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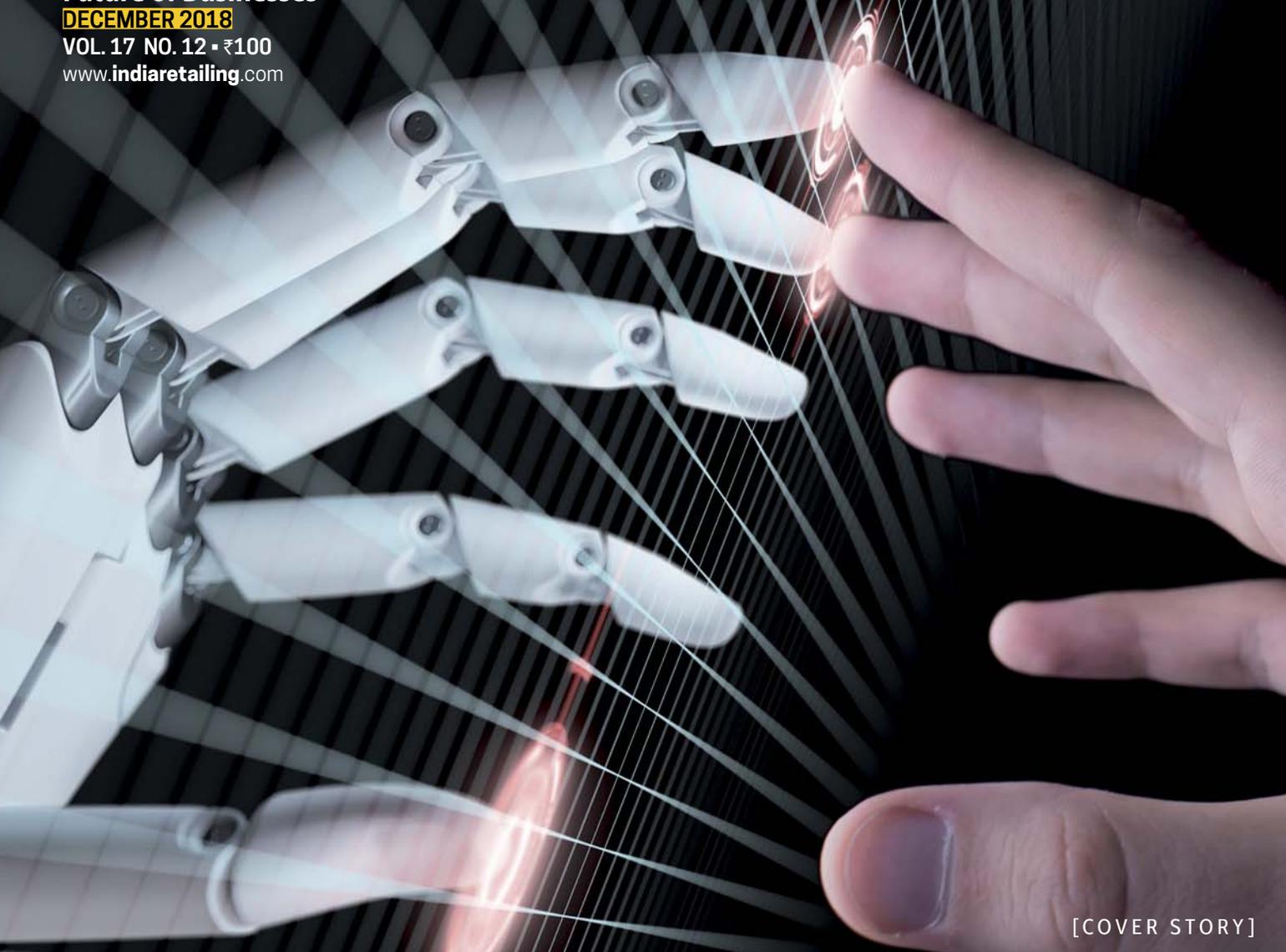
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Future of Businesses

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HUMANS & TECHNOLOGY

DRIVING THE CHANGE TOGETHER

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2018 is drawing to a close. This is the year which saw Indian retail emerging as one of the most dynamic and fast-paced industries in the country due to the entry of several new players. The year has been lively, with the Indian Retail Industry growing at a CAGR of 13 percent to reach US \$950 Billion. Moreover, the industry was at its peak as far as technology was concerned. Humanoid Intelligence, Artificial Intelligence, Bots, Cloud, Data, Magic Mirrors, Beacons ... every day there are additions to the list of new technologies in the retail industry.

