



# A Dollar Store's Rich Allure in India

Dollar Item, June 04, 2007

URL: <http://www.pr9.net/business/services/5672june.html>

*MUMBAI, India - Corporate Lawyer Archana Singh travels to Europe every year and returns laden with fine Italian cheeses, French wines and single-malt Scottish whiskeys. At home in Mumbai, she likes shopping at the neighborhood "dollar store"...*

PR9.NET June 04, 2007 - MUMBAI, India - Corporate Lawyer Archana Singh travels to Europe every year and returns laden with fine Italian cheeses, French wines and single-malt Scottish whiskeys. At home in Mumbai, she likes shopping at the neighborhood "dollar store", which sells exotic products like the newest flavor of Pringles in red-white-and-blue decked aisles that make her feel she's on vacation in the U.S.

As Wal-Mart Stores Inc. and other retail giants prepare to enter India, an unexpected American rival -- California's My Dollarstore Inc. -- is already here and attracting the affluent middle-class customers Wal-Mart and others covet.

In the U.S., most of the so-called dollar stores that sell discounted products at a single price are in low-rent strip malls. In India, My Dollarstores target big spenders, setting up in prime ground-floor spaces at the newest malls. Even the prices are higher end. While everything costs \$1 at My Dollarstores in the U.S., in India the same products sell for 99 rupees, or about \$2, thanks to transportation costs and import tariffs.

Since opening its first store in Mumbai in 2004, India's My Dollarstore franchise has been a testing ground for what works -- and what doesn't -- for a new entrant to the subcontinent's nearly \$300 billion retail industry spanning food to footwear.

Ajoy Krishnamurti, chief executive of Sankalp Retail Value Stores, which was created to manage the My Dollarstore franchise in India, walks the aisle of a My Dollarstore in Mumbai's Center One mall, pointing out products. "Hershey's chocolate syrup really rocks, salad dressing is hot," he says. "Papaya-and-carrot juice: not particularly hot."

Though the average annual salary in India is still less than \$1,000, My Dollarstore's track record suggests "Made in America" is a good formula for attracting India's well-to-do and free-spending middle class. The governments of India and the U.S. have not always seen eye-to-eye on political issues, but goods associated with the American way of life -- Doritos chips, Kellogg's Pop-Tarts, Alberto VO5 hair conditioner -- have long been carried home by Indians living in and visiting the U.S. That helps explain why a store chain associated with bargain basements in the U.S. is attracting the cream of India's shoppers in an economy whose gross domestic product is growing more than 8 percent a year recently.

Singh, 32, says a trip to My Dollarstore reminds her of traveling abroad. She enjoys trying new products and likes the wide aisles -- a contrast to the mom-and-pop shops that dominate food, cosmetics and clothing retailing in India. She spends \$30 in a typical trip. "Before you realize it, you've picked up so much," she says. International chains are scarce in India, where the government generally doesn't allow direct foreign ownership in the retail industry. It restricts foreign investment to single-brand retailers, such as Chanel or Nike, or those that come through franchise agreements -- international brands provide the products, retail technology and marketing, but the stores are owned by Indians. Guess Inc., Tommy Hilfiger Corp. and My Dollarstore are among those that have entered the market through franchises.

Yet the government has hinted it's ready to open the sector to more foreign investment, and Indians are at last shopping enough to make large retail investments worthwhile. In November, Wal-Mart announced plans to enter India through a joint venture. Its Indian partner Bharti Enterprises Ltd. will own the outlets, while Wal-Mart controls the supply chain and wholesaling operations. Last week U.S. office supply retailers Staples Inc. announced it would also enter India through a joint venture. France's Carrefour SA and Tesco PLC of the U.K. are scouting for partners, too, and expected to follow with their own India plans.

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## About Dollar Item

"CONCORD ENTERPRISES INC. inaugurates three new services that are outgrowths for its customers that used eBay and Amazon, and now may be in a position to start their own businesses. The three services include a turnkey website, a download option, and a print option.

Under the turnkey option, which was designed with the novice entrepreneur in mind, a customer utilizes his own web page that is backed up by Concord's online catalog, containing approximately 10,000 items that change every day. The catalog is updated every night.

Concord will set up pricing for these customers, according to whatever percentage of profit they want to obtain. There is a one time charge of \$2,500 for setting up the account and capability, and a \$135 per month membership fee that covers maintenance of the account. Concord will create a custom home page, at an additional cost, for customers that do not have one.

Phone:

(800)960-0896

**FAX:** (800)960-0896  
**Website:** <http://www.dollaritem.com>  
**E-Mail:** [dollaritem@concordsofttech.com](mailto:dollaritem@concordsofttech.com)  
**Address:** US

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