

## Retail – the next big thing happening in India!

We have covered retail in a massive way in our previous issues and have mapped the growth story that retail has witnessed in the country. The retail segment is growing for certain and would mature soon. More and more IT and telecom vendors are seen entering the retail space, not solely for the huge opportunities that it is offering but more so because of the evolution of the Indian consumers across different socio-economic classes. As the fifth-largest retail hub in the world, the Indian retail segment is seen gaining a new momentum and Indian consumers could be cited as the reason for fuelling this growth. This retail journey which started some years back is culminating in a success story by wooing major players to follow in its footprints.

The retail segment vis-à-vis the international retail segment is little different in terms of consumer experience and buying behaviour. But with the ever-increasing exposure to international markets by the Indian people, the scenario surely is changing very fast and emerging as one of the fastest



**Anil Gupta**  
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segments. In fact, it is the largest among all the industries in India.

Intex is looking at a massive retail expansion and has major plans up its sleeves to expand its retail network across the country. It plans to invest around Rs.100 crore for expansion and has already launched its larger retail presence in states like Punjab, Haryana, UP and Uttarakhand. After having positioned the brand at more than 130 hypermarkets and speciality stores across the country, through the shop-in-shop concept for about three years, Intex has made its first presence in the Small Format

store concept, known as Intex Squares. We started with this concept mainly because we get to directly meet our end-customers and in this way we keep a track of their needs and desires and also their valued feedback," explains Nidhi Markanday, Deputy General Manager – Retail, Intex Technologies.

Almost all product categories ranging from mobile phones, IT accessories, personal computers, TFT monitors, multimedia speakers, DVD players, home theatre systems, UPS to peripherals like web cameras, keyboards, mouse, headphones and pen drives are

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Retail segment, by launching its exclusive retail chain – Intex Square – and ever since then is rolling out such stores very aggressively. The first store came up in Meerut in September 2009.

"We started with retail three years back and last year, i.e. September 2009, we had ventured into our exclusive

displayed in these squares and customers get a touch-and-feel experience of these products. Though their major focus is on mobile phones, Intex is also placing their other products on that platform too. "We are not pitching in products like cabinets, micro SD cards because they are not of much importance or interest to our

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end-consumers. But except some of these products, you will find our entire range there," says Nidhi. Besides, Intex is also planning to pitch in its soon-to-be-launched LCD TVs through these stores, as Nidhi feels that these would serve as a good platform to position these new products that Intex is coming out with. Intex will be launching its first LCD TV by September end.

Today, Intex has around 34 INTEX SQUARES and all these have been set up with the joint efforts of the company and its committed channel partners. While one of these stores runs on the COCO model (company-owned and company-operated), the rest all are franchisee owned. The thirty-fourth store has been opened in Ludhiana. The company is targeting to open around 100 Intex Squares this year, concentrating mainly on Punjab, Haryana, Eastern UP and Rajasthan and then take this number to 500 next year.

Transcend has been operating in the Indian market for 17 years now. For the past 15 years, the company's focussed channel business and strategies have shaped its operation model in the country and it still continues to do its major portion of its business through it. With major distributors like Beetel (previously Bharti), Supertron, and Luminous and a host of other regional distributors and resellers, Transcend has managed to set up an organized distribution network all across the country.

Also, Intex has already made its presence felt in the LFR space and it has been almost three and a half years now. Walmart, Metro Cash n Carry, Croma, Staples and Jumbo are some of the major ones that Intex has partnered with. Intex has also pitched in with Home Shop 18 to promote its products.

Talking about eScan, their association with the retail space is not less than a year. It has made its first retail presence through Reliance Digital Stores all across India and still continues to share this association with the LFRs. "However, as our major thrust area was to consolidate our

channel and to penetrate into the B&C class cities, the retail strategy was slow. This year, we are looking at reaching to all the retail segments for electronic and digital products," says Anil Gupta, Head - National Sales (India), eScan.

eScan does not have exclusive counters as such, but it is looking forward to have the same this year. Besides, it is exploring some other options as well. "The retail presence, in fact, has given a great visibility and confidence to the eScan brand among consumers. As we had mentioned earlier, we had only started to focus on the Indian market for the last 2.5 years. It has been a good experience and we see retail as one of the fastest-growing segments for our SOHO range of products," explains Anil.

Apart from its retail presence, eScan has been a pro-channel organization right from the beginning and it believes that the channel is their primary strength for the growth of eScan brand in India in a short span of time. "We are, in fact, expanding our presence and support to the channel continuously for mutual growth across India, as much as we are doing to the retail segment," sums up Anil.

However, like many other IT players and after the boom that happened in the retail sector, Transcend chose to foray into this space, vying for bigger presence and visibility. "We decided to venture into this segment because it creates and re-creates the brand image in the minds of the customers and we get a good platform to showcase our new and existing products," explains Gordon Wu, Sales Manager, Transcend. "We are also present through those resellers who have ventured into modern retailing and started giving their customers the retail ambience that was hitherto missing," he adds.

Transcend has signed up with major LFRs of the country like Croma, Staples, eZone and the latest with Walmart through a joint venture with Beetel. It has put up its entire product range of pen drives, memory cards (both PC and mobile phones), portable Hard Drives,



Gordon Wu  
Sales Manager, Transcend

photo frames, MP3 players and external DVD writers on display in these LFRs and they are said to be doing a really good business. Apart from that, Transcend also has the facility of an online store and it serves to be a suitable option for the Indian customers. In a country where traffic congestion appears to be a dreadful problem, these online stores facilitate a customer to do his shopping online while sitting at home, without the need to go outside.

Transcend has a concept of Transcend Stores, an exclusive company-owned outlet, in countries like China, Hong Kong and Taiwan, but it has not yet started in the country. When asked as to when these stores would come to India, Gordon Wu said that their entry into the Indian market might happen anytime in the next financial year and the store would first start its operations from Delhi or Mumbai. This would mean more brand visibility and also more business for Transcend.

Gordon is also quick to point out the fact that though a company-owned outlet creates that brand image and awareness,

it is not much of a help when it comes to increasing sales. As it is found that customers do not buy from these outlets much, but go to a reseller or a retailer for doing any buying. "Sales do happen in these outlets, but they are created more with the purpose of creating a brand image for the company and enhancing its visibility before its customers. Customers would come and see the products on display and then they would have a clear knowledge about what kind of products we are dealing in. Exclusive stores offer these kinds of benefits to us," explains Gordon.

#### Finally...

Both company-owned and franchisee-owned stores can work wonders in the Indian market setting. In the latter model, what matters is how the franchisee promotes the products or how well he manages them. If it has not been well managed, vendors would not have gone for a franchisee model. In a country where retail is fast picking up pace, there are a lot more opportunities in the offering for retailers and this is here to stay. ■

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