

Business plan to open retail store in bihar marketing essay



**ASSIGN
BUSTER**

We are planning to open Wedding attire and accessories shop named as “VIVHA UTSAV” in Patna. VIVHA UTSAV is the Wedding attire and accessories shop for brides like no other. While most retail bridal Shops focus on selling Wedding dresses and Accessories for Bride only, we will cater to the mothers of bride, mother of groom, her friends and sisters. Because there is majority of Hindus in Bihar so we will provide dresses and accessories mainly for Hindu brides.

OBJECTIVES

- 1) The primary objective is to provide one-stop-shopping for the wedding.
- 2) To make wedding shopping easy and enjoyable.
- 3) To attain a position in Bihar as we have in other states in this sector.

MISSION

VIVHA UTSAV is a boutique that will provide attire and accessories for not only bride but also for her relatives and friends also. We believe in providing excellent and superior services and making shopping a relaxed and pleasurable experience. We also believe in providing a professional and enjoyable environment to our employees so that they are motivated to be trustworthy and valuable resources to our customer.

VISION

We want to provide best product and shopping experience to the customer.
We want to build strong and long term relationships with our customer.

Type of Retailer

It will be a specialty store catering only the market for wedding shopping.

The attire and accessories will only be for bride and the female member attending marriage.

2) PRODUCTS

. We will carry the following different products both the traditional and modern for Wedding occasion which customers can buy according to the way they want:-

LEHNGA CHOLIS and SAREES

1) BY TYPE

a) Designer lehnga choli: – Designer wedding lehngas and sarees , custom made designer lehnga choli and sarees , Crepe designer lehngas and sarees etc.

b) Traditional Lehnga Choli:- Traditional Indian cholis, Bandhej lehngas, Bandhni sarees, Tie-dye traditional sarees,

c) Embroided Lehngas:- Zari Lehngas and sarees, Kundan Lehngas and sarees , Trendy sequins lehngas and sarees wear, fancy Neemzari Cholis Kashmiri Work dress.

d) Fish cut lehngas cholis, mermaid style, and Circular lehnga choli

2) By Fabric

Georgette lehnga choli and sarees, Crepe Lehnga Choli and sarees, Silk Lehnga Choli and sarees, Net lehnga Choli and sarees, Satin lehnga choli and Sarees, Brocade lehnga choli and sarees, Tissue lehnga choli and sarees

3) BY Price and colors:

Customer can buy according to different financial rang and colors.

JWELLERY and OTHER ACCESSORIES

a) Wedding necklace for bride and her relatives and friends. They can have Kundan, Pearl, Studded, Polki, Victorian, Beaded Necklaces and many more.

b) Gleaming earrings: – Fashion earrings, Hoop Earrings, Long Earrings, top earrings and may more.

c) Designer bangles: – Adjustable bangles, Fashion bangles, Gold bangles, Stone bangles, Studded bangles and many more.

d) American studded jewellery, Antique jewellery, Designer Chains, Gorgeous Bracelets, Scintillating Pendants, Beautiful anklets, Nose rings

e) Hair accessories, Footwear and Bags.

3) MARKETING PLAN

For the past three years, there are over 25 thousand Weddings annually in Bihar, 35 hundred of which are in Patna. The average cost of a wedding in Patna is near about Rs. 10lakh to 15 lakh in high class society and Rs. 3 to 5 lakh in mediocre families and it has been increasing consistently by 5% each year. It has highest per capita gross domestic product in Bihar, which is

better than the most of the metropolitan area in India. In 2009, World Bank ranked Patna as second best city in India to start a business.

There many fashion and designer boutique in Patna and all of them are locally owned, single-unit operation. However there is increasing no of players entering in this sector but primary focus of these shops is to provide dresses and accessories for all occasion, no one provide accessories and dresses specially for wedding only. So the market is currently missing a place to find out a good selection of all the items for wedding together at one place.

