Retailing Management (Canadian) 5th edition Levy Test Bank

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MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

1) Compared to other food retailers, convenience stores
   A) Benefit from the high margins of gasoline sales
   B) Have higher food prices
   C) Are experiencing slow growth in Asia
   D) Have a wide breadth and depth of merchandise
   E) Have less than 30% of their store devoted to food

Answer: B

2) NAICS:
   A) Is a classification scheme where every North American business is assigned a 6-digit code
   B) Is a classification scheme used by retailers in Canada to monitor after-tax profits
   C) Is a number used to identify an item in a company's inventory
   D) Is an on-package series of thick and thin lines readable by check-out scanners
   E) None of these

Answer: A

3) To compete against intrusions by other food retailing formats, conventional supermarkets are:
   A) Emphasizing fresh perishables
   B) Offering more private-label products
   C) Targeting health-conscious consumers
   D) Providing a better in-store experience
   E) All answers provided are correct.

Answer: E

4) Mark's Work Wearhouse (clothing retailer) carries sizes for small, average, and big men, but all sizes are not available in all their stores. What should Mark's do to communicate this message to their customers?
   A) Mark's should actively advertise these assortments to competitors
   B) They should advertise big men's merchandise on all of their newspaper supplements and commercials
   C) They should train their sales associates to mention this when closing sales with each customer
   D) Mark's should advertise this by featuring big men on their Holiday Catalogue
   E) A database should be developed of those who purchase merchandise for big men and then Mark's should market specifically to those shoppers

Answer: E

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5) Frank was shopping for electric fuses for his fuse box. Flash Hardware sold them for $3.99 for a box of six, but when he went to the same retailer's website, he found the same set for $2.99. Flash Hardware has a problem with:
A) price consistency across channels
B) a communication problem between channels
C) a pricing mistake by the store manager
D) depth of merchandise
E) product consistency
Answer: A

6) Which of the following trends are changing the retail industry?
A) Discriminating consumers
B) Blurring boundaries among channels and formats
C) Growing retailer concentration and power
D) Growth in consumer data
E) All answers provided are correct.
Answer: E

7) The spawning of new categories and retailers from supercentres to the Internet best demonstrates the:
A) need for training and development programs
B) tremendous need for better customer services
C) necessity to focus on competition
D) growing diversity of retail formats
E) necessity to go global with domestic retailers
Answer: D

8) The Canadian retail marketplace is dominated by a small number of large retailers–which term does this describe?
A) development
B) globalization
C) diversity
D) Americanization
E) concentration
Answer: E

9) Because the only merchandise category at the Futon Shop is double-sized futons, the Futon Shop can be said to have no:
A) variety
B) inventory control
C) need for customer service
D) product depth
E) shrinkage
Answer: A

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10) Each different item of merchandise in a retail store is called a/an:
A) store counted item (SCI)
B) economic unit
C) stored and keyed unit (SKU)
D) consumer offering
E) stock keeping unit (SKU)
Answer: E

11) Pinch-A-Penny sells a variety of pool maintenance supplies including filters, chemicals, lights, skimmers, and pool toys. Pinch-A-Penny can be said to have:
A) complete retail offering
B) depth of merchandise
C) breadth of merchandise
D) retail mix
E) supply standard
Answer: C

12) Variety is often referred to as the:
A) retail mix
B) breadth of merchandise
C) complete retail offering
D) store's supply standard
E) depth of merchandise
Answer: B

13) Depth of merchandise is often referred to as the:
A) complete retail offering
B) variety
C) retail mix
D) number of items within each product line
E) object of the buy
Answer: D

14) My Favourite Quilt Shop carries quilting thread of every brand, colour and strength in cotton and poly-cotton blends. With reference to quilting threads, My Favourite Quilt Shop has:
A) little shrinkage
B) deep assortment
C) broad variety
D) few SKU's
E) good customer base
Answer: B

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15) Isaac's Men's Store stocks 322 different styles and colours of ties. This assortment of ties can be referred to as Isaac's:
A) complete retail offering
B) breadth of merchandise
C) retailer mix
D) store's supply standard
E) depth of merchandise
Answer: E

16) The Home Depot offers customers a huge selection of home improvement merchandise. As a result inventory investment:
A) decreases because of the increase of the customer base
B) increases because they have to carry backup stock for each SKU
C) increases because of the value of the assortment
D) decreases because of the introduction of backup stock
E) increases because of the increase in demand in the home improvement industry
Answer: B

