FICCI

FOOTFALLS

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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 'Winning with Intelligent Supply Chains' held in September 2004
b) Membership of FARA (Federation of Asia Pacific Retailers Association
c) Report release on FDI in Retail in February 2005 during a Seminar' Retailing in India: FDI and Policy Option for Growth'.
d) Footfalls December 2005 This two-day Conference focused on Opportunities and Challenges in Indian Retail Sector.
e) Hindustan Times FICCI & NID Luxury Conference January 13-14,2006
f) Auto Retail Conference: Auto retailing: A framework for growth September 2006.
g) RETAIL REPORT April 2007 - *Organized Retail: Unfinished Agenda and Challenges Ahead.*
h) Winning with Intelligent Supply Chains (WISC) 17-18 December 2007.
i) FICCI- Ernst & Young Supply Chain report 2007.

Forthcoming Attractions:

a) Winning with Intelligent Supply Chains 2009, March 2009
b) "Footfalls-2009" July 2009.

Retail in News

(National and International)

SALES ARE SHRINKING SLOWLY

The second annual Global Retail Theft Barometer 2008 Survey, covering 920 lager retailers across 36 countries has rated India with the highest rate at 3.10% this year an increase of 6.9% over last year.

Deccan Chronicle, November 2008, Hyderabad

LUXURY GOODS SALES WILL GROW DESPITE CRISIS

Although the global financial crises are hurting sales, it will likely to grow by 8% this year before slowing to a rate of 6% in 2009 & 2010. Ms Durante, head of corporate broking for Merrill Lynch said luxury goods sales in emerging markets were enjoying double-digit, while in Europe and the US sales were seen rising in the single-digits.

Business Lines, November 2008, Delhi

BHARTI LAUNCHES EASYDAY STORES IN HARYANA

Bharti Retail Ltd, a wholly owned subsidiary of Bharti Enterprise has launched Easyday stores in Karnal and jagadhri in Haryana. Easy stores are one stop shop that caters to people's needs. They bring together wide range of goods, high quality products and great in store experience and service all under one roof. These stores offer wide assortment of products

Financial Express, November 2008, Delhi

DIREXIONS EYES ON $20-M PE FUNDING TO FUEL EXPANSION

Direct marketing company Direxions Marketing Solutions is looking at private equity funding of around $20-millions and hopes to seal the transaction by end march 2009. The company, growing at over 30% in the last two years and targeting a Rs100 Crore revenue by FY10, would use the funds to fuel its expansion.

The Economic Times, November 2008, Delhi

SLUMP TO DELAY CARREFOUR'S INDIA RETAIL PLAN BY ONE YEAR

Carrefour SA, the world's second-largest retailer, will take at least a year to tie up with an Indian partner to start retail operations in the country as its prospective partners grapple with the ongoing financial crunch and slowing sales. The French retailer is also delaying its retail plans to focus on launching cash & carry (wholesale) operations next year. Another key reason delaying Carrefour's entry into the retail segment is the French giant's tough bargaining stance.

Business Standard, November 2008, Delhi

FRANCORP TO MAKE FORAY INTO INDIA

US based global franchise consultant major Francorp international is foraying into the estimated $ 3.3 billion Indian franchise market and is aiming to bring in 100 odd companies into the country by the end of 2009, through franchise model, Francorp international president Ramon Vinay said.

The Hindu, December 2008, Delhi

DILLANO TO OPEN JEWELLERY OUTLETS IN CHANDIGARH

Dillano, a BIS approved hallmark brand plans to open flagship showroom in Chandigarh and Ludhiana. Chitwan Malhotra, director of Dillano said north India would be her focus in future and hereafter, the company would have international presence when it would open its showrooms in US and UK by 2010.

The Financial Express, November 2008

ESPIRTS PLANS BIG FOR INDIA

Global apparel retail brand Espirt said that it would expand its Indian operation by more than doubling the numbers of its store in the country to 100 from the existing 43. The company is targeting metros and Tier-I and Tier- II cities in India for growth. Madhura garments chief operating Officer Manjula Tiwari said “India is one of the three key markets for our company's expansion in next 3-5 years. We have at present 43 stores, including 20 outlets and 23 shop-in shops spread across nine cities in India. Our plan is to have a total of 100 stores in 20 cities within the next three years". She said the company grew at a compounded annual growth rate of 167 per cent in India last year and achieved a turnover of Rs 75 crore from its retail business.

Business Standard, November 2008

SAKS POSTS BIGGER THAN EXPECTED LOSS

Luxury retailer Sake Inc. reported a wider than expected loss in the third quarter in contrast to a profit a year ago, as its affluent customers slashed spending as the financial meltdown has lead to massive job losses on wall street and shrinking stock portfolio.

The Indian Express, November 2008

POLLO CAMPER TO FORAY INTO INDIA

Global QSR (quick service restaurant) chain Pollo Campero is planning to foray into the multi-billion-dollar Indian fast food market with plans for setting up 10 restaurants across the country by 2012. The company is in advanced stages of negotiation with two local groups for setting up restaurants in India under the franchisee model

Mail Today, December 2008, Delhi

ODYSSEY PUTS ON HOLD EXPANSION IN NEW CITIES

Leisure stores chain, Odyssey India Ltd, is putting on hold its expansion plans in cities where it does not have a presence so far. In view of the falling rentals across the country, the company is also reviewing property agreements and renegotiating on terms that it had signed 2-3 years ago, he added. As part of its plan to explore newer formats and catchments, Odyssey has tied up with HPCL to set up stores in Nagpur, Mumbai and Bangalore. The retail chain has also identified 29 Metro stations at New Delhi for its express kiosks. The company is piloting a books and music vending machine project in Chennai, which is expected to be ready for use in a couple of months. Odyssey is also working on launching music download kiosks where customers can buy customised music CDs. The concept is being tested in Bangalore, Chennai and Hyderabad and would be launched in 3-6 months.

Business Lines, November 2008

FMCG FIRMS PULL OUT ALL THE STOPS TO WOO MODERN TRADE

Hindustan Unilever (HUL), GlaxoSmithkline Consumer Healthcare (GSKCH), Godrej Consumer Products (GCPL), Dabur, Nestle and other FMCG companies are lining up initiatives to maximise returns from modern trade channels (MTC) including hypermarkets and supermarkets. From in-store promotion and special retail packages to spinning off specialised teams for modern trade, FMCG companies are leaving no stone unturned. Sales from MTC formats account for over 30 per cent of revenue for the retail players, and have started to contribute larger volumes for FMCG players.

Business Standard, November 2008

IGNOU TO RELAUNCH DIPLOMA IN RETAIL

Ignou has decided to relaunch its one year diploma in retail programme by involving big retail houses from the country and abroad. The other unique aspect of the course is that aspiring candidate who failed or could not make it to B-schools offering programme on retail management can join the course.

The Asian Age, November 2008

SCHOOL TO PRODUCE RETAIL READY EMPLOYEES

With Indian organised retail sector requiring an additional two million hands in two years, a Franchise process outsourcing company here has mooted the concept of launching retail schools to train candidates and make them 'retail-ready employees.' To start with the company 'V 4 Edge' has launch the first retail education school in the city on November 27 and in Salem on December three. There would be two courses--level 1 to 10th and Plus two and Level two for any degree of diploma holders--and the schools would be engaged in producing trained executives and would more importantly be 'industry ready to absorb' to handle the grass root retail operations.

news.chennaionline.com

COSTA COFFEE CAUTIOUS OVER EXPANSION PLANS

Costa Coffee, an Italian style coffee brand, which is a part of British leisure group Whitbread has become cautious in selecting locations in India for opening new stores as the retail market faces the heat of economic slowdown. Even though, the company officials say that the expansion will continue as per the plans but finding good locations is a big challenge in the present scenario.

The Financial Express, November 2008

INDIA SECOND IN GLOBAL CONSUMER CONFIDENCE

Indians have the second most optimistic attitude on the current world financial crisis after Norway, according to a global survey on consumer confidence levels. One in two Indians, 45 per cent of Vietnamese and around a third of Russians and Chinese expect the global recession to end within a year, according to survey on global consumer confidence concerns, spending and attitudes to recession. In India, home to world's second most confident consumers, employment rates will rise in inverse proportion to the developed world, thanks to enthusiastic adoption of workforce optimisation-" outsourcing bug", according to the survey.

The Economic Times, November 2008

HINDWARE IS EXPANDING IN THE RETAIL SPACE

Hindustan Sanitaryware & Industries Ltd is foraying into the retail space with their home solutions offering with the launch of Evok stores. The company is also planning to launch a new model to service architects, builders, interior designers and corporates and institutional segments. Both these businesses are part of a new subsidiary Hindware Home Retail (Pvt) Ltd that was formed last year. "We would be targetting the lower-middle to the premium segment for consumers," said DK Jairath, vice-president and business development head of Hindware Home Retail. The company is already on its way to opening six such stores in the Delhi NCR.

Hindustan Times, November 2008

PAVERS ENGLAND TO INVEST RS 48 CR FOR EXPANSION

Pavers England Footprints Ltd, a joint venture between UK-based Pavers Foresight Smart Ventures and Chennai-based footwear export company Forward Group, will be investing $10 million (approximately Rs 48 crore) for its retail expansion in India. Besides setting up a design centre near Chennai, the company will also be ramping up its concessionaires in 1,000 odd stores over the next five years. The investment will go towards developing a modern retail channel backed by a global network of product sourcing and development. PEFL will also have access to Pavers research and development facilities in India, China and Brazil.

