MID-TERM SUBMISSION OF BDM CAPSTONE PROJECT

TOPIC – PROFIT MAXIMIZATION OF A GENERAL STORE

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EXECUTIVE SUMMARY

This report consists of the detailed analysis done to find the solution to the problems. One of these problems included the new(updated) product being available in the market due to which the customers didn't buy the old product. To solve this problem entire data was collected to find out the most selling products. It was found that out of 75 products, only 25 products are demanded at all times. Later these 25 products were further divided into 3 categories:

1) Decreasing in demand
2) Constant demand
3) Increasing demand

The reason for dividing these products into 3 categories was to find out the products that will not be demanded after some time. It was done so that the shopkeeper would know for which products he needs an alternative. On dividing the products into 3 categories it was observed that people are adopting a healthier lifestyle and looking for healthier options. So the demand for different dals is increasing irrespective of the price. Apart from that it was also observed that people are looking for some cheaper options as well in some cases. 3 different graphs are shown for all the 3 categories for a better understanding of the products. In the last part of the report, a table is shown for the list of those 25 products which were demanded at all times. Since it was said by the shop owner that the sale of sugar and dry fruits increase in the festive season they can try and invest in some gift hampers which are cheap because the customer in that area is looks for affordable products.

PROOF OF ORIGINALITY OF DATA

For proof of originality, a picture with the owner of the shop is taken and a small video of interaction with the shop owner is made. Please note that since the shop is on the main road there is a lot of traffic noise due to which the audio is not very clear. It's a request to please understand this. Also, the video consists of interaction with only 1 owner and not both owners. Subtitles have been added for a better understanding. Below are the links for the same:

METADATA AND DESCRIPTIVE STATISTICS

1) On analyzing the products it was found that the products have a maximum profit of 12% while some products have a profit of only 7%-10%.

2) After updating the entire data in the Excel sheet and doing the analysis it was found that out of the 75 items sold only 25 items are sold in all months and demanded in bulk quantities.

3) On doing further analysis using graphs and charts it was found that even though 25 products are sold in bulk quantities some products are increasing in demand, some products are decreasing in demand, while some products are in constant demand.

4) Let's have a closer look at the demands for different items:

   a) Items with constantly decreasing demand – On analyzing the top 25 products it was found that 12 products out of 25 products are constantly decreasing in demand. These products include himgange oil 100ml, haldiram namkeen, degi mirch, kasuri methi, Rishta aata 5kg bag, besan bareek, mdh chana masala, takat aata 10kg, garam masala, Manik refined tin, Madhusudan ghee, MDH kitchen king masala.

