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Retail

APRIL 2017 VOL.16 NO.4 ₹100

WORKING TOWARDS A BETTER CUSTOMER EXPERIENCE



INTERFACE:

RAJESH SETH, COO,
FBB-FASHION AT BIG BAZAAR

DYNAMICS:

INDIA HOME FURNISHING MARKET -
PROSPECTS & OPPORTUNITIES

TREND:

FAST FASHION, THE NEW FAVOURITE
OF SHOPPERS, RETAILERS AND
MALLS

REPORT:

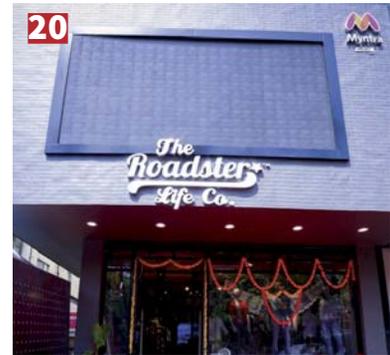
INDIAN ONLINE FASHION MARKET
TO HIT US \$14 BN BY 2020

INDIA
SHOPPING
CENTRE
FORUM 2017

MAY 10-11, 2017

CONTENTS **APRIL 2017**

- 12 National Newsmakers** | RETAILERS UPPING THEIR DIGITAL GAME
Retailer in India are upping their digital game to stay ahead of the competition.
- 16 International Newsmaker** | LOOKING BEYOND HOME MARKETS
While some of the international retail biggies are shutting down the shops in their home grounds due to saturation, it becomes imperative for them to explore new markets.
- 18 Innovations**
*Shoppers Stop partners ToneTag for sound-based contactless payments
Reliance Retail ties up with National Payments Corporation of India*
- 21 Shifts & Movements**
*Niren Chaudhary joins Krispy Kreme as President & COO
Alok Varman, ex Pepperfry head operations, joins WYDR*
- 26 Report** | INDIAN ONLINE FASHION MARKET TO HIT US \$14 BN
The domestic online fashion market will reach a landmark of \$14 billion by 2020, according to a new report by the global Boston Consulting Group (BCG) and social media giant Facebook.
- 28 In Conversation** | SANJAY VAKHARIA, DIRECTOR & COO, SPKYAR
In an exclusive interview with IMAGES Retail, Sanjay Vakharia, talks about the evolution of the brand, its market positioning and strategy, and future plans.
- 38 Interface** | THE FUTURE OF FASHION IS HERE!
Rajesh Seth, COO, FBB talks about the roadmap of Future Group's fashion business growth path.
- 40 Insights** | HOW DO CONSUMERS SHOP?
PwC's 2017 Total Retail Survey explores global shoppers' buying behavior and paths to purchase.
- 46 Trend** | FAST FASHION THE NEW FAVOURITE OF SHOPPERS, RETAILERS AND MALLS
Fast fashion, a phrase used for designs that move quickly from the catwalk to showrooms, is catching the fancy of Indian consumers.
- 50 Dynamics** | INDIA HOME FURNISHING MARKET PROSPECTS & OPPORTUNITIES
The boom in the residential real estate industry over the last few decades has given an impetus to the retail home décor market.
- 60 Marketing Initiative** | JEALOUS 21 LAUNCHES SUCCESSFUL ONLINE-TO-OFFLINE CAMPAIGN
Jealous 21, an exclusive denim brand for the young contemporary girls, from the house of Future Lifestyle Fashions, held India's first-ever #FreeJeansDay.



COVER STORY

page **32**

WORKING TOWARDS A BETTER CUSTOMER EXPERIENCE

In this day of cookie cutter uniformity, when it comes to garnering consumer loyalty, "customer experience" seems to be the buzzword. Yet, putting the customer at the centre of business and creating delightful experiences across the buying journey is not as simple as it sounds.

