# JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

## PGDM/ PGDM(M)/PGDM (SM)

## FIFTH TRIMESTER (Batch 2024-26)

## END TERM EXAMINATIONS, JANUARY 2026

## SET-2

| Course Name | **Retail Marketing** | Course Code | **20126** |
|---|---|---|---|
| Max. Time | **2 hours** | Max. Marks | **40 MM** |

INSTRUCTIONS:

a. There are 5 questions. All questions are compulsory.
b. You are allowed to bring ONLY BASIC calculators to the examination hall. No scientific calculator is allowed.

## 1. Caselet: ZARA's Retailing Approach in a Fast-Fashion Context

ZARA, part of the Inditex Group, has built a strong presence in India through large, company-owned outlets situated in some of the country's most prominent shopping destinations. These outlets are typically located in premium malls and high-footfall urban zones, where fashion-conscious consumers frequently shop and explore new trends. The brand believes that being present in such environments reinforces its global image and attracts spontaneous walk-in traffic.

Inside these stores, customers notice that collections change rapidly. New designs appear on the shop floor every few weeks, while older styles disappear quickly, often without being replenished. Shoppers who delay purchase decisions frequently find that the same product is no longer available during their next visit. This fast rotation is not accidental—store teams regularly share customer reactions, size preferences, and style feedback with central teams, influencing what is produced and delivered next.

ZARA's products are priced above mass fast-fashion labels but remain accessible when compared to luxury brands. The brand rarely relies on frequent price reductions during the selling season. Instead, customers are encouraged to perceive value through trend relevance, design freshness, and limited availability rather than discounts.

The physical environment of ZARA stores is carefully curated. Spacious layouts, minimalist interiors, well-lit displays, and striking window presentations give the impression of a premium fashion boutique. Store layouts are refreshed frequently to reflect new arrivals, creating a sense of novelty and encouraging exploration.

Unlike many apparel brands, ZARA invests very little in traditional advertising. It does not depend heavily on television commercials or celebrity endorsements. Instead, the brand relies on the visibility of its stores, eye-catching window displays, rapid product introductions, and customer word-of-mouth to generate awareness and interest. Digital platforms are primarily used to support browsing and convenience rather than aggressive promotion.

Even as online fashion platforms grow rapidly and price-led competition intensifies, ZARA continues to place strong emphasis on its physical retail presence, believing that its overall approach to retailing offers a distinct advantage.

**Q1. Based on the above caselet, critically analyze ZARA's retail strategy mix with reference to location strategy, merchandise decisions, pricing approach, store atmosphere, and communication mix.** **8 marks**

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2. India is becoming a major growth market for luxury brands as the country sees a rise in young, affluent, and globally exposed consumers who are willing to spend on high-end products. Post-pandemic, luxury players such as Balenciaga, Valentino, and Galeries Lafayette are expanding their presence in India, planning large flagship stores to tap into this demand. Analysts consider this a "coming-of-age moment" for luxury in India, supported by expanding online access and omnichannel strategies that help reach consumers beyond major cities. However, success requires local cultural adaptation, price sensitivity awareness, and careful strategy to resonate with Indian consumers.

*Source*: https://www.vogue.com/article/inside-luxurys-coming-of-age-moment-in-india

Q2. Explain the key factors contributing to India's emergence as a luxury market. **8 marks**

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3. SPAR Hypermarket, operating in a metropolitan city, offers a wide range of products including groceries, household essentials, apparel, electronics, and seasonal merchandise. While daily essentials continue to witness steady demand, SPAR has observed slow sales movement in discretionary and seasonal categories, along with rising inventory holding costs. The hypermarket is also facing intense price competition from discount retailers and online platforms, and customer data indicates varying levels of price sensitivity across different segments. To stimulate sales, clear excess inventory, and remain competitive without damaging its long-term price image, SPAR Hypermarket is considering adjusting prices across selected categories, time periods, and customer segments.

**Q3. Evaluate the four different price adjustment strategies used by retailers to stimulate sales, manage demand, and respond to competition.** **8 marks**

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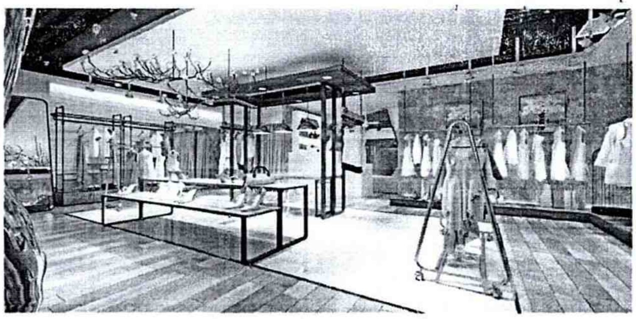
**Q4. Identify the store layouts below and discuss the advantages and disadvantages of both the layouts.** **4 + 4 marks**

A.

B. 

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5. **large supermarket chain.** did an analysis of customers' buying habits and found a statistically significant correlation between purchases of Energy drink. Instant Noodle. Ice -Cream and Phone charger. Each cell represents the **number of transactions in which the two items were purchased together**.

| | Energy Drink | Instant Noodles | Ice Cream | Phone Charger | Pain Relief |
|---|---|---|---|---|---|
| **Energy Drink** | 3 | 2 | 1 | 1 | 0 |
| **Instant Noodles** | 2 | 4 | 1 | 0 | 1 |
| **Ice Cream** | 1 | 1 | 3 | 0 | 0 |
| **Phone Charger** | 1 | 0 | 0 | 2 | 1 |
| **Pain Relief** | 0 | 1 | 0 | 1 | 2 |

**Q5. Explain market basket Analysis? Assess how can companies gain shoppers Insight using market basket analysis? As a result of the above finding, what should this company do for resulting in increased sales of all? 8 marks**

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END OF PAPER