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Causes for Retail Industry Globalization

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Abstract

The heading of this article itself pushing me to think why retail industry is globalizing! Because to increase their presence worldwide and profit on the onside and for the sake of "name and fame" in industry is other side, but today's trend and compitetitation force industrial giants to forget the word "name and fame" globalization is the only strategy to compensate their market share or profit from one country to another country or domestic market. The presence of retail industry in the global level from centuries, but the global recognaization of retail industry came to limelight only two decades ago. As soon as restrictions are removed in this sector, all the retail industry big giants spread across the world to extend their operations especially in emerging markets. Is this a good sign for retailers? Off course it is good sign for some countries and some countries are stick to their own perceptions. Some of the countries welcome this move because the FDI will improve their economic structure. On the other side employment opportunity is also one of the issues in globalization of retail sector. Because retail industry needs huge workforce, so significance of retail has been undoubted.

Key words:- Retail Business Global Expansion

Introduction:-

Here I would like to exhibit one example how it is. Retail industry was globalized without highly qualified personals in production or manufacturing units and selling the products in international market. Basically it was a home industry. We are seeing so many brands [Spices, Edible oil, Detergent Soaps and Powders and many more] with different name in market are the extension of brands and increasing the width of products line. If we consider spices products like chilly powder, pepper powder, coriander powder etc, all these products were preparing in home for cocking curry's and some of the retailers were selling these products. I use to buy from shop in small quantity of these spices as and when we need urgently or else my mother use to prepare these spices in home whatever the quantity needed for next 6-9 months. Even after six months the taste or color will not be varied or expire. She use to buy dry chilly either from shop or village and keep it in sunlight for a day to dry out wet contents, then grinding in flour mill and keep the grinded chilly powder for 30-40 minutes in open air to evaporate wet condition of the powder. Once the powder dried then she will keep it in air tight pack. This will not spoil for another six to nine months. Due to increasing of urbanization these home industries are cornered and latter recognized as fast moving consumer goods industries [FMCG]. Especially country like India we can see at least 3-4 spices manufacturing companies in each state. Very few companies are in national and international presence.

Literature Review:-How these industries are treated as retail industries what was the reason behind their success and how this industry is growing. Policymakers are thinking with a ray of hope that the evolution and steady growth in organized retailing sector will boost the economy to new highs. Besides, it will also help to strengthen the linkages between the different sectors so as to break the vicious circle of poverty and ensure a bright future for the next generation. Now we should to think why this was vicious circle and what was the strong reason behind this vicious circle, 4 to 5 decades ago some people were monopolized in this sector and they were controlling this sector as per their whims and whips. Mediators in "Agricultural and Milk dairy" sectors, means agents were playing vital role between sellers [farmers] and buyers [traders or wholesalers or retailers] also some of the buyers and agents join together and started foul play in the market. This has force the guanine buyers and sellers to find out new ways to survive in this sector. They find the only way to survive in this industry is to come out with their own brand and sell the product in market is one strategy and sell directly to retail industry through associations is the alternate. This was successful and the monopoly was abolished completely and sellers were decided to come out with their own brands and profits will be shared with suppliers, this strategy was successful and retailing of the products were reach consumers without any adulteration. This is best example and success full model in India, the product was "Amul milk and milk products". Today Amul products were selling not only in India also exporting more than 15 countries. The benefit of retailing to general public includes growing awareness and brand consciousness. Some common FMCG product categories include food and dairy products, glassware, paper products, pharmaceuticals, consumer electronics, packaged food products, plastic goods, printing and stationery, household products, photography, drinks etc. and some of the examples of FMCG products are coffee, tea, dry cells, greeting cards, gifts, detergents, tobacco and cigarettes, watches, soaps etc.

Research Methodology:-

Causes for globalization

The following reasons are main cause for globalization of retail industry

1] Saturation of home country market
2] Increased Compititation in home country
3] Cost operation is increasing in home country
4] Procurement of required raw materials cost will be high
5] Free trade area will be more advantageous to sustain in the industry
6] Cost of operation and raw materials availability will be less when compare to their home country
7] Market potentiality and growing opportunity will more favorable than their home country
8] Government policies more favorable than their home country.

