

Report Junction

Creating loyal Customers...

SHOPPERS STOP

ANNUAL REPORT 2008-09

# Creating loyal Customers... ...by always placing the customer first

When we started our journey in '91, we had no industry parallels to emulate or benchmarks to aim for. We had to chart our own course and it was our Customers who played a primary role in helping us journey forward.

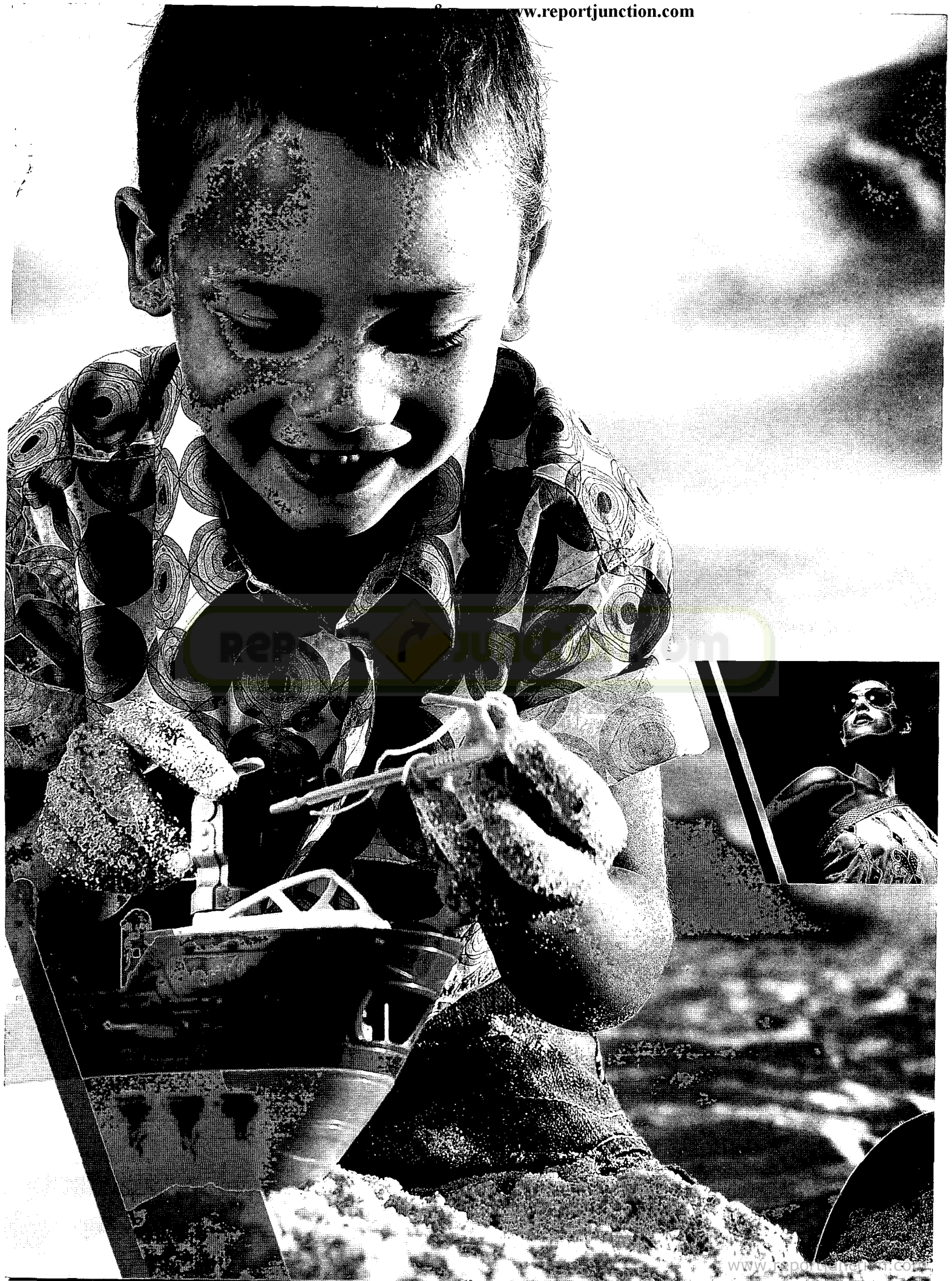
Our virtue of always '**putting the customer first**' has enabled us to pioneer the reward-based loyalty programme – **Shoppers Stop First Citizen programme**. Since its launch in 1994, our First Citizen loyalty programme members have only grown to become the largest in the retail category with more than **12,77,000 members!**

**Customer Loyalty is possible only when we can ensure Customer Delight.** Our First Citizen Loyalty programme helps us to do exactly that.

