

Business plan for opening a family shopping complex marketing essay



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INTRODUCTION

Retailing is the set of business activities that adds value to the products and services sold to consumers for their personal or family use.

A Retailer is the final distribution channel that links manufacturers to consumers.

A Retailer performs following functions to create value for its product and services:-

Providing an assortment of products and services

Breaking bulk

Holding inventory

Providing service

ABOUT THE STATE-UTTAR PRADESH

Uttar Pradesh is a state located in the northern part of India, with a population over 190 million people; it is India's most populous state and world's most populous sub-national entity.

With an area of 93, 933 sq. mt

ENVIRONMENT

We can say that Environment consist of the entire solid, liquid, tangible and intangible thing around us.

Environment also consists of areas and components that are strongly influenced by humans or it can be said that there are many factors of Environment that influence the decisions of humans.

If we talk about Business Environment than our point of thinking will totally be different from the above mentioned definitions because Business Environment focus on the following matters:-

understand the working of the economic system and its relationship with the business sector,

analyze the impact of the changing policy regimes on business and

anticipate the policy changes that are likely to occur or should

occur in view of the national and international developments

Environment also consists of SWOT analysis of the organization which represents the different factors that can affect the working conditions and rules and regulations of the organization.

SWOT ANALYSIS

STRENGTHS:-

demographic favor

rising disposable income

increase in number of people in earner category

urbanization

shopping convenience

low labor cost of skilled ones

WEAKNESSES:-

Policy related issues:

lack of industry status for retail

numerous license, permits and registration requirements

Limited consumer insight:

lack of detailed region specific customer data

less data on spending pattern

Inadequate human resources:

lack of trained personnel at all level

stringent employment and industry laws

fragment approach to human resources

Taxation hurdle:

inconsistent octroi and entry tax structure

vat and multiple taxation issues

large grey market presence

OPPORTUNITIES:-

Potential for investment

Location advantage

Sectors with high growth potential

Fastest growing formats

Rural retail

Wholesale trading

Falling real estate cost

THREATS:-

Political issues

Social issues

Inflation

Nostalgia

Lack of differentiation among the malls that are coming

Poor inventory turns and stock availability measures

CULTURE

Culture refers to the traditions, norms, ethics and values prevailing in the society.

Culture is a very important factor that a retailer should always keep in mind while fulfilling the needs and demands of consumers so that a customer can be fully satisfied from his/her purchase.

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LOCATION STRATEGY

There are three things which are most important in retailing and those are- location, location, and location. Location is typically the prime consideration in a customer's store choice decision. For example, when choosing where you are going to have your car washed, you usually pick the location closest to your home or work. Most consumers similarly shop at the supermarkets closest to them. Location decisions have strategic importance because they can be used to develop a sustainable competitive advantage. Location decisions are risky. Typically, when retailers select a location, they either make a substantial investment to buy and develop the real estate or commit to a long-term lease with developers.

Location Strategy used by Family's Choice Shopping Complex

The location strategy used by Family's Choice is very beneficial to it as the place is near to Taj Mahal, which has an advantage that every year a good number of tourists came to visit Taj Mahal and they can gain a good number of customers for their products. Mostly the tourists are very eager to buy different products at reasonable prices specially when they came only for visit, relaxation and nothing else, so Family's Choice will be best suited to them. This complex also consists of café so people can also enjoy some delicious things during their visit and shopping.

VISION AND MISSION STATEMENT

A vision is a statement of any business which is short, clear and very inspiring. It represents what a business target and what it wants to achieve

in the future. Vision statement is just like an image that a business must have some goals before setting that how it going to achieve all those goals.

A Mission is a statement which represents that what is the purpose of the organization? And to create a sense of belongingness among employees so that they can be motivated and perform their duties with more responsibility. A mission statement should be short and clear about the goals and priorities of the organization

VISION AND MISSION STATEMENT OF FAMILY'S CHOICE SHOPPING COMPLEX

VISION

To become one of the most strongest leader in the Uttar Pradesh in the family products and services segment

MISSION

To provide best goods and services with full guarantee

Selling products at reasonable prices

Provide online shopping facility

Offer high quality products at low prices

Strive to become the best retailer in the whole India within 5-6 years

PRODUCTS AND SERVICES

PRODUCTS OFFERED BY FAMILY'S CHOICE

Household Products like:-

Eatables

Soaps

Bed sheets and pillow covers

House cleaning products

Utensils

Other products:-

Toys

Goods needed for daily use by men

Goods needed for daily use by women

Shoes

Lingerie and hosiery

Perfect seasonal clothes

Cosmetics and perfumes

Food and drink

SERVICES OFFERED BY FAMILY'S CHOICE

Organizing your assets

Reviewing asset allocations and insurance

Strategizing your financial, retirement, tax, and estate plans

Offering a plan to simplify, consolidate, and integrate every aspect of your financial future.

