2 Retail Supply Chain Management

“I am like any other man. All I do is supply a demand”
- Al Capone

This chapter discusses the concept of retailing and evolution of retail in India. It also throws light on the contribution of retail to GDP of Indian economy and also presents various attitudinal changes in the demographic profile of consumers, which have transformed the retailing face of India. Further this chapter describes the various formats of retail, its organizational structure and a brief profile of foremost retail companies operating in India.

2.1. Retailing

Retailing is the interface between the producer and the individual consumer, buying for personal consumption. This excludes direct interface between the manufacturer and the institutional buyers, such as the government and other bulk customers. A retailer is one who stocks producers’ goods and is involved in the activity of selling it to the individual consumers, at profit margin.

Retailers form an assortment of the different products from different producers to form a suitable product range. They are the direct contact point with the consumers and inform the producers about market needs and help them to promote their products and services (Lang, 2012). Thus, retailing is also referred as the last link that connects the individual
consumer with the manufacturing and distribution chain. Retail industry comprises both the organized and the unorganized sectors.

“Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses” (Parliament of India, Rajya Sabha, 2009)

“Organized retail in India is popularly referred to as “modern retail” in business-to-business (B2B) exchanges”. Figure 2.1 presents the structure of modern retail, where lesser intermediaries are involved as compared to traditional retail. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner operated general stores, paan/beedi shops, convenience stores, hand cart, pavement vendors, etc (Parliament of India, Rajya Sabha, 2009).

Figure 2.1: Modern Retail
2.2. Retailing in India

India is one of the fastest growing retail markets in the world. The Indian Retail Industry is ranked among the ten largest retail markets in the world (IJMBS, 2013). The retail sector in India is a key contributor to the country's economy and was responsible for contributing 22 percent to gross domestic product (GDP) in 2011 (Research Gyan, 2013).

The demographic shift of the Indian consumer and the rise in purchasing power has led the emergence of organized retail formats which has transformed the face of retailing in India. As a result, Indian retailers are focusing on strategic perspective in retail marketing with the idea of using resources optimally in order to create core competence and gain competitive advantage (IJMBS, 2013). Foreign direct investment [FDI] is an integral part of an open and effective international economic system, which acts as a major catalyst in the development of a country through upgradation of technology, managerial skills and capabilities in various sectors. The Indian retail industry is marked with huge growth potential. However, in spite of the recent developments in the retail sector and its immense contribution to the economy, it continues to be the least evolved industry in India when compared to rest of the world (IJEMS, 2013)

Thus Retailing in India is still in its formative years and is dominated mostly by the unorganized sector. Henceforth this situation will no longer exist, because the old traditional formats in India are undergoing a major change; formats are becoming bigger and more complex. Malls and mega malls are coming up in almost all places across the country and retailers are being more innovative in delivering value to the customers. This can
be attributed to the entry of a large number of domestic and international players in the market (SSIJMAR, 2013)

The logistics sector in India has today become an area of priority. One prime reason for the same stems from the reason that years of high growth in the Indian economy have resulted in a significant rise in the volume of freight traffic moved. This large volume of traffic has provided for growth opportunities in all facets of logistics including transportation, warehousing, freight forwarding, express cargo delivery, container services, shipping services etc. The growth path has also meant that increase demand is being placed on the sector to provide the solutions required for supporting future growth (Deloitte, 2013)

2.3. Evolution of Retail in India

Since independence, barter is considered to be the oldest form of retail trade. However, retail in India has evolved to support the unique needs to our country given its size and complexity. Haats, mandis and melas have always been a part of Indian landscape. The evolution of Public Distribution System (PDS) of grains in India was its origin in the rationing system introduced by the British during World War II. The system started in 1939 in Bombay and subsequently extended to other towns and cities. The system was abolished post war; however, on attaining independence, India was forced to reintroduce it in 1950 in the face of renewed inflationary pressure in the economy (Akhter & Equbal, 2012)

Tracing the evolution of Indian retail would be incomplete without mention of canteen stores department and the post offices in India. The
Khadi and village industries (KVIC) were also set up post independence. Today there are more than 7050 KVIC stores across country. The cooperative movement was again championed by the government which set up Kendriya Bhandras in 1963. In Maharashtra, Bombay Bazaar, which stores under the label Sahakari Bhandar and Apna Bazaars run a large chain of cooperative stores. During the past decades, the Indian market place has transformed dramatically. However, from 1950s to the 80s investments in various industries were a limit due to the low purchasing power in the hands of the consumer and the government policies favoring the small scale sector. It was at this juncture that many steps towards liberalization were taken in the period of 1985-90. Many restrictions on private companies were lifted and in the 1990s the Indian economy slowly progressed from state led to becoming ‘Market friendly’.

