

# RETAIL



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# RETAIL



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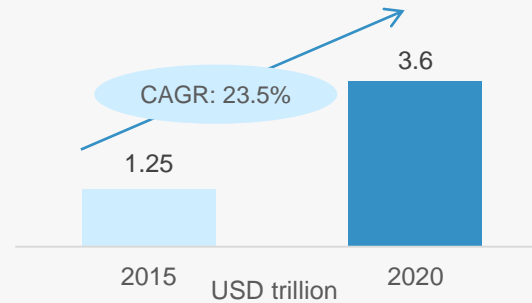


## EXECUTIVE SUMMARY ... (1/2)

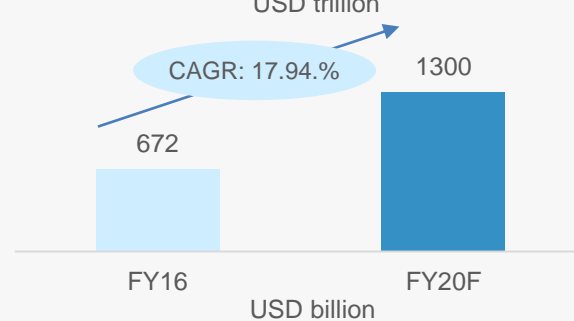
Rising income and demand for quality products to boost consumer expenditure

Indian retail one of the fastest growing markets in the world due to economic growth

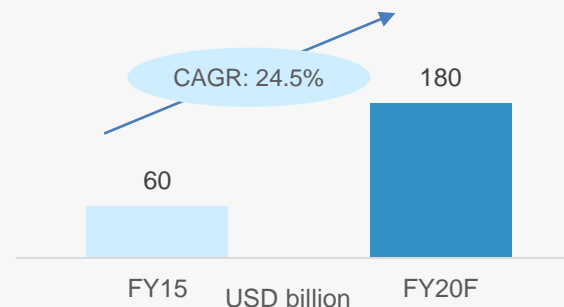
India's modern retail to be three times in next 5 years



Consumer expenditure estimated to be USD3.6 trillion by 2020 vis-à-vis USD1.25 trillion in 2015



By 2020, retail market in India is projected to reach USD1.3 trillion from USD672 billion in 2016

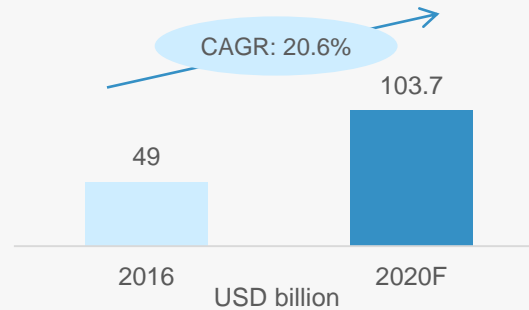


The modern retail market is expected to grow from USD60 billion to USD180 billion during FY15-FY20

Source: Ernst & Young, Price Waterhouse Cooper, Economic Times, TechSci Research  
Notes: CAGR - Compound Annual Growth Rate, F- Forecast

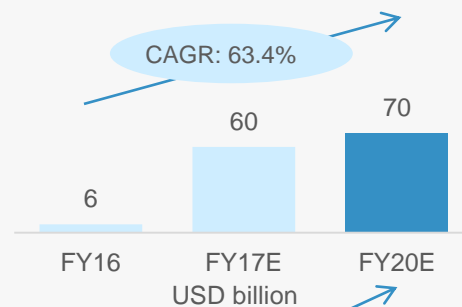
## EXECUTIVE SUMMARY ... (2/2)

Robust consumption, rural markets to augment FMCG market



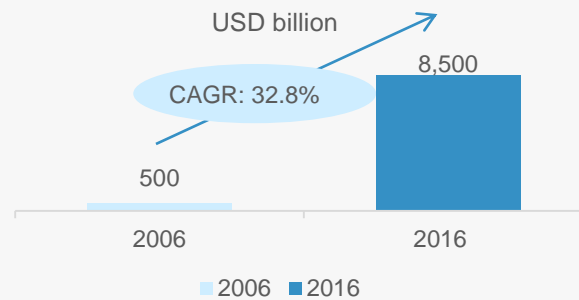
FMCG market expected to increase to USD103.7 billion by 2020 from USD 49 billion in 2016

Increasing participation from foreign and private players to boost retail infrastructure



Revenue generated from online retail is projected to grow to USD60 billion by 2017 and USD70 billion by 2020 from USD6 billion in 2015

Rising number of tier-2 and tier-3 cities to enhance supermarket space in the country



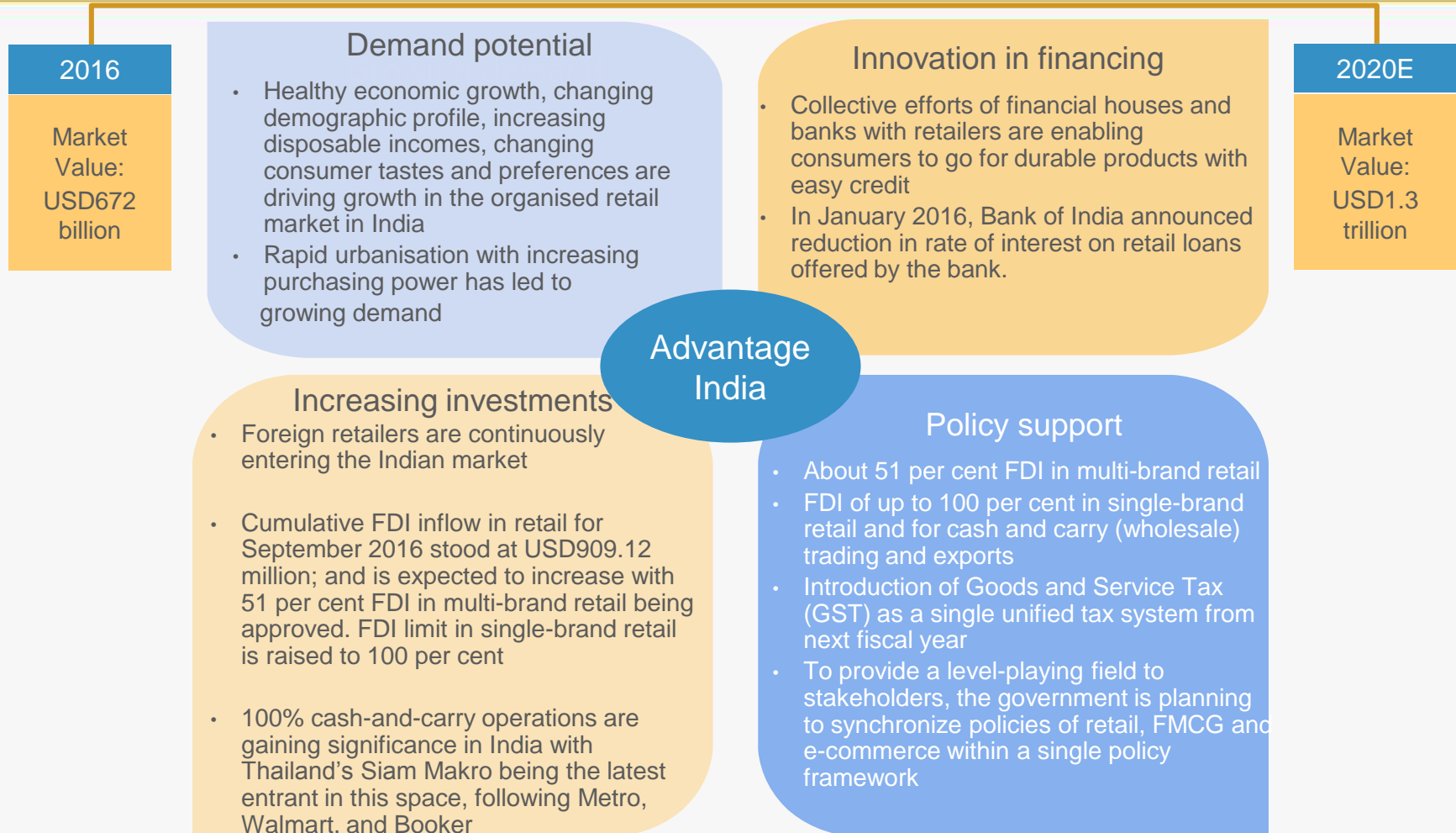
Supermarkets to total 8,500 by 2016 from 500 in 2006

Source: indiaretailing.com, TechSci Research  
Notes: CAGR - Compound Annual Growth Rate, E - Estimate