While replacing manpower with technology is not a new concept in retail, the human touch of the business cannot be completely ignored. People have always been the appeal of the retail industry. Every shopper wants special treatment in a store. They want to talk to retail associates who are attentive and well-informed about the product, while helping them choose what suits their requirements the most.

The cover story of the December issue will walk readers through creating a balance between technologies and human beings – an equilibrium which will ultimately help retailers achieve higher levels of customer satisfaction. Apart from retail expert views, there is also a detailed report on what companies are doing to ensure friendly HR policies for their employees to bring down attrition rates.

The issue also brings readers a special feature on Retail Employees' Day (RED), focusing on retail associates – the real brand ambassadors – who help businesses grow. In an exclusive interview, BS Nagesh, Founder, TRRAIN and the man behind RED talks about the initiative, conceptualisation and popularity of the day.

In our year-ender section, we bring you a curated list of some of the top fashion brands that debuted in India in 2018.

As always, we hope you find this issue informed and beneficial. We look forward to renewing our relationship with you in the coming year. We welcome 2019 and hope it brings with a plethora of new ideas, concepts, technology and innovations for the retail industry globally and India. Do log on to our website, www.indiaretailing.com to read great features and analyses of the industry.



Amitabh Taneja

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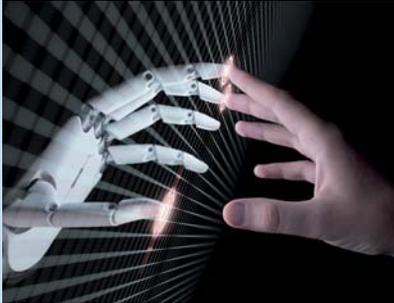
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HUMANS & TECHNOLOGY: REVOLUTIONISING RETAIL, INFLUENCING CONSUMPTION & DRIVING THE CHANGE TOGETHER

While replacing manpower with technology is not new in retail, the human touch of the business cannot be ignored. People have always been the appeal of the retail industry. While shoppers enjoy technology, they want to talk to retail associates who are attentive and well-informed about the product, when helping them choose what suits their requirements the most

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Year- Ender: Fashion & Accessory Retail Brands Launched in India in 2018



– By IMAGES Retail Bureau
with Inputs from
Charu Lamba

The Indian fashion retail industry has had a positive year in terms of welcoming new domestic, celebrity led and international brands in the country. IMAGES Retail has curated a list of some of the top fashion brands that debuted in India in the year 2018...

India's fashion retail industry is poised to cross €85 billion by the end of 2022. According to a Technopak study, the men's share of the fashion market is substantially higher than that of women, though the gap is reducing, and by 2022, both men's and women's share of the total fashion market is likely to be 39 percent each. The kids segment will account for nearly 22 percent of the total fashion market by 2022.

Figures aside, the Indian consumer is also spending more. Increased disposable income and working women are keeping the fashion retail industry in India on a high. With these factors in mind, it is safe to say that India offers great opportunities for new domestic brand launches as well as for international brands. This was evident in 2018, the year in which the Indian fashion retail industry welcomed a flurry of new domestic, celebrity-led and international brands into its fold.

We bring you a curated list* of some of the top fashion brands that have debuted in India in the year 2018.

RETAIL DEBUT



American Eagle Outfitters Bets Big on Indian Market; To Open 25 Outlets in Three Years

– By Charu Lamba

American Eagle Outfitters is a leading global specialty retailer offering high-quality, on-trend clothing, accessories and personal care products at affordable prices...

US-based mid-to-premium denim wear brand, American Eagle Outfitters entered India in the summer of 2018 through a licensing agreement with Aditya Birla Fashion and Retail Ltd. The brand expects India will be its top three international markets in the next five years.

In an interview with IMAGES Retail, **Guillermo La Rosa, Vice-President, International and Business Development, American Eagle Outfitters** says, “Our brand has been in India for the past few months and it has been performing well. We are learning a lot about the Indian consumer as we plan to expand within the market and as we will get these learnings under our belt, it will help us grow and offer the right products to consumers.”



Humans & Technology:

Revolutionising Retail, Influencing Consumption & Driving the Change Together

– By Sandeep Kumar & Charu Lamba



While replacing manpower with technology is not new in retail, the human touch of the business cannot be ignored. People have always been the appeal of the retail industry. While shoppers enjoy technology, they want to talk to retail associates who are attentive and well-informed about the product, while helping them choose what suits their requirements the most...

Technology has revolutionised retail in the last decade or so. It is influencing retail consumption like never before and is driving the change to make the shopping experience faster, more convenient, transparent and reliable. Humanoid Intelligence, Artificial intelligence, Bots, Cloud, Data, Magic Mirrors, Beacons ... every day there are additions to the list of new technologies in the retail industry.

