

Last decade has seen many reforms in relocation industry: Rahul Pillai, Interem

By *Irum Khan*, ET Bureau | 5 Oct, 2012, 12.44PM IST0 comments | [Post a Comment](#)

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Relocation companies specialize in providing help to employees who move for their employer. For such companies Andheri E is an interesting locale as it is a commercial hub holding a lot of business potential. Rahul Pillai, country manager, India, Interem, a relocation company, talks to ET on the changing sector in India. Being the first multinational relocation company to venture into India in 1997, Interem has executed 50,000 moves within India with offices across 12 major cities. Edited excerpts:

How has relocation industry changed over the years?

Well, I am not sure whether we can call it an industry though it deserves to be called one. It is still a vertical under logistics. However, the last decade has seen a sea change of reforms. Earlier, relocation services were being utilised by the CEOs, expats coming to India and personnel working in the senior management. For the masses it wasn't a known commodity. Labourers in the locality would simply tuck all household materials in hired tempos and that was relocation all about. Now, even an entry level BPO (business process outsourcing) employee uses the services of a company like ours.

You cannot dismiss the strong presence of local tempos and labourers involved in the business. They have already dominated the market. Now, organised services for relocation are mushrooming.

One, with India belonging to the global market and increasing people's purchasing power, the infrastructure they buy at home has seen a huge shift. These are classy but fragile. Second, people now need the entire relocation process to happen smoothly and thus prefer our services. Another important reason for growth is that increasing number of organisations is offering reimbursement to their employees for relocating. Increasing number of employees are utilising this money.

How big is the relocation vertical in India?

As relocation is yet to get an industry status, there is no data to support the turnover and the number of existing companies in India. However, the safest estimate based on the market will be that the industry is close to Rs 1,000 crore.

When we talk about a relocation industry in the West we know that the industry there is actively involved in the real estate affairs too. The same is not the case with India, why is that?

Yes, in countries like the US, relocation business means a complete package involving activities like buying and selling homes, mortgaging an apartment apart from packaging and transportation. The scene in India is different. We are still the conventional movers and packers here though we do many a time help people, especially foreign transferee, in finalising a lease. Also, we give some orientation about the city to the newcomers making them aware about the restaurant, clubs, hospitals, markets in the nearby area.



Being the first multinational relocation company to venture into India in 1997, Interem has executed 50,000 moves within India with offices across 12 major cities.

Tata Chemicals Ltd.

BSE	NSE
304.45 ▲	304.90 ▲
2.05(0.68%)	2.60(0.86%)
Vol: 16039 shares traded	Vol: 111513 shares traded

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What is preventing the vertical from getting into the real estate business?

There are simply too many brokers already working in India and they have a strong presence in the market. People find it convenient to deal through brokers while buying or selling a house.

Who are your clients from Andheri?

We have a plenty of them like, [Monsanto India](#), [Tata Chemicals](#) and [Castrol India](#).

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Tata Chemicals Ltd.

BSE	NSE
303.55 ▲	304.00 ▲
1.15(0.38%)	1.70(0.56%)
Vol: 16608 shares traded	Vol: 118749 shares traded

First, the aim is to know the market. Once that is done, we present our offers to the corporate and once the deal gets through we get listed in their company. We even offer interesting packages like contract pricing for mass relocation, insurance, training and such others.

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What are the main industry concerns?

The domain is being infiltrated by fly by night operators. These are basically transporters who claim to be the professional movers and packers. There are a number of fraud cases emerging. They even name their companies akin to a recognised brand to hijack customers.

What are the regulatory interventions being sought by the vertical?

Well, one, we want a more organised structure and some kind of a recognition which will help regulate the mushrooming cases of frauds. Except for the Shops and Establishment Licence there is no other entry level barrier to check infiltrators and rogue operators. Like other industries, sales tax, octroi and VAT too have been a challenge. Also, better infrastructure like smooth road availability would give a boost.

How has relocation scenario changed in Andheri East?

Andheri East has become a hub for corporate and also has developed as a residential area. The mix of the two has resulted in the household goods and corporate relocation requirement. This has consequently resulted in the mushrooming of the so called "Packers & Movers" who also have started terming themselves as relocation companies. However, there are a lot of customers who are very specific in the requirements and expect professionally trained staff.

How is Interem targeting the Andheri East market?

Interem has targeted the corporate customers who offer relocation assistance to its employees as private customers end up making comparison with one man outfits who have no credentials as a relocation company.

What is the growth plan of Interem? How big is the company?

In the months to come, Interem will be trying to educate potential customers as to how to differentiate between a quality relocation company and a so called Packer and Mover. This will help them select the right relocation partner for their movement of location and reduce heartburns.