# RETAIL



# ADVANTAGE INDIA

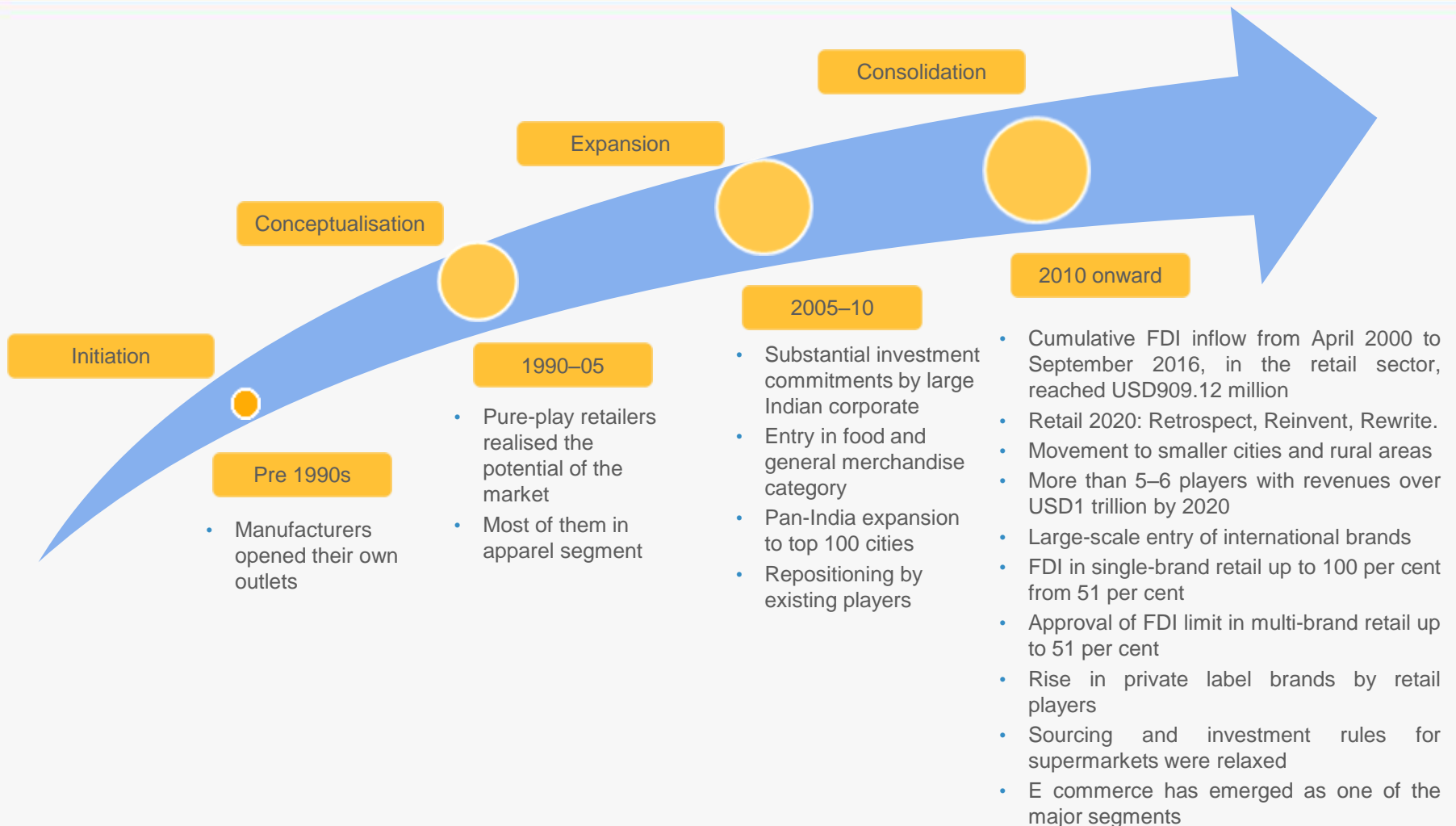


# RETAIL



# MARKET OVERVIEW AND TRENDS

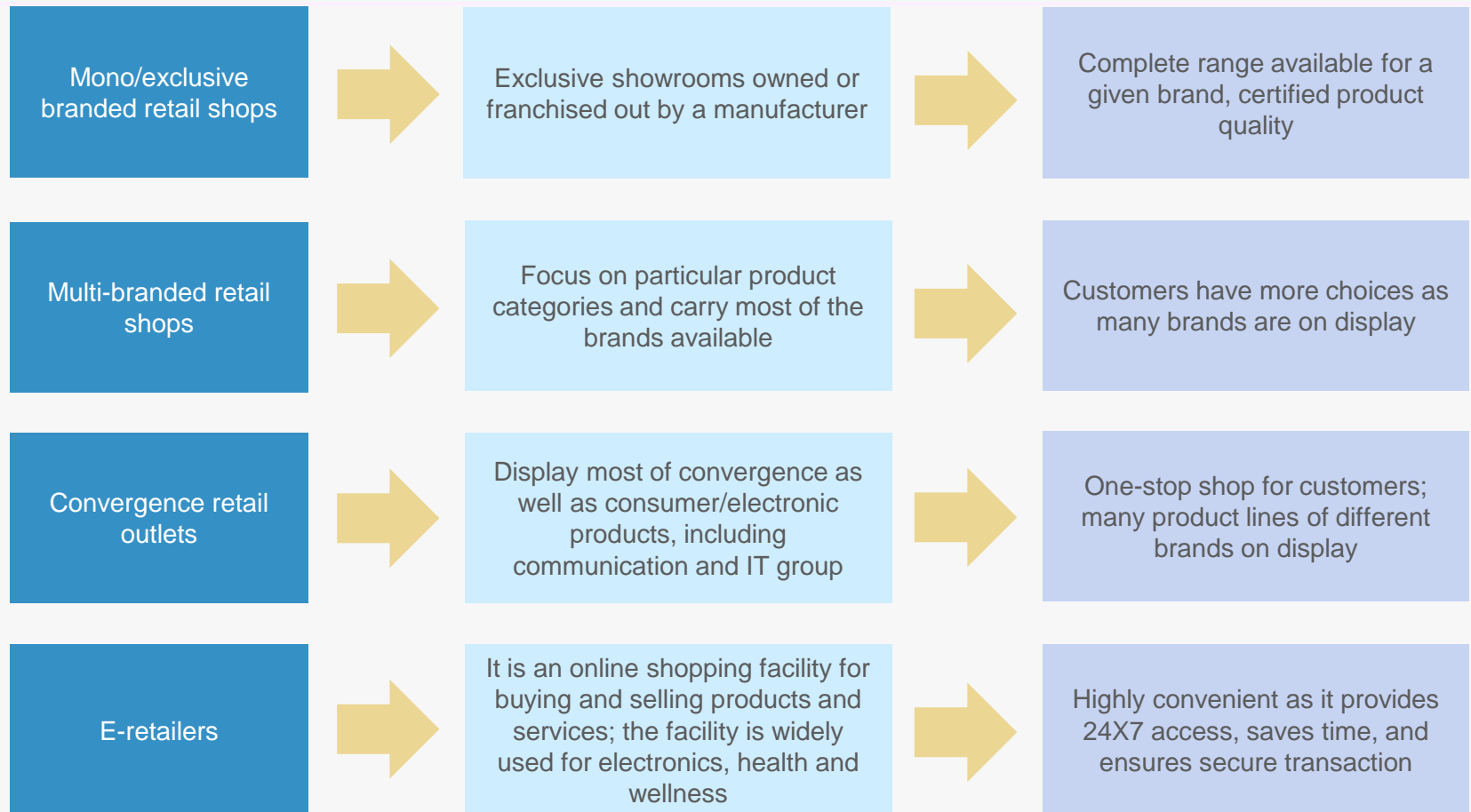
## EVOLUTION OF RETAIL IN INDIA



Source: Technopak Advisors Pvt Ltd, BCG, TechSci Research



## RETAIL FORMATS IN INDIA



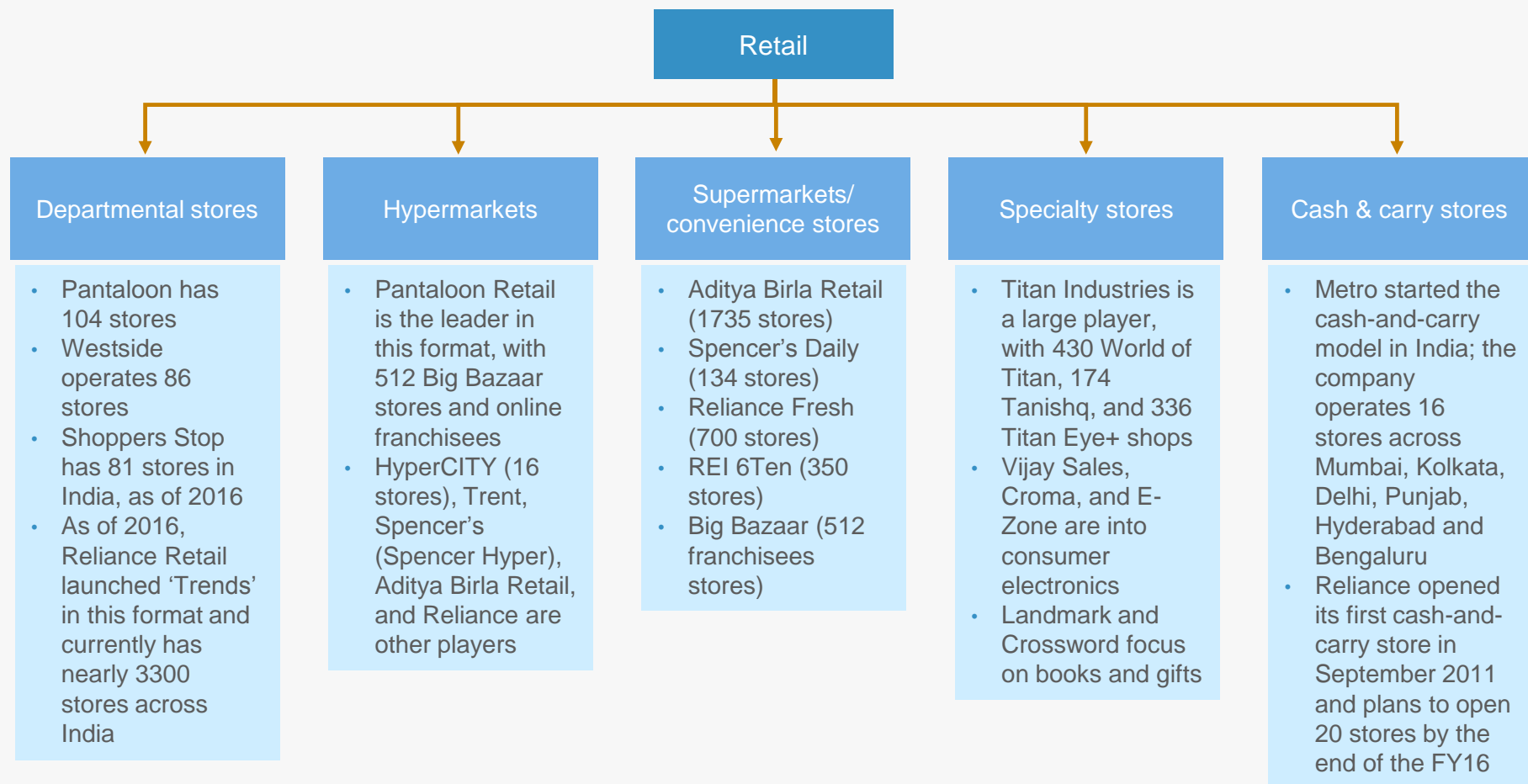
Source: TechSci Research  
Note: IT - Information Technology

## KEY PLAYERS IN INDIAN RETAIL INDUSTRY



Source: TechSci Research

## COMPETITIVE LANDSCAPE IN INDIAN RETAIL SECTOR



Source: Company websites, Press Release, TechSci Research

## KEY STRATEGIES OF INDIAN RETAILERS

Multiple franchisee model



Rural retailing



Collaboration for back-end resource sharing



Collaborative model for international products



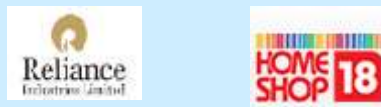
Vertical integration



Increasing market reach



Innovation in new retail formats



Direct sourcing arrangements



Focus on private labels



Source: KPMG International 2011, TechSci Research

## STRATEGIES ADOPTED BY INDIAN RETAILERS FOR SALES MAXIMISATION

### Offering discounts

- Most retailers have advanced off-season sales from 15 days to a month with discounts of 20-70 per cent on certain products
- Higher discounts and other value-added services for members

### Lowering prices

- Certain retailers adopt 'first price right' approach. Retailers do not offer discounts under this strategy: they directly compete on the selling price by offering a best price without any markdowns

### Offering value-added services

- Companies offer innovative value-added services, such as customer loyalty programmes and happy hours on shopping deals
- Offers for senior citizens, contests for students, and lottery gains are now very common

### Leveraging partnerships

- To keep customers on shop floors for a longer time and increase conversions, retailers are now pitching to partner with manufacturers, service providers, financial companies, etc. to create a buzz around certain product categories

### Strong supply chain

- Critical components of supply chain planning applications help retailers to maintain profit margins
- Retailers develop innovative solutions for managing the supply chain problems
- Innovative solutions like performance management, frequent sales operation management, demand planning, inventory planning, production planning and lean systems can help retailers to get advantage over competitors

