K.J.SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH
Course : MMM – 2017 – 20 Batch – III Semester End Term Exam
Sub : RETAIL MANAGEMENT

Date of Exam : 22/11/2018   Time : 3 Hours   Marks: 50

Note : (i) Apply the theoretical framework for the case study
**   (ii) Quality and not Quantity will be given due weightage for Marks**

I. Attempt the following questions (Any 2)   (20 Marks)

1. Star Bazaar the chain of Hypermarkets from Tata Trent Ltd. in India, wants to introduce Exotic Ice Creams as a category in their Stores across India. If you are the SCM Manager who is given this responsibility, How would you plan the Supply Chain for the Category of Exotic Ice Creams ?

2. Mr. Deepak works as a Store Manager with Big Bazaar, the flagship Hypermarket of Future Group. Mr. Deepak is very hard-working and achieves his targets as per the Company's policies. One day Deepak noticed Ms. Shreya, the senior most CSA, was going hurriedly home after her shift got over. In that particular month i.e. February 2018, the store showed the Shrinkage percentage of 7% which was alarming and could eat into the store profitability and targets. Deepak, one day came late to the store after the closing hours at 11pm and to utter surprise saw the store shutter open, he immediately entered inside and saw the CSA i.e. Ms. Shreya along with the security guard of the store and he could make out that they were the culprits (Employee Theft) If you are Mr. Deepak, what sought of action would you take. Explain with relevant SOP's ?

3. Sainsbury's one of the biggest Retailers in UK wants to come to India, and they are planning to open 50 stores in the first phase across India. However, they are not aware of how to plan the strategy for their supermarket format. You are given the responsibility as the Head of Strategy to plan the entire Retail Marketing Strategy for their Stores. Illustrate and explain with the help of the Strategic Retail Planning Process how can you design a Strategy for Sainsbury's to be successful in India ?

II. Attempt any 2 out of the following Short Notes: (10 Marks)

    a) Big Box Retailing
    b) Grid Layout
    c) Copy Cats
    d) Store Atmospherics

III. Attempt the following Case Study (Compulsory)   (20 Marks)

The e-commerce space in India is growing with more and more people getting online every day, the internet has become the party everyone wants to attend. India's e-commerce market amounts

to about $14 billion as of 2012 and the online retail space comprises about 12.5% of this amount. The Indian consumer is slowly getting comfortable with the idea of using the net to buy goods, from books and electronics to clothes and shoes. And now online retail stores such as LocalBanya, Eemli, AaramShop, etc. are convincing customers to even purchase their groceries online and LocalBanya has been quite successful at it.

Starting out:

LocalBanya.com opened their metaphorical doors in May 2012. It sprang from the minds of Karan Mehrotra (MD), Amit Naik (CTO) and RashiChoudhary (COO). Mehrotra studied computer engineering at Rajiv Gandhi Institute of Technology, Mumbai; Naik is an IIM Lucknow graduate, RashiChoudhary holds an MBA from SP Jain Global, Dubai, and has worked with Raymond as a retail executive. When asked where they got the idea for LocalBanyaRashi responded, "The inspiration behind coming up with LocalBanya stemmed from our personal experience with not having enough time to go out and do grocery shopping after a long day of work. More often than not we were too tired to deal with going to the store to pick up groceries, waiting in long lines and dealing with the journey involved. In addition, when we did have time, the traditional banya would most likely be shut or be out of stock of what we needed. So it became clear to us that there was a place for a business like LocalBanya to help people like us to make our lives easier."

Facing Challenges:

Despite a very strong idea and a genuine gap in the market for an online grocer, LocalBanya faced many challenges, the biggest being convincing suppliers to partner with them. This is where Karan Mehrotra's background in the FMCG distribution business came to the rescue. Karan explains, "I tapped into my existing network. There was resistance faced initially, but after seeing the value proposition it didn't take long for suppliers to partner with us. The supplier network has now evolved into a multifaceted sourcing model comprising FMCG companies, cash-and-carry outlets, wholesalers, distributors, and other retailers as well."

Apart from setting up a supplier network, they also had to arrange financing for their start-up and their initial funding was bootstrapped from the personal savings of all three founders. They were convinced that in this age of passionate start-ups they had to truly believe in their idea to get investors. But at the same time, they were realistic about the business environment and evaluated their business not only in terms of revenue potential, but also on the grounds of alignment with their personality and experience, sustenance of the concept and the value it could deliver to the end user. So they would find investors not only on the basis of their bank balances, but also their ability to play a mentoring role for LocalBanya. We raised our funding from the BCCL Springboard Fund last year in June 2013.

A Taste Of Victory:

Today, LocalBanya is leading the sector of online grocery shopping and their success can be attributed to many things that they have done right, like their wide selection of products, user-friendly interface, their incredible deals, superior quality products, effective use of social media

marketing, etc. But it is their superior service that really stands out. They give their customers a choice of delivery slots and ensure that the delivery takes place within that time slot. They have the city broken down in three levels of mapping, increasing familiarity of a locality with their on-ground staff. There is a detailed training module in place for each tier of the city. The only person who interacts with customers is their relationship managers who in-turn initiate all operations required for deliveries. This avoids confusion and repeated calls from delivery staff to customers thus giving their customers a hassle free experience every time.

Adding to this is their sense of during during deliveries, Amit gives an example of one instance, "We had the strangest request logged in by a new customer. As a joke the customer requested the delivery to be made wearing a suit! It being our first "crazy" request, we decided to go with it. Within minutes our customer had shared a post on facebook, describing the delivery. He even went ahead and tweeted about us! This gave us a lot of hits on our website, multiple shares and orders to match!"

All of this has added to their customer base and increased revenues. Today they have over 40,000 registered users, and they serve about 600 orders every day with an average ticket size of INR 1375. LocalBanya has crossed Rs. 200 million in revenues since inception.

What the future holds:

As for the road ahead, all three founders of LocalBanya have many aspirations, the biggest of which is to improve efficiency of deliveries and increase the average number of deliveries without losing the quality of service, to add even more brands which will fulfill their customers' desires, to be a household name in Mumbai and to expand their services to other cities. If they continue their pace, these goals will not be out of reach for too long.

Questions :

1. *If you are in the merchandising department of LocalBanya, how can you convince vendors to partner with you ?*

2. *If you are in the marketing team of LocalBanya, how can you increase more traffic to the site and also for conversions ? Give at least 3 ideas which can be implemented ?*

3. *Do you think LocalBanya should launch Private Labels, if so in which categories you think they can do it ? Give at least 2 suggestions for the same ?*

******