Business Line, November 2008

Ministry of Food Processing Industries
Government of India

Quality Council of India

CIFTI
FICCI
Confederation of Indian
Food Trade and Industry
(Foodwing of FICCI)

One day Seminar on

FOOD REGULATIONS



Limited Seats
Register in Advance

Location	Tentative Dates
Cochin	17 Jan 2009
Ahemdabad	23 Jan 2009
Bhuwaneshwar	10 Feb 2009
Guwahati	20 Feb 2009
Mumbai	6 Mar 2009
Ludhiana	20 Mar 2009

Seminar Agenda

- Basics about regulations: Acts and orders governing the industry
- Impact of regulations on business
- How industries could participate in law making exercise?
- Complying with the regulations

No Participation Fee

For further details, please contact:

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Retail Policy And Regulations

WOOLWORTHS FILES FOR ADMINISTRATION

Woolworths Group has put his century old retail business into administration after failed attempt at a fire sale. The company said that discussions to sell its 800- store retail business had ended without a sale, resulting in the need to put both that business and its EUK subsidiary that distributed music and videos to retailers, in the hand of administrators.

Hindustan Times, November 2008, Delhi

TEST MARKETING FACES GOVT CHECK 10

The government is set to crack the whip on foreign companies carrying out retail trade under the grab of test marketing. These entities obtain test-marketing licenses only to misuse the facilities and carry out retail trading without permission. The current norms allow test marketing maximum for two years during which a foreign company has to set up manufacturing facilities. Many companies seek repeated extension of this two year period and never set a production unit here.

The economic Times, November 2008

L'OREAL TAKES MYDOLLAR STORE TO HC OVER ILLEGAL IMPORTS

French cosmetic and toiletries giant L'Oreal has hauled discount retailers MyDollar Store to court over an issue relating to intellectual property right (IPR) and illegal import. The company has filed a case against My Dollar Store in Delhi High Court. In recent times, MNCs have been upset over the move by retailers to import top global brands, claiming that this leads to loss of business, opportunities, unfair competition and product cannibalisation. Hectic Parleys between two parties could lead to out-of-court deal.

The Economic Times, November 2008

EASIER FDI RULES, SINGLE BRAND RETAIL ON RADAR

The government is stepping on the accelerator to boost foreign direct investment (FDI) as the UPA tenure runs into its last few months. A major review of the FDI regime is expected in the coming weeks, with the government considering a relaxation of rules in retail activity related to sectors like sports goods and consumer electronics to help achieve the 2008/09 target of attracting $35 billion. The government is considering allowing foreign direct up to 51 per cent for retail in consumer electronics, electrical products and sports goods as well as accessories.

Hindustan Times, November 2008

Living in Bermuda Triangle

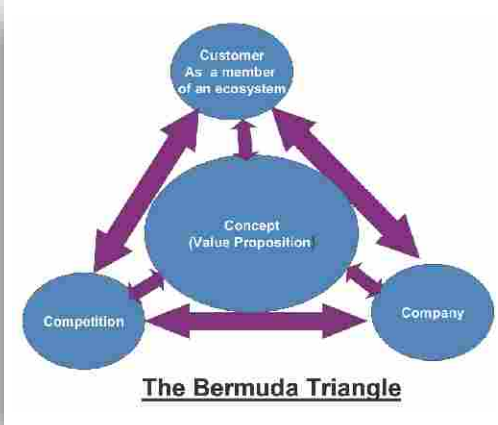


PROF. P K SINHA,
Chairperson,
Center for retailing, IIM Ahemdabad

Professor P K Sinha is professor of marketing and chairperson of center for retiling 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".

In my last article I had mentioned about the Indian retailers are passing through a Bermuda Triangle. It looks like they would have to learn to live in this triangle for a long time, if the recent dip in the market is some indication. Every day you read it in the newspaper that the Indian Retail Industry is going through a tough situation. Stores are being closed, people are being retrenched, and visitors to the malls have come down. While people are trying to answer the difficult question of where has the money suddenly gone, there is also a need to appreciate the fact that the nosedive has been created because many dived into the sea head down without checking if they had the right swim gear and the capabilities. I would carry two lessons home from all this:

1. Understand the constitution of Bermuda Triangle: Everyone wants to be unique and many of them are. But it seems that the more unique we want to be the more we are like millions out there. This uniqueness, also called positioning or value proposition has been integral to business. It would remain so for eternity. However, we must understand that positioning is not just about being unique; it has to be sustainable in long term and must provide profitability to the firm. In my mind the true meaning of USP is Uniqueness, Sustainable and Profitable. These are the three points which create the Bermuda Triangle as given in the figure below. Firms must look for such propositions that achieve all three in order to have a good start and then maintain the good performance over years. This would mean not only finding what customers want but also find a business model that would help in serving customers better than competition and give enough money to the firm to survive and grow. Whatever I am saying seems clichéd; but this is the universal truth and many of us try to change the truth and fall flat on our faces. Archimedes had said, "Give me place to stand and I can move the Earth". Thus finding that place and remaining there firmly is what many of us are not able to fathom.



The Bermuda Triangle

2. Every store is unique, even if it part of a big brand chain. Success of one or few store does not mean that every store would be a successful. It has nothing to do with brand awareness or brand equity. It is based on the simple fact that stores have catchment areas and there are hardly any similar catchment areas. We do get carried away by the similarity of demographic profile. There are many other factors that determine the 'trip behaviour' of customers based on an interaction of several factors such as traffic pattern, purchase pattern, lifestyle, competitive scenario, site location, and the store/shopping experience. Therefore even if one is serving a million customers, these are not homogenous segments, even though analogous demographically. It is interesting to note that a large number of research in the area of store location of not marketing/retailing experts; they tend to be urban demographers and anthropologists.

Opportunities are, many a times, black holes. They are seductive, beautiful and give you a long rope. One must ask a question that the light at the end of the tunnel is surely not a train coming your side.

Consolidation In Retail

(M & A and JV)

BHARTI WALMART INKS PACT FOR SKILLS TRAINING CENTRE

Bharti Wal-Mart Pvt Ltd, the joint venture between Bharti Enterprises and Wal-Mart Stores Inc for wholesale cash-and-carry, has signed a memorandum of understanding with the Punjab Government to establish a special skills training centre in Amritsar. This public-private partnership has been forged with the aim of bridging the shortage of skilled workers for cash-and-carry and organised retail formats. The skills training centre will be called 'Bharti Wal-Mart Training Centre'. It will initially offer short-term vocational certification courses that will equip candidates to become floor and sales assistants or supervisors through a special curriculum developed by Wal-Mart, along with Bharti Learning Systems, which will also manage and run the centre.

Business Line, November 2008

PALADOR TIES UP WITH MUSICWORLD

Palador, the undisputed leader in the World Cinema category with over 1,000 of the best and most awarded films, is all set to make its presence felt in the fast growing home video retail segment in India. The company intends to take leap ahead and independently release World Cinema titles from its vast and envious collection. For this, Palador has joined hands with Landmark, MusicWorld and Crossword, the leading organised retail chain stores along with major standalone stores in Mumbai like Rhythm House and Granth. With this association in place the discerning fans will now be able to get access to Palador's World Cinema titles at over 45 retail stores across India.

www.newkerela.com

INDIAN OWNED FIRM BUYS GERMAN'S WEHMEYER

Indian entrepreneur promoted apparel sourcing company Techno Life Style has acquired mid market German reatiler Wehmeyer for an undisclosed amount. Wehmeyer acquisition by Techno Group's Mr. Rajiv Ranjan is being seen to increase its brand presence in India. Techno Group will be investing EURO15 million in expanding Wehmeyer's footprints across Germany and improving operational efficiencies.

Business Line, November 2008, Delhi

DLF TIES UP WITH LUXOTTICA

Real estate major DLF said it has entered into a partnership with Italian eyewear brand Luxottica Group for its foray into the Indian retail market. Luxottica would open over 100 stores of its retail brand - Sunglass Hut - in the realty firm's upcoming shopping malls and the first one would be launched in November, DLF said in a statement.

Economic Times, November 2008

ARVIND DEMERGES BRANDED APPARELS, RETAIL BUSINESSES

Apparel firm Arvind Ltd announced demerger of its brands and retail business divisions into separate units. The brands business division would be transferred to Arvind Lifestyle Brands and retail business division to Arvind Retail. Both the demerged companies will become subsidiaries of the company. The demerger is to bring enhanced financial focus on these entities and to look at possible alternatives for fund raising at an appropriate time in future. The demerger will come into effect from April 2009

