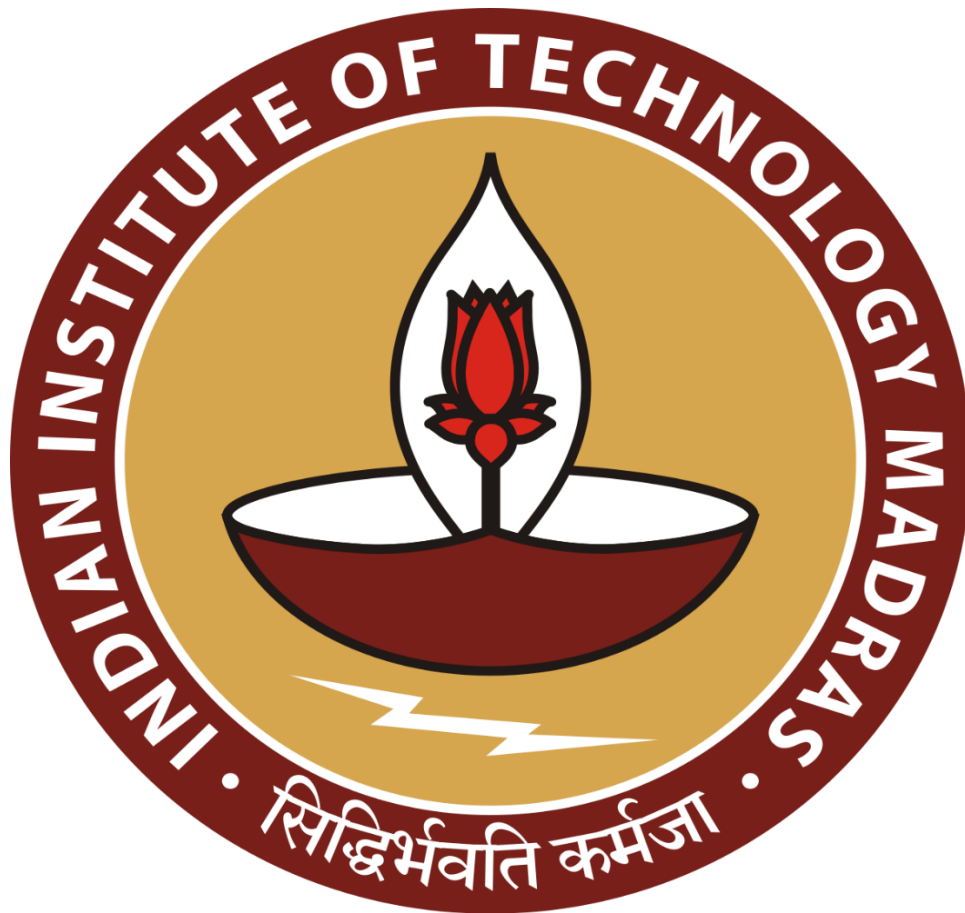


Indian Institute Technology, Madras
BDM Capstone Project
Project Proposal



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Project Title – Sells amplification and inventory optimization for a new supermarket at a not-so-aspirational locality.

- **EXECUTIVE SUMMARY –**

B-2-C business like Supermarket or grocery store has impacted due to market inflation, The MRP of the items has increased. These causes variation in sales, revenue and inventory management.

For the project course on Business Data Management as we have to approach a real business, discuss and try to solve their business problem using the given data provided by the Business, after approaching several businesses near to me and several failed attempts, a Supermarket near me have agreed to share their business problems and data so that I can support their business to grow more and try to make it more Advantageous. In the case of the grocery business, the profit margin is very less due to the distributors, there is always a middle man between the firm and the business, so the only way the business can increase its revenue is by increasing its sales. Another problem of a grocery store business is its high density, according to the statistica website, India has almost 7 stores for every 1000 people. So, it's always very challenging for a new business to enter the market and disrupt the already existing ones. Hopefully using right approach I will able the business to increase its sales and grow using the data provided by the owner.