MARKETING PLAN

A Marketing Plan is a written document that details the necessary actions to achieve one or more marketing objectives. It can be for a product or service, a brand, or a product line. A marketing plan covers between one and five years. A marketing plan may be the part of an overall business plan.

If u wants that your marketing plan should be strong than your marketing strategy should also be a strong one.

A Retail Market Strategy consists of following points:-

The Retailer's target market

The format the Retailer plans to use to satisfy the target market's needs

The basis upon which the retailer plans to build a sustainable competitive advantage

For the growth of my Family's Choice in future, I will focus on the following strategies:-

MARKET PENETRATION:- A market penetration growth opportunity involves realizing growth by directing efforts toward existing customers using the retailer's present retail format.

And in my Family's Choice shopping complex, to meet this Market Penetration strategy, I will try to fully satisfy the existing needs of the customers by providing them goods and services of their choice and I will also go for charging reasonable prices so that more customers can be attracted towards Family's Choice.

MARKET EXPANSION:- A Market Expansion Growth Opportunity involves using the existing retail format in new market segments.

Family's choice is going to mainly target the household material for the ease of housewives and in order to expand its market, it will also provide goods required by kids and also the things which are commonly used by the men so that they can also buy some goods of their choice while coming with their wives for shopping.

FORMAT DEVELOPMENT:- A retail format growth opportunity is an opportunity in which a retailer develops a new retail format-a format with different retail mix-for the same target market.

In order to develop its format Family's Choice will also go for selling its products online and decided to create a website- www.familychoice.com so that people can get the products of their choice by sitting at home and to order the products on internet there would be free home delivery.

DIVERSIFICATION:- A diversification growth opportunity is an opportunity in which a retailer introduces a new retail format directed towards a market segment that's not currently served by the retailer.

In order to diversify the existing business of Family's Choice is planning to open its one more complex in any other state after it will successfully accepted by the people of Uttar Pradesh.

MARKETING MIX

Marketing Mix consists of the four components or FOUR P's.

PRODUCT:- A tangible object or an intangible service that is produced or manufactured on a large scale with a specific volume of units.

PRICE:- A price is the amount that a customer is supposed to pay for a product.

PLACE:- Place represents the location where a product can be purchased. It is often referred to as a distribution channel.

PROMOTION:- It represents all the communications that a marketer may use in the marketplace.

MARKETING MIX OF FAMILY'S CHOICE

PRODUCT:- Household Equipments like, Utensils, Flowerpots, plastic chairs, buckets, and goods of daily use like, soaps, toothpastes, eatables, harpics, and house cleaning products.

For kids Family's Choice is going to offer products like, toys, clothes, protein diets etc.

For men it is going to offer goods of their daily requirements

PRICE:- Family's Choice is going to sell at reasonable prices and also going to offer discounts on certain products so that more number of people can be attracted and customers also feel more satisfied after paying the amount for their products than any other retail store.

PLACE:- The location where Family's Choice is going to open is AGRA (Uttar Pradesh), and the place is near Taj Mahal. This place is selected because Taj Mahal is one of the big hub of people and tourists and it has been analysed that people can enjoy their shopping while they came to visit Taj Mahal and even tourists from outside Uttar Pradesh will also be attracted at this location.

PROMOTION:- There are different channels to promote your products and services. Family's Choice is going to promote about its products and services through Newspapers, TV, Radio and Magazines so that more and more people can know about this newly open shopping complex.

OPERATIONAL PLAN

An Operational Plan is a subset of strategic work plan. It describes short-term ways of achieving goals and explains how, or what portion of, a strategic plan will put into operation during a given operational period, in the case of commercial application, a fiscal year or another budgetary term.

An Operational Plan should consist of following things:-

Clear objectives

Activities to be delivered

Quality standards

Desired outcomes

Staffing and resource equipments

Implementation timetables

A process of monitoring progress

OPERATIONAL PLAN OF FAMILY'S CHOICE

FOCUS ON THE UTTAR PRADESH:- The first element of our organization is to focus on the Uttar Pradesh's customers, with a mission to provide good quality products at reasonable prices to all. We will provide products of different brands but mainly we focus on our own brands. We will focus on using highly innovative strategies to make our products more competitive and also to maintain direct relationship with suppliers.