Business Standard, November 2008, Delhi

FUTURE GROUP PARTNERS AXIOM TELECOM FOR MOBILE RETAIL

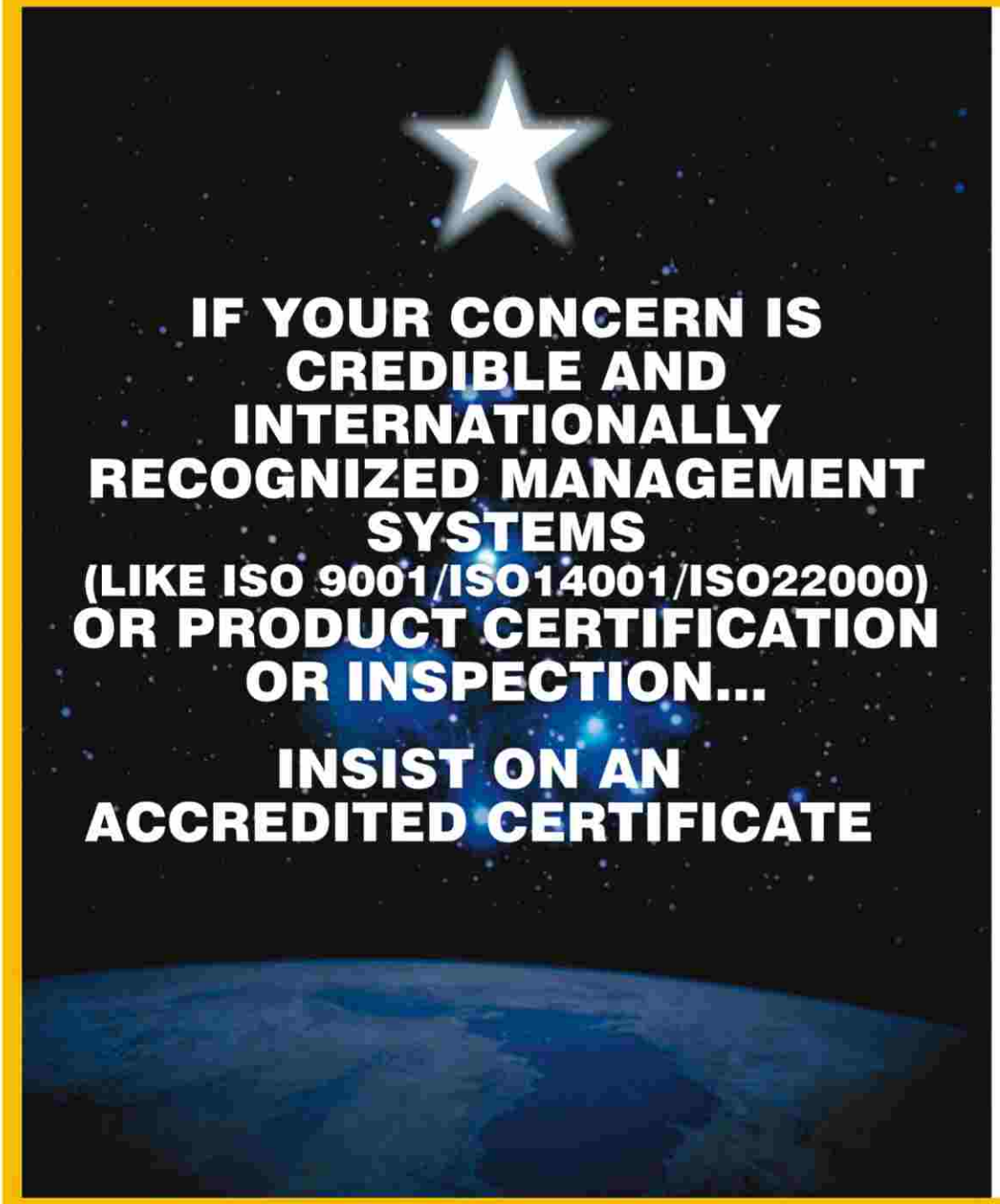
Future Group has joined hands with Axiom Telecom, a mobile retail company from West Asia, to form a joint venture company called Future Axiom Telecom Ltd.Mr Ashy Sehgal, CEO, Future Axiom Telecom Ltd said, “Future Axiom is all set to venture into the Rs 50,000-crore mobile retail industry and set new benchmarks. We are confident that the affiliation of Indian retail expertise and West Asia's mobile retail skills will be extremely rewarding for our customers.” “Future Axiom will operate in more than 500 stores and touch points in 58 cities under the brand name of Mobile Bazaar and Mport. There are major expansion plans on the anvil; we plan to be a 1,500-outlet organisation by the end of December 2009,” Mr Sehgal added “The 50:50 joint venture involves an initial investment of about $40 million. It will retail, distribute mobile handsets and accessories and set up service centres in India.” The joint venture currently operates through the retail and service factory and will add more channels in due course.

Business Lines, November 2008, Delhi

PANTALOON PULLS OUT OF ALPHA JV

Pantaloon Retail has pulled out of Alpha Future Airport Retail, an equal joint venture between Future Group and UK's Alpha Group, which is engaged in airport retailing in the country. Pantaloon said it has divested its entire holding in Alpha Future Retail and moved out of the joint venture. It is not known how much Pantaloon has made through this transaction. "It is a friendly transaction and we have asked them to manage the company on their own. We are moving out of airport retailing," said Kishore Biyani, managing director of Pantaloon Retail. The JV Company was incorporated in November 2006 and involved in the retailing of consumer products, foods and beverages. GMR, which runs the Delhi Airport, had awarded the contract to the JV.

Business standard,



IF YOUR CONCERN IS CREDIBLE AND INTERNATIONALLY RECOGNIZED MANAGEMENT SYSTEMS (LIKE ISO 9001/ISO14001/ISO22000) OR PRODUCT CERTIFICATION OR INSPECTION...

INSIST ON AN ACCREDITED CERTIFICATE

Accreditation is the process of formally recognizing a certification/ inspection body as competent to offer certification/inspection in specified areas

National Accreditation Board for Certification Bodies (NABCB) a constituent Board of Quality Council of India (QCI), is offering accreditation to certification and inspection bodies.

NABCB is a member of Pacific Accreditation Cooperation (PAC) and International Accreditation Forum (IAF). NABCB / QCI actively participate in the development of conformity assessment standards and guidance documents.

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For details please contact

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C/o **Quality Council of India**

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DABUR GETS 72% STAKE IN FEM CARE FOR RS 204 CRORE

FMCG major Dabur India acquired majority stake in Mumbai based Fem Care Pharma Ltd (FCPL) a leading player in women's skin care products market for Rs 203.7 crore in an all cash deal. The company said it has acquired 72.15% stake in FCPL and would make an offer for an additional 20% share as required under the takeover regulations. Dabur India Chairman Anand Burman said "Acquisition of Fem Care Pharma is in line with our strategy to aggressively spend Dabur's scale of operation and strengthen its presence in fast moving consumer goods space".

Indian Express, November 2008

RELIGARE ARM JOINS HANDS WITH RELIANCE AND LM 365

Religare Wellness, the pharmacy retail arm of the former Ranbaxy promoter group, plans to expedite its expansion through tie-ups with retail chains. It has entered into an agreement with both Reliance Retail and LM 365, and plans to have about one-fifth of its stores through such tie-ups. Religare Wellness has also entered into an agreement with Reliance Retail to set up shop-in-shop stores in the latter's 12 stores. However, Reliance is also believed to be entering into a tie up with the UK-based pharma and beauty major Alliance Boots. Incidentally, Religare Wellness was also in talks with the UK major for a tie-up to jointly sell medicines and beauty products in the Rs 33,000 drug-retail market. Religare Wellness had also earlier tied up with DSCL Hariyali.

The Economic Times, November 2008

RUIA, BIYANI JOIN HANDS FOR MARKET CITIES

Atul Ruia-promoted Phoenix Mills and Kishore Biyani's Future group will together be developing 'Market Cities' in Mumbai, Bangalore and Chennai. The project is being promoted by Phoenix Mills and is reported to have risen around Rs 1,000 Crore in debt from various public and private sector banks. In two of the Market Cities, Future group's overseas real estate fund Horizon has picked up equity while in the Chennai project, Future group's domestic fund Kshitij Investment has also bought equity stake. Market Cities are a retail-led mixed use development which is in line with the concept of a city within city. A typical Market City has components such as hypermarkets, home stores, 7-departmental stores, entertainment, hotels, mall, commercial space and service apartments. Market City projects are coming up as city-centric land parcels on lands of 15 to 25 acre size.

The Economics Times, November 2008

MILLERET WATCHES TIES UP WITH ETHOS, PLANS FURTHER EXPANSION

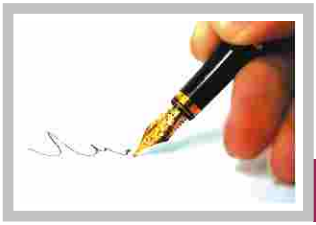
Aiming to enhance its retail presence premier luxury brand, Milleret Watches has entered the Northern market in collaboration with watch retail chainEthos. Milleret Watches, which was introduced in India two years ago by Vee Line Jewels, is available in 23 stores (including watch & jewellery stores) and plans to roll out its products in 12 more stores by the end of this financial year. The company will be showcasing its collections like Anaconda, La Pavee, The Diva, Eighteen Forever etc in the Ethos store in Chandigarh.

The Financial Express, November 2008

SPENCER'S TIES UP WITH BEVERLY HILLS

RPG Enterprises' retail arm Spencer's said that it has tied up with global apparel brand Beverly Hills Polo Club to give a thrust on expanding the fashion and apparel segment, with an aim to nearly double its total outlets in India by March 2010.The company, which runs 400 stores mainly in smaller formats, is looking to take it to 750 by end of 2009-10 fiscal. As per agreement with BHCP, Spencer's will retail BHCP's range of apparel, accessories, watches etc in 20 cities.

DNA, November 2008



CEO's Column

"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 organisation towards the future with confidence"

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 edotion 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 edotion on:

Recommendations for Union Budged 2009 to augment the growth of Indian retail sector

Kindly send your feedback at sarvind@ficci.com along with your jpeg photograph latest by January 20, 2009.

Question for the issue was:

"How will you evaluate the current economic scenario an opportunity or a challenge for Indian modern retail sector?"

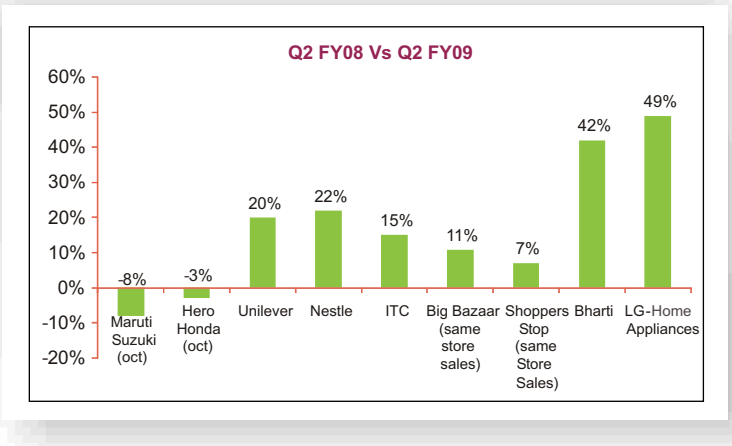


RAGHAV GUPTA,
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www.technopak.com

The current global economic scenario largely represents the following key challenges as far as India and modern retail in India are concerned:

- Drying up of liquidity from foreign institutions and banks (including Indian) This impacts investments in modern retail in India. Our estimates are that the US$ 30 Billion that was expected to be invested in modern retail in India over the next 5 years may now happen in 7-8 years.
- Slow down in consumption in export markets in the Western world This impacts that segment of India that includes consumers working in IT, financial services, exports, etc. However, for a large percentage of our modern retail, this does not have much impact. If at all, we may see a larger thrust from foreign retailers to enter India, if they have the required funding lined up. Also, capable suppliers so far focused on export markets alone would also want to tap into the domestic market, thereby improving the vendor base for Indian retailers.

