Strategy and Segmentation of Lady n Baby stores

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Marching into households through ‘mom’s & ‘kid’s
A case study of Lady& Baby, an organized retail company)
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100 Stores of Lady n Baby stores in India! Indra Retail is on the celebrations. Being the 1st of its own kind i.e. all range retail for the mothers and kids, it has certainly brought the uniqueness to this segment.

What is the way forward to quickly expand into the households through this retail venture? This is the question marketing team is facing at this CENTURY MOMENT.

This time they took the path of quick learner (learning from big retailers in India) by launching the online retailing store [www.LadynBabyshop.in](http://www.LadynBabyshop.in)

So the challenge before them is to start doing path breaking online marketing which will take them ahead as winners in both physical & online retailing.

The challenge will be at integrating the online marketing efforts through which both the verticals will be benefitted!

Let us plunge ourselves into the world of online marketing of retail industry.

Objective for the Case development:
1. Learning the mix of physical & online retail marketing
2. Learning the segmentation uniqueness

Introduction:

The global online retail scene:
The global online retail sector grew by 14.5% in 2009 to reach a value of $348.6 billion. In 2014, the global online retail sector is forecast to have a value of $778.6 billion, an increase of 123.3% since 2009.

Electronics is the largest segment of the global online retail sector, accounting for 22.6% of the sector's total value.

Americas accounts for 45.7% of the global online retail sector value.
The large number of competitors operating within the sector, combined with the absence of consumer switching costs, increases rivalry. However, a high level of product differentiation together with low fixed costs and dynamic market revenue growth observed in recent years tends to alleviate rivalry to an extent.

Global Online Population

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2010</th>
<th>2012E</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>259</td>
<td>266</td>
<td>292</td>
</tr>
<tr>
<td>Europe</td>
<td>415</td>
<td>475</td>
<td>500</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>645</td>
<td>846</td>
<td>1,033</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>178</td>
<td>204</td>
<td>255</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>135</td>
<td>173</td>
<td>241</td>
</tr>
<tr>
<td>Total</td>
<td>1,632</td>
<td>1,964</td>
<td>2,321</td>
</tr>
</tbody>
</table>

Global online retail industry trend:

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online retail Growth</td>
<td>22.7</td>
<td>22.1</td>
<td>12.45</td>
<td>14.5</td>
</tr>
<tr>
<td>Traditional retail Growth</td>
<td>7.2</td>
<td>10.9</td>
<td>9.4</td>
<td>-3.7</td>
</tr>
</tbody>
</table>
Indian Retail Scene:
Indian Retail a behemoth of around 400 billion USD and contributor of 11% to Indian GDP which 2nd highest after agribusiness.
Two indicators say about a trend in India: one India on the top of the AT Kearney’s GRDI(Global retail development Index) and second is as per above global report the Global retail industry is riding high on the e-way for future growth.
So the future of the Indian retail lies in the e-way enablement in all the marketing activities for Indian Retail industry.

Indian Online Retail sector:
Assocham retail report 2011 brings out very positive result of online retail future. The study conducted on 5000 retail shoppers shows that the present online retail industry of Rs.2000 Crs. is poised to grow up to Rs.7000 Crs by the year 2015.more than 40% shoppers wanted to go for online shopping. Majority of the shoppers are from the age group of 25-35 years.

The Indra retail:
With its entry of Indra Retail in mothers & Children Segment of retail sets a live example of the excellence of online marketing through its website.

This segment is very critical as Children (0-6yrs) are 14% and females are 48% of the total population with a wide range of buying.
The major players in this category of organized industry are Lilliput, jinni-jony, and all the major players like lifestyle, future group, reliance retail, shoppers stop to name a few.

In such competition without copying the entire segment Indra retail has entered with a differentiation of the maternity n child care segment

As we say: New is always fresh ! Indra retail literally proved this with the way it has exhibited its online marketing initiatives on www.LadynBaby.in .
Indra Retail was established in 2008 with its store Lady n Baby. currently they have presence in 24 cities with a total of 100 stores.

www.LadynBaby.in gives us opportunity to learn how a online marketing platform should be. In the maternal care and child care on focus area is CARE which a mother extends for the child and the care mother/husband/father extends to the female. Keeping this fact in mind when we tour along the website of LadynBaby we experience the CARE and GUIDANCE in the platform for the segment. That is the key for building the customer TRUST with the brand, which surely happens with this one.

