

Index

Content	Page no.
Acknowledgement	01
Introduction to retail industry	03
Evolution of retail in India	10
Company profile (ABFRL)	15
A Study on Retail Store Operation	22
Bibliography	44

Acknowledgement

The success and final outcome of this project required a lot of guidance and assistance from many people and I am extremely privileged to have got this all along the completion of my project. All that I have done is only due to such supervision and assistance and I would not forget to thank them.

I respect and thank Mr Rajib Chakraborty (SM), for providing me an opportunity to do the project work in Pantaloons and giving us all support and guidance which made me complete the project duly. I am extremely thankful to him for providing such a nice support and guidance.

I owe my deep gratitude to our project guide Udyan Chakorborty, who took keen interest on our project work and guided us all along, till the completion of our project work by providing all the necessary information for developing a good system.

I would not forget to remember Shrikant Singh (ADM), Sabir Hossain (ADM) & Sandeep Das (Executive Commercial) for their encouragement and more over for their timely support and guidance till the completion of my project work. I am thankful to and fortunate enough to get constant encouragement, support and guidance from all staff in Pantaloons, Asansol, for their timely support.

Md Ashraf Ahmad

CHAPTER - 01

Introduction to Retail Industry

MEANING OF RETAIL

Retail comes from the French word retailer, which refers to "cutting off, clip and divide" in terms of tailoring (1365). It first was recorded as a noun with the meaning of a "sale in small quantities" in 1433 (French). Its literal meaning for retail was to "cut off, shred, paring". Retail is the final stage of any economic activity. By virtue of this fact, retail occupies an important place in the world economy.

According to Philip Kotler, Retailing includes all the activities involved in selling goods or services to the final consumers for personal, non-business use. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing. These are the final business entities in a distribution channel that links manufacturers to customers. Manufacturers typically make products and sell them to retailers or wholesalers. Wholesalers resell these products to the retailers and finally, retailers resell these products to the ultimate consumers. Any organization selling to final consumers whether it is a manufacturer, wholesaler or retailer-is doing retailing. It does not matter how the goods or services are sold (by person, mail, telephone, vending machine, or internet or where they are sold-in a store, on the street, or in the consumer's home). A Retailer thus, provides value creating functions like assortment of products and services to the consumers, breaking bulk, holding inventory and provides services to consumers, manufacturers and wholesalers.

Retailing broadly involves:

1. Understanding the consumers' needs.
2. Developing good merchandise assortment and
3. Display the merchandise in an effective manner so that shoppers find it easy and attractive to buy.

Retailing thus, may be understood as the final step in the distribution of merchandise, for consumption by the end consumers. Put simply, any firm that sells products to the final consumer is performing the function of retailing. It thus consists of all activities involved in the

marketing of goods and services directly to the consumers, for their personal, family or household use. In an age where customer is the king and marketers are focusing on customer delight, retail may be redefined as the first point of customer contact.

The distribution of finished products begins with the producer and ends at the ultimate consumer. Between two of them there is a middleman – the retailer. Retailing is the set of business activities that adds value to the product and services sold to the consumers for their personal or family use. Often retailing is being thought of as the sale of products in the stores, but retailing also involves the sales of services: overnight lodging in a hotel, a haircut, a car rental, or home delivery of Pizza. Retailing encompasses selling through the mail, the internet, and door-to-door visits – any channel that could be used to approach the consumer. Retailing is responsible for matching individual demands of consumer with supplies of all the manufacturers.

Retailing has become such an intrinsic part of our everyday lives that it is often taken for granted. The nations that have enjoyed the greatest economic and social progress have been those with a strong retail sector. The world over retail business is dominated by small family run chains and regionally targeted stores. Gradually more and more markets in the Western world are being taken over by billion-dollar multinational conglomerates, such as Wal-Mart, McDonald's, Marks and Spencers, etc. The larger retailers have set up huge supply/distribution chains, inventory management systems, financing pacts, and wide scale marketing plans which have allowed them to provide better services at competitive prices by achieving economies of scale.

Retail Concept

The retailing concept is essentially a customer oriented, company-wide approach to developing and implementing a marketing strategy. It provides guidelines which must be followed by all retailers

irrespective of their size, channel design, and medium of selling. The retailing concept covers the following four broad areas:

1. Customer orientation

The retailer makes a careful study of the needs of the customer and attempts to satisfy those needs.

2. Goal orientation

The retailer has clear cut goals and devises strategies to achieve those goals.

3. Value driven approach

The retailer offers good value to the customer with merchandise keeping the price and quality appropriate for the target market.

4. Coordinated effort

Every activity of the firm is aligned to the goal and is designed to maximize its efficiency and deliver value to the customer

Characteristics of Retailing

Retailing can be distinguished in various ways from other business activities. It has following characteristics:

- There is a direct end-user interaction in retailing.
- It is the only point in the value chain to provide platform for promotions.
- Sales at the retail level are generally in small unit sizes.
- Location is a critical factor in retail business.
- In most retail business, services are as important as core products.
- There are a larger number of retail units compared to other members of the value chain. This occurs primarily to meet the requirements of geographical coverage and population density.

