



04th August 2017

Issue No. 635

Flipkart launches 'made for India' budget brand Billion

India's largest online retailer Flipkart Ltd has launched a new brand called Billion—across categories such as home appliances and fashion—the first initiative of the company's co-founder and executive chairman Sachin Bansal since he stepped aside as CEO in January 2016.

Flipkart has already launched mixer grinders, cookware, backpacks and iron s under the brand and will expand to other categories later this year, Bansal said in an interview. The central idea behind the brand is to offer products designed specifically for Indian shoppers, who Bansal thinks aren't served satisfactorily by most of the existing brands across product categories.



Flipkart co-founder Sachin Bansal

“The brand is positioned as made-in-India and made-for-India both. The made-for-India positioning is that these products are made for Indians' needs only, not just high-income

or low-income Indians, but for all. The made-in-India positioning and constraint is also a conscious choice. We believe that Indian engineering and manufacturing is becoming very efficient and reaching a point where high-quality products can be produced in India. Also, we need manufacturers who can partner closely with us and co-create the products. And we found that Indian manufacturers are a lot more flexible and open to changes and innovations as compared to others, and Indian manufacturers also have a better understanding of the market,” Bansal said.

Mint had reported Bansal's new initiative on 15 June.

Flipkart is positioning the brand as a value-for-money offering, indicating that it will be a budget brand. The name Billion is a favourite of Bansal's — the company's flagship sale event goes as Big Billion Days.

“The name (Billion) is pretty interesting because among all the other options that we had, this one stands for basically a billion aspirations for a billion people, which is exactly what we're trying to do. We're basically trying to



understand the aspirations and needs of every Indian and we're going to create products that meet those needs in the best possible manner. That's the objective and the name kind of resonated," Bansal said.

Bansal's new initiative is ambitious. Typically, brands are launched exclusively for certain categories—the iPhone for smartphones, Nike for sportswear and so on. They are also aimed at customers in specific income categories.

Billion, however, aims to be a brand for all, across categories as diverse as fashion and home appliances, and newer categories that will be launched later. And Flipkart doesn't plan to spend on mass advertising to promote the brand, relying instead on digital marketing.

"(Such an initiative) has not been tried at this scale. There are brands that are master brands and which span across many categories. But nobody has tried it at such a breadth in the past. We believe there are two things that are different. One, people haven't used data at the scale that we're starting to use. Because in the absence of data, you're basically limited by human intelligence. What we are experts at is our ability to use data and make

sense of it from a customer's point of view and co-create products with our manufacturing partners for India. That's the expertise we're building, which can be applied in multiple areas. One of the reasons why such a brand has not come up is because it's really hard to do that manually," Bansal said.

Bansal's attempt at building the Billion brand is one of Flipkart's supplementary bets. Bansal has a 40-member team for Billion that includes sourcing executives, marketing managers, engineers and product experts. The initiative is also part of Flipkart's efforts to increase sales of private label products, which offer higher margins to online retailers than those sold by third-party brands.

Bansal, one of India's best-known entrepreneurs, has held the role of executive chairman since January 2016 when he made way for Flipkart co-founder Binny Bansal as CEO. Binny, now CEO of Flipkart Group, which includes fashion retailers Myntra and Jabong, and the mobile payments app PhonePe, was replaced as Flipkart CEO this January by Kalyan Krishnamurthy, a representative of Flipkart's largest investor Tiger Global Management.

(Source: Mint)



Bata India: Running on the right track

Nomura's Manish Jain said there definitely seemed to be a recovery, which was setting in as far as growth momentum was concerned. The company, which added 100 new retail stores and 23 franchise outlets across India in FY17, intends to add 50 new stores in FY18, mostly in Tier-II and Tier-III markets. In addition, Bata also plans to open 100 company-owned and operated stores to improve its presence in malls and high street locations. Bata is pushing sales through the online format with the internet medium helping it achieve sales of ~69 crore from a volume of 630,000 pairs in FY17.

The key focus area in the current financial year is the women's segment. The company is looking at launching trendier styles to tap this segment and in the process increase the share of business from 26 per cent currently to 35 per cent, over the next couple of years. Men's footwear accounts for about half the sales, while the rest (excluding women) comprises children's footwear and accessories.

The other trigger for Bata is the implementation of the goods and services tax (GST), as higher compliance cost for a sector, 60 per cent of which is dominated by unorganised players, should help it gain market share.

