

# Retail

## IMAGES

MARCH 2015 VOL.14 NO.3 ₹100



AS THE RETAIL  
LANDSCAPE EVOLVES

**TECHNOLOGY**  
IS THE NAME OF  
THE GAME!

EAST INDIA: DECODING  
THE MOST POTENTIAL  
MARKET

MANAGING CUSTOMER  
COMMUNICATIONS  
WITH A MISSED CALL

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In the last decade, the retail landscape has undergone a sea-change. The retail industry in India is witnessing an increased focus on leveraging technology across functions of merchandising, supply chain, store operations, omni-channel operations, customer engagement and even corporate functions (finance, HR, etc.). The global retail economy is growing at an exponential pace and technology continues to act as an enabler for most enterprises. From social, mobile, analytics and cloud apps to location-based coupons that pop up when we walk into a store to virtual dressing rooms, retail is poised to never be the same again. Innovatively thinking, new age retailer has really started recognising the potential of information and communications technology for marketing, engaging and nurturing the customers.

In the March issue of IMAGES Retail, we will take a look at how technology is raising the stakes for retailers in India and helping them to stay relevant in the age of hyper personalisation. The cover story of the March issue of IMAGES Retail focuses on that how technology has become retailers lifeline to stay relevant in the fickle marketplace.

In this issue we have also covered in detail about the East India's retail market. East region is one of the most potential and untapped regions in the country. Geographically, it is one of the finest regions in India. Talking about the retail market of East India, till date it couldn't grow to its optimum potential. However with the changed political, social and economic conditions and with people becoming more aspirational, transformation in the retail scenario has definitely arrived and one can say it is here to stay.

In a quest to understand the potential of East India's retail market so that the available opportunities in the region can be actualised with an apt knowledge of the ground realities. We have tried to bring in forth the hidden prospects of the region's retail scenario so that East India's rise will gain pace once the potential of the market has been truly understood by the existing players and the new entrants to the market.

These are few of the many interesting articles that we are presenting in this issue. We promise to bring even better and more informative and analytical articles in the upcoming issues of IMAGES Retail.

**Amitabh Taneja**

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## COVER STORY

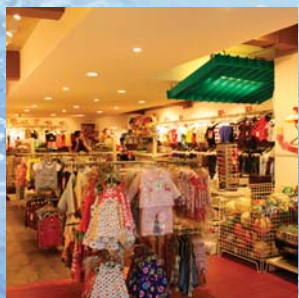
### AS THE RETAIL LANDSCAPE EVOLVES, **TECHNOLOGY** IS THE NAME OF THE GAME!

**FIRST AMONG EQUALS:** TECHNOLOGY AS RETAILERS  
LIFELINE IN THE FICKLE MARKETPLACE

Retailing is more complex than ever with consumers hopping across real, virtual and mobile channels. Innovatively thinking, new age retailer has begun to recognise the potential of information and communications technology for marketing, engaging and nurturing the customers.



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# AS THE RETAIL LANDSCAPE EVOLVES, **TECHNOLOGY** IS THE NAME OF THE GAME!

**FIRST AMONG EQUALS:** TECHNOLOGY AS RETAILERS  
LIFELINE IN THE FICKLE MARKETPLACE

Retailing is more complex than ever with consumers hopping across real, virtual and mobile channels. Innovatively thinking, new age retailer has begun to recognise the potential of information and communications technology for marketing, engaging and nurturing the customers.

By Manisha Bapna





**A** retailer will always look forward to serve more customers and thereby increasing sales at the same time when the customer is expecting a fast service. From social, mobile, analytics and cloud apps to location-based coupons that pop up when we walk into a store to virtual dressing rooms, retail is poised to never be the same again. In the last decade, the retail landscape has undergone a sea-change. The retail industry in India is witnessing an increased focus on leveraging technology across functions of merchandising, supply chain, store operations, omni-channel operations, customer engagement and

focused on enabling management reporting, merchandising (pricing), and inventory operations. To name a few, barcode capturing for accurate sales tracking and inventory visibility was probably the first step in store-based technology. The other was rapid advancement in point-of-sale store technologies, etc.