A retailer is a person, agent, agency, company, or organization, which is instrumental in reaching the goods, merchandise, or services to the ultimate consumer. They are the final business in a distribution channel that links manufacturer to consumers. Retailers perform specific activities such as anticipating consumers' wants, developing assortments of products, acquiring market information, and financing. A retailer performs certain value creating functions as:

Providing an assortment of products and services

1. Providing an assortment of products and services

All retailers offer assortment of products, but they specialize in the assortments they offer. Supermarkets provide assortments of food, health and beauty care, and household products, while Abercrombie & Fitch provides assortments of clothing and accessories.

Supermarkets typically carry 20,000 to 30,000 different items made by over 500 companies. Offering an assortment enables their customers choose from a wide selection of brands, designs, sizes, colours, and prices at one location.

2. Breaking Bulk

Breaking bulk means physical repackaging of the products by retailers in small unit sizes according to customers' convenience and stocking requirements. Normally retailers receive large quantities of sacks and cases of merchandise from suppliers to reduce their transportation costs. In order to meet customer requirements retailers have to break or arrange the bulk into convenient units. The entire function adds value to the offerings not only for the end consumers but also for the suppliers in the value chain.

3. Holding Inventory

To ensure the regular availability of their offerings, retailers maintain appropriate levels of inventory. Consumers normally depend on the retailers directly to replenish their stock at home. Therefore, retailers

on periodic basis, maintain the required level of inventory to meet the regular or seasonal fluctuations in demand. They need to maintain equilibrium between the range, or variety carried and sales which it gives rise to.

4. Extending services

Retailers provide multiple services to immediate customers and other members of value chain. They offer credit so customer can have a product now and pay for it later. They display products so consumers can see and test them before buying. Some retailers have sales people in the store or use their websites to answer questions and provide additional information about products.

CHAPTER - 02

EVOLUTION OF RETAIL IN INDIA

EVOLUTION OF RETAIL IN INDIA

The origin of retailing in India can be traced back to the emergence of Kirana stores and mom-and-pop stores. These stores used to cater to the local people. Eventually the government supported the rural retail and many indigenous franchise stores came up with the help of Khadi & Village Industries Commission. The economy began to open up in the 1980s resulting in the change of retailing. The first few companies to come up with retail chains were in textile sector, for example, Bombay Dyeing, S Kumar's, Raymond's, etc. Later Titan launched retail showrooms in the organized retail sector. With the passage of time new entrants moved on from manufacturing to pure retailing. The evolution of retailing in India can be better understood as:

➤ Early Eighties

- 'Retailing' in India was synonymous with peddlers, vegetable vendors, neighbourhood kirana stores (small grocery stores) or sole clothing and consumer durable stores in a nearby town.
- These retailers operated in a highly unstructured and fragmented market. Very few retailers operated in more than one city.

➤ Before 1990

- Organized retailing in India was led by few manufacturer owned retail outlets, mainly from the textile industry, Ex: Bombay Dyeing, Raymond, S Kumar's, and Grasim.
- Later, Titan successfully created an organized retailing concept and established a series of showrooms for its premium watches.

➤ Nineties

- Liberalization of the Indian economy led to the dilution of stringent restrictions.
 - Entry of few multi-national players like Nanz into the Indian market.
 - Changing profile of the Indian consumers, v increasing wages of the employees working in Greenfield sectors with higher purchasing power.
 - Setting up of retail chains by domestic retailers like Cotton World (Mumbai), Nirula's (Delhi) and the Viveks and Nilgiris in the South.
-
- The latter half of the 1990s saw a fresh wave of entrants with a shift from Manufactures to Pure Retailers. For e.g. Food World, Subhiksha and Nilgiris in food and FMCG; Planet M and Music World in music; Crossword and Fountainhead in books.
 - 1995 onwards saw an emergence of shopping centers, mainly in urban areas, with facilities like car parking targeted to provide a complete destination experience for all segments of society.
 - Emergence of hyper and super markets trying to provide customer with 3 V's - Value, Variety and Volume.

Formats of retail in India

Emerging Formats

- Exclusive Retail Outlets
- Malls
- Multiplexes
- Hyper Markets
- Fast food Outlets
- Hypermarkets

Established Formats

- Kirana Shops
- Department store
- Fair Price Shops
- Multi brands showrooms
- Co-operative store

Traditional Formats

- Hats
- Melas
- Mandi
- Weekly Market

Potential of retail market in India

The concept of retail as entertainment came to India with the advent of Shopping malls. Shopping malls emerged in the urban areas giving a world-class experience to the customers. Eventually hypermarkets and supermarkets emerged. The evolution of the sector includes the continuous improvement in the supply chain management, distribution channels, technology, back-end operations, etc. this would finally lead to more of consolidation, mergers and acquisitions and huge investments.

The Indian retail industry is the fifth largest in the world. Comprising of organized and unorganized sectors, India retail industry is one of the fastest growing industries in India, especially over the last few years. Though initially, the retail industry in India was mostly unorganized, however with the change of tastes and preferences of the consumers, the industry is getting more popular these days and getting organized as well. With growing market demand, the industry is expected to grow at a pace of 25-30% annually. The India retail industry is expected to grow from Rs. 35,000 crore in 2004-05 to Rs. 109,000 crore by the year 2010.

