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RETAIL
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Noble Thought:

*Even a big pot full of water will be emptied
By a small hole,
In the same way,
A little anger or ego
will burn up the nobility
of GOOD HEART..*

Airport Retailing: An instant HIT at RGIA

The GMR Rajiv Gandhi International Airport (RGIA) in Hyderabad is expanding its already huge commercial space by almost 150%. The new retail space has earmarked 5,000 sqft for multi-cuisine restaurants. The RGIA airport will now have top retail brands across 22 retail outlets and gaming and entertainment zones. The project will be completed by September this year.

The Hyderabad airport is trying to emulate the model followed by international airports, where the revenue from airport retail and from non-aero operations is in the ratio of 60:40. The revenue ratio at present is the reverse at 40:60. With the passenger traffic at the airport being way below expectations, the ramping of retail operations is a move in the right direction.

However, the rentals within the airport premises are nearly four to five times higher than in the Hyderabad high streets. The rentals at premium locations such as Jubilee or Banjara Hills are at Rs 100/sqft, whereas within the international airport it is at Rs 400-500/sqft.

Added to that, an initial deposit of Rs 10-15 lakh is required, and the retailer has to abide by the revenue sharing model of the RGIA, where about 12-16% of the sales go to the airport.

Of the existing stores at the airport, Shoppers Stop has doubled its retail space from 3,200 sqft to 6,200 sqft, as also has Crossword, growing from 700 sqft to 1,500



Retailing at Rajiv Gandhi International Airport

sqft. Ready to open are Mont Blanc, Swarovski and food chains KFC and Brista. The brands already operational at the Hyderabad airport are Karachi Bakery, WH Smith Bookshop, jewellery group Krishna Pearls and Jewellers, Taste of India eatery chain, handicrafts store 'Anuva' and Hyderabad Bangles.

Govt to dilute regulations for single-brand FDI

The Government of India has reconsidered the stringent regulations that were set up for foreign direct investment (FDI) for single-brand retail in India. As reported in the media, the Department of Industrial Policy and Promotion (DIPP) is actively discussing the

issues regarding this policy with the relevant ministries. The 30% local sourcing clause is likely to be eased too and the Ministry of Small and Medium Enterprises (MSME) is in talks with DIPP. It is being speculated that the matter is being fast tracked, and could

be taken to cabinet in June, or in the monsoon session of Parliament in July and August after the presidential elections are over.

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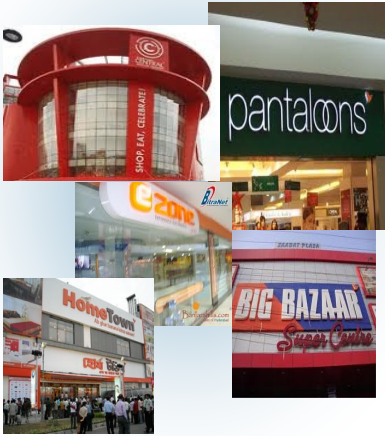
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- The collapse of VISHAL RETAIL
- Upcoming event at jims
- Activities at JIMS
- Mind Zone



Biyani quashes rumours of selling core biz stakes

Future Group's head Kishore Biyani has denied any intention of selling his stake in his core retail business, Big Bazaar and Food Bazaar chains, to settle his debts. As reported in the media, he asserted that the Future Group's debt levels were manageable and the di-

vestments would only be made in non-core assets. Biyani was responding to rumours that Future Group was in talks with Mukesh Ambani, head of Reliance Industries, to sell stake in flagship Big Bazaar chain.

Biyani is aiming to make Pantaloon Retail debt-free by March 2013. His plans include raising Rs 1,650 crore by divesting stake in Future Generali Insurance, home furnishing chain Home Town, and 40% stake in consumer electronics chain eZone.

Future Group had accrued a consolidated debt of Rs 7,800 crore, which ate into its profits.

However, Biyani has managed to reduce his debt by Rs 6,000 crore in two recent deals. He raised Rs 1,600 crore from the sale of majority stake in Pantaloon department chain to AV Birla Group's Aditya Birla Nuvo, which included Rs 800 crore of debt transfer. Next he sold 53.67% stake in Future Capital Holdings to US-based private equity firm Warburg Pincus for Rs 4,250 crore, which included Rs 450 crore of cash payout and Rs 3,800 crore of debt transfer. Pantaloon Retail has also raised Rs 200 crore through a preferential share allotment last week.