Introduction of Indra Retail:
Vision:
To be the preferred destination/choice of every mother and child, to delight them with world class products and services, and to serve them in a personalized fashion with extraordinary love and care
Mission:
To bring love, joy and a sense of well-being to every mother and child.

**Service Credo:** Nurture customer relationships with care and empathy

**Values:** As a retailer we value ethical business standards, professionalism, excellence in all aspects of work, products and services that are safe and of the highest quality, and customer focus in everything that we do.

As individuals we value dignity and rights, mutual respect, integrity, honesty, passion for performance, and great love for our work and customers.

As good corporate citizens we value good environmental protection, promotion of green activities, conservation of energy to create better world for our children.

As a responsible corporation we are accountable for providing equitable and sustainable rewards for our customers, share-holders, employees and our society.

The organization has divided the child segment into following segments of child and delivered beautiful indulging platform for the parents about childcare.

### 1. Online Segmentation and marketing communication:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Pregnancy &amp; Birth</th>
<th>Infants</th>
<th>Toddlers</th>
<th>Preschoolers</th>
<th>Learners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Preparing for Pregnancy</td>
<td>Preparing for Baby</td>
<td>Health</td>
<td>Health</td>
<td>Health</td>
</tr>
<tr>
<td>1</td>
<td>- First Trimester</td>
<td>- First 6 Weeks</td>
<td>- Home Care</td>
<td>- Home Care</td>
<td>- Home Care</td>
</tr>
<tr>
<td></td>
<td>- Second Trimester</td>
<td>- Health</td>
<td>- Feeding</td>
<td>- Feeding</td>
<td>- Feeding</td>
</tr>
<tr>
<td></td>
<td>- Third Trimester</td>
<td>- Home Care</td>
<td>- Education</td>
<td>- Education</td>
<td>- Education</td>
</tr>
<tr>
<td></td>
<td>- Labor &amp; Delivery</td>
<td>- Feeding</td>
<td>- Growth &amp; Development Milestones</td>
<td>- Growth &amp; Development Milestones</td>
<td>- Activities &amp; Social Behavior</td>
</tr>
<tr>
<td></td>
<td>- Postpartum Period</td>
<td>- Growth &amp; Development Milestones</td>
<td>- Activities &amp; Social Behavior</td>
<td>- Activities &amp; Social Behavior</td>
<td>- Activities &amp; Social Behavior</td>
</tr>
<tr>
<td></td>
<td>- Fitness &amp; Nutrition</td>
<td>- Activities &amp; Social Behavior</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- Fetal Development - Week by Week</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
In the above segmentation of child each dimensions gives the respective paradigm to look at the segment. Each paradigm on the website has been enriched with very CAREFUL guidance to the parents towards their child. This empathy message **positioning** to the parents whose child might fit into one of the segments.

The empathy and care is exhibited through the guidance given to enrich each dimensions for each child segment.

2. **Online Product Communication:**

**Product catalogue**- The online product catalogue

3. **Online Customer communication and instructiveness:**

Parent’s Speak zone

Ask the expert’s

4. **Online CRM:**

Parent’s Forum

Fun station

Alternative therapies

Privileged parents

5. **Online Customer Trust building**

Credits

Alternative therapies

Parental guidance tips section at each child segment

Online Synergy showcase with brick and mortar business by store location

**Will “Lady n Baby” be able to march successfully in to the depth of households in future! If yes what will be their strategy! That only time will unfold.**
Discussion Questions:

1. Suggest promotion strategy for the marketing of online retail business in physical retail stores.
2. Comment on the segmentation done by Lady n Baby; suggest the futuristic segmentation for their online retail store.
3. What is the strategy behind selecting this segment for retail?
4. Suggest the CRM Activities for further strengthening the positioning in the respective segment.

Objective for the Case development:

1. Learning the mix of physical & online retail marketing
2. Learning the segmentation uniqueness

Suggested reading for the case:

1. IBEF Indian retail report
2. ASSOCHAM Online retail report
3. Retail management by Swapna Pradhan
4. Retail Management by Gibson Vedmani
5. Retail Management by Lewi &Witz
6. Internet Marketing by Johnston, Mayer