- **ORGANISATION BACKGROUND –**

The organization I am supposed to work with a Small Supermarket that is close to my house. The name of the store is Shiv Shakti Bhandar (the name is changed due to the owner's demand). It is a grocery store with various SKUs, it got established in June 2020 just after the 1 st wave of covid, and the owner of the shop has previous different business experiences like in the garments sector but that took a major hit during covid so he tried to move into a to a new field that is in the grocery business which is household essentials.

The owner of the shop Mr. Bikash sir is an MBA graduate, he has worked with various MNCs in his career. He got exhausted with his job and started garment business, later during covid he started this small super Mart. It is a new business trying to compete with the businesses already existing in that locality but with different flavors for the customer. Most importantly, the customer experience, where the customer will get to choose their essentials and grocery items by roaming around the shop same as a supermarket. It is mostly focused on B-2-C type business which includes mainly in-store sales and a substantial amount of online grocery delivery, which is mainly driven by WhatsApp orders but they do B-2-B business also.

- **PROBLEM STATEMENT –**

I talked with the owner several times about the problem his business faces there were different outcomes like

1. To increase sales and profitability.
2. To find out methods to streamline inventory so that the products don't get expired or major products remain always in stock.
3. To increase the level of customer satisfaction.
4. To Increase the reach of the customer base so that online orders get maximized.
5. To see if there will be any possibility to start any stall outside his shop ie. mehndi stall

- **BACKGROUND OF THE PROBLEM—**

The owner of the shop Mr. Bikash sir has previous business experiences mainly in the garment sector, but he is new in the grocery business. So, the problem with the business is its sales, the competition from the other grocery stores and its customer loyalty. The business is running almost for 3 years now, it has a fair amount of sales but still, it is lagging a bit from its competitors, he wants to make more profit from his business so that he can remunerate his employees regularly. With this huge no of SKUs the sale of the business supposed to be very good, so the owner wants it to grow more, mainly in terms of B-2-C model both offline and online mode but also in B-2-B, once the sales start growing the rest of the minor problems will also get into the right direction. He also values customer satisfaction label before and after sales. The last and final thing is about He, as it is a local shop the reach to the customer base is concise. one of the prime methods to increase

the sales of the products is to increase the customer base. According to me, it is like an aspirational grocery shop, in a place where the customers have not yet accustomed to this kind of grocery shopping. So, via social media platforms like Facebook and Instagram, we can let the people know more about the shop, its promotion and offers. we can target the Young and mid-aged people more and it may also increase impulse shopping.

- **PROBLEM-SOLVING APPROACH –**

1. Details about the methods used with Justification- The main focus of the business is to increase sales and profit of the particular shop and manage the inventory So, using data we can analyze several parameters like

1. Pareto Analysis- The master SKU which is contributing more to the sales and Pareto analysis may also help determine the top 20% items which will contribute to 80% of the sales.

2. Segmentation of Items-The items which do not contribute at all to the sales, we can remove them, it can save us from investing more in those items up front and will make the inventory clean and easy to handle.

Using the customer's previous purchase data, we can also segment the customers into 3 different loyalty segments.

3. Customer with high loyalty scores – customers who are visiting frequently and buying a certain value of items.

4. Customers with mid loyalty scores – customers who are not so frequent.

5. Customers with no loyalty score – customers who are not at all frequent. We can always arrange some personalize special offers for high-frequency customers and for customers with no loyalty we can give certain discounts to attract them more to the shop.

6. Digital marketing- As the business also has its online presence, it take orders via WhatsApp, with a free home delivery option within a certain diameter. we can promote the Business number with various discounts and promotions via social media like Facebook and Instagram which will also increase our customer base. Social media marketing can be done with the help of some agency and we

will continue it, if it adds up to the sales of the shop, that we will be able to understand that via sales data.

The shop also has a very small percentage of sales through B-2-B, we can increase it via analysing the market surrounding us and supply the product cheaper than the market price, that will help us to build the customer base. Analysing that particular data we can tell how high volume and lower margin impacting our revenue.

