

Delivering the Goods



HyperCITY, a Division of Shoppers' Stop, Ltd. in India, Increases Food Sales by Up to 30%, Decreases Stock Levels by 2%, Improves Productivity and Enhances Customer Service with JDA Software

HyperCITY Fast Facts

Industry
Retailer

Headquarters
Mumbai, India

Description

HyperCITY is a one-of-a-kind, retail format deployed by Shoppers' Stop Ltd., a leading retail chain in India owned by The Raheja Group, to diversify and capitalize on the immense potential for hypermarkets.

HyperCITY provides a truly international shopping experience and offers a wide and contemporary range of innovative products, sourced from both local and international markets. The product range varies from foods, homeware, home entertainment, hi-tech products, appliances, furniture, sports, toys and clothing.

Number of Employees
Over 800

"Investing in technology that will help support our expansion is the key to our growth and profitability. Space and category management is one of our top focus areas to give our customers an outstanding shopping experience."

- Arun O. Gupta,
group chief technology officer,
Shoppers' Stop



Business Challenge

HyperCITY realized it needed to deploy common applications across all of its retail formats. In the food business, availability of the right SKU in the right quantity on the shelf is crucial. The replenishment model has to take into consideration lead times and safety stocks before ordering items or transferring items from the warehouse to the stores. Errors in this replenishment process can be expensive, resulting in either excess stock at the store for a low-selling product or out-of-stocks for a top-selling SKU.

Business Solution

- JDA® Advanced Store Replenishment

Business Benefits

- Increased revenue
- Low inventory holding cost
- High availability of product on the shelf with nominal out-of-stocks
- Improved brand loyalty
- Ensured customer retention with improved shopping experience
- Eliminated expired stock
- Reduced write-offs

Quantifiable Benefits

- 25 to 30-percent increase in food sales
- 2-percent decrease in stock levels



India's leading retailer, The Raheja Group, pioneered the development of the country's retail chain with the 1991 launch of its flagship retail affiliate Shoppers' Stop in Mumbai. The Raheja Group continues to refine and strengthen its retail format with its newest division, HyperCITY, a one-of-a-kind, new retail format deployed to diversify and capitalize on the immense potential for hypermarkets. HyperCITY provides a truly international shopping experience and offers a wide range of innovative products that include foods, homeware, home entertainment, hi-tech products, appliances, furniture, sports, toys and clothing.

Enjoying success in the lifestyle and bookstore retail formats, The Raheja Group decided to branch out into the hypermarket. From a technology standpoint, the company realized it needed to deploy technologies in the HyperCITY locations, as well as to have common applications that synergize with its other retail formats that include

Crossword, HomeStop, Mothercare, Brio and Desi Cafe. The initiative was challenging as the selection and deployment of such retail software had to bring in increased efficiencies and productivity, as well as ROI requirements.

Precise inventory planning would be crucial to HyperCITY's success. In the retail and food business, availability of the right SKU in the right quantity on the shelf is imperative. Lead times and safety stocks must be taken into consideration before ordering additional merchandise or transferring product from the warehouse to the stores. Miscalculations can be costly, resulting in excess inventory of a low-selling product, thereby increasing inventory holding cost, or out-of-stocks for a top-selling SKU, which may lead to lost sales. When the ordering is based on guesswork rather than statistics, the distribution center or store invariably ends up with excess inventory. This inventory holding cost can adversely impact

profitability. Additional stock also means that available space to hold the stock is at a premium.

Next-Generation Replenishment and Merchandising Management

HyperCITY deployed JDA® Advanced Store Replenishment to help replenish stock at a rapid pace, achieve optimal inventory and improve service levels. The technology helps generate purchase orders, min-max quantity rules, order lead times and inventory carrying costs. After the system was deployed and functional, HyperCITY saw success in terms of measurable ROI with an increase in food sales by 25 to 30 percent, a reduction in out-of-stock deficiencies, a decrease in stock levels by 2 percent that lowered the inventory holding cost, time saved on purchase order and vendor management,



as well as a reduction in product expirations and short shelf life leading to improvement in margin with lower write-offs. HyperCITY's consumers have benefited with higher product availability, minimal out-of-stock issues and increased brand loyalty.

In turn, the high availability of products on the shelves has enabled HyperCITY to differentiate itself from the competition and improve customer service levels. Optimum inventory levels have ensured that there is no expired stock, as well as a reduction in write-offs due to expired product. Additionally, HyperCITY's low inventory holding cost has directly improved the company's profitability.

"Investing in technology to help support our expansion is the key to our growth and profitability," said Arun O. Gupta, group chief technology officer, Shoppers' Stop. "Space and category management is one of our top focus areas to give our customers an outstanding shopping experience."

JDA Solutions to Facilitate Future Development

With planned investments of over 50 stores across India over the next five years, JDA's merchandising management, replenishment and space planning software will continue to ensure consistency, efficiently manage inventory and optimize floor space.

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is the leading provider of innovative supply chain management, merchandising and pricing excellence solutions worldwide. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA's multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise. To learn more, visit www.jda.com or e-mail info@jda.com.

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