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1. Compared to other food retailers, convenience stores
 - A. Have higher food prices
 - B. Have a wide breadth and depth of merchandise
 - C. Benefit from the high margins of gasoline sales
 - D. Have less than 30% of their store devoted to food
 - E. Are experiencing slow growth in Asia

2. NAICS:
 - A. Is a number used to identify an item in a company's inventory
 - B. Is a classification scheme used by retailers in Canada to monitor after-tax profits
 - C. Is an on-package series of thick and thin lines readable by check-out scanners
 - D. Is a classification scheme where every North American business is assigned a 6-digit code
 - E. None of these

3. To compete against intrusions by other food retailing formats, conventional supermarkets are:
 - A. Targeting health-conscious consumers
 - B. Offering more private-label products
 - C. Emphasizing fresh perishables
 - D. Providing a better in-store experience
 - E. All answers provided are correct.

4. Mark's Work Warehouse (clothing retailer) carries sizes for small, average, and big men, but all sizes are not available in all their stores. What should Mark's do to communicate this message to their customers?
- A. They should advertise big men's merchandise on all of their newspaper supplements and commercials
 - B. They should train their sales associates to mention this when closing sales with each customer
 - C. A database should be developed of those who purchase merchandise for big men and then Mark's should market specifically to those shoppers
 - D. Mark's should actively advertise these assortments to competitors
 - E. Mark's should advertise this by featuring big men on their Holiday Catalogue
5. An example of brand image would be:
- A. Walmart's wide variety of merchandise
 - B. Holt Renfrew's focus on upper-class customers
 - C. Talbots' red doors saying "Always classic, never closed"
 - D. Sears men's casual apparel department
 - E. Old Navy's current fashion merchandise

6. Frank was shopping for electric fuses for his fuse box. Flash Hardware sold them for \$3.99 for a box of six, but when he went to the same retailer's website, he found the same set for \$2.99. Flash Hardware has a problem with:
- A. price consistency across channels
 - B. a pricing mistake by the store manager
 - C. a communication problem between channels
 - D. product consistency
 - E. depth of merchandise
7. Which of the following trends are changing the retail industry?
- A. Growing retailer concentration and power
 - B. Blurring boundaries among channels and formats
 - C. Growth in consumer data
 - D. Discriminating consumers
 - E. All answers provided are correct.
8. The spawning of new categories and retailers from supercentres to the Internet best demonstrates the:
- A. growing diversity of retail formats
 - B. necessity to focus on competition
 - C. necessity to go global with domestic retailers
 - D. need for training and development programs
 - E. tremendous need for better customer services

9. The greater the diversity of retail formats, the greater the:
- A. competition in the industry
 - B. level of service provided to customers
 - C. maturation in the domestic market
 - D. price points
 - E. variety within a format
10. The Canadian retail marketplace is dominated by a small number of large retailers—which term does this describe?
- A. diversity
 - B. globalization
 - C. concentration
 - D. Americanization
 - E. development
11. A fundamental way to describe and distinguish between retailers is their retail mix. Which of the following is an element of that retail mix?
- A. The type of merchandise sold
 - B. The price of the merchandise
 - C. The level of service provided to customers
 - D. The assortment of merchandise sold
 - E. All answers provided are correct

12. The dominant department stores in Canada are:

- A. Sears, Holt Renfrew, and Hudson's Bay
- B. Hudson's Bay, Sears, and Loblaws
- C. Sears, Holt Renfrew, and Future Shop
- D. Target and Sears
- E. Hudson's Bay, Target, and Walmart

13. Retailers compete with each other on:

- A. format
- B. variety
- C. assortment
- D. customer services
- E. All answers provided are correct.

14. Because the only merchandise category at the Futon Shop is double-sized futons, the Futon Shop can be said to have no:

- A. inventory control
- B. need for customer service
- C. product depth
- D. shrinkage
- E. variety

15. Each different item of merchandise in a retail store is called a/an:

- A. consumer offering
- B. store counted item (SCI)
- C. stored and keyed unit (SKU)
- D. stock keeping unit (SKU)
- E. economic unit

16. Pinch-A-Penny sells a variety of pool maintenance supplies including filters, chemicals, lights, skimmers, and pool toys. Pinch-A-Penny can be said to have:

- A. supply standard
- B. complete retail offering
- C. breadth of merchandise
- D. retail mix
- E. depth of merchandise

17. Variety is often referred to as the:

- A. store's supply standard
- B. complete retail offering
- C. breadth of merchandise
- D. retail mix
- E. depth of merchandise

18. Depth of merchandise is often referred to as the:

- A. variety
- B. complete retail offering
- C. number of items within each product line
- D. object of the buy
- E. retail mix

19. My Favourite Quilt Shop carries quilting thread of every brand, colour and strength in cotton and poly-cotton blends. With reference to quilting threads, My Favourite Quilt Shop has:

- A. broad variety
- B. deep assortment
- C. good customer base
- D. little shrinkage
- E. few SKU's

20. Isaac's Men's Store stocks 322 different styles and colours of ties. This assortment of ties can be referred to as Isaac's:

- A. store's supply standard
- B. complete retail offering
- C. breadth of merchandise
- D. retailer mix
- E. depth of merchandise

21. The Home Depot offers customers a huge selection of home improvement merchandise. As a result inventory investment:
- A. increases because of the increase in demand in the home improvement industry
 - B. increases because they have to carry backup stock for each SKU
 - C. increases because of the value of the assortment
 - D. decreases because of the increase of the customer base
 - E. decreases because of the introduction of backup stock
22. Which of the following is a self-service food store offering groceries, meat, and produce with limited sales of nonfood items?
- A. Big-box food retailer
 - B. Convenience store
 - C. Conventional supermarket
 - D. Superstore
 - E. All answers provided are correct.
23. Which of the following can be purchased at a hypermarket?
- A. Electronics
 - B. Sports equipment
 - C. Photographic film development
 - D. Hotdogs and luncheon meat
 - E. All answers provided are correct.

24. Al is the office manager for a large travel agency. He is responsible for maintaining the office supplies and works within a budget. This month, he needs to restock the agency's #10 envelopes, ball-point pens, coffee, sweetener and plastic spoons. Where's the best place for him to shop?

- A. Loblaws
- B. Office Depot
- C. Costco
- D. 7-Eleven
- E. Zellers

25. Warehouse clubs:

- A. have high margins
- B. spend on visual displays
- C. sell merchandise in a no-frills atmosphere
- D. have low turnover
- E. provide extensive customer service

26. Which of the following statements about warehouse clubs is true?

- A. Warehouse clubs only sell to ultimate consumers.
- B. Warehouse clubs have a category specialist format.
- C. Warehouse clubs typically have high inventory holding costs.
- D. Warehouse clubs have simple interiors and concrete floors.
- E. Warehouse clubs have extensive merchandise depth.

