

## DUTIES ALLOTTED TO ADVANCE LEARNERS

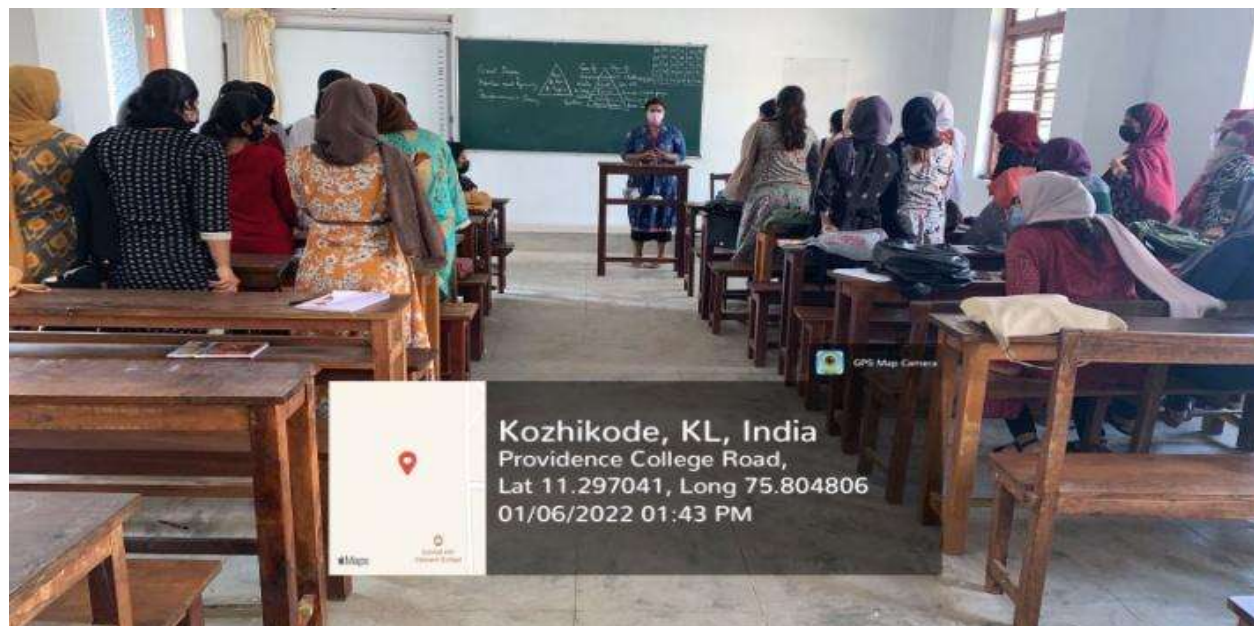
SI. NO	NAME	RESPONSIBILITIES
1	Rasla Shebin A. S	Career Guidance Committee
2	Harichandana J	Career Guidance Committee
3	Nayana K. P	Management Club Member
4	Gayathri Cheruvalath	Management Club Member
5	Amrutha S Prakash	Management Club Member
6	Alaina Parween .M. V	Management Club Member
7.	Daniya . M.A	R &D Cell
8.	Arshitha. T A	Consumer Club Member
9.	Arunthathi Devi	R &D Cell
10.	Nimah. P V	Consumer Club Member
11	Ektha Amarprem	Extension Committee
12.	Jadiya Farha A.C	Extension Committee

## LIST OF STUDENTS ATTENDED INTERNSHIP

SI. NO	NAME	INTERNSHIP
1	Rasla Shebin A. S	Aimer B School
2	Harichandana J.	Aimer B School

## Department Activities

### 1. Seminar



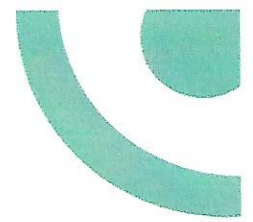
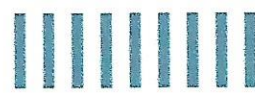
## 2. Management Fest



## 3. Slow learners remedial



K. DEEPA ASHOK *Deepa*  
HEAD OF THE DEPARTMENT OF  
BUSINESS ADMINISTRATION  
PROVIDENCE WOMEN'S COLLEGE  
CALICUT- 673 009



