UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, December 2020

Course: Retail Management (Open Elective) **Semester: III**
Program: MBA **Time 03 hrs.**
Course Code: GMMT8201O **Marks: 100**

SECTION A
(30 marks)

1. There are <u>SIX</u> questions in this section. All are compulsory.
2. Each question carries equal marks
3. Instruction: Choose the correct answer.

Q.No	Question	CO

1	What are the elements that a mission statement of a retail organization should include?
	  A. Sets guidelines for business operations
	  B. Identifies the reasons for existence of a company and its responsibilities to the stakeholders
	  C. Identifies the firms customers and their needs and marches them with products and services
	  D. All of the above
		1

2	The best way for a retailer to differentiate itself in the eyes of the consumer form the competitions is to
	  A. Increase advertising of sale items
	  B. Offer the lowest prices in town
	  C. Always be well stocked with the basic items that customers would expect to find in your store
	  D. Not sell any of the brand names the competition is selling
		2

3	What type of competitive structure are most retail firms involved in?
	  A. Horizontal competition
	  B. Monopolistic competition
	  C. Vertical competition
	  D. Pure competition
		3

4	Which one of the following is not an element of promotional mix?
	  A. Advertising
	  B. Product-mix
	  C. Publicity
		4

	D. Direct marketing	

5	Which statement is not a benefit of formulating a retail strategy?
	    A. A retailer is forced to study the legal, economic, and competitive market
	    B. A retailer is shown how it can differentiate itself from competitors
	    C. Sales maximization is stressed
	    D. Crises are anticipated and often avoided
		1

6	Which statement concerning the impact of time demands on a retailer is not correct?
	    A. The ability or inability to delegate duties affects the number of hours worked
	    B. The ability or inability to automate operations affects the number of hours worked.
	    C. Independent stores often have more intensive participation by the owner than chain operations
	    D. Most retailers work only when the store is open
		2

SECTION B
(70 Marks)

1. There is only <u>ONE</u> Case Study in this section.
2. Instruction: Solve the case as per the Case Analysis Guidelines.

Q.No	Case Study	CO
7.	Analyze the following case:	4

TASHN.COM: DEVELOPING MERCHANDISING FOR A COMPETITIVE ADVANTAGE

One afternoon in October 2016, Rishi Prakash, assistant director of buying and sourcing (apparel category) at Tashn.com (Tashn), was examining his team's readiness for the upcoming End of Reason Sale, scheduled for January 3 to 5, 2017. After being taken over by an Indian unicorn[1] company for US$70 million[2] in July 2016 as a part of the consolidation in India's booming e-commerce market, Tashn—a fashion and lifestyle e-commerce portal—was revisiting its buying processes to stay equipped for the upcoming festive rush. Backed by a European investment firm, Tashn held around 25 per cent of the Indian online fashion retail segment. A high net promoter score (NPS) of 73 (the average NPS in this segment was 60)[3] spoke volumes about Tashn's credibility as a trusted name among fashion conscious Indian youth. Tashn wanted to sustain its reputation by avoiding any product or service delivery glitches experienced by e-commerce giants during the recent mega Diwali[4] sales (e.g., Amazon's Great Indian Festival Sale, Snapdeal's Unbox Diwali Sale, and Flipkart's Big Billion Days Sale).[5] Tashn intentionally stayed out of the Diwali mega sales in October that year and was getting ready for January's End of Reason Sale.

At this juncture, Prakash was contemplating a few crucial merchandising decisions: Was Tashn's merchandising plan effective? Was its buying model sustainable for large orders? Were the seller selection and evaluation processes efficient to ensure quality? Prakashwas particularly concerned about the increase in customer complaints and dissatisfaction about the quality of products ordered from various e-commerce companies.

