# PRAXIS BUSINESS SCHOOL

SUMMER PROJECT REPORT

## "KPI Management, Visual Merchandising & Data analysis to track Store health"

AT

By

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**Roll No:** BM23015

**Batch:** PGDM 2023-2025

## Praxis Business School, Kolkata

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# <u>DECLARATION</u>

I hereby declare that this Project Report entitled "**KPI management, Visual Merchandising & Data analysis to track Store Health"** submitted by me to the Praxis Business School. Kolkata, is a Bonafide work undertaken by me under the guidance of **Apurba Das** and **Prof. Subhasis Das Gupta** (Internal Praxis Business School)**,** faculty of Praxis Business School and it is not submitted to any other university or institute for the award of any degree or diploma / certificate or published any time before.

Date:                                                                    Student's Name: Anik Dey

Place: Kolkata

Roll No.: BM23015

# **ACKNOWLEDGEMENT**

Company summer internship has been an indispensable part of our curriculum of PGDM program. Between the first and second year, this is an ideal way to get exposure to the real business world and learn about the industry. I have done my summer internship project at **(Reliance Trends, Madanpur) from 23rd April to 23rd June.**

The feeling of esteem and euphoria on the completion of this internship project will be worthless without thanking for immense help and guidance received from Apurba Das. I am indeed very thankful to him for his unending support right from the inception of this project. My sincere thanks to Subhasis Das Gupta and his guidance, support and encouragement which has enabled me to complete the coveted assignment successfully.

(Name of student)
Anik Dey

Roll No.: BM23015

# **EXECUTIVE SUMMARY**

During my enriching internship at Reliance Trends, facilitated by Reliance Retail, I immersed myself in various facets of retail operations and marketing strategies. Over the span of two months, I engaged in a diverse range of tasks that deepened my understanding of the retail industry and honed my professional skills.

One of my primary responsibilities was managing the receipt of stocks from Inventory Stocking Points (IST) or Distribution Centers (DC). This involved ensuring accurate inventory management right from the initial stages of stock intake. Using RFID tags, I learned to decode and encode products, which played a crucial role in efficient inventory tracking and management within the store.

Visual merchandising became a focal point of my internship, where I gained hands-on experience in strategically placing products according to various price points. This skill not only enhanced the aesthetic appeal of the store but also contributed significantly to creating an engaging and customer-friendly shopping environment.

Understanding retail dashboard Key Performance Indicators (KPIs) was instrumental in monitoring and optimizing store performance. This knowledge empowered me to analyze sales trends, customer traffic patterns, and product performance, enabling informed decision-making to achieve sales targets effectively.

A key highlight of my internship was engaging directly with customers to understand their preferences and needs. I actively reached out to customers with personalized offers and executed push sales strategies, which involved promoting specific products or deals to drive sales and enhance customer satisfaction.

Beyond operational tasks, I had the opportunity to develop my leadership and team management skills. I led teams in executing tasks efficiently, fostering a collaborative work environment, and ensuring alignment with organizational goals. This experience not only enhanced my ability to delegate responsibilities effectively but also strengthened my communication and interpersonal skills.

# INTRODUCTION

## INDUSTRY PROFILE



❑ **Overview -** Reliance Industries Limited (RIL) is one of India's largest and most diversified conglomerates, with a significant presence in various sectors, including petrochemicals, refining, oil and gas exploration, retail, telecommunications, and media.

**Founded:** 1960s (incorporated in 1973)

**Chairman:** Mukesh Ambani

**Headquarters:** Mumbai, Maharashtra, India

❑ **Key Business Segments –**

1. Petrochemicals
2. Refining and Marketing:
3. Oil and Gas Exploration and Production
4. Retail Outlet
5. Telecommunications
6. Media and Entertainment

❑ **Financial Performance –**

1. **Revenue:** Approximately $104.6 billion (FY 2021-2022)
2. **Net Profit:** Significant contribution from diversified segments, with consistent growth in profitability.
3. **Market Capitalization:** Among the largest companies in India by market cap.

## LIST OF COMPETITOR ORGANIZATIONS IN INDIA

**Myntra:** One of the leading online fashion retailers in India, offering a wide range of clothing, footwear, and accessories.

**Zudio:** is a vibrant and dynamic fashion brand, synonymous with affordable yet trendy clothing for men, women, and children.

**Lifestyle:** Part of the Landmark Group, Lifestyle offers a wide range of apparel, footwear, and accessories through its physical stores and online platform.

**Pantaloons:** Owned by Aditya Birla Fashion and Retail Limited, Pantaloons is a major player in the fashion retail market with numerous stores across India.

**Shoppers Stop:** A well-known retail chain offering a variety of fashion and lifestyle products.

**Zara:** Another global fashion giant, Zara, offers stylish and contemporary apparel in its stores across major Indian cities.

**Max Fashion:** Part of the Landmark Group, Max Fashion is known for its affordable and stylish clothing.

# <u>COMPANY PROFILE</u>



**Type –** Retail outlet

**Industry –** Reliance Industries Limited

**Founded –** 2006

**Headquarters –** Mumbai, Maharashtra, India

**MD/CEO -** Isha Ambani

## Product line -

- ❑ Fashion and Lifestyle
- ❑ Consumer Electronics
- ❑ Grocery
- ❑ Jewelry

- ❑ Footwear
- ❑ Pharmacy & Wellness

## About Organization:

1. **Retail Formats:** The company operates under several retail formats such as Reliance Fresh (grocery and fresh produce), Reliance Digital (consumer electronics), Reliance Trends (fashion and apparel), Reliance SMART (supermarkets), Reliance Market (wholesale cash-and-carry), and Reliance Footprint (footwear).

2. **Geographical Presence:** Reliance Retail has a widespread geographical presence across India, with stores in both urban and rural areas. The company has strategically expanded into tier II and tier III cities to tap into growing consumer markets.

3. **Digital and Omnichannel Initiatives:** Reliance Retail has embraced digital transformation and omnichannel retailing, enhancing customer convenience through online platforms and mobile apps. This integration allows customers to shop seamlessly across offline and online channels.

4. **Customer-Centric Approach:** The organization emphasizes a customer-centric approach, focusing on delivering value, quality, and a superior shopping experience. This includes personalized offers, loyalty programs, and initiatives to enhance customer satisfaction and loyalty.

**VISION:** This vision highlights Reliance Trends' long-term aspirations and goals, emphasizing key elements such as leadership in the fashion retail industry, commitment to quality and affordability, innovation, and a superior customer experience. It serves as a guiding star for the company's strategic direction and efforts.

**MISSION:** To provide high-quality, fashionable, and affordable apparel and accessories to customers across India, ensuring a delightful shopping experience through innovation, excellent customer service, and a commitment to sustainability.