The first attempts at organized retailing were noticed in the textile sector. One of the pioneers in this field was Raymonds, which set up stores to retail fabric. Other textile manufacturers, who set up their own retail chains, were Reliance- which set up Vimal and Garden silk mills with Garden Vareli and then later in the league was Madura Garments, Arvind Mills, etc. They set up showrooms for branded menswear. With the success of the branded menswear store, finally, the new age departmental stores arrived in India in early nineties.

Moreover the concept of organized retail had occurred much later in developing economies than the developed economies. Modern day retail came into existence in three successive waves. The first wave took place in the early to mid-1990s in South America, East Asia excluding China, North Central Europe and South Africa. The second wave of organized retail occurred during mid-to-late 1990s in Mexico, Central America,
South-east Asia and South Central Europe. The third wave of organized retail boom started in the late 1990s and early 2000 in some parts of Africa, Central and South America, South-east Asia, China, India and Russia and continues to grow at a rapid pace (British Retail Consortium/ICRIER, 2012)

2.4. Indian Retail Supply Chain

‘Revolutions begin long before they are officially declared’

‘At the heart of this revolution lies a radical decision: to shift from treating financial figures as the foundation for performance measurement treating them as one among a broader set of measures’ (Eccles, 1991).

India is estimated to have around 15 million retail outlets, making it the country with the highest retail outlet density in the world. Indian retail sector is highly fragmented in nature, only 4% of Indian retail outlets are larger than 500 sq. feet. Organized retail is just 5% of the total retail market, whereas 95% of the total retail trade in India is in the unorganized sector. Unorganized retail industry in India is the second largest employer after agriculture, employing about 8% of total work force (Around 40 million persons) (Gopal & Suryanarayana, 2012). Moreover, Indian retail scenario has been distinguished from developed nations on the following three features:

- Fragmented and multi layered retail distribution market,
- Many retailers of various sizes at many locations vying to serve the final consumer,
Many buyers for the grower and manufacturer, thus, preventing any retailer from establishing a monopoly and dictating price and credit terms to the growers and manufacturers (Guruswamy, Sharma, & Jos, 2007).

India is considered as one of the most desirable retail destinations in the world. India’s emerging economy is one of the fastest growing across the globe. Since, the Indian economy was liberalized in the 1990s; the average gross domestic product (GDP) of India has been growing at a rate of 8.6% since 2006-07. The India’s retail fundamentals are given in Table 2.1.

Table 2.1: India’s Retail Fundamentals

<table>
<thead>
<tr>
<th>India's Retail fundamentals</th>
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</thead>
<tbody>
<tr>
<td>Market size</td>
</tr>
<tr>
<td>CAGR</td>
</tr>
<tr>
<td>Unorganized retail</td>
</tr>
<tr>
<td>Organized retail penetration</td>
</tr>
<tr>
<td>Retail density</td>
</tr>
<tr>
<td>Contribution to GDP</td>
</tr>
</tbody>
</table>

Source: (Ernst and Young, 2011)

Retail being India’s second largest employer after agriculture is estimated to grow to $ 860 billion by 2018 (Technopak Advisers, 2011). Organized retail can be segmented in two ways - segmentation by verticals and by channels. Verticals are segmented on the basis of the type of merchandise offered; similar merchandise can be clubbed together to form a vertical, for instance food and grocery. Channels are the means through which retailers sell their merchandise; for example, store channels of retailing that comprise different formats like hypermarkets, supermarkets and department stores and non-store formats like online retailing, vending and
kiosks (British Retail Consortium/ICRIER, 2012). The key store categories and product categories are given in the Table 2.2, along with the percentage share of revenues for each category.

<table>
<thead>
<tr>
<th>Store Category</th>
<th>Revenue share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypermarket</td>
<td>3-4</td>
</tr>
<tr>
<td>Department Stores</td>
<td>7-8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Revenue Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>12-18</td>
</tr>
<tr>
<td>Footwear</td>
<td>15-18</td>
</tr>
<tr>
<td>Jewellery</td>
<td>2-2.5</td>
</tr>
<tr>
<td>Health and beauty</td>
<td>10-12</td>
</tr>
<tr>
<td>Food</td>
<td>15-20</td>
</tr>
<tr>
<td>Entertainment</td>
<td>8-10</td>
</tr>
</tbody>
</table>

Source: (Jones and Lang LaSalle, 2011)

The retail industry is at a key inflection point and the present day economic realities are forcing to rethink on the traditional business models. The industry is somehow struggling to keep pace, because the operating environment has become far more complex and interconnected. In such an open information environment, national and global brands no longer have the control in the market as they used to have. While radio frequency identification [RFID] and related tools are helping the retailers to gain better understanding of consumer buying habits, social networking and other online tools put consumers in touch with one another, which have shifted the power outwardly from producers and retailers into the hands of everyday consumers.

There are multiple drivers for the retail growth, and the recent dynamics suggest that the industry is on the cusp of foundational change. These issues have been brought in front by the changing economic environment
and the fast-moving social, technological, and demographic changes. India’s retail growth is largely driven by increasing disposable incomes, favorable demographics, changing lifestyles, growth of the middle class segment and high potential for penetration into urban and rural markets.

