



Prof. Piyush Kumar Sinha

## **INDIAN INSTITUTE OF MANAGEMENT AHMEDABAD**

### **Managing Omni Retail**

Marketing Area  
Course Credit: 1.0 Unit

Term –2I, PGP – II, 2016 – 17

Instructor:

P. K. Sinha, Wing 10, Phone: 4892

Academic Associate:

#### **Introduction**

Consumer shop from different channels based on the values that they derive from each of the formats. Stores formats are chosen based on availability, accessibility, ambience and affordability. It also depends on the cost of shopping tasks. It is found that consumers tend to choose new formats like online based on cognitive factors as compared to established formats like Kirana which are chosen with more affect. Studies indicate that adoption of formats depended on the order of entry too.

With online retailing cutting across territories as independent e-commerce retailer or as a part of a brand or physical retailer, the consumer have started shopping differently in terms of their search behaviour, product delivery, purchase and shipping. They expect a seamless expertise across the formats. This has posed a new challenge for the companies and retailer in terms of profitability and customer migration. Companies need to look at retailing in a new perspective.

Retailing as a business has its own dimensions. A retailer has to look at its business more minutely at a more disaggregate level. Every transaction counts, every SKU counts, every customer counts. It is also found that customers behave differently while shopping with respect to products, service and promotions at different retail formats even when buying the same brands. Attitudes and plans have been found to be influenced by retailers, making the choice in favour of their promoted brands as against the context brands of the consumers.

The retail sector in India is undergoing significant transition. With the entry of large scale retailing and online, as well as marked improvement in offering a 'shopping' experience to customers, marketers are beginning to look at the role of retailing as a brand with a potential to influence a value chain, rather than being an outcome of a value chain. However, in spite



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of this trend, the bulk of retailing activity in the country is (and will remain) in the semi-organised and unorganised sectors.

In this context, this course focuses on managing retail as a business with several formats working symbiotically to deliver the desired results.

### **Objectives**

The objective of the course is to expose students to the field of managing omni retailing, defined as an activity that ensures final delivery of products and services to the end customer across different formats. The perspectives, therefore, would be from both the principal (in terms of managing retailing) and the retail businessperson (in terms of managing the retail business) in the context of a customer shopping from a combination of formats with each of them playing different roles in the process of buying.

### **Pedagogy**

The course would utilise a mix of in-class and project learning methods including (i) presentations and discussions led by instructors, (ii) project work and presentations by students, (iii) case discussions and (iv) presentations and discussion led by guest faculty (principals, retailers and consultants). The project would involve field/store study to get necessary data. The presentations of the project work and class participation will be an important element of the course. In each case session, the participants are expected to analyse, discuss, and suggest suitable course of action for the situation in the assigned case. Equally important would be the task of understanding concepts and ideas from the readings and articles given to the participants.

### **Readings**

Sinha Piyush Kumar and Uniyal Dwarika Prasad, Managing Retailing, Oxford University Press, 2008 and Articles as given in the content

### **Evaluation**

Class Participation	:	20%
Group Project Report	:	25%
Report Presentation/Viva-Voce	:	15%
End-Term Examination	:	40%



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## Project

Pick any retail point from a brand or a retailer using multiple formats. The chosen store could be studied from the perspective of a retailer, shopper, brand owner or other Members of Channel and could cover any, but not limited to, of the following dimensions:

### The Shopper:

- Shopper Profiling and Segmentation
- Store Choice Patterns
- Store Patronage Behaviour
- Shopping Behaviour
- Shopping Attitude and Orientation

### Role of the Brand Owner and other members of the channel:

- Nature and number of retail outlets
- Category Management (How does the retailer decide on the line to be carried and how each of the brands/categories are displayed)
- Cannibalisation
- Collaborations
- Supply Chain Management
- PoP Communication
- Pricing / Discounting Practices
- Promotion including out-of-store and in-store
- Use of IT for enhancing productivity
- Loyalty Programmes
- Store Layout and Visual merchandising

On the basis of your study as described above, the report should attempt an implementable plan about ways and means to improve the efficiency of the retailing efforts.

