

Business plan to open a retail store outlet marketing essay



**ASSIGN
BUSTER**

Bihar is a state in eastern India. It is the 12th largest state in terms of geographical size at 38, 202 sq mi (99, 200 km²) and 3rd largest by population. But close to 85 percent of the population lives in villages. Almost 58 percent of Bihar is are below the age of 25, which is the highest proportion in India.

Bihar lies mid-way between the humid West Bengal in the east and the sub humid Uttar Pradesh in the west which provides it with a transitional position in respect of climate, economy and culture. It is bounded by the country of Nepal to the north and by Jharkhand to the south. The Bihar plain is divided into two parts by the river Gangs which flows through the middle from west to east. Bihar has notified forest area of 6, 764. 14 km which is 7. 1 percent of its geographical area. Hindi and Urdu are the official languages of the state, whilst the majority of the people speak one of the Biharl languages - Angika, Bhojpuri, Magadhi or Maithili.

Ancient Bihar (which consisted of Anga (East Bihar), Videha (North Bihar), Magadha (South Bihar) and Vaishali (North Bihar)) was a center of power, learning and culture in ancient and classical India. From Magadha arose India's first greatest empire, the Maurya Empire as well as one of the world's most widely adhered-to religions, Buddhism. Magadha empires, notably under the Maurya and Gupta dynasties, unified large parts of South Asia under a central rule. Its capital Patna, earlier known as Pataliputra, was an important center of Indian civilization. Nalanda was a centre of learning established by the 5th century CE in Bihar.

Today, Bihar lags behind the other Indian states in human and economic development terms, Economists and social scientists claim that this is a direct result of the skewed policies of the central government, such as the freight equalisation policy, its apathy towards Bihar, lack of Bihari sub-nationalism (resulting in no spokesperson for the state), and the Permanent Settlement of 1793 by the British East India Company. The current state government has however made significant strides in improving.

Geography of Bihar

Bihar is mainly a vast stretch of very fertile flat land. It is drained by the Ganges River, including northern tributaries Gandak and Koshi originating in the Nepal Himalayas and the Bagmati originating in the Kathmandu Valley that regularly flood parts of the Bihar plains. The total area covered by the state of Bihar is 94, 163 km². the state is located between 21°-58'-10" N ~ 27°-31'-15" N latitude and between 82°-19'-50" E ~ 88°-17'-40" E longitude. Its average elevation above sea level is 173 feet (53 m). The Bihar plain is divided into two unequal halves by the river Ganga which flows through the middle from west to east. Other Ganges tributaries are the Son, Budhi Gandak, Chandan, Orhani and Falgu. The Himalayas begin at foothills a short distance inside Nepal but influence Bihar's landforms, climate, hydrology and culture. Central parts of Bihar have some small hills, for example the Rajgir hills. The Himalayan Mountains are to the north of Bihar, in Nepal. To the south is the Chota Nagpur plateau, which was part of Bihar until 2000 but now is part of a separate state called Jharkhand. Bihar has notified forest area of 6, 764. 14 km², which is 7. 1 percent of its geographical area.

Facts of Bihar

Area: 38, 202 sq km

Population: 20645880.

State code: 020

Independence: 15th August 1947

Republic day: 26th Jan 1950

INDIAN ECONOMY OVERVIEW

India`s diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Services are the major source of economic growth, accounting for half of India`s output with less than one quarter of its labor force. About three-fifths of the work-force is in agriculture, leading the UPA government to articulate an economic reform program that includes developing basic infrastructure to improve the lives of the rural poor and boost economic performance. Government controls on foreign trade and investment have been reduced in some areas, but high tariffs (averaging 20% on non-agricultural items in 2009) and limits on foreign direct investment are still in place. The government in 2009 liberalized investment in the civil aviation, telecom, and construction sectors. Privatization of government-owned industries essentially came to a halt in 2009, and continues to generate political debate; continued social, political, and economic rigidities hold back needed initiatives. The economy has posted an average growth rate of more

than 7% in the decade since 1994, reducing poverty by about 10 percentage points. India achieved 7.6% GDP growth in 2009, significantly expanding manufacturing. India is capitalizing on its large numbers of well-educated people skilled in the English language to become a major exporter of software services and software workers. Despite strong growth, the World Bank and others worry about the combined state and federal budget deficit, running at approximately 9% of GDP; government borrowing has kept interest rates high. Economic deregulation would help attract additional foreign capital and lower interest rates. The huge and growing population is the fundamental social, economic, and environmental problem.

