

MBRM 4003

M.B.A. DEGREE EXAMINATION, JUNE 2014.

Fourth Semester

Retail Management

**RETAIL INFORMATION SYSTEM AND
E-RETAILING**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight questions.

1. Write the steps in marketing research process.
2. Explain the benefit of using bar codes for retailer.
3. Give detail note on B2C.
4. What are the integrated e-commerce support features in retail business?
5. Differentiate between traditional and electronic payment system.
6. Explain the steps involved in developing a typical e-commerce application.

7. Explain how a mobile payment system works.
8. Write various types of electronic payment systems.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

9. Explain the structure and components of retailer information system.
10. What are the components of a basic RFID system?
How is it useful to retailing?
11. Explain the role played by the privacy policy of an e-retailer.
12. What are the types of e-commerce software packages? Explain their utility.
13. What are the types of electronic payment systems?
Evaluate them based on their pros and cons.
14. Explain the importance of intellectual property rights protection in e-commerce.
15. Describe the role of usage analysis in e-commerce infrastructure development.
16. Discuss the strengths and weaknesses of different online marketing communication channels.

10 fulltime employees. Tran has expanded advertising to local television and gets good results from regular e-mails to existing customers. She has started to explore possible cross-promotional deals with other e-tailers such as florists and jewellers. Tran's "hobby" grossed more than \$6 million in 2004. "I never imagined I would be where I am today," she says.

The perfume bay is beautyencounter.com after eBay filed and won a suit claiming trademark infringement because of the 'generic bay' form of domain name.

(a) Comment on the e-commerce model adopted by Perfume Bay.

(b) Critically comment on Perfume Bay's e-retail strategy and the decision to shift to Yahoo! Small Business.

PART C — (1 × 20 = 20 marks)
Case Study – Compulsory

17. Her business, Perfume Bay, an online seller of perfume, body care products, and make-up products, grew out of a mom-and-pop retail store in downtown Los Angeles that was run by her parents, Vietnamese refugees. "They came here in 1980 with nothing and speaking no English," says Jacquelyn Tran, who was three-years-old when she arrived in California. "They worked odd jobs, and Mom helped out selling cosmetics and perfumes at a local swap meet."

After a couple of years they saved enough to set up a flea market booth for themselves. Then, in 1987, they opened up a bricks-and-mortar operation. "It was really scary for them," says Tran. "It was the first time they had ever signed a store lease. But they took the risk and it was a big success. It was the first cosmetics/perfume store to open in the area." Within a few years, the family had two more stores nearby.

Growing up, Jacquelyn spent many weekends and other off-hours working in the family business. "I loved handling the perfumes," she says. "It gave me a lot of experience working with shoppers and vendors." Her very adaptable and entrepreneurial parents not only learned English quickly, they also became fluent in Spanish, and attracted a large Latin clientele.

In the late 1990s, her parents sold one of the stores and her father opened a wholesale operation. Jacquelyn, fresh out of college at the University of California at Irvine and helping out in the wholesale operation, started to toy with the notion of setting up an Internet retailer. "It started out more as a hobby," she says. "I was just interested in the Internet and thought it would be a neat idea to have an Internet store."

Perfume Bay was born in her mind, but Tran had a lot of work to do. She researched extensively. She found very few perfume stores on the Web. Her parents didn't understand her quest, but encouraged her nonetheless. "They didn't know anything about it but said, 'If you think you can do it, go ahead.'" She had to find a Web designer and learn how to do business on line, collect money, fulfil orders. She wasn't very Internet savvy either and tried to get up to speed by researching and talking with designers of e-tail sites. "I wanted a nice, classy site for perfume lovers looking for hard-to-find items and discontinued brands," she says. She finally launched in 1999, but it would be two years before she would devote her full energies to the company. Not surprisingly, those first two years fell flat. "I made plenty of mistakes," says Tran. "Mostly about where to spend advertising money. I bought too many keywords. There were many search engines offering keyword buys that would give you priority when people did a search." These ads

didn't yield enough traffic and she wasn't getting many orders. She was still Perfume Bay's only employee.

Back at the drawing board, Tran decided that she would run her business as a Yahoo! store. Many of the services she needed were available through the company. They provide advertising and fulfillment help and the merchants on the site constitute a kind of community. She found a new designer, Synertech, who "really understood my business," she says. "It's really important for customers to be able to find products, add them to their shopping cart, and check out easily."

After the makeover, Tran noticed a quick increase in business. It has grown steadily, even spectacularly, ever since. By late 2003, Perfume Bay was doing so well that Jacquelyn convinced her parent to close their L.A. operations in favor of the online store. She found a 16,000-foot warehouse near the family's Huntington Beach home and set up there. Her father still runs the wholesale business and there's a modest retail store at the warehouse, but the bulk of the volume comes through the Internet. Tran's strategy is to carry a deep inventory. "We have something for everyone," she says. One of the most popular pages on her site is where customers can find newly launched fragrances. Another lets customers know about particularly hot products. "We have very loyal customers," says Tran, "and we try hard to give them what they want." Perfume Bay now has