27. The primary issue facing supermarket and convenience store retailers today is:

- A. corporate development racing to catch up to store level
- B. downsizing of middle management
- C. expiration dates on perishables
- D. increasing level of competition from other types of retailers
- E. price wars

28. What is one way a convenience store can develop a sustainable advantage against competition?

- A. Close less convenient locations
- B. Extend hours of operation
- C. Nothing: convenience stores are becoming extinct
- D. Open more stores
- E. Sell prepared meals

29. Target and Walmart are examples of:

- A. convenience stores
- B. department stores
- C. discount stores
- D. specialty stores
- E. variety stores

30. To respond to a competitive environment, discount retailers are fighting back by:

- A. developing more private-label merchandise programs
- B. focusing on promotional pricing rather than the traditional EDLP strategy
- C. increasing assortments
- D. offering better customer service on the floor
- E. reducing prices below wholesale

31. Which of the following statements about discount stores is true?

- A. They do not carry private-label merchandise.
- B. They have greater depth of merchandise than department stores.
- C. They typically carry more brands and sizes in each category than department stores.
- D. They tend to offer a broad variety of merchandise.
- E. All answers provided are true.

32. How did Target, in the U.S., become a major competitor in the discount retailer area?

- A. They developed the EDLP strategy.
- B. They utilize promotions unlike Walmart.
- C. Target researched and reacted to consumer trends by offering stylish merchandise, at low prices, that is unavailable elsewhere.
- D. Target targets the stay-at-home-mom segment of the population.
- E. All answers provided are correct.

33. H&M uses the philosophy of "disposable chic". This means:

- A. Consumers can dispose of their income at H&M
- B. The product line at H&M is recyclable.
- C. Its merchandise is so inexpensive it doesn't matter if it goes out of style quickly.
- D. It has a merchandise agreement with Gillette disposable razors.
- E. Its merchandise is considered "chic" in Sweden

34. Zara, a specialty store, produces how much of its own clothing line?

- A. less than 20%
- B. greater than 50%
- C. None
- D. 100%
- E. less than 40%

35. Category specialists:

- A. have little customer service
- B. are limited to clothing, office supply, pet supplies, and toy retailing
- C. rely on warranty sales to promote loyalty
- D. offer a narrow variety but deep assortment of merchandise
- E. compete directly with off-price retailers

36. Category specialists are sometimes called category killers because they:

- A. can destroy a category of merchandise for other retailers.
- B. are located at stand-alone sites.
- C. have a broad merchandise mix and shallow assortment.
- D. are often located in dying shopping malls.
- E. carry mainly technologically obsolete merchandise.

37. Rona and Home Depot are both category specialists for the home improvement industry. This means the stores:

- A. offer their customers narrow breadth and depth
- B. use quick-response inventory management systems
- C. have excellent after-the-sale service
- D. appeal to the mature consumers
- E. offer a narrow but deep assortment of merchandise

38. Category specialists in direct competition with each other typically compete on the basis of:

- A. advertising
- B. in-store promotions
- C. distribution strategies
- D. product variety and assortment
- E. cost of goods/retail price

39. Home improvement centres:

- A. advertise like discounters using EDLP strategy
- B. use quick-response inventory management systems
- C. are a type of specialty store
- D. offer equipment and material for the do-it-yourself projects
- E. All answers provided are correct.

40. As a result of increased competition, the category specialist sector is:

- A. closing stores.
- B. differentiating on customer service.
- C. opening stores on an as-per-needed basis.
- D. re-evaluating management selection.
- E. requiring suppliers to give them allowances until the economy improves.

41. A retailer that carries a broad variety and deep assortment of stock, offers customer services, and are organized into separate departments for displaying merchandise is called a:

- A. category killer
- B. department store
- C. discount retailer
- D. home improvement centre
- E. specialty retailer

42. Which of the following is an example of a department store?

- A. Chapters
- B. Future Shop
- C. Hudson's Bay
- D. Mark's Work Wearhouse
- E. Home Hardware

43. Which of the following categories would you most likely not see in a department store?

- A. Accessories
- B. Home furnishings
- C. Kitchenware
- D. Toys
- E. Women's apparel

44. All of the following are commonly leased departments in department stores except:

- A. beauty salons
- B. appliances
- C. photography studios
- D. jewellery
- E. pharmacies

45. Specialty stores that concentrate on health and personal grooming merchandise are:

- A. closeout retailers
- B. off-price retailers
- C. direct-mail retailers
- D. discount stores
- E. drugstores

46. Which of the following offers drive-through windows as a response to competition from discounters and grocery stores?

- A. Big-box retailers
- B. Category specialists
- C. Drugstores
- D. Kiosks
- E. Specialty shops

47. Off-price retailers:

- A. offer a consistent assortment of soft goods at low prices.
- B. give cash refunds.
- C. offer gift wrapping services.
- D. sell brand-name and even designer-label merchandise at reduced prices.
- E. require suppliers to give them a variety of allowances and discounts.

48. Last March Julie went shopping at a _____ and found leather coats for \$45, name-brand tubes of lipstick for \$1, and 10 cans of cat food for \$2.00. When she returned this week, there was no lipstick or cat food, but she did find a 10-gallon aquarium for \$8.00 and a plastic lawn chairs for \$12.

- A. factory outlet
- B. specialty price store
- C. closeout retailer
- D. warehouse retailer
- E. wholesaler outlet

49. The two types of off-price retailers are:

- A. outlet and closeout stores
- B. value retailers and closeout stores
- C. closeout and value stores
- D. warehouse clubs and closeout stores
- E. outlet stores and warehouse clubs

50. Manufacturers view their outlet stores as advantageous over selling to other off-price retailers because:

- A. it allows them some control over where their branded merchandise is sold
- B. they do not have to work with buyers of other companies
- C. they are interested in by-passing traditional retailers and wholesalers and sell direct to the consumer
- D. they do not have to offer rock-bottom prices
- E. All answers provided are correct.

