

**Project Dissertation Report on**

**UNDERSTANDING THE RELEVANCE OF**

**RETAIL OUTLETS IN THE DIGITAL**

**WORLD WITH THE HELP OF A LIVE**

**PROJECT WITH FASTRACK**

**Submitted By**

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# CERTIFICATE

This is to certify that the Project Dissertation Report titled, ‘**Understanding the Relevance of Retail Outlets in the Digital World with the help of a Live Project with Fastrack**’ which is a part of the Major Research Project for final year submission, submitted by Ms. Bhawini Bhardwaj, Roll Number 2K20/DMBA/31, in the fourth semester of MBA from Delhi School of Management, Delhi Technological University during the months of January to May 2022, is her original work and has not been submitted elsewhere for any recognition/award/credits/degree whatsoever.

This Major Research Project is submitted to the Delhi School of Management, Delhi Technological University as a partial fulfillment of the requirement for awarding the Degree of Master of Business Administration to Ms. Bhawini Bhardwaj.

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# DECLARATION

I, Bhawini Bhardwaj, final year student of Master of Business Administration of Delhi School of Management, Delhi Technological University, hereby declare that the work done as part of my Project Dissertation Report titled '**Understanding The Relevance Of Retail Outlets In The Digital World With The Help Of A Live Project With Fastrack**' under the guidance of my Mentor and Faculty Advisor Dr. Deep Shree, is my original work and has not been copied or submitted anywhere else.

This report has been written in my own words after a thorough research and understanding of the topic and not copied from any existing work. The contents of this Anything in this report which is not my original work, has been duly and appropriately cited/ referred/ acknowledged and given due credit.

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**Bhawini Bhardwaj**  
**2K20/DMBA/31**

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**Bhawini Bhardwaj**

**2K20/DMBA/31**

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# **EXECUTIVE SUMMARY**

This report is a compilation of several marketing and sales concepts related to Retail Marketing and the importance of Retail outlets in contributing towards overall sales. The project entails in-depth study about the consumer response towards the presence of retail outlets, their inclination towards the channel of sales and the relevance of retail outlets in today's world and in the near future.

The goal of this study is to identify the shortcomings of the brick and mortar retail businesses and why this channel of retail is failing in the modern world with the help of a quantitative study. The study aims at understanding customer preferences and their motivations behind selecting a channel to make a purchase, and their view on loyalty programs and if it is a motivating factor towards them making a purchase. The data collection contains responses from 70 participants, the majority of them residing in urban locations and belonging to middle class or upper middle class families.

The study also tries to grasp the understanding of the customers of the brand Fastrack and the attributes that they associate with it. Fastrack is one of the most popular brands for accessories in India that has existed for more than two decades and is very popular amongst the youth of the nation, but over the past few years that popularity has been on the decline and so are the sales. Footfall in the retail outlets has gone down significantly.

With the help of this survey and based on the responses received a revival strategy for Fastrack retail outlets was devised, suggesting the brand what all marketing strategies it can make use of to increase the footfall in its retail outlets in the country

The study also makes use of secondary research to understand the reasons behind the downfall of brick and mortar businesses and the strategies that these businesses can make use of to fight the domination of digital channels.

# Chapter 1

## INTRODUCTION

### 1.1 Background

People have been sharing, exchanging, selling, and consuming resources for nearly as long as they have existed. Humankind has come a long way from once trading cows and sheep to barter system and finally the use of currency and establishment of retail stores into highly efficient and constructed markets.

Retail encompasses both in-store and online purchases, thus things purchased in-store and online are both eligible. The term "retail" is broad enough to encompass everything from ancient travelling merchants to huge shopping malls, big-box stores, and ecommerce platforms. The basic definition of Retail is phenomenon of buying and selling of goods and services in a market for the benefit of a profit. The goods and services are made to be valued by their consumers and this takes place by placing a value equivalent price on them which the consumer can pay and does too.

The concept of Retail has been going on and strong from ages starting with the popular Mom and Pops stores which started in 1700s and gained humongous popularity in the 18<sup>th</sup> and 19<sup>th</sup> century. These stores were small, family-owned businesses selling all sorts of daily need items to people, catering to their curated offers and offering tailor made services while fostering human connection.

Then came the departmental stores between mid-1800s and early 1900s offering more industry and factory-made goods and not just the agricultural produce. With increased job opportunities and subsequent increase in purchasing power of consumers, these shops were no more just selling products but also lectures, entertainment and demonstrations. This is a concept that brands in the 21<sup>st</sup> century

are still abiding by. Providing a wholesome experience with a personal touch is something necessary for building brand value and better positioning of brands.

Then came the concept of shopping malls and plazas where multiple departmental stores, various merchants and sellers came under one roof to deliver services and sell products to the ever demanding consumers. Since shopping malls were located centrally to stand equidistant to the city, they flourished more with the adoption of automobiles by the wealthy. Transportation made communication better, faster and convenient.

Revival of one stop shop took place with the introduction of giant stores like Walmart, which served a wider population, offered huge discounts on bulk purchases and gave a wholesome experience to the customers. Consumers seeking convenience and no-frills service were drawn to these indoor giants because of their efficiency and overall size. These enormous shops were more focused on self-service and efficiency than the department stores of the early twentieth century, which gave personalized care and attended to customers' requirements.

Customers could obtain the consumer products they required at considerably lesser prices at these big box stores. Changes in the law after WWII paved the path for bargain retailing, which made this viable. Now people have gotten on the ecommerce bandwagon throughout the last three decades. This is due to a variety of factors. Ecommerce makes buying more convenient and efficient by allowing customers to conduct research, read reviews, compare prices, and make purchases at any time of day.

The rise of ecommerce coincided with the rise of the internet. Individuals become more interested in purchasing in the digital world as more people had access to it. Some consumers were initially hesitant to provide personal data and payment information via the internet, but now with the advent of safety and security

protocols, consumers have become more open to ecommerce and about 90% of the businesses are operating if not solely then partially through social media.

## **1.2 Problem Statement**

With the onset of social media, 5G internet and digital integration in almost all domains and industries, people are switching to online modes of doing businesses. Be it for promotion, engagement, advertising or making the final payment, businesses are flourishing in the era of ecommerce and internet of things. Almost 90% of businesses across the globe have some connection or association with the internet or are on ecommerce website if not their own.

In this dissertation report, the aim is to address the situation of retail outlets and stores, their existence in the digital era and their survival in the ever changing and demanding market with the help of a live project conducted with Fastrack. Retail outlets have long influenced consumers with their personalized touch and attention to detail and there are several characteristics related to these retail outlets that I have tried to understand and highlight. Attributes associated with consumer perception when opting for online and offline stores, general opinion towards the existence and future of retail outlets and survival strategies are some of the broad topics of my study that I have covered in the subsequent chapters.

## **1.3 Objectives of the Study**

There are some key research objectives associated with this study to help us draw meaningful conclusions upon thorough study and analysis that are stated below:

- a) To understand the consumer perception towards retail outlets in the digital era.
- b) To understand the inclination of consumer on mode of shopping, whether online or offline on the basis of age.

- c) To understand the brand awareness, consumer sentiment towards the brand Fastrack and its position in the market.
- d) To study the impact of loyalty programs on retail outlets.
- e) To find out the solutions to increase the footfall in retail stores and outlets.

## **1.4 Scope of the Study**

This study primarily focuses on perception, attitude and preference of Indian consumers towards the retail outlets, living in and around tier 1 cities. The target audience for the study is Indian nationals of ages 16 to 55 years of age and the questionnaire also addresses the same bracket. The outcomes of the study aim to benefit companies like Fastrack, to understand consumer response towards retail outlets, analyze the impact of loyalty programs on increasing the footfall in such retail outlets. During the course of this study, the motive will be to highlight the benefits of each mode of shopping, online and offline and finally suggest steps for the revival strategy of companies' retail outlets.

# Chapter 2

## LITERATURE REVIEW

In order to understand the concept of retail and the transition of customer preference from offline outlets to online mode, I exposed myself to several scholarly articles, research papers and journals all in the similar line of scope. In addition to this, I gauged more clarity about the different types of loyalty programs of different companies and how they impact footfall of the retail outlets and finally solution strategy to help companies that have extensive retail channels survive and revive in the digital era.

