Retailing Management (Canadian) 6th edition Levy Test Bank

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Chapter 02
Types of Retailers

Multiple Choice Questions

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-18 Food Retailers

2. NAICS: Is best described as the following:
A. Is a number used to identify an item in a company's inventory
B. Is a classification scheme used by retailers in Canada to monitor after-tax profits
C. Is an on-package series of thick and thin lines readable by check-out scanners
D. Is a classification scheme where every North American business is assigned a 5-6-digit code
E. Stands for: National Audit Inventory Classification System

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-05 Type of merchandise

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3. In order to compete against intrusions by other food retailing formats, conventional supermarkets are doing the following EXCEPT for:
A. Targeting health-conscious consumers
B. Offering more private-label products
C. Emphasizing fresh perishables
D. Providing a better in-store experience
E. Limiting categories and increasing depth of products

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-18 Food Retailers

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. They should advertise big men's merchandise on all of their newspaper supplements and commercials
B. They should train their sales associates to mention this when closing sales with each customer
C. A database should be developed of those who purchase merchandise for big men and then Mark's should market specifically to those shoppers
D. Mark's should actively advertise these assortments to competitors
E. Mark's should advertise this by featuring big men on their Holiday Catalogue

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Topic: 02-13 Department stores

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5. Frank was shopping for spark plugs for his Ford Mustang. Flash Auto has them priced for $19.99 each, but when he went to the retailer's website, he found the same set for $10.99 each. Flash Auto has a problem with the following:
A. price consistency across channels
B. a pricing mistake by the store manager
C. a communication problem between channels
D. product consistency
E. depth of merchandise

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-36 In-store electronic kiosks

6. The following trends are changing the retail industry EXCEPT for:
A. growing retailer concentration and power.
B. blurring boundaries among channels and formats.
C. growth in consumer data.
D. discriminating consumers.
E. growing demand for department store formats.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

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8. The Canadian retail marketplace is dominated by a small number of large retailers, Choose which best describes this statement:
A. diversity
B. globalization
C. concentration
D. Americanization
E. development

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-03 Increasing industry concentration

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-05 Type of merchandise

10. An industry term that describes each different item of merchandise in a retail store is called a/an:
A. consumer offering.
B. store counted item (SCI).
C. stored and keyed unit (SKU).
D. stock keeping unit (SKU).
E. economic unit.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-05 Type of merchandise

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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. supply standard
B. complete retail offering
C. breadth of merchandise
D. retail mix
E. depth of merchandise

Variety is often referred to as breadth of merchandise.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-06 Breadth and depth

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-06 Breadth and depth

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-06 Breadth and depth

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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. broad variety
B. deep assortment
C. good customer base
D. little shrinkage
E. few SKU's

Assortment is the number of different items in a category.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-08 Cost of offering breadth and depth of merchandise and services

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. store's supply standard
B. complete retail offering
C. breadth of merchandise
D. retailer mix
E. depth of merchandise

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-06 Breadth and depth

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16. The Home Depot offers customers a huge selection of home improvement merchandise. Choose which best applies:
A. Stock levels increase because of the increase in demand in the home improvement industry
B. Stock levels increase because they have to carry backup stock for each SKU
C. Stock levels increase because of the value of the assortment
D. Stock levels decrease because of the increase of the customer base
E. Stock levels decrease because of the introduction of backup stock

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-08 Cost of offering breadth and depth of merchandise and services

17. Which of the following is a NOT a self-service food store offering groceries, meat, and produce with limited sales of nonfood items?
A. Big-box food retailer
B. Convenience store
C. Conventional supermarket
D. Superstore
E. A Drug Store

This is the only selection where there are limited sales of nonfood items.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-19 Supermarkets

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18. What items would hypermarkets carry a larger proportion of compared to supercentres?
A. Electronics
B. Sports equipment
C. Photographic film development
D. Canned and dried food items
E. Fresh produce, meats, fish and bakery items

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-20 Big-box food retailers

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 is the best place for him to shop?
A. Loblaw's
B. Office Depot
C. Sobey's
D. 7-Eleven
E. Home Depot

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
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Topic: 02-18 Food Retailers

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20. Choose which would best describe warehouse clubs:
A. have deep assortment within its merchandise categories
B. spend on visual displays
C. sell merchandise in a no-frills atmosphere
D. have low turnover
E. provide extensive customer service

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-16 Value retailers

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-22 Issues in food retailing

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-21 Convenience stores

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-10 Discount stores

24. To respond to a competitive environment, discount retailers are doing the following EXCEPT:
A. developing more private-label merchandise programs
B. focusing on a EDLP strategy
C. increasing assortments
D. offering better customer service on the floor
E. decreasing breadth of product categories

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-10 Discount stores

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25. Which of the following statements about discount stores is TRUE?
A. They do not carry private-label merchandise.
B. They have greater depth of merchandise than department stores.
C. They typically carry more brands and sizes in each category than department stores.
D. They tend to offer a broad variety of merchandise.
E. They offer premium national label products only.

