

MUMBAI GRAHAK PANCHAYAT- INDIAN SUCCESS STORY IN FOOD AND GROCERY ORGANIZED RETAIL

PRADEEP PAI¹, BILAL MUSTAFA KHAN² & PN MUKHERJEE³

¹ Research Scholar, N L Dalmia Institute of Management Studies and Research, Mumbai, India

² Professor, Department of Business, Administration, Aligarh Muslim University, Aligarh, India

³ Director, NMIMS – Navi Mumbai Campus, NMIMS University, Mumbai, India

ABSTRACT

The Food & Grocery Retail in India is a unique blend of available choices, traditional customs, purchaser biases, societal influences, demographic influences, travel distance involved in purchase, weekly hots / markets, etc. The vast geographical territory of distribution and lack of infrastructure for deliveries and long turnaround time further complicates the delivery mechanism. As a result of these complex yet prevalent customs large multinational retail chains specializing in food and grocery retail globally are finding the Ganges in India very tough. Almost every major player, like Flipkart, Amazon Now, the Big-Basket, and Nature Fresh have been haemorrhaging and losing money on every transaction. Many startups in this area have long closed shop or curtailed their operations. Sangam Direct, ZopNow, Localbuniya, TinyOwl, Food Panda is numerous such examples. However strange it might seem, there is an Indian, Mumbai based organization essentially operating in this food and grocery home delivery business, very successfully for the past 42 years, with a loyal customer base of over 32,000 families. These families benefit from the collective buying of essential grocery items and source quality products at over 20% discount over the market prices. Further, this being a voluntary organization, ownership of the organization and success of the organization is the responsibility of every single member, which has made this model overcome the disadvantages of changing lifestyles, technological advantages of app based mobile applications, competition from modern retail formats like large departmental stores, home delivery e-commerce businesses, proliferation of the mom & pop outlets namely the Kirana stores etc. What are the strengths of this organization, what is the distribution model, what is the purchasing model and what are the innovative supply chain issues from the text of this paper. This paper also explores the additional changes required in the existing model of Mumbai Grahak Panchayat to make it a very large and powerful conglomerate somewhat on the lines of the biggest Indian cooperative conglomerate, Anand Milk Union Limited (AMUL).

KEYWORDS: Customer Preferences, Distribution, Supply Chain, E-Commerce, Food& Grocery, Retail, Mobile Apps, Online Payments