DECREASE IN DEMAND
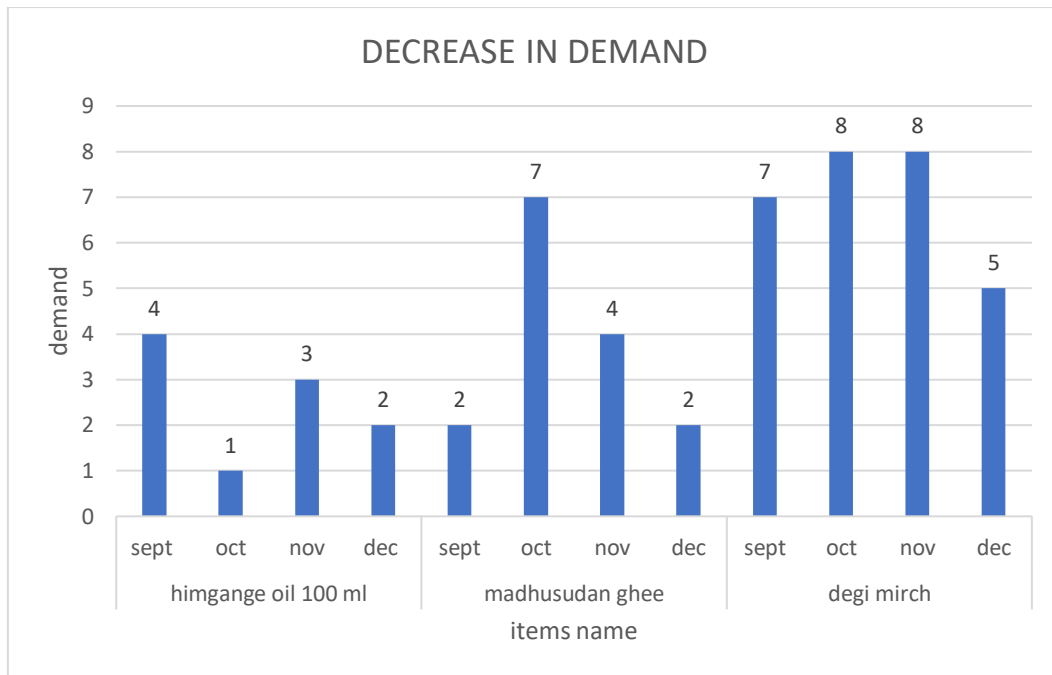
b) Items with a constant demand - By using different graphs it was found that the demand for some products didn't change even on changing the prices. These products were demanded irrespective of the month, season, and price. These products included: alpenlible toffee packets and matchboxes.
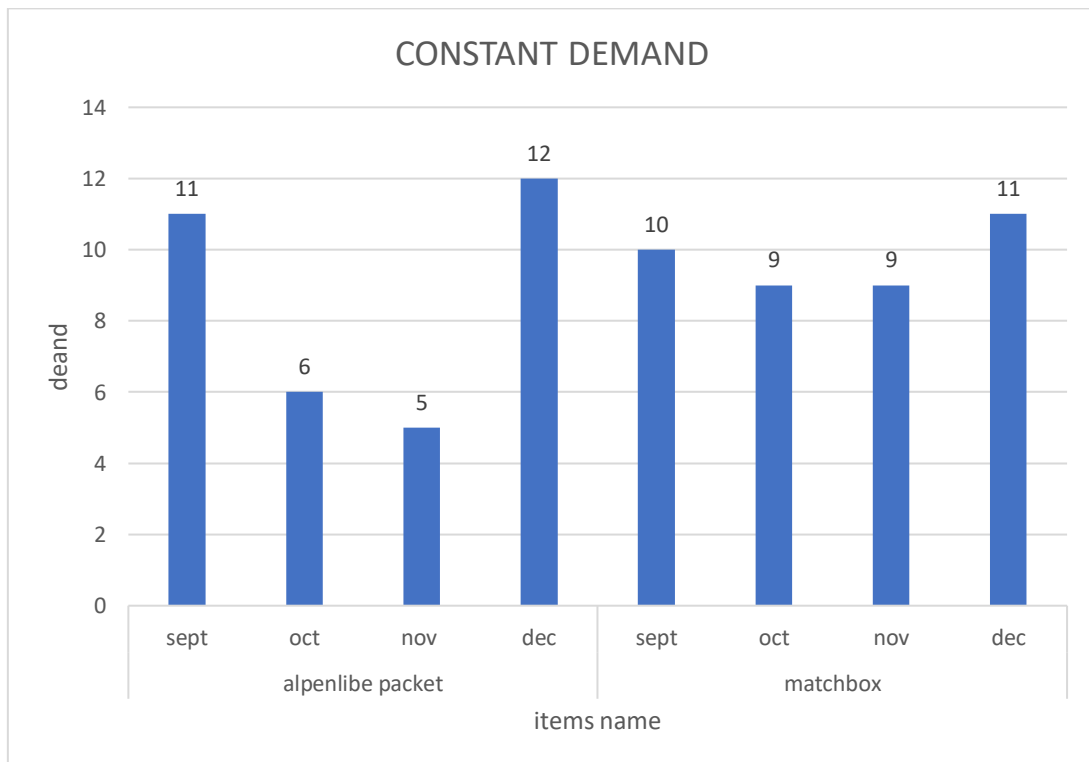
CONSTANT DEMAND