Discount stores offer more variety and less depth than department stores. They typically carry fewer brands and sizes in each category than department stores. Some are selling private-label merchandise like Walmart's George brand.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-10 Discount stores

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-11 Specialty stores

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

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. category killer
B. department store
C. discount retailer
D. home improvement centre
E. specialty retailer

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-13 Department stores

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-13 Department stores

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

Department stores are cutting back on the types of merchandise they carry. They are concentrating on apparel, accessories and soft home furnishings.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-13 Department stores

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-14 Drugstores

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

Their assortment tends to be erratic-depending on what is available.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-15 Off-price retailers

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36. 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. warehouse clubs and closeout stores
E. outlet stores and warehouse clubs

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-15 Off-price retailers

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-15 Off-price retailers

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38. 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. general merchandise retailer
C. specialty retailer
D. price killer
E. price specialist

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-16 Value retailers

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-24 Electronic retailing

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-25 Catalogue channel

41. Direct selling involves the following EXCEPT:
A. is a highly interactive form of retailing
B. most often takes place in the home
C. is mainly performed by independent agents
D. can be done over the telephone
E. customers can only purchase online

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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44. In a multilevel network, a master distributor can involve the following elements EXCEPT:
A. recruit other people to become distributors in their network
B. are responsible for training the salespeople they recruit
C. may receive a commission on all merchandise purchased by the distributors in their network
D. sell to customers in their network
E. responsible for manufacturing and global expansion

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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46. An infomercial is best described as the following:
A. a 60-seconds commercial
B. do not usually solicit orders
C. use testimonials rather than demonstrations to sell products
D. are not shown on cable television
E. are 30-minutes commercials

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

47. 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. an infomercial
C. a sales promotion
D. outbound telemarketing
E. interactive electronic retailing

Infomercials are 30-minutes TV programs that mix product demonstrations with order solicitations.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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48. 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. an infomercial
C. direct-response advertising
D. outbound telemarketing
E. interactive electronic retailing

Direct-response advertising includes ads on TV that provide opportunities for customers to place orders for the products.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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

TV home shopping does not have the time and place utility of catalogue retailing. It is no easier to return products ordered from TV than from catalogues. TV is a highly regulated media.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-26 Direct selling

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-28 Vending machine retailing

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.
Topic: 02-29 Services Retailing

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.
Topic: 02-29 Services Retailing

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

Perishability occurs because the creation and consumption of services is simultaneous.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.
Topic: 02-30 Differences between services and merchandise retailers

Retailing Management (Canadian) 6th edition Levy Test Bank

55. 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 make sure the service offered in consistent
C. To deal with the intangible characteristic of services
D. To deal with the perishability of services
E. To minimize inventory losses

The difference in the price is to prevent under-or over-utilization of the services.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.
Topic: 02-30 Differences between services and merchandise retailers

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-07 Identify the types of ownership for retail firms.
Topic: 02-38 Independent, single-store establishments

Retailing Management (Canadian) 6th edition Levy Test Bank

57. 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. franchise
B. full-line discount stores
C. retail chain
D. single-store establishment
E. wholesale-sponsored voluntary cooperative group

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-07 Identify the types of ownership for retail firms.
Topic: 02-39 Corporate retail chains

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-07 Identify the types of ownership for retail firms.
Topic: 02-40 Franchises

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-31 Multichannel Retailing

Retailing Management (Canadian) 6th edition Levy Test Bank

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-31 Multichannel Retailing

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-31 Multichannel Retailing

Retailing Management (Canadian) 6th edition Levy Test Bank

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

The security in malls and mall parking lots is an important concern for shoppers. Non-store retail formats have an advantage over store-based retailers because customers can review merchandise from the safety of their own homes.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-32 Store channel

63. Which of the following is NOT a benefit of store channel shopping?
A. The touch and feel of products
B. In person customized service
C. The ability to make cash payments
D. The ability to browse inventory in a physical environment
E. The ability to shop from the comfort of your home with a click of the mouse

