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IRF 2014

USHERING IN
THE GOLDEN AGE
OF RETAIL
IN INDIA

- ➔ "I AM DIFFERENT - I AM A FLAGSHIP STORE"
- ➔ FUTURE OF BIG DATA IN RETAIL
- ➔ THE CHANGING DYNAMICS OF EOSS
- ➔ WHY SHOULD A RETAILER MOVE TO TIER-II & -III CITIES

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India Retail Forum: THE RETAIL CATALYST

Where the best ideas in retail meet the best minds in retail.

Let me begin by extending my warm welcome to everyone for being a part of India Retail Forum (IRF) 2014, India's biggest and one-of-its-kind show dedicated to the retail, retail real estate and retail support industries.

IRF is a platform to bridge the gap that lay between Indian and international players providing a holistic picture of the latest scenarios and opportunities. This year, the forum gains special significance as the 'India story' is back on track with a firm, pro-business government in place. With clear focus and proven record of the new leader, the future of a Modified India is looking a lot brighter. The booming Indian retail industry too holds a promising future with much healthier partnerships in store with its colleagues across the world.

An unmatched networking platform, the India Retail Forum represents the best opportunities for retailers, service and technology providers and innovators from all fields to grow their businesses. It is the place where new concepts meet with new technologies, where new ideas converse with traditional wisdom and where enthusiasm meets experience. IRF also applauds achievements in the retail industry every year.

The event will also have the much coveted Images Retail Awards (IRA) which recognises the achievements of India's most successful retailers and brands that are fuelling growth and innovation across multiple categories in retail.

At IMAGES Group, our sincere efforts have always been to make you aware of the ground realities of today and to update you with the futuristic ideas for tomorrow, so that you always stay a step ahead of the competition. With this, we hope that you will find the September 2014 issue of IMAGES Retail both useful and educative. For those who missed out on the IRF 2014, we will bring a detailed coverage of the event in our next issue.



Amitabh Taneja

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IRF 2014 USHERING IN THE GOLDEN AGE OF RETAIL IN INDIA

IRF is an industry platform made possible with the entire retail fraternity's support and patronage ever since its inception in 2005. The hallmark of IRF has been the passion for modern retail which drives us all. IRF serves the entire retail industry's agenda in catalysing the profitable growth of modern retail by getting together important leaders in Indian and international retail businesses to share knowledge, discuss vital issues.



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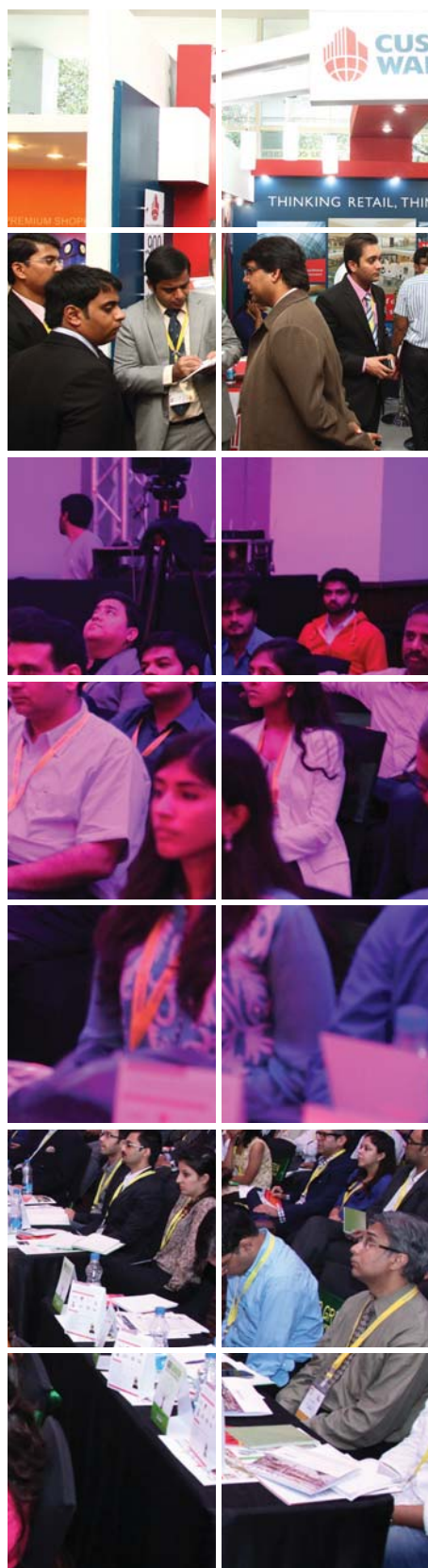
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IRF 2014 **USHERING IN** **THE GOLDEN** **AGE OF RETAIL** **IN INDIA**





