

# THE TIMES OF INDIA

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## Wal-Mart may not operate under its brand name

Samidha Sharma | TNN

**Mumbai:** The world's largest retailer Wal-Mart Stores Inc is unlikely to sport the eponymous 'Wal-Mart' brand as it prepares to enter India's retail market, which just opened up for foreign direct investment (FDI), said a top executive from its local joint venture partner Bharti Enterprises.

Rajan Bharti Mittal, vice-chairman & MD Bharti Enterprises, told TOI, that the Bentonville-based retailer will adopt an Indian model as it prepares to make its front-end entry into the India market.

The \$421 billion retail giant operates Wal-Mart-branded stores in the US and a few other countries but more than 90% of its international stores operate under a different banner than Wal-Mart. The retailer is present in Mexico as Walmex, in the United Kingdom as Asda, and in Japan as Seiyu. Wal-Mart's international business is a fast-growing part of the retailer's overall operations across 28 countries outside the US.

"Our partnership with Wal-Mart will take a natural progression and we will start having a dialogue on how to take it forward keeping in mind the fresh development on FDI," Mittal added. In 2007, Bharti Retail and Wal-Mart set up a JV company, Bharti Wal-Mart, to run supply chain and sourcing for Bharti's Easy Day stores. Wal-Mart also runs 14 wholesale cash-and-carry stores called Best Price in India.

"Wal-Mart prefers to be not known by its brand name until it's not in 100% control in a country. Historically, the retailer wants a complete Wal-Mart-model to be in place to lend its brand name to a store. In some countries, regulatory issues have also prevented it to brand its stores as Wal-Mart. In India, till the Easy Day stores do not look and feel exactly like a Wal-Mart store in the US, they would not give it the brand name," said Amit Bagaria, chairman of



READY TO CART IN		
	Rush of single-brand retail chains	Chain Country
		H&M Sweden
		IKEA Sweden
		Uniqlo Japan
		Topshop UK
		Gap US
		Banana Rep* US
		Polo** US
		Abercrombie*** US
		Apple US
		RadioShack US
		Best Buy US

\* Banana Republic  
\*\* Polo Ralph Lauren  
\*\*\* Abercrombie & Fitch

SOLD OUT ON FDI		
Scrip	Last close*	Change (%)
Pantaloon	234	17
Shoppers Stop	396	6
Trent	1,058	8
Vishal Retail	23	20

\* In RS on BSE

retail consultancy, Asipac Projects. Bagaria added that Wal-Mart-branded store could come in after 4-5 years as the quality of the existing and new stores are on par with its American outlets.

Mittal said that Bharti-Wal-Mart will increase its sourcing from Indian manufacturers as its private labels become increasingly big in the overall mix of products. "We already buy from farmers in a big way to the extent that in Punjab 30% of products are locally sources and that number is only growing. Even Wal-Mart will want to do the same considering a big chunk of their products is private labels," he added.