

Dynamics
Converting Supply Chain Management
Challenges into Winning Opportunities
pg 48

My Thoughts
Logistics in The Modern,
Digital Age: Rubal Jain
pg 61

Retail Evolution
Top Trends Transforming the
Supply Chain & Logistics Industry
pg 70

Behind The Scenes
Warehousing: The Backbone
of the E-Commerce Business
pg 72

IMAGES Retail™

Future of Businesses
JUNE 2019
VOL. 18 NO. 6 - ₹100
www.indiaretailing.com

[OUTGS]
AIHOAHOA0220156
KOADJOAJ0983
56168-0024866

AOISAPONLKKDA
sakokkf:12235856
akaoikmc:12135-3
sakosa:6897413

[COVER STORY]

DIGITALISATION:

Helping Companies Transform Their
Logistics & Supply Chain Models

[PAGE 38]

KW *Delhi 6*
**HIGH STREET
RETAIL DESTINATION**

Raj Nagar Ext. Ghaziabad

BRANDS ASSOCIATED



LOCATION BENEFITS:

- ✓ Hindon Airport 10 Mins Drive Away.
- ✓ Signal Free Elevated Road Delhi to KW Delhi6.
- ✓ City Forest 5 Mins Drive Away.
- ✓ International Cricket Stadium with in the Vicinity.
- ✓ Close Proximity to Proposed Rapid Rail.
- ✓ Nearby Hindon River Metro Station.
- ✓ Adjacent Meerut Expressway.
- ✓ Well Connected to Eastern & Northern Peripheral Expressway.

GDA & RERA Approved
Project & Freehold Land

Modern Street Shopping
with lots of fun activities

 **9540063063**

s11@kworldgroup.com

www.kwdelhi6.com



manyavar.com



shreyanshi.in / VF: 750 / 0619

Manyavar®  Mohey®

IMAGES Retail™

Future of Businesses

JUNE 2019 | VOL. 18 NO. 6 | PAGES 76

Editor-in-Chief | **Amitabh Taneja**
Editorial Director | **RS Roy**
Publisher | **SP Taneja**

EDITORIAL

Managing Editor | **Surabhi Khosla**
Assistant Editors | **Sandeep Kumar, Charu Lamba**

CREATIVES

Art Director | **Pawan Kumar Verma**
Dy. Art Director | **Deepak Verma**

PRODUCTION

Sr. General Manager | **Manish Kadam**
Asst. Manager | **Ramesh Gupta**

SUPPORT

Sr. General Manager – Administration | **Rajeev Mehandru**

BUSINESS

Anjali Sondhi | Business Head
anjalisondhi@imagesgroup.in

ADVERTISING

DELHI:

- **Lokesh Arora** | Regional Head (North)
- **Partha Ganguly** | General Manager
- **Ekta Roy** | Asst. General Manager

MUMBAI:

- **Santosh Menezes** | Regional Head (West)
- **Savita Mahesh Jagwani** | Sr. Manager

BENGALURU:

- **Suvir Jaggi** | Regional Head (South)
- **Smriti Bhagat** | Asst. General Manager
- **Ashraf Alom** | Manager

KOLKATA:

- **Piyali Oberoi** | Regional Head (East)
- **Rohan Narayan** | Manager

For advertising queries, please write to salesretail@imagesgroup.in

CONSUMER CONNECT & SUBSCRIPTION

Anil Nagar | Vice President
anilnagar@imagesgroup.in | +91 9811333099

Priti Kapil | Deputy Manager
pratikapil@imagesgroup.in

Kiran Rawat | Deputy Manager
kiranrawat@imagesgroup.in

Images Multimedia Pvt. Ltd.
(CIN: - U22122DL2003PTC120097)

Registered Office:
S 21, Okhla Industrial Area, Phase II, New Delhi 110020
T: +91 11 40525000 | F: +91 11 40525001
E: info@imagesgroup.in | URL: www.imagesgroup.in

Mumbai: 1st Floor, Plot No. 111 / 3, Marol Co-Operative Industrial Estate, Marol, Andheri (East), Mumbai 400 059
T: +91 22 28508070 / 71 | F: +91 22 28508072

Bengaluru: 523, 7th Cross, 10th Main, (Jeevanbhima Nagar Main Road), HAL 3rd Stage, Bengaluru 560 075
T: +91 80 41255172/41750595/96 | F: +91-80-41255182

Kolkata: P-513/B, Raja Basanta Roy Road, CIT Scheme XLVII, Near Sabyasachi Store, Kolkata 700 029
T: +91 33 40080480, 40080488

Supply chain, logistics and warehousing play an indispensable role in the transportation of goods across the country. It is one of the most important constituent, cost-effective resources which defines the economy and GDP of the country. It is the fulcrum for procurement, manufacturing and distribution services which collectively build robust economies.

Gone are the days when warehouses were dark and dingy, and the transport system entirely depended on drivers, roads and seasons. Today, with the help of technology and digitalisation, the industry has been totally revamped. With robotics, temperature controlled multi-story smart warehouses, assisted by Big data, Augmented Reality, Artificial Intelligence, Cloud Logistics, self-driving vehicles, 3D printing, anticipatory shipping and drones, the industry has – to an extent – everything it needs to serve retailers and customers in a highly advanced manner.

The June 2019 issue of IMAGES Retail delves on the Indian logistics, supply chain and warehousing industry, which is growing and prospering, largely because of the flourishing retail and e-commerce sectors in the country. The complete package includes research, exclusive interviews and analytical sessions in both fashion and the food industry.

A special 'My Thoughts' section carries the views of Rubal Jain, Managing Director, Safexpress who writes on the trends and contribution of his company to the industry. There is also an exclusive on top trends transforming the global logistics & supply chain industry.

Aside from this, the June edition also brings to its readers a round-up of IMAGES' flagship fashion retail event, India Fashion Forum 2019, featuring sessions on the logistics and supply chain where experts share their experiences on the implementation of digitalisation in the logistics and supply chain segment.

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



Amitabh Taneja

All material printed in this publication is the sole property of Images Multimedia Pvt. Ltd. All printed matter contained in the magazine is based on the information provided by the writers/authors. The views, ideas, comments and opinions expressed are solely of the writers/authors or those featured in the articles and the Editor and Printer & Publisher do not necessarily subscribe to the same.

Printed & published by S P Taneja on behalf of Images Multimedia Pvt. Ltd. Printed at Modest Print Pack (P) Ltd. C-52, D.D.A. Shed Okhla Industrial Area Phase -1, New Delhi - 110 020 and published by S P Taneja from S - 21 Okhla Industrial Area Phase - 2, New Delhi 110 020
Editor: Amitabh Taneja

In relation to any advertisements appearing in this publication, readers are recommended to make appropriate enquiries before entering into any commitments. Images Multimedia Pvt. Ltd. does not vouch for any claims made by the advertisers of products and services. The Printer, Publisher and Editor-in-Chief of the publication shall not be held for any consequences in the event of such claims not being honored by the advertisers.

Copyright Images Multimedia Pvt. Ltd. All rights reserved. Reproduction in any manner is prohibited. All disputes are subject to the jurisdiction of competent courts and forums in Delhi/ New Delhi only. Images Retail does not accept responsibility for returning unsolicited manuscripts and photographs.

For subscription related queries, email to: subscription@imagesgroup.in
For feedback/editorial queries, email to: letter2editor@imagesgroup.in



BRING YOUR BRAND TO THE BIG LEAGUE

With over 22 new brands now available at **Inorbit Vashi**, you can now add your brand to Vashi's Wishlist.



inorbitvashi 02/05/2019



Plot No. 39/1, Sector 30A, Vashi, Navi Mumbai - 400705

Follow us: @inorbitmallvashi www.facebook.com/inorbitvashi @inorbitmall

NATIONAL NEWSMAKERS

12. Brick-&-mortar Stores Continue to Shine in the Age of E-commerce

INTERNATIONAL NEWSMAKERS

16. Global Retailers Focus on Consumer Experience Services to Drive Footfalls

RESEARCH

24. **The Warehousing Opportunity**
A report by Knight Frank on how warehousing, L& SC are creating opportunities in India



DYNAMICS

48. **Supply Chain Management: Converting Challenges Into Winning Opportunities for Retailers**
SCM ensures the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption



RESEARCH

54. **Reconfiguring Supply Chains in the Indian Fashion Industry**
Fashion retailing, which includes apparel footwear and accessories, comprises roughly 9 percent of organised retail in India, suggesting the enormous potential for growth in coming years

[COVER STORY] PAGE 38

Digitalisation: Helping Companies Transform their Logistics & Supply Chain Models

As per CARE ratings, in India the logistics industry continues to grow and prosper, and the credit of this improvement goes to retail, e-commerce, manufacturing and various other sectors



WHAT'S HOT

60. **M3M Urbana: A State-of-the-Art Retail Real Estate Masterpiece**
With an enviable retail mix of brands, 7-screen multiplex, kids entertainment area, café, restaurants, food court, offices, hotel and serviced apartments, M3M Urbana is the next big thing in the FEC segment

MY THOUGHTS

61. **Logistics in The Modern, Digital Age**
Rubal Jain, Managing Director, Safexpress expresses his views on how robotics, last mile delivery and Blockchain technology is changing the face of supply chain industry

FOCUS FEATURE

22. **From Mailing to Shipping & E-commerce: Tracing the Journey of Pitney Bowes in India**
34. **Holisol Logistics: A Tech Enabled End-to-End Supply Chain Solution Provider**

IFF 2019| SUPPLY CHAIN MANAGEMENT

62. **Enhancing Supply Chain Capabilities for A Great Customer Experience**
66. **Brands & Manufacturers Leverage Technology for Automation, Increased Speed in the Supply Chain Market**



RETAIL EVOLUTION

70. **Top Trends Transforming the Global Supply Chain & Logistics Industry in 2019**
Some key findings on how the world is today moving over to robotics and automation to take care of logistics and supply chain



BEHIND THE SCENES

72. **Warehousing: The Backbone of the E-Commerce Business**
Warehouses have become the backbone of all operating e-commerce businesses since they ensure delivering customer orders in perfect condition, within a given time frame

TECHNOLOGY

74. **How 1-India Family Mart is Riding the Technology Wave**
1-India Family Mart - a rapidly growing value retail chain is offering affordable fashion apparels, lifestyle products and general merchandise to its customers at affordable prices



**INDIA'S MOST
CONSUMER FOCUSED
BRAND
MEN'S APPAREL**



2019

**INDIA'S
MOST TRUSTED
AND ATTRACTIVE
MEN'S WEAR BRAND**



2018

OPENING SHORTLY AT COIMBATORE

FLAGSHIP STORES

CHENNAI : GN CHETTY RD - 044-4559 0033 | ECR - 044-4214 8441 | VALASARAVAKKAM - 044-4263 2633 | MADIPAKKAM - 044-4354 8333
CHROMPET - 044-4287 5608 | VELACHERY - 044-4383 6033 | TRIVANDRUM - 0471-4015 333 | KOTTAKKAL - 0483-2977 333
PONDY - 0413-4204 555 | TANJORE - 0436-2271 505 | KUMBAKONAM - 0435-2403 525 | RAJAPALAYAM - 04563-222 551
MADURAI - 0452-4246 064 | NELLAI - 0462-4000 433 | NAGERCOIL - 04652-422 505

EXCLUSIVE STORES

CHIDAMBARAM - 0414-4225 833 | ERODE - 0424-4270 633 | KARUR - 04324-261 221 | KARAIKUDI - 04565-400 096 | TIRUVALLUR - 044-2766 6637
MAYAVARAM - 04364-220 677 | NELLORE - 63013 57544 | RAMNAD - 04567-225 441 | TIRUPUR - 0421-4203 233 | TENKASI - 04633-280 633
SIVAKASI - 04562-276 333 | THENI - 04546-254 160 | DHARMAPURI - 04342 - 234 333 | MANJERI - 0483-297 1333 | VADAKARA - 0496-252 0999
CALICUT - 0495-4850 333 | PERAMBRA - 0496-261 7777 | PERINTHALMANNA - 04933-297 777 | KALLAKURUCHI - 04151-227 333 | TRICHY - 0431-4975 333

FOR FRANCHISEE ENQUIRY : ENQUIRIES@OTTOCLOTHING.IN

M 91766 77111 | 89398 17665



YOUR LAST CHANCE TO GO VEGAS!

Get onboard Delhi's choicest and the finest in world-class retail and entertainment! Located against the pristine backdrop of Dwarka, in one of the most sought-after residential areas in South-West of Delhi, Vegas is an iconic, mixed commercial development.

Designed by the renowned architects Bentel Associates International, Johannesburg, SA, Vegas spans 28,000+ sq. meters, with more than 20 Lac sq. ft. of prime development. This thoughtfully integrated development would bring together the experience of Business, Fashion, Shopping, Fun, Leisure, Food and Entertainment.

A haven and a destination, where opportunities are waiting to be explored.

Come, celebrate success. Let's celebrate life.

For leasing call

011-48584400 | 8800091655

or email at

leasing@vegasmall.in



PRATHAM INFRA TECH PVT. LTD. Ground Floor, Metro Station, Sec-12, Dwarka, New Delhi-110075

- Retail
- Hyper Market
- Superplex
- Food
- Entertainment
- Hotels
- Serviced Suites
- Offices

Celebrate Life!



vegasmall.in



EXPRESS AVENUE

express yourself!



THE WORLD CLASS MALL
IN THE HEART OF CHENNAI CITY THAT HAS IT ALL.

ALDO ARMANI EXCHANGE BOBBI BROWN BURBERRY Calvin Klein
MAC FOSSIL *la Senza* SEPHORA LACOSTE LUXE BRIDGE RADO
AMERICAN EAGLE LONGINES *Superdry.* SWAROVSKI MONT BLANC OMEGA SIMON CARTER
OUTFITTERS LONDON

FOREST ESSENTIALS | TOMMY HILFIGER | JACK & JONES | FOREVER 21 | H&M | CHARLES & KEITH
MARKS & SPENCER | LIFESTYLE | HAMLEYS | ESCAPE CINEMAS | HOME CENTER | BMW | VOLVO
WESTSIDE | PANTALOONS | RELIANCE TRENDS | MAX | FUNCITY | STARMARK
BARCELOS | BURGER KING | CHILLI'S | PAPPAROTI | STARBUCKS



GIVE YOUR BRAND THE STRATEGIC LOCATION ADVANTAGE.



1200+
EVENTS



1 MILLION
FOOTFALL
PER MONTH



AWARDS
2 REGIONAL
8 NATIONAL



225+
BRAND
STORES



3000+
PARKING
SLOTS



17 LAKHS SQ.FT.
SHOPPING
SPACE

EXPRESS AVENUE

SHOPPING | ENTERTAINMENT | DINING | BUSINESS | HOTEL | LUXURY RESIDENCES

49/50, WHITES ROAD, OFF MOUNT ROAD, CHENNAI 600 014
FOR LEASING CONTACT: +91 96001 55755 | www.expressavenue.in

BRICK-&-MORTAR STORES CONTINUE TO SHINE IN THE AGE OF E-COMMERCE

New brick-&-mortar stores make headlines as big brands continue to make profits out of their businesses. Here's a look at some of the major activities in the retail sector in the last month...

By IMAGES Retail Bureau



extent geography-agnostic because its success depends on the spending power of its target audience. As a result, shopping malls in Tier II and III cities have performed as well as, if not better than, their Tier 1 counterparts. This also led to increase in rentals and profitability and caused PE investors to start considering investment options outside their accustomed Tier 1 geographies.”

US-based funds like Blackstone and Goldman Sachs invested more than US\$ 1 bn funds into the Indian retail sector between 2015 and 2018. Of this, more than US\$ 700 million went into Tier II and III cities; just US\$ 300 million came to cities like Pune and MMR. Evidently, large PE funds have recognized the potential of smaller cities which continue to have a shortage of organised retail despite the rising disposable income and aspiration-driven consumption appetite being generated there. PE investors from UAE, Singapore and Netherland also showed interest in Indian retail during the period and invested close to US\$ 800 million into it.

'PE INFLOWS IN INDIAN RETAIL DOUBLE TO US\$ 1.2 BILLION IN 2 YEARS'

Further liberalisation in FDI policies – 51 percent FDI in multi-brand retail and 100 percent FDI in single-brand retail under the automatic route (against the previous 49 percent) – has attracted major global PE funds to double their investments in the Indian retail sector. As per

ANAROCK's Private Equity in Indian Real Estate report, the total private equity inflows in the Indian retail sector between 2015-2018 stood at US\$ 1.84 bn. Of this, nearly US\$ 1.2 bn were pumped in

between 2017-2018 alone.

US and Canada-based PE funds together invested more than US\$ 1.13 bn into the retail sector, bestowing their faith on an industry riding on increasing consumerism which is pegged to rise to US\$ 3,600 bn by 2020. Tier II and III cities were high on the radar of the PE investors, who in the last four years infused almost half of their total investments into the retail sector in cities like Amritsar, Ahmedabad, Bhubaneshwar, Chandigarh, Indore and Mohali.

Shobhit Agarwal, MD & CEO, ANAROCK Capital says, “Our report highlights the fact that unlike the commercial office sector, retail is to some

SPENCER'S RETAIL TO ACQUIRE GODREJ NATURE'S BASKET

The RP-Sanjiv Goenka Group controlled Spencer's Retail on Friday said its board of directors has approved acquisition of 100 per cent stake in Nature's Basket Ltd, a wholly-owned subsidiary of Godrej Industries, for a consideration of about ₹300 crore.

“The board at its meeting held earlier today (Friday) has, inter alia, approved a proposal for acquisition of entire 100 per cent stake held by Godrej Industries Ltd in its wholly-owned subsidiary Nature's

CASE STUDY: HOW LULU FASHION WEEK 2019 HELPED UP SALES, FOOTFALLS



LuLu Fashion Week 2019 curated by LuLu Fashion Store was the biggest exhibition of the season's most eye-catching spring/ summer fashion trends and styles by leading brands with fascinating fashion shows.

The event kick-started on April 24 with the season's trendiest and stylish collections by 50 leading brands with 28 fashion shows spread across five days from April 24-28. Presenting sponsor of LFW 2019, Blackberrys, since its inception in the year 1991, has consistently risen to become the exclusive fashion partner to men, crafting apparels and products that complement their confident styling needs. The fourth edition of LFW was powered by Oxemberg, Peter England, Lee, Sin & One8.

LuLu Fashion Week, founded in 2016, has undergone several transformations within the last few years. Despite all the changes, one thing remains the same: LuLu Fashion Week is still a coveted event when it comes to brand activations and attracting businesses that helps to put-on the event every year. The first day of LuLu Fashion Week looked promising with fashion shows from Pepe Jeans, Indian Terrain, Van Heusen, Urban Touch and Caprese.

The remaining days of LuLu Fashion Week showcased fashion shows from brands like Breakbounce, Ruff, Desi Belle, Basics, American Tourister, River Blue, Sin, Van Heusen, Peter England, Identiti, Monte Bianco, Wrangler, Lee, GAP, Vie Life, Delsey, Beat London, Indigo Nation, Scullers, Levi's, Oxemberg, Allen Solly and Blackberrys along with LuLu's exclusive brand 'Kashavi', launched at LFW 2019.

All the brands for LFW 2019 were exclusively selected on the basis of their performance at the platform of LuLu Fashion Store. LuLu Mall saw a huge uplift in footfalls on key LFW-linked days, compared to the previous months. The average footfall per day during the Lulu Fashion Week 2019 at Lulu Mall was between 80,000–1,00,000, when compared to 65,000–80,000 the previous month. LFW 2019 also saw a big sales rise at LuLu Mall, compared to LuLu Fashion Week last year. The fourth edition of LFW 2019 was aggressively promoted both through online and offline media. Extensive print campaigns were carried out all across Kerala, followed by radio campaigns and outdoor branding through public hoardings and translite boards on metro pillar's across Kochi along with exclusive media campaigns. Campaigns were also promoted by the celebrity showstoppers through social media platforms. Promotions were carried out extensively throughout LuLu Mall in the form of installations, easel boards, column branding and light boards.

The Fashion Forum was another added attraction of the event, which included an exclusive talk show on 'Global Trends Vs Indian Fashion Trends' by eminent personalities from fashion and retail industries, which was attended by more 100+ students from leading fashion institutes. LuLu Fashion Awards were also given to the most preferred brands in different categories during the grand finale.



Basket Ltd, subject to requisite approval of the shareholders of the company and execution of a share purchase agreement



for undertaking the transaction contemplated above. The consideration for the proposed transaction is ₹300 crore," the retailer said in a regulatory filing. The group's Sector Head (Retail and FMCG) Shashwat Goenka said the acquisition would make the Kolkata-headquartered multi-format retailer a national player. "Nature's Basket will make Spencer's a truly national player, giving it access to the west India through its 36 stores in Mumbai, Pune and Bangalore. These stores are located in prime residential locations, have a high sales throughput per square feet," he said.

Operating since 2005, Nature's Basket is a neighbourhood convenience store format grocery retailer which sells products ranging from fresh fruits and vegetables, fish and meat, artisanal breads, FMCG and staples. Its turnover stood at ₹338.28 crore for the financial year 2018-19. Godrej Group's Executive Director and Chief Brand Officer Tanya Dubash said that the group realised that to further unlock the potential of the brand and to grow it to even greater heights, it needs to pass on the torch to owners who have prioritised retail in their portfolio strategy.

MYNTRA INTRODUCES SELF-CHECKOUT AT NEW 'ROADSTER GO' STORE IN BENGALURU

→ Myntra's franchisee has launched a new store for Roadster – one of the most popular and leading outdoor lifestyle brands in the country. Called 'Roadster Go', the offline store is located at Vega City Mall in Bengaluru and inherits the legacy of brand Roadster's hi-tech fashion Omnichannel experience, which is the first of its kind in the country.

Spread across an area of 3,200 sq ft, the new 'Roadster Go' store is the biggest store for the brand. As a 100 percent RFID (Radio-frequency identification) enabled store, shoppers will be able to pick up their favourite products without any assistance, discover real time online prices and do a self-checkout in 30 seconds, making it smarter, faster and seamless. The RFID enabled digital screens at the store offer shoppers detailed information about a particular product when held up against it; shoppers will be able to discover all the product features on models wearing them (studio images) including fabric, washes, suitability to body type, color matching, availability of size and more. Customers will be able to buy all the products at real time online prices which



they can discover on the digital screen when they hold the product up against it.

They can also initiate a 30 second self-checkout by placing all the products in the RFID tray which will capture product details and display the bill on the screen, which can be paid using a debit/credit card, upon confirmation, eliminating the need for scanning individual products or removing security tags from each garment.

Shoppers can experience all these

functions and more, requiring no intervention from staff at the outlet, unless requested for.

BENETTON TO INTRODUCE TECH-FRIENDLY STORES IN INDIA

→ Benetton India has done what no other brand in the country has – unveiled an exclusive collectible line in collaboration with established artists of the country... on Instagram! The brand has titled the collectible line #UnitedbyArt. The collection was revealed at an Instagram live auction with Bollywood stars and popular fashion influencers coming forth to support the technological initiative.



