University of Florida

Emerging Markets

Julia Arnette, VP Global Retail Industry
October 31, 2007
Is this retail experience for every culture?
In Retail, Some Things Never Change …
BUT … the cultural differences in different countries can impact the desired retail experience
Real Estate is hard to come by and also influences the desired retail experience.
Know the Culture: China

You learn that your Chinese client has refused a large shipment because of yellow tags attached to your shipping crates.

How do you explain this?

1. As yellow is the color of death in China, the Chinese does not want a product associated with morbidity.

2. In China, a yellow tag on a container indicates it is defective.

3. The Chinese customer is offended because the color yellow is associated with cowardice.
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Know the Culture: India

After serving refreshments, your manager provides introductions and you begin the meeting with your presentation. You notice your Indian clients shaking their heads from side to side.

What is happening?

1. **Beginning a meeting so soon after refreshments is not accepted.**
2. **Your comments are being critically analyzed.**
3. **Your senior associate should have given the presentation.**
4. **Your presentation is being understood and accepted.**
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You are at a Sao Paulo restaurant with three Brazilian colleagues. When the waitress brings only one menu, you ask for three more. The waitress replies, "You already have a menu."

What is happening here?

1. As a guest, you are suppose to allow the Brazilians to order for you.

2. Brazilians like to make group decisions .... Including what to order from a menu.

3. The waitress correctly assumed you could not read Portuguese.
Know the Culture: Brazil

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AGENDA:

I. BRIC Countries
   • Similarities and Differences
   • Economic Growth

II. China
   • Market Opportunity
   • Economic Growth
   • Retail Growth

III. India
   • India Facts
   • India Consumer
   • Organized Retail vs. Unorganized Retail
   • Retail Growth Challenges

IV. Questions
BRIC or BRICs are terms used to refer to the combination of:

- **Brazil**
- **Russia**
- **India**
- **China**

Goldman Sachs predicts that the economic potential of **Brazil, Russia, India** and **China** is such that they may become among the four most dominant economies by the year 2050.
BRIC Countries unique positioning in the Retail Market

**Russia**'s economy has grown strongly for 8 years with 2006 growth just under 7% and is attractive to foreign investors. National operators currently have the largest market share but multinational retailers have strong positions in modern retail formats. Investment priorities are similar to developed markets and include efficient supply chain, private label and customer loyalty.

**Brazil** represents the 16th largest retail market in the world growing at 6.6% CAGR. Brazil is a high-potential market for retail as a result of the country's large and growing population (expected to reach 200 Million by 2013) and its attractiveness to foreign investors as a strategic base for the Latin America region which will continue to attract money while creating additional jobs.

**China** represents the 3rd largest retail market in the world and is growing at a 9% CAGR. China’s population of 1.3B consumers along with high economic growth rates, recent entry into the WTO and opening up of its markets offers retailers considerable opportunities for growth. “Food at home” will remain the largest segment.

**India** represents the 11th largest retail market in the world and is growing at 10.4% CAGR. Given the lower income levels and comparatively strong restrictions on foreign direct investment, foreign retailers have been far less active in India than in China. Lack of infrastructure (roads, rail, etc) will impede growth. Spending on “Food at home” is expected to represent over 50% of total spending by 2010.
India and China are particularly attractive due to large population, expansion of ‘organized’ retail and fast-growing retail IT market, among other factors.

**Population and Growth**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Population, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>1,313,973,713</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>1,111,713,910</td>
</tr>
<tr>
<td>3</td>
<td>United States</td>
<td>298,444,215</td>
</tr>
<tr>
<td>4</td>
<td>Indonesia</td>
<td>231,820,243</td>
</tr>
<tr>
<td>5</td>
<td>Brazil</td>
<td>188,076,227</td>
</tr>
<tr>
<td>6</td>
<td>Pakistan</td>
<td>165,803,560</td>
</tr>
<tr>
<td>7</td>
<td>Bangladesh</td>
<td>147,365,352</td>
</tr>
<tr>
<td>8</td>
<td>Russia</td>
<td>142,069,494</td>
</tr>
<tr>
<td>9</td>
<td>Nigeria</td>
<td>131,859,731</td>
</tr>
<tr>
<td>10</td>
<td>Japan</td>
<td>127,463,611</td>
</tr>
</tbody>
</table>

**Retail IT Market**

- ‘Organized’ retail represents less than 5% of the overall India retail market and is expected to more than triple in 5 years.