### **2.1 Adapting to the next normal in retail: The customer experience imperative-**

The COVID-19 epidemic has thrown the retail industry into disarray, forcing the closure of physical locations and casting doubt on the in-store experience's future. Many retailers are scrambling to provide efficient service to clients through alternative channels as a result of these unexpected shifts. Companies who prioritized physical locations and face-to-face engagement over omnichannel methods have struggled to respond, while digital-first and omnichannel retailers have had an easier time pivoting. Retailers should set a North Star to lead their aspirations for customer experience in this changing market, with defined targets spanning five actions: Invest in digital, innovate in omnichannel, alter retail operations, reinvent the physical network, and adopt an agile operating strategy.

Digital involvement has substantially transformed or substituted in-person connection, and early indicators suggest that much of this transformation will last in the long run. Since the outbreak of the pandemic, e-commerce sales in fashion,

department shops, and cosmetic items have surged by roughly ten percentage points on average. In grocery, e-commerce penetration is predicted to stabilize at twice the previous "normal" level, 5 to 7 percent, by year's end, having surged from 2 to 3 percent before the crisis to 8% to 10% during its height. *(Holly Briedis, Anne Kronschnabl, Alex Rodriguez, and Kelly Ungerman, 2020)*

Based on the study conducted, researchers believe retailers should concentrate on five initiatives to improve customer experience resilience and emerge even stronger from the rebound.

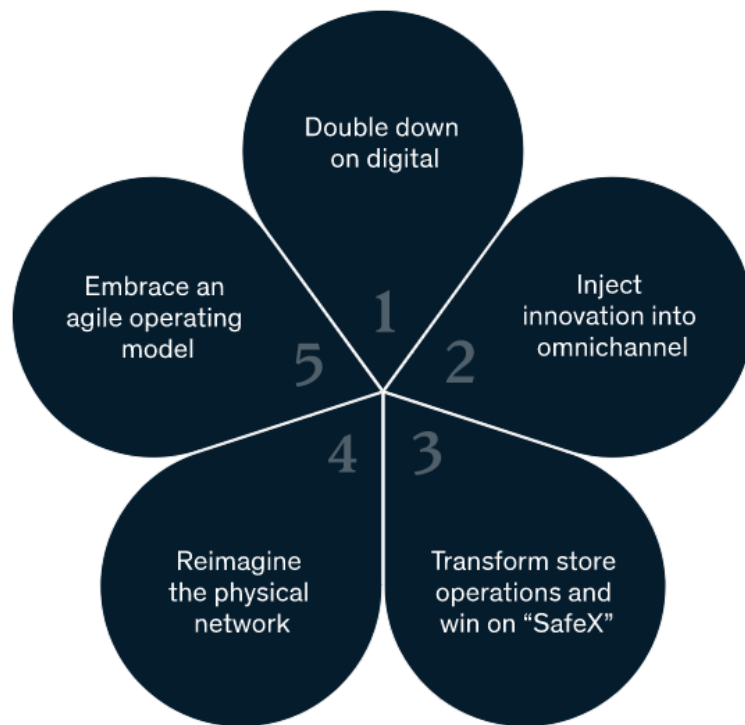


Figure 2.1: Operating Model proposed by McKinsey & Company

## 2.2 Customer Preferences towards Online Shopping-

Rapid advances in technology and networking have also opened up new opportunities for internet shopping in India's far-flung corners. Entrepreneurs and



established businessmen alike are finding e-business to be a valuable resource. With the progress in networking speed and the widespread use of smart phones, more and more people are turning to online shopping for big discounts and a wider selection of products.

With the growing use of smartphones and increased networking speeds, internet shopping has become a common occurrence, attracting an increasing number of customers. Online shopping is a virtual platform that delivers a wide range of goods and services to clients at substantial discounts to their homes. Because of its distinctive features such as a large choice of items, promotional offers, and discount programs, online shopping is becoming increasingly popular among educated people. In the previous five years, online business has experienced tremendous growth, and it is now considered as a fantastic chance for new entrepreneurs to gain access to the worldwide market.

### **2.3 Need for a level playing field between offline and online retail that puts the consumer first-**

During the pandemic, India's e-commerce business unexpectedly emerged as a savior, delivering essentials and other commodities to people. It gives customers more options, more choices, and more simple methods to get items that improve their lives. Many things that a consumer may require can be delivered to even the most remote parts of the country with the touch of a mouse. Rising smartphone penetration and low data costs have enabled an agile digital economy to serve large swaths of India. This is transforming retail into a hybrid platform, where customers demand the same experience whether they shop online or offline. This arrangement not only benefits the consumer, but it also promotes innovation, modernization, and investment opportunities throughout the retail value chain.

## 2.4 The Retail Apocalypse-

Consumers began gravitating to Amazon and other internet stores in greater numbers around a decade ago. The precipitous loss in sales for brick-and-mortar retailers had been accelerating in previous years, but the epidemic accelerated their collapse. The entire industry has suffered as consumers have abandoned the practice of purchasing and browsing in person. It's just a format that no longer works. People don't want to go through a four-story megastore only to find a few products. With rising digital use and shrinking foot traffic in physical stores, businesses are faced with an existential question: Are in-person locations still relevant? E-commerce has amassed a significant edge during the last 10 years. Ultra convenience, product touch and feel, immersive exploration, and personal, trusted counsel are four retail tasks where physical locations still have an opportunity to shape outstanding experiences.

Emerging technologies like augmented and virtual reality, if used successfully across all four purposes, might help physical commerce thrive. However, these technologies must be used in a certain strategic framework or the benefits would be short-lived. Retailers must return to fundamental principles to decide whether maintaining a physical presence is still viable. If it does, one or two of the four tasks that can allow their stores to produce unique and defensible value must be prioritized. Physical retail has been on the decrease for a long time. While the pandemic made things worse, shop closures were already on the rise before the epidemic. When everything is added together, the statistics for 2020 are likely to be even worse.

The "retail apocalypse," as many have nicknamed the recent steep collapse of brick-and-mortar businesses, has been predominantly driven by one massive, disruptive event: the rise of e-commerce. Over the last 26 years, one category after another has surrendered to digital shopping, in a predictable order dictated by their underlying economics. It started with books, audio, and video media, where inventory complexity is both daunting for consumers and costly for retailers. Then there were branded and commodity electronics, home products, and daily fashion, where the

convenience of a wide range of options, online search, comparison, and user ratings outweighed the absence of touch and feel. Health and beauty products, as well as essentials like food, are becoming increasingly handy. The phenomenal success of e-commerce pioneers like Amazon exemplifies the model's disruptive potential. (*Karen Lellouche Tordjman, Philip Evans, and Hind El Bedraoui, 2021*)

## 2.5 Plight of Retail Outlets and Survival Strategy-

Retail, at its most basic, serves seven primary functions, albeit the relative significance of each one varies greatly. These functions have helped and continue to do so in order to sustain the hold in the ever changing market and customer needs. Out of these seven functions, the top three are leveraged by the ecommerce sector. Thus, in order to conquer the market, the last four functions should be focused upon.

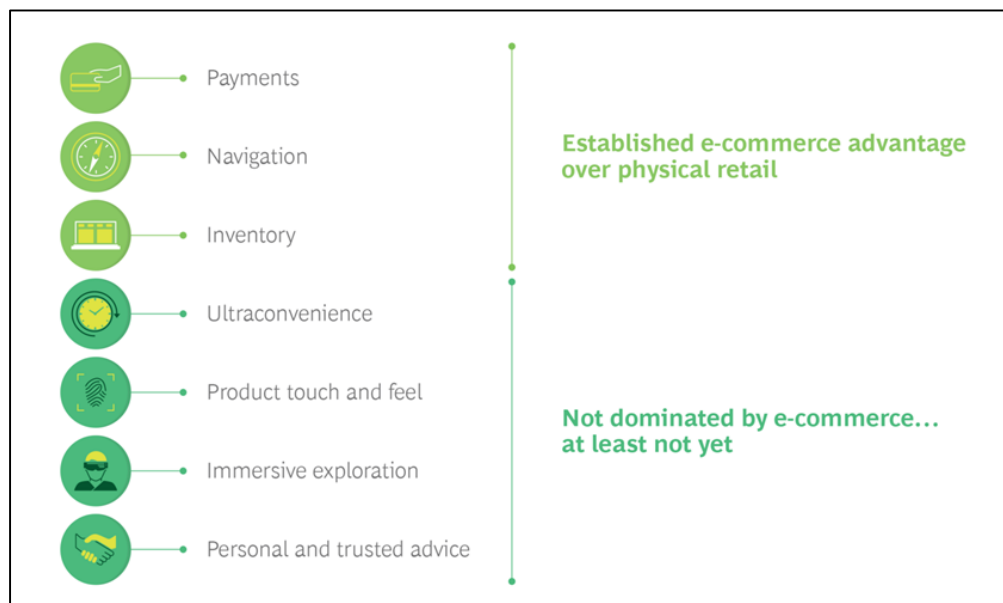


Figure 2.2: Seven Basic Functions of Retail

In three of the seven, e-commerce has established a fundamental advantage, namely:

- a) **Payments:** Consumers were concerned about the security of internet transactions in the mid-1990s. But, thanks to HTTPS encryption and bank credit-card

assurances, that concern was swiftly dispelled. Contactless and digital payment usage has increased dramatically since then.