51. Kelly is a primary school teacher. She needed some small gifts for her students. She was pleased when she went in A Buck or Two and found she could buy colouring books, plastic scissors, pencil bags, puzzles, and games all priced at \$1.00 each. A Buck or Two is an example of a:

- A. value retailer
- B. general merchandise retailer
- C. specialty retailer
- D. price killer
- E. price specialist

52. The retail format in which the retailers communicate with customers and offer products and services for sale over the Internet is called:
- A. catalogue retailing
 - B. computerized shopping
 - C. direct selling
 - D. electronic retailing
 - E. television home shopping
53. The non-store retail format in which the retail offering is communicated to a customer through a catalogue is called:
- A. catalogue retailing
 - B. electronic retailing
 - C. Internet marketing
 - D. media-oriented retailing
 - E. direct-mail retailing
54. Which of the following best describes the target market for catalogue and direct-mail retailers?
- A. people who live in rural communities
 - B. members of a pyramid network
 - C. people who do not enjoy in-store shopping
 - D. people who enjoy the convenience of shopping by catalogue
 - E. people who mostly shop department stores

55. The main difference between direct-mail retailers and catalogue retailers is that direct-mail retailers are:

- A. businesses that have low start-up costs
- B. consistent with catalogue retailers in that they maintain long-term relationships
- C. highly involved in database management
- D. primarily interested in a single sale from a specific mailing while catalogue retailers maintain relationships with customers over time
- E. usually considered junk mail and are discarded

56. Direct selling:

- A. is a highly interactive form of retailing
- B. most often takes place in the home
- C. is mainly performed by independent agents
- D. can be done over the telephone
- E. All answers provided are correct.

57. Where are most direct sales made?

- A. Via a computer connection
- B. At street festivals and craft shows
- C. Over the phone
- D. On the job site
- E. Face-to-face, in a home

58. A _____ develops when a firm's marketing program is designed to sell merchandise and services to other distributors rather than to retail customers.

- A. multilevel network
- B. general merchandise retailer
- C. party plan
- D. pyramid scheme
- E. commission

59. In a multilevel network, master distributors:

- A. recruit other people to become distributors in their network
- B. are responsible for training the salespeople they recruit
- C. may receive a commission on all merchandise purchased by the distributors in their network
- D. sell to customers in their network
- E. All answers provided are correct.

60. When multilevel direct selling becomes a pyramid scheme:

- A. typical annual sales of products often double
- B. the salespeople are no longer independent agents
- C. little merchandise is sold to end users
- D. the selling format is usually franchised
- E. the use of the party plan becomes more commonplace

61. Infomercials:

- A. are 60-seconds commercials
- B. do not usually solicit orders
- C. use testimonials rather than demonstrations to sell products
- D. are not shown on cable television
- E. are 30-minutes commercials

62. Ben saw a half-hour TV show with George Foreman on it. During the show Foreman was showing how to prepare a variety of foods so that they would be totally fat-free. Each item was prepared using a special cooker. During the show the TV audience were given several opportunities to buy the cooker. Ben was watching:

- A. direct selling
- B. an infomercial
- C. a sales promotion
- D. outbound telemarketing
- E. interactive electronic retailing

63. Martina was watching a Made-for-Television Movie on the Life Channel when she saw an ad for a series of books for people who want to save money on home repairs. She called and ordered the book on plumbing that was first in the series. Martina responded to:

- A. direct selling
- B. an infomercial
- C. direct-response advertising
- D. outbound telemarketing
- E. interactive electronic retailing

64. The major advantage of TV home shopping compared to catalogue retailing is:

- A. its ability to create time and place utility
- B. customers can see the merchandise being demonstrated on TV
- C. the easy return policy for unsatisfactory products
- D. its ability to schedule when certain types of merchandise will be shown
- E. the lack of federal regulation of the medium

65. When compared to catalogue retailing, TV home shopping has which of the following disadvantages?

- A. The customer's inability to look at products when they want to
- B. The customer's ability to watch products being demonstrated
- C. The difficulty inherent in returning unsatisfactory products
- D. The ability to schedule when certain types of merchandise will be sold
- E. The lack of federal regulation of the medium

66. The most common purchases from vending machines are:
- A. ice
 - B. airplane insurance
 - C. condoms
 - D. beverages and snack food
 - E. cigarettes
67. What do WestJet (airline), Four Seasons (hotel chain), Century 21 (real estate company), and Rogers Video (video outlet) have in common?
- A. These retailers have established long-term relationships with their manufacturers.
 - B. They are all examples of off-price retailers.
 - C. They sell tangible products.
 - D. They are all examples of service retailers.
 - E. They have high operating margins due to the size of their inventories.
68. How can a service retailer best cope with the some of the problems associated with the intangibility of service?
- A. Use low prices during off-seasons to help match supply and demand.
 - B. Use mass production.
 - C. Emphasize quality control.
 - D. Solicit customer evaluations and complaints.
 - E. Increase staffing at peak demand times.

69. Due to the _____ of services, service retailers like Disney, Famous Players, and Air Canada sometimes find it difficult to match supply and demand.

- A. intangibility
- B. perishability
- C. inconsistency
- D. consumability
- E. compatibility

70. Why do movie theatres sell tickets for an afternoon showing at a lower price than the 7 p.m. showing of the same movie?

- A. To deal with the incompatibility characteristic of services
- B. To make sure the service offered is consistent
- C. To deal with the intangible characteristic of services
- D. To deal with the perishability of services
- E. To minimize inventory losses

71. How can a service retailer best cope with the problems associated with the inconsistency of service?

- A. Use low prices during off-seasons to help match supply and demand.
- B. Use mass production.
- C. Emphasize quality control.
- D. Train, manage, and motivate service providers.
- E. Increase staffing at peak demand times.

72. Which of the following describes an advantage that independent, single-store establishments have over other forms of ownership?
- A. Economies of scale
 - B. Very low set-up costs
 - C. Bureaucratic operation
 - D. Ability to respond almost immediately to market changes
 - E. Distribution efficiency
73. A company operating multiple retail units under common ownership and usually has centralized decision making for defining and implementing its strategy is called a:
- A. franchise
 - B. full-line discount stores
 - C. retail chain
 - D. single-store establishment
 - E. wholesale-sponsored voluntary cooperative group
74. Typically, large retail chains:
- A. are completely decentralized
 - B. encourage their store managers to be flexible and creative
 - C. have efficient distribution systems
 - D. have lower total fixed costs than other forms of ownership
 - E. are very flexible in their responses to the unique needs of their local markets

75. In a franchise contract, the franchisor:

- A. makes sure all franchise outlets provide the same quality of service and products
- B. agrees to operate a franchise outlet in accordance with procedures prescribed in the contract
- C. agrees to pay a royalty to the franchisee
- D. is given permission to use a franchise name and format
- E. All answers provided are correct.

