

**“A PERFORMANCE BASED ANALYTICAL STUDY
OF SELECT BLUE CHIP SYSTEMATIC
INVESTMENT PLAN SCHEMES IN
MAHARASHTRA”**

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ABSTRACT:

Mutual fund institutions play a critical part in a country's economic development. In many industrialised countries, a well-established mutual fund market is a critical component of economic progress. India opens up the market for various investments in order to give a diverse range of financial goods. In order to improve the Indian financial system, systematic investment planning was implemented which provide average investors with a substantially safer investment option. The majority of people wishes to invest in mutual funds using a systematic investment plan (SIP). However, there is a wide range of plans to choose from market. Investors favour Blue-chip funds in this case since they are less risky than other options of the funds. As a result, the main focus of this paper is on the performance of blue-chip funds. As a result, for the study five blue-chip funds have been chosen for this investigation. There is no need for investors to pay heed towards the mutual fund's past performance, because past performance does not determine future performance. As a result, secondary data has been examined for this purpose. For the performance analysis, which was accomplished utilising a variety of tools and approaches including: Sharpe ratio, Jensen ratio, and Treynor ratio are all terms used to describe the average return, standard deviation, and beta.

Keywords: Mutual Fund, Funds, India, Systematic Investment Plan (SIP), Performance, Blue-chip fund.

INTRODUCTION:

Systematic Investment Plans are a type of managed investment strategy that entails investing a series of sums at regular periods rather than a larger lump sum amount all at once. You are not seeking to capture the highs and lows by investing this way, rather than the market, the cost of your investment is averaged across time. The idea behind SIPs is that when markets decline, investors will automatically buy more units. Similarly, as the market rises, they acquire fewer units. When you buy less, you save money. When the price is high, you purchase more, and when the price is low, you buy more, as a result, the average cost per unit decreases.

Rupee Costs Averaging:

Because of the market's volatility, most investors are unsure when is the best moment to invest and try to time their entry this You can avoid guessing by using rupee cost averaging game. When the price is low, your money buys more units since you are a frequent investor. When the price is high, and less units as compare to when the price is low. It may allow you to reach a reduced price during a tumultuous period.

Power of Compounding:

"Compound interest is the eighth wonder of the world," Albert Einstein once said. He who comprehends it earns it; he who does not, pays it. "Compounding is a simple concept: the sooner you start investing, the more time your money has to grow.

Mutual funds are financial vehicles that allow investors to pool their resources to buy securities that are professionally managed by a portfolio manager. The manager diversifies these investments by investing in treasuries, stocks, bonds, currency, and other instruments. These financial commitments are allocated based on an investor's risk and return appetite. The biggest problem that they are dealing with is a Systematic Investment Plan (SIP) or lump-sum programmes are available to investors.

OBJECTIVES OF THE STUDY:

The study's aims are as follows:

1. To determine the risk and rewards associated with a Blue-Chip SIP fund.
2. To assess the performance of a blue-chip fund in terms of return, risk, and standard deviation, Sharpe ratio, Treynor ratio, and Jensen's ratio.
3. To gain a better understanding of the behaviour of NAV in various schemes prior to and after the Covid 19 situation.
4. Make recommendations on ways to improve the performance of SIP Schemes.

NEED OF THE STUDY:

Mutual funds in India are a fast-expanding sector of the Indian economy and financial industry. Small and household investors who deploy their savings for capital market investing are particularly fond of mutual funds. India is home to the majority of the world's population. Middle-class people seeking the highest possible return on their investment by taking the safer route. This research will serve as a guide for anyone who want to investigate the performance of a few Blue-chip SIP fund programmes. Typically, blue-chip corporations are major corporations with significant market dominance and leadership in their fields. They have a track record of significant expansion, visibility, and reach Good credit scores and a stronger brand image among the general public. Putting money into something like the Companies provide a level of consistency to a portfolio. The fund is suitable for investors who want exposure to blue-chip Indian companies from a medium to long-term perspective.

LITERATURE REVIEW:

Various researches have been conducted in the field of performance management system. Few are discussed in the present study.

According to Garg (2011), he looked at the performance of the top ten mutual funds based on previous year's returns. The research looked at the performance in terms of return. Treynor, Jensen, and Sharpe indices, as well as standard deviation and beta. The research also made advantage of Carhart's four-factor approach for analysing mutual

fund performance. The findings revealed Reliance Regular Saving Scheme Fund (RRSSF) received the highest overall score and in the one-year category, the Canara Robeco Infra fund earned the lowest final score.

CMA Panigrahi et al. (2020) investigated ten mutual funds with equities linked savings schemes. The average return, coefficient of determination (R²), S.D, Beta, Sharpe ratio, and Jensen alpha are some of the financial measures and instruments used for analysis. They discovered a more appealing yield in ELSS mutual funds and receive a 1.5 lakh tax benefit.

S TRIPATHI, DRGP JAPEE (2020) investigated fifteen different equity mutual funds. Companies are divided into categories based on their market capitalisation. For the financial ratios, different financial ratios were used. A financial assessment they discovered that the majority of equities mutual funds are performing well, but that there are a few exceptions. When the mutual fund's return is impacted by a severe drop in the NIFTY 50 in 2019.

Nalla, Kalyan (2017), this report is based on research on blue-chip stock mutual funds as part of a conservative investment strategy. The report emphasised the many methods for determining risk and return in a blue-chip fund. The research was conducted on the State Bank of New York.

SBI Mutual Fund (SBI MF) is one of the country's largest mutual funds, having an investment portfolio of about \$1 billion. The company has a 5.4 million-strong investor base, with over 20 years of fund management experience. State Bank of India Mutual Fund brings its experience in continuously delivering value to investors. The purpose of this article is to assess the performance of the blue-chip State Bank of India with a benchmark for the period of 2014-2016.

In this article, Dr. S. M. ALAGAPPAN selected and studied 12 open ended mutual funds for a year (1-1-2018 to 31-12-2018), establishing a risk-return connection and assisting investors in selecting the best mutual fund. The beta and standard deviation are calculated and Sharpe, Treynor, and Jensen's index is used to rank funds quarterly. Axis Blue Chip

Fund is a mutual fund that invests in blue-chip companies, in all three indices, it came out on top. According to the findings, an equity open-end mutual fund is a good investment. Throughout the year, he does not put up a spectacular show. Annual returns, on the other hand, could be lower rather than quarterly.

RESEARCH METHODOLOGY USED IN THE PRESENT STUDY:

Source of Data: This research relied heavily on secondary data. The secondary data for five mutual funds SIP plans in the Blue-chip fund category from five fund houses has been chosen. Net Asset Value (NAV) was used to evaluate the performance of the sampled SIP fund schemes. The required monthly NAV for the sampled mutual funds was obtained from the mutual funds websites like Association of Mutual Funds in India (AMFI) webpages and in.finance.yahoo.com website. Other relevant information was gathered from books, journals, periodicals, and the internet.

Research design: The type of the study is longitudinal descriptive research.

Sample selection: SIP schemes that have been in existence for more than three years and are working well during the study period (2018-2020) were chosen as a sample for this study. The Blue-chip SIP schemes were chosen as the study's mutual fund category. Secondary data was gathered from a variety of sources and different Publications include books, journals, magazines, and bulletins etc.

Period of time: The research study will take place from January 2018 to December 2020. The NAV and return of the chosen Blue-chip scheme were compared for three years with an annual return.

Test used: Mean, Standard deviation, and Beta are the methods used to compare the fund's performance to the benchmark.

Deviation from the mean: The standard deviation of a sample is calculated using the formula below:

$$s = \sqrt{\frac{\sum (x_i - \bar{x})^2}{n-1}}$$

Returns on assets and securities calculated using historical data.

Beta is calculated as follows: Beta is a risk metric that is frequently used. A portfolio's beta is a measure of how risky it is. To determine the beta of a portfolio, use the same formula that is used to calculate the beta of an individual item. The portfolio beta is the slope of this regression line. Keep in mind that this reflects the systemic risk of the accountancy portfolio.

$$Be(\beta) = \frac{n \sum XY - (\sum X * \sum Y)}{n \sum X^2 - (\sum X)^2}$$

Correlation: Pearson r correlation is the most extensively used correlation statistic for determining the degree of linearly related variables' association.

Sharpe Ratio: The Sharpe Ratio is an INDEX of Excess Return for Taking Risk. The standard deviation is a risk indicator. As a result, the index represents the excess return over the risk-free rate for a given unit of risk. The fund is typically chosen based on a higher Index.

Treynor model: The beta value is used as a measure of market volatility. That is to say, the rating was based on the systemic risk.

DATA ANALYSIS & INTERPRETATION:

Table 1.1 Data Analysis of Bluechip Funds (annualized returns)

Sr. No	SIP Fund	Returns-2020 (%)	Returns-2019 (%)	Returns-2018 (%)	Standard deviation	BBeta	Sharpe	Treynor	Jensen
1	Canara Robeco Bluechip Equity Fund.	24.38	17.35	5.26	19.39	0.89	0.63	0.17	4.7
2	Axis Bluechip Fund.	21.06	20.47	8.98	18.34	0.81	0.61	0.14	2.59
3	SBI Blue Chip Fund - Direct Plan - Growth	16.81	12,67	-2.58	21.12	0.96	0.36	0.08	-0.53
4	Franklin India Bluechip Fund - Direct - Growth	14.48	6.26	-2.14	21.53	0.93	0.37	0.09	-0.59
5	ICICI Prudential Bluechip Fund Direct Plan Growth	13.71	10.83	0.78	20.58	0.93	0.39	0.09	-0.47

ANALYSIS AND INTERPRETATION

According to Study, Canara Robeco Blue-chip Equity Fund has a Sharpe's ratio of 0.63, which is higher than Axis, ICICI Prudential, Franklin India, and SBI's funds. With risk adjusted returns, a greater Sharpe ratio suggests a larger return. SBI's scheme has the greatest Sharpe ratio of 0.63 among large-cap funds, therefore it is considered outstanding in terms of performance and to invest anticipating a greater return, followed by Axis, ICICI Prudential, Franklin India, and SBI's funds is the least performer for three years in the selected schemes.

According to the statistical data, the Canara Robeco Blue-chip Equity Fund has the highest Treynor's ratio of 0.17 for the past three years, followed by Axis, ICICI Prudential, Franklin India, and SBI's funds. As a result, it is evident that the Canara Robeco Blue-chip Equity Fund has outperformed ICICI, Franklin, and others in terms of risk per unit of return (beta) over the last three years. When comparing the selected schemes with beta as a risk factor, Canara Robeco Blue-chip Equity Fund generates more returns and SBI's fund generates less returns under blue-chip or large-cap funds considering Treynor ratio.

According to the above computations and rankings, the Canara Robeco Blue-chip Equity Fund has the highest Jensen ratios of 4.7 for the last three years, followed by Axis, ICICI Prudential, SBI's funds, and Franklin India. As a result, it is clear that in the blue-chip fund category, some of the schemes have positive Jensen ratios, indicating that they are all generating more than the predicted return. However, Canara Robeco Blue-chip Equity Fund and Axis Fund are generating more than the predicted level of return in the case of three years, indicating that the fund is outperforming. In the case of three funds, the worst performers are ICICI Prudential, SBI's funds, and Franklin India.

It has been discovered that if a fund firm wants to diversify its investments across multiple sectors, risk is reduced while returns are increased. As a result, the majority of fund houses invest in the banking, IT, marketing, and FMCG INDUSTRIES. On the other hand, if a fund house exclusively invests in one sector, the risk is increased.

CONCLUSION:

This study looked at the performance of five open-ended Blue-chip equity mutual fund schemes during a three-year period, starting in January 2018 and ending in December 2020. The returns from the fund schemes were calculated using the monthly opening and closing NAVs of various schemes. The past performance of the selected mutual fund schemes was examined in order to assess performance using the Sharpe ratio, Treynor ratio, and Jensen's ratio as indicators, and the results will provide useful information to current and future prospective investors in order to make informed investment/financial decisions. Canara Robeco Blue-chip Equity Fund and Axis Blue-chip Fund, both of the schemes, performed similarly. Furthermore, the Sharpe ratio for all selected mutual fund schemes was positive, indicating that selected mutual funds performed at or above the risk-free rate. According to this research, systematic investment strategies are one of the greatest ways for investors to invest their hard-earned money. Investors will benefit from the Blue Chip Fund, which is one of the best plans available. It is doing well because it provides great rewards for a low risk. It is also noted that, despite the fact that the Indian economy slowed during the COVID outbreak and following the pandemic, blue-chip funds' performance and returns were adequate.

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BLENDED LEARNING – A NEW NORMAL OF LEARNING

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ABSTRACT

This paper focuses on understanding the concept of “Blended Learning – a new normal of learning.” The article puts light on evolution in learning process over the years and how Digital Education has given birth to blended learning. Sometimes hybrid learning and blended learning are used as same terms but they are actually different. So the difference between hybrid learning and blended learning is explained. The study also puts light on different models of blended learning. Advantages and disadvantages of blended learning are explained to understand the benefits and challenges respectively.

Key words – blended learning, models, digital education, digital tools, online learning.

INTRODUCTION

Education plays a very important role in individual’s life as it helps in ones development. It helps the individual to develop skills, so education can be defined as a process of “learning”. This process of learning has been changed over the decades. Earlier there used to be Gurukul system of education in which guru or teacher and student used to stay at ashram and students would be taught arts, music, science, mathematics, and philosophy along with various life skills. Then came the modern school education comprising of primary, middle and secondary level. Here the school follows traditional approach which includes face-to-face teaching learning process. Traditional approach is very effective and develops social skills like sharing, co-operation and also respecting others view. In a classroom, student learns not only from teacher and books but also from its co-students. They learn many different new things from their social-interaction or on

the playground. This helps in their overall personality development. But there are also drawbacks of traditional approach like:-

- a. It fails to meet individual need of students.
- b. Teaching physically challenged students is not considered.
- c. School is not able to reach every child like children from geographically isolated.
- d. Neither courses nor books are revised and the teachers are also not interested to upgrade themselves.