RETAILERS UPPING THEIR DIGITAL GAME

—By IMAGES Retail Bureau

E-tailing in India is witnessing a sharp surge in numbers, all thanks to the penetration of internet. While Indian fashion market is about to hit US \$ 14 bn milestone in next couple of years, homegrown fashion e-tailing major Jabong is aiming to clock 40 percent of business growth by this financial year. Even brick and mortar players are upping their digital game, while Starbucks brings mobile payment to India with the launch of Starbucks India Mobile App, FreeCharge partners with Arvind Lifestyle Brands to increase focus on offline stores.

INDIA'S LARGEST FBB STORE OPENS IN KOLKATA

fbf—launched its largest iconic store in Kolkata. Located in the city's Shakespeare Sarani locality, and spread out across three massive floors over a sprawling 25,000 sqft space, this giant fashion space houses a large assortment of fashion brands under a single roof.

studded, leading Tollywood actors like Abir Chatterjee, Soham Chakraborty and Mimi Chakraborty, among others, along with noted fashion designer Abhishek Dutta and Femina Miss India World 2016 Priyadarshini Chatterjee were present to grace the occasion. "The Kolkata spirit has not



"Fashion, over the years, has taken greater prominence among the youth today, who view fashion as another way of expressing themselves. fbb being among the forerunners of fashion retail in India is excited to make a larger presence in the emerging India," said Kishore Biyani, Group CEO – Future Group.

The retail launch of this magnitude was celebrity-

only been receptive to evolving fashion trends, it has also embraced the new even while it has retained its signature cultural identity. For a leading fashion hub like fbb, we are excited to have our largest fbb store in this city that is associated with a taste for arts, culture, music, and fashion," said Manish Agarwal, CEO – East Zone, Big Bazaar.

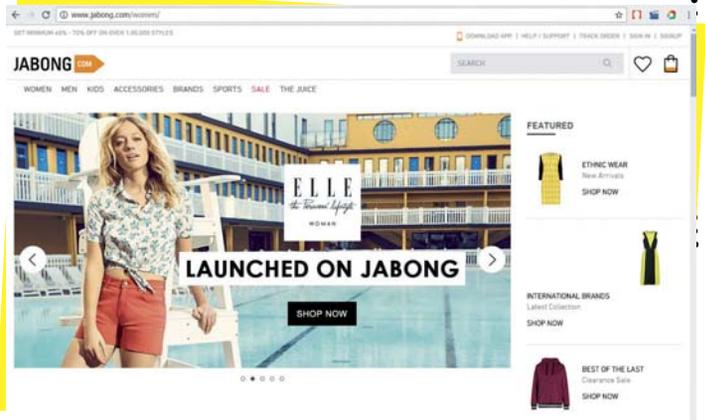
JABONG EXPECTS TO CLOCK 40% BUSINESS GROWTH IN 2017-18

Online fashion firm Jabong expects to clock 40 per cent business growth in 2017-18 on account of expansion in product range, marketing investments and additional features in its mobile application.

"We believe we are not at good levels, but we will invest now this year in creating much higher awareness for ourselves on three growth pillars. This year, in 2017-18, we are expecting 40 percent growth in business," Rahul Taneja, Chief Business Officer, Jabong, said.

He added, that Jabong will invest in expanding range of products to give consumers more options to buy, make mobile application more engaging and invest in marketing to create more awareness among consumers about the brand.

"Today, we launched YWC Fashion of cricketer Yuvraj Singh. We have recently launched 25 brands including Viraat Kohli's WROGN, Deepika Padukone's All About You and many more. Soon we will add 35 more brands including Hrithik Roshan's HRX," Taneja further said, "The apparel category contribute around 45 percent to the Jabong business, followed by footwear around 11-12 percent," he added.



LOOKING BEYOND HOME MARKETS

– By **IMAGES Retail Bureau**

While Apple opens new stores in China and Germany and e-commerce major Amazon takes over Souq.com, one of the biggest marketplaces in Middle East. On the other hand the retail biggies such as Guess and JC Penny are shuttering down the stores in their home country- maybe time for them to explore new retail markets.

