Big Box vs Online Retailers

Prodigal entrance of IKEA in Indian furniture market

The rise of MINISO in Indian Retail

GOI initiative: FDI in Indian Retail Sector

IKEA

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"From the Editor-In-Chief's Desk

The Indian retailing sector has flourished to cope up with metamorphosis from the age of offline to online platform that is being rapidly adopted by the consumers. The penetration of smart phones and internet has opened doors of new opportunities for e-commerce giants like Amazon and Wal-Mart who have changed the Indian retail dynamics .It will be interesting to see how these global retailers will adopt Indian Retail practices and lure Indian consumers.

India not only has replaced China as the most favourable market rather it became most favoured nation for retail investment by Global Retail development Index 2018. The power of fast-growing economy, increasing consumption rates, rising urbanizing population and burgeoning middle class consumers also attracted big box offline retailers and Indian's tasted and tested Ikea, H&M, and Miniso.

The change in retail scenario is vast and fast, in between online giants and offline conglomerates there is a presence of 15 million mom and pop stores and with governments 's e-commerce policy it is moving towards David vs Goliath

The 4th Edition of Amity business School retail magazine RETALLIER: focused on CHAGING RETAIL DYNAMICS IN INDIA.

Looking forward to your valuable suggestions.

Happy Reading!

Dr. Sanjeev Bansal

Editor-In-Chief

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BIG BOX VS ONLINE RETAILERS
By Debanil (B. TECH MBA-G 2019)

A big box retailer is a retail store that occupies an enormous amount of physical space and offers a variety of products to its customers. These stores achieve economies of scale by focusing on large sales volumes. Because volume is high, the profit margin for each product can be lowered, which results in very competitively priced goods. The term "big-box" is derived from the store's physical appearance. Located in large-scale buildings of more than 50,000 square feet, the store is usually plainly designed and often resembles a large box. Walmart, Home Depot and Ikea are examples of worldwide big-box retailers, whereas in India the most influential one is Big Bazaar. Big box retailers are meant to be a one-stop shop for customers. In a Walmart, a customer can find every consumer good from groceries to clothing to technology. Walmart has one of the broadest product mixes of the big box retailers.

These retailers offer great value and selection for a low price, which is all most consumers are looking for. The success of big-box retailers has segmented retail as a whole. There are big box stores and then niche or bespoke retailers often focused on a few high-end product lines big box retailers don't bother with. Anything in the middle is squeezed whenever a big box retailer comes to town.

The Bad Reputation of Big Box Retailers

Big box retailers tend to have a negative reputation for two main reasons - one earned and one that is debatable. One, when it comes to dealing with suppliers, big-box retailers are seen as bullies. The volume of purchasing done to fill the shelves at a network of big-box retailers is enormous. This type of scale tends to force any small supplier into exclusively supplying to the big box retail chain, which opens them up to risk in that 100% of their revenue comes from one company. When you have one customer, it is hard to push back on pricing squeezes when they know dropping you from their product lines hurts you far more than them.

When big box retailers move into an area, it is often met by concern from local businesses that can't compete with the vast logistics advantage and purchasing power for lower pricing. Other businesses in the area start to fail because the customers go to the local big box retailer rather than the local store. In reality, it is the customers that are killing the other businesses because they quite reasonably want to get the best value for their dollars. Interestingly enough, big-box retailers themselves are experiencing what they do to small businesses as more and more of people's shopping dollars are moving from physical stores of any size and into online shopping.

Online vs Big Box retailers:

Online shopping is the most obvious competitor to the big-box stores. Today Amazon.com Inc. is one of the biggest retailers in World, having overtaken Wal-Mart Stores Inc. in the summer of 2015. Amazon has changed the way we shop for everything from books to groceries and there's no

going back to the days when people would window shop for hours at the mall on the weekends. With Amazon now gobbling up more than 40 percent of all online spending in the U.S., that's left traditional retailers scrambling for the rest.

Walmart Inc., Target Corp., and Best Buy Co. have all made big investments in recent years in e-commerce -- sprucing up websites, offering more delivery options and making acquisitions like Walmart's $16 billion deal for India's Flipkart. But growth rates are naturally slowing as their online units mature, and all that spending is taking a toll on profitability in a sector that already operates on razor-thin margins.
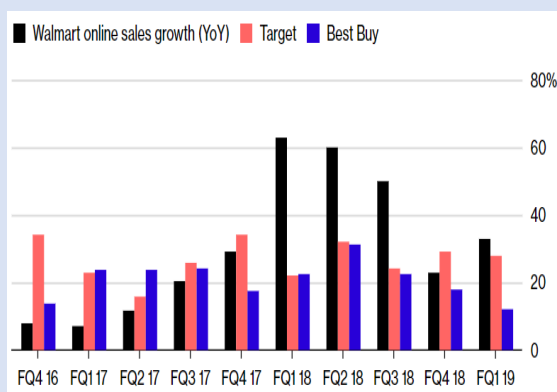
Walmart and other big-box stores are already moving towards having a strong e-commerce website which allows customers to access goods 24 hours a day, 7 days a week (what retailer doesn't love always being open and not having to increase staffing costs to do it?). Walmart intends to use its physical infrastructure to improve its delivery methods and strengthen its online shopping experience. This is done not out of altruism, but to regain customers from its rival Amazon.

Changes in strategy to combat online retailers:

Amazon has shown the retail world that today's consumers are turning to the convenience of online shopping, but in some cases, consumers still prefer traditional brick-and-mortar stores as long as the shopping experience is easily accessible.

The change is especially being felt by big-box retailers, who have been shaken by ongoing uncertainty along with a few bankruptcies over the last year.

"More than 70 million square feet of retail space is projected to close in 2018, mostly due to the fact that large-format retailers continue to shut down stores. Toys R Us (with 40,000-65,000-square-foot stores) is in the process of closing all of its 800-plus stores across the US. Sears is closing 103 stores, Walmart's Sam's Club division is closing 63 stores, Bon-Ton is closing 42 stores, Macy's is closing 11 stores and J.C. Penney is closing eight stores – all with mostly 100,000-square-foot or more store footprints." -as reported by CNBC.

Retail landlords have been relying on discount retailers as popular replacement options; however, it takes multiple tenants to fill a large big-box space. Furthermore, there's a real concern over whether there are enough brick-and-mortar retailers with near-term growth and expansion plans that will match the increasing supply of vacant big-box space, given the online retail pressures of Amazon.

On seeing the growing popularity of these online retailers the big box stores are adopting new techniques to reach to a larger market base and to convince them to do their shopping in the big box stores. These new strategies are designed to attract those customers who are considering or are already ordering using these online retailing websites like Amazon. These tactics include social media promotion, discount sales, special occasion offers on products and so on.

The strategies that these big box stores are using can be explained

by using the example of Big Bazaar, and to do so we need to follow the 7 P's of marketing, i.e. Place, Promotion, Pricing, Product, People, Physical evidence, Process, and Positioning.

Place, in order to tackle online retailers from gaining more territory in the market, big box stores have to open on more locations than ever. Sites like Amazon can ship products to and from a lot of places including 2 tier and 3 tier cities. In order to combat that big box stores need to open in more locations in order to reach the same amount of market.

Promotion, in order to reach more customers the stores need to be more visible to their intended audience, to do so they are employing the use of new technologies like social media as well as traditional methods like

TV, Radio, Newspaper ads and so on. They tie up with notable individuals in the fashion industry like movie stars in order to increase their visibility to the customers.
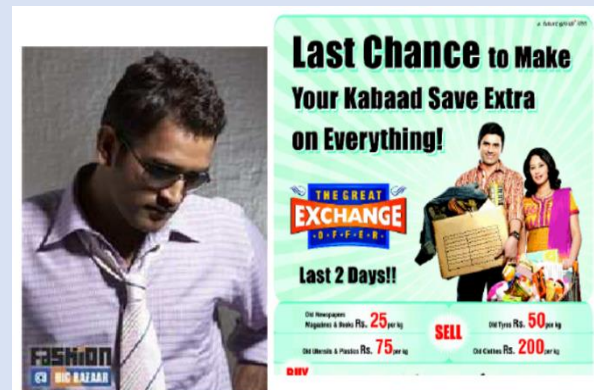
Pricing is another factor that affects customers' purchase decision. Online retailers are very efficient in maintaining a very low price point. when it comes to big-box retailers it is one place where they will lack severely due to the cutthroat nature of the competition. However, these retailers do come up with a holiday or any other special occasion offers where they can sell their merchandise at a steep

discount in order to attract customers.

A product is a factor that the traditional retailers have a disadvantage in. They are limited by the real estate that they have at their disposal, whereas the options for online retailers are infinite. However, one way in which they can combat this disadvantage is by stocking their inventories according to the specific local needs at that point in time. They cannot compete in terms of variety of products but they can make their supply chain a more lean one. Doing so they

Physical Evidence, the vast amount of products available at an online store is unmatched by any big box store on the planet. However, what offline stores do offer is a much more hands-on shopping experience. They allow the customer to check whether or not a product satisfies all of their needs even before they buy it. Thus they can use this to their advantage and improve upon the customer service section for a more smooth experience.

People, customer service is one way that offline retailers can beat online ones as explained by the

| APPARELS	FOOD	FARM PRODUCT	CHILL STATION	HOME & PERSONAL CARE
•Denims & T-Shirts •Fabric & Cut piece •Formal Wear •Casual Wear •Party Wear •Ethnic Wear •Accessories •Under Garments •Night Wear •Dress Materials •Sarees	•Staples •Ready to eat •Ready to cook •International Food •Spices •Imported Bazaar •Tea & Coffee	•Fruits •Vegetables •Imported Fruits •Dairy Products	•Soft Drinks •Packaged Juices •Milk Items •Frozen Foods •Ice Creams	•Shampoos •Detergents •Soaps •Liquid wash •Creams •Deodorants •Home cleaners •Utensils •Plastics •Crockery •Sundries

always need.

People who are well trained, highly motivated, customer-centric and hardworking leads to a seamless experience for the customers. Whereas, there is no contact between the customers and the retailers. Thus banking on the people to drive more sales via customer satisfaction is one way for big-box retailers to handle online retailers.

The process, here the steps that a customer has to go through before he/she has the product can and should be made more streamlined in order to satisfy customers. In order to counteract the convenience of online retailers, big box stores have to make the process of buying a product in their stores much more hassle-free and comfortable.