Shoppers Stop uses technology to connect with shoppers

Shoppers Stop is using digital technology to reach out to its customers. The retailer has enabled its loyalty card members under the First Citizen scheme, to download the loyalty application on their Blackberry, iPhone or an Android phone. This enables them to get updates on loyalty points and does not require them to carry the card along.

The online shoppers, who are also loyalty members, have a special zone on Shoppers Stop's Facebook store. Recently, the retailer launched its end of season sale ad with augmented reality (AR) apps. This ad featured an AR code that readers could trigger by using a specially developed app that

could be downloaded from an Android or iTunes market. When the phone is pointed on the static ad, the screen reveals thousands of offers available at the store. This ad also allows Blackberry, iPhone and Android phone users to start shopping online. Reportedly, over 6,000 customers downloaded and viewed the AR set-up.

GOING HI—TECH



Walmart to snap ties with corrupt vendors

Having faced flak in the recent bribery scandal in Mexico, Walmart has reacted with alacrity and has decided that it will not conduct business with any existing vendor or future supplier who is involved in any kind of corrupt practices. The Company has hired the consultancy firm KPMG to carry out the check.

its-kind initiative by any retailer. Bharti Walmart's vendors range from multinationals such as Hindustan Unilever and Colgate Palmolive to hundreds of small and medium enterprises. Besides carrying out checks, KPMG is to educate and create awareness among the Bharti Walmart's staff about anti-corruption practices. KPMG will scrutinise the vendors and classify

them in three categories of red, amber and green.

Walmart has to abide by the US law, Foreign Corrupt Practices Act (FCPA), that prohibits companies registered in America and its subsidiaries across the globe from indulging in any sort of corrupt practices.

CORRUPT VENDORS: BEWARE

Within India, this is first-of-

VISHAL RETAIL: What went wrong

.....A Report

The now defunct Vishal Retail's founder, Ram Chandra Agarwal has moved on. But he has learnt his lessons well, and this time round, with his new retail model, appropriately named V2, he is making sure that he does not make the same mistakes again. The case study of Vishal Retail is stuff for the text books, and a guide to all retailers on what not to do. RC Agrawal himself summed it up in an interview in the Economic Times. We have summed up his self analysis under the following heads.

● Focus on expansion vs profitability

The focus of the business was on expansion as against profitability. As a result, new stores kept being launched even before the previous business turned profitable, or sustainable.

● Poor recruitments

Agarwal believes he failed to create the right leadership at the top. A mediocre talent pool, fresh out of average business schools, did not have the wherewithal to infuse some discipline into the business. The rapidly expanding Vishal

Retail recruited people with poor credentials, without doing appropriate background checks. Dishonest senior employees were bleeding the business.

● Lack of second level leadership

There was no competent second level of management. Yet, the company kept up with the launching of more stores and garment factories, and eventually became unable to control it all. At one time they were said to be opening 4 stores a month. That, along with 4 factories became too much to handle efficiently.

● Poor space planning

In the physical space too, Vishal lost out on such factors as the in-store ambience. No planning was used to set up stores, in terms of visual merchandising, appropriate lighting and fixtures.

● Image disconnect with the aspirational customer

The brand Vishal, while targeting the low-income group, earned a downmarket image, which did not change or get upgraded

eventually to take into account the shoppers with changing aspirations.

● Poor investment in technology

The systems remained backward, without the infusion of new technology. The use of small computer servers leads to issues with the implementation of SAP, resulting in difficulty in data extraction.

● Reliance on Cash

Vishal's transactions were all cash deals, be it sourcing from vendors or operational expenditure. Cash dealing at this scale left the company open to fraudulent practices.

In a mere seven years, from 2001 to 2008, Vishal Retail attained a turnover of Rs 2,000 crore. Thereafter, things turned sour with declining sales, growing debt. Eventually the Company was acquired for a mere Rs 70 crores in 2011 by the PE firm TPG Capital and Shriram Group.



UPCOMING EVENT AT JIMS

jims
Jagan Institute of Management Studies

"Let's create an Anthem for JIMS"

● Date of Contest: 16th August, 2012 ● Date of Submission of entries: 25th July, 2012
● Date of intimation of acceptance of entries: 31st July, 2012

PRIZES
Winner - Rs. 15,000.
Consolation (02) - Rs. 2500 each

RULES

- 1 Students (Alumni Faculty Staff of JIMS group of institutions can participate in this contest)
- 2 Participants shall submit their original composition (lyrics) in about 100 words (max), individually or in groups of max. 4 persons in each group.
- 3 Participants are required to submit their entry through e-mail (anthe@jimsindia.org) just.
- 4 Shortlisted participants shall be required to sing their composition with/without live or recorded music. Music should be original.
- 5 Maximum time limit for each anthem should not exceed 45 seconds.
- 6 Language of composition - English/Hindi (Hindustani)
- 7 All the copyright of lyrics, music, etc. shall be with JIMS, Rohini, Sector-5, Delhi. Participants shall transfer an undertaking in this regard.
- 8 JIMS shall have right to accept/reject the entries.
- 9 A casting jury is enable to decide any winner, then only consolation prizes shall be given.
- 10 Event would be judged by a jury of experts.