## 7. Session Plan:

Session	Date/ Day	Topic	Case/ Readings
1&2		Managing Omni Retail: The Retailer's Perspective	<b>Case:</b> Home Depot – Interconnected Retail <b>Reading:</b> Sinha and Uniyal, Chapter 1 - The Domain of Retailing <b>GP:</b> What decisions are critical for Home Depot as a retail business?
3&4		Managing Retail: The Brand Owner's Perspective	<b>Case:</b> Pillsbury: Customer Driven Re-Engineering <b>Readings:</b> <ul style="list-style-type: none"> <li>(i) Parthasarthy M, Sohi R and Hampton RD (1994), "Dual Diffusion: Analysis and Implications for Salesforce Management", Journal of Marketing Theory and Practice, Summer, 1 – 14.</li> <li>(ii) Normann R and Ramirez R (1993), "From Value Chain to Value Constellation", HBR, July – August, 65 – 77.</li> </ul> <b>GP:</b> What are the issues in retailing for a manufacturer like Pillsbury? How does the company plan to address these issues?
5&6		Selecting Location	<b>Case:</b> Filene's Basement <b>Readings:</b> Sinha and Uniyal, Chapter 6 - Deciding Location <b>GP :</b> <ul style="list-style-type: none"> <li>(i) Evaluate the in-house site selection model of FB. What additional information should we bring in to the model for better decision on site selection?</li> <li>(ii) In which area should the Filene's Basement's new store be opened? Justify your decision.</li> </ul>
7&8		Selecting a Format	<b>Case:</b> Vita: Cosmetics in the Nordics <b>Readings:</b> <ul style="list-style-type: none"> <li>(i) Chapter 5 - Delivering Values through Formats</li> <li>(ii) Online and Kirana – A Formidable Combination</li> </ul> <b>GP :</b> <ul style="list-style-type: none"> <li>(i) Suggest action as per the case</li> </ul>

Session	Date/ Day	Topic	Case/ Readings
9&10		ECR: Category Management	<b>Case:</b> Girish Food Stores <b>Readings:</b> (i) Chapter - 7 Category Management <b>GP :</b> (i) As given in the case
11&12		ECR: Supply Chain Management	<b>Case:</b> Handleman Co. <b>Readings:</b> (i) Chapter - 8 Supply Chain Management (ii) Supply Chain Management at World Co., Ltd. <b>GP :</b> (i) As given in the case.
<b>Project Work:</b> Submission of the Group Project Proposal.			
13&14		Retail Pricing	<b>Case:</b> Randall's Department Stores <b>Reading:</b> Chapter 12 - Establishing a Pricing Strategy <b>GP:</b> (i) Evaluate the pricing strategy and tactics adopted by Randall's. What should be the next pricing plan?
15&16		E-Tailing	<b>Case:</b> Marks and Spencer Enters China <b>Reading:</b> Localisation in Retailing <b>GP:</b> (i) Develop a conceptual Framework for internationalisation
17&18		Customer Relationship Management	<b>Case:</b> Crossword Bookstores <b>Readings:</b> Chapter - 13 Building Store Loyalty <b>GP:</b> (i) What are the requirements for a successful loyalty management system? (ii) What constructs loyalty? (iii) eCRM
19&20		Store Layout and Design	<b>Case:</b> Perna Stores <b>Readings:</b> (i) Chapter 10 - Store Layout and Design (ii) Sorensen H (2003), "Location is Important but It's not Everything", Market Research, Fall, 31 – 35. <b>GP:</b>



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			(i) Analyse the layout of the two stores and suggest necessary modifications, if required. Provide rationale for each of the suggestions based on the case and the reading material.
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Session	Date/ Day	Topic	Case/ Readings
<b>Project Work:</b> Submission of the Report based on Secondary Data and Field Survey Plan			
21&22	Tuesday 4.8.07	Overview and Review	<b>Case:</b> Planet Health <b>Reading:</b> Retail Strategy GP: (i) What are the major value drivers? (ii) How is Planet Health integrating the values into its strategy? (iii) How is the strategy being operationalised to achieve the business objectives of the retailer?
23&24	Monday 10.8.09	<b>Project Presentation</b>	
25&26	Tuesday 11.8.09	<b>Project Presentation</b>	