But to minimize teaching errors and improve teaching quality, the teaching learning process is supported with Digital Tools. The schools and teachers use various different methods to deliver knowledge and these methods makes use of technology extensively. Thus Digital Education came into existence which means digital learning. Digital Education is a learning process which is supported by digital tools. It helps to reach till diverse group of learners. Digital Education helps to increase participation from students as current generation is familiar with using laptops, I-pads and smart phones. Also digital learning is fun learning as it contains innovations, audio/video features which helps student to understand the concept. Both the approaches have their own advantages and disadvantages. So the solution is to design an integrated approach that blends advantages of both the approaches that is traditional and digital learning. Thus Blended learning approach came into existence which includes integration of both face-to-face teaching and learning supported with ICT tools.

BLENDED LEARNING

Blended Learning can be defined as combination of offline teaching method with online teaching or e-learning. Blended learning tries to incorporate advantages of both the approaches. They might include:

- a. **Face-to-face teaching** – Teachers and students can interact with each other can get immediate feedback or clear the doubts immediately.

- b. Students' interaction with course content** – Blended Learning helps student to get the course content in very versatile ways like graphs, videos, animations, and eBooks.
- c. E-library** – Access to digital library is unlimited and they can access different books on diverse areas. This helps to enrich their knowledge.
- d. Virtual classroom** – creating virtual classroom enables students to attend the class irrespective of geographical boundaries.
- e. Online learning through videos and audios** – Recordings and animated video helps students to understand the concept easily and in interesting ways.
- f. Online assignments/Quizzes** – This gives immediate feedbacks which motivates the learners. Also online assessment makes education system more transparent and fast.
- g. Move at own pace** – Student can continue learning process at own pace. Student familiar with the concept moves at faster pace. Student who is unfamiliar can rewatch the video or dig for more information.

BLENDED LEARNING VS HYBRID LEARNING

Most of the times people think that hybrid learning and Blended learning are the same use them interchangeably. But actually both of them are different. The common things in both of them are:

- a.** They both are learning approaches.
- b.** They both involve a mix of in-person and online learning.
- c.** They both rely on digital tools.

But they both differ in situation or scenario.

HYBRID LEARNING

Hybrid learning is a learning approach which combines traditional teaching and remote schooling. In hybrid learning situation, some students are present in class and some attend the class online that is from remote place. It means that teacher teaches both in-person and remote learners at the same time using communication technologies like zoom, Microsoft Teams, etc. In this situation, children have the option as how they wish to attend class. Some may attend all the classes remotely, some may attend all the classes in-person and some may attend few classes remotely and few in-person. Blended Learning Blended learning is a learning approach which combines traditional teaching with online learning activities. Blended learning is not a situation or scenario but it mainly focuses on how trainer or teacher teaches the students using available resources. Here the resources can be in any form like PowerPoint presentation, video, online assignments, etc. Teaching methods and resources are important elements in blended learning. Students complete some learning online or using digital tools and some learning in person. As the material is online, students have the ability to work at their own pace or at the time that best suits them.

MODELS OF BLENDED LEARNING

Educationists have developed 6 models for blended learning approach.

- a. The Face-To-Face Driver Model** - The face-to-face driver model relies heavily on traditional face-to-face teaching method but supplements it with technology. This model is used by teacher either for entire classroom or for a group of struggling students. In this model the teacher teaches the curriculum and gives instructions with the help of digital mediums. Teachers can use the Learning Management System or platforms like Microsoft teams to teach students virtually. Teachers can also use Google Drive or Office 365 to create and share educational content and assignments.
- b. The Rotational Model** - In this model, the teacher rotates group of students between face-to-face learning time and online learning time. The schedule is set

by the teacher for group of students. Usually students receive face-to-face lecture and then get some time for online work. During this rotation, teacher can assign digital exercises, online tasks or reading time.

- c. The Flex Model** - This model is applicable to group of students who are doing parttime schooling program or have attendance problem. In this model, majority of the teaching is done online using digital tools and teachers act as only facilitators.
- d. Online Labs-** In this model, the whole curriculum is taught online but the students need to travel to a dedicated computer lab. There are lab professionals who help the students with any problem but there are not trained teachers. This model is applicable in remote and rural areas, Students who need to move at a slower pace than traditional classroom teaching or students who want to progress at faster rate than the traditional classroom teaching can choose this model.
- e. Self-blend model** - This model allow the students to take courses which offer them learning beyond the curriculum or subject area that is not covered in traditional course. Students generally enroll themselves in these courses to supplement their regular course. This model is beneficial for IT professionals and fully independent learners.
- f. The online Driver Model-** This model is completely opposite to traditional face-to-face learning and is somewhat similar to self-blend model. In this model, the entire course is completed online and students work from remote location like their home and receive all the required instruction through online platform. Usually students get opportunities to chat with teachers online for the explanation and difficulty solving. This model is helpful for students with chronic illness, handicap or part-time workers.

ADVANTAGES OF BLENDED LEARNING

- a. Flexibility** – Blended learning provides flexibility to the students in terms of online resource, time and place. Students can learn from any place and at any

flexible time. They can also use number of different online resources. They can also do the learning at their own pace.

- b. Cost effective** – Most of the blended learning courses that are delivered through online sources are cheaper than physical classes.
- c. Customized courses** – Students can select a customized course depending on their learning needs. Selecting a customized course allows the student to fill the knowledge gap which will eventually improve their learning.
- d. Access to experts** - Students who are living in remote or rural area can get a chance to learn from experts through online courses.
- e. Effectiveness** – Blended learning allows students to access number of online resources. They get wide variety of materials to study in the form of eBooks, PPT's, videos which help in the improvement of performance.
- f. Efficiency** - Usage of proper and well planned blended learning strategy enables to deliver the training quickly and efficiently to broader audience.

DISADVANTAGES OF BLENDED LEARNING

- a. Lack of access to a real teacher** – In blended learning real teacher is not available at the time of difficulty or confusion. While learning, sometimes students need urgent answers to go forward but the teacher might not be available at that time. In such cases, access to real teacher is very helpful which is not possible in blended learning.
- b. Boring courses** – Sometimes the blended learning courses are boring and unmotivated as they might not be that interesting. Also there is no real teacher to keep students attentive.
- c. Access to internet** – Blended Learning requires online access. Blended learning is difficult for students who stay in remote and rural areas where there is unstable internet and weak network connection.

- d. Complicated digital tools and applications** – Every student is not familiar with the digital tools and applications. Thus many students find difficult to use the required digital tools applications for blended learning.
- e. Need for physical resource** – some courses require access to lab or environment where one can practically examine and learn concepts. This is not possible in blended learning.

FACTORS FOR SUCCESSFUL BLENDED LEARNING

Blended learning approach can be most effective if its design offers a learner-centered approach which is personal and accessible. Blended learning is not only using technology in the classroom for teaching without careful planning for usage. The planning for usage should be such that both teachers and students should get engaged in collaborative, deep and meaningful learning which will focus more on concept clearing. Blended learning implementation is successful if it is supported by the institution or organization, the teachers, the students and the pedagogy in the practice.

For the blended learning to be more impactful, following are the main factors:-

1. Trainings for teachers need to be given on using the technology, creating right blend of in-person activities and technology for the deep and meaningful learning.
2. Focus should be on pedagogy and the design of blended Learning should be such that it should benefit in specific situation. Here the situation means the type of course, the subject and students background.
3. Careful selection of technology in the blended learning plays very important role for being more impactful. Technology being used in designing Blended Learning should support –
 - a. Flexibility and personalization for students which will allow students to learn at their own pace.
 - b. Activity monitoring by teachers in which the teacher be able to monitor students activity like if at the time of attending class he/she is doing some

other online activity. Here the teacher should be able to monitor the background activity.

4. A detailed syllabus according to the curriculum and learning outcomes need to be documented for the blended learning to be impactful. Also the assignments need to be aligned with learning outcomes.

FUTURE OF BLENDED LEARNING

Education plays important role in development of individual as well as society. The requirements and demands of society or world are continuously changing and accordingly methods of providing education are also changing. Today's world is 'Digital Divide' and now more people have access to technology than ever before. Also this Covid19 pandemic situation has acted as a catalyst in adopting online education methods and now it is widely accepted by almost everyone. Blended learning has paved its path a long way which always ensures better future focused learning methods. These learning methods focuses on proper integration and balance between online activities and face-to-face teachings. It is impossible to improve learning using only one method – either face-to-face teaching-learning or online learning. Blended learning combines the benefits of online learning and face-to-face learning to achieve improvement in learning. And this blended learning approach is globally accepted now as people seem to prefer these methods over traditional methods. As blended learning is widely accepted, there are few points that needs to be focused more and they are – proper training to staff and development of infrastructure. Blended learning approach is going to play a key role in the new normal of the teaching-learning process.

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“A STUDY OF PERFORMANCE MANAGEMENT SYSTEM THAT MAKES THE DIFFERENCE”

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ABSTRACT

Nowadays, Human resource control in each enterprise, irrespective of how big or small, no longer best performs a traditional role, however also expands its dimensions, to evaluate its employees' performance and manage it with a brand new system which has evolved because of new traits in the area of HRM called overall performance management system (PMS). This studies presents guidance for the development and implementation of powerful overall performance management practices, with a focal point on small and medium businesses. This study first discusses why overall performance management frequently fails, describes why excellent overall performance management is crucial, and maintains to guide how to layout and implementation of powerful performance management.

Keywords: HRM, Performance, Performance Management Practices

INTRODUCTION:

Overall performance management is fundamentally about aligning individual effort to aid organizational priorities. It consists of putting person expectations tied to organizational desires, offering training and feedback that enables personnel improve, and measuring and comparing employees overall performance to take skills decision. Though workers and management often regard performance appraisal same with performance management, they are not the same thing. Performance management is basically a four step process to maximize individual and, by extension, organizational performance. It is the process of planning performance, appraising performance, giving its feedback and counselling an employee to improve his performance. Performance

Management system if properly designed and implemented can change the course of growth and pace of impact of organization. In the past organization as well as HR functions have wasted a lot of efforts in wrongly focusing on performance appraisal rather than on PMS.

OBJECTIVES OF THE STUDY:

To understand the term of Performance Management System

To search for the reasons why Performance Management system fails

To prepare and suggest standard Performance Management Approach

RESEARCH METHODOLOGY:

This study is based on secondary data. The secondary data were collected from the various publications, books, journals, magazines and bulletin, CIPD research report December 2016 etc.

Theoretical Framework of Performance Management System:

Performance management is a process of Planning performance, appraising performance, giving its feedback and counseling an employee to improve performance. Therefore, performance management includes different activities –

Planning Performance - that is what exactly an employee needs to achieve with a given resources and within a given time frame.

- **Appraisal** – appraisal whether the given result has been received or not
- **Feedback** – giving feedback to the employee concerned about where he lacks, its reason
- **Counseling** – counsel him how he can improve his performance

Definitions:

“According to Armstrong: Performance Management is a means of getting better results from the organization, teams, and individuals by understanding and managing performance within an agreed framework of planned goals standards and competence requirements”.

Why Performance Management Often Fails and Why It is Still important

- It attempts to serve too many purposes
- It is based totally on a foundation of distrust
- It's far primarily based on defective assumptions
- It regularly emphasizes policies and approaches
- It is regularly carried out poorly.

Common complaints about PMS includes:

- Employees said that their company's performance management system did not reward outstanding performer, did not effectively address underperforming employees, and did not motivate them to make improvements.
- Managers say this process is too slow and cumbersome, which distracts them from "real work". Why Performance Management is still important:
- Performance management practices helps in aligning individual actions to organizational priorities, providing ongoing coaching and feedback to help employees perform at their best, and taking good decisions about how to reward & retain talent.

Typical Versus Recommended Elements of Performance Management Systems

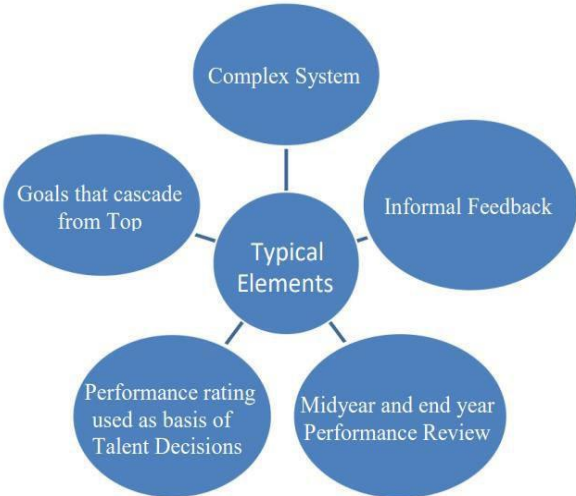


Fig 1.1 : Typical Performance Management System

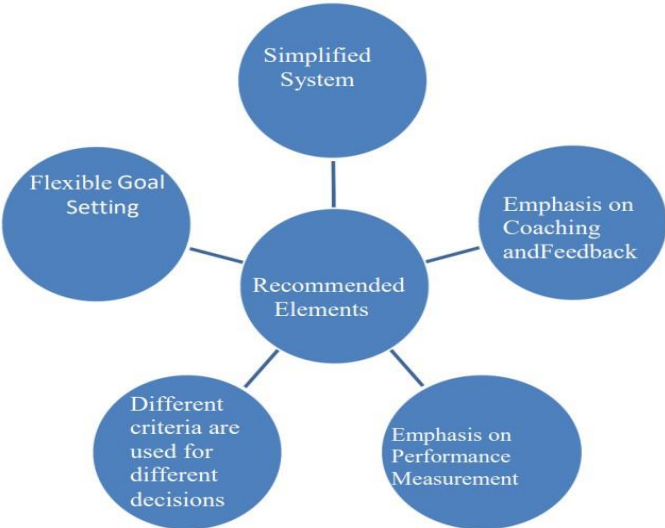


Fig 1.2: Recommended Performance Management System

Designing a Sensible Performance Management Approach

1. Defining the objective and Guiding Principles

The first step in developing a new performance management approach is to decide what exact goal it should achieve, how it should be linked with organizational objectives, and what the guiding principles should be used for its implementation (e.g., fairness, transparency). Finally, the objective of performance management should include a commitment to improve individual performance in such a way that will improve overall organizational performance.

