

# Retailers see dent in shoppers' bill

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On the threshold of a new financial year, branded retail bigwigs are estimating a dent in the average bill size (ABS) per shopper, mainly due to the economic slowdown in the last quarter of the previous financial year.

Westside, a unit of Trent Ltd (a Tata Enterprise), witnessed 30% to 35% dip in ABS per shopper during weekends in Q4 2009, as compared to a 25% dip during Q3 2009. During weekdays, however, the dip in ABS has been maximum, by over 50% at Westside stores, said a company insider.

According to Samar Shekhawat, vice-president of Spencer's Retail, "ABS is a confidential information. But,



there could have been over 10% to 15% reduction in the ABS at Spencer's. Since we are primarily focussed on the basic necessities of life, like food and grocery, we haven't seen much impact on the conversion rate."

As for the prolonged trend, Shekhawat said, "We are not really in a position to predict the economic trend. While it is true that negative sentiment prevails, it is not altogether without any optimism. The retail industry still shows poten-

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tial for growth, though slower than initial expectations. Our same store growth has not risen but it has not declined either."

On the impact on bottom-line in the present situation, specially with several retailers complaining of margin contraction due to interest burden, Shekhawat said, "As indicated in the earlier response, our same store growth has remained same and stable. However, we had to take a realistic view of the market and align

our expansion plans to that. We expect a growth rate of 25% which, during this downturn, is quite an achievement. We are targeting a revenue of Rs 1,500 crore by the end of next fiscal."

According to Kumar Rajagopalan, chief executive officer, Retailers Association of India (RAI), the decrease in ABS per shopper is directly related to their shopping mood. The malls where the retailers are giving higher discounts or value for money offers have seen some surge in ABS per shopper. Rajagopalan expects things to look up by the third quarter of 2009-10. "October and December is the peak season and we expect retailers to do well by then. The revenue sharing model will be more popular in the coming days as it makes more sense for the developers and retailers to be 'partners in progress'."