14 - 06 - 2022

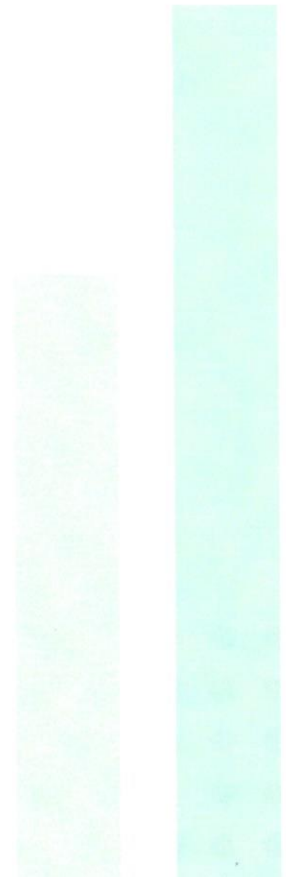
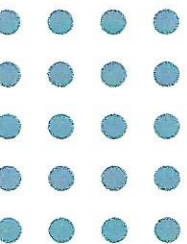
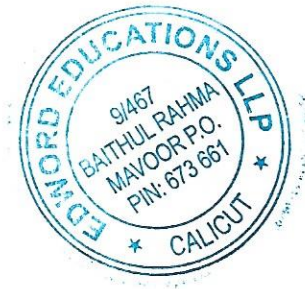
## TO WHOM IT MAY CONCERN

This is to certify that Ms. RESLA SHEBIN AS (Reg. no:PWAVBBAR57) B.B.A Student of Providence Women's College, Calicut University, has successfully completed her internship at AIMER B School, where she participated in market research initiatives from April 29 to May 29 2022.

We wish her all success in her future career.

For AIMER B School

Operation Manager  
THAHA ABDUL HAQUE







**AIMER**

AVAAN INSTITUTE OF MANAGEMENT  
EDUCATION AND RESEARCH

14 - 06 - 2022

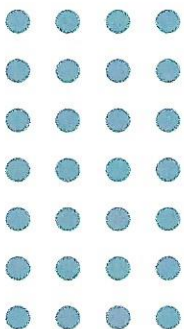
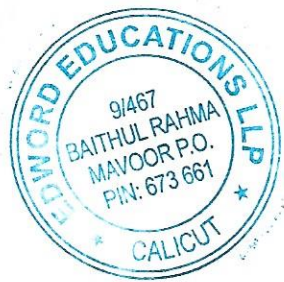
**TO WHOM IT MAY CONCERN**

This is to certify that Ms. HARICHANDANA J (Reg. no:PWAVBBAR09) B.B.A Student of Providence Women's College, Calicut University, has successfully completed her internship at AIMER B School, where she participated in market research initiatives from April 29 to May 29 2022.

**We wish her all success in her future career.**

For AIMER B School

Operation Manager  
THAHA ABDUL HAQUE



**ACCOUNTANCY**  
**INITIAL ASSESSMENT**

1. Long term assets having no physical existence but, possessing a value are called-----  
--
2. The assets that can be easily converted into cash within a short period, i.e., 1 year or less are known as-----
3. Copyrights, patents and trademarks are,-----
4. The debts which are to be repaid within a short period (a year or less) are referred to as---  
-----
5. Gross profit is-----
6. net profit is computed in the-----
7. Suppliers personal a/c are seen in the-----
8. The financial statement that reports the assets, liabilities, and stockholders' (owner's) equity at a specific date is the----
9. Revenues minus expenses equals -----
10. resources owned by a company (such as cash, accounts receivable, vehicles) are reported on the balance sheet and are referred to as -----
11. Assets are usually reported on the balance sheet at which amount?
12. Obligations (amounts owed) are reported on the balance sheet and are referred to as -----  
-----
13. Unearned revenues is what type of account?
14. Accounting entries involve a minimum of how many accounts-----
15. Assets minus liabilities equals -----



# MANAGERIAL ECONOMICS

## INITIAL ASSESSMENT

**Q1. What do you mean by the supply of goods?**

- A) stock available for sale
- B) total stock in the warehouse
- C) the actual production of the goods
- D) quantity of the goods offered for sale at a particular price per unit of time

**Answer:- d**

**Q2. What do you mean by 'under conditions of a perfect competition in the product market'?**

- A)  $mrp = vmp$
- B)  $mrp > vmp$
- C)  $vmp > mrp$
- D) none of the above

**Answer:- a**

**Q3. Which of the following is the relation that the law of demand defines?**

- A) income and price of a commodity
- B) price and quantity of a commodity
- C) income and quantity demanded
- D) quantity demanded and quantity supplied

**Answer:- b**

**Q4. What do you mean by a mixed economy?**

- A) modern and traditional industries
- B) public and private sectors
- C) foreign and domestic investments
- D) commercial and subsistence farming

**Answer:- b**

**Q5. What do you mean by the demand of a commodity?**

- A) desire for the commodity
- B) need for the commodity
- C) quantity demanded of that commodity
- D) quantity that consumers are able and willing to buy at various prices during any particular period of time

**Answer:- d**

**Q6. Starting from the time of independence, why did india follow a planned economy?**

1. india followed a five-year plan and required an outlook.
2. directive principles of indian constitution indicated the planned vision of india.
3. there was no indication whatsoever from the five year plans regarding how much of each and every good and service is to be produced.