We have studied the shopping behaviour of our members, to understand & gain insights into their evolving needs. This has enabled us to deliver products & services that match their aspirations.

As we step forward into a new year, we continue to keep unearthing approaches to understand customers' needs. To give more than **good service** and make it an unforgettable experience. To drive our service standards, merchandise mix, store design and presentation **beyond perfection**. To keep improving on what we have already achieved. And to continue nurturing the **trust** of our First Citizen members.







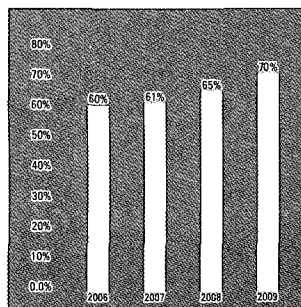
# Creating loyal Customers... ...by nurturing a growing base of First Citizen members

Through the years, our successes and achievements reflect the trust that our First Citizen Members have in us. Their loyalty inspires us to pursue newer targets, set higher benchmarks and aim for greater levels of quality in all aspects of business.

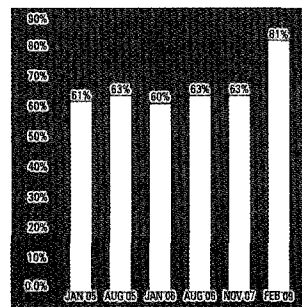
Our First Citizen family grew to over 12,77,000 members, of whom 2,60,000 were added during this past year. First Citizen members contribution to sales accounted for 70% of the overall sales. The delight of our customers is evident in the Customer Satisfaction Index, which jumped to 81 in February 2009 from 63 in November 2007.

The Crossword Book Rewards loyalty programme has more than 1,86,000 members as on March 31, 2009 and contributed to 33% of sales of the Crossword Bookstores.

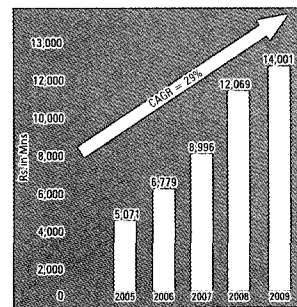
HyperCITY too has launched a loyalty programme for its shoppers called "Discovery Club", which gives them a whole new way to discover more.



First Citizen contribution to Sales

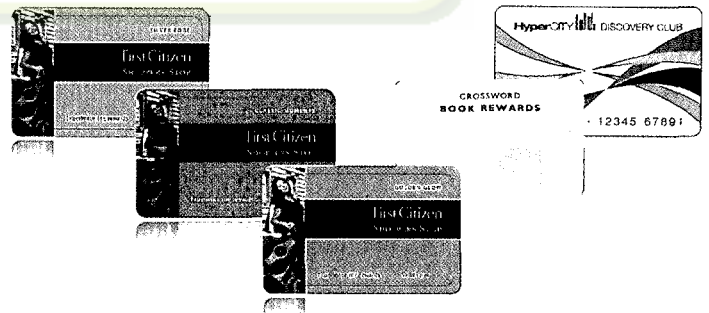


Customer Satisfaction Index Scores



Gross Retail Turnover

Mr. Gaba, a First Citizen Gold Card member, arrived at our store wanting to get a blazer altered and requested Rajat, an associate, to assist him. As the blazer wasn't bought at Shoppers Stop, company policies did not permit an alteration. However, Rajat, understanding Mr. Gaba's earnest plea, sought permission from his department manager and ensured the blazer was altered in time, resulting in a customer's everlasting trust in our services.



In FY '09 Shopper's Stop Ltd. achieved a Gross Retail Turnover of Rs. 14001 million, showing a growth of 16%, while the gross margin stood at Rs. 4380 million showing a growth of 15%.



# Creating loyal Customers... ...by giving customers exactly what they want

At Shopper's Stop, we believe that shopping is an exhibition of a shopper's individuality & personal style. What appeals to one does not necessarily appeal to all. We ensure our shoppers are spoilt for choice across products, formats and styles. We go that extra mile to warrant that each shopper who walks into our store leaves with exactly what he/she came for.