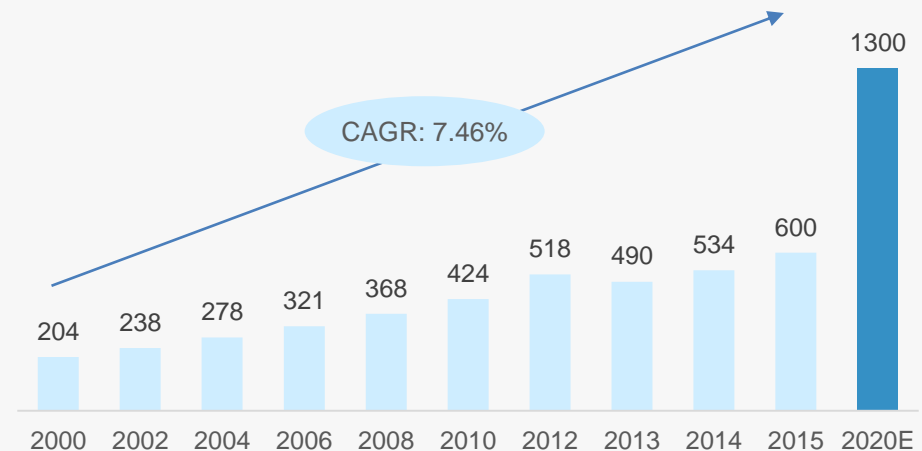
### Joint Ventures

- To diversify the product offerings and tap the growing luxury retail segment, retailers are forming joint ventures with foreign luxury brands. Reliance Brands Ltd. formed a joint venture with Bally, a Swiss luxury brand, to exclusively market its products in India

## STRONG GROWTH IN THE INDIAN RETAIL INDUSTRY

- \* The retail sector in India is emerging as one of the largest sectors in the economy
- \* The total market size was estimated to be around USD600 billion in 2015, thereby registering a CAGR of 7.45 per cent since 2000.
- \* Retail industry is expected to grow to USD1.3 trillion by 2020, registering growth at a CAGR of 7.46 per cent between 2000-2015

Market size over the past few years (USD billion)

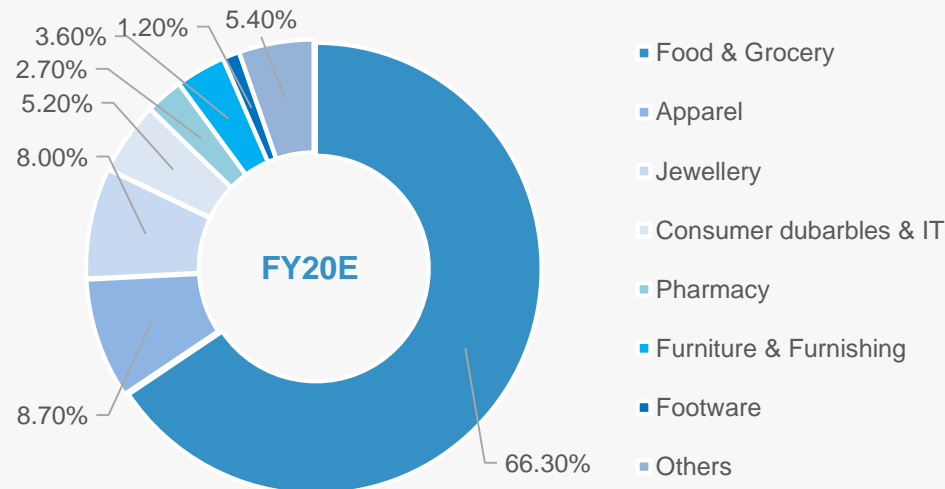


Source: BCG Retail 2020, Ernst & Young, Deloitte, indiaretailing.com, Economist Intelligence Unit, Euro monitor, TechSci Research

Notes: CAGR - Compound Annual Growth Rate, E - Estimated

## FOOD & GROCERY ACCOUNT FOR LARGEST SHARE IN REVENUES IN INDIA

- \* By 2020, food & grocery segment is expected to account for 66 per cent of the total revenues in the retail sector, followed by apparel segment
- \* Demand for Western outfits and readymade garments has been growing at 40–45 per cent annually; apparel penetration is expected to increase to 30-35 per cent by 2015

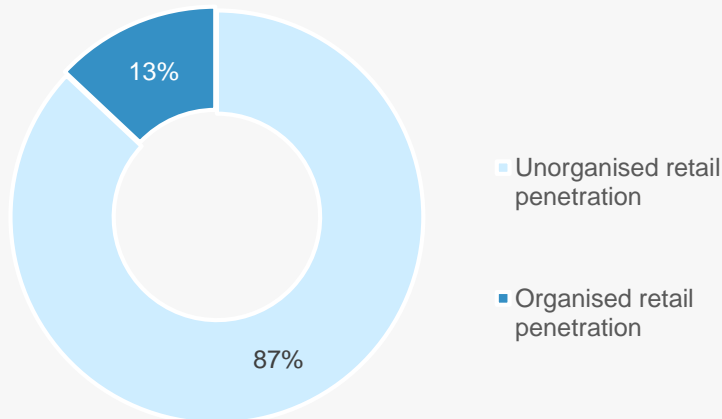


Source: Technopak, Indian Retail Market January 2013, Deloitte, A Report on 'Changing trends: gems & jewellery industry' by Onicra, TechSci Research  
Notes: E- Estimated

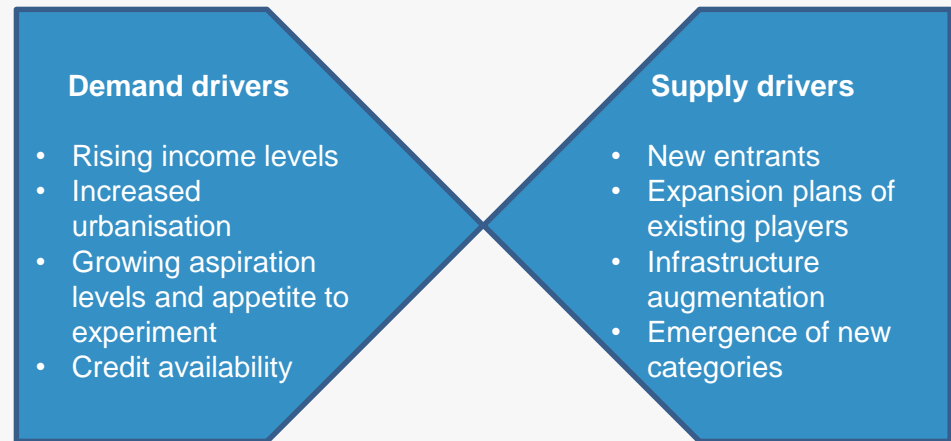
## ORGANISED RETAIL IN NASCENT STAGE ... (1/2)

- \* Organised Retail Penetration (ORP) in India is low (8 per cent) in 2015 compared with that in other countries, such as the US (85 per cent). This indicates strong growth potential for organised retail in India
- \* In 2019, it is estimated that organised retail penetration share would reach 13 percent and unorganised retail penetration would hold a major share of 87 percent.

Organised retail penetration (2019)



Drivers of organised retail



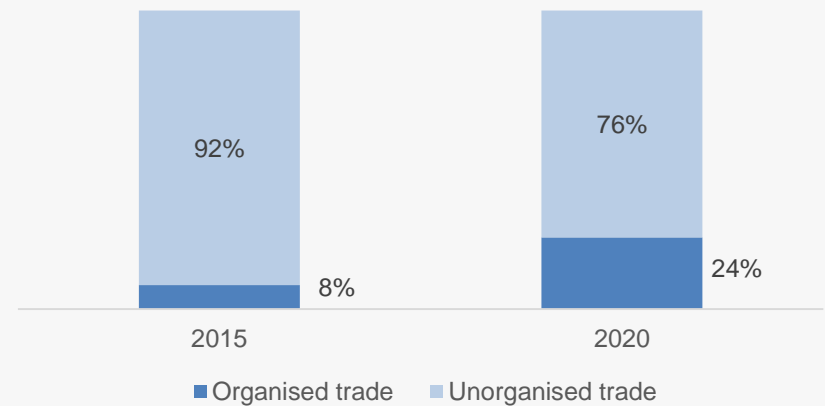
Source: KPMG,  
Indian Retail Next growth Story 2014, TechSci Research



## ORGANISED RETAIL IN NASCENT STAGE ... (2/2)

- \* The Indian retail market is in its nascent stage; unorganised players accounted for 92 per cent of the market during 2015
- \* There are over 15 million mom-and-pop stores
- \* Between FY15-20, organised retail in India is expected to witness a CAGR of 24.57 per cent
- \* Organised retail is expected to account for 24 per cent of the overall retail market by 2020

### Significant scope for expansion in organised retail



Source: BCG ,  
KPMG- indiaretailing.com, Deloitte Report,  
Winning in India's Retail Sector, TechSci Research  
Notes: 'Mom-and-pop' stores are small stores that are typically owned  
and run by members of a family

## ORGANISED RETAIL (GROWTH ACROSS CATEGORIES)

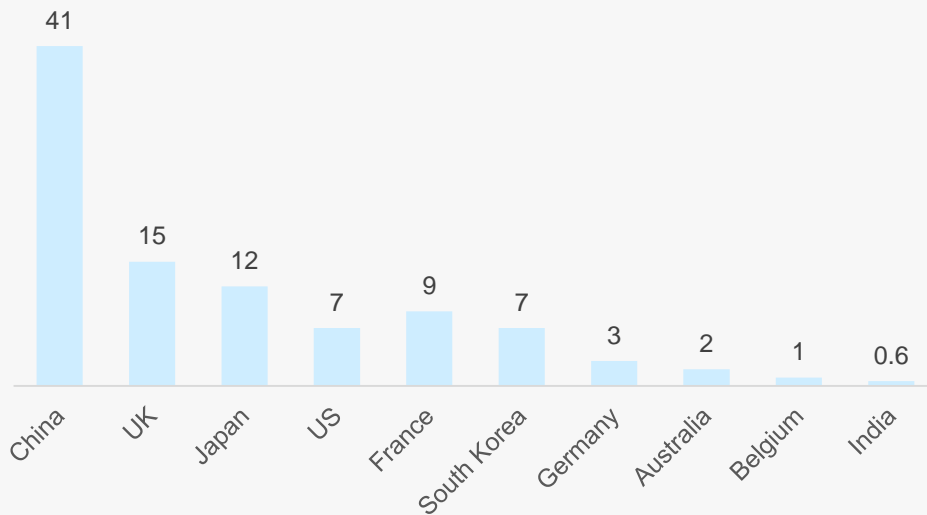
Organised retail penetration and key trends across categories

Retail category	Category share as a % of total market 2014-15	ORP (%)	Approx. gross margin (%)	Key trends
Food & beverage	69-70	2-3	3-14	Large market and low ORP presents robust opportunities
Clothing & textile	11-13	17-20	35-50	High margins, increased preference for branded apparel
Consumer durables	4-5	15-20	10-20	Wide range of price points and good-after sales service are key differentiators
Home décor & furnishing	3	5-6	40-50	Housing boom and increasing aspiration levels are driving demand
Beauty, personal care	8-11	6-10	20-40	Growth driven by new product launches, consumers' aspirations and expansion plans of organised players
Footwear	2	16-17	25-35	Lifestyle brands are increasing their product offerings and formats
Others	3-4	9-30	10-15	Pharmacy retail, stationery retailers, etc

Source: Ministry of Statistics and Programme Implementation, A Report on 'Retail reforms in India' by PwC, TechSci Research  
Note: ORP - Organised Retail Penetration

## GROWTH EXPECTED ACROSS PRODUCT CATEGORIES AND FORMATS ... (1/2)

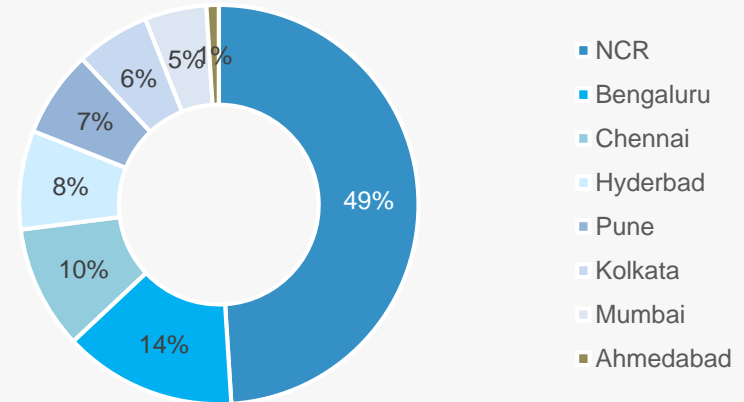
Online Grocery Market Size Across Countries  
2015  
(USD Billion)



\* Online grocery market is in its nascent stage and in 2015, the online grocery market stood at USD0.6 billion which shows that there is a lot of scope for improvement in the coming years for the online grocery market to grow.