76. In a franchise contract, the franchisee pays the franchisor a:

- A. bonus if the sales quota is achieved
- B. lump sum plus a royalty on all sales
- C. start-up costs plus a monthly predetermined cash amount
- D. commission on all sales
- E. salary plus a variety of employee benefits

77. A retailer that sells merchandise and/or services through more than one channel is called a/an:

- A. computerized retailer
- B. direct seller
- C. electronic retailer
- D. multichannel retailer
- E. single-channel retailer

78. A multichannel retailer is one that:

- A. works with other retailers who are in the channel
- B. channels all assortments through the stores
- C. sells merchandise or services through more than one channel
- D. buys merchandise from multiple channels to sell in the stores
- E. is a combination of single-channel retailers

79. Which of the following retailers is the best example of a multichannel retailer?

- A. Susan and Michael's Hair Salon
- B. eBay
- C. Sears
- D. The Keg restaurant
- E. 7-Eleven convenience stores

80. Which of the following is not a benefit of retail store channel shopping?

- A. Browsing
- B. Cash payment
- C. Personal service
- D. Personal safety
- E. Touch and feel products

81. Which of the following is a benefit of store channel shopping?

- A. The touch and feel of products
- B. Personal service
- C. The ability to make cash payments
- D. The ability to browse
- E. All answers provided are correct.

82. Margaret went to the mall on her lunch hour. While she was there, she witnessed a back-to-school fashion show in Target, saw an old friend, took a walk and watched the children play in the centre arena. What benefit of store shopping was Margaret enjoying?

- A. Detailed information
- B. Convenience
- C. Entertainment and social interaction
- D. Personal service
- E. Touch and feel products

83. Mobile device and smartphone retail application research indicates that smartphones:

- A. influence is expected to grow over the next few years, driven by advertisers' desire for greater market share
- B. are most likely to be used for store-related shopping when the customer is close to the point of making a purchase
- C. are used more in convenience stores than in any other retail format
- D. are rarely used in conjunction with retailer's apps
- E. none of these answers are correct

84. Multichannel retailers:

- A. want to encourage channel migration
- B. should avoid offering uniquely relevant information based on proprietary data that the retailer has collected about their customers
- C. should consider promoting private-label or exclusive merchandise that can be purchased only from them
- D. want to encourage consumers' collecting information about products and pricing on their channels and then buying the product from a competitor
- E. cannot respond to the challenge of differences in local competition

85. A/An _____ is a retailer that sells merchandise or services through more than one channel.

86. _____ are specialty stores that concentrate on health and personal grooming merchandise.

87. _____ offer an inconsistent assortment of brand-name, fashion-oriented soft goods at low prices.

88. _____ communicate with their customers using letters and brochures.

89. A/An _____ develops when the firm and its program are designed to sell merchandise and services to other distributors rather than to an end user.

90. A/An _____ consists of multiple retail units under common ownership that usually has some centralization of decision making in defining and implementing its strategy.

91. _____ refers to the number of different items in a merchandise category.

92. Which type of store is the most intense competitor for the discount store?

93. A hair salon that requires its operators to keep a database on each customer and include in that database what was done on each visit, customer likes and dislikes, and peculiar characteristics of the customer is trying to cope with which service characteristic?

94. Why do category specialists call themselves "category killers"?

95. What do Weight Watchers, Merrill Lynch, Federal Express, and U-Haul have in common?

96. What are some benefits to consumers from shopping in stores compared to catalogues or the Internet?

97. Differentiate between breadth of merchandise and depth of merchandise.

98. What are three issues retailers face when they want to integrate across multiple channels?

99. How do retailers adjust their pricing strategy because of the competition they face in different channels?

100. Department stores are diverse and can be categorized into 3 tiers. Describe each tier and give an example of a retailer (for each tier).

101. What are some of the primary reasons why a traditional retailer would evolve into a multichannel retailer?

102. What does a franchisor offer its franchisees?

103. Many people believe that department store retailing is on the decline. What are department stores doing in response to this?

104. Explain why it is so difficult to be successful in catalogue retailing.

2 Key

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Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #1

2. NAICS:

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Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #2

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- A. Targeting health-conscious consumers
 - B. Offering more private-label products
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Learning Objective: 02-02 Compare and contrast the different types of retailers.

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Levy - Chapter 02 #3

4. Mark's Work Wearhouse (clothing retailer) carries sizes for small, average, and big men, but all sizes are not available in all their stores. What should Mark's do to communicate this message to their customers?

- A. They should advertise big men's merchandise on all of their newspaper supplements and commercials
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Levy - Chapter 02 #4

5. An example of brand image would be:
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 - D. Sears men's casual apparel department
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Learning Objective: 02-02 Compare and contrast the different types of retailers.

Levy - Chapter 02 #5

6. Frank was shopping for electric fuses for his fuse box. Flash Hardware sold them for \$3.99 for a box of six, but when he went to the same retailer's website, he found the same set for \$2.99. Flash Hardware has a problem with:

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- B. a pricing mistake by the store manager
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Difficulty: Hard

Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.

Levy - Chapter 02 #6

7. Which of the following trends are changing the retail industry?

- A. Growing retailer concentration and power
- B. Blurring boundaries among channels and formats
- C. Growth in consumer data
- D. Discriminating consumers
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Accessibility: Keyboard Navigation

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Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #7

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- C. necessity to go global with domestic retailers
- D. need for training and development programs
- E. tremendous need for better customer services

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #8

9. The greater the diversity of retail formats, the greater the:

- A. competition in the industry
- B. level of service provided to customers
- C. maturation in the domestic market
- D. price points
- E. variety within a format

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #9

10. The Canadian retail marketplace is dominated by a small number of large retailers—which term does this describe?

- A. diversity
- B. globalization
- C. concentration
- D. Americanization
- E. development

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #10

11. A fundamental way to describe and distinguish between retailers is their retail mix. Which of the following is an element of that retail mix?

