



# MIGROCER INC

Value Chain Model

## ABSTRACT

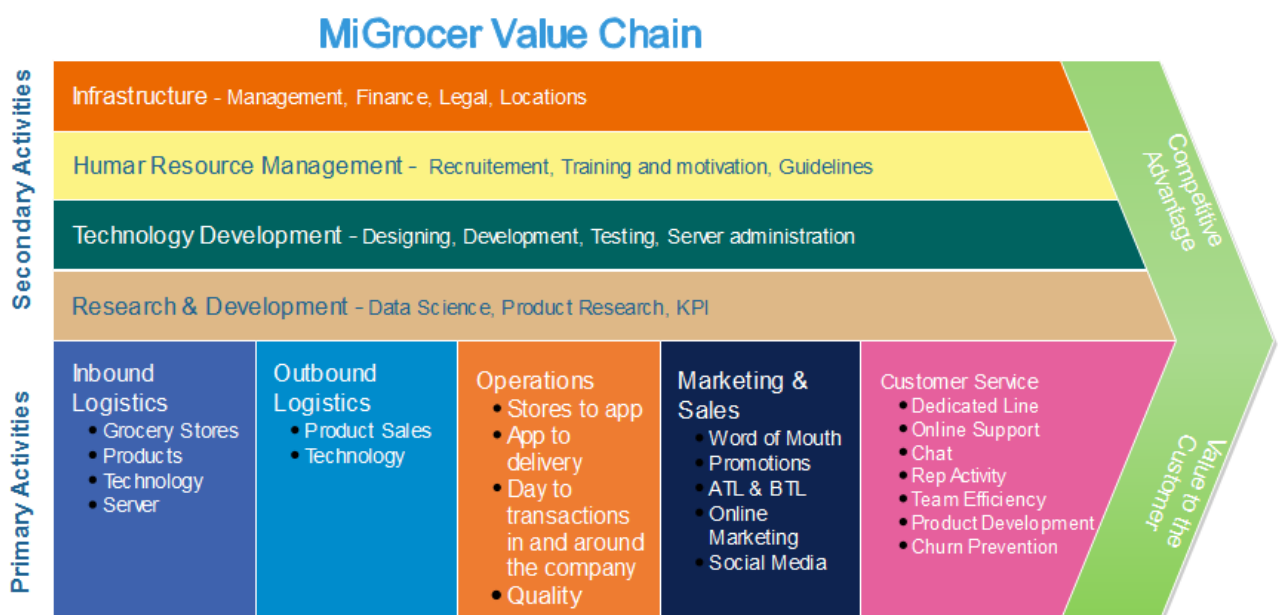
Introducing Value Chain Model by, identifying activities involved in enhancing the corporate strategies, add value to the customers and gain competitive advantage.

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## Introduction

At MiGrocer, we identified the major activities to add value to the stakeholders and succeed in gaining competitive advantage. These activities represent the sequence of bringing in products/technology into the business and delivering products/technology. In addition to employing E-Grocery technology, we also seek to re-define pricing strategy.

Following are the activities we identified to add value to the stakeholders and gain competitive advantage.



**Primary activities** are directly associated with delivering products/technology to the customers.

**Secondary activities** are referred to support functions in delivering the products/technology at the level of entire value chain system.

## Primary Activities

### Inbound Logistics

Inbound logistics are the activities involving collecting the products from the suppliers (stores in case of MiGrocer), in categories and the activities involved in the technologies that are being used from different vendors.

## Grocery Stores

We have planned to get the small and medium retail stores in to MiGrocer in three categories, based on: Size of the Store, Product Line and Location.

### Size of the Store:

We are planning to categorize the stores based on three different sizes, i.e; Small, Medium and Big.

- Small size category - ?
- Medium size category - ?
- Big size category - ?

### Product Line:

Stores shall be categorized based on product lines as follows.

- Product Line - ?
- Product Line - ?
- Product Line - ?

### Location:

Location is also an important aspect in categorizing the stores as it plays an important role in delivering the products and services.

We are planning to categorize the store based on location as follows.

- Remote Location
- Busy Location
- Normal Location

## Products

We are following the product line with depth and breadth based on the individual retail stores, this makes the retail stores more competitive in the online grocery market, occupied with private labelled products of the companies with adds value to the retail stores.

Also, for better view and dynamic nature of the product line in retail stores, we are categorizing the products in departments such as. Beverages, Grocery & Staples, Personal care etc.

Providing the fastest buying experience to the customer is or goal.

## Technology

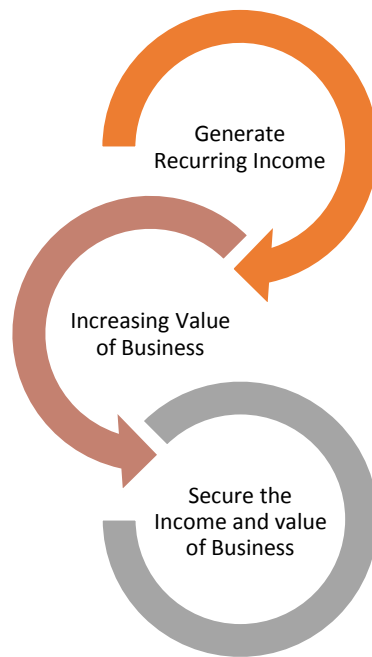
Technology is the most important part of inbound activities adding value to the customer

Currently we are using Spree Commerce platform for the phase 1 of the product Amazon for storage and Heroku for deployment of the product.