E-COMMERCE IN INDIA

In 2016, the Indian e-commerce industry was growing, and the online travel segment had a dominating share of 70 per cent.[6] The industry was one of the fastest growing, with inventory-based and marketplace models enjoying a lion's share of 67 per cent. By 2016, the e-commerce industry was expected to generate $38 billion, up from $23 billion in 2015 and $3.8 billion in 2009.[7] While the total size of the Indian retail market was $850 billion–$1 trillion in 2016, with a compound annual growth rate of 10 per cent, forecasts marked a four-fold increase in Indian electronic retail (e-retail)—from 1.2 per cent of the total retail market in 2015 to 4–6 per cent by 2020. This would be about $100 billion in terms of revenue. Fashion e-commerce would account for 35 per cent ($35 billion) of this amount.[8]

One of the major reasons for the growth of e-retail in India was a deeper digital penetration, especially through mobile phones. It was predicted that the shift of browsing trends from desktop to mobile would affect online shopping, too. India had 451.5 million internet users in 2016, and this amount was expected to grow to 635.8 million by 2021. Also, in 2016, approximately 24.33 per cent of the population accessed the internet from mobile phones. This figure was expected to grow to 37.36 per cent by 2021.[9]Despite the huge untapped opportunity, India was already the second-largest online market worldwide.

According to an ASSOCHAM 2016 report,[10] online shopping through smartphones was a game changer, and industry leaders believed that mobile commerce could contribute up to 70 per cent of their total revenues by 2020. In India, mobile devices and tablets generated roughly 60–65 per cent of the total e-commerce sales, an increase of 50 per cent over the past year. This trend was expected to continue. In fact, one out of three transactions in Tier 1 and Tier 2 cities was already happening through mobile access. Mumbai, New Delhi, Ahmedabad, Bengaluru, and Kolkata were leading the race. Customers used the internet to search for information and compare across product categories (78 per cent), but soon they were expected to start buying online as well.

Another reason for e-commerce growth was the growing acceptability of online payments. Conservative Indian customers, who were driven initially by the cash on delivery (COD) option, now started using other modes of online payments as well. In 2016, 45 per cent of online buyers bought through COD while16 per cent by credit cards and 21 per cent by debit cards; 10 per cent opted for internet banking; and 7 per cent chose cash cards, mobile wallets, and various other payment modes. Buyers in the 18–25 age group, comprising 38 per cent of online shoppers (both male and female), were the fastest growing segment online. The 26–35 age group comprised52 per cent of online shoppers; the36–45 age group comprised 8 per cent; and the 45–60 age group comprised 2 percent. Overall, females comprised 35 per cent of online shoppers, whereas males comprised 65 per cent.[11]

FASHION RETAIL

The e-retail sector was dominated by the electronics category with a share of 45 per cent, followed by apparel and lifestyle at 30 per cent. According to a Technopak2016 report,[12]by 2020, the category share split would still remain the same, with electronics at 44per cent followed by apparel at 30per cent. However, as the number of working women with greater financial independence increased, their share in the retail fashion and lifestyle space might rise from 38–42 per cent to 45–48 per cent. The men's share would go down from 52–54 per cent to 45–47 per cent, whereas the children's market would remain unchanged at 5–10 per cent. The apparel segment was the fastest growing category at 69 percent in 2015, followed by electronics at 62 per cent, baby care at 53 per cent, beauty and personal care products at 52 per cent, and home furnishings at 49 per cent. Online apparel retail as a whole attracted 24 per cent of internet users.

The fashion segment was not only experiencing high growth, it was also evolving quickly. Customer expectations changed quickly from researching to purchasing. Heavy discounts had made the sector hypercompetitive, and there was a need to focus on global brands. Also, as compared to other segments, there was a greater percentage of customer initiated returns (CIR). These returns resulted in an increased cost of reverse logistics (50 per cent of the total delivery costs) due to two-way courier charges. The return charges were typically $0.55 to $0.75 higher than forward logistics. High CIR was an outcome of dissatisfactory product quality and size, fitting issues, and logistics failure. Logistics typically accounted for 4–6 per cent of the total cost and was an important concern for apparel and lifestyle e-retailers.

E-COMMERCE COMPETITION

There were close to 1,500 start-ups in the e-commerce sector[13] in India in 2016, but the top 25 retail websites accounted for 62 per cent of all web traffic nationwide.[14]Every third shopping search in India on the Google search engine was related to fashion, with queries growing at the rate of 66 per cent yearly.[15]E-retailers were broadly divided into two categories: horizontal and vertical. Horizontal retailers sold products across product categories (verticals) and had an 80 per cent market share in e-retail. Vertical retailers operated in niche product categories such as fashion, furniture, home furnishings, eye care, and health care. The three major horizontal retailers in India in 2016 were Flipkart, Amazon, and Snapdeal. They operated in multiple product categories and accounted for 75 to 80 per cent of sales.[16]

About 75 per cent of all online sales were generated from urban centres and Tier 1 cities in India. The exception was Tashn. It had a significantly higher share from Tier 2 cities because it could meet the fashion aspirations of the customers in these cities, which otherwise had low availability of fashion products.[17] All the companies operating in the Indian e-retail segment were facing problems of valuation, customer numbers, and unstable business models.