- b) Navigation:** HTML connected to internet databases provided an assortment of options that were more complete, up to date, and searchable than any paper catalog or retail layout from the beginning. The internet experience got richer, more dynamic, and better personalized as screen resolution, bandwidth, browser technology, and search engines increased. Furthermore, the growth of smartphones and applications has made the internet experience more ubiquitous and immediate. As a result, today's internet catalog is far more efficient and accessible than the in-store experience.
- c) Inventory:** With a few notable exceptions, internet merchants benefit from larger economies of scale and higher turnover as compared to their physical counterparts since they may concentrate inventory in distribution hubs. The higher is the size of these shops, the greater is the economies, particularly with the development of automated warehousing technology and robots.

However, e-commerce does not dominate four other functions, at least not yet. These are the ways in which physical retailers can still gain and maintain a competitive edge:

- a) Ultra Convenience:** This is why we want to pick up a bottle of wine on the way to dinner or snacks on the way home: to reduce the time it takes from desiring something to receiving it.
- b) Product touch and feel:** We want to smell perfumes, try on fitted clothing, and test-drive vehicles before we purchase them because sensory aspects are important to us, and we want to physically experience them before we buy.

- c) **Immersive exploration:** We appreciate the experience of being lost in an Apple or Disney store, regardless of what we buy.
- d) **Personal and trusted advice:** We like to be known and understood, so the advice and validation we receive from a skilled salesman may help us feel confident that we are making the appropriate purchasing decision.



Figure 2.3: Functions where Physical Stores Win

These services can use new, enabling technologies like artificial intelligence, augmented reality (AR) and virtual reality (VR), 5G networking, and 3D printing to revitalize traditional retail experiences. However, the same technology may be used in e-commerce, providing the physical realm an additional edge. The fate of physical retail will be defined by these four roles, as arbitrated by emerging technology. For some, they may be four "horsemen" rushing to the rescue; for others, they are the retail apocalypse's final four horsemen.

To survive and thrive, merchants must concentrate their brick-and-mortar operations on one or two of these four activities, selecting those where they can provide a distinctively differentiated consumer experience using technology.

# **Chapter 3**

## **RESEARCH METHODOLOGY**

### **3.1 Descriptive Research**

The descriptive research method is a type of research method used to describe a given statement and who all are associated with it. It focuses on identifying the characteristics of a demographic group rather than "why" a phenomenon happens. To put it another way, it "describes" the research issue without elaborating on "why" it occurs. The research objectives, study design, and data analysis undertaken on that issue are referred to as descriptive research. Because none of the variables in the research study are changed in any manner, we call it an observational research approach.

For the purpose of this study, I have used Descriptive- Survey technique to gather data about different topics and sub topics, to understand the relevance of the outcome on the topic of the study.

### **3.2 Correlation Research Design**

A questionnaire based study was conducted using both qualitative and quantitative questions. The research design adopted was correlational in nature as the relationship between the variables was studied without manipulating or controlling any variable. The intensity and the direction of the relationship between two (or more) variables is represented by a correlation. A correlation might have either a positive or negative direction, which is observed in the findings too.

The questionnaire consists of three sections:

- a) Consumer Preference towards Online & Offline Purchases
- b) Consumer Behaviour towards Retail Outlets & Loyalty Programs in India
- c) Consumer Awareness and Response towards Fastrack Retail Outlets

The first section holds the demographic details of the respondents like Age and Occupation, followed by questions like engagement of users with online and offline shopping, the important attributes associated with both online and offline purchasing to understand the customer response for online and offline mode of purchase. Furthermore, user preference towards the two modes of purchase for different types of products like Home Décor, Kitchen Appliances, Sports Goods, Accessories and Apparel, Automobile, and more, has also been collected and the overall sentiment towards the two modes have been drawn.

The second section covers the consumer response towards loyalty programs rolled out by brands and the motivation to visit retail outlets. In addition to this the respondents were asked to mark their preference based on the impact different attributes have on their retail offline experience into negative, neutral and positive. The attributes were as follows: Quality Assurance, Expert Assistance, Authenticity, Spontaneity, Touch & Feel Factor, Staff Engagement, Past Experience, No Delivery Time and Ambience. The last question of this section was aimed at the respondents' advice for increasing the footfall to retail outlets.

The third and final section was based on the live project with Fastrack which involved asking the respondents questions that judge their awareness about the brand and their perception towards the retail outlets of Fastrack,

This section wise questionnaire was floated for all age groups but primarily directed towards the age group 16 to 35 years old Indian population as the brand Fastrack has its target group within this range that is 18 to 35 years old individuals with busy lives and fast schedules but never compromising on fashion and comfort.

## Chapter 4

# LIVE PROJECT WITH FASTRACK

### 4.1 Introduction-

**About the Brand:** Fastrack as a brand has literally 'moved on' from its sporty, quick to change attitude and has built a new persona to fit the new age, gender free and fluid world. With "You do you" Fastrack now encourages their audience to be unabashedly themselves and that Fastrack will be a part of that self-expression and style journey.

**About the project:** To connect with the core Fastrack TG (18-26yrs). Revive customer footfall in Fastrack retail stores.

#### **Project Goals:**

**a) New Customer Connect** - New interesting ideas to acquire customers at store level based on the insights gathered from Fastrack relevant target audience.

**b) Loyalty Program & Community Building** - Identifying the needs of customers and coming up with unique benefits to make the loyalty program different from the 'run of the mill' rewards program and more catered to the Fastrack customer.

Fastrack has been one of the most popular brands in India amongst the youngsters, but with the digital revolution and the plethora of options that are available to the consumers in today's time and age has had an adverse effect on Fastrack's sales and its popularity.

The retail outlets of the company are situated all over the country and carrying the prestigious name of TATA Group, it holds a legacy unmatched. Despite the name and fame, there have been issues in the percentage of loyal customers and the major



sales are being drawn by the new customers. Due to the advancement in technology, stronger network connections, cheaper data packages and handsets, people are opting for online mode of shopping and increasing the sales of ecommerce platforms. Now, every store has its online presence and Fastrack is not behind in doing so. But, there are so many retail outlets of Fastrack that are getting affected by this movement. Another blow for the retail shop owners was the pandemic which made the retail outlets deployed of any customer. Post pandemic seen is slightly better and picking up pace with customers visiting retail stores and experiencing the offline mode. Still, the huge gap between the two mediums is a problem.

## **4.2 Data Collection-**

My task in the live project was to collect valuable insights from the on-site surveys in the form of one to one survey, analyze the responses and recommend solutions to bridge this gap. For this, I studied various articles about the declining sales in retail sector specifically in the brick and mortar stores. These articles gave me a direction to look at the target audience and communicate directly with them to understand their perspective. For this, I prepared a list of questions to be asked from all the customers visiting the Fastrack Retail Store and recorded their responses to form meaningful inferences out of them. Thus, I took the help of secondary data that was available online as well as conducted primary research to check the relevance today.

