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IMAGES Retail™

Future of Businesses

APRIL 2019

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IMAGES Retail™

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Shopping is all about the personal, and varied, choices of every individual. Everyone wants to look different and therefore people shop for diverse products to avoid repetition. And retailers are using every innovative technology possible to offer new ways to shop both online and in-store.

Improving supply chain efficiency, reducing costs and personalising shopping experiences – Artificial Intelligence (AI) technologies allow retailers to better serve their customers in every way possible.

According to an IBM survey in 2019, humans will continue partnering with AI to improve customer experience and business processes in the retail industry. The survey also says that from supply chain planning (85 percent) and demand forecasting (85 percent), to customer intelligence (79 percent), AI will work towards revolutionising retail.

The bottom line: AI, AR, VR, IoT – this is what the future of retail looks like. Keeping the future in its sights, IMAGES Retail's April issue brings readers an analysis of how the AI approach helps consumers discover the right products. These technologies focus on how to capture the shoppers' intent and convert it into a purchase.

These changes will take place behind the scenes and in store, but another tech storm which is brewing is at the retail checkout counter. The April edition features an analysis on the importance of quick checkouts, to ensure you don't lose a customer at the last leg of his journey through your store.

Finally, the issue brings readers a round-up of IMAGES Group's flagship fashion retail event, India Fashion Forum 2019, which was held on March 27 and 28 in Mumbai. The triumphant event was another feather in IMAGES Group's cap. We thank those who attended the event, but for those who couldn't make it, we bring you notable insights – theme, session highlights and awards – from the thinkers and futurists of the Indian Fashion Retail industry who attended it.

As always, we hope you find this issue informed and beneficial.



Amitabh Taneja

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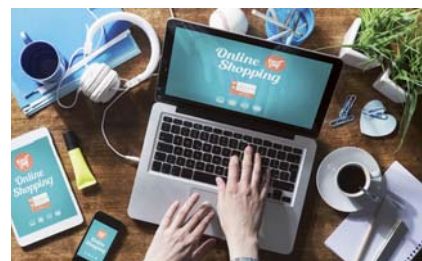
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AI Driven Approach Helping Customers Discover the Right Products

Brands equipped with advanced technology are in a shape to provide good services to shoppers. The need of the hour are services like Artificial Intelligence, Virtual Reality and the Internet of Things since they help provide a seamless retail experience to consumers

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With over 10000+ customers over the past 20 years, the company has provided comprehensive solutions to organisations of all sizes from an independent outlet to a large chain of outlets





Explaining Retail & The Need of Visual Merchandising

Consumers now want state of the art products having superior quality of global standards and visual merchandising plays a significant role in the creation of a euphoric experience for the consumers by creatively prepping the interior and exterior of a retail destination...

By Akash Ashesh



Akash Ashesh,
Country Head – Visual
Merchandiser, ITC – LRBD

Retail has caught a lot of attention in the past decades. India has replaced China as the numero uno retail destination in 2017 as part of global retail development index, according to industry experts. India tops an annual list of the 30 top developing countries for retail investment pushing China, which took the No. 1 spot for the past several years, into second place. A.T. Kearney's 'Global Retail Development Index' cites India's strong GDP growth and growing middle class coupled with a more favourable regulatory environment over

the past few years being the reason for this stupendous leap. It notes that India's retail sector has been growing at an annual rate of 20 percent. Total sales surpassed the \$1 trillion mark last year and the sector is expected to double in size by 2020.

The country is getting more competitive in terms of retail industry with Visual Merchandising being the most effective differentiator in apparel/retail industry. Consumers now want state of the art products having superior quality of global standards. Visual merchandising plays a significant role in the creation of a euphoric experience for the consumers

by creatively prepping the interior and exterior of a retail destination.

Realisation has dawned upon the Retail Sector in India that only selling the product is not important, but customer's satisfaction, experience and convenience are also key influencers for shopping. Shopping is no more just a bag of merchandise, instead, it's a bag full of experiences. Stimulus in retailing includes space-related, product-related and people-related aspects. These stimuli are mostly collected through eyes, hence an inexpensive but crucially impactful way of marketing is Visual Merchandising.

Payment Checkout Revolution: What are Retailers Doing for Smoother Checkout

Making a customer wait in lengthy checkout queues, only to be serviced by disgruntled retail employees could end in him simply leaving his shopping and going to another store and there is no bigger failure for a store than losing a customer right at its doorstep. To avoid this and to increase consumer loyalty, retail thought leaders are working towards faster and seamless checkout methods...