Choose the correct statements from the given options

- a) only 2
- b) 2 and 3
- c) 1 and 3
- d) all of the above

**Answer:- b**

**Q7. What do you mean by gross national product?**

- A) the total value of goods and services produced in the country
- B) the total value of all the transactions in the country
- C) the depreciation in the total value of goods and services produced in the country
- D) the total value of goods and services produced in the country and the net factor income from abroad

**Answer:- d**

**Q8. Which of the following is the reason for the decline in the child sex ratio in india?**

- A) low fertility rate.
- B) female foeticide
- C) incentives for a boy child from the government



D) none of the above

**Answer:- b**

**Q9. What factors are taken into consideration while revising the poverty line periodically?**

A) by conducting a survey every five years

B) survey carried out by national sample survey organisation

C) both a and b

D) none of the above

**Answer:- c**

**Q10. In india, which banks/institutions have the highest share in the disbursement of credit to agriculture and allied activities?**

A) cooperative banks

B) regional rural banks

C) commercial banks

D) microfinance institutions

**Answer:- c**

**Q11. Which of the following is/are linked with the financial sector of india and controlled by the reserve bank of india (rbi)?**

A) commercial bank

B) money lenders

C) stock exchange operations

D) all of the above

**Answer:- c**

**Q12. When price floor is set above equilibrium price it will result in?**

A) shortage

B) surpluses

C) equilibrium

D) none of the above

**Answer:- b**

**Q13. What is gross domestic product?**

- A) the total value of goods and services manufactured in the country
- B) the total value of all the transactions in the country
- C) the reduction in the total value of goods and services produced in the country
- D) the monetary value of all finished goods and services made within a country during a specific period.

**Answer:- d**

**Q14. Why is the unemployment rate low in india statistically?**

1. Unemployment is calculated only from the age group of 15 years to 59 years.
2. Unemployment survives only when an individual cannot find a job.
3. People are not interested in working outside the domestic area.

Choose the correct option.

- A) only 3
- B) 2 and 3
- C) only 2
- D) all of the above

**Answer:- c**

**Q15. What does the bowed-out shape of the production possibilities curve illustrate?**

- A) law of increasing opportunity cost
- B) the production is inefficient
- C) the production is unattainable
- D) the demand is relatively elastic

**Answer:- a**

**Q16. What is the main economic problem faced by the society?**

- A) unemployment
- B) inequality
- C) poverty
- D) scarcity

**Answer:- d**

**Q17. What does “capitalism” refer to?**

- A) the use of market
- B) government ownership of capital
- C) private ownership of capital goods
- D) private ownership of homes and cars

**Answer:- c**

**Q18. The goal of a pure market economy is to meet the desire of \_\_\_\_\_ .**

- A) consumers
- B) companies
- C) workers
- D) the government

**Answer:- a**

**Q19. What does the law of demand mean?**

- A) as the quantity demanded rises, the price rises.
- B) as the price rises, the quantity demanded rises.
- C) as the price rises, the quantity demanded falls.
- D) as the supply rises, the demand rises.

**Answer:- c**

**Q20. Which of the following is an example of an agricultural price support program?**

- A) a price ceiling
- B) a price floor
- C) equilibrium pricing
- D) none of the above

**Answer:- b**

### **GROUP DISCUSSION**

1. Are women better manager than men ?
2. Advertisement helpful to customers or just eye wash
3. Consumer never satisfied?
4. The only business of business is business.

# CASE STUDY

## BUSINESS MANAGEMENT

### CASE STUDY 1

#### **Athlete's Warehouse (B)**

Late in February 1993, Colin Power, majority owner of Athlete's Warehouse and a number of other companies in Grand FallsWindsor, and a human resource consultant from the Small Business Centre were seated in Colin's office in the back of Athlete's Warehouse. Cohn was speaking to his brother Ed on the phone. "Sorry I can't run with you today, I'm all tied up. How about tomorrow morning at 7:00?" Hanging up the phone Colin exclaimed to the Small Business Centre consultant "for the last year I haven't had time to turn around. Every day it is just a rush from one store to another, phone calls all day long and never enough time to do the things that need to be done. I need someone else to help run things, but I don't know whether to promote someone from within the businesses or to hire from outside. Not only that, I'm not sure what the job should be."

#### **Background**

Cohn Power started in business full-time when he opened Athlete's Warehouse, a sporting goods store, in the Exploit's Valley Mall in 1985. For the first two years that the business was in operation, Cohn supplemented his personal income by teaching computer courses at a local private school. With the initial success of Athlete's Warehouse, and with the support of his wife who was employed full-time as a teacher, Cohn had the financial resources to take on additional challenges. Starting in 1987 he began to extend his business undertakings in many directions and opened a printing store (Print Plus), a computer store (EduComp), and acquired a Tim Horton's franchise.