In present scenario India is the uppermost choice of giant retail investors and companies. India has the youngest population with an average age of 25 + year in the world. Hence it increases the potential of this market. In present Walmart has owned 77% stake of Indian online retail e-commerce platform Flipkart with an investment of \$16 billion. On the other hand world's biggest e-commerce giant Amazon is ready to inject nearly \$5 billion in Indian market to nourish its legacy. These obsession of world's biggest retailer shows the potential of Indian retail market.

CHAPTER - 03

Company Profile

Aditya Birla Group

The Aditya Birla Group is an Indian Multinational Conglomerate, headquartered in Worli, Mumbai, India. It operates in 40 countries with more than 120,000 employees worldwide. The group was founded by Seth Shiv Narayan Birla in 1857. The group interests in sectors such as viscose staple fibre, metals, cement (largest in India), viscose filament yarn, branded apparel, carbonblack, chemicals, fertilisers, insulators, financial services, telecom, BPO and IT services.

The group had a revenue of approximately US\$41 billion in year 2015. It is the third-largest Indian private sector conglomerate behind Tata Group with revenue of just over US\$100 billion and RIL with revenue of US\$74 billion.

In current scenario Aditya Birla Group run their business in various sectors. Major sectors are discussed below:

Non-ferrous metals

The Group's non-ferrous metals are under Hindalco Industries. Its manufacturing locations are primarily in India and it owns mines in Great Sandy Desert, Australia near Nifty_Airport called Birla Nifty Copper Operation. On 11 February 2007, the company entered into an agreement to acquire the Canadian company Novel is for US\$6 billion, making the combined entity the world's largest rolled-aluminium producer. On 15 May 2007, the acquisition was completed with Novelis shareholders receiving \$44.93 per outstanding share of common stock. The Group plans to close a part of its aluminium foil making mill in UK and shift that to its plant near Nagpur.

Hindalco makes alumina chemicals, primary aluminium, rolled products, alloy wheels, roofing sheets, wire rods, cast copper rods, copper cathodes and several other products.

Cement

The Group's cement business was earlier under Grasim Industries and UltraTech Cement. The two entities have now been merged into UltraTech Cement to form India's largest cement company. UltraTech Cement was acquired from L&T in 2004.

Carbon black

After purchasing Columbian Chemicals Co , the Group is now the largest manufacturer of Carbon black worldwide.

Textile Business

The Aditya Birla Group is the world's largest producer of Viscose staple fibre. It operates from India, Laos, Thailand, Malaysia and China. It owns the Birla Cellulose brand. Apart from viscose staple fibre, the group also owns acrylic fibre businesses in Egypt and Thailand, viscose filament yarn businesses and spinning mills in India and South East Asia. The group has pulp and plantation interests in Canada and Laos. It also owns the Domsjö factory in Sweden which exports viscose today. The Swedish government is hoping to negotiate further investments in Sweden, in particular in the hyper-modern future biorefinery in the city of Örnsköldsvik. Its two companies i.e. Aditya Birla Nuvo Ltd and Grasim Bhiwani Textiles Ltd which is a subsidiary of Grasim Industries are in textile business.

Telecom service

Aditya Birla Group is the majority shareholder of Idea Cellular. Idea Cellular was started as a joint venture with the AT&T and the Tata Group. After an IPO on the Indian stock markets, Idea Cellular now accounts for a third of the group's market capitalisation. The company is headquartered in Mumbai.

Financial service

Aditya Birla Financial Services Group (ABFSG) is the umbrella brand for all the financial services business of The Aditya Birla Group. ABFSG ranks among the top 5 fund managers in India (including LIC) with an AUM of US\$23 billion. Having a strong presence across the life insurance, asset management, lending (excluding Housing), housing finance, equity & commodity broking, wealth management and distribution, online money management portal—Aditya Birla Money MyUniverse, general insurance advisory and private equity and health insurance businesses. ABFSG is committed to serve the end-to-end financial services needs of its retail and corporate customers. In FY 2013–14, ABFSG reported consolidated revenue from these businesses at just under ₹70 billion (US\$1.1 billion) and profits of about ₹7.5 billion (US\$120 million). Anchored by over 14,000 employees and trusted by over 6 million customers, ABFSG has a nationwide reach through 1,500 points of presence and about 130,000 agents/channel partners. The financial services arm of the group is currently headed by Ajay Srinivasan.

Fashion

Aditya Birla Group sells in-house and other branded apparel via brick-and-mortar and online stores. The group's firm Aditya Birla Fashion & Retail Ltd (Pantaloon) sells in-house brands such as Louis Philippe, Van Heusen, Allen Solly, Peter England and People via their individual brand stores and through other multi brand outlets. It also operates a multi brand fashion retail chain Pantaloon.

The group ventured into niche target and select portfolio apparel in October 2015 with Abof.

