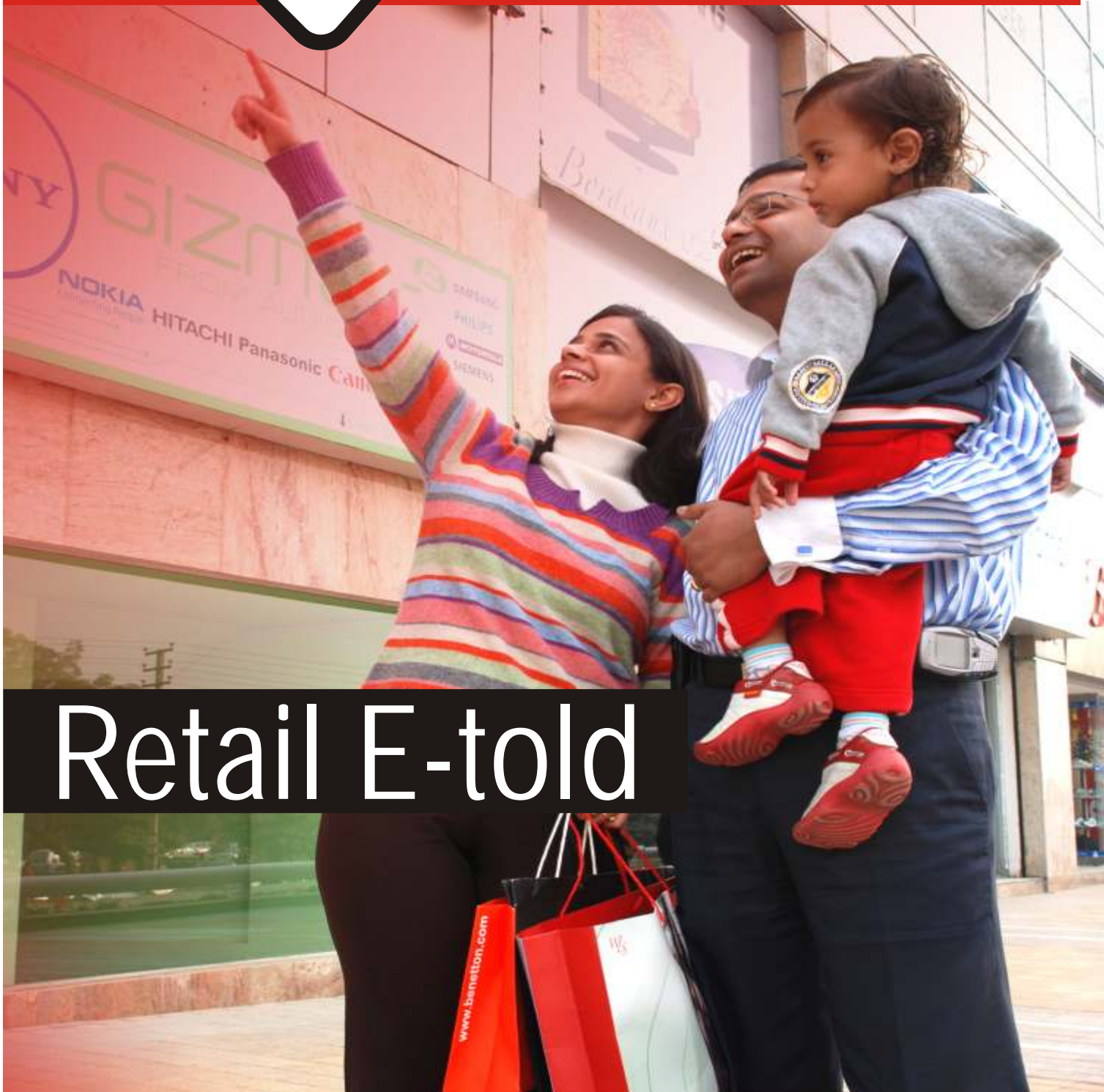


Retailia

Newsletter



Retail E-told



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Retailia

Newsletter

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From The Director's Desk

I am happy to announce that the Centre for Retail is launching its first edition of e-newsletter "Retailia" which would provide them the opportunity to have an interface with the retail industry. I sincerely hope that this initiative of our students would prove to be an excellent platform for communicating the campus buzz and sharing valuable articles and news items.

