



RESEARCH ARTICLE

IMPACT OF TECHNOLOGY ON RETAIL GROCERY BUSINESS OF PUNE

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ABSTRACT

Grocery items is the day to day need at all levels of the society India is emerging as the second largest market of family requirements over last decade. The emergence of online shopping groceries is adopted by most of the developed countries and now the same is penetrating in Asian continent with India as the biggest market. The nucleus family size, outbound nature of all the adults of a family, growing size of urban population, rising traffic and other issues, technology up-gradation in banking, logistics and communication have made it mandatory to follow the technology driven marketing. Consumers in urban areas have already started ordering household foods such as rice, flour, sugar, vegetables and dairy products. The study is focused to investigate the retailer trade using new technology for change in the buying behavior of the urban consumers. This enables retailers as well as consumers to enjoy number of benefits.

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INTRODUCTION

Food, Shelter and Clothing has been recognized as the basic needs of human life. Developed as well as developing economies find food supplies as the most essential commodities and hence, in the years of severe shortages, dependence on other nations by even importing the same, the survival of the citizens is resorted to. Indian economy also had resorted to PL480 like Contracts with US government in the past. Fortunately, the Agriculture Sector in India has not only been self sufficient but robust agricultural crop has facilitated its regular supplies. Technology developments have totally changed the strategies of marketing in the last decade. In the present Research Paper focusing on the City of Pune and the Grocery business only the new age model of online shopping platform is tested. This new age model has the potential of changing the total marketing systems in the near future.

MATERIALS AND METHODS

This Study is based on the City of Pune, focusing on the supplies of grocery items only. Hence, the following Research Methodology has been adopted:

- **Primary data** with interview and observation method
- **Secondary data:** - referring websites, magazines and journals

**New age challenges:** After 1991, the era of Globalization and Opening of different economies to become a common World market has become the established pattern. Marketing of goods and services, particularly grocery items has no barriers of boundaries. The Grocery business has become competitive worldwide. The Developed economies look at the third world countries as the soft market for such supplies. Technology driven marketing has been the order of the day and the Indian Economy, particularly the urban population is being targeted in this connection. State of Maharashtra in general and the Metropolis of Pune in particular has been marked on the world map of business. Rising population due to modern hub of industries and business houses calls for the catering of their needs with the use of technology. Snapkirana.com is one of such online shopping platform for grocery items which is helpful not only to the customers but also to the Retailers at large. The Indian retail segment from 2015 figures 600 billion dollars in India in Retail segment out of this, 70 % is grocery and food and 30 % rest all from other such as electronics, travel and hotel etc. its huge i.e. 420 numbers. 70 % from this 94 % is un-organized sector and only about 6 % is organized

sector i.e Big Bazaar and Big Basket these two players contribute about 6 % share. Hence it is obvious that the new players will have to focus on this 94% i.e. un-organized sector. Organized players show annual growth of about 40 % every year. They are successful because of adopting new technology in marketing. The present Traditional Grocery retail business is not able to provide all these facilities like - such as problem of ordering online 24 X 7, exact delivery, modern banking facilities and the professional confidence of precise service to their consumers. In today's world, particularly in the urban localities like Pune Metropolis, customers want the grocery material at their door steps with precision. This is exactly identified by Snap Kirana.Com and has started catering! Thus, a greater challenge is created by the new era technology driven marketing, before the traditional retailers. The traditional retailers will have to provide more and more services to the consumers basically to survive in the current market competition and for their further development. Snapkirana.com is a platform which helps consumers as well as retailers. Their tagline is "Empowering Retailers" which means to empower Indian retailers with the power of technology.

**Marketing flow chart:** The following Flow Chart shows the comparison of the flow from Growers to Traditional Retailing and the Modern flow of Growers to retailing. The Researchers have observed the system of Retail trade developed with the use of Technology by Snapkirana.com., observed and studied their documentation and noted their business strategies. At present, the local stores are having below mentioned chain of middlemen in between.