- A. The type of merchandise sold
- B. The price of the merchandise
- C. The level of service provided to customers
- D. The assortment of merchandise sold
- E. All answers provided are correct

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #11

12. The dominant department stores in Canada are:

- A. Sears, Holt Renfrew, and Hudson's Bay
- B. Hudson's Bay, Sears, and Loblaws
- C. Sears, Holt Renfrew, and Future Shop
- D. Target and Sears
- E. Hudson's Bay, Target, and Walmart

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Levy - Chapter 02 #12

13. Retailers compete with each other on:

- A. format
- B. variety
- C. assortment
- D. customer services
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #13

14. Because the only merchandise category at the Futon Shop is double-sized futons, the Futon Shop can be said to have no:

- A. inventory control
- B. need for customer service
- C. product depth
- D. shrinkage
- E. variety

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #14

15. Each different item of merchandise in a retail store is called a/an:

- A. consumer offering
- B. store counted item (SCI)
- C. stored and keyed unit (SKU)
- D. stock keeping unit (SKU)
- E. economic unit

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #15

16. Pinch-A-Penny sells a variety of pool maintenance supplies including filters, chemicals, lights, skimmers, and pool toys. Pinch-A-Penny can be said to have:

- A. supply standard
- B. complete retail offering
- C. breadth of merchandise
- D. retail mix
- E. depth of merchandise

Variety is often referred to as breadth of merchandise.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #16

17. Variety is often referred to as the:

- A. store's supply standard
- B. complete retail offering
- C. breadth of merchandise
- D. retail mix
- E. depth of merchandise

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #17

18. Depth of merchandise is often referred to as the:

- A. variety
- B. complete retail offering
- C. number of items within each product line
- D. object of the buy
- E. retail mix

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #18

19. My Favourite Quilt Shop carries quilting thread of every brand, colour and strength in cotton and poly-cotton blends. With reference to quilting threads, My Favourite Quilt Shop has:

- A. broad variety
- B. deep assortment**
- C. good customer base
- D. little shrinkage
- E. few SKU's

Assortment is the number of different items in a category.

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #19

20. Isaac's Men's Store stocks 322 different styles and colours of ties. This assortment of ties can be referred to as Isaac's:

- A. store's supply standard
- B. complete retail offering
- C. breadth of merchandise
- D. retailer mix
- E. depth of merchandise**

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #20

21. The Home Depot offers customers a huge selection of home improvement merchandise. As a result inventory investment:

- A. increases because of the increase in demand in the home improvement industry
- B. increases because they have to carry backup stock for each SKU**
- C. increases because of the value of the assortment
- D. decreases because of the increase of the customer base
- E. decreases because of the introduction of backup stock

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #21

22. Which of the following is a self-service food store offering groceries, meat, and produce with limited sales of nonfood items?

- A. Big-box food retailer
- B. Convenience store
- C. Conventional supermarket**
- D. Superstore
- E. All answers provided are correct.

This is the only selection where there are limited sales of nonfood items.

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #22

23. Which of the following can be purchased at a hypermarket?

- A. Electronics
- B. Sports equipment
- C. Photographic film development
- D. Hotdogs and luncheon meat
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #23

24. Al is the office manager for a large travel agency. He is responsible for maintaining the office supplies and works within a budget. This month, he needs to restock the agency's #10 envelopes, ball-point pens, coffee, sweetener and plastic spoons. Where's the best place for him to shop?

- A. Loblaws
- B. Office Depot
- C. Costco
- D. 7-Eleven
- E. Zellers

Although this merchandise could be purchased at all of the retailers, Costco would provide the most for the least amount of money. Being that the agency is large and on a budget, Costco would be the best selection.

Accessibility: Keyboard Navigation

25. Warehouse clubs:
- A. have high margins
 - B. spend on visual displays
 - C. sell merchandise in a no-frills atmosphere
 - D. have low turnover
 - E. provide extensive customer service

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #25

26. Which of the following statements about warehouse clubs is true?
- A. Warehouse clubs only sell to ultimate consumers.
 - B. Warehouse clubs have a category specialist format.
 - C. Warehouse clubs typically have high inventory holding costs.
 - D. Warehouse clubs have simple interiors and concrete floors.
 - E. Warehouse clubs have extensive merchandise depth.

Warehouse clubs are general merchandise retailers that sell to small businesses and ultimate consumers. They maintain low inventory holding costs because they carry a limited assortment of fast-moving items.

Accessibility: Keyboard Navigation

Difficulty: Medium

27. The primary issue facing supermarket and convenience store retailers today is:

- A. corporate development racing to catch up to store level
- B. downsizing of middle management
- C. expiration dates on perishables
- D. increasing level of competition from other types of retailers
- E. price wars

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #27

28. What is one way a convenience store can develop a sustainable advantage against competition?

- A. Close less convenient locations
- B. Extend hours of operation
- C. Nothing: convenience stores are becoming extinct
- D. Open more stores
- E. Sell prepared meals

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #28

29. Target and Walmart are examples of:

- A. convenience stores
- B. department stores
- C. discount stores
- D. specialty stores
- E. variety stores

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #29

30. To respond to a competitive environment, discount retailers are fighting back by:

- A. developing more private-label merchandise programs
- B. focusing on promotional pricing rather than the traditional EDLP strategy
- C. increasing assortments
- D. offering better customer service on the floor
- E. reducing prices below wholesale

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #30

31. Which of the following statements about discount stores is true?

- A. They do not carry private-label merchandise.
- B. They have greater depth of merchandise than department stores.
- C. They typically carry more brands and sizes in each category than department stores.
- D. They tend to offer a broad variety of merchandise.
- E. All answers provided are true.

Discount stores offer more variety and less depth than department stores. They typically carry fewer brands and sizes in each category than department stores. Some are selling private-label merchandise like Walmart's George brand.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #31

32. How did Target, in the U.S., become a major competitor in the discount retailer area?

- A. They developed the EDLP strategy.
- B. They utilize promotions unlike Walmart.
- C. Target researched and reacted to consumer trends by offering stylish merchandise, at low prices, that is unavailable elsewhere.
- D. Target targets the stay-at-home-mom segment of the population.
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

33. H&M uses the philosophy of "disposable chic". This means:

- A. Consumers can dispose of their income at H&M
- B. The product line at H&M is recyclable.
- C.** Its merchandise is so inexpensive it doesn't matter if it goes out of style quickly.
- D. It has a merchandise agreement with Gillette disposable razors.
- E. Its merchandise is considered "chic" in Sweden

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #33

34. Zara, a specialty store, produces how much of its own clothing line?

- A. less than 20%
- B.** greater than 50%
- C. None
- D. 100%
- E. less than 40%

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #34

35. Category specialists:

- A. have little customer service
- B. are limited to clothing, office supply, pet supplies, and toy retailing
- C. rely on warranty sales to promote loyalty
- D. offer a narrow variety but deep assortment of merchandise
- E. compete directly with off-price retailers

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #35

36. Category specialists are sometimes called category killers because they:

- A. can destroy a category of merchandise for other retailers.
- B. are located at stand-alone sites.
- C. have a broad merchandise mix and shallow assortment.
- D. are often located in dying shopping malls.
- E. carry mainly technologically obsolete merchandise.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #36

37. Rona and Home Depot are both category specialists for the home improvement industry. This means the stores:
- A. offer their customers narrow breadth and depth
 - B. use quick-response inventory management systems
 - C. have excellent after-the-sale service
 - D. appeal to the mature consumers
 - E. offer a narrow but deep assortment of merchandise

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #37

38. Category specialists in direct competition with each other typically compete on the basis of:
- A. advertising
 - B. in-store promotions
 - C. distribution strategies
 - D. product variety and assortment
 - E. cost of goods/retail price

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #38

39. Home improvement centres:

- A. advertise like discounters using EDLP strategy
- B. use quick-response inventory management systems
- C. are a type of specialty store
- D.** offer equipment and material for the do-it-yourself projects
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #39

40. As a result of increased competition, the category specialist sector is:

- A. closing stores.
- B.** differentiating on customer service.
- C. opening stores on an as-per-needed basis.
- D. re-evaluating management selection.
- E. requiring suppliers to give them allowances until the economy improves.