I believe that Retailia would establish an effective and dynamic link between the Centre for Retail and the industry which would be a great learning experience for the students and help in building stronger relations between us and the industry.

The Indian retail sector has emerged as one of the most fast paced and dynamic industry accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. Retailing in India is gradually inching its way towards becoming the next boom industry and recognizing that, BIMTECH had launched Centre for Retail in 2002 which strives to produce smart retail professionals of international caliber.

The future of the industry is promising and I am sure that the e-newsletter initiated by the centre would go a long way in spreading the word. I wish them all the best for the future and hope that they continue exploring various opportunities offered by the external and internal environment.

Dr. H. Chaturvedi
Director

Letter from The Editor

Dear Readers

BIMTECH is a renowned institution for producing managerial excellence for years. And from the Center for Retail it's a matter of pride to present the first issue of Retailia, an e-newsletter initiated by Bimtech retail. This newsletter has been published by the students of retail and merchandising management [PGDM-RM]. Retailia reflects our institutional philosophy and brand vision.

This launch mega issue contains a unique array of articles including FDI in Indian retail, excitement in the Indian retail sector and latest happenings in campus. As a unique feature of Retailia we have included Retailer of the month. An interview with the most prominent face in Indian retail industry, during this month.

While we are doing our best in this endeavor, your feedback and support would further strengthen us to take our mission further.

So keep that steaming cup of coffee in place and enjoy this special launch issue.
Happy reading...
Editorial Team

■ CAMPUS BUZZ

The day selected for the Fresher's was 27th, July'07. Every year this day is eagerly awaited by all the students especially freshers as they get formally accepted as a part and parcel of BIMTECH clan.

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■ BRIMS RQ TRACER (Retail Quotient Tracer)

The recent activity under BRIMS was RQ Tracer. It was a quiz event conducted on August 4, 2007 which was based on the current retail happenings...

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■ MALL MANIA

PGDM (Retail) students created "The Destination A Mall Mania". A mall was created in the campus with shops, food court.

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Retailer of the month



Mr. Rakesh Narula

Senior Vice President (operations) - Nike Division
SSIPL RETAIL PVT LTD.

Q. What according to you is the relevance of category management in evolving retail formats?

A. In India there are different types of people with different demographic and psychographic profiles, tastes and preferences. So it is very important to match the offerings accordingly. Depending upon the contribution of various categories we allocate shelf space to them. Category management also involves taking into consideration local taste and catering to their demand. This is the reason why merchandise kept in one store varies from the other.

Q. What future do specialty formats selling sports merchandise have in India, where consumer preference is still low towards such goods?

A. Over the last decade people have become more fitness conscious. They are demanding more than ever before, with their awareness level increasing by the day. Customer's expectations are reaching heights for customized products & services, which can be best provided by Specialty stores like ours. The retail scenario in India is changing rapidly with the customers' want of a "healthy mind & body" prominently transforming into need. Keeping in mind this want-to-need change factor, Specialty stores like ours are stepping up to the forefront in giving a delightful experience to their customers.

Q. How according to you a company can begin and sustain a culture built on trust rather than suspicion?

A. People are the most vital element of retail business. Keeping that in mind, we pay a lot of emphasis right from selecting the right candidate to training, trust -building and inculcating attributes of "nothing is impossible". We also make them believe that our existence is only because of our

customers. We believe in employee retention by providing them ample growth opportunities, acknowledging their contribution and valuing them. All these factors have resulted in low attrition rate, which is most critical in the changing retail scenario.