APPLE OPENS NEW STORES IN CHINA, GERMANY



While Apple's retail team is currently remodelling all its stores, the company expanded its reach with three new stores in China, Germany and the US. More than 350 store employees at the new stores in Nanjing (China), Cologne (Germany) and Miami (US) welcomed thousands of customers at the grand openings.

"Each store complements the local architecture, from the restored facade in Schildergasse to the 90-by-30-foot glass entryway of Apple Nanjing," the company said in a statement on Saturday.

For the first time in each city, customers can explore The Forum — a place where the local community can gather and learn.

All the three stores also feature The Boardroom — a space for local entrepreneurs, developers and business customers to get hands-on advice and training.

On March 12, Apple reopened its store in St. Johns Town Center in Florida — the 35th store company updated to its latest design in the US. Apple opened its first store on May 15, 2001, at the Tysons Corner Center mall, Virginia.

DE BEERS BUYS OUT 50 % STAKE FROM RETAIL PARTNER LVMH

Anglo American's diamond specialist De Beers has bought the 50 per cent stake held by French luxury goods group LVMH in De Beers Diamond Jewellers for an undisclosed sum, taking full ownership of the retail operation.

"More fully integrating the De Beers Diamond Jewellers brand and store network will enable us to deliver an even more differentiated diamond offering, alongside our fast-growing diamond brand Forevermark," Chief Executive, De Beers Group, Bruce Cleaver said in a statement.

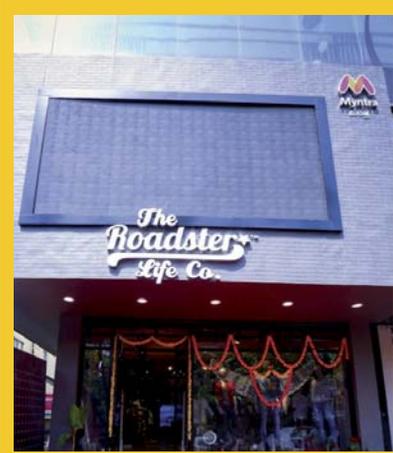
De Beers said in a statement that fully integrating De Beers Diamond Jewellers would enable the group to enhance value.

De Beers Diamond Jewellers' retail network comprises 32 stores in 17 countries. This includes a growing business in China, an established presence in London and Paris, and a new flagship location in New York.

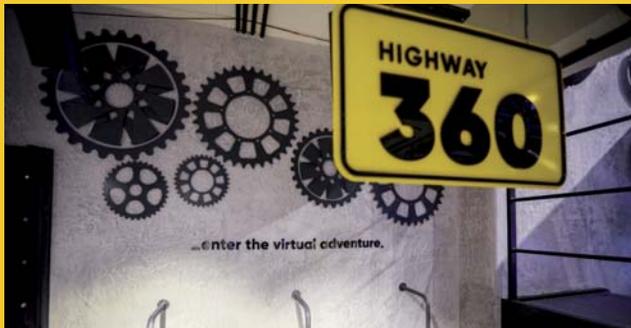
In addition, De Beers' Forevermark high-end diamond brand has expanded into 2,000 outlets globally and it says it expects the growth to continue this year.

DE BEERS
JEWELLERY

MYNTRA GOES OFFLINE, OPENS FIRST ROADSTER STORE



Myntra, in association with one of its retail franchise partners launched the first retail store for 'Roadster' in Bengaluru. Roadster is Myntra's top selling outdoor lifestyle brand.



Located on 100 feet road in Indiranagar with a built up area of 4000 square feet, the new store is all set to enthrall visitors with a host of unique features and an integrated omnichannel experience.

With the launch of this store, Myntra has set the stage for an established online brand like Roadster that contributes over 8 percent to the overall revenue of the platform, to have an omnichannel presence.