\* Growing e-commerce sector is augmenting the growth of online grocery market

City- Wise Share in Upcoming Mall Supply: 2015-2018

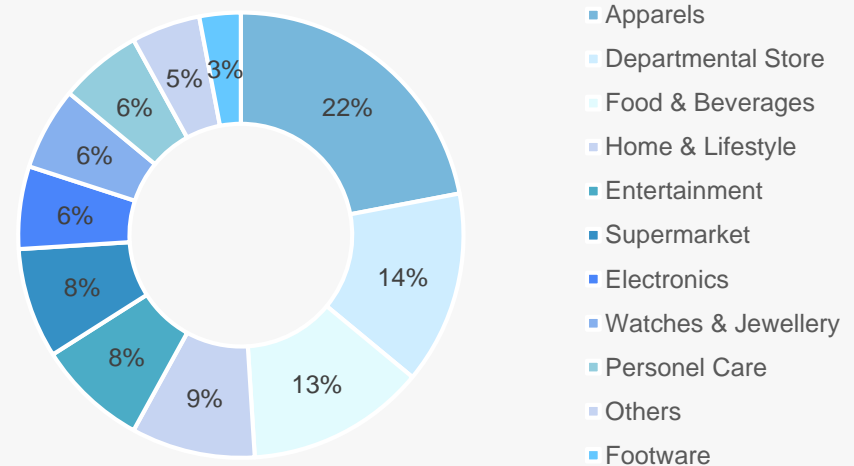


Source: Technopak Advisors Pvt Ltd, Knightfrank, Cushman & Wakefield Research  
Notes: - NCR, Mumbai, Kolkata and Chennai, Bangalore, Pune and Hyderabad

## GROWTH EXPECTED ACROSS PRODUCT CATEGORIES AND FORMATS ... (2/2)

- \* India's 'grocery' retail segment is the world's most attractive
- \* Apparels is the largest retail segment, accounting for 22 per cent in 2014–15
- \* Indian grocery market is expected to be world's third largest by 2016, with an estimated revenue of USD 566 billion.

Break-up of all mall space by format (FY15)



Source: Knightfrank, Technopak Advisors Pvt Ltd, Cushman & Wakefield Research, Euromonitor International

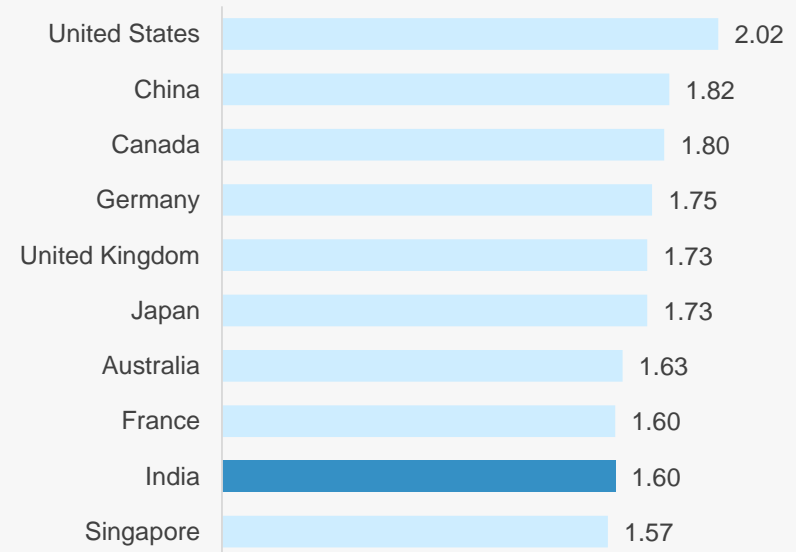
## SIGNIFICANT GLOBAL POSITIONING OF INDIAN RETAIL SECTOR

- \* India is among the highest in the world in terms of per capita retail store availability. India's strong growth fundamentals, along with increased urbanisation and consumerism, offer immense scope for retail expansion for foreign players
- \* With the allowance of 100 per cent FDI in single brand retail investor sentiment will get further push
- \* Rapid emergence of organised retail outlets, such as mega malls and hypermarkets, are augmenting the growth of organised retail in the country. Retailers have made dynamic changes in supply chain and logistics for competitive advantage and meeting consumer demands
- \* In June 2016, Amazon Inc. has announced to invest an additional USD3 billion in India operations, thereby reaching investment to over US\$ 5 billion
- \* In 2016, Amazon witnessed growth of 160 per cent in the seller base, over 2015, and attracted 1,40,000 sellers in India
- \* In May 2016, Aditya Birla Fashion and Retail Limited (ABFRL) announced to acquire exclusive online and offline rights of Forever 21, an American fast fashion brand, in the Indian market.
- \* In October 2016, CapitaLand, a listed company in Singapore, announced plans to open two more malls in India by the end of 2019.
- \* World's largest private equity manager, Blackstone Group, entered India's retailing sector by setting up a fully owned subsidiary, Nexus Malls. The new entity will own and manage shopping centres in the country.
- \* Diageo, world's largest spirits maker plans to open a new business services centre in Bengaluru and give employment to 1,000 people, by end of 2017
- \* British brand 'Marks & Spencer' (M&S) plans to open 10 new stores annually, under its joint venture business with Reliance Retail in India.

## SECTOR'S HIGH GROWTH POTENTIAL IS ATTRACTING INVESTORS

- \* India has occupied a remarkable position in global retail rankings; the country has high market potential, low economic risk, and moderate political risk
- \* In FDI Confidence Index, India ranks ninth (after United States, China, Canada, Germany, UK, Japan, Australia and France)
- \* India's net retail sales are quite significant among emerging and developed nations; the country is ranked third (after China and Brazil)
- \* Overall, given its high growth potential, India compares favourably with global peers among foreign investors
- \* With investment of around USD511.76 billion, the first half of 2016 witnessed the highest annual private equity (PE) in the retail sector, since 2008.

FDI Confidence Index 2016

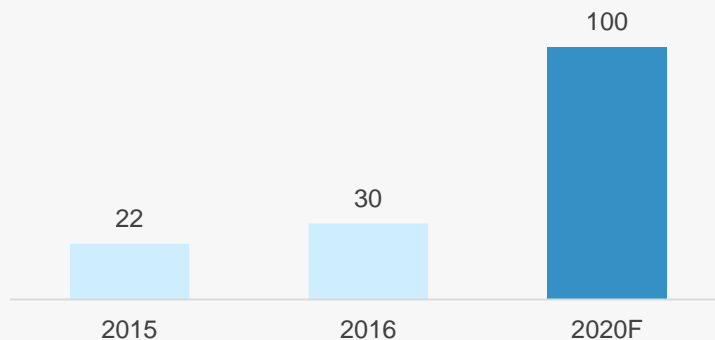


Source: AT Kearney 2015 FDI Confidence Index, AT Kearney 2016, TechSci Analysis  
Notes: FDI - Foreign Direct Investment

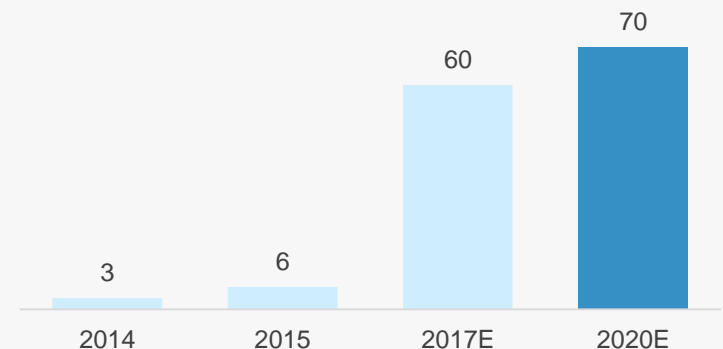
## RISING PROMINENCE OF ONLINE RETAIL ... (1/2)

- \* Online retail business is the next generation format which has high potential for growth in the near future. After conquering physical stores, retailers are now foraying into the domain of e-retailing
- \* E-commerce is expected to be the next major area supporting retail growth in India. The industry is projected to touch USD100 billion by 2020 growing from USD30 billion in 2016
- \* With growth in the e-commerce industry, online retail is estimated to reach USD70 billion by 2020 from USD 3 billion in 2014
- \* The government plans to allow 100 per cent FDI in e-commerce, under the arrangement that the products sold must be manufactured in India to gain from the liberalised regime
- \* According to ASSOCHAM, the value of online retail purchases made by consumers in India is projected to cross USD100 million by 2017.
- \* In FY 2016, India's largest online grocery store, BigBasket, grew by three times, and registered sales of over USD76.38 million

E-commerce industry in India (USD billion)



Online retail in India (USD billion)



Source: MasterCard Worldwide Insights 4Q 2010, PWC e commerce in India report, ASSOCHAM, TechSci Research

Notes: APMEA - Asia/ Pacific, Middle East and Africa, E- Estimated, F- Forecast

## RISING PROMINENCE OF ONLINE RETAIL ... (2/2)

- \* The key drivers of online retail are a young population aided by easier access to credit and payment options, increasing internet penetration and speed, 24-hour accessibility, and convenient and secured transactions
- \* Online retailers continue promotional prices in the market, offering a significant boost to e-retailing in consumer durable sector
- \* Options like cash-on-delivery and manufacturers' warranty add fuel to this rage. Cash-on-delivery is the most preferred payment option with over 30 per cent of buyers opting for it in India
- \* The computer peripherals, cameras and mobiles, and lifestyle segments account for a majority of total purchases
- \* E-commerce companies such as Flipkart Internet Pvt. Ltd. and Amazon India are leading the race of scouting commercial real estate space for warehousing

Source: UN Report 'The power of 1.8 billion'



# RETAIL



# PORTERS FIVE FORCES ANALYSIS

## PORTER'S FIVE FORCES ANALYSIS

### Competitive Rivalry

- Entry of foreign players in the market and e-retailers have intensified competition
- Customers' low switching cost increases competition
- The Indian retail sector is highly fragmented, which increases competition

### Threat of New Entrants

- Entry as a retailer is quite simple. However, players need to establish strong distribution channels and achieve economies of scale to compete

### Substitute Products

- Threat of substitute products is low. However, customers may purchase products from a local store instead of purchasing from a retailer

### Bargaining Power of Suppliers

- Retailers have low switching costs, which make the supplier power low. Larger retailers can easily switch to different suppliers.

