GUJARAT TECHNOLOGICAL UNIVERSITY
MBA– SEMESTER –3-EXAMINATION – WINTER-2023

Subject Code:4539291   **Date: 04-12-2023**
Subject Name: Retailing and Franchising
Time:10:30 AM TO 1:30 PM   **Total Marks: 70**

Instructions:
1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q. No.	Question Text and Description	Marks
Q.1	Define the following terms:	14
	(a) Assortment Merchandise	
	(b) Visual merchandising	
	(c) Franchisee	
	(d) Planogram	
	(e) Primary and Secondary Trade Area	
	(f) Category captain	
	(g) Non-Store Retailing	

Q.2	(a)	Explain in brief the concept of retailing. Also discuss the classification of retail stores with suitable examples.	07
	(b)	Differentiate multichannel and omni-channel retailing along with example.	07
		OR	
	(b)	Define private labels. Also explain how it can be used as competitive advantage by a store.	07
Q.3	(a)	Explain advantages of franchising for franchisee and franchisor.	07
	(b)	Explain the process of strategic retail planning process.	07
		OR	
Q.3	(a)	Explain the concept of store layout. Also explain different types of store layout with their use in different retail stores.	07
	(b)	What is Visual merchandising? Explain various elements of Visual Merchandising.	07
Q.4	(a)	Explain the concept of Signage and Graphics. Also explain the types of Signage.	07
	(b)	Discuss in brief Franchise Disclosure Document.	07
		OR	
Q.4	(a)	What are the things that make for a good retail customer service experience.	07
	(b)	Discuss in brief various risks associated with a franchisor.	07

Q.5 **CASE STUDY:**

McDonald's is an example of brand franchising. Fast food chain McDonald's and one of its Indian joint venture partners, Connaught Plaza Restaurants (CPRL) led by Vikram Bakshi (Bakshi), which affected the fortunes of the fast food chain in the highly competitive Quick Service Restaurant (QSR) market in India. McDonald's, which entered the country in 1996, operated through two master franchisees, one a 50-50 joint venture with Bakshi called CPRL covering the northern and eastern parts of the country, and another with Hardcastle Restaurants Pvt. Ltd (HRPL) owned by Amit Jatia, covering the southern and western parts. In 2008, after more than 15 years of smooth operations during which McDonald's acquired a pan-India presence and became synonymous with fast food in the country, the partnership between Bakshi and McDonald's turned sour after McDonald's tried to buy out Bakshi's 50% stake. McDonald's contended that CPRL was not maintaining the required quality and had failed to pay royalties for two years. In 2013, Bakshi was ousted as the MD of CPRL, but he was reinstated in 2017 after the case was referred to the National Company Law Tribunal (NCLT). The tribunal also barred McDonald's from interfering in CPRL's operations. On August 21, 2017, McDonald's terminated the franchise agreement with CPRL for 169 restaurants operating across northern and eastern India. Bakshi, however, continued to run his outlets as he had earlier. As the impasse continued, competitors started gaining ground in the lucrative Indian QSR market. McDonald's posted a loss of Rs. 3.05 billion in the financial year ended December 2017. Moreover, the mass closure of the restaurants disappointed customers and affected the brand image of McDonald's in the country. Going forward, analysts feared that McDonald's could lose a long-term growth opportunity in India's rapidly growing QSR market if it did not sort out its problems soon.

(a) Understand the relationship between a franchisor and franchise, in light of the conflict between McDonald's and CPRL. **07**

(b) Evaluate the franchising business model as an effective strategy for business development in foreign markets **07**

OR

Q.5 (a) Analyze the impact of the crisis on McDonald's brand image. **07**

(b) Explore ways in which McDonald's could tackle its franchise dispute and revive its brand image in India **07**

****