E-Commerce project on Big Bazaar

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COMPANY PROFILE

Pantaloon Retail (India) Limited, is India's leading retailer that operates multiple retail formats in both the value and lifestyle segment of the Indian consumer marker. Headquartered in Mumbai (Bombay), the company operates over 5 million square feet of retail space, has over 450 stores across 40 cities in India and employs over 18,000 people.

The company's leading formats include Pantaloons, a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain, blends the look, touch and feel of Indian bazaars with aspects of modern retail like choice, convenience and quality and Central, a chain of seamless destination malls. Some of its other formats include, Depot, Shoe Factory, Brand Factory, Blue Sky, Fashion Station, aLL, Top 10, mBazaar and Star & Sitara. The company also operates an online portal, futurebazaar.com.

Their subsidiary company, Home Solutions Retail (India) Limited, operates Home Town, a large-format home solutions store, Collection i, selling home furniture products and E-Zone focused on catering to the consumer electronics segment.

Pantaloon Retail was recently awarded the International Retailer of the Year 2007 by the US-based National Retail Federation (NRF) and the Emerging Market Retailer of the Year 2007 at the World Retail Congress held in Barcelona.

Pantaloon Retail is the flagship company of Future Group, a business group catering to the entire Indian consumption space.

- # PROMOTERS

Future Group Manifesto

"Future" – the word which signifies optimism, growth, achievement, strength, beauty, rewards and perfection. Future encourages us to explore areas yet unexplored, write rules yet unwritten; create new opportunities and new successes. To strive for a glorious future brings to us our strength, our ability to learn, unlearn and re-learn, our ability to evolve. We, in Future Group, will not wait for the Future to unfold itself but create future scenarios in the consumer space and facilitate consumption because consumption is development. Thereby, we will effect socio-economic development for our customers, employees, shareholders, associates and partners.

Our customers will not just get what they need,
but also get them where, how and when they need.
We will not just post satisfactory results, we will write success stories.
We will not just operate efficiently in the Indian economy, we will evolve it.
We will not just spot trends, we will set trends by marrying our understanding
of the Indian consumer to their needs of tomorrow.

It is this understanding that has helped us succeed. And it is this that will help us succeed in the Future. We shall keep relearning. And in this process, do just one thing. Rewrite Rules. Retain Values.

Group Vision

Future Group shall deliver Everything, Everywhere, Everytime for Every Indian Consumer in the most profitable manner.

Group Mission

We share the vision and belief that our customers and stakeholders shall be served only by creating and executing future scenarios in the consumption space leading to economic development.

We will be the trendsetters in evolving delivery formats, creating retail realty, making consumption affordable for all customer segments – for classes and for masses.

We shall infuse Indian brands with confidence and renewed ambition.

We shall be efficient, cost- conscious and committed to quality in whatever we do.

We shall ensure that our positive attitude, sincerity, humility and united determination shall be the driving force to make us successful.

Core Values

Indian ness: confidence in ourselves.

- **Leadership:** to be a leader, both in thought and business.
- **Respect & Humility:** to respect every individual and be humble in our conduct.
- **Introspection**: leading to purposeful thinking.
- **Openness:** to be open and receptive to new ideas, knowledge and information.

Valuing and Nurturing Relationships: to build long term relationships.

- **Simplicity & Positivity:** Simplicity and positivity in our thought, business and action.
- **Adaptability:** to be flexible and adaptable, to meet challenges.

Flow: to respect and understand the universal laws of nature.

- # CUSTOMERS

Target Audience:

• Big Bazaar targets higher and upper middle class customers.
• The large and growing young working population is a preferred customer segment.
• Big Bazaar specifically targets working women and home makers who are the primary decision makers.