To help him in his analysis of the situation Colin prepared a review of the factors influencing the expansion of his business interests and he drew up a list of the job duties for three of his businesses (Athlete's Warehouse, Print Plus and EduComp) included as Exhibit 1. He did not include job duties for the Tun Horton's store Because these were part of the franchise package and there was no overlap of duties with the employees of the other businesses.

#### **Athlete's Warehouse**

Athlete's Warehouse opened in 1985 in a 900 square foot location at the Exploit's Valley Mall with Colin and his brother-in-law, Mike Wade, as the only full-time staff. The store carried sporting good products centered around Colin's interest in running and included shoes and sporting outfits. First year sales exceeded the forecast level of \$135,000 and amounted to approximately \$180,000. Colin attributed this success to the changing fashions and the acceptability of using sporting clothes as daffy wear. Basketball shoes now became street shoes, and jerseys with team names on them became the fashion for school wear.

With the growth of sales, Athlete's Warehouse required additional space. In 1988, the business moved to another location in the Mall. The only spot with adequate square footage consisted of two floors. Although not ideal, because there was now a need to always have two employees working, Cohn relocated. Business continued to grow and in addition to hiring a second full-time person, Darlene Little, Cohn hired two part-time employees.

The business expanded to include many different product lines and services. Included in these were skate sharpening, ski binding installation, and racquet stringing. In addition, Athlete's

Warehouse offered printing services which initially consisted of putting transfers on T-shirts and printing team logos or numbers on clothing purchased from Athlete's Warehouse. Training in all these areas was provided to Mike and Troy Piercey (a part-time employee who became full-time in 1988).

As his other business interests grew, Colin was not able to spend much time at the Athlete's Warehouse store; therefore in 1991 he appointed Mike Wade as manager. Darlene was the only other full-time employee at the store as Troy was shared between Athlete's Warehouse and Print Plus.

### **Print Plus**

One of the first offshoots of the athletic wear business was a growing demand for custom-printed or numbered sportswear. This led Colin to invest in transfer and screen printing equipment in 1987.

After operating in the same location as Athlete's Warehouse for five years, the printing end of the business required too much space and a new location was sought. In 1990, space was rented on Southcott Avenue (about one half kilometre away from the Exploit's Valley Mall) and Troy began to work most of his time at the new location periodically returning to the mall to provide lunch-time relief, when Athlete's Warehouse was very busy or when there was no printing to do.

The printing business was closely related to Athlete's Warehouse sales, especially to the sale of the sports uniforms and school clothes. As a former high school physical education teacher, Colin had a lot of contacts at the schools throughout central Newfoundland. These contacts were the source of approximately 25 percent of the sales of Athlete's Warehouse and at least 50 percent of the printing business. Because of his commitments to the other businesses, Colin no longer spent as much time visiting schools to sell his line of clothes and starting in 1989 that part of Athlete's Warehouse and Print Plus business began to decline.

### **EduComp**

At the same time that he moved the printing operation, Cohn had decided that there was room for a computer company in Grand Falls. His experience at Athlete's Warehouse in setting up a computer system to control inventory, his knowledge of computers from his teaching, and his general interest convinced him that there was an opportunity here. He began selling computers and in the spring of 1991 hired Pam Horwood, a graduate of the local community college computer programming course to run the store. Initially, this job involved computer sales and customer service.

It was soon apparent that there was not much profit in just selling computers, so Cohn undertook to train Pam and himself in the installation and service of Novell<sup>™</sup> computer networks. This broadened the base of the business considerably. In order to further use his resources, Colin became the local Xerox distributor and EduComp became the sales agent.

Things got busier and busier. One of the requirements of offering network services was the fact that if a customer's network goes down, it must be fixed. This task fell to Colin for a couple of reasons. Pam's strengths were not in the technical aspects of computer systems, and he did not have to pay himself overtime.

### **Tim Horton's**

Just as Colin was starting to get a handle on his businesses, he was successful in a bid to obtain a Tim Horton's franchise for Grand Falls-Windsor. While this appeared to add considerably to his workload, Colin stated that the existing businesses were not big enough to provide the level of income that he wanted to support his desired lifestyle. In December 1991, the Grand Falls-Windsor Tim Horton's store opened.

In order to minimize his involvement, Colin made sure his two brothers (Eric and Ed who owned 49 percent between them) were trained in the baking end of the business. Because the business was open 24 hours a day there could be no interruption of the supply of product. If an employee did not report to work, the owner had to fill in at a moment's notice.