**VALUES:** The main values of the Reliance Trends is to provide –

- ❑ Customer satisfaction

- ❑ Good quality products

- ❑ Affordability

- ❑ Employee Development

## HISTORY OF THE SECTOR IN INDIA

- ➢ **Early Years and Establishment 2007:** Reliance Trends was launched by Reliance Retail with the aim of offering high-quality, fashionable, and affordable apparel to Indian consumers. The first store opened in Ahmedabad, Gujarat.
- ➢ **Expansion and Growth 2007-2012:** During its initial years, Reliance Trends focused on establishing a strong presence across major cities in India. The stores offered a wide range of apparel and accessories for men, women, and children.
- ➢ **National Presence 2013-2018:** Reliance Trends expanded its footprint aggressively, opening stores in tier 2 and tier 3 cities. This phase was marked by significant growth in the number of stores and a broadening of the product portfolio.
- ➢ **Technological Integration and Online Presence 2018-2020:** Reliance Trends embraced e-commerce and digital technologies to enhance the customer shopping experience. The launch of its online platform allowed customers to shop from the comfort of their homes.

# PRODUCTS OF THE ORGANIZATION

As the store that I belonged, the geographical location of the store is in semi -urban and it comes under small town store. So, company does not provide all the brands that are available on the big town stores. The brands that are present here are listed below –

- ➢ Brands for Kid's apparels – Rio, Teamspirit, DNMX
- ➢ Brands for Female apparels – Avaasa, Fig, DNMX, Rio
- ➢ Brands for Male apparels – Netplay, Teamspirit, John player, DNMX

# **PROBLEM STATEMENT**

1.  **Low Conversion Rate**: The store faces a critical challenge with a low conversion rate, meaning a significant portion of visitors do not make purchases. Although footfall is fair, the percentage of visitors who buy something is considerably low. This issue directly impacts sales and overall store performance, making it imperative to address the underlying reasons for the low conversion rate to improve profitability and operational success.

2.  **Low Average Ticket Size (ATS)**: The store's low conversion rate is adversely affecting its Average Ticket Size (ATS), a key metric indicating the average spend per transaction. With fewer customers making purchases, maintaining a healthy ATS is challenging, leading to lower revenue per customer. This issue is detrimental to the store's financial health and operational efficiency. A low ATS suggests that visitors either buy fewer items or opt for lower-priced ones, likely due to an inadequate product mix, poor customer service, ineffective sales strategies, or lack of appealing promotions. Consequently, the store faces reduced revenue, impacting its financial viability.

3.  **Lagging to maintain contribution margin**: The store is failing to meet the benchmark contribution margin of 40%, crucial for covering fixed costs and generating profit. This shortfall, driven by reduced sales volume, raises concerns about financial viability. The contribution margin, the difference between sales revenue and variable costs, highlights inefficiencies in converting customer visits into profitable transactions. Despite customer visits, insufficient purchases prevent covering variable costs and contributing to fixed costs. Factors such as inadequate product offerings, poor customer service, or ineffective marketing strategies may be contributing to this issue, necessitating strategic improvements.

4.  **Limited Workforce**: The store's poor performance and financial losses have resulted in a reduced workforce, with only four staff members managing a 4,610-square-foot retail space. This inadequate staffing hampers comprehensive customer service, efficient shelf restocking, effective inventory management, and smooth overall operations. Consequently, the understaffing negatively impacts conversion rates and customer satisfaction, creating a cycle of operational challenges and

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financial difficulties. Addressing these staffing issues is crucial for improving store performance and breaking this detrimental cycle.

# **OBJECTIVE OF THE STUDY**

1. **Understanding KPI Indicators & Retail Performance:** The performance of a retail store is typically measured using five main Key Performance Indicators (KPIs). These KPIs provide a comprehensive view of the store's health and effectiveness:

**Footfall:** This measures the number of visitors entering the store, providing insights into customer interest and traffic patterns.

**Conversion Rate:** This indicator measures the percentage of visitors who make a purchase, reflecting the store's ability to convert footfall into sales.

Formula of Conversion rate = (Total bills/Total no. of footfall) *100

**Achievement Sale Percentage:** This KPI assesses how well the store meets its sales targets, highlighting the effectiveness of sales strategies. It can be calculated on the basis of WTD, MTD and YTD also.

Formula of ASP = (Performed sales/Targeted sales) *100

**Growth Percentage:** This measures the store's sales growth over a specific period, indicating its performance trajectory. It can be calculated on the basis of WTD, MTD and YTD also.

Formula of GP for WTD = {(this week sales/last week sales) -1} *100

Formula of GP for MTD = {(this month sales/last month sales) -1} *100

Formula of GP for YTD = {(this year sales/last year sales) -1} *100

**Average Ticket Size (ATS):** This reflects the average amount spent by customers per transaction, providing insights into customer spending behavior and product pricing strategies.

Understanding these KPIs is crucial for assessing and improving the store's performance, ensuring strategic decisions are data-driven.

2. **Visual Merchandising (VM):** Visual Merchandising is vital in retail, emphasizing the store's aesthetic to attract and engage customers. Collaborating with VM staff, I learned the importance of maintaining appealing, strategically arranged displays. Effective visual merchandising positions products to enhance visibility and appeal, driving sales. My contributions to various positioning strategies positively impacted sales performance, highlighting the direct correlation between visual appeal and customer purchasing behavior.

3. **Leadership and Team Coordination Skills:** During the internship, I gained valuable leadership and team coordination skills by working with a diverse retail workforce. I learned effective team management and motivation techniques, guided by a supportive mentor. This hands-on experience in a dynamic retail setting emphasized the significance of clear communication, delegation, and collaborative teamwork in achieving organizational objectives.

4. **Enhancing Customer Experience:** During my internship, I focused extensively on improving the customer experience by creating inviting store environments and delivering exceptional service. Emphasizing strategic product placements and attentive customer care, I learned how these elements contribute to customer satisfaction and loyalty. Ensuring customers find desired products at competitive prices underscored the importance of a positive shopping atmosphere.

## SCOPE OF THE STUDY

❑ **To track performance rating calculation:**

Retail stores assess their performance using a variety of Key Performance Indicators (KPIs). These metrics include sales revenue, profit margins, customer satisfaction ratings, inventory turnover rates, foot traffic analysis, and conversion rates. These indicators provide insights into sales effectiveness, operational efficiency, and customer engagement, guiding strategic decision-making and performance improvements.

❑ **Know the managerial qualities for uniform store management:**

Effective store managers exhibit crucial qualities such as leadership, clear communication skills, problem-solving abilities, customer-centric focus, organizational proficiency, analytical acumen, adaptability to market changes, and team-building capabilities. These traits enable managers to maintain operational consistency, foster a positive work environment, drive sales performance, and uphold the store's reputation.

❑ **Know the performance of inventory and back-of-house management:**
Managing inventory efficiently involves implementing robust systems for tracking stock levels, optimizing replenishment processes, maintaining strong supplier relationships, and minimizing shrinkage through effective loss prevention strategies. Back-of-house operations encompass logistics, storage management, and workflow optimization to ensure seamless operations and timely fulfillment of customer orders.

❑ **To know how visual merchandising works:** Assessing the performance of visual merchandising in retail involves evaluating its impact on customer engagement, sales, foot traffic, brand image, competitive positioning, and feedback from staff. Effective visual merchandising attracts and engages customers through appealing displays and strategic product placements, influencing purchasing decisions and enhancing the overall shopping experience.

