

PGDM RM, 2014-16

Category Mgmt. & Private Labels
RM-405

Trimester – IV, End-Term Examination: September 2015

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A

Q1. State the 8 steps of the category management cycle.

Q2. Category management is mainly used in retail operations where space, money, manpower are limited. They are to be used optimally to give maximum profit.

$$M1X1+M2X2+M3X3 \geq M$$

$$X1+X2+X3 \geq X$$

$$S1X1+S2X2+S3X3 \leq S$$

$$P1X1+P2X2+P3X3 \leq V$$

Please explain the various terms in brief.

Q3. *Big bazaar*, *Spencers* and *More* typically carry the same the same national brands in detergents categories and also have store brands of their own. Given this scenario what should be the private label strategies of *Spencers*?

Q4. Would targeting the store brands at national brand-deal-prone consumers be a good strategy? Give your views with justifications.

Turn Over

Q5.

Article description	MC Name	Dept.	Brand Company
DOVE SOAP 5*75G OP	Soaps Body	FB-Home & Personal Care	
DOVE ESSENTIAL DRY SKIN 250m+SOAP 75g OP	Lotions /Oils	FB-Home & Personal Care	
DOVE SOAP MOISTURE CREAM 3*100G OP	Soaps	FB-Home & Personal Care	
MEDIMIX SOAP SANDAL COMBI PK 125G*4 OP	Soaps	FB-Home & Personal Care	
PEARS SOAP PURE GENTLE 3*125g	Soaps	FB-Home & Personal Care	
CINTHOL DEO SOAP COLOGNE 6*100G OP	Soaps	FB-Home & Personal Care	
YARDLEY SOAP SANDALWOOD 3*100g OP	Soaps	FB-Home & Personal Care	
FIAMA DI WILLS SOAP SOFT GREEN 3*100g OP	Soaps	FB-Home & Personal Care	
CINTHOL DEO SOAP SPORT 6*100G OP	Soaps	FB-Home & Personal Care	
FIAMA DI WILLS SOAP MILD DEW 3*115g OP	Soaps	FB-Home & Personal Care	
YARDLEY SOAP ENGLISH ROSE 3*100g OP	Soaps	FB-Home & Personal Care	
FIAMA DI WILLS SOAP CLR SPRING 3*115g OP	Soaps	FB-Home & Personal Care	
YARDLEY SOAP ENGLISH LAVENDER 3*100g OP	Soaps	FB-Home & Personal Care	
CINTHOL DEO SOAP MUSK 4+2 100g OP	Soaps	FB-Home & Personal Care	

For the table above please write the brand company for each article description.

Section B

Q1. Sales quantity = 7039, O/S = 1892, Invoice quantity = 10067, Return Quantity = 1591,

(a) Calculate the sell through and sales to stock ratio.