By Zainab S Kazi



Nikhil Gupta
All-IN value retail stores

“We want to use the Omnichannel payment option all across our store and this year we are planning to implement the same.”



Manish Mandhana
Being Human

There is nothing more disappointing than having a customer not return to your store or bombarding you with complains about your product quality. Of the many reasons that people may not return to a store, one of the main ones is a bad check out experience. Making a customer wait in lengthy checkout queues, only to be serviced by disgruntled retail employees could end in him simply leaving his shopping and going to another store and there is no bigger failure for a store than losing a customer right at its doorstep. To avoid this and to increase consumer loyalty, retail thought leaders are working towards faster and seamless checkout methods. Here's a look at what they are doing to ensure a smoother customer experience.

A Quick Run-Down

In this day of running offers and discounts, a customer flashing his mobile phone to show a coupon code to the cashier or getting the cashier to scan a QR code isn't an uncommon sight. This holds true especially for fast food chains like McDonald's. Where this may make the customer owning the coupon

“As and when we have updates from our partner, we make sure that those updates are implemented across all Being Human Clothing stores.”

How Digital Technology is Transforming The Entire Supply Chain

A global leader in business cloud software products, Joshua Lin, Vice President - Sales, Infor Nexus shared insights on the importance of having digitally transforming the supply chain system at the India Fashion Forum 2019..

By IMAGES Retail Bureau



Joshua Lin,
Vice President - Sales,
Infor Nexus

infor

“Our supply chains are no longer simple and straightforward. They have become complicated as they connect many supplies around the world.”



What do apps like Uber, Amazon and Zomato have in common? It is their integrated supply chain system. Businesses today bank on robust supply chain. With businesses maturing, their supply chains are becoming complicated. “Our supply chains are no longer simple and straightforward. They have become complicated as they connect many supplies around the world,” explained **Joshua Lin, Vice President - Sales, Infor Nexus.**

Analysing the traditional supply chain system that passes information point-to-point, he said, “In a traditional set up, data is retrieved by every party around the supply chain. There is no transparency at all. It relies so much on manual processes and there is room for a lot of mistakes, human error.”

According to Infor Nexus’ evaluation, only 15 percent of the information a company needs is controlled by the said company. The remaining 85 percent data is scattered over the supply chain and sitting somewhere in other partner systems. He says that if one delves deeper into financial supply chains, the situation is even more scary. “About US \$6 trillion of working capital is tied up with the global supply chain, and close to US \$58 trillion in transactions are done through manual processes, based on paper transactions.”

This is where digitalisation comes in. Digital processes can help improve this challenge. Once a supply chain is digitalised, has an automated process from procurement to final settlement, it can also process and create a possibility of bringing in transparency into the supply chain which will minimise human errors and decrease the risk from uncertainty.





AI Driven Approach Helping Customers Discover the Right Products

Brands equipped with advanced technology are in a shape to provide good services to shoppers. The need of the hour are services like Artificial Intelligence, Virtual Reality and the Internet of Things since they help provide a seamless retail experience to consumers...

By IMAGES Retail Bureau

Shopping is all about the personal, and varied, choices of every individual. Everyone wants to look different and therefore people shop for diverse products to avoid repetition. It won't be wrong to say that 'choice' is the first factor which is very important from the retail prospect.

The other major concern of the shopper is – where to find the products of your choice? Offline or online, consumers will not be happy or satisfied until they get products of their choice. Today, every single brand is either Omnichannel or on the verge of becoming Omnichannel / Phygital. Unfortunately, many e-commerce portals are not doing the

right thing, unable to find products online and leaving dissatisfied. This indeed is an opportunity lost for both the brand and the consumer.

It is therefore logical to assume that brands equipped with advanced technology are in a shape to provide good services to shoppers. The need of the hour are services like Artificial Intelligence (AI), Virtual Reality and the Internet of Things since they help provide a seamless retail experience to consumers. There are hundreds of options to buy from online and the right technology, coupled with a great online experience – including discovery and a seamless payment gateway – brings consumers back to a site, and keeps them there.



