



eXensys Micro Vertical Solution

Micro-Vertical – Duty-Free Shops

Customer **R**etention



Agenda

Industry Overview

Industry Characteristics \ Highlights

Key Processes 'n' Challenges

eXensys Best Practices

This micro-vertical is specifically engaged in selling wide range of duty-free products specifically in airports and seaports. The duty-free shops are mostly set up in customs-authorized zones with authorizations to sell such products to departing, transiting and arriving passengers. The products are free of any local\international taxes and duties.

Primary product categories include

- Chocolates & Confectionaries
- Liquor & Tobacco Products
- Perfumes, Cosmetics & Personal Care Products
- Jewelry, Pearls & Watches
- Textiles & Leather Products
- Cameras, Accessories, Chargers, Mobile Phones

Customers

- Customers of Duty-Free Shops are Primarily Individual Customers.
- All Sales from Duty-Free Shops are Subject to Authorizations like Submission of Passport, Boarding Pass, Flight\ Voyage Details by the Customer.
- Mostly Departing, Arriving & Transiting Passengers/Travelers.

Industry Characteristics \ Highlights

Micro-Vertical – Duty-Free Shops

- Mostly Few, Privately-Owned, Large-Scale, Highly Specialized \ Privileged Organizations
- Multi-Company (Different Countries) & Multi-Location Business Scenarios
- Exist in almost all Metropolitan-Cities Close to Airports & Sea Ports \ Harbors
- Numerous Suppliers, Primarily International Manufacturers
- Customers are Many & Mostly Individual
- Extensively Wide Range of Products & SKUs
- Mostly Imported & Branded Products (Limited Brands)
- Large Volume of Sales

Key Processes 'n' Challenges

Micro-Vertical – Duty-Free Shops

Key Processes

- Merchandize & Assortment Planning
- Warehousing & Logistics Management
- Accounts Management & Legal\Statutory Compliance
- Customer Service – Value-Added Services
- Enterprise Management

Challenges\Pain Areas

- Manage Products with Shorter Life Cycles
- Efficient Inventory Management
- Managing Purchase Lead Times – High Value\ Small Shipments, Purchase Consolidation
- Differentiate Business from Competition
- Performance Optimization
- Ensure Business Compliance with Customs Laws & Regulations

S. No	Pain Areas	Why Do Companies Fail?	eXensys Best Practice
1	Manage Products With Shorter Life Cycles	<ul style="list-style-type: none"> • Lack of awareness on product life cycles. • Poor focus on Value-Added Services. 	<ul style="list-style-type: none"> • Product management from creation to exclusion • SKU & Variants Management • Specific planning on seasonal items • Promotions planning & execution • Planning of prices, discounts and offers • Product performance and profitability analysis • Support custom packaging, product labeling etc as per customer requirements • Flexibility to add services with products
2	Efficient Inventory Management	<ul style="list-style-type: none"> • Improper administration of warehouses. • Poor inventory planning. • Poor coordination amongst sales, purchase, & inventory processes. 	<ul style="list-style-type: none"> • Accurate inventory visibility • Multi-level warehouse structure • Configurable item properties (location, lot, serial no., expiry, bill of entry, etc) • Inventory Replenishment Planning – Order Methods, Order Qty etc • Seamless integration amongst different functions and business processes • Barcode, RFID & Handheld Scanners Integration for easy inventory handling and management
3	Managing Purchase Lead Times	<ul style="list-style-type: none"> • Lack of collaboration with vendors. • Improper planning. • Lack of control on vendor. 	<ul style="list-style-type: none"> • Proper selection of vendors through periodic evaluations on performance • Centralized\de-centralized\semi-centralized purchasing • Long term contracts and agreements after negotiations • Demand consolidation and optimization • Drop shipments
4	Differentiate Business from Competition	<ul style="list-style-type: none"> • Lack of proper Point-of-Sale system. • Poor customer service. 	<ul style="list-style-type: none"> • Touch screen menus with graphical user interface, Microsoft OPOS compliant • Apply price, promotions, discounts and taxes to items • Flexible tender options - cash, credit card, debit card, cheques, gift coupons, meal vouchers, credit note, advance adjustments • POS device integration - cash drawer, pole display, magnetic stripe card reader, bar code, RFID • Loyalty program definition by capturing the gift cards, benefits, registration details and so on
5	Performance Optimization	<ul style="list-style-type: none"> • Lack of proper system for real-time MIS & Analytics 	<ul style="list-style-type: none"> • Performance, operations and financial analytics • Profitability and productivity analytics
6	Ensure Business Compliance with Customs Laws & Regulations	<ul style="list-style-type: none"> • Frequently changing Laws & Regulations • Lack of proper systems which help to execute processes in line with the regulations and laws 	<ul style="list-style-type: none"> • Item tracking with Bill of Entry details through the life cycle • Quota systems to map the regulations with the processes and ensure their abidance • Customs related MIS without any additional efforts



Thank You!