## Shoppers Stop

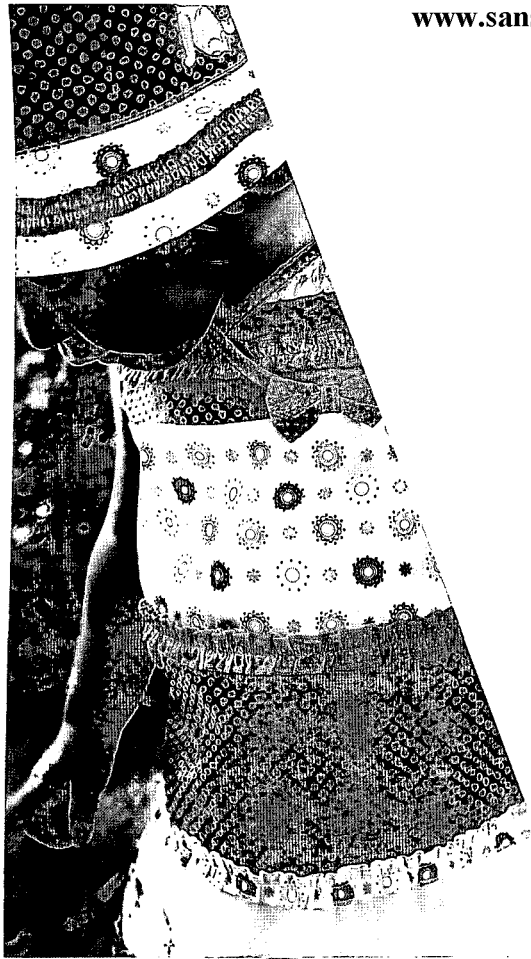
The company's flagship business of department stores is manifest in Shoppers Stop. It offers customers an international shopping environment and a world-class shopping experience through its **27 stores in 12 cities**.

It houses a host of international and domestic brands across categories such as apparel, accessories, cosmetics, home & kitchen ware as also its own exclusive brands. Some international premium brands retailed at Shoppers Stop are **French Connection, Tommy Hilfiger, Esprit, Benetton, Chanel and Lancome**, to name a few.

## HomeStop

HomeStop is the **first-of-its-kind premium home concept store** at Bengaluru, Mumbai, Navi Mumbai and New Delhi, offering a wide range of home products across categories and some of the **most reputed national and international brands**.

It is a one-stop-shop for all home needs ranging from home décor to furniture, bath accessories to bedroom furnishings, mattresses to draperies, carpets to modular kitchens & health equipment, all under one roof



One morning, Mr. Swaminathan bought a pair of shoes from us. Later he realised he needed half a size bigger and called up the store. As he was unable to come to our store, within half an hour, our associate turned up at his hotel with not one but three alternate pairs. Mr. Swaminathan selected a pair one size bigger, but was still unsatisfied. To allay his dissatisfaction, our associate searched Linking Road, found the exact size Mr. Swaminathan wanted and delivered it to his hotel that same evening. Mr. Swaminathan, a motivation speaker, was left speechless.



### Crossword

Crossword is the leader in the lifestyle bookstore category with a unique product mix of books, magazines, CD-ROMs, music, stationery and toys. This offering is further enhanced with services like Dial-a-book, Gift-a-book and, facilities like gift vouchers and 'Return, Exchange & Refunds' policy. 51 Crossword stores are currently being operated, out of which 28 stores are run by Shopper's Stop and 23 are run by external franchisees.



### Mothercare & Early Learning Centre (ELC)

Shopper's Stop Ltd. has a retail arrangement with Mothercare PLC of UK to open Mothercare and ELC stores in India.

Mothercare, UK's **premium international brand** for maternity, infant and childcare products, currently has **22 stores** including 13 shop-in-shops at Shoppers Stop stores in leading metros.

Early Learning Centre (ELC), UK's **number one educational toy brand** for children aged 0-6 years, is now available at Shoppers Stop stores in Malad and Juhu.

### HyperCITY

HyperCITY has redefined the experience of the Indian consumer in the big store format. Its offering includes food and grocery, general merchandise and apparel. The business operates a **'More to Discover'** by-line and delivers quality products at a great value. HyperCITY has also **launched a loyalty programme called 'Discovery Club'**.

HyperCITY operates 3 stores of which two are in Mumbai – Malad and Vashi, and one in Jaipur.

Shopper's Stop has a 19% stake in HyperCITY with the option to acquire 51% in the company by June 30, 2010.