**Geopolitical Risk**

- **Brazil**: Reasonably well entrenched democracy. Growth oriented government policies offset by political hostility and lack of colonial ties.
- **China**: Colonial ties establish links to western culture combined with pro-growth government.
- **India**: Institutional and government weakness.
- **Russia**: Poor.

**India is catching up to the China Growth Rate**

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IV. Questions
China Customer Profile

- China Middle class totals at least 100 million.
- China consumer is preferring the multi-national retailer’s quality and selection.
- AC Nielsen Profile: The China consumer prefers to make their purchases at clean, modern outlets with a full range of products on hand. Shopping priorities include:
  1. Convenience
  2. Store comfort
  3. Selection
  4. 
  5. 
  6. Price

In keeping with the conditions for China's membership in the World Trade Organization, most restrictions are being lifted for foreign retailers, including limits on the number of stores, rules confining foreign retailers to large cities, and regulations capping the foreigners' stake in local ventures at 65%.
China’s growth will continue, with increasing impact on the world economy

**China Economic Growth**

- Economy is expected to grow at 7.5% per annum, and GDP per capita to double.
- A “harmonious society” with more balanced growth, and the development of the “new countryside” through agricultural modernization.
- “Innovation” was highlighted as one of the key themes.
- Build an environmentally friendly society by reducing 20% of energy consumption for each unit of GDP.

**China 5-year Government Outlook**

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**WW GDP Rank**

<table>
<thead>
<tr>
<th>Yr 2004 GDP Rank</th>
<th>Country</th>
<th>Pjct’d Yr 2010 GDP Rank</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>United States</td>
<td>#1</td>
<td>United States</td>
</tr>
<tr>
<td>#2</td>
<td>Japan</td>
<td>#2</td>
<td>Japan</td>
</tr>
<tr>
<td>#3</td>
<td>Germany</td>
<td>#3</td>
<td>China</td>
</tr>
<tr>
<td>#4</td>
<td>U.K.</td>
<td>#4</td>
<td>Germany</td>
</tr>
<tr>
<td>#5</td>
<td>China</td>
<td>#5</td>
<td>U.K</td>
</tr>
<tr>
<td>#6</td>
<td>France</td>
<td>#6</td>
<td>France</td>
</tr>
</tbody>
</table>

**Major Shifts– Economic Drivers**

- China’s strategic focus is moving from growth driven by reform to leadership driven by innovation.
- China’s increased emphasis on globalization and urbanization is causing industrial shifts in China.
- China has become the largest trading partner for many AP countries.
- Over the next 10 years, contributors to China’s government agenda are likely to reap more benefits than non-contributors.
China IT market is forecasted to grow at 12% per annum for the next 5 years

China IT spending vs. GDP is significantly lower than the developed countries

<table>
<thead>
<tr>
<th>Country</th>
<th>04 IT Spending (SB)</th>
<th>04 GDP (SB)</th>
<th>IT Spending / GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>25.8</td>
<td>452</td>
<td>5.7%</td>
</tr>
<tr>
<td>USA</td>
<td>591.8</td>
<td>11,668</td>
<td>5.1%</td>
</tr>
<tr>
<td>UK</td>
<td>89.5</td>
<td>2,141</td>
<td>4.2%</td>
</tr>
<tr>
<td>S. Korea</td>
<td>24.8</td>
<td>603</td>
<td>4.1%</td>
</tr>
<tr>
<td>Japan</td>
<td>180.0</td>
<td>4,623</td>
<td>3.9%</td>
</tr>
<tr>
<td>China</td>
<td>49.2</td>
<td>1,931</td>
<td>2.5%</td>
</tr>
<tr>
<td>India</td>
<td>11.1</td>
<td>692</td>
<td>1.6%</td>
</tr>
</tbody>
</table>


China IT Market Environment

- 7th largest **IT market** in 2009 (without PC’s)

- **Service** - Predominantly labor based, is fastest growing with many small local SI players. Foreign players compete fiercely on the high end with aggressive discounts and/or investments

- **Hardware** (without PC’s) - Represents 25% of the market.