To further lighten his load, Colin was in the process of training a manager for the Tun Horton's store. This would hopefully reduce his daily involvement with the store, which during startup and up to this point had been well over four hours a day

Colin's days were now packed going from store to store dealing with the day-to-day problems of the four businesses. There were lots of things that he wanted to do with the businesses but did not have time to implement nor did he have the confidence to delegate.

One step that Cohn did take was to construct a building next to his Tun Horton's store (see Exhibit 2) and by the end of March 1993 he planned to relocate all his other businesses under one roof. This would certainly cut down on travel between the businesses and improve communications between Colin and the staff. Exhibit 3 shows the organizational structure of the businesses.

### **The Problems**

Sitting in his cluttered office in the back of Athlete's Warehouse, Colin outlined his concerns for the business to the Small Business Centre consultant.

I haven't been able to visit the local high schools for a couple of years and although we are still getting a few phone-in orders, we are losing business in this area. I really need someone to go visit these schools, but it is not a full-time job."

"I've tried letting Mike or my brother Ed do the ordering for Athlete's Warehouse, but this hasn't worked out. They don't seem to have the same feel for what will sell as I do and I have ended up with a lot of slow-moving merchandise. I am in full agreement with the saying that 'goods well bought are half sold.' For the last year when I was unable to go to the athletic goods show, I ordered from a catalogue. This hasn't given me the chance to see the products and I don't have the same feel for good sellers."

"Because of my lack of involvement and also this recession, sales at Athlete's Warehouse peaked in 1990 and have been dropping ever since."

The computer side of the business is doing well, however there are avenues I wish to pursue but can't because I don't have enough time. Pam has been getting out on the road and has been doing reasonably well selling the computers, networks and Xerox, but we need more coverage for our territory which covers from Bay D'Espoir to Baie Verte (about 350 km)."

"To try to respond to this problem I hired a sales person on a three-month trial basis through a Canada Employment Center program to sell half-time for Athlete's Warehouse and the other half for Xerox. This hasn't worked out mainly because of personality problems and I am not going to keep this person."

"I still have a problem because I am the only one who can fix most of the technical problems for our computer network customers and this certainly wrecks any sort of schedule I try to run. I must admit that this is the part of the businesses that I enjoy the most."

"I am no longer getting called to Tim Horton's as much as I used to be and I am now trying to get around to managing the other businesses, but things keep happening."

"As far as Print Plus is concerned the business is working well. Troy is a good worker and fairly well trained although he still calls on me to do the difficult printing jobs. Maybe he doesn't want to ruin some products, but he has to realize that at some time he must take responsibility and I am



sure that he will do a good job. Troy is also valuable because he started out with Athlete's Warehouse and can fill in there when needed giving lunch breaks to the staff."

"I realize that I need help, but I really don't know what type of person to hire even if I could get what I wanted. I need help with the network service because it is now the one aspect of the business that I have to attend to regardless of what else is happening. But for the business to grow I need someone to get out and sell."

Sitting back in his chair he answered the phone again. Putting down the receiver he said to the consultant, "Troy just quit."

## **CASE STUDY 2**

### **A Cut Above Hair Design**

In November 1990, Carolyn Kimball, owner of the "A Cut Above Hair Design" beauty salon in Wolfville, Nova Scotia, was undertaking an extensive review of her firm's marketing strategy. The industry data before her indicated that small, privately-owned beauty salons like hers were progressively losing ground to a growing number of national franchises. Furthermore, according to the most recent figures provided by the Nova Scotia Association of Hairdressers, there were almost twice as many beauty salons per thousand residents in Wolfville as compared to the Halifax-Dartmouth area. In other words, Wolfville had become a very competitive market. In order to deal with these new challenges, "A Cut Above Hair Design" needed to capitalize on its strength and develop a strong positioning strategy.

### **Background**

Born in Windsor, Nova Scotia, Carolyn went to Hants Regional Vocational School where she graduated as a master hairdresser in June 1982. She started her career working for Girl Power, a small beauty parlour in Wolfville, NS

With experience came the desire to start and operate her own business. After many discussions with friends, workmates, and acquaintances, she finally decided to open her own beauty salon. Three of her workmates decided to follow her in this new venture. Having worked with Carolyn for almost six years, they knew that they would get along very well. As far as risk was concerned, they trusted that their regular clients would follow them as long as they stayed in Wolfville.

"A Cut Above Hair Design" opened in November 1987. The new venture was profitable from the start. Most of the regular clients followed their hairdressers. The salon managed quite well and reached profitability within three months. Business grew steadily with another full-time hair stylist being hired.

