The Doom Day at Johnson Retails Pvt. Ltd, Panjim, Goa

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ABSTRACT
The beginning of the case highlights the glimpse Johnson Retails Pvt Ltd, one of the pioneers of Johnson Group of Companies headquartered in Goa. Every festive season they make an attempt to organize an event, aiming that they will encourage the customers to visit the store and attract them to buy the products. Vishwas, the Brand Manager of Johnson Retails Pvt Ltd, was supervising these events. He was heading the online department of the company. It was the Chaturthi Season and the company was up to organize one more event, as usual they do it every year. The meetings were organized and everyone was assigned with the duties of the event. The day came, where everyone was excited to see the results of the event. But the serious issue was brought into notice to Vishwas and now he has to take up a wise decision.

Keywords: CSR, E-Business, home decor, MNCs, pioneer, retail

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INTRODUCTION

Johnson Retails Pvt Ltd (JRPL) is one of the pioneers of Johnson Group of Companies in Goa which was established in the year 2005. James Johnson, the Founder and the Managing Director of the Johnson Group of Companies, established in the 1980s, has decided to set up the retail business aiming that the business house will provide the range of taste of different products to the Goan people. In the past years, when they had been organizing the events as a part of strategic plan for customer engagement, they are getting enough number of customers visiting the store and participating in the events. On 24 September 2018, there was a big chaos that occurred for the first time in the whole business career of JRPL. The managers were tightened-up very hard by the huge crowd of customers in the megastore and the reason for the issue was raised because of the ignorance of the manager approving the advertisement of the organized. The Brand Manager Vishwas Bhat had to take a wise decision to the causative act [1].

History of Johnson Group

In the 1980s, Johnson Group was established by Peter Johnson, with a general store in Panaji, the heart of Goa. As the time elapsed, the number of stores increased to three, and by successive channelizing the business, they were able to manage to open the first mall in Margao, Goa. It grew and multiplied the profit for Johnson Group. In 2000, Johnson Group started with a drugstore and the business was expanded in each corner of the state. They became the largest importers for the brand like Ciba, Sandoz, Eil Lilly, Johnson & Johnson, and many more.

21 September 2002 was the dark night for the Johnson Group of Companies as Peter Johnson, the founder of the Johnson Group, had closed his eyes forever. Peter Johnson was known for his decision-making ability, network over the nation and optimum capacity utilization. The absence of such imperative leader has brought a devastating change to firm's operations. As time passed, the second

generation of Johnson's family, i.e. James Johnson (the only son of Peter Johnson), took over the firm's operations [2].

Johnson Group Today

Unconditionally, the Johnson Group has grabbed every opportunity available whether in terms of stiff competition to opening the new business venture. Today, Johnson Group is in medical, bakery, retail, logistics and distribution business, and has partnered with many MNCs like P&G, Godrej, BSN Medial, Nestle, etc. Over the years, till now the group has employed more than 5000 people in the business environment. In 2012, the turnover of the company was approximately 780 crores. The firm's businesses are diversified in many parts of the country like Karnataka, Madhya Pradesh and Maharashtra. Johnson Group has always been active in conducting various corporate social responsibility (CSR) activities for the society. In the year 1995, Government of Goa has awarded for the social service that they had conducted. They donated Rs. 75,000 to Saraswat Primary School in Goa for upgrading the infrastructure of the school. Moreover, they have been always conducting various competitions for the local people like "Photography Competition", "Singing Competition", "Drawing Competition", "Rangoli and Arti Competition" and many more. Every year they organize the blood donation camp and every employee, without any hesitation, participates in it.

Today, Johnson Group of Companies is been known for its retailing service. The retailing sector was not in existence before the death of Peter Johnson. The whole retailing pioneer of the firm is started and managed by James Johnson.

