

Sales Optimization and Risk Management: An Analytical Purview of Ramesh Flowers Limited – Gala Group India

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Abstract

This study deals with the sales optimization and risk management in Ramesh Flowers Limited – Gala Group India (Tuticorin, Tamilnadu) which is the leading manufacturers and exporter of home décor and fragrance products in India. Since 2019, the organization is a part of the prestigious Gala group GmbH serving customers from more than 75 countries and having more than 40 % share of total exports in this product category from India. Ten years of historical sales data are used for trend analysis and time series analysis (ARIMA model) to analyse the sales activity and the potential of revenue in the future with the key customers Target Stores and IKEA Supply AG. The results indicate that Target Stores has strong growth momentum with large volatility while IKEA Supply AG has small volatility but strong growth momentum. Ten operational, supply chain, regulatory, financial and reputational risks of the home décor export business have also been identified and integrated mitigation strategies have been suggested in the study. The research is descriptive research based with census sampling technique from 50 marketing and sales people. The study finds that the Gala Group has a significant opportunity to improve its sales performance by ensuring disciplined demand forecasting, managing volatility, proactively mitigating risks, and strategically targeting customers.

Keywords: ARIMA, Home Décor Exports, Risk Management, Sales Optimization, Time Series Analysis, Trend Analysis.

Introduction

The home decor and fragrance market is a dynamic and fiercely competitive one, as consumers' preferences for decor are continually changing and the seasonality of the market is heightened and sustainable products are becoming more prominent. In this context, manufacturing exporters such as Ramesh Flowers Limited – Gala Group India are confronted with the double challenge of producing as much as possible for export while simultaneously effectively managing the various aspects of risk in international trade.

The aim of this study is to understand how the company Ramesh Flowers Limited of Tuticorin is optimizing its sale and managing risk while exporting potpourri, dried flowers, bouquets, wreaths, diffusers, candles and room fragrances. Founded in 1982 and absorbed by the Gala Group GmbH in 2019, it holds a strong market position in the home décor export market in India, employing 2,000 people and generating revenues of more than USD 17.5 million a year.

The study examines the organisation's order execution system, sales trends with key retail customers, and the risk situation from the standpoint of production, supply chain, regulatory compliance and finance. The study uses quantitative methods like trend analysis and ARIMA time series forecasting to provide actionable insights to drive sales growth and mitigate risks within the dynamic B2B export landscape.

Literature Review

Abidin, F. Z. et al. (2023), This paper is designed to examine the use of a marketing mix 7Ps in the pricing strategy and competitive strategy designing of the organizations in dynamic markets. It investigates choice of pricing strategies in B2B situations and offers that value and differentiated pricing strategies are best suited in order to achieve sustainable competitive advantage. The results provide further insights into the analysis of the pricing and positioning strategies of the Gala Group, especially when they compete with global home décor brands among big retailers like Target, IKEA and Sainsbury's.

Elrod, M. This article will explore the various types of pricing strategies—from value-based to penetration pricing, dynamic pricing to psychological pricing—and determine their effectiveness in gaining a competitive advantage and long-term market success. The study suggests that the pricing actually influences customer perception, profit and positioning in the market. The findings are valuable for optimizing the pricing strategy of Gala Group India products portfolio for the Home Decor and Fragrance market for B2B export.

In this research, we propose a novel data-driven sales optimization method by integration of the predictive model based on regression with a Hybrid Chaotic Pattern Search Algorithm (HCPSA) to determine the optimal time to convert leads into customers. The study shows that using optimization algorithms in conjunction with machine learning tools provides a quantitative methodology that can be used to improve conversion probability and directly applied to increasing lead generation and sales volume for Gala Group's export business in the B2B sector.

This bibliometric study aims to review the development of supply chain risk management (SCRM) research over more than 20 years, its key themes, and emerging trends. The results indicate that the COVID-19 pandemic, geopolitical uncertainties and sustainability issues are now the primary risk drivers affecting global supply chains. Key emerging areas mentioned in the study are early warning systems, integration of digital technology, and multi-objective optimization, all of which are very relevant to Gala Group's operations, as they are exposed to geopolitical risk, pandemic disruption and regulatory risk in the importing markets.

