

# Retail Online @ Jims

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## Thought for the day

" Be grateful that you don't have everything you want.. That means you still have an opportunity to be happier tomorrow than you are today."

## Inside this issue:

*Bata India's new store ..* 2

*New Trends in Retailing* 2

*FDI in Retail ....* 2

*Smart Logistics ...* 3

*National Conference at JIMS...* 3

*T.V. Retail* 3

*Rural Retailing ....* 4

## Reverse Logistics: Business model for Entrepreneurs

Companies and retailers have traditionally paid little attention to 'reverse logistics' i.e. the movement of goods from consumers back to retailers and manufacturers. Given the limited resources and time, any organization would strive to expand its forward supply chain and sell more of its products than figure out how to deal with the few that are returned. This is where Greendust steps in.

"We are giving a new lease of life for these products," says Hitendra , the founder of Reverse Logistics (RLC), the parent company of Greendust, which buys damaged or older goods at cheaper prices from manufacturers, retailers and even consumers before refurbishing and selling them. Proportion of retail products that are returned by Indian consumers are estimated at 4-5 percent of all sales. The value of these products in the consumer durables space alone is \$265-\$330

million. Reverse logistics also covers end of life products that need to be disposed off safely, warranty claims, surplus stock and exchange offers.



Since starting out in 2008, Chaturvedi has managed to secure manufacturing clients like Samsung, LG and Lenovo as well as Future Bazaar, the online retail arm of Future Group. From them, he currently generates revenue of about \$1 million every month, translating into an annual turnover of around Rs. 54 crore. He expects to nearly double revenues by next year

and touch Rs. 500 crore over the next four years.

In a calculation done for Future Bazaar, Chaturvedi found that each return of a popular entry level mobile phone worth Rs. 1,400 was costing the company roughly Rs. 1,200 in write-offs and costs. Returned products also become obsolete fast. "Returns often just keep sitting in warehouses, depreciating, till finally they are sold as scrap for just 5-10 percent of their original value. Given the staggering numbers, entrepreneurs are bound to rush in to provide a solution. Apart from Greendust, there are other well-established companies like Intarvo and Aforeserve in the reverse logistics space. But while most are focussed on the supply side of reverse logistics, Greendust is attempting to become a seller of those goods.

Reference: <http://business.in.com>

## Business of Flowers

India's branded and perhaps one of the first organized flower retail chains--Ferns N Petals started out in 1994 with a small outlet in Delhi and has now grown to over 110 stores in the country and abroad (through franchise model) with an annual turnover of Rs 100 crore. Ferns N Petals recently launched a

training academy to create a platform for potential and aspiring Indian florists to learn the ways of the business The FNP Academy offers three courses: one for aspiring florists, which is an advanced level course for to-be professionals, the next one is



for amateurs, that is a hobby course and the last one is for homemakers who are keen on learning the art of flower decoration. The idea behind the foundation of FNP Academy is to promote the art of floral designing for different sets of consumers. Reference: <http://www.business-standard.com>



*National Conference on Retail  
Excellence  
NCRE 2011  
•  
at JIMS, Sector 5, Rohini, Delhi  
on  
October 15, 2011*

## Bata India's new store in South Delhi

Bata India Limited has launched its new store in South Delhi. It spreads over more than 3,000 sq feet in DLF Place Mall Saket. The store offers a complete range of stylish footwear and accessories like handbags & belts. The new Bata store is made as per Bata's global format; designed by experienced designers and architects, using the latest retail techniques and the best quality of furniture to enhance the store's layout and provide for an attractive product display.

The well planned layout of the store eases the movement in different sections of the store and provides a perfect backdrop for customers to browse at leisure and shop in a relaxed and pleasing atmosphere. The new Bata store delivers an enjoyable shopping experience in an aesthetically designed ambience with attentive, friendly and trained staff.

Marcelo Villagran, Managing Director, Bata India Limited said "Our objective is to make shoe shopping a pleasurable affair for our consumers. These spacious stores will present consumers with the largest variety of footwear designs and styles, with the best in class service. Today's consumer has multiple footwear needs for specific purposes, like dress, sports, outdoor, comfort, party, sports casual etc. Our updated and improvised shoe line is now better segmented to adapt to the ever changing needs of the consumers."

Bata, the largest retailer in the footwear industry, has been constantly expanding its retail presence in India and is planning to open 70 stores this year. Bata has over 1,250 stores in India and is continuing to increase its presence in Tier II & III markets across the country.

