



# RETAIL

## CLUB NEWSLETTER

VOL. 1 JULY 2011

We are starting off the year with our first edition of the ISB Retail Club Newsletter! The newsletter is just one of the ways the Club will try to keep all its members tuned in to what happening in retail whether it's inside ISB or in the outside world.

### RETAIL CLUB HIGHLIGHTS

On top of the Retail club's agenda is to understand what are the members' expectations regarding the club and their future in retail. To address the latter we are currently undertaking a survey. Please take part in this survey as the club will be using this information to coordinate with CASS. We need a critical mass of interest to bring the best companies in retail to campus for placements.

#### RETAIL TREK

Among the many exciting initiatives planned by the Retail club, the first event to be rolled out will be the retail trek. This is your chance to get behind the scenes of major retail outlets in Hyderabad such as **Harley Davidson**. Interact with the store teams and learn about the strategy and planning that goes behind running a store. Details will be sent out shortly; hurry up since there are limited seats available!

#### RETAIL LAB

The Retail Lab initiative has received the green light and we will soon be transforming the merchandise store into a live lab to study consumer behavior and test various retail formats. Do let us know if you would like to get involved in this. Details to follow soon.

#### FACEBOOK PAGE

Now you can connect with the Retail Club on Facebook (<http://www.facebook.com/groups/223482437687539?ap=1>) The Retail Club group is open to all retail club members and is a great way to connect with the core team as well as other members. We insist each one of you join the group; in the near future we will be inviting alumni to the group and this will be a great way for all the members to network.

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### INDUSTRY WATCH

The debate on the relaxation of FDI rules on multi-brand retailing was thrown open on July 2010 when the Department of Industrial Policy and Promotion (DIPP), circulated a discussion paper on allowing FDI in multi-brand retail.

The paper doesn't suggest any upper limit on FDI in multi-brand retail. If implemented, it would open the doors for global retail giants to enter and establish their footprints on the retail landscape of India.

Some latest news and background on FDI in Indian retail can be found below:

## **FASHION & APPAREL**

### **Relaxation of FDI rules on multi-brand retailing gains momentum**

A panel appointed by the Prime Minister and headed by the Chief Economic Advisor Kaushik Babu suggests opening FDI in retail albeit in a regulated manner. For the complete story go to: <http://retail-guru.com/fdi-to-open-for-multi-brand-retail/>

### **Bata to focus on tier II-III cities rural markets**

Bata India, the leading manufacturers of footwear in India, will focus on tier II, tier III cities and rural markets for its future growth with shoes designed particularly for the rural areas. For complete story go to:

[http://articles.economictimes.indiatimes.com/2011-06-28/news/29712703\\_1\\_rural-markets-rural-areas-bata-india](http://articles.economictimes.indiatimes.com/2011-06-28/news/29712703_1_rural-markets-rural-areas-bata-india)

### **Apparel sales slump after mandatory 10% excise duty imposition**

Apparel sales in the country have slumped about 20% since March, forcing many brands to start end-of-season discount sales two weeks earlier than usual. Companies blamed the mandatory 10% excise duty on branded garments introduced in the Union budget and soaring cotton prices-for the fall in demand. For complete story go to:

<http://retail-guru.com/apparel-sales-slump-20-after-imposition-of-mandatory-10-excise-duty-on-branded-garments/>

### **LVMH's Sephora in talks with Mukesh Ambani's Reliance Brands**

Reliance Brands has been in talks to launch Louis Vuitton Moet Hennessy (LVMH) owned beauty retailer Sephora, and a high-end women's clothing brand BCBG. For complete story go to:

<http://economictimes.indiatimes.com/news/news-by-industry/cons-products/fashion/-/cosmetics/-/jewellery/lvmh-co-sephora-in-jv-talks-with-mukesh-ambanis-company-reliance-brands/articleshow/8947229.cms>

### **Beauty business set to boom**

With rising affluence, has followed a rise in beauty consciousness. The proliferation of branded chains like Lakme is expected to usher in a new era of trained salon personnel, offering services based on global insights. For complete story go to:

<http://economictimes.indiatimes.com/news/news-by-industry/cons-products/fashion/-/cosmetics/-/jewellery/beauty-business-set-to-boom/articleshow/8921457.cms>

## **CONSUMER DURABLES**

### **Demand for cars and white goods subdued after interest hikes**

Ripples of a slowdown are being felt on the ground as dealers of durables and cars, two crucial consumer segments, report fall in enquiries and sales with rising interest rates and other negatives retarding demand. For complete story go to:

<http://economictimes.indiatimes.com/news/news-by-industry/cons-products/durables/white-goods-car-cos-feel-heat-as-emis-go-up/articleshow/8884239.cms>

### **India second largest market for Whirlpool**

Global large home appliances maker Whirlpool Corporation said India is one of its top two fastest growing markets. India and Brazil rank ahead of China. For complete story go to: <http://economictimes.indiatimes.com/news/news-by-industry/cons-products/durables/india-is-the-second-fastest-growing-market-for-us-whirlpool/articleshow/8970114.cms>