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited (Formerly known as Pantaloon) emerged after the consolidation of the branded apparel

businesses of Aditya Birla Group comprising ABNL's Madura Fashion division and ABNL's subsidiaries Pantaloons Fashion and Retail (PFRL) and Madura Fashion & Lifestyle (MF&L) in May 2015. Post the consolidation, PFRL was renamed Aditya Birla Fashion and Retail Limited.

ABFRL brings together the learnings and businesses of two renowned Indian fashion icons, Madura Fashion & Lifestyle and Pantaloons Fashion and Retail. ABFRL is India's No 1. Fashion Lifestyle entity with a combined revenue of Rs.6,633 crore for FY17, growing at a rate of 10 per cent and EBITDA of INR 476 crore for FY'17 that has grown at 18 per cent over the last year.

The ABFRL umbrella includes:

Pantaloons

Voted as 'India's Most Trusted Apparel Retail Brand' (Brand Equity Survey 2014-15), Pantaloons, a division of ABFRL, is one of the most loved large format fashion retailers in India. Post-acquisition by Aditya Birla Nuvo Limited in 2013, Pantaloons is today the fastest growing large format retailer in the country. The rate of new store openings has increased from one every two months to one every two weeks. The brand is now present in 78 Indian cities/towns.

Pantaloons offers a wide range of brand offerings across apparel and non-apparel categories and across varied price points. It operates across categories of casual wear, ethnic wear, formal wear, party wear and active wear for men, women and kids. Womenswear is the lead category contributing to half of total apparel sales. Non-apparel products include footwear, handbags, cosmetics, perfumes, fashion jewellery and watches.

Pantaloons began in 1997 as a Future Group company in the quest to equip the emerging Indian middle-class with an indigenous fashion retail format. Consistent with the times, the model was of a discount fashion retailer.

Brands

Pantaloon today retails over 200 licensed and international brands, including 24 exclusive brands. The Pantaloon exclusive brand bouquet includes Ajile, Akkriti, Alto Moda, Annabelle, Bare Denim, Byford, Candie's New York, Chalk, Chirpie Pie, Honey, Isabel London, Poppers, Rangmanch, Richard Parker SF Jeans, Trishaa, Urban Eagle; besides, it also features brands licensed on a long-term basis: Bare, Rig, SF Jeans, Byford, JM Sports, Lombard and Candie's New York. It also hosts Madura F&L's brands such as Louis Philippe, Van Heusen, Allen Solly, Peter England and People in menswear; Van Heusen and Allen Solly in womenswear, and Allen Solly Junior. It retails partner brands such as John Miller, Celio, Spykar, Levis and Lee Cooper in menswear; Jealous 21, 109*F, AND, Chemistry and KRAUS in women's western wear; BIBA, Global Desi, and W in women's ethnic wear; Barbie and Ginny & Jony in kidswear.

Pantaloon online

Pantaloon is available on all leading e-commerce portals.

Pantaloon enjoys a loyal customer base of over 6.5 million (as of FY17). It runs its own four-tier loyalty programme called 'Greencard'.

Chapter - 03

A Study on Retail Store Operation

What Is Meant by Retail Store Operations?

Typically, when people use the term retail store operations, they're referring to most of the functions and jobs in stores. How the term translates for individual operations depends on the type of store and the specific company's organizational chart.

So, retail operations can encompass everything about how a store operates each day. If we think about it linearly, we can see examples of responsibilities. Start with choosing the store's location and designing the store. Then think about how the store plans, orders, and adjusts its product inventory: How it prices items and displays them in the store, under what lighting, in what arrangement, and with what signs. How it treats its customers throughout the store experience, from entry to exit. How it handles cash and credit. How it handles returns and refunds. How it handles price markdowns and sales. How it manages its staff and maintains its premises. How it handles data about customers, products, sales, and revenue. All of this can fall under the field of retail operations.

In larger retail businesses, some of the functions may fall outside of what they call their operations department. For example, they may have departments for finance and/or accounting, marketing, human resources, and IT. Sometimes those departments exist at the corporate level but less so at individual stores, where more jobs may fall under operations. At smaller stores, nearly every position may fall under operations. It all depends on the definitions of the individual business. For the purposes of this article, we'll take the widest view of retail operations as a field.

Retail can fall under goods or services. Some stores are both. A retail clothing store is mostly goods. A dry-cleaner offers a service. A tire store sells both a product (tires) and service (installation).

Traditionally, the term store meant a brick-and-mortar store, but increasingly people blur the distinction, even referring to online stores. The term retail clearly applies to both physical stores and online operations. Each year, more and more sales are made online as consumer habits continue to change, and as the nature of competition changes.

The next six sections provide a more detailed overview of responsibilities that may fall under the field of retail store operations:

- Design
- Customer Service
- Cash, Fraud, and Internal Controls
- Product Inventory
- Administration
- Store Management

Store Design Responsibilities:

Design and aesthetics are a major part of the shopping experience. Design is both art and science, often using data to help make choices, such as product display and placement. Here are aspects of design that fall under retail operations.