With time, needs and demands of customers as well as retailers are increasing. They are always in search of something innovative that will save time and at the same time satiate their needs. Technology, which acts as a bridge between the customers and retailers, increases efficiency, streamlines the business process, makes them save on time and helps

promote product discovery, thereby leading to customer satisfaction. According to a recent eMarketer report, global e-commerce sales in 2012 topped a trillion dollars in annual sales (US\$ 1.2 trillion). In 2013, global sales are estimated to grow by 18 per cent, and by 2016, 15 per cent. If these estimates are accurate, in the next five years, e-commerce is estimated to grow by another US\$ 1.2 trillion, doubling in overall market size. And today, global e-commerce represents only 6.5 per cent of the overall retail vertical,” says Arshad Majeed, Executive Vice President – Global Delivery, Xavient Information Systems.

“Technology today is being used in every sphere of retail to automate functions, streamline daily operations, make critical business decisions, and become more customer-focused. The paradigm shift in the last five years towards consumer-driven technologies (web, mobile, social)



even corporate functions (finance, HR, etc.). The global retail economy is growing at an exponential pace and technology continues to act as an enabler for most enterprises. The Indian retail market, in particular, is expected to double to reach US\$ 1 trillion by 2020, from US\$ 600 billion this year, according to Boston Consulting Group.

The augmentation of digital technologies is luring retailers towards automation, keeping behind their so long trusted manual operations. Earlier, technology in retail primarily

them stay ahead of their competition, is in great demand. The retail industry survives on margins, with managers on a never-ending quest to increase revenue and reduce costs. “With technological upsurge and the changing mind-sets of the business class, technology is slated to play a key role in the times ahead. Technology is the game changer; one can delay it, but they certainly cannot deny it,” says Nilesh Shah, Director, Rancelab.

“Nowadays, retail technology is an integral part of every business as it offers new and innovative ways to

Technology, which acts as a bridge between the customers and retailers, increases efficiency, **streamlines the business process, makes them save on time and helps them stay ahead of their competition, is in great demand.**







# EAST INDIA:

## DECODING THE MOST POTENTIAL MARKET

Favourable demographics, increasing urbanisation, nuclearisation of families, rising affluence amid consumers, growing preference for branded products and higher aspirations are the factors that are driving retail consumption in Eastern India.

By Debamitra Mitra, ILEAD







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### Evolution of modern retail in India

India is the 5th largest retail market in the world. India remains an appealing, long-term retail destination for several reasons starting with its demography as half of India's population is less than 30 years of age and roughly one-third of the population lives in cities. The disposable income of Indians is increasing - allowing them to spend more and try new products, brands, and categories. India's current retail market is worth ₹3,893,425 Cr (US\$ 648.90 bn) and is 57.6 per cent of PFCE. It is estimated that by 2017 India's retail market will be ₹ 6,156,333 Cr (US\$ 1026.06 bn) and may pick up further.

Incorporation of technology in the organised retail segment has been something to reckon with in the past few years. Use of computers for merchandise planning and management, control of inventory costs and supplies and replenishment of goods done electronically, internal store billing, has changed the face of product retailing.

Infusion of western concepts brought about changes in the structure of Indian retailing further. Some traditional retail chains like Nilgiri and Akbaralys were set up on the lines of western retail concepts of supermarkets. During this time, high streets like Linking Road and Fashion Street emerged in Mumbai. Some manufacturers like Bombay Dyeing started forward integrating to sell their own merchandise. Since liberalisation in 1990s, many Indian players like Shoppers Stop, Pantaloon Retail India Ltd. Spencer Retail ventured into the organised retail sector and have

grown by many folds since then. Few of the large format retail brands were the pioneers of the organised Indian retail. With the opening up of foreign direct investment in single-brand retail and cash-and-carry formats, a new chapter unfolded in the retail space. Many single-brand retailers like Louis Vuitton and Tommy Hilfiger took advantage of this opportunity. The cash and-carry format has proved to be an entry route for global multichannel retailing giants like Metro and Wal-Mart.