The marketplace model had an 80–85 per cent share of the Indian e-retail market, mostly among the horizontal retailers, where company-fulfilled marketplaces were more popular than seller-fulfilled ones. The most visited sites in the fashion category were Tashn and Lime Road, followed by Myntra.[18] Tashn and Flipkart were perceived high in terms of product quality and condition, ease of payment, on time delivery, and ease of returns. Tashn constituted 15 per cent of the market and had a ratio of 70:30 for inventory-led and marketplace merchandising models.

MAJOR RETAILERS

FlipKart

Introduced in2007, FlipKart was one of the country's leading and well known e-commerce platforms. It offered more than 80 million products covering over 80 categories and segments.[19]At nearly 10years old, the platform had 46 million registered users, 33,000 employees, and 14 warehouses. It enjoyed 10 million page visits each day. Flipkart had a gross merchandise value of $10 billion and a track record of raising $3.15 billion in venture financing.[20] It started as a book retailer but evolved into an electronics and fashion giant through several acquisitions such as Letsbuy.com (electronics), Myntra.com (fashion), and phonePe (payments/wallet solutions).

Amazon India

U.S. based e-commerce giant Amazon.com Inc. entered India in 2013.It started in India with a limited number of products, but slowly captured the market with amazing offers on its extensive catalogues. The company registered a 250 per cent growth in volume in 2015 on a year-on-year basis. It had been fighting fiercely for market leadership with Flipkart and Snapdeal. All three aggressively spent billions of dollars on marketing, strengthened their supply chains, and acquired customers with voracious discounts. Flipkart and Snapdeal, however, struggled to raise money and wrestled with spending cuts,[21]while Amazon was funded internally by its U.S. parent.

Snapdeal

Snapdeal started along the lines of eBay Inc. as a discount coupon website. However, to capture the growing e-commerce market, Snapdeal changed to the marketplace model with multiple product categories that included books, mobiles, electronics, and apparel. Snapdeal received funding from investors like Alibaba Group Holding Limited, Soft Bank Group Corp., Foxconn Technology Group, and Ratan Tata, and was estimated to have raised over $1.7 billion in multiple funding rounds.[22] Snapdeal offered a growing volume and diversity of sellers, which the Indian government encouraged. With 300,000 sellers already, the company aimed to increase the number to 500,000 by the end of 2016 with a focus on economics and customer experience.

Other Players

Apart from Flipkart and Snapdeal, big corporate houses like Reliance Retail Ltd. (Reliance), the Tata Group, and the Aditya Birla Group, which had a presence in offline retail, saw the potential in the online sector. Reliance entered the e-commerce space with AJIO.com, which intended to become the Amazon of online luxury fashion. Abof.com, another fashion portal, featured celebrity-inspired apparel, accessories, and footwear. The Tata Group announced a launch of its digital showroom, TataCLiQ, which sold a curated range of top brands across the apparel, electronics, and footwear categories. Arvind Limited, a reputed name in textiles and men's wear, launched the online site Creyate, selling the Creyate custom clothing brand. In the same league was e-retailer Mr. Buttons, which provided customers with custom tailoring. Lime Road, started in 2012, was India's leading online shopping platform for fashion and lifestyle products exclusively for women. The company offered more than 200,000 local fashion products comprising Indian ethnic wear such as kurtis, sarees, salwar suits, footwear, accessories, women's handbags and purses, and kitchen products. It had a wide local vendor network and was popular among working women.

RISING QUALITY CONCERNS IN THE E-COMMERCE INDUSTRY

One of Prakash's major concerns was the general increase in the number of complaints and customer dissatisfaction from various e-commerce retailers. He could vividly remember two incidents and wondered if this had ever happened to Tashn.