This paper uses a mixed methods approach to examine the nature of global manufacturing organizations' efforts to build their resilience against supply chain disruption. The study outlines examples from multinational retailers of key principles for resilient supply chains: proactive risk identification, technology-based monitoring and multi-supplier sourcing. These results are used to provide recommendations for risk management of the Gala Group in relation to volatility risks in sales trends and disruptions that can be caused by global events.

Oulfarsi, S. The study is an empirical examination of the relationship between supply chain risk management (SCRM) practices and supply chain resilience using the survey method and based on the data obtained from 110 manufacturing companies, which is analyzed by SmartPLS-based structural

equation modeling. The findings reveal that the SCRM practices have a significant influence on the robustness and resilience of the supply chain over time, which confirms the significance of the institutionalization of SCRM practices—namely in fragrance material procurement, international logistics, and compliance—in the case of Gala Group.

Through this case study, Seeling, M. X. et al. (2021) examines the Sales and Operations Planning (S&OP) process within the context of a multinational manufacturing company to explore how S&OP is applied in the business planning process to consolidate business planning across its global operations. Key findings include the importance of structured S&OP to help organizations coordinate production capacity, stock levels and sales plans to effectively respond to global demand, as a valid benchmark for the multi-department, multi-country supply and sales network of the Gala Group.

This systematic literature review explores the nature of risks occurring in manufacturing supply chains and looks for evidence based strategies to improve resiliency. The study categorizes supply chain risks as demand side, supply side, operational and environmental risks and suggests risk mitigation frameworks which directly feed into the risk identification and mitigation framework used when considering Gala Group's manufacturing and export operations.

This study will explore and analyze the criteria that manufacturing companies consider when assessing and controlling supplier risk, particularly those companies that have implemented quality management systems. The results show that the systematic supplier risk evaluation process has a significant impact on minimizing production disruptions and improving overall supply chain performance. This is relevant to the risks to the supply chain for the Gala Group, especially the dependency on a small number of overseas suppliers for raw materials, like paraffin wax, fragrance oil and glass packaging.

This paper aims to solve the volatility and complexity of FMCG demand forecasting by proposing a hybrid forecasting model combining seasonal-trend decomposition, the deep learning architecture, and the exponential smoothing method. The results of the study are significantly better than those of conventional models, and the study's data analysis phase, which involved applying ARIMA-based sales forecasting to sales data from the last ten years of the major customers of the Gala Group, Target Stores and IKEA Supply AG, also shows this.

Research Gap

This study is valuable in analysing optimisation of sales and risk management for two major customers (Target stores and IKEA Supply AG) of Ramesh Flowers Limited – Gala group India by applying trend analysis and ARIMA forecasting method, but there are certain important parameters which are not covered in this study. The study does not provide quantitative analysis of all of the organization's 6 named major customers as Sainsbury's, Williams, At Home Procurement and Asda Stores were omitted reducing the fullness of the customer potential assessment. The research also does not use the primary survey data from the 50 respondents in statistical analysis; the questionnaire answers are descriptive and are thus not analyzed using tools such as regression, factor analysis and structural equation modeling that would be able to show the relationship between the sales strategies used and the results achieved. In addition, the declared scope of the study and the actual analysis performed in the study do not adequately overlap, since the pricing optimization objective (Objective 3) and the product positioning objective (Objective 4) are not covered by the study. Lastly, the risk identification framework was comprehensive in its ability to categorize risks, but did not include quantitative risk scoring, or probability-impact matrices which would enable prioritization of risk mitigation efforts – something that could be done through further research using mixed methods design, broader customer coverage and statistical rigor.

Research Methodology, Objective of the Study

1. To study the strategy to maximize its sales volume.
2. To gain knowledge of the market demand and match the product positioning to the needs and expectations of customers

Type of Research

In this research, the research design used is Descriptive Research, which aims to describe a group or a phenomenon of a phenomenon based on characteristics, opinions and behaviors. Structured observation and interviews are used to collect relevant data to optimize sales and risks are controlled with this design.