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-32 Store channel

Retailing Management (Canadian) 6th edition Levy Test Bank

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-32 Store channel

65. Mobile device and smartphone retail application research indicates the following about smartphones:
A. influence is expected to grow over the next few years, driven by advertisers' desire for greater market share
B. are most likely to be used for store-related shopping when the customer is close to the point of making a purchase
C. are used more in convenience stores than in any other retail format
D. are rarely used in conjunction with retailer's apps
E. Influence is expected to decline over the next few years

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-34 M-commerce

Retailing Management (Canadian) 6th edition Levy Test Bank

66. Multichannel retailers:
A. want to encourage channel migration
B. should avoid offering uniquely relevant information based on proprietary data that the retailer has collected about their customers
C. should consider promoting private-label or exclusive merchandise that can be purchased only from them
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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-31 Multichannel Retailing

67. Consumers are using their mobile devices to help their retail buying decisions in the following way EXCEPT for:
A. Find location and hours of a retailer.
B. Look up product information.
C. Compare prices with competing firms
D. Read reviews about products and services.
E. Be able to "touch and feel" products before purchasing

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-34 M-commerce

Retailing Management (Canadian) 6th edition Levy Test Bank

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

69. Choose the term that best fits the following:

Consumers want to consume in a responsible, sustainable way. Retailers are responding by embracing the issues and helping customers and suppliers do the same.
A. Ubiquitous connectivity
B. Buying local, going green
C. New age of marketing
D. Growing retailer power
E. Empowered, discriminating consumers

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

Retailing Management (Canadian) 6th edition Levy Test Bank

70. Choose the term that best fits the following:

With increasing amounts of data available on customers, their online activities, and their purchasing patterns, retailers are able to create more targeted marketing campaigns.
A. Ubiquitous connectivity
B. Buying local, going green
C. New age of marketing
D. Growing retailer power
E. Empowered, discriminating consumers

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

71. Choose the term that best fits the following:

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 physical experiences are converging, with shoppers expecting interactive, value-added experiences anytime, anywhere, and through any channel.
A. Ubiquitous connectivity
B. Buying local, going green
C. New age of marketing
D. Growing retailer power
E. Empowered, discriminating consumers

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

Retailing Management (Canadian) 6th edition Levy Test Bank

72. 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 Companies Ltd. dominating with 29.9 percent.
A. Ubiquitous connectivity
B. Buying local, going green
C. New age of marketing
D. Growing retailer power
E. Empowered, discriminating consumers

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

73. 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 forcing retailers to rethink their costly real-estate assets and merchandising formats.
A. Challenged store economics
B. Blurring boundaries among channels, formats, and brands.
C. Scientific retailing
D. Explosion of consumer data
E. Maturing retail technologies

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

Retailing Management (Canadian) 6th edition Levy Test Bank

74. Choose the term that best fits the following:

Shoppers Drug Mart is selling food; Loblaws has in-house bank branches; and Indigo has Starbucks cafés in stores. Retailers are evolving into a more integrated business model where all channels share a common strategy for profitable growth.
A. Challenged store economics
B. Blurring boundaries among channels, formats, and brands.
C. Scientific retailing
D. Explosion of consumer data
E. Maturing retail technologies

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

75. Choose the term that best fits the following:

By applying smart algorithms and deep, data-driven analytics to the massive amounts of data, retailers are able to maximize all aspects of their business, including pricing, assortments, shelf displays, staffing, and warehouse space.
A. Challenged store economics
B. Blurring boundaries among channels, formats, and brands.
C. Scientific retailing
D. Explosion of consumer data
E. Maturing retail technologies

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

Retailing Management (Canadian) 6th edition Levy Test Bank

76. Choose the term that best fits the following:

The enormous amount of data generated by points of sale, social media, corporate websites, and tracking URLs is greater than the ability of many retailers to exploit the potential value of this input.
A. Challenged store economics
B. Blurring boundaries among channels, formats, and brands.
C. Scientific retailing
D. Explosion of consumer data
E. Maturing retail technologies

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

77. Choose the term that best fits the following:

A wide range of technologies are allowing companies to streamline backroom functions and increase efficiency, helping to offset higher labour costs.
A. Challenged store economics
B. Blurring boundaries among channels, formats, and brands.
C. Scientific retailing
D. Explosion of consumer data
E. Maturing retail technologies

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

Retailing Management (Canadian) 6th edition Levy Test Bank

78. 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 American Industry Classification System (NAICS)*, to collect data on business activity in each country.
A. Type of merchandise/services offered
B. Breadth and depth of merchandise offered
C. Level of customer service
D. Price of merchandise
E. Retail Location