The first incident involved Arya Kumar, a mother of two, who worked with a multinational corporation in New Delhi. On her 9-year-olddaughter's birthday, she surprised her child with a special 100 per cent cotton "Barbie bedsheet" for her bed. Kumar had ordered the bedsheet through Amazon, which had recently started Indian operations as Amazon.in. On receiving the product, Kumar opened the bedsheet but could judge by her experience that it was not 100 per cent cotton as claimed by the Amazon website. Her daughter was so excited to see the bedsheet that she asked her mother not to remove it until she showed it to her friend the next day. Early in the morning, in a rush to get ready for work, Kumar quickly ironed her saree on the same bedsheet. To her utter dismay, she found a hole in the bedsheet as a result of being burned. This validated her judgement about the wrong product claim by the e-retailer. Kumar usually purchased only cotton bedsheets due to the climatic conditions in New Delhi; any other fabric was a problem because of her daughter's skin allergies.

The other incident involved Deepika Prakash, who was in her early twenties and had a zest for life. She had just enrolled in a prestigious college in New Delhi. For her first day of college, she had ordered a medium-sized traditional dress from Yepme.com. She received the dress the evening before her first day. Upon trying on the dress, Prakash discovered that the standard medium size that should have normally fit

her perfectly was at least two inches broader on the shoulder on each side and could not be worn without alteration. Disappointed, she started searching her wardrobe for an alternative for the next day.

TASHN: HISTORY AND OPERATIONS

Founded in 2011, Tashn grew as a fashion and lifestyle e-commerce portal. It retailed apparel, footwear, accessories, beauty products, fragrances, home accessories, and other fashion and lifestyle products. Headquartered in Gurgaon, India, Tashn boasted $50 million in revenue and 1,174 employees in 2016. Major competitors included Yepme, Snapdeal, and Homeshop18. Since its founding by a team of entrepreneurs, Tashn had raised a total of $215.5 million. In 2014, it merged with four other online fashion retailers in Latin America, Russia, Southeast Asia, and Australia.

In the first quarter of 2016, Tashn had net revenue of €32.6 million,[23] up by 14 per cent compared to the same quarter a year before. Though the e-commerce industry, in general, was operating on losses on account of heavy discounting practices for customer acquisitions, Tashn had checked its losses by reducing discounts. However, the parent company was facing troubles globally in the form of stock crashes; under immense pressures from the shareholders, the parent company put Tashn up for sale. In a $70 million deal, a unicorn online fashion portal bought Tashn in July 2016 as a part of a consolidation move.

Tashn operated mainly on an inventory-based model. It sourced its products directly from the manufacturer/supplier brands and stored them in its own warehouse(s). This practice helped Tashn build a loyal customer base by offering speedy delivery and simultaneously keeping a check on product quality. Tashn also followed a managed marketplace model wherein it partnered with many electronic and brick and mortar retailers and reserved their inventory for online sale. Thus, while Tashn did not have to store the products sold by these vendors in its own warehouses, it acted as an online supermarket where the customer had access to all the products sold by its partners.

Though the inventory model was Tashn's main business model for high turnover products, the marketplace model brought capital efficiency and profitability. The inventory carrying costs were typically 2 per cent of the sum of product cost and obsolescence cost. In the marketplace model, Tashn did not take ownership of the products and provided the marketing and logistics support at a fee to its suppliers. However, there were concerns related to customer satisfaction because the products ordered from their partners took longer to deliver, tarnishing Tashn's brand image. Over the years, Tashn had positioned itself as a major fashion online destination and a multi-brand retailer that stored more than 1,500 trending international high street brands, sports labels, Indian ethnic and designer labels, and over 150,000 styles from more than 1,000 sellers.

Tashn boasted of about 15 million visitors a month (about half a million a day) and a gross merchandise value (GMV) or total value of inventory sold of about $1.5 billion per year. In contrast, the GMV of most small retailers was less than $30 million a year. Smaller companies such as American Swan, Yepme, and Voonik attracted less than 4,000 daily visitors.[24] In 2016, online fashion retailers had total transactions worth $3 billion. This amount was miniscule compared to the vast potential in the overall Indian fashion market, with ample room for small, niche, and large market players. Even with deep discounts, the huge margins enabled online fashion retailers to experiment with prices.

Nevertheless, to keep up in the highly price sensitive market, a clear differentiation was needed because customers did not remain loyal to one e-retailer. The unit economics favoured the larger sellers; their reach gave them an advantage in customer acquisition cost, which was 50 per cent of the small seller's

cost of $18–22. To survive in the long run, companies needed clarity in unit economics, a clear path to profitability, and a differentiating factor, which evolved over time.

