

Global consultancies grow India teams for retail, consumer boom

Suneera Tandon

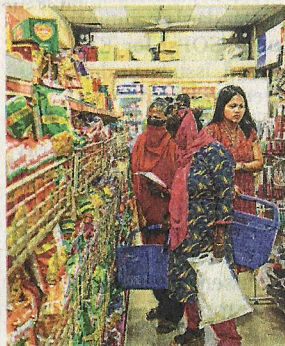
suneera.t@htlive.com

NEW DELHI

Major consulting firms are expanding their consumer practice in India in anticipation of a surge in mergers and acquisitions (M&A) and as growing prosperity in the world's fifth-largest economy fuels demand for consumer goods.

PwC, KPMG, Deloitte, and Alvarez & Marsal (A&M) are actively hiring to bolster their consumer and retail practice, said top executives at these global consulting firms.

The executives cited increased activity in the domestic sector, with both regional players expanding nationally and established companies continuing to acquire smaller firms. Established companies, meanwhile, are also seeking to improve their technology capabilities as well as expand their scope of business.



Large consumer goods firms as well as retailers want to chase India's middle-class shoppers. HT

New York-headquartered A&M is aiming to grow its consumer practice in India fivefold over the next few years.

"A&M India's consumer and retail practice is poised to grow fivefold over the next 3-4 years," said Rishav Jain, managing director, Alvarez & Marsal. "This is on the back of significant opportunity that we foresee in multiple segments such as food and beverage, home improvement, food

retail, digital, apparel and accessories, and consumer technology," Jain added.

"This growth is likely to benefit from the growing Indian consumption story across cities and income segments."

Large consumer goods firms as well as retailers are hungry to chase India's middle-class shoppers, prompting them to either buy out small firms or partner with others in a bid to grab a larger share of the consumption market.

This trend has also led to over \$2.5 billion in private equity funding and acquisitions in the fast-moving consumer goods sector over the past three years, *Mint* reported earlier citing data from Avendus.

Retailers are following suit, with established brands snapping up smaller players in a bid to dominate a market flooded with new online competitors. Consumers are increasingly flocking online, prompting

TURN TO PAGE 6

Global consultancies see M&As brewing in retail, consumer biz

FROM PAGE 1

retail giants like Amazon, Tata, and Reliance Industries to scramble for a larger footprint.

Nikhil Sethi, partner and national leader, FMCG, at KPMG in India, said the firm plans to expand the consumer and retail practice, currently at around ₹800 crore.

"India is a growing economy. While there are many incumbent players, there is a lot of investment flowing in as well (both domestic and foreign). This is increasing the competitiveness in the market and businesses need to be able to differentiate in proposition and service—essentially deliver better experience. This is true for both B2C and B2B businesses," Sethi said. "Hence, many of the levers typically seen in consumer businesses (e.g. customer experience) are becoming increasingly relevant in other businesses," he said.

India's growth is linked to consumption, hence most industry will be driven by this theme. Companies will, of course, try to get closer to consumers to deliver better experi-



Established cos are seeking to improve tech capabilities. MINT

ence. Hence, the consumer opportunity is likely to grow manifold, Sethi added. The firm will grow across "all areas" within the consumer vertical, he said.

Last month, Deloitte opened an innovation centre in Bangalore that offers cutting-edge retail technologies to help custom-design strategies for consumer products and retail brands.

"Deloitte's consumer Industry is one of our strategic priority businesses that is fast growing and aggressive with a mix of domain experts as well as tech-

nical leaders," said Anand Ramanathan, partner and consumer products and retail sector leader, Deloitte India.

PwC, too, is strengthening its presence in the sector by investing in building retail and consumer industry-specific solutions, acquiring talent and nurturing both domestic and global alliances.

"Retail and consumer (R&C) is one of the 'go long' sectors for PwC. In each of these sectors, PwC has consciously invested over the past few years to dominate and expand its presence with not only domestic accounts but also India operations of global MNCs, and even with global capability centres operating in the sector," said Ravi Kapoor, retail and consumer sector leader, India, PwC.

"The sector has historically grown at rates ranging from 1.5-1.8 times of GDP growth. These growth rates have and will continue to spawn new players and brands, enhance the share of formalized and organized players and drive innovation. PwC intends to be at the forefront of this opportunity," he added.