



*Spending time
in **Retail** is
a chore. But
she'll open her
wallet 365 days
when positively
surprised*

Shining Perspective

- **Cross category private label brand** architecture is the only way to win shopper mindshare
- In multi-brand stores private label contributes 30 to 40% of earning
- Private label requires tremendous knowledge of cross category product benefit for consumers
- Private label has to have pride of ownership to the shopper without being advertised like manufacturer brand
- Private label branding is totally different from manufacturer branding like private label is collective category branding and manufacturer branding are singular focus branding

Trend changers

The sector will continue to become organized at a rapid pace as more retailers establish their presence in new geographical markets. In the process, sector may witness consolidation as general retailing gives way to specialty retailing.

Shift will be towards creation of private labels as well as in green products and green facilities.

More and more retailers will adopt predictive analytics for short and long term demand forecasting. Another trend will be streamlining of supply chains as more and more retailers vie for delivering more and more services and products under their roofs.

With increasing real estate cost and chaotic urbanization, more retailers will move away from few-large format store formats to larger number of smaller utility branded stores.

Consumer spending

Consumer spending will rebound to pre-recession times as disposable income rise for more and more consumers globally. This trend will be more visible in emerging markets faster than in mature markets like USA and Europe where recovery from recession is excruciatingly slow.

What may seriously affect businesses in retail sector in long run is lack of soft skills in employees. The industry needs to address this by consciously targeting this disease and nip it in bud before it threatens the growth of industry.

Industry Growth Drivers

- Economy growth
- Emerging & Developing market
 - Massive population reach middle class status with more disposable income
 - Sustained growth in these market

- Upgrading of consumers in emerging market
- Changing consumer preferences, lifestyle and rising income level
- New retail formats driving growth
- Technology: Online channel to drive demand but in nascent stage
- Globalization of consumer tastes and expectations with the reach of media
- Deregulation

Industry Competitive Scenario

- Increasing competition among global, national and regional players
- Multi channel and innovative formats becoming key
- Small stores are upgrading themselves to compete
- Increasing relevance of private label brand
- High Competition in price between Hypermarket chains and Regional discount chains
- Focus on shopping experience and friendlier customer service

Industry Complexity

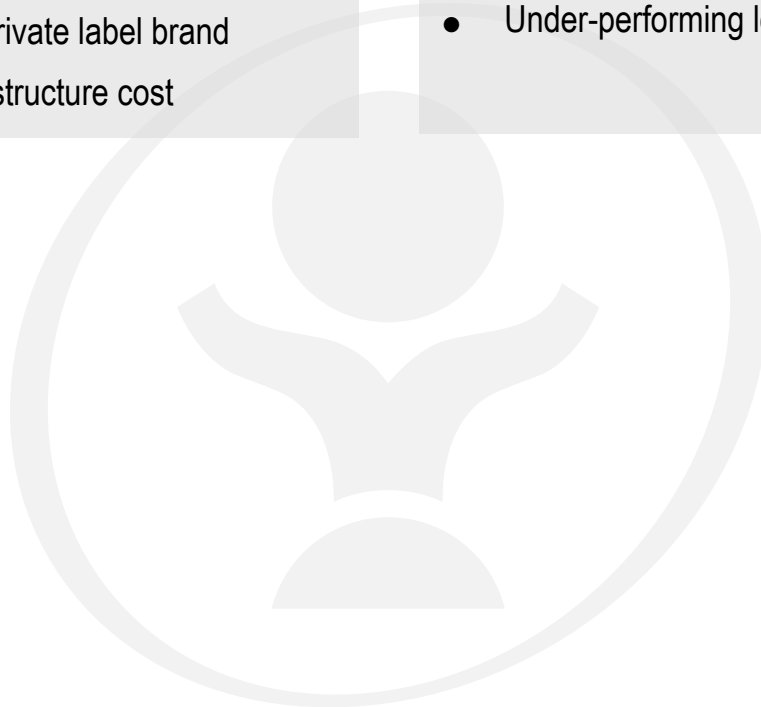
- Complex supply chain for sourcing
- Product lifecycle management for private label merchandise
- Aligning value proposition to new demand pattern
- How to increase share of wallet with existing customers

- Improve the customer experience and customer loyalty
- Managing effective and profitable consumer experience
- Service standardization
- Government regulations
- Bureaucratic hurdles in emerging market
- Socio-political environment

Industry Pain Areas

- Stringent environmental regulations
- Emergence of private label brand
- Increasing Infrastructure cost

- Declining profit margin
- Shoppers high wallet share
- Decrease in shopper loyalty
- Pilferage
- Shrinkage / theft
- Employee attrition
- Lack of skilled human resources in emerging country
- High cost of investment on technology
- Consumer data security and privacy
- Under-performing locations/store



Delivering extra benefit

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