For Query / Submission of entries, Contact :-

Dr. Navneet Joshi	Venue :- Auditorium, JIMS	Ms. Mansi Arora Madan
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Mob :- 91-9872472538		Phone :- 011-45164042

Jagan Institute of Management Studies
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Cartoon Network brand retail to double turnover from India

Cartoon Network Enterprises (CNE), the licensing and merchandising arm of the US based broadcasting firm Turner International, which operates Cartoon Network and POGO, is in plans to double its turnover from India. Turner International plans to open its official Cartoon Network brand shops to bring all licensed products and brands under one roof. These merchan-

dise are branded apparel, activity kits, publishing, stationery, sporting goods and school bags for kids. At the start of 2012 CNE expanded its Asia-Pacific licensing portfolio, and is targeting to double its turnover to Rs 1,650 crore over the next three years, from the current Rs 850 crore.

As reported in the media, CNE reported 70% annual

growth in India last year, having quadrupled the business over the last three years. In a bid to prevent the piracy of its branded products, CNE is working with a group of layers and has been successful in shutting down several piracy manufacturing units here.



Joke of the Month

Laloo to his P.A.: Itne khiladi kyun football ko laata maar rahe hai?

P.A.: Goal kar ne k liye.

Laloo: Susra, ball toh pahle se hi gol hai aur kitna gol karengel!

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Special Thanks To:

Sagrika Mittal

**ACTIVITIES AT JIMS**

Jagan Institute of Management Studies organized a tailor-made Management Development Programme, on Time Management & Interpersonal skills for ACPL Exports (P) Ltd. at Agra on Sunday, 22nd April, 2012.

Prof S.C Kapoor initiated the programme & concentrated on the aspect of Time Management & Interpersonal skills, its importance and its present day need in the working of an organization. Keeping work at pace with time and managing interpersonal skills are the key areas where most of the organizations need to focus on.



The programme was designed to meet the time management skills & interpersonal skills. The greatest challenge that most of the organization face is to complete a given particular task in the time allotted. Time management plays a vital role in the success of any organization. Effective time management framework is required and along with interpersonal skills the overall development of an organization is catered.

The programme was divided into three technical sessions and the resource persons Prof S.C Kapoor & Mr Gaurav Vashisht in their respective sessions elaborated

"Time Management & Interpersonal skills"

the organization with implementing and managing time management skills. 2 sessions were conducted in the morning and one in afternoon. The key concern of the MDP was highlighted through case study operations and stressed on the fact that an effective time management framework is required in the working of the organization.

All the participants were given kits which included a reading material on Interpersonal skills, Motivation & Team Spirit, Decision Making, and Approaches to Conflict, Time Management, & Ultimate Mantra to success. Overall the programme was interactive and included videos, exercises, presentation and other activities.

The presentation of certificates to all the participants and the Vote of Thanks were given by Mr. C. George. With all the efforts of the MDP Cell including Mr C. George, Prof S.C Kapoor & Mr Gaurav Vashisht the programme got an overwhelming response from all the participants.

Overall the session was well appreciated and was a fruitful experience for the participants and for the organization.

**STUDENTS CORNER:**

PUZZLE: Below given are **7 sins**. All you have to do is convert them into words, the meaning of which are given in brackets beside them. First one has been done as an example.

SINCERELY (genuine or honest)

_ SIN _ _ _ _ (mica)

_ _ SIN _ _ _ (kill germs)

_ _ _ SIN _ _ (unsteadiness as a result of alcohol)

_ _ _ _ SIN _ (thanksgiving)

_ _ _ _ _ SIN _ (a luxurious car)

_ _ _ _ _ SIN (U.S. state)

Send your answers to gourav071989@gmail.com along with your name by April 20th. Student with most correct answers will be announced in the next edition

MIND ZONE

(SUDOKU No. 003)

	1	9	8		4	5	7	
3				1				9
		8	2		5	3		
	6	3	9		2	8	5	
		4				9		
	9	5	1		3	2	6	
	3	1	4		8	7	2	
8				7				3
		7	3		1	6		