

MBA-II / SEM-IV / MARKETING MANAGEMENT (2021-22)

COMPREHENSIVE CONCURRENT EVALUATION

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Case Study

INFINITI RETAIL (CROMA): IT INFRASTRUCTURE FOR RETAIL CHAIN

National Chain of Retail Stores Moves to hosted solution, reduces Total Cost of Ownership (TCO) by 25 to 30 Percent to boost IT efficiency and give employees access to unified communications, Infiniti Retail decided to move to Microsoft Exchange Online, a part of Microsoft Business Productivity Online Standard Suite. It is now benefiting from simplified data backup and recovery, along with improved mobile access to email. Additionally, the move to the new solution has resulted in improved communication, collaboration, and productivity; reduced IT effort; and a 25 to 30 percent reduction in Total Cost of Ownership (TCO). Business Needs Infiniti Retail, a TATA Enterprise, operates a national chain of multi-brand electronics stores under the brand name Croma. Croma is one of India's first national, large formats, specialist retail chain of consumer electronics and durables. The 150+ stores with new ones opening regularly across the country offer more than 6,000 products and 200 brands in seven plus categories. Retail today is all about being better, faster, and leaner. Whether you are a global chain or an internet-only outlet, the willingness to adapt and adopt is essential to survival. Infiniti Retail maintained its email servers on premise. The company had two exchange servers, both of which were five year old and were running on Microsoft Exchange Server 2003. With around 2,700 employees, of whom 700 were email-enabled employees, email was critical. And, as the number of stores and employees both were increasing, approximately 10-25 email ids had to be created every month. To safeguard against disk failures, backups were taken on tapes, which is again a cost. At times, there were backup job failures, which required manual



intervention to troubleshoot, which was time consuming task. Another significant challenge was setting up a disaster recovery server. With such an old infrastructure, hardware support had ended and so hard disk scalability in the server and creating these email ids was turning out to be a challenge. The hardware had reached the end of its life, as support for the servers was no longer available. In addition, new versions of messaging software offered many more services and features, such as unified communications. Refreshing the entire infrastructure was inevitable," says Mr. Nadeem Malim, Senior Manager – IT, Infiniti Retail. "We needed to provide state-of-the-art IT services without the need for large on-site infrastructures."

Solution: The Company evaluated couple of on-premises, hosted, and leading cloud-based messaging solutions. After a proof of concept, it finally made the decision to go with Microsoft Exchange Online, a part of Microsoft Business Productivity Online Standard Suite, a cloud-based set of messaging and collaboration tools, delivered as a subscription service. The solution gives businesses rich capabilities without the need to deploy and maintain software and hardware onpremise. "The POC showcased how cloud solutions can reduce costs, improve agility, and enhance global consistency," says Mr. Nadeem Malim. Infiniti Retail partnered with Microland, Microsoft Infrastructure Partner, for the deployment of the solution. Infiniti Retail migrated its 700 email users in just 60 days to Microsoft Exchange Online. "The switchover was absolutely smooth for us and we could access the same email as before," says Mr. Nadeem Malim. Users can access the advanced email, calendaring, contact management, and task management features of Exchange Online through the Microsoft Office Outlook 2007 and Outlook 2010 messaging and collaboration clients, or they can use Microsoft Outlook Web App to access the same functionality from almost any web browser. IT staffers can now create bulk email ids in few minutes, with no worries about storage and server sizing, etc. Additionally, they no longer need to perform backup operations to ensure redundancy for their messaging environment. Instead, mailbox data is continuously replicated to Microsoft data centers in distributed geographic locations. Exchange Online runs in secure Microsoft data centers that are geographically redundant. In addition, mobile support for smart phones enables devices to quickly connect mobile users to email and other messaging functionality. Capabilities provided by Office Live Meeting are also under evaluation to conduct virtual meetings for project teams, Operations, HR interviews and groups, where face-to-face meetings would be difficult. This would also reduce some traveling expenses. The capabilities provided by Business Productivity Online



Standard Suite all work together along with Microsoft Office desktop applications to deliver a seamless experience.

Benefits: Hosted IT Reduces TCO by 25 to 30 Percent Because Infiniti Retail outsources its IT, the team doesn't have to think about server management, back-up, disaster recovery, installing and upgrading software, monitoring security, troubleshooting or any other IT maintenance issues. All this is taken care of by Microsoft. "We just pay a monthly fee and it's all managed for us," says Mr. Avijit Mitra, Chief Financial Officer, Infiniti Retail. "Eliminating the need to buy or manage infrastructure means tangible savings. We estimate that our TCO will reduce by 25 to 30 percent." Easy to Manage System Reduces IT Effort, The Company's move to Microsoft Business Productivity Online has also yielded productivity gains by reducing system administration workload by approximately around 25 to 30 hours a month. Because Microsoft hosts and manages the servers, the company does not have to invest in hardware or the administrative support required to deploy and manage solutions in-house. Integrated Solution Boosts Productivity. The company is confident that seamless access to email, calendars, contacts, and business documents increases workforce efficiency. Exchange Online offers scalable and cost effective solution to enable such seamless access.," says Mr. Avijit Mitra.

Question. What are the basic problems faced by the company? Discuss the measures to overcome the problems faced by the company?

Situation Analysis

According to the Retailers Association of India (RAI), the retail industry has already achieved pre-COVID-19 sales, driven by the rising demand from consumers. The increasing purchasing power has led to growing demand. Collective effort of financial houses and banks with retailers are enabling consumers to go for durable products with easy credit. Foreign retailers are entering the Indian market. The cumulative FDI inflows stood at US\$ 572.8 Billion during April 2000 to December 2021. India's retail trading sector attracted US\$3.75 Billion FDI from April 2000 to December 2021. About 5% FDI is in multi-brand retail, 100% FDI is in single-brand retail under the automatic route. In November 2021, Department for Promotion of industry and Internal Trade announced that it is working on a regulatory compliance portal to minimise burdensome compliance process between industries and the government.

Amid this promising scenario for the retail industry in India,



Why Future Group's 'Big Bazaar', one of the first and biggest retail chain in Indian Retail industry established in 2001, could not sustain and was recently taken over by Reliance Retail?

What makes the big Indian corporate giants like Reliance, Tata, Birla, Adani etc. entering and expanding so aggressively in the retail sector like never before?

Whereas on one hand why some foreign retailers like DKNY, Metro AG are exiting Indian retail market claiming that the Indian market is a hard nut to crack for the foreign retailers?

On the contrary, why do one of the biggest retailer in the world Walmart, despite of the strong competition from market leaders like Reliance, sees a tremendous potential in the Indian market and is pivoting its strategy to win the Indian market?

Note: Read the situation carefully, analyse it properly and answer above situation based questions by supporting your answers and/or narration with appropriate justification, logical reasoning, cognitive & rationale insights citing relevant examples and references wherever needed.





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