INTRODUCTION TO RETAILING OF BIHAR

Bihar Retail is the largest Retail Market in India in terms of population and social economic outline and Bihar 's progressively rising excellence of life, a thriving wealth and customer marketplace creates it one of the newest targets for Retail section. Many big retailers first launched shops in the Indian capital. . The increasing insists for real estate by the retail brands, Retail Industry is position to develop by jump and bounce by 2010.

North Bihar, South Bihar and Patna submarkets qualified maximum amount of forthcoming supply. About 19.7 million spaces are below special stages of completion. Patna and Patna submarket contains the maximum bring of beneath building stock, which will give about 5.6 million sq. ft. Organized Retail Space by the end of next year. Approximately 1.1 million sq. ft. of organized retail space has been rented this section, which is 33% higher to history section combination. Patna and Patna spectator Demand for

prearranged retail space has greater than before mostly due to expansion of regional and national level retailing giants.

Bihar Retail has one of the best in retail activity in the country. Taking the benefit of lack of Retail Space in Bihar, Most private builders are coming up with fresh Retail Projects in the area of south and North Bihar. In the middle of the Bihar submarkets, North and West Bihar have both proof about 10% raise, as other Bihar submarkets are fairly steady.

INTRODUCTION TO MY RETAIL STORE (CONVENIENCE STORE) IN BIHAR

I am going to open a convenience store in DISTRICT CENTRE near HERO HONDA show room in PATNA (BIHAR). The name of my store is SHAMAYA-FRESH. My store will sell fresh fruits and vegetables, staples, groceries, fresh juice bars and dairy products, FMCG, home, customer durable, food, with food accounting for the bulk of business.

CONVENIENCE STORE: Convenience store provides a limited variety of assortments of merchandise at a convenient location in 2000-3000square/foot stores with speedy checkout. They are the modern version of the neighborhood mom and pop grocery general store.

Convenience stores enable customers to make purchase quickly without having to search through a large store and wait in long checkout line . over half the items brought are consume within 30 minutes of purchase. Due to their small size and high sales convenient stores typically received delivery every day. They offer limited assortments and variety. Milk, eggs and bread once represented the majority of the sales, but now almost all convenience

stores sell gasoline, which accounts for over 66% of annual sales. The second highest selling item is cigarettes, accounting for 14% of the sale. Convenience store operators also are tailoring their merchandise assortments to cater to the need of the local market.

RETAIL ENVIRONMENT OF BIHAR

BIHAR has been the attractive market in India for the consecutive year, although its appeal is starting to decline, according to a survey by management consulting company AT Kearney. A combination of increased consumption and an under-developed organized retail environment has made BIHAR an attractive destination for global retailer. However, BIHAR's attractiveness has dropped from 100 to 92, on a scale of 100, this year. This is because new players have entered the market and the "window of opportunity will get smaller over time". "There is still significant opportunity, but the new players will have to deal with more competition, shrinking margins and more expensive real market.

ECONOMIC ENVIRONMENT OF BIHAR

Bihar is India's prosperous state with a per capita income of Rs. 11, 650. The state has best infrastructural facilities available in the country. Major industries are manufacture of Sports Goods, Radio & TV Parts, Plastic & PVC Goods, Textiles, Chemicals, Fertilizers, Soft Drinks, Hand & Machine tools, Leather Goods, Galvanizing & Electroplating, and Printing etc.