Phygital and Omnichannel retail, digital alterations, cashless self-check-outs are all making life easier at shopping malls and stores. In this technological era, brands which are not paying attention and keeping up with the latest in tech are losing popularity, business and consumers every day.

Retailers are investing huge amounts of capital in developing and implementing IT solutions and software to influence customers' buying behaviour. Some brands are globally transforming themselves into nearly human-less stores.

The first supermarket self-checkout system was installed in 1992 in the Price Chopper Supermarket in New York by the man who invented the system, Dr. Howard Schneider. Amazon's new futuristic convenience store- Amazon Go - has no lines, no waiting time and little-to-no human interaction and is the new talking point of the retail industry.

Human Resource in Retail: Past, Present and Future

– By **Sanjay Bakshi**,
Founder-JORSS

With robotics transforming the working of the sector, 90 percent of the employers in the sector are focusing on reskilling their employees. The roles of the cashier, sales representative, inventory associate, and stock boy could also be threatened, whereas some new roles that will come up will be: retail data analyst, digital imaging leader, IT process modeler, digital marketing specialist and customer experience leader...

Employees are an integral part of retailing and emerge even more valuable in modern retail owing to the obligation of representing a retail brand. India has seen tremendous growth in modern retail over the years. Consequently, overall HR dynamics, employees' role, their skill set, and performance delivery have been subjected to a continuous change. Industry leaders and employers need to take stock of such HR developments to make informed business decisions.

Future of HR in Retail

The report '**Future of Jobs in India: A 2022 perspective**' by **NASCOMM, FICCI and EY** reveals that the future jobs in the country will be determined by interplay of globalisation, demographic changes and adoption of exponential technologies by Indian industries. As a result, in 2022, 9 percent of the workforce will be deployed in new jobs that do not even exist today; 37 percent will be in roles that have radically changed skill sets and only 54 percent will have their jobs unchanged. By the same year, around 10 percent of the estimated 600 million workers in India will be in the organised sector and new-aged methods in the agriculture while a sustained growth of the manufacturing and service sectors are likely to add variety

of new and restructured jobs. The new forms of employment would include contract employees in the infrastructure sector; micro-entrepreneurs, employer-entrepreneurs in technology-enabled models (like freelancers, SME artisans, delivery workers, employees in start-ups); and, employer-enabled models in the agriculture sector.

Impact on Retail

Among the new and changed jobs in retail would include working with big data and blockchain, and their importance would only increase with the adoption of technology. By the year 2022, of the 22 million employees working in the retail sector in India, 5-10 per cent will have a job that doesn't exist today, and 25-35 percent will require a new skill set. Nearly 15-20 percent of the current jobs in the sector are threatened, and the maximum impact of adoption of the technology of jobs will be felt in warehouse management. With robotics transforming the working of the sector, 90 percent of the employers in the sector are focusing on reskilling their employees. The roles of the cashier, sales representative, inventory associate, and stock boy could also be threatened, whereas some new roles that will come up will be: retail data analyst, digital imaging leader, IT process modeler, digital marketing specialist and customer experience leader.





Understanding the HR Policies of IKEA

– By Charu Lamba

Through its expansion in India, it will create many more direct and indirect jobs. The number of co-workers is expected to grow from the current strength of 1,500 co-workers to over 15,000 co-workers in the future, out of which 50 percent will be women...

Ingka Group (Ingka Holding B.V and its controlled entities) is accelerating its transformation, stepping up investments in new and existing IKEA stores and fulfilment centres, developing city centre formats and focusing on its e-commerce platform, to better meet the needs of its customers and be more convenient and affordable to many more people.

To support the biggest transformation in the history of the Ingka Group, IKEA India has already adopted its expansion approach. Through its expansion in India, it will create many more direct and indirect jobs. The number of co-workers is expected to grow from the current strength of 1,500 to over 15,000 in the future, out of which 50 percent will be women.

Besides jobs in the stores and new city centres, the company will also create a lot of new roles in areas such as digital, data analytics, diversified fulfilment networks and personalisation. Certain existing roles will change, and the company has confirmed that all its co-workers will get to explore new opportunities in the new organisation. 3,000 new jobs are expected to be created in the next two years in line with its growth plans and transformation.

Retail Employees: Real Brand Ambassadors Making a Difference in Business Growth

– By **Sandeep Kumar**

Retailers need to acknowledge that the demand for competitive differentiation, profitability and need to deliver faster and more flexibly to customers totally depends on the retail staff. To keep the motive of the business intact, retailers need to engage and build a great relationship with their employees...