# LITERATURE REVIEW

Retail management involves merchandise management, store operations, supply chain management, and CRM. Effective retail management, as noted by Levy and Weitz (2012), demands understanding the target market, strategic planning, and operational efficiency, balancing product assortment, pricing, promotion, and placement for optimal sales and profitability. Sales strategies in retail, according to Kotler and Keller (2016), rely on pricing, promotions, and customer service, with technology integration being crucial for enhancing sales performance (Grewal et al., 2017). Understanding consumer behavior, influenced by cultural, social, personal, and psychological factors, is essential (Solomon, 2018), with digital transformation playing a significant role (Verhoef et al., 2015). Challenges in retail include fluctuating customer footfall, market conditions, and

competition, with the COVID-19 pandemic accelerating the shift to e-commerce and necessitating enhanced digital capabilities and supply chain optimization (Pantano et al., 2020).

# Research Framework

**Data Collection –** I conducted a comprehensive analysis based on data collected through tele-calling customers during my internship with Reliance Trends. For each call, I gathered detailed information including names, gender, age, occupation, marital status, address, and pin code. From this dataset, I randomly selected 400 samples frum the data set for the analysis.

The survey aimed to understand shopping preferences, including preferred shopping places, frequency of shopping, monthly expenditure, popular product categories, factors influencing shopping choices, and satisfaction levels. The data revealed diverse shopping preferences, with malls, supermarkets, and local shops being the most favoured. Shopping frequency varied, with many customers shopping weekly or bi-weekly, and monthly spending ranged from less than 2K to over 8K.

Key factors influencing shopping decisions were price, product variety, quality, location convenience, customer service, and promotions. Groceries, clothing, accessories, and electronics were the most commonly purchased items. Satisfaction levels were predominantly positive, with most customers expressing satisfaction with their shopping experiences.

The analysis highlighted the importance of maintaining a diverse product range, competitive pricing, excellent customer service, and effective promotion communication. These insights can guide strategic decisions to enhance customer satisfaction and store performance.

# Research Methodology

## 1. Data Collection:

- **Method:** Tele-calling customers
- **Details Collected:** Names, gender, age, occupation, marital status, address, and pin code
- **Sample Size:** 400 randomly selected customers

## 2. Survey Design:

- **Objective:** To understand shopping preferences and behaviors
- **Questions Included:**

- Preferred shopping places
- Frequency of shopping
- Monthly expenditure on purchases
- Popular product categories
- Factors influencing shopping choices
- Satisfaction levels with shopping experiences

## 3. Sampling Method:

- **Approach:** Random sampling from the collected dataset.
- **Purpose:** To ensure a representative and unbiased sample of the customer base.

## 4. Data Analysis:

- **Techniques Used:** Descriptive analysis to summarize customer preferences and behaviors
- **Key Metrics Examined:**
    - Distribution of preferred shopping places
    - Frequency of shopping trips
    - Range of monthly spending
    - Popularity of different product categories
    - Factors influencing shopping decisions
    - Customer satisfaction levels

# Research Design

## ❏ DEMOGRAPHC DETAILS

The profile of the data gathered through questionnaires is summarized in the following table.

| | | No of respondents | % | Cumulative% |
|---|---|---|---|---|
| 1. | **Gender** | | | |
| | Male | 180 | 45 | 400 |
| | Female | 220 | 55 | |

## 1. Gender

**INTERPRETATIONS: -** From the above dig. it is

clearly visible that out of 400 people, 180 are Male

and 220 are Female.

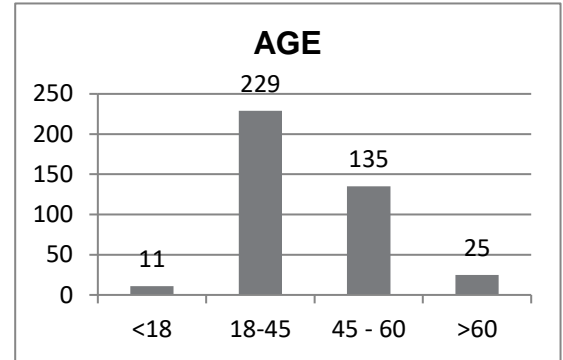**FINDINGS: -** I found that percentage of female



Gender
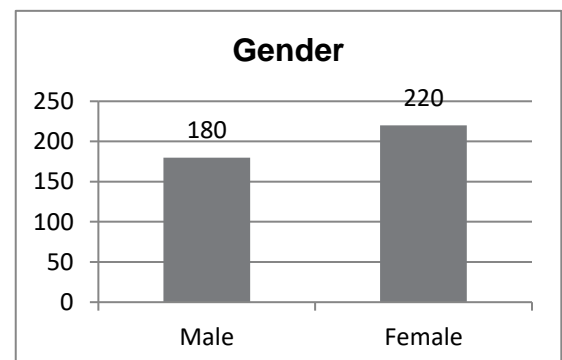
are more than that of male in the store.

## 2. Age

**INTERPRETATIONS:** Major age group in Trends was between 18-45(229). People of age group of 45 - 60(135), and >60 (25).

**FINDINGS: -** People who are of age group in between 18-45 are found more inclined towards Reliance Trends.

**AGE**

| Age | Count |
|-----|-------|
| <18 | 11 |
| 18-45 | 229 |
| 45 - 60 | 135 |
| >60 | 25 |

## 3. Marital Status

**INTERPRETATIONS:** From the figure I came to know that out of (400), 269 are single and 131 are married.
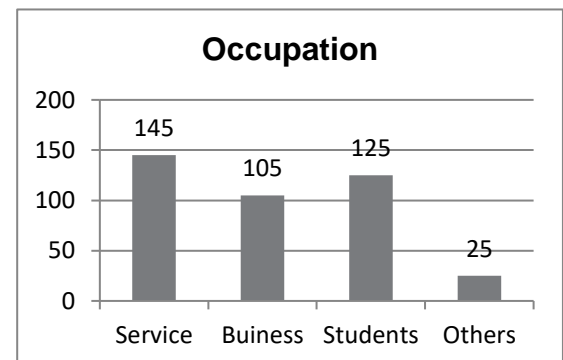
**FINDINGS: -** It has been found that people who are single and working use to come to Retail store as they prefer to purchase weekly rather than the married people who buy in bulk.