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## Operations

We aim to maximize the value from the fundamental imperatives defined below.



### *Generate Recurring Income*

Primary goal for us is to implement a sustained delivery of products/technology at a cost less than funds acquired in exchange for said products and employee services within the next two years.

We are planning to achieve this through:

Long term Contracts from Retail Stores and

Multiple Revenue Streams.

### *Increasing Value of Business*

We planned to measure the profitability on the basis of income generated for the amount of assets we employ (Business Return) and amount of revenue realized (Business margin).

Following are the activities for increasing value of business:

- Expanding the market to a wider section or to a new demographic or geographic market in the next two years.
- Developing the brand through design and marketing with the help of research.
- Developing efficient business systems and operation manuals.
- Maintaining the intangible assets like patenting, copyrighting, trademarking etc.
- Maintaining Quality of service.

### *Securing the Income and value of the Business*

Securing the income and value of the business to plan for growth further is crucial activity that we have recognized.

Following are the activities we employed for securing the income and value of the business:

- Keeping intact and creating the desirability of products/technology.

- Calculating the ability of the customers to pay for the products/technology.
- Competitiveness of the business model and innovation.
- Control over the quality and efficiency of the product and services.
- Becoming the member of the community as public regard.

### *Day to day transactions*

We have understood the following operations that are to be planned affectively in order to be successful.

### *Defining the Metrics*



- **Web Analytics**

Web Analytics is the metric we have planned to use to determine, if the tactics and strategies we have employed are working to close sales and generate revenue, it also is used to provide answers to service needs of the customers. Metrics involved in Web Analytics are:

- Number of visitors
- Number of Cart abandonments
- Number of purchases
- Geographic location
- Referral Source
- Keywords or ad words used for entry

- **Customer Involvement**

Advancement in social media has the ability to measure the customer involvement using techniques such as Twitter, Facebook, Blog comments and Customer reviews, metrics we have planned to implement are:

- Number of customer reviews
- Average ratings on customer reviews
- Number of customers participating in discussion groups or fan pages
- Reach of customers as followers

- **Financial**

Measuring the revenue, sales of the product, average cart purchase amount, product up-sell statistics and retail value are the valuable metrics that we have recognized for financials.

- **Product**

Metrics for measuring the products are vital in improving the product line constantly for its dynamic nature. These metrics involve the Type, Attributes and Quantity of goods sold for cross sell-up and up-sell. Following are the metrics we are planning to consider:

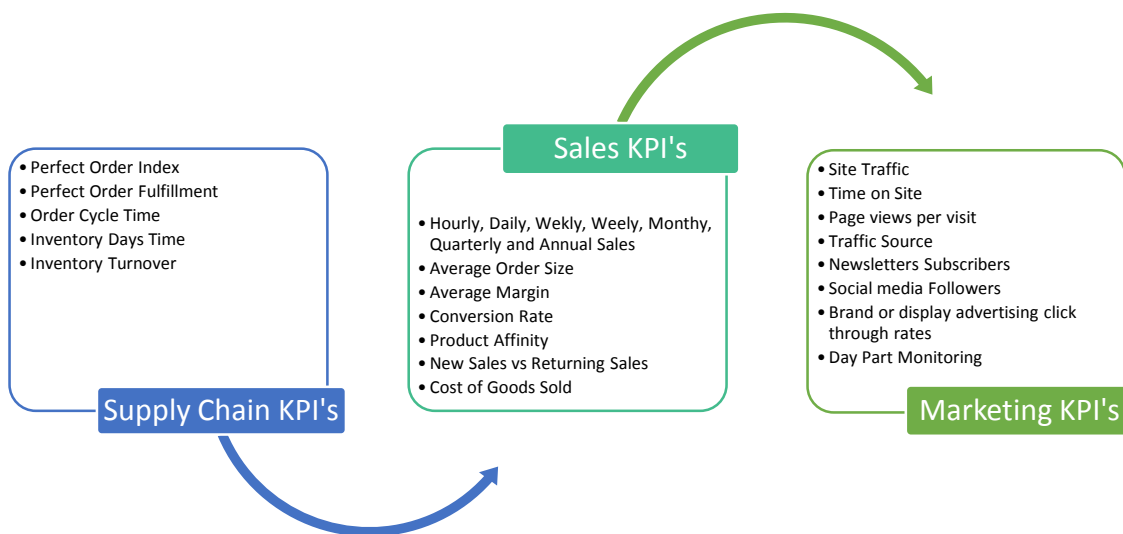
- Items per order

- Number of SKUs sold
- Optional attributes purchased

### Quality

At MiGrocer, we understand that Quality is critical to create value to the customer by satisfying their needs and retaining their loyalty. Also, Quality plays an important role in contributing to long term revenue and profitability constantly.

