

# Woolworths forays into India via Spencer's

*To launch toy brand Chad Valley in the latter's 400 stores across India*

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**U**K-based Woolworths, which owns the Chad Valley range of toys, has tied up with Spencer's, the retailing arm of Rs 13,500-crore RPG Enterprises, to mark its entry into India.

The tie-up also marks Woolworth's entry into Asia at large. Under the agreement, Spencer's is the exclusive retail partner for Woolworth's in India and will retail Woolworths products across its 400 stores.

The maiden Chad Valley outlet was inaugurated in Kolkata on Saturday at Spencer's hypermart in south Kolkata's South City mall.

Simon Brown, international head of Woolworths, said, "We recognised the growing potential for toys in India and decided to sign on Spencer's for an exclusive retail partnership. Chad Valley toys are economically priced and they are perfect for the price-sensitive population here."

The \$6-billion UK company will also look at replicating its

corporate social responsibility (CSR) initiatives in India in the form of child welfare.

Chad Valley toys are priced between \$4 and \$50. Spencer's will set up around 10 Chad Valley stores with Spencer's hypermarkets in India. As of now, these will be shop-in-shop formats but going forward, standalone Chad Valley-branded outlets, managed by Spencer's, will also be set up in India.

"India should have around 15 Chad Valley standalone stores. But the advantage of being inside Spencer's hyper is that it witnesses a lot of consumers with different shopping needs, which also pushes up impulse purchases. Whereas a standalone toy shop would mean consumers walk in only when they think they want to buy toys, so impulse purchases tend to drop," Brown said.

Woolworths also owns Ladybird, the kids' apparel and merchandise brand in the UK, which it also plans to bring to India through Spencer's using the same retail tie-up.

Sanjiv Goenka, vice-chairman, RPG Enterprises, said,

"Since Chad Valley is a renowned toy brand the world over, we decided to tie up with the company and sell its products in India through our stores. The tie-up was necessary because we have noticed the growing importance of toys in our stores."

Over the next 18 months, Spencer's plans to invest close to Rs 1,200 crore. So far the company has invested Rs 1,000 crore. Spencer's plans to add 300 stores and 14 hypermarkets by the end of this fiscal, from 400 stores at present. The expansion will cover six new cities, in addition to the 65 cities in India where Spencer's is already operating.

Spencer's runs 400 stores, including 30 large format stores across 65 cities in India, focussing on verticals like food and grocery, fruit and vegetables, electrical and electronics, home and office essentials, garments and fashion accessories, toys, food and personal care, music, books and mobility solutions, the latter three forming part of speciality retail division.