The above reasons are generally influence on retail giants for globalizing their existing business. Because of globalization not only retail industry is growing also countries economy will grow and unemployment problem will decreasing. I would like to exhibit with an example of modern retail format how it accommodates even less qualified younger generation.

When new modern formats are introducing in [Mid of 1999] Bangalore India, beginning days people were thinking this may not be sustain in the market for long time and this may wind-up within year or two. But the scenario was quite opposite to general comments and speculations.

They extended their branches all most all the extensions of Bangalore city [Big-Bazaar]. All company distributors start supplying goods to Big-Bazaar. Also other grocery merchants like rice, wheat, edible oil, other commodity dealers and rice mill owners supplying to Big-Bazaar. Now on the employment opportunity are concerned Big-Bazaar has created job opportunities to younger generation. Usually those who are failed in 10th standard or those who discontinued their studies at the age of 15-18 are not able to get jobs and it leads them to drastic condition, even if they are willing to work in construction industries, the wages may not meet their minimum needs of the day, also their conscious will not allow them to do this job as they can read and write. This may be good for male but not good for females or they should join the garments manufacturing industries to work as labors and salary is less in garments industries. When big bazaar opened their branches in Bangalore they start recruiting these girls and trained them with average salary. Now nearly 1000 such girls and boys were working in Big-Bazaar branches. And some of them are continuing their college studies in the evening colleges. After the Big-Bazaar success all the retail establishments are adopting this system.

India is the number one destination in the world for retail sector because the potentiality and demand for consumer goods is very high. Whoever comes to India they will see market potentiality of nuke and corner of India. This was happen from 1990 when government of India has liberalized its FDI policies and removed the entry barriers in retailing sector. “In the India 7% total labor force working in the retail sector and feature days are bright for Indian retail sector and in a decade time may be labor force percentage will be double”. Here I would like to exhibit one example why retail sector is a fast growing and why retail sector globalizing,

The reason is clearly visible to us. Till 1990 there was no boom in software industry especially in Asia, 1990 onwards software and hardware industries created lot of job opportunities to younger generations, both male and female starts working and more demand created for software education, even the faculties jobs, because younger generation keen to study software courses like Java, C+, Hardware training etc. this jobs were mainly a out sourcing jobs so the working hrs of this was at GMT level means late night. This situation force consumers to addict to fast foods, junk foods, ready to eat foods, packed fruit juices, because nobody is cocking food in home due inconvenience of their working hours and no alternative for them as for as food is concerned. This scenario creates more demand in food sector and the production of the above mentioned categories feel demand is very high. All the Asian and European countries retail sectors starts showing growth consistently. This has forced big retail giants to expand their operations globally. This is just the beginning and Indians are sanguine that the sector will see rosy days in the future. This confidence has helped India acquire the No.1 position among 30 most attractive retailing destinations in the world. Among emerging markets, India holds the second position after China in the list of most favored retail destinations. Other than agriculture sector retail sector is the highest growth in India. The shopping revolution that has led to this retail boom is going to continue and this is good news for the government as well as those who wish to work in the organized sector. This organizing retail sector also had its influence on retail sector globalization. Because most of the modern retail formats comes in the organizing sector. Here all the multinational company products are merchandizing [display] and its merchandizing influence certain category customer means higher income group, healthy products group etc, these category group customers most of them are locating in metro cities and sub-metro cities. These targeted customers buying premium products only and most of the big business houses are

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like to target such premium customers with premium products because profit is high when compared to mass products.

Analysis and Discussion:- India is one of the biggest tea grower and exporter in the world, especially north eastern parts of India. The countries like CIS and Iraq are the main markets for Indian tea. In 2003 there was war in Iraq, this war disturbed the Indian tea export, almost 50% of export sales dropped. Like this exporters facing so many hurdles in their daily transactions. To avoid this kind jolt in their business all the big business houses start globalizing their business to sustain their brands as well as their industry. Here I would like to exhibit one example of the big business house strategy in global beverage market.