INDIA RETAIL FORUM is an industry platform made possible with the entire retail fraternity's support and patronage ever since its inception in 2005. The hallmark of IRF has been the passion for modern retail which drives us all. IRF serves the entire retail industry's agenda in catalysing the profitable growth of modern retail by getting together important leaders in Indian and international retail businesses to share knowledge, discuss vital issues, learn about the latest concepts, and celebrate exceptional achievements in the industry. IRF 2014, will take place on September 17 and 18 at Renaissance Hotel, Mumbai. Let's have a look at the agenda of the coveted event.

Retail in India is undergoing a paradigm shift. Each day meets with a new challenge, which brings about a new opportunity. If done right, today we have an opportunity to turn our plans and actions into valuable assets. Thus, it would not be too much of an exaggeration to say that retail in India has well ushered into a golden age. Tapping this phase of retail being witnessed in India is the 11th edition of The India Retail Forum (IRF) with the theme 'Ushering the Golden Age of Retail' – a retail renaissance where innovation breaks barriers, where proven concepts are adapted seamlessly, where technology facilitates an augmented access to knowing our consumer better, and where new retail spaces and formats enhance the shopping experience. Reiterating the legacy of IRF, Amitabh Taneja, CMD, Images Group & Chief Convenor, IRF aptly says: "The mission of India Retail Forum is to act as a retail catalyst connecting businesses, people, knowledge and ideas for the profitable growth of modern retail."

Some food for thought – Retail, if spelt as 'Re-Tale' shifts our thoughts to weaving of a story that involves using the right side of our brain – the one that is adept to creativity and art. But 'retail' being a business subconsciously makes us believe that it is the left side of our brain that needs to be more active – the side that interprets numbers and logic better. To be honest, we all know that the attributes of our medium to earn and at the same time also enjoy our daily bread and butter has its root embedded in just not the science but also the art of how well we take it forward. Retail drives its exuberance and passion from the heart and the brain. Where the left brain helps us in meticulous planning, flawless execution and operational excellence to take care of numerical-led thinking through number crunching, rationalising logic and putting teams into action with a game-plan to succeed, the right brain aids us to think out of the box, helps us with the art of planning on intuition motivating the behaviour of our team and innovation.

Spread across two days – September 17-18, 2014 – at The Renaissance, Mumbai, the 20+ sessions would see eminent industry speakers and retail experts discuss, debate and share how the amalgamation of the left and right side of the brain can help

“I AM DIFFERENT I AM A FLAGSHIP STORE”

The best flagships are defined in terms of materials, aesthetics, and by location depicting how a brand wants to be seen in the world. Some brands do it as an effective countering strategy in sectors where there is an increasing trend towards direct or online channels. But, what exactly are the others doing to stand apart?

By Manisha Bapna

Differentiating themselves from the clutter in this high-tech world can be a daunting task for brands across the globe. Hyundai Capital, the financial giant, tackled this international riddle not only by increasing investments into their online services but also by creating retail branches called brand ‘Finance Shops,’ flagship outlets to give a feel of more like exclusive stores. Online jeweller CaratLane.com realised that in order to enhance their customer experience and make customers feel more cared for, they need to provide a physical space and hence launched its first brick and mortar store in Bengaluru at Phoenix MarketCity.

