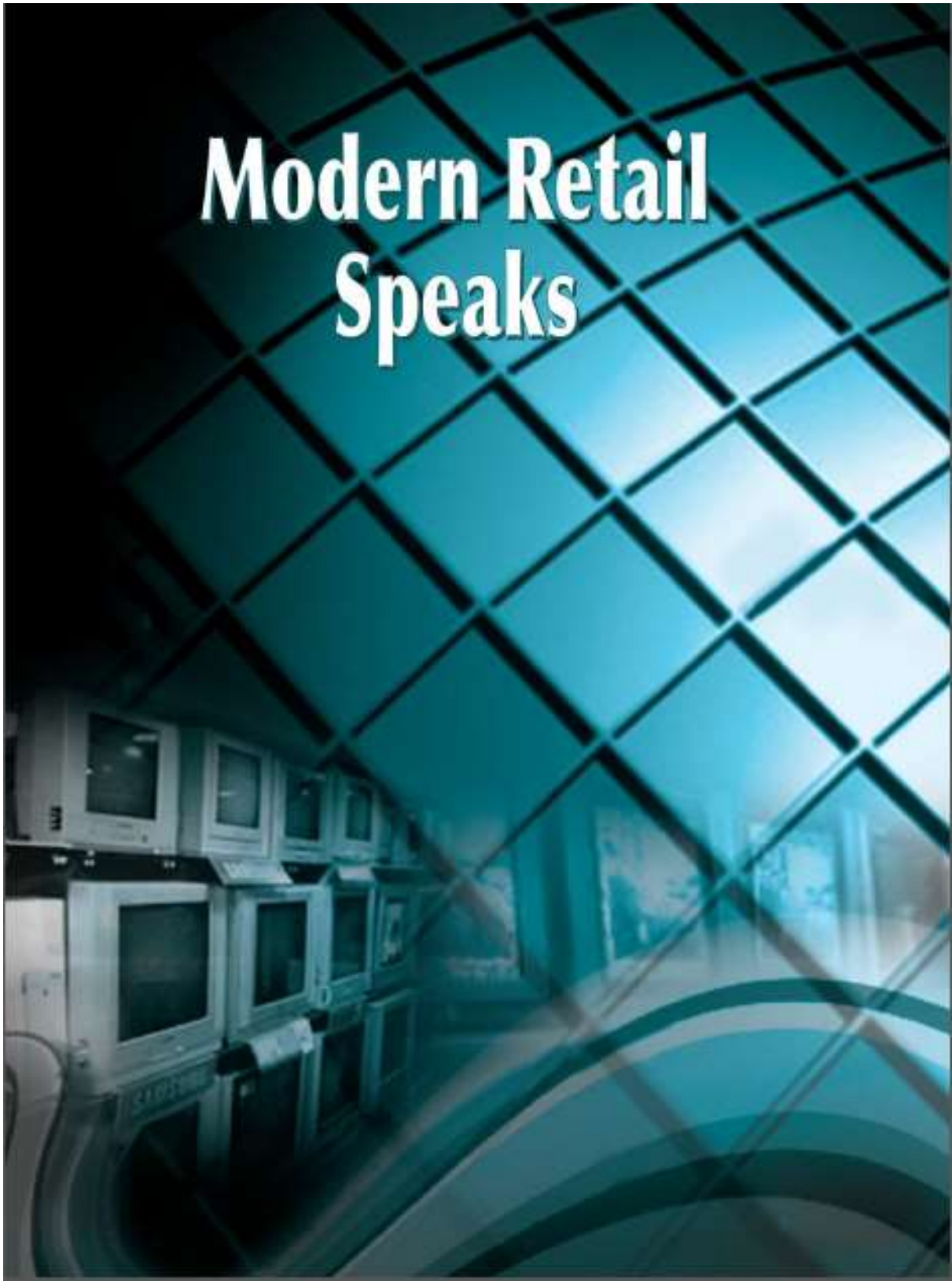


Modern Retail Speaks





Reliance Digital



Peshwa Aoharya, CMO & Head - Marketing & Consumer Experience, Reliance Digital Retail Limited

On sales trends in 2008
Reliance Digital is a Rs. 500 crore company on an annualized basis. For 2009, we are going to register four-fold growth over the current year targeting Rs. 2,000 crore. Our focus is on consumer technology solutions. Our idea is not just to sell consumer brands and products but also the relevant technology solutions. Our endeavor is to understand what consumers want and suggest them the right products. Reliance Digital is a premium format with relatively greater emphasis on premium categories like LCD TVs and frost free refrigerators over CRT TVs and single door refrigerators. Reliance Digital has introduced Reliance net@, a network of in-house service centers that will provide post-sales support services. It is managed directly by Reliance Digital. Reliance Digital carries out strong national promotional campaigns, which have been created into marketing properties Anniversary Promotion in May and You are the King Diwali promotion in Oct 2008. Such promotional campaigns receive fantastic consumer response and our sales shoot up.

On emerging technologies

There is a clear shift toward laptops, which are clearly becoming a household use product. Wi-Fi is another emerging technology, transforming the way Internet is used at home. Gaming consoles and gaming as a category are also becoming very popular. Digital cameras are growing at a fast pace. In the music segment, MP3 players are taking off. LCD TVs, double door refrigerators, and fully automatic washing machines are the emerging products. Home theaters are becoming

more sophisticated and multi format.

On fast selling products

LCD TVs, digital cameras, laptops, mobile phones, and split air conditioners were the fast selling products during the year.

On private labels

In private labels, our focus presently is on accessories and not on parent products. Our aim is to primarily establish Reliance Digital as a destination for national and international brands. Once this goal is accomplished, we will start selling more private labels. Private labels are already contributing 5-10 percent to the overall turnover of Reliance Digital, which may increase to 20 percent in 2009.

Issues that need to be addressed

Most of the costs of retailing are going up, while in digital retail, the year-on-year consumer realization may actually come down. The other issue is that rentals are skyrocketing and

need to be brought down. Retaining and training of good manpower is another challenge. Also there is a high cost of informing and communicating with our target consumers, which is becoming expensive; it is getting more difficult to catch the premium, time stretched consumers.

Also, vendors, brands, and manufacturers should try to understand the special significance of modern retailing. We should jointly focus on creating fantastic consumer experience, which no other traditional or small format can create. So, modern vendors should capitalize on this opportunity. Modern retailing can really be the seedling point for many of the new categories and technologies like wireless routers, MP4, Full HD, Blu Ray, mobile blue tooth, gaming, etc. This is where they can conduct seeding, consumer understanding, test trials, product modifications, understanding the needs of the Indian consumers, and thus drive home new concepts to consumers easily. ■