IMPROVED SEGMENTATION OF HOUSEHOLD PRODUCTS:- Family's Choice will concentrate first on gaining the loyalty of core customers, who prefer good household products at reasonable prices. We will focus on the needs of all those women who are very conscious to collect good and different variety of products at their homes. We have planned to gain the confidence of customers in the quality and fit of its household products.

DEVELOP HIGH GROWTH AREA OF HOUSE AND BEAUTY:- The home business is growing strongly, with home furnishings and gifts the fastest growing product areas. We have planned to mostly focus on both these areas as they

offer promising opportunities for development and can be expanded at fast track.

ACCELERATE STORE RENEWAL PROGRAMMES:- Firstly Family's Choice shopping complex will entirely focus on this newly opened retail store so that a different and good image can be maintained in the minds of the customers and after 3-4 years of opening we will plan to go for more stores under low cost. We will also try to open our retail stores in other states of the country.

IMPROVE THE SUPPLY CHAIN:- After the Family's Choice will successfully established in the market, we will try to see substantial benefits from the reconfiguration of the supply base, so that the primary margins in the household segment can be increased. And our main priority would be to eliminate duplication and increase transparency. We will also try to establish closer working relations with the supply partners.

FINANCIAL PLAN

A financial plan can be a budget, a plan for spending and saving future income. This plan allocates the future income to various types of expenses, such as rent or utilities, and also reserves some income for short-term and long-term savings. A financial plan can also be an investment plan, which allocates savings to various assets or projects expected to produce future income, such as a new business or product line, shares in the existing business, or real estate.

A financial plan can refer to the three primary financial statements (balance sheet, income statement and cash flow statement) created within a business plan.

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OBJECTIVES AND GOALS OF FINANCIAL PLAN

1. **FINANCIAL:-** In financial plan, mostly people discuss about the profit margins of past, present and future but the main consideration is on Return on Investment (ROI). It refers to take a decision that how you are going to invest your money so that you can get maximum returns.

2. **SOCIETAL:** – Societal objectives are related to broader issues about providing benefits to society-making the worlds better place to live. It also include offering people unique merchandise, such as environmental sensitive products, providing an innovative service to improve personal health, such as weight reduction programs, or sponsoring community events.

PERSONAL: – Every business has their own important personal objectives, including self-gratification, status, and respect. For example, the owner/operator of a book store may find it rewarding to interact with others who like reading and authors that visit the store for book-signing promotions.

FINANCIAL PLAN OF FAMILY’S CHIOCE SHOPPING COMPLEX

Mainly Family’s Choice shopping complex will financially focus on building a customer relationship with clients in order to better understand the client’s dreams.

Family’s Choice financial helps you PLAN by simplifying the demands of managing your wealth in order to enable you to devote time to your family, your personal endeavors, and your business.

Family's Choice will include the following costs and expenses that are going to incur:-

Business registration fees

Business licensing and permits

Starting inventory

Rent deposits

Down payments on property

Down payments on equipments

Utility set up fees

Family's Choice is going to incur following operating costs:-

Salaries

Rent or mortgage payments

Telecommunications

Raw materials

Storage

Distribution

Promotion

Loan payments

Office supplies

Maintenance

BALANCE SHEET OF FAMILY'S CHOICE SHOPPING COMPLEX (in crores)

Liabilities Amount Assets Amount

Called up share capital 716. 9 Fixed Assets

Share premium A/C 375. 6 Land & Building 2, 735. 5

Revaluation Reserve 445. 6 Fit out, fixtures, fittings

Capital redemption 2. 6 and equipments 1, 722. 9

Profit & Loss 3, 094. 7 Assets in the course of

Interests 15. 6 construction 522. 8

Creditors 2, 438 Investments 58. 3

Current Assets

Stock 1, 335

Investments 260. 0

Cash at bank 301. 1

Cash in hand 154. 4

TOTAL 7, 089 TOTAL 7, 089

**INCOME STATEMENT OF FAMILY'S CHOICE
SHOPPING COMPLEX (in crores)**

Particulars Amount

Revenue 9, 062. 1

Operating Profits 870. 7

Finance Income 50. 0

Finance Costs (214. 5)

Profit on ordinary activities before taxation 706. 2

Analysed between:-

Before property disposals and exceptional items 604. 4

Profit on property disposal 6. 4

Exceptional costs (135. 9)

Exceptional pension credit 231. 3

Income tax expense (199. 4)

Profit for the year 506. 8

Attributable to:-

Equity shareholders of the company 508. 0

Minority interests (1. 2)

TOTAL 506. 8

7P's ANALYSIS OF FAMILY'S CHOICE SHOPPING COMPLEX

PRODUCT:- Family's Choice offer a wide range of products which range from apparels, food products, households products, toys and products of daily use of men. We have planned to most of the products of big brands only at reasonable prices.

