Day 5

READING PASSAGE 2

You should spend about 20 minutes on ***Questions 14–26****, which are based on Reading Passage 2 below.*

Business case study: Rebranding Shopper's Stop

On April 24, 2008, one of India's oldest retail chains Shopper's Stop Ltd unveiled its new logo as a part of its rebranding strategy. The chain undertook the rebranding exercise in a bid to go upmarket, and reposition itself as a 'bridge to luxury' store as opposed to its earlier image of a premium retailer. This would mean raising the already high quality of its products, and targeting more affluent consumers. Commenting on the change, B.S. Nagesh, Customer Care Associate and Managing Director, Shopper's Stop, said, 'Change is essential. Our consumers are changing; their preferences are constantly evolving. They are getting younger. And so, we have to change along with them. The change in identity is just the beginning of a wave of strategic movements being made in people, practices, introduction of new ways of shopping, technology, investment in customer relationship management, and analytics.'

Shopper's Stop was founded by K Raheja Corporation in October 1991, with its first store in Mumbai. From selling men's ready-to-wear clothing it soon evolved into a complete family lifestyle store. As of 2008, Shopper's Stop had 1.3 million square feet of retail space spread across 24 stores in 11 cities in India, with a retail turnover of over 12.07 billion rupees (approx. US$245m).

According to analysts, in the mid-2000s Shopper's Stop started to lose its market value as it failed to keep pace with changing customer preferences. It faced competition from several retailers such as Globus, Westside and Lifestyle, who were catering to the same segment of customers.

Changing consumer behaviour and the growing demand from youngsters for trendy products made Shopper's Stop consider the option of rebranding itself.

It conducted a series of workshops called 'Trial Room', to understand the preferences of groups of invited consumers. The workshops revealed that what was needed was a change in the look and feel of the brand. For Shopper's Stop, rebranding meant not just a change of logo, but the execution of new business strategies, with the core principles remaining intact. According to Ravi Deshpande, Chief Creative Officer with Contract Advertising, the agency which designed the new campaign for Shopper's Stop, 'The retailer needed its brand idea to change, in order to connect to younger people. The purpose was also to cut the age of the brand, as fresh ideas do help in making people look differently at the brand.'

As a part of the rebranding efforts, Shopper's Stop introduced a new rectangular logo designed by Ray+Keshavan. Though the logo was changed, the black and white colour scheme was retained. Govind Shrikhande, Customer Care Associate and Chief

Executive of Shopper's Stop, said, 'It is more classical, rich, and authoritative – something Shopper's customers connect with. Black and white gives us a strong brand recall value.' The tagline was also changed from 'Shopping and Beyond' to 'Start Something New', which implied that customers should try out something different, and upgrade themselves according to the demands of the changing world.

As a part of its new philosophy of providing the customers with a new shopping experience, Shopper's Stop came up with several initiatives. One plan was to increase the area of each store from around 40,000-45,000 square feet to 75,000-85,000 square feet. It also started a new concept in the retail industry by setting up trial rooms with day and night lighting options, so that consumers could check how garments would look during the day and in the night.

The other initiatives included a new dress code of black and white for the employees, and training sessions to help employees tackle demanding customers with varied tastes. Shopper's Stop also introduced a company anthem for the staff, penned by renowned lyricist Gulzar, and sung by popular Indian singer Sonu Nigam. It was played every morning across all outlets in the country as a song of celebration. Shopper's Stop brought out collectible shopping bags with different themes and launched the first in the series based on the theme 'Fashion for the Age'. To make shopping an enjoyable experience for its customers, it launched an in-store radio station in association with Blue Frog Media, which aired popular melodies across all its stores in India, while radio presenters offered tips on fashion and wellness. It also planned to start its online portal by the end of 2008, to enable customers to shop online.

In addition to these initiatives, Shopper's Stop also started an environmental awareness campaign called 'Think Green'. As part of this initiative, it planted more than 500 trees and distributed 1,500,000 seed sachets among its customers. Besides, a series of print and television commercials in black and white, with an environmental message that also conveyed Shopper's Stop's repositioning, were launched.

Shopper's Stop planned to invest around 15 billion rupees to increase the number of outlets to 48 by 2011. It had earmarked 200 million rupees for the rebranding and repositioning exercise. But not everyone favoured the changes. Customers said that from their point of view, there was no major change in terms of price or special offers. Some analysts were of the view that the new logo had nothing unique to offer except for a change in shape. Some even wondered why the retailer had decided to rebrand itself, considering that it was doing reasonably well and had just completed a successful year.

Questions 14–19

Complete each sentence with the correct ending, ***A–I****, below.*

Write the correct letter, ***A–I****, in boxes 14–19 on your answer sheet.*

14 In rebranding, Shopper's Stop's objective was to attract

15 The mid-2000s saw an alteration in

16 In the mid-2000s young people were increasingly interested in buying

17 Workshops showed that Shopper's Stop needed to modify

18 The new advertising campaign was intended to give the Shopper's Stop brand

19 The new tagline was intended to encourage consumers to buy

A	its brand image
B	designs that were popular in other parts of the world
C	customers who had stayed loyal to the company
D	the items that consumers tended to buy
E	products that they hadn't tried before
F	a younger image
G	the shape of the logo
H	customers with more money to spend
I	fashionable goods

Questions 20–22

Do the following statements agree with the information given in Reading Passage 2?

In boxes 20–22 on your answer sheet, write

TRUE	*if the statement agrees with the information*
FALSE	*if the statement contradicts the information*
NOT GIVEN	*if there is no information on this*

20 When Shopper's Stop first opened it sold products for all the family.

21 Shopper's Stop and Globus targeted similar sections of the market.

22 The advertising campaign was used to launch new products.

Questions 23–24

*Choose **TWO** letters, **A–E**.*

Write the correct letters in boxes 23 and 24 on your answer sheet.

Which **TWO** of the following activities were among Shopper's Stop's initiatives to help customers?

A redecorating its stores
B changing the lighting in certain areas of its stores
C recruiting additional staff
D offering online fashion advice
E broadcasting music throughout the stores

Questions 25–26

*Choose **TWO** letters, **A–E.***

Write the correct letters in boxes 25 and 26 on your answer sheet.

Which **TWO** of the following comments are reported about Shopper's Stop's rebranding?

A The company had spent too much on the rebranding.
B The company lost customers to its competitors because of the rebranding.
C The rebranding did not save consumers money.
D The logo was too similar to some other companies' logos.
E The rebranding was unnecessary at that time.