**NMIMS Global Access**

**School for Continuing Education (NGA-SCE)**

**Course: Services Marketing**

**Ans 1)**

**Introduction**

Retail market in India is diverse and culturally impacted. Consumers from different regions engage in consumerism in retail industry influenced by their cultural and regional orientations. Being a retail chain owner with successful retail business in North had encouraged the expansion in the South India; however, there are few details which weren’t considered. The retail business which had been successful in Northern Indian states when expanded into south by encouraging the top 25 percent of northern staff to open retail stores in Bangalore raised concerns for the business as there were increased number of complaints and lack of footfall in the business. A few reasons of why such concerns and decrease in business happened.

**Challenges in Growth of Retail Chain in Southern India**

A single strategy to target market in different regions doesn’t yield expected results for any business. It is a major reason why businesses appoints market segmentation models in place of mass marketing to boost their sales and attract consumers in different regions. A few reasons or challenges for why a successful retail chain of northern India could not turn successful in south are as follows.

* **Regional Divisions**: The retail chain before initiating its expansion plan to open stores in Bangalore didn’t paid attention to regional differences between northern states and southern states of the country. The demographic and geographical differences of consumers in both regions were not accounted for that failed in the approach of market segmentation of the company resulting in increase in consumers’ complaints and lack of footfall at the counter of stores.
* **Lack of local staff and management**: Company selected and encouraged 25 percent of its existing staff to operate the retail chain in southern part. Here, the retail business failed to acknowledge the need of local staff and personnel in management. Consumers in southern parts of the country were likely to respond to a management or staffs who are aware of their culture and expectations. Moreover, staff appointed at lower levels of hierarchy would not be able to get familiarize with a management that operates with a mind-set recognized in north. The lack of creation of communication channels and direction in hierarchy owing to lack of appointment of local staff is another reason for decrease in growth of the business.
* **Unorganized Markets:** Lack of planning and standard procedure which is apt for the unorganized market of retail business in south could also be a reason why there are increased consumers complaints and decrease sales in southern stores.
* **Absence of Personal Touch:** Owing the management and most of higher hierarchy employees are from northern states, the business wasn’t able to recognize the needs of the consumers in south leading to the problems being faced now. The consumers require personalization and customization when buying products. This personalization is influenced by several factors such as geographical influence, cultural orientation and consumers’ personal preferences.
* **Difference in consumers’ mind-set:** A major roadblock for retail business is the difference in consumers’ mind-set in northern states and southern states. The policies and marketing plans that were successful in north isn’t likely to yield similar results in south owing to the differences in ideologies.

**Difference in Consumers’ Mind-set**

Yes, there is a difference in mind-set of consumers in northern and southern parts of the country. A few factors causing difference in consumerism are as follows.

* **Demographics**: Age and gender are huge contributors of difference in consumerism in north versus south India.
* **Income and Development**: Consumerism is also impacted with the difference in income and development. As southern India is considered to be more developed with consumers with high income, it is likely that the products offered at retail chain providing low pricing isn’t attracting the consumers in South. As being more economically progressive consumers in southern states require competitive pricing products and may also favour luxuries products in general.
* **Cultural Differences**: Distinction in cultural and regional choices also creates a difference in consumers’ mind-set. Choices made by northern consumers would not be same for consumers in South. The difference in apparels style, eating habits and consumption rates are all reflected in cultural differences which should have been accounted for before opening a retail store in south.

**Data Needed and Steps Performed to Increase Footfall for Business**

The retail business must collect consumers’ feedback and take consumers suggestions diligently to improve their operations. Market research specific to different regions must also be conducted to form appropriate business model.

* **Appropriate Market Segmentation**: Foremost factor to be considered is to acknowledge the difference in consumers in both parts of the nation. The marketing policies and business models for North and South should differ based on consumerism in two regions.
* **Hiring Local Staff in Management**: For creating profound change it is essential that retail business hire local people in staff and management to optimize their sales.
* **Enhance Storefront Appeal**: Use eye catching signage, inviting appearance of stores and attractive window displays to create a buzz among consumers.
* **Offer promotions and discounts**: To attract consumers, the retail store can provide offers and discounts.
* **Engage in Local Marketing**: Rather than using mass marketing, use local marketing that helps creating brand awareness in local regions of southern India. Appealing in local language is another factor that can help attracting consumers for business.
* **Provide Good Customer Service**: Another aspect to increase the consumers footfall for the business to enhance their customer service, address the customer grievances immediately and ensure to appoint friendly and knowledgeable staff to help consumers.

**Conclusion**

The retail chain has to focus on distinctions between northern and southern India to attract consumers in the two regions. Consumerism is different in both regions, and retail business must acknowledge the distinct factors by providing customizable options for consumers and providing efficient customer service.

