FICCI

FOOTFALLS

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4 Don't Fight Nature: Your & Others, Prof. Piyush Kumar Sinha, IIM Ahmedabad

8 Can Modern Retail Learn from the Humble Kirana? Mr Raghav Gupta, Technopak

15 Master Data Management, Mr Pankaj Gala, IBM India Pvt. Ltd.

Footfalls

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CONTENTS

Activities & Vision	1
Retail in News	2
Don't Fight Nature: Your & Others, Prof. Piyush Kumar Sinha, IIM **Ahmedabad**	4
Retail Policy and Regulations	6
Can Modern Retail Learn from the Humble Kirana? Mr Raghav Gupta, **Technopak**	8
Consolidation in retail	10
CEO's Column	11
Master Data Management, Mr Pankaj Gala, **IBM India Pvt. Ltd**	15
Retail Expansion	17
New Product Launch	18
International Retail Events	20

Activities & Vision

VISION

To create an environment for growth of organized retail in India, which enables retailers to comprehend their potential and catalyze the corporate and political arena to participate in framing policies and growth framework for the sector.

RETAIL COMMITTEE

FICCI Retail committee comprises business leaders from the key retail business groups. The committee would endeavour to facilitate rapid expansion of retail industry by identifying roadblocks at all levels and making representation for policy change to both central and state governments.

ACTIVITIES

After the constitution of FICCI retail division following important events & policy papers were accomplished:

a) International Conference on backend retail supply chains "Winning with Intelligent Supply Chains" (2004, 2007)

b) Member of FARA (Federation of Asia Pacific Retailers Association)

c) Retail reports: FICCI KPMG retail report, FICCI ICICI report on FDI in retail, FICCI retail report- Organized Retail: Unfinished agenda and Challenges ahead.

d) Footfalls: A two day international conference focused on opportunities and challenges in Indian retail sector.

e) Luxury conference in association with Hindustan Times

f) Specialized conference on Auto Retail: Auto Retailing: A framework for Growth

g) FICCI Ernst and Young report on Supply Chains in retail.

FORTHCOMING ATTRACTIONS:

a) Winning with Intelligent Supply Chains 2009, March 2009

b) "Footfalls-2009" July 2009.

RETAIL IN NEWS

WATCH OUT BIG RETAIL, PAAN SHOPS SERVE FMCGS BETTER

Small paan shops are posting smart growth rates and currently contribute 18-20% of the total sales across various categories, including beverages, chips, biscuits, chocolate and confectionery, noodles, shampoos and soaps, batteries and even diapers. Modern retail formats, the subject of much media hype, contribute only about 6% of India's retail sales.

The Economic Times, Feb 2009

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SHOPPERS STOP EXITS CATALOGUE RETAILING THROUGH ARGOS

Shoppers Stop has decided to stop investments in its catalogue retailing venture, Hypercity Argos. The brand was being run through Gateway Multichannel Retail (India) Ltd, a joint venture between Hypercity Retail (India) and Shoppers Stop. It invested nearly Rs 24 crore into the Hypercity Argos brand for catalogue retail operations.

Business Line, Jan 2009

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UNILEVER COPYING HUL'S PROJECT SHAKTI GLOBALLY

Anglo-Dutch consumer goods major Unilever is exporting Hindustan Unilever's innovative rural distribution model led by women's self-help groups to several developing world markets. With emerging markets contributing roughly 44% to global revenues, Unilevera Fortune 500 foods, home and personal care product giant with operations in about 100 countriesis betting on Project Shakti to reach to the bottom of the pyramid in Asian, African and Latin American markets.

The Economic Times, Jan 2009

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SC CLEARS DECKS FOR REVIVAL OF SUPER BAZAR

Delhi's first chain of retail stores, Super Bazar, which introduced the concept of shopping under one roof at affordable prices will come alive once again.

The Supreme Court on Thursday cleared the decks for the chain's revival by quashing the co-operative society's liquidation order and directing the Dainik Bhaskar group to take over its management.

A bench headed by Justice S.H. Kapadia declared Writers and Publishers Ltd as the successful bidder after the group agreed to pay Rs 504 crore to bail out the ailing cooperative Super Bazar that ran the retail stores on no profit-no loss.

The Writers and Publishers Ltd were given preference over the National Cooperative Consumer Federation of India along with Pantaloon Retail who was judged as the second highest bidder, offering Rs 369 crore to revive Super Bazar.

Even as the Dainik Bhaskar group takes over Super Bazar's control, the chain would function under the Multi-State Cooperative Society Act and its employees would be governed under the Super Bazar Service and Conduct Rules.

With SC giving green signal to the private group, Dainik Bhaskar would now have the liberty to start the operation at the 90 existing properties of Super Bazar. At present these shops are locked. Also, the group would have the freedom to start the store anywhere in the country.

Hindustan Times, February 2009

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BATA INDIA Q4 NET UP 45%

Bata India today said it has registered a 45.44 per cent growth in consolidated net profit at Rs 59.05 crore for the fourth quarter ended December 31, 2008. The company had a net profit of Rs 40.61 crore in the December quarter of 2007, Bata India said in a filing to the Bombay Stock Exchange. Net sale rose to Rs 984.37 crore in the fourth quarter of 2008 from Rs 865.45 crore in the year ago period. On a standalone basis, Bata India posted a net profit of Rs 21.11 crore in latest quarter of 2008 as compared to Rs 21.10 crore in the corresponding year ago period. The company's net sales rose to Rs 255.22 crore in the fourth quarter of 2008 from Rs 233.97 crore in the same quarter last year.

Financial Express, February, 2009

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FOREIGN LABELS BET ON INDIA'S BRAND VALUE

More than one-and-a-half years after the foreign direct investment (FDI) was allowed in single-brand

retail, at least 37 foreign brands have entered India and over a dozen are seeking permission to set shop. A slowdown in India doesn't seem to have so far weighed on the entry of international brands, mostly from advanced countries in the grip of recession. A senior official in the ministry of commerce and industry said there has been greater interest among foreign brands to invest in India after an initial slow start in 2006. The government had allowed 51% FDI in single-brand retail in early 2006.

Fendi, Nike, Llardo, Rino Greggio, Damro, ETAM, Zegna and Lee Cooper were among the first to get FDI permission under the single-brand retail window. Premium fashion brands such as Armani, Dolce & Gabbana, Louis Vitton, Salvatore Ferragamo, sportswear retailer Puma, Lerros and S Oliver, luggage brand Piquadro, Marks & Spencer, La Perla, Jimmy choo and Toy Watch have also set foot in India. A few others like Diesel and Starbucks are waiting in the wings.

The Economic Times, Jan 2009

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FUTURE GROUP EXPLORING IDEA OF RENTING CLOTHES

India's largest retailer and owner of Big Bazaar supermarket chain, Future group, is planning to start renting clothes for occasion wear and sell second-hand clothes. This will allow customers to hire high-end clothes, bags, jewellery and other accessories for a fraction of a price. This will make Future Group the first organised retailer to enter a market generally managed by local and unorganised stores.

Business Line, Jan 2009

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VISHAL RETAIL TO CLOSE DOWN A THIRD OF ITS OUTLETS

Delhi-based Vishal Retail is planning to close down about one third of its 172 retail outlets and downsize its staff across the country due to slowing sales.A source familiar with the development said of the 27 stores the company has in the Western Zone, seven have already been shut and another 10 will be closed down in the next few months.As a strategy to trim cost, the company also plans to centralise its operations in Delhi. At present, they have four zonal offices with around 140 employees each looking after the operations, distribution and sales in respective zones.

Business Line, Feb 2009

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LIFESTYLE RETAILERS UPBEAT DESPITE FALL IN GROWTH RATES

In the face of the economic slowdown, lifestyle brands are putting up a brave front. While consumer buying may not be as big as one would like it to be and sales growth rates have dipped, the scene is not as bad as in the Western world, say retailers as they hope for a positive year ahead.

The Indian economy is more stable than other economies across the world and one must not confuse India with the rest of the world, says Mr Sandeep Kulhalli, V-P, Retail and Marketing, Tanishq. While admitting that the company's rate of growth has slowed down, the Rs 2,000-crore jewellery brand believes it can still post a 30 per cent growth in sales this year.