Slow down in consumption in the Indian market This has been talked about for some time, but has really been felt since Lehman Brothers collapsed ~2.5 months ago. Need-based items would not see a drop in sales, but discretionary items would get affected in the coming months. This has partly already been seen, as is shown by our research of revenue figures in the accompanying chart. If we look at the performance of FMCG companies, almost all have done much better in Q2 2008 as compared to Q2 2007. Also, retailers have shown growth in same store sales.



The current economic scenario is both an opportunity and a significant challenge for Indian modern retail. Real estate rentals and employee costs form the two largest cost heads for a retailer. Given the demand supply mismatch, rentals had attained unviable levels in the country and these have rapidly corrected / are correcting currently. Retailers have the opportunity to now re-negotiate rentals with developers and also enter into revenue share mechanisms. Also, retailers will need to move away from a pure growth focus to a necessary focus on getting various elements of execution right supply chain management, a strong vendor base, efficient store operations, IT back bone, staff training, etc.

The coming weeks and months will pose a big challenge to those firms that have not got their consumer value proposition right. Also, it will be a challenging period for those focused on discretionary spending alone, as consumer sentiment is likely to dip further before it shows signs of picking up.

DEVELOPING LOYAL CUSTOMERS THROUGH A SUPERIOR SHOPPING EXPERIENCE



SRIDHAR HARI
Retail Solutions Head
IBM

Sridhar Hari is taking care of Retail Solutions at IBM India, responsible primarily for developing the solution portfolio for the emerging Indian retail industry by integrating IBM's products and services and collaborating with business partners and ISVs. Sridhar is also responsible for driving business development opportunities for the Retail Solutions team and leads pre-sales activities at key customers. He has broad experience working with all the leading retailers in India on areas such as supply chain, store operations, workforce management, e-commerce and customer relationship management. He also leads the development of solution demonstrations at IBM's Industry Solution Lab in Delhi that showcases application of technology to solve real-world business challenges.

Sridhar was most recently employed at Safeway Inc, a Fortune 50 grocery retailer, based in California as an IT/Business Account Manager (IT-Business liaison) responsible for the Retail Operations and Safeway.com business units. His work at Safeway includes developing retail solutions in areas such as Customer and Employee Self-Service, Workforce productivity and collaboration, Food Retailing, Customer Loyalty and Marketing systems. Sridhar also spearheaded many key customer facing initiatives such as assisted-checkout, RFID contact less payments, electronic shelf tags (ESL) and online B2C ecommerce applications as part of the Safeway Innovation Task force.

Prior to Safeway, Sridhar played key roles in technical pre-sales, account management and consulting at Microstrategy, a leading BI software vendor. He was responsible for deploying robust enterprise strength BI/DW solutions for blue-chip clients such as Safeway, Chevron, Bank of America and the Gap. He is also very familiar with BI/CRM products and the technology landscape in this area.

Sridhar currently sits on the CII National Committee for Retail and has presented at leading conferences such as the TIE Summit and ReTechCon on the issues and challenges facing the Indian retail industry. Sridhar holds a Masters degree in Engineering Management from the University of Cincinnati, Ohio, USA and a Bachelors' in Engineering from the National Institute of Technology, India.

Traditional retail stores in India such as neighborhood markets, kirana stores and convenience stores, which belong to the unorganized segment (as it is being called now) have been known for customer friendly services such as home delivery, store credit, deferred payments and things like that although there are other areas that were lacking such as returns and exchanges of products. The service would vary depending on whether the customer had a long standing relationship with the store owner and the amount of business he or she provided. With the advent of organized retailing customer service becomes a more complex subject as the scale of business is larger with many more customers who are “unknown” to the retailer and business occurs not in one or two locations but in multiple locations around the country. Retailers can close this gap by systematically integrating knowledge of what their best customers want and expect from their brand into every core operational decision. This is where the bar will be set for retailers to turn shoppers into advocates and create a sustainable, differentiated advantage.



Organized retailers need to work on gaining deeper insights into their customer's needs. But that is just the first step.The new dimension to be explored is how retailers can change the way they operate to create a satisfying and compelling experience. This is a transformational strategy that will enable retailers to turn shoppers into advocates customers who will recommend and promote the retailer to others, spend more of their wallet with that retailer and remain loyal over time. Retailers can develop advocates by becoming a customer focused enterprise and blending the customer perspective with a traditional product-centric approach. This new perspective will require retailers to build customerinsights into their core business decisions such as merchandising, marketing, customer service, new product development, and store and channel operations to significantly change the day-today operations of the business.

What does being customer focused mean for retailers?

Several factors in today's retail marketplace are driving the need for differentiation and customer focus. Retail market fragmentation and complexity are increasing, while boundaries between traditional segments continue to blur. In addition, the

vast amount of available information is raising the bar on what customers expect organized retailers to provide in the shopping experience. To navigate the everchanging marketplace, successful retailers need to be place customers at the center of their strategies and operations and becoming truly customer focused.

Retailers that are customer focused embody four characteristics:

1. Deep understanding of the needs, shopping preferences and expectations of their best customers across all channels, touchpoints, products and services
2. High priority placed on using customer insights to drive decisions in merchandising, pricing and promotions, customer service, and marketing and communications
3. Consideration given to both the emotive aspect of the shopping experience or how their customers feel about shopping with them and how they want to interact with them, and the tactile performance or how their customers use their products or services
4. Prioritization of investments based on criteria that define a successful shopping experience for their best customers.

Becoming customer focused requires a shift in how retailers think about and organize their businesses. This is not tosuggest embracing a new perspective and abandoning the old way of doing things. In contrast, it is about bringing together an inside-out, operational view with an outside-in, customer view to deliver a superior shopping experience.

How do retailers operationalize this new view?

Six core capabilities are necessary for this transformation

1. Consumer insight

Customer focused retailers have a deep understanding of their core customers' needs and wants and use these insights to develop a consumer-driven, outside-in approach to designing the customer experience. Retailers that have this capability know, for instance, who their top customers are and how profitable they are, what types of services they prefer, how their shopping needs vary by occasion and when and where they like to shop.

2. Personalized dialogs

Customer focused retailers have the ability to deliver relevant and customized communications to their customers in near realtime across all channels and touchpoints. With this capability, for example, a etailer is able to make customized recommendations at the point of sale (POS) to fill "gaps" in its customers' shopping baskets based on past purchases. One U.S. grocer, Stop 'n Shop, offers its customers such recommendations through its shopping buddy device.

3. Multichannel execution

Customer focused retailers coordinate and integrates all channels to support a consistent customer experience. With this capability, retailers can serve customers as a single brand, regardless of which touchpoints or channels customers use.

4. Tailored offers

To provide a meaningful shopping experience to their best customers, customer focused retailers offer products and services that align with customers' expectations and shopping occasions. This capability is based on the systematic use of customer insights in all core value chain processes, from merchandising to store/channel operations to customer management.

5. Associate commitment

Store associates are critical to an organization's ability to achieve its desired vision for its customers. Customer focused retailers adopt strategies to sustain employee commitment, so that they are motivated to satisfy customers. These strategies include hiring the right people, providing them with meaningful training and giving them the tools and information needed to focus on customers. For example,

U.K. retailer Marks & Spencer developed a screening process with SHL, a provider of objective people assessment techniques. This process helps ensure new hires possess the qualities that the retailer deems important for success in a specific role.

6. Organizational alignment

In a customer focused retail enterprise, all areas of the company collaborate seamlessly in order to satisfy customer needs. This capability also requires retailers to consider the addition of new roles in the organization, such as a customer champion or a data analyst who can represent the customer voice across the enterprise.

In summary, a customer focused retail enterprise understands the entire customer experience and delivers against it to build customer advocates. To transform their businesses, customer focused retailers integrate six core capabilities into their business models. While many of these capabilities may be inherently built into a small retailer's business model, the scale and complexity of a larger organized retailer requires that these capabilities are institutionalized and are process and system driven with a human touch. Please watch this space in the future to learn more about the critical components and competencies required to implement these core capabilities.

Sources: ***Turning Shoppers into Advocates,*** ***IBM*** **Institute for Business Value publication.**

NEW PRODUCT LAUNCH

IBM ANNOUNCES LAUNCH OF NEW STORAGE HARDWARE

IBM has announced its largest launch ever of new storage hardware, software and services that it said would enable businesses, governments and other institutions to transform static data into more dynamic information that is accessible in a cloud computing environment. Backed by an investment of $ 2 bn over three years, the new portfolio would further strengthen IBM's position as the world's leading provider of information infrastructure offerings, the company said in a statement.

Lifemint.com

ADAGE IN ONLINE RETAIL BUSINESS

Seeking to grab the top market position within a year in the Rs 20,000-crore market, Anil Ambani group announced its foray into the online retail business where it would sell everything that could be sold over the Internet. Under the banner of the group's financial products distribution unit Reliance Money, the new venture would make available a wide variety of products for e-shopping, ranging from financial products like IPOs, mutual funds, insurance policies and gold coins to items like apparel, accessories, books, magazines, CDs, DVDs, home appliances and even flowers.

Financial Express, November 2008, Delhi

RELIANCE TO SETUP 55 STORES ON HOME APPLIANCES

Reliance Industries Ltd said it would set up 55 stores on home appliances and electronic goods across the country over the next two years. "We have planned to open 55 stores on home appliances and electronic goods across the country over the next two years under the Reliance Digital brand" Reliance Retail Ltd President and Chief Executive (Consumer Durable IT and Telecom) Ajay Baijal said in Chennai.

