

## E-Commerce Store Big Basket – Its Execution, Expansion and Impact on Grocery Market

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### ABSTRACT:

Regional and national firms are fighting it out for the online grocery market: The list includes Big Basket, Localbanya, Grofers, ZopNow, PepperTap, MeraGrocer, AaramShop, My Grahak, Fresh N Daily and Farm2Kitchen. Big Basket is the biggest of these, with operations in seven cities, a Web presence and an app. We have studied the procedure and expansion of how an organization like BigBasket works. Its functionalities and execution

### HISTORY:

In 1999, Mr. V S Sudhakar, Mr. Hari Menon, Mr. Vipul Parekh, Mr. Abhinay Choudhari and Mr. V S Ramesh started one of the first online businesses in India called Fabmart.com. In 2001, they started an online groceries business as a part of Fabmart. In spite of the market being in its infancy then, Fabmart.com did exceedingly well. They then went on to setup a physical retail chain called Fabmall which was a chain of grocery supermarkets in the South of India. This business was sold in 2006, and eventually renamed more by the buyers, the Aditya Birla Group. The founders however were always attracted by online grocery and in 2011; the same team recoupled and launched Bigbasket.com.

### INTRODUCTION:

The biggest among the online supermarket retailers, BB has 500,000 customers across seven cities and gets around 20,000 orders a day—7,000 of these from Bengaluru alone. Its sales figure for the last financial year: Rs.250 crore. Big Basket is investing in infrastructure such as warehouses and farm collection centers, and on products under its private-label brands—“Fresho” for fruits, vegetables, meat and bread, and “Popular” and “Royal” for staples.

BigBasket recently bought the Bengaluru-based delivery company Delyver -the network of delivery boys with their two-wheelers for 1-hour express service.

### METHODOLOGY:

Big Basket offers same-day delivery across a city, 99.3% on time delivery, 99.5% order fill rate and a no questions asked customer return policy, all of which has contributed to high customer loyalty and excellent customer feedback. Big Basket is operational in seven cities (including six metros) currently and with fresh funding, it plans to expand to two more metros and 50 tier two cities. The funds will be used towards **Warehouses**. The company is in the process of opening large warehouses (approximately 100,000 square feet) in the metros of Bengaluru, Hyderabad, Mumbai, Pune, Chennai, Delhi-NCR, Ahmadabad and Kolkata. These eight warehouses will also cater to cities that fall within a 250-300 most these metros. For example, the Bangalore warehouse is serving Mysore at the moment, similarly Chennai can be a feeder to Madurai, Trichy; Ahmadabad to Surat, Baroda; and Hyderabad to Vijayawada, Vizag and Guntur. There will be a support network of 60 smaller warehouses getting direct supply from the large warehouses. Right now, payment for 50 percent of the orders is made online while the remaining is done offline (cash on delivery).

The platform also provides the option of using Big Basket mobile wallet (closed wallet) or PayU money for online buyers. This ratio will soon change to 70:30(online: offline payments) by the year end.

### FUNCTIONALITIES:

For BB their operation can be seen as well-knit unit of smaller modules.

1. **Supplier side module** - A team looks into approaching new suppliers (Say HUL, Nestle etc. companies), and adding them to Big Basket system. Once added, these companies will start sending goods to BB warehouse. This team is called business-development team in some companies.
2. **Category Managers** - This team takes care of individual categories end-to-end, starting from getting new supplier, arranging warehouse space and logistics methods applicable to new item, cataloging items on website, requesting marketing initiatives for sale of new items, training customer service team to answer queries regarding new items, to making strategy for health and growth of their category. For example, category manager of dairy products will add new suppliers, will see how much sales is coming from this category, will see what marketing he can do to increase sales, will see if a customer is not happy then how to respond etc. They also look into inventory, based on demand and supply, they decide how much to order, how much to keep in warehouse. They also try to get as many offers from supplier as possible, so that customer is convinced to buy. They will negotiate supplier terms (for better margins), they will decide the discount for customers and they will present the overall health-and-growth of the category to higher management. They are like mini-CEO of their categories; they have to interact with all other support teams to bring in the revenues anyhow.
3. **Logistics team** - This is perhaps most important team in BB, and most innovative and most efficient too (Across e-commerce this team will win best customer-experience award surely). This team has "pickers", who take your order and go around the warehouse "picking" up stuff for your order and putting them in one basket. They give these baskets to the van-person, who puts them in regional vans (based on highly algorithmic intelligent self-learning systems that calculate which van should take how many orders and what route it will take to minimize fuel consumption, time and effort). The delivery team takes the basket, the order, invoice, routing information and hops on the van and goes out for delivery. Delivery boys are highly trained for hygiene and good behavior, in addition to technology driven delivery process itself.
4. **Tech team** - This team is crucial to any e-commerce operation. They not only build the front end website for customers, they also work on many back end systems. For example - Inventory management system is crucial to Big Basket, as this activity takes place every day due to perishable nature of items that BB deals in. Similarly, keeping huge database of customers, 3000+ orders that come every day, making sure right items are printed for order of every 3000+ customers on any given day - all this is accomplished by Tech team through innovative technology solutions - both in software and hardware. BB is blessed to have a great product in market, so that customers can excuse the slow speed that their system has. They need to invest in better servers and speedy technologies.
5. **Support teams:** Marketing, finance, customer care and HR teams support these core functions to deliver the service. For example, marketing invests their time and effort in making advertisements, putting up ads on face book and Google search, deciding what brand-message to convey through each ad. Marketing team also actively studies the customer behavior to predict which offers work, which does not matter. They also engage in customer surveys to figure out customer-satisfaction levels. HR team takes care of employee issues, considering BB has a large fleet of delivery boys and that too in a very region-specific manner, so labour laws become an important issue for them. HR team will also take care of recruitment, appraisals, and employee grievances. Finance team will take care of transactions with customers as well as suppliers. A bigger role for CFO would be to take care of investments coming in, managing company budgets, balancing cost with revenues to achieve profitability. Customer-Care team is one of the best in e-commerce industry, simple and sweet. It takes care of incoming customer calls, customer e-mails, and

customer posts on social media. They also send out responses after consulting with internal teams for any customer issue that they themselves cannot resolve.

- 6. Smaller teams** - There will be an admin team to take care of office supplies, premises, finding out new properties and setting up warehouse or hubs. Product team will take care of various products and customer satisfaction from these products, collect reviews and take a call on what new features to add for better customer experience. New teams get added on need basis. For example, if a category team needs one dedicated person to always send those reports about sales, then they appoint a new person to do this special task and call him "reporting team".

### **CONCLUSION:**

Big Basket is running successfully and the concept is accepted and adapted across widely. The market is expanding exponentially. Execution of Big Basket is a behemoth, made up of smaller teams that work together to do that one thing - customer delight.

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