

FDDI NEWSLETTER

Be Ambitious.
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Institution of National Importance (INI)
under FDDI Act, 2017

A Weekly Newsletter
साप्ताहिक समाचारपत्रिका

GUNA



HYDERABAD



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04th May 2018

Issue No. 674

KOLKATA



Bata to grow footprint in smaller cities via franchise route in 5 years

Footwear brand Bata India Ltd. has identified 435 small cities in India for retail expansion through franchising over next 3-5 years, Bata Group Chief Marketing Officer, Mr. Thomas Archer Bata said, in a change for the company that owns and operates most of its outlets in India.

ROHTAK



goal of \$1 billion (around Rs. 6,675 Crore) in five years. Bata India's revenue stood at Rs. 2, 497 Crore in the year ended 31 March 2017. The company is yet to release earnings for the year ended 31 March 2018.

The retail push through franchisees would help Bata reach its goal of \$1 billion (around Rs. 6,675 Crore) in five years

Once it reaches the \$1 billion target, India will be the largest market for Bata. "At present, it is the second largest and about 20% behind Italy where it sells around 57 million pairs of shoes a year," Mr. Bata said.

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Bata Group Chief Marketing Officer, Mr. Thomas Archer Bata

CHHINDWARA



While most of around 1,500 Bata stores in India are owned and managed by the company, it has franchising options across 40 countries. "We have about 150 franchised outlets in India. It is an asset-light model that fits well with small cities and can be expanded faster," added Mr. Bata.

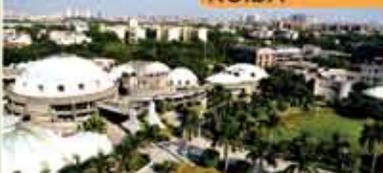
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"Bata is a mass brand, and we need to strengthen our presence beyond the top towns. These 435 cities are essentially tier-II and tier-III cities where we would want to be accessible to consumers across the secondary towns," Mr. Bata said. The company will add 80-100 stores every year.

Besides new stores, the company is redesigning most of its stores with specific focus on a particular category like sports, or women, or youth and even school shoes. "Still Bata outlets are family stores. We have loyal consumers but we have limited acceptance among the younger generation. We need to catch their attention," added the Bata scion,

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The retail push through franchisees, said Mr. Bata, would help the Indian unit of the Czech shoemaker reach its

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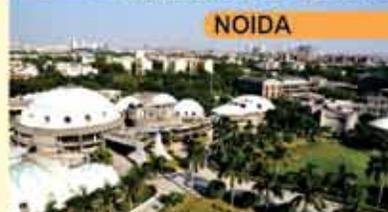
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adding that women's shoes would be a focus category for Bata in India.

At present, women's shoes account for around 40% of Bata sales in India which the company wants to go up to 50% in 3 years. "The potential of the segment is huge. This is one segment that's going to grow much quicker," said Mr. Bata.

According to Bata, the company has done very limited marketing during the past few years. "That's going to change. We are having Indian celebrities to be associated with our brands on a long-term basis. Focus on digital media for marketing and rebuild our image that the younger generation would connect to," said Mr. Bata.

(Source: Mint)

Snapdeal losses mount to Rs.4, 647 Crore in fiscal 2017

E-commerce firm Snapdeal saw its losses mounting to Rs. 4, 647 Crore for the fiscal ending March 2017, impacted by a provision for "impairment of goodwill" of Rs.1,797 Crore. According to regulatory filing to the Corporate Affairs Ministry by Jasper Infotech, which runs Snapdeal, had registered a net loss of Rs. 3,340 Crore in 2015-16. The firm's total income also declined by 12.6% to Rs. 1,291.3 Crore in FY2017 from Rs.1,478.2 Crore in the previous year. A Snapdeal spokesperson said

the financial statement for 2016-17 "reflects the first stage of Snapdeal's focus on unit economics and business efficiencies".

(Source: Mint)

Metro Cash and Carry eyes acquisitions to aid digitization plan

German wholesaler Metro Group is looking for acquisitions that will aid its ongoing digitization of retail outlets in India, a top company executive said.



Metro is also looking at exclusive distribution tie-ups with FMCG manufacturers for new product launches.

However, unlike peer Walmart Inc., the world's largest retailer pursuing the acquisition of online retailer Flipkart, the Indian arm of Metro will look at opportunities that will aid its B2B journey here.

"Most retailers are focused on the B2C and e-commerce opportunity in India. However, we are focused on the B2B opportunity and will look to drive

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acquisitions and mergers that create shareholder value in this space,” Arvind Mediratta, Managing Director and Chief Executive Officer, Metro Cash and Carry Pvt. Ltd. said in an interview.

In past 8 months, Metro Cash gave close to 100 retailers products worth Rs. 32,000 each to digitize their businesses

Mediratta, however, did not specify on timelines or the size and capex plans for the proposed acquisitions and maintained that this is a part of the company’s global plan to drive acquisitions and mergers in key markets including Europe, China and India.

