Wal-Mart in India: a success or failure?

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Abstract

Purpose – The main purpose of this paper is to explore the challenges that Wal-Mart may face as it expands into the Indian retail market. Wal-Mart's failures in Germany and South Korea are analyzed to identify learnings that could be utilized in the Indian expansion.

Design/methodology/approach – Dunning's eclectic theory as applied to international expansion is used to analyze Wal-Mart's advantages and disadvantages in Germany and South Korea. The theory is then applied to India to understand the possible advantages and disadvantages for Wal-Mart in entering the Indian retail market.

Findings – The key findings of the study are that Wal-Mart faces many ownership as well as locational disadvantages while expanding in India. These significant challenges need to be well-understood and suitably addressed for success in the Indian market.

Originality/value – This report makes a contribution towards understanding the challenges in entering an international market using a case study. The study helps analyze international experiences can be leveraged in future plans of international expansion.

Keywords India, Retailing, Cross-cultural studies, International business, Supermarkets

Paper type Research paper

In times of cut throat competition in the retail industry and saturation of domestic markets, retailers have been looking to expand internationally. Many American retailers have ventured internationally and established presence in several countries. While some retailers have been highly successful, others have faced failures. This paper analyzes Wal-Mart as a company that has been expanding internationally for several years with its share of successes and failures. This paper analyzes the main reasons for Wal-Mart's failures in Germany and South Korea utilizing the eclectic theory, and then applies the learnings to evaluate Wal-Mart's entry into the Indian retail market.

Wal-Mart company background and history

Wal-Mart's business model is founded on providing the lowest prices to its customers. The company's primary expansion strategy has been to continuously open new stores, especially its massive, 100,000-200,000 square foot supercenters (Knowledge@ Wharton, 2003). Starting in 1962 when Sam Walton opened the first Wal-Mart discount city in Rogers, Arkansas, a city of only 6,000 residents, Wal-Mart today operates a total of 971 discount stores, 2,447 supercenters, 591 Sam's Clubs and 132 neighborhood

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markets in the US and 3.020 retail stores internationally (Annual Report, 2007). Wal-Mart's growth has been nothing less than spectacular.

In the beginning, most stores were located in small towns with populations of up to about 5,000 people offering typical department store merchandise but no groceries. With the introduction of supercenters in the 1980s, with sizes of over 200,000 square feet, Wal-Mart began selling groceries. Over time, Wal-Mart expanded into larger metropolitan areas with store formats that included both Sam's Club membership stores, selling at a very low-price level with most products sold in bulk, and neighborhood markets offering about 20,000 products (Annual Report, 2007; Graff and Ashton, 1994; Schneider, 1998; Vance and Scott, 1992).

Wal-Mart's international expansion

Wal-Mart's international expansion began as an attempt to generate sales growth outside its well-established base in the USA Wal-Mart's international operations are spread across countries such as Canada, Mexico, Brazil, Costa Rica. International stores represent about 45 percent of the company's total retail outlets ("International operations fact sheet", 2007).

The company's current stated goal is to increase its international business from the current level of about 20-33 percent of its revenues or roughly $103 billion (Longo, 2005; Ramstad, 2006a). Wal-Mart's approach to achieving this growth goal is based on three strategies:

(1) expanding into new markets with multiple formats;

(2) opening new stores in existing markets; and

(3) increasing sales at existing international stores.

To achieve this goal, Wal-Mart aggressively increased its international presence by expanding into Latin America in 2005 through the purchase of an interest in 413 stores of a regional retailer. This increased the company's international footprint from ten countries to 15 countries at that time. Though, Wal-Mart has been able to succeed in close-to-home markets like Canada and Mexico, the company's Asian and European business units have been much more difficult to manage ("International operations fact sheet", 2007). In the late 1990s, Wal-Mart expanded into the South Korean and the German retail markets and has since exited both markets because of poor financial performance (Ramstad, 2006a, b; World's biggest, 2006). These exits have reduced Wal-Mart's international presence to 13 markets.

Wal-Mart had planed to open 320-330 international stores in 2007, of which 10 percent were relocations or expansions of existing stores and the remaining units were new operations for the company ("International operations fact sheet", 2007). Wal-Mart officials have indicated that India, where government reforms lifting restrictions on foreign ownership of retail operations are underway, is a major target market for the company (Annual Report, 2007; Knowledge@Wharton, 2006).