TATA is big business house in India and they started their own tea manufacturing units in 1980 in India. In 1983 they acquired the stakes of James Finlay group of U.K and they formed a company "Tata Tea". In 1987 they open their own subsidiary company "Tata Tea Inc" in USA. Now Tata wants expand its market and introduce its products to global markets they set up a joint venture with Tetley tea of Britain in 1992. In the United States Florida plant they start processing and marketing of instant tea. In 1993 they entered in to a joint venture agreement with Allied Lyons Plc of U.K to form Tata Tetley estates. In 2000 Tata acquired Tetley stakes for $432 million with a leveraged buyout and Tetley has become Tata Tetley enterprises.

Today Tata Global beverages producing 36 million tons of tea yearly with largest processing unit in Florida, United States other than India. Tata global beverages subsidiaries located in Australia, Great Britain, United States, Czech Republic and India. In all the countries Tata targeting premium customers and healthy conscious customers rather than mass customers, only in Indian market Tata concentrating mass as well as class customers. Now Tata target for $-5.billion turnover in next two to three years.

Multinational companies are always thinking to globalize their products, because their strategy is show to the world their presence in each and every nuke and corner, to achieve this they will opt for joint venture strategy initially and once the business gets sound off take then they will acquire the fast moving brand in to their own or parent company. This is what we have seen from the above example. Also Tata wants his foot prints across the globe and how this going to happen. When they acquire the Tetley in U.K that time only they have targeted healthy products and this has expressed by Tetley Tea product users, and the market research companies are also publishing the same across the globe. Now a day's consumers are more cautious about their health and green tea is one such product on healthy platform, this is the reason Tata has launching green tea in big retail outlets like malls, super markets/hypermarkets across the globe, means this is premium product category and targeting higher income group consumers. Also the current trend of consumers is more towards Ayurvedic products with no side effects. As for as distribution is concern they want to make tie-up with Pepsi-Cola company across the globe or some potential markets initially as and when the demand increases it may extended to other countries or with own distribution infrastructure cannot be denied.

This strategy is not only for Tata company this will be a common strategy for all the companies who wants extend their operations across the globe. Tesco is one of the leading retailer in U.K they also thinking to reduce the cost of procurement as well as increasing the profits to sustain in the industry as well as increase their global presence. They want to purchase more and products like "shoes, cloths and bicycles" from India because the cost of the above mentioned products are less when compare to U.K and at the same time they want to send some of the products to India which are less price in U.K. This will benefit to company in both the ways. Also Tesco is planning increasing their procurement in India means 7% of their total procurement from India [$567 million] by 2013. Why this retail giant thinks to expand their operation in India, because India's multiple brand retail market size is $400+ billion and at the same time their home country performance is showing negative growth means profit line is declining. To compensate the home market loses they are aggressive with new strategies in export/overseas markets.

Here I would like to exhibit two Indian companies how they are expanded their market operations in USA, Africa and Middle East countries.

"Godrej consumer care and Dabur India" both enter into African and Middle East country, Dabur has set up their production plant in Sri-lanka and Middle East. The reason behind this strategy is Middle East is having free trade agreement with African countries, this has helping to supply specially fruit beverages to African markets.

"Dabur Real" fruit juice is number one in India and 4th largest brand in the world food market. Food is essential to all the human beings in everyday life. Because of this reason food industry needs to understand the demand, supply, consumption and fulfill the needs of consumers across the world. Africa is one of the biggest markets for fruit beverages also they target European markets from Dubai. Dubai is well known as re-exporting center for European markets as well as North African markets.