Housing the flagship store of the French furniture retailer Roche Bobois, the brand is seen flaunting its international attitude and thereby demanding exaggerated visibility. With a glass window glazing look and glaring signage, the store is surely not one that will be missed out at the Indiabulls Centre in Mumbai. These larger-than-life stores say clearly, ‘This is who we are; and this is what we are about’. These stores are not opened with the intent of generating profits; more to stand differentiated than the competition and



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showcase the exclusive glitterati of one's brand in the big, bold and beautiful nomenclature. Retailers today do both, in high street fashion business. “It is tempting to build flagships because they are metaphor for success, meaning really that we can afford to lose money on some locations. Multi-brands stores continue to rule the game alongside independent stores,” says Priyadarshini Rao, designer.

Key constituents of a flagship store

But how does one define a flagship store? A simple definition does not fully convey the creativity and vision surrounding a flagship. “I want people to enjoy the spaces I create,” says designer Sabyasachi, “and this is



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how I define my flagship store. Buying clothes is only coincidental.” But falling in love with the clothes at the two-level store, located in the heritage Ador House in Kala Ghoda, is something to look out for. “Unlike other stores within the chain, the purpose of a flagship is not only to generate profits but it has a particular job to do in drawing attention to the brand, broadcasting its brand status and marking itself out against its competitors,” says Jinali Sutariya and Heena Surani from The House of Chic.

Designer Paresh Lamba defines his flagship store “as a showcase house of exclusive and much wider range of products, which eliminates any chances of dead stock and adds to the profile of the brand especially for luxury fashion retailers. The store creates opportunity for branding as well on the international platform by entering into higher level of value chain creations.”

Dilip Kapur, President of the premium leather goods retailer Hidesign, in one of his earlier stories for Images Retail in 2012, commented: “A flagship store must be created as a destination for customers and not just as another store in the retail chain. It should speak not only through its products but also convey the story of the brand through its heritage and values. Flagships should always remain unique in one way or the other in terms of the shopping area, target group, iconic location, features and services.” True to his vision, the Hidesign flagship store in the heart of Puducherry has paintings and sculptures that express the brand’s quality, design, and panache. A brand would carry a larger assortment in the flagship stores, and the target audience is likely to be more upscale and of a different persuasion when it comes to making high ticket sales. There are customers who will only shop at flagship stores and that is because they are early adopters of fashion and the category. Brands choosing to enter a country with a flagship store include: Zara in Australia and South Africa; H&M in Japan, South Korea and Hong Kong; and Hermès in India. In recent



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But how does one define a flagship store? A simple definition does not fully convey the vision surrounding a flagship. **It is tempting to build flagships because they are metaphor for success.**

years, following the growth in national wealth and the increase in international visitors, Shanghai and Moscow have emerged as key flagship locations.

The key elements common across the world’s most successful flagships are:

1. They are usually the largest of stores in a retailer’s chain.
2. They are situated in a prestigious location or high footfall area.
3. They stock the chain’s exclusive and complete range of merchandise, with stock maintained at optimum levels.
4. The stores are spotlessly clean, experimental, inspirational and opulent.
5. The store design talks of a story and displays visual and experiential embodiment of the brand.
6. Customer service at these stores is second to none.

As per the research article on ‘Themed flagship brand stores in the new millennium: Theory, practice, prospects’ in the Journal of Retailing: ‘The primary intentions of most flagship brand stores are to take the branding concept to an extreme level. Flagship brand stores can be distinguished by three characteristics. First, they carry a single (usually established) brand of product. Second, that brand’s manufacturer owns them. Finally, they are operated – at least in part – with the intention of building or reinforcing the image of the brand rather than operating to sell product at a profit. Flagship brand stores can be exclusive outlets for a manufacturer’s brand, such as Old Navy, Banana Republic, or Body Shop, or non-exclusive, such as Tommy Hilfiger or Ralph Lauren.