17) Which of the following is a self-service food store offering groceries, meat, and produce with limited sales of nonfood items?
A) Big-box food retailer
B) Conventional supermarket
C) Convenience store
D) Superstore
E) All answers provided are correct.
Answer: B

18) Which of the following can be purchased at a hypermarket?
A) Electronics
B) Hotdogs and luncheon meat
C) Photographic film development
D) Sports equipment
E) All answers provided are correct.
Answer: E

19) Al is the office manager for a large travel agency. He is responsible for maintaining the office supplies and works within a budget. This month, he needs to restock the agency's #10 envelopes, ball-point pens, coffee, sweetener and plastic spoons. Where's the best place for him to shop?
A) Loblaws
B) Office Depot
C) Costco
D) 7-Eleven
E) Both B and C
Answer: E

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20) Warehouse clubs:
A) sell merchandise in a no-frills atmosphere
B) provide extensive customer service
C) spend on visual displays
D) have deep assortment within it's merchandise categories
E) have low turnover
Answer: A

21) The primary issue facing supermarket and convenience store retailers today is:
A) corporate development racing to catch up to store level
B) expiration dates on perishables
C) downsizing of middle management
D) increasing level of competition from other types of retailers
E) price wars
Answer: D

22) What is one way a convenience store can develop a sustainable advantage against competition?
A) Close less convenient locations
B) Sell prepared meals
C) Extend hours of operation
D) Open more stores
E) Nothing: convenience stores are becoming extinct
Answer: B

23) Target and Walmart are examples of:
A) variety stores
B) convenience stores
C) specialty stores
D) discount stores
E) department stores
Answer: D

24) To respond to a competitive environment, discount retailers are fighting back by:
A) offering better customer service on the floor
B) increasing assortments
C) developing more private-label merchandise programs
D) focusing on a EDLP strategy
E) All of these.
Answer: E

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25) Which of the following statements about discount stores is true?
A) They have greater depth of merchandise than department stores.
B) They typically carry more brands and sizes in each category than department stores.
C) They do not carry private-label merchandise.
D) They tend to offer a broad variety of merchandise.
E) All answers provided are true.
Answer: D

26) Zara, a specialty store, produces how much of its own clothing line?
A) greater than 50%
B) less than 20%
C) None
D) 100%
E) less than 40%
Answer: A

27) Category specialists:
A) rely on warranty sales to promote loyalty
B) are limited to clothing, office supply, pet supplies, and toy retailing
C) compete directly with off-price retailers
D) offer a narrow variety but deep assortment of merchandise
E) have little customer service
Answer: D

28) Category specialists are sometimes called category killers because they:
A) can destroy a category of merchandise for other retailers.
B) have a broad merchandise mix and shallow assortment.
C) are often located in dying shopping malls.
D) are located at stand-alone sites.
E) carry mainly technologically obsolete merchandise.
Answer: A

29) Rona and Home Depot are both category specialists for the home improvement industry. This means the stores:
A) appeal to the mature consumers
B) use quick-response inventory management systems
C) offer a narrow but deep assortment of merchandise
D) offer their customers narrow breadth and depth
E) have excellent after-the-sale service
Answer: C

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30) Category specialists in direct competition with each other typically compete on the basis of:
A) in-store promotions
B) cost of goods/retail price
C) product variety and assortment
D) distribution strategies
E) advertising
Answer: B

31) A retailer that carries a broad variety and deep assortment of stock, offers customer services, and are organized into separate departments for displaying merchandise is called a:
A) home improvement centre
B) department store
C) discount retailer
D) category killer
E) specialty retailer
Answer: B

32) Which of the following is an example of a department store?
A) Hudson's Bay
B) Mark's Work Wearhouse
C) Home Hardware
D) Chapters
E) Future Shop
Answer: A

33) Which of the following categories are department stores moving away from offering?
A) Home furnishings
B) Accessories
C) Kitchenware
D) Women's apparel
E) Toys
Answer: E

34) Specialty stores that concentrate on health and personal grooming merchandise are:
A) drugstores
B) closeout retailers
C) discount stores
D) off-price retailers
E) direct-mail retailers
Answer: A

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35) Which of the following offers drive-through windows as a response to competition from discounters and grocery stores?
A) Drugstores
B) Specialty shops
C) Kiosks
D) Big-box retailers
E) Category specialists
Answer: A

36) Off-price retailers:
A) offer a consistent assortment of soft goods at low prices.
B) sell brand-name and even designer-label merchandise at reduced prices.
C) require suppliers to give them a variety of allowances and discounts.
D) give cash refunds.
E) offer gift wrapping services.
Answer: B

