# PROJECT CERTIFICATE

This is to certify that **ANKUR ARORA** a student of MBA (2010-2012) Delhi School Management, Delhi Technological University (Formerly Delhi College of Engineering) has worked on Dissertation titled

"***Point of Sale (PoS) system of retail stores: Analyzing current design and improving productivity***"

to my satisfaction towards the partial fulfillment of

Master's in Business Administration

At

**DELHI SCHOOL OF MANAGEMENT**

**DELHI TECHNOLOGICAL UNIVERSITY**

The work done by him is authentic and true to my knowledge and I congratulate him for sincerely and successfully completing this project with hard work and punctuality. I wish him good luck and bright future ahead.

Date: - _____

Signature: - _____

**Ms. Priyanka Chaudhary**

**(Asst Prof., DSM, DTU)**

# DECLARATION

I, Ankur Arora, student of MBA (2010-2012) Delhi School Management, Delhi Technological University (Formerly Delhi College of Engineering) hereby declare that the dissertation titled "***Point of Sale (PoS) system of retail stores: Analyzing current design and improving productivity"*** is my own work and has been carried out under the guidance of Ms. Priyanka Chaudhary and Ms Amrita Jhawar.

All care has been taken to keep this report error free and I sincerely regret for any unintended discrepancies that might have crept into this report. I shall be highly obliged if errors (if any) be brought to my attention.

**ANKUR ARORA**

**ankur.arora@dtu.co.in**

# ACKNOWLEDGEMENT

The satisfaction, which accompanies the successful completion of the project, is incomplete without the mention of a few names. I take this opportunity to acknowledge the efforts of the many individuals who helped me make this project possible. First and fore-most, I would like to express my heartfelt appreciation and gratitude to my Guide and Mentor, Ms. Priyanka Chaudhary, Asst. Prof., DSM, DTU. This project is a result of her teaching, encouragement and inputs in the numerous meetings she had with me, despite her busy schedule. She has helped, provide the scope and direct my studies in a manner to make them most beneficial to me.

I would like to express my sincere thanks to Ms Amrita Jhawar, Research Scholar, DSM, DTU for her guidance and support throughout my project. Her calm demeanor and willingness to help has been a great help in successfully completing the project.

My learning has been immeasurable and working under them was a great experience.

**Ankur Arora**

# EXECUTIVE SUMMARY

Retail industry's turnover in India is expected to increase from US $ 353.0 in 2010 to US $ 543.2 billion by 2014 as reported by India retail report. Growth in retail sector will be driven by explosion in organized retail.

Thus there will be entry of more retailers in the country, which will lead to increase in competition. Already companies are spending a lot to attract customers in their stores, they keep on bombarding customers with their marketing tools to make sure that they come to their store. All these activities lead to increase in the acquisition cost of the customer. Therefore every time a customer comes to their store they want to increase the amount of money they spend inside the store. This is where Point of sale system comes into play, in increasing average bill value.

In the project "**Point of Sale (PoS) system of retail stores: Analyzing current design and improving productivity**", two research studies were carried out to understand the point of sale system and customer behavior at the cash counter. The procedure of my project started with analyzing the cash counter of retail stores.

In the first research work, it was tried to find out, how people rate the present cash counter, billing time at a retail store. It was tried to figure out how much important is billing time in their shopping and whether products placed at the cash counter help retailers in increasing sale or increasing dissatisfaction of customers. This was done by developing a questionnaire at the customers end and then interpreting their responses.

The type of research work carried out was exploratory in nature. A chi square test was used to find out whether there is any relationship between placement of products on the cash counter leading to increase in billing time and customers leaving the store due to increase in billing time at the cash counter. From this test it could be inferred that placement of products at cash counter leads to increase in billing time and customers will leave the store without buying if there is increase in billing time.

In the second research, different ways were found out to improve the existing component of Point of Sale system and also to suggest new components to be included into this system. This research was exploratory in nature and was carried out with the help of secondary in the form of articles from various books and the internet.

Key findings from the project:-

- Placement of merchandise at the cash counters leads to increase in billing time.

- Cash counter of present day retail stores are unattractive and also do not look same in all stores. Interiors of store are one of the components which help in creating image of the store in the mind of the customer. And retail stores lacks in uniformity of appearance of the cash counter.