Positioning, big box stores need to position themselves in a more price aggressive manner in order to attract more customers from the online space. This is the most important factor, as online retailers usually have the lowest price, and beating them in such a cut-throat sector is one the most difficult aspects for the big box stores.
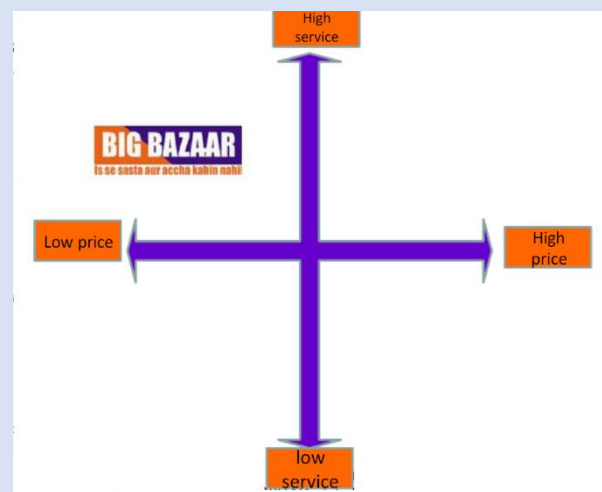
Thus with the rise of online retailers like Amazon the traditional stores have to change their way of doing business drastically and become more competitive. This is the only way they survive the market otherwise, like Sears they will also perish. Big box retailers are changing their business strategies nowadays to reflect the competition and monitoring their

and their competitor's sales. The online market is growing however the traditional brick and mortar stores also do have their own place in the market and in the minds of the customer

GOI INITIATIVE FDI IN INDIAN RETAIL SECTOR

By Jyoti Garg (B. TECH MBA   2019)

The retail sector in India is emerging as one of the attractive sectors at present and is able to attract foreign companies. FDI (Foreign Direct Investment) in retail have an effect on a large number of stakeholders who are engaged in the process of retailing, from retailers to end consumers. The Government of India's initiative to attract FDI in the retail sector, by liberalizing FDI policy must be significantly encouraged but should not be freely allowed. The article is based on some of the important studies conducted by various researchers for finding the effect of FDI in Indian retail sector. The main aim is to make some research-oriented pathways to

move forward. On the basis of the review, it has been found that liberalization of FDI policy towards the retail sector has positive as well as negative effects. This suggests that unorganized retailers are required to upgrade their retail stores to meet the challenges of the dynamic retail environment.

The presence of retail sector in India can be felt way back from the time of "melas" and "haats", these were meant to cater to the need of local people living nearby. The emergence of Kirana stores and mom & pop stores were observed after sometime. The Government also started supporting the retail sector and as a result, a number of

indigenous retail stores came into existence. With the passage of time, the economy started becoming more open and changed the face of retail sector came into existence. The came into existence to set up retail chains were from the textile sector. The Retail Industry can be broadly categorized as Organized and Unorganized Retailing. Organized Retailing represents licensed retailers who got them registered for income tax, sales tax etc. Unorganized Retailing represents retailers who are not registered for income tax, sales tax etc. and do not possess the license for their workings, for example, street hawkers. Today India is the fifth largest in the world in terms of retailing. retail is projected to double to $1 trillion by 2020 from $600 billion in 2015, where modern retail is expected to grow 3 times to $180 billion by 2020 from $60 billion in 2015 as per BCG report on "Retail 2020: Retrospect, Reinvent, Rewrite". The retail sector is growing at a very faster pace and the key factors driving the growth are: Increasing no. of young population Double family income Increasing working women population Techno-savvy youngsters Nuclear families Rapid urbanization Customer liking towards modern shopping environment New retail formats with differentiated strategies Positive regulatory environment: promotion of ease of doing business concept through Make in India. As a result of the ever-changing demand of customers, liberalization of FDI policy, favorable responses of customers towards innovative products, the retail sector is able to attract big players to play in the field.

Until 2011, foreign direct investment (FDI) was not allowed in multi-brand retail, forbidding foreign companies from any ownership in supermarkets, convenience stores or any retail outlets. Even single-brand retail was limited to 51 percent ownership. In January 2012, India allowed 100 percent FDI investment in single-brand stores but imposed the requirement that the single brand retailer would have to source 30 percent of its goods from India. On 7 December 2012, India allowed 51 percent FDI in multi-brand retail. Manmohan Singh, the then prime minister of India, felt that this would be beneficial for both consumers and farmers. Agricultural marketing was also expected to be benefited with the introduction of new technologies.

Manmohan Singh was credited with bringing about this policy change aimed at making India friendlier for businessmen. With this decision, international companies, especially the supermarkets, were able to increase their presence in the multi-brand retail sector of India. However, they were not allowed to own more than 51 percent stakes in these establishments. This step was regarded as the most important one in the last two decades, especially with regard to reforms in India.

PROCESS OF FDI IN RETAIL

There is no such procedure for shortlisting the companies. International companies who are willing to invest in either single or multi-brand retail can put in their applications with the Department of Industrial Policy and Promotion.

Here the applications are reviewed in an effort to determine their suitability as per the stated guidelines. Subsequently, the Foreign Investment Promotion Board, Ministry of Finance will consider the applications before providing the final approval.

ADVANTAGES OF FDI IN RETAIL

India's retail industry is one of the biggest around the world when it comes to privately owned ones. The industry has seen some major restructuring thanks to the FDI structure becoming more liberal than before. The benefits of FDI in retail, as per experts, carry greater weight than the cost related implications.

With FDI in retail, operations in distribution and production cycles are expected to become better. Owing to factors such as economic operations, the cost of production facilities will come down as well. This will mean a greater choice of products at lesser and justifiable prices for the customers.

As a result of FDI, companies will be able to bring in technology and skills from other countries and this will help in infrastructural development of India. This will also help in creating more value for money for the buyers.

After FDI in retail, it is possible to set up a properly organized chain of retail stores as the capital to do is readily available. The investment can be regarded as a long term one as the physical capital put into a domestic company is not liquidated easily. This is its main difference from equity capital.

ICRIER had also predicted that if FDI in retail was introduced in India during 2011-12, the Indian economy could have grown by 13 percent, the unorganized sector

could have seen a 10 percent growth and the organized sector could have increased by 45 percent.

DISADVANTAGES OF FDI IN RETAIL

Experts say that while analyzing the positives and drawbacks of FDI in retail, both the government and the opposition did not refer to the Parliament Committee report where its effects had been studied in great detail. The committee had taken into cognizance many witnesses, NGOs, individuals, and trade associations to come up with the said report. The Committee visited various corners of India and also went through reports and gathered knowledge about the experience of similar decisions in other countries. It also enquired from several government departments regarding the matter.

The Committee had surmised in its report that the number of people getting jobs will be lesser than the number of people losing the same as a substantial amount of marginal and small farmers will be wiped out. Some other problems expected out of this were aggressive pricing and prevalence of monopoly.

As per the Committee's report, almost 8 percent of India's workforce is employed in the unorganized retail sector. This comes up to roughly 40 million people. It has been stated that FDI in retail will generate 2 million jobs. However, the Committee had stated that it is not a proper indication as it does not take into account the number of people who already work in the retail sector.

ICRIER had executed a second study on the effects of FDI in retail during 2011 and in that it had

stated that FDI will bring about a fantastic shopping experience for the consumers. It had actually interviewed 300 people from middle and high-income groups. Thus, in effect, the efforts of the Parliament Committee were overlooked for a private organization.

Experts have questioned the logic of ICRIER to question 300 people in a country with a 1.2 billion population and more than 40 percent who can be termed as poor.

The Parliamentary Committee report on FDI was never discussed in Parliament itself, and as per experts, it is not a good sign as far as the democratic system in India is concerned.

As per ICRIER, consumerism is positive for economic growth. In 2008 the first survey had dealt with 2020 small and unorganized

retailers whereas the total count of such entities in India at that time was 6 million.

Leading economic experts from outside India have also posed the same question. They have also pointed at the labor practices of organizations such as Wal-Mart. Most of these are not exactly healthy for workers. This has also led them to ask if such processes were really required in India.

It is being said that the lobby favoring FDI in retail in India has invested at least Rs 52 crore and experts opine this could have had a major say in the way things turned out.

CHALLENGES IN INTRODUCING FDI IN INDIAN RETAIL

The Indian market has high complexities in terms of a wide geographic spread and distinct consumer preferences varying by

each region necessitating a need for localization even within the geographic zones. While India presents a large market opportunity given the number and increasing purchasing power of consumers, there are significant challenges as well given that over 90 percent of trade is conducted through independent local stores. Challenges include Geographically dispersed population, small ticket sizes, complex distribution network, use of IT systems, limitations of mass media and existence of counterfeit goods.

Political opposition to FDI in retail

The then opposition party in India, Bharatiya Janata Party (BJP) was opposed to FDI in retail. As stated by the then Leader of Opposition in Lok Sabha and now Union Minister for External Affairs, Sushma Swaraj, the UPA never tried to create any consensus regarding the issue or talk with the opposition prior to their campaign in support of FDI in retail.

Swaraj also expressed her worries regarding the possible condition of small traders and farmers once FDI was introduced in retail. She stated that the big retailers were not coming to India because they wanted to be charitable but because they saw India as a major market.

Mulayam Singh Yadav, the head of Samajwadi Party, and an opponent of FDI in retail also questioned the logic of introducing the same only in the bigger cities with more than 10 lakh people. Yadav felt that this decision would only result in unemployment.

Trinamool Congress (TMC), a former ally of UPA, had left the

coalition during September 2012 as a mark of protest against steps like FDI in retail.

Now that the BJP-led government is in power at the Centre, it is to be seen whether it goes ahead with the decision to allow 51 percent foreign direct investment (FDI) in multi-brand retail by the UPA-II government. Though Nirmala Sitharaman, in charge of the commerce and industry portfolio as well as a minister of state for Finance and Corporate Affairs, has stated that the party is against FDI in multi-brand retail, reversing the decision of the previous government will not be easy, given the Narendra Modi government's keenness to woo investment, both domestic and foreign, to improve the Indian economy.

CONCLUSION

The days, when customers were dependent on a nearby for fulfilling their needs. With new concepts like e-tailing, customized product, a big shift is seen in the response of the customers. Well as to the liberalized FDI policy in the retail sector. FDI in no doubt is likely to bring improvement in the state of Indian economy, but the stake of small retailers must be taken care of while formulating and implementing the policy.