c) Items with a constantly increasing demand – the remaining products include the ones which are constantly increasing in demand. These products include chana dal, arhar dal, udad dal, masoor dal, sugar, city gold tea leaves 1kg, manik refined 1 ltr, city gold tea leaves 250gm, meat masala, besan mota.
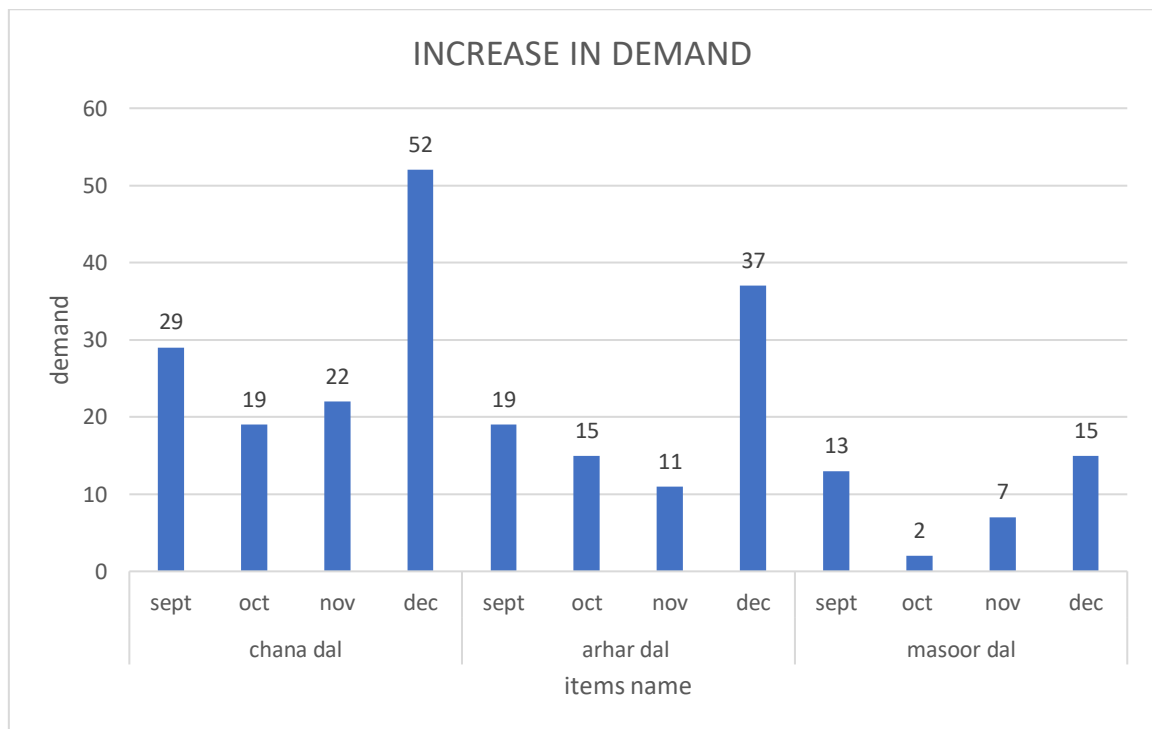
DETAILED ANALYSIS OF FINDINGS

1) On doing a detailed analysis it was found that even though the shop is selling 75+ products there are only 25 products that are in demand.

2) Out of those 25 products the products are further divided into 3 categories to find out the products that are decreasing in demand, are in constant demand, and increase in demand.

3) On closely observing it was seen that people are becoming more health conscious and are adding healthier options to their diet that include different types of dal and opting for gram flour instead of refined flour(maida).

4) The different types of Indian snacks like haldiram namkeen in decreasing in demand.

5) It was also noticed that even though everyone is shifting towards a healthier diet they are also looking for cheap products (pocket-friendly options).

6) It was observed in the case of ghee and refined. Ghee being a bit on the expensive side is decreasing in demand while refined is increasing in demand.

7) To increase sales the shop owner needs to make sure to add some healthier options of Indian snacks because even though the snacks(namkeen) is decreasing in demand its bought by the consumers in large quantity. So the shop owner needs to experiment with some alternate options.

8) For the products that are decreasing in demand it is advised to not stock them in larger quantities since there are chances of their capital getting stuck in it.

9) Instead of investing the capital in the products that are decreasing in demand it is advised to invest a small capital in experimenting with different products in the market so that by the time demand comes close to zero they'll be able to make money using another product.

10) It was mentioned by the shop owner that the sales of sugar and dry fruits increase during the festive season, not to a large extent but a bit. The shop owner can also try adding some gift hampers but the hampers need to be pocket friendly since it was observed that the consumers in that area look for affordable products.

RESULTS AND FINDINGS

Given below is a table that shows the top 25 products on which the entire analysis is done. Since all these products have a profit of 12% it becomes really hard for the shop owner to survive in that market.

This categorization is done for easy understanding of the shop owner on which products to stock in fewer quantities and which products to stock in fewer quantities. It will also help the shop owner to find the products for which he needs an alternative.

Let us understand this using haldiram namkeen. Even though the namkeen is demanded regularly it is decreasing in demand even though the price and quality are the same.

The shop owner can invest in alternate healthy snacks like 'too yum'. It's a snack which has the same selling price as that of a haldiram namkeen 10 rupees packet.

CATEGORY	PRODUCTS NAME	SELLING PRICE
decreasing demand	himgange oil 100ml	78
	haldiram namkeen	57
	degi mirch	78
	rishta aata 10kg bag	380
	kasuri methi	25
	rishta aata 5kg bag	200
	besan barrek	68
	MDH chana masala	68
	takat aata 10kg	381
	garam masala	81
	manik refind tin	2436
	madhusudan ghee	616
	MDH kitchen king masala	66
constant demand	alpenlibe packet	94
	matchbox	515
increasing demand	chana dal	56
	masoor dal	73
	arhar dal	90
	sugar	39
	udad dal	78
	city gold tea leaves 1kg	340
	city gold tea leaves 250gm	421
	meat masala	71
	besan mota	71
	manik refind 1 ltr.	1692

THANK YOU