Dunning's theory of the eclectic firm for international expansion

Dunning's (1981) theory of eclectic firm approach has been widely accepted as a conceptual framework for explaining foreign direct investment and international expansion.

The model of theory of eclectic firm includes three dimensions associated with foreign direct investment. These are:

(1) ownership;
(2) location; and
(3) internalization.

Ownership covers the firm's assets and transactions. Asset ownership provides advantages due to the reputation of the company whereas transactions cover the way a store carries out its operations. The location dimension includes factors that cover the overall attractiveness of a country to a retailer. These are grouped into pull and push factors. Pull factors include factors related to location that make the market more attractive such as market size, low cost of land, and labour, whereas push factors are related to location that make the market less attractive such as cultural differences and stringent regulations. Finally, the internalization dimension relates to how company's secrets are handled. This may be important for companies that have assets that need to be protected. Based on the level of protection required, the companies choose different methods for foreign expansion such as franchising and joint ventures (Dunning, 1981; Sternquist, 1997).

In this paper, we closely examine Wal-Mart's expansion in Germany and South Korea using relevant dimensions from Dunning's (1981) theory of the eclectic firm, and then analyze Wal-Mart's Indian context.

Wal-Mart in Germany

Wal-Mart chose Germany for its entry into the European market because it is the biggest market in Europe and has a central location. The thinking was that it would be possible to expand into other markets in Europe from Germany. Wal-Mart entered the German market by buying 21 Wertkauf hypermarkets at the end of 1997 and 74 interspar hypermarkets a year later in 1998. Many of the stores they purchased were not working profitably and most of the stores were in need of renovation (Berggoetz and Laue, 2002). Wal-Mart operated in Germany as a wholly owned subsidiary of the parent company.

Utilizing the eclectic theory, we analyze the ownership, locational, and internalization dimensions of Wal-Mart's entry into Germany. First, we analyze the ownership and internalization dimensions together. Since Wal-Mart entered Germany through a completely owned German subsidiary, it owned all assets, and has the ability to implement its own approach to transactions within its operations in Germany. Wal-Mart seems to have failed to take advantage of the benefits arising from ownership. To start, there were delays in changing the name of the stores to Wal-Mart. Further, considering that several stores were in need to substantial renovation, Wal-Mart missed on renovating the stores immediately, which seems to have resulted in a poor image of the Wal-Mart brand. Customers began to associate the name of Wal-Mart with the image of run-down stores. Also, even though Wal-Mart constantly increased the share of store brands, they still accounted for only 15 percent of all articles and Wal-Mart never became a well-known brand name in Germany. Finally, Wal-Mart was not really able to differentiate itself in terms of the service it provided compared to competition. Its return policies were viewed as identical to other German retailers, and its quality of service was mediocre. The only difference cited between Wal-Mart and other retailers was that

Wal-Mart's shopping bags were free. Overall, Wal-Mart was not able to create a positive, well-known image or to find a niche of its own in the fragmented German retail market (Gerhard and Hahn, 2005).

Second, we analyze the locational dimension. Wal-Mart's natural approach in Germany was to focus on improving operations through the rationalization of stores by closing some of them to open new ones. One locational parameter that Wal-Mart seems to have underestimated was the strict zoning laws and the scarcity of development sites. The resulting delays in the opening of new stores rapidly did not allow for Wal-Mart to scale up fast enough. The inability to scale effectively reduced Wal-Mart's ability to obtain sufficient volume discounts from suppliers or to achieve efficiencies in logistics – two key factors that have driven Wal-Mart's success in the USA. Owing to the small number of Wal-Mart stores, the company was at a disadvantage when compared to other German discount chains (Gerhard and Hahn, 2005). Furthermore, the lack of scale power resulting in Wal-Mart's failure to achieve price leadership. Wal-Mart's capability to reduce prices was limited because of the low-profit margins and it is illegal to sell below the buying price in Germany. Whenever Wal-Mart reduced prices, competitors did so as well. This ties back to the first dimension of ownership where transactional advantages could not be achieved. Although, Wal-Mart had 92 stores by 2003, the inability to scale to the right size in a timely manner within a strongly regulated environment resulted in significant annual losses of between $130 million (*Newsweek*, 2003) and $260 million (*Business Week*, 2001). Further, Wal-Mart's lack of market success made it difficult to find partners willing to invest with them. One of the distinct and critical attributes of localization is culture, where again Wal-Mart seemed to have faced challenges in Germany; cultural differences between American and German consumers was a significant reason that prevented the successful acceptance of the Wal-Mart culture in Germany (Gerhard and Hahn, 2005).

