



KING FAHD UNIVERSITY OF PETROLEUM & MINERALS  
College of Industrial Management  
Department of Management & Marketing



Second Semester 2007-2008 (072)  
MKT 340-01 & 02: Retailing Management  
Section 2

Major Examination 2

May, 2008

Time Allowed: 1 Hour

Name of Student: .....

Student's ID No.....

**GENERAL INSTRUCTIONS:** *The paper is divided into three sections (A, B and C). Participants are asked to attempt all questions in SECTIONS A and B for 10 Marks and select ONE question out of 2 for 10 Marks in SECTION C.*

**SECTION A:** *This section consists of multiple-choice questions. Attempt all questions for 5 marks*

1. The Retail Manager of Azizia Panda was asked to deliver a presentation to CIM students. During his presentation he talked about its target market, retail format and how the company intends to build a sustainable competitive advantage. In sum, what was he talking about?

- a) Retailing Concept
- b) Retail Format
- c) Retail Strategy
- d) Retail Market

2) \_\_\_\_\_ summarizes Geant Hypermarket's financial performance over a period of time.

- a) Net Sales
- b) Income Statement
- c) Gross Margin
- d) Strategic Profit Model

3) At the corporate level, which of the following critical input can well be managed to generate sales and profits at Aldo Stores?

- a) Merchandise inventory
- b) Price cuts
- c) Discounts
- d) Bigger warehouse

4) The small, temporary selling spaces typically located in walkways of Al Rashid Mall, Jeddah Airport and Dammam Train Station is called \_\_\_\_\_

- a) Freestanding Site
- b) Kiosks
- c) Strip Center
- d) Power Center

5) The following source(s) can help Saudi retailers develop a sustainable competitive advantage except

- a) Customer Service
- b) Price
- c) Location
- d) Vendor Relations

- 6) Why will it be difficult for any Saudi retailer to develop competitive advantage through the selling of general merchandise?
- a) Expensive to keep in warehouse
  - b) Competitors can purchase and sell the same products
  - c) Needs more sales people
  - d) Proper inventory management
- 7) Mixed Use Developments (MXDs) as retail local opportunity are popular with retailers these days because they\_\_\_\_\_
- a) are very expensive
  - b) have good parking space
  - c) bring in additional shoppers
  - d) have good visibility
- 8) What is the main advantage gained from locating in a freestanding site like eXtra Electronic Supermarkets in Al-Khobar?
- a) High rent
  - b) Ample parking for customers
  - c) Synergistic direct competition
  - d) Restrictive hours
- 9) \_\_\_\_\_ occurs when old buildings are restored, and the general downtown area is spruced up for retail activities.
- a) Trade Area
  - b) Gentrification
  - c) Understored
  - d) None of the above
- 10) What is the likely responsibility of shopping center managers like Al-Andalus Development & Marketing Co. Ltd in Saudi Arabia?
- a) make sure parking lot is well lit
  - b) maintain outdoor signage for the center
  - c) creating special events to attract customers
  - d) all of the above

**SECTION B:** This section consists of **True or False questions**. Attempt all questions for 5 marks

- 1) Establishing a sustainable advantage by a retailer is not a key to positive long-term financial performance
- a) True
  - b) False
- 2) Customer loyalty is more than simply liking one retailer over another.
- a) True
  - b) False
- 3) Another name for private label brand is national brand
- a) True
  - b) False
- 4) The use of store space is the only critical asset that can be controlled by store managers in order to enhance store operations productivity.
- a) True
  - b) False

- 5) Convenience stores generally do locate in neighborhood strip centers, freestanding spots and city and town locations
- a) True
  - b) False
- 6) Energy costs as a percentage of sales cannot be used to assess the performance of store manager
- a) True
  - b) False
- 7) Among all the diversification opportunities opened to retailers, related diversifications are considered the riskiest and often are not successful.
- a) True
  - b) False
- 8) While successful global retailers build on their core competencies, it is not necessary for them to recognize cultural differences and adapt core strategy to the needs of local markets.
- a) True
  - b) False
- 9) Culture values and government regulations cannot affect store operations.
- a) True
  - b) False
- 10) The selection of a location type does not necessarily reinforce the retailer's strategy.
- a) True
  - b) False

### **SECTION C: Essay Questions**

*Answer ONE (1) out of two (2) questions for 10 marks.*

*Note that credit will be given for good ideas and their development; organization and coherence; word choice; good sentences and paragraph; grammar and usage; and good conclusion.*

- 1a) What is a free standing site?
  - 1b) Discuss the advantages and disadvantages of choosing a free-standing site for a retail store
- 2) Identify and discuss any seven most important opportunities that retailers can use to develop sustainable competitive advantage.