**Ans 2)**

**Introduction**

Service offering and marketing of any business is dependent on the nature of the business, its business model and target audience. As an entrepreneur who is thinking to invest in food industry by either opening a restaurant business which is a profitable yet requires numerous attention or opening a tiffin service isn’t glamorous but creates profitable income. It is necessary to first understand the difference between the service offering of a tiffin service and restaurant business.

**Difference in Tiffin Service versus Restaurant Business**

In case of restaurant business, an entrepreneur has to consider numerous internal and external factors. A few of the elements that require attention before opening is as follows.

* **Menu and Cuisine**: An important aspect of restaurant business is to establish a niche cuisine and appropriate menu to attract consumers. Adopting a specific cuisine such as Japanese or Korean may attract consumers at first but to ensure stead growth and profits, the owner has to appeal to market at all times by popularizing of famous delicacies and also keeping the standard of service and food excellent.
* **Atmosphere and Location**: For operating a restaurant business, it is necessary to select appropriate location which has right atmosphere with high traffic. Moreover, rent prices are to be calculated to predict the profit in foreseeable future.
* **Product Quality:** Ensuring product quality is also necessary to create buzz in the society. Using fresh and high quality ingredients is necessary along with keeping the standards of appearance, cleanliness and hygiene of the place.
* **Staff:** A restaurant business requires a team of staff helping in and out of kitchen. Properly trained staff that upkeeps the standards of the customer service in addition to knowledge about restaurant service is required for profitable business.
* **Safety:** Ensuring safety is another factor that requires attention and investment in business.
* **Marketing:** A new restaurant business requires extensive marketing. Different types of marketing such as digital marketing and traditional marketing is required to create awareness about the business.

On the other hand, a tiffin service will not require extensive planning for layout and location; however, there are a few factors that require attention.

* **Limited Menu**: In a tiffin service, there is not much need to develop a niche or an extensive menu. Limited options of popular dishes and keeping the standards of food and taste is a required element to attract consumers.
* **Pricing**: Pricing plays a major role in tiffin service. In comparison to restaurants, tiffin services are ought to be on lower pricing that caters to the needs of masses. Packaged meals that are delivered to people should also account for delivery charges that need to be in nominal range to keep consumers satisfied.
* **Adequate Kitchen Layout**: In tiffin service, there is no need to invest largely on popular locations. Only adequate setting of kitchen layout in hygienic location works well for the business.
* **Delivery System**: Another requirement for tiffin service is to establish a good network for delivery. Using app based delivery system is the most trending option for food deliveries in many cities today.
* **Lesser Staff Requirements**: The tiffin service doesn’t require a huge team of staff, but only require a few people. It also doesn’t require servers or seating for operations.
* **Marketing**: Tiffin services also require adequate marketing to attract consumers. The marketing needs of tiffin service are different from those of a restaurant but it requires implementation of different ways to promote business.

**7P’s of Marketing in Restaurant versus Tiffin Service**

Apart from the difference in service requirements for both, there is a distinction in the marketing plans and requirements. Based on the 7 P’s of marketing, the difference in two set-ups are mentioned.

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| **7 P’s of Marketing** | **Restaurant Business** | **Tiffin Service** |
| Product | In restaurant business, food is not only the product for the business. Ambiance of the restaurant, layout of the restaurant, presentation of food, cutlery and décor are also part of the products in the restaurant business. | Products in delivery service is quite different from dine in. Menu of the service is limited, and unique to attract to consumers. Also, the food that is easily delivered without having an impact in the quality of food is mostly preferred product in such services. |
| Price | Price is a variable factor in marketing of a restaurant business. Competitive marketing price in food industry, location of place, ambience, quality of food and brand name all contributes to the pricing apart from taxes and packaging charges. | A tiffin service has to ensure that it covers all different pricing strategy, item prices, delivery charges, taxes and packaging fees are few attributes that are required to be established. |
| Place | Location for a restaurant is extremely vital for the business. Location with high traffic, convenience, with adequate transportation is a few things to be considered. | Place of the service should be appropriate to conduct business, adequate kitchen space, hygienic and clean location which well connected with delivery platforms. There is no need for renting large spaces as there are no seating requirements. |
| Promotion | Marketing of restaurant works on three tiers, word of sales, increase in footfall, advertisements both digital and traditional are ways of increasing popularity of the restaurant. Hosting events and catering are other ways to promote business. | Several marketing activities are to be engaged in to ensure profit for business. Social media marketing, email marketing, traditional marketing with distribution of pamphlets are a few examples of promotional activities. Offering discounts are another way of gaining consumer base. |
| People | There are a chain of people to be managed and taken care of in the restaurant business. Management of the business, kitchen staff, servers and consumers are all the stakeholders connected to the business. | People including staff required and consumers are the most important factor for the business. Managing their preference and attitude is of utmost vitality. |
| Process | The process of restaurant is different from tiffin service. An attractive ambience, with good consumer service, friendly service and appealing dine-in service is important along with good facility of delivering options. | Process of tiffin service operates on delivery business model where the process is dependent on consumers’ preference and strong IT infrastructure. |
| Physical evidence | A restaurant set-up with organized layout, material for dine-in experience, cutlery, spacious infrastructure and packaging material is required. | Unlike restaurant business, seating and ambiance is not required. However, physical entities such as packaging material, reusable material and distinct logo is required. |