The Financial Express, November 2008

FUTURE GROUP TO LAUNCH MORE PRODUCTS UNDER SACHIN'S NAME

Kishore Biyani promoted Future Group is expanding its product portfolio under the brand 'Sach', which has been created with the cricket icon Sachin Tendulkar. The company will introduce personal care product, including hand wash and shower gels, within the next two weeks expecting to clock a sales of about Rs 30 crore in the current financial year from the brand.

Business Lines, November 2008, Delhi

TAG HEUER TO OPEN NEW FORMAT STORES

Swiss watchmaker Tag Heuer plans to open two new format stores in India- one in each Chennai and Mumbai. The band has witnessed huge response in India

Business standard, November 2008, Delhi

TATA'S TRENT OPENS FASHION YATRA STORE

After launching premium apparel stores and hypermarkets, the Tata group's retailing arm Trent has forayed into value-for-money apparel and accessory retailing with its 'Fashion Yatra' brand of stores. The company announced the launch of its first such store in Kalyan, on the outskirts of Mumbai, which will mainly target low-to-mid income groups in the country. Though the company has not said how many stores it would open in the coming months, Fashion Yatra is expected to come up in Tier-II, III and IV cities in the country. Trent now operates 39 Westside stores, which sell premium apparel and merchandise, and Star Bazaar brand of hypermarkets and Landmark chain of book and music stores. Fashion Yatra is expected to cater to the local tastes and preferences and source from the same locality.

Business Standard, November 2008

FOODWORLD-INDIA 2008

FICCI Global Convention for Food Business and Industry
Intercontinental the Grand Mumbai

Special Feature

The federation of Indian Chambers of Commerce & Industry(FICCI) and the **Ministry of Food Processing Industries, Government of India** Co-organized **"FOODWORLD-INDIA 2008"-** the global convention for food business and industry at **Mumbai from November 13-14, 2008.**

"FOODWORLD INDIA 2008"- created a platform to bring together global leaders in food processing industry. The Global leaders shared their knowledge and vision to accelerate the growth of this sector to increase India's penetration in global markets.

Maharashtra and West Bengal were the Host & Partner States with State of Illinois (USA) as international associate for this year's Global Convention. The two day Global convention had three strategic sessions viz: Focus India, Quality & Safety Paradigm, Leveraging the Food Retail Opportunity and an exclusive CEO Conclave with world leaders from the food processing industry debating on "Strategies for Sustainable Growth" being organized on day two of this global convention.

This convention was an effort to understand and reveal the potential that is emerging from the huge shift that is apparent in today's global food business towards Asia. Marked by the presence of Industry leaders, consultants & academicians of global stature and senior officials from government; the global convention had participation from several countries like Italy, Germany, France, Saudia Arabia, Singapore, USA, U.K & many of the SAARC Countries. About 250 participants from various countries including India participated in the convention. The event with Technopak as knowledge partner was also supported by the CMA (The German Agriculture Marketing Board) who joined with a 14 people strong German delegation.

Placing the key facts and figures and various issues on the agenda Mr. Ness Wadia, Chairman FICCI western region Council, in his welcome address hoped that the convention will play a decisive role in bridging the wide Gap between the agriculture & industry and pushing the frontiers of business for food processing. To achieve this FICCI presented the following 5 point agenda:

1.Government should set up Inter Ministerial Working Group (IMWG) under the leadership of Ministry of Food Processing with FICCI as a knowledge partner to look at comprehensively addressing various issues that are holding this sector back.

2. **It is important that agribusiness issues should be addressed from the entire food chain perspective as addressing certain portions has not yielded the desired results.**
3. **Restructure the tax system to reduce the impact of multiple levies and reduce the final price of products.**
4. **Create an enabling environment for modern food retailing as this will benefit the entire value chain linking the farmer to the consumer.**
5. **Implementation of both the amended APMC act and the FSSA act in letter and sprit.**

Mr. Subodh Kant Sahai, Honorable Minister for Food Processing Industries in his Inaugural address listed various positive measures that the government has taken to ensure development of food processing sector. "Notwithstanding the current global meltdown and GDP growth rate projection in India, Rs 1 lakh crore would be invested in the $200-billion Indian food industry by the end of 11th plan period (2011-12)." said Mr. Subodh Kant Sahai Minister of state for food processing.

The Honorable Minister called upon the panic-stricken investors to invest their money in the fast-growing food sector. The sector has grown to 13.14% in 2006-07 from 7% in 2002-03. It would further grow owing to the investor-friendly policies and a corpus of Rs 1,000 crore created by the National Bank for Agriculture and Rural Development (Nabard) for financing investments in the food sector.

The Honorable Minister however, admitted that the different VAT rate imposed by various states was a matter of concern. According to him, the issue has also been taken up with the empowered committee of state finance ministers. "States should not impose VAT for perishable items while only 4% VAT should be imposed on non-perishable items," he said. The Centre has already rationalized taxes on milk, meat, import of dairy machinery and other segments, he added.

The Honorable Minister also responded to the concerns expressed by chairman of Ficci Maharashtra State Council Mr. Ness Wadia over the taxation rates. He pitched for restructuring VAT, excise duty and other taxes imposed on food sector. Besides VAT, the amended Agriculture Produce Marketing Act is yet to be enacted in various states. The amendments facilitate better marketing of farm products. Similarly, initiatives taken by various states for contract farming will be helpful for farmers.

Mr Ashok Sinha, Secretary, Ministry of Food Processing Industries, said the government vision was to grow food processing industry from 7 per cent to 20 per cent and achieve a domestic market share of 35 per cent from present 20 per cent and double the international markets share to 3 per cent. “The remaining half of the current Five-Year Plan will show tremendous improvements as the government corrects its past mistake,” he said.

The strategy Session I “Focus India” was chaired by Mr. Ashok Sinha, Secretary, Ministry of Food Processing Industries, Government of India. The session emphasized on available market opportunities and current scenario of Indian food processing industry. The speakers touched upon associated subjects like Land of Opportunities organic farming, India- a gateway to South East Asia and Outsourcing, Promoting Indian Food Processing: Initiatives and Incentives, Promoting Food Processing Business: a case study of Illinois State which aimed at benefiting the national and foreign producers and investors to get expert view. "Focus India session promoted India as a favorable destination for the food processing industry. It also signified government initiation like policies, mega food parks and others. The key speakers for this session were Mr. Harminder Sahni, Managing Director, Technopak Advisors Pvt. Ltd, Mr. A K Gupta, Advisor, Agricultural and Processed Food Exports and Development Authority. (APEDA), Ministry of Commerce, Govt. of India, Mr. Goutam Sanyal, Joint Secretary, Ministry of Food Processing, Government of India, Mr. Martin Dlouhy, Managing Director, Metro Cash & Carry India Pvt. Ltd., India, Dr. Rajinder Bedi, Managing Director, Illinois Department of Commerce and Economic Opportunity, Chicago.

The governments of Maharashtra and Kerala also promoted their states as a hub for food processing to magnetize foreign direct investment (FDI). The key speakers were Mr. R Ramnath, Managing Director- KINFRA, Government of Kerala, Dr. Prabhakarvana Firke, Director- Horticulture, Government of Maharashtra

The second strategy session II was chaired by Dr. P I Suvrathan, chairman, Food Safety and Standards Authority. The session “Quality and Safety Paradigm” - accentuated the ever changing food preferences, science-based food standards and food distribution chain in India. On one hand, growing health awareness among the consumers in India and abroad and on other a recent food contamination scam in China which has impacted entire Asian, European and the US food markets have led to food safety & quality- a chief concern for food manufacturers. " This segment of the forum will prove to be an ideal platform to discuss various contemporary issues like multiplicity of international standards, new challenges in food safety, challenges in regulating food industry in India and managing food safety policy globally. The various topics discussed Challenges in Managing Food Safety Policy- Global Context, India's Engagement with Codex Standards: The way ahead. The key speakers were Prof. Diana Banati, Chairperson, European Food Safety Authority, Italy, Mr. Gavin Wall, FAO Representative in India & Bhutan, Food & Agriculture Organization. The session had a huge delegate participation with each one agreeing to the fact that food safety & quality is the main concern across the globe for the food processing industry.

Dr. P I Suvrathan, while making his opening asked the industry to come up with out-of-the-box solutions for food safety issues. He suggested Ficci to come up with a body that would study, address and clear new products in the country. He said that we need decision makers who would study an array of solutions for issues related to the food safety and zero in on the most adaptable solution for quality. Suvrathan also stressed on the need for educating the stakeholders, particularly the class of middlemen and end consumers in safety related issues. He also strongly advocated scientific approach for food laws.

Professor Diana Banati, chairperson, European Food Safety Authority, Italy, promoted integrity of food chain where all the stake holders of the business are made accountable. Diana said, "Food safety starts with production of food either of plant or animal origin."One understanding of globalisation is that the rules and laws cannot be isolated to a particular country. Diana said that the health of European citizens is increasingly being dependent upon the control mechanisms of the third world countries.

She appreciated the genius of the Rapid Alert System for providing reliable information. She said that risk assessment and risk management are two different activities and European Union policy has effectively been able to separate the two. Diana also stressed on the need of educating customers.

While speaking about India's engagement with Codex, FAO representative Galvin Wall, said that the demand of food security was continued integration of risk analysis and standard setting procedure. Wall encouraged development or integration of food safety laws with the latest scientific knowledge. In his judgement, timely and coherent inter-ministerial coordination and institutional capacity building are the challenges for the member countries. He said that North America and European countries imported food from developing countries on a large scale. So if they could adhere to the quality norms, Indian entrepreneurs complaining about difficulties in complying with the food laws was virtually baseless.



The session had a panel discussion on Challenges in regulating Food Industry. The session had panelist sharing their views and success mantras to the participants on latest international trends in food safety & quality management and as to how they can comply with the international quality standards and increase their penetration in global markets. The session was chaired by Dr. P.I Suvrathan and Dr. Ananda Vally, Dr. Vilas Sirhetti, Chief Technology, Marico Ltd. Mr. Sameer Barde, Seniuor Director FICCI were the panelist for the session.