TASHN'S MERCHANDISING PHILOSOPHY AND FUNCTION

As a leading online fashion retailer, Tashnbuilt its merchandise around the philosophy "Be You," which was about inspiring people to speak their minds, live their lives, and wear their colours. The multi-brand e-retailer offered over 1,500 brands and 200,000 products across four product categories—apparel, footwear, jewellery, and accessories—to help fashion-conscious youth explore their individual expression. Its diverse merchandise was aggregated around the idea that there is no point following others' styles when one wanted to be true to oneself. Following this individualist merchandising philosophy, the portal classified its merchandise around active, edgy, sophisticated, or glamorous looks for all its customers (including men, women, and kids).

Tashn carried major international fashion brands (such as the United Kingdom's Dorothy Perkins, Spain's Mango, and Denmark's Vero Moda) in its catalogue. It also featured boutique brands for exclusive customer segments such as "plusS" for plus size fashion wear, and The Wedding Store for wedding essentials. "We are focused on our core customer segment, which is fashion-conscious youth," Prakash stated.

In contrast to other online fashion retailers, which focused on low-priced, high-discount small brands and labels to acquire more customers, Tashn targeted slightly higher and full-priced merchandise to continuously meet the aspirations of its target audience. The company's selling point was the collections from power brands (GAP, H&M, and Zara, to name a few) instead of multiple private brands, which its competitors showcased. Prakash commented on discounting-based retail: "If a business is built on discounts only, the business stalls when discounting stops. We want to build on our service delivery, unique merchandise, maximum choice, [and] quality, and want to go beyond discounts."

Considering that merchandising was the key to Tashn's strategy of a hybrid model of inventory-led and marketplace, the merchandise function played a vital role in its success. Tashn had a separate merchandising department headed by the chief buying officer, who was in charge of merchandising purchase across all product categories on the portal. To maintain the distinctiveness of the merchandise, all the buying decisions for the portal were made centrally at Tashn headquarters in Gurgaon, Haryana.

In one way, the merchandising department at Tashn was an intersection of retail art and statistics. It was composed of teams of executives responsible for planning and buying for specific merchandise categories led by category vice-presidents (in charge of buying related to specific merchandise categories, such as footwear). The planning team had trained statisticians who worked closely with other business units to identify, develop, and drive business insights related to future demand patterns. Based on these insights, the buying team worked on brand selection, vendor evaluation and sourcing, product selection, order follow-ups, and inventory flows. Tashn had a merchandising staff of more than 100 people, with many smaller buying offices near the apparel and footwear manufacturers and distribution centres, apart from its central office in Gurgaon.

TASHN'S MERCHANDISING PLAN

The buying team considered many factors in building merchandise for the upcoming End of Reason Sale.

Customer Preferences and Past Sales

As part of the initial preparation for the sale, the planning team began exploring the huge shoppers' database. This database was created over the past few months using different types of cookies and trackers on shoppers' browsers.[25] The main objective behind this analysis was to get an idea of customers' evolving product preferences and identify the best-selling categories on the portal. The team used forecasting tools to predict website traffic during the three days of the sale event and possible conversion rates based on past trends.

Based on these insights, the team prepared a sales catalogue, listing the product categories to be offered during the sale together with the range of discounts (from 20 to 70 per cent). The buying team helped sellers set appropriate prices for their products on Tashn's portal by providing predicted sales volumes at different prices, determined through predictive analytics. "Though we encourage our sellers to offer discounts, we let them set the price. We share our data points on ongoing sales to help the sellers set appropriate prices," Prakash elaborated. The increased use of mobile applications for fashion shopping had ensured the accuracy of user information used by the portal for sending product recommendations.

Assortments

Another vital decision to be made for devising the merchandising plan was the width and depth of product assortments to be offered during the sale. After the Department of Industrial Policy and Promotion operating under the Ministry of Industry, India, recent outlawed deep discounts in online marketplaces, customer acquisitions became a challenge for online retailers. In line with these developments, Tashn followed the assortment strategy of world-class speciality online fashion stores such as Zappos.com and ASOS.com.