**Marital Status**

| Status | Count |
|--------|-------|
| Maried | 131 |
| Single | 269 |
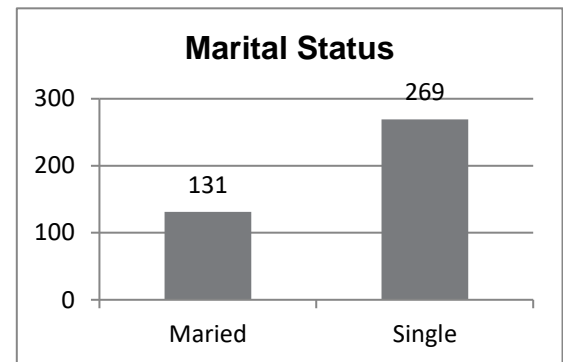
## 4. Occupation

**INTERPRETATIONS:** From the above dig**.** I can see that service class people (145) come frequently in the store which was more and followed by teens (125).
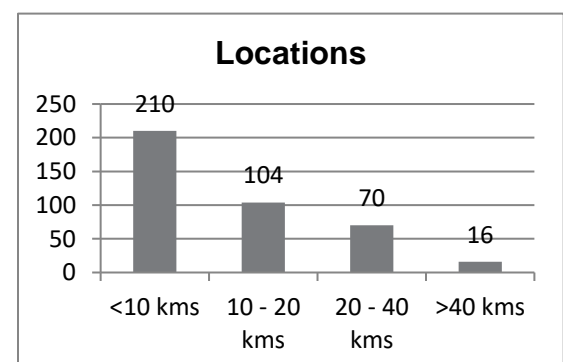
**FINDINGS: -** It has been found that service class people have to go to out every day. So, they need day to day products frequently.

**Occupation**

| Occupation | Count |
|------------|-------|
| Service | 145 |
| Buiness | 105 |
| Students | 125 |
| Others | 25 |

## 5. Location

**INTERPRETATIONS:** From the above dig**.** I can see that most of the people comes from the nearby locations as 210 customers from <10kms, 104 customers between 10 – 20kms, 70 are between 20 – 40kms and 16 are from >40kms.
**FINDINGS: -** It has been found that most of the customers are coming from nearby or local areas for their shopping purposes.

**Locations**

| Location | Count |
|----------|-------|
| <10 kms | 210 |
| 10 - 20 kms | 104 |
| 20 - 40 kms | 70 |
| >40 kms | 16 |

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## ❑ **Questionnaires Feedback Analysis**

## 1. **Which is your preffered place to shop?**

**INTERPRETATIONS:** From the above table and dig I can see that maximum people prefer to go to Local Stores (165) for their purchasing and remaining goes to Express Bazzar (120), Reliance Trends (105), others (10).

**Preffered Place**

**2. Reason of buying from preferred place?**

**INTERPRETATIONS:** From the above dig. and table we can easily understand that most of the people go to local stores because they can get the chance of bargaining (219).

**FINDINGS: -** People prefer to go to local stores because of its availability and low price.

**Reason**
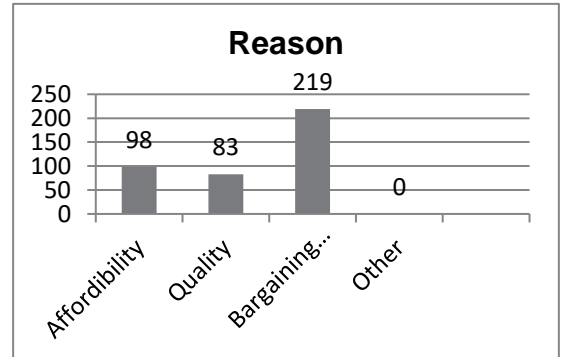
## 3. **How often do you shop at your preferred place?**

**INTERPRETATIONS:** Most of the people visit store mainly on twice in a week (156) and very few comes when they have demand.
**FINDINGS: -** Most of the customers visit their preferred stores on twice in a week followed on other days.

**Visit**
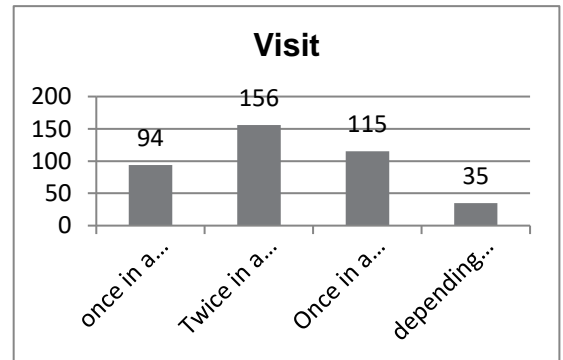
## 4. **How much money do you spend per month on purchases from your preferred location?**

**INTERPRETATIONS:** From the above data I can see that maximum people spent in between Rs. 2000-4000(181) while purchasing their monthly requirements from retail outlets as compare to them who spent in between below 2K(60), 4K-6K(130) and above 6K (29).
**FINDINGS: -** Generally, people like to shop on monthly basis as seen in the above graph and hence here it is clearly visible that the monthly spend of people lies between 2K – 4K.

**Money Spent/ month**
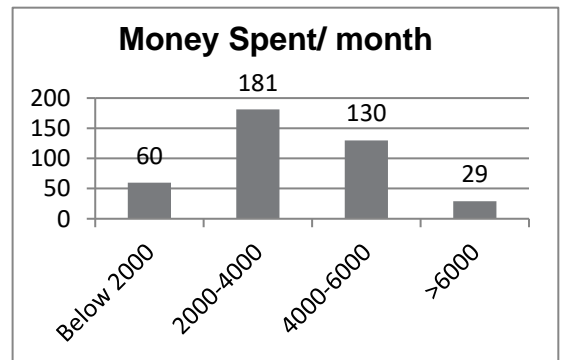
## 5. What type of accessories do you usually purchase from Reliance Trends?

**INTERPRETATIONS:** Customers generally purchase lady's apparels (193), followed by gent's apparels (146) and so on.

**FINDINGS: -** Study shows customer visit Reliance Trends mainly for purchasing more Women's wear.

**Mostly Shopped**

Kid's wear: 56, Men's wear: 146, Women's wear: 193, others: 5
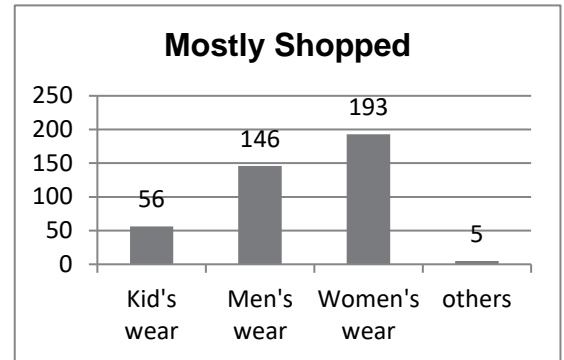
## 6. How often do you like to shop from Trends?

**INTERPRETATIONS:** Most of the people visit Trends mainly on monthly basis around (180) and very few comes when they have demand.

**FINDINGS: -** Most of the customers visit their preferred stores on monthly basis followed on other days. As according to the customer feedback, they were dissatisfied with their shopping experience at Trends due to lack in stocks and staff interactions.

**Trends Visit**

once in a...: 98, Twice in a...: 72, Once in a...: 180, depending...: 50
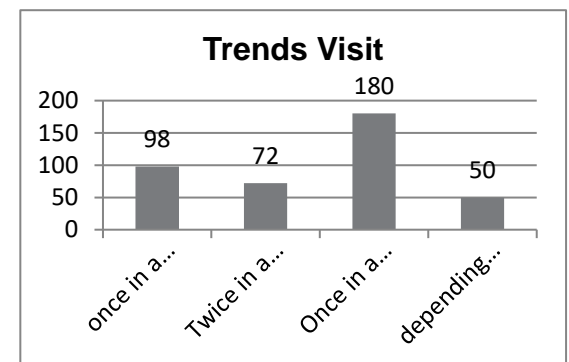
## 7. How much money do you spend per month on purchases from Trends?