Accessibility: Keyboard Navigation

Difficulty: Hard

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #40

41. A retailer that carries a broad variety and deep assortment of stock, offers customer services, and are organized into separate departments for displaying merchandise is called a:

- A. category killer
- B. department store**
- C. discount retailer
- D. home improvement centre
- E. specialty retailer

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #41

42. Which of the following is an example of a department store?

- A. Chapters
- B. Future Shop
- C. Hudson's Bay**
- D. Mark's Work Wearhouse
- E. Home Hardware

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #42

43. Which of the following categories would you most likely not see in a department store?
- A. Accessories
 - B. Home furnishings
 - C. Kitchenware
 - D. Toys**
 - E. Women's apparel

Department stores are cutting back on the types of merchandise they carry. They are concentrating on apparel, accessories and soft home furnishings.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #43

44. All of the following are commonly leased departments in department stores except:
- A. beauty salons
 - B. appliances**
 - C. photography studios
 - D. jewellery
 - E. pharmacies

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #44

45. Specialty stores that concentrate on health and personal grooming merchandise are:
- A. closeout retailers
 - B. off-price retailers
 - C. direct-mail retailers
 - D. discount stores
 - E. drugstores

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #45

46. Which of the following offers drive-through windows as a response to competition from discounters and grocery stores?
- A. Big-box retailers
 - B. Category specialists
 - C. Drugstores
 - D. Kiosks
 - E. Specialty shops

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #46

47. Off-price retailers:

- A. offer a consistent assortment of soft goods at low prices.
- B. give cash refunds.
- C. offer gift wrapping services.
- D. sell brand-name and even designer-label merchandise at reduced prices.
- E. require suppliers to give them a variety of allowances and discounts.

Their assortment tends to be erratic—depending on what is available.

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #47

48. Last March Julie went shopping at a _____ and found leather coats for \$45, name-brand tubes of lipstick for \$1, and 10 cans of cat food for \$2.00. When she returned this week, there was no lipstick or cat food, but she did find a 10-gallon aquarium for \$8.00 and a plastic lawn chairs for \$12.

- A. factory outlet
- B. specialty price store
- C. closeout retailer**
- D. warehouse retailer
- E. wholesaler outlet

A closeout retailer is an off-price retailer that sells a broad but inconsistent range of merchandise.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #48

49. The two types of off-price retailers are:

- A. outlet and closeout stores**
- B. value retailers and closeout stores
- C. closeout and value stores
- D. warehouse clubs and closeout stores
- E. outlet stores and warehouse clubs

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

50. Manufacturers view their outlet stores as advantageous over selling to other off-price retailers because:

- A. it allows them some control over where their branded merchandise is sold
- B. they do not have to work with buyers of other companies
- C. they are interested in by-passing traditional retailers and wholesalers and sell direct to the consumer
- D. they do not have to offer rock-bottom prices
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #50

51. Kelly is a primary school teacher. She needed some small gifts for her students. She was pleased when she went in A Buck or Two and found she could buy colouring books, plastic scissors, pencil bags, puzzles, and games all priced at \$1.00 each. A Buck or Two is an example of a:

- A. value retailer
- B. general merchandise retailer
- C. specialty retailer
- D. price killer
- E. price specialist

Accessibility: Keyboard Navigation

Difficulty: Easy

52. The retail format in which the retailers communicate with customers and offer products and services for sale over the Internet is called:

- A. catalogue retailing
- B. computerized shopping
- C. direct selling
- D. electronic retailing
- E. television home shopping

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #52

53. The non-store retail format in which the retail offering is communicated to a customer through a catalogue is called:

- A. catalogue retailing
- B. electronic retailing
- C. Internet marketing
- D. media-oriented retailing
- E. direct-mail retailing

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #53

54. Which of the following best describes the target market for catalogue and direct-mail retailers?

- A. people who live in rural communities
- B. members of a pyramid network
- C. people who do not enjoy in-store shopping
- D. people who enjoy the convenience of shopping by catalogue
- E. people who mostly shop department stores

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #54

55. The main difference between direct-mail retailers and catalogue retailers is that direct-mail retailers are:

- A. businesses that have low start-up costs
- B. consistent with catalogue retailers in that they maintain long-term relationships
- C. highly involved in database management
- D. primarily interested in a single sale from a specific mailing while catalogue retailers maintain relationships with customers over time
- E. usually considered junk mail and are discarded

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #55

56. Direct selling:
- A. is a highly interactive form of retailing
 - B. most often takes place in the home
 - C. is mainly performed by independent agents
 - D. can be done over the telephone
 - E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #56

57. Where are most direct sales made?
- A. Via a computer connection
 - B. At street festivals and craft shows
 - C. Over the phone
 - D. On the job site
 - E. Face-to-face, in a home

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #57

58. A _____ develops when a firm's marketing program is designed to sell merchandise and services to other distributors rather than to retail customers.

- A. multilevel network
- B. general merchandise retailer
- C. party plan
- D. pyramid scheme
- E. commission

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #58

59. In a multilevel network, master distributors:

- A. recruit other people to become distributors in their network
- B. are responsible for training the salespeople they recruit
- C. may receive a commission on all merchandise purchased by the distributors in their network
- D. sell to customers in their network
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #59

60. When multilevel direct selling becomes a pyramid scheme:

- A. typical annual sales of products often double
- B. the salespeople are no longer independent agents
- C. little merchandise is sold to end users
- D. the selling format is usually franchised
- E. the use of the party plan becomes more commonplace

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #60

61. Infomercials:

- A. are 60-seconds commercials
- B. do not usually solicit orders
- C. use testimonials rather than demonstrations to sell products
- D. are not shown on cable television
- E. are 30-minutes commercials

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #61

62. Ben saw a half-hour TV show with George Foreman on it. During the show Foreman was showing how to prepare a variety of foods so that they would be totally fat-free. Each item was prepared using a special cooker. During the show the TV audience were given several opportunities to buy the cooker. Ben was watching:

- A. direct selling
- B. an infomercial**
- C. a sales promotion
- D. outbound telemarketing
- E. interactive electronic retailing

Infomercials are 30-minutes TV programs that mix product demonstrations with order solicitations.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #62

63. Martina was watching a Made-for-Television Movie on the Life Channel when she saw an ad for a series of books for people who want to save money on home repairs. She called and ordered the book on plumbing that was first in the series. Martina responded to:

- A. direct selling
- B. an infomercial
- C. direct-response advertising
- D. outbound telemarketing
- E. interactive electronic retailing

Direct-response advertising includes ads on TV that provide opportunities for customers to place orders for the products.