37) The two types of off-price retailers are:
A) outlet and closeout stores
B) value retailers and closeout stores
C) closeout and value stores
D) outlet stores and warehouse clubs
E) warehouse clubs and closeout stores
Answer: A

38) Manufacturers view their outlet stores as advantageous over selling to other off-price retailers because:
A) they do not have to offer rock-bottom prices
B) they are interested in by-passing traditional retailers and wholesalers and sell direct to the consumer
C) it allows them some control over where their branded merchandise is sold
D) they do not have to work with buyers of other companies
E) All answers provided are correct.
Answer: C

39) Kelly is a primary school teacher. She needed some small gifts for her students. She was pleased when she went in A Buck or Two and found she could buy colouring books, plastic scissors, pencil bags, puzzles, and games all priced at $1.00 each. A Buck or Two is an example of a:
A) value retailer
B) price killer
C) specialty retailer
D) general merchandise retailer
E) price specialist
Answer: A

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40) The retail format in which the retailers communicate with customers and offer products and services for sale over the Internet is called:
A) television home shopping
B) catalogue retailing
C) computerized shopping
D) electronic retailing
E) direct selling
Answer: D

41) The main difference between direct-mail retailers and catalogue retailers is that direct-mail retailers are:
A) primarily interested in a single sale from a specific mailing while catalogue retailers maintain relationships with customers over time
B) highly involved in database management
C) consistent with catalogue retailers in that they maintain long-term relationships
D) usually considered junk mail and are discarded
E) businesses that have low start-up costs
Answer: A

42) Direct selling:
A) is a highly interactive form of retailing
B) is mainly performed by independent agents
C) most often takes place in the home
D) can be done over the telephone
E) All answers provided are correct.
Answer: E

43) Where are most direct sales made?
A) On the job site
B) Over the phone
C) Via a computer connection
D) At street festivals and craft shows
E) Face-to-face, in a home
Answer: E

44) A _____ develops when a firm's marketing program is designed to sell merchandise and services to other distributors rather than to retail customers.
A) commission
B) multilevel network
C) general merchandise retailer
D) party plan
E) pyramid scheme
Answer: E

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45) In a multilevel network, master distributors:
A) recruit other people to become distributors in their network
B) sell to customers in their network
C) are responsible for training the salespeople they recruit
D) may receive a commission on all merchandise purchased by the distributors in their network
E) All answers provided are correct.
Answer: E

46) When multilevel direct selling becomes a pyramid scheme:
A) the salespeople are no longer independent agents
B) the selling format is usually franchised
C) the use of the party plan becomes more commonplace
D) typical annual sales of products often double
E) little merchandise is sold to end users
Answer: E

47) Infomercials:
A) do not usually solicit orders
B) are 60-seconds commercials
C) are 30-minutes commercials
D) use testimonials rather than demonstrations to sell products
E) are not shown on cable television
Answer: C

48) Ben saw a half-hour TV show with George Foreman on it. During the show Foreman was showing how to prepare a variety of foods so that they would be totally fat-free. Each item was prepared using a special cooker. During the show the TV audience were given several opportunities to buy the cooker. Ben was watching:
A) direct selling
B) outbound telemarketing
C) a sales promotion
D) an infomercial
E) interactive electronic retailing
Answer: D

49) Martina was watching a Made-for-Television Movie on the Life Channel when she saw an ad for a series of books for people who want to save money on home repairs. She called and ordered the book on plumbing that was first in the series. Martina responded to:
A) direct selling
B) direct-response advertising
C) interactive electronic retailing
D) outbound telemarketing
E) an infomercial
Answer: B

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50) The major advantage of TV home shopping compared to catalogue retailing is:
A) its ability to create time and place utility
B) the lack of federal regulation of the medium
C) its ability to schedule when certain types of merchandise will be shown
D) the easy return policy for unsatisfactory products
E) customers can see the merchandise being demonstrated on TV
Answer: E

51) When compared to catalogue retailing, TV home shopping has which of the following disadvantages?
A) The difficulty inherent in returning unsatisfactory products
B) The customer's ability to watch products being demonstrated
C) The lack of federal regulation of the medium
D) The ability to schedule when certain types of merchandise will be sold
E) The customer's inability to look at products when they want to
Answer: E

52) The most common purchases from vending machines are:
A) cigarettes
B) ice
C) condoms
D) beverages and snack food
E) airplane insurance
Answer: D