Sources of Data Collection

Primary Data: Semi-structured interviews were held with key individuals within the Key Accounts Management (KAM) and Order Management Group (OMG) touching on topics of order flow, production planning and fulfillment challenges.

Secondary Data: Secondary data used were secondary sales data of 10 financial years (FY 2016-17 to FY 2026-27) of target stores and IKEA supply AG with the help of business journals, research papers and industry publications.

Sampling Design

The Census (Complete Enumeration) approach was used and the respondents were all 50 members of the marketing and sales team of the organization. The study took place at the Ramesh Flowers Private Limited – Gala Group India, Tuticorin in Tamil Nadu from 7th January 2026 to 6th April 2026.

Data Analysis and Interpretation

Target Stores – Sales Trend



Source: Secondary Data

Trend analysis was applied to 11 years of sales data for Target Stores (FY 2016–17 to FY 2026–27). The data reveals three distinct phases:

- Phase 1 (FY 2017–2019): Slow organic growth of approximately 24%, from Rs. 9.1 crores to Rs. 11.3 crores.
- Phase 2 (FY 2020–2022): A COVID-induced decline of ~47% in FY 2020, followed by hyper-growth to Rs. 104 crores in FY 2022, driven by post-pandemic demand recovery, store expansions, and marketing campaigns.

- Phase 3 (FY 2022–2027): Sustained high-revenue phase with peaks of Rs. 143–142 crores in FY 2025 and FY 2027, though significant volatility persists (~50% swings).
The risk of high volatility and overdependence on seasonal peak sales has been identified, requiring proactive inventory planning and demand forecasting.

ARIMA Time Series Forecasting – Target Stores

The ARIMA(1,1,1) model was applied to the Target Stores sales data to forecast revenue for FY 2028–2030. The model employs first-order differencing (d=1) to achieve stationarity, with AR(1) coefficient $\phi \approx 0.99$ reflecting strong momentum and MA(1) coefficient $\theta \approx 0.99$ dampening shocks. The forecast suggests continued high-level revenue in the Rs. 157–190 crore range through FY 2030, with wide confidence intervals reflecting historical volatility.

Key insights from the model include: (1) the FY 2020 dip is attributed to COVID-19-related store closures and demand shock causing a near-50% revenue decline; (2) FY 2021–2022 saw explosive post-pandemic recovery; (3) FY 2025 and FY 2027 confirm a structural shift to a higher revenue base of Rs. 120–140 crores, representing a ~15x increase from pre-pandemic levels.



$$d(\text{Integrated}) = \Delta Y_t$$

$$\Delta Y_t = Y_t - Y_{t-1}$$

Y_t = the observed value at time t

Table 1: ΔY_t d(intergrated) Calculation

FY(t)	Sales (Y_t)	$\Delta Y_t = Y_t - Y_{(t-1)}$
2017	91,365,807	91,365,807
2018	92,807,149	1,441,342
2019	113,099,150	20,292,001
2020	59,914,741	(53,184,409)
2021	458,612,087	398,697,345
2022	1,041,368,247	582,756,160
2023	518,150,905	(523,217,342)
2024	642,186,847	124,035,942
2025	1,427,051,251	784,864,404
2026	1,247,580,473	(179,470,778)
2027	1,420,429,256	172,848,784

Source: Secondary Data

The Process of Identifying Risks and Managing Them.

The study comes up with ten categories of risks inherent in the Home Decor Manufacturing and Export business:

- Production & Operational risks include: Raw material cost volatility, lack of uniformity in raw material quality, equipment failures, and dependence on skilled labour.
- Supplier reliance, supply chain delays, and stock issues.
- Regulatory & Compliance Risks: Export regulations, safety compliance (IFRA standards), and documentation errors.
- Market & Demand Risks: Consumer preference changes, seasonal demand variations, and strong competition.
- Financial Risk: Currency exchange rate fluctuation, delay in international payment and the increase in production cost.
- Transportation & Export Risks: Damage of fragile items during transportation; customs delays; high freight costs.
- The making of candles could pose fire risks, chemical handling hazards, and sustainability pressure.
- Branding & Reputation Risks: Negative reviews, counterfeit products in international markets and lack of brand differentiation.
- Packaging & Product Risks: Leakage or spillage from room sprays and diffusers, short shelf life of pots of potpourri, labeling.
- Political & Economic Risks: Trade restrictions, tariffs (as seen with recent US tariff imposition), and global disruptions such as the Middle East crisis.