PRICE:- The tag line is “ ek baar auoge toh aur kahin nahi jaoge”. Family's Choice will work on the model of economies of scale and the pricing objective is to get ' Maximum Market Share' and it will use the following techniques:-

Value Pricing:- Family's Choice promises consumers the lowest available without coupon clipping, waiting for discount promotions, or comparison shopping.

Promotional Pricing:- Family Choice have decided to offer financing at low interest rates. The concept of psychological discounting (Rs. 99, Rs. 49 etc.) is used as promotional tool. It will also cater on Special Event Pricing (close to Diwali and Durg Pooja etc.).

Differentiated Pricing:- Time Pricing i. e., difference in rate based on peak and non-peak hours or days of shopping is also a pricing technique used in Indian retail, which is aggressively used by Family's Choice Shopping Complex.

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PLACE: – Family’s Choice is going to locate in AGRA (Uttar Pradesh) and after some years of establishing will also try to make its presence in the other big cities of India.

PROMOTION: – Family’s Choice has planned to provide many new and innovative cross-sell and up-sell strategies in Indian retail market. The various promotion techniques that Family’s Choice is going to use are “ start with your best savings”, buy 1 get 1 free, and your own shopping complex etc.

PEOPLE: – People are the key assets for any organization. The salient features of the staff of Family’s choice are: – Well trained staff, the staff that Family’s Choice is going to employ is well-suited for modern retail. Well dressed staff improves the overall appearance of store.

Employees are motivated to think out-of-the-box. Retail sector is in growth stage, so staff is empowered to take innovative steps.

PROCESS: – The goods dispatch and purchasing area has certain salient features which include:-

Multiple counters with trolleys to carry the items purchased.

Proper display/posters of the place like (DAL, SOAP etc.)

Also thinking to start with home delivery counters

PHYSICAL EVIDENCE: – It is going to deal with the final deliverable or the display of the written facts. This includes the system that we are going to follow and also the availabilities.

ADVERTISING STRATEGIES OF FAMILY'S CHOICE

Tag-Line: – Family's Choice is going to use its tag-line as the key components of advertising. The tag-lines are going to be modified according to the demographic profile of customers. These catch phrases appeared on hoardings and newspapers in every city to make the people more aware about it. The catch line includes- ek baar auoge toh kahin nahi jaoge.

Print Ads: – Family's Choice newspaper advertisements are present just before launch of any new scheme. This creates a different image about big the Family's Choice in the minds of the people.

TV Ads: – Family's Choice spends alots of money in brand building exercise. Family's Choice commercials are shown on various channels in India.

Road-side Advertisements: – Family's Choice bill-boards are displayed on prime locations in various cities as a brand building exercise.

Radio Ads: – This technique is used in different cities. Now-a-days it is replaced by advertisements on FM channels. This informs customers about all the new happenings at Family's Choice.

Brand Endorsement by Celebrity: – Family's Choice will always be associated with celebrities for advertising and marketing of its brand name.

STORE FORMATS OF FAMILY'S CHOICE

CORE STORES: – Family's Choice core stores typically feature a selection of the company's household ranges and a Family's Choice Food hall. The range of products sold and the space given to it depends on the store's location and customer demographic.

Most core store feature a food hall. Family's Choice also planned to sell a limited range of other brands, such as Coca-Cola and Pepsi, without reducing the number of Family's Choice goods they sold.

HOSPITALITY: – In the coming years when Family's Choice will expand its business, the stores will also feature some part of hospitality offering, usually in the form of Family's Choice café. The café offering typically include coffees and teas, pastries, toasted sandwiches, soups and cakes. The company will also try to open Espresso Bar in some stores, which specialized in drinks only.

HOME STORES: – Already Family's Choice will mainly focus on the household products but we have also planned new dedicated stores for home furnishings to be launched soon.

OUTLET STORES: – Family's Choice has a strong idea about outlet stores and their growth expansion plans for the future. The outlet division decided to offer at least 30% discount from their original prices on their own products.