## **4.2 Data Analysis-**

First and foremost, I analyzed the data provided to me for better understanding of the situation in hand. Followed by which, I created meaningful inferences to work on the solution. The company data highlighted the increasing curve was coming to a flatter line from year 2018-19 to 2019-20. This is a troublesome picture as the aftermaths of the pandemic began after 2020. The graph below also shows the same. (Fastrack)

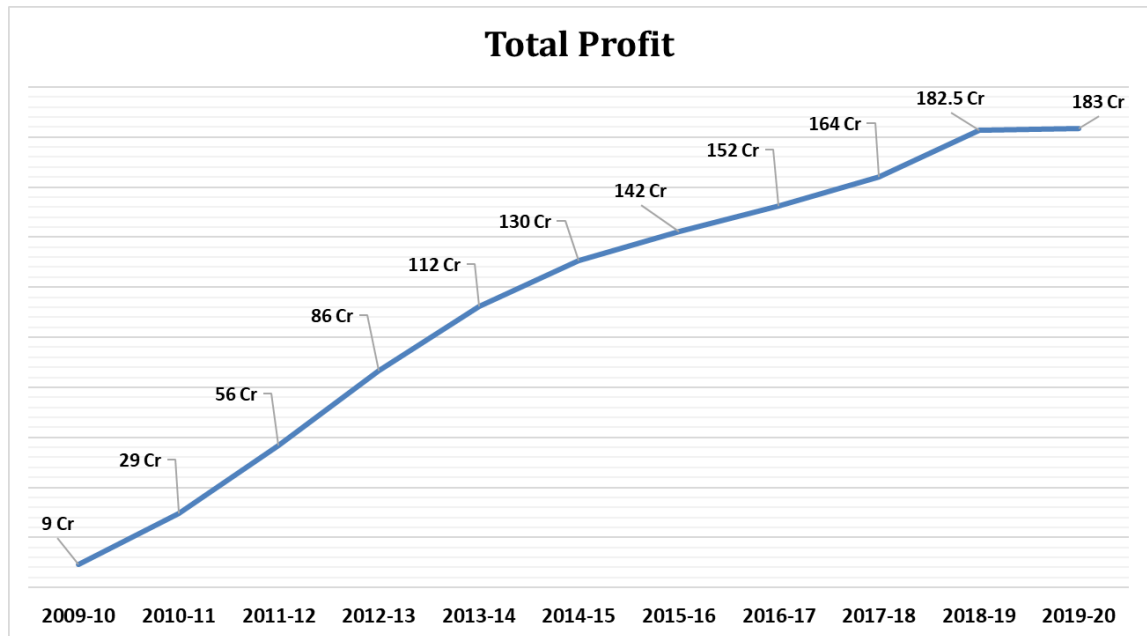


Figure 4.1: Total Annual Profits of Fastrack over the Years

Post this, I formulated the questionnaire and conducted detailed interviews with the customers to find out the customer sentiments related to Fastrack. Starting with demographic questions like Age and Occupation.

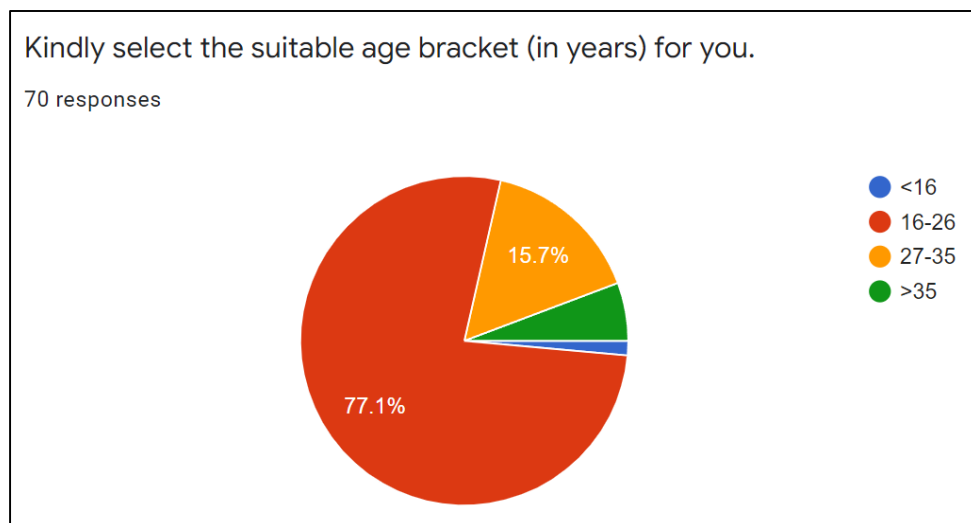


Figure 4.2: Age of the Respondents

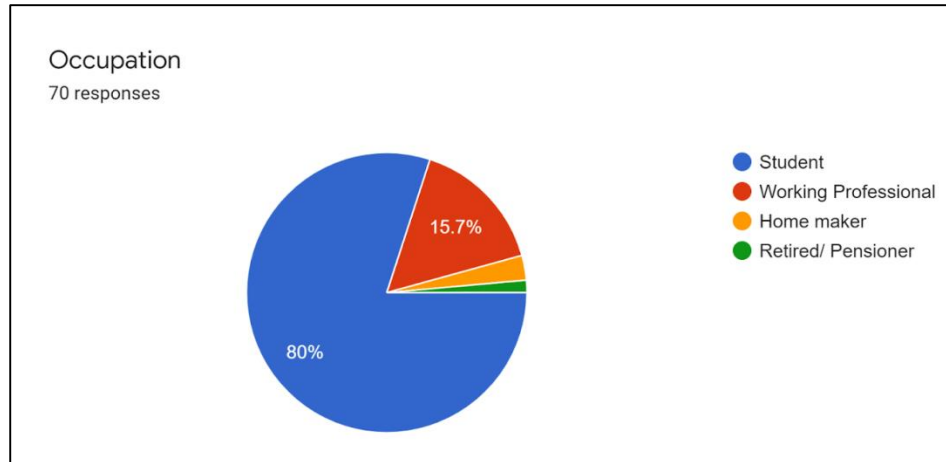


Figure 4.3: Occupation of Respondents

Followed by questions to understand whether the consumer is engaged in both online and offline modes of shopping or inclined towards any one.

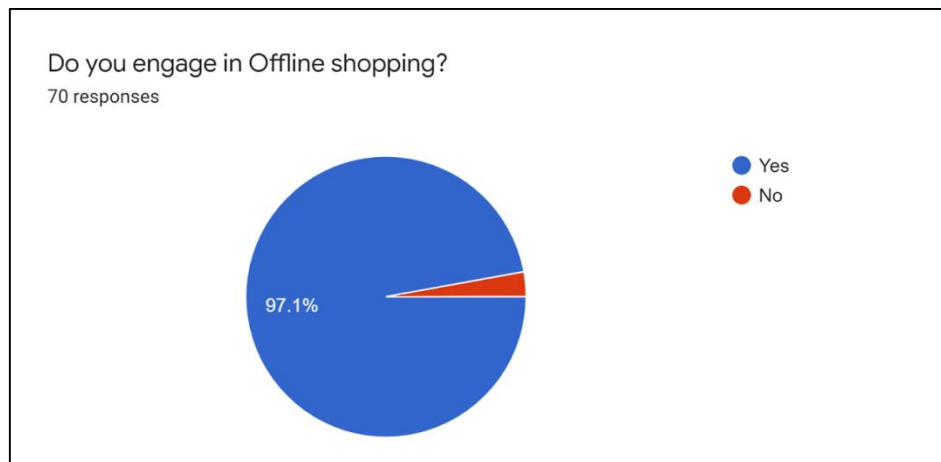


Figure 4.4: Respondents Engaged in Offline Shopping

Out of the total 70 respondents only 2 respondents were such that believed only in online mode of product purchase and rest 68 respondents were engaged in offline mode of shopping. The same question was asked for online shopping too and the results were similar as only 1 respondent did not engage in online mode of shopping

and rest 69 respondents were engaged in online shopping. This shows that a total of 68 respondents preferred hybrid mode involving both online and offline mode of shopping.