Dr. Ananda Vally mentioned that India has enough standards for food but implementation is essential. She said, "We have value additions, machines, technology, expertise and talent but we need to take care of small things like hygiene and cleanliness."Take care of small things and the bigger things will

be automatically taken care of," was Dr. Valli's message to the audience. Dr. Vilas Sirhetti, Chief Technology, Marico Industries talked about the future of functional foods & challenges in regulating the same.

It is tough to regulate legislation in India, so an informal committee is required for people to genuinely come together and discuss safety issues, was the idea articulated by senior Ficci director, Sameer Barde. He also stressed that monitoring should be looked upon as a comprehensive package and not in isolation.

”Food Retail" is the next buzzword in India and the final strategy session on Leveraging the Food Retail Opportunity of the Food World India will facilitate the participants to get an expert view on the current trend and future of food retail in India. The strategy session III had global key players from food retail sector shared their experience about national and international retail markets. The spotlight was on the food distribution chain as it included farming, processing, packaging, marketing among others. The speakers dwelt on Grocery Retail Trade in Asia and Understanding Shopper Behavior; Strategies for Emerging Retailing Markets, Private label the new brand powerhouse on the block, Leveraging Supply Chain for Competitive Retailing. The key speakers in the session were Mr. Peter Gale, Managing Director, Regional Retailer Services, Nielsen Asia Pacific, Singapore, Mr. Andrew Levermore, Chief Executive Officer, Hypercity Retail India, Mr. Asit Wagle, Principal, Wagle Enterprises UK & Prof. N Viswanadham, Executive Director, Centre for Global Logistics and Manufacturin Strategies(GLAMS) Indian School of Business, India

The exclusive CEO Conclave with world leaders from the food processing industry debating on “Strategies for Sustainable Growth” organized on day two of this global convention was quiet interactive with each of the panelist sharing their views and road map on strategic & sustainable approach to the growth of food processing. The key suggestions which came out of the discussion were:

Effective implementation of Model Act,
Linking retailers with suppliers,
Experimenting with various retail formats,
Efficient & effective utilization of existing resources,
Modernization of Mandi's
Addressing issues in contract farming
Harmonization of taxes
Public private partnerships in infrastructure development
Understanding the existing needs of the customers & Identifying the potential customers,
Focus on product innovation

The panelist for the session were Mr. Saugato Gupta, Chief Executive Officer, Marico Limited, Mr. Harminder Sahni, Managing Director, Technopak Advisors Pvt. Ltd, Dr. A.K Krishna Kumar, COO & Head Agribusiness Initiatives, IL & FS Cluster Development Initiative Limited. Mr. Peter Gale, Managin Director, Regional Retailer Services, Nielsen Asia Pacific, Singapore, Mr. Andrew Levermore, Chief Executive Officer, Hypercity Retail India,Mr. Mayur Vohra, Managing Director , Mapro Foods Pvt Ltd.

Concurrently Annapoorna world of Food- exhibition showcased the entire spectrum of food, drinks and raw materials. This year we had more than 200 exhibitors from 14 countries are participating with six country pavilions from Germany, Italy, Japan, Malaysia, Taiwan and Thailand and we are expecting more than 5000 business visitors. The covered space has increased from 4800 sqm to 6000 sqm. The exhibition was a perfect platform for the food and beverage industry to meet, interact, exchange ideas and develop business contacts

FOODWORLD India 2008 was a landmark event for the Indian food processing Industry as the year ended. The global speakers and delegates to the global convention have already marked FOODWORLD INDIA 2009 in their annual calendar. FICCI is working towards the next edition of FOODWORLD INDIA happening from November 25-27, 2009.

CONSUMER CONFUSION



JONATHAN BANKS
Business Insights Director,
The Nielsen Company

Jonathan Banks is Nielsen's European Business Insights Director, based in Oxford, UK. During his 30 year career spanning FMCG manufacturing and retail, Jonathan has held senior sales and marketing positions in multinationals.

Nielsen Retail Consulting Division in India leverages Nielsen's core and existing competencies in the Retail business and provides strategic advice and diagnostic tools to existing and new entrants in organized retail and allied sectors.

As India's Fast Moving Consumer Goods industry modernises, there is scope for consumers to be confused by some of the new choices that may be offered. It might therefore be useful to record some of the issues that have tripped up the UK's manufacturers and retailers in their efforts to bring to market sustainable, healthy, inexpensive food.

Indian journalists do a professional job in reporting a balanced view of today's controversial issues. However, the average British shopper relying on mass circulation newspapers, magazines, or the internet, will sometimes struggle to discern 'the truth'.

An example of this can be characterised by the following:

1. Organic foods? "Anything natural must be good"
2. Genetic Modification? "Anything artificial must be bad".

Both statements are too extreme and can be easily countered if people are prepared to listen! Perhaps the attitudes behind the second statement are encouraged by a mistrust of big businesses, fuelled by cynicism emanating from (real or imagined) abuses of a dominant position to increase profits in an unreasonable or even immoral manner. These are two separate issues and combining them impairs the debate.



We set out below some of the more common areas of confusion we have observed, together with some of the alternative views proffered by practitioners on the other side of the argument:

"I buy Organic because I am worried about pesticide residues, it's more nutritious, is better for the environment, and tastes better"

Pesticide residues are at similar, safe levels on non-organic food. There are many examples where Organic food has been shown to be worse than its non-organic counterpart. Besides, isn't it nicer to have apples without bruises and maggots?

There is little evidence that Organic food is more nutritious than non-Organic. Some Organic food is but that is no different from some non-organic foods being more nutritious than others.

Organic is not necessarily better for the environment some organic production methods have higher carbon emissions and higher levels of eutrophication (water pollution).

Consumers perceive organic to taste better (showing the power of the Organic 'Brand') however blind side-by-side taste tests don't always confirm this.

So Organic doesn't automatically mean better though many people are persuaded to pay higher prices for it because they think it does!

"Genetic Modification (GM) is bad for me"

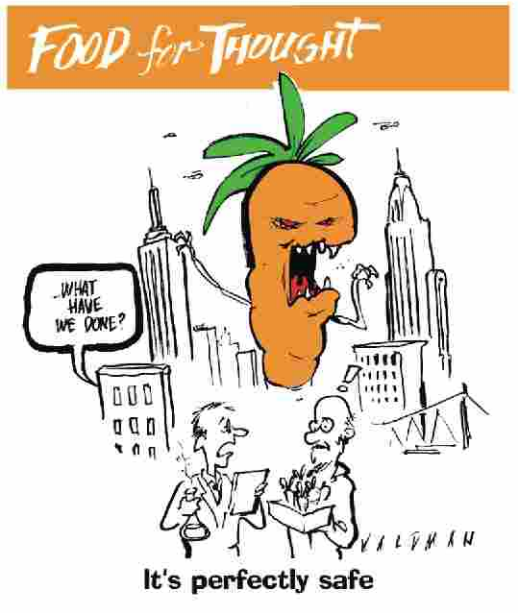
Where's the evidence? This attitude is founded in sensationalised reporting with little understanding of the science involved.

Fairtrade

"Fairtrade is the best way to correct the imbalances in world trade that favour rich powerful companies/nations"

Possibly, however there are some interesting arguments AGAINST fair trade such as...

- "Low commodity prices are caused by over-supply"
- "Fair trade schemes encourage further over-production"



- "Only a small proportion of the premium paid reaches the producer"
- "It makes things worse for producers outside of Fair trade schemes"
- "It's wrong for Fair trade schemes to align with big multi-national manufacturers and retailers"
- "Better to help poor farmers add value to a basic crop or
- grow something with higher demand (and therefore price)"
- "I choose better ways to give money to charity"
- "Fairtrade quality is sometimes lower than other similarly priced alternatives"

"Local produce is better"

Why? Wouldn't you rather buy the best food irrespective of its provenance? If the argument is about freshness there's not necessarily much difference given the speed products can move through the supply chain. If 'food miles' is the issue, consider that the total carbon emissions from New Zealand meat are lower than (UK) locally produced meat consumed in the UK! Similarly tomatoes shipped to the UK from Spain have lower Carbon emissions than those grown locally in heated greenhouses.

"It's wasteful not to deliver local products direct to the Supermarket"

Except it's more efficient when Supermarkets do things in bulk through Regional Distribution Centres. It adds costs for a supermarket to take on an extra local supplier: more orders, delivery notes, invoices, payments, and vehicles on the road.

"When a supermarket announces reductions in their retail prices of many millions of pounds, weren't we paying too much before?"

The price of food has been steadily coming down, this is because those nasty big retailers are incredibly efficient and make amazing use of technology to reduce costs at every stage of the supply chain. Economies of scale are covered in school Economics lessons; meanwhile, any Key Account Manager will tell you that the Supermarkets' buyers use their size to reduce prices from suppliers very effectively.

Health

The growth of obesity in Europe has been termed an "epidemic" bringing with it serious health and financial problems. When we ask consumers what they should do to live more healthily they know the right answers...such as:

- Give up smoking
- Drink less alcohol
- Drink more water
- Eat 5 portions of fruit and vegetables each day
- Take more exercise

Too many of us find it too difficult to do some (or all!) of the above. And we are developing a blame culture when something goes wrong, we look around to see who we can sue instead of looking in the mirror to see who was at fault.