With growing awareness and attitudinal shift of customers, it is suggested that it is time for small retailers to spend the time to revive the strategies required to attract customers towards their retail stores. The small retailers must concentrate upon innovative concepts of retailing, spend time on CRM practices, bring

improvement in SCM, use feedback facility, a track record of customers, provide quality products, bring improvement in and most importantly provide a personal touch to the services for attracting customers towards their retail stores. The Government is required to frame strict policies, taking care of the interest of small retailers, so that organized and unorganized sector may co-exist and flourish together.

PRODIGAL ENTRANCE OF IKEA IN INDIAN RETAIL FURNITURE INDUSTRY

By Tanya Bhattacharya (B-Tech. MBA 2019)

IKEA, the world's largest furniture retailer, it is known for its reasonably priced functional furniture that incorporates minimalist Swedish design. The company is also known for the grand safari that it forces visitors to go on every time they enter one of its cavernous stores. But many people believe that this is what makes shopping at IKEA such a unique service experience. The fact that customers must navigate their way through a tortuous maze (exploring every nook & cranny of the store in the process) in order to find the items they want, then carry them to the checkout counter, haul them to their cars, unload & drag the items into their homes, & then assemble them with directions provided with it, only seems to make the service experience all the more endearing. Ikea, the world's largest furniture retailer, is betting that millions of middle & upper-class Indians. Six years after it was first planned, the 400,000 square foot store in Hyderabad is the first step towards fulfilling Ikea's ambitions in the country, with more outlets scheduled to debut in Mumbai, Bangalore & the Delhi area in the next two years. By 2025, the company plans to have 25 stores in

India, some of them in a new, small format.

The strategy of the Indian market

India's retail landscape is complex. With a growing population of middle class,1.3 billion people buy about $30bn (£23bn) an of furniture, lighting & household items like bed linens & cookware in a year. But despite the efforts, 95 percent of those goods are sold through small shops that offer custom-built products, usually specializing in one category such as wooden furniture or lamps, & free assembly & delivery.

The retail industry is an extremely important part of the Indian economy, responsible for approximately 10% of GDP & employing almost 8% of the population. As India emerges from the global recession & further opens & liberalizes its markets,

retailing should only become even more attractive for IKEA. The company has announced that it planning to eventually open stores in the National Capital Region, Mumbai, Bangalore & Hyderabad, reportedly already signing agreements with the Indian states of Karnataka & Telangana. The company is one of the first to take advantage of a 2012 decision by the Indian government to allow 100% foreign-owned companies to do business in the country (previously, foreign companies needed a local Indian partner).

Ikea stores are the polar opposite. Part showroom & part warehouse, they are sprawling outlets that are far from city centers with mazes of giant bins & floor-to-ceiling shelves. Ikea's brand signals affordable, mass-produced & functional, & its design aesthetic is lightweight & lean, in contrast to

the heavier, bulkier furniture traditionally favored in Indian households.

All of this has forced Ikea to rethink its product & store operations for India. Although the Hyderabad store has the classic Ikea layout, what's on display is somewhat different. Given India's lower income levels, the store features hundreds of products – from dolls to spice jars – priced at less than 100 rupees. In some cases, Ikea is selling a product in India for less than it charges elsewhere. In other instances, the company is tailoring it for local tastes. For example, most Indians do not use knives to eat & primarily want spoons, so the company ditched its children's plastic cutlery packs & instead sells four spoons for 15 rupees.

Indian women are also shorter than Europeans & Americans, so the company decided to showcase some cabinets & countertops at lower heights. & with children often sleeping in the same room as their parents until they are in elementary school, its model bedroom squeezes in a child's bed amid all the other furniture.

Figuring out how to adapt to Ikea's furniture was more difficult. Some items popular in the United States, such as untreated pine furniture, do not endure in south India's hot & humid climate. Metal or wooden furniture needs small risers to lift it off the floor because people frequently clean their floors with water.

In Hyderabad, Ikea is located in Hitec City, where thousands of new apartments are going up & multinational tech companies like

Amazon, Dell, Capgemini, Tech Mahindra & Deloitte have offices.

The retail sector in India can presently be broken down into two categories; organized & unorganized. The unorganized part is dominated by small privately owned stores, known as Kirana shops, as well as kiosks & street vendors. The organized category is comprised of licensed retailers (who are registered to pay taxes) & national brands. These would include large retail chains as well as supermarkets & hypermarkets. Some believe that the organized portion of the retailing sector is only responsible for 20% of the sales volume. The retail sector in India is expected to be worth US$ 675 billion by 2016. Its fractured & disorganized nature means that it has huge potential for consolidation or entry by an outside player.

In the city's traditional furniture district, Nampally, furniture sellers say they are not worried about Ikea stealing their business. The new store will get people excited about buying furniture, they say, & customers will come to check out the local options, too.

IKEA's strategic initiative in India is expected to result in an investment of about 1.5 billion euros, with each store requiring about 80 million euros to open (and taking about three years from the time a location is identified until the time the doors are ready to be opened). The company also plans to source a lot of material locally, creating a boon for local suppliers, this in addition to the material that they already buy (India has been a source of material to IKEA for over 25 years). Chief Executive Officer (CEO) Mr. Peter Agnefjall is coy about IKEA's

strategy, saying that the company is still in the process of "defining the entry plan" with regard to India. He says that he is "focusing on existing stores & markets," but it is clear that IKEA sees a huge potential in the Indian market. A company executive was quoted as saying, "India is an important market for IKEA. In India & we are currently defining the entry plan. The most important priority is to find the right location for our stores at the right price in major cities, with easy access to public transport & a good road network."

Thanks to the effects of globalization, Indian consumers are increasingly being influenced by western culture, with signs that they are trying to emulate western lifestyles (this is true even for Indians who have not traveled abroad). Shopping centers, large departments stores & hyper centers are becoming ever more common, with studies showing that Indians have a growing "predisposition towards foreign brands" (PTFB) & are increasingly ready to use their credit cards & to make "impulse" purchases. More & more, shopping is being viewed as an enjoyable pastime rather than a chore that must be endured. It also appears that younger people (primarily between 16 & 35 years old) are more concerned with the acquisition of material goods than older people. This can only be a good thing for IKEA in a land where an estimated 50% of the population is below the age of 25. But it remains to be seen if Indians are open to IKEA's service experience of wandering around their enormous stores for hours, performing unpaid labor & putting together items with instructions that have no words.

Challenges for Ikea

1. Returns on investment

Ikea is spending $1.5 billion in India but analysts reckon it is going to be several years before the company with a presence in 49 countries starts seeing significant returns on that investment. Ikea will offer more than 1,000 products under 200 rupees ($2.91) but experts say it faces a difficult balancing act between setting prices low enough to attract cost-sensitive consumers but high enough to reel in the status-conscious rich.

2. Local furniture makers

Indian towns & cities are not short of small, family-run shops whose owners will visit your home & then build furniture from scratch based entirely on your specific furnishing needs. The Swedish retailer had visited more than one thousand houses to try to understand exactly what Indian consumers want.

3. Do-it-yourself culture

Ikea revolutionized furniture buying in the West with its wide range of ready-to-assemble products at affordable prices but many Indians would be forgiven for wondering why they have to do it themselves. India's abundant supply of cheap labor means it is not known for its "DIY" culture. Ikea is aware that this may put people off so has teamed up with UrbanClap, an online platform that helps connect handymen with consumers.

4. Finding space for large stores

Land acquisition is rarely straightforward or cheap in India though with buyers regularly having to jump through bureaucratic hoops & facing long delays. Finding space big enough

for Ikea's trademark large stores in India's notoriously congested cities also poses a challenge. The Hyderabad outlet is comparable in size to a typical Indian shopping mall but sites procured in Mumbai, Bangalore & the capital New Delhi are reported to be smaller.

Ikea is considering opening small stores which will just give a sample of what they sell. They will contain screens where people can flick through catalogs before ordering.

Competitors

1) Pepperfy

Pepperfry is online furniture in India that is headquartered in Bangalore. Pepperfry was started in the year 2011 be making it a place for buyers to shop from their homes. Pepperfry has more than 38 lakh registered users spread across more than 500 cities.

Pepperfry has many products like sofas, accent chairs, folding & plastic chairs, stools, bean bags, cabinets, shoe racks, TV units, Bar furniture & many more. To make the shoppers at ease, Pepperfry also provides a high engaging app to the users which are enhanced with superior augmented reality features. Due to their product & wide reach across the country, Pepperfry is considered as one of the top Ikea competitors.

2) Amazon

Amazon extended its services to an extensive range of products under one roof. Amazon Home offers a wide range of furniture categories for the customers. Amazon home caters to the categories in Kitchen furniture, bedroom furniture, outdoor furniture, dining room furniture & storage furniture.

Amazon provides various services to its customers in form of no cost EMI, easy installation, free scheduled delivery & 100% genuine products. It also provides a good amount of discount to the customers. As Amazon provides a wide range of furniture products, it is considered to be one of the Ikea competitors.

3) Future Group

Future Group extended its services via Big Bazar & Hometown to an extensive range of furniture. It offers a wide range of furniture categories for the customers in Kitchen furniture, bedroom furniture, outdoor furniture, dining room furniture & storage furniture categories. Thus it is considered one of the major competitor to Ikea.

4) Local furniture makers

Countries where manpower is cheap, there is a huge unorganized competition present in the furniture & furnishings segment. This is because of Carpenters & other laborers who do the jobs at lower prices for end customers. Such unorganized competition directly hits Ikea due to which Ikea has not been able to expand to India where the labor is cheaper & hence the benefits are not so easily noticed.

The company has sourced materials for its global operations from India for around three decades. But it was prevented from opening stores because of government restrictions on foreign investment. Thus Ikea's strategy for the Indian market is adapted to Indian customers. The Swedish methodologies are now dipped in Indian methodology of marketing channel to appeal to customers. Its

competitors are also helping it identify its loopholes by which it can appeal to a customer

A TIME FOR INDIAN RETAILERS TO GO ONLINE

By   Deepankar Misra and Ritesh Kumar (MBA G 2017-19)

Nowadays it is seen an overwhelming change in retail business with the rising popularity of online shopping. People find online shopping more convenient. In India online shopping is increasing at a very fast pace. It is set to experience an even bigger shift in the coming years as businesses compete among themselves to ensure enhance customer experiences to grow their top line and super-efficient back-end infrastructure to protect their margins.

