

**K.J. Somaiya Institute of Management Studies & Research**  
**Course : PGDM & MMS Marketing – VI Trim End Term Exam**  
**Sub : RETAIL MARKETING**

**Date of Exam: 02/04/2018**

**Time :3 Hours**

**Marks : 50**

**Note :**

**I. Attempt the following Case Study**

Mr. Devender Gupta, Founder Inceptra Lifestyle Pvt Ltd, based at Gurgoan is excited to have an exclusive tie – up with portfolio Germany. However, with less experience in the physical retail and the continuous changes in the retailing space, Mr. Devender is a little tensed on how should they play the retailing game ?

**The Tom Tailor Group**

The Tom Tailor group is one of the leading fashion and lifestyle companies in Europe. With the Tom Tailor umbrella brand and the Bonita brand the group offers fashionable clothing and accessories in the medium price segment. The Tom Tailor Group is an international, vertically integrated fashion company focused on casual wear. The product portfolio is complemented by an extensive range of fashionable accessories and home textiles. With its brands, the company covers the full range of age groups from babies through to the over-40 customers.

Each of the company's brands has its own core identity and well-defined character, with a common commitment to an overarching principle: premium fashion at attractive prices for customers who value quality and style. As a trend manager, the Tom Tailor Group is always on top of the latest developments on the international scene. This close proximity to trends is reflected in the product strategy and the collections, which are inspired by the international fashion markets as well as street wear looks. On that basis, the various brands respond to the specific demand and emotions of their target groups.

The Tom Tailor umbrella brand, with its long tradition, is aimed at men and women aged 25 to 45. Its collections are centered around comfortable, versatile looks that project a fashionable, confident and authentic style. The Tom Tailor Denim collections are intended for young men and women between the ages of 25 and 35. The core element, denim, is a unifying theme throughout, complemented by sporty, nautical and practical touches. Tom Tailor Denim stands for a style sense rooted in the label's home city of Hamburg and combined daring and provocative trends. Rounding off the collections are the licensed products, including the Tom Tailor Kids, Tom Tailor Minis and Tom Tailor Baby fashion lines, as well as an extensive range of accessories and home textiles. The Bonita brand enhances the portfolio with fashion for women over 40. It stands for confident, adult fashion which is characterized by current styles, superior quality and a perfect fit.

## **The Beginning**

The company was founded in Hamburg in 1962 and has a long tradition of success in its regional core market of Germany. After achieving strong domestic and international growth in recent years, the TOM TAILOR GROUP has made profitability the main focus of its strategy, structures and processes, and is concentrating on its core sales markets. Along with Germany, these include Austria, Switzerland, south-eastern Europe and Russia. With approximately 6,700 employees, over 1,400 company stores and more than 11,600 other points of sale, it now generates around one third of its total sales outside Germany. The Group is present in 35 countries.

## **Categories**

### **Tom Tailor Lifestyle — your E-Shop For Fashion & Accessories**

The latest casual looks for men, women and children: TOM TAILOR gives you outfits for everyday style as well as elegant fashion for festive occasions and day-to-day business looks. The collections exude individuality and a sense of style, and skillfully combine classic pieces with seasonal fashion trends. The young fashion collection from TOM TAILOR Denim has an especially cool and rock 'n' roll vibe with its variety of jeans styles. The TOM TAILOR women's fashion range is stylish and feminine, while the menswear collection is casual and down-to-earth while no less fashionable.

### **Fashion Inspiration for Him & Her**

Whether you are looking for T-shirts, jackets, jeans or dresses, the huge range available to fashion enthusiasts in the e-shop includes everything from stylish basics to more intricate items to help you complement existing outfits as well as provide inspiration for new ones! Numerous fashion trend specials present perfectly coordinated looks to show you exactly how the trends are being worn in fashion capitals around the world, giving you a source of ideas for your unique women's or men's outfits. Wear these trends to signify your lively, natural and confident nature. Fashion from TOM TAILOR reflects the kind of style that works for you and your lifestyle — wherever you go and whatever you have planned.

### **Fashion For Kids, Big & Small**

Even the TOM TAILOR children's and young adult fashion collections for boys and girls up to 16 years of age represent an urban, up-to-date range. Our kids' collection offers a huge selection of fashionable looks that are functional and cool and great for school, too. The outfits for teen girls surprise with bold combination ideas and include colorful trends for girls as well as feminine skirts and blouses for young women. TOM TAILOR also offers teenage boys a cool look from head to foot, with a range that includes everything from sports caps to practical winter sneakers. And to top it all off, the expected high quality, ideal cut and sophisticated functionality that define each item make these collections ideal for meeting the demands on practical, everyday clothing for children.

### **Tom Tailor Enters in India**

German fashion brand Tom Tailor has chalked out long-term plans for the Indian market with a target of 50-55 stores in three years to compete with the likes of Tommy Hilfiger, Jack & Jones and Vero Moda, among others. Besides, an investment of about Rs 80 crore is also lined up for opening over 50 exclusive stores in three years and 300 shop-in-shop (SIS) stores. In India, the Tom Tailor has roped in Inceptra Lifestyle Pvt Ltd, which owns the exclusive rights of the brand. "They are planning to open about 55 exclusive Tom Tailor stores in three years. In terms of SIS, they will be present in 200 large format stores by the end of next financial year.

The company's core markets are Germany, Austria, Switzerland, the Benelux countries and France. In five years' time the company would be able to reach revenue of Rs 450-500 crore in terms of the sales at the consumer level, on an investment of Rs. 80 crore in both exclusive and SIS stores. The company is looking to open stores in major malls and high end locations to compete with the rival fashion brands and also tap the e-commerce route to step up sales. Indian market has appetite for more brands and the consumers here are always ready to experiment. We are not in a market which is saturated. Tom Tailor is present in 35 countries with over 1,400 company stores and more than 11,600 other points of sale, generating revenue of 968.5 million Euros.

Mr. Devendra with the CEO of Tom Tailor Group, Mr. Dieter Holzer is planning the strategy for launching the stores in the country, will the brand be successful or not only time will tell.

### **Questions :**

- 1. How do you think should Tom Tailor plan the Category Management & Merchandise Mix for their stores in India, considering that India is a different market ?*
- 2. Using the Strategic framework, illustrate and explain the entry strategy for Tom Tailor in the Indian market ?*
- 3. Do you think tying up with Inceptra Lifestyle Pvt Ltd. is a good idea for Tom Tailor, as they can start their own EBO's ? Justify & Give suitable examples supporting your justification ?*

### **II. Answer the following short notes :**

**(4 X 5 = 20 Marks)**

- Hypermarkets
- Category Killers
- Types in Private Labels
- Hybrid Layout
- Cash & Carry

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