The cultural factor affected Wal-Mart internally as well. Knorr and Arndt (2003) attributed Wal-Mart's failure to the company's management, writing that "Wal-Mart's attempt to apply the company's proven US success formula in an unmodified manner to the German market turned out to be nothing short of a fiasco." Wal-Mart's American managers pressured German executives to enforce American-style management practices in the workplace. Employees were forbidden, for instance, from dating colleagues in positions of influence. Workers were also told not to flirt with one another. Several workers resisted the management's demands which they felt were unjust. Two senior managers of Wal-Mart in Germany were quoted as saying:

> Corporate culture not only requires supportive action (intercultural training, coaching) but also time and patience in order to grow within an acquired company with a cultural history of its own. There is no such pill as a pill for cultural transformation (Berggoetz and Laue, 2002, p. 8).

Besides, running up against German tradition, analysts say Wal-Mart also misfired when it came to knowing the market they were attempting to crack. American styles do not always translate well. Many of the product buyers in Germany were Americans, resulting in a lack of understanding of the German consumer markets. As an example, in the US supercenters, food accounts for about 40 percent of sales. In its German competitors, food accounted for 50-360 percent of sales (O'Connor, 1998). While Wal-Mart kept this ratio – in contrast to its home stores in the US – it slightly changed the assortment of about 60,000 different articles in order to meet the requirements of the German consumer as much as possible. German refrigerators are usually much smaller than American ones and Germans tend to have less storage room and therefore, are not used to buying large quantities of food or other items. For this reason, Wal-Mart offered smaller sizes in Germany but they did not reduce the share of food in the stores and this resulted in lower operating margins (Gerhard and Hahn, 2005). Also, Wal-Mart did not sufficiently research the German market to tailor its merchandise mix. The company was stuck with millions of dollars worth of merchandise which was not desired by German consumers (Deutsche Welle, 2006).

Finally, Wal-Mart has traditionally operated in the US market where it has exploited local labour laws to its benefit (Clifton, 2007). The labour laws in Germany seemed to have been much harsher which directly increased Wal-Mart's labour costs. Strict local business regulations concerning store operating hours and employee protections prevented the chain from achieving profits similar to their US operations.

When Wal-Mart departed the German market, the revenue lost was just 0.8 percent of Wal-Mart's annual $103 billion in sales.

Wal-Mart in South Korea

Wal-Mart entered South Korea in 1998 when the South Korean Government opened up retail markets to foreign investments (Ramstad, 2006a). It purchased an 85 percent stake in Korea Makro, which had four stores located in the Seoul metro area. A number of other retailers entered the market at the same time. Eventually in 1998, there were five major foreign retailers actively operating in Korea along with numerous domestic rivals (Park, 1999).

Utilizing the eclectic theory, we specifically analyze the locational dimensions of Wal-Mart's entry into Korea. The ownership and internalization dimension really do not seem to have any significant impact compared to the locational dimension. Wal-Mart's natural approach in Korea was to offer a warehouse based store setting – very similar to its settings in the USA. Wal-Mart seems to have missed fully understanding the local Korean retail culture which thrives as a festive and social setting. Korea's retail market is composed of thousands of small retailers that are typically dispersed in local neighborhoods and form both a marketplace and a social center. The successful domestic retail supercenters aimed to recreate the festive, noisy atmosphere of the outdoor markets within their stores (Ramstad, 2006b).

Wal-Mart's value proposition of price leadership did not seem to work well, as it failed to adapt to some of the unique peculiarities of the South Korean market. While Korean consumers are price sensitive like their American counterparts, they tend to equally value fashion trends, quality, variety, and personalized service over cost (Ramstad, 2006a). Several of the local competitors – who better understood Korean customers' tastes, buying preferences, and fashion/trend consciousness – improved their offerings to cater to these specific needs of the Korean customer. Also, the Korean retailers very astutely instituted campaigns such as "Buy-Korean" that encouraged Koreans to support their domestic industry, which hurt Wal-Mart (Park, 1999). When Wal-Mart using discounted pricing as a lever, it found it difficult to sustain. The domestic retailers reacted very aggressively to Wal-Mart's discount pricing strategy by quickly offering lower prices. This escalated into a price war among the major retailers, limiting Wal-Mart's ability to attract new customers to its stores and limiting the return on their investment (*Business Korea*, 1998).