Retail Industry in India

India, the tourism destination for the many people all over the world, is a developing country filled with a lot of culture and traditions. We mostly believe in the traditions that our elders have taught in all aspects, either in business or for living the regular life. The retailing in India is called the biggest activity amongst all the industries which has contributed 10% of GDP and 8% of employment to the country. It has positioned as the most dynamic and fast-moving industry due to several entries of the players with the unstable variety of product. The retail industry is about to become the booming industry, but the competition has reached to that level that some of the players have not placed to such level as expected, as the heavy investment required to break the backbone of other competitors. India has high market potential, low economic risk and the average amount of political risk. Indian retailing is a broad concept which is indulged from small retail outlets to huge megastores which comprise Kirana Stores, General Stores, Chemist Shops, Confectionary, Home and Office Furniture, Electric Appliances, and many more [3].

The retail industry is divided into organized and unorganized retailing where organized retailing refers to the activities of trading which are undertaken by the registered or licensed retailers, i.e. retailer registered for Government Taxations, Company's Act, etc. For example, Walmart, Big Bazaar, Target Corporation, Lifestyle, Pantaloons Fashion and Retail, IKEA etc. Unorganized retailing can also be termed as low-cost retailing which is a traditional format. For example, the local kirana shop owner manned general stores, pan–beedi shops and many more. The foreign companies are accumulating the vast areas of retailing sector in India. Though with high taxation policies framed by the Indian Government for the foreign marketers, the competition for the Indian retailers is increasing day by day. There is a lot of empty space for the new business for the upcoming entrepreneurs in the world of retailing.

Johnson Retails Pvt Ltd. (JRPL)

The major pioneer of the Johnson Group of Companies is Johnson Retails Pvt Ltd (JRPL), which was established by James Johnson in the year 2005. It is the largest organized retailing company having 30,000 square feet megastore in Goa, which deals in furniture and lifestyle products for home and office. The national distribution center of the company is located at Margao, Goa. The pinnacle of the JRPL is their own brand, "NOOR". Noor is the premium brand by the company which merchandises only the home style decors like beds, curtains, sofas, room fresheners, vases, etc.

The JRPL serves home and office furniture, electronic appliances, personal care products, and many more. They have Godrej, Spacewood, Stellar, etc. as their channel partners for furniture solutions. Partnering with MNCs like Godrej, P&G, Philips, Sony, Samsung, Whirlpool and many more had given them a different lookout in the business environment. Over the period, there was huge competition for JRPL. Pepperfry, Urban Ladder, FabFurnish, etc. were the top competitors for JRPL, as they were almost in the same business, and in the beginninf, they had the competitive advantage of the online business. Since many of the marketers were moving toward the E-business, JRPL had developed their E-Commerce site "www.jrpl.com" in the year 2012. They started selling the products through the online platform and this online business had given them a huge ROI to the business over the years (see Exhibit 1). They have also partnered with the marketplaces like Flipkart, Amazon and Snapdeal.

Every department in the company was having separate divisions, well-structured and occupied with the required systems. But there was a serious issue with the company's employee retention. The employee retention rate was decreasing after every 3 months. Regardless, they were hiring more employees by replacing the empty position. The HR manager never tried to encourage the employees to preserve them as he believed that the CTC of the particular employee was not up to the extent that they wanted to see. Because of this, they were hiring the employees after every 3–4 months [4].

JRPL always tried to engage the customers with many offers and festive events. These all activities were managed by the brand manager Vishwas Bhat. He was appointed as a brand manager since after 2 years of establishment of the JRPL, i.e. in the year 2007. He had worked with Airtel and Big Bazar. He was also responsible to conduct all the activities required for the company's management. In recent years, he has organized photography competition, poster-making competition, and many more. For all these activities, he has to collaborate with the company's associates and other sub-promoters. Vishwas was heading the online department, and under him, there were six employees – Gaja Chavan (Graphics Designer), Rahul Madgaokar (Graphics Designer), Ketan Bhagat (System Maintenance), Raquel Fernandes (Customer Consultant), Amol Bandari (Customer Consultant). The online department was always looking out for new ways to advertisements. Gaja and Rahul were responsible for picturing the ads for the local newspaper, social media posts, video ads at theaters, etc.