Indians are spending more online than ever before and this number will only increase. There is an exponential increase in online shopping in India. IBEF estimates that India's retail market will grow to $1.1 trillion by 2020. The competition is not offline vs online vs omnichannel, it is very much about competing for customers i.e. customers whose personal preferences dominate where they spend and how much. Business is working to provide value to customers.

The shift in online shopping does not mean that every offline store needs an online presence. Rather, it is about knowing your customer better and connecting with them in the way they want. And given the inherent nature of retail, give them an experience that brings them back for more. For traditional retailers, it has never been important or challenging to have their customers connect with them at every single touch point. And digitization will help them accomplish this. In fact, the role of the digital network has never been more crucial than it is today.

Digital retail is more about an online presence

Retailers today need to think beyond implementing an ERP platform within the business and maintaining an online presence to interact with a larger base of potential customers. What they need is to formulate a strategy that allows them to use the strength of the network to connect with today's consumers to be able to:

- Reach consumer-connected through online medium.
- Maintain consistency across channels and customer touch points
- Collaborate more effectively with employees and field managers
- Maintain security vigilance
- Reduce operating costs through a lean retail architecture approach

Customer experience

Shoppers today demand not just products but experiences at offline and online stores. Even with something as simple as self-checkout, the backend needs to be

robust enough to manage the entire process and update the inventory in real time. If a customer finds that a shirt he's liked is not available in his size, can a store clerk not offer to check whether it's in stock at another branch or warehouse and have it delivered to their home the next day? These experiences need to be smooth, seamless and without restrictions, be it product information and availability, discounts and offers, personalized insights, or payment and delivery options.

Pop-up stores (temporary stores) that allow shoppers to experience products are a new way in which retailers create a brand experience with potential customers at a low cost. These are now increasingly frequently seen at malls and airports; in a way, they are the modern equivalent of a stall at a temporary expo. And by promising quick doorstep delivery, brands are exploring the option of keeping limited inventories in-store.

Full visibility of inventories across locations and a robust logistics network allows retailers to offer customers the option of buying online but picking up the product at the store or buying online and returning at the store. The reverse applies too – buy at the store but have it delivered at home or return it from home too. This results in a true omnichannel experience.

Digitally remodeled stores that curate personal experiences are the need of the hour because they can cater to individual preferences like never before. With in-store Wi-Fi, businesses can navigate customers

to where their preferred products are located.

In a connected retail world, a satisfied customer becomes a brand evangelist. Millennials broadcast their experiences – good and bad – using a variety of media, giving word-of-mouth publicity a multiplier effect. These brand advocates, in turn, help increase sales, reduce costs and create competitive differentiation. When you give these customers the ability to connect and interact with your brand instantly and efficiently every single time, you create a consistent experience. This can be done through a shop floor assistant, customer care phone line, social media channels or just a customer assistance kiosk at the store itself. Using digital infrastructure that has been customized for your business, you

could even deliver a mobile concierge service directly to a customer's mobile phone, telling them about custom offers, new merchandise or product comparisons.

Digitally empower employees to deliver the goods

A digital business can empower its employees with knowledge, skills, tools, and access to information. This makes them highly productive, trusted advisors no matter on which channel they are dealing with a customer – in person, on the phone, on chat or via social media. Tools like interactive displays, digital media, intelligent call routing, as well as unified mobility and communications solutions help employees deliver better customer experience.

Internally too, unified mobility and communications solutions can help managers monitor store operations, streamline daily task management, measure productivity, etc. You can also deliver training and communication materials over the same network without having to spend to build additional channels.

Don't forget about security – offline and online

Through it all, it is important to ensure that all your assets, physical and virtual, stay safe. It is important to have a holistic approach to online and physical security. In addition, you must ensure that best practices are put into place and employees trained to be just security-conscious. Securing customer data, for instance, is critical to retail success. A breach here would cause irreparable damage to a brand. Motion detectors that automatically trigger an alert on sensing movement during non-business hours is another way in which digital platforms help secure assets.

The right network architecture solution will incorporate the needs of your stores as well as your applications, including specific solutions for anti-virus, point-of-sale, scan, audit, remediation services, as well as best practices.

Going digital helps you grow

A digital strategy that transforms your customer experience, improves employee productivity and supply chain management and keeps your business safe doesn't just provide cost savings and better margins. It also provides you with real-time insights on how your

business is doing. At the same time, it frees up valuable time for you and your senior leadership team to use these insights and work on strategic initiatives to drive growth and innovation. That way, you'll focus on work that enhances the value of your business, not on just keeping the engine running. We would point to another important digital business impact: the market value of the business too can increase along with the business volumes and profit margins. For example, US-based grocery chain Blue Apron went public and is trading at a revenue multiple of about 1x, whereas online marketplace Car Gurus, which went public, is valued at a revenue multiple of more than 10x thanks to its greater use of digital process transformation.

At last, we conclude that for a retail business to become successful should go online. The online presence of business stores helps in gaining more customers. The online store to be successful should be backed by effective back-end infrastructure. Retail stores should focus more on customers delight rather than earning the profit.

THE RISE OF MINISO IN INDIAN RETAIL

By Bhawna Chugh (MBA G 2017-19)

MINISO has been centrally focused on the capability of the retail market in India. National and urban financial development is one of the most vital variables to showcase market potential. India is expected to be the fastest developing nation in Asia. Reports state that the Indian economy has been growing admirably as of recent years. As indicated by an ongoing report by the World Bank,

India's economy developed by 6.7% from 2017 to 2018 and is expected to develop to 7.3% by 2018, overwhelming China as the world's quickest developing economy. Joined with reports from

a few experts, it very well may be anticipated that India's economy is on track for patterned development, with GDP rising to

7.5% somewhere in the range of 2018 and 2019.

The rapid growth of the economy has established a good framework for the flourishing of India's retail industry. As indicated by the IBEF (India Brand Equity Foundation), India's retail sector is one of the fastest growing retail sectors of the world, with expected revenue growth to $1100 trillion by 2020 from $672 billion in 2017.

Clearly, India's retail industry is encountering exponential development

with a surprising momentum. The Indian market has turned into an ideal destination for various worldwide retail brands. With successful experience in working in Southeast Asia, Europe and America, MINISO stands out from the retail industry. Its remarkable plan of action has framed a supposed "new retail" since it entered the market.

Miniso describes itself as a 'Japanese designer brand' with a range of affordable assorted goods. It has currently laid down franchising options in the country to expand its footprint on the Indian retail market. It also eyes on the e-commerce channel for smaller Indian markets where large malls and high-streets are far and few between. The chain's wares are

finding takers among value-conscious Indian shoppers. It sought to be a discounted variety store that picked the latest trends from the world-over and manufactured them at scale. This kept prices low and helped it turn out the latest batch of trendy goods every few weeks.

"Looking at the demographics and the number of youngsters we have in India who are open to concepts like these (high quality at low prices), India is a very positive environment," Miyake Junya, the Japanese designer who co-founded Miniso, told Quartz over an email.

While it sells regular items like backpacks, storage containers, socks, yoga mats, bags, stuffed toys, and massagers all these goods are priced between Rs150 to Rs1,000. For example, there is the finger massager (Rs150), a sewing kit (Rs150), there's even a tissue holder for Rs150. These items aren't effortlessly accessible in regular departmental stores. The retailer has also introduced a beauty care products segment at affordable prices. As anyone might expect, its stores are drawing a wide range of customers like students, office-goers, and homemakers along with some newbies among them. However, retail experts remain divided on the idea. "Their (Mini's) price and curation are great positioning points for a market like India," said Ankur Bisen, senior vice-president for consumer and retail at Technopak Advisors. Their products are also easily available otherwise what uniqueness Miniso brings is that they provide these products at such an affordable price and under one roof.

Besides cheap Chinese imports, India's manufacturing boom over

the course of the last two decades has ensured that such products of daily use are insufficient to supply. "It's not like their products are very unique, they can be easily replicated; but what they have is the first-movers advantage. In the long run, they will need to innovate to compete with similar formats," said a former retail expert on the condition of anonymity. In and made it accessible, no doubt," the analyst quoted above added.

Miniso has established a new business model to break the price inflation of traditional retailing and make the price truly match the actual value of the products, and also focused more on quality

any case, what makes Miniso unique is that items sold in neighborhood markets are not all accessible under one rooftop. In India, 90% of all shopping still happens in open markets, local shops, street markets, and through mom-and-pop stores. "They (Miniso) have taken on a very unorganized sector

improvement. Moreover, the brand understands that consumers desire a combination of high quality and low price, instead of low price and poor quality. The model of the company meets both the trends of economic development and the true needs of consumers. The brand is breaking industry rules by providing conventional good quality affordable goods at an unconventional price. Miniso has opted minimalism which was quickly accepted by consumers

from different backgrounds. It meant that after fully experiencing sophisticated design, consumers are now longing for simply styled and quality products to adorn their lives. The company has set up a different model which can be seen though there different furnishings, product design and retail format of the store. The format of the shop is an improvised version of the 99 stores in India, 100-yen shops in Japan or the dollar store in America.

Miniso demands a product turnover of 21 days, with products updating every seven days so as to keep the feeling of a novelty for consumers and give them a new surprise every time they come to the store. Therefore, much attention is required for product displays. The display itself is creative work that demands the spirit of exploration. Once the standard is set, it is applied to all stores around the world. But they also encourage the staff to understand and apply these standards flexibly. Affordability, and excellent shopping experience, creating a "New Retail" market strategy which is a success by filling a price-point . The key to their success is that they have established a unique business model with remarkable product desing, niche left unaddressed by the various formats.

LOCATION

THE NERVE OF RETAIL

By Devansh Bansal (MBA G 2017-19)

Location is one of the major factors when it comes to the retail sector, especially in India, having the area of 3.87 million km, which results in a consumer pattern change in every retail sector and every 50- 100 km range the consumer pattern changes which brings huge volatility in the location of a retail outlet

The purchase of a product always depends on the ease with which a person can get access to the product. In the 21st century, we have two broad perspectives of the retail market which are online platform basically through websites and application used by the customers to acquire products all over the globe and on the other side we have brick and mortar or can say as the physical store which offers specific assortment as per the customer preference. There are advantages and disadvantages in both the context, but when it comes to physical store the first issue which arises is its reach to the customers which can be said as ease of reach for the store where the purchase is to be made.