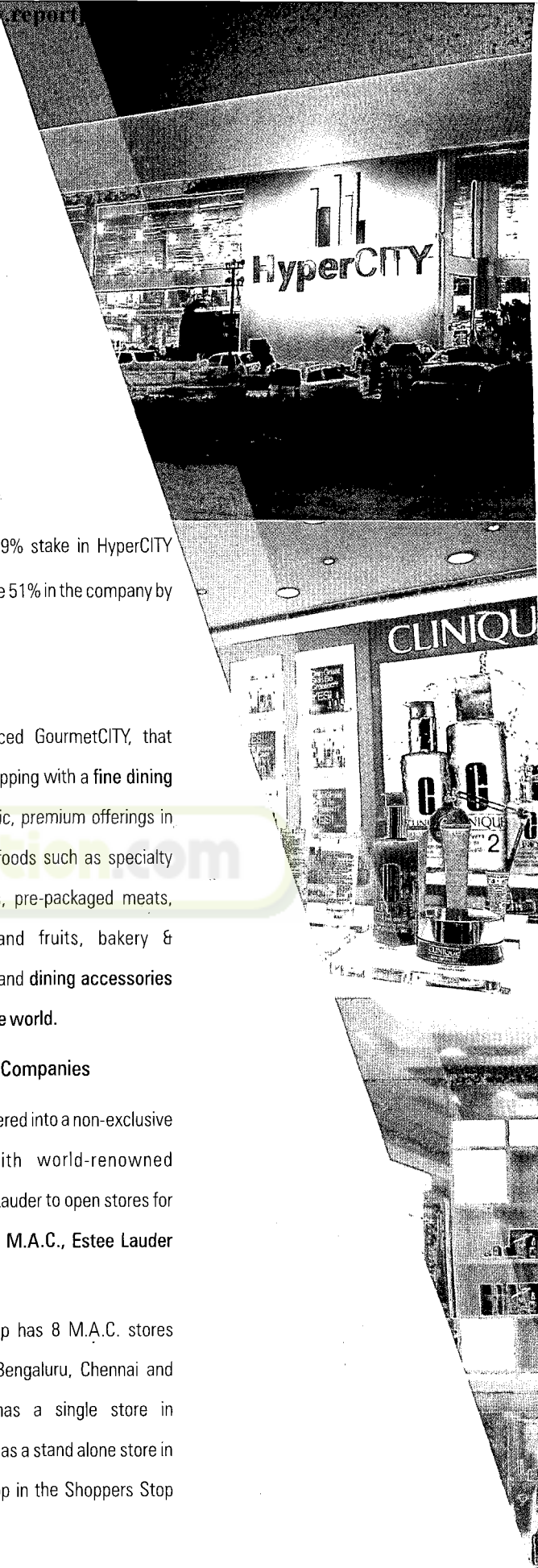
### GourmetCITY

HyperCITY has introduced GourmetCITY, that offers gourmet food shopping with a **fine dining experience**. It has exotic, premium offerings in food and beverages – foods such as specialty cheeses, exotic snacks, pre-packaged meats, sauces, vegetables and fruits, bakery & confectionery products and **dining accessories sourced from across the world**.

### Estee Lauder Group of Companies

Shopper's Stop has entered into a non-exclusive retail agreement with world-renowned cosmetics major Estee Lauder to open stores for international brands like **M.A.C., Estee Lauder and Clinique** in India.

Currently Shopper's Stop has 8 M.A.C. stores operating in Mumbai, Bengaluru, Chennai and Delhi. Estee Lauder has a single store in Bengaluru and Clinique has a stand alone store in Delhi and a shop-in-shop in the Shoppers Stop store in Malad.





