

**SVKM's NMIMS' UNIVERSITY
SCHOOL OF DISTANCE LEARNING**

**Program (Semester) PGDBFM(III) / ADBFM(I)
Subject : Management of Retail Banking and Consumer Behavior**

Marks: 100

Time: 3 hrs.

(3.00 pm to 6.00 pm)

Date - 01.06.2009

Instruction: Candidates should read carefully the instructions printed on the question paper and on the cover of the answer Book, which is provided for their use.

NB:

- 1) Answer to each new question should be started on a fresh page.
- 2) Figures in brackets indicate full marks.

Q.1) Attempt any 2

Marks: 10

- a) Discuss external environment .
- b) Discuss the applications of life styled marketing.
- c) What is organizational buying behavior?
- d) What influence organizational buying?

Q.2) Write short notes on any 3

Marks: 15

- a) Maslow's Hierarchy of needs
- b) Relationship Marketing
- c) Concept of learning
- d) The psychoanalytic theory of Freud
- e) Consumer Buying roles

Q.3) Attempt any 3

Marks: 45

- a) Discuss internal marketing in details.
- b) Discuss consumer disputes redressal agencies.
- c) Discuss various stages of consumer decision Process.
- d) Discuss the theories behind a consumer behavior.
- e) Discuss the concept of market segmentation.

Q.4) Case Study

Marks: 30

Case -

Case study for

Management of Retail Banking & consumer Behaviour

Whole Foods Market versus FreshDirect.com

Whole Foods Market is a supermarket chain with less than two-hundred stores selling healthy, gourmet products such as organic vegetables, free-range poultry, foods without artificial ingredients or hydrogenated fats, and many environment-friendly products such as nonpolluting detergents and chlorine-free diapers. The company began in the 1970s as a natural-food store that catered to hippies. Through the purchase of small health-food stores in major cities, the company gained more exposure and access to distribution channels for natural foods. During the late 1980s and the 1990s, the company's growth was fueled by the upsurge in Americans' desire for healthy living and their interest in gourmet cooking. Whole Foods does very little advertising but receives constant free media exposure because it is often mentioned in popular TV series, praised by celebrities on talk shows, and featured in newspapers and magazines as a business success story. The company educates consumers about foods, provides recipes, and even arranges trips where customers meet with local fishermen. Its supermarket cashiers and stock personnel receive education about foods and earn above-average wages. Whole Foods' prices are significantly higher than products in traditional supermarkets because the keys to its profitability are higher-profit margins for products that traditionally yield slim margins, and much larger per-square-foot sales than those of conventional supermarkets. But, as the company's CEO pointed out, Americans spend far less of their income on food than other nations and that's why most of it doesn't taste very good; if they want to eat higher-quality foods, they have to pay for them. In 2005, Whole Foods stated its plans to double the number of its stores by 2015.

FreshDirect.com is an online grocer operating in New York City since 2002 that delivers both fresh and processed foods and other perishable and nonperishable groceries, ordered by customers online via user-friendly shopping list software. The fresh foods are prepared and the orders are assembled in a single facility, and the company uses computers and sophisticated, highly automated assembly and delivery tools. The orders are delivered to thousands of customers during specified "time windows," which are very difficult to keep because of New York's heavy and unpredictable traffic patterns. Learning from the mistakes of long-gone online grocers, the company offers a limited selection of products, but its meat and seafood orders are freshly prepared. FreshDirect has plans to expand even before becoming profitable. The keys to the company's success are increasing the number of its subscribers and ensuring that customers order consistently, reducing its operating costs through more powerful technology and automation, and maintaining the accuracy of the orders and the delivery periods. Generally, customers have been satisfied with the quality of the products, although occasionally, the quality of the meats, seafood, and fresh produce fell below the expectations of some customers. Unlike Whole Foods, FreshDirect does not specialize in organic foods but carries a line of such items and its prices are comparable and sometimes lower than those in conventional supermarkets.

Questions

1. "Although very different, Whole Foods and FreshDirect are both successful because they understand consumer behavior and effectively cater to customers' needs." Discuss this statement.

2. How do the emergence and operations of each company illustrate applications of the marketing concept?
3. Please identify, describe, and compare the challenges that each company faces as it tries to expand.