

RESEARCH ARTICLE

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Design Your Destiny

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ABSTRACT:

Design thinking is generally defined as an analytic and creative process that engages a person in opportunities to experiment, create and prototype models, gather feedback, and redesign. Several characteristics (e.g., visualization, creativity) that a good design thinker should possess have been identified from the literature. The primary purpose of this article is to summarize and synthesize the research on design thinking to (a) better understand its characteristics and processes, as well as the differences between novice and expert design thinkers, and (b) apply the findings from the literature regarding the application of design thinking to our educational system. This Research Article overarching goal is to identify the features and characteristics of design thinking and discuss its importance in promoting students' problem-solving skills in the 21st century.

Key Words: Entrepreneurship, Design Thinking, Design Process, Destiny, Immerse, Empathize, Ideate, Prototype, Validate.

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I. INTRODUCTION:

Albert Einstein has said "We can't solve problems by using the same kind of thinking we used when we created them". It needs innovative ideas and the out of the box thinking to create a viable solution, for solving complex challenges. This is where the design thinking helps. It can be defined as a methodology used to solve complex problems by correctly identifying and analyzing them and coming up with viable workable solutions to these problems.

Five strategic steps for implementing Design Thinking: Immerse, Empathize, Ideate, Prototype, Validate: 1. **Immerse** stands for indulging in the environment to capture information by doing a need assessment and mapping the information collected., 2. **Empathize** stands for understand the problem statement based on evidences observed, and generating potential solutions., 3. **Ideate** stands for generate idea., 4. **Prototype** stands for a first or preliminary version of a product or service., 5. **Validate** stands for building working solutions to get feedback to evaluate them before implementation

II. CASE PRESENTATION:

Introduction:

When Mr. Nadeem Jafri thought of creating a retail business set-up, he was determined to come out with an innovative business model. Having spent most of his professional career in media and advertising, he was aware of the importance of creativity and design, even in a

business as unrelated as retail. Here he is sharing his journey of Hearty Mart creation by relating it with the above mentioned Process of Design Thinking.

Immerse:

When he was finalizing location for his first retail store in the early 2004, he had initiated a dipstick research, in few of the areas of Ahmedabad – to understand the buying patterns and consumer behavior of the people residing there. The research was conducted in the areas of Khanpur, Navrangpura and Vishala Circle near Juhapura. This research was helpful in understanding the socio-economic differences of these areas. Khanpur was a mixed area, Navrangpura was upmarket and cosmopolitan, while Juhapura was downtrodden and was devoid of even basic amenities.

It is important here, to understand the inherent problems of Juhapura. For a decade of 1992-2002 Juhapura largely remained an area which was considered as riot prone and downtrodden. It was deprived of basic amenities and though it became a pre-dominantly Muslim ghetto it was avoided by affluent Muslims. Post 2002 communal riots, even some of the affluent Muslims shifted their base and moved to Juhapura. This changed the socio-economic dynamics of the area. This migration of Muslims with deep pockets was the reason for the housing boom in the area. More and more residential schemes started to flourish. But the problem of not having a good food-grocery store prevailed in Juhapura.

Despite all these problems at Juhapura, it still seemed to be the best option to start a store for the following reasons:

- Commercial Real Estate price was economical and hence the property could be purchased easily or bought on lease at a lower cost for the retail store.
- Area did not have any prominent organized food-grocery retail setup, this was a golden opportunity to setup shop here and reap the benefit of first mover advantage before serious competition sets in.
- The research was conducted on 588 households and the results were encouraging. The average monthly spend on food-grocery, cosmetics and other fast moving consumer goods, was approximately Rs. 7000. It was a whopping INR 45 lacs worth of business per month, which remained ignored by major food-grocery retail chains.

→ Mr. Nadeem seriously started thinking of setting up his first store at Vishala Circle near Juhapura, as he was confident that they can add a value to the lifestyle of the residents, by offering them a unique shopping experience in their area.

