

## RETAIL RITES

**Helping retailers and manufacturers find a happy medium is what the Storewars programme does best, according to Hope Mandel**

Ravi Balakrishnan



**N**OT EVERY visitor to India is able to cover the wide range of activities that Hope Mandel managed on her first visit — from shooting tigers (with a camera) to interacting with the possibly even wilder, more dangerous world of Indian retailers and manufacturers. Mandel who was formerly with AC Nielsen, working on retail measurement and consumer pan-

els, now is president of Global Decisions. She travels across the globe conducting Storewars, a programme designed to help modern trade and the companies who supply them negotiate better and arrive at win-win situations. Unlike most training programmes/workshops, Storewars prides itself on being empirical and relevant to real situations. Running a global programme helps Mandel take learnings across different markets.

So far Central Europe has given Storewars its most enthusiastic reception. Locally large retailers in small countries like Poland and Hungary want to know how best to expand. The retail boom in these markets is giving way to a phase of consolidation, and, Mandel says, "At one point, there were 23 retailers in Poland but now, everyday you hear about sell-outs and mergers." Another concern common across the

globe is how to fight Wal-Mart — "Everybody is worried about how they're going to cope."

In India, the Storewars session indicates a lot of potential problem areas in the retail sector. For instance, research is a component that's factored in and has to be budgeted for, but Indian manufacturers went straight to the negotiation stage. Mandel appears rather shocked: "I couldn't believe how little research they bought! Some of the information is stuff they'd never be able to get from the retailer — sales data on the competition etc. A retailer is an expert on their consumer but can't be a category expert on all categories."

Another aspect was the clearly adversarial relationship between

manufacturers and retailers in India. Mandel recalls wryly that they went over the 30-minute limit and spent all the time they had arguing over transactional details. Ideally they ought to have attempted to arrive at a strategic solution appropriate to the vision of the retailer. She says it could be because that while in the West the balance of power has clearly shifted in favour of retailers, in India, manufacturers are for the first time interacting with retailers who have the upper hand: "There were cases where they just couldn't arrive at an agreement." In fact, she's surprised that manufacturers and retailers get along at all, given their totally different objectives — trying to grow brands versus attempting to build store loyalty. The onus of discounting ought to be passed on to the retailer, according to Mandel.

The road ahead is definitely one of segmentation, where each retailer has a clear positioning and isn't trying to be all things to all people. She observes, "Shoppers don't expect that of you. They realise you cannot have the most elegant stores with the most helpful staff along with the cheapest prices. They aren't that unreasonable."



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