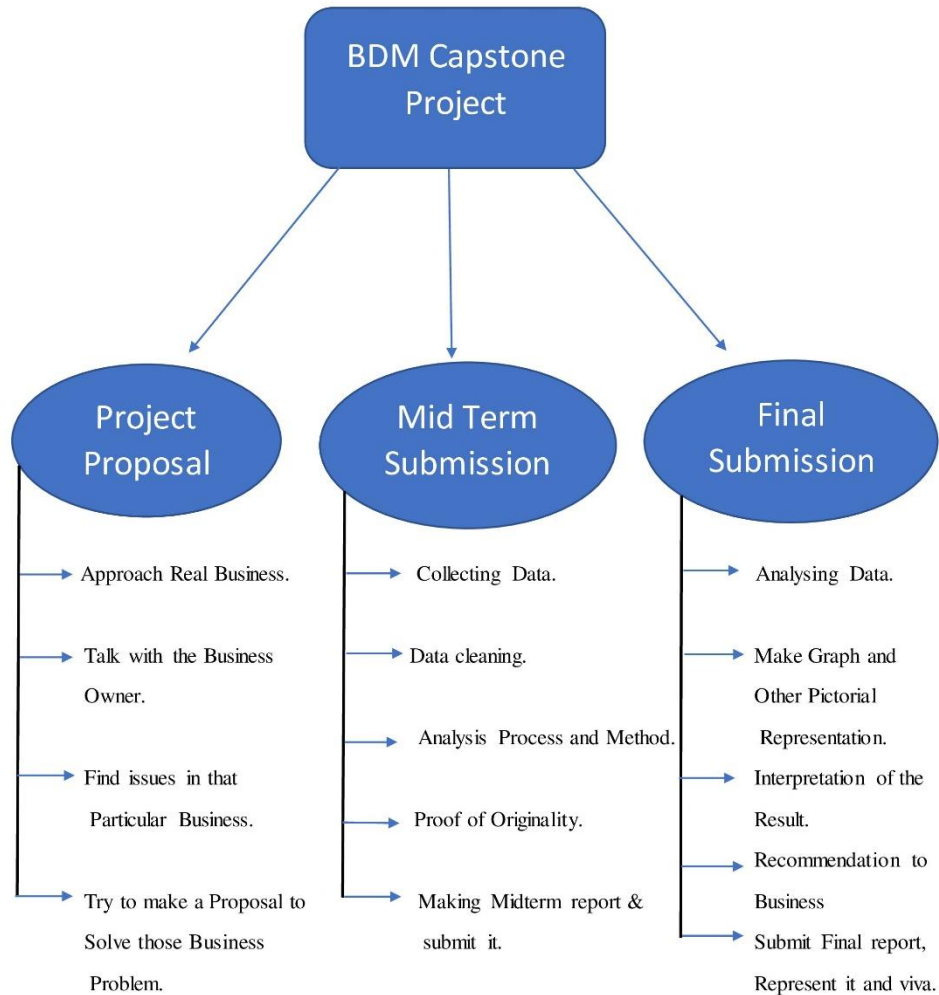
7. Customer heatmap- As we have the data when the customer are coming in the supermarket we can easily find out the heatmap of customers and no of customers that are coming, So that we can make more customers to come in the supermarket and eventually end up buying goods.

8. Customer survey- By using google form we can take survey if women in that particular locality will like to have any kind Mehndi stall, according to response I can work with the Owner to set up a stall.

- 2. Details about the intended data collection with Justification--** I want to collect sales data from the particular shop every day and also the initial inventory before starting the work. The profit margins of every SKU also can be received by viewing the purchase data. In the sales table, there will also be the customer data like customer names so that we can divide the customers into 3 different sets in terms of customer loyalty. I am planning to collect data every day for at least 1.5 to 2 months, the 1 st month of analysis will help me to understand the insight of the business problem after that will try to give some suggestions to the business owner based on the analysis, the next month will help us to understand how much the business grows and monitor its effects.
- 3. About the analysis tools with Justification—** In doing the business analysis I am planning to do sales data analysis, revenue data analysis, Pareto analysis, and the effect of sales due to social media marketing of the particular shop and showcasing all the data points using the bar chart, pie chart, line chart or via scatterplot which will be effective. I am planning to use Microsoft Excel as my primary tool for analyzing all the collected data points.