Empathize & Ideate:

To start a store in Juhapura didn't come easy. As discussed, the negativity attached with the area, made the store opening process difficult. Mr. Nadeem observed the following pattern of behaviour from the proposed customers and suppliers:

1. The affluent Muslims who had turned to Juhapura post 2002 riots, didn't like the downtrodden area. They were forced to stay here for safety reasons. It was more a compulsion than a choice. For their daily need, they continued their purchase, from the stores located in the area from which they had migrated to Juhapura.
2. The riot-prone image of Juhapura discouraged many suppliers to trade in the area¹.

Thus the need was to break the ice with the suppliers and bring in convenience to the residents in Juhapura itself.

There are two main reasons; a customer would visit a retail store:

- Price Benefit
- Ease or Convenience of purchase

Mr. Nadeem came up with an emotional name for his store— Hearty Mart, to fight the

negativity and gloom attached with the area. He gave it vibrancy by using red colour across the store and this colour went on to become the house colour for the brand – Hearty Mart.

In order to create patrons for his store in Juhapura and attract the local residents, he was needed to come up with the strategy that would be price or convenience driven. Since he was opening the first store, he knew talking about price and positioning his store on the price plank, wouldn't be a fair thing to do. He took the convenience plank for store positioning, targeting those residents who went to other areas for their daily need purchase. He positioned their store with the tagline – “Sabse Khaas Ghar ke Paas”



(Brand Identity & Positioning of Hearty Mart Super Market)

Mr. Nadeem organized get-together with suppliers and convinced them to supply him with the required merchandize, prior to the launch. He paid in advance to certain suppliers so that they start the trade engagement. He knew, because of their fair trade practices, the suppliers wouldn't desert him once they start the trade engagements; hence paying them in advance was the logical thing to do, to win them.

→ Once he did the ground work of location and name finalization and supplier connect, prepared themselves for the launch of first store— Hearty Mart Super Market at Juhapura.

Prototype & Validate:

Mr. Nadeem approached his family members and community people with the project report to raise the required capital for the store. His father had gifted him a sum of amount, which he invested in the store as his own share in the capital. Total investment was to the tune of Rs. 62.5 lacs, which included the purchase of the shops along with inventory and interior cost.

Once the capital was raised Mr. Nadeem started the real work of store creation and pre-launch promotion. An integrated communication campaign was launched for two weeks before the launch of the store in Juhapura. Following communication tools were used for the promotion:

Launch Strategy:

- An auto rickshaw was branded with the posters of Hearty Mart. A CD with a jingle of Hearty Mart was played in the loop in the auto

¹<http://www.openthemagazine.com/article/india/the-adrenalin-of-adversity>

rickshaw, this rickshaw would cover the major colonies of the area surrounding the store location.

- An informative leaflet was designed to showcase the store products and the launch offer
- A Cable TV sticker ads were used to promote the launch and the introductory offer of the store
- A personalized letter was sent to the prominent people residing near the store location.
- A cup of ice-cream was served to the customers who visited our store on the launch day.

Mr. Nadeem was ready with his first model store on 11th February 2004². But his real test was to make it run successfully after it was launched. In a retail industry, it is observed that for a week after the launch, many customers throng the store, but this craze seems to decline from the second week onwards. Retail entrepreneur needs to devise innovative strategy and ideas to engage with the customers continuously to ensure steady footfall at his store.



(Nadeem Jafri – Founder & Chief Mentor, Hearty Mart, at Juhapura store)

Goodwill Creation & Promotion:

In order to engage with the customers, Mr. Nadeem came up with innovative purchase schemes, wherein on a purchase of more than Rs 1000, he promised an assured gift. The sticker saying “Thanks for shopping with us” used to be pasted on the gift. On a completion of 100 days of the launch of his store, a thanks giving personalized letter was sent to the key customers for their support and they were gifted with 1kg pack of sugar. Mr. Nadeem created smart cards for their key

customers and came up with regular customized offers for them, to ensure their steady footfalls at the store.



(The promotional sticker which used to be pasted on the gift given to the customers of Juhapura store in 2004)

Growth Strategy & Expansion:

The long-term strategy for growth, in retail industry, is to have multiple stores. Even he wanted to expand this way, but due to the lack of funds they could not. Hence he came up with an innovative idea of franchisee stores. For this purpose, Mr. Nadeem seriously contemplated on going to the rural market.