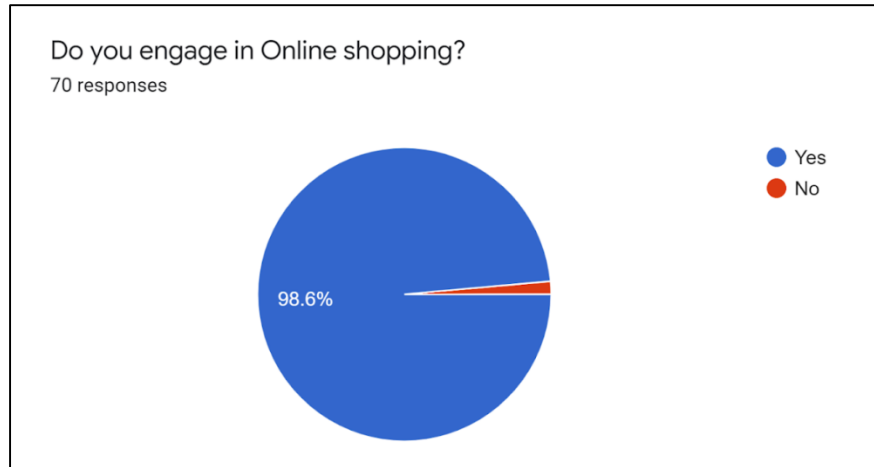


Figure 4.5: Respondents Engaged in Online Shopping

For the next set of questions the aim was to identify the attributes that respondents found important for online and offline modes of shopping. In shopping from retail outlets, Quality Assurance and Touch and Feel factor were the two main attributes followed by Authenticity. No Delivery Time was another attractive attribute for offline shoppers while Ambience was not considered a preferential attribute by 48 respondents.

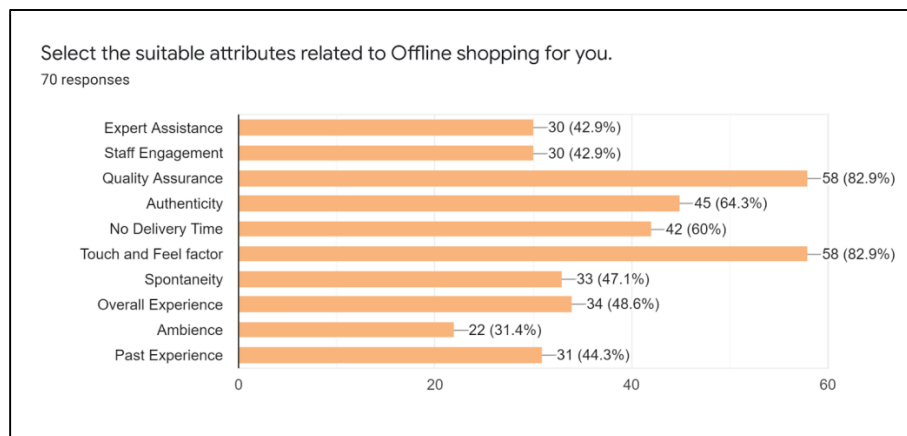


Figure 4.6: Attributes Related to Offline Shopping

For the online shopping experience, the three most important attributes that were discovered are Easy Comparison, No Travel Time and Order from Anywhere, Anytime facility. Other than these, Easy Return Policy and More Time to Select, are two second most sought after attributes in the case of online shopping experience. Two respondents also recommended Discounts and More Options as their reason for online shopping.



Figure 4.7: Attributes Related to Online Shopping

The next section was prepared to identify the preference of different modes of shopping based on the type of products purchased. In case of Electronic items, there was an inclination towards offline purchase as it is usually a time and cost intensive process and thus requires physical interaction at a retail store. In the case of Food and Beverages, since these fall under FMCG, the consumers buy them from any nearby store or would order from online marts without much thought. For Apparel, Accessories and Shoes, people are generally opting for offline stores to exercise the touch and feel factor of retail outlets which display the products for use.

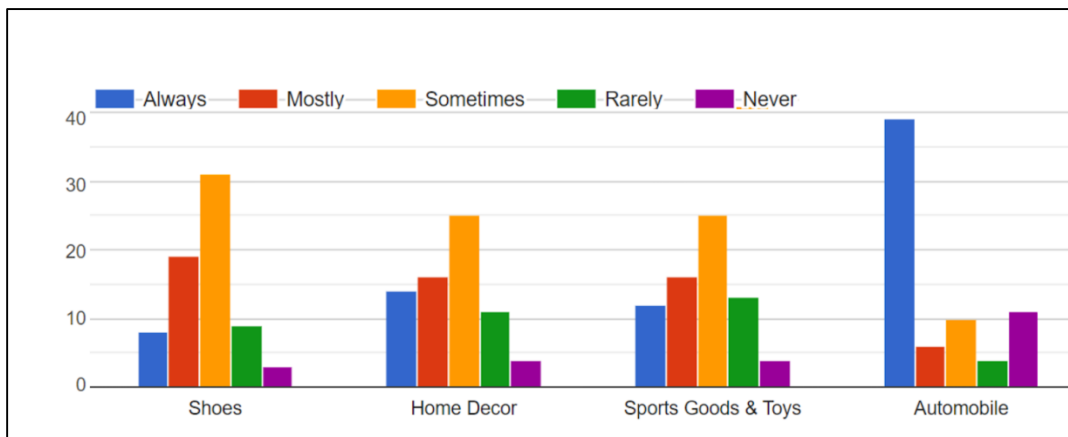
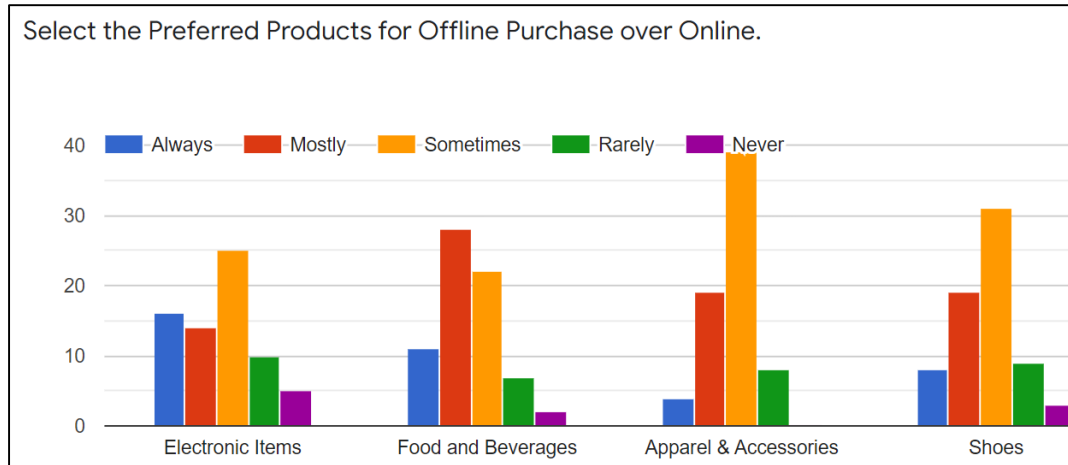


Figure 4.8: Product based Preference of Shopping Mode

The graph below depicts the preference of respondents towards online and offline mode of shopping. Out of the total 70, 18 respondents opt for Offline and 32 opt for Online mode of shopping, whereas 20 respondents remain neutral and were unable to pick any one mode. Another thing to notice is the inclination of more respondents towards Online mode of shopping.

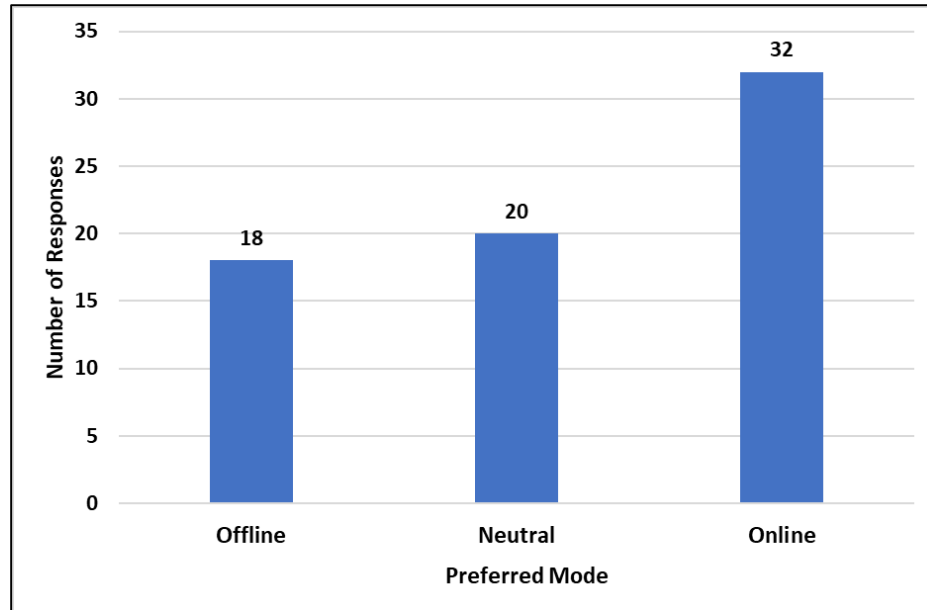


Figure 4.9: Respondents Preferred Mode of Shopping

This section was added here with the aim to gauge the respondents' viewpoint towards the future of retail in India. The questions asked were direct and categorical in nature, Only 1 out of the 70 odd respondents felt that the relevance of Retail has always been there and continues to be so. The next question was prepared to understand the long term relevance of retail outlets in India that shows 59 respondents feel Retail outlets will not be relevant in the next 5-10 years.

