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WEEKLY BUZZ

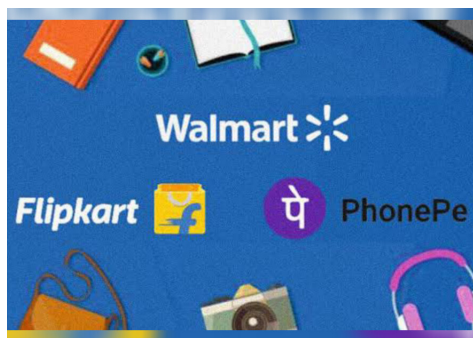




Flipkart, PhonePe doing well: Walmart

In its Q1 financial year 2024 earnings statement, Walmart expressed optimism about its opportunities in India and highlighted the strong performance of its subsidiaries, Flipkart and PhonePe. The company's international net sales, including its Indian operations, increased by 12% to \$26.6 billion during the quarter. Flipkart's commerce platform continued to expand its reach, covering over 300 cities, and its Ekart business partnered with more than 35,000 kirana (neighborhood store) partners. The CFO mentioned that PhonePe achieved a total payment value of over \$1 trillion during the quarter. Walmart sees the synergy between Flipkart and PhonePe as a mutually reinforcing ecosystem, combining technological capabilities and sourcing strength. Walmart aims to increase its exports from India across various merchandise categories and has set a target of sourcing \$10 billion worth of Indian-made goods annually by 2027. Overall, Walmart remains positive about its growth prospects in India and the success of its subsidiaries in the country.

<https://timesofindia.indiatimes.com/business/flipkart-phonepe-walmart/100346211.cms>



EU antitrust regulators quiz cloud rivals on Microsoft's request for customer data

The European Union antitrust regulators are investigating Microsoft's cloud computing practices following complaints from Cloud Infrastructure Services Providers in Europe, a trade group that includes Amazon. The EU competition enforcer has sent a questionnaire to cloud providers, asking for details on contractual clauses that require reporting customer data to Microsoft as part of their Azure cloud contracts. The questionnaire seeks information on the frequency, period, format, and recipients of the reporting, as well as potential consequences for non-compliance. The EU is also investigating whether Microsoft has used the data to directly approach customers of these cloud providers.

<https://indianexpress.com/eu-antitrust-regulators-quiz-cloud-rivals-on8620730/>

Zomato Q4 Results: Cons loss narrows to 188 crore, revenue surges 70%

Zomato, the food delivery aggregator, has reported a significant reduction in losses for the March quarter. Its consolidated net loss narrowed to Rs 188 crore compared to Rs 360 crore a year ago, and Rs 345 crore in the previous quarter. Consolidated revenue surged by 70% year-on-year to Rs 2,056 crore. The company's loss for the fiscal year 2022-23 decreased to Rs 971 crore, while revenue increased by 69% to Rs 7,079 crore.

<https://economictimes.indiatimes.com/markets/stocks/earnings/100356252.cms>



RBI withdraws Rs 2,000 notes from circulation

The Reserve Bank of India (RBI) has announced the withdrawal of the highest-value currency note, Rs 2,000, from circulation. The existing Rs 2,000 notes will remain legal tender but can be deposited or exchanged in banks until September 30. The RBI advised the public to deposit the notes into their bank accounts or exchange them for other denominations. The withdrawal aims to ensure operational convenience and avoid disruption in bank branches. Banks will provide deposit and exchange facilities for Rs 2,000 notes until September 30, 2023. The move is attributed to reasons such as the existence of soiled notes. The RBI clarified that this is a routine exercise and similar withdrawals have been done in the past. The Rs 2,000 note was introduced in 2016 after demonetization, but with an adequate supply of other denominations, the need for the note has decreased. The value of Rs 2,000 notes in circulation has declined, accounting for only 10.8% of notes in circulation as of March 31, 2023.