2. Establishing The Means of Setting Effective Expectations

Organizations need to define first what “high performance” means in their context. Depending on organizational objectives, different attributes may be important for success. For example, fast food outlets seek to provide good-tasting food quickly. Their key skills are speed, min. price and predictability in terms of service and quality. Employees who can work efficiently and follow established process are high performers. In contrast, a good restaurant may have a key skill of serving creative, new dishes with highly quality service and commensurate higher prices. Here employee who is creative, can serve variety of food with quality can be an effective performer. So depending upon the nature of business every organization has to set their expectations.

3. Measuring and Evaluating Performance

Performance Measurement:

- Measure performance directly; use direct observations of behavior (e.g. note presence or absence of any key aspect of behaviors) rather than rating behaviors on a scale
- Use 360-degree appraisal method for measuring performance beyond manager observations, such as feedback from customer, peer, subordinate, supervisor etc.

Performance Evaluation:

- Ensure that the ratings are suitable for their intended use. For example, if ratings are primarily used for compensation decisions, make sure that there is a clear connection between ratings and decisions related to compensation, and you can explain this linkage to your employees.
- Use different evaluation methods for different decisions (e.g., bonuses are given on individual achievements, while pay increments are given on the basis of continued performance at the same time Promotions are based on performance plus ability to perform effectively at the higher level).

4. Creating A Climate That Supports Feedback and Coaching

Providing effective feedback and coaching will always help the organization to drive high performance.

Both feedback positive or negative must be given to concerned employee because this feedback will work as a motivating factor for high performer and poor performer can understand where he is lacking, what are the reasons for poor performance. Unfortunately, feedback is not always effective. The most effective feedback is honest, specific, and strengths-oriented and focused on behaviors rather than on personal characteristics.

CONCLUSION:

Gone are the days when performance management approach was meant to be a somewhat static annual process, focusing solely on supervisor-subordinate pairs with little input from others, and a set of activities aiming to measure an employee's performance over the year, at the end of which an employee receives an appraisal letter. It is usually confined to salary revisions and bonuses. There is minimal room for any kind of progress dialogue to take place due to feedback- poor environment. A sensible performance management approach must be an overarching process that is very engaging and collaborative in nature. It engages and manages employee performance effectively with a comprehensive continuous feedback mechanism in place.

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FMHG- THE NEW MARKETING FRONTIER

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ABSTRACT

The Indian nutraceutical market is expected to grow at a much higher CAGR of 16% over the next five years to reach ₹ 26,764 crore by 2020 according to the Drug Marketing and Manufacturing Association (DMMA). As, there seems to be a paradigm shift in the customer perception with regards to health and healthcare products. With rising costs and unhealthy lifestyle rocking the boats consumers are trying to maintain a balance and gravitating towards a more of preventative course of action than curative ones. In view of the above an attempt has been made to study the growing FMHG market components factors responsible for its growth, its challenges ahead and regulatory environment.

Keywords: FMHG, Nutraceutical, Healthcare products, Regulatory

INTRODUCTION

There seems to be a new frontier on the marketing horizon that calls for marketers to come out with marketing strategies for the new emerging markets of Fast moving health Goods (FMHG) world over known as nutraceuticals. There seems to be a paradigm shift in the customer perception with regards to health and healthcare products. With rising costs and unhealthy lifestyle rocking the boats consumers are trying to maintain a balance and gravitating towards a more of preventative course of action than curative ones. With rising economic power and easy access to information online, they are in a better position to make wise, well informed decisions with regards to health products.

As far as India is taken in to consideration, it has always been a home for alternative medicines, predominantly ayurveda, sidha, unani etc and herbal remedies and products. It doesn't need much coaxing for the Indian consumer to opt for such alternative products

and remedies.

RATIONALE FOR THE STUDY

In view of the above an attempt has been made to study the growing FMHG market components factors responsible for its growth, its challenges ahead and regulatory environment.

OBJECTIVES OF THE RESEARCH

1. To study the current components of the FMHG market
2. To find out factors contributing to the growth of FMHG market.
3. To identify the challenges facing the FMHG market

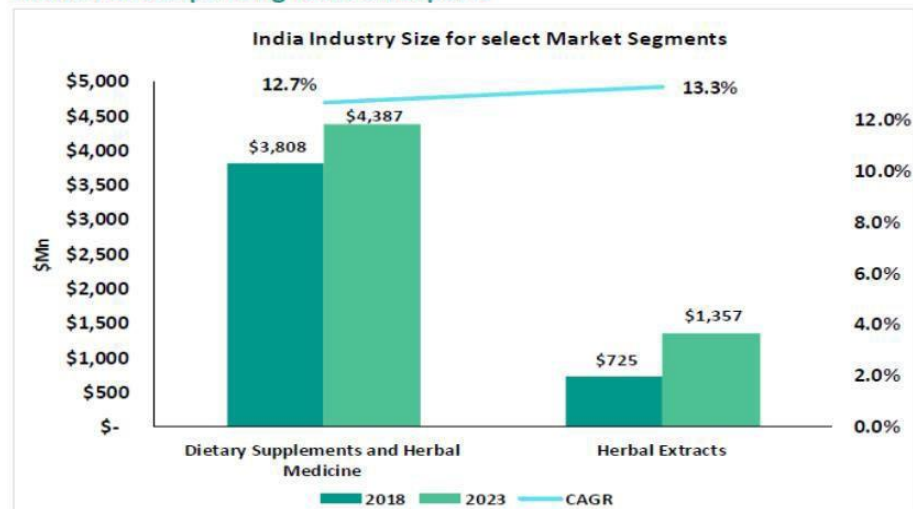
RESEARCH METHODOLOGY

The data and information for the research study were gathered from the secondary resources like magazines, newspaper, books, published research work, web sites, CII / ASSOCHAM reports, etc.

FINDINGS

The FMHG market is estimated to be worth \$ 169.32 bn (₹ 1,100.58 thousand crore) in 2015 and was growing at a CAGR of 6.5%. Furthermore it's expected to increase at a CAGR of 7.3% from 2015 to 2021. The growth in India is estimated to increase at CAGR of 16% over the next five years to reach ₹ 26,764 crore by 2020 as per the Drug Marketing and Manufacturing Association.

Key Market Metrics of Indian Nutraceuticals Industry: Strong Domestic Market and expanding focus on Exports



Source : ASSOCHAM India, 2019, Sathguru Mgt. Consultants

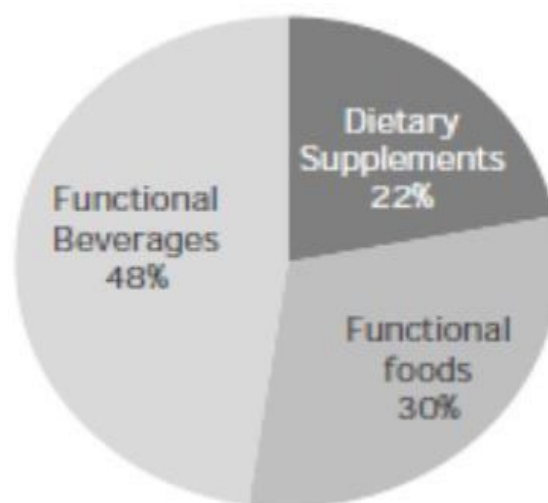
The components of the FMHG segment are as discussed below:

- 1. Nutraceuticals** – They usually are healthcare products that are formulated and taken in fixed dosage form such as capsules and tablets. The various components are dietary supplements and botanicals, for example, vitamins, minerals, co-enzyme Q10, and so on.
- 2. Over-the-counter (OTC) drugs** are medicines that may be sold without a prescription, for example, Crocin, Disprin, D Cold, and Benadryl.
- 3. Functional foods** are foods or dietary components that may provide a health benefit beyond basic nutrition like oats, bran, psyllium husk, and whey protein.
- 4. Medicinal Foods**— These are similar functional foods but in fact have more medicinal values, e.g.: Health bars with added medications.
- 5. Phytochemicals** – These are plant chemicals which are non-nutritive in nature and have protective or disease- preventive properties. Examples of phytochemicals are lycopene in tomatoes, isoflavones in soy and flavanoids in fruits.

6. **Ayurvedic** and herbal medicines are the alternative medicines with claims of prevention, treatment and cure. Herbal medicines are most essentially derived in full or extract form from plants.
7. There are also other specialised wellness products like organic foods, designer foods, and sports nutrition.

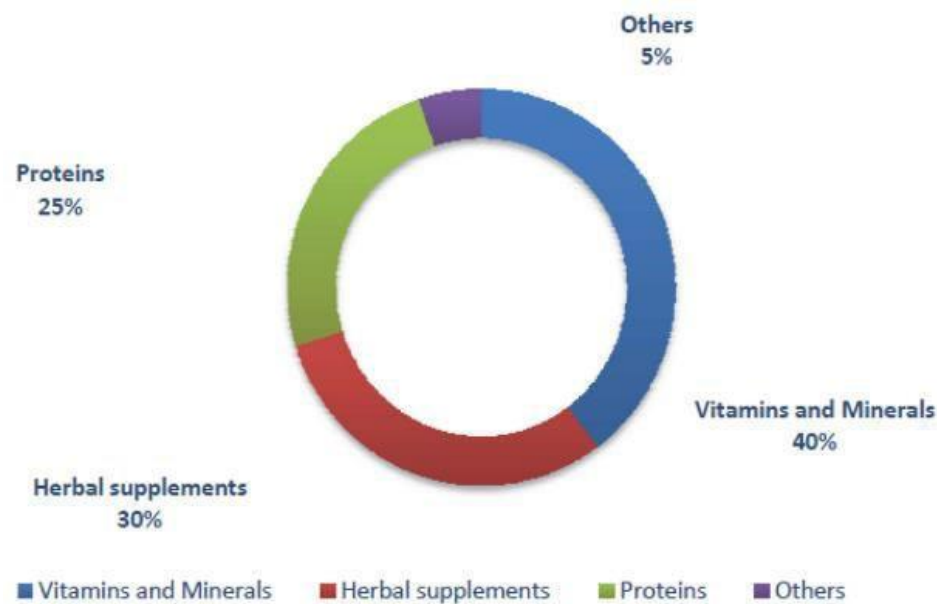
Functional food, beverages and dietary supplements are the main consideration in Indian nutraceuticals market. The functional food for example include items such as breakfast cereals, and fortified flour, functional beverages include commodities like sports drinks, fortified juices, and glucose. Dietary supplements, include commodities such as macronutrients, herbal and non-herbal extracts. It has firms like Amway, Himalaya, Dabur and Emami competing with one another. The segment is growing at a rate of 17 percent, and hence, will drive the growth of the market.

2019 (Global nutraceutical Market Categories – Estimated % Share)



Source: Global Nutraceuticals Market 2015-2019, technavio

Dietary Supplement Market (\$ bn) – breakup by types



Factors Contributing To The Growth Of FMHG Market

- 1. Time Constraint:** People with hectic lifestyles often fail to adhere to a balanced meal plan; therefore, they prefer consuming nutraceuticals for meeting their nutritional needs.
- 2. Rising patient awareness:** Patients nowadays are becoming more aware of the chemicals present in medication, which cause unwanted side-effects. People have understood the importance of right nutrition and are aware that it's better to handle things by giving right nutrition to body.
- 3. Body image concerns:** Indian millennials and Gen Z are becoming more concerned about their weight, diet, and overall appearance and are turning to nutraceuticals for losing weight, better hair growth, or to get glowing skin.
- 4. A fun way for kids to receive essential nutrients:** Toddlers are generally hesitant to eat nutritious food, which often leads to deficiency disorders. Hence, parents are turning towards nutraceutical products like easily chewable gummies available in different shapes and flavours.

5. **Pill fatigue:** If you are an adult and scared of swallowing large medicinal pills multiple times a day, you can count on nutraceutical products such as organic foods and gummies as they are super easy to consume.

Challenges Facing The FMHG Market

1. Issues in Quality of Raw materials due to lack of standard regulations, which resulted in production of low quality products.
2. The Cost of Production (like R&D, product formulation, sophisticated machinery for packaging and processing) in nutraceutical products is huge. Hence Small and Midsize companies need government subsidy/support to enter into the nutraceutical market.
3. Lack of awareness about Nutraceutical products and its health benefits among Indian consumers, which have slowed down the possibilities of the increase in the growth rate.
4. Lack of standard guidelines as per international guidelines impacts the manufacturer during export of products, as they need to follow different guidelines based on the countries which they export.
5. There is no enough scientific evidence to prove the health benefits through Nutraceutical products consumption. Lack of feedback about the available products leads to non-improvement of product efficiency.
6. The system to control the industry of nutraceuticals does not have consistent policies to maintain and ensure safety and security of the product.

CONCLUSION

The FMHG market is on a growth spiral, as people become more health conscious; it is expected to grow even faster. The drug authorities do not consider FMHG as medicines as they do not meet fulfil all the laid down parameters for medicinal formulations. Food authorities also do not classify these as medicines because food cannot be recommended with against specific diseases. Clarity in rules and backward linkages between manufacturers, wholesalers and regulations framed for production and marketing of nutraceuticals products would help the manufacturers in this largely untapped FMHG market.

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AN ASSESSMENT OF GREEN PRACTICES IN RELATION TO THE PACKAGING OF SELECTED INDIAN FMCG COMPANIES

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ABSTRACT

FMCG Companies has already taken the initiative of implementing the green practices across the organization. As a part of this practice, companies are moving from conventional to eco packaging for their products taking responsibility to recover reuse and recycle the plastics material that is been used as a packaging for their products. The overall objective of this study was to explore the green practices of selected Indian FMCG companies with reference to packaging. The result of this study gives us information on the different initiatives taken by FMCG companies for change in the packaging, supporting the overall sustainability of the products. This study may also be of use to the organization that may be interested in implementing these green practices within their organization.