New emerging concept in flagship stores

A new concept of store emerging globally are the ‘themed flagship brand stores’, which combine elements of flagship brand stores coupled with themes and entertainment as it promotes an existing brand that is sold in a variety of other venues and also seeks to become an entertainment destination that generates revenue directly from the sales of entertainment services, for instance Kids Zania, Imagica theme park, etc. Disney is embarking on a new plan to re-imagine



In large retail stores, there is an entire lineup of devices made 'smart' with implanted sensors and actuators. Retailers must come to terms with data originating from these devices as well as from the RFID tags applied to high-value goods to track their sales journey.

FUTURE OF BIG DATA IN RETAIL

HOW STICK FIGURES HAVE THE POTENTIAL TO REVOLUTIONISE SHOPPING EXPERIENCE

By Vinod Bidarkoppa

Adrian walks into a retail store only to find that his favourite brand of ice cream is sold out; other brands are overstocked. Party planner Deb picks paper plates from one online store, but soft drinks and soda from another. An irate Pam confronts the store manager saying: "Two heads of broccoli is all I find in the produce tray, just not enough to see me through an entire week." Are these really life or death issues? Well, not exactly. Even so, retail experts think it is pertinent to retouch these small, but undesirable, operational blemishes and furthering retail's customer relationship. And by so doing, make the shopping experience better: highly personalised, anytime-anywhere, and affordable.

Let us begin by drawing out scenarios that help extract insights to improve decision-making and operational efficiency. We can do this by leveraging the 'four internets', which are separately identifiable as virtual internets of people, of things, of data and of ideas.

The Internet of people

The Internet of People is represented by the set of interconnected information about individuals, including their social and collective activities and interests,

attitudes, and images, audio and video. This can offer segmented and holistic views on human behaviour, perceptions and interactions in space and time. At its core, it is about customer centricity. The Internet of People allows organisations to expand business processes beyond the borders of the enterprise. This further enables the fashion industry, for instance, to find the next craze before it occurs by analyzing what people talk about in social media.

The Internet of things

Especially in large retail stores, there is an entire lineup of devices made 'smart' with implanted sensors and actuators. Retailers must come to



terms with data originating from these devices as well as from the RFID tags applied to high-value goods to track their sales journey. Keeping this aspect in mind, the retail industry is arming itself more and more with an advanced big data arsenal, so it can 'tame' the variety of large and difficult-to-process data streaming in, including from their online grocery business, loyalty cards, and social media posts. When there is a possibility to get information about a physical object or a process by instrumenting it with sensors, RFID tags, transmitters, GPSs, logs and other means of sending information

via wired or wireless networks, the opportunities to analyse the data and find new patterns are endless.

The Internet of data

The Internet of Data is about bridging information to understand physical, societal and business environments by connecting data at scale, both inside and outside the enterprise.



Retail industry is arming itself more and more with an advanced big data arsenal, so it can 'tame' the variety of large and **difficult-to-process data streaming in, including from their online business, loyalty cards, and social media posts.**

The most obvious characteristic of the Internet of Data is variety: images, video, geo-location, etc. combined into a data fabric, to hold the information that organisations wanted to have all along.

The Internet of ideas

The Internet of Ideas is all about the power of connected minds. It involves humans at scale and aggregates individual ideas about societal, business and physical environments through crowdsourcing, crowdfunding,

leveraging open-source products and integrating ideas from outside the enterprise. It also provides solutions for generating new ideas from outside sources or that need multiple perspectives or statistically significant representation of participants to enhance the business benefits.

For some strange and inexplicable reason, almost everyone thinks their

olden days were better than their present. So is the case with retail when it comes to coping with data. In a less competitive past, retail companies had enough stocks of structured information, typically stored in tabular formats, to get comfortably by. At least that is what they liked to believe. A lot of retailers did not feel the need to process and draw meaningful patterns, like hidden market trends and customer behaviour, in their unstructured data dumps. But as newer and nimbler competitors began snapping at

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For the happy hours.
For the mother-in-laws
turned into mothers.
For the cousins turned
into real brothers.
For Diwali, Ganpati,
Christmas and Sundays.
For that dinner to get over the
blues of Mondays.



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everyone who helped
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so many.