- **Software** - High growth. Top 8 global software companies took 50.2% share in 2005. Domestic competitors are emerging.
China has one of the fastest growing retail markets in the world

China Retail Growth

- Chinese retail market has been growing at 15% annually (2006), exceeding GDP growth. It is estimated that the retail market will more than double by 2020.
- Franchised related retailers have grown from 22% of total sales in 1995 to 27.8% in 2006.
- By 2020, it is predicted that the top 30 retailers in China will comprise 7.1% of the market, contrasted with the top 6 retailers in USA comprising 18% of the market.
- As of today, foreign retailers have no limitation on capital investment, number of stores and no restrictions on where they can operate in China.
- Infusion of investment from foreign retailers brought intense competition in the retail market highlighted by retail structural changes with rapid expansion of both local and foreign retailers, dominantly in hypermarket and c-store players, into more cities with new channels in all segments.

Retail Challenge: Cash Dependence

Cash is used in 83 percent of all payment transactions in China, compared with just 21 percent in the United States.

China has approx. 550 POS terminals and ATMs per million people, far below the 10,000 per million found in the US.

With most of these terminals and ATMs in China’s cities, practically all rural transactions (where about 750m people live) are cash based.

China: 550 POS/ATMS per 1m people

US: 10,000 POS/ATMS per 1m people
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India Facts

✓ World’s largest democracy; a sound legal and judicial system.
✓ Second fastest growing economy
✓ Global talent base: 18 M potential employees will be available to the IT industry alone by 2008.
✓ Of the Fortune 500 companies, 220 outsource their software related work to India.
✓ Four out of 10 Silicon Valley startups are run by Indians. India has the second-largest pool of scientists and engineers in the world.
✓ 54% of the Indians are less than 25 years old, making India the youngest country in the world.
✓ India is moving towards becoming a booming buyer of automotives. Today, it is the biggest producer of two wheelers. Also, every automobile produced in the world has at least one component made in India.
✓ India, a hotbed of technological advances and home to one of the largest English-speaking, technically trained workforces in the world.
✓ Third largest English speaking country in the world
✓ The mobile phone subscriber base is around 91 million (end of 2006)
✓ India is among the top 5 producers in the world in food grains, fruits, poultry, vegetable and milk.
✓ India consumes a fifth of the world’s gold output.
✓ India has the third-largest army in the world, nearly 1.5 million strong.

_We owe a lot to the Indians, who taught us how to count, without which no worthwhile scientific discovery could have been made…_

--- Albert Einstein (1879-1955)
The India consumer shopping behavior does not align with the Western shopping experience

- Kishore Biyani, founder and CEO of Pantaloon (Big Bizarre and Food Bizarre), recognized that in India … Chaos Sells

- In contrast to the Americans and Europeans, who like to shop in vast, open, pristine, quiet stores, the Indian consumer prefers the noisy, messier, more cramped store experience.

- Pantaloon, originally designed in a Western store format, changed their store formats to tiny, cramped store spaces, with haggling customers, similar to the public market experiences.

Food Bazaar, Pantaloon’s supermarket chain, now has 89 outlets in the country. Big Bazaar, which sells household goods and clothes and frequently is housed under the same roof as Food Bazaar, has 65 outlets.

Pantaloon Retail (India), now India's largest retailer, expects sales of more than $875 million this year.
The Indian Consumer prefers the Public Market experience, so the organized retailer attempts to create an atmosphere which “feels like” this experience

For the average Indian, dusty and dirty means fresh from the farm. The Indian consumer likes to pick out the produce themselves and barter over the price.

Providing damaged fresh produce, as well as good-quality produce in the same box, gives shoppers a chance to choose and think they are getting a better deal.

Indian consumers aren't used to processed and packaged goods, so the stores sell wheat, rice, lentils and other products out of large buckets. Consumers like to touch and smell the grains.