Business Line, Jan 2009

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SPLASH DECIDES TO RIDE ON LIFESTYLE CHAIN TO CUT COSTS

Fashion apparel retailer Splash, part of the Dubai-based Landmark Group, will look at opening smaller boutique stores within the Lifestyle chain of stores, given the current market conditions. Mr Raza Beig, CEO, Splash, said, “Initially, we were looking to set up 15 standalone stores in 19 cities in three years. We were expecting to make a total investment of Rs 75 crore, targeting a turnover of Rs 200-235 crore.

Business Line, Feb 2009

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DON'T FIGHT
NATURE YOURS AND OTHERS

Professor P K Sinha is professor of marketing and Chairperson of Center for Retailing at IIM Ahemdabad. Prof. Sinha has a rich teaching experience of 28 years. He is an expert of retailing, shopping, point of purchase communication and strategy formulation for media. He has authored many books his latest book published by Oxford University press was "Managing Retailing".



PROF. **PIYUSH KUMAR SINHA,**

IIMA

The winter and fall seasons have lived upto their nature. Retail Industry has seen the worst winter. For the organised retailers this is the first real winter after a very prolonged spring. I always wonder how we try to alter the nature and the nature comes back to prove its real nature. Came this winter and you could see white all over. The large trees covered with no sense of life and the medium ones buried. Interestingly, small retailers, like grass, are flourishing and seem to have come out winners. Everything seems to have gone into hibernation. Whatever leaves were there on some of the trees fell during the fall season. Never ever did the Indian retail industry witness such a wrath of nature. This time of course it was the human nature of greed and running after a rainbow.

Inspite of all this, I firmly believe in the Phoenix. Those with good intent and customer value based business model would rise from the ashes.

When I look at the players in the industry, I can very clearly see the emerging classification of retailers. The players need to understand that they have a DNA of their own and any other kind of behaviour would need genetic engineering which may not always be successful. The classification is based on the size of a firm and its posture as given in **Figure**

ELEPHANT RETAILERS

These are large but are not predators. They have power but do not tend to be fast, unless agitated. They are likable, look docile, and are respected for their unexercised power. They are playful and believe in being part of a group. They set their target and keep moving on a designated path. Nobody dare cross their path; not because the fear of attack, but the fear of being stampeded by chance. Elephants feed of a variety of foodstuff and would seldom destroy the tree or foliage. Essentially herbivorous, they know that their customers would not run away and hence would tend to build a longer term relationships than a transaction based relationship as in case of tigers. Their competitive strength comes from the fact that despite being powerful, they use their energies to care and service the customers. Even when they match the prices of other competitors, they use non-price values to attract customers. While due to their large size and slow movement, they seem to be easy target. But they are not. They are nimble footed when they choose to be one. As they say, one of the most pleasant sights in the jungle is a dancing elephant. And the only animal that the tiger is afraid of is the elephant. Their business model is designed around maximising the share of the requirement of the customer.

TIGER RETAILERS

Predators by nature, these are large players with killer instinct. They have power and speed. They would identify their targets and would keep pursuing till they have hunted them down. Very shrewd in their thought, they are very focussed and would not mind using guile. They have the ability to hunt during night. They are aware of the market and its structure to the T. What adds to their stature is their

majestic look and poise. Like the real jungle, they cannot let another tiger enter their territory. Any other tiger coming in would face very stiff challenge which may lead to one of them being killed. A constant warfare would be witnessed, till they have settled their territory or one of them has been recognised as the leader of the pack. Such retailers are very aggressive in their customer acquisition plans. After all they are hunters and would hunt even for customers. They would tend to play the price and promotion game almost as a chore. The low margin necessitates a large customer base and a large merchandise mix to service them. This leads to larger store sizes fuelling the need to sell more due to higher costs. Thus, like the tiger in a jungle, they would hunt the customers and feed on it to the fullest. Their business model is designed to generate higher share of the wallet in every visit of the customers.

PIRANHA RETAILERS

These are small retailers who are week individually but as a school they can eat a whale out within no time. Their power is their unity. Examples of these were seen when Cadila wanted to enter the retail business. Just before their launch, the retailer association threatened to boycott their products. The company had to postpone their launch and could not start their operation for almost a year. Similar incidences were noticed with the entry of Metro as Reliance. As a move to counter hypermarkets, some of the shops in the main street of Rajkot adopted the same brand name. The small retailers in Europe form or become members of buying groups or centres to achieve the economies of buying and offer product at a competitive rates.

GRASS RETAILERS

These are independent small mom-and-pop stores. Most of the retailers in India would fall into this category. Like the grass, they survive on small resources and grow everywhere. Unless the weather is very harsh, they do not die. They live even during peak summers and winters. Even after being weeded out, they pop up. Their resilience is well known. Even after being stampeded by elephants they grow up. Most importantly none of the other types; Tigers, Elephants and piranhas eat them. They also do not attack and are happy with whatever comes their way. Their competitive strength comes out of the immense emotional value that they create with their customers.

RECOGNISE YOUR NATURE

This classification brings out the fact that while all of them live in the same jungle, they have their own territory (customer segments) and path. Despite the power of the large retailers, even in Europe and USA, more than 75% stores are small. It is also noticed that even the oldest formats are existing today. Added to this is the information that despite being the largest in the world Wal-Mart has just about 12% market share, indicating a very fragmented industry. With the low cost of entry and exit of the small retailers, the competitive intensity is high and consolidation a longer process.

It is an established fact that, as consumers, all of us have a primary retailer and secondary retailers, indicating that customers derive different values from these different formats, even when buying the same merchandise. The business models of each of the formats is different, hence the DNA of each of the types of retailers is different. Thus even if a company enters through a hybrid format of large and small store, the way of managing them is very different and unless the company is designed and structure differently, it would be difficult to succeed. There are not many examples of retailers across the world that have succeeded with several format at one time. Even Tesco and Carrefour started with one format, consolidated their business and then introduced other formats one by one. Thus, If this is the nature of business, Indian retailers must realise that (a) they need to co-exist with small retailers who simply cannot be obliterated, (b) do not bite more that what they can chew and (c) recognise that to change the DNA and behave like other formats one requires genetic reengineering.

RETAIL POLICY & REGULATIONS

'No change in limit on foreign investment in single-brand retail'

The Union Commerce and Industry Minister, Mr Kamal Nath, said that the 49 per cent cap on Foreign Direct Investment (FDI) in single-brand retail would remain and there would be no change in sectoral limits. He said the changes in the FDI policy will not allow backdoor entry for foreign investment into the retail sector.

"The Government has rationalised the calculation of foreign investment norms keeping in mind the compression and depression in the global markets. Now, we have brought the concept of ownership and control in management together. We have integrated them and by this process, we expect, there will be further inflow of foreign investments into the country which is very essential at this point of time without disturbing the question of ownership and control," Mr Nath told reporters on the sidelines of an industry event. India does not allow FDI in multi-brand retail but permits up to 51 per cent in single brand retail and 100 per cent in cash-and-carry wholesale trading. Though there is a ban on FDI in big multi-brand retail stores, there is no restriction on companies accessing the foreign equity market through the American and global depository receipts.

Business Line, Feb 2009

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SEBI WANTS INDEPENDENT EVALUATION BEFORE DEAL

In an unusual move, India's capital markets regulator has asked for an independent evaluation before allowing Subhiksha Trading Services Ltd to be merged with Blue Green Constructions and Investments Ltd. This comes as another hurdle for distressed discount retailer Subhiksha, whose merger proposal is also being objected to at Madras high court by investors and creditors. The Securities and Exchange Board of India (Sebi) had asked Mumbai-based Bansi S Mehta and Co. to conduct the independent valuation three weeks ago, according to Shiva Ganesh, president, Collins Stewart Inga Pvt. Ltd, the manager of the deal. Blue Green Constructions was a non-deposit accepting non-banking financial company, but surrendered its certificate and the Reserve Bank of India cancelled it in December, according to an official at the central bank who did not want to be named.

Subhiksha's investors, ICICI Venture Funds Management Co. Ltd and PremjiInvest, the private equity arm of technology billionaire Azim Premji, have filed a petition in the Madras high court objecting to the merger. Tata Teleservices Ltd and Hindustan Unilever Ltd, which have unpaid bills with Subhiksha, have objected in court on similar grounds.

Indian laws mandate that a merger of companies has to be cleared by a high court.