The country has seen booming capital markets, the emergence of new industries, an ever evolving consumer changing tastes and preferences, entrance of multinational corporations [MNCs]. This significant rise in GDP (as shown in the Figure 2.2), along with the increasing spending power of Indians, is leading to the phenomenon of consumerism. Increasing urban demographics, rapid development of shopping malls, emerging breed of brand-conscious consumers, and various influences from the Western world are changing the face of the Indian retail industry (Halepete, Iyer, & Park, 2008).

![Figure 2.2: Growth of GDP](source: PwC, 2012)
These favorable demographic and psychographic changes relating to India’s consumer class, international exposure, availability of quality retail space, wider availability of products and brand communication are some of the factors that are driving retail in India (IMAGES, 2009; PwC, 2012). As shown in Figure 2.3, the increasing purchasing power of consumers across different categories.

Figure 2.3: Demographic groups with Purchases across Categories

Source: (PwC, 2012)

Over the last few years, many international retailers have entered the Indian market on the strength of raising affluence levels of the young population along with the heightened awareness of global brands,
international shopping experiences and the increased availability of retail real estate space. India’s retail sector is worth US$ 350 billion, and has a low Organized Retail Penetration [ORP] of 5 to 8%, and is growing at a CAGR of 15 to 20%. A large market potential is growing for a range of categories with the increasing urbanization, growing incomes, increasing consumer confidence, etc. During the mid to late 2000s, some of India’s largest conglomerates took large scale retail initiatives. Also, India’s unique demography makes it an attractive market for operating across categories, spanning food and grocery, cash-and-carry, apparel, footwear, accessories, mobile phones, personal care, gems and jewellery, etc. The large and aspirational middle-class of 75 million households or 300 million individuals is the growth engine of Indian economy, which is one of drivers for increase in demand as shown in Figure 2.4.

![Figure 2.4: Middle-class Consumers (million people)](source: PwC, 2012)
The demand drivers fuelling the growth of retail are as follows:

**Demanding Consumers:** The tastes and preferences of Indian consumers have changed drastically. Indian consumers have become value conscious and there has been a shift in household demographics demanding access to more, improved and better priced products.

**Increasing Incomes:** Strong GDP performance, capital market growth and the emergence of new industries have created a large heterogeneous group of consumers who have significantly varying buying power. Consumers are willing to experiment with new forms of retail purchase. The projected growth in GDP, Purchasing Power Parity [PPP] is shown in the Figure 2.5 (PwC, 2012).

![GDP, Purchasing Power Parity (per capita)](image)

**Figure 2.5: Growth of GDP, Purchasing Power Parity**

*Source:* (PwC, 2012)
**Evolving Consumption Patterns:** Earlier the Indian consumers used to focus only on saving, but with positive macro-economic fundamentals, changing lifestyles, double-income households, easy availability of credits, etc, have ensured consumers to spend on different categories of products. The young demography has in turn aided to the aspirational demand of lifestyle products with a more disposable income as shown in Figure 2.6.

![Figure 2.6: Trends in Per Capita Final Consumption Expenditure (PFCE) and Disposable Income (in Rs)](image)

*Source:* (IMaCS Analysis, 2009)

The supply drivers for Growth in Retail are:

**Expansion of Retail:** The growth of modern trade has evolved over a period of time, and an expansion into Tier II and Tier III cities has made consumers to easily access the retail products and services. Research conducted by Future group classifies Indian customers into three sets and
provides a base to the retailers in segmenting the Indian market as given in Table 2.3.

**Table 2.3: Classification of Indian Consumers**

<table>
<thead>
<tr>
<th>India 1</th>
<th>India 2</th>
<th>India 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consuming Class</strong></td>
<td><strong>Serving Class</strong></td>
<td><strong>Struggling class</strong></td>
</tr>
<tr>
<td>● Constitutes only 14% of the country’s population</td>
<td>● Includes people like drivers, house hold helpers, office peons, liftmen, washer man, etc.</td>
<td>● It lives hand-to-mouth so, cannot afford to even aspire for good living.</td>
</tr>
<tr>
<td>● Most of these customers have a substantial disposable income and they form part of usually called as the upper middle and the lower middle class</td>
<td>● These people make life easier and more comfortable for the consuming class or India 1</td>
<td>● Unfortunately, this segment will continue to be on the peripheries of the consumption cycle in India, in years to come.</td>
</tr>
<tr>
<td>● Research indicates that for every India 1 at least three India 2’s are there, making up approx. 55% of the population but due to low income they have a very little disposable income to spend on buying Inspirational goods &amp; services.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: (Future Group Research, 2001)*

**New Entrants:** The large conglomerates have invested hugely in the country and there has been an entry of world global players. Also, the FDIs coming into picture which has made a difference. With automation and emergence of technology, all the supply partners have spread to the core. Retailers use a mix of formats that include the following:

- Departmental Stores
- Discount Stores
- Warehouse Stores
- Variety Stores
- Mom and Pop Stores
• Specialty Stores
• General Stores
• Convenience Stores
• Hypermarkets
• Supermarkets
• Malls
• Category Killers or Category Specialists
• E-tailing
• Vending Machines

This has led to growth opportunities in the retail sector, and retailers are further exploring and matching their product line to the best of formats.