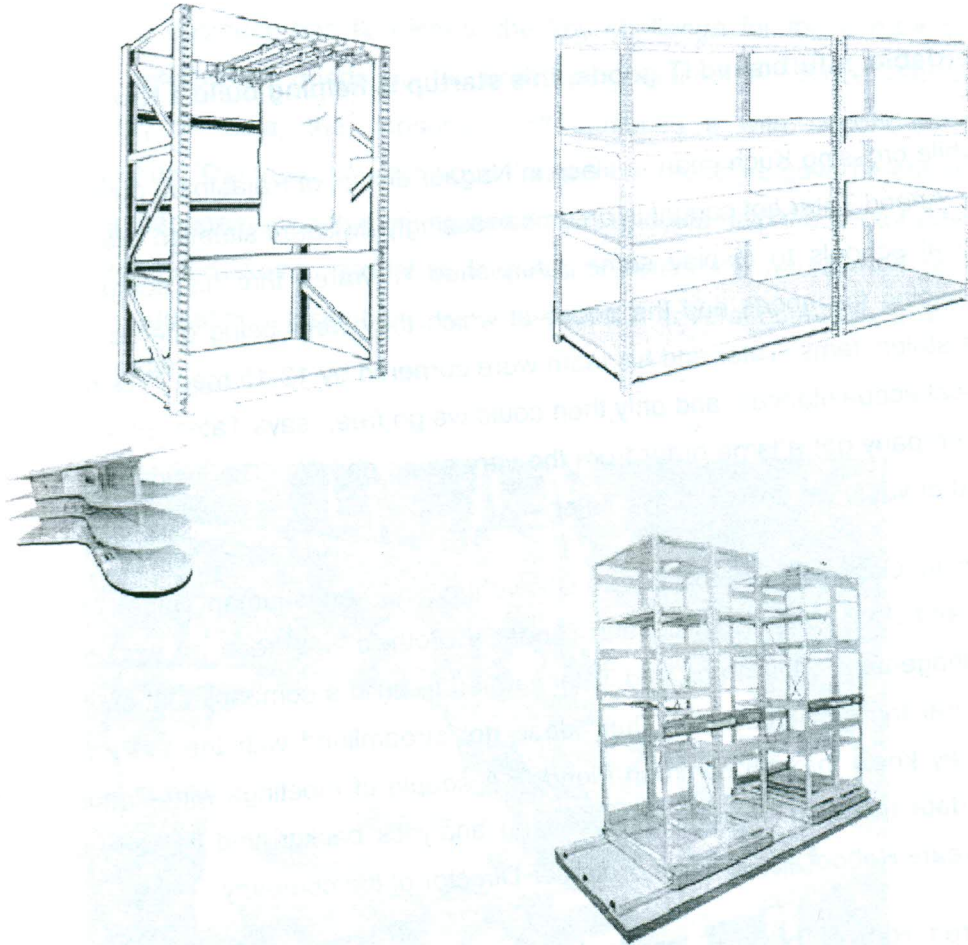
Turn Over

(b) If you want to achieve the sales to stock ratio of 3 (assume that the sales quantity, opening quantity and the return quantity remain the same except invoice quantity)

Calculate the invoiced quantity and the sell through ratio (without the effect of sales returns)

(c) Re calculate (b) with the effect of sales returns.

Q2.



Explain the above 4 planogram fixtures . Show with an example what all can be possibly put in the above fixtures.

Q3. Research points out to the fact that considering category profitability, a large price gap between NB and SB is not necessarily desirable. What can be the various ramifications of a huge price differential between the two?

Turn Over

Section C

Aug 17 2015 : The Economic Times (Delhi)
Bridging the rural-urban divide
VINAY DWIVEDI

By providing affordable, refurbished IT goods, this startup is helping build a tech-savvy rural India.

Sometime back, while crossing Kuchaman, a place in Nagaur district of Rajasthan, during a rural business tour, Anand Tater got caught in an embarrassingly awkward situation. He had stopped to visit local schools to display some refurbished IT wares that his company, Reboot, sells. On seeing the goods and the prices at which they were being offered, the locals took them as stolen items. Tater and his team were cornered by 12-15 men. "We had to call one of our local acquaintances, and only then could we go free," says Tater, 36. After a little while, their company got a large order from the very same people. "The incident is a testimony to the kind of value we deliver," says Tater.

Reboot was set up in October 2012 by Tater, Chowdhury, 37; Angshuman Saha, 35; Rishabh Tater, 30; and Amit Sood, 36. Rishabh (Anand's brother) was keen on working towards e-waste management, while Saha and Tater wanted to build a company that could help contribute to rural India's betterment. Their ideas got streamlined with the entry of Chowdhury whom they knew through common friends. "A couple of meetings with Rahul, who comes from a data mapping, market research and analytics background helped us merge our ideas to create Reboot," says Tater, Founder-Director of the company.

Gurgaon-headquartered Reboot buys IT goods--laptops, desktops, tablets and mobile phones--from corporates, government bodies and schools, refurbishes the items, and then sells them to educational institutes, small businesses, NGOs and government bodies. It has just begun selling to retailer customers as well. "Cosmetically and functionally our products are as good as new, and are available usually at 50% the cost," says Chowdhury, Co-founder and CEO. The company also provides IT asset disposition and management solutions. It operates via offices in Surat, Hyderabad and Jaipur and through regional partners and franchisees across 10 states. It has 17 'Reboot Experience Centres', which serve as support and collection points. The startup aims to take the number to 55 by March 2016.

To seed the venture, the founders raised `3 crore from five investors whom Chowdhury, a Board member of Hyderabad Angel Ventures, was acquainted with.

Turn Over

Reboot, a Microsoft-registered refurbisher, saw revenue of around `90 lakh in its first fiscal (2012-13). In 2014-15, revenue stood at `5.6 crore, with almost 60% of it coming from rural India. "We are currently clocking `1 crore a month in revenue," reveals Chowdhury.

Even as business has flourished, the key challenge for the company, educating people about refurbished goods, is far from being overcome. "Since refurbishment is a new category in India, the consumer still confuses it with second-hand products," says Chowdhury. The founders also hope that a more proactive government approach towards e-waste management, refurbishing and recycling could help the sector develop rapidly. "If the government makes it mandatory to give a preference to refurbished goods over new ones, say in educational institutions, as is the case in several countries, it will be a major boost," says Tater.

ASHWANI NAGPAL



Founders Ashwin Tater, Anurag Singh and Rohan Chowdhury, and a staff member

Q1. Is Reboot right in tapping the refurbished IT goods segment ?

Q2. From a category management point of view how do you see the development of this category? How does it compare with the conventional categories in IT ?