It is part of Big Bazaar's (owned by Biyani's Future Group) new Guerrilla Marketing Strategy. Guerrilla force is divided into small groups that selectively attack the target at its weak points. Wah lah, enter the future and in the world of cut throat competition, corporate use extension of the same strategy in marketing…hmmmm never imagined this while we were in our shorts!! Corporate like coke, pepsi, etc have been using the same for quite some time now and the latest entrant is our very own 'Future Group'- Big Bazaar, Pantaloon Future Bazaar, eZone are all part of this group and they are taking on the biggies like Shoppers Stop, Lifestyle, and Tata's Westside. With retail market in India especially in metros where standard of living and disposable income is at an all time high, competitors will vie for the market share and can stoop to any levels while marketing their products. Guerilla marketing is just one of the strategies and surely one can learn a lot from the ongoing battle, especially people interested in marketing/marketing techniques.

Different elements of retail mix:

• Merchandise assortment Merchandise assortment
• Location
• Price
• Visual merchandising Visual merchandising

Pantaloons, through Big bazaar and Futurebazar serves Indian retail market with 5,000 products listed under 185 categories and many more products are being included on daily basis. Consumer durables, home décor, apparel, mobiles, watches and accessories with warranties are offered in both physical and online stores.

- # COMPETITION

TOP MAJOR RETAIL PLAYERS

Retailer	Existing formats	Brand Names	No.of Stores	Total Retail Space('000 sq ft)	Total Sales 2004-05(USD mn)	Expansions Plans
Pantaloon Retail Indian Ltd	Department store	Pantaloon	13	1,948	241	Invest around USD125 mn between FY06-FY08. Open 80-100 more stores across formats.
	Hypermarket	Big Bazaar	18	N/A	N/A	Triple total Retail area by FY08 to 6.5 mn Sq. ft.
	Supermarkets	Food Bazaar	9	N/A	N/A	Enter into Furniture and home retailing.
	Seamless Malls	Central	3	N/A	N/A	
RPG Retail	Hyper markets	Spencer's	3	480	96	Open 21 hypermarkets and supermarkets
	Music Stores	Music world	225	N/A	N/A	Open another 100 Music Stores in FY08.
	Super markets	Spencer's	49	N/A	N/A	
Shopper's Stop Ltd.	Department stores	Shopper's Stop	20	1000	96	Add 2 mn Sq. Ft. of Retail Space in FY08
	Books & Music Stores	Crosswords	33	N/A	N/A	Entering Hypermarket format, 18 Stores planned by FY08

	Home furnishing	Home Stop	N/A	N/A	N/A	Setting up Speciality Stores for Home Solutions.
Landmark Group (Based in Dubai)	Department Stores	Lifestyle	8	370	67	Set up 25 New Departmental stores by FY08. Invest USD 65mn over next 5 years.
Trent India Ltd	Department Stores	West side	19	350	52	Add 640,000 sq.ft. of Retail Space.
	Hypermarkets	Star India Bazaar	1	N/A	N/A	Open 17 Stores under the departmental and Hypermarket formats by FY08.
	Books & Music Stores	Land Mark	4	N/A	N/A	

- # HISTORY

Major Milestones	
1987	Company incorporated as Manz Wear Private Limited. Launch of Pantaloons trouser, India's first formal trouser brand.
1991	Launch of BARE, the Indian jeans brand.
1992	Initial public offer (IPO) was made in the month of May.
1994	The Pantaloon Shoppe – exclusive menswear store in franchisee format launched across the nation. The company starts the distribution of branded garments through multi-brand retail outlets across the nation.
1995	John Miller – Formal shirt brand launched.
1997	Company enters modern retail with the launch of the first 8000 square feet store, Pantaloons in Kolkata.
2001	Three Big Bazaar stores launched within a span of 22 days in Kolkata, Bangalore and Hyderabad.
2002	Food Bazaar, the supermarket chain is launched.
2004	Central - India's first seamless mall is launched in Bangalore.
2005	Group moves beyond retail, acquires stakes in Galaxy Entertainment, Indus League Clothing and Planet Retail. Sets up India's first real estate investment fund Kshitij to build a chain of shopping malls.
2006	Future Capital Holdings, the company's financial is formed to manage over $1.5 billion in real estate, private equity and retail infrastructure funds. Plans forays into retailing of consumer finance products. Home Town, a home building and improvement products retail chain is launched along with consumer durables format, Ezone and furniture chain, Furniture Bazaar. Future Group enters into joint venture agreements to launch insurance products with Italian insurance major, Generali. Forms joint ventures with US office stationery retailer, Staples.
2007	Future Group crosses $1 billion turnover mark. Specialised companies in retail media, logistics, IPR and brand development and retail-led technology services become operational.

