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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management |
| **Course Title: Retail Marketing, (Course Code: MKTX0503)**  **End-Term Examination, Term - V (Batch 2021-23) (February, 2023)** | |
| **Time Duration : 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *Marks against each question is indicated to its right.*
3. *Answer all the questions of a ‘Section/Question’ at one place in continuation.*
4. *Answers should be brief and to the point.*
5. *Do not write on the question paper except your roll number.*

**SECTION - A**

**Q1.** You are the store manager for the newly opened concept store of Pepper Fry. The store caters to high-income group professionals who are techno-savvy and affluent. How will you promote the store among your TG? (**Marks 10**)

**Q2**. Store layout and ambiance is one of the key elements of the retail mix. As a store manager, how will you ensure customer convenience and retention while designing the store layout? Give examples to support your answers. **(Marks 10)**

**Q3.** If you were considering the ownership of a Toca Bell franchise, what would you want to know about the location in terms of traffic, population, income, employment, and competition? What else would you need to research about a potential location? (**Marks 10**)

**SECTION – B Case Analysis**

**Abercombie & Fitch and American Eagle Compete for 18- to 22- Year- Olds**

Jennifer Shaffer, a 19-year-old college student living in Cupertino, California, used to shop at Abercrombie & Fitch (A & F) once a month. She thought the prices were high, but the brand name and image appealed to her. As she says, "it’s, like I really had to have Abercrombie." Then, an American Eagle (AE) store opened about 15, minutes from her home. "They look the same, and they’re both really cute," she says. "But American Eagle's prices are a little cheaper"'

Both A&F and AE are still growing into their present strategy of selling casual apparel to the teen/ college market. When A&F was established as an outdoor sporting goods retailer over 100 years ago, it sold the highest-quality hunting, fishing, and camping goods. It also outfitted some of the greatest explorations in the early part of the 20th century, including Robert Perry's expedition to the North Pole and Theodore Roosevelt's trips to the Amazon and Africa.

0ver time, its safari image became less attractive to consumers. The chain experienced a significant decline in sales and profits, and n I977 it was forced to declare bankruptcy. the company, initially acquired by Oshman Sporting Goods. did not experience a turnaround until The Limited Inc. acquired it in l988' Initially' The Limited positioned A&'F as a tailored clothing store for men. ln 1995, ln\* Limited repositioned A&F to target both men and women in the teen and college market, with an emphasis on casual American style and worth.

In 1999, The Limited (now Limited Brands) sold A&F. Now A&F operates 340 Abercrombie & Fitch stores, 205 Abercrombie kids stores, 507 Hollister Co. stores, and 16 Gilly Hicks (personal care product and intimate apparel) stores in the United States, as well as four Abercrombie & Fitch, eight Hollister Co. and two Abercrombie Kids stores internationally, Furthermore. A&F offers its merchandise online at Abercrombie. Com, and gillyhicks.com.

American Eagle, although lacking the rich tradition of A&F, also was positioned as an outfitter when it started in l977. Initially offering apparel only for men, A.E. shifted its focus to teens and college students in 1995. Its merchandise includes jeans, graphic T-shirts, accessories, outerwear, footwear, and swimwear" American Eagle operates about 938 stores in; the United States and Canada. The retailer also operates ae.com, which offers additional sizes and styles online. Under the aerie brand name, AE offers a collection of dorm wear and intimate apparel, available in 137 aerie stores, in AE stores, and at aerie.com,

Even though A.F. and AE have evolved from their roots, their apparel still features an outdoor, rugged aspect. Both retail chains carry a similar assortment of polos, pants' T-shirts' shorts, jeans, outerwear, and sweaters All the apparel and accessories at both chains appear under the stores’ private-label brand. The lvy League- sportswear-inspired merchandise aims to fit the tire campus lifestyle of its target customer.

Abercrombie.com first drew Jennifer to an A&F store a couple of years ago. She recalls browsing the Web site with some girlfriends and looking at the muscular young men featured at the site. This young and sexy image is enhanced by store signage featuring scantily clad lacrosse players and young beachgoers.

Even though A&F devotes its advertising and marketing resources to reaching college-age consumers (18- to 22- years- old), many younger teenagers also patronize its stores. The company thus faces concerns that the image of its stores will suffer if they become a hangout for teenagers. The development of the Hollister chain. which targets I4- to 18-year- old students, represents one of its responses to preserve the A&F image while also catering to the growing teenage market.

Hollister stores are unique. The merchandise is 20 to 30 percent less expensive than A&F's merchandise, and the styling features brighter colors and larger logos. However, many teenagers fail to recognize the subtle differences. They contend that it is essentially the same merchandise except at lower prices.

Furthermore, Hollister stores are roughly 2,000 square feet smaller than A&F stores, and the store design is completely distinct. Whereas A&F stores still convey outdoor ruggedness in their decor, Hollister stores present a California beach-inspired theme. The retailer wants customers to feel as though they are part of a beach party. This casual atmosphere provides young consumers with an enjoyable shopping experience, as the decor inspires and evokes memories of hot summer days at any time of the year.

**Q4.** (a) What, if any, are the differences in A&F’s and AE’s retail strategies? **(Marks 5)**

(b) Which retailer(s) has (have) the stronger competitive position? **(Marks 5)**