- Most of the customers were of the opinion that if billing at cash counter takes longer time then they can leave the store without buying.

- Placement of products at the cash counter can lead to increase in sales, as lot of customers have bought products from this region but there were a lot of them who neither liked to buy products from the cash counter nor wait in the queue. Thus it can lead to loss of such customers in case they have to wait for more time at the cash counter.

- Most of the customers waiting at the cash counter for billing, looks at the back of cash counter and the next highest set of customers prefer to browse products placed nearby the cash counter. Thus, back wall of cash counter can be used to educate customers about store return policy or to promote loyalty cards. The area near to the cash counter can be used to place product bins to cash in the set of customers who prefer to browse.

- Point of Purchase system not only includes cash counter of stores but also other components like Shelf talkers, Tips Flyers, Catalogue, Brochures, Posters, Promotional Cards and Newsletter which all help in increasing the profitability of the store.

- Posters inside the store are not only used to highlight the visual merchandising aspect but also in communicating different messages to the customers. They help in informing the customers about their return policy and also about different reward programmes.

- Catalogue and brochures are not prevalent in Indian stores, but they can be vital for any retail store as catalogue help customers in knowing about all the available products inside the store and brochures help them with latest schemes and offer, which are presently running in the store.

- Innovative tools like video recordings are one of the most effective in attracting customers to purchase products and also in explaining them how to use a product when it is launched.

- Newsletter is another important tool to showcase their expertise in handling of customers thereby retaining them in long term.

# Table of contents

*Certificate*……..…..*i*

*Declaration*……..*ii*

*Acknowledgement*…….....*iii*

*Executive summary*…….....*iv*

*List of Figures*……*ix*

**CHAPTER- 1**

**INTRODUCTION**

**1.1 Introduction**……...……..2

**1.2 Few Retail formats in India and their Cash counters**…...……..3

**1.3 Objective of the Study**…….....9

**CHAPTER- 2**

**Literature Review**……10

**CHAPTER- 3**

**RESEARCH METHODOLOGY**

**4.1 Research design**…….……16

**4.2 Survey**…….…….....17

**4.3 Sampling**…….……18

**4.4 Scope of the project**…….……....……19

**4.5 Tools for data collection**…….…….…….……21

## CHAPTER- 4

**Case Study**

**4.1 Introduction to the case……...24**

**4.2 Testing Hypothesis……..27**

**4.3 Data Analysis……...31**

**4.4 Analysis From Secondary Data……..44**

**4.5 Findings……...……57**

**4.6 Suggestions……..59**

## CHAPTER- 5

**Conclusion…….…….....61**

## CHAPTER- 6

**Bibliography…….…….....65**

## CHAPTER- 6

**Annexure**

**Questionnaire…….…….....67**

# List of Figures


| Sl.No. | Figure No. | Name of the Figure | Page No. |
|---|---|---|---|
| 1 | 1.1 | Cash Counter of Hyper Market (Big Bazaar) | 5 |
| 2 | 1.2 | Cash Counter of Super Market (Reliance Super) | 6 |
| 3 | 1.3 | Cash Counter of Departmental Store (Pantaloons) | 7 |
| 4 | 1.4 | Cash Counter of Kirana store | 8 |
| 5 | 4.1 | Bar graph showing relation between placement of merchandise at cash counter and bill time | 30 |
| 6 | 4.2 | Histogram showing the breakup of total customer into gender, income, occupation and locality wise | 31 |
| 7 | 4.3 | Pie chart on Cash counter Rating of present day retail store | 33 |

| | | | |
|---|---|---|---|
| 8 | 4.4 | Pie chat on billing time rating at present day retail store | 34 |
| 9 | 4.5 | Pie chart showing importance of billing time in shopping | 35 |
| 10 | 4.6 | Pie chart showing relation between billing time and leaving store without buying | 36 |
| 11 | 4.7 | Pie chart showing product sale at cash counter | 37 |
| 12 | 4.8 | Pie chart showing buying behavior at shops with low billing time and low variety | 38 |
| 13 | 4.9 | Pie chart showing customer behavior while waiting for billing | 39 |
| 14 | 4.10 | Pie chart showing relationship between product placed at cash counter and billing time | 40 |