

[ 3 Hours ]

[ Total Marks : 60 ]

Please check whether you have got the right question paper.

- N.B:**
- Q1 is compulsory** and carries **20 marks**.
  - Answer **any four** from **Q2 to Q7** for **10 marks** each.

**1. Case Study :**

Beauty & wellness in 2018 : Brand identity, unique products will drive the industry.

The beauty and wellness industry in India is booming, with a tremendous potential for growth in 2018. In fact, it is said to be growing twice as fast as markets in the United States and Europe. India is also the second largest consumer market in the world. According to a KPMG report, the size of India's beauty and wellness market is expected to touch Rs. 80,370 crores by 2017-2018. This includes the beauty products, beauty salon and spa businesses.

The Spa Association of India estimates that the spa industry is currently valued at around Rs. 11,000 crores and will continue to grow at a fast pace. It is estimated that the salon and spa business together account for 31 per cent of the total size of the beauty and wellness market. The compounded annual growth rate of the beauty & wellness business in India has been around 18 per cent.

Indeed, the beauty business in India is not only booming, but is expected to triple in the next five years. The herbal beauty business will continue to drive the growth of the beauty industry in India in 2018. Today awareness of beauty products and treatments is at an all-time high in India. There is greater awareness of the ingredients in products and customers make choices based on this knowledge.

This is attributed to exposure to global trends, rising disposable incomes, changing lifestyles, increasing number of women in the work force and so on.

The retail sector is also booming. No wonder foreign companies are targeting the Indian market. Over the last few years, the beauty business in India has moved to organised retail sector, with the growth of shopping malls in the metro cities and even Tier 2 cities. This trend will continue in 2018.

Branding is becoming more and more important. So is brand identity. Beauty companies have to strive for better quality and also keep up with the demand for different products.

An important feature is the tremendous growth of e-commerce, with online stores also becoming popular shopping destinations, especially for cosmetic products. The internet has changed the way we do business. It is estimated that India will be the fastest growing e-commerce market.

Scientific techniques and modern beauty concepts are influencing the business, giving rise to vast varieties of beauty products. Men's personal care and anti-ageing products are slated for growth.

An important challenge for the beauty industry in 2018 will be the need for professionally qualified personnel. Beauty care as a service sector offers great scope for employment and entrepreneurship for women. This is one area where government direction, assistance and encouragement are needed. It is necessary to learn about the market and make use of changing conditions, like the internet, commercial advertising methods, e-commerce, different business models, etc.

Products and services are needed for the global market and this requires efforts at various levels. Markets need to be explored. Presenting the products in a globally attractive

manner is also essential, along with knowledge of the demands of the global market. Government can provide support in identifying markets, trade and promotions.

Skill development and vocational training in beauty and wellness need to be geared, not only for the international market, but also to compete with international market, but also to compete with international brands in the Indian market. Our traditional knowledge of herbal healing is a real boon, but it needs to be related to modern demands and techniques.

That is why a great deal of attention in 2018 has to be directed towards research and development, product innovation, improvement in quality, in keeping with international standards and also combining traditional knowledge with advanced scientific techniques. The overall outlook for 2018 is very encouraging, because the beauty industry in India has a great future.

**Questions :**

- 1) With help of a diagram explain Porter's five forces model. (06)
- 2) Analyse the Beauty & Wellness industry in India using Porter's Five Forces Model. (07)
- 3) Explain your future strategy with logic if you were the CEO of a Beauty & Wellness Company in India (07)

**N.B: 1. Answer any two from (a, b or c) of each question.**

2. a) Explain McKinney's 7S Model with any suitable example. (05)  
b) What are the conditions in applying McKinney's 7S Model? (05)  
c) What are the limitations in applying McKinney's 7S Model? (05)
3. a) Explain GE Matrix with a suitable example from the services industry (05)  
b) What is the importance of criteria weightages in application of GE Matrix analysis? (05)  
c) What are limitations need to be considered whilst applying GE Matrix analysis? (05)
4. a) Explain the use of a BCG Matrix in any FMCG company of your choice. (05)  
b) If a company has many cash cows and relatively less stars what should the company's strategic focus address. (05)  
c) Describe the limitations of a BCG Matrix (05)
5. a) Explain Blue Ocean strategy with respect to the hospitality industry. Give a suitable example. (05)  
b) Differentiate between blue ocean and red ocean strategies (05)  
c) What is purple ocean Strategy? (05)

- 6. a) Explain Igor Ansoff growth strategy in white goods industry (05)
- b) Explain Market Penetration Strategy with an illustration (05)
- c) Differentiate between product v/s market development (05)

7. Write short notes on **Any Two** :

- a) SWOT Matrix (05)
- b) VUCA (05)
- c) PLC (05)
- d) PESTEL (05)