	Pantaloon Retail wins the International Retailer of the Year at US-based National Retail Federation convention in New York and Emerging Retailer of the Year award at the World Retail Congress held in Barcelona. Futurebazaar.com becomes India's most popular shopping portal.
2008	Future Capital Holdings becomes the second group company to make a successful Initial Public Offering in the Indian capital markets. Big Bazaar crosses the 100-store mark, marking one of the fastest ever expansion of a hypermarket format anywhere in the world. Total operational retail space crosses 10 million square feet mark. Future Group acquires rural retail chain, Aadhar present in 65 rural locations.

- PRODUCTS AND SERVICES

Lines of Business:

1. Leisure and Entertainment
    - BOWLING Co. premium family entertainment centre, offering multiple, novel and unique leisure and entertainment options.
    - F123 an entertainment zone, offers a wide range of gaming options ranging from bowling and pool to redemption and interactive video games to bumper cars besides fun foods and services for junior and adult banqueting.

2. General Merchandise
    - BIG BAZAAR:
    - BLUE SKY: **Watches & Sunglasses** Blue Sky is a national chain of stores offering a wide selection of branded and private label sunglasses and watches.
    - BRAND FACTORY: brings to the Indian consumers **the best Indian and International brands**.
    - CENTRAL: Launched in May'04 at Bangalore, Central is a showcase, seamless mall and the first of its kind in India.
    - KB's FairPrice: **'KB's FairPrice'** are neighbourhood stores. These are simple but modern, self service ration shops. These stores retail only 300 essential products, at simply the lowest prices in town.
    - NAVARAS: **Jewellery for all emotions and occasions**
    - PANTLOONS: stores have a wide variety of categories like casualwear, ethnicwear, formalwear, partywear and sportswear for Men, Women and Kids.
    - SHOE FACTORY: wide range of the latest and trendiest footwear and accessories.

3. Telecom and IT
    - GEN M: Trendiest mobile phones, accessories, download kiosks, airtime recharges, the products that focus on gaming, chat, music, video etc.
    - ONE MOBILE: offering comprehensive solutions to satisfy the knowledge, entertainment and communication aspirations of Individuals.
    - M PORT: M-port is a one-stop shop for everything that you need to fulfil your home and I.T. needs.

4. Home solutions
    - HOME TOWN: vast range of products and services under one roof for consumers that goes into building a house and everything to make it a 'Home'.
    - e ZONE: brings to you the trendiest in electronics, at the lowest prices.
    - FURNITURE BAZAAR: Furniture Bazaar offers an entire range of Home Furniture needs that are utilitarian and affordable in their pricing.

- ELECTRONICS BAZAAR: Currently present within Big Bazaar stores, Electronics Bazaar offers the best deals in branded electronic goods and appliances.
- COLLECTION i: Collection i, a lifestyle furniture store offering the trendiest and latest in furniture, furnishings and home accents.

5. Fashion

- aLL: Shop big and shop for big, coz fashion just got a little larger! Fashion for plus size people.
- CELIO: Celio, a market leader in men's ready to wear clothing in France, is now available in India.
- LEE COOPER: Regarded as a brand that is fun to wear and be associated with, Lee Cooper offers the entire range of lifestyle products in fashions category for young men and ladies.
- PLANET SPORTS: India's largest multi-brand sports and lifestyle speciality retail chain, Planet Sports offers the largest collection of international sports and lifestyle brands.

6. Food
    - BREW BAR: The Brew Bar is a classy and refined; yet reasonable an egalitarian a bar with loads of bonhomie!
    - CAFÉ BOLLYWOOD: Indian street food but with assurance of highest levels of hygiene and quality.
    - CHAMOSA: Chamosa is a branded chain, which sell the local Indian snack combination of tea and samosas.