Ananth Narayanan, CEO of Myntra & Jabong, said, "The launch of the first physical store for Roadster is a milestone for Myntra. Roadster has witnessed phenomenal growth at over 80 percent YoY and is well on its way to achieving a run rate of 1000 crore by FY 19. Its entry into the offline segment will further boost its prospects. With this move, customers will receive an exceptional brand experience transformed by technology and a new avenue for shopping. This is our first step in curating an omnichannel presence and will be a major area of focus for us in the months to come."

The innovative use of technology in the store to enhance the brand experience depicts the future of retail. The store features several new elements to engage customers. This includes a video wall, controlled by shoppers through a futuristic, multitaction touch-interface to showcase the intricate details of Roadster products, provide an update on key international trends and communicate the brand story. Tokens can be selected from a display and placed on the touch-surface to reveal hidden, real-life destinations, their secrets, and even suggested looks for the journey ahead. Another multitaction feature, 'Roadster Crafted' provides an insight into the making of the brands' merchandise.

Manohar Kamath, Head, Myntra Fashion Brands, said, "Curation of the offline segment is an important step for our private label business which is an integral part of our portfolio of offerings. Roadster is among the top casual wear brands in the country and its offline presence will help us augment its position in the market. The concept of this store is a game changer in the industry and our franchisee partner has specifically designed it, keeping in mind the philosophy of the brand and the future of fashion retail."

Virtual Reality has been used for a special feature called 'Highway 360' which takes people through an immersive and interactive virtual road trip through dramatic locations and unique experiences before bringing them back to the store. A road ramp on the other hand creates personalized memorabilia from the journeys yet to be taken, using green-screen technology that transports visitors to rare locations and experiences.

The store is also equipped with multiple touch screen displays which provide data on key looks and the Roadster catalog. The unique 'Scan & Go' purchase mechanism allows shoppers to add their favorites to their shopping cart on the Myntra App, doing away with shopping bags, checkout counters or billing queues. **IR**



INDIAN ONLINE FASHION MARKET TO HIT US \$12 – US \$14 BN BY 2020

– By **IMAGES Retail Bureau**

Lead by spurt in smartphone penetration, improved logistics infrastructure, convenient payment gateways, and the evolved online shoppers, the domestic online fashion market is estimated to reach US \$12 – US \$14 billion level by 2020, according to a new report by the global Boston Consulting Group (BCG) and social media giant Facebook.

While online fashion shoppers will more than double to touch the 130 million mark, fashion e-commerce will constitute 11-12 per cent of the total domestic fashion market. Currently, 55-60 million consumers are buying fashion products online.

While fashion market in India is currently estimated at US \$70 billion — where online contributes five per cent at around US \$4 billion — US \$30 billion of this market will be digitally influenced by 2020.

“Fashion is at the forefront on Facebook in India. It dominates the top 10 interest categories on Facebook and same is true for Instagram,” said, Umang Bedi Managing Director, India & South Asia Facebook. Bedi added, that one out of every two Instagram users in India was interested in fashion.

Asked if Facebook was planning to enter the e-commerce industry with opening up related ads on its platform, Bedi said Facebook drove value to top brands and advertisers in the market by connecting them with the people. “We are partners to those companies. Thus, we do not intend to compete with our partners,” Bedi said, adding that Facebook was all about connecting and helping people share content.

“The spurt of new fashion shoppers will bring with it a fundamental shift in the profile of online fashion shoppers. The 2020 shopper will no longer be the typical young, metro-residing male of today. By 2020, nearly half the shopper base will be women, more than 50 per cent will come from lower Tiers (Tier 2 or even lower) and 37 per cent will be older than 35 years of age,” said, Rohit Ramesh, Partner and Managing Director, BCG, .

This shift in the online shopper profile will require e-tailers to rethink their offers across several dimensions, including assortment, pricing and discounts, delivery options and return policies.