- **Store location:** As the adage goes, location, location, location. Visibility and customer traffic patterns play a key role in a store's success. People will travel off the beaten path for something special, but it's generally harder to build that business.
- **Store design and layout:** The store's exterior and interior design sets the tone for the shopping experience. Design can signal a clean, well-organized but relatively Spartan discount store (think Target), a well-stocked, industrial looking warehouse (Home Depot or Lowe's) or an upscale, well-appointed department store (Nordstrom's) or clothing boutique (Anthropologies). Another consideration is the display layout. Racks, shelves, or displays can be arranged straight, at angles, or in a geometric pattern to create visual interest in addition to organization.

Similarly, traffic patterns for customers can be gridded, almost like streets, looping or curving, or more free flowing. Changes in these patterns can affect what customers see and what they purchase.

- **Creating departments within a store:** This is important for item find ability in a store, as well as for delivering tailored customer service. By creating speciality areas, such as jewellery, shoes, sporting goods, and housewares, retail professionals create “stores within stores” and have specialty employees who are better able to serve customers.
- **Visual merchandising and display:** Create attractive displays of products to set a tone and an expectation. Sometimes, you aren’t just selling a product - you’re selling an experience. A pleasing display of merchandise sends a message to the would-be buyer, and so does a sloppy, unkempt table. Even the height at which items are placed can make a big difference. Some professionals use a retail planogram, a type of diagram, to detail the placement of items in a store.
- **Store atmosphere:** Lighting, music, and consistent overall store maintenance create a pleasant atmosphere that makes customers want to shop there. Unpleasant factors like clutter, odours, inadequate air conditioning, or subserviced restrooms can turn off customers. At the best stores, employees strive to create a pleasant atmosphere that helps to define the brand.
- **Signage:** Posting signs, both outside and inside, help to direct customers and make them aware of products, services, and offers. Without good signage, a store can be difficult to navigate, and customers might not see what store managers want them to see.
- **Store space management:** Avoid clutter and disorganization by managing space well in the store. Make items easily accessible and use out-of-the-way space for storage.

Asansol Pantaloons

Asansol Pantaloons follows all the six major sections that fall under the field of retail store operations

Store Design Responsibilities

Asansol pantaloons is designed in two floors. First floor is designed for men's world while second floor is designed for women's world and kids sections.

Store location: Asansol pantaloons is situated in Murga shawl, Asansol, at Regal Plaza. Indeed it is a perfect place for a store to get a handsome foot fall. There is also other centre of Theque and levi's show rooms. These factor also increase the probability of a good foot fall in the store.

Store design and layout:

Asansol pantaloons is of two floor. First floor is for men's world and the second section is for women's and kids sections. Both the floor is in a very convenient layout to find particular section.

Creating departments within a store:

Both the floor i.e. first and second floor is designed in department. Men's section is divided in three sections/departments namely Active wear, Ethnic wear & Western wear. In the same way second floor is divided in two major sections i.e. western and ethnic wear. Kid section is divided in two sections of Boys and Girls section and it is further divided in three section of age groups from 0-2 , 2-7 & 7-14.

Visual merchandising and display:

Each and every wall and browser is kept with a signage on which the current offer is written in a crisp way. Even size talker and browser talker is kept with the product to make the buyer more comfortable. Direction of washrooms and fire exist has also been hang in the store.

Store atmosphere:

Music is always in the store to make the atmosphere pleasant and peaceful shopping experience of the customers. It also entertain the floor staff as well. Everyday light is checked by the administrator to ensure that they are in working condition. If any fault is found then immediate actions are taken to solve the problem. Lightning is arranged in such a way that one cannot get find and inconvenience to see the product.

Signage:

All the information regarding discount, directions, cash back scheme is hanged within & outside of the store to keep the information logistic superior. Holdings to aware the customers are kept outside the store in big dimension.

Store space management:

Asansol Pantaloons is of 11300 sq. ft. area. Indeed it is spacious. Ground staff and housekeeping staff always try to avoid any mess on the floor. Whenever floor get messy due to replenishment, housekeeping clean the floor immediately.

Customer Service Functions

Much of a store's success depends on customer service - how it treats its customers. Customers may not always be right, but they're always the customer, representing a potential sale and potential review. With excellent customer service, stores can increase their competitiveness, and even make up for shortfalls in other areas, such as convenience or pricing. Positive, personalized customer service can help the little guys compete against the big guys, and it can help brick-and-mortar stores compete against online operations. However, online operations have been increasingly good at providing remote customer service, with services such as convenient returns. The best-run stores comprehensively train

their employees on how to treat customers and provide superior service to keep them coming back.

The following questions address elements of customer service:

- How are customers greeted when they enter the store?
- Is there a familiarity with repeat customers?
- Is personal service offered? At what point?
- If the store doesn't have what the customer wants, how does the store handle that? Is it willing to say who else might have the item?
- Does the store offer helpful guidance - after really listening to the customer?
- Is loyalty rewarded, such as through loyalty programs?
- If the customer has a problem or concern, how does the store handle it?

Returns and refunds are another vital area of customer service. A store buys faith and loyalty with customers when it handles returns easily and without hassle. Customers want to know that if they make a mistake with a purchase, the store won't penalize them. Stores should also carefully track returns to understand patterns and resolve problems. Technology makes this process easier.

