

## 24X7 open shops may push up sales 6-7%

<http://www.dnaindia.com/money/report-24x7-open-shops-may-push-up-sales-6-7-2229510>

Retailers in malls facing dwindling footfalls had a windfall on Wednesday with the government clearing the pay panel hike and allowing shops, malls, restaurants and multiplexes to operate 365 days with flexibility on timing to open and close.

Kumar Rajagopalan, chief executive officer, Retailers Association of India (RAI), said while the consumers will have more money to spend while on the other they will also have the facility to shop as and when they want.

"This will help retailer increase their sales and hopefully will also create a lot more taxation revenue for the states. While I don't think the impact will be seen overnight. As the implementation happens gradually, retailers can very easily see an improvement of 6-7% on their topline," said Rajgopalan adding that it brings down the red-tapism in this sector.

On the newly sanctioned 7th Pay Commission, CM Singh, chief operating officer, Videocon, said, "This will certainly have an impact on the sales and trigger purchases. Favouring a tilt in demand for premium products, we expect the new age technologies segment to boost our business."

Sunil D'Souza, managing director, Whirlpool of India Ltd said the pay commission will put extra money in the hands of a large section of the Indian consumer. "This is a big positive for the consumer durable industry since this will definitely spur demand for discretionary and aspirational products. We are hoping this will contribute to good growth in the later part of this year," said D'Souza.

Abneesh Roy, senior vice-president (institutional equities) - research analyst, Edelweiss Securities said, both the steps will boost discretionary consumption due to higher disposable income of 10 million government employees /pensioners and higher availability due to more open hours of stores. Also red tapism / corruption can also reduce for retailers as now rules become transparent and easier. Bigger benefit will be in Delhi and state capitals due to higher concentration of government employees and longer working hours," said Roy.

The retail sector accounts for about 15% of the country's gross domestic product (GDP) and this is expected to increase further with round the clock operations.

"Already, the government had announced reforms to loosen restrictions on inbound investments in retail a few days ago. Single-brand retailers like Swedish furniture giant Ikea and smartphone maker Apple stand to benefit," said Anuj Puri, chairman

and country head, JLL India adding that JLL had first announced late last year that 2016 could see single-brand retail stores opening up in India.

Anshuman Magazine, chairman and managing director, CBRE South Asia said the initiative will translate into growth across sectors such as e-commerce, organised retail, and the overall services industry, including the daily management of these establishments. "The act is expected to bring the online and offline retailers onto a level-playing field and boost employment opportunities. Overall, the retail sector in India stands to benefit from this announcement, including higher footfalls and consumption. In the long term this could positively impact the warehousing and logistics segment," said Magazine.

The Retailers Association of India said this is merely one of the steps for facilitating ease of doing business as Shops and Establishments Act covers only certain aspects of retail. "The need is to look at retail as a driver for the nation's economy and address all aspects through a comprehensive national retail trade policy," said Rajagopalan.

Three states in the country have already done quite a bit on this front - Karnataka, Maharashtra and Andhra Pradesh have announced retail policies for their respective states that address aspects over and above labour laws such as skill development and development of retail and entertainment zones. "However, the move from the central government is a great step towards getting the state governments to start thinking retail, start thinking employment and start thinking customer efficiencies," said Rajgopalan.

Allowing women to work late hours, experts said, will lead to increase in employment of women in retail in the country.

"In the mature economies, students and unskilled/semi-skilled labour benefit from employment in retail. The same trend is being observed in India and it is only bound to increase as women have now been allowed to work 24x7. Companies will be mandated to facilitate women with safe transportation services and other related facilities such as creches during night schedules," said Puri.