Live Mint, February 2009

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YOU CAN SOON SUE DOCS, COS FOR CONCEALING FACTS

The government is framing a law to empower consumers to sue manufacturers and service providers who dupe them by concealing information that could influence their purchase decisions. Under the proposed law such companies will also be prosecuted for not issuing receipts of purchases. According to a Cabinet note, the penalty will be equal to the value of the product or the service along with an interest . The note proposes to amend the Consumer Protection Act 1986.

The proposed move will also define 'unfair contract' to protect the weaker party from incurring losses arising out of such unfair trade practices. The Consumer Protection (Amendment) Bill 2008 will replace the Consumer Protection Act, 1986, which will help in faster disposal of consumer cases , said a senior government official associated with the drafting of the Bill.

Every complaint would be heard by consumer forums on a day-to-day basis. As of now there is a huge gap between the time a case is filed and the time it comes up for hearing. The Bill also says that any request for adjournment of a case would have to be accompanied with genuine reasons. It has also reduced the time frame for serving a notice to the accused from 21 days to 14 days.

There are 35 state consumer disputes redressal commissions and 610 district consumer forums in the country. There is one National Consumer Disputes Redressal Commission at the apex level. About 29,000 cases were filed in these forums up to 2008.

The Economic Times, March 2009

GOVT SAYS NO ROUNDABOUT ENTRY FOR FDI IN PROHIBITED SECTORS

Foreign investment cannot enter India through a circuitous route in sectors like multi-brand retail, atomic energy and the lottery business and will need to operate within the sectoral caps, according to new guidelines. Foreign investment will "have to comply with the relevant sectoral conditions on entry route, conditionalities and caps with regard to the sectors in which such companies are operating," the Department of Industrial Policy and Promotion (DIPP) said.

Even a domestic firm in which investment is made by another Indian company (that has an FDI component) will be subject to the "sectoral conditions on entry route". This will prevent circumventing of rules though indirect investment.

India prohibits FDI in multi-brand retail, atomic energy, the lottery business, gambling and betting, chit funds and nidhi firms. Besides, an FDI ceiling has been put on sectors like insurance, aviation, asset reconstruction, private sector banking, FM radio, cable network and commodity exchanges.

The government on 11 February changed FDI policy and excluded indirect investment through domestic companies from overall sectoral ceilings, which led to the criticism that the new policy allows FDI through the "back door" in sectors where it is banned. It also made FDI caps meaningless.

With the government subjecting the FDI through indirect route to the overall sectoral entry and ceiling norms, the 'Press Notes 2/3' of 11 February get turned upside down.

These 'press notes' had said if a parent firm has less than 50% FDI invests into another company, the overseas investment would not be counted; thereby allowing firms to exceed sectoral caps.

Even the sectors where FDI was not allowed could have been considered thrown open since less than 50% overseas investment was treated as domestic money.

Live Mint, February, 2009

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MNC LIAISON OFFICES MAY GET TAX BREATHER

A ruling that the liaison office of home furnishing multinational Ikea is not liable to pay income tax in India could set an important precedent and benefit for foreign retailers, which have set up similar operations to oversee sourcing of goods from India. In a recent decision, the Authority for Advance Rulings (AAR) said that the liaison office of Ikea Trading (Hong Kong) does not earn any income in India because its activities are confined to the purchase of goods that are exported by Indian vendors to the company or its nominees.

The Economics Times, Jan 2009, Delhi

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TATA CAPITAL NCD PROCEEDS FOR RETAIL, SME LENDING

After a long hiatus, non-convertible debentures (NCD) for retail investors have once again hit the market. The NCD, issued by Tata Capital, a subsidiary of Tata Sons, has evoked considerable interest, given the lack of activity in the equity market. The bank channels are what we are dependent on right now. But we can't depend on only one channel of finance which is why we came up with the NCD offer. When there is a liquidity crunch it is extremely difficult to depend on only one source. Another problem with taking loans from banks is that they can only have some limited proportion of their exposure to an NBFC and to a group company. Inherently, there is limitation up to which the banks can lend to an NBFC.

Business Line, Feb 2009

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CAN MODERN RETAIL LEARN FROM THE HUMBLE KIRANA?

Mr Raghav Gupta has over 10 years experience in strategy and operations consulting, with domain expertise in fashion, retail, consumer products, education and financial services and on-the-ground experience in Asia, Europe, Africa and North America. Prior to Technopak, Raghav worked with Marakon Associates in London. Marakon is a top tier strategy consulting firm that advises some of the world's most consistently successful companies. The firm's blue-chip client roster includes Barclays, BP, Cadbury Schweppes, Gillette, Roche and Xerox. Raghav's work focused on financial services.



MR RAGHAV GUPTA,

President, Technopak Advisors

Yes, we clearly think so, and which is why this article! Also, this is pertinent given that traditional retail will continue to occupy dominant market share in India through the professional life spans of a lot of executives leading / working in modern retail in India today.

The last few years have seen a significant change in Indian retail, with many Indian corporate groups (like RIL, AV Birla, TATA, Mahindra & Mahindra, etc.) and global retailers making their entry into the market. In the recent months, a number of retailers have been adversely impacted and have slowed down their roll-out, closed unviable stores and also reworked their business models. We believe that this is a temporary phase and retailers will make a comeback to high growth, with more robust business models based on a strong back-end and higher consumer focus.

There has been a growing realization that retailing does not stop at setting up of the store front, but actually needs a complete alignment of products and services offerings based on the target segment's shopping needs. Kiranas have developed and mastered their business model by micro management of their catchment customers. Even in the current difficult economic scenario and also increasing modern retail competition, their ability to learn and inherent flexibility in their operations will enable them in keep dominant market share for a number of years.

In this article, we identify some interesting things that kiranas do and can be adapted and applied by modern retail, for increased business success.

1. CUSTOMER RELATIONSHIP MANAGEMENT

Having being in business for some time and developed a thorough understanding of customers, kiranas connect with them very well. They understand needs and pain points of customers and offer a very high level of service including extended opening hours, on demand home delivery, credit, buy now-pick up later, innovative pack sizes, pick-up from other stores, etc.

Kiranas go all the way to fulfill the smallest needs of their customers and this helps them in retaining them. By leveraging the mobile boom, they started offering M-Commerce (orders placed on mobile!) to their customers. By doing so, they remain the most preferred choice of households, especially for top-up consumption needs.

2. DYNAMIC MERCHANDISING

With flexible merchandising and inventory management policies, kiranas are able to customize their products based on local preferences and seasons / months / festivals. Most current modern retailers lack this flexibility and responsiveness, possibly due to higher dependence on centralized sourcing and hence a standard offerings across the stores. Kiranas make a substantial part of their bottom-line thorough

these topical products as customers are ready to pay a premium due to one-off purchase of these products and also difficulty in comparing them as they are not available across the stores.

A number of us have experienced this a product asked for by a customer that is not available in store at a kirana is immediately noted down into a register. This is then ordered with the local supplier / distributor and procured (and in case the product is not a usual item, it is still procured once a few customers ask for it). This simple process has been taken up, supplemented with technology and supply chain expertise and perfected to the highest degree by Zara the fast fashion retailer. The store manager will make a note of a product that is not in store but is enquired for by a few customers. This is then placed into order and made available in store in quick time!

3. EFFICIENT STORE OPERATIONS

Kiranas thrive on “multitasking” and operate with very few store staff. Their understanding of the product prices is something all of us have experienced. They also have a complete understanding of their availability and placement inside the stores. This helps the customer in quickly completing their purchase; compared with a modern retailer where there is an unending wait at the cash-till due to a barcode not working or sales staff being unable to locate needed products.

We know that kiranas don't have the advantage of bulk buying or higher fill-rates, however it is commendable how they have evolved in recent years, to grow and operate profitably. They earn their extra margins through not only pushing products with higher margins and an innovative product mix but also, by renting out space in their stores for branding, etc.

CONCLUSION

It is terrific learning to study how kiranas have adapted in recent times and built a relevant business model to maintain a significant place in Indian retail. With keeping their operating costs under control, kiranas continue to flourish. Modern retail has multiple lessons to learn from the kirana; especially in the areas of driving cost efficiencies, customer understanding and relationship management, and store operations.