Keywords: *Green Practices, FMCG, Sustainability, Packaging, Green Marketing.*

INTRODUCTION

Today societies have become more concerns with preserving the natural environment and can be seen in supporting the effort that protects it. With the global learning, Indian FMCG companies have also started moving toward using the packaging material that will have less or no impact on the environment. FMCG Companies are taking this initiative through practices of green marketing within and outside the organization and are expecting the stakeholders to support it for achieving the overall sustainable development goal in preserving the environment. Green Marketing can be defined as “concerned with all marketing activities that have served to help causes environmental

problems and that may serve to provide a remedy for environmental problems” (Hennion and Kinnear 1976, in Peattie 2001b, p.130). Green Marketing can add value to companies in creating sustainable competitive advantages, in developing the products and services, which will benefit the consumers and support in the wellbeing of society. FMCG products are one of the largest markets in India; Packaging plays a very important role for them, apart from protection, preservation, and communication of products, it also helps in branding and promotion of the products. But due to rising concern onto the effect of packaging on environment, consumer’s environmental awareness, government laws and regulations, has forced the FMCG companies to change their packaging from conventional to eco packaging. The essential functions of the packaging can be safeguarded by developing the alternative material or by using the environmentally friendly material or by reducing the use or thickness of the raw material. The overall sustainability of the packaging value chain can be enhanced by using the technique which promotes the easy collection and sorting for recycling and composting.(Boz et al., 2020). The list of companies for present study is as follows:

1. Tata Consumer Products Limited
2. Godrej Consumer Products Limited
3. Dabur India Limited
4. Marico Industries Limited
5. Britannia Industries Limited
6. Parle Agro Private Limited
7. Wipro Consumer Care and Lighting
8. Adani Wilmar Limited
9. Emami Limited

AIM OF THE RESEARCH STUDY

Green practices as a marketing strategy can promote and conserve the natural environment for the benefit of businesses and customers(Garg & Sharma, 2017). The list of FMCG companies has brands that are very much popular in the Indian as well as

International market. The green marketing practices of these companies can bring new ideas and insights to companies that may be interested in implementing these as a green marketing strategy within their companies.

LITERATURE REVIEW

According to (Zaware, 2016), Over the years, we can see there is a significant change happening in the consumption pattern of Indian consumers. (Kharate and Zaware 2020), the perception of consumers towards organic foods needs to be change from fashion food to health necessity. Today consumers are well informed and concerned with green thinking and practices (Saxena & Khandelwal, 2010). (Zaware, 2012) Since independence, marketing in India has been largely urban. There has been much less effort by marketers to distribute products to meet the needs. There are multiple benefit to the organization who are into green practices, Firms who has green orientation can achieve more market share and financial gains (Menguc and Ozanne 2005), rise in the performance (Pujari et al. 2003), competencies (Baker and Sinkula 2005), and high degree of employee engagement (Maignan and Ferrell 2001), their responsible social actions lead to greater customer satisfaction and company value. All business is working hard toward the change and is adopting eco-friendly practices that can benefit their performance (Leonidou et al., 2013). The products for the Indian market have to be simpler, easy to use and serviced or maintained (Zaware, 2013). Chen, Lai, and Wen (2006) confirm that investing in innovation and the eco-process has a positive impact on businesses. The FMCG companies should project the green image and incorporate the environmental friendly marketing mix for their product and services achieving the organization objective of sales and profits (Zaware, 2015).

RESEARCH METHODOLOGY

The Indian FMCG companies are selected for these study those who are into green practices with reference to packaging. Organizations are regularly updating these practices to their stakeholders through various reports. The data required for the study is

collected from companies' websites, annual reports, sustainability reports, news and magazines etc.

SELECTED INDIAN FMCG COMPANIES AND THEIR GREEN PRACTICES WITH REFERENCE TO PACKAGING

1. Tata Consumer Products Limited

Tata Consumer Products Ltd belongs to Tata group. Their product portfolio includes Tea, Coffee, Water, Salt, Pulses, Spices and Read to cook. They have planned to eliminate the use of multi-layer packaging for their products, Tata Salt and Tata tea brands have already implemented the recyclable packaging along with reusing their secondary packaging. Tata Consumer UK has planned to design the plastic packaging that is reusable, recyclable or compostable. 70% of plastic content which they use will be either recycle or compost and to use 30% recycled content in all plastics packaging and to eliminate single use packaging items.

2. Godrej Consumer Products Limited

Godrej Consumer Product Limited is leading FMCG companies in India. Their product portfolio includes Household Insecticides, Hair Colors, Air Fresheners, and Soaps. They have aligned themselves to work as per the United Nations sustainable development goals to be a carbon neutral company, zero wastage at landfill sites, utilizing the renewable energy sources and reduction of specific energy consumption. They have planned to reduce packaging consumption by 20% per unit of production from the base year of fiscal year 2017-18. They will be using packaging material which is recyclable, reusable, recoverable, or compostable. They have planned to consume 10% post-consumer recycled (PCR) content in their plastic packaging targeted to achieve by 2025.

3. Dabur India Limited

Dabur India Limited is leading FMCG Company in India. They produce Ayurvedic and Natural Health care products in the category of Home, Personal-care, Health and Food. They have appointed recyclers and processors approved

by Central Pollution Control Board (CPCB) for collecting all types of post-consumer plastic wastes which includes a non-recyclable multilayer plastics waste too. These non-recycle wastes are sent to energy and cement kilns plants for incineration. During the financial year 2019-2020, they have collected and processed 12000MT of post-consumer waste from 25 states in India. They regularly organize different awareness camps about waste segregation at the source in schools and residential places. Recently they have taken the initiative in line with the environmental sustainability of not using the outer carton for their Ayurvedic toothpaste brand Dabur Red Paste, This trial packs are available at the selected Reliance Retail outlets.

4. Marico Industries Limited

Marico Limited is one of the leading companies in health, beauty and wellness segment. Backed up by partnership with Dow and Lucro Plastecycle, They have planned to develop new Polyethylene (P.E) film made with post-consumer recycled (PCR) plastics. Under this partnership, Dow will procure, reuse or recycle 1MMT of plastics by 2030, initiating the further development in use of PCR in packaging especially for Asia Pacific region. They are continuously working towards on every measure to secure a sustainable future.

5. Britannia Industries Limited

Britannia Industries Limited is the leading Food Company. Their product portfolio includes Cakes, Bread, Rusk, Biscuits, and Dairy products. They have taken a targeted approach to addressing malnutrition, reducing the amount of sugar, salt and fats, enhancing the share of renewable energy in the energy mix, as well as reduced packaging footprint. They have planned to grow further by integrating the sustainability into their operations and value chain creating a positive impact on the stakeholders and the environment.

6. Parle Agro Private Limited

Parle Agro is the Indian beverage company with product portfolio includes Beverage and Food segments. The company concentrates on issues such as impact on natural resources, waste disposal and carbon footprint reduction. They

are the only company in India who manufacture polyethylene terephthalate (PET) preforms for their own consumptions. The PET bottle made by them, together with the paper based packaging material used, is 100% recyclable. They use state-of-the-art technology in their manufacturing unit, which limits raw material and product waste to 0.01 per cent. They intend to develop new working methods for recycling and reusing plastics, ensuring that they are used sustainably. In accordance with the Indian government's "Swachh Bharat Mission", they plan to invest Rs.50 crores in the next three years to implement the PET waste management program.

7. Wipro Consumer Care & Lighting

Wipro Consumer Care & Lighting is the leading FMCG Company in India. Their product category includes products like electrical appliances, lighting solution and accessories, Modular office furnishings, Personal-care, and Baby-care. Company is working on the formulations for greener products. They are focusing on reducing the plastic usage by improving the packaging design and eliminating wasteful packaging. They have reduced their paper consumption by 40% in last two years. They have a great employee commitment to waste reduction initiatives across their value-chain. Timely audits are conducted at their facilities and at the ends of the recycler to ensure compliance with procedures and regulatory necessities.

8. Adani Wilmar Limited

Adani Wilmar Limited is the FMCG Company whose product portfolio includes Edible oil, Rice, Wheat flour, Sugar and Pulses. With the aim of product safety and quality, they are into research and development of sustainable packaging solutions. They have introduced recyclable packaging for their edible oil pouches. They have developed the innovative recipe certified from Central Institute of Plastics Engineering & Technology (CIPET) for Polyethylene (P.E) resins. They comply with Plastic Waste Management Rules of India and have signed an agreement with multiple agencies for collection of plastic waste generated from multi-layered plastic & non-multilayered plastic across the nation. The company

has successfully collected around 21,000 MT of plastics waste and has planned to scale it to 100% and send it to their authorized recyclers.

9. Emami Limited

Emami Limited is the FMCG Company operates in personal and healthcare segment. They have reduced the overall thickness of their packaging materials and have started to use recycled materials as an extended producer responsibility. They use the single use plastic with >50 micron. They display product information on their packaging for the benefit of the consumers and follow major laws like Bureau of Indian Standards Act, Drugs and Cosmetics Act etc.

DISCUSSION

It seems from the above information that companies are keen to change their packaging. As far as the eco packaging is concern companies are looking for light weight, recyclable, compostable materials as an alternative to the plastic and plan to reuse the PCR into the packaging supporting sustainability. All organization is in the process to build a positive corporate image by doing the necessary changes in their products, processes and packaging. Following are the initiatives taken by the companies as a part of green practices with reference to packaging:

1. Use of light weight packaging.
2. Less paper consumption and reuse the secondary packaging.
3. Eliminate single use plastics from packaging.
4. Use plastic packaging which can be recycle or compostable.
5. Use Post Consumed Recycle (PCR) in plastics packaging.
6. Collecting the plastic and sent it to the recycler as an Extended Producer Responsibility (E.P.R).
7. Following the laws and regulations applicable in India.

CONCLUSION

FMCG companies are utilizing the opportunity to change and get them aligned to achieve the goal of sustainability. Green Marketing practice will not only benefit the organization but also the supports consumers in their environmental goal. These best practices of the industry can guide the new companies to develop in adopting the sustainability goals into their companies too. This study was limited to only select Indian FMCG companies. Future studies can be done with the samples from mid-scale or small-scale companies, pharmaceutical companies as well the foreign multinational FMCG companies on their green marketing practices. Future study can be also done by collecting the quantitative data from the companies.

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**AN ANALYSIS OF REALIGNMENT OF
MANUFACTURING FINISHED GOODS AND
IMPLEMENTS AUTO INVENTORY CONTROL
THROUGH BAR CODING OF FIFO SYSTEM IN STORE
OF ELECTRODE MANUFACTURING INDUSTRY.**

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ABSTRACT:

In manufacturing industries it is observed that finish goods storage system is not align as per the product range also many times it may be happened that the physical stock and system stock does not match and due to a conventional monitoring and tracking system of a material wrong supply or LIFO is adopted which causes direct impact on Quality, Delivery as well as business. Many times it is very difficult to search a material at right place due to unorganized way of material storage system. FG storage should be as per material size and frequency of dispatch. FG can be stored in a particular assigned place. To supply/ Dispatch right material to customer with right description and to reduce material handling of finish goods, material storage system shall be traceable and the track of a finish good material to be available on line. Slow moving, fast moving items are to be reflect in the system with their locations and quantity.

Once the approved order gets through the clearances from Costing and Accounts and Sales (if applicable for LC, Inspection, etc.) then all such orders will be indexed against availability on FIFO basis daily by ERP. The ERP will throw a suggestive list of orders that can be dispatched. Final decision will be done by COPEC/STORE who is finally generating the packing list / invoice.

Keywords/Long form:

COPEC- Customer Order Processing and Execution Centre,

COPS - Customer Order Process and Sales.

ASE- Area Sales Engineer

ASM- Area Sales Manager

RSM- Regional Sales Manager

NSM - National Sales Manager.

LC- Letter of Credit

LIFO- Last in First Out

FIFO- First in First Out

Store, Stacker, Racking, packaging, material handling

Manufacturing, Operations, productivity, Redesigning, Cycle Time, Time study, Quality, welding electrodes. Process loss.

INTRODUCTION:

Due to conventional methods of Storage system there is a variance in physical available material and material shown in system. Also many times it was observed that instead of FIFO system LIFO system was followed for supply of material due to over handling of finish goods or improper storage system where locators are not assigned product and volume wise.

No of finish goods and volume of the product occupies more space and allocation of racking system blocks further movements of finish goods.

Finish goods categorization was not proper which blocks approach or accessibility towards fast moving items. As slow moving items and non-moving items blocks the space. Many times it was observed that the fast moving items are placed at back of the slow or non-moving items which are difficult to dispatch in such a case store person pick up LIFO system and dispatches are done. In this case the previous material remains undelivered which expires after its expiry date and the losses are directly impact on the profit of the business.

Delivery commitment failure or wrong supply of items causes high cost impact as well as brand image of the company. It is very much necessary that the customer should get right product.

- Also many times it was observed that the available stock list with sales team is not updated which may be cause the variance in between supply commitment of the sales person.
- Implementation of a System through which a gap between Sales and Supply will eliminate a sales man can commit the delivery by checking the online stock condition of that product. Storage of finish goods are done locator wise and the tracking given to system is FIFO
- Incorporate additional Sales Order wise field in COPS (Customer Order Process and Sales) that can be ticked by ASE / ASM / RSM / NSM at any point till invoicing is done
- By default, this checkbox shall remain unchecked and invoicing can be done without any further clearance
- If sales team has any requirement of Inspection / LC / Advance / Order hold / etc., the concerned person will tick this checkbox in COPS
- As main order is already pulled in ERP, this field to be updated to ERP on a regular frequency by backend batch program
- COPEC will run auto allocation program daily in morning (or/and system will run this every 60 minutes) and ERP will generate a list of orders that are clear from sales and inventory can be allocated to it on FIFO basis
- COPEC will review that list, and make amendments, if required based on any other information available with them and not captured in system
- This modified list shall be firm & final for that day

OBJECTIVES:

1. To Allocate and control Inventory process parameters, to improve Customer Service by supplying and delivering finish goods on time through ERP.

2. To avoid repetitive Handling of finish goods activity in store and avoid Time Loss by store or dispatch department.
3. Correlating the dispatch goods and Billing by bar-coding and smart warehousing.

NEED OF PROJECT:

1. Wrong supply of Finish goods.
2. Improper handling and dispatch by LIFO causes outdated or expiry inventory
3. To correlate actual system stock and physical location of material this is updated through system.
4. PICK list before billing bar coding and smart warehousing.
5. Utilization of vertical space for storage system and increase capacity of storage this may be increase maximum floor space utilization.

RESEARCH METHODOLOGY

Period of Study: August 2020 to January 2021

Research Design: Based on ERP system report and brainstorming session with expert team of technical department of ADOR WELDING.