Customer Service Functions at Pantaloons

Since Pantaloons understand the values of a loyal customer hence the company follows the GUEST model for their customers where

G = Greet

U = Understand the need

E = Explain the product features

S = Suggest

T = Thank

Customers are greeted by the floor staff when they entered the store by saying “NAMASTE”. After that need of the customer is identified and the product features are explained to them. If the customer looks confused or any other doubt then the floor staff suggests them for trial. Once the deal is closed they are thanked cheerfully and customers are requested to visit again.

Cash, Fraud, and Internal Control Functions

Stores need to carefully define, implement, and monitor these areas of their operations, as they directly impact the bottom line.

- **Handling cash and credit:** Good cash and credit handling requires both good people and a good system to track everything, quickly discover discrepancies, and keep the store’s finances and inventory on accurate, solid footing. Today’s technology often comes in the form of a point of sale (POS) system that can handle not only daily sales, but also customer management and inventory. This can make it much easier to track and reconcile each day’s sales with the cash and credit showing in the system. Still, some stores may compare POS statistics with manual counting or cross-checking. They also might do surprise counts of cash or inventory during the day, especially if problems have been occurring. It all depends on the size and complexity of the retail operation. In any case, it’s critical that a store maintain accurate figures with cash, credit, and inventory.
- **Shoplifting and fraud prevention:** Stores devote significant resources (both people and technology) to deter shoplifting and fraud. Some keep it behind the scenes so as not to interrupt the customer experience. Others may be more upfront, as in the case of having a guard at a jewellery store entrance. Security cameras, monitoring, and product scanners are also common. Losses from shoplifting and fraud can be significant, including by organized rings and scams, so stores need to be vigilant and find problems quickly if they do occur.

- **Internal controls:** Stores develop and maintain internal controls, or standard operating procedures, to prevent problems with cash handling, credit, shoplifting, and fraud. These controls help to prevent money or inventory theft. They include cross-checks such as deposit slips for cash and a well-defined set of authorized functions, so that only a certain level of employees have access to certain items or parts of the store. It's also vital to have different levels of employees sign off on others' work, so no one employee can operate in secret. Without these controls, a store could be at the mercy of theft or fraud by employees, customers, or suppliers.
- **Safety and security:** Stores try to ensure that their employees and customers are safe. They may use security guards and security camera monitoring. Police calls to stores can be common, depending on the store's practices. With liability issues, some stores are quicker nowadays to turn matters over to the police.

Cash, Fraud, and Internal Control Functions at Pantaloons

To avoid the above mentioned issues Pantaloons follows the following principles and technologies

- The merchandise are not kept or displayed at the entry or exit of the store.
- Customers are not allowed to carry more than three clothes at one time to trial room.
- CCTV cameras are installed on the floor to keep a close watch on the customers.
- In each and every merchandise security tag is put.
- Individuals are requested to submit their carry bags at the baggage counter.
- Sales representatives have to handle products carefully.
- Generator installation is very necessary to avoid black outs.
- Expensive products are kept in closed cabinets.
- Customers are made feel safe inside the store.

Product Inventory Responsibilities

For a store to succeed, it needs to have the products to satisfy its customers. This is the fourth area of retail operations: inventory management. Pantaloons does its best to balance supply and demand for products in a constant cycle of selling and restocking. If a product doesn't move well, it is replaced with something that does. If a product does sell well, the store increase its inventory. It may sound simple, but the quirks of supply and demand makes inventory management difficult. Problems in the supply chain can make it hard to get hold of desired products. A sudden shift in demand, such as a new product making an older one less attractive, catch the store by surprise.

These functions fall under inventory management:

- **Ordering merchandise:** Buyers place orders for products, trying to anticipate the demands of customers. They're trying to get the right products in the right quantities at the right time. To be efficient and cost-conscious, they don't want to order too much. In an automated system, the inventory needs are forecasted, so stock replenishment is automated. Another factor to consider is the merchandise mix. Stores want to ensure that the customer has a variety of products, sizes, colours, and other features to choose from, at appropriate price points.
- **Receiving stock:** Stores receive shipments from suppliers and distributors. They carefully track and record it all, and make sure it's handled properly and is in good condition.
- **Using an inventory system:** The three main types are perpetual inventory, physical inventory, and combined. With perpetual inventory, the counts are updated upon each sale. This is what happens with today's computerized POS systems. With physical inventory accounting, the business physically counts its inventory. With a combined system, both methods are used, where the physical count provides a cross-check of the computerized system.
- **Pricing:** Stores set the prices and mark the products either physically on the product or in the computer via the product's barcode, or both ways. Price reductions are based on supply and demand, season, promotions, and other factors.
- **Merchandise handling:** This includes stocking shelves and displays, moving items for customers, and shipping items to customers.

Managing the supply chain: Operations people manage relationships with suppliers, distributors and other vendors, and keep products coming to the store for retail sale to customers. Problems can arise in the supply chain, which can result in bottlenecks, backorders, or quality issues, and store operations people handle them.