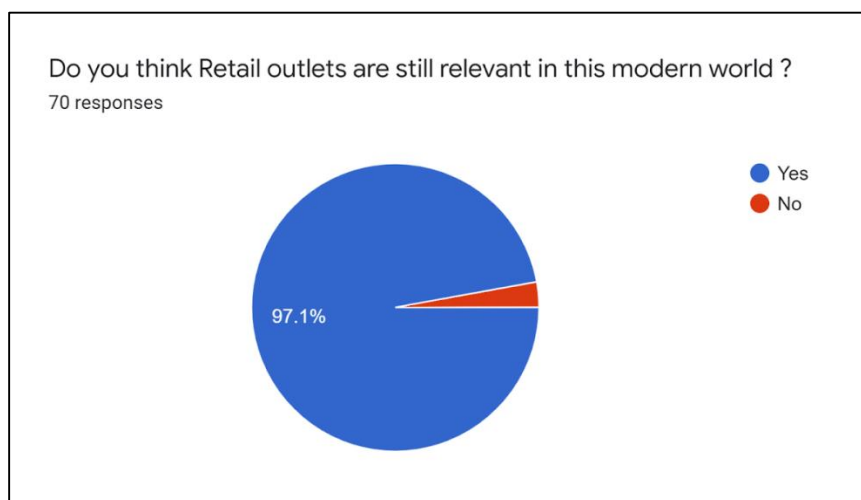


Figure 4.10: Relevance of Retail Outlets in India



Figure 4.11: Future Relevance of Retail Outlets in India

As I was supposed to study the loyalty programs of various companies and analyze the importance of them on increasing the footfall of the target audience to the retail outlets, I formulated few questions to understand the consumer mentality towards the same. This section covers questions related to Consumer Behaviour towards Loyalty programs in India and does it impact the customer retention or not?

Loyalty programs are marketing strategies that are designed to attract and keep customers engaged and keep them encouraged to continue shopping. This question aims to understand from the customers perspective if these strategies even work. From the responses that we have received, a majority of the respondents are of the belief that these strategies do succeed in achieving their purpose.

As we can see, the graph is skewed towards positive inclination of customers to be associated with an organization for the longer period of time when loyalty programs are offered.



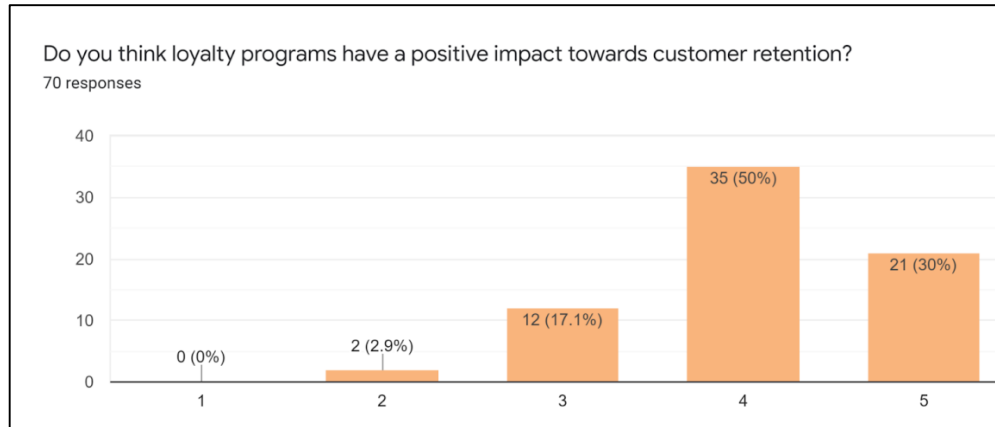


Figure 4.12: Loyalty Programs & Customer Retention

The digital revolution has pushed a huge share of customers from brick and mortar to ecommerce, and the Loyalty programs that the retailers offer are shared across both these platforms similarly. But if the retailers introduce a retail outlet specific loyalty program then what impact would it have on the footfall in stores, according to more than 85% respondents this kind of a strategy would have a positive impact on retail outlet sales and would motivate customers to make offline purchases.

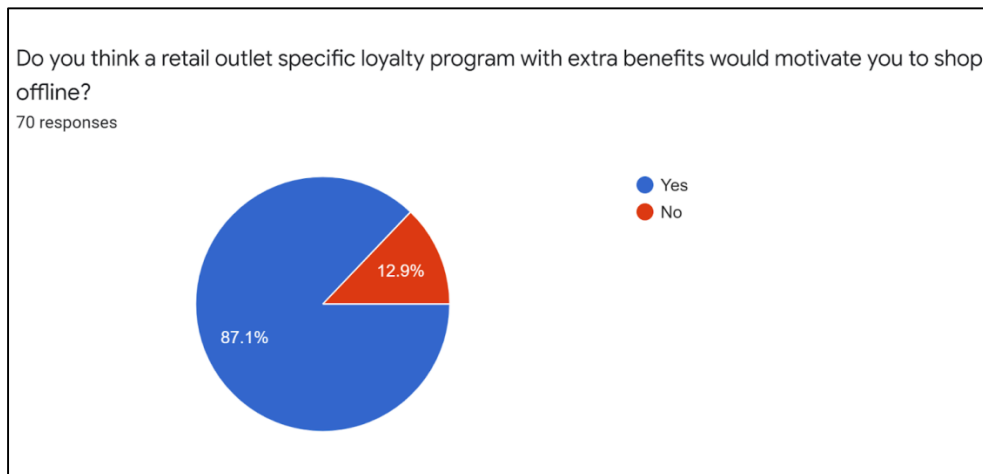
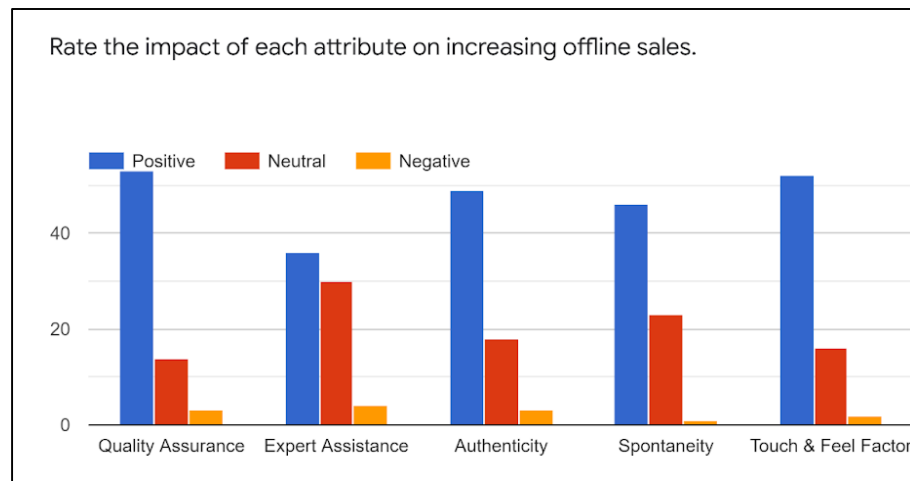


Figure 4.13: Impact of Loyalty Programs on Motivation to Shop Offline

Although the popularity of e-Retail is on the rise exponentially, thanks to the digital revolution and the pandemic and retail outlets are not as popular anymore but there's still a huge majority of people that go out to retail outlets to shop. There are multiple attributes that are responsible for customers going out to retail outlets; this question helps us to understand what those attributes are. According to the responses received Quality Assurance, Authenticity and Touch and Feel factor are the most important attributes why people still visit retail outlets.



Of the options given to choose, only Staff engagement and Ambience of the store are the attributes that do not contribute a lot in maintaining the footfall in retail outlets.