Echoing the brand's long standing dedication to art, Sundeep Chugh, Managing Director & CEO, Benetton India said, "Benetton is a brand built on innovation. We have always kept creativity and social relevance central to our culture and we have consistently strived to do business in a way our associates, partners and customers are proud of. Art is very close to our cultural fabric and this special collectible line is our commitment to empower the artists and bring them to the forefront. We are proud to see the paintings coming alive with the first collectible line, every artwork has a creative story to tell keeping the core of Benetton in mind."

Since 1965, Benetton has strived to promote identity through equality, diversity and optimism. And art has a somewhat deep and complex relationship with identity. The brand's latest project reinforces the theme of 'Social Integration', something which has long been dear to the Benetton brand, imbuing it with new meaning.

INDIAN TERRAIN TO DOUBLE ITS RETAIL NETWORK TO 300 OUTLETS

→ With the signing of Indian cricket icon Mahendra Singh Dhoni as its brand ambassador, men's wear major Indian Terrain Fashions Ltd plans to double its retail network to 300 outlets as it looks at a turnover of ₹650 crore in three years time, a senior company official said.

The listed company also aims to double its revenue from boys' wear to ₹80 crore within three years.

"We have not signed up with Dhoni at the fag end of his career. He will be there for a couple of more editions of Indian Premier League. Our brand logo signifies



the spirit of a man and Dhoni fits into that very well," Venky Rajgopal, Founder Chairman, Indian Terrain Fashions, told reporters here on Monday.

About the firm's expansion plans, Indian Terrain Managing Director Charath Narsimhan said: "The company will be expanding its retail footprint to 300 outlets from the current 150 outlets. The bulk of the expansion will be through the franchisee route. The company will expand into markets in north, east and west. We will also expand our presence in the southern states."

He said the company closed the last fiscal with a turnover of about ₹422.37 crore and net profit of ₹25.71 crore as against a turnover of ₹401.45 crore and a net profit of ₹25.44 crore recorded in the year-ago period. Ruling out an entry into the women's wear segment, Rajgopal said there is great opportunity for growth in the men's and boy's wear segments.



MGB FELICITY MALL

GT ROAD, NELLORE, A.P

Shopping | Entertainment | Dining



1st STORE OF
ANDHRA PRADESH
NOW OPENED IN
MGB FELICITY MALL

Our Brands

BIG BAZAAR | INDIAN TERRAIN | U.S. POLO | VOYLLA | ALLEN SOLLY | LOUIS PHILIPPE | VAN HEUSEN | JOCKEY | WRANGLER
MUFTI | POPULAR SHOE MART | PARK AVENUE | MINISO | KHADIMS | MAX | SOCH | GO COLOURS | SAMSKRUTHI | RELIANCE
FOOT PRINTS | MADINA | TRENDS | NAIDU HALL | SANGEETHA | TONI & GUY | ANCIENT LIVING | KODAK EXPRESS | MY STYLE |
A2Z TRAVELS | VIP | KURLON | REVLON | SAMAGRA | FREE GO BIKES | FOOD FUSION | MC DONALD'S | KFC
| CREAM STONE | HOUSE OF CANDY | DOMINO'S | NAGA'S | GAME TIME | THE CINEMA



BEST UPCOMING MALL
SOUTH INDIA
@TAVF 2017



IMAGES EXCELLENCE
AWARD FOR
MALL OCCUPANCY
OPTIMISATION-2018



IMAGES MOST ADMIRRED
SHOPPING CENTRE OF THE
YEAR - "MARKETING &
PROMOTION" 2019



MOST NUMBER OF EVENTS
- NON METRO
@ TAVF 2018

Leasing : ravikiran@mgbrothers.in, 9299999933

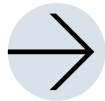
GLOBAL RETAILERS FOCUS ON CONSUMER EXPERIENCE, SERVICES TO DRIVE FOOTFALLS

International retailers are providing value added services and converting shopping into a better experience to drive traffic. Here's a look at some of the major activities in the retail sector in the last month..

By IMAGES Retail Bureau

amazon

AMAZON INVESTS IN UK-BASED FOOD DELIVERY PLATFORM



Expanding its efforts into the online food-delivery market, Amazon led a US\$ 575 million investment in London-based food delivery company Deliveroo, which was once of interest to Uber and Uber Eats. "Amazon is set to be the largest investor in Deliveroo's Series G funding round and Deliveroo is raising a total of US\$ 575 million with participation from Amazon," the London-based company wrote in a blog-post on Friday. "This takes the total Deliveroo has raised to date to US\$ 1.53 billion."

Deliveroo operates in 14 countries, including the UK, France, Germany, Singapore, Taiwan, Australia and the UAE, working with around 80,000 restaurants, 60,000 delivery persons and 2,500 permanent employees. With this investment, Amazon intensifies its competition with Uber Eats, given that in 2018 Uber was interested in buying Deliveroo outright, but talks stalled after the two companies failed to agree on a valuation, The Verge reported.

"We're impressed with Deliveroo's approach, and their dedication to providing customers with an ever

increasing selection of great restaurants along with convenient delivery options," Deliveroo's blog quoted Doug Gurr, Country Manager, Amazon UK, as saying.

Amazon has been looking into establishing itself in the food business for a while now, however, it remains unclear exactly how Amazon plans to club Deliveroo's services to align with its own. Earlier in 2015, Amazon launched 'Amazon Restaurants' — its own takeaway service in the US. The business expanded to the UK in 2016 but within two years the venture was killed by competition coming from other brands like Uber Eats and Deliveroo.

BURGER KING, TIM HORTONS & POPEYES TO GROW TO OVER 40,000 RESTAURANTS GLOBALLY



Restaurant Brands International Inc. outlines growth plans for Burger King®, Tim Hortons® and Popeyes®, It plans to grow these brands from approximately 26,000 restaurants to more than 40,000 restaurants globally over the next 8-10 years. This will make Restaurant Brands International one of the largest restaurant companies in the world.

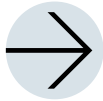
RBI is well-positioned to take advantage of compelling long-term growth in the global quick service restaurant (QSR) market, with the 5-year outlook for growth in the global burger market expected to be 5 percent annually



and growth in the global coffee and chicken markets expected to be 6 percent annually. Over the past few years, RBI has built a master franchise network in global markets to drive significant growth in its restaurant brands, resulting in the expansion of its restaurant base from approximately 12,000 in 2010 to nearly 26,000 today, growing system-wide sales from ~\$15 billion to over ~\$32 billion in the same time period.

Jose Cil, Chief Executive Officer of Restaurant Brands International Inc. commented, "RBI is fundamentally a growth company, with three amazing, iconic brands that we believe have a very long runway for growth – both at home and around the world. We have a proven history of generating very strong returns for our shareholders and today we are excited to share more insight than we ever have before to support our belief that all three brands have substantial growth ahead."

NAPPA DORI DEBUTS IN EUROPEAN MARKET; OPENS FIRST STORE IN LONDON



Indian leather bag brand Nappa Dori has opened its first European store in Seven Dials in London. The 1,400 sq.ft boutique offers handcrafted bags and luggage, as well as accessories, stationery and homeware. The store also features a cafe where visitors are offered traditional beverages such as chai.

Gautam Sinha, Founder of Nappa Dori, said: "The high volume of tourists and locals who frequent the stylish streets of Seven Dials made it the obvious choice



for our first UK and European venture. After seeing so much success across our Indian portfolio, embarking upon this new market is a natural next step and has always been a key goal for our business. The unique community of Seven Dials is the perfect location for us to start this adventure.

Established in 2010, Nappa Dori already has seven retail locations across India as well as a destination store in the Maldives.

KYLIE JENNER TO LAUNCH VEGAN SKINCARE RANGE



Reality TV star Kylie Jenner is set to launch a skincare range with make-up free campaign and boasts it's 'vegan and cruelty free.'

The 'self-made billionaire' already has a successful make-up company called Kylie Cosmetics. And now Kylie has revealed she is expanding her billion dollar empire with a skincare line – called Kylie Skin By Kylie Jenner. The 21-year-old entrepreneur announced the news on Instagram on Friday morning with a make-up free photo of herself with glowing skin. Kylie Skin launches on May 22, reports dailymail.co.uk. Kylie wrote: "Skincare and make-up go hand in hand and Kylie Skin was something I dreamt up soon after Kylie Cosmetics. I've been working on this for what feels like a lifetime so I can't believe I'm finally announcing. Building my make-up line from the ground up has taught me a lot and I'm so blessed with that knowledge to apply to my brand new company! Birthing a whole new team, manufacturing, fulfilment etc. separate from my cosmetics line was challenging but here we are. I got the best of the best for you guys!"

The star confirmed that her new skincare line is "cruelty free, vegan, gluten free, paraben and sulfate free and suitable for all skin types".

WALMART ANNOUNCES FREE NEXT DAY DELIVERY ON 200K+ ITEMS



Walmart has introduced free next day delivery on a wide range of general merchandise from Walmart.com, without a membership fee, to complement the same-day grocery delivery. NextDay delivery will be available first to Walmart.com customers in Phoenix and Las Vegas and will expand to Southern California in the coming days. It will roll out gradually over the coming months, with a plan to reach approximately 75 percent of the U.S. population this year, which includes 40 of the top 50 major U.S. metro areas.



Walmart's NextDay delivery offers a stand-alone, curated shopping experience where customers can browse up to 220,000 of the items most frequently purchased, ranging from diapers and laundry detergent to toys and electronics, with more assortment to be added. It is available on eligible orders of US\$ 35 or more, with the specific assortment varying by customer location.

Here's how NextDay delivery works:

- A customer visits Walmart.com

and toggles into the NextDay delivery experience to view items that are eligible for free NextDay delivery.

- After adding items to their cart, the customer proceeds to checkout. Everything in the cart must be eligible for NextDay delivery to qualify. Cut-off times vary by location.

NextDay delivery is a great complement to the same-day Grocery Pickup and Delivery options, and free two-day shipping on millions of items. With the combination of these choices, the brand is making every day easier for busy families. And, with 90 percent of Americans living within 10 miles of a Walmart store, the brand is well positioned to offer even faster delivery to customers in the future.

SPAR INTERNATIONAL EYES EXPANSION IN CHINA



SPAR China is set to open over 150,000 m² of retail sales space in 2019 with strong store development plans including compact hypermarkets and a new generation of supermarkets in Northern and Southern China. With new SPAR Partner licence agreements signed at the end of 2018, Russia will also continue to experience store expansion and sales growth.

A further two new licence agreements have also been agreed for the expansion of the brand in Central and Eastern Europe. And looking to the future and further afield, plans are at an advanced stage for the expansion of SPAR in South and Central America.

Tobias Wasmuht, CEO of SPAR International said, "Our strong network of SPAR Partners and supply chains across four continents gives the brand a competitive advantage in an increasingly global marketplace, while our multi-format strategy allows us to respond to changing customer needs."

"Our continuous compound annual growth of 5.2 percent over the last three years creates a strong platform to build from for the future and indicates that our 'Better Together' strategy, launched in 2016, continues to deliver for the organisation, our partners and our customers," Wasmuht added.

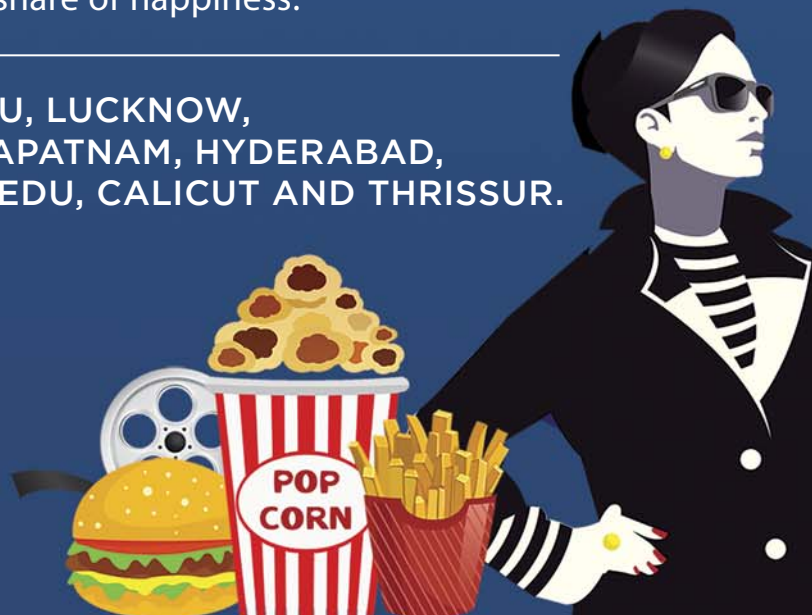


WHERE HAPPINESS IS A WAY OF LIFE

**KERALA'S MOST SOUGHT-AFTER MALL
WILL SOON BE INDIA'S TOO.**

A place where the best of shopping, cuisine and entertainment come together under one roof, is nothing but a world of happiness. A world that has been changing the way Keralites shop ever since it came into being. So come, be a part of this world and give your brand its share of happiness.

Lulu Mall coming soon in BENGALURU, LUCKNOW,
THIRUVANANTHAPURAM, VISHAKHAPATNAM, HYDERABAD,
CHENNAI OMR, CHENNAI - KOYAMBEDU, CALICUT AND THRISSUR.





2nd Runner Up

IMAGES MOST ADMIRER
UPCOMING SHOPPING CENTRE
OF THE YEAR



Giving an enthralling twist to tales of retail

Shopping - many identify with it as a feel-good therapy, some find it a chore and yet, there are few who understand that there is science of retail planning at work behind every shopping decision you make. And then, there is another level of architectural planning that choreographs one of a kind memorable experience as you browse through the shelves, the shops and the floors. At Urban Square, we understand this right from the first word.

Urban Square, Udaipur has been designed keeping in mind the aspirations of the entire family, the business community, the local population as well as the tourists coming in from various parts of the country and the world. The largest mall in Rajasthan is also the longest on the count of activities, services, retail, F&B and hospitality experiences that you would love to keep coming back to.



Mall & Multiplex | Hotel & Banquets | Signature Club & Lounge | Office Suites | Service Apartments

MARKS &
SPENCER



- A primary catchment of 6 lakh consumers in the immediate vicinity and an active consumer base of more than 20 lakhs within a 100 kms radius
- A leading retail destination for branded fashion, beauty, home accessories and lifestyle products
- Best Buys at the 25,000 sq. ft. hypermarket for all your household requirements

- A state of the art 9-screen Multiplex with over 1200 seats spread over 50,000 sq. ft.
- Multiple Restaurants and a 15-counter Food Court with seating for over 500 diners
- Double-height Family Entertainment Centre with adrenaline-driving Gaming Zone, Bowling Alley and much more

National and International brands have figured out their destination district in Udaipur.

To figure one out for your brand, call now :

+91 95603 87711

FROM MAILING TO SHIPPING & E-COMMERCE: TRACING THE JOURNEY OF PITNEY BOWES IN INDIA

The company believes in delivering innovations that help clients navigate the complex and ever-evolving world of commerce - from helping them use data to market to the best customers, to efficiently enabling the sending of parcels and packages, to securing payments through statements and invoices...

By Charu Lamba



↑ Venkat Rao, Country Director, Pitney Bowes India

pitney bowes  + *shyplate*



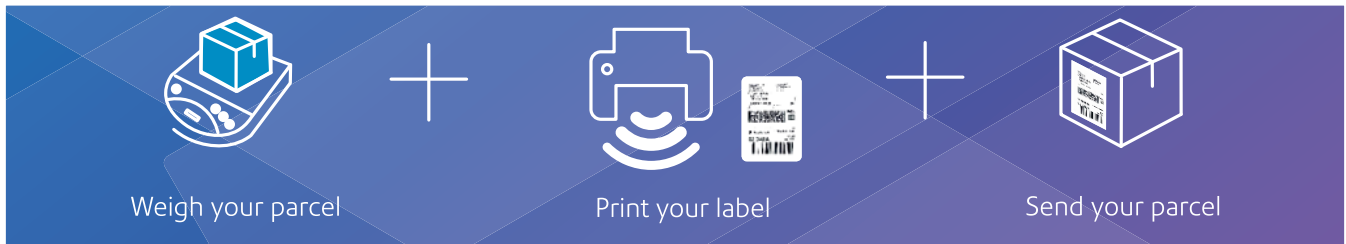
Pitney Bowes, a global technology company that provides commerce solutions in the areas of e-commerce, shipping, mailing, finance, and data, has been synonymous with bringing in innovations in the shipping and mailing industry.

The company believes in delivering innovations that help clients navigate the complex and ever-evolving world of commerce - from helping them use data to market to the best customers, to efficiently enabling the sending of parcels and packages, to securing payments through statements and invoices. Since time immemorial, shipping has been the backbone of world's trade and with the changing era, the demand for freight shipping has only seen an exponential rise. The mailing and shipping industry is witnessing the synergy of the physical and digital space. While physical mailing is declining, Pitney Bowes sees a huge growth opportunity around the synergy of both physical and digital channels.

In an interaction with IMAGES Retail, **Venkat Rao, Country Director, Pitney Bowes India** expounds on the steps his company is taking to stay relevant in India where e-commerce is growing exponentially.

How is Pitney Bowes' strategy changing with the growth of e-commerce in India? Have you designed any innovative tech solutions keeping the Indian market in mind?

Pitney Bowes is traditionally a mailing company, but we have been experiencing a decline in the mailing market. Over the past few years, our 99-year-old company has undergone a dramatic transformation. Tapping into the growing e-commerce segment, we are shifting our portfolio towards shipping and e-commerce technology. Pitney Bowes has come up with a new solution that offers an easy and convenient way to ship the packages. Using the SendStation™ Shipping Application from Pitney Bowes, embedded on digital printers - sending packages has never been faster, or more cost effective and easier.



SendStation™ consists of an integrated solution with the following:

- > Weighing scale to measure dead weight
- > SendStation™ App for multi-carrier shipping service powered by Shyplite
- > Digital printers for hosting the SendStation™ App and label printing.

It also allows customers to send their packages with different carriers; and they can easily handle all their shipping needs with one stop and has the following benefits/ functionality:

- > Touchscreen interface
- > Intuitive look and feel
- > Self-service shipping station
- > Auto-weight capture USB connected
- > E-commerce friendly
- > Print shipping labels on demand
- > Multi-carrier options
- > Accurate costs and payment
- > Reduce operating costs
- > Added recipient address book by default

Which are the major logistics and solution-providing companies that you have partnered with in India?

We have recently announced our partnership with Shyplite, a logistics technology company that provides a multi-carrier integrated SaaS platform for small businesses that simplifies office shipping. This partnership will provide cost savings for small and medium-sized businesses in India by optimising parcel delivery. Customers will be able to select the most efficient shipping option at a competitive price, creating an improved customer experience with each parcel delivery. Additionally, this solution offers plug-ins for shopping platforms, parcel consignment, parcel tracking, billing and customer support from one convenient dashboard.

We have also partnered with Bizerba India, a leading solution provider globally for high-speed dynamic weighing and weigh-price-labeling

technologies, to integrate with our solutions and help resolve customer's issues related to inefficient parcel measurement, conflicts in parcel rates, decreased service levels and ultimately revenue loss.

What are the major growth drivers for your company in the supply chain and logistics segment?

The last couple of years have seen a tremendous growth in the e-commerce/ e-retail segment in India. According to Pitney Bowes' Annual Parcel Shipping Index, worldwide parcel volumes rose by 17 percent to 74.4 billion parcels last year and are expected to surpass the 100 billion mark in 2020. India's e-commerce market is expected to touch US\$ 150 billion parcels by 2022 with parcel volumes anticipated to grow at 26 percent until 2021. The country's growth far exceeds the global CAGR, making it an attractive market for shipping solutions. Exponential growth in parcel volumes, e-commerce sales and the need for efficient technology (both software and hardware) has given us an opportunity to work on the shipping solutions.

How has the Indian logistics, supply chain and warehousing market evolved with Pitney Bowes in the country?

India is in a unique position, with the middle-class expected to grow to 540 million by 2022 from 380 million in 2017. The Internet users base was about 475 million in July 2018 (about 40 percent of the total population), however, the penetration of e-commerce is low in India as compared to US, China and other countries, although it is growing at a faster pace. The number of Internet users is expected to nearly double to 850 million in 2022, and we will see fast growth in the online re-sellers community. The exponential growth of Amazon, Flipkart acquisition by Walmart, Paytm entry and now Reliance too entering the e-retail business will

further expand the market for online resellers, logistics companies and the retail sector. The growth of e-commerce has led to the rise of several niche players who largely specialize their products mostly in fashion, groceries, consumer durables and so on.

Nowadays, consumers expect the best products to be delivered quickly at their doorstep. Sellers now have multiple platforms through which they can provide goods and services to their customers as Omnichannel selling is fast becoming the norm. As this trend is steadily gaining momentum, the top brick-and-mortar retailers, have also ventured into online retail. While this growth has been immensely beneficial to both consumers and sellers, it has also exponentially increased the pressure on sellers to be able to provide best service when sending out parcels to their end users.

What are the key opportunities that you think Pitney Bowes can offer solutions to in the retail sector?

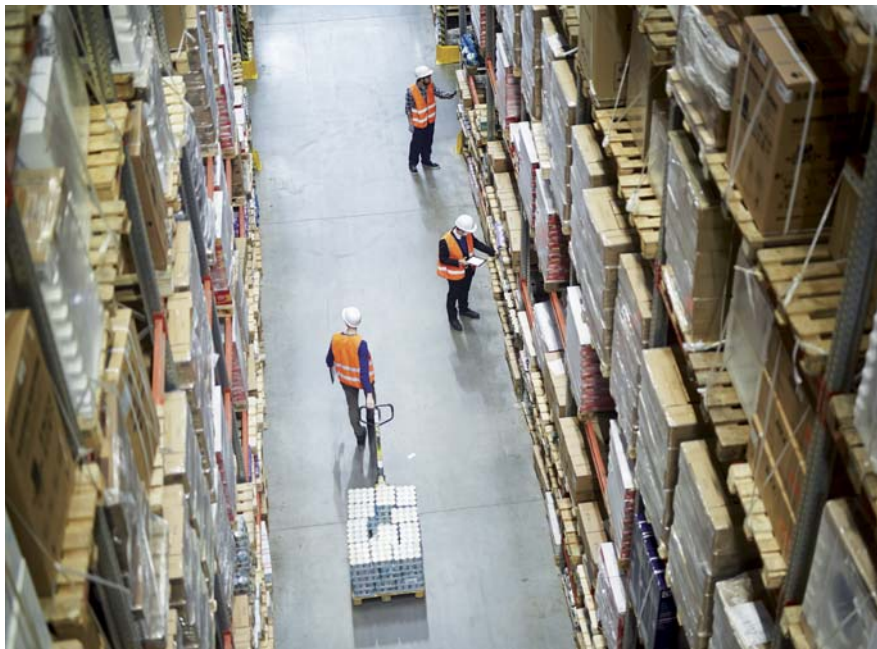
Our strategy is to focus on segments like e-commerce marketplaces, small online retailers, traditional brick-and-mortar retail players, corporates, couriers, regional logistic players and India Post.

