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Passage No. 28

Directions: Read the following passage to answer the given questions based on it. Some words/phrases are printed in bold to help you locate them while answering some of the questions.

Organized retail has **fuelled** new growth categories-like liquid hand wash, breakfast cereals and pet foods in the consumer goods industry, accounting for almost 50% of their sales, said data from market search firm Nielsen. The figures showed some of these new categories got more than 40% of their business from modern retail outlets. The data also suggests how products in these categories reach the neighbourhood kirana stores after they have established themselves in modern trade.

While grocers continue to be an important channel, for the new and evolving categories we saw an increased presence of high-end products in modern trade. For example, **premium** products in laundry detergents, dishwashing, car air fresheners and surface care increased in availability through this format as these products are aimed at **affluent** consumers who are more likely to shop in supermarket/hypermarket outlets and who are willing to pay more for specialized products.

Some other categories that have grown exceptionally and now account for bulk of the sales from modern retail are frozen and ready-to-eat foods, pet food, diapers, pre-and post-wash products, hair conditioners and high-end shaving products, besides others. "With the evolution of modern trade, our growth in this channel has been healthy as it is for several other categories. Modern retail is an important part of our business" said managing director, Kellogg India.

What modern retail offers to companies experimenting with new categories is the chance to educate customers which was not the case with a general trade store. "Category creation and market development starts with modern trade but as more consumers start consuming this category, they **penetrate into other channels,**" said

President, food & FMCG category, Future Group - the country's largest retailer which operates stores like Big Bazaar.

But a point to note here is that modern retailers themselves push their own private brands in these very categories and can emerge as a big threat for the consumers goods and foods companies.

For instance, Big Bazaar's private label Clean Mate is hugely popular and sells more than a brand like Harpic in its own stores. "So, there is a certain amount of conflict and competition that will play out over the next few years which the FMCG companies will have to **watch out for**", said KPMG's executive director (retail).

In the past, there have been instances of retailers boycotting products from big FMCG players on the issue of margins, but as modern retail becomes increasingly significant for **pushing** new categories, experts say we could see more partnerships being forged between retailers and FMCG companies. "Market development for new categories takes time so brand wars for leadership and consumer franchise will be fought on the modern retail platform. A new brand can overnight compete with **established** companies by tying up with few retailers in these categories", President of Future Group added.

Questions:

- 1. Which of the following is being referred to as new growth category?**
 - A. Soap cake
 - B. Fresh fruits
 - C. Fresh vegetables
 - D. Liquid Hand-wash
 - E. Usual groceries

- 2. Which of the following is being referred to as modern retail outlet?**
 - A. Kirana Store
 - B. On-line Store
 - C. Door-to-door Selling

- D. Road-side Hawkers
 - E. Supermarket
- 3. Which of the following best conveys the meaning of the phrase, “watch out for” as used in the passage?**
- A. Demand justice
 - B. Avoid conflict
 - C. Be on the alert
 - D. Passively accept
 - E. Open for competition
- 4. Which of the following is being referred to as ‘certain amount of conflict’?**
- A. Retailers selling their own products with products of companies
 - B. Retailers selling similar products of different consumer companies
 - C. Offering differential rate of margin for different products
 - D. New products killing the old products
 - E. Different retailers selling same category of products
- 5. The new growth category products**
- A. reach first the neighbourhood Kirana shop and then the modern retail outlets
 - B. account for less than 20% of sales in organized retail
 - C. reach all the outlets almost at the same time
 - D. first become popular in modern trade outlets before reaching Kirana shops
 - E. are aimed at the poor section of the society
- 6. Which of the following is not true in the context of the passage?**
- A. Clean Mate is a product of an organized retailers
 - B. Some retailers don’t keep some products if the profit margin is not good
 - C. A new brand can never quickly displace an established brand
 - D. Kirana store still remains an important channel
 - E. In future there will be more partnerships between retailers and FMCG Companies

7. Which of the following categories has become very popular through sales from modern retail outlets?
- A. Frozen foods
 - B. Computers
 - C. Cell phones
 - D. Fresh fruits
 - E. Soft-drinks
8. Which class/section of people are more likely to shop in Hypermarket outlets?
- A. senior citizens
 - B. Younger generation
 - C. Rich consumers
 - D. Poor section
 - E. Women
9. Which of the following advantages do modern retail outlets provide for new categories of products as compared to general trade stores?
- A. Higher profit margins
 - B. Experimenting with new products
 - C. Competition with similar products
 - D. Better packing of the product
 - E. Products at much lower price
10. penetrate into other Channels.” Which of the following is being inferred to as Channels?
- A. Products
 - B. Companies
 - C. New products
 - D. Existing products
 - E. None of these
11. Choose the word which is most nearly the same in meaning to the word printed in BOLD, as used in the passage.

Fuelled

- A. Killed
- B. Conflicted
- C. Stimulated
- D. Contained
- E. Retained

12. Choose the word which is most nearly the same in meaning to the word printed in **BOLD**, as used in the passage.

Pushing

- A. Stalling
- B. Introducing
- C. Depressing
- D. Segregating
- E. Suggesting

13. Choose the word which is most nearly the same in meaning to the word printed in **BOLD**, as used in the passage.

Premium

- A. Superior
- B. Bonus
- C. Payable
- D. Promotional
- E. Distinguished

14. Choose the word which is most opposite in meaning of the word printed in **BOLD**, as used in the passage.

Established

- A. Small
- B. New
- C. Orthodox
- D. Modern
- E. Remaining

15. Choose the word which is most opposite in meaning of the word printed in **BOLD**, as used in the passage.

Affluent

- A. Affected
- B. Rural
- C. Uneducated
- D. Poor
- E. Younger



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Correct Answers:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
D	E	C	A	D	C	A	C	B	E	C	B	A	B	D



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