Since its inception, the Retail Industry has been dedicated fully 'to and for' customers. The ultimate agenda of the industry revolves around its customers. The sole focus is to bring in more consumers and generate more profit. In its initial days, retail used to be a one-man-business. Slowly as the business grew, this one man – usually the owner – started looking for helpers and associates on temporary, and then permanent, basis. As the business became more organised, owners looked for managers and executives. The business grew in size and gradually took the form of a big chain. The concept of retail staff thus came into existence.

Valuing Employees
Undoubtedly, the customer is king, but the retail staff is the army that keeps the king satisfied. If the army is not happy and working properly, the king cannot be happy. The retail business involves huge amounts of investment and it is very important to value

every pillar of the business. As retailers invest to inform and understand customers better, some tend to forget to inform and understand the employees.

Retailers need to realise that their workforce is as central to brand success as their customers. They must ensure that the staff plays an

active and positive role in building brand relationships with customers. They need to acknowledge that the demand for competitive differentiation, profitability and need to deliver faster and more flexibly to customers totally depends on the retail staff. To keep the motive of the business intact, retailers need to engage and build a great relationship with their employees.

Happy Employees = Profitable Brand

Reputation: A happy employee contributes to the reputation of the brand. Whether a brand has hundreds/thousands of employees, each one is in

direct touch with the family and friends about their employment experience from time to time. A bad day at work or a cathartic sounding-off about a bad boss can quickly be shared with hundreds of social friends – with an ever-present risk of going viral. An unhappy employee is a brand ambassador that retailers neglect at their peril.

ROI: Retail staff is the first point of interaction with the customers. S/he is the one who creates the first impression and also is directly involved with the sales. He is the first person to read and judge the mind of the customer, therefore making





“I am Excited that RED is on its way to Becoming a Global Phenomenon”

In 2011 and 2012, the Retail Employees' Day (RED) celebration was just a round of 'Thank You's'. In subsequent years, the idea gathered momentum; it became widespread through social media, TV and print advertisements. The positive vibes spread, with more retailers- large and small jumping on the bandwagon...

– By **IMAGES Retail Bureau**

A simple idea can sometimes become very powerful. If the idea connects with the people, then it can turn itself into a movement. This is what retail industry stalwart, **BS Nagesh, Founder, TRRAIN (Trust for Retailers & Retail Associates of India)**, said when he launched one modest idea – Retail Employees' Day (RED). The idea was conceptualised in 2011, when Nagesh met a few retailers and suggested they spend one day every year just saying a simple 'Thank You' to all those who worked for them, adding soul to their businesses. It started with just a few stores celebrating RED on December 12 every year. Today, hundreds of brands and malls are celebrating the day as RED in India, and Nagesh's idea has indeed become a movement.

In 2011 and 2012, the Retail Employees' Day (RED) celebration was just a round of 'Thank You's'. In subsequent years, the idea gathered momentum; it became widespread through social media, TV and print advertisements. The positive vibes spread, with more retailers- large and small jumping on the bandwagon.

In an exclusive interview, the initiator of this mega-retail program says that the success has only made him more determined to forward his efforts to make retail associates feel cared for.

Retail Employee's Day is into its seventh year of success. How do you see this achievement?

If I look back at the last six years and the journey that we have had of just a few stores celebrating in 2011 to now hundreds of brands and malls celebrating in India, I think we feel very happy. Last year, a few local associations joined in as well. The feather in the cap has been the Federation of Shopping Centers & Retailers (TAMPF) & UAE coming on board to celebrate the day with their retail partners. A simple idea is on its way to becoming a global phenomenon.

I am very happy with where we have reached but our dream is to witness the entire world celebrating Retail Employees' Day in the next 15-20 years. But yes, the needle has started moving and that is important for us.

Retail As Service – The New Business Model

– By Prof. Piyush Kumar Sinha, Director, CRI Advisory and Research



Dominance of unorganised market and growing consumer base projects high growth potential of Indian retail industry. The current USD 932.96 billion (2017) industry is estimated to grow by CAGR 14.3% to be USD 1.6 trillion market by 2021¹. The contributing factors are increasing purchasing power, digitalisation of consumers demanding convenience and polarising industry. This demands a paradigm change in the way retailers function. The traditional and modern channels need to work together to provide seamless shopping experience across channels and shift the focus from product to service offerings to gain a sustainable competitive advantage.

Indian retail is characterised by fragmentation. A single retailer would never have a major share of the market as consumers have many options to choose from, with multiple retailers in each category and multiple channels to source from. (India rank highest in terms of per capita availability of stores.) This is attributed to the dominance of small format retail in India which is 93 percent of the total retail market. The rest 7 percent is divided between large format stores like departmental stores, supermarkets, specialty stores, malls, and online. The price-based competition has proved that retail to be not a simple and




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