Products are often displayed in large bins, rather than on shelves, because Indian consumers are accustomed to looking down as they shop.
Organized India Retail will continue to grow

- India’s retail sector is currently valued at $300B, with organized retail consisting of only 6% of that figure. While overall retail is expected to grow by 40% - 45% by 2010… Organized retail is expected to grow over 200%.

- The capacity will surge to support at least 10 top players with revenues in excess of $2B each by 2015.

- Analysts 2010 prediction:
  - 10,000 more organized modern stores
  - Number of malls will double from 300 in 2007 to 600 malls in 2010

- The key factors which will allow this growth are Market Liberalization (increase of FDI), reform of the country’s archaic zoning and building laws and emergence of a modern affluent customer.

- India to become the fifth largest consumer market in the world by 2025
- India to quadruple its consumption from 2005 to 2025
- 10% of people to control 48% of wealth in India by 2025
India Retail Growth Continues

- **Reliance Retail**: Investing $6.67 billion in setting up 1500 supermarkets and 1000 hypermarkets in phases with expected sales of $20 billion by 2009-10
- **Pantaloon Retail**: Will occupy 10 mn sq.ft retail space and achieve $2 bn sales by 2008. Will grow to 2700 stores by 2010
- **RPG**: Will have 450-plus Music World, 50-plus Spencer's Hyper covering 4 mn sq.ft by 2010
- **LIFESTYLE**: Investing $90 mn in next five years on Max Hypermarkets & value retail stores, home and lifestyle centres
- **Raheja’s**: Operates Shoppers' Stop, Crossword, Inorbit Mall, and Home Stop formats. Will operate 55 "Hypercity" hypermarkets across India by 2015
- **Piramyd Retail**: Aiming to occupy 1.75 million sq.ft retail space through 150 stores in next five years
- **TATA (Trent Ltd.)**: Trent to open 27 more stores across its retail formats adding 1 mn sq.ft of space. Titan industries to add 50-plus Titan and Tanishq stores in 2006 – 07
- **Aditya Birla Group**: Investing $3.35 billion in over 6000 stores in a combination of large and small stores, over three years
- **Bharti – Wal-Mart Partnership**: Will boost the number the stores further up
Analysis of estimated retail trade in Indian marketplace

### Retail market in India

<table>
<thead>
<tr>
<th>Population</th>
<th>Proportion of the total retail market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
</tr>
<tr>
<td>Metros and mini</td>
<td>8.7</td>
</tr>
<tr>
<td>metros, 8 cities</td>
<td></td>
</tr>
<tr>
<td>Top cities (pop&gt;1m),</td>
<td>5.7</td>
</tr>
<tr>
<td>27 cities</td>
<td></td>
</tr>
<tr>
<td>Large cities (pop 0.5 - 1m),</td>
<td>3.4</td>
</tr>
<tr>
<td>32 cities</td>
<td></td>
</tr>
<tr>
<td>Rest of India, 5500</td>
<td>92.4</td>
</tr>
<tr>
<td>towns+6 lac villages</td>
<td></td>
</tr>
</tbody>
</table>

Nearly 25% of total retail market in India to be concentrated in top 35 cities by 2010
An estimated 70-80% of retail trade in top 35 cities to be contributed by organized retail trade
The rural areas contribute nearly 55% of the total retail market where the % of organized trade is very low

Source: National Council for Applied Economic Research, Central Statistical Survey Organization,
Tier 1, 2 and 3 cities in India: attractive marketplaces for retailers

* Tier 1 city defined as registered population >5.1 m and GDP/capita >US$5,900, tier 2 city defined as either registered population >5.1 m or GDP/capita >US$5,900, tier 3 city defined as registered population 1.7-5.1 m and GDP/capita US$3,000-US$5,900 Source: WEFA-WMM

Tier 2 and Tier 3 cities to control 66% of middle class wealth by 2025, becoming attractive markets with substantial number of middle class consumers
Key Factors Driving Retail Growth and Demand

- **Rapid urbanization**: This implies availability of a larger number of products to bigger towns & cities.

- **Increased Spending Power**: Number of households above INR 90,000 ($2,000) per annum projected to grow to 48% of total by 2010 from 31% in 2002. (Consumer Spend CAGR of 11.5% over the last decade.)