We are leveraging on the partnership with Shyplite to provide cost saving solutions for small and medium-sized businesses in India by optimizing parcel delivery. Customers will be able to select the most efficient shipping option at the best price creating an improved customer experience with each parcel delivery. By removing the complexity of everyday shipping, small businesses and e-commerce retailers will be able to focus on delighting customers and growing their business. Additionally, this solution offers plug-ins for shopping platforms, parcel consignment, parcel tracking, billing and customer support from one convenient dashboard.

The Indian Warehousing Opportunity

A warehouse is a fundamental part of business infrastructure and is one of the key enablers in the global supply chain. It is the fulcrum for procurement, manufacturing and distribution services which collectively build robust economies...

By Knight Frank India



Logistics and warehousing plays an indispensable role in the transportation of goods across the country. A warehouse is a fundamental part of business infrastructure and is one of the key enablers in the global supply chain. It is the fulcrum for procurement, manufacturing and distribution services which collectively build robust economies.

Today logistics cost in India accounts for 13-17 percent of the Gross Domestic Product (GDP) which is nearly double (6-9 percent) the logistics cost to GDP ratio in developed countries such as the US, Hong

Kong and France. Much of the higher cost could be attributed to absence of efficient intermodal and multimodal transport systems. Moreover, warehousing which approximately accounts for 25 percent of the logistics cost has also been facing major challenges. This further added to the logistics cost borne by the end users and other stakeholders.

Earlier, the incentives to enter India's warehousing sector was minimal for organised players as the occupiers themselves were content to engage with fringe partners offering low cost options with a network of small storage facilities near consumption centres. Multiple state

and central level taxes made it sensible for companies to maintain smaller warehouses in each state. Further, this limited the focus on automation and higher throughput. This attitude of occupiers of preferring to save on costs as their sole objective is changing. There has been a gradual transition in the mindset of occupiers to use the services offered by organised segments.

A plethora of factors are driving this wave of change such as: requirement from compliance regulators (in case of the pharma industry), quality consistency assurance required by clients/ regulators, statutory penalties on non-complaint warehousing facilities, economies of scale being achieved through larger warehouses, safety and security of goods, efficiency in operations, quicker turnarounds, need for efficient warehousing designs and the advent of e-commerce and other multinational businesses that prefer to occupy only complaint facilities. This shift was further accentuated by the implementation of the Goods and Services Tax (GST) in India.

The whiff of such a mammoth opportunity has attracted global pioneers in warehousing expertise to Indian shores. The government's thrust to the sector such as giving infrastructure status to the logistics sector, the 'Make in India' programme, development of multimodal transport networks and initiatives to set up industrial corridors like Delhi Mumbai Industrial Corridor (DMIC), Delhi Kolkata Industrial Corridor and logistics parks have propelled the cause.

Over the past few years, the government has undertaken several reforms to promote and provide an exit route to real estate investors via the Real Estate Investment Trusts (REITs). Currently the market

MAKE IN INDIA

The 'Make in India' campaign has been ushered in to revitalise the potential of the country's manufacturing sector. From catering to a mere 13-17 percent of the GDP, the government envisions to raise the sector's share to a quarter. Twenty-five labour-intensive sectors were identified, which would be the prime beneficiaries of this initiative. The main idea for promoting the labour-intensive manufacturing industry is to create jobs.

As a part of this initiative, the government of India wants the state governments to collaborate and provide incentives to aid the manufacturing industry as well as update/remove archaic laws which have been impeding the growth of manufacturing industry in India. The government also intends to setup industrial corridors to promote the manufacturing clusters by connecting them to ports and consumption hubs via roads, railways and inland waterways. The 5 industrial corridors are – Delhi-Mumbai Industrial Corridor (DMIC), Chennai-Bengaluru Industrial Corridor (CBIC), Bengaluru-Mumbai Economic Corridor (BMEC), Vizag Chennai Industrial Corridor (VCIC) and Amritsar-Kolkata Industrial Corridor (AKIC).

Several global agencies have lauded these measures. For instance, India jumped 30 ranks in The World Bank's Ease of Doing Business Index in 2017. Such a jump of 30 places is unprecedented and this is the highest ever jump by any country till date. The policy reforms undertaken by the government to improve the fundamentals of the Indian economy have been ratified by credit rating agencies as well. Moody's, for instance, recently upgraded India's Sovereign Ratings from Baa3 to Baa2 with a stable outlook.

The euphoria of reforms amongst global business houses is also evident in the foreign inflows into India, which have surged upwards since 2014. Since 2014, when the current government assumed office the FDI inflows into India has

grown at a CAGR of 17 percent from USD 36 bn in 2013-14 to US \$60 Billion in 2016-17. The manufacturing sector is amongst the major occupiers of warehousing space and both sectors are complementary to each other. In order to aid the manufacturing and warehousing sectors, the government has announced plans to set up multi-modal logistics parks at 34 locations across India, which have the highest freight movement at an investment of Rs 2 trillion.



Thus, the Make in India programme, multi-modal logistics parks and infrastructural push around the initiative would together lead to a spur in demand for new warehouse space development as well as increase the demand for existing warehouses. These initiatives have a long gestation period and need a lot of infrastructure development for its sustenance. Hence, it would take time for the impact of these changes to be visible. Further, the current capacity utilisation of the manufacturing industry in India is hovering around 70 percent. Until it reaches at least 80-85 percent, it is unlikely that the current set of players would invest into capacity expansion. Once that level of capacity utilisation is crossed, we would witness the inflection point for the next investment cycle.

for REITs in India is at a very nascent stage and it would take time to evolve. Once the market for REITs matures, the institutional investors would be able to get a credible exit avenue to gain from their warehousing investments by listing their warehousing assets through REITs. These initiatives would go a long way in leveraging the true potential of the sector and bring down the overall costs linked to warehousing and logistics as well give credible exit opportunities to investors.

The Goods And Services Tax (GST)

The Goods and Services Tax, touted as the biggest tax reform in the history of independent India became a reality in 2017. This tax replaced a plethora of central level taxes (i.e. excise duty, countervailing duty and service tax) and state level taxes (Value-Added Tax, Octroi and entry tax, local body tax, luxury tax, etc.), which meant that the same product was sold at different prices in different states. The web of state and



central level taxes made the inter-state trading of goods in India as cumbersome as exporting them to another country. Many businesses were of the opinion that in some segments, the exports of goods were seamless for the latter.

→ **Pre-GST Era:** Precious delivery time was often lost as trucks transporting goods were held up for days together at multiple entry barriers across states and for payment of local body/entry taxes. There were additional costs due to compliance burdens. Moreover, each state had its own set of taxes and the companies had to tie-up with local compliance staff for getting the required permits. All these barriers ultimately led to an increase in product prices. Further, the companies engaged multiple smaller warehouses to avoid wastage of time at the barriers on inter-state transfer of goods and also avoid inter-state sales in which taxes added to cost burden. This pattern stayed in practice although it worked against efficient model of operations.

→ **Post-GST Era:** GST has been envisaged to resolve the erstwhile pre-GST pain points and streamline the supply chain. Most companies are deliberating the need to redesign their after-produce supply chain networks. Currently, companies are enjoying the immediate benefits from removal of check points. According to our survey, this has led to average cost saving in the range of 3–7 percent, which varies across several industries. However, the time savings are substantial. For example, earlier the travel time between Delhi–Chennai, which used to take 5–6 days, post-GST, has come down to 3–4 days. Trucks are able to cover longer distances every day with an improved turnaround time ensuring that the transporters can carry out their business with a smaller fleet. Once the system for generating e-Way bills is implemented by all states, and the system for generating e-Way bills stabilizes, the savings due to reduction in travel and turnaround time would be higher.

As a consequence of faster movement of goods across the country, in the near future, companies would need to carry smaller levels of inventory to support the same level of sales. This would reduce the inventory carrying costs and working capital requirements leading to significant financial savings. The reduced inventory levels would also reduce the overall warehousing space required. Companies are now consolidating into larger warehouses to get benefits of economies of scale. Some of their earlier smaller warehouses are now becoming redundant. Going forward the companies would take up larger spaces and reduce their total number of warehouses which they use currently; this coupled with



lower inventory level requirements would lead to significant savings in real estate cost. The biggest advantage which supply chain experts attribute to the implementation of GST is the reduction in inventory. The savings due to reduction in overall inventory levels is expected to far exceed savings in real estate costs on account of consolidation of warehouses.

Today logistics cost in India accounts for 13-17 percent of the Gross Domestic Product (GDP) which is nearly double (6-9 percent) the logistics cost to GDP ratio in developed countries such as the US, Hong Kong and France.

Infrastructure Status to Warehousing and Logistics

100 percent foreign direct investment (FDI) in the storage and warehousing sector under the automatic route has been permitted since several years. In addition to this, the government has recently announced infrastructure status to the logistics industry. This decision will enable companies in the logistics and warehousing sector to access funds at lower cost, longer tenure and enhanced limits. Companies would now be accounting for lesser cash outflows due to debt and interest repayments in the initial years unlike earlier, as the debt financing can be taken with longer repayment tenure. It would also enable them to

raise larger amounts of funds as external commercial borrowings (ECB), borrow longer tenure funds from insurance companies, pension funds, sovereign funds and also make them eligible to borrow from the India Infrastructure Financing Co. Ltd (IIFCL). Moreover, even the banks would be able to lend to this sector with lower provisioning requirements than earlier.

The approval process also gets simplified. The Government of India has set out certain conditions that need to be met for a project to be classified under infrastructure status. The government has defined “logistics infrastructure” to include a multimodal logistics park comprising an Inland Container Depot (ICD) with a minimum investment of ₹50 crore and minimum area of 10 acres, cold chain facility with a minimum investment of ₹15 crore and minimum

5x **N^o1**
 RECEIPT
MOBILE
PRINTER
 MANUFACTURER



EXPLORE
mPOS
 PRINTING
 SOLUTIONS



No.1



Fast



Flexible



Friendly

Explore · Dream · Discover **Mobile & mPOS Solutions**

Mobile Printer		Receipt Printer				Label Printer		
SPP-A200	SPP-L310	SRP-S300	SRP-383	BK3-31	SRP-F310II	SLP-TX400	SLP-TX420	SLP-TX220
SPP-L3000	SPP-R200III	SRP-350plusIII	SRP-QE300	SRP-330II	SRP-275III	SLP-DX420	SLP-DX220	XT5-40

BIXOLON India Office
 99 & 100, Prestige Tower, Residency Road, Bangalore 560025, Karnataka INDIA
Phone: +91 9886569255 **Email:** anton.jebadurai@bixolon.com

BIXOLON[®]
www.Bixolon.com

area of 20,000 sq ft and/or a warehousing facility with a minimum investment of ₹25 crore and minimum area of 100,000 sq ft. Institutional players will not invest in unorganised and small warehouses; they generally invest or set up large warehouses and huge logistics parks.

Currently, the new facilities that are being built by institutional players are generally of large sizes, bigger than the minimum requirements as specified above and hence, they would stand to benefit from the infrastructure status.

Outlook

The warehousing industry in India is largely unorganised and there are very few opportunities to buy assets from the organised segment, as such players are few in number. However, compared to other real estate assets, warehousing assets can be built in a relatively shorter time span. Hence, the risks in greenfield investments are lower. With infrastructure status, the approval and funding risk for greenfield investments have reduced further. Earlier, due to the unorganised nature of the industry the equity IRR for a development project was low. Now with all the policy reforms that are being undertaken there is a paradigm shift in the industry structure where it is becoming favourable for organised players.

On account of this structural transformation, the attractiveness of taking up a warehouse development project is evident. Our assessment, reflected in the Equity IRR of a warehouse development project, indicates how

warehousing as an asset class is becoming lucrative avenue in the spectrum of commercial real estate development. Limited warehouse supply from the organised segment, amidst the increasing demand brought by reforms in the sector has translated into heightened investor interest in the available warehouse stock. While the trend, currently, is a mix of brownfield and greenfield projects, the shrinking opportunities would make greenfield investment the only way to participate in the asset play that the sector will have on offer.

This tax replaced a plethora of central level taxes (i.e. excise duty, countervailing duty and service tax) and state level taxes (Value-Added Tax, Octroi and entry tax, local body tax, luxury tax, etc.), which meant that the same product was sold at different prices in different states.

Meanwhile in light of the slump in the Indian residential market over the past few years and the track record of poor returns; investors preferred to invest in rent-yielding commercial assets. With increased investor activity in the commercial segment and the acute shortage in supply of good quality of office space, the cap rates are declining and inching below 8 percent from the

9–10 percent range witnessed a few years ago. The risk-reward ratio would start becoming unfavourable as the cap rates start to decline further below 7–7.5 percent. As a result, there has been a considerable shift in investors' focus towards the warehousing sector. The warehousing assets are offering a higher cap rate around 150–200 bps greater compared to what commercial assets are currently offering.

Demand for large warehousing spaces is likely to see steady increase as occupiers now to move out of their smaller warehouses and consolidate their activities in larger facilities, which are presently in short supply compared to the demand. This demand-supply gap is visible in the current premium commanded by organised players owning these assets. For example, in the Bhiwandi warehousing cluster, the rents for unorganised spaces are as low as ₹ 9 per sq. ft., whereas organised players are commanding rents in the range of ₹ 14–17 per sq. ft. in the same region. As more



and more companies streamline their logistics networks, it would be observed that unorganised players or smaller organised players would consolidate or sell their assets to larger ones.

The industry is expected to witness a structural shift over the next 3–5 years. The warehousing aspect in the logistics supply chain globally is going through a transformation. From being a mere storage space provider for goods, the segment is offering an array of value added services such as packaging, small scale manufacturing, cross docking, automation, algorithm based demand forecasting and distribution centres. This transition would only happen if economies





PIN DOWN THE FUN


Hyderabad | Bengaluru | Mysuru
Chennai* | Kurnool* | Hubli*

 WWW.BUSTERS.FUN

 INFO@BUSTERS.FUN

 +91 9666 080 220

 [/BUSTERS.FUN](https://www.facebook.com/BUSTERS.FUN)

 [/BUSTERS_BOWLING_GAMING](https://www.instagram.com/BUSTERS_BOWLING_GAMING)

*Upcoming Centers

of scale come into play and companies are able to consolidate their spaces and move into larger warehouses. The Indian warehousing industry which was lagging behind its global counterparts due to its fragmented structure would now enter the same league.

International Benchmarking

In the present era of globalisation, customer satisfaction is the norm. The booming e-commerce sector has made the act of sale and purchase very easy and quick. But this comfort to sellers and consumers comes at the cost of logistics providers. Supply chain processes are under immense pressure to efficiently and effectively meet this growing demand within a stipulated time and cost. If the right product does not reach the right customer within the prescribed time then the company loses not just business but also reputation. As a result, warehouse floors are always under high stress. In such a situation, it is better to adapt and adopt. Best practices in supply chain design and management from across the globe should be adapted with modifications suitable to Indian needs. This chapter covers a few such notable global trends that can serve as a benchmark for the Indian Logistics and Warehousing industry.

Global Trends in Logistics

There are three major logistics trends globally:

1. FUNCTIONAL

Super Grid: 3PLs and 4PLs are already a norm in the developed markets and they are now moving towards supergrid logistics. The idea is to arrange global supply chain networks in a gridlike structure such that different components of logistics are integrated. Such a logistics supergrid will span across borders, sectors, companies and services by assimilating multiple supply chains, smoothly and flexibly. Cloud computing can enable the creation and operation of such supergrid. eg: Amazon

Share Economy: The industry trend of sharing assets instead of owning them is now finding ground in the logistics sector, especially after the success of start-ups like Airbnb. Everything from warehouses to trucks to electronic enablers can be shared between two or more entities. Such sharing is highly cost effective as it saves considerable expenditure on ownership of resources and assets. Smooth and hassle-free sharing of logistics activities and resources is enabled by peer-to-peer sharing platforms. eg: PepsiCo and Nestle

Omnichannel: Customer demand has in recent times diversified into

anytime, anywhere, and from any device categories. This has consequently led to the integration of online and retail i.e. offline business channels. Omni-channel logistics is nothing but the coming together of physical shopping and virtual shopping experiences for a customer. The end expectation of a customer is to have a well-informed, hassle-free, to-their-doorstep shopping experience. eg: IKEA



Temperature-controlled: Products like fresh agricultural produce, frozen foods, photographic films, chemicals and pharmaceuticals are sensitive to temperature change either due to a smaller shelf-life or due to their sensitive chemical composition. To avoid damage to such products it is necessary to maintain a fixed temperature range round the clock. Cold chain logistics does that. Temperature-controlled environments are created end-to-end, right from transportation to storage to delivery. This protects the products from any damage and keeps them fresh and intact till the last mile. eg. –Die Bauerntute

Relay Trucking: An established practice in developed markets, relay trucking facilitates optimisation by round-the-clock movement of freight trucks. Furthermore, it is driver-friendly from the employee's perspective and cost-friendly from the company's perspective. The model works as follows – a driver sets out with a designated truck load on a particular route. At the same time, another driver sets out with a different truck load on the same route from the opposite direction. They meet en-route





and exchange trucks and then drive back to their respective origin destinations carrying freight designated for that location. As a result, the truck keeps moving to its destination without a halt and the drivers don't over-work or stay away from their hometowns. This helps increase time and cost efficiency. eg: Rivigo

2. TECHNOLOGICAL

Smart Warehousing: Like smartphones, smart warehouses are the ones that effectively perform multiple functions simultaneously with the help of technology. They are also referred to as intelligent warehouses or warehouses that think. In a smart warehouse, all gadgets and devices are fitted with sensors and are connected to each other via the Internet. This connectivity gives the gadgets the ability to coordinate their processes thereby enabling seamless operations. Internet of Things, Cloud Computing, Big Data Analytics, Robotics and Automation together enable the concept of a Smart Warehouse. They are all necessary elements of a larger integrated ecosystem.

3D Printing: Also known as additive manufacturing, 3D printing is a process of making three-dimensional objects from a digital file. This technology is seeing massive use in the biomedical, aviation and automobile sectors. For instance, it can be used to print vehicle spare parts in areas where there are no service centres or dealer outlets. Though 3D printing cannot replace conventional manufacturing processes, it can definitely facilitate faster production of in-demand goods. Logistics sector can benefit

Hyperlocal: The hyperlocal concept is a good enabler of the 'on-demand delivery' business model. It makes use of the existing local retail network to meet the demands of consumers. Logistics players team up with local retailers such that their inventories are integrated with the online platforms. When products from the inventory are ordered local retailers fulfil this demand on behalf of the logistics company. This also ensures faster delivery. eg. – Amazon Prime Now

Anticipatory Shipping: Anticipatory shipping is dispatching of product/s to a particular cluster based on the anticipation of its demand. This anticipation is made with the help of big data-based predictive algorithms that are built on previous demand patterns. Such analysis helps logistics providers predict demand even before an order for

from this technology as they can save on the cost and time of manufacturing and procurement. For instance, the batch size 1 trend (discussed above) is made possible because of the mass manufacturing facilitated by 3D printing. eg. – Fly from Amazon

Augmented Reality: Augmented reality is real time integration of digital information with the existing environment. This technology makes use of worker's environment and integrates it with virtual information to enhance what is seen, felt or smelt. Vision picking is the most popular application of this concept. Augmented reality smart glasses facilitate faster, hands-free operation of warehousing tasks like picking, sorting,



the product is placed. eg: Amazon

Multi-purpose Networks: Making use of existing networks and public transport infrastructure to transfer, store and deliver goods is an idea that is slowly gaining popularity. Instead of having sector-specific logistics chains or dedicated infrastructure, companies now look to integrate their supply networks with those of others or with the public infrastructure. This helps save cost, increases capacity utilisation, increases mobility and flexibility in deliveries, and thus enhances customer satisfaction. Such multi-purpose usage is more beneficial for sectors that require specific transport and storage conditions like the cold storage goods – a single cold storage network can be utilised for frozen foods as well as pharmaceuticals. This helps reduce the cost of specificity. eg. – Postbus



and assembly. In the US and Europe, smart glasses are being increasingly used in warehousing operations. eg. – DHL.

Big Data: A massive amount of data is generated in logistics at every level and every minute and this data is huge, diverse, unstructured and high in frequency. All of it can be and needs to be put to use in order to avoid losses and wastages. However, two major obstacles in this process are the unstructured nature of data and its extensively high frequency. As a result, real time analysis becomes a challenge. That is why the need for big data analytics. This technology consumes large amounts

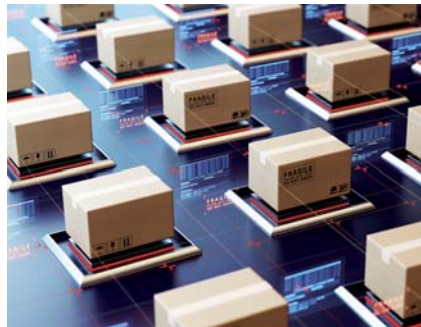
of data and helps analyse it real-time. It also helps discern or identify patterns, if any. In India, big data is quickly gaining popularity in the logistics sector. Companies like Wipro have developed business intelligence tools such as Insta Intelligence that automate logistics processes.

Robotics: New and advanced robotics can help boost productivity of logistics operations. These robots are equipped with high-resolution cameras, pressure sensors and self-learning capabilities that can be used for assistance to and collaboration with manual labour. For instance, in warehouses, these robots can be programmed to perform tasks like picking, packing and sorting or assist in loading and unloading of goods. In developed markets like the US and Europe, they are also used for last-mile delivery activities. Eg. – Sawyer.

Cloud Logistics: Logistics goes hand-in-hand with extensive datasets. Recording every minute detail from the start to the end is absolutely essential for monitoring and supervising the supply chain. But documenting every record for every good is extremely tedious, time and space consuming, and highly prone to errors. Use of cloud computing technology is the best solution. Cloud logistics facilitates the creation of a limitless virtual space to save and share data. It also facilitates quick and real-time access to information from across the world. Ensuring adequate safety of

sensitive data is the only challenge of cloud computing and even that is taken care of with advanced technological features.

Digital Supply Chain: It is the digitisation of production and distribution processes, viz. procurement, manufacturing and logistics. Using Internet, a single digital interface is built to connect and integrate these functions. This helps analyse extensive information real-time to better coordinate the supply chain making it more agile.



Internet Of Things: A system that connects and integrates electronic devices via Internet such that they can send and receive data from each other is Internet of Things (IoT). In supply chain management and warehousing, numerous devices function individually carrying out their respective operations. If these devices communicate and coordinate their activities then all processes can be executed smoothly

and seamlessly resulting in increased time efficiency. Furthermore, massive data generated by these devices can be analysed real-time to reduce losses and inefficiencies, if any. Such a sync of devices is made possible through IoT. In India, IoT has been introduced to support online payment gateways and in sectors like telecommunication and power. The logistics sector is still to witness the IoT revolution.