Reference: <http://www.brandstoday.in>

## New Trends in Retailing

(A) Fiat, Ford, BMW and Mercedes are opening cafes and lounges in the country to boost their brands and increase sales. Fiat, will open its signature cafes in New Delhi and Pune next month; Mercedes-Benz India opened a star lounge at the Delhi International Airport; BMW, which has been running a lounge in New Delhi for three years now, plans to open a second lounge in Mumbai this year; and Ford India has set up temporary Fiesta cafes in malls across New Delhi, Mumbai and Bangalore, till the end of August.

(B) MTR Foods, the packaged foods company known for its South Indian instant mix delicacies, is seeking to recast its image as a food-maker with a pan-India appeal. The Bangalore-based firm, which was acquired by the \$10 billion Norwegian FMCG company Orkla, is looking at leveraging its brand equity in the West and North, primarily targeting New Delhi, NCR, Mumbai, Gujarat, Punjab, and Chandigarh. The company also plans to start in-shop sampling of its products in various malls and departmental stores, as part of its aggressive marketing.



*Shoppers Stop Ltd has announced that one 'Crossword' franchisee store at Rohini, New Delhi has been opened by the Company's wholly owned subsidiary Crossword Bookstores Ltd.*

*With the opening of this store, there are now 80*

## FDI in Retail - Moving forward

The Committee of Secretaries (CoS) has recommended that 51% FDI could be allowed in the sector, which is dominated by mom and pop stores. The CoS has also suggested that at least 50% of the investment and jobs should go to rural areas. Besides, the entities with FDI should source at least 30% of their requirements from the MSME sector. A foreign player would have also to commit at least \$100 million investment. The other recommendations include, allowing such mega stores to sell nonbranded items and such entities should be allowed only in towns with population of over 10 lakh.

India allows 51% FDI in single brand retail and

100% in cash and carry format of the business. Once the Cabinet clears the proposal, foreign players like WalMart, Carrefour and Tesco, can form joint ventures with Indian companies to open multibrand retail outlets. While the Central government formulates norms for FDI, the joint venture firms would have to seek permission from state governments to open stores. While several retail and farmers associations have opposed the idea of allowing FDI in the sector, the government claims the move would not only help in creating jobs, but arrest the spiralling inflation.

Reference: PTI Aug 6, 2011

## Smart Logistics for Retailers

Future Supply Chain Solutions Limited, is set to achieve 100 per cent Fill Rates and ZERO Shrinkage in the Food & FMCG category with its newly opened state-of-the-art integrated distribution centre in Bhiwandi, Mumbai. The new distribution center will handle all major FMCG brands, Staples, F&V, Future Group's Private Brand products and several FMCG brands. With the latest technology clubbed with expertise of warehousing operations integrated with Express Transportation, Future Supply Chains

will bring in optimum operational efficiency to boost fill rates, accuracy, quality maintenance and timely delivery to retail stores. This will help in increasing the sales of the brands and the retail stores. Currently, the group is serviced by the brands direct to the store.

Future Supply Chains has implemented a unique 'secure guaranteed on time in-full floor ready' practice, which ensures that the store personnel do not have to manage any supply chain at their end. Merchandise

is packed section-wise, which gives storekeepers an added advantage of keeping the stocks in the right place and in the quickest possible time. Roll cages have been deployed, which take the merchandise from the store to the rakes where the goods need to be placed without causing damage to the goods and also avoiding any chance of pilferage during transit. Trucks are particularly designed to carry such roll cages to stores.

Reference: <http://logisticsweek.com>



*There was once a washer man who had a donkey and a dog. One night when the whole world was sleeping, a thief broke into the house, the washer man was fast asleep too but the donkey and the dog were awake. The dog decided not to bark since the master did not take good care of him and wanted to teach him a lesson. The donkey got worried and said to the dog that if he doesn't bark, the donkey will have to do something himself. The dog did not change his mind and the donkey started braying loudly. Hearing the donkey bray, the thief ran away, the master woke up and started beating the donkey for braying in the middle of the night for no reason.*

*Moral of the story " One must not engage in duties other than his own"*

## National Conference on Retail Excellence at JIMS, Rohini

Jagan Institute of Management Studies is pleased to announce National Conference on Retail Excellence on October 15, 2011. The above conference shall be broadly based on the theme of strategies for achieving excellence in retail and marketing operations. It shall cover various sub-themes as mentioned in the conference tracks.

This conference aims at sharing research and experience based

knowledge among researchers, academicians and practitioners on contemporary field of Retail and Marketing. The conference shall also explore innovative practices and strategies that might assist Retail and related organizations in their business operations.