‘No single format will be suitable for Pan India- finding the relevant format would be a key to successes’, CEO, a large Indian retailer- (FICCI, 2008)

The various formats adopted by retailers are described as follows:

• **Departmental Stores**: are very large stores offering a huge assortment of "soft" and "hard goods; often bear a resemblance to a collection of specialty stores. A retailer of such store carries variety of categories and has broad assortment at average price. They offer considerable customer service.

• **Discount Stores**: offers a wide array of products and services, but they compete mainly on price offers extensive assortment of merchandise at affordable and cut-rate prices. Normally retailers sell less fashion-oriented brands.
• **Warehouse Stores**: warehouses that offer low-cost, often high-quantity goods piled on pallets or steel shelves, etc

• **Variety Stores**: offers extremely low-cost goods, with limited selection.

• **Mom-And-Pop Stores**: are owned and operated by individuals. The range of products are very selective and few in numbers. These stores are seen in local community often are family-run businesses. The square feet area of the store depends on the store holder.

• **Specialty Stores**: gives attention to a particular category and provides high level of service to the customers. A pet store that specializes in selling dog food would be regarded as a specialty store. However, branded stores also come under this format. For example a Reebok or Gap store.

• **General Stores**: are rural store that supplies the main needs for the local community.

• **Convenience Stores**: are essentially found in residential areas. They provide limited amount of merchandise at more than average prices with a speedy checkout. This store is ideal for emergency and immediate purchases.

• **Hypermarkets**: provides variety and huge volumes of exclusive merchandise at low margins. The operating cost is comparatively less than other retail formats. Hypermarkets offer shoppers a one-stop shopping experience. A retail store that combines a department store and a grocery supermarket. Often a very large establishment, hypermarkets offer a large variety of products such as appliances, clothing and groceries.
- **Supermarkets**: is a self service store consisting mainly of grocery and limited products on non food items. They may adopt a Hi-Lo or an EDLP strategy for pricing. The supermarkets can be anywhere between 20,000 and 40,000 square feet (3,700 m²).

- **Malls**: has a range of retail shops at a single outlet. They endow with products, food and entertainment under a roof.

- **Category Killers or Category Specialist**: By supplying wide assortment in a single category for lower prices a retailer can "kill" that category for other retailers. For few categories, such as electronics, the products are displayed at the centre of the store and sales person will be available to address customer queries and give suggestions when required. Other retail format stores are forced to reduce the prices if a category specialist retail store is present in the vicinity.

- **E-tailers**: The customer can shop and order through internet and the merchandise are dropped at the customer's doorstep. Here the retailers use drop shipping technique. They accept the payment for the product but the customer receives the product directly from the manufacturer or a wholesaler. This format is ideal for customers who do not want to travel to retail stores and are interested in home shopping. However it is important for the customer to be wary about defective products and non secure credit card transaction. Example: Amazon, Pennyful and Ebay.

- **Vending Machines**: This is an automated piece of equipment wherein customers can drop in the money in machine and acquire the products.
2.5. Organizational Structure of Retail

The organizational structure of retail organization is given in Figure 2.7. Human Resources [HR] at Retail within itself have teams like Talent Acquisition, Training, and Store Operations etc. The individual store HR, apart from reporting to Store Manager, also report to the HR Store Operations at the Zonal or Head Offices of the organization. Similarly, for Marketing, there are teams like Store Activation, Media Buying and planning and Marketing. The store marketing teams also report to organization’s marketing team, apart from store managers. Also specialized teams exist for Logistics, Technology and Finance. The Projects and Properties team is responsible for the scouting and acquisition of new store locations as well as the commissioning and maintenance of stores.

The merchandising team includes the COO at its head which includes, Head-Fashion category, Head-Food category and so on. The size depends on the number of categories that the retail company is present in. Within each category merchandising team, there are three critical functions: Plan, Buy, and Move. The Plan team also works very closely with the store teams and the Move team works closely with the Logistics team of the organization.
The Operations includes CEO which includes the Zonal Heads, Area Managers, Department Managers, etc. Depending on the size of the operations, the territory is first divided into zones, then into areas and then into stores. Within stores, there are Department Managers and support functions that both report to the store manager and the support teams at Zonal Offices [ZO] and Head Offices [HO].
2.6. Profiles of the Companies

In this section the profiles of top ten retail companies operating in India are presented. These are multi item retailers with multiple stores operating across the nations. These include both Private (Indian) and Private (MNCs) operating in India (Wal-mart and Bharti: Transforming Retail in India, 2009).