They entered the rural market by way of tapping their social network of an enterprising community, mainly into Punjabi restaurant business in urban Gujarat but having a rural base³. The people of this community helped him in setting up Hearty Mart at Juhapura in 2004. They provided the domain expertise of the knowledge of food-grocery to his business since farming is their main occupation at rural level. They are better known as ‘Cheliya Muslims’ and hail from the villages of North Gujarat⁴. With the idea of starting his franchisee model he approached two aspiring entrepreneurs of this community at Ilol village, near Himmatnagar and eventually in 2007 the first franchise was launched.

Rather than opening his own branch, the franchisee model worked much better, as it brought a feeling of empowerment to the villagers and they were happy to see a person from amongst them owning a modern organized retail store. His brand started expanding without investment and thus he converted his limitation of not having funds, to his strength by creating this innovative retail model.

³<https://www.ibef.org/news/22384>

⁴<https://economictimes.indiatimes.com/t/he-chelias-close-knit-community-with-thriving-restaurant-chains/articleshow/9339769.cms>

²<http://www.forbesindia.com/article/work-in-progress/hearty-mart-endearing-success-of-a-small-town-retailer/34049/1>



(Image of the first franchisee in Ilol village in 2007)

The franchisee network would thrive only if it is backed by a robust ecosystem. Mr. Nadeem started working on creating an ecosystem that would handhold his franchisees and help them procure products which are profitable and guide them in running their store efficiently. As discussed earlier, the community which he was working with had a sizeable urban presence with their restaurant business flourishing in cities. He thought of tapping this network as a first step in creating a support system. He formed a new firm 'Hearty Mart Enterprise Pvt Limited' – this firm was in HoReCa segment (Hotel/Restaurant/Caterer supply). It started supplies of bulk food-groceries to hotels and soon they were supplying to close to 100 restaurants. This gave them a scale to negotiate price with vendors in food-grocery category. The price benefits which he thus got were passed on to the franchisees. He could bring in some price benefit to his franchisees with this step.

The franchisee model was a process franchisee – meaning he wanted to impart the skill set and knowledge on how to run an organized retail store at a rural level, rather than focusing only on supply chain and product delivery. Hence his efforts were more in acquiring techniques of understanding data & inventory management. For product purchase, the franchisees were free to have their own purchase department and they could purchase products from anywhere they felt like. He would handhold; in making they understand the store performance based on the sales figures and thus help them in refining their inventory and making it more profitable. For this Mr. Nadeem & his team created in-house "Franchise Development Cell". This was the second step in creating a retail ecosystem for their franchisee network.

Apart from retail franchisee, he started creating Joint-Venture Franchisee companies catering different products in HoReCa segment. Here, Hearty Mart Enterprise – the bulk food grocery supply company takes a holding share in the venture. Remaining share is distributed among different investing partners. These companies are run by different sets of entrepreneurs but since this is Hearty Mart companies; they need to follow the rules and policies of Hearty Mart. Hearty Mart network of companies are into bakery & café, tea, HoReCa, food-grocery retail, floor trading, paper products, packaging, marketing & logistics and hospitality products. As on date Hearty Mart is a network of 11 companies and in food-grocery retail, it is a chain of 12 super market franchisees at rural level.

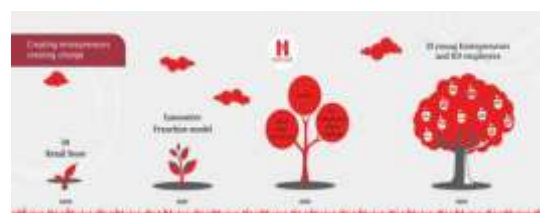


(Hearty Mart's bakery venture – BakersCafe at Sidhpur)

III. CONCLUSION:

From this case study it can be concluded that Mr. Nadeem, Founder of Hearty Mart, started his journey in 2004 as a small store in Juhapura with the initial investment of INR 62.5 lacs, is today a prominent brand with a total brand-turnover multiplying almost 100 times! All this was achieved with proper planning and keeping the process of design thinking in the forefront.

"Any entrepreneur can create a new destiny for himself and people associated with him with proper planning, innovative thinking and an unflinching passion to succeed."- Nadeem Jafri, Founder & Chief Mentor, Hearty Mart, www.heartymart.com



(Hearty Mart growth info-graph)

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