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-05 Type of merchandise

79. 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 merchandise and services.
A. Type of merchandise/services offered
B. Breadth and depth of merchandise offered
C. Level of customer service
D. Price of merchandise
E. Retail Location

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-06 Breadth and depth

Retailing Management (Canadian) 6th edition Levy Test Bank

80. 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. Type of merchandise/services offered
B. Breadth and depth of merchandise offered
C. Level of customer service
D. Price of merchandise
E. Retail Location

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-07 Customer services

81. 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. Level of customer service
D. Price of merchandise
E. Retail Location

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-08 Cost of offering breadth and depth of merchandise and services

Retailing Management (Canadian) 6th edition Levy Test Bank

82. As retailers try to satisfy today's ever-changing consumer, many are realizing that big is not always better. Choose what is NOT influencing this change.
A. real estate is not always available for big-box players
B. populations are shifting
C. the Web is having a significant impact on consumer in-store expectations and shopping processes
D. Growth of mobile e-commerce capabilities
E. The growing need for consumers to shop in one place for all of their household needs

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

83. 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. conventional supermarket
B. limited-assortment supermarket
C. Supercentres
D. hypermarkets
E. Warehouse Club

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

Retailing Management (Canadian) 6th edition Levy Test Bank

84. Choose from the following that best applies to a 160 000 to 200 000 square feet retail location that offers a wide variety of food (30-40 percent) and non-food merchandise (60-70 percent). They are the fastest-growing retail category.
A. conventional supermarket
B. limited-assortment supermarket
C. Supercentres
D. hypermarkets
E. Warehouse Club

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-10 Discount stores

85. 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. Multichannel
B. M-Commerce
C. Omni-Channel
D. Direct Selling
E. E-Commerce

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-35 The rise of omni-channel retailing

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86. 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 products through means outside of retailer or brand communications).
A. Browse and Research
B. Select and Validate
C. Purchase and Pay
D. Return and Service
E. Find Inspiration

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-34 M-commerce

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

The customer continues to narrow down their consideration set, eventually reducing the choices to only a few options.
The customer begins to match the inspiration to a group of physical products that meet their need. They gather additional information on the options available for sale.
A. Browse and Research
B. Select and Validate
C. Purchase and Pay
D. Return and Service
E. Find Inspiration

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-34 M-commerce

Retailing Management (Canadian) 6th edition Levy Test Bank

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

The customer locates the product (online or in a physical store) and determines how they would like to receive the item.
A. Browse and Research
B. Select and Validate
C. Purchase and Pay
D. Return and Service
E. Find Inspiration

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-34 M-commerce

89. 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 and pay for their items. Twenty-five percent of consumers indicate that this is their preferred method for receiving their purchases in the future.
A. Browse and Research
B. Select and Validate
C. Purchase and Pay
D. Return and Service
E. Find Inspiration

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-34 M-commerce

Retailing Management (Canadian) 6th edition Levy Test Bank

90. 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 item.
A. Browse and Research
B. Select and Validate
C. Purchase and Pay
D. Return and Service
E. Find Inspiration

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-34 M-commerce

91. 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 designs, cooking and nutrition classes, demonstrations, babysitting services, and food tasting.
A. targeting health-conscious and ethnic consumers
B. providing better in-store experience
C. offering more private-label brands
D. offering more promotions
E. Offering more variety of products within category

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-19 Supermarkets

Retailing Management (Canadian) 6th edition Levy Test Bank

92. 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 growing segment of consumers who are health and environmentally conscious.
A. targeting health-conscious and ethnic consumers
B. providing better in-store experience
C. offering more private-label brands
D. offering more promotions
E. Offering more assortment of products within category

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-19 Supermarkets

93. 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 as in national brands at a lower price
A. targeting health-conscious and ethnic consumers
B. providing better in-store experience
C. offering more private-label brands
D. offering more promotions
E. Offering more assortment of products within category

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-19 Supermarkets

Retailing Management (Canadian) 6th edition Levy Test Bank

94. 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 perimeter*, that include dairy, bakery, meat, florist, produce, deli, and coffee bar.
A. targeting health-conscious and ethnic consumers
B. providing better in-store experience
C. offering more private-label brands
D. offering more promotions
E. Offering more assortment of products within category

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-19 Supermarkets

95. Department stores' overall sales have stagnated and market share has fallen in recent years. Choose which best applies as a contributing factor.
A. Growth of discount stores and specialty stores
B. The lack of categories offered
C. offering more private-label brands
D. offering more promotions
E. Offering more variety