7. Wellness and Beauty
    - STAR & SITARA **Salon & Beauty Parlour**.
    - FIT & HEALTHY: housed within Big Bazaars and Food Bazaars is your one-stop source for health tips, information, advice & products.

8. Books and Music
    - DEPOT: books, music CDs and cassettes, movies (VCD and DVD) and multimedia (CD-ROMs). Depot Store also has an attractive selection of gifts (candles, mugs, photo frames, themed packs) toys and stationery (office, children's and fancy stationery).

9. E-tailing
    - FUTUREBAZAAR.COM: Having pioneered the retailing business in India, PRIL has now decided to revolutionize the consumer e-commerce business in India. Buying products is a 3 step simple process. All one has to do is Search, Register and Buy.

10. Retail real estate and private equity fund

Future Capital's AMC and private equity arm has floated retail real estate development (Kshitij and Horizon), private equity (Indivision) and hotel development funds. We expect the retail real estate development fund and private equity business to support the core business and drive future growth of the core retail business.

11. Consumer financing – personal loans, credit cards

    Taking a cue from global retail giants like Wal-Mart, PRIL has forayed into the consumer financing and credit card business. With expected sales of US$4bn by FY10 and a wide r each through 1,500 stores, PRIL would be an attractive distribution channel for financial products including personal loans, insurance, credit cards and mutual funds

E-COMMERCE INITIATIVES

- INTRANET/EXTRANET

Future Group's e-business initiative www.futurebazar.com has been touted by itself and others as a quintessential Internet company. The Internet has given future bazaar a means for extending the reach and scope of its direct sales business model at a relatively low marginal cost. It has done so in part by automating functions such as product configuration, order entry, and technical support, enabling the company to grow revenues without a corresponding increase in customer service costs. Also, it has used the Internet to coordinate a network of suppliers and business partners who carry out many of the processes involved in building, distributing and supporting personal computers. Future bazaar refers to this network of partners as a _virtual company_ linked electronically by the Internet. Another name for this type of industrial organization is the value web.

Future bazaar was an early and enthusiastic convert to the Internet, creating its first web site in 1994 and moving many of its business activities to the Internet ahead of its competitors. The company saw that its direct model Big Bazaar) gave it an advantage in selling online. It did not have to worry about channel conflict with resellers and distributors when it began selling online

Futurebazaar.com offers the widest range of products at 'lowest prices – everyday!'

Having pioneered the retailing business in India, PRIL has now decided to revolutionize the consumer e-commerce business in India. It intends to provide customers with a streamlined, efficient and world class personalized shopping experience, which will be supported with the best technology platform.

Buying products is a 3 step simple process. All one has to do is Search, Register and Buy. Here you can expect a shopping experience akin to shopping at an actual bazaar but with added simplicity & everyday low prices and an assurance of 'your product' will be delivered within 7 days of purchase.

We are proud to inform you that Future Bazaar has been named as the Best Indian Website 2007 in the Shopping category by PC World.

Future Bazaar won the top spot after beating other established players like Rediff, Indiatimes, Sify, eBay, Indiaplaza, Chennai Bazaar and India Mall. The award was presented to Future Bazaar for its "decent, no-nonsense approach, while providing a good shopping experience".

FutureBazaar.com is owned and operated by Future Bazaar India Ltd. (FBIL). FBIL is a part of the Future Group, India's largest retail conglomerate. FBIL is the e-commerce

arm of the Future Group. The company was incorporated in 2006 and began business in 2007.
As part of India's largest retail chain, we enjoy the benefits of buying in bulk for the entire group. Our aim is to get you a great range of products at great prices.
Core Competency of the business…what makes us different from others.!!