In this case, the problem occurs in reaching the store the customer delays their purchase or find some other methods to get the product, but the advantages to online platforms to sell the products via shipments to various locations due to good distribution and shipping channel available in our country.

Therefore, an important factor governing the success of the retail outlet is the place where it is situated. The location of the

outlet silently guides the type of the customers it will serve and the various demands it will cater to. The choice of the right location will be helpful in attracting the right amount of the footfall and improving the conversion rate of non-customers to customers of the outlet and also focusing on non-potential or dead customers to the present market serving customers only because of the location factor. There are various factors which affects the choice of location which should be taken into consideration while choosing the location of the retail outlet.

Factors affecting the choice of Retail Location

Occupancy cost

The amount which is paid for acquiring the land/shop/warehouse or any other kind of store or land which is used by the retailer to help in day to day transactions, in our country the occupancy cost varies on many factors the major factor is the surrounding where the store is located due to the range of footfalls expected on the daily basis at the store which will also help in converting the visitors into the customers. In a modern trend, the occupancy is transferred to the leasing of the store due to change in the customer base for the seller so many stores which are running in India are on rental basis or leasing. It not only decreases the initial amount required for opening a store but also it keeps the storekeeper to relocate in case of change the residential trend of the person.

Customer traffic

The traffic not only includes of footfall of customers but also there are things which should be kept in mind which are-

- How many vehicles pass by the store?
- What is the accessibility of the particular area
- Is there adequate parking available for customers
- Is the area accessible for loading and unloading of goods or not

These things directly affect three parameters which are – Accessibility, Visibility, and Traffic.

Restrictions

As we know the retail stores are located in different locations where different rules and regulations are followed, In India, as a democratic country it is very difficult for retailers to run the store on their terms, there are laws, policies, regulations which come between the retailer expectations and the offerings by the legal laws.

The restrictions are

- Large stores should have adequate parking facilities
- The large stores should have back entry or separate entry for inflow of goods from suppliers
- The stores should follow the local guidelines which are – prefer the local taste and tinch
- The working time frame also sometimes depends upon the area time of activeness where the store which is opened beyond that time will decrease the profit by increasing the operating expense for the additional hours in a day.

Convinence

The convinence is further branched in the facilities which should be available for the customers which are

Reach of the store -The reach of the store means the distance from the home of the customer to the entry of store, due to the

availability of different stores in different locations the customer is forced to travel a long distance to reach specific store, we can take the example of metro store which are located in the outskirts of the store and when it comes to Big Bazaar which is located in the center of the city at various locations.

Area accessibility in terms of infrastructure

Now there are factors of infrastructure which comes in the scenario when it comes to accessibility of area which is – roads, localities connectivity. We can think in terms of roads – if the store is a good location but cannot be accessible due to the condition of the road, so there is no point of having store inclined in one side.

Trade area is defined as the radius of the surrounding area calculated from the outlet that determines the strength of the customers. The analysis of the Trade Area depends on the three major aspects which are – Site selection, Merchandising, Target Marketing, and Competitive analysis and there are three types of trade area in our country which are-

Primary Trade Area - It is closest to the outlet and has over 60%-80% of the customers where the major customers are neighbor customers and can be said as the frequent buyers of the store.

Secondary trade Area- The secondary trade area consists of main customers which do not belong to that particular area but come to the specific location for the specific store this area is also called as Main Trade Area because of it comers primary as well as secondary

Territory Trade Area- The major chunk is the left out who are not neighbor nor the main buyers but the rest of the customers who look forward to the store.

MAHABACHAT THE BIG DAY SALE
By Gaurav Goel (MBA M&S 2017-19)

Successfully running a chain of more than 100 stores in India; arguably we can say what Wal-mart is for the USA, Big Bazaar is for India. Many of us would be having the perception that Big Bazaar is inspired by Wal-Mart and yes it makes complete sense since both offer similar benefits to the customers and operate in similar fashion. Instead, according to Big Bazaar CEO Kishore Biyani, the idea for the retail giant came in the form of a local family store "Saravana" that operated on the principle of low margins can also lead to high turnover.

Following its slogan of "isse sasta or achha Kahin Nahi," it provides the consumer with the best of the materials at a rate less than the rest of the market. Big bazaar started with its first store in Kolkata, West Bengal in 2001 and now owns more than 100 stores all over India making itself the fastest growing retail chain in India and leaving all its competitors behind.

The idea behind Big Sale Day by Big Bazaar

In 2006, Big Bazaar- hypermarket chain started the concept of a sale around Indian Independence Day (August 15) - the 'Maha Bachat'

sale. Over the years, this sale has become a calendar event attracting all the Indians and not just the Big Bazaar loyalists.

Big Bazaar came up with this concept of big sales after analyzing the Indian markets. They realized that Indians are value seekers and has the habit of saving. For most Indians, the deeply ingrained habit of saving reflects in their everyday habits. Saving habit is in the blood of Indians. Keeping this in mind Future Group – Big Bazaar, initiated with this Mahabachat sale where consumers get all the items at reasonable rates which thus, leads to savings. They used the word 'Maha Bachat' (great saving) sale as a stimulus for influencing the Indian markets.

The 5 days Mahabachat Sale 2018

To mark India's 72nd Independence Day, Big Bazaar announced a five-day 'Mahabachat sale' where customers could avail mega discounts. The sale began on August 11 and continued until August 15. For the first time, Brand Factory, Central, Easy day, Nilgiris, Heritage Fresh, and Foodworld stores were the part of the Mahabachat sale, thereby leading to additional choices and convenience for customers.

Promotions

Big Bazaar began an online campaign on August 2nd for the Mahabachat Sale. The campaign began with the brand's Twitter page posting with the Mahabachat hashtag that grasped the attention of the Indian people thus announcing the Sabse Saste 5 days were coming back. There were various offers and attractive small videos revolving around the Big Sale Days.

Mahabachat Ki Mahafamily

To create an online buzz around the Big Sale Day, Big Bazaar launched a 24hr Facebook Live event called 'Mahabachat Ki Mahafamily' where various celebs were invited and performed entertaining events and family fun-oriented tasks.

A total of 50 celebs were a part of this 24hr live show and more than 1 Lakh coupons were distributed during the show to the audience. Also, the show invited Arjun Rampal and the rest of the cast of the movie Paltan as guests as a

part of promotions of their upcoming film.

The Visit-Big Bazaar during the Big Sale Day

It is a general perception among customers to go shopping around noon to avoid the evening rush. The same couldn't be said for the 100+ Big Bazaar stores across India. Customers lined up in front of the stores throughout the day. In places where Big Bazars were inside shopping malls, there was a separate line that started from the store gate and went on covering the entire floor the store was on!

Inside the store, every product had a Mahabachat tag on it that highlighted the amount the customers would be saving if they bought the product during the 5-day sale. Offers were given both on single products and bundles as well. Apart from the discount, Big Bazaar was offering on the

products, customers could avail further savings if they made the payment via Paytm or SBI debit card. Under the Mahabachat sale, customers were able to avail a cashback of up to Rs.1,200 in digital wallets Future Pay Wallet and Paytm under certain conditions. Big Bazaar also offered a 10 percent discount on purchases made using State Bank of India (SBI) debit cards.

Customer Management was in sore need due to the crowd the stores were getting during the sale period. The following strategies were used by Big Bazaar to control the crowd and maintain a hassle-free shopping experience for all their customers:

1. Fast Billing Pass

Big Bazaar gave away free Fast Billing Passes to customers via their online promotion channels. With this pass, the customer was given a separate billing counter thus guaranteeing a faster checkout.

2. More counters
Additional counters were set up during the sale period and more staff for hire as well.

3. Separate billing for elderly people
Additional billing staff was present inside the stores that billed the elderly people separately for their purchase without them having to stand in the checkout queue.

4. Home Delivery

Big Bazaar has announced services such as home delivery, convenient check in/check out for heavy products, m-PoS (mobile Point of Sale).

Problems Faced During the Big Sale Days

1. Crowd management

At times despite additional billing counters and extra staff, the sheer volume of people proved overwhelming which resulted in long queues; not just for billing but to enter the stores as well.

2. Cashback and Discounts

There were few instances where customers got into arguments with the billing person over cash back and discounts. The company gave away too many discount coupons and schemes that at times it became confusing for the customers which resulted in arguments at the time of checkouts. To counter this issue the company placed staff at various points within the store who interacted with the customers as they continue their shopping. This led to better education of customers at the time they were putting items in their shopping carts.

3. Variety

In the case of utensils and household plastic items like buckets, there was no variety at all. The stock was in huge quantities but it all consisted of the same items from the same brands

TRACKING PRODUCTS: A helping tool for Retailer

By Sanyam Jain (MBA G 2017-19)

The growth of economies depends on the growth of Technology too, today the world is running on technology and therefore dependent on it for its future when it comes to innovation today every traditional product or service is coming up with the integration of Information technology with it.

The same follows with the tracing of items in the retail sector, from the early time in India we have seen shopkeepers so-called Lalas using different codes for product pricing and assortment.For example SILVERTOWN – S=1, I=2, L=3, V=4, E=5, R=6, T=7, O=8, W=9, N=10 so whenever they wanted to code the product they used this code, but with the time and growth of economies the retail business has flourished where now the assortment, variety, range length and breadth of products have increased due to which the old or traditional method will not work anymore, so with the growth of Infrastructure technology in the mid 90s where the RFID was introduced in 1948 but due to late adaptations by the market the trail use was started in 1960-70 and the early adopters of RFID started in the late 90s, today it is easy to find RFID technology in small retail stores but the development of this took almost 50 years. And in Retail Sector, The American originated companies such as Walmart and European companies such as Metro and Tesco due to which the other big retailers have attracted towards the innovation of RFID.

Retailing and Use of RFID

As discussed that Walmart as the early adopters of RFID it has used it for – pallets and cases tagged which it begins in 2005 and ahead of due to which it has achieved internal efficiency to meet the customer demand.

Consumer Research – The research plays a vital role in the development of strategies for Big retailers and the success stories behind it, for the same the use of RFID is done as it carries unique product number and if the buyer

pay with cash, plastic money or e-wallets the retailer can link the buying behavior or pattern to the recorded RFID data and use information to map out individual consumers buying behavior and sort out store assortment likewise.

