which is the weakest? Explain the basis for your answer in each case. **(8 marks)**
- b) Which supplier(s) is/are the strongest on the basis of value (i.e., price vs. quality) and which is/are the weakest? In each case, why? **(8 marks)**
- c) If Edgars decides to select a supplier on the basis of service quality, which supplier would it select and why? **(9 marks)**

END OF EXAMINATION