Besides, running up against the Korean tradition, Wal-Mart seems to have misfired when it came to offering the right products in the Korean market. When Wal-Mart opened its first stores in Korea in 1998, it tried to build its business model around dry goods, such as electronics, which was not at all aligned with the expectation of Korean shoppers, who were looking to the discount giant to supply them with value-priced food and beverages. Also, there were some reports that Koreans were disappointed with the quality of customer service at Wal-Mart (Sanchanta, 2007).

Another significant locational parameter that Wal-Mart seems to have been hurt by was a high cost of real estate compared to the domestic retailers. Some domestic retailers were able to purchase or lease prime real estate at low prices after the 1998 Korean economic crisis to establish a lower, sustainable base fixed cost than the foreign competition (Park, 1999; Ramstad, 2006b).

Finally, in 2006, Wal-Mart sold its South Korean unit consisting of 16 stores to the country's biggest domestic retailer in 2006 (Sanchanta, 2007; Economist Intelligence Unit Ltd, 2006).

Wal-Mart in India

In 2005, India was rated the top international investment opportunity among 30 emerging markets for mass merchant and food retailers looking to expand globally (*Business Credit*, 2006). The Indian economy is one of the world's fastest growing, with gross domestic product (GDP) expanding at an average annual rate of about 7.5 percent for the past three years (Choi, 2006; *The Economist*, 2006) and the retail market expanding 10 percent on average (*Business Credit*, 2006). The Indian retail market, an estimated $250 billion annually, is the world's eighth largest market and is projected to grow by more than 7 percent annually (*Embassy of India*, 2007). All these factors show the strong economic conditions of the country which is a pull factor for companies like Wal-Mart that are interested in expanding into the Indian retail market.

Although the Indian economy has been growing rapidly in the face of substantial deregulation, the Indian retail economy remains protected from foreign competition by rules that mostly prohibit direct investment by foreigners. Currently, multi-brand retailers are prohibited from direct investment in the country and cannot own and operate their own stores (Kravilanz, 2006). To circumvent this regulation, Wal-Mart has announced a partnership with Bharti Enterprises, an Indian business group that is the country's largest mobile phone company. The joint venture between Wal-Mart and Bharti will manage the supply chain together while Bharti Enterprises will be franchised to run the retail portion (Lakshman, 2006; Mukherjee, 2006). This operating model in India will expose Wal-Mart to potential challenges on the ownership and internalization dimensions of the eclectic model. Since Walmart has not really seen any such issues in Germany or South Korea, it needs to ensure that the operating model is one that is clearly defined with coupling with Bharti that is aligned with its classic operating model's strengths. In addition, most joint ventures fail, and using the joint venture model to enter India will require Wal-Mart to closely manage the venture, and be patient in terms of how it works with Bharti. Moreover, Wal-Mart brings a tremendous amount of supply chain and information technology intellectual property to the joint venture, which it will need to protect. This has been a challenge in the Indian context, and Wal-Mart needs to carefully understand the management of the relationship from this specific dimension.

On the location dimension, the sheer market size makes India an attractive country, but one that is riddled with several limitations that need to be effectively managed for success. India's population is over a billion (Table I). Although a large percentage of population is poor, the middle class has been estimated to include 300,000,000 people, larger than the total population of the US (Choi, 2006; *The Economist*, 2006). This is a immense advantage for Wal-Mart as there is a large population in the segment it typically serves.

Although large in size, the diversity and heterogeneity of the Indian market is tremendously complex. Religion, language, dialect, value system, food habit, economic buying power, clothing selection, fabric, tradition, and access to transportation are all attributes that clearly demonstrate the complexity in India; there are sub-markets within markets in India. Segmenting the market along a variety of attributes will be key – Wal-Mart's ability to develop localised merchandise and source and supply the 75,000 products sold in a typical supercenter will truly be tested (Dutt, 2005). While, the Indian middle class customer is a value-conscious shopper, she/he is very hard to please. This is best expressed by this customer's mindset of "wanting a world-class product at Indian prices." So, Wal-Mart's traditional business model, offering the lowest prices, may not work well in India without substantial modifications. The model did not work well in South Korea, where consumers were as price sensitive as their American counterparts and at the same time a lot more fashion conscious (Ramstad, 2006a). In the case of Germany, while consumers were noted for being very