Tashnfocused on building merchandise comprising best-selling stock-keeping units from top brands instead of cluttering the website with thousands of options from unproven brands and private labels. Backed by its exclusive market segment, the company shed many low-margin brands from its sales catalogue and brought down the brands available for sale from 2,500 to 1,500 (including 1,000 international brands). It added more high-street international brands such as Mango and Jack &Jones in place of lesser popular brands. "Our assortments are built keeping the medium to lower upper-middle class, fashion-conscious customer in mind who goes all out for style," said Prakash aboutTashn's exclusivity in assortments.

Brands

As a part of its assortment planning, the buying team had to select the proper mix of manufacturer brands, private brands, and generic brands (white labels). The popular manufacturer brands selected for the sale in the apparel category included Vero Moda, Dorothy Perkins, and Pantaloons. Well before the event, Tashn's management made a conscious decision to drop all private labels from the catalogue to maintain its distinctiveness from other fashion portals. Instead, they added white labels (such as Jove footwear), which were lesser known but high-potential brands. According to past sales data, these brands accounted for about 15 per cent of Tashn's past sales. In contrast, manufacturer brands (including 1,000 international brands) remained dominant with 85 per cent of sales. Going by past sale trends, the team focused on offering a clear value proposition of individualistic fashion by building a brand mix dominated by high-street brands in the ratio of 3:1 against generic brands. Prakash noted, "The best thing that the customers like about us is that we have so many fresh brands, both national and international, to choose from."

Buying

Tashn operated using an inventory-led model until the government's directive in March 2016 allowed 100 per cent foreign direct investment (FDI) in online retail through the marketplace model.[26]With the inventory-led model, Tashn bought merchandise from dominant brands by complete advance payment (called the outright model) or buying newly launched or unproven merchandise from lesser known brands on consignment(called sale or return or SOR model). Further, until June 2015, 90 per cent of Tashn's sales came from a single seller, Xerion Retail Private Limited (Xerion). However, after the directive, the company adopted the marketplace model and started buying merchandise from multiple sellers, including Bren Trading Private Limited, Ravenna Fashion Private Limited, and Wearhouse Products Private Limited. With the inventory-led model, the buying team had better operational and quality control over sellers. However, the marketplace model offered the merits of reduced inventory, and reduced processing and packaging costs.

For the December sale, the team was preparing to operate on a hybrid buying model by integrating the merits of both inventory- and marketplace-based models. Under this hybrid model, Tashn planned to offer a mix of merchandise, either "marketplace fulfilled" (meaning storage, packaging, shipping, and delivery services were offered by Tashn in exchange for a fee, depending on the product category and size) or "self-fulfilled" (the seller was responsible for holding inventory, packing, and timely delivery). The team believed this infusion of inventory-led with marketplace would give Tashn better control over sellers and ensure the quality of high-margin merchandise. At the same time, the company did not need to bear the burden of the blocked low-margin sellers' inventory. "Our goal is to deliver the right order to the right customer at the right time. Whether it is fulfilled by the seller or by us depends on the product margins," Prakash commented on the choice of buying model.

Selecting and Evaluating Merchandise Sources

The buying team had to make the crucial selection of sources of merchandise for the upcoming sale after evaluating them on rigorous quality standards. Prior to the opening of FDI in online retail, Tashn was buying 90 per cent of its merchandise from Xerion. However, after the transition to a marketplace model, Tashn made space for multiple sellers on its portal, to connect with buyers for direct transactions.

As far as merchandise sourcing for the dominant brands was concerned, the team preferred outright or consignment-based sourcing for getting good margins on bulk purchase. On the other hand, for new or unproven brands, the seller selection for the marketplace was started with the registration process. This process involved a careful scrutiny of the seller's authenticity through mandatory registration of the seller's business (the seller should be a corporate entity), value-added tax[27] (required for selling goods and services in India), trademark (to protect sellers' brands from counterfeiting), and mandatory barcoding technology (to print labels and tags on merchandise for effective inventory control). After seller registration, the merchandise evaluation was carried out by the compliance team depending on the item's cost, attributes, and purchase regularity. For high-cost items (such as jewellery), the team inspected every single item before acceptance. For large quantities of expensive merchandise (clothing and footwear), items were sampled for quality and condition. Unsatisfactory samples caused a seller to be rejected.