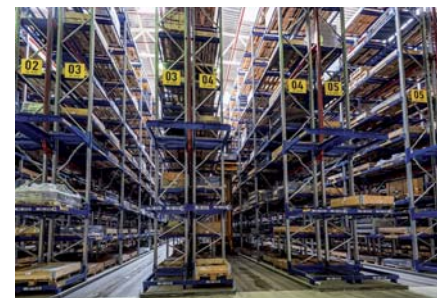
Self Driving Vehicles: Self-driving vehicles are more flexible and more autonomous than automated forklifts and driverless trucks. These are fully driverless and make use of integrated sensors to navigate unlike other unmanned trucks that require magnetic or inductive strips. They can be used in indoor as well as outdoor logistics operations – from pallet movers in warehouses to last-mile delivery solutions.

Drones Or Unmanned Aerial Vehicles: Express deliveries and deliveries in remote areas can be executed very efficiently with the use of unmanned aerial vehicles (UAVs) or drones. These are only meant to reduce the delivery time and/or help access difficult terrains. They are not meant to replace or phase out the ground-based transportation and delivery systems. In rural regions, they can be used to access the remote and inaccessible terrains. In urban areas, they can be used for faster first and last mile delivery in areas of high congestion.

3. WAREHOUSING

Temperature-Controlled: Also known as cold-chain warehousing, these are warehouses equipped with temperature-controlled environments required for the storage of cool cargo products. Products like fresh agricultural produce, frozen foods, photographic films, chemicals and pharmaceuticals are sensitive to temperature change either due to a smaller shelf-life or due to their sensitive chemical composition. To avoid damage to such products it is necessary to maintain a fixed temperature range round the clock. This has led to the need of cold-chain

warehouses. Such warehouses are equipped with temperature-control systems. Systems with a temperature range of 2°C–8°C and 15°C–25°C are common in pharmaceutical industries. (Source: Industry interactions) Along with temperature, these temperature-control systems also need to maintain other product specifics and parameters like air quality levels (carbon dioxide, oxygen, humidity and others). Furthermore, such systems need to be supplemented with efficient and 24-hour monitoring equipments to ensure smooth functioning. Thus, cold chain



warehouses have specific and advanced warehouse management systems that make use of technological tools like big data analytics for real time monitoring.

Multi-Storey: Multi-storey warehouses started coming up as a solution in land-constrained countries to increase the usable floor space per square foot of land. It is gradually gaining momentum in

other countries as well. Such warehouses need sound architectural design as well as technological planning so that all supply chain processes can be carried out on all floors without any hindrance. Multi-

storey warehouses have been common in the Asian cities of Tokyo, Singapore and Hong Kong. Land is a limited resource here and therefore the need to maximise utilisation of the available space.

Where Does India Stand?

The Indian logistics industry has grown leaps and bounds in the last 8-10 years. The global practise of 3PLs (third party logistics) and 4PLs (fourth party logistics) has gained considerable popularity in the country. Enormous growth in the e-commerce segment is fueling development in logistics and warehousing sector further. However, India still has a wide gap to cover in terms of increase in efficiency and effectiveness of supply chain processes. Adapting and adopting international best practices is one way to bridge this gap. Policies like Goods and Services Tax (GST) are welcome measures that are expected to supplement this process of growth. However, India still has a long way to go before it reaches the standards of its global compatriots and this can only be achieved with active and coordinated participation from government and private players.

The warehousing market in India is highly fragmented as majority of the warehouses measure less than 10,000 square feet. Further, almost 90 percent of the warehousing space is controlled by unorganised players and comprises small-size warehouses with limited mechanisation. The present warehousing market in India can be categorised into three – lower stratum, middle stratum and higher stratum. The lower stratum is just godowns of the past converted into warehouses. These are old buildings, mostly Reinforced Cement Concrete (RCC) structures and their only utility is storage. The middle stratum warehouses comprise similar structures as in the lower stratum, but these are built with pre-engineered slabs and are known as pre-engineered building (PEB) structures. Their planning and functioning is very




basic, like that of the lower strata, but their buildings are in a comparatively better condition. Higher stratum warehouses are the modern and massive structures that perform a lot of supply chain functions along with storage.

Another practise in Indian warehousing market is the lack of attention to warehouse designing. This ignorance stems from lack of awareness and/ or lack of willingness on the part of landowners and developers to cater to the requirements of end users. Most warehouses are built keeping in mind the developer's perspective and not that of the end user. Hence, the focus is to save cost which results in the construction of a very basic structure for a warehouse. Such warehouses do not adhere to market standards and therefore, end users are frequently plagued with issues like lack of basic amenities and sub-standard infrastructure with lower longevity. This approach needs to change.

India's freight modal mix is highly skewed towards roads with 60 percent of the total freight movement in the country happening by road. This is mainly because of the poor railway and waterway

infrastructure. Earlier, maximum freight movement used to happen via the railway network. However, lack of last-mile connectivity and technical inefficiencies in operations gradually reduced the reliance on railway freight movement. Waterways, on the other hand, were never a focus of policy development and hence could not be exploited for freight movement. Consequently, more than 50 percent of the long-haul freight movement takes place by road.

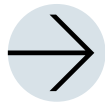
Two issues arise owing to the heavy dependence on roadways for logistics. First, for long-haul freight routes, road is approximately 25-30 percent costlier than railway. Accordingly, the overall freight transport cost in India is higher than the global standards. Second, even the road infrastructure of the country is wrought with problems like single-lane access in some areas, poor traffic management, bad quality roads and delays due to factors such as toll and octroi. As a result of these inefficiencies, truck drivers work for lesser hours, truck travel distance per day is severely curtailed and all of these cumulatively increase the freight transportation time. 

REPORT AUTHORS: Dr. Samantak Das, Chief Economist and National Director- Research; Vivek Rathi, Vice President- Research; Yashwin Bangera, Assistant Vice President- Research; Divya Grover, Assistant Vice President- Research; Nibodh Shetty, Consultant – Research; Pradnya Nerkar and Shanmukh Singh (Knight Frank India).

HOLISOL LOGISTICS: A TECH ENABLED END-TO-END SUPPLY CHAIN SOLUTION PROVIDER

Founded in 2009, Holisol aims to provide holistic logistics solutions with knowledge and innovation at the core. With +200 years of combined experience by working for some of the best supply chain companies in the space, Holisol brings domain expertise which can create a competitive advantage for the customers.

By Sandeep Kumar



With years of experience in the industry, the brand realised that there was a need for an organisation that understands customer's business and 'designs solutions' which fit their requirements, takes responsibility to implement them and then manages them on a day-to-day basis while improving on them continuously.

"The biggest value add has been to let our customers focus on sourcing and selling, leaving all else in-between to us. With our experience, expertise, network and technology, we offer our customers multi-location choice to keep inventory closer to the market, provide seamless operations and complete visibility of their products.

Holisol in partnership with Cogneau Systems has also developed an AI-powered supply chain analytics application VERDIS (Virtual Data Scientist™), which not only gives end-to-end visibility of the supply chain but also generates descriptive,



↑ Rahul S Dogar, Managing Director, Holisol Logistics Pvt. Ltd.

diagnostic and predictive insights for discovering opportunities in the business. Verdis, an exclusive product of Holisol has the capabilities to help organisations balance between the twin challenges of responsiveness and efficiency by bringing in higher visibility, predictability and control over their key performance parameters. This is a game-changing product for the companies looking to transform their supply chains," says **Rahul S Dogar, Managing Director, Holisol Logistics Pvt. Ltd.**

Services Offered

Holisol is a technology-enabled, end-to-end supply chain solutions provider. The services offered include:

- > **Multichannel fulfilment** including first mile, warehousing and last mile fulfilment, reverse pick-up through their network, strategically located pan India to enable faster fulfilment.
- > **Technology and Consulting solutions** to the customers who continue to manage logistics on their own but need assistance with processes and technology.
- > **Integrated & sustainable packaging solutions** for the automotive, auto-components, agriculture and engineering segment

Specialisation

Holisol is very much focussed on Fashion & Lifestyle, Direct Selling & Automotive verticals, servicing some of the best brands in the country. "With the capability to manage the complexity of multi-channel processes under the single roof, we provide a winning proposition to our fashion and lifestyle customers. With our network of 25 Fulfilment Centres, +45 state-of-art Pick-up-Centres and 29 Delivery Centres present in 68 cities we offer access to 70 percent of the consumption market to our customers," says Dogar.

Innovation

One of the core values of Holisol is knowledge and innovation. The brand has been building new solutions to enable customers' success through process engineering and technology innovations. Holisol builds themes such as multi-channel-location fulfilment, on-demand fulfilment, paper-less pick and pack, responsive analytics and digitalisation. These are driven to improve customers' sales throughput making a significant impact on their growth through supply chain innovations. The next big initiative is to assist the customers to become 'Omnichannel ready'.



Supply Chain Management & Technology

“Technology adoption has become imperative for the customer to be able to manage the supply chain complexities arising out of new trends in the market. With Omnichannels available to consumers, SKU proliferation and multiple sourcing options, product pipeline visibility and ability to respond to the changing market conditions becomes impossible without the use of technology in the supply chain. The companies in India have recognised this need and are now quickly adapting to the technology for managing front-end and back end complexities. The competitive edge of the future will come from the use of technology whether on the demand side or supply side, and this sight is not lost from many companies working on building sustainable business models in retail whether online or offline or hybrid,” explains Dogar.

“Right from multichannel WMS, TMS, DMS and Holiscope which track last mile delivery, Holisol enables the complete visibility and end-to-end management of customers’ supply chain. All the products operate on a standalone basis; integrate with each other or with customers’ ERP or any other systems for a seamless experience across the supply chain. These products become exponentially useful with AI powered analytics system, which can integrate with all these and all of the customers’

system to provide end-to-end visibility, opportunity insights and alert-based actions to make the supply chain more effective and responsive,” he added further.

Omnichannel Retail & Supply Chain Management

Customers today are not only looking for the perfect product that suits their need, but they are also demanding a seamless affair in getting that product which is a huge challenge for the retailers.

“The logistics industry needs to align their preparation with the evolving buying concepts in retail such as buy-online-pickup-in-store (BOPS) and buy-in-store-ship-direct (BSSD). Speed, quality of service and ease of purchase will drive the loyalty of the customer and this can be enabled by creating/optimising the existing network combined with technology. As the customers become ready to go Omnichannel, the demands on a logistics service provider will grow to create a logistics support system which can support customers’ agenda. The future of logistics companies depends on their thoughts and preparations on being Omnichannel ready,” says Dogar.

What India Lacks Effective Supply Chain Management & Logistics

The challenge in India is that logistics has developed over the years in silos. Most of the customers and logistics

companies have had a component view of supply chain and logistics management. Hence one integrated view to optimise the whole supply chain has been lacking.

“Supply chain is a balance of cost and service, and the success of it lies in being able to find the right balance. The balance can only be attained by building a holistic view of the supply chain. and driving it through that view. The component view might have saved costs by having driven sub-optimal results overall. This needs to change for the entire eco-system,” says Dogar.

Online and Offline Retail Formats Comparison

It is true that online players have been more receptive and adaptive to technology in supply chain management. It is driven by the nature of online retail which demands very high speed and accuracy in their back-end operations. Offline retail, on the other hand, works traditionally with more relaxations built into their operations and expectations on supply chain performance.

“However, that has changed ever since online retail came into being. Facing intense competition and challenge from their online peers, offline retailers began to change and started adopting the same practices as online players. Their whole approach towards the use of technology has changed and they are fast adapting to the new ways of doing things,” concludes Dogar.

“Tech enabled end-to-end supply chain logistics solutions for your business”



Changing the Supply Chain Landscape of the Nation Building a Stellar India!

Stellar aims to catapult India into the top five of the **Global Logistics Performance Index** and unlock value for the Indian economy.

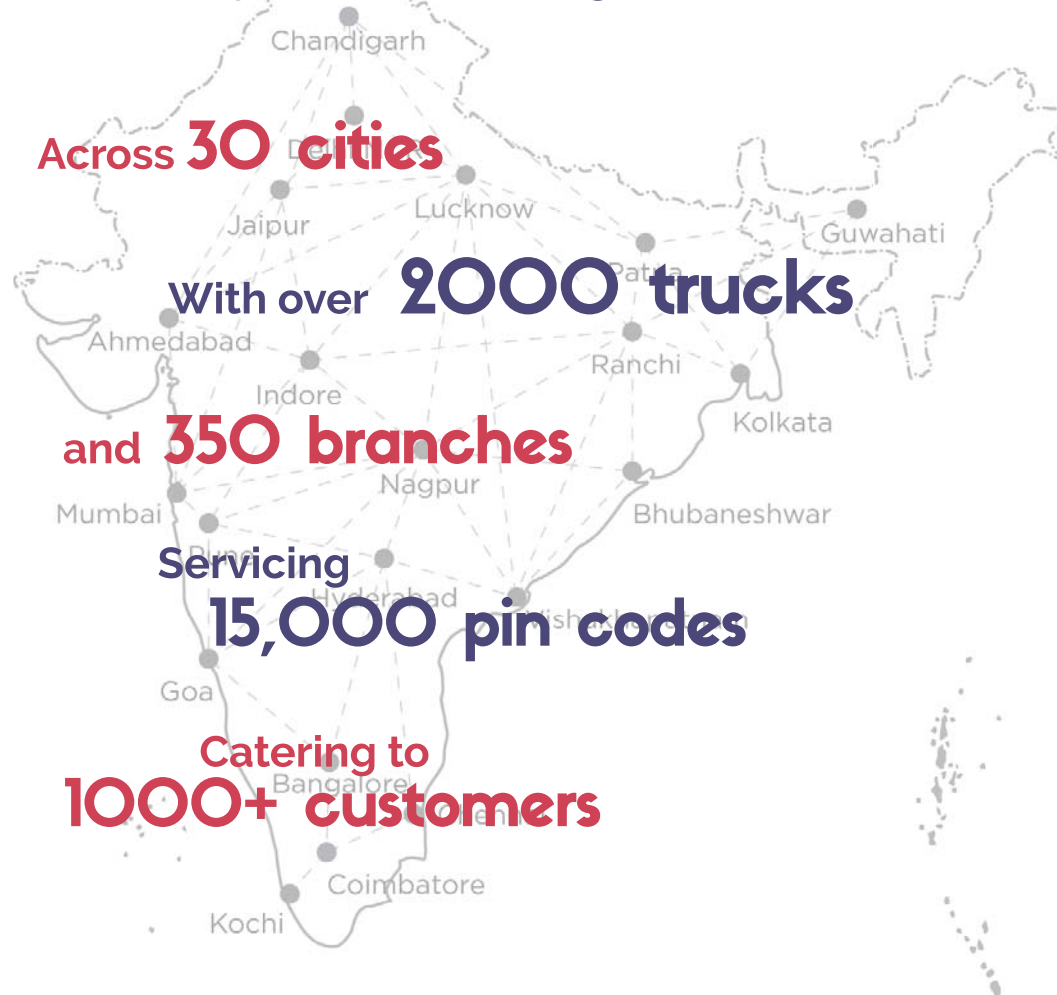


We are bringing about **Value Chain Transformation** by creating
50 mn. sq. ft. of modern ambient and temperature-controlled warehousing
50,000 trucks running across major formats of Express, LTL, in city and temperature-
controlled transportation
4 lakh cold chain pallet positions
Best global **technology and automation** practices

OUR MAJOR ACQUISITIONS



10mn sq ft of total logistics area
(5mn sq ft of warehousing area)



Stellar Value Chain Solutions Pvt. Ltd.
Gandhi Mansion, 20 Altamount Road,
Mumbai, Maharashtra 400026

Tel: +91 22 23517421
connect@stellarvaluechain.com
Visit: www.stellarvaluechain.com



Disclaimer: Government of India, Copyright, 2019. The responsibility for the correctness of internal details rests with the publisher. The territorial waters of India extend into the sea to a distance of twelve nautical miles measured from the appropriate baseline. The external boundaries and coastlines of India agree with the Record/Master Copy certified by Survey of India. The spellings of names in this map have been taken from various sources.



Digitalisation: Helping Companies Transform Their Logistics & Supply Chain Models

As per CARE ratings, India's logistics industry is projected to be worth \$215 billion by 2020-21, recording a 10 percent compounded annual growth rate (CAGR) over its approximate size of \$160 billion in 2016-17. In India, the logistics industry continues to grow and prosper, and the credit of this improvement goes to retail, e-commerce, manufacturing and various other sectors...

By Sandeep Kumar

Logistics and Supply chain (L&SC) is often regarded as the main constituent of a country's economy. It is one of the most cost-effective resources on which the wheels of the company/retailers and brand runs. Efficient supply chain management has a cascading impact on all aspects of retail – from sourcing of raw materials based on demand forecast and then speeding up the production to getting the product to the store and finally to the consumer, everything depends on the L&SC.

As per CARE ratings, India's logistics industry is projected to be worth \$215 billion by 2020-21, recording a 10 percent compounded annual growth rate (CAGR) over its approximate size of \$160 billion in 2016-17. In India, the logistics industry continues to grow and prosper, and the credit of this improvement goes to retail, e-commerce, manufacturing and various other sectors.

The rise in e-commerce consumption, as well as domestic logistics, has also contributed and added more improvement and advancement in the Indian logistics market 2019. As per the report, the industry's growth will be fuelled by the strides in manufacturing, retail, fast-moving consumer goods and e-commerce sectors. Development of logistics related infrastructure, like dedicated freight corridors, logistics parks, free trade warehousing zones and container freight stations, are expected to improve efficiency.

Efficient supply chain management has a cascading impact on all aspects of retail – from sourcing of raw materials based on demand forecast and then speeding up the production to getting the product to the store and finally to the consumer, everything depends on the supply chain. Experts unanimously agree that besides infrastructure and complications in taxation, it is the efficiency of manpower and adoption of technology that gives a huge boost to supply chain management. However, it still remains to be seen whether the Indian Retail Industry has actively invested in the smooth running of its backend supply and logistics.

“The logistics industry in India is set to become more forward-looking, and as per the Economic Survey 2017-18, is expected to reach \$215 billion in 2020, growing at a compound annual growth rate (CAGR)

of 10.5 percent. A considerable degree of consolidation is in the offing, with larger warehouses, and more organised setup. Fuelled by innovation and digitization, the Indian logistics industry

will encourage functional excellence with integration and collaboration to a large extent. The digital age will be so intertwined with the logistics industry, it will be difficult to separate the two, I feel,” says **Rubal Jain, Managing Director, Safexpress.**

Transportation has always remained the dominant factor in this segment. With around 80-85 percent share in the value terms currently, the percentage is set to remain high in the coming years. The remaining percentage is the storage factor. Together, these two components make L&SC, one of the most employment-intensive segments, absorbing more than 20 million people.

Indian Logistics Industry

At present, the Indian logistics industry is highly fragmented and unorganised owing to the presence of numerous unorganised players in the industry, with the organised players accounting for approximately 10 percent of the total market share. With the consumer base of

Manpower A Key Issue Faced by the Logistics Industry

- The logistics industry is undergoing a high attrition rate. As a result, there is a huge increase in the hiring cost of manpower. Also, it is facing competition in the context of human capital acquisition from retail industry (malls and supermarkets).
- Women to men ratio is very less in the industry. Very few women are interested in taking up employment in the logistics industry, creating a huge gender gap.
- Improper Recruitment is leading to unskilled people being hired on a larger scale in name of cheap labour.
- The unskilled labour force is at an all-time high. There are very few proper training institutes for improving the operational skills of the labour force aspiring to make a career in logistics. Due to the lack of knowledge about this sector labour is unwilling to travel or relocate in search of employment. The industry has failed to attract new talent.
- Warehouses are located far away from the city due to the high 'Octroi Tax'. The sector is dominated by small players with small capabilities and poor deployment of handling, stacking and monitoring technologies.
- Erratic power supply has caused low dependence on technology and more on manual handling, and badly trained manpower in all categories adds further strain to the industry.
- Warehouse managers are usually not familiar with warehousing formats, modern equipment with IT systems, industry specific stocking and handling practices, and practices around safety and security of stock. It is a very disorganised process and witnesses lots of mishandling complains.



the sector encompassing a wide range of industries, including retail, automobile, telecom, pharmaceuticals and heavy industries, the logistics industry has been increasingly attracting investments in the last decade. Further, the logistics industry faces challenges such as under-developed material handling infrastructure, fragmented warehousing, multiple regulatory and policy-making bodies, lack of seamless movement of goods across modes, and minimal integrated IT infrastructure.

In order to develop this sector, focus on new technology, improved investment, skilling, removing bottlenecks, improving inter-modal transportation, automation, a single-window system for giving clearances, and simplifying processes would be required.

in taxation and costing are one of the biggest hurdles gripping the industry besides infrastructure. Where Goods and Services (GST) has been introduced to simplify the taxation woes to an extent. The other initiatives, which are also contributing a lot in reducing the costing and improving the infrastructure of and increasing the GDP include:

- Implementation of GST
- Investments in road infrastructure
- Development of inland waterways and coastal shipping
- Dedicated freight corridors

“With the logistics sector getting an ‘infrastructure’ status, the rolling out of GST, and technological advancements, the logistics industry today is set to make a quantum leaps into the future. A few years later, I feel we won’t even recognise

LOW SKILL SETS

Acute Skill Shortage Perceived at Three Levels:

MANAGEMENT:

Leadership and management are necessary components of any organization. Managers can produce better productivity and growth prospects by combining leadership skills with management traits. But the line between leader and manager is poorly defined. The current logistics sector is fragmented and needs to be integrated for better efficiency and functionality. The lack of leadership makes the system inefficient and results in a lack of motivation for employees. A manager should be given responsibilities where he can show his leadership qualities.

SUPERVISORY:

Poor HR policies are a major concern in logistics sector. Most of the recruitment is for entry-level work only, where employees have no job security. Moreover, for the welfare of these employees, there are no labour management, managers who talk to them to discuss their problems and work for their welfare and improvement in the quality of their work. The reason is that management does not consider labour as their key resource. So, there is no proper development in the area of labour personnel.

OPERATIONAL:

A clear hierarchy level or a career growth path is blurred in most companies, therefore staff and labour are not self-motivated. Proper marketing and awareness is needed to attract the right kind of workforce. Organising the sector is very important. Growth potential should be highlighted in seminars, award functions and through company or project specific videos.



Costs, GST & Logistics

Logistics costs have a significant bearing on exports. It is estimated that slashing logistics costs by 10 percent could widen exports by five to eight percent. Steep logistics costs –

13-14 percent of India’s GDP– vis-a-vis other nations have always been a worrisome issue. The figure is higher compared to 10-11 percent for BRIC countries and eight to nine percent for developing nations. USA spends around 9.5 percent of the GDP on logistics. Higher logistics costs in India could be ascribed to the lack of efficient inter-modal and multi-modal traditional systems, the ratings agency said in its report.

However, the logistics costs as a share of the GDP is expected to decline, and certain initiatives have played huge role in creating this paradigm. Complications

the Indian logistics industry as it was – ignored, unorganised, with small players trying to minimise their operating costs and having to deal with daily firefighting,” says Jain.