53) What do WestJet (airline), Four Seasons (hotel chain), Century 21 (real estate company), and Rogers Video (video outlet) have in common?
A) They are all examples of service retailers.
B) These retailers have established long-term relationships with their manufacturers.
C) They have high operating margins due to the size of their inventories.
D) They are all examples of off-price retailers.
E) They sell tangible products.
Answer: A

54) How can a service retailer best cope with the some of the problems associated with the intangibility of service?
A) Emphasize quality control.
B) Use low prices during off-seasons to help match supply and demand.
C) Increase staffing at peak demand times.
D) Solicit customer evaluations and complaints.
E) Use mass production.
Answer: D

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55) Due to the _____ of services, service retailers like Disney, Famous Players, and Air Canada sometimes find it difficult to match supply and demand.
A) inconsistency
B) consumability
C) perishability
D) intangibility
E) compatibility
Answer: C

56) Why do movie theatres sell tickets for an afternoon showing at a lower price than the 7 p.m. showing of the same movie?
A) To deal with the incompatibility characteristic of services
B) To deal with the intangible characteristic of services
C) To make sure the service offered in consistent
D) To minimize inventory losses
E) To deal with the perishability of services
Answer: E

57) Which of the following describes an advantage that independent, single-store establishments have over other forms of ownership?
A) Bureaucratic operation
B) Ability to respond almost immediately to market changes
C) Economies of scale
D) Distribution efficiency
E) Very low set-up costs
Answer: B

58) A company operating multiple retail units under common ownership and usually has centralized decision making for defining and implementing its strategy is called a:
A) wholesale-sponsored voluntary cooperative group
B) single-store establishment
C) franchise
D) retail chain
E) full-line discount stores
Answer: D

59) In a franchise contract, the franchisee pays the franchisor a:
A) commission on all sales
B) lump sum plus a royalty on all sales
C) start-up costs plus a monthly predetermined cash amount
D) salary plus a variety of employee benefits
E) bonus if the sales quota is achieved
Answer: B

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60) A retailer that sells merchandise and/or services through more than one channel is called a/an:
A) computerized retailer
B) single-channel retailer
C) direct seller
D) electronic retailer
E) multichannel retailer
Answer: E

61) A multichannel retailer is one that:
A) works with other retailers who are in the channel
B) buys merchandise from multiple channels to sell in the stores
C) channels all assortments through the stores
D) is a combination of single-channel retailers
E) sells merchandise or services through more than one channel
Answer: E

62) Which of the following retailers is the best example of a multichannel retailer?
A) eBay
B) Susan and Michael's Hair Salon
C) 7-Eleven convenience stores
D) Sears
E) The Keg restaurant
Answer: D

63) Which of the following is not a benefit of retail store channel shopping?
A) Personal safety
B) Browsing
C) Cash payment
D) Personal service
E) Touch and feel products
Answer: A

64) Which of the following is a benefit of store channel shopping?
A) The touch and feel of products
B) Personal service
C) The ability to browse
D) The ability to make cash payments
E) All answers provided are correct.
Answer: E

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65) Margaret went to the mall on her lunch hour. While she was there, she witnessed a back-to-school fashion show in Target, saw an old friend, took a walk and watched the children play in the centre arena. What benefit of store shopping was Margaret enjoying?
A) Entertainment and social interaction
B) Touch and feel products
C) Personal service
D) Convenience
E) Detailed information
Answer: A

66) Mobile device and smartphone retail application research indicates that smartphones:
A) are used more in convenience stores than in any other retail format
B) are rarely used in conjunction with retailer's apps
C) influence is expected to grow over the next few years, driven by advertisers' desire for greater market share
D) are most likely to be used for store-related shopping when the customer is close to the point of making a purchase
E) none of these answers are correct
Answer: D

67) Multichannel retailers:
A) should consider promoting private-label or exclusive merchandise that can be purchased only from them
B) should avoid offering uniquely relevant information based on proprietary data that the retailer has collected about their customers
C) want to encourage channel migration
D) want to encourage consumers' collecting information about products and pricing on their channels and then buying the product from a competitor
E) cannot respond to the challenge of differences in local competition
Answer: A

68) Consumers are using their mobile devices to help their retail buying decisions in the following way.
A) Find location and hours of a retailer.
B) Compare prices with competing firms
C) Look up product information.
D) Read reviews about products and services.
E) All apply.
Answer: E

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69) Choose the term that best fits the following:

Consumers can make informed decisions with the increased access to product information, price comparisons, and user reviews, and then widely share their experiences with others.