Dabur India tied with "M/S Namaste laboratories of USA" to introduce their products in United States markets, because Namaste laboratories USA is well known as skin care products marketers. Dabur is 125 years old consumer goods company in India by virtue of its strong brand position in Asian continent specially on health care, oral care, hair care, and skin care products in Asia and African continents. With this tie up M/S Namaste laboratories will work with Dabur company distributors in African countries and same will be in USA for Dabur with the same management team, operational teams and sales force. M/s Namaste laboratories as usually continue in Blue Islands and Illinois in US and this healthy tie up gives boost to both the companies and their products will marketing globally. Both the companies have product mix and specially Dabur products it will be a gate way to US markets in consumer goods portfolio. This tie up increase the profitability to both the companies as well as stake holders, also to create strong positioning of Namaste products in African markets, because of Dabur products strong presence in African markets. This is the good example of retail industry globalization also Namaste has realized the global trends of the retail market and the essentiality of expertise beyond North American market regions. The intention of this tie up is to provide good products and offers to its consumers [men and women]. However this transaction will be subjected to customs and regulatory condition reviews.

Now we can see how "Godrej consumer care" entering to Africa and other global markets and what products they plan to launch in these markets, are they come out with their own products or they acquired well known manufacturing industry. Godrej is one of the oldest consumer products company in India, to expand its ranges into global market they adopt acquisition strategy across various geography. In 2005 Keyline brands Limited of U.K and Rapidol (PTY) Limited in 2006. In 2007 Godrej Middle East and joint venture with SCA Hygiene Products AB of Sweden and in 2010 Sara Lee Corporation of USA and Tura a leading player in Nigeria personal care products, In 2011 June Godrej acquired 51% stake African firm Darling holding group. This group is having strong hold in the hair extension products category in sub Saharan Africa. Basically Godrej is known for hair color products and shaving products in India and then into toilet soaps and house furniture's and office automation products like typewriter machines. When they realized the growth in consumer market, they concentrated more on fast moving consumer goods along with other business divisions. Since last two decades they were exporting their products to other countries like Middle East, South East Asia, Europe and many more countries with little quantity or as per the demand. But they were searching for the products to enter African market and finally they succeed by acquiring Darling Group. Because in Africa people are spending more on their hair style, this is passion of African women beings.
The both examples of the above companies show globalization is taking place in faster phase to sustain as well as stay in race.

FDI's role in Retail sector globalization

The following reasons are the key factors for welcoming FDI in retail sector

1] Employment opportunity to un-skilled/ uneducated/less educated population
2] Agricultural and non- agricultural products to be introduced in the market.
3] Increase the GDP of the country
4] Eradicate poverty
5] Develop infrastructure in education and other infrastructure like roads, ports, power generation, transportation, etc
6] Cultural exchange
7] Bi-lateral trades

Here I would like exhibit example of two automobile companies how their investment supporting countries of origin and business country.

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Fuso and Tata commercial vehicles are selling in African market. Both of them are recognizing good efficient vehicles in East and South African continent. Fuso is recognizing for less cost of maintenance and Tata for fuel efficiency. Fuso marketed in African countries much before Tata's arrival but Tata's aggressiveness marketing strategies are much better than Fuso. Also Tata is having patriotism influence in East and South African countries, because most of the industrialists are Indian origins. And the disadvantage from Tata is spare parts of the vehicles is not available well in time. Whereas Fuso is not facing this problem most of the African countries is having Fuso dealers as well as lot of vehicles scrapped and their spares are lying with seconds spares dealers. Both the companies are not able to send drivers/mechanics from their origin countries, initially they may send one or two persons from the mechanical side and one or two resident engineers for short span of time means may be about a year/ two. Only in the capital city/ near by the port city showroom/authorized service station of the related companies will be located and rest of the places only franchisees will take care of all the operations [sales and service], always companies adopt **"THINK GLOBAL AND ACT LOCAL"** strategy. Because of this strategy you can understand the local trend and mentality of the local people and what they are expecting from the company. Tata is entering to African market may be a decade ago, but Fuso is much before [may be 3-4 decades ago] when I was working in Chemi and Cotex industries Tanzania we had both vehicles in our depot, whenever we need any spares of Tata vehicles we should wait for "three to four days sometimes weeks", where as "Fuso vehicle spares" will be available local seconds spares seller/dealer. The person who is selling may not be a company employee but he is earning money to lead his life from these company spares, millions of people leading their life in African continent by selling second or removed spares from the scraped vehicle. This will not be applicable only for Tata or Fuso, all kinds of vehicles.