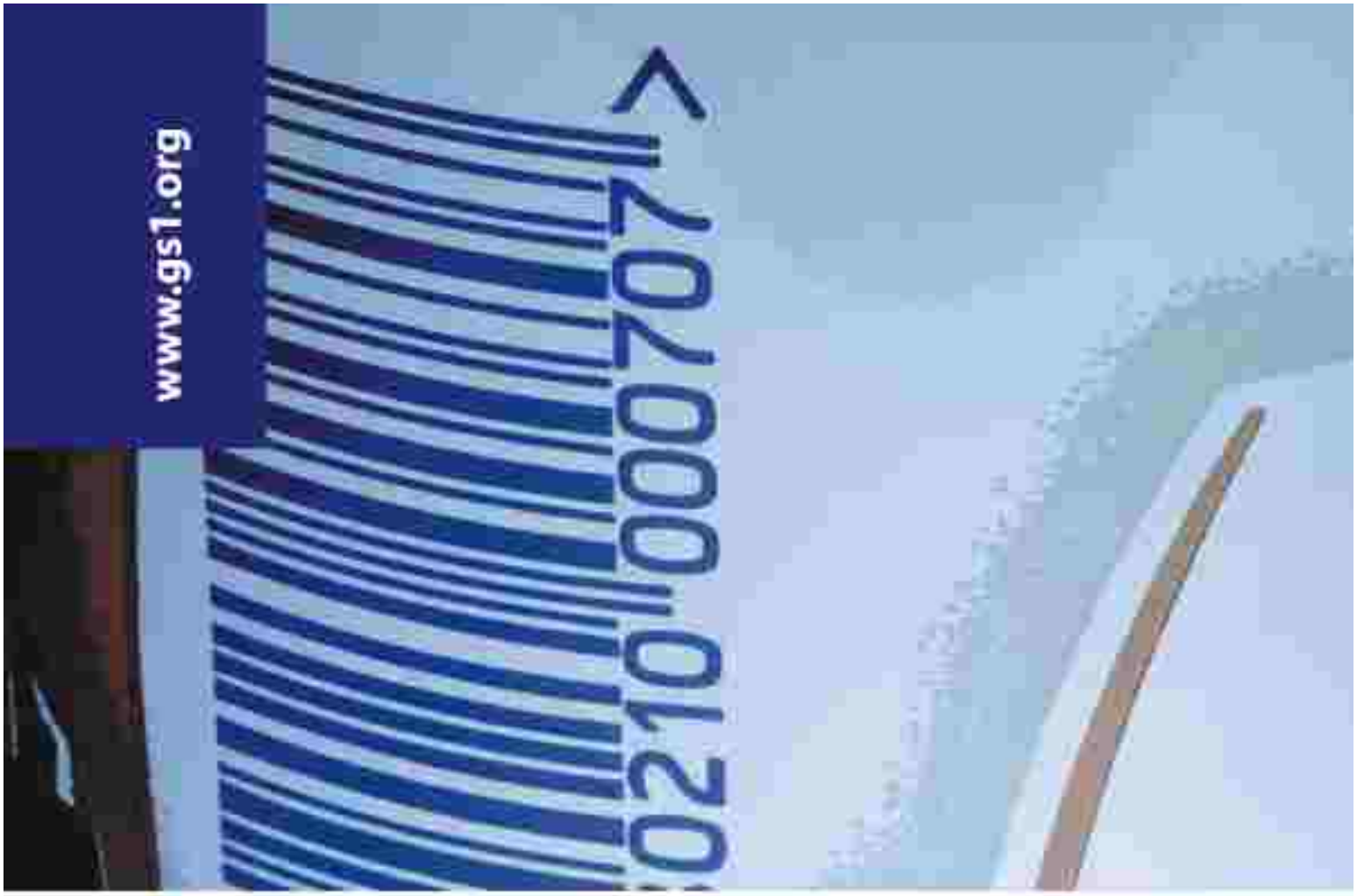
"Banning ads to kids will reduce obesity"

There is no evidence that this works where it has already been done. In Quebec and Sweden obesity levels were unaffected. Anyway, this is a far more complex debate, which has to look at, amongst other things:

- Energy outputs as well as inputs (both are lower than they used to be)
- The cost of 'healthy' versus 'unhealthy' food
- Education in schools and beyond
- Sedentary lifestyles
- Availability of pleasant, cheap access to exercise
- Ability/time to prepare healthy meals
- Increased out of home consumption
- Food labelling

Conclusion

So - having done the easy bit listing some of the problems encountered in the UK, I now leave it to you to do the hard bit: avoid our mistakes if you can, and find practical solutions to these and all of the other problems you face in our fast changing industry.



5,000,000,000 beeps every day

The bar code. A tiny, discrete tool that changed the world.

Every day, at least 5 billion bar codes are read over the planet.

From Alaska to Zimbabwe, from Australia to Mexico, different scanners read bar codes on all sorts of goods, produced by millions of companies of all sizes. They transmit them to thousands of computers of different kinds, using numerous software programs designed by competing companies in order to manage shipments, storage, ordering, sales...and make people's daily lives better.

This didn't happen by chance. Nor by magic.

In order for such a thing to happen, one needs to bring together hundreds of stakeholders around the world : retailers and producers, clients and suppliers, hardware and software manufacturers, authorities... who would never be able to agree on a common solution without an organisation like GS1. Present in 108 countries. Working not for profit, but for the benefit of the community.

At GS1, our vision is a world where things and related information move efficiently and securely for the benefit of businesses and improvement of peoples' lives, everyday, everywhere.

Our mission is to be the neutral leader enabling communities to develop and implement global standards providing the tools, trust and confidence needed to achieve our vision.

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GS1 - The global language of business

CHANGE OF GUARD

DUKE NAMED WAL-MART CEO

The Economic Times November 2008, Delhi

Wal-Mart store world biggest retailer announced the appointment of Mike Duke, a company vice-chairman, as the new chief executive. Duke, 58, will succeed Lee Scott and president and chief executive officer.i

EBONY APPOINTS PARAMESWARAN AS CEO

The Economic Times November 2008, Delhi

Home adornment retail company Ebony Gautier has appointed K.A Parameswaran as its chief executive officer. Mr. Parameswaran is a former chief operating office of K.K Birla Group Company Style Spa Furniture.

DABUR'S H & B STORES CEO JOINS FUTURE GROUP

Hindustan Times December 2008, Delhi

Within a year of launching H & B stores, the health and beauty retail venture of Dabur, its CEO Peter Baker has joined health and wellness business of Future Group.

ESSAR NAMES NEW TELECOM BIZ CEO

Business Standard November 2008

The Ruias-promoted Essar group has appointed Rajiv Sawhney as Chief Executive Officer (CEO) of its telecom business group that comprises telecom, telecom retail and telecom infrastructure. Prior to this appointment, Sawhney was CEO of PT Hutchison CP Telecom in Indonesia, while he had also worked with Hutchison Telecommunications in India.

OBOPAY NAMES CHANDANANI AS ASIA CHIEF

Business Standard November 2008

Mobile payment service provider Obopay has appointed Deepak Chandanani as president for the company's Asia and Africa operations, which are considered key geographies foe the US based organisation. Prior to joining Obopay, Chandanani was CEO for Wire and Wireless India, a Zee group company.

CARREFOUR PICKS NESTLE MARKETING CHIEF AS NEW CEO

www.forbes.com

Lars Olofsson, who was once tipped as a potential candidate for the top job at Nestle, will replace Jose Luis Duran as chief executive at Carrefour from Jan. 1, as the board of directors of the French group said "new blood" was needed to tackle growing competition.

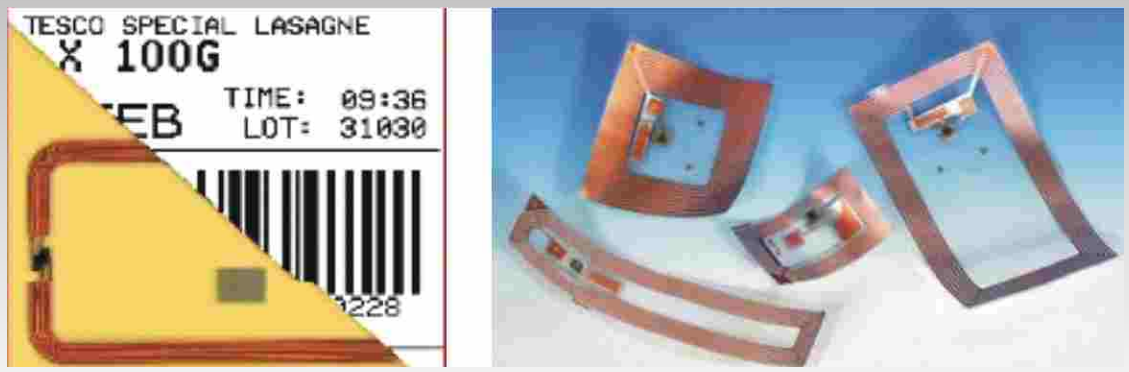
TRANSFORMING THE SUPPLY CHAIN IN RETAIL



MR. RAVI MATHUR,
CEO GS1 India

Mr. Ravi Mathur *has been associated with GS1 India (earlier EAN India) since 1998 in promotion of globally accepted GS1 Supply Chain standards. Consequent to the efforts undertaken by GS1 India, despite near absence of Organised Retail, over 80% of consumer products today incorporate GS1 barcodes. Mr. Mathur is also instrumental in setting up ECR India with leading FMCG manufacturers and suppliers which is driving standardization within the FMCG Supply Chains in India. He is on the Board of RosettaNet U.S., a body representing the high tech sector on standardisation. He has been the Regional Coordinator for GS1 organisations in the Asia Pacific region and is a key member of the Global Advisory Council of GS1 on global strategies since 2001. Mr. Mathur has over 30 years experience across Industry/service sectors including in Larsen & Toubro, Sprint RPG, General Electric etc. Mr. Mathur is a graduate in Mech. Engineering from I.I.T. Delhi.*

EPC (Electronic Product Code), is the new generation identification technique using RFID (Radio frequency identification) tags for improved tracking and tracing of Supply Chain in Retail.