Given the focus on women and youth-centric designs and aggressive retail expansion, analysts at ICICI Securities have upped their revenue growth and net profit estimates, especially as these moves start paying off in the latter half of FY18 and in FY19.

Jain says the launch of the new collection, the focus on the women's range and recalibration of store sizes are all right strategies, which should enable Bata to turn around in the medium- to long-term.

The company's stock is trading at 28.6 times its FY19 earnings estimates. The sharp surge on Thursday and with target prices at around ~650, there is marginal upside from current levels. Await a correction to buy the stock.

(Source: Business Standard)

Red Hat to train 1,500 youth in open source skills

Open source solutions firm Red Hat Inc has signed an agreement with the Telangana Academy for Skill and Knowledge (TASK) to offer Red Hat Academy training and certification programs to engineering students in the State. The TASK is set up by the State government to equip the youth with job-oriented skills.



This partnership targets to cover 1,500 students in the next two years and help them gain expertise in open source skills and certification on emerging technologies like DevOps, Cloud and IT automation.

“TASK and Red Hat would discuss areas for collaboration to equip all TASK Partner colleges with Red Hat Enterprise Linux for purpose of training and services for their labs and to subsidise the cost of training and certification for faculty,” a TASK statement said here on Wednesday.

“With this agreement,, TASK and Red Hat are aiming to prepare enterprise-ready talent in India. Open Source solutions are core to innovation in areas like cloud computing, containers, mobile, artificial intelligence and machine learning and beyond,” it said.

Red Hat Academy helps institutions provide Linux and Open Source curriculum. As part of the programme, TASK member institutions will receive no-cost instructor training and support.

(Source: Business Line)

Compiled by: Resource Centre (),
Footwear Design &
Development Institute (FDDI)
(Ministry of Commerce &
Industry, Government of India)
A-10/A, Sector-24,
NOIDA- 201301
+ 91-120-4500100, 4500107
+ 91-120-2412556, 2411301

Phone :
Fax :
Editor-in-Chief: Vivek Sharma
Asst. Editor : Adarsh Kumar
Email : ashish@fddiindia.com
Website : http://www.fddiindia.com

Physical Laboratory Testing Services Provided by FDDI, NOIDA

S.No.	Test Description	Charges in ₹
1. COMPLETE FOOTWEAR		
1.1	Shoe water proofness	500
1.2	Shoe flexing at room temperature	
a.	Casual shoes	1200
b.	Sports/heavy duty shoes	1200
1.3	Shoe flexing at low temperature	2000
1.4	Heel attachment strength	600
1.5	Strap attachment	600
1.6	Strength of attachment of Bows & Trims	600
1.7	Whole shoe topline strength	600
1.8	SATRA sole adhesion test	600
1.9	16 point bondability test	1400
1.10	Calibration	1200
1.11	Leakage resistance	600
1.12	Slip resistance for safety	1400
1.13	Slip Resistance as per SATRA	4500
1.14	High Voltage	3000
1.15	Thong attachment	600
1.16	Top piece attachment	600
1.17	Heel impact	1500
1.18	Heel fatigue	1500
1.19	Peel Strength	600
1.20	Visual observation	1000
2. LEATHER/SYNTHETICS/UPPER MATERIALS		
2.1	Flexing resistance at room temperature	700
2.2	Flexing resistance at low temperature	2000
2.3	Tensile strength & extension at break	600
2.4	Seam strength/Stitch tear	600
2.5	Induced tear Strength	600
2.6	Tongue tear	600
2.7	Grain crack index	600
2.8	Burst Strength	600
2.9	Adhesion of coating (synthetics)	600
2.10	Dynamic water resistance	600
2.11	Break pipiness	100
2.12	Wrinkleometer test	100
2.13	Surface water absorption	200
2.14	Water vapour permeability	600
2.15	Water vapour coefficient	600
2.16	Adhesion of finish (Tape test)	100
2.17	Blocking test	600
2.18	Heat fastness of finish	250
2.19	Taber abrasion	600

FDDI ITC (NOIDA & CHENNAI) IS OFFERING FLAT 20 % DISCOUNT ON ALL TESTING TO ALL THE CUSTOMERS TILL THIS FINANCIAL YEAR 2017-18
* The said discount is not applicable on inter-lab testing & package fee

To be continued...