How this was happen, because of FDI, FDI means it will not create/provide direct employment to all the uneducated/unskilled population and this will create an opportunity directly/ indirectly to such population by way of becoming drivers/helpers /mechanics/dealers/service station helpers. If one vehicle starts running on road five people get employment opportunity other than driver and his assistant and the structure will be as fallows

1] Mechanic- Major work-engine
2] Mechanic- electrical work
3] Mechanic- wheel and Axial
4] Mechanic- Tyre related repairs
5] Mechanic- Body works

The above mentioned all the five persons will have 3 assistants on each category, means 15 persons engaged indirectly with one vehicle in 5 square kilometer area. Now we can guess in a country how many people will indirectly associate with this industry. Apart from this, necessary lubricants sellers also associated with these vehicles.

In the agricultural sector also FDI role cannot be denied. Usually small formers in the villages they use to sell their harvested crops through their agents in the markets or agents regularly visiting to villages buy the commodities for lesser price. Also they will not pay full money to the farmers at the time of purchase, when they sell all the goods they collected from other villages then they will pay to the formers. This one side and the other side even agricultural marketing

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societies also not able to buy all the goods whatever farmers produced on that season. In both the ways farmers were struck, when multinational wholesale giants entered the market by way of FDI and government was allowed foreign entities to do cash and carry business in wholesale category market the entire trend has changed.

For example Metro Cash and Carry from Germany starts operations in-2002 Bangalore India, they try to enroll all the retailers as their members in the entire state and they will supply whatever the grocery or any other products they need for retailing. Their strategy was to dominate in the wholesale market, because they targeted all category retailers [small kirana shops, butcheries, tailoring shops, hotels, restaurants etc] with free door delivery system and they procured all the goods from manufacturers as well as from big farmers and co-operative societies. When this multinational wholesale business starts functioning the demand for commodities has increased and farmers get good price for their crops and immediate money also, multinationals procure the commodities directly from farmers place. Formers also got relief from the transportation risk. Now Metro Cash and Carry expand its operations on Pan India level. Here indirect employment opportunities are more because the procurement department can keep only procurement officer and may be one assistant. Whenever they are visiting to villages for purchase they hire local villagers for rest activities.

This is also gives a good boost to real estate companies to provide lands in the required area. The traditional retailers or wholesalers can take this opportunity on their own favor by accepting the franchisees of the bigger retail giants of the industry. On the other side consumers also taste the wide variety of goods with attractive price getting under one place, just because these malls and infrastructure will be modernized means good roads and facilities. There are other sectors also depend on these modernized sectors, online marketing sectors/companies will get more revenue in terms of promotion also telecom sectors and private cabs and auto rickshaws. The more revenue will goes to the government in terms of tax from these big retail giants. This will improve the government fiscal deficits. Apart from this revenue MNC's foreign currency exchanges and the exchange rates will bring consistent income to boost the economy of the country.

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As on today both china and India are in the race of attracting FDI in all the sectors, all the multinational are eagerly waiting to capture market share especially in the retail single brand or multilevel brands, but the existing players are bring some hurdles through their political bosses. This will not be long term game may be today they may succeed but not tomorrow, anyhow feature days are good for big retail giants to get entry to Indian retail sector. Even in the global recession china and India has not much affected, partially effected and this was caution to all the sectors, Asia's economy is growing at the rate of 8.5% aggregate in 2010-11. China is very carefully forwarding in this sector because they don't want go with full enthusiasm, even the small mistake will back firing their economy, then the whole Asia will be the victims and then it will be very hard to avoid global recession. During all these recession FMCG industry also we can call this consumer packaged goods [CPG] industry step forward with cautiously especially food industry and hair care industries.