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #63

64. The major advantage of TV home shopping compared to catalogue retailing is:
- A. its ability to create time and place utility
 - B. customers can see the merchandise being demonstrated on TV**
 - C. the easy return policy for unsatisfactory products
 - D. its ability to schedule when certain types of merchandise will be shown
 - E. the lack of federal regulation of the medium

TV home shopping does not have the time and place utility of catalogue retailing. It is no easier to return products ordered from TV than from catalogues. TV is a highly regulated media.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #64

65. When compared to catalogue retailing, TV home shopping has which of the following disadvantages?
- A. The customer's inability to look at products when they want to**
 - B. The customer's ability to watch products being demonstrated
 - C. The difficulty inherent in returning unsatisfactory products
 - D. The ability to schedule when certain types of merchandise will be sold
 - E. The lack of federal regulation of the medium

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

66. The most common purchases from vending machines are:

- A. ice
- B. airplane insurance
- C. condoms
- D.** beverages and snack food
- E. cigarettes

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #66

67. What do WestJet (airline), Four Seasons (hotel chain), Century 21 (real estate company), and Rogers Video (video outlet) have in common?

- A. These retailers have established long-term relationships with their manufacturers.
- B. They are all examples of off-price retailers.
- C. They sell tangible products.
- D.** They are all examples of service retailers.
- E. They have high operating margins due to the size of their inventories.

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.

Levy - Chapter 02 #67

68. How can a service retailer best cope with the some of the problems associated with the intangibility of service?

- A. Use low prices during off-seasons to help match supply and demand.
- B. Use mass production.
- C. Emphasize quality control.
- D. Solicit customer evaluations and complaints.
- E. Increase staffing at peak demand times.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.

Levy - Chapter 02 #68

69. Due to the _____ of services, service retailers like Disney, Famous Players, and Air Canada sometimes find it difficult to match supply and demand.

- A. intangibility
- B. perishability
- C. inconsistency
- D. consumability
- E. compatibility

Perishability occurs because the creation and consumption of services is simultaneous.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.

Levy - Chapter 02 #69

70. Why do movie theatres sell tickets for an afternoon showing at a lower price than the 7 p.m. showing of the same movie?

- A. To deal with the incompatibility characteristic of services
- B. To make sure the service offered is consistent
- C. To deal with the intangible characteristic of services
- D. To deal with the perishability of services
- E. To minimize inventory losses

The difference in the price is to prevent under-or over-utilization of the services.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.

Levy - Chapter 02 #70

71. How can a service retailer best cope with the problems associated with the inconsistency of service?

- A. Use low prices during off-seasons to help match supply and demand.
- B. Use mass production.
- C. Emphasize quality control.
- D. Train, manage, and motivate service providers.
- E. Increase staffing at peak demand times.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.

Levy - Chapter 02 #71

72. Which of the following describes an advantage that independent, single-store establishments have over other forms of ownership?

- A. Economies of scale
- B. Very low set-up costs
- C. Bureaucratic operation
- D. Ability to respond almost immediately to market changes
- E. Distribution efficiency

Accessibility: Keyboard Navigation

Difficulty: Hard

Learning Objective: 02-07 Identify the types of ownership for retail firms.

Levy - Chapter 02 #72

73. A company operating multiple retail units under common ownership and usually has centralized decision making for defining and implementing its strategy is called a:

- A. franchise
- B. full-line discount stores
- C. retail chain
- D. single-store establishment
- E. wholesale-sponsored voluntary cooperative group

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-07 Identify the types of ownership for retail firms.

Levy - Chapter 02 #73

74. Typically, large retail chains:

- A. are completely decentralized
- B. encourage their store managers to be flexible and creative
- C. have efficient distribution systems
- D. have lower total fixed costs than other forms of ownership
- E. are very flexible in their responses to the unique needs of their local markets

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-07 Identify the types of ownership for retail firms.

Levy - Chapter 02 #74

75. In a franchise contract, the franchisor:

- A. makes sure all franchise outlets provide the same quality of service and products
- B. agrees to operate a franchise outlet in accordance with procedures prescribed in the contract
- C. agrees to pay a royalty to the franchisee
- D. is given permission to use a franchise name and format
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-07 Identify the types of ownership for retail firms.

Levy - Chapter 02 #75

76. In a franchise contract, the franchisee pays the franchisor a:

- A. bonus if the sales quota is achieved
- B. lump sum plus a royalty on all sales**
- C. start-up costs plus a monthly predetermined cash amount
- D. commission on all sales
- E. salary plus a variety of employee benefits

Accessibility: Keyboard Navigation

Difficulty: Hard

Learning Objective: 02-07 Identify the types of ownership for retail firms.

Levy - Chapter 02 #76

77. A retailer that sells merchandise and/or services through more than one channel is called a/an:

- A. computerized retailer
- B. direct seller
- C. electronic retailer
- D. multichannel retailer**
- E. single-channel retailer

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #77

78. A multichannel retailer is one that:
- A. works with other retailers who are in the channel
 - B. channels all assortments through the stores
 - C. sells merchandise or services through more than one channel
 - D. buys merchandise from multiple channels to sell in the stores
 - E. is a combination of single-channel retailers

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #78

79. Which of the following retailers is the best example of a multichannel retailer?
- A. Susan and Michael's Hair Salon
 - B. eBay
 - C. Sears
 - D. The Keg restaurant
 - E. 7-Eleven convenience stores

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #79

80. Which of the following is not a benefit of retail store channel shopping?

- A. Browsing
- B. Cash payment
- C. Personal service
- D. Personal safety
- E. Touch and feel products

The security in malls and mall parking lots is an important concern for shoppers. Non-store retail formats have an advantage over store-based retailers because customers can review merchandise from the safety of their own homes.