CONSOLIDATION IN RETAIL

BRANDHOUSE RETAILS TIES UP WITH ITALIAN APPAREL FIRM

The S Kumar's Group owned Brandhouse Retails, has forged a joint venture with the Italian apparel brand Oviesse with an investment of Rs 161 crore over a five-year period. Positioning Oviesse as a fast fashion affordable brand, the joint venture is expected to initially import the brand before it starts manufacturing it in the country. With plans of setting up 190 stores across the country, Oviesse has targeted a sales turnover of Rs 1,500 crore over the next five years.

Business Line, February 2009

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TRENT FORMS JV WITH INDITEX TO PROMOTE ZARA STORES

Trent, the retail arm of the Tata group, it has formed a joint venture (JV) with Inditex group to develop and promote the foreign company's Zara stores in India. Inditex is a leading fashion retailer based in Spain.

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M&M ENTERS RETAILING WITH MOM & ME STORES

Mahindra & Mahindra (M&M) has made a quiet foray into the retail sector with the soft launch of its specialty format Mom & Me to sell infantcare and maternity products. The company has invested close to Rs 100 crore in the venture. Mahindra Retail is a part of Mahindra Intertrade, a fully-owned subsidiary of Mahindra and Mahindra.

The Economic times, Jan 2009

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PUMA, KNOWLEDGE FIRE IN RETAIL JV

Germany-based high-end sports lifestyle brand Puma is setting up joint venture with RGN Swamy owned Knowledge Fire to sell Puma products ranging from apparel to shoes and accessories. Puma, which is operating through cash & carry wholesale trading, will hold 51% stake in the JV, a source close to the development said. The proposed JV plans to open 40 retail stores in India in 2009 and take the count to 140 by 2015. Puma is unable to reach a majority of retail consumers and its business depends on resources and capabilities of Indian distributors.

The Economics Times, Jan 2009

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FABINDIA STITCHES DEAL WITH UK'S EAST

Indian ethnic wear chain Fabindia has picked up a 25% stake in the UK based womenswear retailer EAST for an undisclosed amount with an option to acquire the rest in three years, the New Delhi-based company confirmed. Fabindia's annual revenues is Rs 300 crore. Brand EAST also stands to gain in India as well as in other emerging markets such as Dubai, Qatar and Bahrain where Fabindia is already present.

The Economic Times, Jan 2009

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WIPRO BAGS UK RETAILER MORRISONS DEAL

UK's fourth largest food retailer Morrisons has selected Wipro Technologies to replace its existing IT systems to support future growth initiatives. Wipro Retail, the specialist division of Wipro Technologies, will deliver a new and operating model for Morrisons that owns 375 stores and has an annual turnover of £13 billion. Both companies did not disclose the deal size. Wipro will support Morrisons to achieve the core objective of delivering effective planning, management and delivery of large scale systems and process change based on the Oracle ERP platform.

Business Line, Jan 2009

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"Chief Executive Officers have always been charged with the daunting task of predicting the future. Whether divining the next emerging market or identifying the latest technology, business leaders are expected to anticipate the way ahead and lead their organization towards the future with confidence"



Mr B S NAGESH,

Managing Director, Shoppers Stop Ltd.

To pick the opinion of enlightened minds we have started this column dedicated to leaders spearheading the organizations to explore the Indian retail sector in a whole new perspective. In our forthcoming edition we will be taking up various issues pertinent to the sector which may require attention from the industry & policy makers. We would be delighted to receive your valuable feedback for our next edition on:

Q In your opinion how long this economic meltdown will continue? And what business strategies one should take on to thrive in current turbulent environment?

Question for December- January edition was:

Q Recommendations for Union Budget 2009 to augment the growth of Indian retail sector.

WISH LIST FOR BUDGET 2009

SALES TAX / VAT

- VAT Rate of Products of general importance such as Ready Made Garments should be reduced to 2%.
- Maximum VAT Rate of 12.50% should be reduced to 10%.
- Most of the capital goods for retail companies are in negative list. This deprives retail companies of input vat credit benefits on capital goods vis-à-vis manufacturing companies. We suggest that retailers should be allowed to claim input credit on capital goods for creating modern infrastructure in Indian Retail. This will serve dual purpose. It will facilitate development of Indian retail industry to match with international retail and it will also help to generate more VAT revenue for govts. as organized retailers are the biggest contributor of VAT revenue to govts.
  As such other govt. agencies like DGFT has the EPCG (Export Promotion of Capital Goods) Scheme which allow indian retailers to import capital goods on payment of concessional import duty against commitment to meet export obligations by way of earning foreign exchanges. On similar lines, input vat credit for capital goods to retailers should be allowed which will help in developing organized retail in India in a big way and also in turn will give more VAT revenue to state govts.
- Environment friendly packaging should be exempted from VAT.
- If locally purchased goods are stock transferred to other states, the input VAT credit on such goods are disallowed / retained up to a certain extent. Logically, the retention should be equal to CST rate i.e. 2%. After reduction of CST rate from 3% to 2% in the Finance Budget 2008, the various state governments issued notification to reduce the retention rate from 3% to 2%. However, some states have not done so and some states have been disallowing the entire input VAT credit. For example, in Maharashtra the retention rate is still 3% and in Harayana entire input vat credit is disallowed in case of inter-state branch transfer of such goods.
  It is proposed that centre should direct states to keep the Input VAT retention rate equal to CST Rate in case of inter-state branch transfer.

- Issue of C & F forms to be made yearly.
  Prior to implementation of VAT, C forms were required to be issued on a yearly basis & post VAT, these are now required to be issued on quarterly basis. It is very difficult to get the C forms on a quarterly basis and some times the stationery of C forms is also not available with the sales tax dept.
  Similarly, F forms are also required to be issued on a monthly basis.
  It is proposed that C & F forms should be allowed to be issued on yearly basis. This will reduce the administrative work of dealers and sales tax dept. Both.
- Prior to VAT implementation each state in the country had different sales tax laws, rules & rate schedules. VAT was implemented to simplify and harmonize the sales tax structure across the country. However, even now each of these states has their own VAT laws, rules and rate schedules. The indirect tax rationalization in true sense is yet to happen. Such dissimilarity in indirect tax laws of states increases complexity in compliances and also affects the pricing strategy of retailers having stores across India.
  It is proposed that there should be uniform VAT laws, rules and schedules applicable for various states in India.
- Gujarat has introduced Turnover Tax (TOT) 1% to 2.50% from 1st April, 2008. This is over and above the basic VAT rate. With the introduction of TOT by one state, the other states may follow suit.
  VAT has been introduced to harmonize the tax structure across the country. Centre should direct states not to levy any such additional tax above VAT.
- Certain business transactions such as leasing or Right to use are subject to dual tax i.e. Service tax and VAT. Software Licence, Royalty etc. are taxable under VAT as well as under Service tax, ideally only 1 tax should be leviable and not both the taxes.

SERVICE TAX

- Since, last few years the scope of service tax has been increased & consequently many new services have been brought into the service tax net. The retail companies here suffer most as they cannot utilize the full service tax input credit due to various statutory restrictions on utilization of input credit as per cenvat credit rules 2004 and for the fact that the output tax for retail companies is primarily VAT which cannot be set off against input Service Tax. The manufacturing companies do not face similar issue as they have massive excise duty & also service tax payments to set off their input cenvat credits. The introduction of service tax on "Renting of immovable properties service"w.e.f.1st June,2007 has further substantially increased the input credit of many retail companies. The service tax levy on rental/leasing has been particularly harsh on the financials of modern retail companies.As rental costs is the highest head of expense for modern retail, the service tax component which remains unutilized for retail companies and needs to be written off (as per Finance Ministry regulations w.e.f. Apr 1, 2008) is a substantial drag on the financials of retail companies.. The goods sold by retail companies to end consumers are mostly MRP based goods which restrict retailers from passing the service tax charge to consumers. It is necessary to create a level playing field for retail companies to sustain in competitive business environment.
- We propose that service tax on rentals be repealed.
- We suggest that a composition scheme (on similar lines as composition scheme for civil works contracts) should be introduced allowing payment of lower rate of service tax on renting of immovable properties.
- Alternatively, input Service Tax credit for retailers should be allowed to be set off against VAT liability on sale of merchandise.
- As a minimum measure , at the least , unutilized service tax for retail companies should be allowed to be carried forward as an asset for future set off in the GST regime.

