Agenda

- Challenge
- Recommendation
- Analysis
- Implementation
- Alternatives
- Implementation
- Financials
RECOMMENDATION
**Challenge**

**Recommendation**

**Analysis**

**Alternatives**

**Implementation**

**Financials**

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**Where you are now**

- Loss-making
- Focused on young professionals
- Facing threat of international entrants

**How do you get there**

**Our mandate**

**Where you want to be**

- Profitable
- Increased market share
- Focus on customer attraction and retention
- Increase offline stores
RECOMMENDATION
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ANALYSIS
Strengths
- Strong supply chain – control from start to finish
- Largest furniture e-tailer
- Variety
- Focus

Weaknesses
- Loss-making
- Capital intensive
- Limited to India

Opportunities
- Young population = rapidly growing demographic
- Targeting other segments
- Increased digitalization

Threats
- International entrants
- Copycat entrants
Current target customer

- Look for convenience
- Young professionals
- Tech savvy
- Metropolitan
- Take about a month to decide
But what about those in the age group just prior to the target one? And what to do with the current customers once they move on to the next phase of their lives?
CAGR Revenue: 65%
CAGR GMV: 82%

BUT: Margin drops to 40%
Despite growing revenues, profits are still negative.
Alternatives
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<td>International Growth</td>
<td></td>
<td>• Regional expansion of platform and products</td>
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<tr>
<td>Expansion in India</td>
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<td>• Penetrate other major demographics</td>
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<td>Outsource Distribution</td>
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<td>• Divest in distribution network and outsourcing</td>
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International expansion

Pros
- International market share
- International brand

Cons
- Loss of control
- No local expansion
- Growing competition
International expansion

Pros
- International market share
- International brand

Cons
- Not core business
- No local expansion
- Growing competition

It is risky because you are not addressing the threats
International expansion

**Pros**
- International market share
- International brand

**Cons**
- Not core business
- No local expansion
- Growing competition
Growth in India

**Pros**
- Ensure profitability
- Increase customer base
- Brand growth

**Cons**
- High marketing costs
- Demographic obstacles

**Recommendation**
Becoming profitable and expand your core business model
Outsource Distribution

**Pros**
- Cash inflow
- Reduce operational costs

**Cons**
- Loss of control
- No market expansion
- No innovation
- Reduced future business options

**Alternatives**

**Implementation**

**Financials**
Outsource Distribution

**Pros**
- Cash inflow
- Reduce operational costs

**Cons**
- Loss of control
- No market expansion
- No innovation
- Reduced future business options

No expansion and losing competitive advantage
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Well doing showroom system in the city

Adopt it to the semirural areas as well

Acquire new customers

Franchisers with local knowledge
Made in India

➢ Merchandise Campaign with Ranjid Katanar and Ramdiff
Satisfy the innovative needs of the customers

- Rental System
- C2C
- Virtual Reality

Semirural Area

Promotion

Customer Experience

Supplier Relationship
Semirural Area

Promotion

Customer Experience

Supplier Relationship

Challenge

Semirural Area

Recommendation

Longterm relationship

Analysis

Build alliances with them

Alternatives

Less competition + better margin

Implementation

Try to get exclusivity rights from suppliers

Financials
FINANCIALS
Assumptions

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<th></th>
<th>2019</th>
<th>2020</th>
<th>2012</th>
<th>2022</th>
<th>2023</th>
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<tr>
<td>CAGR</td>
<td>1.65</td>
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<tr>
<td>100 M internet users including semi-rurals growth of Internet subscribers</td>
<td>1.38</td>
<td>5.5</td>
<td>7.6</td>
<td>10.5</td>
<td>14.5</td>
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<tr>
<td>Total orders in million</td>
<td>5.5</td>
<td>7.6</td>
<td>10.5</td>
<td>14.5</td>
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<td>Order volume in Billion INR</td>
<td>27.5</td>
<td>45.54</td>
<td>60</td>
<td>80</td>
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<td>net margin 25%</td>
<td>6.875</td>
<td>11.385</td>
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<td>20</td>
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Chart Title
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<th>Action Plan</th>
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<td>1.8 M</td>
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<td>2.1M</td>
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<td>App</td>
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<td>330k</td>
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Risks
1 – Don’t reach target demographics
2 – Copycat entrants and increasing competition
3 – Don’t get profitable within 18 months
Mitigations
1 – Innovation of the app
Influencers
Increase penetration in semi-rurals
2 – Made in India
Appeal to local identity
3 – High quality and customer satisfaction
Expanding the customer base
Where you are now
• Loss-making
• Focused on young professionals
• Facing threat of international entrants

How do you get there

Where you want to be
• Profitable
• Increased market share
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• Increase offline stores

Our mandate
Questions?