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #80

81. Which of the following is a benefit of store channel shopping?

- A. The touch and feel of products
- B. Personal service
- C. The ability to make cash payments
- D. The ability to browse
- E. All answers provided are correct.

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #81

82. Margaret went to the mall on her lunch hour. While she was there, she witnessed a back-to-school fashion show in Target, saw an old friend, took a walk and watched the children play in the centre arena. What benefit of store shopping was Margaret enjoying?

- A. Detailed information
- B. Convenience
- C. Entertainment and social interaction
- D. Personal service
- E. Touch and feel products

Accessibility: Keyboard Navigation

Difficulty: Easy

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #82

83. Mobile device and smartphone retail application research indicates that smartphones:

- A. influence is expected to grow over the next few years, driven by advertisers' desire for greater market share
- B. are most likely to be used for store-related shopping when the customer is close to the point of making a purchase
- C. are used more in convenience stores than in any other retail format
- D. are rarely used in conjunction with retailer's apps
- E. none of these answers are correct

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #83

84. Multichannel retailers:
- A. want to encourage channel migration
 - B. should avoid offering uniquely relevant information based on proprietary data that the retailer has collected about their customers
 - C. should consider promoting private-label or exclusive merchandise that can be purchased only from them
 - D. want to encourage consumers' collecting information about products and pricing on their channels and then buying the product from a competitor
 - E. cannot respond to the challenge of differences in local competition

Accessibility: Keyboard Navigation

Difficulty: Medium

Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.

Levy - Chapter 02 #84

85. A/An _____ is a retailer that sells merchandise or services through more than one channel.

multichannel retailer

Difficulty: Easy

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #85

86. _____ are specialty stores that concentrate on health and personal grooming merchandise.

Drugstores

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

87. _____ offer an inconsistent assortment of brand-name, fashion-oriented soft goods at low prices.

Off-price retailers

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #87

88. _____ communicate with their customers using letters and brochures.

Direct-mail retailers

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #88

89. A/An _____ develops when the firm and its program are designed to sell merchandise and services to other distributors rather than to an end user.

pyramid scheme

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #89

90. A/An _____ consists of multiple retail units under common ownership that usually has some centralization of decision making in defining and implementing its strategy.

retail chain

Difficulty: Easy

Learning Objective: 02-07 Identify the types of ownership for retail firms.

Levy - Chapter 02 #90

91. _____ refers to the number of different items in a merchandise category.

Assortment/Depth of merchandise

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #91

92. Which type of store is the most intense competitor for the discount store?

The category specialist.

Difficulty: Hard

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #92

93. A hair salon that requires its operators to keep a database on each customer and include in that database what was done on each visit, customer likes and dislikes, and peculiar characteristics of the customer is trying to cope with which service characteristic?

inconsistency

Difficulty: Easy

Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.

Levy - Chapter 02 #93

94. Why do category specialists call themselves "category killers"?

By offering a complete assortment in a category at low prices, category specialists can "kill" a category of merchandise for other retailers.

Difficulty: Easy

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #94

95. What do Weight Watchers, Merrill Lynch, Federal Express, and U-Haul have in common?

They are all examples of services retailers.

Difficulty: Easy

Learning Objective: 02-04 Review how services retailers differ from merchandise retailers.

Levy - Chapter 02 #95

96. What are some benefits to consumers from shopping in stores compared to catalogues or the Internet?

Browsing; touching and feeling products; personal service; paying cash; immediate gratification; entertainment and social experience.

Difficulty: Medium

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Levy - Chapter 02 #96

97. Differentiate between breadth of merchandise and depth of merchandise.

Breadth of merchandise refers to the number of different merchandise categories a retailer offers. Depth of merchandise refers to the number of different items in a merchandise category.

Difficulty: Medium

Learning Objective: 02-01 Explore various trends that are shaping today's retailers.

Levy - Chapter 02 #97

98. What are three issues retailers face when they want to integrate across multiple channels?

Centralized customer database, consistent brand image, merchandise assortment and pricing.

Difficulty: Medium

Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.

Levy - Chapter 02 #98

99. How do retailers adjust their pricing strategy because of the competition they face in different channels?

They may offer different prices in different channels.

Difficulty: Medium

Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.

Levy - Chapter 02 #99

100. Department stores are diverse and can be categorized into 3 tiers. Describe each tier and give an example of a retailer (for each tier).

The first tier includes upscale, high-fashion chains with exclusive designer merchandise and excellent customer service, such as Holt Renfrew in Canada and Nordstrom in the United States. Hudson's Bay represents the second tier of upscale department stores, in which retailers sell more modestly priced merchandise with less customer service. The value-oriented third tier—Sears Canada—caters to more price-conscious consumers.

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #100

101. What are some of the primary reasons why a traditional retailer would evolve into a multichannel retailer?

Several reasons include: The Internet gives them an opportunity to reach new markets; they can leverage their skills and assets to grow revenues and profits; an e-tail site overcomes some limitations of their traditional formats; an e-tailing site enables retailers to gain valuable insights into their customers' shopping behaviour; they have an opportunity for increasing their "share of wallet."

Difficulty: Medium

Learning Objective: 02-05 Explore how multichannel retailers provide more value to their customers.

Learning Objective: 02-06 Recognize the key success factors in multichannel retailing.

Levy - Chapter 02 #101

102. What does a franchisor offer its franchisees?

The franchisor provides assistance in locating and building the store, developing the products and/or services that will be sold, management training, and advertising. Additionally, the franchisor makes sure all outlets provide the same quality of services and products to maintain the reputation of the franchise.

Difficulty: Medium

Learning Objective: 02-07 Identify the types of ownership for retail firms.

Levy - Chapter 02 #102

103. Many people believe that department store retailing is on the decline. What are department stores doing in response to this?

Many department stores are lowering prices on some merchandise. Most are investing in the development of private labels brands. Certain departments are getting progressive face-lifts and Internet access is being added.

Difficulty: Medium

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #103

104. Explain why it is so difficult to be successful in catalogue retailing.

Catalogue retailing appears easy to manage as start-up costs are lower than say traditional bricks and mortar retailing. The reality is that it is challenging because catalogue retailers are competing against retailers that are multi-channelled. Mailing and printing costs are high and increasing. The time it takes to design, develop and distribute catalogues is too lengthy...catalogue retailers can't respond to trends and fashions fast enough.

Difficulty: Hard

Learning Objective: 02-02 Compare and contrast the different types of retailers.

Learning Objective: 02-03 Examine how retailers differ in terms of how they meet the needs of their customers.

Levy - Chapter 02 #104

2 Summary

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