### Modern retail in East India

Coming to the prospect of retail industry in East India, at the East India Retail Summit in 2011 organised by Images Group Harshavardhan Neotia, Chairman of the Summit and Ambuja Neotia Group said "Though the Eastern region has joined the bandwagon late, there has been a significant development in the retail industry both in metros and tier II cities. Given the tremendous opportunities, I feel we have only just scratched the surface." He stated that, "It is also sometimes interesting to note that the retailers have an erroneous perception of the consumer appetite. This has been proven by the success of brands in the East". Favourable demographics, increasing urbanisation, nuclearisation of families, rising affluence amid consumers, growing preference for branded products and higher aspirations are other factors that is driving retail consumption in India as well as in the East. Presently, a large and growing middle class Indians are not only buying luxury goods





# E-COMMERCE SECTOR IS WITNESSING AN UNPRECEDENTED GROWTH

**As the contemporary Indian customer becomes more internet savvy and e-retailing gathers its momentum, brands and retailers in East India are gearing up to explore the opportunity.**

By Piasi Sinha

**E**ven though the growth of organised retailing has been slow in the region but e-commerce is witnessing unprecedented growth. The primary reason is that the online retailing has helped the brands to overcome the geographical barrier to reach out to a wider customer base. Moreover for the brands and retailers it gives a unique opportunity to create a direct, personalised channel for customer engagement. While brands like Moustache jeans has been one of the front runners to explore the online market during the initial run, others followed soon either by partnering with these marketplaces or by launching their own e-commerce channel. In the last two years quite a few innovative concepts have debuted online, creating the much required noise in the segment. While some of them are back by the corporate, a significant number is either a start up or a passionate creation of self made entrepreneurs. Even though these ventures are mostly self funded or a collaborative effort but that is not limiting the promoter to go all out in marketing. From search engine marketing to blogs, google adwords to facebook marketing, the promoters are implementing the latest marketing tools.

Apart from the few concepts which are available in online formats only, a fair share of established brands and marketers are also exploring online channel to capture a wider audience irrespective of geographical barriers. "As a brand we wanted to strengthen our communication with our young, next generation buyers and we knew that internet is the only way to reach out to them at a personal level. Therefore we tied up with online market places like Jabong and Flipkart at the initial phase when these were launched. In fact the response was beyond our expectation and it prompted us to launch our own online channel" explains Pratik Agarwal, Director, Moustache Jeans.

In order to create a transparent, hassle free shopping experience, the portals are not hesitating to rope in the best logistics support and international payment gateway partners. However from inception to implementation, the entire process has not been without a challenge. As

e-commerce is still at a nascent stage in India and digital marketing is evolving every day, there were risks and technical hiccups. However both marketers and consultants have come out of their comfort zone to create a successful, customer oriented, highly dynamic interface.

Based on customer preferences, popularity of links, creative excellence and online traffic, a few remarkable online ventures are outlined in this article.