A) Growing retailer power
B) Buying local, going green
C) Empowered, discriminating consumers
D) New age of marketing
E) Ubiquitous connectivity

Answer: C

70) Choose the term that best fits the following:

Consumers want to consume in a responsible, sustainable way. Retailers are responding by embracin issues and helping customers and suppliers do the same.

A) Ubiquitous connectivity
B) New age of marketing
C) Buying local, going green
D) Empowered, discriminating consumers
E) Growing retailer power

Answer: C

71) Choose the term that best fits the following:

With increasing amounts of data available on customers, their online activities, and their purchasing retailers are able to create more targeted marketing campaigns.

A) Ubiquitous connectivity
B) New age of marketing
C) Growing retailer power
D) Buying local, going green
E) Empowered, discriminating consumers

Answer: B

72) Choose the term that best fits the following:

It has never been more critical for retailers to integrate digital opportunities into the shopping experie the Internet available at work, at home, and on the go (mobile). Digital and physical experiences are converging, with shoppers expecting interactive, value-added experiences anytime, anywhere, and th any channel.

A) Growing retailer power
B) Ubiquitous connectivity
C) Buying local, going green
D) Empowered, discriminating consumers
E) New age of marketing

Answer: B

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73) Choose the term that best fits the following:

The top five grocery stores in Canada now have 67 percent share of the market, with Loblaw Compar dominating with 29.9 percent.

A) Buying local, going green
B) Growing retailer power
C) New age of marketing
D) Ubiquitous connectivity
E) Empowered, discriminating consumers

Answer: B

74) Choose the term that best fits the following:

Physical stores turning into showrooms in the minds of consumers and the rise of online buying are f retailers to rethink their costly real-estate assets and merchandising formats.

A) Explosion of consumer data
B) Challenged store economics
C) Scientific retailing
D) Blurring boundaries among channels, formats, and brands
E) Maturing retail technologies

Answer: B

75) Choose the term that best fits the following:

Shoppers Drug Mart is selling food; Loblaws has in-house bank branches; and Indigo has Starbucks c stores. Retailers are evolving into a more integrated business model where all channels share a comm strategy for profitable growth.

A) Explosion of consumer data
B) Blurring boundaries among channels, formats, and brands
C) Challenged store economics
D) Maturing retail technologies
E) Scientific retailing

Answer: B

76) Choose the term that best fits the following:

By applying smart algorithms and deep, data-driven analytics to the massive amounts of data, retailer able to maximize all aspects of their business, including pricing, assortments, shelf displays, staffing, warehouse space.

A) Scientific retailing
B) Blurring boundaries among channels, formats, and brands
C) Explosion of consumer data
D) Maturing retail technologies
E) Challenged store economics

Answer: A

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77) Choose the term that best fits the following:

The enormous amount of data generated by points of sale, social media, corporate websites, and track URLs is greater than the ability of many retailers to exploit the potential value of this input.

A) Challenged store economics
B) Maturing retail technologies
C) Scientific retailing
D) Explosion of consumer data
E) Blurring boundaries among channels, formats, and brands

Answer: D

78) Choose the term that best fits the following:

A wide range of maturing technologies is allowing companies to streamline backroom functions and efficiency, helping to offset higher labour costs.

A) Blurring boundaries among channels, formats, and brands
B) Maturing retail technologies
C) Explosion of consumer data
D) Challenged store economics
E) Scientific retailing

Answer: B

79) Choose the element of the retail mix that best applies to the following:

The United States, Canada, and Mexico have developed a classification scheme, called the *North Am Industry Classification System (NAICS)*, to collect data on business activity in each country.

A) Price of merchandise
B) Breadth and depth of merchandise offered
C) Level of customer service
D) Type of merchandise/services offered
E) None of these apply

Answer: D

80) Choose the element of the retail mix that best applies to the following:

Retailers may appeal to different customer needs and offer different assortments and varieties of mer and services.

A) Price of merchandise
B) Level of customer service
C) Type of merchandise/services offered
D) Breadth and depth of merchandise offered
E) None of these apply

Answer: D

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81) Choose the element of the retail mix that best applies to the following:

Accepting credit and debit payment, providing parking, and being open at convenient hours.

A) Price of merchandise
B) Type of merchandise/services offered
C) Breadth and depth of merchandise offered
D) Level of customer service
E) None of these apply

Answer: D

82) Choose the element of the retail mix that best applies to the following:

What the customer ultimately exchanges for the merchandise or service received.

