



SIES College of Management Studies

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**Sahakari Bhandar and Reliance Retail Tie-up:
A Case Study**

Abstract

In April 2006 a Mumbai branch of Sahakari Bhandar, an old-fashioned Indian state-owned department store, closed mysteriously for renovation. It re-opened a month later equipped with air conditioning and staff in bright uniforms. Goods on sale included everything from CDs to frozen peas. The new-look store had no name but details soon started to emerge about what had happened. The store is just one in a chain, which includes at least 20 sites in Mumbai, being used as a dry run for a vast new retail concept by Reliance Industries Limited (RIL), the sprawling conglomerate and India's largest private company. Reliance Retail, a newly launched RIL subsidiary, used the stores as a secret test bed for product lines and a new system of supply chain management. The experiment worked: sales at Sahakari Bhandar trebled. In developing the chain RIL is doing far more than simply opening a network of shops. He is revolutionizing the Indian food chain, setting up a nationwide distribution infrastructure from scratch, and transforming the way that India's 1bn-plus inhabitants consume. Our research is focused on Reliance Retail's tie-up with Sahakari Bhandar, Maharashtra government owned co-operative, which is perceived to transform the face the organized retail industry in India.

Research Team

The research team consisted of the following PGDBA 2nd year students:

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