As the pace of globalization quickens so does the race into new markets, but today it become an attitude of industrialists with the promise of large, wealthy emerging markets too attractive to ignore. Emerging markets are welcoming to all, but how many of them will grow and how long will they grow, about 10-15 years after that saturation will starts and again we will back to home country or looking for next best emerging market. But success in this race does not necessarily go to the swiftest. Rather, it goes to companies that make the right moves at the right times. Location is still important, but timing is the name of this retail game. Any industry wants to expand their market operations in any country means looking for an opportunity to grow or substantiate his loses in the home country.

For example if any company from India/china/Asia is trying to sell his products in African continent means it is an opportunity for them get some additional share/contribution to manage their loses in the home country or to construct a strong retail base to feature, because Compititation is less compare to other Asian or European countries. The globalization of modern retail continues to accelerate. From 2001 biggest retailers of the world entering more than 85 new destinations to grab some share as well as manage their loses in home country [Europe and USA] and more than 90 new markets has been identified as emerging markets for expanding their business. More than 30 big retailers in 2005 entered into emerging markets by way of supermarkets, hypermarkets/shopping malls in life style sector including do it yourself/self service formats like apparel retailers. But returns on investment and the acceleration was not satisfactory also the success was not up to the expectations. Because the big Retail giants were not concentrated all the emerging markets or they choose the wrong destination and they left few markets in 2005 also they were decided drop some more markets in 2006. Many others are struggling to generate profits. How can companies to continue and navigate such uneven profits for the last five years, in this situations Mr.A.T.Kearney has helped retailers through his global retail development index grid and suggest them give priority to the potential global market before making expansion decision/strategies through his "Global Retail Development Index". This index indicates the best and safe 30 emerging countries based on their 25 macroeconomic and retail activities as well as performance on specific variables as well as growing categories. In addition to the country ranking, the development of Retail Labor Index to rank the labor pools of 15 emerging countries.

On a regional level, Asia reclaimed the lead position from the maturing markets of Eastern Europe. As part of Asia, the Middle East posted the highest retail sales growth globally, led by United Arab Emirates and Saudi Arabia because of free trade treaty with neighboring African countries. The Mediterranean held steady with mixed results, while Latin America recovered from its economic crises/recession and enjoyed a strong return on the Index. Finally, Africa remains outside the game, but that is not stopping retailers from entering this populous region also Africa is only an opportunity for additional share to their revenue and out the relative market attractiveness of all countries on the Index. If we closely look at the ups and downs of the each region with a comparison of the past few years, Asian countries dominate this year's Index as well as consistent growth and outrank those from Eastern Europe. Asian countries hold 40 percent of the top 20 GRDI markets, while Eastern European countries hold 35 percent. Just last year, Asia accounted for 30 percent while Eastern Europe captured 55 percent. This shift is not a surprise. Asia has always been the largest region of emerging markets, because some of the countries still depending on traditional retail and distribution system means still under the control of unorganized retail clutches. It represents 26 percent of global GDP and 32 percent of global retail sales. Its annual retail sales grew at a healthy rate of 7 percent since 2005. More important, modern retailers have tapped into just 28 percent of the region, compared to 42 percent of the markets in Eastern Europe markets.

For the first time Malaysian capital market crossed RM2 trillion in 2010. The capital market had achieved an annual compounded growth rate of 11% from RM717bil in 2000. This has happen because rapid industrial expansion takes place and strong regulatory oversight that underpinned investor confidence in the Malaysian capital market also, this is a good sign for Malaysia as for FDI is concerned and at present newly industrialized countries GDP per capita of $14,800, being considered. On the income distribution, there are 5.8 million households in 2007. Of that, 8.6% have a monthly income below RM1,000, 29.4% had between RM1,000 and RM2,000, while 19.8% earned between RM2,001 and RM3,000; 12.9% of the households earned between RM3,001 and RM4,000 and 8.6% between RM4,001 and RM5,000. Finally, around 15.8% of the households have an income of between RM-5001 and RM10,000 and 4.9% have an income of RM10,000 and above . Smuggling and hoarding, which leads to shortages, is a prominent problem in Malaysia due to the subsidies. “This has provoked common man to sell his quota to industries or restaurants for better price. This is happening in almost all the rural Asia and African countries”.