Target market:-

We are going to cater the Hindus because they are the majority. The target market is brides, bride's mother, groom's mother, bride and groom's sisters, bride's friends. Wedding dress and accessories on average comprise about 6.8% of the total wedding expenditure, while attire and accessories for mother sister and friends comprises 7.1% of the total wedding expenditure. So we are also focusing on this 7.1% along with the 6.8%. People have joint families mostly in Bihar and Patna also. So a wedding generally have 2 mothers, 6-10 sisters and friends.

Trends in Target market

Because of the enhanced livelihood in Patna people don't mind to spend high amount to make the wedding a memorable one, because it is the one time function. People there are now moving toward modernization. They want to have the marriage both in traditional and modern way. Brides, her sister and

friends now wanted to wear each accessory matching with their dresses. It is possible only if they shop from the same place.

Positioning Strategy

Our store will be positioned in customer mind with its name “ VIVHA UTSAV Wedding Shop”. Any who will hear or see this name, ultimately come know that it is a store for wedding shopping.

Sales Strategy

Our sales strategy is designed in that way that it will lead to close the deal. When a customer will enter in our shop, she will feel that her place in wedding and needs are very important for us. We will make an environment in which shopping for other items will be as significant as the experience of shopping for wedding attire. At Vivha utsav other wedding parties like mother, sister and friends will also gain equal importance and attention as the bride receives.

Market Share

Initially our market share will be low or modest. But it is expected to grow at a good rate because of our unique niche the Vivha Utsav is targeting

SWOT ANALYSIS

Strength

1) It is the only store of its own type. While most of the boutiques focus on selling only wedding dresses, we give importance to other items also.

2) We will provide different attendants to bride, mothers, sisters and friends so that they can buy the most appropriate dress and accessories for themselves.

3) Our wide range of clothing style, designer and accessories.

Weakness:-

1) We are planning to cater only the market for brides and her female relatives and friends not the groom wear market. so we may not get the attention of some customer because of this reason.

2) Wedding business is a seasonal business. We will have small no of foot falls in the off season

Opportunity

1) Increasing trend of buying designer wedding dresses and accessories.

2) At our shop along with bridal dress and accessory focus is on other items also. Our customer will be offered a wide selection of their desired attire, and their needs will be our primary focus.

Threats

1) Competitors who already exist in the market may have prices lower than our products.

2) People who already had a wedding in the past may prefer to go to boutique from where they bought in past.

Promotional strategy

- 1) We will start with standard print and online listings in wedding media. We will advertise through local newspaper, matrimonial sites, local wedding publications
- 2) We will carry some wedding shows so that the customer can have a look on what we are going to provide them.
- 3) We will build relationships with marriage consultants, who can refer us to the customer for wedding shopping.
- 4) We will register ourselves in yellow pages under the bridal sector, so this will act as a standard source for customer to find us.
- 5) We will also have a website so that the customer who wants to know more about us before shop at our can have all the information which she wants. They can also know about store location and store time. Those who are unable to physically come to place an order can place the order online.

4) OPERATIONAL PLAN

Location:

We will locate our store in downtown Patna; because of its daily activities it will draw a large no of foot falls into the area. It is a destination shopping area . It also the hub of public transportation and there is high level of pedestrian traffic and it also has a good no of residents living in the area. We have selected the corner of a main intersection with free parking.

Store layout:

Our store will be two story building. First floor will be for carry dresses and accessories for bride's mother, her sister and friends. Second floor will be carrying the dresses and accessories for bride. On both the floor there will be changing and dressing room. Store layout will be free from. It will provide an Intimate, Relaxing environment that will facilitate shopping and Browsing. We will place fixtures holding the latest styles along the perimeter of the stores layout. Flooring and lighting will clearly differentiate the different product areas. The cash counter will be at the exit of the store.

Key Supplier

We will make contract with different designer, manufacturer of fabrics; different items need to decorate the dresses and other accessories. Other supplier will be for sewing machines, embroidery machine, needles, threads etc.