- A choice of more than 20,000 products
- Delivery across more than 1500 cities and towns in India covering around 16,000 pin codes
- Fast deliveries – tie ups with world leaders in logistics & transportation services
- A dedicated Customer Care helpline for any queries.
- Always offering Manufacturer's guarantee as opposed to Seller's guarantee, which most of the other online shopping sites offer.
- Aggressive Prices –FutureBazaar.com has the benefit of leveraging the sourcing network of the Future Group's retail chains. This sourcing network straddles a wide range of product requirements, thus being able to offer us economies of scale thereby - unbelievable prices to it's customers
- Unmatched Selection of Products and Brands – We have more than 20,000 products which create the flexibility to offer a large range of choices to customers. We also have partnerships with most of the brands available in the country, which allows us to get the latest in the range to our customers. We have been able to create some major popularity ripples with our corporate clients with products like mobiles, electronics, laptops, MP3 players, T-shirts, Gift Vouchers and so on.
- Seamless end-to-end Logistics Solution – We pride ourselves in having built an end-to-end logistics solution; right from stocking, dispatching, and delivery confirmation up to post-sales support. Our back-end infrastructure enables us to service around 15000 pin codes across India.
- Dedicated Customer Care for online customers as well as corporate clients - We have a dedicated team straddling client servicing, sourcing, logistics and customer service for all our customers.
- "Our Brand Association" - Most importantly out parentage & association with humungous retail brands like Big Bazaar, Pantaloons, Central and many more, lends tremendous amount of trust & credibility to our end consumers.

The FutureBazaar.com Promise

Manufacturer's warranties on all products

FutureBazaar sells only original products from authorized dealers; so all applicable products carry the original manufacturer's warranty. Customers can visit any of the authorised service centres of the manufacturer if required. The invoice accompanying the product is your warranty document, so please preserve it.

Guaranteed Delivery

FutureBazaar guarantees to deliver the exact product you selected, without defects. In case you have received a different product, or if the product was damaged in transit, please let us know and and we will ensure that we replace the product or ensure that your money is refunded.
Please note that delivery times vary according to products. 95% of our deliveries take place within the committed time period. For the occasional delays, we will contact you and update you about the status.

Secure Payments

We are committed to ensuring that no payment misuse happens, so we work with banks and payment gateways to ensure that your information is protected. Payments are protected both by us and by the policies of your bank, and the chances of fraud in these channels are actually very low. We also have a Risk Management team that scrutinises all payments to ensure that there are no fraudulent transactions. Our office address is also available for any one who wishes to contact us in person. Moreover, being part of India's largest retail company with a presence all over India, we are omnipresent!

Our Simple 15-Day Return Policy - No questions asked!

If you have purchased something at FutureBazaar.com and the product did not meet your expectations or does not fit your needs, then you can return the product to us, no questions asked, as long as it is in its original packaging and accompanied by its invoice. Just contact our Customer Care and we'll arrange to pick up the product from your home - simple.

Prompt Customer Support

Our Customer Care is manned by dedicated personnel, who can take decisions and resolve your problems. They are empowered to solve your problems and are aware of the processes and means to handle them. In case they cannot solve the problem at their end, they will trigger the required action on your behalf or advise you the best possible method to a successful fulfillment of all your queries/issues. Be assured that when you call us, your call is being taken seriously.

- # INFRASTRUCTURE & APPLICATIONS

Future bazaar makes use of electronic data interchange (EDI) technology with all its business partners to send and receive standard transactions such as purchase orders, invoices and shipping schedules etc.

It makes use of both intranet applications (inventory management systems, supply chain management systems etc.) and Extranet applications (Payment systems, sales management system etc.) to sell a wide variety of consumers and electronic goods. It provides fast assistance to customers through email and Toll free telephone lines. It has a very appealing and user friendly portal which lists all available goods in smooth lists which can be sorted according to prices, brands etc. It also has strategic alliance with banking companies to facilitate secure payment system.