### Bargaining Power of Customers

- The consumers are price sensitive, and have information about the product and its price
- Low switching cost gives customers high bargaining power



Source: TechSci Research

# RETAIL



# STRATEGIES ADOPTED

## STRATEGIES ADOPTED

### Strong distribution and logistic network

- It is imperative for a retailer to have a strong distribution and logistic network to succeed in this sector. Players follow a distribution network that suits them the best. For example, Shoppers Stop follows a “hub-and-spoke” model for its distribution network to increase efficiency and productivity

### Marketing innovation

- Companies are now adopting innovative marketing strategies for their business. For example, Shoppers Stop is the first Indian large-format retailer to have created an AUGMENTED REALITY (AR) set-up

### Focus

- Certain players in this sector are focused on a particular segment. For example, Future Retail (FRL) exclusively operates hypermarkets and home retailing businesses. FRL focuses on maintaining its competitive advantage and gaining benefits of scale through focusing on efficiency and productivity

### Omni-channel retailing

- Retailers are opting for many channel to maximise sales, provide convenience and for enhanced productivity. Omni-channel retailing is being adopted by many retailers in India. For example, Shoppers Stop is making efforts to be an omni-channel retailer. Ezone has launched an online platform, which has led to increase in sales

### Changing the perception

- Retailers benefit if consumers perceive their store brands to have consistent and comparable quality and availability in relation to branded products. For this, retailers are providing more assortments for private level brands to compete with supplier's brand. New product development, aggressive retail mix and everyday low pricing strategy help to get edge over supplier's brand

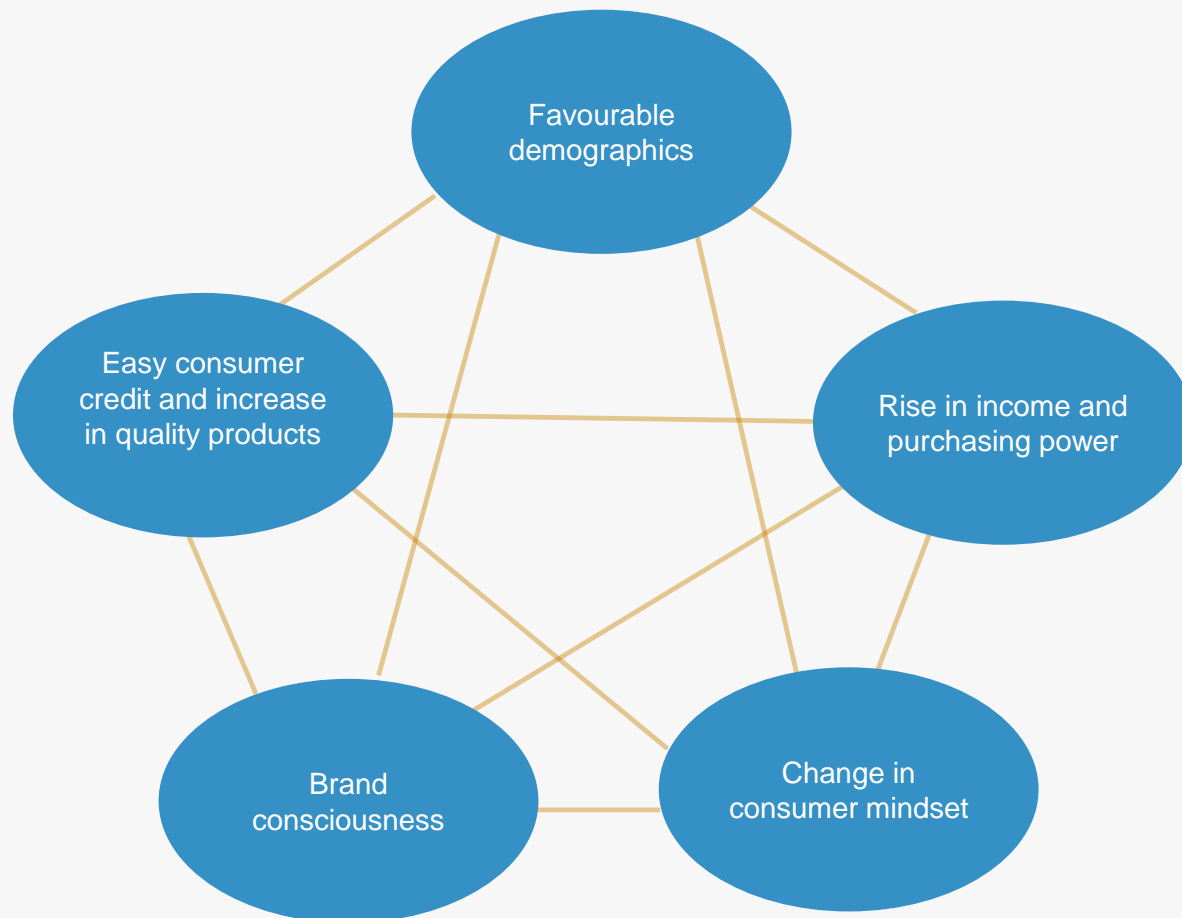
Source: Company websites, TechSci Research  
Notes: R&D – Research and Development

# RETAIL



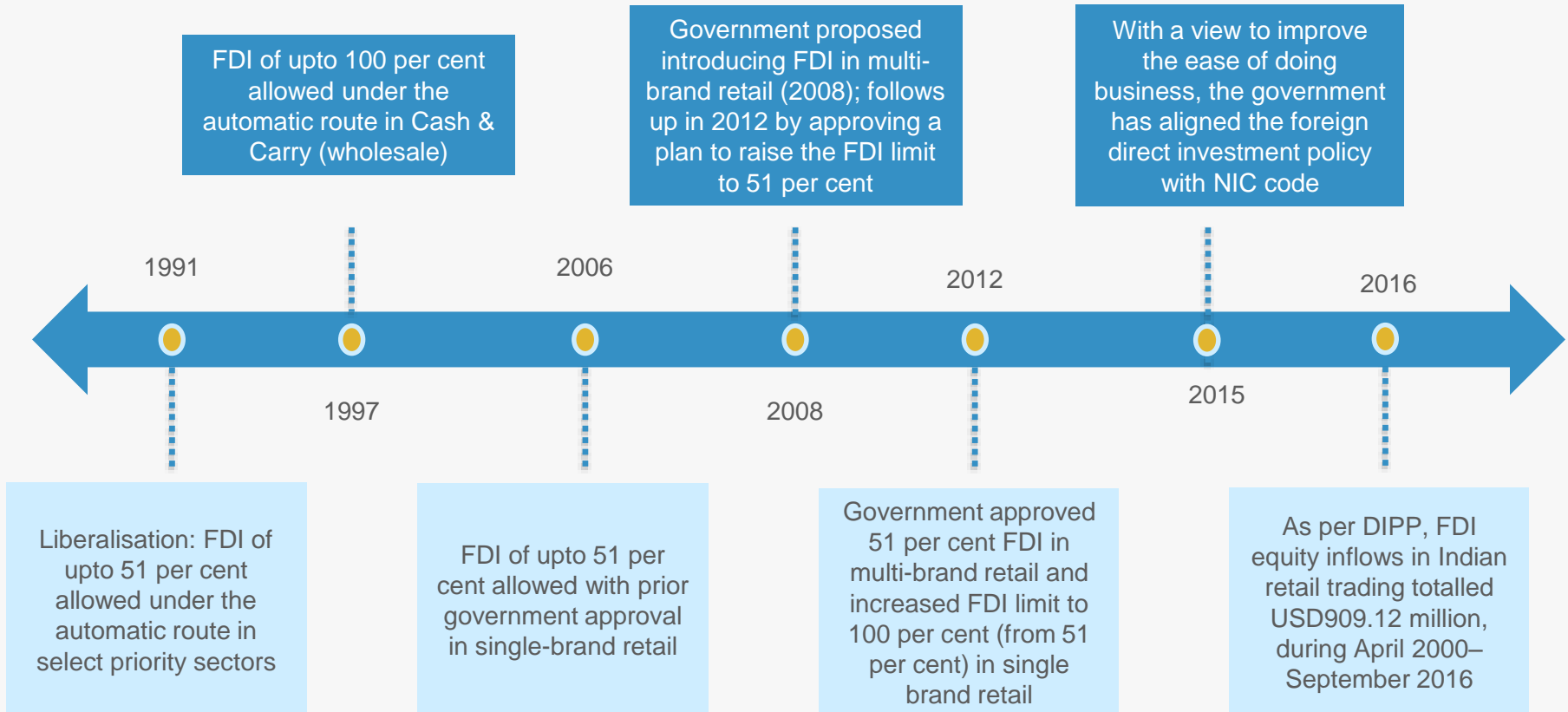
# GROWTH DRIVERS

## GROWTH DRIVERS FOR RETAIL IN INDIA



Source: TechSci Research

## FAVOURABLE FDI POLICY ENCOURAGING INVESTMENT



Source: TechSci Research

Note: NIC - National Industrial Classification Code, DIPP - Department of Industrial Policies and Promotion