Inventory Tracking – Today the Inventory plays an immense role when it comes to the retail sector – be it demand or be it supply the more it is managed the more effective and responsive ratio is handled. Today the methodology Is no more restricted to counting and stock reports on papers but it includes the use of RFID in inventory management where the scanner reads the barcodes within seconds and send the information about the inventory of particular product range of particular color with particular size and number of pieces available, the advantage of RFID is it counts within a second, the preciseness or

accuracy is almost 100 percent and it can read the data from 20 sheets which help a person in warehouse or stock area to make sure the items get scanned properly.

Security – With the increase of retail stores and the acceptance from customers the security issues have also raised, the common security issues which have found is shoplifting, it has grown with the time and become a serious concern for retail store owners. The option is to direct staff to have a watch on customers closely but this can have many issues where the staff gets distracted from main work and responsibilities and on the other hand, customers hate being watched. To provide better solution the use of RFID technology is an elegant solution where whenever the store has set RFID it cannot surpass the store without getting the billing done,

once the billing is done RFID gets destroyed but if someone tries to shoplift then while exiting the store there are RFID boomers which detect and raise the alarm to the store, therefore, this helped many stores to reduce the shoplifting procedure.

Interactive Advertising – Advertisement is the tool of persuading customer mindset, today RFID also helps in the advertising for both external as well as in store, When it comes to external the Tags can be placed where the person can access the information about the advertisement item or material

with the phone which will send the information to the users phone on web browser to read more information and it also can use a coupon code, discount voucher to avail off on price in-store purchase.

Automated Checkouts – The booming IT infrastructure has taken the road of non stopping the customer where the customers don't have to wait in the quest to get there billing done today in India also the culture of E-wallet payment and automated checkout is rising with the emergence of Google Pay, BHIM and also Apple pay which will get launched soon in India.


LibBest Library RFID Management System

Summing up the Benefits of RFID in retail

| Operational Efficiency |
| Reduced out of stock |
| Accuracy, speed and efficiency of process |
| Automated shipping/receiving |
| Reduced inventory |
| Improved efficiency of store operations |
| Improved labor productivity |
| Streamlined process achievement |
| Improved Visibility |
| Real-time Visibility |
| Tracking and tracing |
| Improved visibility of orders and Inventory |
| Stock Management |
| Reverse/ exchange Management |
| Reduced Cost |
| Improved Security |
| Security against theft/Fraud |
| Reduced Shrinkage |

| Improved supply chain Security |
| Eliminates return merchandise fraud |

How RFID Works

Talking about the technical aspects the RFID system has three basic components which are RFID tag – Transponder A Reader – Transceiver A Database, It is a integrated chip with antenna sending radio waves which are further transmitted from the RFID reader in order to process and then store the information, further there are two types of RFID – those which work with power supply (battery) and the another without it and the range varies in majorly three criteria – Low Frequency, High Frequency, and Ultra High Frequency.
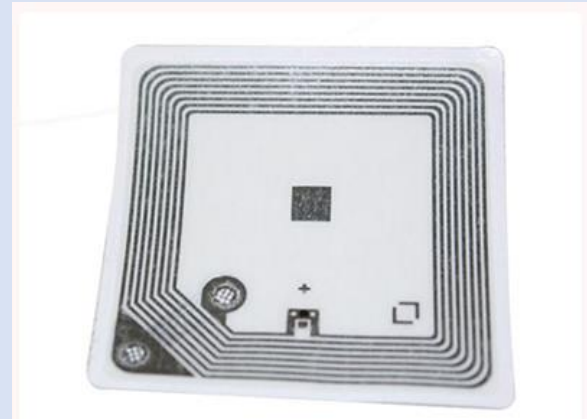
Reduce Waiting time: Before this technology, when the customers went to cashier for final purchase they have to wait in long line because cashier took the products from the customer and one by one they enter the detail of products which take a long time. RFID solved this problem by it scan the entire area of products in seconds. This is a time-saving advantage of RFID.

Disadvantages of RFID:

Security: Since RFID is the technology. It can easily be hacked by hackers and misuse it. As RFID contains all types of information related to product, store, and customer.

Cost: Since RFID is advanced technology. It is expensive to purchase and installation also. RFID need extensive investment both from time and cost perspective.

RFID Applications

Rfid technology is used or employed by many industries to perform certain functions such as:

- Inventory management
- Assets tracking
- Personnel tracking
- Controlling access to restricted areas
- ID Badging
- Supply chain management

"The One who delivers fast will win the Race"
The delivery system in E- Retail Industry
By Yash S Nagrani (MBA G 2017-19)

Nowadays the retail Market is not just restricted towards the purchase of material, assortment and selling but also now the customer is looking for something extra, in what sense? Discounts? Availability? No, it is in terms of delivery. Customers nowadays look beyond the primary service which is product and look forward to secondary service which is delivery.

Earlier when the delivery system started the main reason for starting this system was to reach those customers who stay far and cannot carry huge bags with them after shopping as initial stage, but slowly the retailers focused on virtual customer base where the order was taken over the call and the products are delivered after the payment received by them, today the delivery system is completely different. The focus is towards customer retention be it physical or virtual. The delivery is add on in both the scenario where in case of physical – Delivery is Independent variable and when it comes to virtual - delivery is dependent Variable because

without the delivery process the virtual purchase is not complete.

Today the customers not only consider price when it comes to the delivery of the product but also the time period in which the product will be available for the customer. Due to which it gave birth to online retailers. In India the Online retailing started with the boom in the 2000s where we saw the emergence of Flipkart, Snap deal, Jabong, Myntra, Amazon as e-retailers, the market is growth and maturity mid-stage so what to do now to capture more and more market? The e-commerce players focused on two major points

- Delivery service
- Extension of services

Delivery service- Now the race is full of market players who are there for just delivery system. Earlier the delivery platform was started and looked by few companies but as the boom of e-commerce risen it also gave birth to delivery companies too. Today every possible company has outsourced their delivery to the 3rd party for the following reasons

- To focus on the core competencies
- To increase the market share by delivering faster and better
- To save the cost over extra operating investment for the delivery system

Extension of Services- The services are not anymore just limited to electronics, clothing, shoes, accessories but also groceries for day to day consumption. The companies have realized that today even grocery is something which is demanded on the door, so why not focusing on the same, due to which it gave birth to companies like – Grofers, Bigbasket, Natures Basket and not only this today the big e-commerce giants like Flipkart and Amazon are available with the grocery section.

Talking about the delivery system in the Grocery section, the Bigbasket, Grofers are the major competitors in the market. Today the Grofers is available in - Delhi, Gurgaon, Mumbai, Bangalore, Kolkata, Noida, Pune, Ahmedabad, Chennai, Hyderabad, Jaipur, Lucknow,

Surat, Chandigarh, Kanpur, Agra, Indore, Nagpur, Ludhiana, and Vadodara

On the other hand, Bigbasket is available in - Bangalore, Hyderabad, Mumbai, Pune, Chennai, Delhi, Noida, Mysore, Coimbatore, Vijayawada-Guntur, Kolkata, Ahmedabad-Gandhinagar, Lucknow-Kanpur, Gurgaon, Vadodara, Visakhapatnam, Surat, Nagpur, Patna, Indore, and Chandigarh Tricity city limits. The Market is led by Bigbasket when it comes to the online grocery market.

Delivery pattern by online grocery companies

The delivery is the key for any online grocery retailer because of the utility of the product for the customer, it is very crucial for them to deliver on time for that the pattern which is used by the players are
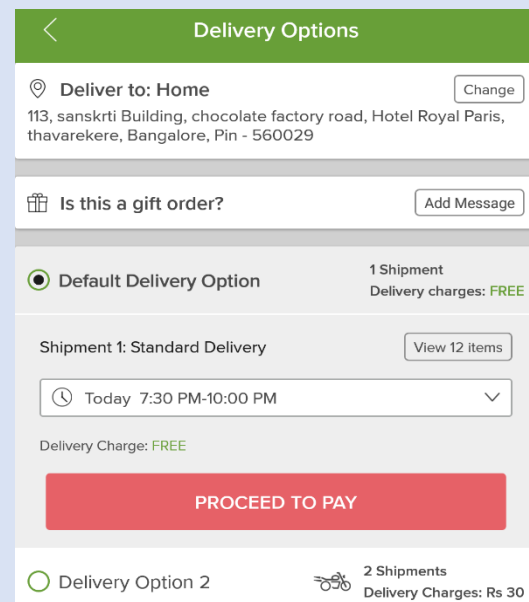
2 hours Delivery

This pattern the customers have given set type of items which can be ordered for a particular location because each location has its own advantages of item selling with the proportion of availability. This is also called express delivery where the mode which is preferred is 2 wheeler where a person is assigned to customers list and the shop on the behalf of customer and finally delivers on the door. We can see Bigbasket and Amazon Now as the rivalry players in express delivery.

Daily Delivery

The patter of daily delivery is one of the convenient delivery as seen in the market, in terms of customer demand and market player's supply both found it feasible the concept of delivering products on the daily basis. The flow of the channel which it follows is

Application-based interface --- Customer product assortment --- add to cart --- Choose Address --- Decide Delivery Slot ---Payment --- Order Placed.

Here the delivery slots offered varies from time to time which is

- (Order day)Today

- (1st day after order) Next Day Delivery

- (2nd day after order) 3-day slot Delivery

- (3rd day after order)

- (4th day after order)

- The slots of time which are available are 4 slots which are

- Early Morning slot – (7 am – 9:30 am)

- Morning slot – (9:30 am – 12 pm)

- Afternoon slot – (12 pm – 4 pm)

- Evening slot – (5 pm – 7:30 pm)

- Night Slot – (7:30 pm – 10 pm)

So the day delivery and the time slots available provides many permutations and combinations for delivering the order to the customer.
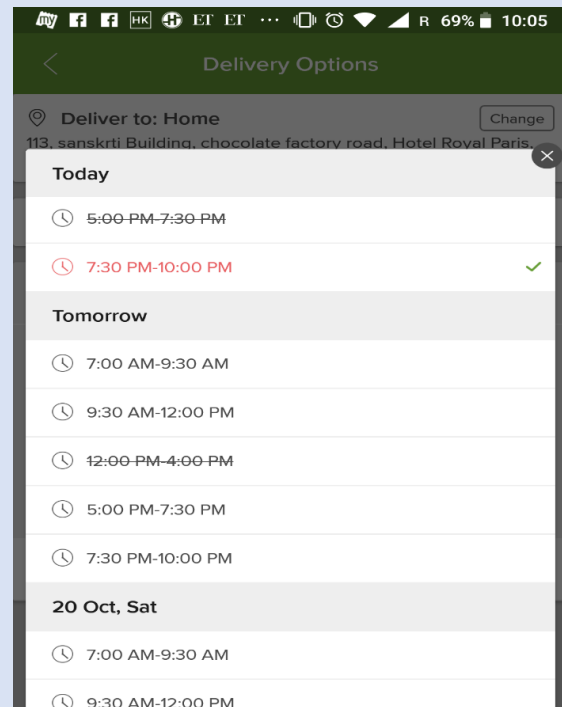
Pickup points

Looking at the high demand of delivery for customers and when there is any delay the customer gets disappointed, moreover there are customers who are sitting at home/office and want the particular product as soon as possible to cope up with this demand the companies are focusing more and more on Pickup points concept where they allow the customer to pick their products from particular locations/ shops which are tied

up with the company. The benefit which is served is

- Low delivery cost to the company
- Less transportation process
- Goods at demand
- Customer Retention

The medium which is used by the delivery companies are

- 2 wheeler Delivery

Talking about the delivery system the delivery which is done on 2 wheeler has a small box with them on bike where they carry products for the delivery, and it is detachable to facilitate the delivery executive to carry the box to the door, but on the other

hand when it comes to real life scenario when I had conversation with the delivery executive he specifically mention that the box is not handy at all and it is huge when he carries the box daily, during night he feel tired due to back pain from caring the box or bag.

