

CII National Retail Summit 2006
Plenary Session 1: Promoting Consumption for Economic Growth

Retail as an Economic Engine



Third Eyesight

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Mumbai

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Third Eyesight – Overview

- **Sectors: Consumer Products and Retail**
 - Fashion (Textile, Clothing, Footwear, Accessories & Home)
 - Food & Grocery, FMCG, Health & Beauty
 - Consumer Durables & Home Improvement

- **Clients:**
 - Retailers, brands and manufacturers
 - Indian as well as international companies

Typical Services

- Strategy and Operations Support in areas such as:
 - Strategy Development – new / existing business
 - Partners, licensees or franchisees; Alliances
 - Sales / Marketing
 - Sourcing and Supply Chain Strategy
 - Operations Projects

“Indian” view on *dukandari*?

Consumption is Bad!

American view on economic prosperity **GOD!** Consumption is ~~Good!~~

Purushartha – A Balanced View

- **Dharma** Righteousness
- **Artha** Wealth
- **Kama** Sensory pleasure
- **Moksha** Communion with the Infinite

Without Profit or Wealth, both Virtue and (the objects of) Desire cannot be won...Do not applaud poverty.

- Arjuna, Mahabharata

Concept of Ashrama

1. *Brahmacharya* (Focus on Study)
2. *Grihasta* (Focus on the World, Family)
3. *Vanprastha* (Withdrawal from the Worldly)
4. *Sanyasa* (Renunciation)

***Grihasta* regarded as root of all the others.**

Economic Impact Hierarchy

- | | |
|---------------------------------|-------------------------------|
| ■ Subsistence Farming | ⇒ Modern Farming |
| ■ Cottage Industry | ⇒ Manufacturing Scale |
| ■ Small Towns and Poor Villages | ⇒ Vibrant Urban and Rural Mix |
| ■ Unorganised Retail | ⇒ Modern Retail |
| ■ Generic merchandise | ⇒ Brand Ownership |

Modern Retail – Wide & Deep Impact

- Agriculture
- Manufacturing & Other SMEs
- Social & Societal Infrastructure
 - Town planning
 - Services
 - Cultural

What Creates the Impact?

- Need for efficiency
- Consistency across the chain
- Differentiation need

An “Indian Model”?

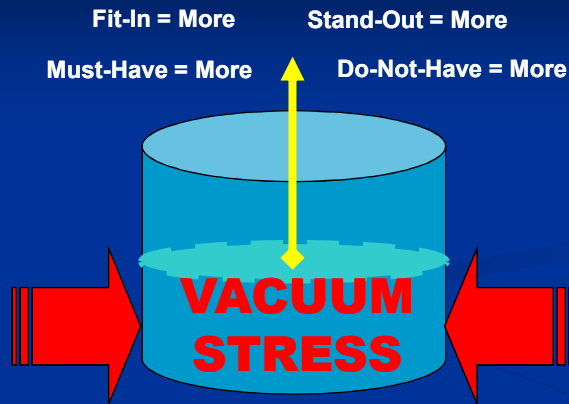
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Prosperity

- “Absolute” (relative to other countries)
- Relative (within the country)

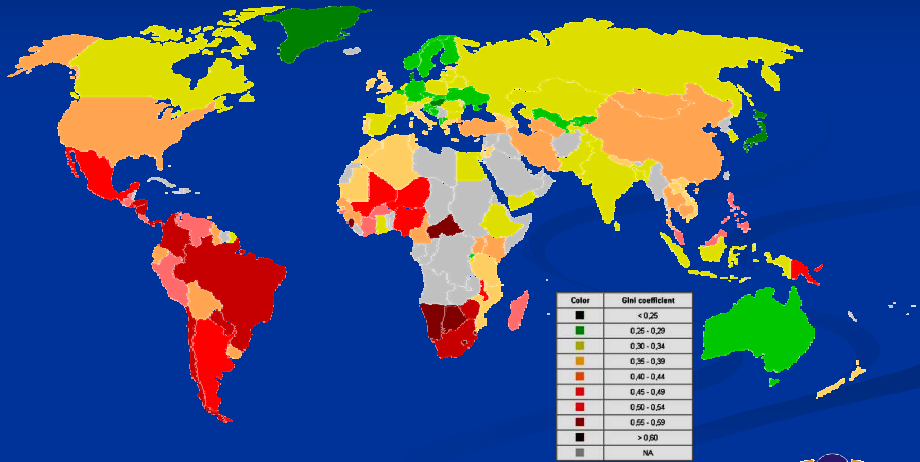
Concern



Is this the message?