Q. What do you think is the best strategy to capture youth's mind set and interests?

A. Youth have a very important role to play in our business. Today's youth is much more aware of the happenings because of the media exposure. Also coupled with this the awareness level about fitness which has also increased, making it extremely important to capture that segment. Nike has tied up with Indian cricket team and various gymnasiums across the country to capture youth's mind and interest. We run several promotional activities in our stores to capture their attention. Visual merchandising plays an important role in promotions so that the entire store presents a complete story.

Q. As India tops among the emerging markets. What best retail practices from across the globe can be adopted to create a win-win situation for both consumers and retailers?

A. For creating a sustainable retail business one will have to take care of all the elements of retail keeping the customer in mind, which will include:

- Consumer satisfaction
- Appropriate product mix
- Efficient systems and tools
- Visual merchandising
- In-store hygiene

The Indian Retail Excitement



Mr. Amir Ullah Khan

An economist at the India Development Foundation also teaching Rural Retail and Agribusiness at BIMTECH



The excitement about India's economic growth is now for real and is evident all over the world. A country that was written off for much of the twentieth century came into its own in the last decade of the previous millennium. Growth rates went up, the GDP doubling in a six-year period. Incomes and salaries rose too and suddenly a poor nation had become home to more than 300 million middle class consumers, becoming one of the most inviting markets for the world's manufacturers and service providers. Some sectors took off almost immediately as economic reforms began in the mid eighties. The first sector to really grow was the automobile sector and the first big Japanese firm that came to India, Suzuki, transformed the middle class Indian's tastes and preferences in cars.

The banking and the airline sectors became big in the mid nineties, insurance followed suit and real estate boomed. The software story has been repeated so many times that it is now synonymous with India's rise in the global economy. Films, especially Hindi cinema, became global and helped enormously in this fascination for the new India. Exports rose, by more than 20 per cent each year for nearly ten years now. Television, especially cable TV became ubiquitous, especially in urban India. The pride of place however is reserved for the telecom industry. Powered by mobile technology, tele density in India quadrupled in less than five years and the growth just doesn't seem to ebb.

In all this, one sector quietly took off exactly ten years ago. In 1996-97, organised retail started in modest ways in Madras, Hyderabad and Bangalore. Foreign and Non-

resident money came in and a new shopping experience was born. Almost immediately the government clamped down and in an asynchronous policy, stopped foreign money investing into retail. However, this did not stop the dizzying growth of the sector. Today with malls coming up in every small town in India and organised retail making inroads almost everywhere, the India retail story has become the cynosure of all eyes watching the economy grow

The excitement is palpable. The biggest names from all over the world the US giant Walmart, the European Carrefour with all other chains want to set up shop here. The 7 billion USD organised retail market in three years time is expected to grow to 25 billion USD and that is the reason everyone wants a share in the pie. However, the typical issues related to India's political economy remain. Skeptics make the age-old argument they have been making against any new technology or innovation. The argument is familiar even if it is clichéd. It states that small shops will die out. Consumerism will destroy India culture. The poor will be short changed. Youngsters will get employed in meaningless jobs at retail outlets. Foreigners will earn profits.

Prices will go up. The litany is huge. All this has prevented foreign investment in organised retail and has allowed Indian chains to grow exponentially. Some day soon we shall realize that foreign competition, just as in our auto sector and in our FMCG sectors, will only make the Indian consumer better off and the Indian industrialist more competitive. Meanwhile the excitement around the retail space in India is mounting and will only grow, for many years to come.

FDI in Retail



Mr. Rajat Dutta

Alumni of IT-BHU and IIM-K. began his career with National Thermal Power Corporation and since then marched forward through Godrej & Boyce, Johnson & Johnson, Core Health Care, HCL, Accel, Zip Telecom, Skyliners, Technology and Action for Rural Advancement & Drishtee. He has traveled widely both within the country and abroad to assist the Industry and has decided to spend the next decade spreading education and its cause as a way of giving back to the society. Teaching and building & developing personalities are his passion.