PricewaterhouseCoopers estimates suggest that the Bihar retail sector is worth USD350 billion and is growing at over 20 percent per annum. Bihar, as compared to other states, has been relatively insulated from the global

economic slowdown. This is apparent when looking at Bihar's consumer confidence levels, its GDP projections for the new fiscal year, investor confidence in response to recent election results, etc. While the retail sector will benefit from positive macroeconomic and microeconomic factors, it should be noted that retailers are not resting on their laurels. Four strategies that retailers are using in this environment to increase growth and generate efficiencies are:

Improving operational effectiveness: Retail & Consumer companies are focused on optimizing operations, streamlining the movement of goods and increasing efficiencies.

Supply Chain-Efficient sourcing practices, managing inventory turns and overall supply chain management is important measures to improve profitability. The ability to measure and manage supply chain risks is essential to the success of retail operations.

Renegotiating rental rates-Retail rental rates have declined in most major urban cities by 20 to 40 per cent. As a result, several India-based retailers have embarked upon discussions to renegotiate rental agreements.

Focusing on rural India-Increasing rates of industrialization, coupled with the Government's decision to waive farm loan repayments, make rural India increasingly attractive. Companies looking to enter rural India are customizing marketing messages, packaging sizes and price points to suit rural consumers. While there are challenges associated with serving rural India (such as inadequate distribution networks, misconceptions about rural Indian consumers, etc.), companies remain bullish on growth potential.

<https://assignbuster.com/business-plan-to-open-a-retail-store-outlet-marketing-essay/>

Launching private labels-Indian Retail & Consumer companies are increasingly launching private labels in a range of categories to appeal to value-conscious consumers. While private label products may have a “no frills” approach in their packaging and marketing, they aim to satisfy Indian consumers’ value preferences. India’s retailers view private labels as a robust value proposition and are also witnessing double-digit growth rates in the sales of these products.

Rationalizing prices offering sales/promotions-Indian apparel retailers, for example, have been reducing prices on their merchandise in order to meet consumers’ expectations for better-priced products and to encourage volume-based sales. Other retailers are extending sales and other attractive promotional offers to move stock, increase footfalls and drive revenue. Sales, a main characteristic in retail in western markets, are increasingly being used in India since value-conscious consumers are demanding sales and prefer to wait for promotions before buying apparel, footwear, etc.

CUSTOMER SERVICES PROVIDED BY MY CONVENIENCE STORE (SHAMAYA-FRESH)

Acceptability of credit cards.

Child care facility.

Credit.

Delivery to home.

Dressing room.

Extended store hours.

Facilities for shoppers with special needs (physically handicapped).

Parking.

Special order.

Each and every customer is very important to us. So according to their need and requirement we provide them better services, so that we can make good brand image of our store (SHAMAYA-fresh).

BUSINESS PLAN TO OPEN A RETAIL STORE OUTLET

INTRODUCTION: My store is opened in 3000 sq/ft. located at very convenient place. According to the taste and preference of my consumers we are providing them fresh products. For the store we need different materials such as: furniture, computers, printers, swapping machine, internet etc.

MISSION: To build a just and sustainable, locally oriented food system for my consumers in Bihar by providing them fresh products.

VISSION: To become a branded retail store in the world.

OBJECTIVES:

-Raising, preparing and eating a great variety of fresh, local and healthful food is one of the regions common values.

-No one needs to go beyond the region for a healthful diet.

-Food consumption is possible within walking distance of its production.

- From an early age we learn experientially where and how our food is raised.
- Regional food production ranges from a few large farms to many small farms to numerous public and private gardens to potted vegetables plants in downtown city apartments.
- Food processing centers focus on local production and distribution in order to supply institutions, restaurant and grocery stores.
- Our connections to food beyond the region, while minimal, provide security in the event of food emergency, as well as opportunity to trade for foods impractical to produce regionally.

MARKETING PLAN

A marketing plan is very important while opening a retail store. By seeing the following needs we had made our plan they are:

- The target market- the segment towards which the retailer plans to focus its resources and retail mix.
- The format which we will use to satisfy the target markets needs (nature of Merchandise and services offered, pricing policy, advertising and promotion program, Approach to store design and visual merchandising, typical location).

-The bases on which we will build a sustainable competitive advantage. The competition

Which is not easily copied and thus can be maintained over a long period of time.