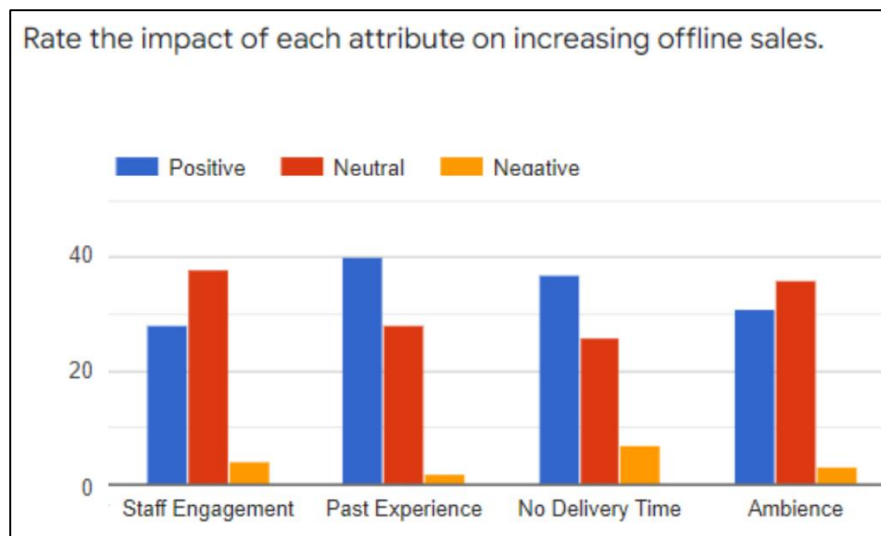


Figure 4.14: Impact of Attributes on Increasing Offline Shopping

For this new section, the purpose was to understand the position of Fastrack in the market and how aware are the consumers about the brand and its products. Fastrack is a very well-known brand amongst the urban Indian population as is shown by the responses received. Out of the total 70 respondents, 50 people own a product from Fastrack and are existing customers of the brand.

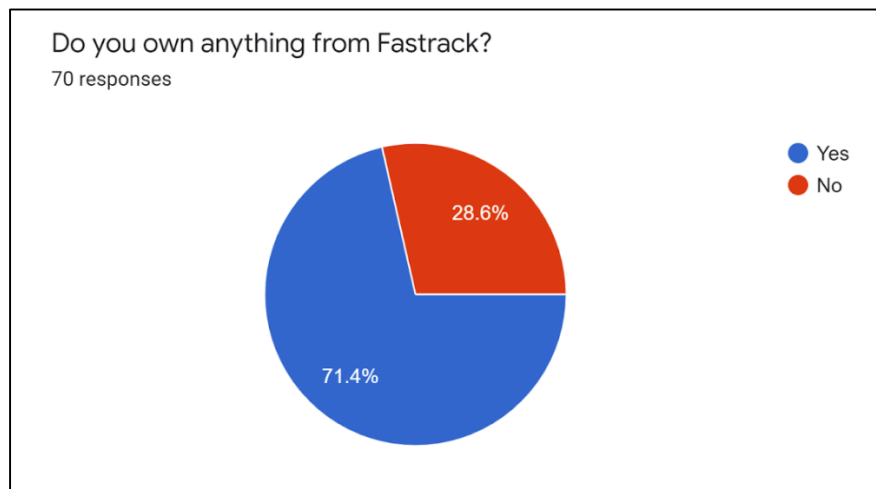


Figure 4.15: Existing Customers of the Brand

The next question aims to understand customer preference of the channel (online or offline) they would prefer for making a purchase from Fastrack. More than 55% of the respondents would prefer to purchase Fastrack products Offline.

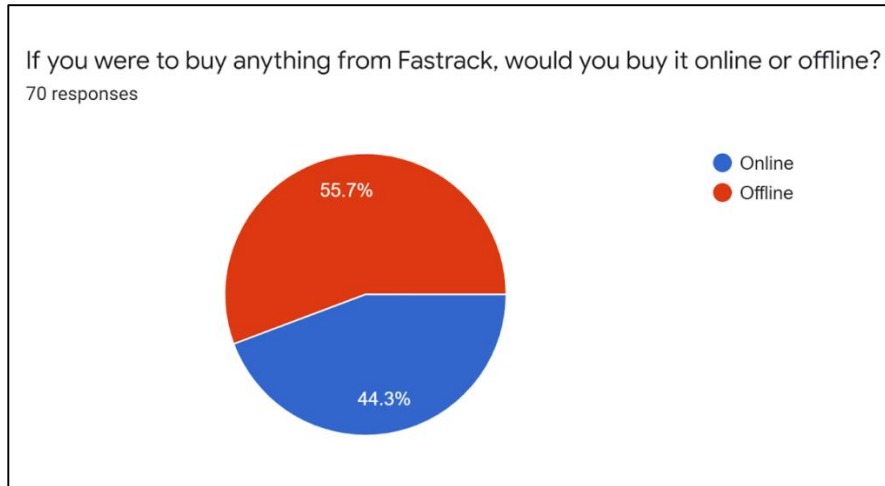


Figure 4.16: Preferred Mode of Shopping for Fastrack Products

This question tries to identify what values the consumers associate with the brand Fastrack. According to the responses received, Fastrack has an image of that of a brand that sells sporty accessories, focusing the youth and offers decent quality products.

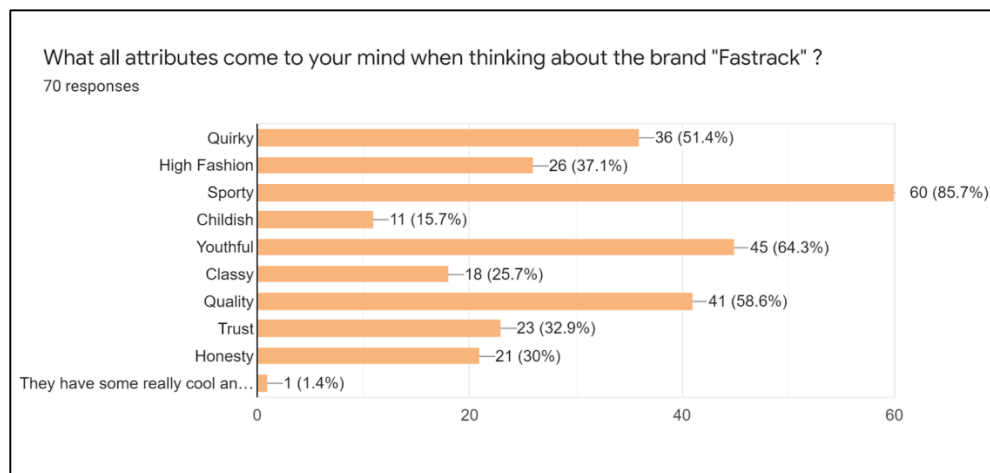


Figure 4.17: Fastrack Brand Positioning

### 4.3 Findings and Recommendations-

This three section wide questionnaire helped me understand the consumer perception towards retail outlets, preference for online and offline shopping modes, brand awareness and positioning of Fastrack amongst the target group and more. The primary respondents were falling in the age group of 16 to 35 years of age, residing in Delhi-NCR and belonging to middle class and upper middle class families. All these respondents were educated enough to understand the terms used in the study and very well contemplate on them. The findings were as follows solving the objectives one by one:

**a) To understand the consumer perception towards retail outlets in the digital era-**

The consumer perception towards retail outlets is promising for the future based on the study as majority of the respondents agreed upon the relevance of retail stores in the future too. Other than that, the major reason for opting offline shopping methods is the Touch and Feel factor associated with it, no fear of being duped and there is Authenticity in the brick and mortar stores.

**b) To understand the inclination of consumer on mode of shopping, whether online or offline on the basis of age-**

The findings of the study showed an inclination towards online mode of shopping amongst the working professionals due to time constraints and busy schedules. While, the younger generation preferred offline shopping more as it involved getting to meet their friends and seeking advice, exploring new markets and spending quality time together. Adding on, there were many respondents that believed in hybrid mode of shopping involving both online and offline stores.

**c) To understand the brand awareness, consumer sentiment towards the brand Fastrack and its position in the market-**

Fastrack holds a steady position amongst the pool of respondents with more than 70% of them being existing customers of the brand. It was clear that the brand still carries forward the notion of being Sporty amongst the youth and well trusted in

terms of quality due to the legacy it holds from TATA. Many even associate the brand with quirky and youth oriented which are the two main focus areas of the brand right now.