2.6.1. Aditya Birla Group

The Aditya Birla Group is an Indian multinational company headquartered in Mumbai, Maharashtra, India. The Aditya Birla Group was founded in the 1960s by Aditya Birla. The Group companies of Aditya Birla deals in retail as well as garments sectors. - Mr. Pranab Barua is takes care of the Retail and Apparels. In december 2006, Aditya Birla entered in the retail business. On May 2007 Aditya Birla Retail Limited (ABRL) launched their own brand of stores called 'More' which has 487 supermarkets and 14 hyperstores in India. The products offered in retail sector under the brand name MORE are FMCG products, fruits, vegetables, groceries, frozen food, bakery, homecare and pharmacy. The garments sector of Aditya Birla group is defined by its brands-Louis Philippe, Van Heusen, Allen Solly, Peter England, Planet fashion. Madura Fashion & Lifestyle reaches its discerning customers through an extensive network comprising more than 1,000 exclusive and franchise stores, and over 2,000 premium multi-brand trade outlets, both within and outside India. Planet Fashion, the multi-brand, apparel-retailing arm of Madura Fashion & Lifestyle, housing the company's in-house and other brands, is the largest chain of stores of its kind in India (Adiya Birla Retail, 2012).
2.6.2. Bharti Walmart Private Limited

Bharti Walmart Private Limited is a joint venture between Bharti Enterprises, one of India’s leading business groups with interests in Teleco, agri-business, insurance and retail, and Walmart, the world’s leading retailer, renowned for its efficiency and expertise in logistics, supply chain management and sourcing. The first wholesale cash-and-carry facility named “Best Price Modern Wholesale” opened in Amritsar in May 2009 and subsequently in Zirakpur, Jalandar, Kota, Bhopal, Ludhiana, Raipur, Indore, Vijaywada, Meerut, Agra, Lucknow, Jammu, Guntur, Aurangabad, Bathinda, Amravati, Hyderabad and Rajahmundry. There are in total about 20 retail units all over India. More than 5000 items, across product categories like fresh (Fruits, Vegetables, Poultry, Mutton, Fish), dairy (Milk and Milk Products), consumer Packaged Goods (Food and Non Food), general Merchandise, household electronics and appliances are offered under one roof, at low, transparent prices to business members. The focus is to meet the unique needs of every member segment like kirana shop owners, general merchandise resellers, hotels, restaurants, caterers, offices and institutions by offering relevant items at very competitive prices, ensuring consistent availability and convenience (Bharti Walmart, 2012).

2.6.3. Carrefour

The euro 81-billion Carrefour retail chain is the largest in France and second-largest in the world after Walmart. The group, has three cash-and-carry outlets in the country, opened a store in New Delhi, its first in India, in December 2010, and followed by one in Jaipur in late 2011 and the
third in Meerut in October 2012. Cash-and-carry involves selling to businesses, educational institutions, offices and hotels, but not to individuals in the retail market.

Carrefour has not revealed its plans for expansion in 2013 nor revealed its intention of diversifying into multi-brand retail with or without a local partner. The firm is present in India without a local partner, since there is no FDI cap in cash-and-carry businesses. Carrefour operates cash and carry stores in India under the name "Carrefour Wholesale Cash & Carry". The categories in which Carrefour deals are: staples, processed food, hygiene and beauty, hardware and tools, general merchandise, furniture, fresh food, cleaning, beverages, appliances, apparels (Carrefour, 2012).

2.6.4. Future Group

Future Group entered in retail with the launch of first 8000sq.ft store Pantaloons in Kolkata. They serve customers in 93 cities and 60 rural locations across the country. As one of India’s retail pioneers with multiple retail formats, they connect a diverse and passionate community of Indian buyers, sellers and businesses. Around 300 million customers walk into the stores each year and choose products and services supplied by over 30,000 small, medium and large entrepreneurs and manufacturers from across India. Their retail business across the value and lifestyle segments focuses on 4 key consumption verticals: food, fashion, general merchandise and home. The various retail businesses in which Future Group deals are Pantaloon, Big bazaar, Food bazaar. Pantaloon has 65 stores across the country. Pantaloons stores have a wide variety of categories like casual wear, ethnic wear, formal wear, party wear and
sportswear for Men, Women and Kids. A leading name in Food and Food-related products, Food Bazaar India offers a wide range of food and food-related products of high quality and raw freshness. Customers can find a whole range of food products here including quality fresh vegetables, fruits, butter and cheese products, etc in varied choices and diverse varieties Big bazaar offers fashion and general merchandise, also includes home furnishings, utensils, crockery, cutlery, sports goods and many others (Future Group, 2012).