**INTERPRETATIONS:** From the above data I can see that maximum people spent below 2K (180) while purchasing their monthly requirements from Trends as compare to them who spent in between 2K – 4K (135), 4K – 6K (80) and so on.

**FINDINGS: -** Generally, people like to shop on monthly basis from Trends as seen in the above graph and hence here it is clearly visible that the monthly spend of people lies below 2K and from here it is easily concluded that people are not satisfied on shopping from Trends.
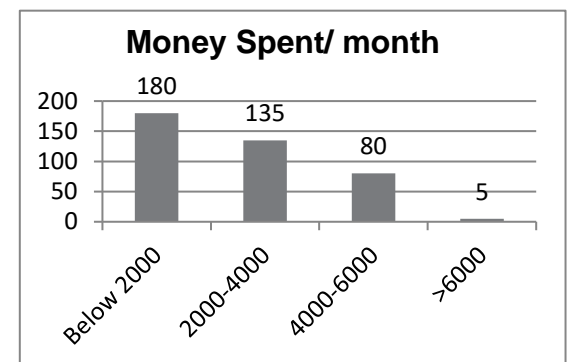
**Money Spent/ month**

Below 2000: 180, 2000-4000: 135, 4000-6000: 80, >6000: 5

## 8. Have you ever experienced difficulty finding specific items in the following categories in Trends?

**INTERPRETATIONS:** Customers were very dissatisfied with the kid's stock. On the analysis, I found 225 customers were there who told shortage of kid's wear, 145 customers told male wear.

**Mostly Shopped**

Kid's wear: 225, Men's wear: 145, Women's wear: 25, others: 5

**FINDINGS: -** Study shows customers were very dissatisfied on their shopping experience due to shortage of stocks within the store.

## 9. How did you come to know about the offers from Trends?

**INTERPRETATIONS:** As we see from the above table and dig. that mostly customer aware about the offers through tele calling (265) followed by leaflet handover (114).
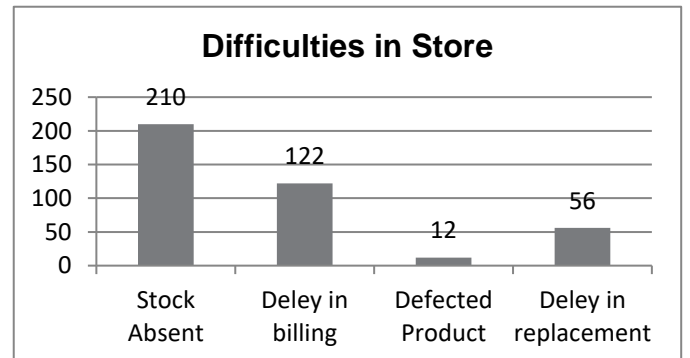
**FINDINGS: -** Tele calling was very effective source of communicating offers to public at large.

**Offer Awareness**

Leaflet 114, Telecalling 265, through… 21, other way 0
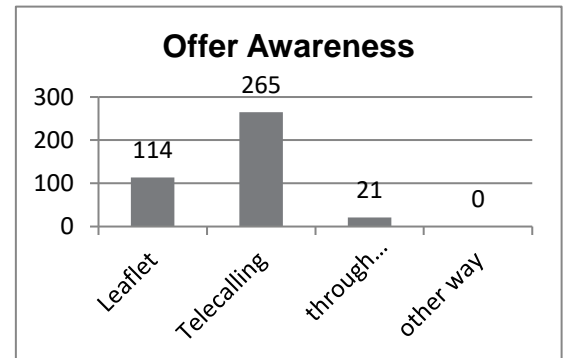
## 10. What are the difficulties that you suffered in the Trends while shopping?

**INTERPRETATIONS:** 210 customers out of 400 found stock unavailable in the store other 122 customer found delay in billing.

**FINDINGS: -** Stock unavailable and delay in billing both were the major problem in the store due to lack of workforce.

**Difficulties in Store**

Stock Absent 210, Deley in billing 122, Defected Product 12, Deley in replacement 56

## 11. How satisfied are you with your shopping experience at Trends?

**INTERPRETATIONS:** According to figure, 164 customers have bad shopping experience and 94 customers were dissatisfied only 118 customers felt satisfied.

**FINDINGS: -** Shopping experience at the store was very worse due to lack of customer interaction at time of their shopping due to limited workforce.

**Shopping Experience**

Satisfied 118, Neutral 24, Dissatisfies 94, Very dissatisfied 164
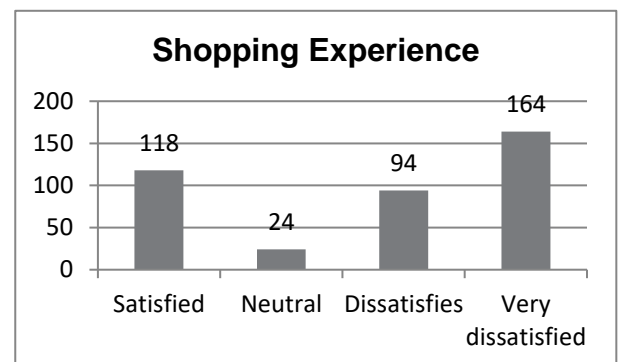
## Sampling Technique

## 1. Sampling Method:

- **Approach:** Random sampling from the collected dataset.
- **Purpose:** To ensure a representative and unbiased sample of the customer base.

## 2. Sampling Technique:

- **Random Sampling:** This technique involves selecting a subset of individuals (400 customers) from the larger dataset in such a way that each individual has an equal chance of being chosen. This helps in eliminating selection bias and ensures that the sample accurately reflects the diversity of the entire customer population.

## Steps in Random Sampling:

1. **Define the Population:** The population includes all customers from whom detailed information was collected (names, gender, age, occupation, marital status, address, and pin code).
2. **Create a Sampling Frame:** Develop a list of all customers in the dataset.
3. **Random Selection:** Use a random number generator or other randomization methods to select 400 customers from the list.
4. **Ensure Representation:** Verify that the selected sample is representative of the larger population in terms of key demographics and shopping behaviors.

By employing random sampling, the study aims to provide reliable and generalizable insights into customer shopping preferences and behaviors.