Abhishek Jain - VP Finance, Business Operations and Regional head, UNBXD



The Big Question: Shopping Intent

What is the intent of consumers when they enter a store or log on to an e-commerce portal? This is the dilemma which every retailer goes through on numerous occasions in a day. When shoppers walk into the store, they are either coming with a very high intent to buy something or just to explore. If s/he is not buying the product and just exploring, what are the



Fashion as a Reflection of Aspirational Lifestyles

In 2018, the fashion market started overcoming the economic challenges, with the apparel and footwear categories alone posted a growth of 14 percent in 2017-18. Manufacturers in apparel and footwear adapted to the new tax structure and the government introduced initiatives to help domestic manufacturers...

By Anul Sareen & Pradeep Srinivasan

2018 was a mixed bag for the fashion industry in India. The fashion market (apparel, footwear, personal accessories and eyewear, personal luxury) in India experienced many challenges in 2016 and 2017, which led to slower value growth particularly in apparel and footwear. The industry was recovering from the effects of demonetisation in 2016 and the introduction of the goods and services tax (GST) in 2017. These nationwide reforms adversely impacted both consumers, manufacturers and the industry at large. However as seen in 2018, the industry was on the path to recovery, overcoming the economic challenges impacting the industry. The apparel and footwear category alone posted a growth of 14 percent in 2017-18. Manufacturers

in apparel and footwear adapted to the new tax structure and the government introduced initiatives to help domestic manufacturers.

Meanwhile, the personal accessories category grew by 13.6 percent in 2017-18 due to rising consumer sentiment and confidence with consumers increasing their expenditure, especially on jewellery and watches. Per capita expenditure on jewellery and watches registered a CAGR of 16 percent and 15 percent respectively, during the period 2013-2018. The positive economy and growing disposable income complimented the rising consumer confidence in the country. The revision in tax rates made personal accessories more organized as some of the regional and local companies that previously operated out of the purview of the tax system,



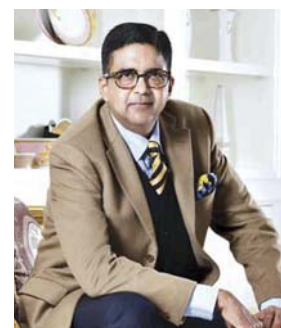
Anul Sareen (above) & Pradeep Srinivasan (below), Senior Research Analysts, Euromonitor

Personal luxury grew by 17.5 percent in 2017-18 consistent with previous year's growth. The concept of luxury has evolved, with more importance placed on personalised product offerings and experiences associated with luxury brands.

What's in Store for the Indian Fashion Industry in 2019

Given the greater appreciation for high-end luxury products, global trends awareness, rising aspirations and better purchasing power across the middle class and upper middle class, luxury brands especially fashion luxury brands have the most advantage in the current economic scenario...

By Abhay Gupta



Abhay Gupta,
Founder, Luxury Connect LLP

International fashion houses have time and again used inspiration from Indian history and its rich culture to design clothes not just for the Indian market but for international markets as well.

2019 finally seems to be the year when India will set its image as a global fashion hub. Government programs such as 'Make in India, Skill India and Digital India' have pushed forward revolutionary policy changes for the business community and industry as a whole. This has been confirmed by the 'State of Fashion 2019' survey issued by McKinsey. As per the survey, as manufacturing strengthens, and the middle class expands due to higher incomes; India will become a crucial point for the fashion industry.

The Interim Budget 2019 is a great forward-looking budget that allows a higher non-taxable segment. The thought is simple when a larger segment of people are able to save on income tax, spending will increase which would lead to an incremental rise in indirect taxes. The potential earning from such expenditures would be much larger in comparison to the national income from a single source that is income tax. While presenting the Budget 2019-20 in the Lok Sabha, Finance Minister, Piyush Goyal said that the Indian economy will be worth \$5 trillion in the next 5 years and \$10 trillion

in the next 8 years thereafter. At the same time, McKinsey's latest report suggests that India's apparel market would be worth \$ 59.3 billion by 2022, making it the sixth largest in the world. Given the greater appreciation for high-end luxury products, global trends awareness, rising aspirations and better purchasing power across the middle class and upper middle class; luxury brands especially fashion brands have the most advantage in the current scenario.

Unlike the Chinese market, Indian consumers are extremely price conscious and still value worthiness of a product



Outstanding Fashion Retail Brands Honoured at IMAGES Fashion Awards 2019

By IMAGES Retail Bureau

The 19th edition of India Fashion Forum (IFF 2019) was held on March 27 to 28, 2019 at Hotel Renaissance, in Powai. The event witnessed top honchos of the fashion industry sharing some notable insights on the current trends through various interactive sessions. IFF 2019 culminated in a gala event in the form of the IMAGES Fashion Awards (IFA), 2019, celebrating excellence in the field of fashion retail. The awards were a venerable gathering of the who's who of the industry in the country.

