

North to South, consumer zing matches New Year ring

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For most of 2010, consumers battled with double-digit inflation, especially in food. As the curtains fall on the year, battle-weary consumers are in no mood to allow the prices of essential commodities to dominate their day. December 31 is supposed to be an occasion to celebrate, and most will do so, despite the pressures eating into their budgets.

Malls and organised retail stores across major metros and cities are choc-a-bloc with consumers doing their New Year's shopping. Last year, the mood was a bit sober, as the economy had just begun to turn a corner at this time. "Sales growth last year was about 15-20 per cent. This year, the expectation from New Year sales is about 25-30 per cent," says

Susil Dungarwal, chief mall mechanic at Mumbai-based advisory Beyond Squarefeet.

This is corroborated by KS Raman, director, Next Retail, the Videocon group firm which runs the Next brand of consumer electronic stores. "The mood is decidedly upbeat," he says. "New Year's shopping is catching on."

Of course, most retailers are leaving no stone unturned. On an average, discounts on consumer durables and apparel — products that fly fast during the festive season — are at 25-30 per cent. For popular products such as LEDs and LCDs, discounts are even steeper, at close to 50 per cent, says Raman.

Up the wave

But consumer durables' retailers are not the only ones benefiting from buoyant consumer sentiment. Hotels and restaurants are also raking in. According

to hospitality industry sources, grade-1 hotels and restaurants in Mumbai and other metros have achieved bookings of close to 80 per cent for New Year's Eve. This will be full by the time the day arrives, they say.

Say Rajesh Avachat, director of Goa Portuguesa Restaurant & Bar, a popular joint for Goan food in Mumbai, "There are about 1,600 Grade-I hotels and restaurants in Greater Mumbai, where bookings have been done in advance. The rates vary for place to place. At our restaurant, for instance, bookings have been done for ₹1,900 per head for vegetarian food and ₹2,500 per head for non-vegetarian. This excludes drinks. In five-star hotels, the going rate is anywhere between ₹5,000 and ₹8,000 for a couple wanting to eat out for the night."

But if standalone bars, restaurants and hotels expect brisk business

on New Year's Eve, so do fast food joints, cafe chains and quick service restaurants. According to Anup Jain, director, marketing, Pizza Hut, sales growth on New Year's Eve should be in excess of 40 per cent. "We have geared up for New Year's, with an enhanced menu and the license to serve wine in two restaurants in Bangalore. This will be expanded to four restaurants on New Year's eve," he says.

Venu Madhav, chief operating officer, Cafe Coffee Day, says, "We see the after-dinner crowd trooping into our outlets on the evening of December 31. People want to celebrate and they will, somehow."

This point is seconded by Anjan Chatterjee, adman and restaurateur, who is promoter of Situations Advertising and Speciality Restaurants, which runs 70 restaurants across brands such

as Mainland China, Oh! Calcutta, Sigree, etc. He says, "31st December is an occasion where people will celebrate depending on their budgets. Nobody will miss it."

Those wanting to celebrate at tourist destinations have to shell out at least 10-15 per cent more this year over last year, says Manuraj Johar, director, at Delhi-based travel firm Y Not Travel. He says, "Goa tops among travel destinations this year during New Year's."

Last year, it was Kerala which was the top destination during New Year's. Himachal Pradesh is also a perennial favourite for people from the north."

The total cost for travel and stay at a three-star hotel in Goa, according to Johar, works out to about ₹ 20,000 per person for four to five nights.