**d) To study the impact of loyalty programs on retail outlets-**

Loyalty programs have been rated to be an important factor in customer retention as known from the study. The respondents had a positive motivation towards introducing loyalty programs for customer retention and increasing the footfall in the retail outlets.

**e) To find out the solutions to increase the footfall in retail stores and outlets-**

There were several recommendations related to increasing the customer footfall in offline retail stores and outlets by the respondents. The most common one was to introduce more variety in the offline stores, highlight and leverage on the ambience, touch and feel factor by introducing the new and advanced technology and modern methods of marketing. Some were of the opinion that introducing a well-defined loyalty program could direct the crowd towards the retail outlets and make them repetitive customers. Others thought introducing and promoting green practices, building an emotional connect with the audience would generate a positive sentiment towards the brand and be a catalyst in bringing them to the stores. The old and gold methods of offering special discounts, offer deals, seasonal offers, etc. can increase the demand for more products and eventually increase the footfall in retail stores.

## **4.4 Limitations of the Study**

The inferences made from the study are on the basis of the data collected through a survey. The number of responses received is quite low and therefore any conclusion made from that study is bound to have some limitations. In addition to this, the majority of the respondents who took part in the study are from a single age group. Although the target audience that the organization wants to focus on is the same as the majority of the respondents, this has made the dataset skewed.

The respondents that participated in the survey belong to middle class and upper middle class families and are from the urban areas of the country, so the study doesn't take into account the perspective of people who belong to geographies where e-Retail is not as popular and are not as modernized as compared to the metro cities.

The sales data for Fastrack that is available to us shows that the brand does its majority of the business in the southern part of the country but the study was performed in the northern part of the nation. This is a limitation that can only be rectified if the study is conducted again on the whole of country and data is collected in huge numbers.

Prior to the pandemic, although the people were shifting towards the online mode of retail, brick and mortar businesses still accounted for the majority of the sales but the pandemic sped up this shift from offline to online by almost 10 years in a matter of just 2 years. So, the people shifting to online from offline might not be a preference but a means to stay safe and survive. The opposite can also be true that after the wait of more than two years, people were desperate to rush to offline stores and experience the ambience, meet with their friends and get together. Thus, Covid19 impact has only been covered through literature review and not through survey.

There may be more such constraints that we might have overlooked like the subconscious bias of the respondents towards something, peer influence or some situation that the respondent may have been in that might have affected their responses and a possibility of errors in the dataset.

## **Chapter 4**

### **CONCLUSION**

Retail outlets have always been a part of Indian society but the technological advancements and the digital revolution have led to the downfall of offline retail.

The findings from the study suggest that it is not that the customer preferences have changed entirely and switched to online platforms, but the digital era has amplified the inclination towards the online stores. To top it up, the lack of innovation in the offline retail sector has further depreciated the footfall.

According to the responses received, a majority of the customers still like going out and shopping in the brick and mortar setting. It has its own advantages and the most crucial attributes were also identified through the survey. But if they had to choose over online and offline they would prefer online because of the choices and the variety of services these platforms have to offer.

There are a number of costs involved in running a brick and mortar business that increases the cost of operating for such businesses which in turn increases the cost for the customers. Digital channels do not have to bear these costs, thus driving the prices down significantly, this is one of the major reasons why the customers are moving towards the virtual channels of retail as they are bombarded with consecutive offers and discounts on almost all online platforms. The offline retail businesses need to implement strategies and recommendations provided in this study in order to fight this price gap and motivate the consumers to return back to the offline stores. People have not backed out from the traditional way of shopping, they have just moved to a hybrid mode and this gives the retail outlets a chance to seize this opportunity and create a value for their customers that can ensure customer retention. One of the strategies that can be implemented is exclusive loyalty programs for retail outlets. During the course of the live project, I had prepared a structure of one such loyalty program which was appreciated and discussed upon. Other strategies involve rolling out exclusive products



for the offline retail outlets, special in-store offers and discounts and other added benefits like extended warranty and technical assistance.

According to the majority of the respondents, such strategies would motivate them to make purchases from retail outlets. In conclusion, the offline retail businesses currently are not as relevant as they were a decade back but the consumers still have ample number of reasons to visit retail outlets as projected by the study.

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# ANNEXURE

## Consumer Preference for Online & Offline Purchases

Greetings of the day!

With the online exposure to all kinds of products, more and more consumers are opting for online shopping. But are the retail outlets not in the game anymore? To understand the customer response towards Retail outlets in the modern times, we have curated this form.

We value your response and assure you that your privacy will not be violated in any scenario. Thank you for your co-operation!

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\* Required

1. Kindly select the suitable age bracket (in years) for you. \*

*Mark only one oval.*

- ☐ <16  
☐ 16-26  
☐ 27-35  
☐ >35

2. Occupation \*

*Mark only one oval.*

- ☐ Student  
☐ Working Professional  
☐ Home maker  
☐ Retired/ Pensioner

3. Do you engage in Offline shopping? \*

*Mark only one oval.*

☐ Yes

☐ No

4. Do you engage in Online shopping? \*

*Mark only one oval.*

☐ Yes

☐ No

5. Select the suitable attributes related to Offline shopping for you. \*

*Check all that apply.*

☐ Expert Assistance

☐ Staff Engagement

☐ Quality Assurance

☐ Authenticity

☐ No Delivery Time

☐ Touch and Feel factor

☐ Spontaneity

☐ Overall Experience

☐ Ambience

☐ Past Experience

☐ Other: \_\_\_\_\_

6. Select the suitable attributes related to Online shopping for you. \*

*Check all that apply.*

- ☐ Minimum Contact with People
- ☐ More Time to Select
- ☐ Easy to Compare
- ☐ No Travel Time
- ☐ Order from Anywhere, Anytime
- ☐ Easy Return Policy
- ☐ Smooth User Interface
- ☐ Overall Experience
- ☐ Past Experience
- ☐ Other: \_\_\_\_\_

7. Select the Preferred Products for Offline Purchase over Online. \*

*Mark only one oval per row.*

	Always	Mostly	Sometimes	Rarely	Never
Electronic Items	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food and Beverages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Apparel & Accessories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shoes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Home Decor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sports Goods & Toys	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Automobile	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Do you think Retail outlets are still relevant in this modern world ? \*

Mark only one oval.

- ☐ Yes  
☐ No

9. Do you think Retail outlets will be relevant in the coming 5-10 years? \*

Mark only one oval.

- ☐ Yes  
☐ No

10. Place the point near your preferred mode of shopping. \*

Here, 0 represents more preference towards Online and 10 represents more preference towards Offline mode of shopping. These numbers hold no other significance. The closeness to the mode reflects your inclination.

Mark only one oval.

	0	1	2	3	4	5	6	7	8	9	10	
Online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Offline

#### Consumer Behaviour towards Retail Outlets in India

11. Do you think loyalty programs have a positive impact towards customer retention? \*

Mark only one oval.

	1	2	3	4	5	
Not really	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Absolutely

12. Do you think a retail outlet specific loyalty program with extra benefits would motivate you to shop offline? \*

*Mark only one oval.*

☐ Yes

☐ No

13. Rate the impact of each attribute on increasing offline sales. \*

*Mark only one oval per row.*

	Positive	Neutral	Negative
Quality Assurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expert Assistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Authenticity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Spontaneity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Touch & Feel Factor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff Engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Past Experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No Delivery Time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ambience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. What other factors can motivate customers to visit retail outlets?

We request you to type in your valuable suggestions. You can simply type the important keywords too.

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Consumer Awareness and  
Response towards Fastrack  
Retail Outlets

Fastrack is an Indian fashion accessory retail brand,  
targeting the urban youth and growing fashion industry in  
India.

15. Do you own anything from Fastrack? \*

Mark only one oval.

- ☐ Yes  
☐ No

16. If you were to buy anything from Fastrack, would you buy it online or offline? \*

Mark only one oval.

- ☐ Online  
☐ Offline

17. Do you think watches/accessories/wallets should be purchased from Fastrack  
Retail Outlet only?

Mark only one oval.

- ☐ Yes  
☐ No



18. What all attributes come to your mind when thinking about the brand "Fastrack" ? \*

*Check all that apply.*

☐ Quirky

☐ High Fashion

☐ Sporty

☐ Childish

☐ Youthful

☐ Classy

☐ Quality

☐ Trust

☐ Honesty

☐ Other: \_\_\_\_\_