- **Larger Working Population**: Working population (between 15-65 years) would continue to rise and reach a peak in 2020

- **Entry of New formats**: Easing of real-estate laws, encouraging large-scale building of malls and complexes and urban planning reform - has led to a more progressive attitude towards commercial activity and investment in developing malls more focused on organized retailing. In the near term different shopping formats would emerge such as:
  - **Shopping Malls**: These are becoming increasingly common in large cities and development plans. It is projected that at least 150 new shopping malls by 2008.
  - **Department store**: This segment is growing much faster than overall retail, the number of stores has been growing by an annual 24% and sales have grown at around 34% during 1999-2002
  - **Hypermarkets**: This segment been taking an increasing share of general food & grocery trade, as well as hard goods.

*Source: Economist Intelligence Unit: IBM Custom Research*
Indian marketplace holds significant challenges for the Retailer

Regulatory Pressures

<table>
<thead>
<tr>
<th>Policy</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI Policy</td>
<td>51% FDI allowed in single-brand retailing in 2006</td>
</tr>
<tr>
<td></td>
<td>Strong opposition by left wing communist leaders against entry of international big-box retailers in India</td>
</tr>
<tr>
<td>Local Opposition</td>
<td>Growing opposition against local large scale retailers e.g. Reliance</td>
</tr>
<tr>
<td></td>
<td>Opposition to big-box retailing in some states like U.P., West Bengal, Kerala, M.P. and Orissa</td>
</tr>
<tr>
<td>Shops &amp; Commercial</td>
<td>Changes from state to state. Prescribes working conditions, opening and closing hours, holidays, shift times for employees etc.</td>
</tr>
<tr>
<td>Establishments Act</td>
<td></td>
</tr>
<tr>
<td>Contract labor registration Act</td>
<td>Changes from state to state. Prescribes minimum wages (Minimum Wages Act 1948), working conditions, employee bonus and PF contributions for labor etc.</td>
</tr>
</tbody>
</table>

Growth and Expansion Challenges

Scramble to lock in quality real estate by retailers led by aggressive growth plans and rising real estate costs

- Stamp duty charges on transfer of property varies from state to state
- Conversion of agricultural land acquired into commercial land is a long drawn process
- Unavailability of good prime locations for retailers in metros and other cities due to fragmented land holdings

Poor Infrastructure Conditions

Inadequate infrastructure of logistics network and roads, ports and freight etc. creates significant supply chain issues resulting in out of stocks and inadequate fill ratios. Also an issue with consumer access to the stores.

Business Partners Collaboration Challenges

Higher levels of interdependence and collaboration are required to support growth. Deeper integration between partners and adoption of standards and enabling technologies in order to share data and work toward common goals are needed.
Merchandising and supply chain issues impact Indian Retailers’ operating performance and the customer experience

**Merchandising and Supply Chain Challenges**

<table>
<thead>
<tr>
<th>Out of Stock Conditions</th>
<th>Customer Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual and non-integrated demand planning, promotion management and replenishment</td>
<td>Out of stocks, empty shelves, inventory of unwanted items, store aisles haphazardly filled with goods … Resulting in inconsistent experiences</td>
</tr>
<tr>
<td>Inconsistent/ non-productive in-store replenishment procedures</td>
<td></td>
</tr>
<tr>
<td>Poor inventory data accuracy and visibility</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inefficient Merchandise Flow</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Suboptimal merchandise flows and logistics network</td>
<td>Disorganized shelves and displays from poor packaging, impacting product visibility</td>
</tr>
<tr>
<td>Ineffective routing and carrier management</td>
<td></td>
</tr>
<tr>
<td>Insufficient packaging and in-store logistics processes</td>
<td></td>
</tr>
<tr>
<td>Multiple, non integrated fulfillment operations</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ineffective Sourcing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing strategies not tailored to the demand</td>
<td>Items not on the shelf at the right time, at the right price or of the right quality</td>
</tr>
<tr>
<td>No supporting infrastructure and vendor management</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Poor Product Introduction Processes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Long product introduction lead times</td>
<td>Lack of newness, and fresh appeal</td>
</tr>
<tr>
<td>Inability to quickly respond to changes in demand</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Offerings not Aligned to the Demand</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor in-store merchandising and shopping experience</td>
<td>Non differentiated/relevant offerings; excessive racks of markdown merchandise</td>
</tr>
<tr>
<td>Lack of understanding of target customer needs and wants</td>
<td></td>
</tr>
<tr>
<td>No visibility to consumer and customer demand data</td>
<td></td>
</tr>
</tbody>
</table>
Retailing – Mature Markets