	Germany	South Korea	India
Population	82,422,299	48,846,823	1,095,351,995
Age structure			
0-14 years (percent)	14	19	31
15-64 years (percent)	66	72	64
65 + years (percent)	19	9	5
Population growth rate (2006) (percent)	−0.02	0.42	1.38
Language(s)	German	Korean w/English widely taught	English is most important language for commerce 30 percent speak Hindi 14 other official languages 1,600 + dialects
Literacy (> age 15) (percent)	99	97.9	60
Religions	34 percent Protestant 34 percent Roman Catholic 4 percent Muslim 28 percent other or none	26 percent Christian 26 percent Buddhist 48 percent other or none	81 percent Hindu 13 percent Muslim 2 percent Christian 2 percent Sikh 2 percent other or none
GDP per capita (2006) ($)	31,400	24,200	3,700

Source: *CIA Factbook* (2007)

Table I. Demographic comparison of Germany, South Korea, and India value-conscious, which should have helped Wal-Mart, the company did not sufficiently research the German market to tailor its merchandise mix to the German consumer market (Welle, 2006). Getting its product offering right to align with the Indian consumer's preferences would be key driver for success in the Indian market.

The above driver's importance is further reinforced by the competition that Wal-Mart will face from unorganized retail which includes "kirana stores" and small size family-owned stores. The 12 million small, local businesses in India, known as "kirana" stores, are spread across 5,000 towns and 600,000 villages throughout India. Small stores, slightly larger and better organized than "kirana" stores are family-owned, and depend on unpaid family labour and often, free land for a small stall for selling various products. Both these types of stores maintain low prices and are able to offer a variety of staples and household items very conveniently to their local consumers (Wal-Mart, 2006). There is still a large population that currently shopping from small mom and pop stores, and this is the segment whose needs Wal-Mart will ideally choose to cater to. While Wal-Mart's joint venture with Bharti may help alleviate this problem, it would be very important for Wal-Mart to change, not only its offerings, but also its mindset to operations, to suit the Indian multi-dimensional and multi-characteristic consumer.

Another front of competition comes from large organized retail stores. While these stores currently make up only 2-3 percent of the total primarily is in the ten biggest cities in India, they are growing at 18-20 percent a year (*Brand Strategy*, 2006). Spencer's retail, a traditional south Indian brand is planning to expand nationwide and open 1,900 stores in the next three years across all of India, while Reliance retail, the country's largest non-state owned company and a quick reacting, fierce competitor has already opened 25 stores and plans to invest $5 billion over the next four years to build a range of store formats, including supercenters (Lakshman, 2006; Mukherjee, 2006). Trent, the retail portion of the Tata Group, has announced plans to change product offerings, open more outlets, and expand the range of their retail formats, including supercenters (Lakshman, 2006). Future Group and Shoppers' Stop, the retail branch of the K Raheja construction company, an established player in the retail market with 160 stores has announced plans to increase to 3,300 stores by 2010, including increasing the number of their supercenters from 37 to 100 in the next year (Lakshman, 2006). The organized retail space seems to be getting very crowded and the competition very intense. Since, the Wal-Mart model is very dependent on real estate because:

- stores must be large enough to display the huge variety of merchandise; and
- stores must be located near where people live for easy access, frequent visits, and convenience (Wal-Mart, 2006), availability and cost of retail space becomes an important factor.

The competitive situation discussed above has put tremendous pressure on the available retail space, and has significantly driven up commercial and residential property prices 80-100 percent in the past year (Lakshman, 2006). These factors may delay both the ability of Wal-Mart/Bharti to expand its distribution network and the ability of Bharti to acquire land for development of new supercenters. While retail space, currently estimated to be about 10 million square feet, is expected to grow to 200 million square feet over the next five years (Perella, 2006; Lakshman, 2006), the growth of Wal-Mart is going to be constrained by this rate of growth. Furthermore, the difficulties involved in acquiring and developing land for retail use in India are another hindrance to retail development. In many areas of India, land titles are obscure and disputed. Also, there are restrictions placed on how the land may be used. A complex web of central, state and local government rules and regulations where retailers have to acquire multiple licenses, covering general trading, specific products, and pollution clearances creates another level of complexity (*The Economist*, 2006).