As explained earlier, at present the Indian logistics industry is highly fragmented and unorganised. Owing to the presence of numerous unorganised players in the industry, it remains fragmented, with the organised players accounting for approximately 10 percent of the total market share. However, with the consumer base of the sector encompassing a wide range of industries, including retail, automobile, telecom, pharmaceuticals and heavy industries, the logistics industry has been increasingly attracting investments in the last decade.

Nonetheless, there are many



REDUCE YOUR INVENTORY COSTS

Call the Logistics Experts

Lead The GST Revolution

GST gives you the opportunity to reduce your inventory costs significantly. Rather than keeping huge inventories in multiple regional warehouses, keep consolidated inventories at one central warehouse. Now is the time to call Safexpress, the Logistics Experts. Safexpress has India's largest Logistics Network, covering **all 28,068 Pincodes** of India.



Call: 1800 113 113

info@safexpress.com

www.safexpress.com

Distribution Redefined

challenges to be addressed including, but not limited to, under-developed material handling infrastructure, fragmented warehousing, multiple regulatory and policy-making bodies, lack of seamless movement of goods across modes, and minimal integrated IT infrastructure. In order to develop this sector, focus on new technology, improved investment,



skilling, removing bottlenecks, improving intermodal transportation, automation, a single-window system for giving clearances, and simplifying processes would be required.

Challenges

The last mile delivery for products – be it then in retail or food products – to different urban and rural areas remains a key challenge. In Tier II & III towns and suburbs, transportation is a misery. Some of the big players have started delivery by air shipment to ensure products reach on time and are fresh to consume for their buyers. Some of the other key bottlenecks include:

Instability in Supply & Demand:

There is no limitation and restraint to the demand of the consumers and to sustain in the business, retailers have to meet them at any cost. So, to fulfil these demands, companies spend a lot in proper planning to cover up the risk management involved.

Pressure to Deliver: Pressure to deliver is a continuous process and requires efficiency focus to deal with it every time.

Talent Availability & Gap in Skill Set:

This is another major setback of the supply chain industry. There is a scarcity of talented and skilled labour in



this segment. Labour will be abundant, but right skilled labour is hard to come by. Creating a selective automation, capability development and better work environment also remains a tasks.

Right Pricing: Having the right pricing strategy and tools is another factor to consider. It is a well-known fact that 50 percent of promotions don't generate the necessary ROI. Retailers need a pricing tool which not only helps them automate decision making across the enterprise but also provides important metrics like halo and cannibalisation to compete effectively.

“The last five years have witnessed significant shifts in the way customers and businesses have evolved. Now the customer is highly demanding, and needs have evolved which has proportionally leveraged the value of his money spent. Companies, meanwhile, have started working across all the verticals. With sales being the primary driver, customer sales, demand, likes and dislikes were being recorded for building the right

product, but Supply Chain Management has been struggling for capturing the accurate information that would help to improve demand forecast, decrease sales variability to eventually improve the service levels. The distribution system was in naïve state, as it focussed on primary stock movement from factories to distribution centres- which was the bulk cost involved, but least focussed on optimal load movements, moving production units closer to demand, stressing on last mile connectivity and the most ignored was customer service level improvement. There was lack of proper infrastructure in terms of logistics (multi-modal transport) and good quality storage spaces. The frozen industry has still miles to cover with the current refer trucks infrastructure, which is just ~15 percent of our actual requirement (9000 no.s against 62000 Reqn). (source: NCCD 2015 –All India Cold-chain Infrastructure Capacity Assessment of Status & Gap). There had been dearth of mature third-party logistics/3PLs who can help leverage & improve the customer servicing,” explains Vishal Kumar Gosike, Head, Supply Chain- Innovative Foods Limited, Brand Sumeru.

“Some challenges do exist in the logistics between the channel partner and the retailer. One major difficulty that we face is with respect to the timely delivery of orders from partners to retailers. To overcome this challenge, we have started delivering supplies to retailers in the form of ready stock units,” says Ashok Chopra, Country Head at Fresca Juices.

ANALYSIS

BIG DATA

IN-STORE TECHNOLOGIES

RETAIL OPERATIONS

SUPPLY CHAIN & LOGISTICS

RETAIL FORMATS

MARKETING & BRANDING

LOCATION STRATEGY

INNOVATION TRACKER

STORE DESIGN

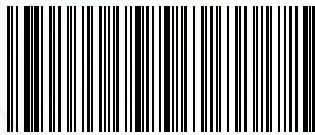
CUSTOMER EXPERIENCE

SHOPPING CENTRES

VISUAL MERCHANDISING

ZONING

INDIA RETAILING



.com

THE **A TO Z** OF ALL THE CONNECTIONS, IDEAS AND INTELLIGENCE **YOU NEED IN RETAIL**

[THE AUDIENCE]

Meticulously updated retail industry information attracts only the serious: C-level executives, Partners, Managing Directors, Owners, key influencers and decision makers from across the retail and retail support ecosystem. The web portal is a magnet to the target audience of your interest, including CEOs, CIOs, CMOs, CFOs and business owners in Indian retail – for their daily business information needs.

[ONLINE VIEWERS]

- > Over **3.5 Lac** + unique visitors, on website, per month
- > **5.5 Lac** + page impressions per month
- > The **Top 500** Indian Retail Companies visit indiaretailing.com
- > **25%** Users visiting site via smartphone / Handheld devices
- > **63%** of subscribers are senior management decision makers

Interested in reaching out to **1,50,000+** retail professionals?

INDIA RETAILING



.com

Advertise Now!!



IMAGES
GROUP . IN

To discuss how best to plan your campaign on IMAGES Group's Digital Platform, Please talk to our Digital Campaign Advisors"

North India

Partha Ganguly | parthaganguly@imagesgroup.in, +91 9873859916

West India

Santosh Menezes | santoshmenezes@imagesgroup.in, +91 9820371767

South India

Suvir Jaggi | suvirjaggi@imagesgroup.in, +91 9611127470

East India

Piyali Oberoi | piyalioberoi@imagesgroup.in, +91 9331171388

Editorial Contacts

Surabhi Khosla

surabhikhosla@imagesgroup.in

Charu Lamba

charulamba@imagesgroup.in

HOW LOTS WHOLESAL SOLUTIONS HAS EMBEDDED TECHNOLOGY IN ITS SUPPLY CHAIN

By Charu Lamba

The strategic alignment of end-to-end solutions to leave an impact on the customers and industry at large lies at the heart of every retail business. As a veteran player in the global retail industry, LOTS Wholesale Solutions understands this well and also gets that delivery is becoming a basic service requirement for its customers. In staying true to the vision of customer centricity, which is its core motto, LOTS' supply chain management is flexible, scalable and sustainable to incur the constant change in the retail landscape, customer needs, and behaviour.

Tanit Chearavanont, Managing Director, LOTS Wholesale Solutions, talks on the

working of its supply chain, technology involved, problems faced and a lot more. *Excerpts from the chat...*

Elaborate the role of technology in procurement, distribution, inventory management, inventory turnover and delivery.

Working in an environment of digital disruptions with technology transforming daily business processes, retailers are strengthening their supply chain with innovative tools like real-time tracking, accurate delivery systems and mobile technology. Additionally, investments in the supply chain help them stay in-sync with the needs and demands of their customers.

PROCUREMENT - Catering to the highly competitive consumer-focused environment, our efforts are concentrated to provide the right products for each of our different customers' demands. We have adopted advance procurement strategies and technologies that go far beyond the traditional focus on just cost savings efforts and thus have become the first B2B retailer to open a warehouse to ensure product availability 24x7. In India, our approach is to replicate our global collection centre model by opening collection centre at multiple locations. For procurement and replenishment, we also have in-house systems which automatically creates purchase orders based on set parameters managed by our supply chain. Additionally, our suppliers are connected through a portal (LOTS S2P) to provide real-time visibility into purchase orders and shipment of the goods.

DISTRIBUTION - We have always been a step ahead in providing seamless shopping experiences, right from tech-enabling our workforce to digitising the back-end solutions at our stores. Our first of its kind business development application is enabling us to reach out to a wider audience in India, this helps us personalise our distribution strategy. To serve our customers better, we are also digitising our distribution networks and using geo-tagging to ensure quick and on time delivery of our products. Our warehouse is managed with a customised WMS catering to the specific need of cash-and-carry which is integrated with our Master Data, Procurement and Inventory Management systems. Our systems are set-up to automatically allocate stock basis customer demand at our stores and trigger a physical shipment of goods.

INVENTORY MANAGEMENT - Inventory management is a crucial aspect for us and our marketing analytics tools along with our business development



What Retailers Can Do

Retailers and organisations must invest in guides to experiment and learn about emerging themes. Today the budget of the organisation is fully focused on next year operational plan. It is important to carve out investments (in terms of every possible resources) to experiment with pilot preparedness of potential future scenarios.

Modernisation of supply chains will require a combined effort from government, private industry and foreign investments. The challenges are also amplified by volatile demand and increasing expectation of the consumers, changing trends and preferences of the consumers, increasing number of SKUs and the huge Indian customer base – ranging from highly populated metro cities to millions of sparsely populated villages.



Role of Technology in Supply Chain Management

Hemant Gupta, Chief Operating Officer & Chief Finance Officer – The Mandhana Retail Ventures Ltd. says, “Due to lack of technology, there was a huge gap in the time taken between the arrivals of merchandise in the warehouse until the time taken to dispatch the goods as all the processes were then done manually.

The introduction and advancement of technology has played a very important part in the supply chain, including the logistics and warehousing functions. We now have an electronically generated process which helps decide the key responsibility area which clearly indicates the cycle for the goods to come in and move out. The entire supply chain management functioning has evolved over a period of time and has been structured in a way to adhere to timelines accordingly which help to reduce our working cycle capital of the overall supply chain management. For e.g.; to track a package, earlier one would have to manually dial a number and call the logistic partner to find out where the package is, today most of the logistic partners have developed websites with GPS enabled systems thus making tracking easier.”

“We use an ERP called Genesis which is a retail solution. It has an in-built operation that tracks all the processes including billing, tracking and tallying the goods. It also helps us manage our inventory agent which is an important part as far as the supply chain is concerned,” he adds.

Vasanth Kumar, Managing Director, Lifestyle International shares, “At Lifestyle International we have



successfully implemented Oracle ARS as well as TOC Symphony software apart from a single view inventory (SVI) order management for effective last mile deliveries from warehouse.”

“Technology has been proving a big enabler in improving the servicing part of Supply Chain. We largely depend on WMS for improved TAT & inventory management. It helps in maintaining FEFO (First Expiry First Out) principle, warns on ageing alerts, helps in quicker

application are simplifying the process. This enables us to stock products and maintain a larger inventory to providing a vast assortment of products as per customer’s need. We aim to be less dependent on third parties and focus on buying in bulk directly from the manufacturers. thus providing more transparency and cost benefits to our customers.

INVENTORY TURNOVER - Owing to our expertise in the food segment, our focus will continue to be on delivering freshness to our customers across segments. We will continue to keep enhancing the supply chain and focusing on optimising costs.

DELIVERY - Our delivery service consists of an unloading facility at the shop, free packaging support, easy returns and a call centre with a stringent turnaround time for complaint re-dressal. Being a responsible member of the corporate community, we are implementing sustainable solutions with CNG trucks for transportation and looking to introduce electric trucks as well.

How are your supply chain, logistics and warehousing facilities different as compared to other players in the same category?

Staying ahead of the curve, our supply chain is flexible and scalable thus creating an ability to scale-up basis higher volumes, geographical expansion and add an array of services as and when required. As per our cluster approach for expansion, we are opening stores in catchment areas of the



city centres and further experimenting with smaller store formats vis-a-vis the usual cash and carry thus helping us create a stronger footprint in each region. We have become the only cash & carry player to implement a full-fledged distribution network to handle multiple product types catering to the demand from our stores and deliver a shorter turn-around time. To make our delivery faster, our trucks are designed to carry fully palletised lots with department ready pallets which can instantly replenish our store shelves. Our centre has real-time visibility of the shipment arriving at the store including the details of the SKU-wise quantities to meet customer demand.

What have been your biggest pain points in supply chain, logistics, and warehousing and how has technology helped you solve this?

Supply chain being the most crucial aspect of any business, the industry has a cascading impact on trade and retail sector. A modernised and efficient supply chain is an essential part of improving ease of doing business and will scale down the cost of manufacturing and accelerate consumer consumption due to better market access. Banking upon this opportunity, we are constantly improving our supply chain with our expansion in India. Being in our first year of operations, there were certain challenges in terms of streamlining our processes. However, our preliminary market research has enabled us to localise our approach by using global practices which led to creating strong supply chain management across our stores. Keeping innovation at the core, we are constantly implementing technology to serve the changing needs of customers to deliver best price and quality with a focus on inventory management. This has further helped us to control and monitor our processes at every step of the way.

navigation inside the warehouse. We use standalone applications for daily production monitoring, RM/PM indent generations. Nowadays, quite a good number of companies are interested in looking for technology solutions which give quick scaling options as well as improved visibility & analysis for better decision making. They are moving from tradition excel based tools to automated scripts and systems, which would save on time, resource effort and accuracy. Now with the convenience of android apps & mobile revolution, most of the HR notifications, approvals, tracking is made available in their respective mobile that are improving the speed of auctioning,” explains Brand Sumeru’s Vishal Kumar.

“To facilitate smooth supply chain management, we use a mobile app called Field Assist. The app enables our sales partners to book orders and also allows us to track the supply. The app was created just a year ago to make our supply chain management process more seamless and efficient,” adds Fresca Juices’ Ashok Chopra.

“SCM and Technology have become synonymous. Digitization of business processes has become more of a necessity than a value-add proposition. This has increased the requirement for creating a digital environment that seamlessly integrates the operations carried out by various entities in the supply chain.



Technological advancements now enable businesses to build end-to-end supply chain solutions that speed up processes and avoid bottlenecks in the supply chain. Business Intelligence tools have helped to improve forecasting and identify areas of concern without any major time lag. Lastly, it is a matter of survival. With the advancement of technology, market disruptors have spawned and one has to be dynamic to ward off these challenges and retain market leadership – and believe me, without technology, one just cannot be dynamic. With growing e-commerce buyers, retail Indian companies are fast adapting the new technologies to give customer delight,” says Ritesh Shroff, Vice President - Business Excellence, Kurl-On.

Last Mile Delivery: Benefits

Retailers who provide a great last-mile delivery service has following benefits:

Faster Delivery – An Opportunity to Build Loyalty: If given faster delivery

options, consumers will be more loyal. For example, a two-hour delivery option, increases loyalty towards a company by leaps and bound. The same holds true for same day delivery as well. But when delivery moves out to three days or more, the percentage of loyalty dips to a very large extent – only about 30 percent retailers say this will increase their loyalty. This likely reflects that consumers see this



Transportation has always remained the dominant factor in this segment. With around 80-85 percent share in the value terms currently, the percentage is set to remain high in the coming years. The remaining percentage is the storage factor. Together, these two components make L&SC, one of the most employment-intensive segment.

as a commoditised, mainstream option that is offered by most players. Despite the loyalty opportunity at hand, only a handful of firms offer two-hour or faster delivery. Making faster delivery options available is a significant opportunity for leading firms to differentiate themselves from their competitors and meet



consumer expectations.

Satisfied Consumers Pay Higher Delivery Charges for Fast Delivery: Satisfied consumers are willing to pay more for fast delivery as a value-added service, and few are ready to pay premium charges as well for the fast delivery.

Satisfied Customers Purchase at a Higher Frequency: A successful and timely delivery results in happy customers. A satisfied customer eventually turns out to be regular shopper with the same brand/retailer/organisation.

Digital Supply Chain Initiatives

As per a Capgemini report, the digital supply chain is a new entrant on the L&SC platform. A digital supply chain includes new initiatives which use digital

technologies to optimise operations across the entire supply chain by enabling connectivity, data management, insights, and smart automation. The digitisation of supply chain refers to:

- Taking a process or task that is performed manually or offline today and delivering it more efficiently with digital tools
- Using digital processes and data to make something more effective and consumer centric

The benefits of supply chain digitisation can be wide ranging – cost savings, improved customer satisfaction, or even the launch of an entirely new business model. For example, Amazon is looking to roll out its drone-based 'Prime Air' program to deliver customer shipments



Coffee Board launched blockchain-based coffee e-marketplace. Blockchain not only improves supply chain security and addresses probable fraudulent practices, but also makes processes seamless, with accurate recording of data and the ease of tracking updates in real time," says Rubal Jain.

With the aggressive pace of economic growth, India is on a fast track to development, powered by innovation and disruption across key sectors, encouraging government policies, and robust and aggressive growth in IT and the Logistics Sector is benefitting, undergoing an unprecedented transformation, fuelled by technological innovations.

It is widely accepted that digitalisation is already enabling organisations to transform their supply chains from corporate cost centres into competitive differentiators. Going forward, we will start to see supply chains develop beyond individual networks into vast ecosystems. As per a Capgemini report titled 'The Digital Supply Chain's Missing Link: Focus', strong, collaborative partnerships offer significant opportunities, such as collaborative design (with upstream partners) and collaborative demand planning (with the downstream partners).

This will lead to a new reality of the multi-enterprise supply chain that requires new operating models in which humans and machines work seamlessly together and supply chains will ultimately become platform-powered, ensuring multi-enterprise visibility and collaboration based on 'no-touch' processes. ■



At present the Indian logistics industry is highly fragmented and unorganised. Owing to the presence of numerous unorganised players in the industry, it remains fragmented, with the organised players accounting for approximately 10 percent of the total market share.

within 30 minutes. This will reduce the operational costs of last-mile deliveries and improve customer satisfaction. Moreover, it will also open up opportunities for new business models – for example, charging fees to customers for this sub-30-minute delivery or letting other retailers pay to use prime air's infrastructure.

"Blockchain, for instance, is one of the newest kids on the block. A distributed database that transfers information with a timestamp and the Blockchain is able to pinpoint the source of the product and bring transparency to operations. As a matter of fact, in March 2019, India's

Supply Chain Management: Converting Challenges into Winning Opportunities for Retailers

SCM ensures the flow of goods and services at a faster pace. It involves the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption...

By Charu Lamba

Consumers expectations are growing with the changing times. Well-travelled consumers of today expect the right product to be delivered at the right time. To match these rapidly evolving needs of consumers, retailers are investing huge amount on supply chain management (SCM).

SCM ensures the flow of goods and services at a faster pace. It involves the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption.

“An efficient SCM system enables planning of inventory, transition of products and the point of sales – which ultimately plays a key role in customer satisfaction, ensuring better availability of sizes/options and that the right product reaches the consumer at the right time,” says **Vasanth Kumar, Managing Director - Lifestyle International Pvt Ltd.**

The differentiating factor of retail supply chain management from others is the volume of product movement and the fast moving nature of products.

Since, supply chain operations are becoming complex and driven by uncertain customer demands, responsiveness of supply chain plays a significant determinant weapon to not just deliver seamless experience to customer at low cost but also to deliver strategic opportunity to out-perform competitors.

“Especially for a fast fashion retailer, supply chain





“An efficient SCM system enables planning of inventory, transition of products and the point of sales – which ultimately plays a key role in customer satisfaction, ensuring better availability of sizes/options and that the right product reaches the consumer at the right time.”

– VASANTH KUMAR
MANAGING DIRECTOR - LIFESTYLE
INTERNATIONAL PVT LTD

management is very important to stay relevant to the customers. Ensuring supply and demand of goods are matched with each other is a very important directive for the supply chain,” states **M Srinivasan, VP - Planning and Supply Chain, V-Mart Retail Ltd.**

SCM also helps in saving operational cost, reducing lead time and offering merchandise competitively to consumers. “Technology-enabled SCM allows effective management of stocks and also consolidates and reallocate stocks basis dynamic market conditions, thereby ensuring the best sell-through rates. The right SCM strategy also ensures optimal working capital and space utilisation at stores thereby managing overall costs efficiently,” states **Anand Aiyer, SVP & Business Head – Easybuy (Max Retail Division).**

Importance of Technology in SCM

Technological advancements now enable businesses to build end-to-end supply chain solutions that speed up the processes and avoid bottlenecks in the supply chain.



“Especially for a fast fashion retailer, supply chain management is very important to stay relevant to the customers. Ensuring supply and demand of goods are matched with each other is a very important directive for the supply chain.”

– M SRINIVASAN
VP - PLANNING AND SUPPLY CHAIN, V-MART
RETAIL LTD

Traditionally, retailers expect technology to improve stock visibility, accuracy, reduced layers of movement, value chain automation etc., however, these have now become basic hygiene requirements.



“Technology-enabled SCM allows effective management of stocks and also consolidates and reallocate stocks basis dynamic market conditions, thereby ensuring the best sell-through rates. The right SCM strategy also ensures optimal working capital and space utilisation at stores thereby managing overall costs efficiently.”

– ANAND AIYER
SVP & BUSINESS HEAD – EASYBUY (MAX
RETAIL DIVISION)

“We expect technology to enable SCM, develop an eco-system which is developed around customer and market consumption dynamically. For example in fashion retail, it goes to the extent of size, color, size, fit at a catchment level within the same city. SCM technology is evolving to enable this,” asserts Aiyer.

Technology has helped in designing systems to manage and enhance the exchange of information of various supply chain partners to attain outcomes like increased control over demand planning, better inventory management and effective and near real-time tracking and delivery.

“At Lifestyle, technology plays a big role in supply chain management. Taking a leap towards automation, a ‘Put-to-Light System ensures effective storing and distribution at our warehouses. Single view of inventory for efficient execution of online orders has been implemented in key stores across the country as well. This has resulted in the increase of online orders,” reveals Kumar.

Implementing Real-Time Data Analytics

Real time data analytics in SCM help improve inventory management, increase efficiency of warehouse operations and distribution centres, allow better understanding of consumer needs and solve challenges like restocking.

“Yes, implementing real-time analytics



does improve efficiency, since it creates strategic advantage amid volatile environments by providing required real-time insights from operational data to improve performance visibility and insights. This ability helps to analyse data in the moment and plan or combat any potential bottlenecks across the supply stream. It helps in mitigating most significant challenges for supply chain efficiency by providing visibility into supply chain performance, reducing operation costs through process optimisation and in enhancing customer satisfaction by improving supply chain responsiveness and product quality,” M Srinivasan states.

Changing Supply Chain Mechanics

With rise of e-commerce, Omnichannel players competing in the marketplace are getting more cognizant about time definite logistic services. Retailers are working towards flawlessly integrating distribution channels to improve

visibility of inventory in order to meet customer expectations in a better way.

“At Lifestyle, our warehouses are fully equipped to handle the demands that the digital age brings with it. A thorough order processing system along with stringent quality check ensures that there is no scope for error in every order undertaken, be it online or offline. Being a true Omnichannel player, our supply chain mechanics ensure a frictionless

Technology has helped in designing systems to manage and enhance the exchange of information of various supply chain partners to attain outcomes like increased control over demand planning, better inventory management and effective and near real-time tracking and delivery.

experience for the customer,” says Kumar.

With digital revolution, there is no doubt that the retail has been experiencing disruptive changes. With technologies and accessibility to improve, customers have become more demanding than ever.