Data Collection: Previous Production reports from Quality and manufacturing department, Customer feedback, current process mapping by actual observations and readings, Inventory reports, current storage system study.

Data Analysis: On the basis of Inventory report and current storage system study actual problems are correlated with the customer complaints. Physical stock and system stock verification and variance study, slow moving, non-moving, fast moving products are define, assigning locators as per size and volume of the products.

EXECUTION PLAN:

For all eligible orders (ie which crossed costing and accounts clearances), the system will run a program & refresh data every 60 minutes (also can be run manually anytime). This program will check pending orders and available FG at real time. Sales team will have privilege to tick if required any specific orders which then will be kept out of the loop of

this system program. After every run of the program the system will throw a suggestive list of orders which then can be invoiced by the COPEC person. This involves

1. Programming to take care of above logic.
2. COPS modification to provide for override flags.
3. ERP changes if any required.
4. Training to users
5. Trial run
6. Actual run

Requirements

1. IT team will work on this. Duration : app 30 days
2. Resource requirements: COPS enhancement to include override flags

(approximate 4 Lacs Rs), all other efforts are in house.

This will cover Pune plant and both consumables plants.

SECOND INITIATIVE :

CONTROLLING MOVEMENT OF FG ISSUE:

As of now Finished Goods are moved from Production to COPEC without system real time documentation at Silvassa plant

PROPOSAL:

This activity will now be done in 3 phases

- Pallet formation.
- Put away
- Pick up

Prerequisites

- No material on floor of FG warehouse.

This will serve following purpose:

- ✓ Material receipt acknowledgement
- ✓ Storage location identification

- ✓ Ensuring FIFO while dispatch
- ✓ Reduce material pick-up time

EXECUTION PLAN:

- Production details to be entered in ERP on real time basis with storage location as FG20 i.e. as & when a lot / batch is completed, it shall be updated in ERP to have real time inventory
- For each pallet of the batch a unique bar code will be generated and pasted on the pallet. The stores/production person when loads material on this pallet then he will open a screen in his handheld device and feed data against this scanned pallet bar code like Item code, Batch number, Quantity etc.
- All locations in the copec warehouse will have identification bar code showing its bay wise, row wise and column wise location (exact location)
- COPEC will pick the material from production. The system will suggest the available locations to keep this material.
- ERP Production entries will be as it is. Production will be declared in FG.10.10.10, Job No. will be assigned to pallets in our Customized WMS and shall be transferred to FG warehouse to respective / available locations/Bins.
- Example: ERP -> FG .10.10.10 stock of one SKU is 1000Kg, its corresponding Bin/Location level info will reside in Customized WMS.
- Storage location other than FG20 means material has been received by COPEC
- When picking will be done from storage area, both the bar codes shall be scanned again and ERP will show that rack as “Empty”

WORKFLOW:

- Brain storming session among Production, COPEC, IT, PC and RMS to discuss modalities, functionalities and chalking out detailed plan
- IT support to define rack-wise locations in ERP
- Facility to update combination of rack location + material identification in ERP based on bar code scanning
- Arranging infrastructure to print and scan bar codes with requisite rack / material information
- Pasting storage locations' bar codes on respective racks with proper visibility, clarity & accessibility
- Training to Production & COPEC on bar code based inventory handing over – taking over process
- Roll-out and implementation
- Monitoring the new system for a week and resolving teething troubles
- Making any further changes, if required

TIME FRAME:

- 90 days from kick-off date

WORKFLOW:

There are basically two approaches available with us for implementing this improvement.

1. Complete WMS from Oracle. This will cover from incoming raw material, to production move orders, to sub assembly to Stores to FG declarations etc. But this will be very costly app 2 Cr+
2. Customized solution : This will have only two important functions namely
 1. Pick up
 2. Put away.

CUSTOMIZED SOLUTION

1. **Pallet formation:** Every pallet will have unique ID number pasted on it in the form of bar code. The stores/production person will scan this bar code and against this scanned data will enter the details of material stacked on it from time to time with the help handheld unit. (like if electrode then item code, number of boxes, batch and production date). This data will then flow to the supervisor who will

then approve the same after cross verification. This data will become a record in the system then onwards.



- Put away:** Then once the pallet formation is done the stock will then be eventually moved to copec FG storage area. Here every location is to be defined with a bar code mentioning its bay number, rack number, row number. When the copec person stores a particular pallet, he will scan the pallet bar code and location bar code. These will then get married in the system. This is called put away. Now with this the system will be populated with all data containing the complete location wise map of FG stored in Copec store. Also system will have all data regarding which material, produced on what date, quantity and storage location.



3. **Pick up:** Now as we said system will have all data regarding which material, produced on what date, quantity and storage location of Copec stores. Now against the suggested list of invoicing, Whenever, copec person wants to do invoice then he will punch this invoice as usually in the ERP system, system will throw a delivery ID which is to be inserted in WMS so as to generate a pick list. (All the dispatch-able material to be retrieved from their locations by executing pick up operation. Once he is sure of all material availability then he confirms the invoice ID. So as to generate the invoice) The pick list will be based on FIFO as processed by the system with the help of “put away” data populated in system. The copec person is expected to take this pick list and collect all material and every time he picks up a material from particular location he should scan the location bar code to execute the pick up operation in system recording pick up of stock from that location. (In case of partial dispatches from pallet then he needs to enter the remaining quantity in handheld unit screen which will get updated in ERP also)

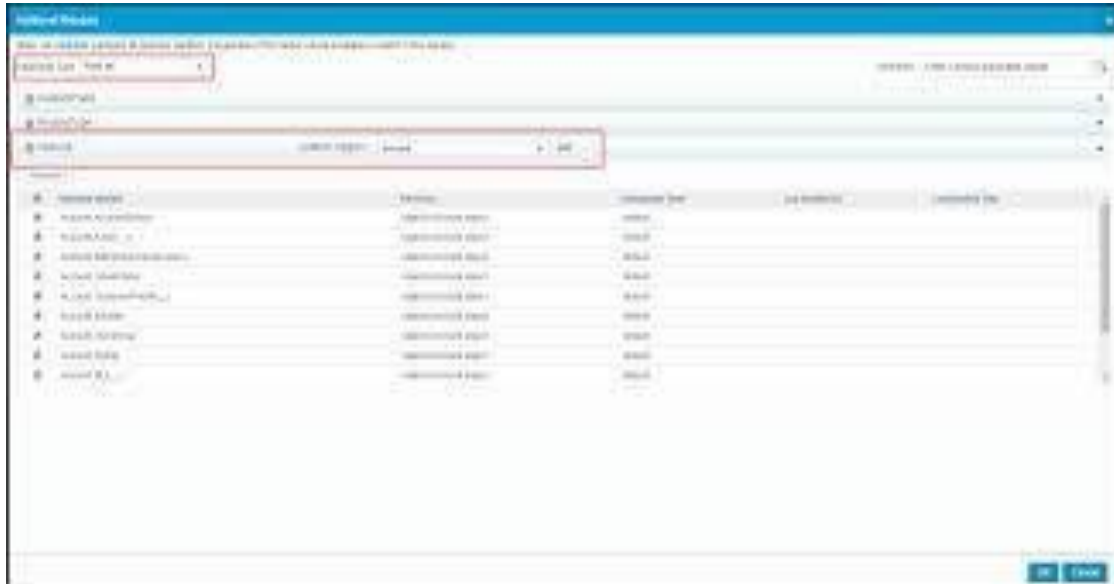
RESOURCE REQUIREMENT

1. Customized Software development: Capex approved. Purchase team has already negotiated this. Presently Purchase order is pending: App 16 L Rs. For Silvassa and Raipur put together.
2. Hardware cost: App 10 Lacs Rs for Silvassa.
3. This initiative related to FG movement at consumables plant involves good level of complex steps.
4. IT team is working to develop this with the help of external agencies.
5. Initially 3 capable parties were identified and after due technical deliberations, one supplier is finalized.
6. After releasing formal PO, the vendor will take app 8-12 weeks time for actual development.
7. On site implementation at Silvssa will then be done within next 6-8 weeks.

PICK list before billing

ISSUE: Pick list not used

PROPOSAL: This issue is getting resolved with our initiative number 2 in previous slides.



Bar coding and smart warehousing

ISSUE: Locating material of correct batch / equipment serial number for loading is a major concern at both Chinchwad & Silvassa plants

PROPOSAL: This is also getting implemented with our initiative number 2 covered in previous slides.

HELP/SUPPORT EXPECTED

1. In making a fresh layout of Copec stores for accommodating app 2000 MT of various products. This should take care of safe handling of all material, peak volumes should be occupied, Less moving at the farthest end, smaller spaces for less than 1MT pallets etc.
2. Also the said layout should include the month end max volumes
3. Enough space to be allotted for staging area.

4. Study of constraints if any and subsequent solutions, while developing logic for FIFO implementation.
5. While actual implementation.

DATA COLLECTION AND ANALYSIS OF DATA:-

Consumable FG Box Size

SR. NO.	BOX Description	BOX SIZE
1	Electrode Box Size (Carbon Steel)	85x250x480
2	Betanox with Ivory box 4mmx300--10Kg	75x280x345
3	Supabese X Plus 4mmx350--20 Kg	80x300x390
4	Superinox 4mmx300--10Kg	85x195x330
5	Superinox 4mmx350--10Kg	85x195x390
6	TIG Wire Box	45x180x1030
7	MIG Spool Box	120x310x310

Pallet Size for FG storage COPEC Silvassa Plant

	5	4		3	2	1	Sr. No.
Total	Pocket Pallet 750 x 1200	Pocket Pallet 1100 x 1200	Plain Pallet 675 x 1170	Plain Pallet 900 x 1170	Pocket Pallet F 860 x 1150	Pocket Pallet E 903 x 1150	Pallet Model
					3C56-01-141-001	3C56-01-141-005	Dwg No.
	750 x 1200	1100x1200	675x1170	900x1170	860x1150	900x1150	Pallet size
					28.1	32.66	WT /Pallet Kg.
	2	2	1	1	2	4	Pocket Qty/ Pallet
219	14	7	15	6	105	72	No. of Pallet
561	28	14	15	6	210	288	No. Of Location
	350 x 300 H & 335 x 300 H	670 x 300 H & 335 x 300 H	Plain	Plain	400w x 200 H	200w x 200 H	Pocket Size
	89 x 322 x 395--	89 x 322 x 395--	86 x 295 x 385--	86 x 295 x 385--	85 x 250 x 480-- 10Kg	83 x 190 x 385— 10Kg	Box size & wt/Box
	Nic Alloy/ Fericas	Nic Alloy/ Fericas	Albond Celwel	Albond Celwel	SS/HF/LH/ MSGP/Chromate	SS/HF/LH/ MSGP/ Chromotee	Storage Item Type
					Ready	Ready	Design status

RESULT:**Online ERP stock tracking with Quantity**

SN.	Item	Description	UOM	Qty. In kg	BAL. STOCK in KG	Prod. Need/Shortage again Pending - order		
25	1	WCE.BR.201.2505	BRACC 2211 2.50X500 MM	KG	2	0	2	NIL
26	2	WCE.CN.001.2503	CELWEL-60 2.50 x 350 MM	KG	0	432		-432
27	3	WCE.CN.001.3153	CELWEL-60 3.15 x 350 MM	KG	1221	0	1221	NIL
28	4	WCE.CN.001.4003	CELWEL-60 4.00 x 350 MM	KG	18	0	18	NIL
29	5	WCE.CN.002.2503	CELWEL-70 G 2.50 x 350	KG	72	0	72	NIL
30	6	WCE.CN.002.3203	CELWEL-70 G 3.20 x 350	KG	34	0	34	NIL
31	7	WCE.CN.005.3153	CELWEL 70 P 3.15 x 350 mm	KG	198	0	198	NIL
32	8	WCE.CN.005.3203	CELWEL 70P 3.20 x 350 mm	KG	300	0	300	NIL
33	9	WCE.CN.005.4003	CELWEL 70P 4.0 x 350 mm	KG	264	0	264	NIL
34	10	WCE.GN.001.2503	SUPERBOND 2.50x350 mm	KG	440	0	440	NIL
35	11	WCE.GN.001.3153	Superbond 3.15 x 350 mm	KG	619	0	619	NIL
36	12	WCE.GN.001.3154	SUPERBOND 3.15x450 mm	KG	21415	0	21415	NIL
37	13	WCE.GN.001.4003	Superbond 4.00 x 350 mm	KG	100	0	100	NIL
38	14	WCE.GN.001.4004	SUPERBOND 4.00x450 mm	KG	38273	0	38273	NIL
39	15	WCE.GN.001.5004	SUPERBOND 5.00x450 mm	KG	2115	0	2115	NIL
40	16	WCE.GN.002.1601	Superbond-S 1.60 x 250 mm	KG	80	0	80	NIL
41	17	WCE.GN.002.2002	Superbond-S 2.00 x 300 mm	KG	748	0	748	NIL
42	18	WCE.GN.002.2503	Superbond-S 2.50 x 350 mm	KG	1300	100	1200	NIL