### **The Customers**

"A Cut Above Hair Design" catered mainly to clients from Wolfville, with a few also coming from Grand Pre (10km away) and Greenwich (3km away). In the summer, the salon drew from tourists and during the school year, it attracted students and professors from Acadia University, located in the town. It was a family beauty parlour servicing a clientele made up of 70% females and 30%

males. Students represented about 10% of the total clientele. Exhibit 1 summarizes the average client return by age group.

## **The Service**

"A Cut Above Hair Design" offered a full range of services - colouring, perms, etc - but its major drawing card was customer service. Each customer was warmly greeted and offered a cup of coffee while waiting. Special attention was provided to seniors. Every effort was made to make them feel as comfortable as possible. Children were offered candies and were provided with toys while waiting. Appointments were scheduled to minimize customer waiting time. For more convenience, the salon was open six days a week as well as Tuesday, Thursday, and Friday evenings until 8.30. The salon also serviced one nursing home in town: The Wolfville Nursing Home. One day a week either Carolyn or Linda (an experienced hairdresser who had seniority over other employees) went over to the nursing home to provide services to those senior citizens unable to come to the salon. Since all the appointments were made for the same day, all hair care services were provided on site at no extra charge. On request, Carolyn also provided services at home. However, in this case an extra fee was charged to cover travelling expenses.

According to Carolyn, three things were needed to guarantee quality of hairdressing services:

- quality products,
- professional and well-trained hair stylists, and
- dedicated employees.

## **Quality Products**

In her salon, Carolyn always used top-quality, brand-name beauty products. She made sure that she and her staff knew the products well before using them. Suppliers introducing new products were required to provide on-site training sessions. Whenever possible, employees were encouraged to try the beauty products themselves before using them on their clients. To that effect, all employees were provided with free samples of new products, and all products were available at cost for their own personal use. Although many beauty salons operated in the Wolfville area, only a few salons actually used these high-quality products in providing hair-care services.

## **Professional, Well-Trained Hair Stylists**

Carolyn encouraged her hairstylists to attend special training sessions when they were available. She was very selective when hiring new employees. For example, when she decided to hire a new hairdresser six months ago, she considered only those candidates who had the required qualification of "master hairdresser" and at least one year of experience in a beauty salon.

## **Committed Employees**

Realizing that to have satisfied customers one needs first of all to have satisfied employees, Carolyn made it a point to maintain and develop a good working climate. She always tried to listen to her employees, encouraged them to make suggestions and to participate in decision making.

When hiring a new employee, she was particularly attentive to the personality of the candidates as well as to their customer orientation. She wanted a hairstylist that would take care of her clients and also get along well with the other employees.

### **The Employee Compensation Program**

Creating a pleasant working atmosphere was important to get committed employees but so was employee compensation. Carolyn's policy was to pay competitive wages. In the hairdressing industry, as in any other sector of service retailing, three types of compensation schemes were generally recognized: straight salary, straight commission, and a combination of salary and commission.

Carolyn adopted a combination of salary and commission. Employees were guaranteed a minimum wage until they brought in a minimum of \$11.50 of sales per hour during any given week. When they reached that level, they were paid strictly on a commission basis. The commission rate increased with sales per hour. On average, it took a new hairstylist one year to reach the minimum level of sales per hour on a regular basis.

Carolyn felt that a compensation scheme based on a combination of salary and commission had two major benefits. The guaranteed basic hourly rate tempered overly-aggressive selling, while the commission rate made pay contingent on performance. However, since 1987 she had not revised the sales per hour rates, although she had increased retail prices regularly by approximately 5% per year. Consequently, it had become progressively easier for employees to earn the higher commission rates.

Sometimes Carolyn felt that it might be worthwhile changing to a profit-sharing program involving straight commission with a guaranteed minimum wage per hour. She worked out the basic structure of the plan she had in mind (see Exhibit 2). Under this approach, she would deduct from the employee's sales per hour an average variable cost to account for supplies used in delivering the services, an average fixed cost per hour to take into account the use of the premises (rent, insurance, taxes, etc) and a guaranteed minimum wage of \$5.00 per hour. The difference would then be shared proportionately by the employee and herself. This would provide compensation for the capital she invested in the business as well as her time spent doing administrative work (bookkeeping, ordering supplies, recruiting, etc).

By providing for a shared contribution to the salon's fixed and variable costs, this new compensation scheme would not only stimulate employees to increase sales but also motivate them to keep tight control over costs. She wondered if it would be worth hiring an accountant to develop it further. However, whatever the program, she was determined to ensure that none of her employees would suffer any decrease in wages.

### **Advertising and Promotion**

The advertising budget had always been very small at less than 1% of sales. Advertisements were placed in the local newspaper at special times during the year, such as St Valentine's Day, Easter,

and during Wolfville's annual festivals. Twice a year, she advertised special discounts in the University Newspaper to attract the students. (See Exhibit 5 for examples of ads.)