“Supply chain players need to include a number of delivery and return strategies to meet the demands of Omnichannel

consumers. Each delivery and return is distinctly unique in terms of application and logistical requirement. It may include strategies like drop shipping, click-n-collect, same day delivery etc.,” explains M Srinivasan.

With the digital age, the reach of retailers can enhance exponentially to locations where they could have taken years to set up stores. However, retailers need to consciously develop a hybrid-approach to supply chain when it comes to Omnichannel retail. It is critical to have the efficient end-to-end SCM system ensuring last-mile delivery at optimal costs which is the biggest challenge. The system must also take into account reverse logistics, leveraging physical store stocks, online-offline integration on returns and exchange and so on.



“With growing demand from Tier II & III markets in India, the role of supply chain is not just to ensure delivery, but to enable profitable business without compromising the shopper’s experience through an eco-system which is inclusive of not just the value-chain, but the end customer,” states Aiyer.

Roadblocks in Successful Implementation of SCM

Supply chain systems are constantly going through changes and improvements. The success of it is purely determined through how effective the challenges are transformed into winning opportunities.

To keep up with ever evolving consumer expectations is a challenge that every retailer faces. Another big challenge in retail supply chain that the retailers are facing is to manage supply for demand variability which in peak days and festivals goes beyond 100 percent in terms of the average volumes.



Supply Chain Practices of Easybuy

- The brand works on a volumetric weighing scale integration system which captures actual dimension of incoming/ outgoing shipments enabling an accurate stock management and payment system
- Their vendor portal provides full visibility in advance of the shipments at various stages of the supply-chain thereby enabling accurate planning
- It also works on an outsourced model for warehouse management which is throughput based to keep the costs low and at the same time efficient as the payments are linked to agreed turnaround time. This is also topped up with 'rewards program' to drive efficiencies. Logistics through required transportation mode is also done through e-bidding process enabling efficiency, both on cost and on timelines. This also includes 'fast-track' option to manage priority shipments.
- Their cross-docking model combined with value-ration packing ensures required product portfolio is allocated sufficiently to each store. On the other hand, the multi-level distribution process ensures option wise cross docking of returned stocks to other stores.
- The Auto Replenishment model is the pull-based model which ensures replenishment basis actual sales data.

"For a fast growing organisation like ours where our CAGR is 30 percent, scaling our supply chain model to meet the aspiring goals of growth that our organization is poised to and keeping our all variable within the limit would be the other big challenge," says M Srinivasan.

"As a fast-fashion retailer working on 'mind to market' concept, we introduce lots of 'mini-seasons', create new looks every week, hence our supply chain is agile enough to offer merchandise on shelf in a matter of weeks from manufacturing," he further adds.

Another challenge that retailers are facing is delayed deliveries from vendors which further leads to loss of sale.

How Retailers are Staying Relevant


Value retention, a thorough order processing system, stringent quality control, ample safety measures and quick adaption to technology are a few steps that Lifestyle is taking to ensure smooth

functioning of its supply chain.

"Our home-grown allocation tool has been designed to be reactive and responsive to customer demand at stores. This has been built on a flexible platform so that any logic or algorithm based on the change in business need, can be relatively easily incorporated," says M Srinivasan.

"Reducing our 'mind to market' time is something that we have been working continuously by bringing in more visibility in the value chain. Ensuring that the chain is agile is a continuous process for fast fashion retailers like us, to capture the changing fashion trends in the market and then react to it as fast as possible is an ongoing journey for us," he adds.

Retailers are also focusing on unique sorting mechanism and merchandise return management through optimal mix of technology and insights. This has been unique and new to the industry and it reduces the processing cost, helps in processing faster.

"At Easybuy, we are focused on SCM efficiency to support our low-cost backend model and an eco-system which works efficiently only when the whole value-chain works in tandem. Our end-to-end SCM systems are fully online with full visibility till last-mile delivery. Given that our stores are of smaller sizes, it is imperative that the system functions accurately to ensure stocks flow through as per the plan without any hitches," says Aiyer. 

The one shopping destination your brand can't afford to give a miss.

INSTANT REWARDS NOW ON INFINITI WORLD

DOWNLOAD NOW

Powered by



MALAD





The sheer range of leading brands and the size of quality footfalls make Infiniti Mall beyond compare. The ultimate shoppers paradise in Mumbai where your brand's presence is a must without hesitation.



ANDHERI



infiniti

The mall with infinite experiences

Andheri (W) • Malad (W)

www.infinitimall.com

Follow us on:



Reconfiguring Supply Chains in the Indian Fashion Industry

Fashion retailing, which includes apparel footwear and accessories, comprises roughly 9 percent of organised retail in India, suggesting the enormous potential for growth in the coming years...

By Dr. Rajesh Bheda, MD & Ramesh Nair, Principal Consultant, Rajesh Bheda Consulting

India's retail industry remains vibrant, with growth projected from an estimated US\$ 672 billion in 2017 to \$1,200 billion in 2021 (IBEF Report, Jan 2019) on the back of factors like favourable demographics, rising incomes, a burgeoning middle class and their lifestyle changes. The sector plays a significant role contributing to almost 10 percent of India's GDP. The story of-course is not without its twists. Organised retail is not more than 9 percent of the total retail market.

Fashion retailing, which includes apparel footwear and accessories, comprises roughly 9 percent of this organised retail, suggesting the enormous potential for growth in the coming years.

Despite bright growth prospects, the industry faces infrastructural challenges, shortage of skilled manpower, high rentals and the GST implementation challenge. India also remains a heterogeneous market influenced by linguistic, cultural and regional diversity. Leaving aside English and Hindi the country communicates in at least 20 regional languages. This necessitates that fashion retailers think of India not as one market but as many diverse sub-markets tweaking their offering to unique local needs.

Yet another crucial aspect is the fact that over-all India's retail distribution networks have a long tail. India is spread across 5,500 towns and over 600,000 village. Only 15 percent of the 640 districts are home to over 35 percent of the population with the remaining 65 percent of the population speared over the remaining districts.

Figure 1:
Retail Growth Drivers

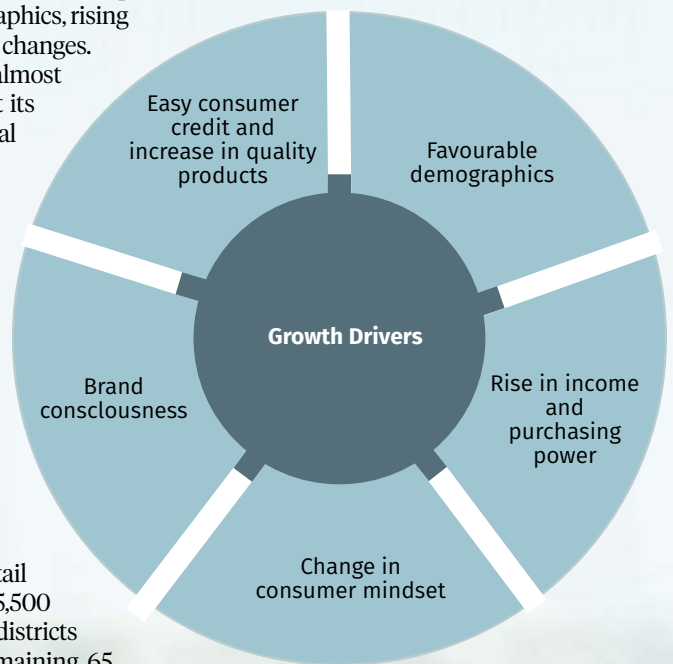
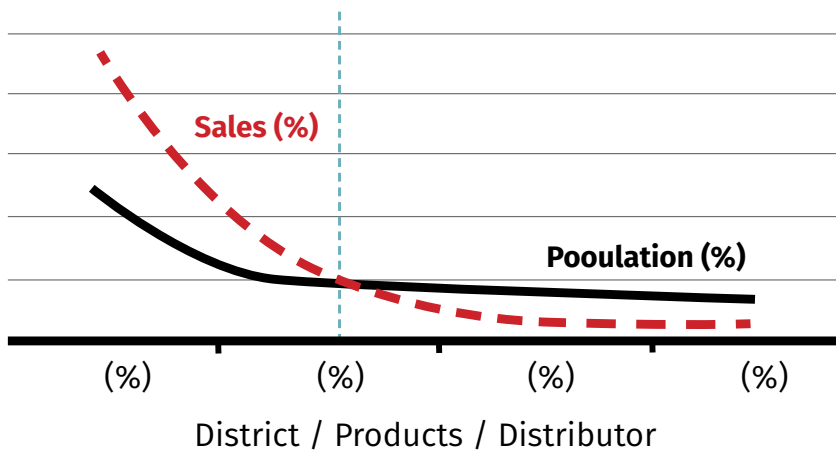


Figure 2: Head vs Tail – Sales vs Geographical Spread



The Current Scenario

India's major fashion retailers have been implementing the best of management techniques, new age technologies and HR practises. These include best practises in co-location of their new stores, visual merchandising, hiring and training of new staff, introduction of new merchandise, logistics & warehousing and usage of latest software's for product lifecycle management and ERP solutions. Several retailers have already started intensive use of technology to enhance their operational effectiveness. Future group for example has partnered with a global analytics firm for implementing analytical solutions to reduce stock outs, customer churn and lead time.

The tremendous growth of e-commerce market also plays an integral role in the high scale development of the retail sector. The past decade witnessed an increase in consumer spending, entry of key e-retail players, faster internet

speed on reliable telecom networks. By 2020, e-commerce will be a \$700 billion market (B2B) with 530 million shoppers by 2025, coming at par with offline stores within a span of five years

Yet for many retailers it has been a turbulent ride and most continue to face headwinds on 3 major metrics:

- > Operational profitability continues to be adversely impacted in most companies
- > While newer brands are entering the fray and existing brands are going in for new store expansion, footfalls of customers and sales conversion have

not been proportionate resulting in lower inventory turnarounds. This in turn disrupts cash-flow cycles

- > At the same time investments for both new expansion and resultant increase in working capital are increasing. This massive infusion of capital is in many cases, forcing retailers to turn to debt. Despite decent gross profit margins, the associated costs, including that of finance costs, have significantly dented the bottom line. As per the latest financial data in 2016, Reliance Retail's annual revenue was about ₹16,000 crores and profits of about ₹400 crores. Reliance Retail operated 3,383 stores across 679 cities with an area of over 13 million square feet, as of June 30, 2016. Aditya Birla Fashion Retail – ABFRL clocked a combined revenue of ₹6,060 crore (or \$0.84 billion) for FY'16 and a decent EBITDA of ₹409 crore.

Limitations of Forecasting

While forecasting is a popular and predominant tool, it is not an exact science. Forecasters rely on past sales data, climatic trends, recent fashion trends, economic conditions, psychographic and demographic factors, upcoming festivals and finally their gut feel. Two factors inherent to any forecast are; firstly, there is an 'error quotient' assigned to any forecast and secondly as the forecasting



The Retailer's Challenge

Maintaining Availability & Freshness of Merchandise:

At this juncture it is pertinent to look at major challenges faced by fashion retailers. Unlike staple items (like food, grocery etc) where purchase is pre-defined, apparel purchases in most cases are undefined, where customers make broad comparisons in a category before making the final choice. In such cases having the right product (in terms of style, construction, silhouette, colour and size) at the right price is crucial. Thus 'Availability' is of essence. 'Freshness' the ability to present multiple collections, as seen from the customers perspective also plays a crucial role. A purchase happens only if the above two criterions are met. Conversely for a given product, non-availability and / or non- freshness result in the customer immediately appraising and purchasing competitor's products. Thus, in fashion retailing 'customer tolerance time' is zero as compared to the purchase of certain higher value products like cars or consumer durables.



Impact of Increasing Seasons:

Availability and freshness both are a function of the retailers supply chain efficacy. They also remain a function of the number of seasons that retailers build into a retail year. Starting with two six-month periods i.e. Spring-Summer and Fall-Winter, most retailers divide this further into two three-month periods to keep up with the forecasting and ever-changing consumer demands. Leaders such as H&M & Zara are using substantially shorter cycles to keep up with demands of fast fashion.

Most retailers strive to build an efficient supply chain, primarily, by ordering relatively large volumes to drive down costs with both raw-material sources and manufacturers and transporting by container loads to reduce both freight costs and no of deliveries. In many ways this also necessitates buying earlier in the season leading to dependence on forecasts.



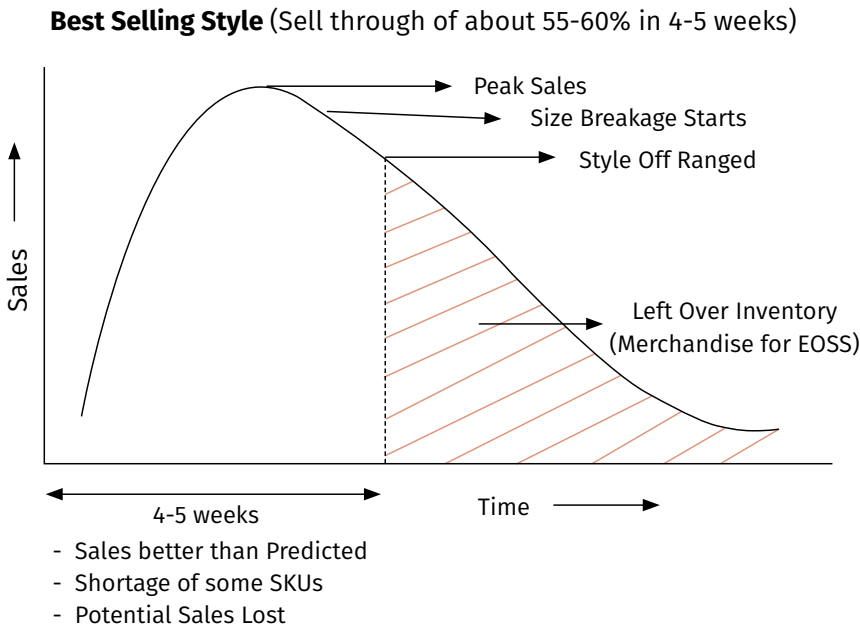
horizon increases the forecasting error quotient is likely to increase.

Retailers typically pre-order inventory a few months ahead of the season using forecasting tools. These goods then arrive at the distribution centre, where they are sorted, and 100 percent of the quantity is allocated to respective stores. A few weeks into the season a few styles get sold very fast. These 'fast movers' are 'sold-out' within the first few weeks, exhausting the quota for the entire season, thus causing a 'stock-out'. Demand for these fast-mover item persists, yet in most cases the retailer

While newer brands are entering the fray and existing brands are going in for new store expansion, footfalls of customers and sales conversion have not been proportionate resulting in lower inventory turnarounds. This in turn disrupts cash-flow cycles.

is unable to replenish these styles owing to long manufacturing and transportation lead times and Minimum Order Quantities demanded by manufacturers. This inability to replenish the fast movers represents a 'tangible opportunity loss' for the retailers, hindering their ability to achieve targeted sales for the season at original marked-up price. Conversely there are many styles that perform poorly compared to their forecasted rate of sale. These 'slow movers' not only take up valuable retail space, preventing fresh, new product lines being displayed, but also bloat the working capital and block the open to buy (OTB) limits for the next season.

Figure 3: The surplus vs shortage graph



The Fast movers (best sellers)	Sell well (Almost all Stores)	Cause stockouts	Sales lost due to inability to replenish
The Stragglers	Sell well in some stores, poorly in other	Stock of some SKU's & surplus of others	Lost sales & margins
The Slow movers (laggards)	Sell poorly in (almost) all stores	Surplus – non-selling goods	Lost margins

To liquidate these 'surplus' goods and prepare themselves for the next season, retailers use tactics like end-of-season-sales (EOSS). While EOSS helps to liquidate the excess inventory, it also has negative ramifications in terms of discounted margins as compared to the targeted price. Delays in sales, not only reduce the Open to buy budget of the Category manager, but also lead to delays in realisation of the proceeds. This, in many cases leads to either delay in release of newer collection, or release of lesser no of collections against the originally planned numbers or both.

Most retailers try to work their way out of this quagmire by opening new stores or taking the franchisee route. However, this is even more damaging, demanding substantially more capital, both for opening new stores and buying merchandise to fill these stores. Secondly

given that the supply chain modus operandi remains same – each new store faces the same stock out vs surplus conflict, locking away further capital and putting the company even deeper into vicious circle. Thus, the stock out and surplus conflict combined with heavy discounts leads the retailer further into lower profitability.

The Direction of Solution

The above described scenario is essentially a 'Forecast & Push model' for supply chain operations. While many retailers assume that this model enables them to 'leverage their resources' and create efficient operations, this leads them down a vicious path of lower profitability. It is thus imperative to review the existing framework and question a few commonly

To liquidate these 'surplus' goods and prepare themselves for the next season, retailers use tactics like end-of-season-sales (EOSS).

followed practises:

- > Is the vendor / manufacturer merely a discrete part in the supply chain -with whom the retailer seeks a price / volume trade-off season to season?
- > Does shipping container loads / truckloads of merchandise to the warehouse really save money in the long term?
- > Does the practice of not holding any merchandise at the warehouse and shipping it all to the respective stores help accelerate sales?
- > What are the alternatives to the current 'ordering solely based on forecast' method?

Some Solutions Include:

LEAN and Theory of Constraints:

The two most successful 'operation management' methodologies followed world-wide, LEAN and Theory of Constraints talk of establishing a two-way flow; firstly, the rapid flow of goods from the vendors to the retail showroom, while at the same time continually accessing and feeding-back point of sales data in the reverse direction to the vendors. With reduced lead times, not only are forecasts likely to be more accurate, but also, this enables the supply chain vendors to respond faster to consumer demands. Fundamentally this involves moving away from the 'Forecast & Push Model' to



the 'Replenish & Pull Model'. Establishing flow along the entire supply chain should integrally include the following elements.

Seek to Establish Deep Collaborative Relationship with a Core Group of Vendors: Work with vendors, right from inception – through product development and sourcing to help shorten lead times.

- Analysis reveals that the essential raw material (greige goods) for a large variety of styles / lines are common in a given season. These greige goods can be stockpiled in reasonable quantities with costs borne jointly by the retailer and the manufacturer.
- The same principle can also be followed for a commonly used accessories- i.e. packing accessories (such as polybags, tags, etc) and even in the case of Sewing accessories such as interlinings or buttons etc.



- While MOQs (Minimum Order Quantities) do technically matter in manufacturing (both at the fabric & garment stage) customer preferences follow no such logic, leaving the retailer with excess unsold inventory. Hence during buying negotiations, it is imperative for retailers to move away from 'economies of scale' (having a price versus volume negotiation) to 'economies of scope' – implying the need to make a style, multiple times with higher number of changeovers, thereby also acknowledging and paying for a commensurate increase in FOBs.
- This by itself may not be enough. Manufacturers also need to have spare capacity to process Quick-response replenishment orders. This is where buying and retaining minimal capacity with a few core vendors comes in. While this at the outset, sounds counter-intuitive, the ability to quickly replenish

With reduced lead times, not only are forecasts likely to be more accurate, but also enable supply chain vendors to respond faster to consumer demands.

fast-sellers shall more than make up for expenses incurred in spare capacity buying.

- The above cumulatively shall enable vendors to quickly respond to calls for replenishment of fast-selling styles / SKUs.

Reconfiguring the Logistics Network:

Given the above revised framework of sourcing and manufacturing it is imperative to move away from picking and delivering full truck / container loads infrequently, to planning and configuring newer networks which are agile, and capable to deliver smaller loads frequently in substantially shorter lead times. While this does per se increase transportation costs, the overall supply chain becomes more responsive, enabling quicker replenishment of fast-moving items, earning greater profits and credibility for the retailer.

Leverage Central / Regional

Warehouses: In most supply chains 100 percent of the ordered merchandise is despatched from the warehouse into the retail network of stores. However, a few weeks into the season – the store reports shortages across some SKU's and surplus

on other's, leading to the off-ranging of the Fast-movers and discounting of the surplus. There are also many instances where fast-mover SKU's face a shortage in one store, while being present at other stores in a given region. An inter-store transfer to satisfy customer demand is a cumbersome and expensive process!

This is one of the key reasons to supply only a portion of the ordered merchandise

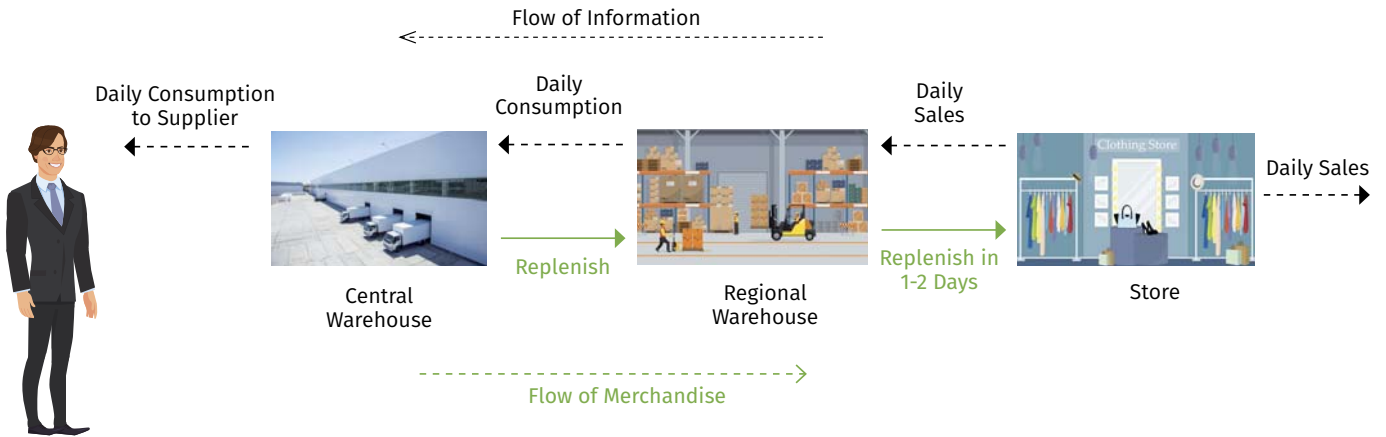


to the stores while retaining the other part at a central / regional warehouse. 100 percent of the merchandise is not pushed to the store, rather it is continually replenished as per store sales to the end customer.

In many cases the holding of the inventory at the central / regional warehouse and replenishing stores based on sales to end customers, ensures that merchandise is held at the point of highest forecast accuracy. The 'principal of aggregation' is at play here to ensure that the demands from various stores are averaged out at the central / regional warehouse; greatly helping to greatly reduce both stock-outs and surplus. Toyota tried this when it introduced its



Figure 4: Role of the Central Warehouse



Hybrid car Primus in USA as they were not sure about the customer response at different regions. Holding the cars in central warehouse and releasing as per the customer demand helped them manage the supply chain effectively while offering customisation.