Credit Policy

We will not sell anything on credit. When a dress will being made to order, a fifty percent, non refundable deposit will be required. Once the dress is ready, the customer will have to pay the entire due amount before taking the dress from the store. This policy is applied on all other items also.

Store management: Vivha Utsav will conduct business on weekdays from 9 am to 6 pm and on weekends from 10am to 8 pm. We will have work force including store manager, receptionist, cashier and part time sales associates, who all will be females only, because some customers may feel uncomfortable in the presence of male employee. The store will have three

sales associate on weekdays and five sales associate on weekends to avoid problem of traffic in store. Moreover before coming to the store to get the dress and accessories customers will have to take appointment. This will also help avoiding the traffic problem. Sales associate will be paid on hourly bases and the store manager and receptionist will be paid monthly. The working hours will be increased at the season time to accommodate the planned increase in sales, so as their salaries will also increase. Some sales goals will be set for all the employees and when the employees will achieve those goals they will be rewarded monetarily. To achieve those goals employees will need to do the following things:-

a) Pay attention to the customer: customers need to be acknowledged right from the time they enter in the store because everyone, who will step in our store, will be preparing for the big event. They need to be taken seriously immediately because they will not be in our store for fun or casual purpose.

b) Keep customer focused: The process of choosing bridal attire and accessories can be a longer one, because it is a very important purchase and there are so many variables like colors, type, fabric etc. so if the sale representative will navigate the customer efficiently through the process it can lead to the desired outcome.

c) We will not only sell goods but will also sell shopping experience. Because wedding purchase especially bridal attires are as very emotionally attached and memorable process for bride, her mother and friends. So the employees should try to satisfy them in all possible manners so that the experience

becomes a positive one so that they recommend us to their friends and relative for wedding purchase.

Merchandising Management

The dresses and other accessories will be sold on made-to order basis. So a sample of each product of each style will be kept in store so that customer can try on. If however a customer is satisfied with the floor design she can purchase that product. We will contact the designer who set minimums that is we require purchasing a certain number of sample products. We will keep track of our entire sales in computers in terms of no of times particular is purchased, which type of product is most demanding etc. If some items are selling poorly, they will be discounted, sold off rack or will be replaced by new items.

5) Financial Plan

Requirements

We will need Rs. 50 lakh to get our business off the ground. We are currently seeking funding from outside investors and business loans. In the starting we will raise Rs. 15 lakh in equity capital. We are seeking investors for additional Rs. 25 lakh and Rs 10 lakh in loans.

Use of Funds

Funds will be used to pay for renovations, construction of fitting rooms, sales counter, painting, carpeting, lighting, and décor and display fixtures. We will also purchase inventory computers, a cash register and inventory management system. The remaining of the Startup funds will be utilized to

cover operating expenses, such as rent, utilities, marketing, costs and wages.

Profit&loss projection

Based on our marketing plans, location, store size and product offerings we expect to collect annual sales of Rs. 5040000 in 1st year. Our average cost of goods sold will be 40%, which leaves us with a gross margin of 60%. Our monthly fixed cost is estimated to be Rs 113125, so we will need to generate sales of Rs 4, 20, 000 monthly to reach the breakeven point. We will become profitable monthly basis after our first year.

Break even analysis

Particulars

Amount(Rs)

Sales

5040000

Variable cost

3252000

Contribution(sales-VC)

1788000

Fixed cost

1357500

Net profit

430500

Profit volume Ratio = (Contribution/sales)*100

= (1788000/5040000)*100= 35%

BEP point (Rs) = Fixed cost/PV ratio

= 1357500/35%= Rs. 3826510

BEP Point (months) = BEP point (Rs)/monthly sales

= 3826510/420000= 9. 11

So we will take 9 months and 4 day to reach the break even sales

Cash Flow Projections

We will collect immediate payment from customer because we will not give credit to customer, so our cash flow statement will be substantially similar to our income statement. Our cash flow statement will clearly demonstrate our ability to cover all bills.