

## Retail strategy mix of Indian Retailing

*Retailing is the fastest growing sector in India. Retailers have to use multiple retail strategies i.e. retail strategy mix to exploit the opportunity*

Retailing in India accounts for nearly 15 % of its GDP with employment potential of 1 billion people. According to Booz & Co., it is estimated to be US \$712 billion. The contribution of organized retail is estimated to be US\$100 billion by the year 2016. Organized retail is growing at the rate of 9% per annum and the entry of FDI still accelerates the growth which throws many challenges.

**Retail strategy mix** is a combination of retail strategies that incorporate location, price, products and promotional strategies. A retail strategy mix fine tunes a set of varying factors to attract customers and influence their purchasing ability. Retail strategy mix also includes signage, placement of goods within location and price discounts.

Booz & Co. suggests retail strategy mix in terms of 4 levers & 5 drivers to transform retail challenges into opportunities:

S. No	Four Levers for Innovation	Detailed Action
1	<b>Have faith in simple Ideas</b> with a focus on Big picture	<ul style="list-style-type: none"> <li>one can make difference even with simple ideas with effective execution</li> <li>Tanishq's simple idea of 'Karat Meter' to measure the quality of jewellery has changed the level playing field</li> </ul>
2	<b>Borrow and Stitch Others Ideas</b>	<ul style="list-style-type: none"> <li>Borrow the successful best practices from other industries and stitch according to individual needs</li> <li>GreenDust stitches 'branded returned goods' and sells branded refurbished products at amazing prices to suit tier-2 and tier 3 urban customers</li> </ul>
3	<b>Company-side innovations matter</b>	<ul style="list-style-type: none"> <li>focus on supply-side innovations can have greater customer impact</li> <li>Fabindia offers private labels with rural, ethnic &amp; handloom products. It even educates customers to consider 'defect as a unique sign of handmade products'</li> </ul>
4	<b>Innovate 24/7</b>	<ul style="list-style-type: none"> <li>Continuous value creation through consistent innovation to stay competitive</li> <li>Big Bazar stays above everyone because it innovates consistently either in format or product assortment or customer relationships.</li> </ul>

Retailers need 5 drivers to implement innovation in their stores:

<b>S. No</b>	<b>5-Drivers for Implementing Innovation</b>	<b>Detailed action</b>
1	<b>Top management support and Resource allocation</b>	Leadership commitment plays a strong role in implementing innovation. Resources, both human and financial, should be allocated sufficiently
2	<b>Cultural practices</b>	Innovation supportive culture should be promoted in the organization for better outcomes. The practices such as openness to new ideas, risk taking capability, initiative, pride in products and company etc. should be encouraged
3	<b>Build Competencies</b>	Strategy supportive competencies have to be nurtured among employees such as reading customer mind, technology-driven solutions, better supplier relationships etc.
4	<b>Ear to customer</b>	Understand what customer want and let him speak his language. Customer-oriented innovation only works
5	<b>Develop effective processes</b>	Ensure processes are tailored to implement innovative strategies for consistent results. Develop right metrics for smooth functioning and effective outcomes

Source: [http://www.booz.com/media/file/RAI\\_BoozCo\\_Successful-Innovations-in-Indian-Retail.pdf](http://www.booz.com/media/file/RAI_BoozCo_Successful-Innovations-in-Indian-Retail.pdf)

<b>Topic</b>	<b>Course</b>
Retail strategy mix: Retailing: Unit 18.3	Marketing management