INCOME TAX-

Corporate Tax:

- Income Tax rate should be reduced from 33.99% to 20%.
- FBT (incl on ESOP) also should be abolished & if not then to be at least reviewed and rationalized to exclude expenses which are mandatory for day to day running of the business such as Telephone Exp, Conveyance, Traveling

expenses etc.

- Clarity on whether 'Retail sector" is included in the definition of "Industrial Undertaking". Current ambiguity on this deprives organized retailers of many tax and statutory exemptions and privileges.
- Dividend Distribution Tax should be removed or reduced to 10% from the existing 15%. A marginal tax can be imposed on the recipient.
- TDS u/s 194 A & I should be reduced from the current 20% to 15%.
- Also the threshold limit for TDS under various sections should be rationalized & increased to Rs. 2 lacs for all categories.
- Tax exemptions / benefits are provided for setting up multiplexes or for infrastructure projects with an objective of development of the nation. Similar exemptions should be provided to Retail sector which also contributes towards development of the nation and economy by generating direct as well as indirect employment opportunities on large scale.

Personal taxation:

- Exemption limit should be increased to Rs 3 lacs against the present lower limit of Rs 1.50 lacs.
- Various slabs should be removed & made simplified.
- Limit for deduction u/s 80C should be increased to Rs 3 lacs from the present Rs 1 lacs for individuals. Many more such tax exempt investment avenues should be made open to mobilize funds for infrastructural and overall economic development of India.

FOREIGN TRADE :

- Although, as per para 3.6.4 of Foreign Trade Policy, Retailers are eligible to get license from DGFT under "Served from India Scheme (SFIS)" the same is being denied to retailers. Such ambiguity in the policy document should be clarified & retailers generating foreign exchangeinflows should be given the SFIS License.
- **Refund of "Additional Duty of Imports (ADI)/ Special Additional Duty (SAD)"**:

The CBEC had issued Notification No. 102/2007-Customs dated Sept. 14, 2007 regarding a scheme introducing the refund of Additional Duty of Imports (equal to 4% of assessable value plus duties levied on the imported goods) paid on the imported goods which are subsequently sold in the domestic market and VAT paid thereon.

On April 28, 2008, the CBEC issued Circular No. 6/2008-Customs furnishing the clarification on procedures to be followed in this regard.

The said procedure is cumbersome especially for retailers.The primary purpose of prescribed procedure is to ensure that

- Goods have been sold in the domestic market
- VAT has been paid thereon
- No Cenvat credit for ADI / SAD has been passed on to the customers

The said procedure asks for submission of refund claim along with the copies of all sales invoices / cash memo's. Retailers are required to reprint and preserve huge quantities of cash memo's for this purpose.

A simplified procedure should be introduced for retailers. The cash memo's should be allowed to be submitted in soft forms instead of hard copies SAVE PAPER, SAVE NATURE.

For retailers the entire sale is to the end consumers which fulfill all the above criterions. Therefore, instead of undergoing administrative hassles of refund claim, there should be no levy of ADI / SAD at the source itself for retailer importers who have local VAT registration.

TREASURY :

- **Retail to be included in Priority Sector :**
  With the development of organized retail in India, more employment would be generated in the country. It also provides window to Indian goods and generate market for them as well as generates higher revenues for the Government in the form of direct and indirect taxes. Retail should be included in the priority sector category to enable the players to raise funds at reasonable costs.
- **External Commercial Borrowings (ECB) to be opened up for Retail :**
  With the growth phase of organized retail, retail companies have to invest huge funds for expansion. Apart from equity financing, organized retailers have been using various source of domestic debt financing. As debt finance is becoming costlier in India, retailers

margins are strained which ultimately push the prices of commodities upwards causing inflationary trend in the economy. The costlier finance also hampers the industry growth to a large extent.

Non availability of ECB to retail deprives organized retailers from avenues of creating modern retail infrastructure at low cost. We urge Government to review the ECB guidelines to facilitate growth of organized retail industry in India. This will go hand in hand with creating modern infrastructure in Indian Organised Retail to match it with the world standards.

It is also worth mentioning here that many of our organized retail players have substantial earnings in foreign currency through retail sales to foreign tourists. The opening of ECB window to retail will enhance modern infrastructure in retail and thereby would make our stores more attractive to foreign tourists. Nevertheless, increasing foreign exchange earnings of retail would be beneficial to economy as a whole.

ECB should be opened up for the Retail Sector since this sector needs huge amount of capital participation.

OTHERS :

- Retail requires huge capital participation. Opening up of the retail sector through participation by foreign players via Joint Ventures would help augmentation of large capital needed for organized retail development.
- At the moment a single store needs to ensure compliance with as many as 29 different licenses.The need is for a single window clearance for Retail. Instead of having to ensure compliance with so many different licenses, there should be one unified license for the retail store.
- Stamp Duty on the leased commercial properties for Retail to be either exempted or charged at concessional rate. Alternatively, set off of stamp duty paid on commercial properties for Retail should be allowed against service tax on renting of immovable property service.

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WISH LIST FOR BUDGET 2009

1. Retail - specifically shopping malls and centers should be granted industry status. The lack of industrial status does not allow developers to effectively address major issues such as traffic regulation and staff satisfaction/retention. Nor can retail avail of industry-appropriate subsidies, benefit from more favourable import/export laws or introduce the level of transparency required to attract more foreign players

2. Service tax as pertains to rentals should be clarified and freed from existing ambiguity. Service tax rentals paid for property that retailers occupy is an unrealistic financial burden. Thanks to increased competition, retailers are already operating on thin margins, and the added encumbrance of service tax only serves to make goods costlier for consumers.

3. Electric supply to shopping centers and malls should be incentivized/subsidized, in line with similar benefits given to other public spaces.



MR ANUJ PURI,

Chairman, Jones Lang Lasalle Meghraj

4 The budget should provide incentives for the creation of cold storage chains to help reduce wastage (approximately 30% of products are currently wasted for lack of these)

5. The budget should facilitate the creation of retail-related community centers in Tier III/IV cities and towns that are undergoing rural consolidation, to help retail spread to these locations in a uniform and systematized manner

MASTER DATA MANAGEMENT

Pankaj Gala is working with IBM India Private Limited, as Retail Solution Architect. Pankaj is primarily responsible for providing consultancy, solutions designing using IBM solution portfolio and building strategic alliances with ISVs and Partners to serve Indian Retail Industry.
Pankajgala@in.ibm.com



MR PANAKJ GALA,

IBM India Pvt. Ltd.

The pressure to innovate is increasing. To remain in step in an increasingly competitive environment, one must find ways to reduce costs and, at the same time, seek sophisticated ways to better merchandise, distribute, promote and introduce products through your retail infrastructure & channels. So you can maximize your organization's ability to pursue new revenue streams and preserve rapidly diminishing margins. Managing innovation and change is an information-centric process. Organisations must **establish** an **enterprise data management** foundation to support their channel strategies.

What is Master Data?

Master data is the facts describing your core business entities such as customers, suppliers, partners, products, materials, accounts, location and employees. It is the high value information an organization uses repeatedly across many business processes. Master Data is generally used across multiple LOB. The data is decisive (currency, quality) for these business processes, and often a prerequisite for service-orientation. Master Data is critical because it provides the business context by providing concrete data models and business-oriented services for the subject domains. Master Data is typically scattered within heterogeneous application silos across the enterprise.

The **Master Data problem** is not data problem; it **is Process and Function problem**. Typically data is out-of-sync, incomplete and inaccurate in your applications. The root cause for this symptom is application functionality and business processes are not designed to manage data integrity. This is a typical situation retailers are currently facing: one product having different codes and descriptions in the various markets it is sold in. This only shows the tip of the iceberg: indeed these codes are the ones defined in backbone transactional systems; often, different codes are used in POS systems, Warehouse Management Systems or Factory Systems. This situation mainly results from the fact that data is captured many times, in many different systems as well as the lack of global standards (or insufficient application of standards).

Inconsistent Master Information impacts Revenue, Cost, Agility and Compliance: e.g.