### Call for Papers:

Original research papers / case studies / articles covering issues, practices, techniques and strategies in various aspects of

Retail or as per sub-themes mentioned in the conference tracks are invited for presentation in the conference. Selected papers would be published in the form of an edited book / proceedings.

### For further details contact:

Conference coordinators at [ncre2011@jimsindia.org](mailto:ncre2011@jimsindia.org) or refer to our web site [www.jimsindia.org](http://www.jimsindia.org) or call (M) 9650758671

## T.V. Retail

For those interested in buying a colour television but gets confused once they enter a showroom, here are few tips. There are Cathode ray tube (CRT), Cold cathode fluorescent lamps (CCFL) Liquid crystal display (LCD) and Light emitting diode (LED) televisions available in the market. Though CRT televisions sets, the oldest technology among all, costs around Rs.10,000 the latest ones

range between Rs.20,000 – 40,000 depending upon the screen size. Major differentiating factor between LED and LCD is the backlighting. LED backlighting offers improved colour gamut, contrast ratios and lower power consumption. They are also more reliable and can offer over 100,000 hours of life, compared to CCFLs which are often rated at 20,000 hours. Backlights come in two categories — white LEDs that are used often in notebooks and desktop screens.

RGB LEDs consist of a red, a blue, and a green LED. LED backlights are often dimmed by applying pulse-width modulation to the supply current, switching the backlight off and on like a fast strobe light similar to an electrical switch. In short, LED TVs score over Plasma TVs and the older ones. What you decide to buy, however, will depend on how much you are ready to spend.

Reference: *Business Standard*



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**JAGAN INSTITUTE OF  
MANAGEMENT STUDIES**



## PGDM - RETAIL & MARKETING MANAGEMENT @ JIMS

Jagan Institute of Management Studies has evolved as an institution of excellence and commitment in the field of Management and Technical education. The institute from the very outset focused on professional studies at the Post-graduate level with a view to tap, direct and channelize the enormous talent pool in the country. We offer Post Graduate Diploma in Management (PGDM-Retail & Marketing Management) (two year - Full Time). The Programme is duly approved by the All India Council for Technical Education (AICTE), Ministry of HRD, Government of India.

The course aims at providing students with a comprehensive understanding of the theoretical and applied aspects of retail management. The curriculum has been designed keeping into consideration the requirement of Retail industry as well as retail operations of other industries such as banking, telecom, insurance, consumer durable, hospitality, etc. The course shall provide extensive training to the students on existing and emerging trends in Retail management and shall cover various aspects of marketing, stores, finance, HR and other stores operations. During the two years course, besides general management subjects, students shall also gain proficiency in Retail stores management, Retail strategy and planning, Technology in Retail, Legal aspects of Retailing, CRM in Retail, Visual Merchandising, etc. The students after passing out this course are expected to fulfill the growing demand for middle and senior management positions in the backend retail functions apart from those existing in front end marketing operations.

### CALL FOR CONTRIBUTIONS

We invite retail and marketing articles, news clippings, humorous incidents, jokes, poems, activities related to your departments, photographs, management thoughts, etc. for publication in this newsletter. These may be forwarded to: 'retailonline@jimsindia.org' (Please mention the source / reference of your article)

### Challenges and Opportunities in Rural Retailing

A session on 'Challenges and Opportunities in Rural Retailing' was held on July 23, 2011 at JIMS, Sector 5, Rohini, Delhi, for the previous and final year PGDM (Retail & Marketing) students. Session was conducted by Mr. Avijit Ganguli, Ex.Vice President, Bata India Limited and presently visiting faculty with few management institutions.

Mr. Ganguli enthralled the students with his highly energetic and motivated communication and content delivery. He described the rural market structure and explained logic behind the focus of most companies towards rural markets nowadays. He discussed the modalities and strategies

adopted by Retail firms in their rural ventures and talked in details about initiatives taken by HUL and ITC. Various challenges faced by rural retailers in terms of making products available and acceptable in each rural segment were also deliberated.



Mr. Ganguli, during his session also talked about the Retail concept as a whole and its scope in the coming years. During his question-answer session with the students, the

speaker, discussed at length his over four decades of experience in hard core marketing and the challenges faced by the sales executives at various hierarchy levels. Overall it was an extremely useful session for the students, who not only got insight of the corporate working but also learnt about how to tackle the difficult situations at workplace. Ms.Chandni and Mr.Gagandeep from the final year PGDM batch coordinated the event.