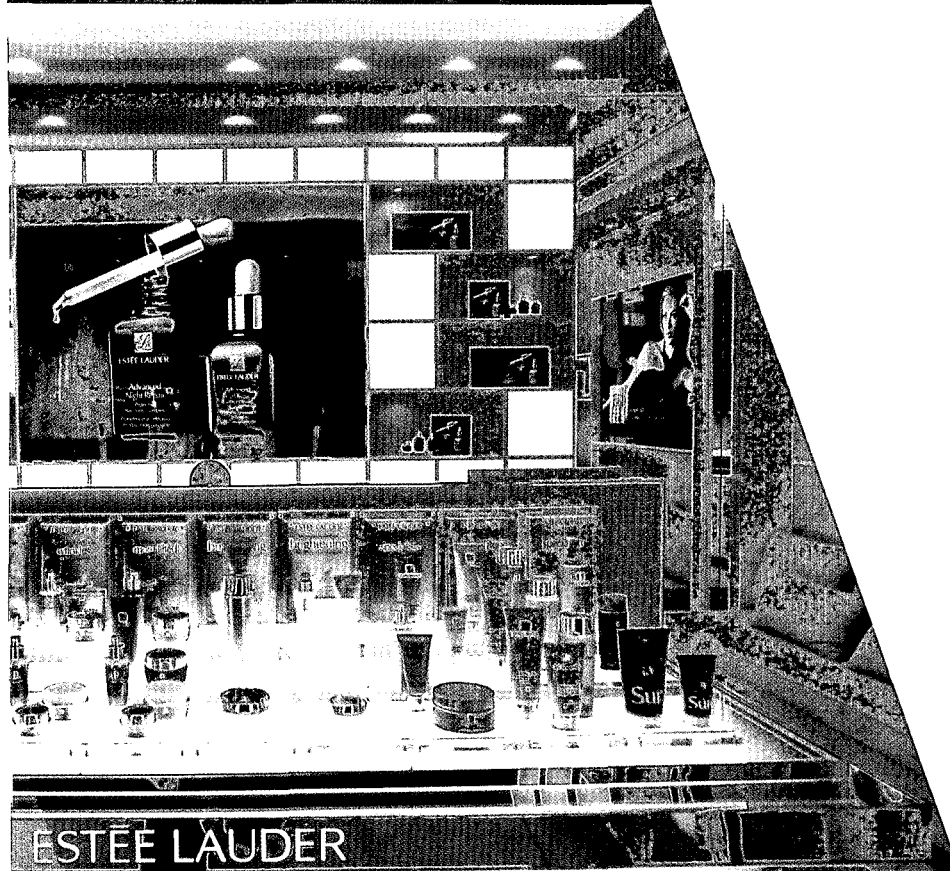


### The Nuance Group

Shopper's Stop's foray into airport retailing is marked by a joint venture with the Nuance Group AG of Switzerland, the world's leading airport retailer. Shopper's Stop handles retail operations in the domestic terminals while the joint venture company handles operations at the duty free zones in international terminals. The joint venture company, called Nuance Group (India) Private Limited, is already operating outlets in the international terminals at Bengaluru and Hyderabad.

### Timezone

Shopper's Stop believes that Indian consumers are looking for multiple options to entertain themselves and their families. It has forayed into the entertainment sector by acquiring a 45% stake in Timezone Entertainment Private Limited, which is in the business of operating Family Entertainment Centres (FECs). It has 6 outlets in Mumbai, Ahmedabad, Kolkata and Hyderabad.



UP TO

**51% OFF \***  
**IT'S IRRESISTIBLE**

**FEB 14 - MAR 8**

# Creating loyal Customers... ...by always surprising them with something new & exciting

Everyone loves surprises! We endeavour to constantly bring a smile to our customers' faces by giving them innovative collections and irresistible offers throughout the year. These offers ensure our customers have a continuous sense of anticipation and excitement each time they walk into our store.

## Diamond Dreams

This year Shoppers Stop rewarded its First Citizen Members – not with gifts, not with money, but something far more precious & rare – **Diamonds!** On a collective shopping in multiples of 30,000 & 1 lakh over three months at Shoppers Stop, HomeStop, Arcelia and Mothercare, First Citizen members were rewarded with **Gili diamond pendants** and **Gili diamond earrings!**

## End of Season Sale

Positioned as 'irresistible', Shoppers Stop's **End of Season Sale** drew customers in hordes. Larger than life promotional activities (including the installation of a gigantic shopping bag and a live mannequin parade) along with the greatest deals and prices on the choicest clothes and accessories ensured that every customer who walked in during the sale walked out with a multitude of bags!

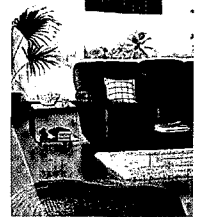
**SHOPPERS STOP**

**IT'S SOMETHING NEW**

**HOME  
MINING.  
UP TO  
51% OFF**

Ho.  
home.  
Shopp.  
ready  
off sale.

premium  
re from  
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51%



**The**

**esistible s**

The festive season has gone, but we'll have a great celebration. With this announcement, Shoppers Stop offers customers the opportunity to shop the widest range of men's, women's and kids' wear. Accessories, perfumes, toys, stationery, 14th birthday gifts, everything to any of our stores. NCR can get 51% off.

really into sports, the range from Nike, Adidas and Puma will be up for grabs at up to 30% off it. Hitting the gymnasium rule the playground with apparel and wear from sportswear like Umbro at up to 51% discount, just on many to choose from.

the ultra cool wear from the brand owned brand and Playlife. Available during the period at 50% off.

regular at the city. Out on the street for me. Arouse.

Keeping it is the latest current season collection, great at Shoppers Stop.