- Errors in data – 30% of data in retailers systems is wrong
- Lost productivity – 25 minutes cleansing per SKU/year
- Slow time to market – 4-6 weeks to introduce new products
- Lost sales – up to 3.5% per year
- 80% of effort going into basic plumbing vs. high value business logic
- Difficult to integrate, costly to maintain, and inflexible
- Inconsistent performance, scalability, reliability
- Inaccurate and incomplete information for decision-making

Master Data Management (MDM) is an approach to managing master information across the enterprise and many applications. MDM is a central, application independent resource. It simplifies ongoing integration tasks and new app development, ensures consistent master information across transactional and analytical systems, addresses key issues such as data quality and consistency proactively rather than "after the fact" in the data warehouse. It is designed to accommodate and manage change.

Master data management (MDM) comprises a set of processes and tools that consistently defines and manages the non-transactional data entities of an organization (also called reference data). MDM has the objective of providing processes for collecting, aggregating, matching, consolidating, quality-

assuring, persisting and distributing such data throughout an organization to ensure consistency and control in the ongoing maintenance and application use of this information.

A comprehensive product information management (PIM) solution, allows you to create, manage, link and synchronize the elements of your organization's product information, within and beyond the enterprise. You can integrate and centrally manage product information typically scattered across a range of systems, such as enterprise resource planning (ERP), legacy, customer relationship management (CRM) and data master systems. PIM solution also links product-related information with terms of trade, such as pricing, and synchronize this information internally with your existing systems and externally with trading partners.

Benefits of MDM

- Increase Revenue and Customer Retention
  - Leverage cross-sell and Up-Sell opportunities
  - Identify the most valuable customers to provide differentiated service
- Cost Reduction and Avoidance
  - Introduce New Products and reduce time to market
  - Streamline and automate business processes for greater efficiency
- Increase Flexibility to Support Existing and new Business Strategy
  - Meet the dynamic requirements of the business with an SOA architecture
  - Support New Strategic initiatives such as M&A with an integrated framework
- Meet Compliance Requirements and Reduce Risk Exposure
  - Capture and manage net new elements such as Privacy Preferences
  - Proactively uncover and action fraud risk
- Helps your organization gain competitive advantage, by helping you to automate and streamline activities associated with managing key marketing and sales processes.
- Ability to pursue new revenue streams/channels such as eCommerce, mCommerce, Kiosks, Signage, POS, RFID systems.
- Ability to improve Product Life Cycle including Introduce new products, Product Sourcing, Pricing Optimisation, Promotions Management, Merchandise Planning, Markdown optimisation, Return to Vendor and End of Life of Product.
- Reduce out-of-stock inventory
- Reduce invoice queries
- Increase order-fulfilment accuracy.

The success of your business also depends on complying with industry standards, like Global Data Synchronization (GDS), Most of the largest, leading companies in the retail industry have made Global Data Synchronization an industry imperative, and joined the Global Data Synchronization Network (GDSN) to help improve retailing business processes, increase revenues and cut costs.

Retail MDM Architecture Strategy

- Provide a resilient, adaptive Master Data Management architecture
- Enable the ability to rapidly respond to business-driven and legislated changes such as mergers and acquisitions, privacy laws, etc
- Enable users to associate attributes to groups of items, using inheritance and hierarchies. This capability lets you more effectively manage the complexity that can accompany tens of thousands of category-specific attributes across millions of items.
- Capability to consolidate, cleanse, validate and manage third-party data from suppliers.
- Synchronize location master information from a variety of internal systems, such as legacy vendor masters, ERP, CRM and warehouse-management systems.
- Provide the ability to deliver quality Master Data consistently and in a standardized way to systems of interest
- Improve ship-to and bill-to accuracy, reduce invoicing errors, and reduce the time and expense associated with maintaining suppliers.
- Support Industry standards like GDS and access to GDSN.
- Provide a scalable, highly available and extensible architecture that will enable and ensure High Performance and Sustained Value.
- Provide the flexibility to integrate technology from a variety of vendors and integrate with future "unknown systems".
- Provide security & protection from unauthorized access to data

Companies use MDM to increase profits by as much as 1% of revenues by eliminating manual processes and sharing comprehensive, accurate product information with customers, suppliers and employees. MDM greatly improves the accuracy of master information in internal systems and facilities sharing this information both inside and outside the enterprise using industry standards.

NEWS

RETAIL EXPANSION

COOKIE MAN EYES AIRPORT RETAILING

Cookie Man India is looking to ramp up operation from 45 stores to 250 in five years. The company, which has been expanding in malls, said it is eyeing airport retailing to scale up presence. company has developed a robust franchising business model that has helped it to rapidly expand pan-India. Cookie Man has also broken into the institutional space by establishing relationships with airlines (Jet Airways, Kingfisher Airlines) and hotel chains across the country.

The Hindu March 2009

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FUTURE BRANDS TO TAKE LICENSING ROUTE FOR BRAND EXPANSION

Future Brands, the brand development and marketing arm of the Kishore Biyani led- Future Group, is all set to licence its four private label brands John Miller, DJ&C, Bare and Dreamline to the mainstream retail industry. So far these brands were retailed at its own chains such as Big Bazaar, Central and Pantaloons.

In fact, Future Brands plans to spend Rs 50 crore annually on revamping and launching private labels of the group into the mainstream. The subsidiary of Future Group has more than 50 in-house brands that it sells through its various retail formats across 40 plus cities in India and expects revenues to reach Rs 1,000 crore by 2010-11

Business Line March 2009

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RADO TO ROLL OUT 17-20 STORES BY DEC '09

Swiss watchmaker and design pioneer Rado is all set to open 17-20 exlusive showrooms across the country by the end of the calender year at an investment of approximately Rs 5 million each.

Business standard, February 2009

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VISION EXPRESS TO EXPAND

Reliance Retail, which recently entered into a 50:50 joint venture with Dutch optical retailer Pearle Europe, is aggressively looking to stamp its presence in the Indian eyewear business. The company, which opened its eighth outlet in India, said it is planning to set up over 500 outlets by 2015.

Business Line, Feb 2009

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DONEAR PLANS TO LAUNCH 200 SPECIALITY RETAIL STORES

Donear Industries, manufacturers of suiting, trouser and shirting fabrics from cotton, wool, viscose, polyester and blends, is planning to launch 200 speciality retail stores for wrinkle-free cotton wear for men by the end of this year. This has come at a time when the industry is facing sharp fall in consumption in the metros. Donear is hopeful about its value retail chain as it feels that there is always space for the small players with new concepts.

The Economic Times, Feb 2009

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RAYMOND SET TO OPEN 100 OUTLETS

At a time when most retailers are shutting down their stores or halting expansion, Raymond Apparel is launching the first of its kind format in the country to tap the growing men's accessories segment. The company, a subsidiary of Raymond, is planning to open 100 stores under its new chain Neckties & More. Raymond Apparel, one of the largest players in the menswear segment in India, has decided to launch the format after recording a strong growth in their accessories business in the past few years.

The Economics Times, Jan 2009

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GLOBAL RETAILERS EYE FRANCHISE ROUTE TO INDIA

As the slowdown takes its toll in their original home markets, international retailers seem keen to try out the franchise route to test their brand in the Indian market. With almost 700 franchises today, brand licensing is estimated to be a Rs 30,000-crore industry growing at 30 per cent today.

With people losing jobs across various sectors, self-employment is seen to be a safer option and becoming a franchise is the preferred choice. Besides, those who are already in business and have stopped investing in the stock and property market might be sitting on a pile of cash which could be used to start a franchise operation.

Business Line, Feb 2009

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SHERWIN-WILLIAMS PAINTS OPENS 4 STORES

The US-based Sherwin-Williams Paints opened four company-owned stores here on Thursday. These stores will be the first such stores for Sherwin, which has about 3,300 outlets across the US and Canada, in India. The stores will offer a wide range of interior and exterior paints, painting accessories and tool, and market the company's wood-care products under the 'Ronseal' brand. They will also offer a touch and feel experience for our customers, including builders, painters, end-users, architects/specifiers, designers and contractors.