## Analyzing Brands health & Store Performance with Power BI
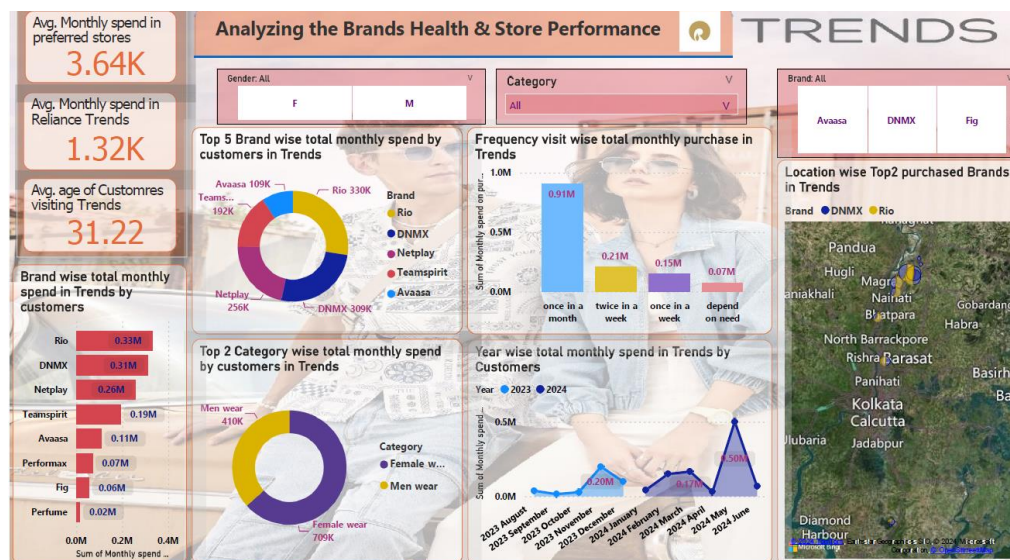


Here, I'm attempting to evaluate Reliance Trends' store performance and brand health using a data set I gathered from customers. I would like to evaluate the store's performance in relation to its rival in that geographic location.

## KPI's Interpretation:

➤ Customers' average monthly spending in their favourite stores is always greater than their average monthly spending in Reliance Trends. With a modification to

the slicer input, the values of those two KPIs can be changed correspondingly. Thus, I may draw the conclusion that customers are more inclined to purchase from other local enterprises than from Trends.

As an outcome, Reliance Trends is not performing as well as the other nearby shops in that same area.

## Charts & Graphs Interpretation:

❑ Based on the analysis of consumer feedback, I have concluded that the brand (RIO) is the strongest brand of the entire store, followed by DNMX, Netplay, and so forth.
It is evident that the brand (RIO) contributes a larger contribution margin to the entire profit, followed by other brands.

❑ The donut graphic makes it clear which are the top five brands that consumers most want to buy from Trends.

❑ It is therefore clear from the data that has been collected that customer were more inclined to frequent Local stores than they were to visit Trends. According to this stacked column chart as well, the majority of consumers were only visiting Trends once a month.

❑ The stacked area chart makes it simple for me to compare the total monthly spend by customers in Trends by year (2023 & 2024). That this year's retail performance is significantly better than last year's is evident.

# FINDINGS

**Men's & Kid's apparels are comparatively less -** During a recent analysis of customer feedback at our retail store, it was found that stock shortages, particularly in the kid's and male wear sections, were a significant source of dissatisfaction. This study aims to provide a detailed account of these findings and their implications for store management and inventory strategies.

**Methodology:** Customer feedback was collected through various channels, including in-store surveys, feedback forms, and customer service interactions. A total of 400 customers provided input regarding their shopping experiences, specifically addressing issues related to stock availability.

**Findings:** The analysis revealed that a substantial portion of customers experienced dissatisfaction due to stock shortages. Out of the 370 respondents, 225 (60.8%) reported a shortage of kid's wear, while 145 (39.2%) reported a shortage of male wear. These findings highlight two critical areas where inventory levels were inadequate, directly impacting customer satisfaction.

1. **Kid's Wear:**
   o **Feedback:** 225 customers indicated a shortage.
   o **Impact:** The high percentage of dissatisfaction in this category suggests a significant gap in our inventory management for kid's wear. This could be due

to a variety of factors, including inaccurate demand forecasting, supply chain issues, or inadequate stock replenishment practices.

2. **Male Wear:**
   - **Feedback:** 145 customers indicated a shortage.
   - **Impact:** While not as pronounced as the kid's wear category, the shortage of male wear is also notable. This indicates potential issues in the stocking process or possibly an underestimation of demand for certain items in this category.

❑ **Lack of Visual Merchandising staff performance -** The lack of performance in Visual Merchandising (VM) is adversely affecting the store's sales due to inconsistent and poorly maintained displays. The VM team's failure to regularly update and present the store displays is resulting in a lack of visual appeal and product visibility for customers. This inconsistency undermines the store's ability to attract and retain customer interest, ultimately leading to missed sales opportunities. Effective VM is crucial for creating an inviting and visually appealing store environment that enhances the customer experience and encourages purchases. Without proper maintenance and regular updates, the store fails to capitalize on its merchandise effectively, impacting overall sales performance and potentially jeopardizing its competitive position in the market.

❑ **Most likely brands are not present in the store makes customer dissatisfied-** The absence of popular and sought-after brands such as Turtle, Pepe Jeans, and Peter England in the store represents a significant challenge that impacts customer satisfaction and overall business performance. These brands are widely recognized for their quality, style, and customer loyalty, making them highly sought after by many shoppers. Their absence creates several critical issues for the store:

1. **Customer Dissatisfaction:** Customers who prefer these brands may perceive the store as lacking variety and failing to meet their expectations. This can lead to dissatisfaction and frustration, as they may need to visit multiple stores to find their desired products.
2. **Loss of Sales Opportunities:** The absence of popular brands limits the store's ability to attract a broader customer base and capitalize on existing brand loyalty. Customers who specifically seek out Turtle, Pepe Jeans, or Peter England may choose to shop at competitors' stores that carry these brands, resulting in lost sales for the store.
3. **Reduced Foot Traffic and Revenue:** Without popular brands to draw in customers, the store may experience reduced foot traffic and lower overall revenue. Customers may bypass the store altogether or spend less during their visits if they cannot find their preferred brands, thereby impacting sales performance and profitability.

❑ **Repeated offers make customers bored:** The repetitive nature of offers and promotions can often lead to customer fatigue and disengagement. Many

customers express their frustration over phone calls, explicitly requesting not to be disturbed by repeated promotional messages. They indicate a preference for less frequent communications, highlighting the adverse effect of constant outreach on their perception of the store.

By continuously presenting the same offers on weekly basis such as (on shopping at Rs. 3750, they are eligible to purchase other items at Rs. 3750 all for free) and failing to refresh stock, the store risks not only irritating its customer base but also losing them to competitors who offer a more varied and engaging shopping experience. To maintain customer interest and loyalty, it is crucial to balance the frequency of promotional communications with meaningful content and to ensure that the store's inventory is consistently updated with new and appealing products.

❑ **Lack of workforce to interact with customer:** The store is currently grappling with a significant issue stemming from an insufficient workforce to adequately interact with customers, particularly during peak marketing periods. This shortage of staff severely hampers the ability to provide timely and effective customer service, resulting in customer dissatisfaction and frustration. When customers are unable to find their desired products or receive the assistance they need, their overall shopping experience is negatively impacted.

During high-traffic times, the limited number of available staff members is often overwhelmed, struggling to attend to each customer's needs. This situation not only leads to prolonged wait times but also diminishes the quality of service provided. Consequently, customers may leave the store without making a purchase, feeling dissatisfied with their experience and less likely to return. This can lead to a decline in repeat business and potentially damage the store's reputation.