Dynamic Buffer Management

Methodology: (DBM) is an inventory management system propagated and practised using the buffer management principles of Theory of Constraints introduced by the management guru Dr Eli Goldratt. This method calls for inventory levels to be constantly and dynamically managed on a continual and need for action basis as opposed to the Min-Max based principle where reordering is triggered only on reaching minimum inventory level.



DBM constantly monitors both changes in demand as well as variability in supply, using an inherently simple method of classifying the Buffer (Inventory at hand) into multiple colour codes (Green, Yellow & Red). The status

of the buffer remains dynamic, being a function of daily consumption and thereby provides replenishment priorities factoring in the rate of consumption as well as the status of the Buffer.

DBM does away with complex statistical formulae and due to its inherent simplicity enables companies to adopt and execute the methodology with minimal training and shorter lead times.

DBM thus helps management address



inventory management and supply chain issues proactively by identifying and highlighting problems earlier. Leading Indian companies such as Tata Westside and Liberty shoes have used DBM and reaped benefits. These include increased availability, lesser inventory, manifold increase in inventory turns, all leading to substantially higher sales.

Thus, it can be said that retailers who move from a rigid forecast and push based production and inventory management model to an agile pull-based replenishment model which reacts dynamically to consumption signals shall be able to ride the crest of this retail boom and reap higher profits. [\[R\]](#)



Used to cover all demands plus variability in demand and supply

Dynamic Buffer Management View

M3M Urbana: A State-of-the-Art Retail Real Estate Masterpiece

M3M Urbana is one of the biggest commercial developments (17 acres) in the heart of Gurugram (Delhi-NCR) with an enviable retail mix of anchor and vanilla brands, a 7-screen multiplex, kids entertainment area, café, restaurants, food court, offices, hotel and serviced apartments...

By IMAGES Retail Bureau

M3M Urbana is one of the biggest commercial developments (17 acres) in the heart of Gurugram (Delhi-NCR) with an enviable retail mix of anchor and vanilla brands, a 7-screen multiplex, kids entertainment area, café, restaurants, food court, offices, hotel and serviced apartments.

“Urbana is to be developed in two phases. Phase I consists of retail and office spaces of around 0.8 million sq.ft. and the Phase II will also have approximately 1 million sq. ft. of developed retail space, which will be delivered by the third quarter in 2019. It is a customer-centric retail hub which promotes walk to work culture,” says **Goutam Karmakar, President- Leasing Commercial, Retail & Residential, M3M.**

Location Strategy

Located in Sector 67 Gurugram, M3M Urbana caters to the need of over 3 lakh people within a 3km radius. There are various multinational company offices located around M3M, making sure the catchment is classy and gives M3M the opportunity to attract the cream of the crowd.

USP: What Makes M3M Different

M3M Urbana is designed by RSP Architect, Singapore. “It is one of the best high street shopping centres in India. It has 500m front façade, terrace restaurants, walking alleys with sitting points for a perfect family outing. The



Goutam Karmakar, President- Leasing Commercial, Retail & Residential, M3M

project is inspired by a California-like design with a permanently finished façade; restaurants and sky-bridge connecting retail blocks. It is equipped with features like common area misting, water body/fountains, invisible sound system and heat resistant glasses to name a few. We have tried to incorporate all ingredients to ensure it is an engaging destination,” explains Karmakar.

Each Block of the M3M Urbana has distinctive frontage giving brands good branding spaces, easy accessibility to the complex with elevators, escalators, multiple entry/exit points, sufficient and hassle free parking space within the premises. Reliance and PVR are anchor stores. More stores and brands in the same location are also in the final stages of opening. In terms of vanilla stores, M3M is creating a mix of all premium and midsize brands on the campus.

Food For All: A FoodHall

The three food courts are spread over approximately 60,000 sq. ft. giving the luxury of 50+ food outlets all under one roof. “We have a FoodHall, not just a food court. It will give a thematic experience accompanied with cuisines of different states of India and the world. We will be hosting food festivals themes like fusion cuisines, food retail etc,” stated Karmakar.

The FEC Factor

M3M Urbana has a 7screen PVR multiplex including 2 gold class, along with ‘Kids Club House’ with brands like the Funky Kingdom and Let’s Play at Urbana Premium. The mix has been created to ensure that it provides something to each and every consumer. M3M is in the final stage of completion and shall be launched in the third quarter in 2019. **IR**



Logistics in The Modern, Digital Age

From robots taking over last-mile delivery to Blockchain technology lending operational transparency, logistics is changing and being changed by the digital world...

By Rubal Jain, Managing Director, Safexpress

Change is afoot in the logistics industry and if you are a stakeholder in it, the excitement is palpable enough to be felt in your daily working life. With the logistics sector getting an 'infrastructure' status, the rolling out of Goods and Services Tax (GST), and technological advancements, the logistics industry today is set to make quantum leaps into the future. A few years later, I feel we won't even recognise the Indian logistics industry as it was – ignored, unorganised, with small players trying to minimise their operating costs and having to deal with daily fire fighting.


The logistics industry in India is set to become more forward-looking, and as per the Economic Survey 2017-18, is expected to reach \$215 billion in 2020, growing at a compound annual growth rate (CAGR) of 10.5 percent. A considerable degree of consolidation is in the offing, with larger warehouses, and a more organised setup. Fuelled by innovation and digitisation, the Indian logistics industry will encourage functional excellence with integration and collaboration to a large extent. In my opinion, the digital age will be so intertwined with the logistics industry, it will be difficult to separate the two.

Take Blockchain, for instance, one of the newer kids on the block. A distributed database that transfers information with a timestamp, the Blockchain will be able to pinpoint the source of the product and bring transparency to operations. As a matter of fact, in March 2019, India's Coffee Board launched Blockchain-based coffee e-marketplace. Blockchain not only improves supply chain security and addresses probable fraudulent practices, but also makes processes seamless, with accurate recording of data and the ease of tracking updates in real time.

There is also the Internet of Things (IoT), which deserves all the praise that is heaped upon it. With the ability to transform entire businesses, IoT brings safety to supply chain management, sustainability in processes, supply chain visibility, warehouse optimisation, as well as effective fleet management with real-time tracking and the option to change course in case of roadblocks and congested traffic.

What has also led to the digital revolution is the correct use of data with the help of data mining and data analytics. Understanding data has led to a significant improvement in customer satisfaction, as well as increased efficiency and cost optimisation. Artificial intelligence (AI) is another buzzword in the world of logistics and increases efficiencies in the areas of predictive demand and network planning. In the near future, it will be used in a significant way to anticipate events and avoid risks.

And one can't talk about AI without robotics. My personal favourite – and probably because it excites the child in me who was obsessed with robots and sci-fi movies – robotics has already made a world of difference to warehouses by locating, tracking, moving and stacking inventory. Future robotics might even be deployed for last-mile delivery, among other things. Last year, a pilot project in Canberra, Australia, grabbed eyeballs when Google's parent company, Alphabet, started its Project Wing to deliver coffee by drones. There's more to come, I'm sure.

All in all, exciting times to be in the logistics industry! 

Enhancing Supply Chain Capabilities For A Great Customer Experience

Brandstoday work hard towards determining strategies around supply chain, inventory and logistics for driving sales, demonstrating that the supply chain is ready for the next phase of retail revolution both from technology and retailers' end in India...

By IMAGES Retail Bureau



While most retailers understand the importance of providing a consistently positive customer experience, many struggles with legacy systems that fail to address customer experience needs. To successfully serve today's Omnichannel demands and in the future, retailers must recognise and accept that changing market dynamics which necessitates adjustments to the old ways of doing things. As customer behavior is evolving in the Omnichannel environment getting the right fashion products to the right sales channels can be a highly complex process.

In a session held at India Fashion Forum 2019, a distinguished jury composed of time-honored luminaries from the retail supply chain and logistics industry deliberated on exploring the awareness and emotional engagements with a brand to determine strategies around supply chain, inventory and logistics for driving sales. The objective of the session was to demonstrate how the supply chain is ready for the next phase of retail revolution both from technology and retailers' end. The session was moderated by **Gaurav Kapil, SVP & Head-CX, Ops, Marketplace & Supply Chain, Craftsvilla** and the panel consisted of following eminent retail leaders:

1. **Tushar Ahluwalia**, Co-founder and CEO StalkBuyLove.com
2. **Manoj Krishnan**, President-IT, Landmark Group
3. **Rajul Jain**, CEO & Co-founder, INCREFF (Incredible Efficiency)
4. **Surendra Nayak**, Head- Sales & Marketing, Logic ERP Solutions



From L to R: **Surendra Nayak**, Head- Sales & Marketing, Logic ERP Solutions; **Manoj Krishnan**, President-IT, Landmark Group; **Rajul Jain**, CEO & Co-founder, INCREFF (Incredible Efficiency); **Tushar Ahluwalia**, Co-founder and CEO StalkBuyLove.com; **Gaurav Kapil**, SVP & Head-CX, Ops, Marketplace & Supply Chain, Craftsvilla

Gaurav Kapil kickstarted the session by highlighting the achievements of the panel in the supply chain and design industry, focusing on the competitive landscape and disruptions happening in the industry. Before getting into the mainstream problems of how to enhance the supply chain, he threw around some numbers to sort the context of the discussion.

“All of us are into online as well as offline shopping and as everything is moving towards becoming Omnichannel, the customer expectations have evolved like never before. The expectation to evolve at the speed of light and is slowly becoming a tough nut to crack on a daily basis for retailers. The supply chain industry faces maximum heat. As per a report, 68 percent of the consumers expect the delivery to take place on the same day or next day of the online shopping. Around 45 percent of consumers are shopping on the multichannel platform and even they are expecting the same, and all credit goes to the Omnichannel process. Keeping this in mind, retailers seriously need to think about evolving their supply chain in order to match the level of demands and customer experience. As we talk about the customer experience being the next battlefield, the supply chain is the key driver and value generator for the companies. The evolution of the supply chain will be a key differentiator in the crowded marketplace,” he said.

Major Disruptions & Emerging Trends

According to **Tushar Ahluwalia**, supply chain is a second tier aspect of his company. “As we are a fashion-oriented brand, our first focus is on the changing trends. In our segment, customer requirements evolve so fast that we need a new assortment every week. Solving the inventory, getting good designs, creating new stocks and maintaining it in the crunch time is our priority. We actually think that lean time and inventory are important for the gross profit margin. We actually hit on the gross profit margin as we produce in proximity and by doing so, we can really observe what is getting sold. We conduct research and use the data to improve the assortment making our pattern evolve across the country,” he stated.

“There are certain parameters which are influencing and deciding the change, which the industry is going through. First is technology, where we have cloud, mobile and the Internet to influence everything and bring all aspects of retail under one roof. Next is the availability of multichannel platforms, the third being



“As we talk about the customer experience being the next battlefield, the supply chain is the key driver and value generator for the companies. The evolution of the supply chain will be a key differentiator in the crowded marketplace.”

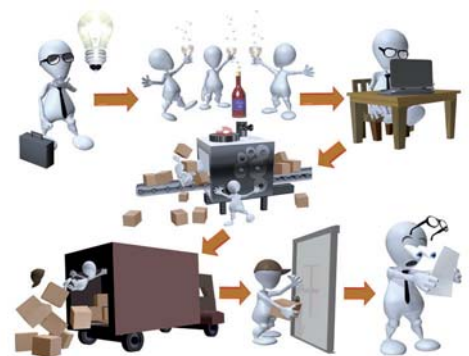
– GAURAV KAPIL
SVP & HEAD-CX, OPS,
MARKETPLACE & SUPPLY CHAIN,
CRAFTSVILLA



“There are certain parameters which are influencing and deciding the change which the industry is going through. First is technology, where we have cloud, mobile and the Internet to influence everything and bring all aspects of retail under one roof. Next is the availability of multichannel platforms.”

– RAJUL JAIN
CEO & CO-FOUNDER, INCREFF
(INCREDIBLE EFFICIENCY)

the huge impact created by e-commerce and social commerce. There are many companies which have reached profit level extremely fast due to social commerce – Myntra and Flipkart being examples of two companies which hit profit levels in 5-7 years. Government policies have also been helpful, including the implementation of GST, which has resulted in a constant increase of customer segmentation. These inputs are forcing the supply chain to evolve and as a result, the procedure is becoming fast and easily accessible,” added **Rajul Jain**.



Giving Landmark Group’s viewpoint, **Manoj Krishnan** said, “One of the trends we’re noticing is the new type of customer and his expectations. To accommodate him, the supply chain needs to evolve, become more flexible. Today the customer has the option to choose the type of delivery of his purchase. He can either pick it from the store or can get it delivered to an address of his choice. Delivering the product on a given time slot always remains a big challenge. The success of every brand depends on that. Secondly we need to take into account fault tolerance. The fault tolerance of the supply chain has to be enhanced. If the retailer is trying to create a system with promised service level agreement (SLA) of delivery meeting 99 percent and above, then he must be ready to take care of unaccounted for variables. The retailer’s backend should be capable enough to rectify this error and ensure the product delivery on time.”

Surendra Nayak of Logic ERP Solutions stated that with the implementation of GST, the fashion brands are now into creating robust warehouse management equipped with comprehensive technology, space management abilities and functionalities. “These warehouses are more transparent in approach as well. From the distribution chain point of view, things are a bit different. Retail

brands have a different point of sales be it e-commerce and physical retail store outlets, therefore the distribution network consisting of dealer distribution, stall selling, store numbers, is taken care separately. Here the changes done are specific to the requirements of the retailers and brand. It doesn't get consolidated and is utilised on the basis of the investment, stores number and the distribution point. Physical warehouses, which are robust, are in trend."

Seasonality Holds the Relevance

As per Kapil, the supply chain is all about being futuristic and planning in advance and his company always plans inventory and new merchandise for the next 10-12 months.



"Fast fashion has a negative quantization despite the fact that we have an extreme crunched supply chain management. We pay our labour extremely well and therefore are able to maintain a high quality of production and supply chain. We create 300 styles every week in our funnel and upload 200 of them on the website. So, 100 of them are killed before hitting the website. We have been into operations for 4 to 5 years and till date have produced 60,000 different SKUs, despite not being a big company. Seasonality is not a concern for us. We are spending into the Omnichannel offerings and offline touch points," explained Ahluwalia.

Jain added to this, saying, "Traditionally, the supply chain was totally driven by weather. Due to weather conditions restrictions, the physical supply chain has always been dependent on two or four seasons and supply chain execution itself used to suffer a blow due to the seasonal disruptions. However, emerging trends in the industry are slowly breaking the seasonal myth. The supply chain today is becoming dynamic and is not dependent on the two or six months' supply theory anymore. The only thing holding disruption is



"Retail brands have a different point of sales be it e-commerce and physical retail store outlets, therefore the distribution network consisting of dealer distribution, stall selling, store numbers, is taken care separately."

- SURENDRA NAYAK
HEAD- SALES & MARKETING,
LOGIC ERP SOLUTIONS



"The challenge is not to come up with a new set of technologies; the challenge is how to integrate with the mainstream. For big business, the challenge is even bigger. Retailers need to change their mindset since the rules of success are definitely changing."

- MANOJ KRISHNAN
PRESIDENT-IT, LANDMARK
GROUP

the physical manufacturing of fabric garment and its physical delivery to warehouses. With the introduction of robots, slowly this will get disrupted too."

Nayak had a slightly different point of view, saying that seasonality still was a concern for the supply chain industry. "The lifecycle of the product in a supply chain cycle has been reduced from eight months to three months now. Winter is a three-way process and it delays the production by a large extent. No one can have the capacity to complete the production in a 10-day time period, so they plan their product distribution and production as per season. Another factor which is directly influenced by the seasonality is the structure of the warehouse. The utilisation of space, procurement and manufacturing is also impacted by seasonality."

Krishnan however, said that the concepts of seasons and seasonality was being questioned very seriously especially since some styles and trends don't even last for a week and keeping stock for the entire season in the warehouse is a huge loss for a brand.

"For a classic supply chain theory, it is wise to assemble the order as per demand rather than stocking it. This shift is emerging which results in increasing the hits of the product in the season. Hence, constant supply chain is prompted to be closer to the demand rather than decide what is going to be," added Krishnan.

Influence on Offline Retail

Globally, as well as in India, most transactions do not happen online, as per Tushar Alhuwalia. "Looking at the interplay e-commerce will not remain the big thing in the industry for a very long time, as technology and digital commerce are slowly taking over everywhere. Online does allow us to capture data way more than we can offline and have a more pointed assortment. For us, online helps build a community and lets us know what works for us and what doesn't, and we can liquidate accordingly," stated Tushar.

Jain agreed, adding, "As far as the 'offline vs online' battle is concerned, online will continue to grow, but will not take everything. There will be a plateau which will act as a merger between offline and online. One fundamental difference between offline and online is the age of the people running the platform. The people currently running online platform are young and more tech-savvy, whereas the offline platform runners are the traditional ones. The

age has restricted offline players to react. In future there will be more online companies who will be getting into the offline thing and disrupt the industry totally with technology and tools which usually are used in the online platform, Lenskart is best example for this, as they are known to create and implement technology in-house.”

Talking about mobile penetration, Krishnan said that the traditional view is separately linear. “If penetration is going up, then the addressable market also goes up. As a result, the reach of the online channel is widening. Certain associated things with the development of regional content – for example language – can add more value and worth to the mobile penetration revolution. In the end, the product is the king and when merged with the right technology, increases many folds. Sometimes, it is e-commerce and on other occasions, it is about human potential, but the right product finds a market for itself. It is a social revolution to find a market of their merit in a much faster and simpler manner than we were used to in the past.”

Nayak stated that offline and digital retail were here to stay and simultaneously at that. “More and more e-commerce companies are going to have their brick-and-mortar stores, and consumer experience and emerging trends on shopping will evolve around this. There are certain threats and opportunities in context to this which will be sorted out as per the requirements. More retailers are looking for a supply chain management system which has the benefits of being integrated, robust and transparent for the visibility of the information.



“Looking at the interplay e-commerce will not remain the big thing in the industry for a very long time, as technology and digital commerce are slowly taking over everywhere. Online does allow us to capture data way more than we can offline and have a more pointed assortment.”

– TUSHAR AHLUWALIA
CO-FOUNDER AND CEO
STALKBUYLOVE.COM

This strategy is the same for all, be it a veteran old retailer or a new start-up company.”

“Companies switch platforms to be successful. When they are unable to reach the expected growth point they look for other platforms. This can be a switch from offline to online and vice versa. For some, these platforms complement each other,” Jain added.

Supply Chain & Customer Experience

Ahluwalia stressed on hygiene being an important factor in the supply chain is concerned. He said factors like delivery timeline and quality consistency were important. Then there was hygiene in the offline world too – like in-store experiences, location strategies, mannequins at the front door and rent revenue ratios.

“No justification would cover up the loss if retailers fail to address these challenges,” stated Kapil.



According to Jain customer segmentation is dramatically increasing in India. “Some customers will ask lower price points, some will look for variety, some experience and there will be brands/companies responding to all of these demands. Everybody will have their own USPs, but one thing is clear, whatever you have to achieve can only be achieved through technology in the future.”

“If we need to deliver in a consistent manner, we need to focus on evolving customer services. The most critical success factors will be how we assimilate new technologies, new processes and new mindsets into the existing mainstream business dreams. The challenge is not to come up with a new set of technologies; the challenge is how to integrate with the mainstream. For big business, the challenge is even bigger. Retailers need to change their mindset since the rules of success are definitely changing,” concluded Krishnan. **IR**





Gunish Jain, MD, BlueKactus

Brands & Manufacturers Leverage Technology for Automation, Increased Speed in the Supply Chain Market

In a fragmented vertical like the fashion retail industry BlueKactus, a state of the art technology based specialised application built specially for the industry, provides flexible, scalable and intuitive solutions that are easy to use and quick to implement...

By IMAGES Retail Bureau



In today's hyper-competitive market, companies and manufacturers must strive on a daily basis in terms of efficiency and productivity as customers continue to demand shorter lead times. The apparel industry, in particular, faces a big challenge to ensure its supply chain is responsive and is able to meet quick turnarounds. Growing competition is leading to lower prices, which in turn forces huge pressure on the bottom line – increasing cost pressures, rising staff salaries of staff are problems that need to be dealt with order to keep pace with the competition.

In such a fragmented vertical comes BlueKactus, a state of the art technology based specialised application built for the apparel industry. BlueKactus is a flexible, scalable and intuitive solution that is easy to use and quick to implement. It not only helps in timely tracking of activities by sending real time alerts and notifications, but also implements a quality module. The module helps in inspecting, tracking and keeping a check on the supply chain process. It reduces manual workload by automating most of the processes like order entry, data capturing, along with suggesting best fit costings etc. It also ensures seamless collaboration and communication between internal and external stakeholders by automating the routine and clerical tasks through AI and ML-based tools.

At the India Fashion Forum 2019 held in Mumbai, **Gunish Chander Jain, MD, BlueKactus** talked about how his brand leveraged technology for automation and improving speed in the supply chain market in a bid to make things easy and convenient for retailers. In a seven-minute presentation, Jain presented the insights of technology benefitting the retail businesses.



Ideation

Being from the fashion background and garment trading, Jain empathised with the role and impact of growing technology in the retail industry, especially problems related to the backend platform. He decided to leave his kidswear brand and started the

tech company BlueKaktus. Today, over 400 manufacturers and brands use BlueKaktus' solutions to sort out problems related to the supply chain.

"Everywhere in retail and in various forms, the focus is always on the frontend as brands zero in on ongoing digital and enhancing customer experience. The problem in the Indian Fashion Retail Industry is that while the front end has been digitized, the back end is still analog. An increase in inventory levels in the industry is resulting in a lot of cash flow being stopped or affected. At

BlueKaktus, our aim is to help companies improve the speed to the market. We help in improving the speed of operations and get things done in a shorter amount of time with the help of technology. The motto of our brand is 'enabling future ready fashion companies and helping them to become more lean and nimble to become future ready', explains Jain.



USP & Services

BlueKaktus' key services include:

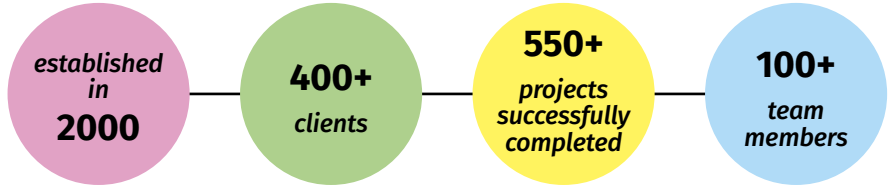
- Deep Industry Expertise
- AI/ML Embedded Tools
- Focus on Apparel 4.0
- Industry-Centric Solutions

Objective

The objective of the BlueKaktus is to make fashion retail companies future ready. Their advanced features include:

Outstanding Customer Service: It is imperative for future-ready fashion retail companies to provide customised services as their customers are becoming more demanding, evolving.

ABOUT BLUEKAKTUS



The Team:

The BlueKaktus team consists of technology specialists with more than 250 man-years of experience between them, all of whom are passionate about bringing a radical change to the fashion industry. They help in bringing about next gen business software solutions to drive breakthrough results in cost management and productivity enhancement.