SPYKAR TO ENTER FOOTWEAR SEGMENT, EXPECTS TO CLOSE FY17 WITH A ₹300 CRORE TURNOVER

– By Surabhi Khosla

Known for its youth appeal and vigour, Spykar is one of the most admired casualwear brands in India today. The first chapter of its success story was written over 20 years ago, when its founder and managing director Prasad Pabrekar, a qualified engineer with laundry business background, found his calling in the denim industry. The vast repertoire of technical knowledge in denim finishing gained via laundry business came in handy for him while setting up his own denim manufacturing venture.



Incepted as a denim manufacturer in 1992, Spykar today has earned for itself strong brand equity as India's leading young fashion retailer. Even as denim remains its core product, the company has continued to add a range of products and categories to its portfolio to keep up with the changing market dynamics.

In an exclusive interview with IMAGES Retail, **Sanjay Vakharia**, Director & COO, Spkyar, talks about the evolution of the brand, its market positioning and strategy, and future plans.

Can you provide a brief background on Spykar? What is your market positioning?

Established in 1992, Spykar has evolved from a leading fashion jeans wear brand, and a dominant player in the Indian denim industry, to a lifestyle brand. The brand resonates with the youth and their aspirations. Keeping pace with the fashion dynamism, the brand at every point epitomizes global fashion and is a beacon of effortless style.

It's been 25 years since the launch of the Spykar brand. How would you look at the journey so far? Tell us about the brand's design and style inspirations.

Spykar's journey started way back in 1992, when Prasad Pabrekar founded the brand. He wanted to create a brand that embodied passion, creativity and youthfulness. The brand was created with the intent of serving the youth – our primary audience - with very current and relevant fashion, the best denim wear from the country. There are very few brands which are home grown, straddling each emerging channel of sale, and serving a very demanding young set of people who are most difficult to please and cater to.

Our brand's aspirations are very clear and high - we wish to create the best jeanswear-led lifestyle brand in the country. India is nascent in terms of aspirations for seeking brands, and there are not many brands yet in the country, and fewer Indian brands. Spykar stands tall amongst all of them by the sheer fact that it has been around for more than two decades consistently creating hundreds of styles year on year. There aren't many in the country doing that.

WORKING TOWARDS A BETTER CUSTOMER EXPERIENCE



– By **Sheetal Choksi**, Co-Founder, Word Hatter

In this day of cookie cutter uniformity, when it comes to garnering consumer loyalty, “customer experience” seems to be the buzzword. Yet, putting the customer at the centre of business and creating delightful experiences across the buying journey is not as simple as it sounds.

This is the first of a series of articles on Customer Experience. I have set the context and in the subsequent issues, I will be deep diving into different aspects to understand how they can impact the consumer experience and your business.

On a busy street of South Mumbai stands a popular saree store called Kala Niketan. Going there with my family used to be one of my most thrilling moments, even though I was only seven years old. It was like visiting a relative’s house. The Manager would welcome you warmly at the door and usher you in to its cool air-conditioning comforts and the capable hands of an enthusiastic salesman. The salesman smilingly pulled out saree after saree with equal fervour, stopping only once you were satisfied. The best part, however, was they served chilled soft drinks, a rare treat in my time. I would sit there treasuring every sip, praying fervently that my relatives take their own sweet time.

THE FUTURE OF FASHION IS HERE!

– By **Shubhra Saini**

As the fashion business matures in the country the Future Group's very own value fashion brand fbb is set to reap the benefit of economies of scale. In the backdrop of their recent store opening in Kolkata at Shakespear Sarani, **Rajesh Seth**, COO, FBB talks about the roadmap of Future Group's fashion business growth path.