Moreover, the lack of adequate staffing can result in poorly managed store operations, such as disorganized product displays and insufficient restocking of shelves. These operational inefficiencies further contribute to a negative shopping experience, as customers find it challenging to locate the products they are looking for.

❑ **Findings on Stock Availability and Billing Delays at the Store:** Based on recent customer feedback, it has been identified that stock availability and billing delays are significant issues affecting customer satisfaction at our store. A detailed survey highlighted two primary concerns:
   1. **Stock Shortages:**
A substantial number of customers, specifically 225, reported dissatisfaction with the availability of kids' wear, making it the most reported issue.
Additionally, 145 customers indicated shortages in male wear, suggesting it as the second major area of concern.
These findings suggest that the inventory management system needs urgent revision to address the demand for kids' and male clothing and accessories.

2. **Billing Delays:** Many customers expressed frustration over prolonged billing processes. The delay in billing is largely attributed to the lack of sufficient workforce to manage peak hours efficiently.

The inefficiency in the billing process not only affects customer experience but also contributes to longer wait times, potentially deterring future visits.

❑ **Lack of decoding & encoding machine-** The store is facing operational challenges due to the reliance on a single decoding and encoding machine, which significantly hampers efficiency. This bottleneck creates difficulties in processing items swiftly, leading to delays and inefficiencies in various store operations. The single machine becomes a critical point of congestion, making it challenging to handle multiple tasks simultaneously.

During peak hours or high-traffic periods, the limited capacity of the lone decoding and encoding machine exacerbates the situation. Staff members have to wait for their turn to use the machine, resulting in longer processing times for inventory management, product tagging, and other essential tasks. This delay not only affects the back-end operations but also impacts the front-end customer experience.

# RECOMMENDATIONS

1. **Upgradation in Visual Merchandising-** To enhance customer engagement and perception of the store, it is recommended to implement regular changes in the visual display of garments. By strategically altering the position of items on a weekly basis, the store can create a fresh and dynamic shopping environment that attracts customers and sustains their interest.

This practice not only gives the impression of new stock arrivals but also highlights different products, encouraging customers to explore various sections of the store they might have previously overlooked. When customers perceive that new item are constantly being introduced, they are more likely to visit the store frequently, increasing footfall and potential sales.

Visual merchandising plays a critical role in driving customer interest and purchasing behaviour. By regularly updating the displays, the store can create a sense of novelty and excitement, which is essential in a competitive retail market. This approach can help in showcasing different products, promoting seasonal items, and aligning displays with ongoing marketing campaigns or promotions.

2. **Improve customer focus-** To improve customer focus and enhance the overall shopping experience at the store, it is recommended to implement a multifaceted approach involving promotions, tele calling, and advertisements. These strategies will help in better understanding and addressing customer needs, ultimately driving higher engagement and sales.

**Promotions:** Targeted promotional campaigns are essential for attracting and retaining customers. By offering exclusive discounts, loyalty programs, and special deals, the store can incentivize repeat visits and increase the average ticket size. Seasonal promotions and limited-time offer can create a sense of urgency, encouraging customers to make purchases. Furthermore, personalized promotions based on customer purchase history and preferences can significantly enhance customer satisfaction and loyalty.

**Tele calling:** Direct communication through tele calling can play a vital role in building strong customer relationships. By reaching out to customers personally, the store can inform them about ongoing promotions, new arrivals, and exclusive offers. Tele calling also provides an opportunity to gather valuable feedback, understand customer concerns, and address any issues promptly. This direct interaction helps in creating a more personalized shopping experience, fostering customer loyalty and trust.

**Advertisements:** Strategic advertising is crucial for increasing brand visibility and attracting new customers. Utilizing a mix of traditional and digital advertising channels can effectively reach a broader audience. Print ads in local newspapers, flyers, and billboards can capture the attention of nearby residents. Simultaneously, leveraging digital platforms such as social media, email marketing, and search engine advertising can target specific demographics and drive online and in-store traffic.

3. **Push Marketing-** To enhance sales and customer satisfaction at the store, implementing a push marketing strategy is highly recommended. This approach focuses on actively promoting garments to customers by understanding and catering to their individual preferences. By leveraging this strategy, the store can effectively drive sales, increase customer engagement, and build long-term loyalty.

**Understanding Customer Preferences:** The first step in push marketing involves gathering detailed information about customers' preferences, shopping behaviours, and purchase history. This can be achieved through customer surveys, feedback forms, loyalty programs, and analysing sales data. Understanding what customers like and dislike allows the store to tailor its marketing efforts more precisely, ensuring that the right products are promoted to the right people.

**Personalized Recommendations**: Utilizing the collected customer data, the store can provide personalized garment recommendations. Through various channels such as email, SMS, and in-store interactions, customers can receive tailored suggestions that match their style and preferences. Personalized marketing messages not only make customers feel valued but also increase the likelihood of purchase by showcasing items they are more likely to buy.

**In-Store Experience:** Enhancing the in-store experience is crucial for successful push marketing. Staff should be trained to engage with customers, understand their preferences, and offer personalized assistance. Visual merchandising should be optimized to highlight recommended items and create attractive displays that draw

customers' attention. Regularly updating the store layout and ensuring a pleasant shopping environment can further enhance customer satisfaction and drive sales.

## 4. Enhancing Sales through Focused Brand Promotions- To drive profitability and optimize sales performance, it is highly recommended to prioritize promoting in-house brands that offer higher profit margins compared to external brands. By strategically focusing on these brands, the store can not only boost its revenue but also create a unique value proposition that differentiates it from competitors.

**Understanding Profit Margins:** In-house brands typically provide better margins due to lower production and marketing costs. Unlike external brands, where a portion of the revenue goes to the brand owner, in-house brands allow the store to retain a larger share of the profits. This financial advantage can significantly impact the overall profitability of the store.

**Targeted Promotions:** To effectively promote in-house brands, targeted marketing campaigns should be implemented. These campaigns can highlight the unique features, quality, and value of the in-house products. Leveraging various marketing channels such as social media, email newsletters, in-store displays, and digital advertisements can create widespread awareness and interest among customers.

**Exclusive Offers:** Offering exclusive promotions and discounts on in-house brands can incentivize customers to choose these products over external brands. Special offers such as bundle deals, loyalty rewards, and limited-time discounts can drive sales and encourage repeat purchases. Additionally, featuring in-house brands prominently in-store and online can increase their visibility and attractiveness.

## 5. Recommendation Statement on Improving Stock Availability and Customer Satisfaction- Based on the recent analysis of customer feedback, it has been observed that a significant portion of our customers have expressed dissatisfaction due to stock shortages, particularly in the kid's and male wear sections. Out of the surveyed customers, 225 highlighted a shortage in kid's wear, and 145 mentioned a shortage in male wear. This indicates a pressing need to address inventory management issues to enhance the shopping experience and overall customer satisfaction.
To mitigate these issues, the following recommendations are proposed:

**Inventory Management Optimization:** Implement an advanced inventory management system to ensure real-time tracking of stock levels. This system should trigger automatic restocking alerts when inventory levels fall below a predetermined threshold. Conduct regular inventory audits to identify and rectify discrepancies promptly, ensuring that stock levels are accurately reflected.