After being selected, sellers got access to Tashn's vendor management system (Seller Connect) on its portal. This system helped sellers keep track of their catalogues, orders, dispatches, payments, and revenues. The catalogue section of the system helped the seller submit product catalogues. These catalogues were further improved by an expert team, which gave a facelift to the product descriptions, images, and attributes. The order section provided information about orders received, which the seller had

to send to the company warehouse after packaging (with invoice and bill details). These packages went through stringent quality checks before getting dispatched to the customer from the warehouse. The system also helped sellers track the journey of their orders from warehouse to customer.

THE WAY FORWARD

Learning from the undermined potential of festive season sales offered by top e-commerce portals, due to technical glitches and possibly a result of lack of preparations, Prakash wanted to be sure about the merchandise planning for Tashn's End of Reason Sale in December 2016. It was crucial to select the right mix of assortments, brands, and sellers. To finalize the sales catalogue, the team had assessed the internal shoppers' data and historical sales figures using predictive analytics. Focusing on its niche market segment of fashion conscious youth, the catalogue was dominated by high-end brands in all product categories available for sale. For the selection and evaluation of sellers, offering new or lesser known brands, the Seller Connect portal was employed. Moving away from its pure inventory-based model, Tashn adopted a hybrid marketplace model to create a win-win situation for both itself and its sellers.

With a targeted growth of 500 per cent in sales by reaching five million customers during the three-day event, the merchandising team was gearing up across all fronts—from working with brand partners for product selection to investing in technology for gaining customer purchasing insights to generating a robust distribution that would provide a better customer experience. "This is our first End of Reason Sale, and we'd like to continue to deliver great customer experience, what our customers love us for," Prakash said.

ENDNOTES

[1]"Unicorn" referred to any start-up company that reaches a US$1 billion market value.

[2] All currency amounts are in US$ unless otherwise specified.

[3] "Net Promotor Benchmarks," NICE Satmetrix, accessed January 23, 2017, www.netpromoter.com/nps-benchmarks.

[4] Diwali was a festival of lights celebrated in India every year in autumn.

[5] Varun Jain, "Flipkart's Big Billion Days Sale Fails Yet Again," Gadgets Now, October 16, 2015, accessed November 12, 2016, www.gadgetsnow.com/tech-news/Flipkarts-Big-Billion-Days-sale-fails-yet-again/articleshow/49405163.cms.

[6] IANS, "India's E-Commerce Industry May Reach $70 Million by 2020," BGR, February 10, 2014, accessed December 18, 2016, www.bgr.in/news/indias-e-commerce-industry-may-reach-70-billion-by-2020.

[7] "E-Commerce Industry Will Cross $38 Bln Mark by 2016; Indian E-Commerce Market Set to Grow by 67% in 2016: Study," ASSOCHAM India, January 1, 2016, accessed December 15, 2016, www.assocham.org/newsdetail.php?id=5427.

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[9] "Number of Internet Users in India from 2015 to 2022 (in Millions),"Statistica, accessed December 18, 2016, www.statista.com/statistics/255146/number-of-internet-users-in-india.

[10] "E-Commerce Industry Will Cross $38 Bln Mark by 2016," op. cit.

[11] Ibid.

[12] Gugnani, op. cit.

[13] Grand Thornton and ASSOCHAM India, *Startups India—An Overview,* 2016, accessed March 10, 2017, www.grantthornton.in/globalassets/1.../india/assets/.../grant_thornton-startups_report.p.

[14] Pavel Tuchinsky, "Shopping Goes Mobile," Market Intelligence Blog, January 27, 2016, accessed March 10, 2017, www.similarweb.com/blog/shopping-goes-mobile.

[15] "India's Fashion E-Retail Market to Touch $35 Bn by 2020: Google," Live Mint, March 19, 2015, accessed March 10, 2017,www.livemint.com/Industry/N9i3R5ExZpSBlhtuS0CCQJ/Indias-fashion-eretail-market-to-touch-35-bn-by-2020-Goo.html.

[16] *The E-Tailing Revolution in India—the Road to $100 Billion* (Bangalore: Red Seer Management Consulting, March 2015), accessed March 10, 2017, http://redseer.com/wp-content/uploads/2017/10/70.The-e-tailing-revolution-in-India-%E2%80%93-the-road-to-100-billion-2015.pdf.

[17] Ibid.

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