4 Wheeler Delivery

The delivery in terms of 4 wheeler the most common vehicles are Light commercial Vehicle which can be easily carried till 1 tonnage of items and access the city streets easily with the 3 people on board which are – Driver, Delivery person, and vehicle executive who keeps the account of orders and delivery.

The delivery carry carts which have close caps with locks which shows that the delivery is restricted as per the customer order and on the other hand the Flipkart grocery delivery order follows different pattern where they add one kind of item in one cart, be it one small product it will still take space of one entire cart, we can see how the difference occurs when they follow different strategies where the big basket focuses on maximum delivery with maximum possible security, on the other hand, the Flipkart focused on security on a prior basis and space on secondary line it will also shift the price which customer has to pay from pocket whichever e tailor the customer wants to acquire.

Still, the market is lagging behind when it comes to secure delivery, there are cases from all the e-commerce delivery platforms about thefts and complaints, companies are working on it by implementing new practices.

But when it comes to Indian customer perception when I had a talk with a bunch of people who orders from Bigbasket, Grofers, Amazon Now the major reasons for ordering online are Fast

Delivery, Delivery on the door and Time-saving aspect.

RETAIL LOCATIONS OF INDIA

By Dr. Ruchika Nayyar

(Assistant Professor Amity Business School, Noida)

MALL SPACE- With the growth of economy we have seen India Infrastructure growing with the rapid-fire pace, which also gave birth to Mall Culture in our country, where the people come not only for one purpose and it also serves the different sectors which are available inside the mall such as – food, retail, entertainment etc. As we know malls experience a high amount of traffic and high footfalls during festive or vacations, therefore, a variety of retail outlets can be witnessed ranging from kiosks to high-end departmental stores.

SHOPPING CENTRE- This is one of the smaller version of a mall and can be said as the baby mall where the shopping centre is focused to

The specific market where there is more number of retail stores comparable to a mall and serves only the purpose of shopping by eliminating the extended features of a mall.

DOWNTOWN AREA- In India Downtown Area is still the heart of any city where the city residents and nearby villages people come to shop, it can be said as the main

market of any city, In our country and specifically cities every city has a specific area for different items, considering the example of Delhi we can understand the downtown area-

- Clothes- Chandni Chowk, Meherchand market, Shanti Mohalla, Shankar Market
- Electronics – Nehru Place, gaffar Market
- Vegetables – Azadpur Market, Mehrauli Market
- Grocery and Staples- Khari Baoli, Sadar Bazaar, Chawri Bazaar
- Flower and Petals – Ghazipur market
- Electrical Market – Bhagirath Palace
- Furniture Market –Kirti Nagar
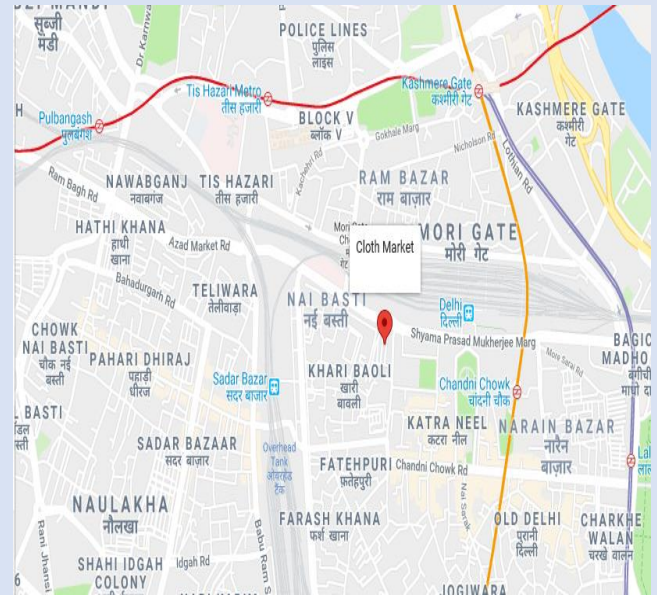
FREE STANDING LOCATIONS- the freestanding location is different from others where the entire building is run on a single retailer which is growing day by day, the main focus is to provide wide range of assortment to the customer and have end to end control over the process along with the add on advantage of parking and the footfall which will be focused towards one retailer only including the cost per square foot to be kept low, there are many

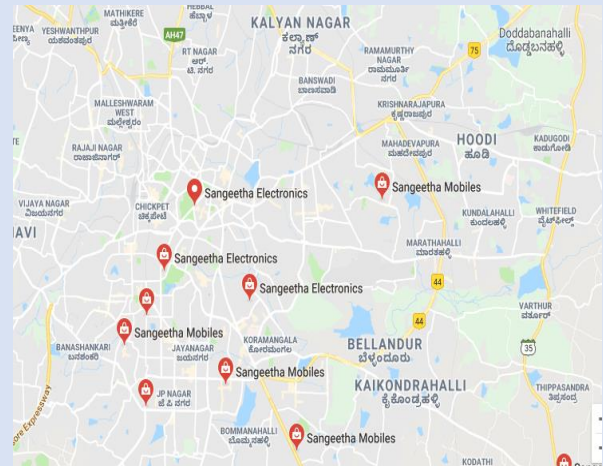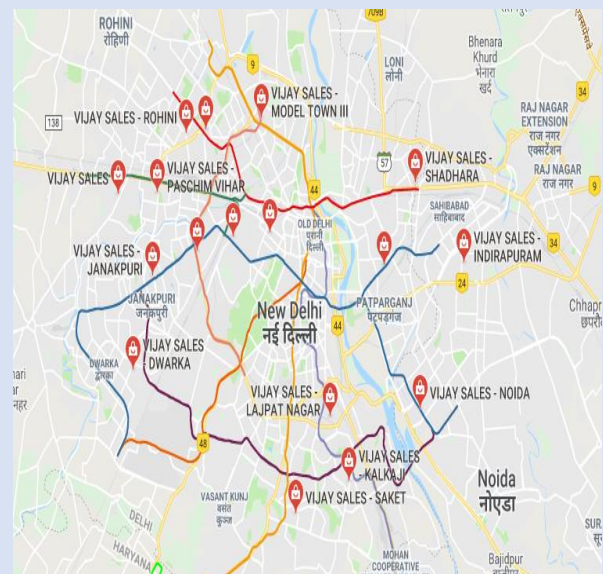retailers in India who believe in this, some of them are –

- Village market

- Lotus electronics

- Sangeeta electronics

- Vijay Sales

OFFICE BUILDING- In this case a retailer establishes an outlet which will be serving the working class or the people who are working in the building is said to be office

building store, in India the business parks concept is developing and rooting its depth and as of now the tier 1 cities are the major market, so to provide the facility of retail store the

players come into action, the major office area who are dealing with this are-

- Cyber Hub, Gurugram
- UB City, Bengaluru

HOME BASED- In this case the retailer usually establishes their business at their homes and operates their functions of selling and distribution from their home. The concept which was launched in the early 2000s still alive and practiced by the very few companies to expand their market share with the help of local market where the homemaker take initiative and run the retail store within the house.

BLOCK CHAIN A RETAIL SUPPLY CHAIN PERSPECTIVE

By Rishendra V Singh (MBA G 2017-19)

A report published by marketsandmarkets in November 2018 as "Blockchain in Retail Market by Provider, Application (Compliance Management, Identity Management, Loyalty & Rewards Management, Payment, Smart Contracts, and Supply Chain Management), Organization Size, and Region - Global Forecast to 2023", the market is expected to grow from USD 80.0 million in 2018 to USD 2,339.5 million by 2023, at a Compound Annual Growth Rate (CAGR) of 96.4% during the forecast period.

So blockchain is consensus-based secured decentralized applicable to both private or public database which stores information on peer to peer network, so in nutshell the term "consensus" is used in form cryptographic algorithm used to verify transaction which is being added on chain though are totally decentralized using peer to peer to networking system, which could be authenticated, verified by any individual who licenses to authenticate such transactions. Data is stored in on nodes once verified are stored on what is called as blocks thus making more secure ledger-based operating over the network of nodes. The network is immutable chain data which brings consensus among partiers, therefore, making the trust-building mechanism for parties.

As a mechanism that enables mass-collaboration and execution of collective self-interest, blockchain is a digitally

autonomous way of bringing efficiency and reliability to the ever-expanding retail supply chain. Retailers who can unlock their supply chains can improve operational efficiency, represent a superior brand value and provide significantly improved customer experience. With major factors quoted which drive blockchain in the retail industry is totally reduce the cost of own ship, with upscale use of blockchain technology in the retail environment could possibly create decentralized networking systems to more transparent supply chain process.
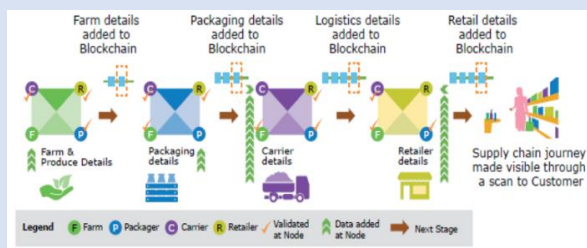

Figure 1: Blockchain deployment along the retail supply chain

Some of the major flaws in today's worlds in saving data on centralized based network systems which range from centralized serve to hire the third party serves clients provider system to save thousands of data which increases cost, data security issues to power of trust in the whole system as a whole.

