

MANAGEMENT PROGRAMME

Term-End Examination

June, 2012

00653

MS-612 : RETAIL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

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- Note :**
- (i) *Answer any three questions from Section A.*
 - (ii) *Section B is compulsory.*
 - (iii) *All questions carry equal marks.*
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SECTION-A

1. (a) Define retailing and elaborate its importance as a key contributor to the Indian economy.
(b) Discuss the various stages of consumer decision making and their impact on retail strategy, giving suitable examples.

2. (a) Outline the importance of locational decisions for an upcoming retail mall proposed to come up in your neighbourhood.
(b) Discuss the various factors that retailers should consider while planning their merchandise mix for their businesses.

3.
 - (a) What are loyalty programs ? What purpose do they serve to the customer and the retailer ?
 - (b) What do you understand by the term non - store retailing ? Discuss the various types of non - store retail formats currently in Jogue and their limitations.

4. Write short note on *any three* of the following :
 - (a) Emerging trends in retailing
 - (b) Performance Audit
 - (c) Positioning of a retail store
 - (d) Human Resource functions in retailing.
 - (e) Ethical standards.

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 months 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 6x6 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 6x6 ft Mani has been able to start shop literally anywhere, just like the neighborhood 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 a \$ 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) Ascertain the kind of pricing approach by Bright. Do you think the approach is appropriate in view of its proposed market penetration across different locations ? Substantiate.
 - (b) Suggest a suitable positioning for a retail store of this kind.
 - (c) Prepare a suitable promotion and communication mix for Bright.
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