SN.	Item	Description	UOM	Qty. In kg	BAL. STOCK in KG	Prod. Need/Shortage again Pending - order		
1163	1132	WIE.LN.001.2503	TENALLOY-16 2.50 x 350 mm	KG	72	0	72	NIL
1164	1133	WIE.HN.012.5003	ZEDALLOY-16 Cr 5.00 x 350 mm	KG	10	0	10	NIL
1165	1134	WIE.LN.018.5004	TENALLOY 75 D2 5.0 x 450mm	KG	80	0	80	NIL
1166	1135	WIE.SN.041.2503	SUPERINOX 1AH 2.50 X 350MM	KG	80	0	80	NIL
1167	1136	WIE.SN.041.3203	SUPERINOX 1AH 3.20 X 350MM	KG	30	0	30	NIL
1168	1137	WIE.SN.034.1601	SUPERINOX 2C 1.60X250mm	KG	10	0	10	NIL
1169	1138	WIE.SN.034.2002	SUPERINOX 2C 2.0X300mm	KG	30	0	30	NIL
1170	1139	WIE.SN.092.3203	BETANOX 308H PLUS 3.20X350mm	KG	150	0	150	NIL
1171	1140	WIE.SN.092.4003	BETANOX 308H PLUS 4.0X350mm	KG	390	0	390	NIL
1172	1141	WIW.SX.020.2503	SUBINOX 308H 2.50mm (25 Kg SPOOL)	KG	500	0	500	NIL
1173	1142	WIW.TC.003.2406	TIGFIL-70S-2 (SPL) 2.40mm x 1000mm.	KG	190	100	90	NIL
1174		IBD		KG	111239	58805	52434	-11605
1175	1143	WMC.ML.003.1202	AUTOMIG MC 70C-6C 1.20mm (15Kg Spool)	KG	1650	0	1650	NIL
1176	1144	WMC.ML.003.1602	AUTOMIG MC 70C-6C 1.60mm (15Kg Spool)	KG	1197	0	1197	NIL
1177	1145	WMC.ML.004.1202	AUTOMIG MC 70C-6M 1.20mm (15 Kg Spool)	KG	30	0	30	NIL
1178	1146	WMC.ML.004.1602	AUTOMIG MC 70C-6M 1.60mm (15Kg Spool)	KG	5070	0	5070	NIL
1179	1147	WMC.ML.005.1202	AUTOMIG MC 90C-G 1.20mm (15Kg Spool)	KG	1845	0	1845	NIL
1180	1148	WMC.ML.006.1604	AUTOMIG MC 40 1.60mm (12.5 Kg spool)	KG	28	0	28	NIL
1181	1149	WMC.ML.008.2404	AUTOMIG MC 42 2.40mm (12.5 Kg spool)	KG	100	0	100	NIL
1182	1150	WMC.ML.006.2404	AUTOMIG MC 40 2.40mm (12.5 Kg spool)	KG	13	0	13	NIL
1183	1151	WMC.ML.007.1604	AUTOMIG MC 50 1.60mm (12.5Kg Spool)	KG	15	0	15	NIL
1184	1152	WMC.ML.007.2404	AUTOMIG MC 50 2.40mm (12.5Kg Spool)	KG	0	100		-100
1185		FG-Metal Cored		KG	9947	100	9847	0
1186		TOTAL		KG	1065199			

- 1) Storage capacity increased with product wise locators and FIFO system with Bar coding is started.

2) Analysis of Current status of FG goods and Order pending status is clear.

SILVASS PLANT: FG STOCK AND PENDING ORDER			Status on 9th - Nov. 2020 (Week -2)		
Category	UOM	FG STOCK AS ON 09- 11-2020	CONFIRM ORDER	Balance FG stock(Kg)	Prod. Need/Shortag e against Pending - order
		Kgs	Kgs	Kg	Kg
FG-Electrode	KG	619108	34316	584792	-8977
FG - SAW Flux	KG	144326	24640	119686	-17657
MIG WIRES	KG	49382	117875	35922	-104415
Saw Wires (MS)	KG	65592	45683	19909	-18175
TIG WIRES	KG	39048	6617	32431	-2689
FG-FCAW Wire	KG	22691	70295	16343	-63947
Fon	KG	3867	0	3867	0
IBD	KG	111239	58805	52434	-11605
FG-Metal Cored	KG	9947	100	9847	0
Total	KG	1065199	358331	706868	-227464
Total	MT	1065	358	707	-227

DISCUSSION:

- With the improved activity analysis management could conduct more accurate analysis of the volume required to break-even on low volume products.
- Management will be in position to make more sound competitive bids.

- Through an analysis of the data and resource consumption patterns, management can begin to re-engineer the manufacturing process to achieve more efficient and higher quality patterns.
- Activity based system contains a number of activity centers and second stage drivers, the budgeted costs that are used to conduct Activity based study should be expected to be far closer to actual costs than under traditional systems. This advantage reduces the necessity to conduct variance analysis between budget and actual costing.
- Estimation of the costs of activities, products, services, and customers.
- Different products place different demands on resources

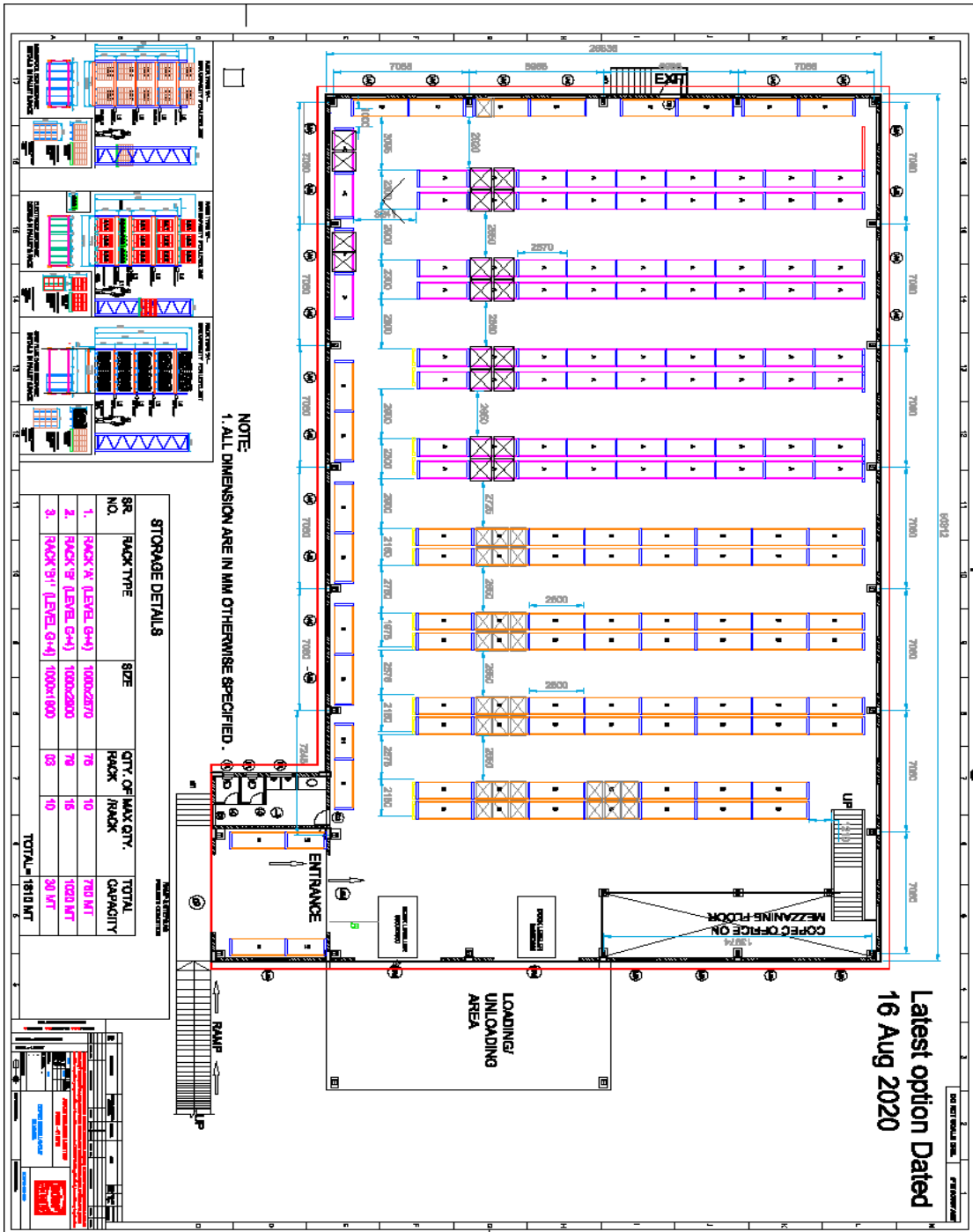
ACKNOWLEDGEMENT:

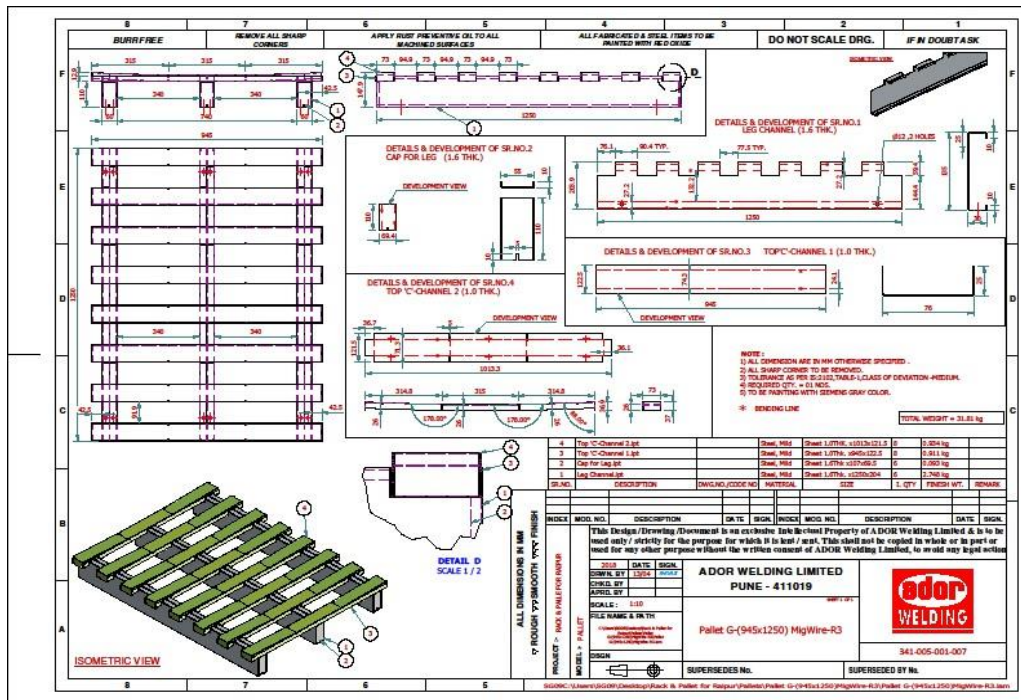
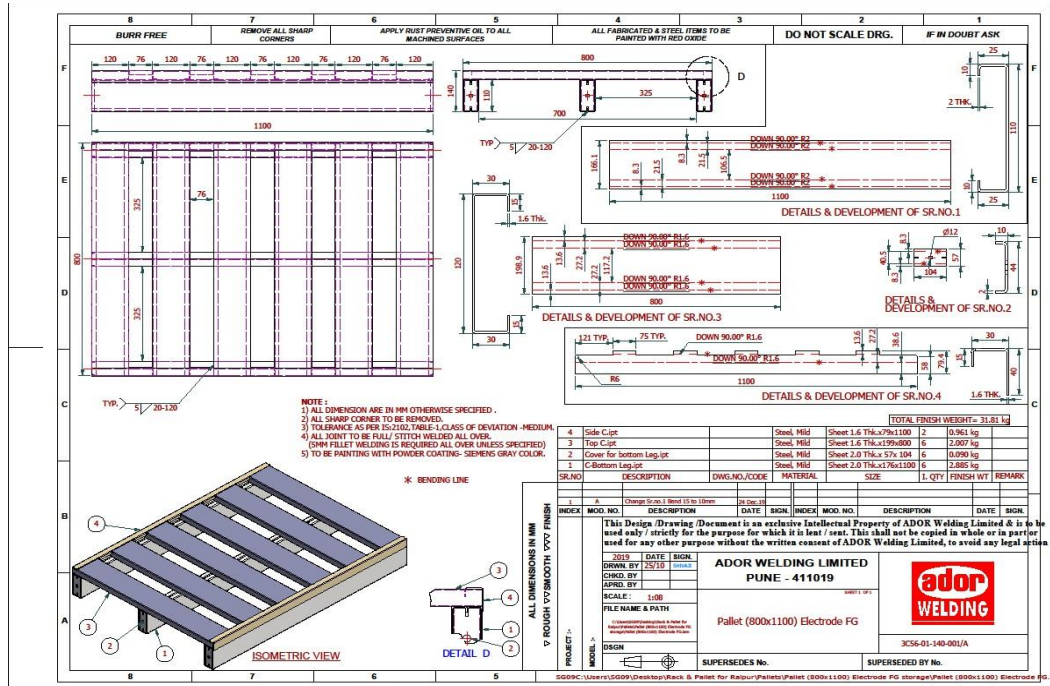
This research project was completed due to Ador welding Ltd. Teams which are help researchers in all means for drawings , dimensions, designing,

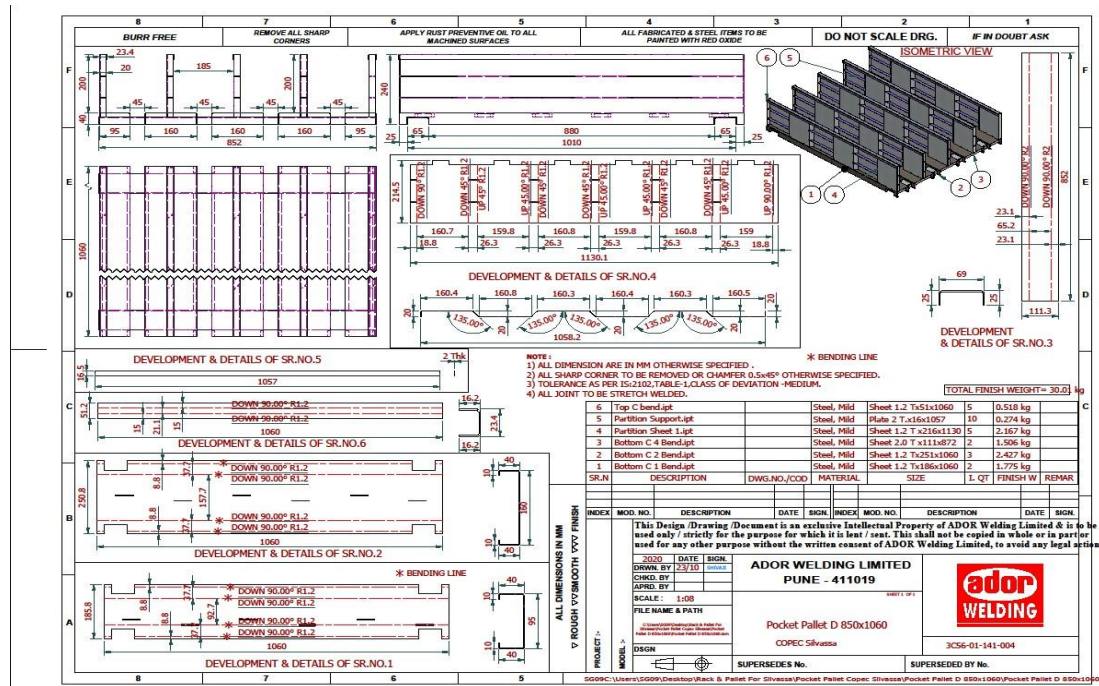
- Plant engineering team
- COPEC/STORE team
- IT Team
- Plant heads

APPENDICES:

- Lay out Drawings old and new
- Modified Pallets Drawing pocket type and plan pallets.
- Layer wise FG storage capacity with product is clearly shown in drawing.