Three aspects of RFID that make it a particularly attractive alternative to barcode are:

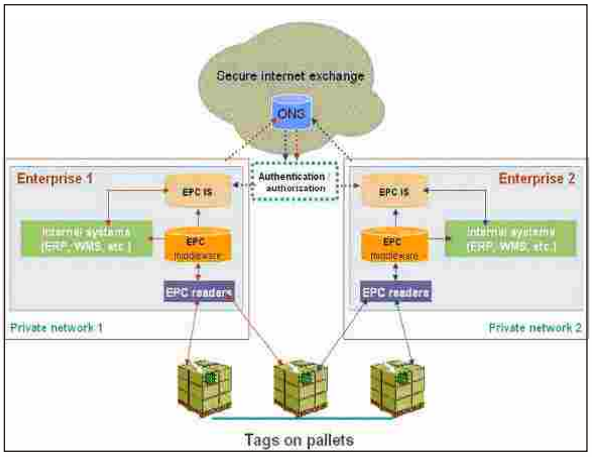
- It allows information to be read by radio waves from a tag without requiring line of sight scanning
- It allows virtually simultaneous and instantaneous reading of multiple tags in the vicinity of the reader
- Each tag can have a unique code that ultimately allows every tagged item to be individually accounted for.

The RFID tag consists of a tiny chip, approximately the size of a pinhead, on which the RFID code resides, and a small antenna. RFID tags can be manufactured with a variety of chip architectures and code formats. One code format that enjoys substantial support in the retail industry is the EPC which uses the 96-bit scheme.



The evolution of EPC based RFID is the outcome of path breaking research undertaken by Auto-ID Center, MIT which was funded by over 100 of the world's leading organizations across industry sectors including such prestigious names as

Wal*Mart, Metro, US Department of Defence, US Food & Drug Administration, US Postal Service, IBM Consulting , Microsoft, P&G, Philips, 3M, Coca-Cola, Manhattan Associates, NTT, Abbott Labs, NCR, Pfizer, Symbol Technologies, Intel, Unilever, VeriSign, etc.



A typical RFID system uses RFID tags attached to objects which identify themselves when detecting a signal from an RFID reader by emitting Radio frequency transmission.

This identification of an object takes place through what is termed, the EPC, captured within an RFID tag. The EPC contains an array of product information, that can uniquely identify an individual item, whether that object is a consumer item, case, pallet, logistic asset or virtually any thing else. This provides the ability to locate or track a product through the supply chain and to read these EPCs at a distance and out of direct line of sight.

The EPC tags contain RFID antennas that communicate the EPC numbers to the EPC readers within the EPCglobal Network.

Today, seven Auto ID labs located in the US, UK, Australia, Japan, Korea, Switzerland and China undertakes research on EPC/RFID.

EPC/RFID in Retail: Retail worldwide is a key driver to adoption of EPC/RFID technology. According to Venture Development Corporation's new 'Retail CPG Vertical Market' report the global market for RFID systems in the retail CPG vertical reached an estimated US$161 million in 2005, with hardware accounting for approximately 41% of that value. The compounded annual growth rate (CAGR) is anticipated to be nearly 57% over the next five years, with revenue shipments exceeding US$1.5 billion in 2010.

Demand for RFID at the item level in the retail and consumer goods industry is being driven by several business challenges, including:

- Out of stocks
- Shrinkage
- Counterfeiting
- Weak visibility into in-store inventory
- Marginal Supply Chain visibility

Inventory Management:

RFID facilitates quick and accurate counts of store inventory, giving stores reliable information for deciding when to re-order and how much to re-order. This can substantially improve a retailer's revenue picture.

RFID tags on individual items in the stock room and on store shelves could be monitored on a regular basis by RFID readers, thereby providing “real time” visibility into current inventory levels and making employees aware when inventory of a particular item runs low.

Out-of-Stocks:

On average, roughly 8% of the average retailer's inventory is out of stock i.e. unavailable on the retail store shelf. According to the GMA (Grocery Manufacturers Association), approximately 75% of the time the out of stock is a

situation when the product is actually there in back room inventory. The out of stock problem costs U.S. retailers and consumer goods companies over $50 billion per year. A study by the Grocery Manufacturers of America, the Food Marketing Institute showed that out-of-stock conditions average 8.3% and cause a typical retailer to lose 4% of sales.

Use of passive RFID technology at the item level would help in solving the out-of-stock problem, as well as potentially improving customer interaction, decreasing shrinkage (theft), decreasing POS costs and supply chain labor costs.

Another area of concern for retailer is shrinkage (theft), which costs retailers an estimated 2% of sales on an annuals basis over $30 billion annually in the U.S. alone. Further aggravation is driven by the fact that roughly 50% of this number is due to internal/employee theft. And these figures do not include losses due to spoilage/expiration, obsolescence, misplacement, and markdowns caused by poor merchandise management, all of which could be reduced by the better monitoring of objects and their handlers through RFID.

Impact of RFID at the Item Level Retail Store

AREA	IMPACT
Out of Stocks	60% reduction
Shrinkage	20-50% Reduction
Employee Productivity	8X Increase



Tag pricing:

Currently the cost of the tags, readers, and business process changes (e.g. integrating RFID codes, associated data fields, and existing database systems) are some of the challenges to adoption of RFID.

RFID based technologies are being used primarily at pallet/case levels to help optimise the goods receipt and handover processes. This achievement provides inventory visibility between receiving dock to shop floor.

GS1 India is a not-for-profit registered society, affiliated to GS1, Belgium which operates through over 100 GS1 organisations across the world. It is a joint Government-Industry initiative at promoting use of International identification and communication standards and best practices within Indian Industry which can enhance efficiency of their supply and demand chains through use of business led GS1 standards.

The Author is CEO of GS1 India.
For more details please write to rmathur@gs1india.org

International Retail Events

WORLD POSTAL RETAIL NETWORKS CONFERENCE
6th May 2009, Munich, Germany

For further details please contact:
Telephone: +44 (0)870 950 7900
Fax: +44 (0)870 950 7910
E-mail: team@triangle.eu.com

ANNUAL GLOBAL CONFERENCE 2009
Global Supply Chain-"Chicago Style"
20-23 September, 2009, Chicago, Illinois.

For further details please contact:
ph +1 630.574.0985 fax +1 630.574.0989

LOGICHEM 2009 THE 8TH ANNUAL EUROPEAN CHEMICAL SUPPLY CHAIN CONFERENCE
31st March to 3rd April 2009, Hilton Dusseldorf, Germany

For further details please contact:
Conference Director Michaela Menezes
Ph: (+44) 207 368 9400 Fax: (+44) 207 368 9401
Email: michaela.menezes@wbr.co.uk

2009 RETAIL CONFERENCE: THE MARKETING OF MAGAZINES AND BOOKS
March 22-24, 2009, Doral Golf Resort & Spa in Miami.

***For further details please contact*:**
E-mail: mpaevents@magazine.org
Ja-Shin Tsang Director Events (212) 872-3756
Events Manager (212)872-3757

LS RETAIL PARTNER CONFERENCE 2009
17-20 February 2009, Paris, France

For further details please contact:
Tel: 354 414 5700 · Fax: 354 414 5710
E-mail: info@LSRetail.com

RETAIL TECHNOLOGY CONFERENCE 2009
April 15-17, 2009 Rio all-Suite Hotel & Casino Las Vegas, NV

For further details please contact:
Fax: (973) 607-1395
John Hall, Director, Event Content (973)607-1331, Pat

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.

Advertisement tariff for Footfalls

	Ficci Members	Non Members
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ARE YOU A FICCI MEMBER?

Why it's beneficial for your esteemed organization to be a member of FICCI?

FICCI with a membership of over 500 Chambers of Commerce, Trade Associations and Industry bodies, it speaks directly and indirectly for over 2,50,000 business units - small, medium and large - employing around 20 million people.

FICCI has institutional mechanisms with 68 counterpart apex chambers in different countries to provide a variety of business facilitation services by closely working with Government, Business Promotion Organisations in India and the respective Partner Countries (ASEAN, SAARC, IORNET etc.).

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As a member of FICCI, members can access a world of opportunities, form networking with the corporate majors of Indian and global industry to assisting in framing economic and industrial policies, through close linkage with the government. FICCI's proactive approach focuses on helping you increase efficiency and competitiveness.

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- Participation in topical seminars, training programmes, conferences and meeting

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- Provides information for technology collaboration and investment
- Undertakes research studies

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- Participation in trade fairs & exhibitions
- Develop business through buyer seller Fora

Information dissemination

- Access to publications and reports on a wide range of subjects
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- FICCI Awards for companies and institutions and also Individual Awards for Scientist/Technologist.
- Regional/State/Zonal and foreign offices providing assistance at all levels

Web Services

- Information on important events organized by **FICCI** and other activities, press releases, membership etc.

Kindly send your request for a FICCI membership form and details at:

Arvind Singhatiya
Assistant Director
Retail Division
Federation of Indian Chambers of Commerce & Industry, Federation House, 1, Tansen marg, New Delhi
Phone: 91-11-23738760-70 (#221), Fax: 91-11-233202174, 23721504, Handphone: 9968360521

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
B) Supply Chain report in association with Ernst & Young
C) Winning with Intelligent Supply Chains- An international conference on backend retail supply chain technology.
D) "FOOTFALLS" an International conference on modern retail
E) "Auto Retail: Frame work for growth" conference on auto retailing business in India

RETAIL DIVISION

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FEDERATION HOUSE
NEW DELHI

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.

In the knowledge-driven globalized economy, FICCI stands for quality, competitiveness, transparency, accountability and business-government-civil society partnership to spread ethics-based business practices and to enhance the quality of life of the common people

With a nationwide membership of over 1500 corporates and over 500 chambers of commerce and business associations, FICCI espouses the shared vision of Indian businesses and speaks directly and indirectly for over 2,50,000 business units. It has an expanding direct membership of enterprises drawn from large, medium, small and tiny segments of manufacturing, distributive trade and services. FICCI maintains the lead as the proactive business solution provider through research, interactions at the highest political level and global networking.



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- Bhopal- Madhya Pradesh
- Cochin- Kerala
- Hyderabad- Andhra Pradesh
- Jaipur- Rajasthan
- Margoa- Goa
- Raipur- Chattisgarh

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