We can view the whole capstone project in this Work Break Down Structure-

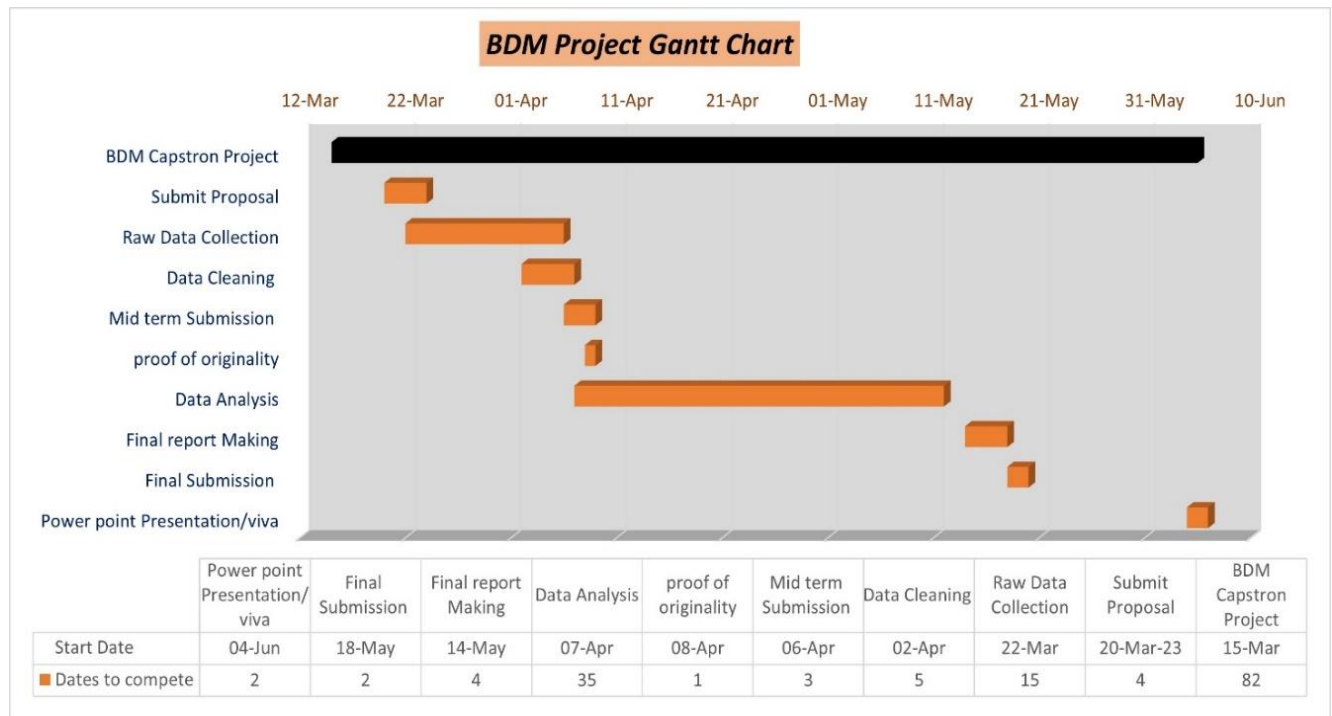
Work Break Down Structure



- **EXPECTED TIMELINE—**

I am expecting to collect data for at least 1.5 to 2 months to justify the business problem. I will try to collect data every day from the shop and will analyse it weekly. On 1st month my main focus will be to understand the insights of the business problem and then give some suggestions to the shop for the next 1 month will try to look out how the changes are affecting the business

The expected timeline is shown by the Gantt Chart-



• **EXPECTED OUTCOME—**

I am hopeful with a positive mindset and a right approach, I will able help the business to grow more and expecting the following outcomes

1. To increase the growth of the Business to a certain amount.
2. To manage the inventory in such a way that Bestselling SKUs are always in stock with less number of expired products.
3. To increase the reach of the Business to the customer base that will raise online orders.
4. Hopefully the Business will start competing more with its competitors.