A) Type of merchandise/services offered
B) Breadth and depth of merchandise offered
C) Price of merchandise
D) Level of customer service
E) None of these apply

Answer: C

83) As retailers try to satisfy today's ever-changing consumer, many are realizing that big is not always better. Choose what is influencing this change.

A) populations are shifting
B) the Web is having a significant impact on consumer in-store expectations and shopping processes
C) real estate is not always available for big-box players
D) None of these apply.
E) All of these apply

Answer: E

84) A retailer that offers a limited assortment of food and general merchandise with little service at low prices to ultimate consumers (members) and small businesses

A) hypermarkets
B) conventional supermarket
C) Supercentres
D) limited-assortment supermarket
E) Warehouse Club

Answer: E

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85) 160 000 to 200 000 square feet in size and offer a wide variety of food (30−40 percent) and non-food merchandise (60−70 percent). They are the fastest-growing retail category.
A) Warehouse Club
B) hypermarkets
C) Supercentres
D) conventional supermarket
E) limited-assortment supermarket
Answer: C

86) A marketing strategy in which the retailer offers multiple ways for shoppers to buy its products, but with a stronger focus on a seamless approach to the customer experience through all available shopping channels.
A) Omni-Channel
B) Direct Selling
C) M-Commerce
D) Multichannel
E) None of these apply
Answer: A

87) Choose the appropriate Mobile Retail Sales "moment" that best fits the following "findings".

Seventy percent of consumers are now leading their own shopping journey (becoming aware of produ through means outside of retailer or brand communications).
A) Select and Validate
B) Purchase and Pay
C) Find Inspiration
D) Return and Service
E) Browse and Research
F) None of these apply
Answer: C

88) Choose the appropriate Mobile Retail Sales "moment" that best fits the following:

The customer begins to match the inspiration to a group of physical products that meet his/her need. I gathers additional information on the options available for sale.
A) Purchase and Pay
B) Browse and Research
C) Select and Validate
D) Find Inspiration
E) Return and Service
F) None of these apply
Answer: B

89) Choose the appropriate Mobile Retail Sales "moment" that best fits the following:

The customer continues to narrow down his/her consideration set, eventually reducing the choices to few options.
A) Return and Service
B) Find Inspiration
C) Select and Validate
D) Browse and Research
E) Purchase and Pay
F) None of these apply
Answer: C

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90) Choose the appropriate Mobile Retail Sales "moment" that best fits the following:

Thirteen percent of shoppers use the "buy online, pick up in store" (or BOPUS) method to purchase a their items. Twenty-five percent of consumers indicate that this is their preferred method for receivin purchases in the future.

A) Find Inspiration B) Select and Validate C) Purchase and Pay
D) Return and Service E) Browse and Research F) None of these apply

Answer: C

91) Choose the appropriate Mobile Retail Sales "moment" that best fits the following:

The customer returns to the original place or channel of purchase to seek follow-up related to the iten

A) Find Inspiration B) Select and Validate C) Purchase and Pay
D) Return and Service E) Browse and Research F) None of these apply

Answer: D

92) Conventional supermarkets are differentiating their offerings. Choose the one that fits the following:

Grocery stores are increasingly incorporating "food as theatre" concepts, such as open-air market desi cooking and nutrition classes, demonstrations, babysitting services, and food tasting.

A) emphasizing fresh perishables
B) offering more promotions
C) offering more private-label brands
D) targeting health-conscious and ethnic consumers
E) providing better in-store experience
F) None of these apply.

Answer: E

93) Conventional supermarkets are differentiating their offerings. Choose the one that fits the following:

Conventional supermarkets are also offering more natural, organic, and fair-trade foods for the growi segment of consumers who are health and environmentally conscious.

A) offering more private-label brands
B) offering more promotions
C) emphasizing fresh perishables
D) providing better in-store experience
E) targeting health-conscious and ethnic consumers
F) None of these apply.

Answer: E

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94) Conventional supermarkets are differentiating their offerings. Choose the one that fits the following:

The benefits to customers include having more choices and finding the same ingredients and quality a national brands at a lower price.

A) providing better in-store experience
B) offering more promotions
C) emphasizing fresh perishables
D) offering more private-label brands
E) targeting health-conscious and ethnic consumers
F) None of these apply.

Answer: D

95) Conventional supermarkets are differentiating their offerings. Choose the one that fits the following:

Food items are located in the areas around the outer walls of a supermarket, known as the *power peri* that include dairy, bakery, meat, florist, produce, deli, and coffee bar.