Business Line, Jan 2009, Bangalore

NEW PRODUCT LAUNCH

BHARTI-WAL-MART CASH AND CARRY BIZ CHRISTENED BESTPRICE MODERN WHOLESALE

Scheduled to open in Punjab later this year, Bharti Wal-Mart Private Ltd's cash-and-carry and back-end supply chain management operations in India will be named 'BestPrice Modern Wholesale'. The membership registration for 'BestPrice Modern Wholesale' stores by bonafide business owners has begun and 50,000-65,000 business owners are expected to benefit from the membership. The store will be a one-stop shop that meets the day-to-day needs of traders, restaurant owners, hoteliers, caterers, fruit and vegetable resellers, kiranas, other retail store owners, offices and institutions. A wide range of 6,000 to 10,000 products, including food and non-food items, will be available at wholesale prices."When we announced the joint venture in August 2007 we gave ourselves a window of 18-24 months to launch our first wholesale cash-and-carry store. We are firmly on track and we have begun registration of membership in Punjab in advance of the store opening to enable us to better forecast and serve the needs our commercial customers," Mr Raj Jain, Managing Director and CEO, Bharti Wal-Mart, said.

Business Line Feb 2009

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VARDHMAN GROUP LAUNCHES JEWELLERY MALL

The jewellery mall will be the first high-end retail project to comprise specialty retailing catering to consumers looking to purchase jewellery. Spread over 80,000 sq ft, the luxury destination is located in the heart of the jewellery precinct of Mumbai. Vardhman Group will be one of the pioneers of Whole Jewellery Retail (WJR) in the country. The Group envisions the future from the perspective of the target audience. As Indians move up the value-chain, large-format retail combined with themed shopping environments will drive Indian retailing," Vardhman Group's Managing Director, Rajesh Vardhan, said.

MiD DAY March 2009

NEXT TO RETAIL TOYS, GIFTS

Videocon Industries' promoted Next Retail is expanding its portfolio to include toys and gifts. The Rs 650-crore consumer durable chain will now be stocking both national and international brands in the toys and gifting segment. Mr Sunil Mehta, CEO, Next Retail India, told Business Line, "At some of the select outlets of Next Retail we would be adding a new category of toys, games and gifting items comprising both domestic and international brands. "We expect to target younger people at our stores with this new category. Our aim is to reach Rs 1,000-crore turnover this year." Contrary to reducing store numbers, the company plans to increase it to 700 (currently 378) this year."We are growing and with retail rentals coming down by 15-20 per cent we will be able to reduce our capital cost," added Mr Mehta.

Business Line, Feb 2009

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INFINITY RETAIL PLANS TO LAUNCH ONLINE SALES

The Tata Group company Infinity Retail Ltd is planning to start e-commerce for its Croma brand of stores. The retail company would seek advice from its technical and sourcing partner Woolworth to make a foray into this arena. Besides, it would be roping in other Tata group companies such as TCS and Drive India to provide software and logistics support for its e-commerce venture.

Business Line, Jan 2009

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RASNA TO LAUNCH RETAIL OUTLETS IN MUMBAI, DELHI

Rasna Private Ltd is going to launch around 40 big and 100 small Devil's Workshop retail outlets in each of Delhi and Mumbai. The retail outlets would be in multiple formats based on the requirement of space and we would like to experiment with various formats like exclusive outlets, kiosks, etc rather than stick to one. Most of the outlets would be company-owned, and franchisees option wil also be open.

Business Line, Jan 2009

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RELIANCE DIGITAL STORES TO RETAIL REVA

Reliance Digital, the consumer durables and

information technology arm of Reliance Retail, announced its sales tie-up with Reva Electric Car Company (RECC) for retailing its electric cars through Reliance Digital outlets across the country. Reliance Digital will retail Reva through its digital stores in Hyderabad and Delhi NCR in the initial phase. Later, this initiative will be extended to other cities.

Financial Express, Jan 2009

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APPAREL RETAILERS KEEN TO WRAP UP MORE BUSINESS

The recession has caused customer footfall to plunge by 15 per cent and apparel retailers are keen to reverse this trend. They want to not just win back customers but also increase average ticket realisation. Brands are trying to get the best out of walk-ins by creating impulse buying opportunities. Says Mr Alok Dubey, Vice-President and Business Head, Own Brands, Arvind Brands, who handles the Flying Machine brand, "Flying Machine is engaging in cross selling to increase average ticket realisation. We were primarily selling denim wear but now we have added a range of accessories such as belts, socks, caps and bags. In the last three months, our average ticket value has increased from Rs 1,200 to Rs 1,600 as people pick up small items along with jeans."

Marketers are realising that marketing efforts need to be more targeted and local in and around catchment areas. Says Mr Dubey: "We have an average footfall of 20-30 people a day per store. We want to grow that by 20 per cent. So we are focusing our marketing in a 2-km catchment area around the store through SMSes, newspaper inserts, pamphlets and local events. We are staying away from mass media advertising."

Business Line, Jan 2009

JOTUN PAINTS THROUGH LIFESTYLE CHAIN

Norwegian paint company Jotun India Pvt Ltd has tied up with Lifestyle International, a retail chain, to offer customers the look and feel of its paint range at Lifestyle's outlets. According to the release, the paint industry in India is growing at 17-18 per cent, and is valued at Rs 8,000 crore. The per capita consumption of paint is steadily increasing, with the real estate sector growing at a phenomenal rate. Jotun group consists of 67 companies and 40 production facilities around the world and plans to strengthen its presence in India. Outside Europe, Jotun is a market leader in the Middle-East and Asia-Pacific. Jotun India was set up in 2005, with plans to provide a single source solution for all paints and coatings. Jotun's manufacturing plant in Pune has been set up at an investment of $25 million and will have a capacity to produce up to 50 million litres of wet paint and 10,000 tonnes of powder coatings. Jotun's diverse product range worldwide includes decorative, protective, powder, marine, floor/concrete protection and intumescent coatings.

Business Line, Jan 2009

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C&W, TECHNOPAK TIE-UP

Cushman & Wakefield (a privately held real estate services firm and retail real estate services provider) and Technopak (a management consulting firm in retail) have come together to offer a unified platform for end-to-end retail services.The partnership will deepen Cushman & Wakefield's capabilities for its clients in the retail industry by providing access to Technopak's retail strategy and consulting services. Technopak's clients will in turn get access to Cushman & Wakefield's global platform of real estate market intelligence, management expertise and a broad range of real estate services.

The alliance would have over 500 professionals with a diversified skill base in retail industry with geographic reach across 100 cities in India.

Business Line, Jan 2009

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INTERNATIONAL RETAIL EVENTS

THE RETAIL CONFERENCE

Cavendish Conference Centre, Duchess Mews, W1G 9DT, London23rd September 2009 8:30am - 5:00pm

The Retail Conference is one of the UK's leading industry-focused events. It encompasses seminars, workshops, thought-leadership discussions and networking for senior executives, decision makers and those who define business strategy in the retail, wholesale, leisure and hospitality sectors.

This event is being offered FREE of charge to retailers' employees, directors and owners, to charities, educational establishments and not-for-profit organisations. It is also available free of charge to those in the leisure and hospitality sectors, the consumer brands, retail category partners and members of the press. All other attendees will be required to pay an attendance fee of £499+VAT

To register kindly contact: **08444 142536**

STORE CANADA'S RETAIL CONFERENCE

Features of STORE include:

- Innovative,information-packed sessions;
- Unique Exhibit Hall showcasing retail's leading suppliers and featuring a Silent Auction, Interactive Kiosks and more;
- A rare chance to network with a diverse group of industry leaders;
- The Excellence in Retailing Awards Dinner;
- …and more!

This year's conference will be held at the Toronto Congress Centre on Monday, June 1 and Tuesday, June 2, 2009

For more details please contact
1255 Bay Street, Suite 800 Toronto, Ontario M5R 2A9
Tel: (416) 922-6678

RETAIL TECHNOLOGY CONFERENCE 2009

April 15-17, 2009

To help retailers find out how the industry is adjusting to current economic pressures, a key session will focus on the debut of the **19th Annual Retail Technology Trends Study**, done in partnership with Gartner. This will be the first major industry study of the year that takes the pulse of retailers in the post-Christmas environment and the findings will set the stage for what will happen throughout 2009.Other highlights of the carefully crafted agenda include:* Opening keynote about How to Thrive in a Dynamic Economic Climate

* Masters Workshops and Concurrent Sessions organized in three tracks: Store & Operations Innovation, Cross-Channel Retailing and Merchandising & Customer Experience

* The Shifting Consumer Landscape: How You Need to Respond* Transformation Through Innovation: Start Planning for Rebound Now

For more details please contact

RIS News4 Middlebury Boulevard Randolph, NJ 07869 phone: (973) 607-1300 fax: (973) 607-1395

2009 RETAIL HUMAN RESOURCES CONFERENCE

April 1, 2009

Unlike other HR conferences, the Retail Human Resources Conference addresses the issues facing HR professionals working in the Retail industry. This full-day event offers the opportunity to network, discover new HR products and technologies, and learn about HR programs available through RCC and Canadian Retail Institute (CRI), the education arm of RCC.