## INDIAN RETAIL IS SET TO BENEFIT FROM FDI POLICY

### Benefits of FDI in Indian retail

Increase in employment

Infrastructure investment

Removing middlemen

Benefiting Indian manufacturers

Technological advancement

Sector

Wholesale cash and carry trading

Single brand product retailing

Multi-brand, front-end retail

Entry route

Automatic

Foreign Investment and Promotion Board

Foreign Investment and Promotion Board

FDI limit

100%

100%

51%



## FDI POLICY DETAILS ON SINGLE AND MULTI-BRAND RETAIL IN INDIA

51% FDI in multi -  
brand retail  
Status: Policy passed



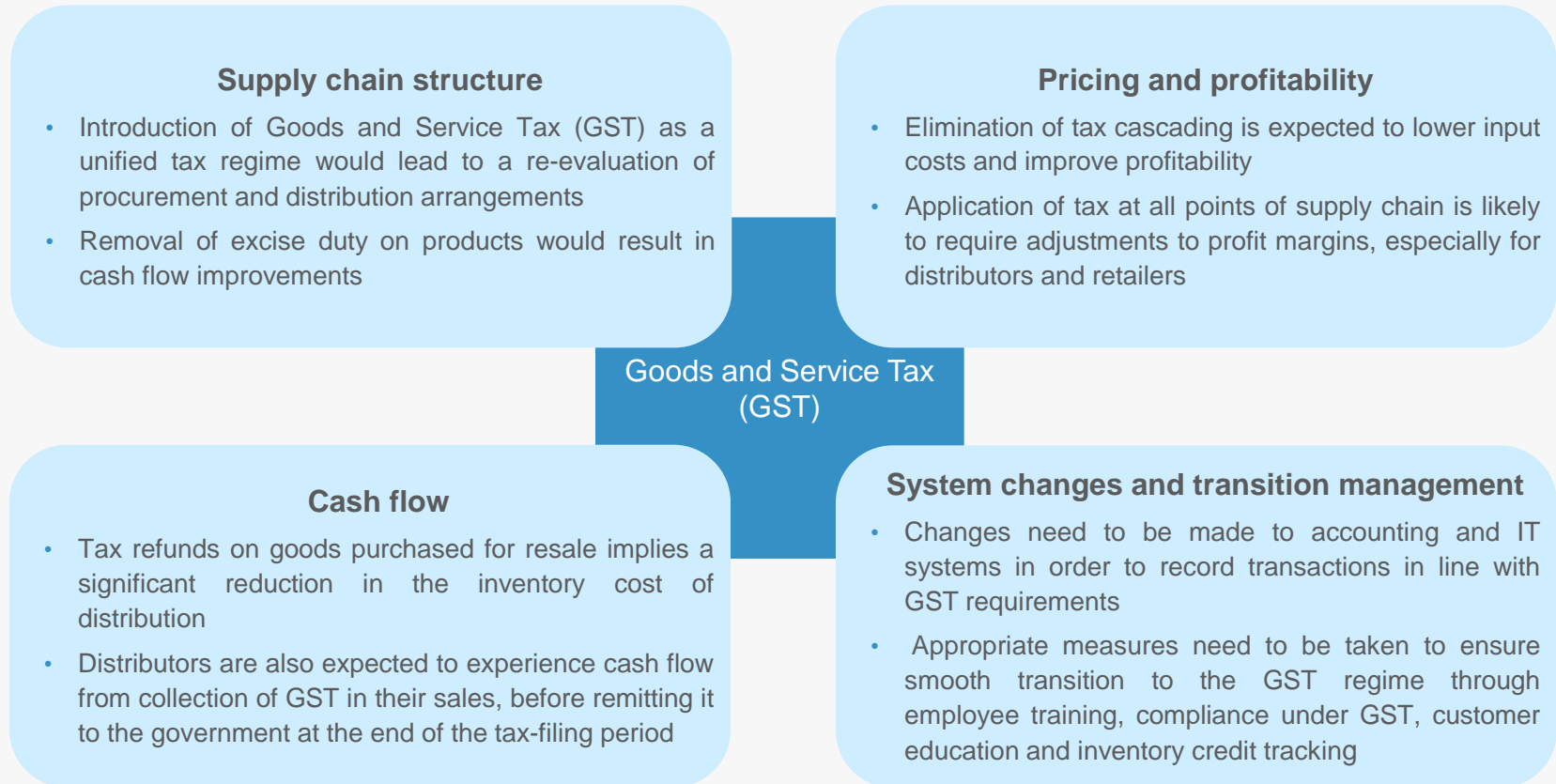
- Minimum investment cap is USD100 million
- 30 per cent procurement of manufactured or processed products must be from SMEs
- Minimum 50 per cent of total FDI must be invested in backend infrastructure (logistics, cold storage, soil testing labs, seed farming and agro-processing units)
- Removes middlemen and provides better price to farmers
- Development in retail supply chain system
- 50 per cent of jobs in retail outlet could be reserved for rural youth and a certain amount of farm produce could be required to be procured from poor farmers
- To ensure the Public Distribution System (PDS) and Food Security System (FSS), the government reserves the right to procure a certain amount of food grains
- Multi-brand retail would keep food and commodity prices under control
- Will cut agricultural waste as mega retailers would develop backend infrastructure
- Consumers will receive higher quality products at lower prices and with better service

100% FDI in single  
brand retail  
Status: Policy passed



- Products to be sold under the same brand internationally
- Sale of multi-brand goods is not allowed, even if produced by the same manufacturer
- For FDI above 51 per cent, 30 per cent sourcing must be from SMEs
- Consumerism of retail market
- Any additional product categories to be sold under single brand retail must first receive government approval

## NEW GOODS AND SERVICE TAX (GST) WOULD SIMPLIFY TAX STRUCTURE

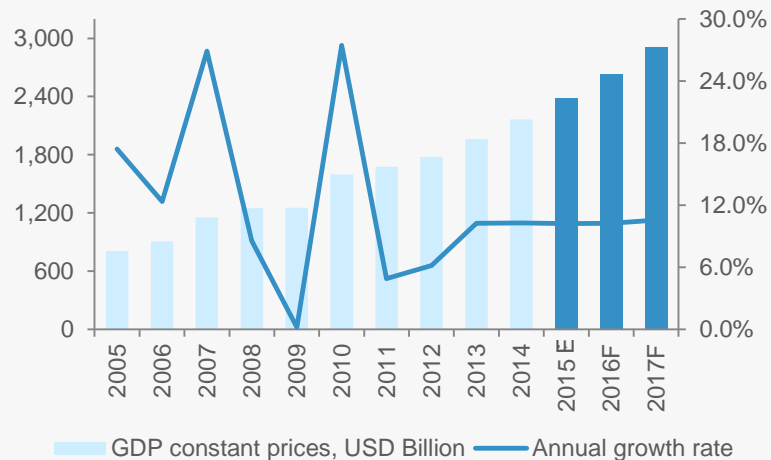


Source: TechSci Research

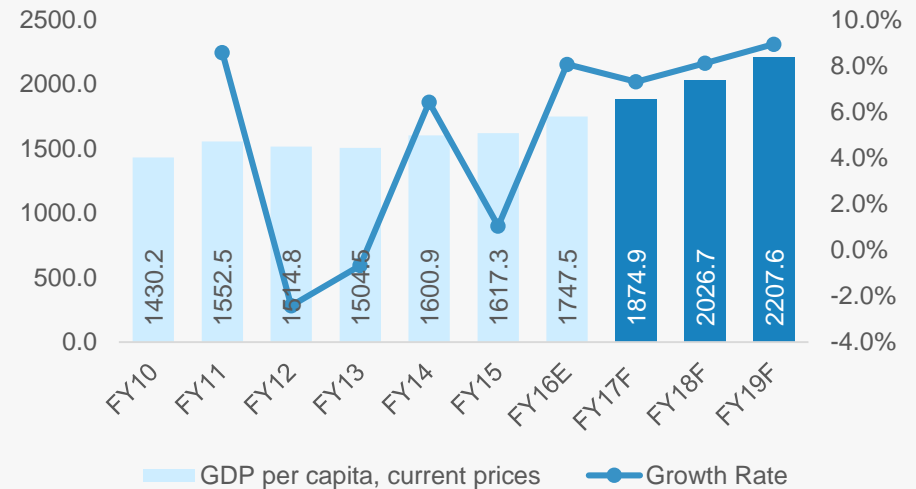
## INCOME GROWTH TO DRIVE DEMAND FOR ORGANISED RETAIL

- \* Multiple drivers are leading to strong growth in Indian retail through a consumption boom
- \* Significant growth in discretionary income and changing lifestyles are among the major growth drivers of Indian retail
- \* Easy availability of credit and use of 'plastic money' have contributed to a strong and growing consumer culture in India
- \* Acceptance and usage of e-retailers by consumers are increasing due to convenience and secured financial transactions
- \* Expansion in the size of the upper middle class and advertisement has led to greater spending on luxury products and high brand consciousness

Real income growth projections



Rising per capita income in India



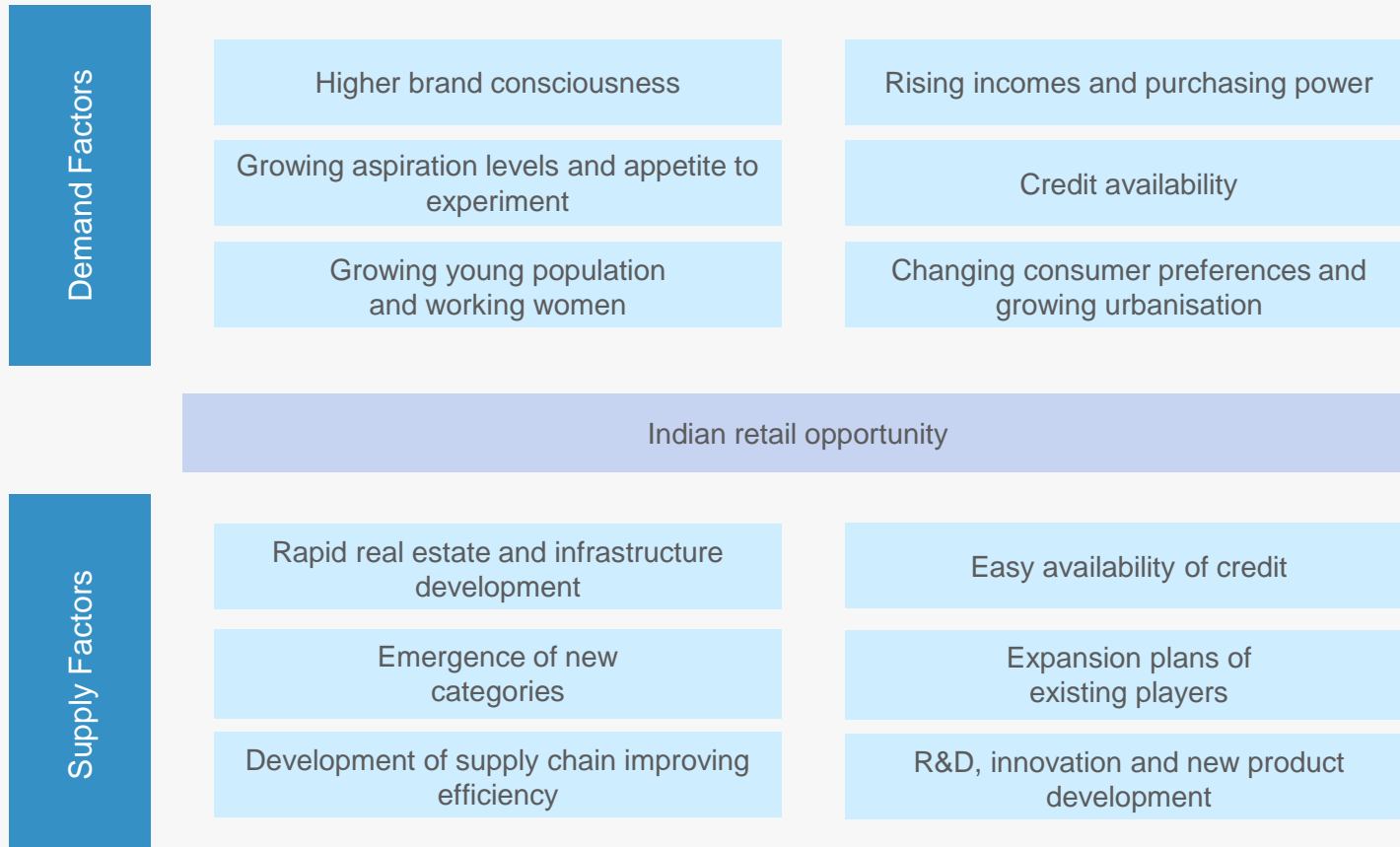
Source: TechSci Research, IMF,  
Notes: E- Estimate, F - Forecasts

# RETAIL



# OPPORTUNITIES

## GROWTH VALUE PROPOSITION



Source: KPMG International 2011, TechSci Research

## AMPLE GROWTH OPPORTUNITIES IN INDIAN RETAIL INDUSTRY

### Large number of retail outlets

- India is the fifth largest preferred retail destination globally
- The sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities

### Rural markets offer significant growth potential

- FMCG players are focusing on rural market as it accounted for over 40 per cent of FMCG consumer base in India in 2016
- With increasing investment in infrastructure, retailers would be able to increase their access to high-growth potential rural markets

### Private label opportunities

- The organised Indian retail industry has begun experiencing an increased level of activity in the private label space
- Private label strategy is likely to play a dominant role as its share in the US and the UK markets is 19% and 39%, respectively, while its share in India is just 6%. Stores like Shopper Stop, Lifestyle generates 15 to 25% revenues from private label brands. Growth of online retail is also augmenting the growth of private label brand in India

### Sourcing base

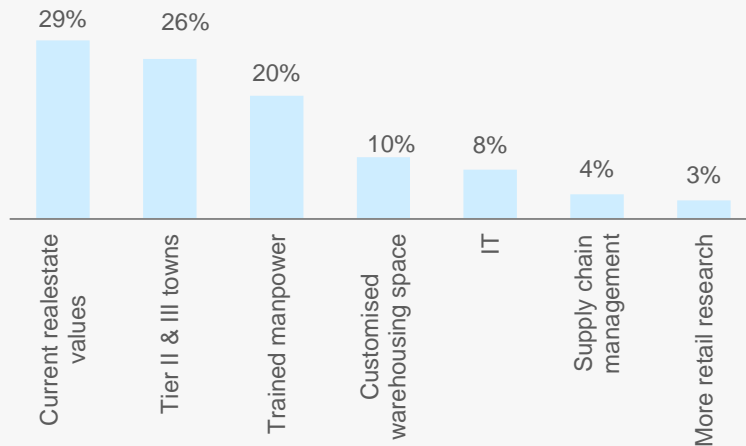
- India's price competitiveness attracts large retail players to use it as a sourcing base
- Global retailers such as Walmart, GAP, Tesco and JC Penney are increasing their sourcing from India and are moving from third-party buying offices to establishing their own wholly-owned/wholly-managed sourcing and buying offices

### Luxury retailing

- Luxury retailing is gaining importance in India. This includes fragrances, gourmet retailing, accessories, and jewellery among many others. The Indian consumer is ready to splurge on luxury items and is increasingly doing so.
- The Indian luxury market stood at around USD14.7 billion in 2015, and is estimated to reach USD18.3 billion by the end of 2016
- This will make India the 12<sup>th</sup> largest luxury retail market in the world by 2020

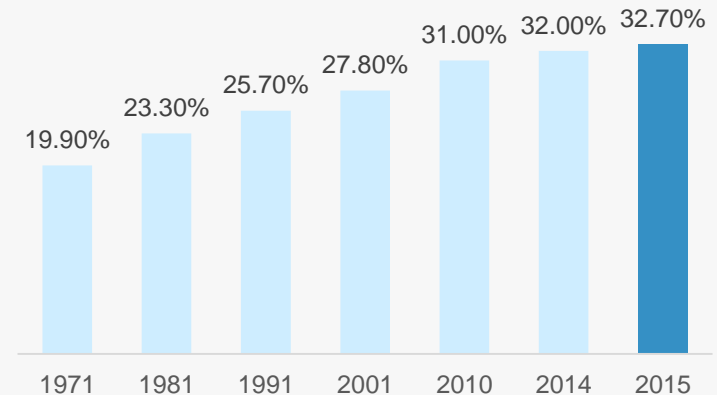
## ATTRACTIVE INVESTMENT SEGMENTS

Investment options in organised retail India (2015)



- \* Real estate's retail component is an attractive opportunity, which is currently attracting 29 per cent of total investment in real estate
- \* Of the overall investors, 26 per cent are interested in investing in Tier II and III cities
- \* Training and warehouse spacing are the other viable options for investments

Migration trend towards urban areas (urban population as share of total) (2015)



- \* Employment opportunities, increased urban amenities and better lifestyle opportunities are attracting rural population towards cities every year
- \* In 2015, the urban-rural migration reached at 32.7 per cent
- \* This could be a major driver for the organised retail sector as the working population would consequently increase

Source: PwC, Cushman & Wakefield, TechSci Research

## RECENT M&A DEALS IN THE INDIAN RETAIL SECTOR

Acquirer name	Target name	Year	Deal type
Flipkart owned Myntra	HRX	August 2016	Acquisition
Myntra	MotoGP	August 2016	Collaboration
Aditya Birla Fashion and Retail	Forever 21 (India Business)	May 2016	Acquisition
Idein Ventures.	Infurnia	Jan 2016	Joint Venture
Paytm	Near.in	Dec 2015	Acquisition
Morgan Stanley	Flipkart	June 2015	Private Equity
InnoVen Capital	Sportsbiz Private Limited	July 2015	Private Equity
Snapdeal	Exclusively.in	Feb 2015	Acquisition
Kalyan Jewellers India Pvt Ltd	Warburg Pincus	Oct 2014	Private Equity
Celio	Future Lifestyle Fashions Limited	Oct 2014	Private Equity
Flipkart	Myntra.com	May 2014	Acquisition
Soft Bank	Snapdeal	Oct 2014	Private Equity
Warburg Pincus	Biba Apparels	Dec 2013	Private Equity
Hassan Food Co	Bush Foods Overseas Pvt Ltd	Apr 2013	Acquisition
Trent Ltd	Landmark Ltd	Feb 2013	Acquisition
Future Venture India Ltd	Big Apple (convenience store)	Sep 2012	Acquisition
Peter England Ltd	Pantaloons Retail India Ltd	Sep 2012	Acquisition
Pantaloons Retail India Ltd	R&R salons	May 2012	Private Equity



# RETAIL

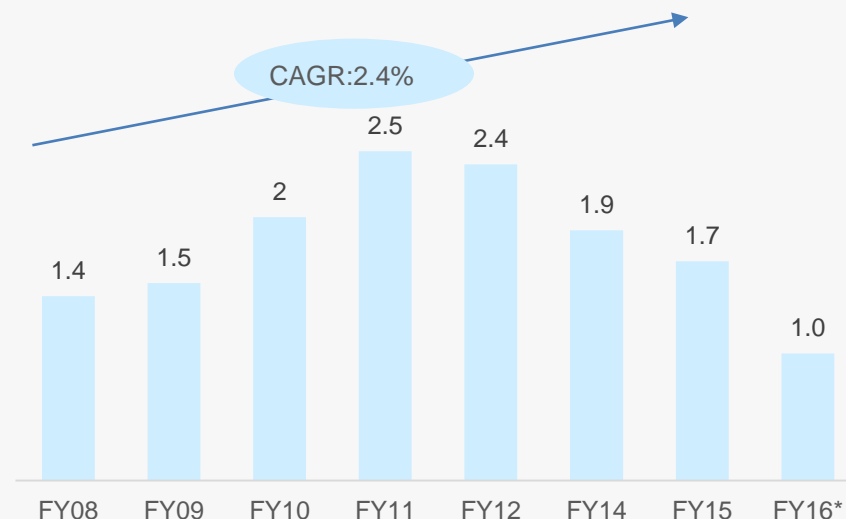


# SUCCESS STORIES

## FUTURE RETAIL: INDIA'S LEADING RETAILER IN MULTIPLE RETAIL FORMATS ... (1/2)

- \* Revenues expanded at a CAGR of 2.4 per cent during FY08–15
- \* Hypermarket and supermarket formats have a network of nearly 319 stores, encompassing an area of over 10 million square feet
- \* Under Future Fashion, the company owns a portfolio of 24 leading brands and covers more than 98 cities
- \* Big Bazaar ranked the third most trusted brand and the most trusted retailer for providing quality services during 2016
- \* As on 05 May 2016, Future Group and Bharti Retail combined their retail business to create one of India's biggest retail conglomerate and created a chain of 738 stores in 221 cities across India with 7 key retail brands
- \* As of November 2016, the company has agreed to buy retail business of Hyderabad-based 'Heritage Foods Ltd.' As a part of the deal, Heritage Foods will get a 3.65 per cent stake or freshly issued shares worth USD 44.06 million in 'Future Retail'

Future Retail sales growth (USD billion)



- \* In November 2016, Future Consumer Ltd. entered into an equal joint venture with UK's largest wholesaler, Booker Group, to develop the company's cash-and-carry business in India. Future Consumer is investing USD 7.47 million in the company.

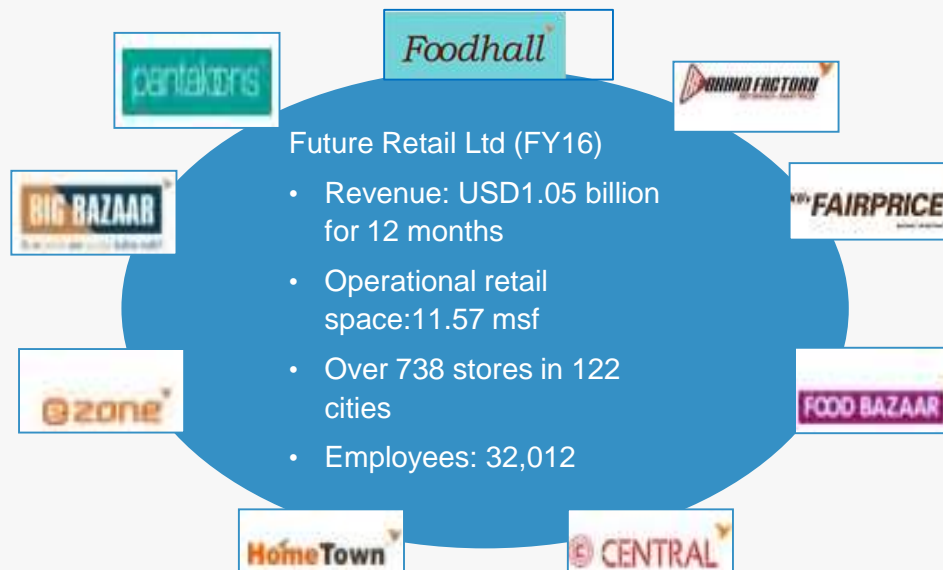
Source: Reuters Knowledge, TechSci Research  
Notes\*- March 2015 to September 2015, CAGR - Compound Annual Growth Rate

## FUTURE RETAIL: INDIA'S LEADING RETAILER IN MULTIPLE RETAIL FORMATS ... (2/2)

### Pantaloon Retail success factors



Has a good understanding of the Indian retail sector and its customers

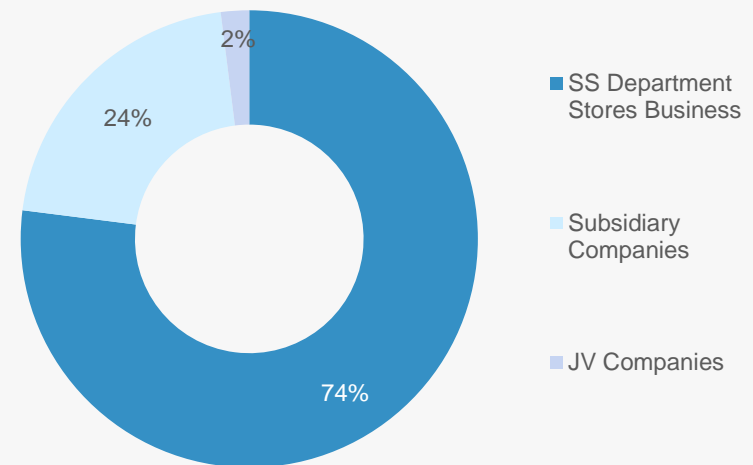


Source: Company Annual Report, TechSci Research  
Note: msf - Million Square Feet