In order to achieve our mission and vision we have planned to define the Key Performance Indicators as the metrics to drive actions and measure quality in operations. Following are the KPI's to measure the quality.



## Marketing & Sales

### Promotions

At MiGrocer, we planned to pursue integrated promotions strategy with the mixture of ATL and BTL promotions to align our image in the minds of the target customer segments. Following are the BT and BTL promotions we have planned to utilize in order to send a well-defined message regarding the product/services.

### Social Media

It shall form an important part of our communication strategy. We will run MiGrocer as a fully functional app on Facebook, enabling consumers to shop without exiting their Facebook profiles. We will advertise on Instagram, YouTube, LinkedIn and Facebook with videos as an effective medium would be the key strategy. In line with our positioning statements, we will have short videos explaining the benefits of our Platform to the Consumers and to the retailers.

### Geo-targeted communication

We will undertake "extensive geo-targeted communication" on mobile devices supported by our Mobile App across all platforms.

### Blogging

Blogging plays a vital role in reaching out to the user groups and forums on various platforms. We will blog actively about the key features of the Platform. We intend to have at least one new blog every day since the day of launch.

### TV Ads

We will promote the product aggressively through TV ads targeting the customer base of home makers and elderly people. Also, we planned to hire a brand ambassador for the same to reach maximum views of the ads.

### Brochures

Brochures at all the retail stores and targeted areas shall be provided to keep the customers informed about the product.

### Branding

We aim to build a wholesome experience for our consumers by adopting a branding strategy that defines what we stand for, a promise that we make, and the personality that we convey. We will create a targeted branding strategy and execute the same to specific customer segments. The key benefits of the branding exercise would be:

- Reduce time to market.
- Clear differentiation of our Platform from that offered by other online grocery shopping platforms.
- Segmented & targeted marketing efforts aimed at individual consumers and businesses.
- Reduce price comparisons; more focused on value selling.
- Lower costs over long run.
- Easier to release premium services in future.

### Word Of Mouth

Making the potential ambassadors feel confident in our product to recommend is the key to trigger word of mouth.

We have planned to generate word of mouth through following objectives:

- Exceptional Customer experience.
- Fastest buying experience.
- Meeting the customer demand with the right breadth and depth in product line.
- Ensuring trust of customers, as we will have the stores through which customers have been buying since years.
- Best price comparison and buying options adding value to the customer's cart, and

- Customer loyalty programs to keep them attracted.

## Customer Service

Customer service as a competitive advantage is the way we understand it, it adds support to what we offer to our customers. Helping the customers in having easy and enjoyable experience with us is the key. Customer service is more than just providing answers, it is an important promise we make we make to our customers. Following are the metrics we follow to measure the customer service and make it effective each time to gain the competitive advantage.



### *Rep Activity Metrics*

Understanding the performance of representatives is vital to identify the best performers and weak links which shall help us to improve the customer experience.

- Open Cases – No. of open cases awaiting response, segmented by last time of response.
- Service Activities – No. of activities performed, segmented by activity type.
- Resolutions – No. of resolutions resolved and the average number of activities performed to resolve.
- Time to resolve – Average time taken to resolve a case.
- First response time – Average time taken to respond to a case after the submission.
- Backlog – No. of cases opened to no. of cases closed.

### *Team Efficiency*

Customer service is a team work, resolving the problems quickly and effectively needs a great team work. Tracking the team work metrics will help us work more effectively and retain the customers.

- Service activities – No. of activities performed, segmented by activity type.
- Resolutions – No. Cases resolved.
- Time to resolve – Average time taken to resolve a case.



- Handle time – Average amount of time spent on working on a case before resolving it.
- First response time – Average amount of time taken to respond to a case after submission.
- First contact resolution – Percentage of cases resolved in a single response to a customer.
- Submissions by time period – No. of new cases submitted by customers in a period of time segmented by source.

### *Churn Prevention*

Retaining customers will be the ultimate goal for our customer service team, following metrics are planned to gauge which customers are happy with our service and which ones are at risk of churning.

- Open cases by created date – Individual cases displayed by created date, with effort level and time of last response.
- Account Summary – Account displayed by no. of case submissions and account value.
- Churn Rate – Percentage of customers, or total number of customers that stopped buying from our app in a period of time.
- Customer Satisfaction Score – Measuring the satisfaction of the customers.
- Net Promoter Score – Measuring how likely the customers recommend our app to others.
- Customer Effort Score – Amount of effort customers expend when they interact with the customer service.

### *Product (Application) Development*

Product (application) feedback from the customers is critical in understanding the impact of the product on the customers and the team as well, which allows us to provide the data to our product team to show which product areas needs improvement.

Metrics with reasons are focused in here:

- First contact resolution – Percentage of cases resolved in a single response to a customer segmented by reason.
- Time to Resolution – Average amount of time taken to resolve a case segmented by reason and stage.
- Resolutions – No. of cases resolved and activities performed to resolve those cases segmented by reason.
- Backlog – No. of cases submitted compared to no. of cases resolved with reason.

Data driven decisions will be the key for us to maximize the performance of our customer service team and add value to the stakeholders.

## Secondary Activities