A) offering more promotions
B) emphasizing fresh perishables
C) targeting health-conscious and ethnic consumers
D) offering more private-label brands
E) providing better in-store experience
F) None of these apply.

Answer: B

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

96) Which type of store is the most intense competitor for the discount store?

Answer: The category specialist.

97) Name and describe four important differences in the nature of the offering provided by services retailers compared with merchandise retailers.

Answer: Intangibility Services are generally intangible–customers cannot see, touch, or feel them. They performances or actions rather than objects.
Simultaneous Production and Consumption Products are typically made in a factory, stored and retailer, and then used by consumers in their homes. Service providers, on the other hand, creat deliver the service as the customer is consuming it.
Perishability Because the creation and consumption of services are inseparable, services are perishable. They can't be saved, stored, or resold. This is in contrast to merchandise that can be inventory until a customer is ready to buy it.
Inconsistency Merchandise is often produced by machines with very tight quality control so tha customers are reasonably assured that, for example, all boxes of a cereal will be identical. Because services are performances produced by people (employees and customers), no two services will be identical.

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98) Explain why category specialists call themselves "category killers"?

Answer: By offering a complete assortment in a category at low prices, category specialists can "kill" a category of merchandise for other retailers.

99) What are some benefits that consumers may experience that shop in traditional stores compared to other formats like catalogues or the Internet?

Answer: Browsing; touching and feeling products; personal service; paying cash; immediate gratification; entertainment and social experience.

100) Explain the difference between breadth of merchandise and depth of merchandise.

Answer: Breadth of merchandise refers to the number of different merchandise categories a retailer offers. Depth of merchandise refers to the number of different items in a merchandise category.

101) What are three issues retailers face when they want to integrate across multiple channels?

Answer: Centralized customer database, consistent brand image, merchandise assortment and pricing.

102) Department stores are diverse and can be categorized into 3 tiers. Describe each tier and give an example of a retailer (for each tier).

Answer: The first tier includes upscale, high-fashion chains with exclusive designer merchandise and excellent customer service, such as Holt Renfrew in Canada and Nordstrom in the United States. Hudson's Bay represents the second tier of upscale department stores, in which retailers sell more modestly priced merchandise with less customer service. The value-oriented third tier–Sears Canada–caters to more price-conscious consumers.

103) What are some of the primary reasons why a traditional retailer would evolve into a multichannel retailer?

Answer: Several reasons include: The Internet gives them an opportunity to reach new markets; they can leverage their skills and assets to grow revenues and profits; an e-tail site overcomes some limitations of their traditional formats; an e-tailing site enables retailers to gain valuable insights into their customers' shopping behaviour; they have an opportunity for increasing their "share of wallet."

104) What does a franchisor offer its franchisees?

Answer: The franchisor provides assistance in locating and building the store, developing the products and/or services that will be sold, management training, and advertising. Additionally, the franchisor makes sure all outlets provide the same quality of services and products to maintain the reputation of the franchise.

105) Many people believe that department store retailing is on the decline. What are department stores doing in response to this?

Answer: Many department stores are lowering prices on some merchandise. Most are investing in the development of private labels brands. Certain departments are getting progressive face-lifts and Internet access is being added.

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106) Explain why it is so difficult to be successful in catalogue retailing.

Answer: Catalogue retailing appears easy to manage as start-up costs are lower than say traditional bricks and mortar retailing. The reality is that it is challenging because catalogue retailers are competing against retailers that are multi-channelled. Mailing and printing costs are high and increasing. The time it takes to design, develop and distribute catalogues is too lengthy catalogue retailers can't respond to trends and fashions fast enough.

107) List and explain at least four trends that are rapidly changing the retail industry.

Answer: *Empowered, discriminating consumers.* Consumers can make informed decisions with the increased access to product information, price comparisons, and user reviews, and then widely their experiences with others.

Explosion of consumer data The enormous amount of data generated by points of sale, social m corporate websites, and tracking URLs is greater than the ability of many retailers to exploit the potential value of this input.

Scientific retailing
By applying smart algorithms and deep, data-driven analytics to the massive amounts of data, r are able to maximize all aspects of their business, including pricing, assortments, shelf displays staffing, and warehouse space.

Ubiquitous connectivity
It has never been more critical for retailers to integrate digital opportunities into the shopping experience, with the Internet available at work, at home, and on the go (mobile). Digital and ph experiences are converging, with shoppers expecting interactive, value-added experiences anyti anywhere, and through any channel.