Nomination Process and The Jury

The annual IMAGES Fashion Awards are adjudged on the basis of performance in operational benchmarks along with qualitative factors such as product and marketing innovation, social responsibility initiatives, HR practices and industry goodwill, among others. Due to their 360-degree evaluation process, the IFAs have come to be established as the premier recognition for fashion retailing excellence in India. The coveted IFA trophies for 2019 went to India's most forward-looking, innovative and exciting fashion brands, retailers and professionals for achievements in the year 2019.

The jury panel included **Ajay Macaden**, Executive Director, Nielsen India; **Amitabh Taneja**, CMD, IMAGES Group; **Ankur Shiv Bhandari**, Founder & CEO, Asbicon Group; **Abheek Singh**, Sr. Partner & Director, BCG; **Anand Ramanathan**, Partner, Strategy & Operations Consulting, Deloitte India; **Bijou Kurien**, Member, Strategic Advisory Board, L Capital Asia; **Harish Bijoor**, Founder, Harish Bijoor Consults; **Lara Balsara Vajifdar**, Executive Director, Madison World; **Sreedhar Prasad**, Partner, Kalaari Capital; **Ajay Kaul**, Senior Director, Everstone Group; **Munish Baldev**, Founder & CEO, J S Martin & Co.; **Kiran Komatla**, Vice President - Information Technology at Burger King India Private Ltd.; **Meheriar Patel**, Jeena & Company as Group Chief Information Officer, Consultant, and Advisor; **Amit Bahl**, Global IT leader; **Arun Gupta**, CTO, Praxis Home Retail; **Krishna Dhumal**, Dy. Director - IT, The Gem & Jewellery Export Promotion Council; **Ranjit Satyanath**, CIO, Infiniti Retail (Croma); **Rajiv Rajda**, CIO; **B. S. Nagesh**, Founder, TRRAIN; **Debashish Mukherjee**, Partner, A.T. Kearney; **Anuj Kejriwal**, CEO & Managing Director, ANAROCK Retail Advisors; **Viren Razdan**, MD, Brand-nomics; **Harminder Sahni**, Founder & MD, Wazir Advisors; **Bimal Sharma**, Head - Retail, Advisory & Transaction Services, CBRE South Asia; **Katja Larsen**, Head of Sales and Marketing, APAC - Actiforce; **Sushil Raturi**, Chair Professor - Tata Trent FMS Retail Chair.

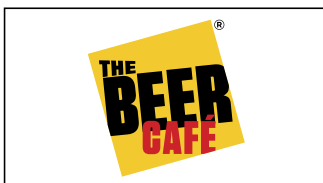




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Exceptional Malls, Innovative Retail Developments Honoured at IMAGES Shopping Centre Awards 2019

By IMAGES Retail Bureau

Responding to burgeoning consumerism in India, mall developers have rapidly started infusing new retail developments across the top seven cities, with nearly 10 million sq. ft. new mall supply in 2019, according to an ANAROCK report. Factoring in the rollover of some supply from 2018, there will be a three-fold jump in 2019 against the preceding year, says the study.

A combination of value-added services and a sound marketing strategy, is key to customer attraction and successful mall performance. F&B and entertainment are critical ingredients for attracting footfalls into retail developments. Meanwhile, style, variety, and overall quality of malls play are crucial in ensuring customer satisfaction.

This dramatically changing the retail scenario is bringing the mall culture closer to shoppers of over 100 cities in India.

IMAGES Shopping Centre Awards 2019 found out who the giants of the mall industry are — those who upped the ante and many an eyebrow in 2018; set benchmarks; and created landmarks at a time when the digital media explosion is challenging retail businesses and environments to reinvent and redraw their approach to consumers.

Nomination Process and The Jury

ISCA 2019 annual awards were adjudged in two categories, Non-Presentation Category and Live Presentation Category. For the **Non- presentation categories** malls submitted nominations, which was checked by the ISCA audit team for eligibility, completeness and data correctness. ISCA team of analysts then made a presentation for the ISCA prelim jury – with analysis of performance metrics such as growth in lease rent income, supplementary income, CAM charges, footfalls etc. A special note is prepared on zoning, customer relations, tenant relations, marketing /consumer promotions etc.



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