Right Product at Right Time: The survival of fashion retail companies is tough if they don't have the right product at the right time. BlueKaktus ensures that such a situation doesn't arise.



Internet 'Enabled' Companies: Online is disrupting seasons, and no one fashion trend can rapidly catch on. However, there is a downside to being Internet-enabled, which is that a 2-season cycle – the theory on which the supply chain used to work – will no longer work. Retailers sell whatever is in demand. BlueKaktus helps companies in staying on top of this new business trend to succeed.



Make Companies Nimble & Agile:

Smart fashion companies need to be nimble and able to quickly pivot as fashion trends continue to become increasingly unpredictable. Say for example, green shirts are in fashion, and in demand, then retailers will stock green shirts. However, there is no assurance of till when the trend will last – it could be a few months or a few weeks.

Therefore, creating a nimble organization by leveraging technology is must to deal with challenges.



Digitise: Digitise the entire enterprise by working on key areas

Create Flexible Solutions: BlueKaktus helps manage a company's product lifecycle, helps in automation of its technology pack creation, capacity planning and in creating active





merchandising tools for the company using Artificial Intelligence and Machine Learning so retailers can take smart decisions.

Integrate Departments: Helps in integrating every department of the supply chain including design, buying, sales, right from fabric and even garment vendors and puts them all on a single platform from where they seamlessly communicate. BlueKactus uses Artificial Intelligence and Machine Learning to automate this integration, communication and decision-making process.



Data Tagging: The company helps fashion retailers smartly tag their data and provides a single source of truth to all stakeholders by give them timely information.

Challenges

The challenges which need to be taken care of while building future-ready fashion companies integration are:

- Integration of both internal and external level
- Large numbers of real time decisions need to be made
- Reaction time to be measured in second rather than days



BlueKactus has been able to change the business phase for many of its user companies such as Arvind Lifestyle Brands, PM Pro Exports, Beebay and many more.

“We look at the integration of the entire supply chain which is both at the internal and external stakeholder level. This includes a technology pack creation and how to automate it, data mining and its impact, digitising the entire creation process etc. This is the opposite of traditional ways, which was having designers use 3D tech systems. Data mining was a problem at that time

What BlueKactus Provides

- Time & action calendar
- Automated costing
- Product lifecycle management (PLM)
- Collaborative capacity planning tool
- Automated production planning
- Active merchandising and sales analysis engine

though. Digitising data and churning out relevant designs was a time consuming process. In this era of Internet, Artificial Intelligence and Machine Learning, companies need to understand and digitise the backend as well as the front end if they want to reduce their reaction time. We have that entire information, we understand the process and the proceedings to digitise companies on all ends,” said Jain.

“BlueKactus has been able to change the business phase for many of its user companies such as Arvind Lifestyle Brands, PM Pro Exports, Beebay and many more. All these companies boast of significant improvements including improved merchandiser productivity by 150-200 percent and reduction of lead times by 15 to 20 percent by using digital report analytics,” explained Jain.



Benefits

The key benefits which the manufacturers and brands have witnessed after using BlueKactus are:

- Reduction in Cost: 5-10 percent
- Reduction in Lead Time: 15-50 percent
- Merchandiser Productivity Enhancement- 100-200 percent
- Improved Bottom Line: 40-80 percent
- Improved Inventory Turn: 50-100 percent

“We enhance buyer trust by giving them better control over their inventory. There are significant cost savings by 5 to 8 percent in a span of just six months and post-implementation through a reduction in inventory manpower and delays. This is a chain reaction resulting in increased OTIF, higher customer satisfaction leading to higher trust from the customers,” concluded Jain. **IR**

SUBSCRIBE NOW!



NEXT ISSUE HIGHLIGHTS

JULY 2019 E-Commerce Special: IMAGES Retail's July 2019 issue takes an in-depth look at the e-commerce revolution in the retail industry.

The issue does a deep dive into:

- ▶ Impact of e-commerce, what brands are doing new
- ▶ Types and significance- Case Studies
- ▶ Technical innovation impacting e-commerce

AUGUST 2019 Retailers Special Annual Issue: IMAGES Retail's August 2019 issue will bring a special Annual feature on top retail brands and CEO from the industry.

FUTURE OF BUSINESSES ANALYSING THE BUSINESS OF ORGANIZED RETAIL IN INDIA.

IMAGES
GROUP. IN

Please fill up the subscription form & mail with your remittance to: **Subscription Department, Images Multimedia Pvt. Ltd.**

S-21, Okhla Industrial Area, Phase II, New Delhi 110 020, India. Ph: +91 11 40525000, Fax: +91 11 405 25001
E-Mail: subscription@imagesgroup.in

Mumbai: 1st Floor, Panchal Iron Works, Plot No. 111 / 3, Marol Co-Operative Industrial Estate, Marol, Andheri (East) Mumbai 400059, Ph: +91 22 28508070 / 71, Fax: +91 22 28508072

Bengaluru: 523, 7th Cross, 10th Main, (Jeevanbhima Nagar Main Road), HAL 3rd Stage, Bengaluru 560 075
Ph: +91 80 41255172/41750595/96, Fax: +91 80 41255182

Kolkata: P-513/B, Raja Basanta Roy Road, CIT Scheme XLVII, Near Sabyasachi Store, Kolkata 700 029
Ph: +91 33 40080480, 40080488

Term	PRINT			PDF		
	1 year	2 years	3 years	1 year	2 years	3 years
No. of issues	12	24	36	12	24	36
Cover Price	₹1200	₹2400	₹3600	₹1200	₹2400	₹3600
SAVING	15%	20%	25%	35%	40%	45%
Discount	₹180	₹480	₹900	₹420	₹960	₹1620
GST 18%	NA	NA	NA	₹140	₹259	₹356
You pay	₹1020	₹1920	₹2700	₹920	₹1699	₹2336
Please Tick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL COMBO OFFER ON PRINT + PDF
Pay ₹5036/- and get **RETAILERS IN INDIA VOL. 1**
worth ₹5000/- **FREE** with 3 Years Subscription

YES, I would like to subscribe for

PRINT VERSION COMBO OFFER

Name Mr. Ms. _____

Designation _____

Business Activity _____

Company _____

Delivery Address _____

City _____ Pin Code _____ State _____

Phone _____ Fax _____

E-Mail _____

PAYMENT OPTION 1

Please charge my card

Amount _____ Card Expiry Date _____

Card No. _____

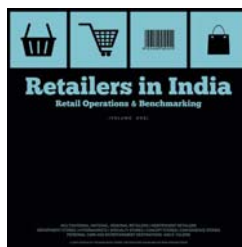
Card Member's Signature _____

PAYMENT OPTION 2

I am enclosing Cheque/ DD No. _____

drawn on (specify bank) _____

favouring **Images Multimedia Pvt. Ltd.**, payable at New Delhi



RETAILERS IN INDIA VOL. 1

"Retailers in India" - Retail Operations & Benchmarking" is a special hardbound coffee table book featuring India's most progressive retailers. The book promises to be a central reference for all global and national interest groups who are seeking information, alliance, partnerships, or investment returns in retailing in India.

The book presents India pioneering Progressive Retailers – Department Stores, Hypermarkets, Special Concept Stores, Convenience Stores, Omnichannel Retailers etc.



Terms & Conditions: • Rates & offer valid in India only • Please allow 4-6 weeks for processing of your subscription • In case of non receipt of the publication, please inform the Subscription Department within 30 days • IMAGES reserves the right to terminate this offer or any part thereof at any time or to accept or reject any request at their absolute discretion • No request for cancellation of subscription will be entertained after three months of subscription • Disputes if any are subject to the exclusive jurisdiction of competent courts and forums in Delhi only.

For online subscription, please visit shop.indiaretailing.com



Top Trends Transforming the Global Supply Chain & Logistics Industry in 2019

A strong supply chain forms the key to taking care of most of the business nuances and the world is today moving over to robotics and automation to take care of this, though trained manpower still remains imperative to successful supply chain operation. Here are some key findings...

By Zainab S Kazi

Supply Chain remains the most underrated support function in retail but then its importance cannot be undermined. A weak supply chain results in chaos which ultimately leads to the downfall for any brand / retail chain. Internationally, supply chain and warehousing is witnessing a tremendous revolution.

With the growing prevalence of Omnichannel retail, the retailer today faces a challenging task of customer expectation fulfillment 24x7. Not only is the customer looking at an enhanced customer service but a seamless

experience across channels. Coupled with this, the retailer needs to ensure that his operational costs are under check and the business is strong enough to take care of any unforeseen volatility. A strong supply chain forms the key to taking care of most of the business nuances and the world is today moving over to robotics and automation to take care of this, though trained manpower still remains imperative to successful supply chain operation.

Reiterating this, **Samay Kohli, Co-Founder & Chief Executive Officer, Grey Orange** (a robotics and warehouse automation company) shares, "The retail

evolution calls for a new generation of solutions to address its complexities, which will help retailers create an end-to-end Omnichannel supply chain grounded in the streamlined processes of their fulfillment centers. Automation has a big role to play in this, as it can help minimise inventory duplication and enable a real-time, unified view of inventory across channels."

Kohli further adds that in a modern warehouse, assets and resources need to collaborate with minimal human intervention and with utmost integration across various workflows.



Top Trends Expected to Transform the Global Supply Chain/Logistics Industry in 2019

- **BLOCKCHAIN TECHNOLOGY:** With the superpower of allowing the different stakeholders – manufacturers, suppliers, customers, auditors, warehouse managers and a host of others – to create an efficient system for recording transactions, tracking assets and easy accessibility of document management, Blockchain Technology is to be watched out for!
- **COMPLETE DIGITALISATION:** Enabling a reduction in supply chain cost and offering a fool proof solution devoid of any possible human error, digitalisation is going to sweep over the traditional methods.
- Growing prevalence of 3PL and 5PL
- **PROFICIENT LAST MILE DELIVERIES:** Thanks to e-commerce, there is a growing proliferation of last mile deliveries occupying a critical position. An example here would be the initiative by Amazon to workout logistics to offer same day delivery to their Prime Members.
- **DRONES MAKING DELIVERIES:** Experimentation is ongoing in this space and the pace is only going to increase in 2019
- **BIG DATA ADOPTION:** The use of Big Data and Data Analytics will be a force to reckon with in 2019 for supply chain operation
- **ELASTIC LOGISTIC:** As the name suggests, this is all about bringing in flexibility that allows to expand and shrink capabilities for aligning with the demand dynamics within the supply chain during a time frame.
- **OPTING FOR GREEN SOLUTIONS:** With online shopping increasing by the day, the number of vehicles being used for deliveries too are growing. Logistic companies will have to look out for green solutions that include making use of electric vehicles, drones etc.

This maximises the throughput, as the movement of all resources optimise precisely with the use of AI and machine learning algorithms. A fully-connected robotics system can process large amounts of data in real time to adapt on the fly. Such synchronisation can unlock new areas of productivity, some of which were not considered before.

Elaborating on this, he further adds, “In today’s highly dynamic retail landscape, Flexible Automation in distribution centers will be the game changer that can

provide the operational excellence that retailers seek.”

Citing the key global trends, for 2019 to look out for, **Anshuman Agarwal, Chief Operating Officer & Co-Founder, INCREFF** points out that managing warehousing is becoming a specialised function requiring specialised and trained team.

“With e-commerce and social commerce becoming significant portion of business, warehouses now must pick, pack and dispatch individual

customer orders and that too within few hours. This requires a very different capability and mindset.” He further states the importance of ensuring on same day replenishment for offline stores saying: “To improve store sell through, warehouses now must replenish stock faster in shorter batch sizes. The trend is also to imbibe digital automation instead of physical automation which entails automating decision making in warehouses through digital automation. Turn humans into robots – let systems take all decisions, workers should only follow instructions.”

Talking about inventory, Agarwal accentuates the trend internationally that is about exposing a single view of inventory. He explains, “With proliferation of sales channels (e.g. E-commerce marketplaces, own websites, LFRs, EBOs, MBOs etc.) having dedicated stocks for each channel results in huge loss of revenue and margin. It is critical to expose single view of inventory to all sales without having safety buffers or dedicated stock for any sales channels. It is equally important to be closer to the customer. This means having a distributed warehousing with intelligent stock allocation based on demand pattern, so that the retailer can fulfill all customer orders from closest warehouse there by reducing delivery time and cost and improving customer experience.” 



Warehousing: The Backbone of the E-Commerce Business

Warehouses have become the backbone of all operating e-commerce businesses since they ensure delivering customer orders in perfect condition, within a given time frame...

By Charu Lamba



The warehouse industry in India has come a long way from godowns and mismanaged empty spaces to become the backbone of the growing e-commerce industry in India. Going by current industry estimates, the warehouse space in India will grow from the current 909.5 million sq. ft. to approximately 1,439 million sq. ft. by the end of 2019.

A report by property consultant JLL India titled 'India's Warehousing Sector Review' and released in March 2018 stated that the warehousing sector will attract investments of about ₹43,000 crore and create 2 lakh job opportunities in the next three years, driven by GST implementation and growth of the e-commerce sector. In its

report, JLL estimated that the amount will be invested in creating warehousing facilities across India from 2018-2020. Warehousing stock is expected to rise to 247 million sq. ft. by 2020 from 140 million sq. ft. in 2017.

Warehousing space in India will increase by 112 percent by end of 2021, said JLL in its report.

JLL said that the overall growth in e-commerce and a shortening turnaround time for delivery has necessitated a sharp growth in warehousing in the country.

Importance of Warehousing for E-Retailers

Despite a website with an excellent interface, amazing marketing strategies and great products, any e-commerce

player can lose a customer if it fails to ensure its customer a smooth delivery. Due to this, warehouses have become the backbone all operating e-commerce businesses since they ensure delivering customer orders in perfect condition, within a given time frame.

"Making sure all products are checked properly in terms of quality and functioning and are further packed safely, so that they reach the customer in proper condition in a timely manner is the warehouse's responsibility," says **Amtosh Singh, Co-Founder, PropShop24.**

"Our warehouse has allowed us to expand categories, ship quicker and in a more organised manner, reduce shipping timelines and have better processes to check each product and ensure customers receive what they expected," he adds.

A warehouse is like a central processing unit for any e-commerce or a retail player. From the stringent QC checks to maintaining the inward and dispatch of product, it helps to enhance the customer experience when they receive the product. The warehouse is able to manage the inventory better than the JIT models (Just In Time) which a few retailers still follow.

"A warehouse helps e-commerce players meet customer expectations by shipping products at a faster pace and enables them to have a better control over the quality of products," says **Rajinder Mattoo, Head - Sales & Business Development, Vajor.**

"As inventory is available in advance, they are able to maintain the quality and are in a better position to understand customer requirements in terms of style required and quality of product. The chances of error goes to a very minuscule number as they dispatch every product to consumers after proper QC," he further states.

A warehouse also makes sure that products consumers have ordered are available to them, making it an important part of brand success since the overall success of a brand lies in customer satisfaction.

Technology - Ensuring Smooth Functioning

The job of the warehouse is not done once the package leaves the door. It is completed once the package has been delivered to the customer within the committed time frame. Technology is acting as an enabler to ensure smooth functioning of the warehouse by from the time products reach the warehouse till the time they are delivered. It ensures smooth functioning and helps in eliminating errors, and this the reason why e-commerce players are bullish on investing in technology at their warehouses.

"We have an order processing and inventory management software that takes care of most of the processes related to the shipping of orders. In addition, we have a lot of processes to track products like delivery timeline, returns, damages, etc.," says Singh.

"We have deployed 'Warehouse Management System' technology that helps manage inventory better in terms of season-based inventory maintenance, controlled ageing, maintained quality and faster fulfilment," says Mattoo.

Vajor's warehouse, spans across 1,600 sq. ft. built-up space, is handled by a team of 12 people. It handles 500 shipments in a day and inventory of over 10,000 at any point of time. About 1,000 pieces are received at their warehouse each day.

"The better and transparent view of what is available in the inventory in the warehouse is what is helping to transform our brand for future challenges. This has put us in a better position to understand the customer in terms of demand and quality of products," says Mattoo.

Lenskart's state-of-the-art facility based out of Gurugram is designed with the vision to revolutionise the eyewear industry in a true sense with 100 percent accuracy for all spectacles and glasses that are sold. The facility imbibes latest technological global concepts of eyewear manufacturing making it one of the best in India. The fully robotic manufacturing facility supported by highly specialised and latest technology like MEI further strengthens the manufacturing process.

"Backed by a team of technology specialists, we are using a number of innovative technologies which includes Augmented Reality to add to the convenience of customers. We use

cloud-based infrastructure to make sure that our all 500+ stores and online is synced through a common inventory which further helps us in determining the inventory in real-time. We also use six-sigma technique which means each product at Lenskart is uniquely bar-coded ensuring that consumer gets the right product within a given time," says **Amit Chaudhary, Co-Founder, Lenskart.**

Growing Demand of Warehouses

-Many e-commerce players are now looking at vertically integrating and handling all of the processes internally to have a complete control over the inventory and maximize margins - and warehousing is one of those processes. Quick delivery is the essence of success for any business and that is why the brands are opening multiple warehouses around the country.



Grofers - which competes with the likes of BigBasket as well as grocery verticals of e-commerce majors such as Flipkart and Amazon.in - is planning to continue to build out its warehousing infrastructure along with supply chain and private label product offerings.

Similarly, online restaurant guide and food ordering firm Zomato will invest around ₹56 crore to set up 20 more warehouses across the country by the end of 2020 under its B2B platform, Hyperpure.

The overall growth in e-commerce and a shortening turnaround time for delivery has necessitated a sharp growth in warehousing in the country.

The warehouses would be set up in Delhi, Bengaluru, Mumbai, Pune, Chennai, Hyderabad, Kolkata, Jaipur, Ahmedabad, Chandigarh, Nagpur, Lucknow, Vadodara, Coimbatore, Kochi, Agra, Goa and Surat. It is also planning to launch its warehouses in international markets.

The company currently has two warehouses - one each in Bengaluru and Delhi - with a combined capacity of 9,000 metric ton (MT) per month.

Last year, Amazon set up five more warehouses in cities like Bengaluru, Gurugram, Vijaywada, Kolkata and




Mumbai, as the global e-tailing giant looks to strengthen its delivery capabilities amid intense competition from rivals like Flipkart.

With the addition of these new facilities, Amazon has 67 fulfilment centres (FCs) in 13 states, with a total storage capacity of over 20 million cubic feet.

"Providing convenience to the customers is the mantra of success for e-commerce players today. Gen Next customers expect their orders to be delivered at the earliest possible. To match increasing consumer demands, brands prefer to build multiple warehouses near their consumers," Chaudhary states.

Lenskart has a 200,000 sq. ft. warehouse-cum-manufacturing facility in Gurugram which employs 600 people. It houses approximately 16,000 SKUs. The brand is planning to open more satellite warehouses in cities like Bengaluru, Hyderabad, Kolkata and Mumbai.

"The number of e-commerce players are increasing with the increasing demand of customers disposable income, and owing to these two reasons, there has been a surge in demand of warehouses," concludes Singh. 



How 1-India Family Mart is Riding the Technology Wave

1-India Family Mart - a rapidly growing value retail chain owned by Nysaa Retail Private Limited - offers affordable and fashion apparels, lifestyle products and general merchandise to its customers at affordable prices...

By Charu Lamba

In a bid to match the fashion aspirations of individuals living in small towns, 1-India Family Mart - a rapidly growing value retail chain owned by Nysaa Retail Private Limited - offers affordable and fashion apparels, lifestyle products and general merchandise to its customers at affordable prices. The brand specialises in apparel for men, women and kids, which makes up 80 percent of its business. Apart from this, it provides lifestyle products, accessories, home furnishings and household products that give make up the remaining 20 percent of revenue.

“Being an idea-driven firm with customer-centricity at the core of operations, we use Big Data to analyse buying habits and trends. The dynamic backend system analyses the CRM data fetched through the POS systems to comprehend customer buying behaviour to reduce eccentricity in the supply chain process. Being a price-driven business, we are very conscious of pricing. We

study data to figure out the best price points to sell the products,” says **JP Shukla, Co-founder and CEO, 1-India Family Mart.**

Business Model

The brand that caters to customers falling in ₹5,000-25,000 monthly income bracket, follows a centralised sourcing model of business. It procures material from more than 600 vendors across the country. Once all the material gets accumulated at its centrally located warehouse with a capacity of 80,000 sq. ft. in Gurugram, it is shipped to the stores through an efficient supply chain management system. These vendors create, innovate and find the latest trends in the trade and then supply to the brand.

“1-India Family Mart’s robust inventory management solutions make products available in stores in a short period of 40-45 days to reduce the inventory cycle. The brand which operates 90 stores operating across 72 cities of Eastern and Northern India, has reached a revenue of ₹420 crore and further plans to invest


₹200 crore to open approximately 100 stores in the next two fiscals,” says Shukla



JP Shukla, Co-Founder & CEO,
1-India Family Mart

Technology: The Mainstay of Retail Success

The use of these intelligent technologies has made it possible for the 1-India Family Mart to maintain low inventory levels across different categories. It also enables them to introduce fresh fashion and merchandise at affordable prices.

“Adopting technology to automate supply and procurement processes has helped us bring significant bottom-line benefits by allowing better productivity, visibility and cost efficiency. We have been trying hard to bridge the gaps when it comes to inventory streaming at the cost centres, but with the advent of technology such as ‘Supplymint’ - a Ginesys backed planning tool - that we have just incorporated recently into the planning eco-system, we have been able to produce results that, are up to the mark and the ‘mismanaged inventory demon’ is probably out of equation,” he concludes. 



Reinventing Traditional Antennas

Powerfull Revolutionary
Sleek

NP10 / 20 is a radical shake-up of Checkpoint's range of electronic article surveillance (EAS) antennas, with the introduction of a revolutionary new electronics platform, NEO with wireless connected sensors which detect up to 2.7m.



Multiple audio files

Increased aisle width

Wireless connectivity

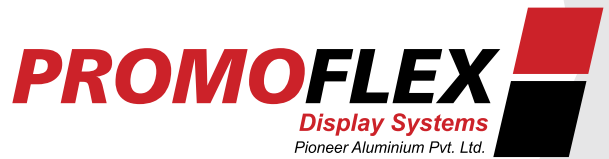
Contact Info:

Plot No. 12, F11 & F12 Subplot No. 12, WICEL,
Opp. Seepz main gate no. 1, Andheri (E), Mumbai-400093, Maharashtra India.
Tel: 91 22 4255 9700
Email: india.sales@checkpt.com
Website: www.checkpointsystems.com



INDIA'S LEADING SIGNAGE SOLUTIONS EXPERT

www.promoflexindia.com



INDIA'S LEADING MANUFACTURER >>

Digital Solutions

Fee Standing Digital Kiosk | Video Walls
Content Management Solutions



Product Designing & Modeling



PIONNER ALUMINIUM PRIVATE LIMITED
Haryana # Plot No. 6, 12/2, Inderprastha Estate No.1,
Sec-37, Faridabad, Haryana - 121003



contact@promoflexindia.com
skapoer@promoflexindia.com



+91 99900 00564
+91 98101 18196