2.6.5. Landmark Group

Founded in 1973 in Bahrain, the Landmark Group has successfully grown into one of the largest and most successful retail organizations in the Middle East and India. The Landmark Group provides a value-driven product range for the entire family through a diverse portfolio of core retail brands. These brands have evolved to become the preferred choice for consumers and are category leaders. In fashion Lifestyle and Max are the retail businesses of Landmark group. Since its inception in 1998, Lifestyle has expanded into a chain of over 100 stores across the Middle East, offering an incredible range of products across all departments. Lifestyle offers a wide range of exclusive products from home decor, furnishing, lighting and bath decor to makeup, perfumes, fashion accessories, bags, spa products and teen gifts.

Max is also one of the largest value fashion retail chain in the Middle East, with 114 stores across, UAE, KSA, Jordan, Kuwait, Bahrain, Qatar, Oman, Turkey, Egypt, Yemen & India. Max offers fashion clothing, footwear, accessories and household products at amazing value, all under
one roof. Max retails private label clothing for men, women and children as well as footwear and home accessories (Landmark Group Retail, 2012).

2.6.6. Marks & Spencer Reliance India Limited

Marks & Spencer (M&S) is one of the leading retailers of high quality and value clothing for men, women as well as kids, home products and exceptionally good quality food. M&S was founded in 1884 by Michael Marks and Thomas Spencer. M&S is a major British Retailer headquartered in the city of Westminster, London with 703 stores in UK and 390 stores spread across more than 44 countries. In India, “Marks & Spencer Reliance India Pvt Ltd” is a joint venture between Marks & Spencer plc and Reliance Retail (Part of Reliance Group) as a major brand having Marks & Spencer 51% and Reliance Retail remaining 49% of interest. Reliance India Pvt Ltd has the right to operate the stores of Marks & Spencer in India. M&S set up its first store in India in 2001. They use the expansion strategy of own stores which successfully leads to the turnover of Rs.2000 million.

In India, Mark & Spencer Reliance India Pvt Ltd has around 24 numbers of departmental stores in 10 cities with over 1000 number of employees providing services to the customers. Product line of M&S in India includes Apparels (women’s, men’s and children’s clothing), Home wares, and Beauty. M&S has high global plans for India. M&S look forward to expanding their operations by opening new stores in Delhi and Mumbai. The future plans of M&S is to start operations in other metro cities in India such as Kolkata, Bangalore, Hyderabad and Chennai. The focus of M&S is to reach out more and more customers by understanding their
needs and providing the best facilities and a great shopping experience to their customers. M&S are on journey to make their business more sustainable (Financial Express, 2013).

2.6.7. Reliance Retail Limited

“Reliance Retail Limited” is a private owned Indian company founded on 29th September 1998 as Chembur Patalganaga Pipelines Limited (CPPL) then in March it was rename as Reliance Industrial Infrastructure. Reliance Retail is headquartered/ based in Mumbai and is the second largest retailer in India. Reliance Retail is an auxiliary company of Reliance Industries. Reliance Retail follows the expansion strategy of own retail stores that provides consumers with a wide range of goods such as foods, groceries, apparel, lifestyle and home improvement products, electronic goods, farm implements and input & footwear.

Types of markets or stores that come under reliance retail are: discount stores, grocery, convenience stores, cash and carry & hypermarkets. Basically, Reliance Retail focuses on consumer goods, consumer durables, travel services, energy, entertainment and leisure, and also health & well-being products, educational products & services. Reliance Retail Limited has approximately 1300 stores present all over India with over 1000 number of employees facilitating customers with their services in around 86 cities of India. Reliance Industries has an impressive turnover of Rs. 6251.2 millions from its Reliance Retail Limited.

Key Categories of Products & Divisions of Reliance Retail, Reliance Fresh for vegetables, fruits and groceries, Reliance Digital for Consumer
electronics retail stores, Reliance Jewels for Jewellery, Reliance Time Out for Lifestyle stores of books, music, movies, toys, gaming, fragrances and stationary and Reliance Trends for Apparel and clothing. Since its inception in 2006, Reliance Retail Limited (RRL) has grown into an organization that facilitates millions of customers, thousands of farmers and vendors. Based on the core growth strategy of backward integration, RRL has made a rapid growth towards making an entire value chain starting from farmers to end consumers (Reliance Industries Limited, 2012).

2.6.8. RPG Group

Shoppers Stop is a Private Indian department stores chain promoted by the K Raheja Corp Group (Chandru L Raheja Group), started in the year 1991 with its first store and headquarters in Andheri, Mumbai. Shoppers Stop Ltd has been awarded “The Hall of Fame” and won “the Emerging Market Retailer of the Year Award”, by World Retail Congress at Barcelona, on April 10, 2008. They have adopted strategy of having their own retail chain across the country providing various convenience stores and hypermarkets on the back of the vast experience it gathered from feedbacks and keen observance of people’s taste keeping in tune with its culture, customs, traditions and income.