## SHOPPERS STOP: THE LEADER IN DIVERSIFIED MARKET STRATEGY ... (1/3)

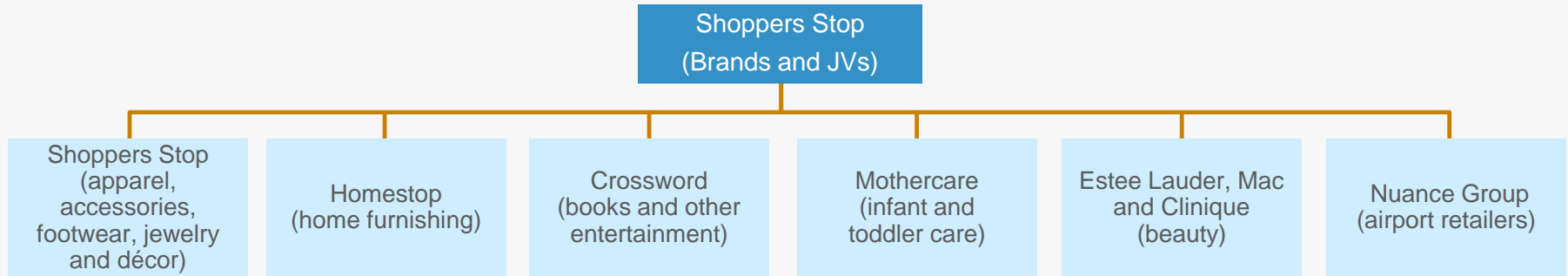
- \* The company owns 172 stores in 25 cities with 4.81 million sq ft space across eight store formats
- \* Successfully introduced a number of international brands
- \* Improved product mix and brand profiles to attract new customers
- \* Over 3.3 million customers are a part of the First Citizen Loyalty Programme
- \* Won best loyalty programme award at the Loyalty Summit 2014 in large format retail category

Shoppers Stop business format (as on June 2016)

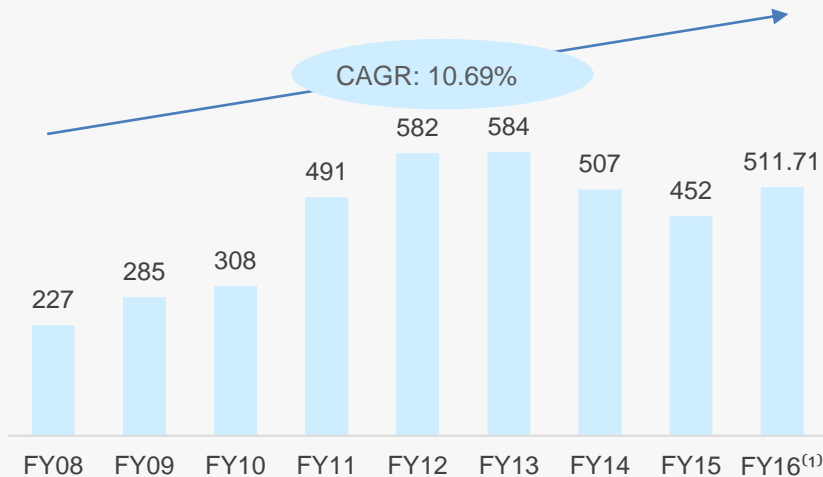


Source: Company Annual Report, TechSci Research  
Note: First Citizen Loyalty Programme is a membership scheme for its members to avail discounts and promotional offers

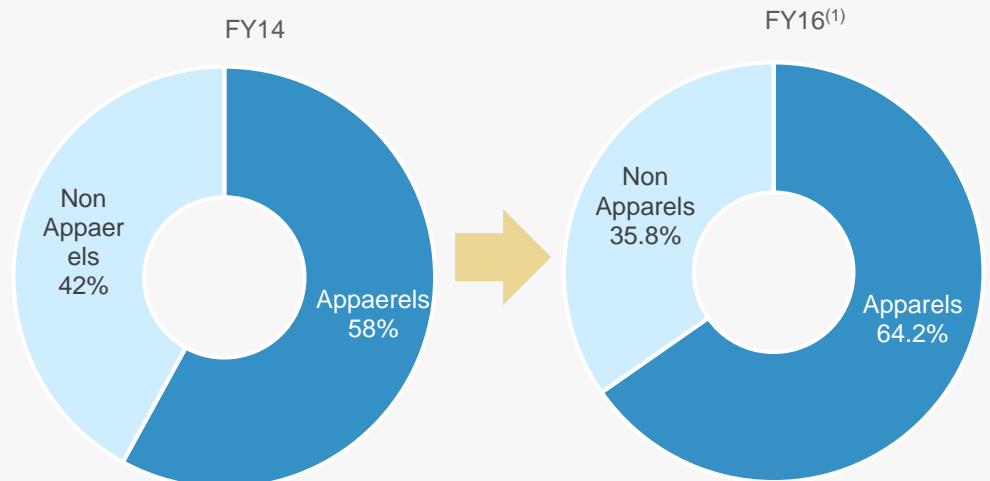
## SHOPPERS STOP: THE LEADER IN DIVERSIFIED MARKET STRATEGY ... (2/3)



Shoppers Stop's sales growth (USD million)



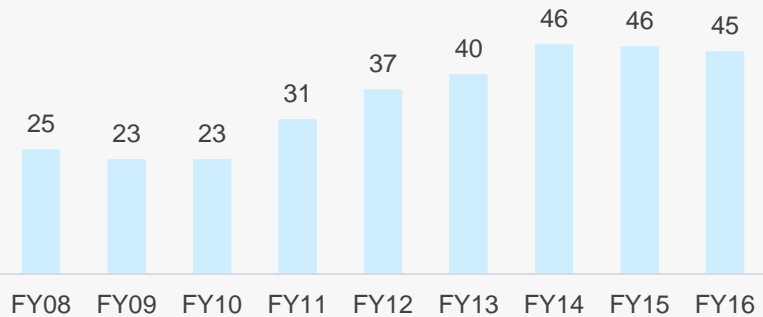
Shoppers Stop's diversified portfolio



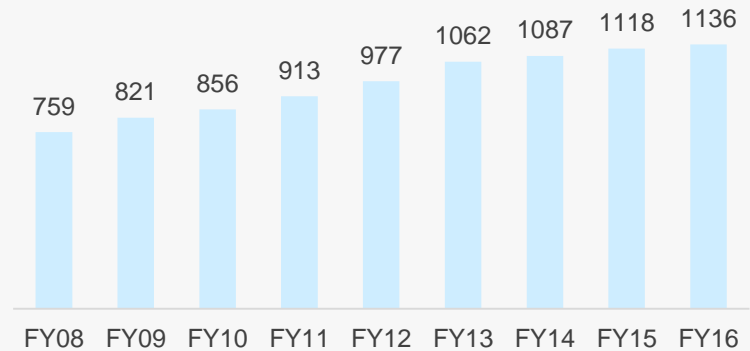
Source: Company Annual Report, TechSci Research  
 Note: CAGR - Compound Annual Growth Rate  
 FY16<sup>(1)</sup>: Up to March 2016

## SHOPPERS STOP: LEADER IN DIVERSIFIED MARKET STRATEGY ... (3/3)

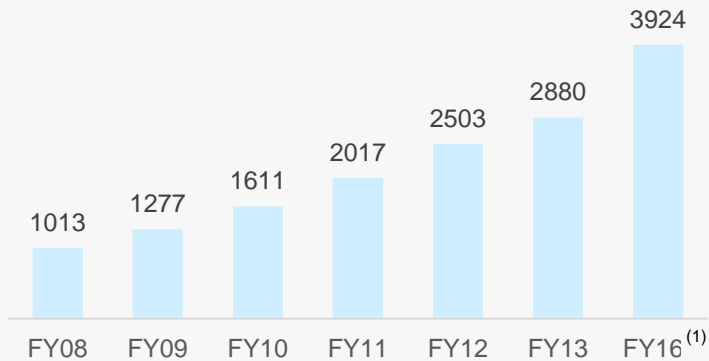
Footfalls (in million)



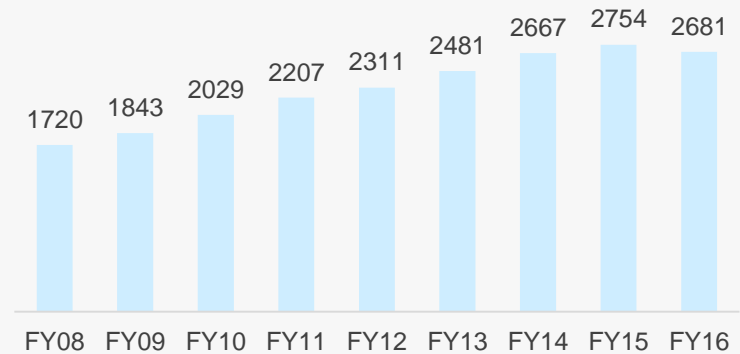
Average selling price (INR)



Members ('000)



Average transaction size (INR)



Source: Company Annual Report, TechSci Research  
Notes: <sup>(1)</sup>- Up to September 2015

# RETAIL



# USEFUL INFORMATION

## INDUSTRY ASSOCIATIONS

### **Retailers Association of India**

111/112, Ascot Centre,  
Next to Hotel Le Royal Meridien, Sahar Road, Sahar,  
Andheri (E),  
Mumbai – 400099.  
Tel: 91- 22 - 28269527 - 28  
Fax: 91- 22- 28269536  
E-mail: [info@rai.net.in](mailto:info@rai.net.in)  
Website: [www.rai.net.in](http://www.rai.net.in)

### **The Franchising Association of India**

A-13, Kailash Colony  
New Delhi – 110048  
Tel: 91- 11- 2923 5332  
Fax: 91- 11- 2923 3145  
Website: [www.fai.co.in](http://www.fai.co.in)



- \* **FDI:** Foreign Direct Investment
- \* **FMCG:** Fast Moving Consumer Goods
- \* **FY:** Indian Financial Year (April to March)
  - \* So FY10 implies April 2009 to June2010
- \* **IT:** Information Technology
- \* **MoU:** Memorandum of Understanding
- \* **MT:** Million Tonnes
- \* **MTPA:** Million Tonnes Per Annum
- \* **SEZ:** Special Economic Zone
- \* **USD:** US Dollar
- \* Wherever applicable, numbers have been rounded off to the nearest whole number

## EXCHANGE RATES

Exchange rates (Fiscal Year)

Year	INR equivalent of one USD
2004-05	44.81
2005-06	44.14
2006-07	45.14
2007-08	40.27
2008-09	46.14
2009-10	47.42
2010-11	45.62
2011-12	46.88
2012-13	54.31
2013-14	60.28
2014-15	61.06
2015-16	65.46
2016-2017E	66.95

Exchange rates (Calendar Year)

Year	INR equivalent of one USD
2005	43.98
2006	45.18
2007	41.34
2008	43.62
2009	48.42
2010	45.72
2011	46.85
2012	53.46
2013	58.44
2014	61.03
2015	64.15
2016 (Expected)	67.22

Source: Reserve bank of India,  
Average for the year

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