Foreign direct Investment has become an important element of economic development for almost all the countries across the world. FDI creates employment, increases domestic capital and enhances efficiency and thereby becomes an indispensable tool for achieving a higher level of economic growth. Alongside FDI plays an important role in transfer of new technology, improving infrastructure skills, encourages innovative thinking, deploying natural and human resources, providing international quality goods and services and improving infrastructure skills. There is therefore an increase in the availability of products.

The year began with the rationalization of FDI policy by scrapping mandatory clearance in several sectors and opening up the retail sector to FDI by allowing upto 51 percent Foreign Investment in single brand retail with a clear indication that it will strengthen the inflow to India in the coming years. It has thrown opportunities for several international brands. A word of caution here is that a section of domestic retailing industry will be severely hurt due to the entry of foreign retailers as the Indian retailing market is in a state of inefficiency. It is pertinent to mention here that in this sector are the high costs of capital for Indian retailers and dumping by foreign retailers.

On the other hand market liberalisation, growing middle class and assertive consumers are sowing the seeds of retail transformation that will bring more multinationals into the field. Indian economy is on the upswing with several positive indicators in annual growth, foreign reserves, capital market, and exports.

All the above are directly and indirectly promoting organised Retail in India. In fact A.T. Kearney's Global Retail Development Index ranks India as the first amongst 30 emerging countries for 2 years in a row as the most preferred destination for retailers from all across the world. Today in India the retail industry accounts for over 10 percent of India's GDP and houses over 8 percent of the total work force, second to agriculture. With 12 Million Retail Outlets India has the highest density of retail outlets in the world. It has one retail outlets for every 90 persons. It is today the ninth largest retail market in the world. But in terms of per capita retail space it is the lowest in the world. Also only 2 percent of the Indian Retailers are organised in comparison to 20 percent in China, 70 percent in UK and 80 percent in USA. But the statistics are going to gallop in India's favour in the years to come.

And these figures are only to gallop and strengthen in India's favour in the years to come. The growing ability of the Indian consumers to spend their disposable income is going to accelerate it further. The Indian consumer is now more conscious of International Fashion. This is another indicator to the said fact. There still exists a tremendous untapped potential for India as compared to the developed retail markets like US, Malaysia and Taiwan. The penetration of retail markets in these developed countries are more than 50 percent.



Campus Buzz

Freshers Party

The day selected for the Fresher's was 27th, July'07. Every year this day is eagerly awaited by all the students especially freshers as they get formally accepted as a part and parcel of BIMTECH. clan. The highlight of the event was selection of Mr. & Ms. Fresher, as lots of hype and hoopla had been created prior to the event. The fresher's hence were extremely excited and raring to go. The event was marked by spectacular performances by both seniors and juniors. The gala time continued with DJ at the end where in everybody danced to thereverberating beats.



BRIMS RQ TRACER (Retail Quotient Tracer)

The recent activity under BRIMS was RQ Tracer. It was a quiz event conducted on August 4, 2007 which was based on the current retail happenings and general knowledge of retail field. It had overwhelming response with 40 teams of 2 members each participating from across the courses, out of which 6 teams cleared the preliminary rounds. The final was conducted on August 6, 2007 and the winners of which were awarded gift vouchers of Shoppers Stop worth Rs.2000. The runners up were given gift vouchers worth Rs.1500. The event was very well coordinated and implemented.



Mallmania

PGDM (Retail) students created "The Destination A Mall Mania". A mall was created in the campus with shops, food court and a multiplex. Wherein students applied their learning of Merchandising Mix, Marketing, Visual Merchandising, Promotion and selling. The event took place for 4 days. The event was a grand success. Mr. Virad Kaul of Idea Cellular was the chief guest of the event on 11th August. The project was guided by Prof. S. Suresh, Program Coordinator PGDM (RM-II).

“ To thrive in fiercely competitive markets, retailers must strive for end-to-end integration and seamless transparency across the supply chain and the demand chain. ”

Dan Hopping, Consulting marketing Manager, IBN Corp.

Bimtech Campus



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