<https://indianexpress.com/article/business/rbi-withdraw-rs-2000-note-8618730/>



Reserve Bank of India to transfer Rs 87,416 crore as dividend to Centre for FY23

The Reserve Bank of India (RBI) has approved the transfer of Rs 87,416 crore as surplus to the Indian government. This decision comes after the RBI's board meeting, chaired by Shaktikanta Das, where they also increased the contingency risk buffer from 5.5% to 6%. In the previous fiscal year, the RBI transferred Rs 30,307 crore to the government. The bond market reacted, with the 10-year bond yield rising by 5 basis points to 7.01% as market participants had expected a larger surplus transfer. The government is anticipated to receive significant dividend receipts from the RBI, attributed to profits in foreign-currency trading and lending to the local banking system. The budget estimates dividends of Rs 48,000 crore from the RBI and public sector banks in FY24.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-approves-transfer-of-rs-87416-crore-as-surplus-to-the-central-government/articleshow/100355569.cms>



Tesla offers India manufacturing plan; govt may offer concessional duty on components

Tesla is reportedly considering manufacturing vehicles in India instead of pushing for a reduction in import duties on completely built units. The company's team, which is currently in India, has been holding meetings with key ministries and officials to discuss its manufacturing plan. Tesla may still seek some duty concessions for testing the market for certain models with low domestic demand. Opening exclusive showrooms under single brand retail is also on the agenda. The change in Tesla's approach came after witnessing the success of Apple's domestic manufacturing in India.

<https://indianexpress.com/article/business/companies/tesla-offers-manufacturing-plan-8615275>

Meet Kunal Jhunjunwala

Kunal Jhunjunwala, the founder of Airpay Payment Services Limited and nephew of renowned investor Rakesh Jhunjunwala, has successfully turned around his company after facing a significant crisis. Prior to the pandemic, Airpay experienced a slump in business, a halving of its valuation, and the departure of two co-founders. Despite these challenges, Kunal persevered and kept the company running. Over the past three and a half years, Airpay has not only survived but also managed to achieve growth.

<https://www.dnaindia.com/business/report-meet-kunal-jhunjunwala-billionaire-nephew-3042874>



G7 call for developing global technical standard for AI

Leaders of the G7 nations have called for the development of technical standards to ensure trustworthy artificial intelligence (AI), stating that governance of the technology has not kept pace with its rapid growth. While recognizing that approaches to achieving trustworthy AI may vary, the G7 leaders emphasized that rules for digital technologies should align with democratic values. This agreement comes as the European Union moves closer to passing comprehensive legislation to regulate AI, potentially becoming the world's first AI law. The G7 leaders also discussed the need to address the opportunities and challenges of generative AI, a subset of AI that gained attention with the popularization of ChatGPT. The leaders agreed to establish the "Hiroshima AI process," a ministerial forum to address issues surrounding generative AI. They also called on international organizations to analyze the impact of policy developments in this field. The differing approaches to AI regulation between Western nations and China's restrictive policy were highlighted.

<https://indianexpress.com/article/technology/artificial-intelligence/g7-calls-for-developing-global-technical-ai-8620712>



L'ORÉAL

Case Study - L'Oréal

L'Oréal, founded in Paris over a century ago, has emerged as the global leader in the beauty and cosmetics industry. The company's success can be attributed to visionary leadership and precise brand management. Sir Lindsay Owen-Jones, during his tenure as CEO and chairman, strategically expanded L'Oréal's presence by divesting weak brands, investing in product innovation, and venturing into untapped markets such as China, South America, and the former Soviet Union. The company's focus lies in five areas of expertise: skincare, hair care, makeup, hair coloring, and perfume. L'Oréal's brand portfolio is categorized into Consumer Products, Luxury Products, Professional Products, and Active, targeting specific market segments with tailored offerings.

L'Oréal's international expansion has been fueled by strategic acquisitions, revamping acquired companies, and leveraging its robust marketing arm. The company identified opportunities in the ethnic hair care industry and quickly gained a significant market share by merging with Soft Sheen Products and Carson Products in the United States. This move allowed L'Oréal to tap into previously overlooked segments. Research and development play a crucial role in L'Oréal's success, with substantial investments and 14 research centers worldwide. By understanding the unique beauty routines and needs of diverse cultures, L'Oréal develops innovative products that cater to specific markets.

The company's commitment to precise target marketing has been instrumental in its global triumph. Each brand within L'Oréal's portfolio is strategically positioned to minimize overlap and cater to specific market segments. L'Oréal's emphasis on being local while maintaining an international image and strategy has solidified its position as a leader in the industry. With its iconic tagline, "Because I'm Worth It," L'Oréal continues to meet the beauty needs of consumers around the world.



Question

What's next for L'Oréal on a global level? If you were CEO, how would you sustain the company's global leadership?

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