**What we take for Granted**
- Product Codes and packaging
- Supply Chain responsiveness and predictability
- Point of Sale systems
- Brand portfolio and customer segmentation
- Basket size and value

**What we find challenging**
- Social Retailing and relevance
- Consumer interaction points…Web, Store, Mobile phones
- Home Delivery
- Value-added services
- Higher cost employee pool / employee retention
- Single view of customer regardless of channel

Retailing – India Market

**What we take for Granted**
- Diversity of customers even in a single metro
- Growth in spending power of growing middle class
- Social retailing… Shopping as a social event
- Mobile phone as dominant interaction point
- Home Delivery and post sale services
- Low cost employee pool

**What we find challenging**
- Product Codes and packaging (MRP and Standards)
- Basket size and value
- Supply Chain responsiveness and predictability
- Point of Sale and store systems and processes
- Under-branded market
- Single view of the customer regardless of store format
With the massive growth in organized retail, India technology improvements are a top strategic priority.

- ERP is expected to be the largest IT solution for retail while Supply Chain Management and Inventory Management will be the top Strategic focus areas.
- Single view of the client with analytics to support personalization is proving to be an important strategic priority.
- Process integration, data integration and falling price of network communication capabilities, are driving supply chain optimization.
- There is a greater focus on Retail Industry standards to drive efficiencies.
- Employee productivity enhancements are required to drive revenue and profitability.
- A top strategic priority is around technology to enhance the customer experience throughout the shopping process and drive loyalty, for example … using the consumer-owned cell phone in the shopping experience:

- About 7-8 million handsets sold every month. Doubling every year for the past 2 – 3 years. More than 4 million of those are net-enabled.
- Number of users accessing web via mobile phones exceed 38 million.
- Decline in traditional internet connections (broadband, dial-up).
- Nokia considers India a Top 10 Smartphone market.
The India Retail market is the perfect storm to support massive retail growth. The India Retailer must focus on the several strategic imperatives to take advantage of the situation.

<table>
<thead>
<tr>
<th>Mega trends</th>
<th>Consequences</th>
<th>Strategic Imperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMERS</td>
<td>C) Emergence of the modern and affluent consumer</td>
<td>1) Craft an exceedingly focused and distinctive brand position</td>
</tr>
<tr>
<td>POLICY</td>
<td>D) Rising real GDP growth resulting in increasing purchasing power</td>
<td>2) Drive customer value innovation through deeper insight</td>
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<tr>
<td>MARKET</td>
<td>E) Suburbanisation, Contract farming and land use and planning reforms</td>
<td>3) Focus on core business model and leverage strategic partnerships</td>
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<tr>
<td>PEOPLE</td>
<td>F) Indian conglomerates targeting a pan India retail presence across multiple formats</td>
<td>4) Align Company’s strategy and values with employees and business partners</td>
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<tr>
<td>PEOPLE</td>
<td>G) Increasing difficulty and cost of obtaining and retaining the right talent</td>
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<td>Retailers must scale rapidly, establish market presence and grab wallet and mind share</td>
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<td>Retailers must satisfy customer demand &amp; harness new points of interaction to maintain growth in an ever increasing scale and complexity</td>
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<td>A favourable regulatory and infrastructure framework will result in increased competition, both, from local and global players. Most ventures are likely to be green field. Consolidation is expected to begin after 3-4 years.</td>
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<td>Increasing attrition levels may lead to a potential situation of decreasing efficiency and loss of competitive edge</td>
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</tbody>
</table>
AGENDA:

I. BRIC Countries
   • Similarities and Differences
   • Economic Growth

II. China
    • Market Opportunity
    • Economic Growth
    • Retail Growth

III. India
     • India Facts
     • India Consumer
     • Organized Retail vs. Unorganized Retail
     • Retail Growth Challenges

IV. Questions