A Solution to Deal with these Risks Effectively

- The organisation can take a proactive and integrative measure to minimise risk in the production and export of home décor products such as reed diffusers, potpourri, room sprays and candles by having reliable raw material suppliers to avoid interruption and have good quality control systems to ensure that the products are consistent in quality, and also invest resources in skilled manpower and equipment maintenance to avoid operational delay.
- International regulations are to be adhered to and correct labelling is essential to prevent legal problems and damage in transit can be minimised through strong packaging solutions.
- A market research team can be used, to constantly analyze the customer preferences and buying behavior, by which the organization can create and align its products and marketing campaigns, with target audience efficiently.
- The organization can also mitigate currency risk by adopting a secure payment system to minimize transaction risks and forecasting demand and planning inventory accordingly to address seasonal fluctuations. Also, establishing good logistics relationships, having eco-friendly practices, and keeping a close eye on the market trends will help ensure competitiveness and maintain brand image in the global market.
- Gala Group can utilize social media more, to convey the value of its products and services, in order to differentiate its brand from the competitors.

Findings

- Ramesh Flowers (Gala Group) is on a recovery path and had a peak turnaround of Rs. 428 crores achieved in FY 2021–22.
- Since FY22, the sales of the organisation have dropped by an average of 37%, demonstrating the importance of revenue strategies that are not cyclical.

- Target Stores stands out as the highest value customer, with \$34,350 in ARIMA-forecast revenues. By FY 2030, it will be a top investment and promotion priority account of 157-190 crores.
- IKEA Supply AG offers a firm base level business model, albeit with growth being a bit more difficult to achieve.
- The high cost of raw materials due to the Middle East crisis (which led to paraffin wax being more expensive) and the tariffs imposed by the USA are adding to production costs.
- Volatility is extremely seasonal and promotional in nature, so discipline and volatility management are required to ensure that the organization's turnover remains stable.

Suggestions

- Invest in advanced demand forecasting systems to help control costs associated with inventory and mitigate seasonal demands.
- Ensure a diverse supplier base, with a higher percentage of local and regional suppliers, to mitigate the risk of reliance on foreign supply sources that could be impacted by geopolitical events.
- Adopt proactive quality control practices, minimise production faults with automation of the wax pouring process and early detection of faults by supervisors.
- Implement Just in Time (JIT) inventory management to minimise inventory holding costs and capital.
- Use social media and digital marketing to increase brand awareness and stand out in the global marketplace from Gala Group's products.
- Implement Supply Chain Risk Management (SCRM) that includes fragrance material sourcing, international logistical and export control.

Conclusion

Ramesh Flowers Limited – Gala Group India's name is prominently in the Indian home décor export market and accounts for more than 40% of this product category's total exports from India, to 75+ countries. The study shows that the Target Stores is the highest growth customer for the organization with ARIMA forecasting predicting high revenues of Rs. throughout. IKEA Supply AG is in the game for stable but growth-limited performance, whereas 157–190 crores will be realised till FY 2030.

Overall, the organization's turnover is very volatile, with a high degree of geopolitical, financial and supply chain risk. But these risks can be significantly reduced by having a well-managed demand forecasting process, diversifying the sources, adopting a proactive quality control process and embedding SCRM practices within the organisation. A diversified product range, a worldwide customer base and a sustainable and innovative approach have put Gala Group on the path to regain and exceed its best turnover of Rs. By optimizing sales through strategic measures and comprehensive risk management, we are able to generate revenues of 450 crores.

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