Other Retail Outlets of K Raheja like Crossword, Inorbit Mall & Hypercity have set new benchmarks on the basis of information and adaption of worldwide changes, innovations and new techniques in retailing practices. Shoppers Stop has around 220 spencer stores present in 35 cities of India and providing their services to the customers with the
help of 60,000 numbers of employees which leads to an impressive turnover of Rs. 6690 million per year. The key categories of products of RPG are Food & Grocery, F&V, and FMCG, Apparels, Lifestyle products and B&M. Shoppers Stop also launched its e-store with delivery across major cities in India in 2008. The focus of the reposition was on the service, ambience upgradation and customer connect. Shoppers Stop offers a truly remarkable shopping experience to the customers with an unparalleled assortment of the leading international and national brands (Shoppers Stop, 2012).

2.6.9. Tata Group

Trent is the Private Indian Retail part of TATA GROUPS which was established in 1998 and headquartered in Mumbai, India. Trent is a retail company that manages number of retail stores of clothes, footwear & accessories, home furnishings, F&V, staple foods, beverages, health and beauty, B&M. The company’s turnover is Rs. 357.6 crores till the year 2006. Trent has their own stores which operate many discount stores, grocery & convenience stores, cash & carry and hypermarkets under which there are around 103 stores in the Metro & Mini-Metro cities.

This big brand of TATA provides employment to over 5000 numbers of employees present in 23 cities of India with the present turnover of Rs. 5200.4 millions. The company has retail stores in 32 major Indian cities under the Westside brand. Trent also operates the hypermarket Star Bazaar in 8 Indian cities. In Aug, 2005 Trent acquired a 76% controlling stake in Landmark, a Chennai-based privately owned books and music retailer and
completed 100% acquisition in April 2008. Landmark currently has 16 stores.

Thus the Key Categories of Business of Trent are Westside that offers clothes, footwear and accessories for men, women and children. They are also involved in furnishings, artifacts and an attractive range of home accessories, Star Bazaar which is a kind of Hypermarket chain that offers a huge range of products including staple foods, beverages, health and beauty products, vegetables fruits, dairy and non-vegetarian products, Landmark, a retail chain of books and music having a range of over 1,00,000 titles. It also deals with the stock of movies, toys, gift items and stationary. Landmark is the leader in the category of books and music and Fashion Yatra which bring quality fashion at low prices to value conscious customers in towns across India (TATA, 2012).

2.6.10. TPG Group

TPG (Texas Pacific Group) is a leading global private investment firm with $54.5 billion of capital under management. It was founded in 1992. Ram Aggarwal started “Vishal Mega Mart” in Kolkata in 1986, in a 100sq ft shop in Lal Bazaar. It was an Indian Private company which face struggle in the beginning and today Vishal Mega Mart has branches all over India with the turnover of Rs.890 millions till October 2005. On March 14, 2011 TPG, Shriram Group acquires Vishal Retail for Rs 70 crores. Globally, TPG has made significant investments in a wide range if businesses in retail and consumer sectors, including Lilliput Kids Wear Pvt. Ltd in India. Vishal Retail/TPG Group follows the expansion strategy
of having own stores throughout India and it facilitates the customers through departmental stores and hypermarkets.

Vishal Mega Mart have around 143 retail stores present in 78 cities of India comforting consumers with their services and providing employment to about 7000 number of employees which helps in raising the turnover of the company to Rs.12410.4 millions till now. Key Categories of Products of Vishal Retail are F&V, Groceries, Staples, Stationary, Footwear, Clothing, Consumer Durables, and General Merchandise. To overcome the losses of Vishal Mega Mart, TPG will invest Rs.2000 millions into TPG wholesale to fund the turnaround of its business and future growth. Today, Vishal Mega Mart is a well known retailing company and is growing at a very good growth rate and facilitating its customers in both big as well as small cities of India (TPG Creative Capital, 2012). Table 2.4 summarizes the profile of these retail companies as follows.
Table 2.4: Profile of Retail Companies

