

MANAGEMENT PROGRAMME

Term-End Examination

December, 2012

01430

MS-612: RETAIL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

(Weightage : 70%)

Note : (i) Answer any three questions from Section A.

(ii) Section B is compulsory.

(iii) All questions carry equal marks.

SECTION-A

1. (a) What are the major activities performed by a retailer in the following situations :
 - (i) A multibrand footwear retailer.
 - (ii) Single brand/Exclusive retailer of white goods.
- (b) Define Marketing research and explain its significance in retail business.

2. (a) Outline the importance of Services retailing and explain what needs to be done to explore its full potential in India.
- (b) What are the different types of pricing approaches adopted by the retailers ? Comment on their advantages and limitations.

3.
 - (a) Discuss the role of Technology and its implications on retail business. Suggest precautionary measures to be considered while planning to adopt new technology in retail business.
 - (b) 'Merchandise Sourcing is at the core of every retail business.' Discuss the above statement and comment on the importance of sourcing activity in relation to other retail functions.

4. Write short notes on any three of the following :
 - (a) Wheel of Retailing.
 - (b) Consumer images of retail stores.
 - (c) Category
 - (d) Vendor relationship marketing
 - (e) Security issues in retailing

SECTION-B

5. Study the case given below and answer the questions at the end of the case.

Mani's Village Laundry Services

When Venu came to Bangalore on a salary of Rs. 15,000 a month, he realized he couldn't afford an apartment close to office. And even if he lived farther away, the rent and other costs were enough to deter him buying a washing machine. Washing clothes proved to be a hassle. "I used to be tired by the time I got home. And in the morning I had to leave early," he says. It was then he heard of Bright Laundry Service and since then has been a loyal customer.

It is for young people like Vishnu that Village Laundry Services (VLS) has become a success story in such a short time. The company, just a year old has grown from three stores nine month ago to twenty stores currently. "The idea is to change the way washing is done, and perceived", says Mr. Mani, CEO, VLS. A management graduate, Mani was earlier a brand manager handling leading detergent brands both in India and Singapore for almost eight years.

It was a tough call at that time to leave all of that and return to India. "I was in a good job with great pay, and in a fine place". He discussed the

idea with friends and family and finally pitched it to a leading venture capitalist who decided to invest \$ 1 million. Today, VLS offers affordable and high quality washing, drying and ironing services under the Bright brand. Bright booths, measuring 6 x 6 ft. use modern washing methods such as good quality detergents and high-efficiency, front-loading washing machines. This service is especially useful for students, young adults or lower income families.

The Bright booths are operated by an entrepreneur who is trained and mentored by VLS. This allows lower-income individuals to generate additional income to be self sufficient and improve their lives.

Compared with standalone laundry services or high-end laundry shops that charge by the garment, washing, drying and ironing at VLS comes at Rs. 50 for a kg making it widely affordable. By growing through kiosks of size 6 x 6 ft. Mani has been able to start shop literally anywhere, just like the neighbourhood dhobi. From 20 stores currently, the plan is to expand to two other locations within next couple of months, and scale up to 100 locations by December 2012. Subsequently, Mani plans to have 1000 kiosks in place. Revenues are now at Rs. 5 lakh a month,

and the target in the next three years is to be \$8 million company by revenues.

As Vishnu, takes his clothes freshly washed and ironed, he speaks for the new generation. "The fact that I am helping someone move forward in life by using Bright is quite fulfilling." For Mani, its lucrative business.

Questions :

- (a) Looking at the line of activity which is new and innovative can Bright sustain in the long run ? Justify.
 - (b) For the proposed expansion plans to materialize what are the other locations you would recommend and why ?
 - (c) Having identified the target market for this service offering, what is the scope of introducing loyalty programs in this kind of business ? Explain.
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