Since retailers conduct a transaction with supply partner with contracts to a number of documents to transfer assets which generally dome partner financial instructions such as bank etc. which itself raises for mistrust and inefficiencies between them also further problems already in the supply chain exist

Right from reconciliation in supply chains traditional are not integrated end to end and there is lack of limited standards to govern flow of information therefore each stakeholder needs to reconcile it data in hand

therefore to ensure accuracy efficiency and effectiveness of chain, to use of centralized systems in terms of collect, record and secure data and produce accurate information to other systems as well as end to end supply chain may be limited, And finally issue the power of "trust" in the whole supply chain system. Blockchain technology addresses these challenges by providing authenticity to the supply chain. The potential of blockchain to solve retail supply chain manifests in three areas firstly where the ultimate consumer and retailer track the flow of product in the entire supply chain, role of smart contracts and finally support low powered mesh networks for Internet of things (IoT) devices which reduces the need for centralized server systems to peer to peer network based storing platform.

Also, Blockchain's basic logic can be applied to the supply chain overcoming security and redundancy to operations such as inventory and replace banking nodes with supply chain partners. The use cases of this new method of work are convincing. At the most basic level, the basic logic of block strings means that no inventory item can exist twice in the same place. Move a finished product to the product in transit, and the status of the transaction will be updated for everyone, anywhere, in minutes, with full traceability to the point of origin. Do you want to trade public markets based on the total volume of the ecosystem - not just what you buy from a provider, but what do all your partners do? With a solution based on the blockchain, you can calculate the exact amount of the discount based on total purchases.

International Business Machines Corporation, Wal-Mart Stores Inc., is developing a blockchain solution allowing its actions to follow the lens of Product Safety. One-Click-to-product registration to-product product-sale, in the big-product-made-product-copy-product-product-copy-product framework in the marketing of the chain of blocks, Wal-Mart has declared Necessary that it was an original contaminated search product.

Similarly, IBM's solution also involves an international logistics chain with the transportation giant, Moller-Maersk, Inc. This chain of blocks is currently being tested by retailers and retailers could also solve some trade-related problems internationally. However, this concerns the burden of regulation and bureaucracy of cross-border shipments.

Potential applications of technology blockchain in emerging economies like India are enormous. To keep up with current requirements and emerging trends, Future Group, India's retail giant launched an accelerator in Bangalore, India. The new accelerator Future Group, called Future C & D (consumer and digital) Lab, focuses on some of the popular innovations next generation in the fields of artificial intelligence, analysis of big data, blockchain technology, Internet of Things, robotics and other related technologies.

Possible Use Case Using Blockchain In Retail Using Supply Chain

Here is blockchain here is example which can be possibly using connecting supply chain network end to end basis which major issue cited in traditional

which provides a solution supply chain from end to end so that manufacturers may order, sell, track and pay for products once they reach their destination without problems, the documentation will be created, updated, view or verified by the parties to blockchain that could confirm receipt of goods once received (for example, port authorities), which allows manufacturers to track your shipment. Payments may also be started without interruption between the parties throughout the process, according to the agreements (e.g. between the seller and the customs authorities, the seller and the shipping company and between the seller and the buyer). As an extension, the lot connected sensors and smart devices could measure the condition of containers and other information that can be recorded in blockchain and report final settlement (for example, if the property is damaged).

Next possible solution could be connected back end office data collection and analysis from product and supply chain related data managing inventory on real-time and stock-out, also captures supplier details right form external information

Another could capture all information right from supporting services once the contract has been formed between partiers which are stored on the blockchain and payments mechanisms accordingly release based on the services rendered and finally, off chain data report can be made which consist of the full performance of supplies, therefore, future contracts can be made accordingly

Catching fraudulent transaction in form of escrow system which

separates speculative funds protects funds which are not released and only when parties agree or confirmed or are satisfied we have smart contracts which eliminate the needs of third-party moderates.

Benefits for Retail Using Blockchain

Transparency- Transparency is the key to success, and when it comes to Blockchain, Which Enables a peer-to-peer transaction, even the smallest change in the ledger gets registered. Both the parties can view ledger and thus, there is a minimal probability of cheating. Apart From this, the customer can get to know About the origin of the product, date of manufacturing and Their every minute detail Which would Affect Their buying and decision. For example, Provenance is a platform Which Helps Provide the brand to the particulars of origin and history of the product. The blockchain is the underpinning of this. It Allows the parties, i.e., the seller, manufacturer and consumer product to trace the journey.

Improved inventory management

With the increasing complexity of managing SKU life cycles and shot, sales forecasting has become more difficult for retail in fashion clothing. Thus, retailers and with their partners in the supply chain can use implement a blockchain solution that provides a single source of truth and intelligent use contracts to allow automatic execution of payments and orders. Better visibility of the supply chain increases operational efficiency and would add more accurate forecasts, avoiding excessive orders and minimizing the loss of sales due to stockouts.

Product authenticity. The proliferation of fakes that are difficult to identify may result in a decrease in sales and a decline in the value of genuine products for designers of luxury consumer goods. Blockchain solution can renew confidence by allowing customers to scan a permanently etched in the product code and access the entire product history, including ownership chain.

Vendor Payment System

In terms of supporting details in terms delays and costs role of the use of smart contract platform on blockchain can provide fully automated payment system which form of digital contract between parties which offers benefits These are chains of automated private blocks. This ensures that all actions either end, vendor, supplier or manufacturer to register. Therefore, most retailers are opting for it, this provides clarity and maintains trust between the parties. In addition, there is less chance of fraud and deception. This means a reduction in paperwork, confidence in the digital exchange of information and cross-border transaction smoothly. It also reduces the possibility of losing any data.

Data Security

Thus using blockchain networks in supply chains can create a shared truth without using a powerful, centralized intermediary. Each participant has a copy of the ledger and all transactions and movements are part of this great book. If a participant attempts to game the system or to commit fraud, the company handles only its register and is immediately out of sync from the rest of the ecosystem,

which is a powerful system to detect frauds.

Procurement

More visibility and more savings. Suppose the company may be different, but it is important to keep track of your affiliates, business partners and all other members of your supply network. Blockchains make it simple. With a large constantly updated book that integrates data from all your relevant partners, your company can view the total volume of each other. Without blockchain, companies hire many people to check their orders and capture these purchases in volume. Advantages. Large companies can make tens of professionals and they are supposed to receive.

Smart Contracts

Technology are intended to help resolve these problems. Smart contracts are written in computer code with rules and built-in actions that execute and apply an agreement. When a transaction occurs, the system, taking advantage of the rules in the code, automatically generates additional actions such as payments, property transfers, alerts, or other actions without using an intermediary. Since contracts are smart, it's code-based, so it's much easier to change the rules by deploying a mutually agreed new version. This approach not only reduces the complexity of contracts and costs, but it also provides critical flexibility to help support the emergence of new business models that aim to take quick advantage of new market opportunities. Therefore, opening the scope of applying easily adapt as information storing platform may be on raise and in case apply in retail in special context to supply chain the major issue lies to cross-checking regulatory

changes to tackle counterfeiting and to observing manufacturing practices as well to install a procedure specific batch easily could detect or alert defects, these are merely just potential possible solutions which blockchain could provide , but following issues need also be addressed in the sense install the blockchain platform which ranges from

Finding the right blockchain technology providers

With Multiple technology players with varying maturity and strengths have created an ambiguous market. Careful selection and configuration suitable platform to suit individual business needs is crucial for realizable to benefits

Balancing transparency control

It is important that retailers find an optimal balance between the type of blockchain consensus and security algorithms (public/private/ permission) and different.

Investing in complementary technologies

Infrastructure investments in complementary technologies will be inevitable. Many retailers are exploring serialization with 'digital tamper detectable' packaging or invisible barcodes to strengthen authenticity.

Instituting changes in operational culture

As a collaborative, consensus-based mechanism, blockchain requires buy-in from other supply chain partners. An ecosystem of invested stakeholders is fundamental to attaining its true potential.

Adapting to regulatory changes

Complex sets of trade regulations and laws must be integrated and codified in blockchain enabled processes, especially for instances involving smart contracts and global trades.

Blockchain technology trying to resolve compliance issues for its direct purchasing/purchasing process. Still, Question lies from third parties, intercommunication prices from its suppliers, subcontractors in which the audits revealed that the correct price was not used, which requires time-consuming reconciliation efforts. We can say the proof of the concept in demonstrating the features needed to manage a manufacturer of the supply chain under a blockchain.

We conducted a proof of concept demonstrating the characteristics needed to manage a contract manufacturer's supply chain under the blockchain environment. Then there was the talk of extending it through their network, which reduces value leakage and eliminates the expensive price verification process which ultimately eating u economies of scale under negotiated price agreements. It's possible that the savings from reduced auditing alone could cover your blockchain investment - but you're getting a lot more as well. In an increasingly globalized world, with the speed of accelerating business and data flowing all around us, it's worth exploring blockchain options as a trusted builder.
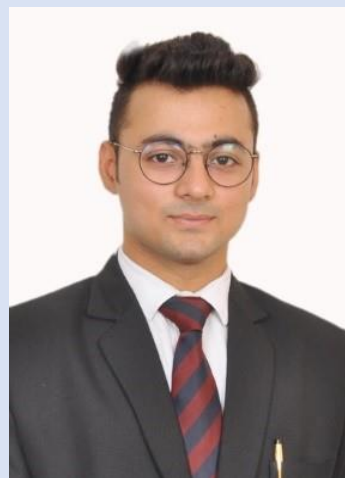
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"It is a well - known fact that bringing in technologies in the retail sector is good for consumers."

                                                  -N.R. Narayana Murthy

"We've had three big ideas at Amazon that we've stuck with for 18 years, a d they're the reason we're successful: Put the customers first. Invent. And be patient."

                                                  -Jeff bezos

"We are called Future group because we look at the future and plan much before,"

                                                  -kishore Biyani

"People are always going to go shopping. A lot of our effort is just: 'How do we make the retail experience a great one?"

                                                  -Phillip Green

"You walk into a retail store, whatever it is, and if there's a sense of entertai-nment and excitement and electricity, you wanna be there."

                                                  -Howard Schultz

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