108) List the main elements of the retail mix that are particularly useful for classifying retailers.

Answer: Four elements of the retail mix are particularly useful for classifying retailers:
type of merchandise/services offered
breadth and depth of merchandise offered
level of customer service
price of merchandise

109) As retailers try to satisfy today's ever-changing consumer, many are realizing that big is not always better. Explain and give examples to what is influencing this.

Answer: More and more North American retailers are turning to the smaller format concepts that have been trending in Europe, Asia, and Latin America. Real estate is not always available for big-box players; populations are shifting; and the Web is having a significant impact on consumer in-store expectations and shopping processes. Rona is moving to reduce the number of its big-box locations from 80 to 57 and is focusing its expansion efforts on smaller-format neighbourhood stores.

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110) The primary issue facing food retailers in general, and supermarket and convenience store retailers in particular, is the increasing level of competition from other types of retailers List type of retailers that competing with them and give examples.
Explain and give examples how food retailers are responding to this treat.

Answer: Other retailers such as department stores, drugstores, convenience stores, gas stations, and even stores are increasingly displaying food items on their shelves. In addition, fast-food restaurants Subway sandwich shops have positioned themselves as a healthy food alternative.
In response to these competitive pressures, convenience stores are taking steps to decrease their dependency on gasoline sales, tailoring assortments to local markets, and making their stores even more convenient to shop. To get gasoline customers to spend more on other merchandise and services, convenience stores are offering more fresh food and healthy fast food that appeals to today's on-the-go consumers, especially women and young adults. For example, Mac's combines a convenience store and takeout restaurant. Mac's has ready-to-heat meals, a sandwich bar, salads, and a ready-to-eat section.

111) Describe two approaches that multichannel retailers can use to reduce channel migration. Give an example of a retailers that apply these approaches.

Answer: Two approaches that multichannel retailers can use to reduce channel migration are to (1) offer uniquely relevant information based on proprietary data the retailer has collected about the customers, and (2) promote private-label or exclusive merchandise that can be purchased only from the retailer.

112) Banks have a problem–more and more customers are not coming into their branches. Banking online or by phone is now the norm. In addition, there is competition from retailers (including Loblaws and Canadian Tire) offering banking services that include mortgages and loans that extend the customer relationship. Explain and give examples of how Banks are responding to his competition.

Answer: In response, progressive banks are luring customers with plasma TVs, iPads, and comfy chairs to attract more profitable clients to invest in financial advisory services. TD Bank

113) Explain and give examples of retail trend of "Blurring boundaries among channels, formats and brands.

Answer: Drugstores moved to high-end cosmetics (Loblaws and Rexall); grocery stores invaded the pharmacy business.

114) Describe and give examples how specialty stores tailor their retail strategy towards their specific market segments.

Answer: Retailers tailor their strategy by offering deep but narrow assortments along with knowledgeable sales staff. For example, West 49 retails action sports clothing that had its origins with young skateboard enthusiasts. West 49 has very specific strategies to make sure that it appeals to the under-16 demographic. For example, the mall is a perfect location for this retailer because the target age group does not drive and usually relies on a parent to drop them off at the shopping centre.

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115) Department stores' overall sales have stagnated and market share fallen in recent years due to increas competition from discount stores and specialty stores and a decline in perceived value for merchandis services.
Explain and give examples to how department stores are responding to this to attempt to capture mor share.

Answer: To deal with eroding market share, department stores are (1) attempting to increase the amount of exclusive merchandise they sell, (2) undertaking marketing campaigns to develop strong images for their stores and brands, and (3) expanding their online presence.

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1) B
2) A
3) E
4) E
5) A
6) E
7) D
8) E
9) A
10) E
11) C
12) B
13) D
14) B
15) E
16) B
17) B
18) E
19) E
20) A
21) D
22) B
23) D
24) E
25) D
26) A
27) D
28) A
29) C
30) B
31) B
32) A
33) E
34) A
35) A
36) B
37) A
38) C
39) A
40) D
41) A
42) E
43) E
44) E
45) E
46) E
47) C
48) D
49) B
50) E

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51) E
52) D
53) A
54) D
55) C
56) E
57) B
58) D
59) B
60) E
61) E
62) D
63) A
64) E
65) A
66) D
67) A
68) E
69) C
70) C
71) B
72) B
73) B
74) B
75) B
76) A
77) D
78) B
79) D
80) D
81) D
82) C
83) E
84) E
85) C
86) A
87) C
88) B
89) C
90) C
91) D
92) E
93) E
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