A value retail offering in the fashion space offering exclusive merchandise under own private labels, fbb started humbly with sections present across all Big Bazaar stores and a few standalone outlets across metros, mini metros and some tier II cities. Today, the brand is more than 300 stores strong – 53 standalone outlets and 282 outlets within Big Bazaar hypermarkets – with plans to open 30-40 new stores every year. The company is also reportedly mulling the setting up of neighbourhood outlets for more modular consumption of the brand. The group has already done some pilots in cities and expects to soon roll out such stores.

You recently opened an iconic fbb store in Kolkata at Sheikh Sarai Sarani. How important is East India as a market for you?

East contributes around 27 percent of our total fashion revenue, so it's a large market for us and we do see lot of potential in East India as far as fbb goes. Apart from West Bengal, Orissa, Jharkhand, Bihar, and Chhattisgarh are significant markets for us. Even North East India is very important and we do have stores in Tripura, Meghalaya, Manipur, Assam, Sikkim.

How many more FBB outlets are you planning on opening this year pan-India?

We are planning to add 30 – 40 stores this year. There is huge potential in existing cities where we are available apart from untapped markets. So,

this year we will be exploring all the major markets and retail hubs be it in metros or Tier II and III cities. Fbb is one format that cuts across markets. We don't have constraints in terms of space or TG because fbb operates in the space of value fashion retail and there is a typical demand for it in metros as well as in Tier II and III markets.

What will be the size of new fbb stores?

The typical size earlier was around 8,000 – 10,000 sq. ft. but going forward, it will be around 12,000 – 15,000 sq. ft. with 15,000 sq. ft. being the ideal store. In some cities, we will have iconic fbb stores, which will be around 25,000 sq. ft. in size.

What will be the percentage split between FBB stores on high streets and in malls?

It will be a combination of both. Talking about malls, each mall has a dedicated space for value fashion retail and we are part of most of the good malls and we will continue to do so. We will also look for the opportunities to opening stores in all the good high street markets also. It will be a 50: 50 percent ratio if we be specific. We will be expanding rapidly. In the last few years we have done a lot of work in fashion planning, now we are ready are foundation is laid and we have capacity to expand rapidly – so expanding in good retail real estate spaces is our strategic agenda.

Is fashion again becoming important aspect of Future Group?

Yes, absolutely! Fashion at Big Bazaar started as one of the



HOW DO CONSUMERS SHOP?

– A Report by **PwC**

It's no secret that in 2017 retailers are facing an increasingly challenging marketplace. How consumers want to shop – in addition to how much they want to spend – are strategic questions with no simple answers. While retailers grapple with providing a consistent shopping experience among channels, new kinds of competitors seem to pop up out of nowhere, further altering customer expectations and disrupting any hoped-for status quo. PwC's 2017 Total Retail Survey explores global shoppers' buying behavior and paths to purchase. The global survey tracks shopper feedback from more than 24,000 consumers in 29 territories and 11 different product categories.

INDIA HOME FURNISHING MARKET PROSPECTS & OPPORTUNITIES

– By Shubhra Saini

The boom in the residential real estate industry over the last few decades has given an impetus to the home décor market. Also driving the growth of this section is an increased consciousness among home owners for stylish interiors and beautiful indoors.

The home and interiors category has varied constituents as different as chalk and cheese. The home textiles, household hardware, décor items, furniture for home and office, kitchenware, and such related items, constitute this vibrant category. No single item seems to be out of demand going by the housing sector's growth and urbanisation of many cities in the country. The consumption is not limited to new houses but has even crept into the psyche of those consumers who are looking forward to redo their home or office space as well. These days such redoing is no more a once in a lifetime, one-off occasion but keeps repeating the cycle more often.

Market Size & Growth

Total retail market is worth ₹102,750 Cr (US\$ 17.13 bn) growing at 12-13 percent and is expected to be worth ₹144,323 Cr (US\$ 24.05 bn) by 2017. Modern retail is estimated at 19 percent of this total market and is expected to grow at 24-27 percent. Retail expansion grew at 16-21 percent in terms of number of retail outlets and retail space with same store revenue growth being around 15 percent.



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