ADVERTISEMENT:

Through advertisement we will be able to attract more and more consumers towards us. We can adopt sales promotion for our retail store. We will target at our ultimate consumer. Will make use of a variety of formats: premiums, coupons, contests, etc, will attract attention, will offer strong purchase incentives, and will dramatize offers, will boost sagging sales, will stimulate quick response, Short-lived. Not effective at building long-term brand preferences.

PRODUCT MANAGEMENT PLAN OF MY RETAIL STORE OUTLET

As our younger generation is very diet conscious so taking in consideration to this point we have thought to open a convenient retail store in DISTRICT CENTRE. It is youth meeting place with lots of crowd. The products which will be available at my store are:

FRESH MILK

FRESH JUICE

STAPLES

GROCERIES

DAILY PRODUCTS

HOME PRODUCTS

FMCG PRODUCTS

FRESH FRUITS & VEGETABLES

CONSUMER DURABLE PRODUCTS

According to the demand of our products we will increase our product line in market.

OPERATIONAL PLAN OF MY RETAIL STORE OUTLET

LOCATION OF MY CONVENIENCE STORE (SHAMAYA-FRESH):

Three most important things in retailing are LOCATION, LOCATION, and LOCATION only. The location which I have chosen for my store is DISTRICT CENTRE where we see huge crowd every day. We will be able to attract more and customers. We are providing fresh products to our consumers to their suitable location. Each and every thing is easily available in that locality.

LAYOUT: Best method of encouraging customer exploration is to present them with a layout that facilitates a specific traffic pattern. Another method of helping customer move through the store is to provide interesting design elements.

KEY SUPPLIERS: we have contacts the local vendors of that area to that we can easily provide the products to our consumers. Vendors approach is the <https://assignbuster.com/business-plan-to-open-a-retail-store-outlet-marketing-essay/>

best way of supply chain efficiency in which the vendors is responsible for maintaining the retailer's inventory levels in each of the store. My consumers will get fresh products on their demand at any time on demand.

STORE MANAGEMENT: store management is very important in every store. The responsibility of store managers are: managing employees, controlling costs, managing presentation, and providing customer service.

Managing store employees:

- Recruiting and selection.

- Socializing and training.

- Motivating

Controlling costs:

- Increasing labour productivity.

- Reducing maintenance and energy costs.

- Reducing inventory losses

MERCHANDISING MANAGEMENT:

According to merchandising management we will forecast our sales and develop assortment plans indicated in very general terms. We generally use staple merchandise items are continuously sold over a year. If there is greater the fluctuation in demand, the more backup stock is needed.

FINANCIAL PLAN

PROJECTED BALANCE SHEET

Liabilities

1st year

2nd year

Assets

1st year

2nd year

Capital

Fixed assets:

Owner's capital

1, 75, 000

1, 75, 000

Furniture

20, 000

20, 000

Liabilities

Computer

25, 010

20, 000

Bank loan

3, 75, 000

3, 50, 000

Website development

25, 000

28, 000

Net profit

192990

587968

Current assets :

Creditors

323287

Inventory

12, 000

55, 000

Prepaid courier exp

47, 000

1, 00, 000

Prepaid Rent

53, 000

60, 000

Cash in hand & bank

5, 30, 000

11, 53, 256

Deferred expenses**30, 980****Total liabilities****7, 42, 990****14, 36, 256****Total assets****7, 42, 990****14, 36, 256****Total liability for 1st year: 7, 42, 990****Total liability for 2nd year: 14, 36, 256****Total assets for 1st year: 7, 42, 990****Total assets for 2nd year: 14, 36, 256**

Financial plan is an integrated part of a retail market strategy. We have planned how we will invest our money in opening of our retail store. We have taken loan from HDFC bank at 8% interest. Sales growth will be aggressive the first 18 months as we sharpen our merchandise assortment, size scales, and stock levels to better meet our customer's requirements. We anticipate a sales increase of 45% during our second year of operation. Marketing will continue to average 9% of total sales. We will invest residual profits into reducing debt and the lost income from large cash holdings. Our store expansion, while not a necessity, will be an option if sales projections are met and/or exceeded.