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the company</th>
<th>Ownership type</th>
<th>Expansion Strategy</th>
<th>Type</th>
<th>Number of Stores</th>
<th>Number of employees</th>
<th>Presence in cities</th>
<th>Turnover (Million Rs)</th>
<th>Key Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aditya Birla</td>
<td>Private (Indian)</td>
<td>Owns stores</td>
<td>Supermarkets, Hypermarkets</td>
<td>575 Supermarkets, 12 Hypermarkets</td>
<td>11000</td>
<td>9</td>
<td>7098.315</td>
<td>Food, Grocery, FMCG, General Merchandize, Apparels</td>
</tr>
<tr>
<td>2</td>
<td>Bharti Walmart</td>
<td>Private (MNC) (JV between Bharti Enterprises and Walmart)</td>
<td>Owns stores</td>
<td>Wholesale cash and carry, backend SCM operations</td>
<td>17 wholesale units</td>
<td>4000</td>
<td>17</td>
<td>999.98</td>
<td>F&amp;V, Groceries, staples, Stationery, Footwear, Clothing, consumer durables &amp; General Merchandize</td>
</tr>
<tr>
<td>3</td>
<td>Carrefour</td>
<td>Private (MNC)</td>
<td>Owns stores</td>
<td>Cash and carry stores</td>
<td>5 Stores</td>
<td>250</td>
<td>2</td>
<td>175</td>
<td>Food and Non-food Products</td>
</tr>
<tr>
<td>4</td>
<td>Future Group</td>
<td>Private (Indian)</td>
<td>Owns stores</td>
<td>Discount Stores, Grocery &amp; Convenience Stores, Cash and carry, hypermarket</td>
<td>120 Big-Bazaar, 50 Pantaloons</td>
<td>35000</td>
<td>67</td>
<td>35000</td>
<td>Food, Grocery, FMCG, General Merchandize, Apparels</td>
</tr>
<tr>
<td>5</td>
<td>Landmark</td>
<td>MNC</td>
<td>Owns stores</td>
<td>department Store, hypermarket, supermarket</td>
<td>33 lifestyle stores, 13 SPAR</td>
<td>over 5000</td>
<td>10</td>
<td>2817.4</td>
<td>Food and Grocery, F&amp;V, Bakery, Wine, beer &amp; Spirits, Apparels, Home textile, Personal care</td>
</tr>
<tr>
<td></td>
<td>Company</td>
<td>Type</td>
<td>Ownership</td>
<td>Store Type</td>
<td>Store Count</td>
<td>Sales (crn)</td>
<td>Product Categories</td>
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<td>6</td>
<td>Marks and Spencer Reliance India Ltd</td>
<td>MNC (JV between Reliance and Marks &amp; Spencer)</td>
<td>Owns stores</td>
<td>Department Store</td>
<td>24</td>
<td>over 1000</td>
<td>Apparel, Homeware, Beauty</td>
<td></td>
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<tr>
<td>7</td>
<td>Reliance Retail</td>
<td>Private (Indian)</td>
<td>Owns stores</td>
<td>Discount Stores, Grocery &amp; Convenience Stores, Cash and carry, hypermarket</td>
<td>1300</td>
<td>over 1000</td>
<td>Food &amp; Grocery, F&amp;V, Stationery, B&amp;M, Apparels, General Merchandise, Jewels</td>
<td></td>
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<tr>
<td>8</td>
<td>RPG Private (Indian)</td>
<td>Owns stores</td>
<td>convinience stores, hypermarket</td>
<td>220 spencer stores</td>
<td>60000</td>
<td>35</td>
<td>Food &amp; Grocery, F&amp;V, FMCG, Apparels, lifestyle products, B&amp;M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Trent Private (Indian)</td>
<td>Owns stores</td>
<td>Discount Stores, Grocery &amp; Convenience Stores, Cash and carry, hypermarket</td>
<td>103</td>
<td>Over 5000</td>
<td>23</td>
<td>Clothes, footwear &amp; accessories, home furnishings, F&amp;V, staple foods, beverages, health and beauty, B&amp;M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Vishal Retail/TPG Group Private (Indian)</td>
<td>Owns stores</td>
<td>Departmental stores, hypermarkets</td>
<td>143</td>
<td>7000</td>
<td>78</td>
<td>F&amp;V, Groceries, staples, Stationery, Footwear, Clothing, consumer durables &amp; General Merchandise</td>
<td></td>
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</tbody>
</table>
Thus SCM has become the predominant management focus and the source of competitive advantage for many firms. Companies in the retail industry implementing supply chain management aim to react to the increasing uncertainty and complexity of the market environment, to advance their competitive position in the entire value chain. To establish a clear picture of how the retail SC performs, to reflect the supply chain activities, the dimensions of performance should include both financial performance and non-financial performance. It is important to have a comprehensive set of criteria on an operational level, in order to properly evaluate retailers and their degree of modernity in running operations, as supply chain partners form the manufacturer point of view.

Many firms limit their focus to the performance of their own organization and neglect to reduce inefficiencies and eliminate non-value activities in the SC to improve supply chain performance (Holmberg, 2000). Under such circumstances and in order to ensure growth, the retail supply chain must be adaptive and anticipative (Ramesh, Banwet, & Shankar, 2008). Adaptive supply chains, or supply networks, are those that are flexible enough to meet the demand of changing customer markets. An adaptive supply chain requires greater collaboration and visibility between all points within the supply chain and all its extensions. Measurement also enables them to benchmark their current levels of practice against the best-in-class performers. To achieve better supply chain performance (such as complete order fill, accurate and timely information, reliable and short order cycle time), (Cooper, Ellram, Gardner, & Hanks, 1997a) suggested that retailers need to establish closer relationships with supply chain partners.
Hence, performance measurement is not a new concept, the challenge with the managers is that there are a huge number of performance metrics available, and they find it difficult to select a few KPIs which are significant for their supply chain. Therefore an effort has been made in this study to identify the KPIs for retail supply chain and develop a performance model using the identified KPIs. The next chapter discourses the literature review on performance measurement and explores various approaches for categorizing KPIs.