**Data-Driven Stock Replenishment:** Utilize historical sales data and predictive analytics to forecast demand for different product categories, especially high-demand

items like kid's and male wear. Establish a more frequent replenishment cycle for these categories to avoid stockouts and ensure availability.

6. **Introducing Varied Weekend Offers to Boost Customer Engagement and Sales-** To enhance customer engagement and drive sales, it is recommended to introduce new and varied weekend offers at different price points. This strategy aims to attract a diverse customer base, create excitement around shopping experiences, and increase store traffic during weekends when shoppers are more likely to visit.

**Diverse Offerings:** By curating a range of offers that cater to different price points, the store can appeal to a broader audience. For instance, introducing discounts on high-end products can attract customers looking for premium items, while budget-friendly deals can draw in cost-conscious shoppers. This variety ensures that all customer segments find value in the promotions, increasing the likelihood of conversions.

**Rotating Deals:** Implementing a rotating schedule of offers can maintain customer interest and anticipation. Changing the deals each weekend can prevent the promotions from becoming monotonous and keep customers coming back to discover new opportunities. This approach also allows the store to test different offers and identify which ones resonate most with the target audience.

**Multi-Buy Offers:** Encouraging customers to purchase more items through multi-buy offers can increase the average transaction value. Deals like "Buy One, Get One Free" or "Buy Two, Get One at 50% Off" can incentivize customers to add more items to their carts, thereby boosting sales. These offers can be strategically applied to in-house brands to maximize profit margins.

7. Based on recent customer feedback, it is evident that our store is experiencing significant issues with stock availability and delays in billing, primarily due to a lack of sufficient workforce. The primary concerns highlighted are the shortage of kids' wear, reported by 225 customers, and the shortage of male wear, reported by 145 customers. Additionally, inefficiencies in the billing process are contributing to customer dissatisfaction.

To address these issues, the following recommendations are proposed:

❑ **Enhance Inventory Management:**

1. **Increase Stock Levels:** Work closely with suppliers to boost inventory levels, particularly for high-demand categories like kids' and male wear. Implement an advanced inventory management system to track stock levels in real-time and predict demand more accurately.
2. **Streamline Replenishment Processes:** Optimize supply chain processes to ensure quicker restocking of popular items. Establish stronger relationships with suppliers to facilitate faster turnaround times.

❑ **Strengthen Workforce:**

1. **Hire Additional Staff:** Recruit more employees, particularly in the sales and billing departments, to handle customer demand more efficiently. Focus on hiring experienced individuals who can quickly adapt to store operations.
2. **Provide Training:** Invest in comprehensive training programs for new and existing staff to improve their efficiency in handling stock and managing billing processes. Emphasize customer service skills to enhance the overall shopping experience.

❑ **Optimize Billing Process:**

1. **Implement Technology Solutions:** Introduce advanced point-of-sale (POS) systems to streamline the billing process. These systems can reduce checkout times and minimize errors, thereby enhancing customer satisfaction.
2. **Increase Checkout Counters:** Add more billing counters during peak hours to reduce wait times and manage customer flow more effectively.

❑ **Customer Feedback Mechanism:**

**Regular Surveys:** Conduct regular customer surveys to continuously gather feedback on stock availability and service quality. Use this data to make informed decisions and promptly address any emerging issues.

# <u>CONCLUSIONS</u>

In conclusion, addressing the challenges faced by the retail store is crucial for enhancing its performance and ensuring sustainable growth. The store's low conversion rate and Average Ticket Size (ATS) are significant concerns, indicating that a considerable portion of footfall does not translate into sales and that customer transactions are low in value. This situation impacts overall sales and financial health, underscoring the need for targeted interventions. Enhancing product offerings, improving customer service, and implementing effective marketing campaigns can drive higher conversion rates and increase ATS. Training staff to upsell and cross-sell, along with improving store layouts and visual merchandising, can further boost sales performance.

Maintaining a healthy contribution margin is essential for covering fixed and variable costs and achieving profitability. The store's struggle to meet the benchmark contribution margin highlights inefficiencies in converting visits into profitable transactions. Strategic actions such as optimizing pricing strategies, reducing variable costs, and negotiating better supplier terms can help improve the contribution margin.

The limited workforce poses a significant challenge to maintaining comprehensive customer service, efficient restocking, and effective inventory management. Ensuring

adequate staffing levels is vital for enhancing customer satisfaction and operational efficiency. A well-staffed store can provide prompt assistance, maintain organized displays, and ensure product availability, all of which contribute to a positive shopping experience.

The absence of renowned brands like Turtle, Pepe Jeans, and Peter England at Reliance Retail stores leads to customer dissatisfaction and affects store appeal. Incorporating these popular brands can attract more customers, enhance their shopping experience, and improve customer loyalty.

Understanding and leveraging key performance indicators (KPIs) such as footfall, conversion rate, achievement percentage, growth percentage, and ATS is essential for assessing and improving store performance. Visual merchandising, leadership, team coordination, and enhancing customer experience are critical aspects that contribute to a store's success. By addressing these challenges and implementing strategic initiatives, the retail store can improve its performance, achieve sustainable growth, and establish a strong market presence.

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➢ www.cpasind.com

➢ www.ril.com

# APPENDICES & ANNEXURES

**Demographic Details collection:**

1) Name
2) Gender **(Male/Female/Others)**
3) Age **(<18/18-45/45-60/>60)**
4) Marital Status **(Single/Married)**
5) Occupation **(Service/Business/Retired/Others)**
6) Location **(<10kms/10-20kms/20-40kms/>40kms)**

**Questionnaire format for Customer Feedback Analysis:**

1) Which is your preferred place to shop? **(Express Bazaar/Reliance Trends/Local stores/others)**

2) Reason of buying from preferred place? **(Affordability/Quality/Bargaining power/others)**

3) How often do you shop at your preferred place? **(Once in a week/twice in a week/once in a month/depend on needs)**

4) How much money do you spend per month on purchases from your preferred location? **(<2000/2000-4000/4000-6000/>6000)**

5) What type of accessories do you usually purchase from Reliance Trends? **(Kid's wear/Men's wear/Women's wear/others)**

6) How often do you like to shop from Trends? **(Once in a week/twice in a week/once in a month/depend on needs)**

7) How much money do you spend per month on purchases from Trends? **(<2000/2000-4000/4000-6000/>6000)**

8) Have you ever experienced difficulty finding specific items in the following categories in Trends? **(Kid's wear/Men's wear/Women's wear/others)**

9) How did you come to know about the offers from Trends? **(Leaflet/Tele calling/through word of mouth/other way)**

10) What are the difficulties that you suffered in the Trends while shopping? **(Stock absent/Delay in billing/Defected items/Delay in replacement)**

11) How satisfied are you with your shopping experience at Trends? **(Satisfied/Neutral/Dissatisfied/Very dissatisfied)**