### Online - Gifts

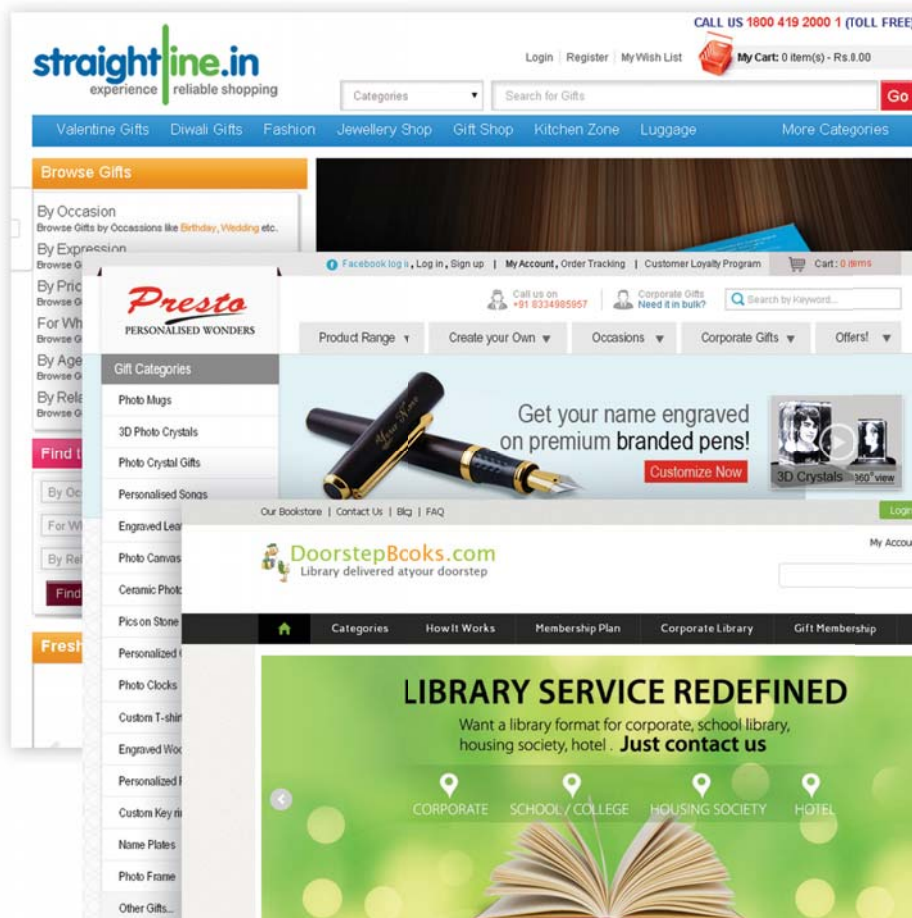
**www.straightline.in** – Floated by a joint venture between SAIL and TATA, the e-commerce portal offers a unique platform for gift shopping. Catering to the genuine buyers who are looking for reliable product quality at a reasonable pricing, the portal offers a plethora of daily products classified in 13 categories. The portal strives to be an all round gift shopping platform for the modern Indian shopper who is quality savvy and price conscious.

**www.prestogifts.com** – Backed by the retail brand Presto Wonders, this portal offers a unique range of personalised gift items to choose from. Presto has already established itself as a brand in personalised gift category through its offline stores. However with the young, aspirational customers preferring online transaction, the retail brand extended its brand online from 1st July 2012. The portal enables customers to choose from a wide range of products and personalise them online with easy built-in customisation application. Unlike many other players in the similar categories, the brand is not keen on selling on marketplaces. “The company is focused on selling through the website from which they can deal with our retail and corporate clientele. The fact that marketplaces cannot offer customisation and personalisation has discouraged us from using them” says Anil K Jhavar, Director, Prestogifts. To provide convenient customer experience the portal has tied up with

the best of logistics services which ensures timely and hassle-free delivery for the best customer experience! It also provides Cash on Delivery for a section of buyers who do not have a credit or a debit card. “We strongly believe in parity and hence, our product pricing is the same for both our online and offline stores.” claims Jhavar. “We are now providing thousands of design templates to our shoppers who can choose from the various genres of background template designs to host their own images and text. We are continuously adding new templates to our library. We are also continuously adding newer products. We recently added a range of leather products like wallets and bags which can be customised. Customers can expect the product portfolio to grow exponentially in the coming weeks and months” elaborates Jhavar. The positive customer feedback from India

and overseas market has prompted the company to focus on online venture in the coming years.

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