

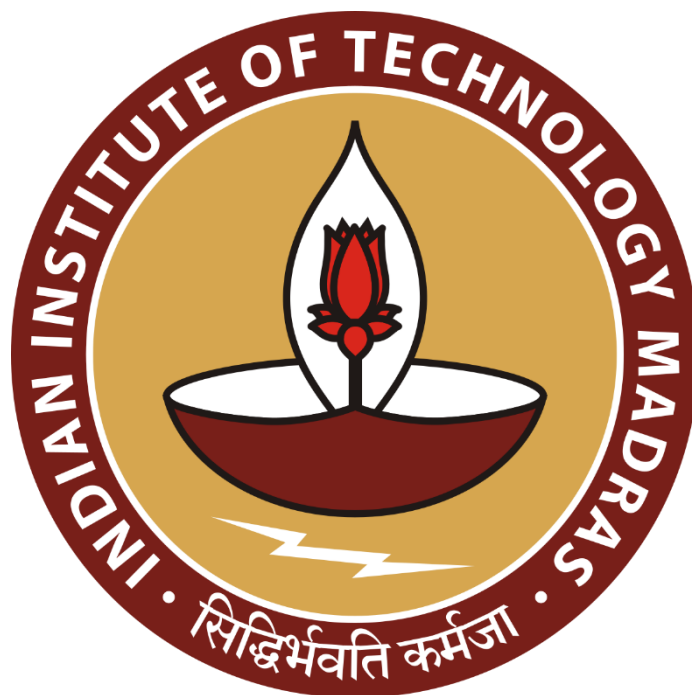
Insightful Study of a Plastic Furniture Shop

A Proposal report for the BDM capstone Project

Submitted by

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Declaration Statement

I am working on a Project titled "*Insightful Study of a Plastic Furniture Shop*". I extend my appreciation to *Sharda Sales*, for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered from primary sources and carefully analyzed to assure its reliability.

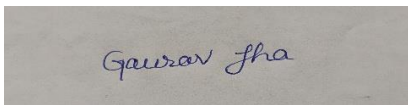
Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the principles of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I understand that all recommendations made in this project report are within the context of the academic project taken up towards course fulfillment in the BS Degree Program offered by IIT Madras. The institution does not endorse any of the claims or comments.

Signature of Candidate:

A rectangular box containing a handwritten signature in blue ink that reads "Gaurav Jha".

Name: Gaurav Kumar Jha

Date: 10-06-2025

1 Executive Summary

- 1.1. The project focuses on a plastic furniture shop located at New Bus Stand, Madhepur, Madhubani, Bihar. The business is Business to Customer (B2C) type and deals in the segment of retail plastic furniture items like plastic chair, table, stool, baby chair, dining table, etc.
- 1.2. The major business challenges that the organization is facing are related to Peer Competition from nearby stores. These competitors are attracting customers with aggressive pricing and flashy promotions, which has started affecting footfall and sales. Many loyal customers are now exploring other options, making it challenging to maintain market position. The owner struggles in deciding the right margins between cost price and selling price to achieve the target sales and profit.
- 1.3. To tackle these challenges at “ Sharda Sales ” I have some measures like A comparative analysis of nearby stores’ offers, pricing strategies, and promotions will provide insights to develop counter-strategies and unique value propositions. Identifying frequently bought-together items, enabling effective cross-selling strategies and bundled offers to increase average transaction value. By analyzing historical sales data and competitor pricing, i will identify optimal price points that balance profitability and competitiveness. This will help the owner set strategic margins between cost price and selling price.