Higher real estate costs as well as a constraint on retail space capacity will increase the fixed costs associated with retail and distribution operations, consequently lowering return on investment as well as limiting the number of storefronts. This was a problem for Wal-Mart in Germany and South Korea that contributed to their exiting those markets (Gerhard and Hahn, 2005; Park, 1999; Ramstad, 2006b) (Table II).

Developing a supply system that can reliably supply goods throughout the country will be another challenge for Wal-Mart (Mulford, 2005). Some of the biggest infrastructure problems in India include airports, electricity supply, adequate roads and working sea ports (Choi, 2006; Dickinson, 2005). Transport delays and inadequate cold storage mean that between 35 and 40 percent of fruit and vegetables grown in India rots where it is harvested or in transit (Dutt, 2005; *The Economist*, 2006). Transporting goods from one end of India to another by truck can take as long as 45 days. Such issues have potentially significant consequences. For example, the high proportion of groceries sold in Wal-Mart's stores in Germany was one of the factors responsible for their poor economic performance in that market due to the inherently low margins associated with food products (Gerhard and Hahn, 2005). India is a country where more than 70 percent of the people are vegetarians and fruits and vegetables account for about 75 percent of retail sales as compared to only 25 percent in the USA (Welle, 2006; Lakshman, 2006). Ensuring that goods are able to reach their retail destinations with minimal spoilage is a critical factor for success. This one issue demonstrates the importance of establishing a reliable supply and distribution system such that good can get to the consumers in a timely manner.

While there are several other minor locational factors that will need to be considered, getting the location dimension figured out correctly the first time around will be key to drive operational, customer, and financial health of Wal-Mart in India.

Conclusion

Consumers are different in different parts of the world. To be successful, it is important for companies to completely understand their consumers. Wal-Mart has always tried to keep their format standard in their international operations. Cultures that are similar to the American culture or those that are highly influenced by the American culture have accepted the Wal-Mart formats as is. But, countries like Germany and South Korea have not accepted this format. To be successful in India, Wal-Mart will have to learn from their German and South Korean experiences, and make suitable changes to meet the need of the Indian consumer. Entering into a joint venture with an Indian company is a positive step in this direction, but one that comes with additional management overhead.

If Wal-Mart is to be successful in India, it will need to compete not only on price, but also on other key levers. Based on our analysis of Wal-Mart's recent failures, there are

Table II.
Retail market comparison of Germany, South Korea, and India

	Germany	South Korea	India
Mode of Wal-Mart market entry	Purchase of existing retailer	Purchase of existing retailer	Joint venture for supply and franchising of Wal-Mart brand
Supply chain	Well developed and established system of distributors and producers	Well developed and established system of distributors and producers	Unreliable and mostly undeveloped business and supplier infrastructure
Retail mix	50-60 percent food and vegetables	High proportion of purchases are fresh meats and vegetables	75 percent of retail sales overall are food, 70 percent of consumers are vegetarian
Retail store formats	Mix of grocery store chains, department store chains, and supercenters	Mix of local retailers, local produce markets, grocery store chains, department store chains, and supercenters	Fragmented market with primarily small local retailers and few chain stores
Retail fixed costs	High fixed costs due to unions and wage controls, real estate costs, and local taxation	High fixed costs due to limited available real estate and competitors with lower established base costs	High fixed costs due to real estate speculation and local business taxation and regulations
Competitors	Established departments stores and discount chains	Established local retailers, departments stores and discount chains	Traditional small shops plus newly formed companies and business groups
Culture	Germany's more collectivist society discouraged German consumers from exploring different retailers, preferring the security of existing stores	Korea's more collectivist society and higher uncertainty avoidance were at combined to deter Korean consumers from changing their buying habits	Indian society is likely to be more open to new situations, such as exploring new retailers, than Wal-Mart has experienced in Germany and Korea

four key areas where Wal-Mart will need to perform well in order to have a chance to succeed in India:

(1) Establishing a mutually satisfying, efficient, and productive working partnership with Bharti Enterprises.
(2) Developing a rapidly functioning, capable, and reliable supply and distribution network.
(3) Building convenient store locations and rapidly establishing a presence in the Indian market.
(4) Thoroughly research their target consumer markets to be able to offer Indian consumers the type of products they desire at the appropriate level of quality, service, and value.

It remains to be seen what value proposition from domestic or international retail chain stores will appeal to Indian consumers as their retail marketplace undergoes massive change in the next decade.

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Further reading

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