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-13 Department stores

Retailing Management (Canadian) 6th edition Levy Test Bank

96. Which stage in developing an omni-channel presence represents the following:

Facilitates pre-shopping through online inventory availability, and eases the transaction itself through digital ordering, account management, and straightforward checkout capabilities.
A. e-Commerce Fundamentals
B. m-Commerce Fundamentals
C. Advanced e- and m-Commerce Fundamentals
D. Omni-Channel
E. Multi-Channel

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-35 The rise of omni-channel retailing

97. Which stage in developing an omni-channel presence represents the following:

Finds retailers supporting the pre-purchase part of shoppers' journey with mobile product information and inventory availability and enabling consumers to use mobile payments and mobile checkout.
A. e-Commerce Fundamentals
B. m-Commerce Fundamentals
C. Advanced e- and m-Commerce Fundamentals
D. Omni-channel
E. Multi-Channel

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-35 The rise of omni-channel retailing

Retailing Management (Canadian) 6th edition Levy Test Bank

98. Which stage in developing an omni-channel presence represents the following:

At this stage, retailers are cross-selling through product suggestions and allowing shoppers to post their own ratings and reviews. Mobile apps become more functional and fully featured, and mobile and digital gift cards become more common.
A. e-Commerce Fundamentals
B. m-Commerce Fundamentals
C. Advanced e- and m-Commerce Fundamentals
D. Omni-channel
E. Multi-Channel

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-35 The rise of omni-channel retailing

99. Which stage in developing an omni-channel presence represents the following:

Represents the complete integration of web, mobile, and physical stores—a seamless, cross-platform experience that delights shoppers throughout the path to purchase. Here, retailers deliver consistent inventory information and shopping basket availability across all channels. They also provide significant post-purchase support with features such as product recommendations or allowing product returns with digital receipts.
A. e-Commerce Fundamentals
B. m-Commerce Fundamentals
C. Advanced e- and m-Commerce Fundamentals
D. Omni-channel
E. Multi-Channel

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-35 The rise of omni-channel retailing

Retailing Management (Canadian) 6th edition Levy Test Bank

Short Answer Questions

100. Which type of store is the most intense competitor for the discount store?

The category specialist.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

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

Intangibility Services are generally intangible-customers cannot see, touch, or feel them. They are performances or actions rather than objects.
Simultaneous Production and Consumption Products are typically made in a factory, stored and sold by a retailer, and then used by consumers in their homes. Service providers, on the other hand, create and 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 held in inventory until a customer is ready to buy it.
Inconsistency Merchandise is often produced by machines with very tight quality control so that 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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.
Topic: 02-30 Differences between services and merchandise retailers

Retailing Management (Canadian) 6th edition Levy Test Bank

102. Explain why category specialists call themselves "category killers"?

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

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

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-32 Store channel

104. Explain the difference between breadth of merchandise and depth of merchandise.

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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-06 Breadth and depth

Retailing Management (Canadian) 6th edition Levy Test Bank

105. What are three issues retailers face when they want to integrate across multiple channels?

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-33 Tuning into the multichannel universe

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

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-Kohl's caters to more price-conscious consumers.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-13 Department stores

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

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."

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.
Topic: 02-31 Multichannel Retailing

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108. What does a franchisor offer its franchisees?

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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-07 Identify the types of ownership for retail firms.
Topic: 02-40 Franchises

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

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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-13 Department stores

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

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.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-25 Catalogue channel

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

Empowered, discriminating consumers. 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.

Explosion of consumer data The enormous amount of data generated by points of sale, social media, 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, retailers 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 physical experiences are converging, with shoppers expecting interactive, value-added experiences anytime, anywhere, and through any channel.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

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

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

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-04 Retailer Characteristics

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113. 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.

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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-12 Category specialist/category killer

114. 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 are competing with them and give examples. Explain and give examples how food retailers are responding to this treat.

Other retailers such as department stores, drugstores, convenience stores, gas stations, and even dollar stores are increasingly displaying food items on their shelves. In addition, fast-food restaurants such as 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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-22 Issues in food retailing

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

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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.
Topic: 02-33 Tuning into the multichannel universe

116. 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.

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-03 Increasing industry concentration

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

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

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Explore various trends that are shaping today's retailers.
Topic: 02-01 Growing Diversity of Retail Formats

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

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.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-11 Specialty stores

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

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.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-02 Compare and contrast the different types of retailers.
Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.
Topic: 02-13 Department stores

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