

Entity with many faces

SRS has evolved into a trusted and multi-faceted brand over the years.



From cinemas and fashion to grocery and real estate, SRS has forayed into every sector that one can think of. Dr Anil Jindal, Chairman and Managing Director, SRS Limited, puts in words the journey of the company so far.

Aadeetya Sriram (AS): From malls, value bazaar to cinemas, SRS has come a long way. How has the journey been for the company and what is your long-term objective in retail?

Anil Jindal (AJ): SRS, as a brand, has been continually focusing on expanding our product and services portfolios and reach out to customers in newer locations. In the last five months alone, we have launched four new SRS Value Bazaar outlets in NCR, which offer a wide range of FMCG products and brands, all under one roof. We plan to further expand our retail operations and strengthen our presence in north India by adding 20 more outlets over a period of next one-and-a-half years and reach out to newer customers in cities like Jaipur, Patiala, Gurgaon, Noida, Greater Noida, Ludhiana and Indore.

AS: SRS is a name that has been associated with the middle class segment for many years now. What has been the strategy that you adopted, considering you initially targeted Delhi-NCR?

AJ: The so-called middle class segment is fast evolving into the most dynamic market segment in India that presents a huge opportunity to brands like SRS that have excellent products or services on offer. We have been focusing on this segment for over 25 years now, even before the brand SRS was born, and we have literally witnessed the evolution of this segment. Initially, we were in vehicle financing and then, in the year 2000, we diversified into entertainment and retail businesses so as to strengthen our focus on this segment and leverage the vast opportunities that were emerging with the growing income and liberal spending habits of the households in this segment, particularly in Delhi-NCR.

AS: What are the various verticals that SRS Ltd is involved in?

AJ: SRS has emerged as a brand that fulfils most needs of a common man – right from entertainment to eating out, fashion wear to designer jewellery, buying household items to owning a home itself. Currently, we are concentrating on the following verticals:

- * SRS Limited, which has some of our most vibrant brands – SRS Cinemas (multiplex business), SRS 7Dayz (F&B, food courts and restaurants), SRS Value Bazaar (FMCG retail), SRS Fashionwear (multi-brand apparel retail) and SRS Jewels (jewellery)
- * SRS Real Estate, with commercial and residential projects coming up in Faridabad, Palwal and Rewari
- * SRS Meditech Limited (healthcare products including surgical disposables)

AS: Where in NCR has SRS been most in demand? What are the reasons for that? Which region in the country is the highest revenue generator for you?

AJ: Haryana has always been a lot more responsive to us and our initiatives in terms of revenue generation. At the same time, we have seen customers in other areas take a little more time to warm up to our initiations, but we have observed that once they are in regular touch with our brand and see their expectations being met in terms of quality and cost savings, they embrace us whole heartedly. This phenomenon has resulted in some of our outlets in other areas doing as good as those in Haryana.

AS: What is the ratio of private label products and in-house products such as sugar, pulses, etc in your value bazaar? What is the sales margin from these that you attain?

AJ: At SRS Value Bazaar, we make more of the branded items available keeping in mind the preferences of our consumers. However, we do offer certain in-house products as well. These include pulses and spices amongst others. Our customers, who are more cost conscious, have embraced many of our products due to good quality and obvious cost savings as compared to established brands. All these in-house products go through strict quality checks to ensure customer satisfaction. There is only a nominal margin that we get out of these products.

AS: How much revenue does SRS generate yearly? Could you give us the vertical distributed figure of your revenue?

AJ: For the year 2012-13, we are targeting to achieve Rs 800 crore for SRS Real Estate. For SRS Limited, we are looking at a figure of Rs 2,300 crore (Rs 2,100 crore from SRS Jewels, Rs 50 crore from SRS Cinemas, Rs 200 crore from SRS Value Bazaar, and Rs 10 crore from SRS 7Dayz).

AS: What is your marketing strategy?

AJ: For the various verticals, we have different marketing teams with experienced professionals who analyse demand and study consumer preferences and then devise the marketing strategy accordingly. However, we recognise that the growth of educated customer base, specifically the very welcome growth in female education, is what has given a huge boost to organised retailing over the past several years. As such, they prefer to utilise their time by buying from the organised sector. So, a majority of our marketing initiatives are geared towards attracting and retaining the attention of our female customers.

AS: The e-commerce trend has picked up in grocery of late. What is your opinion on this?

AJ: The advent and the growing popularity of e-commerce are because it makes people's lives that much easier by reducing their commitment of time to shopping online for daily necessities. The improvement in average education and the ever growing service class have also contributed towards the growth of e-commerce in India. There are several other factors that are contributing towards this growth including availability of cash-on-delivery option and use of better technology to showcase products online. SRS is also preparing to introduce its own online shopping platform, wherein we will offer a wide variety of products to our consumers.

AS: Your take on the current retail outlook in India and its future.

AJ: While there has been tremendous growth in the sector over the last few years, organised retail in India still has a long way to go. Organised retail holds just about 11 per cent market share in India, as compared to 75 per cent in Europe and 90 per cent in America. We are hopeful that after 2-3 years, the industry will see unprecedented growth for the next 12-15 years.