Retail Administration Responsibilities

These functions fall under administration, the fifth major area of operations. All the functions are performed at Pantaloons efficiently.

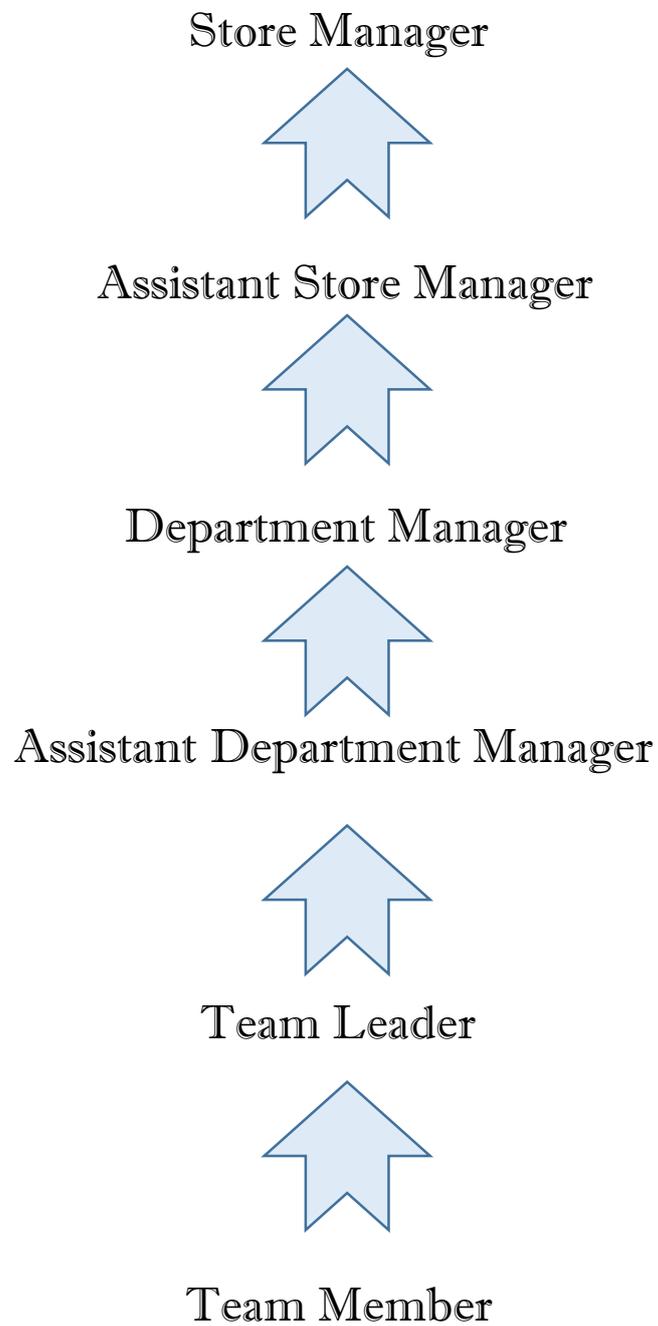
- **Managing the premises:** Administrator maintain the store in good working order. He make sure customers aren't turned off by inadequate facilities or poor maintenance. He treats the store like a home, he puts consistent care and attention. If he does not do his job efficiently than customers may judge you based on a littered parking lot, insufficient air conditioning, or dirty restrooms.
- **Training of employees:** Employee training is essential, especially given the frequent turnover in retail jobs. Employees are trained in customer service and store procedures, such as cash handling and internal controls.
- **Managing of promotions and events:** Stores rely on promotions and sales to drive additional business. Administrator makes sure to perform these works.
- **Data management and use of technology:** This includes streamlining store operations with POS systems, barcoding, and use of a customer relationship management (CRM) platform. With smart use of customer data, stores can guide targeted customers toward sales and offers, build their loyalty, and improve customer service to them - while increasing the store's bottom line. Stores can also use data to root out bottlenecks and discrepancies, thereby increasing efficiency and timeliness.

Store Operations Management

The final area of operations responsibility is store operations management. The store manager is responsible for keeping daily operations functioning smoothly and managing employees. It's a challenging role in a challenging environment. The store manager reports to regional or corporate managers, or an owner, and may have to follow broad strategies or directives from them. But within the environment of the store, the store manager is the boss and is often responsible for all aspects of its performance, including its finances. Other areas of responsibility may include:

- Hiring, firing, training, and managing of employees
- Forecasting sales and budgeting
- Oversight of inventory and loss prevention
- Oversight of all internal controls, such as for cash handling
- All aspects of customer service
- Internal and external communication
- Legal compliance

Store Hierarchy:



Perspectives of Store Owners, Store Managers, and Staff

Store owners are typically focused on long-term strategy and business success. They may hope that everyone cares as much about the business as they do, but they may realize no one will care more than they do. So they may work long hours to make it a success, as many driven, ambitious owners do.

Store managers also focus on success, but perhaps from a more tactical view of daily operations. They're trying to meet their goals by hiring and training a team to handle each aspect of store operations. They're managing the store, while also reporting to the owner or higher-level managers for strategic plans. Still, depending on the business, a store manager may create or contribute to overall strategy. In some cases, such as a smaller business, an owner may depend heavily on his manager to run the business, including setting strategy.