### **The Location**

The location was good, but it was not the best. When Carolyn had decided to open her salon two years ago, no space was available with an entrance directly on Main Street. She was able to get a site in the back of a commercial building with a side entrance. To get to her salon, clients had to walk down from Main Street about fifty feet into a side lane adjacent to the IGA. This lane was well-frequented because it lead to a major parking lot where most shoppers left their cars to shop in downtown Wolfville. Although her entrance was not directly on Main Street, her sign was visible from Main Street.

She was able to get this site because the dentist who occupied it decided to relocate. It was just the right size for five chairs. It had a separate waiting room, a little office for the receptionist, and another closed room used as an employee rest area. The premises were clean and tidy and decorated with taste.

### **Pricing**

Carolyn felt that her prices were about the same as other beauty salons in town but generally higher than those of the national franchisors like Fantastic Sam's. (Compare Exhibits 3 and 4.) "A Cut Above Hair Design" was at a disadvantage in competing on price against national franchises. These national chains had successfully capitalized on a fast-food approach to hair dressing. They had introduced systems that featured no frills, low price, and speedy service. As a result, a small beauty salon like "A Cut Above Hair Design" faced with rising operation costs was unable to match these low prices. Although there were no national franchised beauty salons in Wolfville, there were two in New Minas just 10km away.

Apart from putting small beauty salons at a disadvantage on pricing, these national franchisors may have had other harmful effects. Because they did not emphasize quality of service, they had a negative impact on consumers' growing interest for hair care services. Carolyn felt that the discount franchises had taken the professionalism out of the hairdressing trade by encouraging customers to shop around. As a result, small beauty salons were not only facing a competitive disadvantage on price but also needed to deal with a progressively more unstable customer base.

### **Market Conditions**

Unlike other types; of businesses, beauty salons were inexpensive to operate and were generally considered to be recession proof An article in the Winnipeg Free Press (November 1987) made the following observation: "It's a small-ticket service that deals in cash, requires little inventory and attracts repeat customers"

According to Statistics Canada (catalogue 63-233 & 63-231) the total number of hair care establishments in Canada increased by 26% from 1982 to 1986, while sales increased by 58%. In Nova Scotia during the same period, sales increased at a higher rate than the national average, with

a global increase of 76%. However, the bigger firms seemed to be increasing their market share. Their 20% market share in 1982 rose to 24% in 1986.

According to Carolyn, the small beauty salons had lost ground because of the growing number of national franchises such as First Choice Haircutters, Fantastic Sam's, and Topcuts.

## **Trading Area**

Wolfville is located in Kings County about an hour's drive from Halifax on Highway 101. Wolfville is approximately 5km from Grand Pre, 10km from New Minas, and 15km from Kentville (see Exhibit 6 for map of area). Demographic and income data on Kentville/New Minas, Wolfville, and Grand Pre are presented in Table 1. (Separate data for Kentville and New Minas were not available.)

## **Kings County**

Kings County had been one of the fastest growing regions of Nova Scotia in the past ten years. Traditionally, it was recognized as an agricultural area, but recently it had progressively developed its commercial and industrial base. Table 2 indicates that in 1988 Kings County accounted for 0.21% of Canada's population and 0.19% of the nation's buying power. As indicated by the Sales Activity Index, Kings County had a slightly higher share of the nation's retail sales than expected based on its share of the population. However, effective buying income per capita was slightly lower than the provincial average (Table 3).

According to the most recent figures provided by the Nova Scotia Association of Hairdressers, there were approximately 1,082 hair and beauty shops in Nova Scotia and 74 in Kings County. Most Kings County beauty shops were located in the Kentville, New Minas, and Wolfville areas (Exhibit 7). Wolfville was rated as a highly-competitive market, with an average number of 2.2 beauty salons per thousand residents as compared to 0.6 for the Halifax-Dartmouth area and a provincial average of 1.2.

Kings County had four regional weekly newspapers and three local radio stations (see Exhibit 8). Television in the area, without cable hookup, included ATV and CBC. Cable television was available in all major towns in the area. Kings Cable Ltd New Minas, offered complete cable viewing to 5,730 subscribers in 1988.

## **Wolfville**

Wolfville had become the academic and cultural heart of the Annapolis Valley. It was the home of Acadia University, the town's chief employer. This relatively small University offered a full range of specialized programs to over 3,200 students. Wolfville had two nursing homes and a 30-bed hospital, the "Eastern Kings Memorial Hospital" which, according to Carolyn, included an excellent maternity ward.

