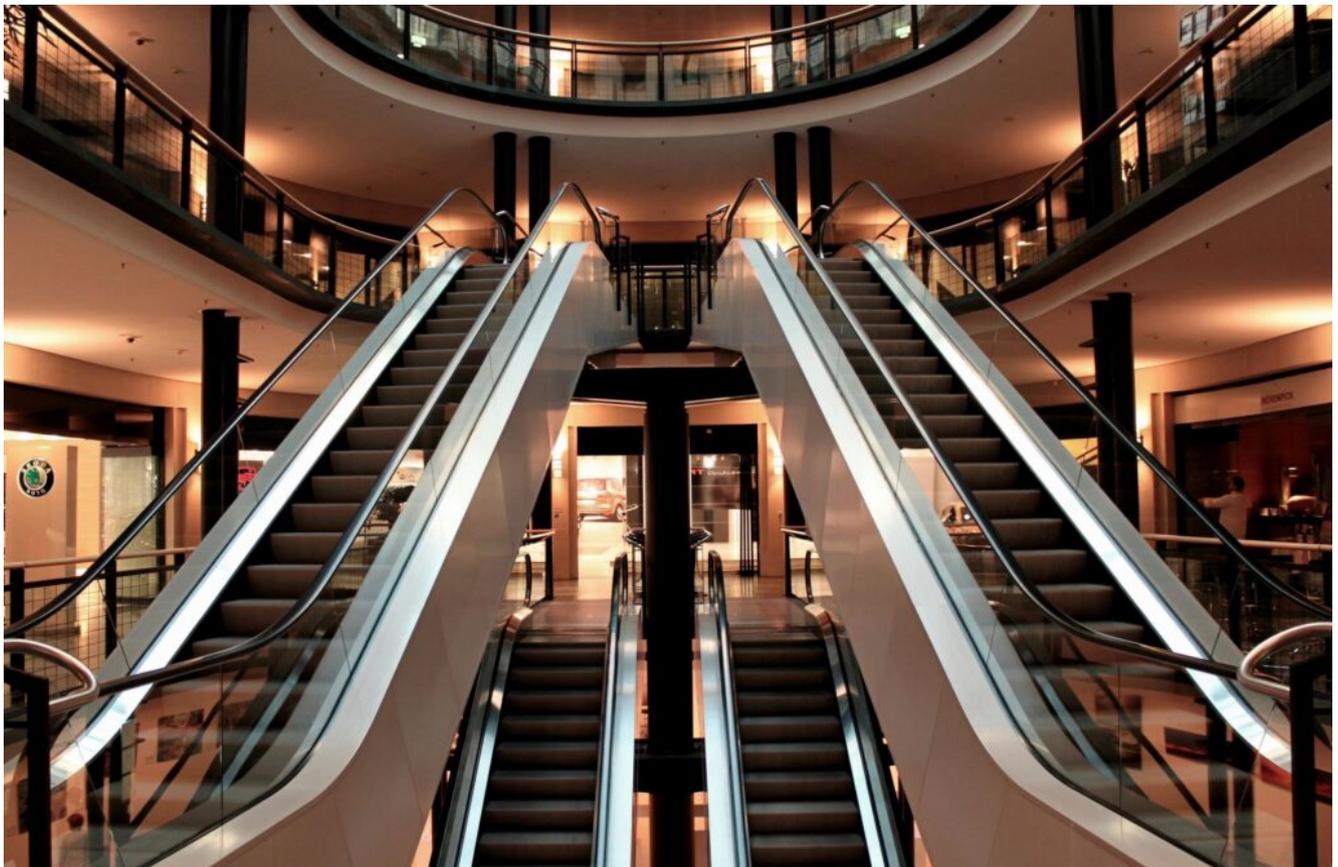


TATA-Walmart deal: A real game-changer in the Indian business landscape

The latest TATA-Walmart deal. In May 2018, the global retail giant Walmart purchased a 66% stake in Flipkart for \$16 billion. Till date, it has been the country's biggest-ever deal in the retail space. But, this may be overtaken latest by January 2021 by a new ambitious deal coming up between TATAs and Walmart.

One of the biggest news that has come up in recent times is: "Walmart is considering a \$25 billion investment into Tata Group's Super App."

The TATAs proposed super-app may be launched as a joint venture, combining the Tata Group's entire retail product franchise and Flipkart's offerings from Walmart.



Waiting to be lifted

Super Apps from Tata group can definitely provide a comprehensive solution for B2B2C. The Tatas seem to be working with advisers to bring in global tech companies, including investors, for the digital entity. Goldman Sachs may have been asked as the investment bank for this deal.

Tatas, the pioneer of the Indian tech industry, stayed inactive for a while but now the group is catching the super app fever. It may have to reset its supply chain network. Given how foreign capital has built a strong infra for online/e-commerce, this is the most promising time for super apps to mushroom.



Amazon and Reliance Jio, which is planning a similar offering with Facebook are set to have a new competitor in terms of variety and economies of scale. As the end-user, the beneficiary is the consumer, such a competition is good for the Indian digital ecosystem.

The \$20-25 billion TATA-Walmart deal is surely going to make a huge impact in the industry as the TATAs, one of India's most ethical corporate houses is vying to level the space hitherto dominated by the likes of Amazon and Reliance Jio. With Reliance & TATAs along with their foreign collaborators dominating the business space across the horizon, it will be a real game-changer in the general Indian business landscape. What will Amazon do next? And what will happen to Walmart and Flipkart?



India's Tata Group have now felt the need to consolidate its ecom businesses to compete. It is still largely an untapped business opportunity in India. The TATAs are still way behind Reliance Industries Limited moves with Jio and its investments by Facebook and Google.

The TATA-Walmart deal should ruffle some feathers. So much is going on in Indian emerging markets and eCommerce news. The online space is just heating up now.

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Hereinafter, it will be interesting to see how other large FMCG conglomerates will charge their game plans. Will Hindustan Unilever do something similar? HUL has been in India's retail business for more than eight decades or so. It knows retail business here very well in every nook and corner of India and has a great network of dealers. HUL also attracts good talented people and has good financial resources.

Large investments in technology with an established corporate house. This is certainly exciting news. Such deals, in effect, inspire other Indian companies, investors, associates, creates multiple job opportunities and benefits the general public.

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Such deals further endorse the fact that India is indeed one of the biggest playing fields for global e-commerce market

share. Given the size of India's consumer base, giants like Walmart can not afford to keep India out of its loop for long. Walmart must have been eager to get a globally known strong brand supporting its e-commerce business in India. There could not have been a better choice other than the Tata group as it is an established and respected player in the online space. Moreover, its competitor, Amazon, is investing aggressively in more horizontal tech investments. It is investing in Alexa for cars, Music, Esports, Videos, etc. This upcoming TATA-Walmart deal seems to be a good sign for Walmart which has to invest in other markets besides the US. The TATAs in India has given it the right opportunity at the right time.