E-COMMERCE SOLUTION

Future group follows a strict e-tailing Business-to-Consumer (B2C) model with both physical and online stores. This is the most well-known and familiar type of e-commerce. In the B2C model, businesses attempt to reach individual consumers. The model adopted by the Future group is the E-Tailer. In this model, the companies open there online retail stores. The customers have to dial into the Internet to check their inventory and place an order. They are following the 'clicks and mortar' or 'clicks and bricks' model, whereby, along with having physical stores the company has online distribution channel. The company has developed a niche strategy, and clearly identified their target market and its needs, and this has led to profits. Keeping expenses low, selection broad and controlled inventory are keys to success in e-tailing, with inventory being the most difficult to gauge.

It generates revenue from sales. In the sales revenue model, companies derive revenue by selling goods, information, or services to customers. It can also make use of its current infrastructure to develop a system to provide digital information like Mp3's, Movie downloads etc on pay-per-view or subscription basis. For this a major scaling of physical infrastructure will not be required. Future group make sure that with a pleasant and comforting shopping experience is completed with a sense of security of personal details of a customer. Necessary security measures are implemented and it should continuously develop its system to tackle possible threats. Future group provides easy payment options like credit card, Bank account transactions etc. It should look forward to adopt more convenient means like payment-on-delivery. Portal looks very appealing to customers and future group should continuously make efforts to improve it so that customers do not get bored.

Pantaloon's migration to SAP follows almost two decades of extensive IT use, in which the company has used various software solutions to adapt to constant, rapid change within the industry. As Pantaloon's Chief Information Officer Chinar Despande explains, the decision to migrate onto the SAP NetWeaver platform was a combination of the robustness of the mySAP Business Suite, as well as its ability to incorporate additional retail-specific components like the SAP Advanced Planning Tool for Merchandise Planning and SAP Apparel and Footwear Solutions, which perform forecasting and planning; allocation and replenishment; and customer relationship management functions. The Pantaloon business model has evolved significantly since 1987.

The company entered into a strategic relationship with SAP, the business software solutions provider, to implement its mySAP Business suite, SAP Advanced Planning Tool for Merchandise Planning and SAP Apparel & Footwear Solutions across the organization.

The solution

Some of the qualities of SAP e-tailer solutions are that it supports product development, which includes ideation, trend analysis, and collaboration with partners in the supply

chain. From sourcing and procurement, which involves working with manufacturers to fulfill orders to strategic merchandising plans and optimize cost, quality, & speed– variables that must be weighted differently as business needs, buying plans, and market demand patterns change; managing the supply chain, which involves handling the logistics of moving finished goods from the source into stores and overseeing global trade and procurement requirements; selling goods across a variety of channels to customers, which requires marketing and brand management; managing mark-downs and capturing customer reactions, analyzing data, and using it to optimize the next phase of the design process.

Benefits and challenges

The key challenges in this project were not in the implementation. Rather, the difficulties were faced during the data migration and in managing the interim period when the project was underway for about six months. Migrating unorganized data to an organized format is a challenging task.

Pantaloon has not been able to see immediate benefits from this implementation. this application certainly has long term benefits which will be seen when the performance of various aspects will be analyzed. “It is too early to calculate RoI. We have already started working on MAP (Merchandise assortment Planning), Auto-Replenishment and Purchase orders. We hope to use these systems to optimize our inventory and cut it by about two to four weeks (depending on the line of business),” says Biyani.

Maintenance & Hardware

This application is currently being used by around 1,200 employees across the organization. For maintaining this implementation and its related applications, Pantaloon has an in-house team and it has outsourced ABAP resources. They are also in the process of setting up a SAP Competency Centre. The system runs on a HP Superdome server on HP UNIX 11i and the database is from Oracle. The cost of this project was about $10 million.

Future projects

After the successful implementation of SAP for its retail chain, Pantaloon plans to go ahead with IT projects such as implementation of WMS with RFID, Customer Intelligence and CRM. Inventory and Promotions Optimization will be pursued later this year.

The company has a company-wide network (VPN) connecting all the stores, warehouses and offices. The network is capable of handling heavy traffic of data, voice and video and is in the process of building the capability of transmitting relay of all CCTVs at stores to zonal offices to get live feeds of store action. There is also video conferencing capability between store managers and category teams at HO for highly personal and interactive discussions, a fully integrated transaction system.