This was the traditional method of stores to purchase the grocery items.

But with the entry of Snapkirana.com, they can purchase it from Cash and Carry Agency (C and C) and then distribute it to the retail stores directly. Thus, the in between steps are curtailed with their commission too ! Following opinions were expressed by Shri. Limaye CEO of Snapkirana.com:



For this un-organized sector, the Snapkirana.com provides the following lucrative facilities:

- Delivery at the door step
- Discount promotion
- E-commerce
- Market Place
- Online App.

Snapkirana.com is digitally connected to the consumers under the government's dream project "Digital India". Snapkirana.com provides B2B (Business to Business) and B2C (Business to Consumers) marketing.

For this we charge very less for the retailers i.e Rs. 3650/- per annum which is RS. 10/- per day. Retailers don't hesitate to

spend such a less amount for online marketing which helps them to connect to their consumers digitally. Snapkirana.com is having 360 degree services to consumers and retailers. Local stores i.e. un-organized sector players are having only 12 % profit margin. However, by joining in the pool of Snapkirana.com their turnover will increase and the profit level will also automatically go up. At present, Snapkirana.com has many competitors to this new venture. Some of them are: D-mart, Big Basket, Star, Reliance, Big Bazaar. They are having 20% profit margin which is huge amount but Snapkirana.com gives retailers grocery material directly. Hence, they have cut down the middleman which helps retailers to have more profit margins. Snapkirana.com is having partnership with many international dealers like - BOOKERS, a UK based company, Wall Mart (US), Metro (German) and Reliance (India). Thus, their operations are expected to be faster and professional. In July and August only, they have received orders over 60,000 lakhs. Today, Snapkirana.com provides the following as their marketing services:

- Brand services
  - Order taking
  - Logistics
  - Credit
  - Collection
- Logistic charges of Snapkirana.com are also nominal. 95 % customer prefers cash on delivery. Payment method is decided by sellers.
  - Snapkirana.com provides brand services which helps traceability and feedback from direct market. Brand can give direct discount to consumers.
  - Snapkirana.com is having tie ups with about 350 stores in Pune and B2B with about 200 stores. So just in the span of three years, it has attained great success, having potential for the total turn around in the Retail marketing Segment.
  - Further, in order to test the abovementioned views, the researchers also met Shri.Suryakant Pathak, Managing Director, Grahak Peth, Pune. Some of his observations were noted as follows:
    - There are many middlemen in between the manufacturer and the Retailer. So the load of their share goes on increasing and becomes burdensome for the end user.
    - Snapkirana.com is a successful model in Pune. Initially, even the big brands in Eatables in Pune did not believe in this model, but we took lead in marketing these brands through Snapkirana.com, which has shown successful results.
    - Even, our Mahotsav, a self-made method of retailing of Grahak Peth, has seen further heights of successful results of the Snapkirana.com.
    - However, we see a lot of use and expectation of technology in the Snapkirana.com model, which is yet to cross hurdles to reach the Taluka place and interiors.

### Main Observations and Findings

In the course of this Research Work, the Researchers have noted the following main observations and findings:

- There is a long chain of middlemen in the present Traditional Business.

- This results in delays, increased costs and non professional approach.
- Snapkirana.com is an example of a Professional Organization of Modern Marketing.
- Network created by Snapkirana.com is shows a successful path both in the interests of Retailers and consumers.
- Success attained by Snapkirana.com is encouraging and new rea in direct retail marketing is emerging.

**Epilogue:** Food, Shelter and Clothing has been recognized as the basic needs of human life. After 1991, the era of Globalization and Opening of different economies to become a common World market has become the established pattern.

The emergence of online shopping groceries is adopted by most of the developed countries and now the same is penetrating in Asian continent with India as the biggest market. Snapkirana.com has been a model of the use of technology driven marketing. This research work has opened up curiosity to study further the new era systems of Online marketing.

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