2 Organisation Background

Business Name : Sharda Sales

Estd. : 1999

Address : New Bus Stand, Madhepur, Madhubani, Bihar

Owner's Name: Mr. Shardanand Jha

Sharda Sales, a plastic furniture retailing business with more than 25 years legacy, operating since 1999 at New Bus Stand Madhepur, Bihar. The business is B2C and serves the customers with different plastics items, Almira, dressing table and many more. The business has built a strong reputation over the years for offering durable, affordable, and stylish plastic furniture that meets the needs of local households. Known for its customer-centric approach and wide product variety, the shop has earned the trust of the community in and around Madhepur. With consistent quality and personalized service under the ownership of Mr. Shardanand Jha, the business continues to be a go-to destination for plastic furniture. When the business was started in the year 1999, there was no such business around but with time more similar shops opened here and now there is a good market for such businesses in which they give tough competition to one another.

3 Problem Statement

- 3.1 The business is operating in a competitive market environment. Despite being in business for over two decades and having a good number of loyal customers, the shop lacks in getting enough number of customers to make daily turnover, and profit margins. Due to the offers given by the giant businesses around, the business is also forced to do the same, due to which it is getting less profit.
- 3.2 The absence of Market Basket analysis and Pricing Analysis is one of the major cause of less profitability of the business. These approaches can enhance decision-making, improve pricing strategies, retain customers, set strategic margins between cost price and selling price and ultimately strengthen the shop's market position and profitability

4 Background of the Problem

One of the key problems is the increasing competition from newly established furniture shops, with huge investment and capital, in the surrounding area. This external pressure has made it difficult for Sharda Sales to maintain its market share and meet profit targets.

Another issue is the absence of clear pricing strategies, especially when deciding the right margins with respect to nearby business. Additionally, there is no defined credit policy for credit customer, which leads to rising outstanding dues from credit customers—putting stress on cash flow and increasing financial risk.

The major causes of these problems are a lack of Marketing measures, reliance on manual estimation, data-driven decision-making, and no formal policies regarding sales targets, margins, and credit control. These issues, combined with external market competition, pose a threat to the business's sustainability and long-term growth.

5 Problem Solving Approach

To address the challenges faced by *Sharda Sales*, a comprehensive data-driven approach will be implemented. The aim is to improve financial planning, optimize pricing strategies, Marketing Strategy and strengthen credit control. Below are the key approaches that will be adopted:

Pricing Strategy Optimization : A detailed margin analysis will be conducted to set competitive and sustainable selling prices for both retail and wholesale customers. The business will benchmark local competitors' prices to avoid undercutting while maintaining value-based pricing. This will support better profit forecasting and prevent losses due to random pricing decisions.

Sales and Profit Analysis : Historical sales data will be analyzed to identify trends, seasonal demand, and high-margin products. This will help calculate the daily turnover needed to meet monthly income goals and evaluate which items contribute most to profitability.

Marketing and Promotion Strategy : A digital and local marketing strategy should be introduced to enhance brand visibility. Steps like Printing flyers, banners and annual calenders for in-store and domestic-house based promotions, introducing festive/seasonal discounts to increase footfall during peak times, running WhatsApp campaigns for new arrivals and offers, offering referral discounts to encourage word-of-mouth marketing should be taken.

Sales Forecasting and Target Setting : Using time-series forecasting, sales trends will be predicted for the upcoming months. Based on this, realistic monthly and daily sales targets will be set, helping the owner align inventory, staffing, and financial expectations accordingly.

Customer Segmentation and Loyalty Tracking : Customers will be segmented using RFM (Recency, Frequency, Monetary) analysis to identify key customer groups. Tailored offers and loyalty rewards will be provided to frequent and high-value buyers, improving retention and customer lifetime value.

Inventory Management : To address overstocking and understocking, ABC analysis will be used to classify products into fast-, medium-, and slow-moving categories. This will support smarter purchase planning and reduce unnecessary capital blockage in less-demanded items, improving liquidity and customer satisfaction.

These approaches aim to modernize operations, maximize profits, and enhance the long-term sustainability

6 Expected Timeline :

6.1 Work Breakdown Structure:

- **Data Collection:** I collected data of first four months of 2025.
- **Data Cleaning and Processing:** I started cleansing of data in the beginning of April and successfully cleaned the data by the end of last week of April.
- **Proposal Preparation:** I prepared my project proposal at the beginning of first week of May.
- **Data Analysis:** I started basic data analysis by the end of first week of May.
- The aim is to successfully analyse and provide conclusive recommendations by the end of May.