Every festive season, the company organizes special events and upholds the big prizes to the winners. Recently, in the month of April 2018, they have organized Sofa Carnival. and in July 2018. "Monsoon Fest at JRPL". The impact of such events was effective enough to get a traffic in a huge number. This has encouraged them to showcase their products to the customers during the events.

They were advertising these events through social media and newspapers. The cost incurred in the advertisement was not that much important for Vishwas as he was knowing that these kinds of marketing activities must be costly, and ROI in such advertising will give a positive response. Vishwas was always ready for market challenges in which he is dealing with.

On September 2018, it was a Ganesh Festival time, and the company decided to organize the event. They named it as "Mega Loot Carnival". The meeting was arranged by Vishwas with General Manager, HR Manager, Finance Manager and Store Manager for the further discussions. During the meeting, they decide the budget for the event, manpower requirement who will only concentrate on that event only. The event was organized to encourage the customers to participate and visit the store, and accordingly, the price was reduced to 25% less on certain products and decided to start furniture products with less price This is the most important advertisement picture that refers to exhibit 2. The whole case is dependent on this advertisement table 1 fig 1.

Since the hold of the event was given to Vishwas, he called up his team from the online department to assign the task. On the previous day, a new graphics designer Pritam Mane was replaced with Rahul who has left the company. Now Gaja and Pritam were given the duty of designing the ads, and Ketan must post the ads in all social media (Facebook and Instagram) and on the official website. Raquel and Amol had to manage the overall requirement of the event. The pricing that needs to be printed on the ads were given to Gaja and Pritam in the excel sheet. But the problem in the excel sheet was the pricing of the sofa set was missing. To get the pricing of the sofa products, Gaja called the Store Manager and requested him to redefine the pricing of the sofa that needs to be offered. Everything was ready and approved. The banners were given for printing, social media advertising was completed, the required facilities, during the event, were arranged.

The "Mega Loot Carnival Day": 24th September 2018, the day has arisen for JRPL's new event. The megastore was opened exactly at 9.00 am and all the managers and employees were present in the conference room. The General Manager initiated to start the gathering and motivated the employees on how this event need to be worked upon from their side. The meeting was adjourned, and all the employees were back to the respective task. Meanwhile, Raquel and Amol were arranging the stuff and making sure everything is ready [5].

Customers were entering the store and were looking out for the products as usual. But at 10.30 am, the number started increasing minute by minute. Raquel and Amol found that something is fishy going around. But at a certain point, they were happy because it was the first time for JRPL to get such a huge crowd of customers in such an event. The sales person started attending the customers. Many of the customers started searching for the three-seater sofa, and accordingly, sales person started attending the customer. Within them, there was one news reporter who was concisely searching for the sofa section.

Salesperson: Yes sir, how may I help you?

News Reporter: Please can you take me to the sofa section. I want to buy the sofa.

Salesperson: Yes sir, why not?

News Reporter: I want to buy this three-seater sofa as per your offer.

Salesperson: Which offer sir?
(News reporter showed the ad to the salesperson)

Salesperson: Sir I don't have that much knowledge about this offer. I'll send the concerned person. He will surely help you out.

When the salesperson saw the advertisement, he got shocked. He immediately contacted the store manager and asked what to do next. The store manager tried to meet Vishwas because he is the person who had the hold over the event. The store manager stepped into the online department searching for Vishwas. He explained the overall issue to Vishwas and told that one news reporter is not cooperating and is making the mess in the megastore. When he got to know about the problem, he quickly called up a meeting with the managers.

Vishwas: Good morning everyone. I have called you here to tell you that we have a serious issue going in the megastore.

Store Manager: Everyone, please go through the ad in the newspaper.

Vishwas: The problem with the advertisement is that the price of the three-seater sofa has to be Rs 30,987 as discussed in the meeting, but it is printed as Rs. 13,987. And because of which the megastore is crowded today (Exhibit 2).

General Manager: Vishwas, how you can be so irresponsible? It was your responsibility to check and approve the ad. How you can ignore such minute mistakes.

