

Publication: Financial Express	Date : July 18, 2005
Page: Corporates and Markets	Language: English

Spencer's set to re-brand small retail format stores

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Mumbai, Jul 17

Spencer's Retail Ltd, part of the Rs 13,500-crore RPG Group, is all set to re-brand its small retail format stores from "Spencer's Daily" and "Spencer's Express" to Spencer's and relocate some of the stores to newer locations due to poor demand. On the other hand, plans are also on the anvil to focus on setting up 75 large-format hypermarkets in India by March 2010, Samar S Sheikhawat, vice-president-marketing, Spencer's Retail told FE.

According to Sheikhawat, "With this move, Spencer's Retail Ltd will now have only two retail formats. It includes, "Spencer's" for small-format retail stores with an area size of 2,000 sqft to 10,000 sqft, and, "Spencer's Hyper" with over 40,000 sqft for hypermarkets." Currently, Spencer's Retail Ltd runs 368 supermarkets, including 32 large-format stores." As for the rationale behind the move, Sheikhawat explained, "It has been observed that rentals for large size properties are seen falling by about 40% in the metros, as the prices are now becoming negotiable. Hence, it is affordable to lease out

larger properties for setting up hypermarkets than expanding more small-format stores. We have recently relocated Spencer's supermarket store in Kolkata, Kerala and Hyderabad. Other cities too will witness similar trend." By the year-end, Spencer's Retail plans to set up a 70,000-sqft hypermarket at Thane and at Vasai. Sheikhawat said, these properties were signed even before Spencer's hypermarket was launched at Malad.

Spencer's Retail now plans to double the number of private label brands from 5,000 to 10,000 as private labels has contributed 15% of the 25% to Spencer's Retail's overall sales turnover in the past 18-20 months, he informed.

Sheikhawat added, "In order to combat rising inflationary trends, we are planning to start home meal replacement (HMR), a new take-away meal trend at Spencer's hypermarket apart from launching 'Innovative promotions' such as food festivals -Thai, Brazilian among others. Plans are on the anvil to start at home contact programme for women, apart from contact programme for school children in order to promote various kids competitions as well."