6.2 Gantt Chart

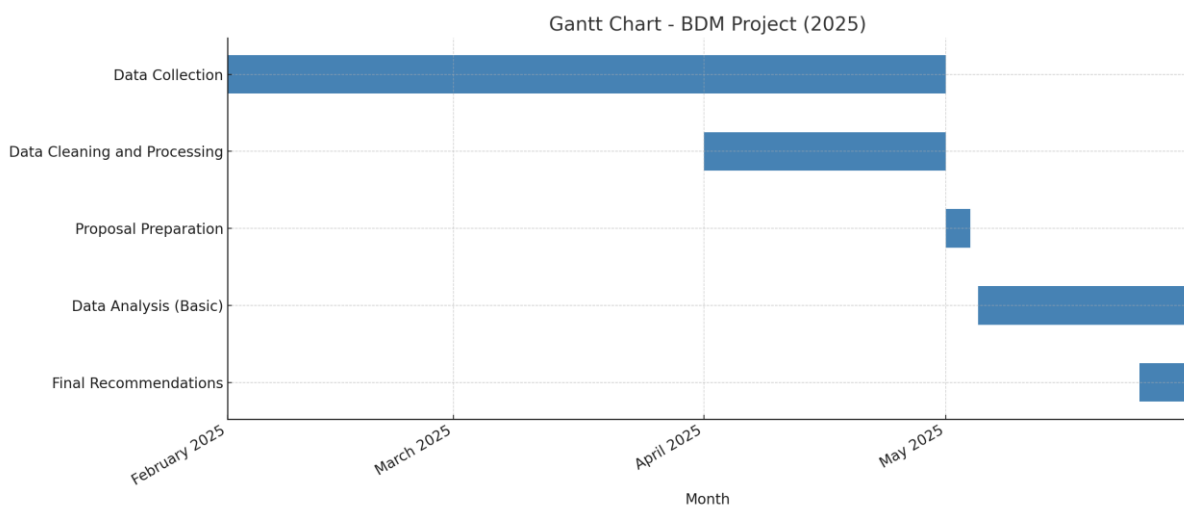


Figure 1 Expected timeline for completion of project.

7 Expected Outcome

- **Improved Profit Margins :** Through optimized pricing and margin analysis, the business will avoid underpricing, protect margins, and increase profitability. Competitive benchmarking will ensure pricing remains attractive without compromising revenue.
- **Increased Sales & Market Share :** Targeted marketing campaigns, both digital and offline, will increase footfall and customer engagement. Seasonal discounts, local promotions, and customer-specific offers will help recapture lost market share and attract new customers.

- **Effective Sales Target Management :**
Forecast-based sales target setting will improve goal clarity for the owner and any staff involved. This alignment will support better performance tracking and inventory planning, leading to higher operational efficiency.

- **Data-Driven Decision Making :**
Relying on sales and profit analysis will lead to informed decisions regarding product focus, pricing, and promotions. This shift from manual guesswork to analytics will minimize losses and identify growth opportunities.

- **Enhanced Financial Planning & Cash Flow :**
With a clear credit control policy and regular tracking of receivables, outstanding dues from credit customers will decrease. This will improve liquidity and reduce financial stress, allowing smoother operations and better reinvestment in the business.

- **Better Customer Retention & Loyalty :**
With segmentation and loyalty rewards, high-value customers will feel recognized and appreciated, leading to higher repeat purchases and long-term engagement. This will strengthen the customer base despite external competition.

- **Long-Term Business Sustainability :**
With formalized policies, systematic planning, and use of marketing and analytics, Sharda Sales will transition from a reactive to a proactive business model. This will build resilience against market competition and support long-term growth.