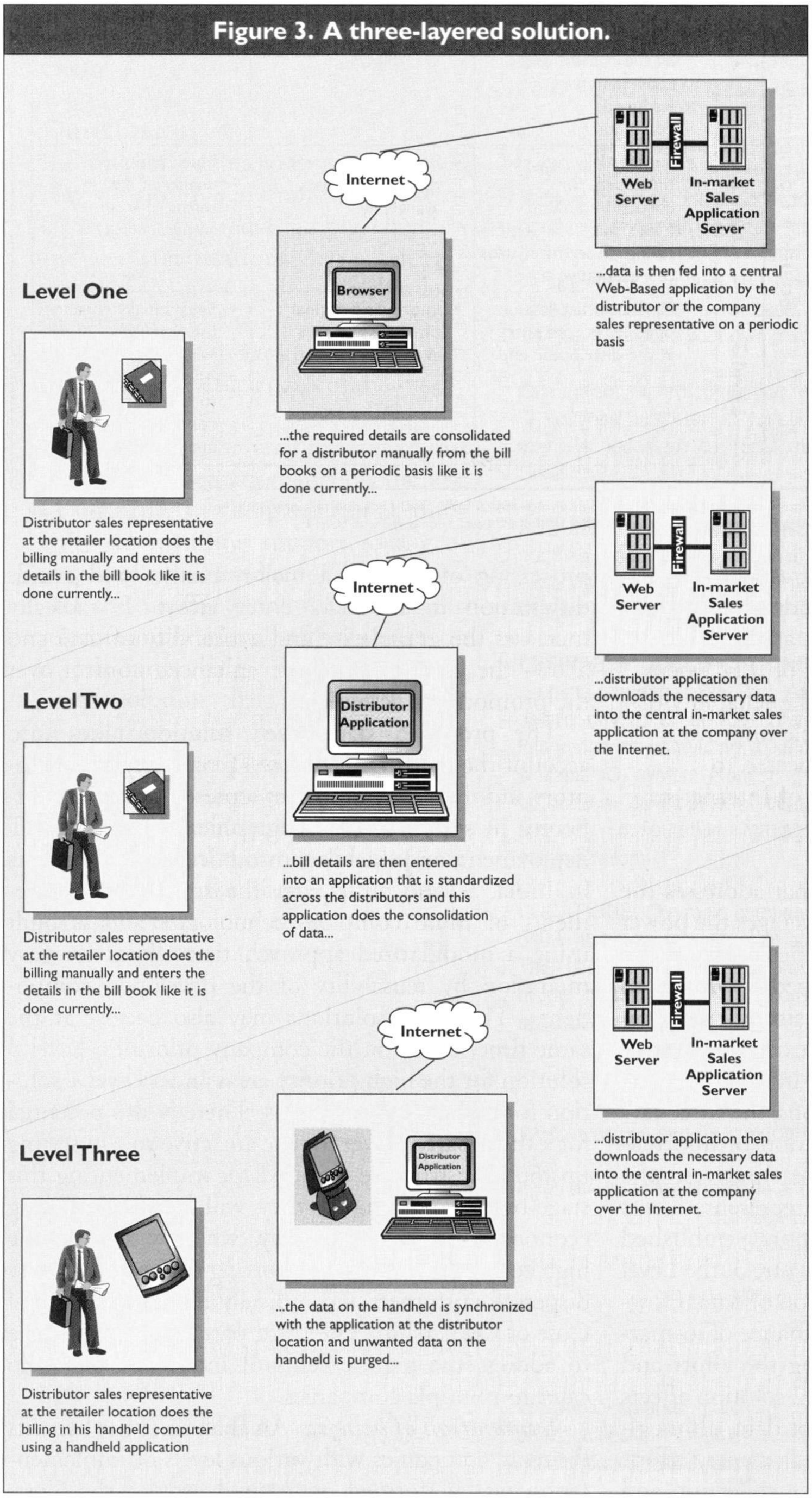
tion hampers the timeliness and accuracy of the information, leaving decision-makers unable to slice-and-dice the data to make meaningful observations and understand trends. If this information is available for analysis, then the supply chain can be managed more efficiently, with radically improved sales and customer service levels. Currently there is limited IT usage in the collection and collation of the data.

Future outlook on retail. Retail chains are beginning to enter India, lured by the huge potential market for consumer goods. They are likely to find it extremely difficult to compete with the current distribution system, which works on wafer-thin margins. The chains are likely to make headway in the urban towns because of the shopping experience they provide, rather than their ability to offer better prices. Rural towns are expected to continue with the current fragmented distribution arrangement. This market cannot be neglected, however, since in many categories it contributes sales volume shares as high as 80%.

India had lagged substantially behind the Western world in terms of telecom infrastructure, although since liberalization in 1991, there have been substantial improvements. With the advent of the Internet, the development in telecommunications has switched gears and has started growing rapidly. Internet bandwidth for connectivity, both within India and to the international network through gateways, is being increased by multiples. Information technology is being looked at seriously for its potential to improve the efficiency of the retail supply chain, leveraging the power of the Internet.

Figure 3. A three-layered solution.



Proposed Solution Framework

The solution architecture must help collect information from the distributor and disseminate information back to the sales representative for sales performance analysis purposes. Several other critical factors