For more information please visit http://www.rcchrconference.ca/

FOOTFALLS

An ambitious initiative of FICCI retail division which is a platform for the retail fraternity to discuss and raise various policy issues of the sector. It will act as a vital source of information to its distinguished readers by bringing the latest happenings of the retail sector and unique array of articles from senior officials of retailer companies, academicians and consultancies.

"Footfalls" will have a reach to about 4500 stakeholders across the retail verticals. This newsletter is going to have a very broad spectrum of readership profile consisting of entire gamut of members from retail sector, foreign embassies, counterpart Chambers of commerce, Government officials and all those concerned with retail business and therefore it is definitely a perfect medium to market your products and services for reaching out to a wider cross section of Indian retail sector.

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FICCI RETAIL DIVISION

FICCI retail division is instrumental in creating a pervasive podium for the modern retail sector to discuss government policies, formulate strategies, and catalyze growth of the sector.

To achieve above mentioned objectives the retail division has a focused retail committee which is represented by retailers across the country. This committee functions in a time bound manner to achieve its goals through representations to the Government, releasing reports, white papers, organizing workshops on retail, garnering international delegations, conducting B2B and B2C meets and by organizing international conferences.

RETAIL DIVISION'S ACTIVITIES INCLUDE:

A) FICCI Retail Report

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C) Winning with Intelligent Supply Chains- An international conference on backend retail supply chain technology.

D) "FOOTFALLS" an International conference on modern retail

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RETAIL DIVISION

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Senior Director

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Phone: 011 -23311920
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Mr Arvind Singhatiya
Assistant Director

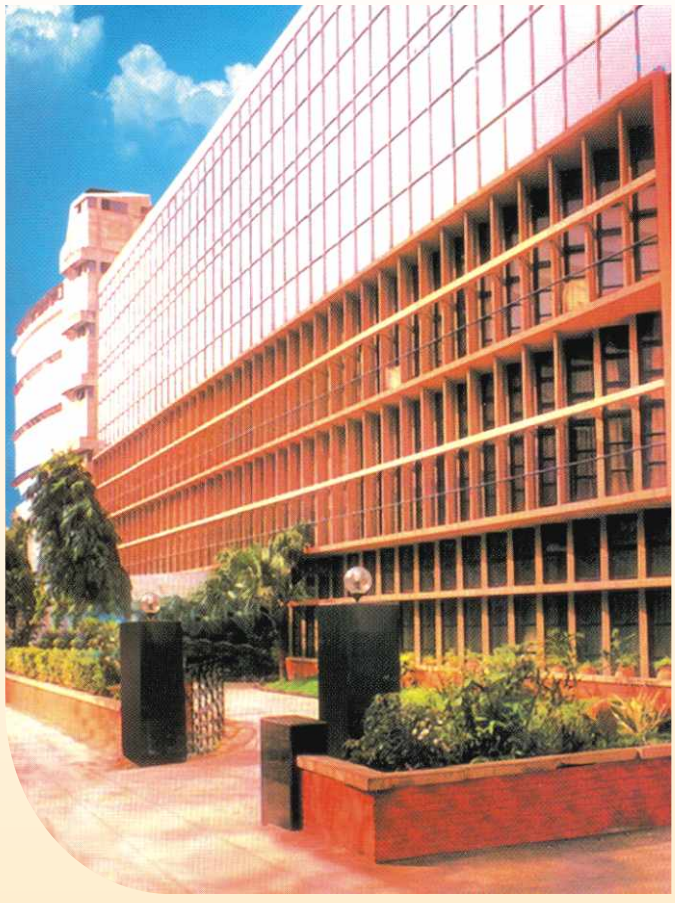
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Set up in 1927, on the advice of Mahatma Gandhi, FICCI is the largest and oldest apex business organization of Indian business. Its history is very closely interwoven with the freedom movement. FICCI inspired economic nationalism as a political tool to fight against discriminatory economic policies. That commitment, drive and mission continue in the ever-changing economic landscape of India, chasing always newer agenda.

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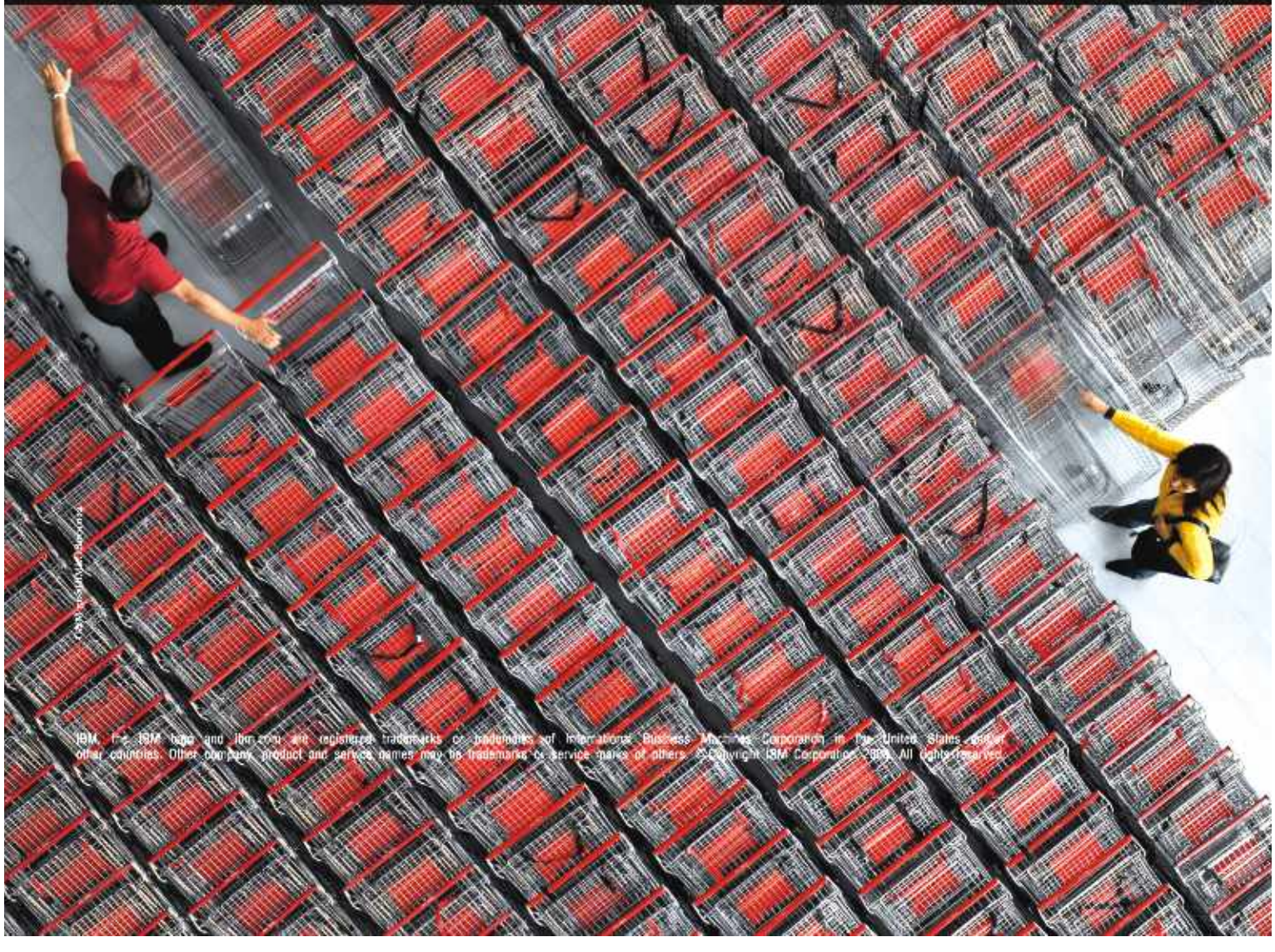
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