Vishwas: Sir, yesterday only I have landed from Mumbai. I went for the business purpose only. I have given a checked pricing excel sheets to Gaja. I don't know how the mistake has happened.

General Manager: Please call the Graphics Designers.

Gaja & Pritam: May we come in sir?

General Manager: You people have any idea what you have done? See this ad. The pricing has gone wrong. Who had typed the pricing in the ad?

Gaja: Sir, Pritam had done it.

General Manager: Pritam! Give me the justification.

Pritam: Sir, the pricing of the sofa set was not missing in the excel sheet and that's why Gaja made a phone call to the store manager. Gaja reconfigured the pricing and told me that the price of the sofa set is Rs 13,987.

Store Manager: Wait a second. I have said Rs. 30,987, not Rs 13,987. (Everyone now got to know that this problem was all about because of miscommunication because of which the advertisement had gone wrong.)

General Manager: Vishwas, it is now your responsibility to handle the situation. I don't know how you will do it. But keep in mind that the company's image should not go down and we cannot incur the loss by selling the three-seater sofa at this price.

The meeting was adjourned and all were waiting for the decision what Vishwas is going to take.

Challenges

1. The attrition rate was very low.
2. The advertisement went wrong during the event and because of which there was a mess going around in the megastore.
3. The GM is now putting pressure on Vishwas to handle the issue.
4. As per the GM's conditions, Vishwas is unable to sell the three-seater sofa at the same price stated in the advertisement and also, he cannot disclose the issue to customer that it was mistake from company's side because the image of the company cannot be pulled down.

CASE SYNOPSIS

Target Audience: College students, business people.

Learning Objectives: After analyzing the case, an individual must able to understand what are the abilities required to be a manager, why it is important to retain employee, and how the quick and wise decision-making ability empowers the manager to deal with complicated situations.

SESSIONS PLAN

1. The case reader must concentrate on each paragraph as the issues in the case is relating to every paragraph.
2. Understanding the background of the company will help in getting, what the company was up to.
3. Every case reader will have a different perspective towards the case analysis. So, there will be no right or wrong answer for the case.
4. Finally, the case reader must conclude the case by taking the decision if he was in place of Vishwas.

EXHIBIT 1

Growth Chart of Online Business of JRPL

The analysis is done by comparing the previous year growth with the current year.

Table 1. *Online sales for the year 2017–2018 in percent.*

Months	(in %)
April	−16.66666667
May	6.666666667
June	50
July	-62.5
August	22.22222222
September	4.347826087
October	26.08695652
November	-6.896551724
December	3.448275862
January	−10
February	−11.11111111

CONCLUSION

Managing the company's activities is not so easy. There will be some or another difficulty that you as a manager will face while carrying the operations of the organization. It is up to you how smartly you deal with the problems. This case discusses about how Vishwas, being responsible manager, acted on the situation. It was the experience and the skills that he had adopted earlier.

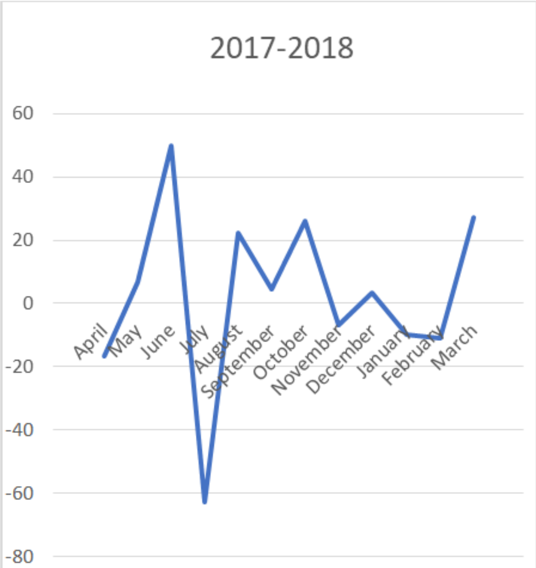

Fig. 1. *Online sales for the year 2017–2018.*

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