**Conclusion**

Being an entrepreneur one must acknowledge the difference between restaurant and tiffin service. From the process, to marketing and service all differ between the two set-ups which require planning and organization before opening to the consumers.

**Ans 3a)**

**Introduction**

Trail Blazers a renowned coaching institute that has provided numerous students educational coaching for JEE and medical exams has operated successfully in the past. However, its current flexibility and lack of standardization in pricing model has risen quite concerns among the parents of students enrolled at the institute. The absence of conformity in pricing of the educational packages across their centres in the nation has led to numerous complaints, while the management dependent on regional managers with no standardized structure is causing problem in the business operation of the institute. Hence, as a consultant appointed by the institute to help the caching centre to standardize their business model and optimize their pricing strategy following aspects are to be performed.

**Strategies to Price Trail Blazers Services Better**

For establishing adequate pricing it is necessary to conduct market research and analyse your cost and keeping a profit margin set a pricing strategy that remain standardized across several institutions. A few strategies to standardize the process are as follows.

* **Package Pricing**: Trail Blazers must recognize the competitive prices in market through market research and set a package price which is consistent and transparent across the institutions. Packages may be established based on tiered models with varying specifications and facilities assigned. Students may choose the package suitable for them according to their needs and budgets.
* **Value based Pricing:** Another way to standardize the prices is to use value based pricing model. It is through this model, the fees for the course can be modified to base on additional facilities enrolled by them.
* **Predetermined Discounts:** If any parent wishes to negotiate or ask for discounts, the institute must work on transparent predefined discounts which should remain same and consistent in all institute centres and not rely on the discretion of managers.
* **Promotional Pricing**: Special offers which are consistent for everyone can be used on few occasions that act as promotional pricing. Introductory rates can be also used for pricing on fewer occasions.

**Conclusion**

For establishing better service based pricing, Trail Blazers must conduct market research and be aware of the trends in market and competitive pricing. Following the analyse of market research, pricing strategy models such as based on packages, value based services, bargaining and negotiations on predetermined discounts and promotional pricing are few strategies that can be implemented.

**Ans 3b)**

**Introduction**

Trail Blazers are looking for venturing into a new business opportunity and are thinking to use same name and brand for it. The new venture proposed to be opened by Trail Blazers is a HR recruiting firm. However, using a same name and brand for the new venture is not an ideal situation and would not yield a good response. Reasons for not using same name as the educational institute are as follows.

* **Absence of Clarity**: Trail Blazers have formed its identity as an educational coaching institute and using same name for HR recruiting firm will create confusion in the market.
* **Difficulty in Market Reputation**: The model for educational institute will differ from HR recruitment firm. Using same name and brand identity will create confusion in trademark identity of business, which will hamper the process of creating a reputation and recognisability in the market.
* **Increased Liability**: Trail Blazers is already facing concerns from its consumers and is facing difficulty in standardizing its existing business, using a similar brand name and model will cause increase in liability and challenge for the business.
* **Uneven division of resources**: For now the company must focus on utilizing resources to uplift their existing business and not divide their resources in new venture.

Apart from the challenges mentioned above there are a few advantages and disadvantages of starting a HR Recruitment Firm.

**Advantages**:

* Open to new diverse and challenging projects in various industries and sectors.
* Flexible rates for consultations, and wide range of consumers is a benefit of operating a HR recruitment firm.
* Retaining good talent and working with experts increase the chances of gaining profit for the business.

**Disadvantages**

* Highly competitive market is a challenge that can turn into a disadvantage for the new business.
* If business fails to meet the deadlines or expectations of clients then the growth of business is questionable.
* It is a stressful work that require experts that results in increased cost investment.

**Conclusion**

Trail blazers must acknowledge both pros and cons of starting a new venture. It must also acknowledge challenges of dividing its resources in two contrasting businesses and using of a similar name for two separate businesses from two different industries.