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“PREMIUMIZATION of PRIVATE LABELS”
An emerging business development trend in Retail sector
challenges & opportunities

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ABSTRACT:

Indian retail industry is one of the fastest growing industry in the world. Currently it is in the range of us \$ 883 billion approx. is expected to reach by US \$ 1.3 Trillion by 2024 as per the recent study & experts review The retail sector in India is booming day by day since last decades in terms of market , employment & an emerging profit making centre.

When we talk about retail sector , hyper markets , supermarkets , departmental stores, value format & lifestyle format are top priority & These formats are having are “NATIONAL BRANDS(NL)& “PRIVATE BRANDS(PL).

“NATIONAL BRANDS “are owned & distributed nationally under a brand name owned by the producer. National brands are prominent & already established product.

“The Private labels are one of the famous concept in retail world & it is fastly becoming an integral part of retail industry .Private labels are companies own in house brands also known as “own brand”, retailer brand or store brand. The trend of private labels for the business development is increasing fast as it has proved in the market t so far by giving satisfactory results to the retailer. Especially in recession or when market is down.

In real term private labels are wholly retailers own brand and they are getting it produced from contract manufacturers as per their requirement.

Because of private labels are companies own brands. They are most customized considering the customers requirements in terms of taste quality packaging etc. & most importantly they are very competitive in pricing .

Developing nations like India where product satisfaction & budget shopping goes hand in hand private labels are playing remarkable role by giving full satisfaction like national brand but yet in a very competitive in pricing.

The objective of this research paper is to analyze the increasing trend of private label, its transformation in terms of premiumization & to prove that they are not just similarly looking cheap imitation of national brands. The emphasis is also to put this profitable model in front of those retailers who have still not adopted or have ignored.

The research paper also focuses on the forthcoming challenges & profitable business opportunities into the retailer.

The entire research paper is based on primary & secondary research method & the whole analysis is based on well-structured questioner for employees & customer. Convenient sampling method is preferred here. An extensive literature review is done through past & latest articles published in various retail magazines, journals, books, newspapers & through e-recourse.

Key word: private labels, national brands, profitable mode, Premiumization, revenue generator, safeguard in recession.

Definition:

About “Private Label”

Private-label brands are those products which are fully owned, controlled and sold exclusively by the retailers also known as “**store brand**,” “**own-label brands**,” or “**In House brand**.” Each label is unique to the retailer.

Private label serves many purposes to retailers like

- Company Image
- Income centre
- Study income
- Concrete customer base
- Safeguard in recession time
- Filling up gap in terms of price & availability

National Brands

- Designed, produced, and marketed by producer and sold by many retailers.
National brand represents the image of producer.
- Example – RIN, GIRNAR,, BAJAJ, PETER ENGLAND

Private-Label (Store Brands)

- Developed by retailer and only sold in retailer's outlets.

Example –

- **Korya /croma** – Home appliance
- **Fresh & Pure** - Tea
- **Clean mate/ klia** - Dishwasher & household
- **Fabstea** - health drink & other kid's eatables,
- **Dj & C/knighthood** – Men's, women's, Kid's ware

- **Who Makes Private Label Products?**

Retailers use their excess capacity and expertise to produce private label products.

INTRODUCTION & TREND

The concept private label came in picture during 60's & 70's .The identity of these brands were “cheap limitation of the original product having similar quality but a very competitive in pricing .Initially they were coming in a very simple packaging mainly in a black, white yellow colour mentioning “home brand “

- The major focus on attractive packaging was the first step toward its success.
- Initially Private labels were focusing on low price point. But in later stage the started coming on shelves with *rage of price & with premiumization*.
- *effective price point & improvised quality* made store brands popular in among customers & also started creating threat to the national brand who were highly relying on “*expensive advertisement & marketing cost*” .

Benefit to Consumers:

- Good for “*Budget conscious people*”

- Best Offers with lots of variety products always
- Best Alternative to national brands
- Similar in Quality on the line of national brands
- Good value for money

Benefit to Retailers:

- **Store Independence** : My store my product can be achievable
- **Better margin.**

The best source of **additional profitability.**

- **Safeguard in recession** –through its effective pricing , brand loyalty & offers
- **High flexibility** in terms of pricing, offer & availability.
- **Customization-** in terms packaging, product mix , bringing more variety to fulfil customer needs
- **Good control over inventory & pricing strategies.**
- **Freedom** to retailers to create their own marketing plans
- To Promote stronger **customer loyalty** toward retailer store.
- **Filling the Gap:** With a better knowledge of customers choice & buying tendency, private labels focuses on products as per the demand of the market that ultimately fills the gap.
- **Scope to Experiments:** Customers can experiment without spending much compared to other retail brands.
- **No Intermediaries:** Because of the independent business policy there are no mediators involved & that results better margin.
- **No extra cost on advertisement& marketing of** the product as products are available in the premises itself with **good pricing, impressive offers & catchy display.**
- **Customer Loyalty – Once customer likes it they keep buying the same**
- **Study sales :** study income through fix sales.
- **Product Differentiation:** Private labels highly based on local taste & preferences that ultimately brings product differentiation.

- **Better Bargaining Power:** A successful retailer can effectively communicate with vendor for better pricing.

Why customers prefers private labels

- Store Image
- Effective Pricing
- Easily reachable
- Social Image
- Flexibility
- Quality
- Better supply chain
- Value

Famous Promotional OFFERS used by RETAILERS in promoting the private labels.

- The percentage off deal (e.g. “25% off” or “50% off”)
- “percent-off” deals- (e.g., %5 off or 20 %off).
- Buy One Get One (BOGO)etc

Following Targets retailers are achieving

- *Steady & good profit* figures are achieved by retailers.
- *Overwhelming performance of private labels creating confidence* among retailers about running the store ”**INDENPENDANTLY**” on the basis of “*private labels/ In – House brands*”

LITERATURE REVIEW:

- **Private Label Food: Growth of the category amid Covid-19-**woob insights- November 28, 2020. HTS
The above article was all about the tremendous performance showed by private labels in the category of eatables like sweet , atta , noodles , breakfast products, & confectionery category during lockdown in “METRO –Cash & Carry hypermarket

- **Lockdown: Retailers observed hike in sale of private labels as supply chain totally disturbed which effects national brands** -PTI April 27, 2020, 08:16 IST
The above article was all about how “PRIVATE Labels” played a significant role during lockdown by overcoming the problem of transportation & shortage of national brands” by establishing new variants& offered to customer at very competitive way,
- **“Online private labels brings high(GOOD in numbers) & study profit for e-commerce marketplaces”:** an article KPMG -ANI February 26, 2020, 14:22 IST
The above article indicates that even in pandemic “PRIVATE LABELS” played a wonderful inning & becomes a profitable driver for retail sector.
- **Flipkart launches big range of private labels in appliances; Flipkart is launching an in-house label/private label called “MarQ”** -TNN October 06, 2017, 09:02 IST
This above article is all about how private label is even enetering inti E-COMMERCE line also to make their business more profitable.
- **Amazon, Flipkart are now entering in to In- House brands; Amazon and Flipkart are using unique strategies in their business development of private labels.**-Rahul SachitanandET Bureau April 02, 2017, 12:03 IST
The above article discusses about how e commerce giants like flipkart & amazon establishes their own “PRIVATE LABELS”to target cost conscious customers from smaller towns.

HYPOTHESIS:

Hypothesis 1 –sales of private label increases during a recession & even in economic prosperity.

Hypothesis-2 There is a significant relationship between **consumers trust on In-House- product quality and business development** of store.

Hypothesis-3 –There is a significant relationship between **revenue generation & effective pricing** .

Hypothesis 4 – Private label establishes a significant relationship between “**Constant customer base & high growth in store profit.**”

RESEARCH OBJECTIVE:

Using “PRIVATE LABEL” as a *safeguard/shield* in sudden crisis to protect & maintain profitability & to sustain in the market through -

- **“Premiumization of in house brands ”**
- **by focusing on financial factors** like product portfolio, operating costs, improving bucketsize & ticket size etc
- **By improving customer’s loyalty** towards private label in terms of revenue generation through effective pricing, display & promotional activities
- **To study & to analyse financial effectiveness of various promotional strategies** & offers applied for private labels in terms of revenue generation.
- **To achieve effective inventory control**-through timely Inventory replenishment, inventory holding value etc
- **To study the financial profitability of capacity utilization** & to come up with more economically effective solutions through thorough analysis & survey.

Challenges:

- **limited availability** –private labels are available in stores only so customer has to visit specific store for specific brand,
- **Dependency on Manufacture** -if production of private label given to the third-party manufacturer, then retailer has to be careful while making partnership with well-established companies. Otherwise, retailers will be in problem if manufacturer goes into problems.
- **Difficulty building loyalty** – National brands are already established & available in variety of stores.
- Chances of Higher risk of “**access inventory**” shrinkage , “pilferage”
- High investments on **Research and Development** expense.
- **Markdown & return allowances** are not justified
- Failure of the product will create a “**longer negative image**” about the retailer.

Problems:**In Indian Retail Sector:**

- Retailers are **still lacking in understanding** the expectations of customers in terms scope & scale.
- **Financial focus is still missing** in terms inventory management, wastage, fix revenue generation, investments on promotional activities etc.
- **Lacking in strategic thinking** in terms of product portfolio, & business development of private brands.
- **Absence of good infrastructure**, effective supply chain management & internal control system which is badly affecting on the profitability of private label business.

RESEARCH METHODOLOGY:

The paper mainly discusses the growing trend of retailers towards private label in all segment.

Research Design:

- **Sample Size:** A sample of 200+ respondents (Approx.) is be taken for this study
- **Sampling Units:** The customers & employees are considered as a sampling units.
- **Sampling Method:** , For data collection Random Convenient sampling method is used for comparisons & analysis.

Primary Data:

- The Primary Data is collected from a sample of 234 respondents. The place of the research is future group out lets like Big Bazaar & star bazaar from Tata group, Reliance trends from reliance, & CROMA from Tata group .Seasons mall & Amanora mall from hadapsar pune is prefered to visit. Well-structured questionnaires for **customers & employees** are made & the survey is undertaken.
- **Techniques:** Sampling & questionnaire

Secondary Data:

- The Secondary data is collected from the following sources: contemporary articles latest Magazines, Websites, & Other related Publications.
- Area of research : retail outlets from Seasons Mall & Amenora Mall –Hadapsar –Pune

Research approach: -Survey method**Scope of Study:**

Area of research were Private Labels of most of the segments like food / non food ,, general merchandising, apparels, home appliances etc.

LIMITATIONS

- This research was limited by the size of the customer population and the number of big bazaars, star bazaar, (hypermarkets), Reliance trends(Apparels store) & CROMA(electronics & consumer durables) of seasons mall & amenora mall in Hadapsar Pune city.
- This research does not focus on manufacturing side of private label

ANALYSIS

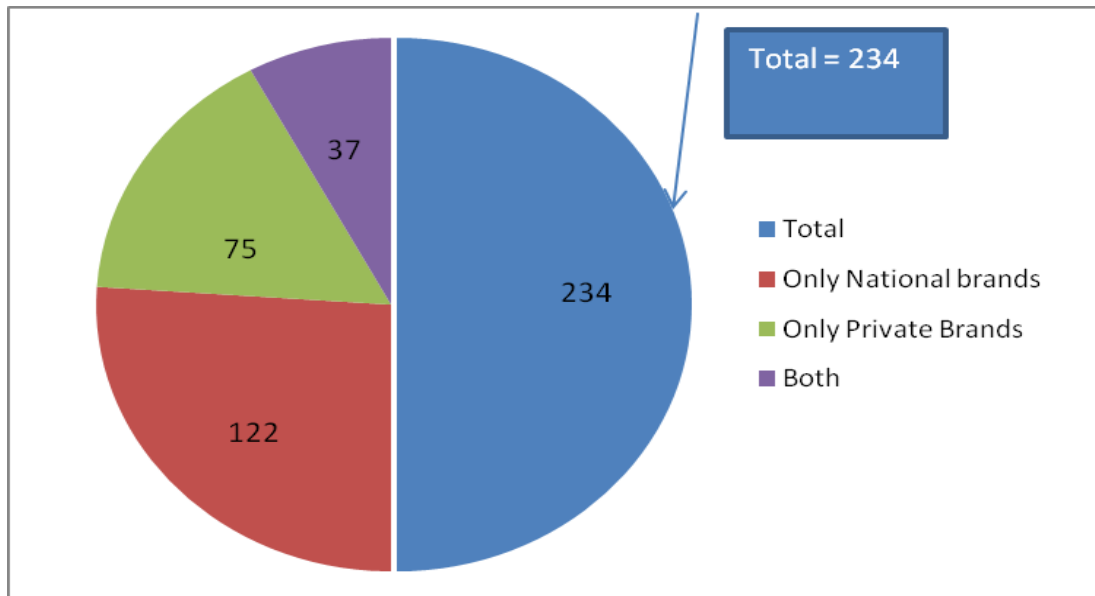
Specific **factors like customers pricing consciousness, risk taking ability etc are considered for analysis** ” while buying “private labels in all segment”.

Analysis is done by making **structured questionnaire of 15 questions each** for **customers & staff members** having close ended questions based on the objectives of the study .Responses were collected from 234(from Big bazaar-Amenora Mall , star bazaar & CROMA & RELIANCE TRENDS from seasons mall) customers who are frequently visiting above outlets from seasons mall & Amenora mall , hadapsar pune.