Over the last 6-8 months, Metro has worked with close to 100 retailers in Bengaluru, Hyderabad and Delhi to digitize their businesses by giving them free hardware and software worth Rs. 32,000 each. “Retailers enrolled reported a growth in both bottom line and revenues,” said Mediratta, who now plans to roll out this programme at its national network of kirana stores.

However, retailers will be required to pay for the solution provided by retail technology provider Snapbizz. Metro has tied up Capital Float for working capital loans. The wholesaler has also tied up with Kotak Mahindra Bank for credit cards that will enable retailers

to avail of a 15-day credit for their businesses.

The company is looking for more such partnerships and even acquisitions in the technology space to develop low-cost solutions, said Mediratta.

The company, which has been in India since 2003, is also looking at exclusive distribution tie-ups with Fast Moving Consumer Goods (FMCG) manufacturers for new product launches or for developing exclusive packs for distribution in its channel. Over the last year, it has formed close to a dozen such partnerships with manufacturers like Mondelez India Foods Pvt. Ltd., and Mars International India Pvt. Ltd., the local arm of American chocolate maker Mars Inc.

Meanwhile, rival Walmart is looking at driving partnerships with retailers in the UK and India, even as it scales back in some markets like Brazil. On 28 April, Walmart announced that the company has agreed to its wholly-owned subsidiary Asda Group Ltd combining with J Sainsbury plc to create one of the UK’s leading grocery, general merchandise and clothing retail groups, with combined revenues of £51 billion for 2017.

In India, Foreign Direct Investment (FDI) rules allow overseas investors to hold a maximum of 51% in multi-brand retail. However, in 2016, the

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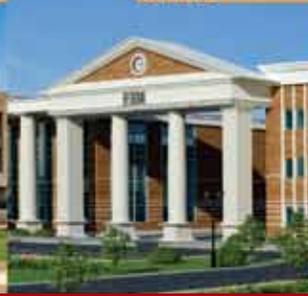
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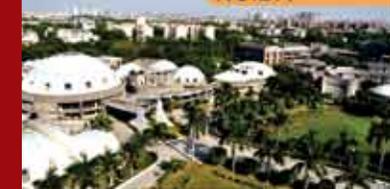
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Physical Laboratory Testing Services Provided by FDDI, NOIDA

S.No.	Test Description	Charges in ₹
16.4	Composition	300
16.5	Linear Density of yarn/count	100
16.6	Scouring Loss	500
16.7	Colour fastness to light	1200
16.8	Identification of fibre	200
16.9	Dimensional stability	100
16.10	Threads per unit length in woven fabric	150
16.11	Weight per square meter	100
16.12	Crease Recovery	550
16.13	Dry Cleaning	550
16.14	Ash Test	200
16.15	pH	300
16.16	Water Soluble	300
16.17	Cone Test	200
16.18	Water Absorption	200
16.19	Hot Pressing	450
16.20	Bleaching Test	250
16.21	Crocking Test	250 each

17. AGEING TESTS HEAT AGEING/WET HEAT AGEING (HYDROLYSIS)

17.1	Upto 24 hours (1day)	
a.	For the first sample	600
b.	For the subsequent three samples (per sample)	100
17.2	Upto 72 hours (3 days)	
a.	For the first sample	1000
b.	For the subsequent three samples (per sample)	200
17.3	Upto 120 hours (5 days)	
a.	For the first sample	1200
b.	For the subsequent three samples (per sample)	250
17.4	Upto 168 hours (7 days)	
a.	For the first sample	1500
b.	For the subsequent three samples (per sample)	300
17.5	Upto 240 hours (10 days)	
a.	For the first sample	2000
b.	For the subsequent three samples (per sample)	400
17.6	Upto 336 hours (14 days)	
a.	For the first sample	3000
b.	For the subsequent three samples (per sample)	500

FDDI ITC (NOIDA & CHENNAI) IS OFFERING FLAT 20% DISCOUNT ON ALL TESTING TO ALL THE CUSTOMERS TILL THIS FINANCIAL YEAR 2018-19

* The said discount is not applicable on inter-lab testing & package fee

government allowed 100% FDI in online retail of goods and services under the so-called 'marketplace model'. Walmart which in the past had burnt its fingers in a joint venture with Bharti Enterprises runs its own cash and carry operation in India. The retailer is now in a race with Amazon Inc for the acquisition of online retailer Flipkart for \$10-12 billion, which will give it access to the Indian consumer. The frenzy is understandable. Indian organised retail is in a sweet spot, especially after demonetisation and implementation of the Goods and Service Tax (GST) with the market turning favourable for organised retailers which accounts for just about 7% of total retail trade. "We envisage more consolidation and M&A activities in the sector, particularly between online and offline players, benefitting large players in the industry," said equity analysts Tanmay Sharma and Varun Lohchab of Jefferies Ratings in an April report.

(Source: Mint)

Compiled by: Resource Centre (RCIP),
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