During the summer months, Wolfville welcomed a considerable number of tourists. Sunken Lake and Lumsden Dam became favoured spots for swimming, wind surfing, and picnics. The Hill's

Gate area attracted hikers, and Evangeline Beach, just a short drive away, invited salt water enthusiasts. The Wolfville area hosted two major festivals every year. The first festival was the Apple Blossom Festival in late May. This week-long festival was to promote the apple industry in the Annapolis Valley and to celebrate the scenic beauty of the apple blossoms in late May and early June. It also served to develop local talent through the participation of soloists, quartets, orchestras, and choirs. The second festival was Mud Creek Days. This festival commemorated the early settlers of the region. Originally, the town of Wolfville was called Mud Creek. This festival was held in early August. It comprised many community entertainment events, including parties and fireworks.

## **New Minas**

In the past 12 years, New Minas had experienced high growth and had become the regional shopping and commercial centre of Kings County. This recent growth had put a strain on the existing road system. Traffic no longer flowed through the town as easily as it once did, especially during busy shopping times on Thursday and Friday evenings and Saturday afternoons.

Two major shopping malls operated in New Minas: County Fair Mall and Towers Man. County Fair Mall, with 176,000 square feet of Gross Leasable Area (GLA), had three anchor stores: Zellers, Save Easy, and Sears Canada. County Fair Mall had one beauty salon, 'Salon One." Towers Mall. with 240,000 square feet of GLA, had two anchor stores: IGA and Towers. Located adjacent to Towers Mall was a large Canadian Tire outlet. There were two beauty salons in Towers Mall: Topcuts and Men's Hair Shop. New Minas also had four minor malls, i.e. Minas Court Mall, King's Place, Classic Park Mall, and Lawton's Plaza. Sobey's, a regional supermarket chain, was located adjacent to Lawton's Plaza. Fantastic Sam's was in Classic Park Mall just across from Sobey's.

In the summer of 1990, the New Minas Economic/Downtown Development Corporation, in cooperation with retailers, conducted a trading area survey in New Minas. Shoppers were asked to fill out a ballot and answer a few brief questions on their shopping trip. In return, they earned a chance to win \$500 of merchandise from any participating retailer. The "Shopping Spree," as it was called, was held from August 6th to August 15th. Results from completed ballots returned to any of the participating Beauty Salons are presented in Exhibit 9.

## **Kentville**

Kentville was the medical, legal, professional, and financial centre of the area. Its downtown business district flourished with specialty shops. With a population of 4,978, it was the largest community in the Annapolis Valley. There were two hospitals in Kentville (the Miller Hospital and the Blanchard-Fraser Memorial Hospital) and a Senior Citizens' Residence Complex, which was rated as one of Eastern Canada's finest. The Advertiser, the regional newspaper, had its headquarters in Kentville. Among the regional papers printed by the Advertiser were the Maritime Baptist, Acadia University's Athenaeum and Bulletin, 4-H News, Health Rays published by the Miller Hospital, Berwick Register, The Valley Mirror and also Teleguide-Homestead. Kings Transit, a municipality-operated bus service with its headquarters in Kentville, provided hourly round-trip service between Wolfville and Kentville, stopping at various points along the way. Two buses were in operation. Downtown Wolfville was approximately 30 minutes from County Fair



Mall by bus, 45 minutes from Towers Mall, 55 minutes from Classic Park Mall, and 60 minutes from Kentville. By comparison, travelling the same distances by car took less than one-third of the time.

## **The Problem**

As Carolyn Kimball sat back and pondered her successes since the opening of her beauty salon in November 1987, she wondered what the future had in store for her small beauty salon. She was faced with spiralling operating costs, fierce competition, and a more unstable customer base. She felt that an effective positioning strategy would enable her to compete on the basis of image, which would be harder to imitate than competing on price. She knew that identifying a position involved examining various market segments and then addressing the question: Which segment is more available? She also knew that in order for "A Cut Above Hair Design" to achieve a strong identity in the prospective customer's mind, she needed to coordinate all marketing variables: pricing, service, personnel, advertising, and promotion. She also needed to reinforce what her firm stood for in the minds of her employees.

She felt that there were interesting opportunities in the market, but that she needed a clear line of action. She was looking at the data that she had gathered and was wondering how she could use it, first to identify profitable market segments and second to establish her beauty salon as a "first choice outlet".

## **Questions**

1. What is the salon's present positioning strategy?
2. How vulnerable is it to competition?
3. What is the potential of the area for beauty salons? What market segments are most attractive?
4. What positioning strategy do you suggest? Discuss



K. DEEPA ASHOK  
HEAD OF THE DEPARTMENT OF  
BUSINESS ADMINISTRATION  
PROVIDENCE WOMEN'S COLLEGE  
CALICUT- 673 009