- **The first criterion** is “**information**”
- **The Second criterion** is **interest** – which includes two attributes **price & ability to take risk**
- **Thrid criterion** is **product Loyalty**” which includes three attributes first is getting **faith**, then second is about **willingness** of trying variety products & third is **product satisfaction**.
- **The forth criterion** is “**Economical Approach**” which includes of three attributes, first is *cheapest substitute* second is *reliable* and third is *fulfilment of need*.
- **The fifth criterion** is “**Budget consciousness**” which includes three attributes, first is *pricing* second is *need* & third is **availability**
- *The Sixth criterion is fear of experiment & wastage*. Here two attributes are considered one is **investments/ spending** & second is **returns**.
- **The seventh criterion** is “**Quality**” -which includes of Three attributes first is *superiority*, second is *low differentiation*, & third is *similarity*
- **The eighth criterion** is **Quantity consciousness**” .here the attributes is “ **how many more in numbers**” & second is **simplicity** & **third is practicality**
- **The ninth criterion** is “**Adaptability**” which consists of four attributes first is *purchase ease*, second is *confidence*, third is *satisfaction* forth is *reasonable*. & *practicality*
- **The tenth criterion** is “**Repeat Buying**” which consists of two attributes first is *booking* & second is *enquiry*

112 out of 234 respondents purchased private labels. (47.86% approx.)

Total	Only National brands	Only Private Brands	Both
234	122	75	37

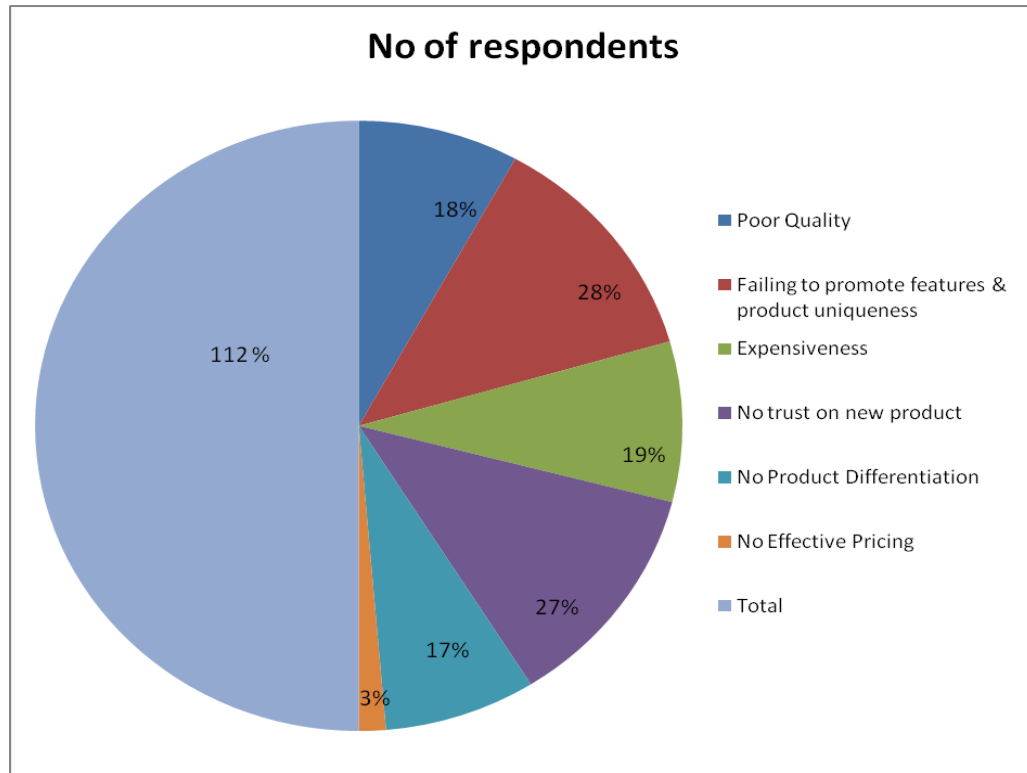


Sr. No.	Criteria	Key Attributes	Consciousness %
1	Information,	Seeking Information Variety Seeking Loyalty	25
2	Interest	Price & ability to take interest	75
3	Product Loyalty	Faith Willinness Product Satisfaction	82
4	Economical Approach	Cheapest Substitute Reliable Fulfillment of need	42
5	Budget Conscious	Pricing Need Availability	44
6	Fear of experiment & Wastage	Investments/ spending Returns	37
7	Quality	Superiority Low Differentiation Similarity	56

8	Quantity	How many more in numbers Simplicity Practicality	44
9	Adaptibility	Purchase ease Confidence Satisfaction Reasonable & Practical	38
10	Repeat Buying	Bookings Enquiry	42

Reasons for “NOT” buying private labels

Responses	No of respondents	Percentages %
Poor Quality	18	16.07
Failing to promote features & product uniqueness	28	25
Expensiveness	19	16.96
No trust on new product	27	24.10
No Product Differentiation	17	15.17
No Effective Pricing	3	2.67
Total	112	100



FINDINGS:

- Only in case of premiumization customers are interested in shifting from national brands to private labels.
- Premiumization helps to attract even customers which are more money & need conscious.
- Premiumization fulfills the Customers prefers practical approach about buying.
- Premiumization helps in building product which will be helpful in longer period of time for business development.
- Premiumization with effective communication helps in creating confidence in customer

RECOMMENDATIONS:

- There is a need to understand the expectations of customers like future scale scope etc.
- Because of limited availability of private labels retailers should focus on financial & nonfinancial factors to attract customer & to convert them into fix buyer.
- Effective schemes & offers should put on private labels for promotions.
- Retailers have to focus more on display& packaging.
- Retailers should focus on quality, product differentiation & pricing.
- Effective supply chain is needed for effective sales.
- Timely stock taking (a physical stock counting process) has to be implemented for better control over inventory & to avoid blockage of fund in working capital for access stock.
- Effective measures should be taken like stock replenishments stock counting practices to avoid shrinkage
- Need of training to the staff for better product knowledge
- Effective product mapping is needed to avoid stock discrepancies.
- Needs to work on quality infrastructure, Supply Chain & Internal Control System for better profitability

CONCLUSION:

Premiumizaion of Private label is an effective way of bring business into profit zone. **Premiumization & re-invention** brings **product differentiation** which will ultimately brings profitability even in crisis. This is the only concept which makes retailers to stand on their on feet. Almost all retail companies from India are rapidly entering into all segments with their private labels to make business more profitable by tapping cost conscious customers from smaller town.

The only focus they should keep is profitability & recovery because **huge amount of debt & equity** is involved. This is challenging but will certainly help companies to survive in the market even in crisis like recent COVID-19 LOCKDOWN situations.

This lockdown situation is a great learning for all retailers & they realized the importance of “premiumizaion of IN-HOUSE BRANDS” AS AS SAFAGUARD & SHIELD. But for that continues **review, benchmarking, research & development** is highly recommended.

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**RESEARCH PAPER A STUDY OF EFFECT OF ASSORTMENT
PLANNING ON INVENTORY MANAGEMENT IN RETAIL SECTOR**

Rajani Deokate

Gayatri Deshpande

ABSTRACT

The Retail Industry today is mainly divided into the Fast Moving Consumer Goods (FMCG) and White Good industry. The FMCG industry of the brick and Mortar shops is being fast overtaken by the e-commerce sites such as Big basket, Super Daily Etc. However, the white goods industry for Consumer Electronics (Except Mobile phones, laptops and accessories) is still reliant on the age old brick and mortar shops to a large extent. The subject paper would like to explore the relations between the age old retail management model of Assortment Planning and deduce a relationship with the Inventory Management model. The aim of the paper would be understand the relationship between the Assortment Planning Model vis-a-vis the Inventory Management techniques so as to optimise the stocks for white goods in brick and mortar shops.

INTRODUCTION

Assortment strategies are used by retailers in brick-and-mortar and ecommerce to decide on a daily basis how to allocate inventory to their stores as part of their merchandise planning processes. Such strategies are integral for retailers because they directly affect how their customers interact with their merchandise, and therefore, their brand. The decisions that these strategies help make are what to sell, where to sell it, when to sell it, who to sell it to, and how much to sell¹. The consumers have different preferences of products and retailers must offer the array of products that satisfies the needs of various consumers. In order to maximize the retailers objective of optimising profit under consideration of constraints like limited space available for display, defined budget for the number of products and their SKU's, it is pertinent that inventory carried to meet a desired service level and last but not the least to fulfil the ever changing needs of the consumers is optimised.

Assortment planning (AP) is a process of selecting types and number of product to be kept from a given product line and also to determine the optimal level of inventory of these products. The critical issue faced by the retailer in the process of AP is to estimate the demand for each product and further using these demand estimates to develop a profit function and choosing the best array of products to maximize profit under various constraints (Rajaram, 2001).

Inventory Management specifies the placement of stocked goods at different locations within a facility or across the market at many locations.

RATIONALE OF THE STUDY

One of the most important aspects of the retail management philosophies is to ensure that the retailer is able to manage his stocks based on the market understanding and is able to cater to all of its customers without any stock outs and maintain optimum inventory levels. However most of the small and medium sized shops are not able manage and maintain its inventory due to various limitations in terms of space, working capital and understanding of the changing demand in the market.

The study is aimed at understanding the inventory management systems of White good retailers. The current system is then to be compared with various best practices in the inventory management principles applied globally. Finally the author would attempt to find a approach that would help the retailer to better understand his current inventory and to ensure to maintain the inventory at optimum levels without foregoing the profitability and facing stock outs.

REVIEW OF LITERATURE

Assortment planning draws on a diverse literature in economics, operations management and marketing. The author has reviewed the various researches undertaken on demand estimation, consumer choice models and assortment optimization that is most related to this thesis.

Consumer choice models are composed of the assortment planning, and can be classified as utility based models and exogenous demand models. While the utility based models

assume that every consumer associates utility with each product the retailer can identify the market share of each SKU once the utilities distribution is known by the retailer, the Exogenous Demand model assumes that every consumer has its own set of favourite products and the utility of the product reduces with substitution of the favourite product. These models help the retailer to arrive at different set of assortment based on the different underlying assumptions of utility of the product.

STATEMENT OF RESEARCH PROBLEM

The Research problem tries to minimize inventory costs for white goods as the space required and costs of white goods is high. The techniques of the various inventory management problem are Economic Order Quantity (EoQ) where optimum quantity at which order shall be placed to reduce the inventory costs for an establishment.

Assortment optimisation means displaying products to offer to a group of customers to maximise revenue. The various depended factors for assortment planning are self-service, shelf space and inventory management. If the retailer fails on proper assortment management and optimisation, the shelf space is wasted as well as inventory costs increase. The various factors that are used for the proper assortment planning are Days of Sale (DOS) which indicate the number of days it takes for the product to run out if the sales continue at the same speed often evaluated on the 30- 60-90 days basis.

Safety stock is considered to estimate the stock out based on the market demand and the expected fluctuations. The problem of the retailer is to understand the level of stock that he has to maintain at his end based on the factors such as stock out and overstocking leading to higher inventory costs.

RESERACH OBJECTIVE

The research would be focussed on identifying the following:

1. To study existing inventory management philosophies in accordance with Assortment Planning.
2. To identify need for future study.

RESEARCH METHODOLOGY

In the secondary data collection, the author collected all the relevant data and reports from the previous researchers in the field of assortment planning in retail stores. This encompassed data on various demand models used by the retailers for stocking and assortment planning in the retail stores. The author will also look for data on the various inventory management techniques used by the retailers and take into consideration research done on the topic.

NEED AND IMPORTANCE OF THE STUDY IN THE PRACTICAL WORLD

The empirical work helped us understand the current inventory levels in the retail shops and help achieve optimum inventory levels for the white goods shop. The significance of the test will help us in understanding the gaps in the theoretical and actual methods of assortment planning and inventory management in the real world.

Secondly, the reserach will help the retailers in generalizing the existing theoretical work to handle more complex problems faced by the retailers for better store operations and better financial management for the stores.

SCOPE OF THE STUDY

The retail industry comprises of Food retailers, softline retailers (such as food, clothing, fabrics footwear toileteries etc), grocery and convenience retail, Hardline retailers (Automobiles, appliances, electronics and mobiles, sporting goods etc), and specialist retailers (such as antique shops, perfume shops, bookstores, musical instruments etc). Scope is to understand the pattern in different type of retail shops with different sizes and products.

FINDINGS

Successful assortment planning provides the right products at the right price and time to the right customers and does not lead to losses in current or potential sales. Therefore, the success of assortment planning can be measured using the level of customer satisfaction with the retailers' product assortments and the buyer's evaluation of the quantitative decisions they made.

Inventory Management on the other hand helps the firm to reduce its inventory carrying costs. This helps the retailer to ensure that it stocks the products that are fast moving and also products which has higher lead times. In business, a firm's performance can be measured in a variety ways including the continuation of profit for the firm.

In business, a firm's performance can be measured in a variety ways including the continuation of profit for the firm. Besides the success of assortment planning, retail store operation variables along with inventory management will help improve firms performance.

LIMITATIONS OF THE STUDY

The first limitation is that our pricing recommendations ignore the effects of substitution. Pricing changes might modify the valuations and choices that consumers make. Hence, it is important for the franchise to keep this limitation in mind and further estimate the changes in demand or customers' future valuations. This could be achieved by perturbing prices and observing the resulting demand and re-evaluating customers' responses.

The second limitation is that consumer responses to price changes might change the optimal assortment of different categories both in prices and capacity offered at that price. The assortment decision can be studied with additional data on how customers arrived at their revealed preferences.

A third limitation is the inability to incorporate prices directly into our model and study its effects in detail, as it will not be possible to gather granular prices at the consumer level. This will present an opportunity for future research to simultaneously study the impact of price and location on consumer valuations.

The last and final limitation will be that of the central tendency bias as a part of the research methodology process where the customer tends to avoid extreme responses during an interview. Though all attempts will be made to identify and design a questionnaire that will help mitigate this bias, time availability will be one of the major constraints to design an ideal survey questionnaire for the same.

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