For store employees, such as sales associates, the focus is typically the daily customers they attend to. The best employees demonstrate a sense of drive and responsibility.

Standard Operating Procedures and Checklists for Store Operations

To run smoothly and efficiently, stores should define their daily, weekly, and monthly processes in written standard operating procedures. These procedures can be paired with checklists to ensure they are being carried out properly, by the correct people at the correct time. Virtually every operations function detailed in this article should have a written procedure compiled into an operations manual to ensure uniformity and consistency. Here are examples:

General Store Opening and Closing

- Employees assigned to open & arrive early to prepare the store for its opening to the public.
- The store is opened to the public on time, indicated with signs or lights as appropriate.
- Employees are begin prepared at a designated time for the store to close. This typically includes cleaning and other preparation for opening the next day.
- The store alerts customers at a specified time, such as thirty minutes before and again ten minutes before, that the store will be closing. Staff pull gates, change the lighting or perform other steps to alert customers.
- All cash is counted, reconciled, checked by a manager, and locked. All keys go to the person in charge of that. The procedure is define in detail how important matters like this are carried out.
- Opening and closing work is subject to inspection by someone responsible for that, as appropriate.

Store Staffing

- Employees are interviewed, hired, on boarded, and trained in a prescribed manner.
- Job descriptions is clear and regularly updated to reflect responsibilities.
- Employee reviews are done consistently, with regular feedback and follow-up.
- Employee work hours are accounted for through a system, especially with variable part-time work or overtime.
- Compensation is spelled out, as well as determine when and how payment is made in the case of bonuses, such as sales incentives.

Cash Management

- Front-end cash procedures ensure proper handling at the POS. This includes how and when to take cash to the back office, and how to reconcile cash and credit against sales.
- Back-office cash procedures are usually a bigger-picture accounting function, making sure the store is on track and carrying out its internal controls to prevent loss and pilferage. They catch cashier mistakes or possible fraud.
- Cash refunds to customers should be consistent with store policy. Sometimes a store may choose to only give a credit on a credit card, or store credit. This is all important to decide as part of cash handling and customer service.

Merchandise Handling

- Product shipments are received in a set procedure to ensure everything arrives in good condition and in the proper quantity.
- Route products in an efficient manner to the proper location in the store, either to the shelves, storage, or holding area.
- Products are entered in the inventory system for tracking.
- Damaged goods are returned according to standard operating procedures.

Customer Service

- Customers are helped in a way that befits the brand (this can be spelled out in written procedures).
- Customer complaints are accept and routed to the proper person for response and resolution.
- Special orders may be possible to get items not regularly stocked.

Daily Store Checklists

Running a store efficiently and smoothly requires a disciplined approach. These checklists show the range of things customers might judge in a store and what staff can do to make sure daily operations run smoothly.

Store Cleaning Checklist

- Parking lot of debris and sweep the sidewalk are cleaned each morning. Empty boxes of trash outside is not left as a customer's first impression.
- Windows and glass doors of smudges are cleaned regularly. It is made sure that window display looks good each morning.
- When lights are turned on, burned-out ones are replaced promptly.
- Stores floors are cleaned, swept, or vacuumed at closing time.
- All trash receptacles are made empty as needed, plus at closing.
- Restrooms are cleaned as often as needed to keep them tip-top because nothing will turn off customers faster than dirty restrooms.
- Throughout the day, straighten up the merchandise displays. Unfolded clothes or disorganized shelves are not left on the floor.
- Any spills or breakage are cleaned promptly.
- All checkout areas are kept spotless and uncluttered.
- Empty boxes are not left in the aisles any longer than necessary when restocking.
- Any unpleasant odours attended promptly.
- Bigger cleaning, such as a spring cleaning is done periodically.

Daily Store Opening Checklist

- Floor staffs arrive early to prepare the store for opening to the public.

- Any alarm system is disabled and lights are turned on.
- The registers or POS system are prepared for the day. Cash levels are checked.
- Staffs walk the store and do any necessary straightening, cleaning, or decluttering.
- Floor staffs take note of any items not completed properly at the previous night's closing.
- Air conditioning or heat is adjusted for customer comfort.
- At opening, the front door or gates are unlocked and any signs that alert the public that we're open is turned on.

Daily Store Closing Checklist

- Closing procedures starts at a certain time, or when the person in charge says it's OK. Customers do not out long before the advertised closing time.
- An announcement is made to customers that we're closing soon.
- When the last customers leave, signal that we're closed with appropriate signage.
- Floor staffs walk the store and do any necessary straightening, cleaning, or decluttering. The opening people depend on this being done properly.
- Shelves are restocked at this time, or as needed, but customers are not interrupted unnecessarily.
- It is made sure that all shelves, racks, and displays are properly filled and arranged. Customers often don't put things back correctly.
- All trash receptacles and discard boxes are made empty and materials left are packed in storage areas.
- All registers or the POS system are closed. Cash is counted and it is reconciled and payments with sale is credited. All necessary cross-checks based on authority internal controls are done.

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