For example, when cocking oil facing scarcity in 2008 then Malaysian government has fixed 5kg as subsidized quota for common man, means who is living in below the poverty line. This was really affected to industrial users, because the first victim in such situation is common man and he has no vision about the future so that he will buy more and stock for future, retailers will take the advantage of this situation and they will create more scarcity in market and sell for higher price. However, the limited purchase has created more panic buying, which prompt the Government to negotiate with cooking oil manufacturers to increase their production capacity, and the situation reverted to normal within one week.

Another example is when vehicles in Thailand come to Malaysia to smuggle cheap petrol and diesel out of the country and the government of Malaysia is also looking into restructuring the fuel subsidy so that the selected needy group will get the subsidy. The government is considering removing subsidies on diesel for general consumers while maintaining subsidies for suitable groups, such as those involved in public transport. On January 2010, the government announced its dual price structure for fuel, based on citizenship. Foreigners are expected to pay market price for fuel while citizens will have subsidy allocations based to engine capacity.

Singapore is a city-state in Southeast Asia and it consists of 1 major island and 59 small islands. Singapore lies at the center of a major sea route connecting the Far East to Asia, Europe, and Middle East, this is one reason Singapore is recognized as trading hub also which gives the country its strategic importance. It is separated from Malaysia to the north by the narrow Johore Strait and from Indonesia to the south by the wider Singapore Strait. The country has a land area of 637.5 square kilometers (247 square miles), but no land boundaries, and its total coastline is 193 kilometers (120 miles). The territory of Singapore covers a slightly smaller area than that of New York City. Singapore belongs to the "New Industrialized States" (NIS), the countries that underwent rapid industrialization from the 1960s to the 1980s. During these 2 decades, Singapore managed to attract technology transfers from the developed world as well as sizable foreign direct investment (FDI). The island has a small mining industry that is of no importance

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in the national economy. Singapore's well-developed **retail** sector provides excellent service to the local population and to foreign tourists. Large, state-of-the-art supermarkets are complemented by thousands of small retail shops where tourists and local consumers can buy different products. Singapore has long been recognized as a major tourist shopping destination offering, among other things, the latest electronic products free of tax. In 1998, there were 281,200 people employed in the wholesale and retail trades. After the decline of 1997 and 1998 this sector recovered, with the value of retail sales up by 12.1 percent and their volume up by 14.1 percent. The most advantage for traders is "Singapore is free trade area" and with this port you can connect to any part of the world and the disadvantage part is 65% to 70% of consumer products or lifestyle products are imported products. Due insufficient industrial lands this country depends on imports for retailing business. this is good sign modern retail trade as well.

Conclusion

With the above thesis one factor is clearly understands us, globalization is not solution to sustain in the industry. Innovations and consumer taste and perceptions are more important than any other strategy. But certain industrialists always thinking for new innovations in the industry for their footprints in global markets, such people only thinking about globalization of their brands at the same time they will adopt "THINK GLOBAL AND ACT LOCAL" strategy. Means understand the local people culture, perceptions and sell the products as per the countries demand. This is giving boost to their products sales with their Parent company name. In such activities Tata, Coca Cola, Pepsi and many more MNE's are ahead in globalization race. Which I exhibited in my article, also there is a clear indication to all the industrialists that is "one brand" will not enough to sustain in the market for longer period, continues innovations and changes in the strategy according to market trends will give more sustainability and recognaization rather than expansions. Otherwise expansions are only a short time gimmick and it will backfire at any point of time sometimes it leads to the stage of bankrupt. This trend will impact on economy too.

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