- Inequality is good – it creates ambition and brings forth creative energy...
- So more inequality must better?

Gini Coeff. – A Measure of Inequality

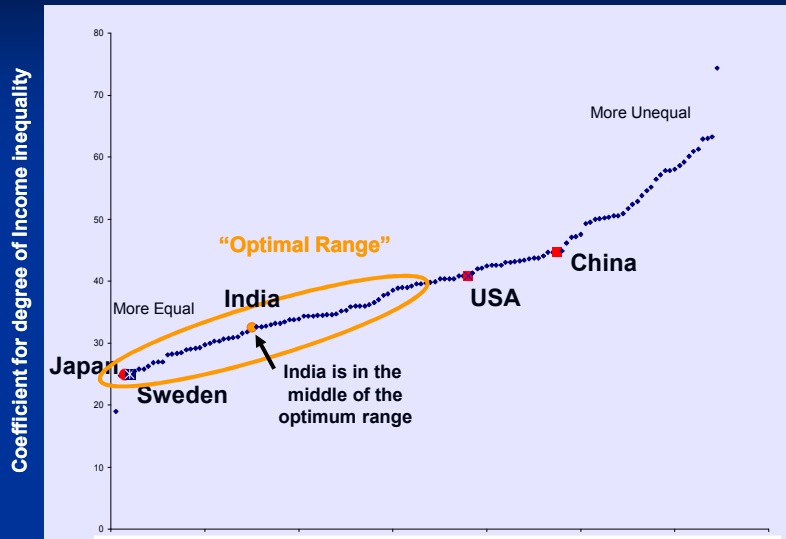


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Where's India on the Gini Coeff.?



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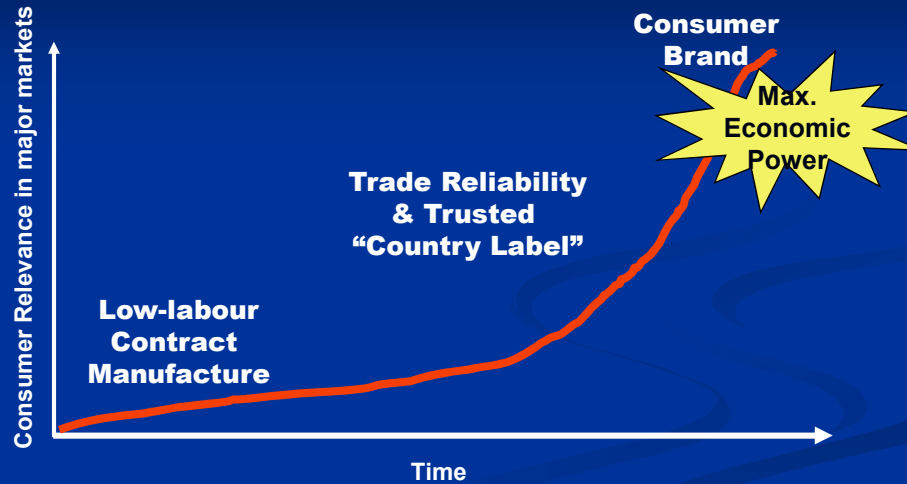
The Indian Model – The Policy Push

- Take the Economic Growth to where the people are...the villages, too
- Focus on “Agricultural Product Outsourcing”!
- Emphasise Manufacturing-Led Growth

How Retailers Can Play A Role

- Not 4-5 but hundreds of “Farm-to-Fork” initiatives
- Target the true middle-class and the real mass market
- Be the platform for Domestic Brands, because...

Typical Development Path Followed By Countries



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Article Reference

Myth and Reality of the Retail Revolution

http://www.thirdeyesight.in/articles/Myth_and_Reality_of_the_Retail_Revolution.pdf
(Downloadable PDF File)

Other Articles on www.thirdeyesight.in/articles.htm

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