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## GUJARAT TECHNOLOGICAL UNIVERSITY MBA – SEMESTER -III– EXAMINATION – WINTER 2021

Date: 19-02-2022

Subject Code: 4539291

**Subject Name: Retailing and Franchising** Time: 10:30 AM TO 01:30 PM **Total Marks: 70 Instructions:** 1. Attempt all questions. 2. Make suitable assumptions wherever necessary. 3. Figures to the right indicate full marks. **Q.1 Define the following:** 14 **Destination Store** (a) Trade Area (b) Private label brand (c) Master Franchise (d) Disintermediation (e) **(f)** Franchise Disclosure Document Visual merchandising (g) Q.2Define Retailing. Explain the various functions performed by retailers. 07 (a) Write a short note on various types of store based retail formats with 07 (b) suitable examples. OR Explain in detail the various sources of sustainable competitive advantage Q.207 for a retailer. Define Omni channel retailing. Explain the difference between Multi-Q.307 channel retailing and Omni channel retailing. Define Merchandise Planning. Explain the process of Merchandise 07 Planning in brief. OR Explain the various factors the retailers consider while evaluating and 0.3 07 (a) selecting a specific site. Explain the stages in the strategic retail planning process briefly. 07 (b) Discuss in detail various risks being involved in franchising. 07 **Q.4** (a) Define Store Layout. Explain in detail the various types of store layouts. 07 **(b)** (a) Define Franchising. Explain the advantages and disadvantages of 07 franchising to franchisee and franchisor. Which are the two major customer service strategies in retail? Explain with 07 relevant examples. **HIDESIGN:** Founded in 1978 as a two-person artisan workshop, Hidesign is now a

global company. Hidesign's commitment to craftsmanship, technical innovation and rebellion against uniformity and mass production has made it the 'brand of choice' for a loyal following of customers throughout the world. Hidesign is driven by the passion of a multi-cultural design-oriented team. It first started selling in small alternative shops in London and San Francisco and quickly expanded into adventurous department stores in London, California and Australia. Today, Hidesign is available at department stores at over 50 Hidesign stores across the world.

Hidesign started as a small workshop in the late 1970s. Gradually the business expanded with the company winning a number of export contracts. Although initially, the firm experienced hiecups in developed markets like, the UK and the US. But its good quality, distinctive designs, and aggressive marketing strategy helped it succeed in carving out a niche for itself. It went in for marketing tie-ups with distributors and high-fashion retail chains. Later, it entered into joint ventures and sold its products through franchised outlets in several overseas markets.

In the 2000s, with business expanding, it started opening wholly-owned exclusive retail outlets in overseas markets. In 2000, Hidesign decided to exploit the growing Indian domestic market. It first opened wholly- owned exclusive retail outlets and then moved towards selling its products through organized retail chains to increase the volumes. Hidesign aimed to establish itself as a "luxury brand" across the world. The brand was promoted worldwide in fashion magazines and trade journals. In 2006, Hidesign employed over 2,300 people in its tannery (place where leather is made), buckle factory, and leather goods manufacturing units.

It sold a wide range of products including briefcases, work casuals, travel bags, handbags, computer bags, wheeled luggage, backpacks, and accessories such as belts, jackets, and wallets, through 2,500 outlets in more than 18 countries. The name Hidesign was formed by merging the words "hide" and "design". And true to its name, Hidesign went on to become a premier design house for leather goods, gaining acceptance even in the highly competitive western markets.

Hidesign products were priced high and were aimed at the mass luxury market. The target market consisted of people aged between 20 to 50 years, belonging to high income households, who traveled frequently, often internationally and insisted on high quality products. Hidesign brand products used only full grain leather. The leather was tanned using the vegetable tanning process.

Sustaining excitement is the success of a luxury product and depends as much on its 'coolness factor' as on an appropriate distribution network. Therefore, Hidesign put in a lot of effort into creating new products and a

buzz around the brand.

In November 2002, Hidesign launched Cathy — a range of high class trendy ladies' handbags, as part of its city range. These were designed for daily use and were priced at Rs. 895, making them quite affordable. With a wide range of color options like black, biscuit, tan, light blue, dark blue, red, etc. the range was targeted at young working women who might find it interesting to match the range of bags with their wardrobe.

	(a) What were the reasons for success for Hidesign?		07
	<b>(b)</b>	Explain the merchandise mix at Hidesign stores.	07
		OR	
Q.5	(a)	Explain the target market for Hidesign stores.	07
	(b)	If you were the store manager of Hidesign, what other merchandise mix would you suggest to add in future?	07

