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# RIMAGES Retail™

Future of Businesses

JULY 2019

VOL. 18 NO. 7 - ₹100

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[COVER STORY]

## IMPACT OF E-COMMERCE

Why Successful Offline Brands  
are Jumping on the Online  
Bandwagon

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E-commerce, which was a decade ago considered an indolent aspect of the unorganised Indian retail industry, has today become the platform on which the wheel of the industry runs. In a span of approximately 10 years, e-commerce has played a major role in organising the industry and also making it more convenient and accessible for the users.

The additional influence of the cyberspace has enabled e-commerce to reach and make an impact even in rural areas as well. Currently, Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. By 2021 India is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Online apparel sales are also set to grow 4X in the coming years.

The July edition of IMAGES Retail brings its readers the complete story on why this enormous demand has caused companies to be more creative in terms of reaching audiences online by introducing new and innovative technologies. The cover story will go over the impact of e-commerce, the role of Omnichannel services in luring modern consumers and how AI, VR and other innovations have impacted the e-commerce industry.

The issue also brings readers up to speed with the top innovations by leading brands to add more footfalls and revenue in their respective stores.

In other news, we have introduced a new 'Retail Design' in which we bring our readers a roundup on how Shoppers Stop has turned its fortunes by focusing on good visual merchandising. We also take a look at how retail design affects clicks-to-bricks brands and their store experience learnings.

Finally, the edition brings to its readers a roundup of IMAGES' flagship fashion retail event, India Fashion Forum 2019, featuring sessions on e-commerce, phy-gital retail and technology innovation, where experts share their experiences from the retail and fashion perspective.

As always, I hope you find the issue informative and useful.



**Amitabh Taneja**

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### Impact of E-Commerce: Why Successful Offline Brands are Jumping on the Online Bandwagon

*The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass USA to become the second largest e-commerce market in the world by 2034.*

*Technology-enabled innovations like digital payments, hyper-local logistics, analytics-driven customer engagement and digital advertisements will likely support the growth in the sector. An in-depth study of the Indian e-commerce sector*



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*E-commerce' has been defined to mean buying and selling of goods and services including digital products over digital & electronic network. Primarily, two models of e-commerce are recognised – 'inventory based' and 'market-place'*

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# RETAIL INFLATION INCHES UP TO REACH 7-MONTH HIGH

Retail inflation and price rise make headlines as brands in the food and fashion retail industries continue to set new profit and revenue records. Here's a look at some of the major activities in the retail sector in the last month...

By IMAGES Retail Bureau



## PARAG MILK FOODS CLOCKS ₹70 CRORE IN FY'19; EYES ₹160 CRORE THIS FISCAL



Parag Milk Foods earned a revenue of about ₹70 crore last fiscal from its manufacturing facility at Sonapat in Haryana that the company acquired from Danone and is targeting up to ₹160 crore this financial year on better demand for its products in the northern market. Mumbai-based Parag Milk acquired Sonapat plant in April last year and started commercial operations in August to expand its footprint in the north and northeast India.

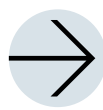
The company now has three plants in Maharashtra, Andhra Pradesh and Haryana with a total processing capacity of 2.9 million litres per day. "Our Sonapat plant is doing very well. It contributed ₹65-70 crore to our total turnover during the last fiscal. We are targeting a revenue of ₹130-160 crore during the current financial year," Devendra Shah, Chairman, Parag Milk



Foods told PTI. Parag Milk posted a 22.6 percent increase in its consolidated revenue from operations to ₹2,395.7 crore during 2018-19 fiscal, as compared to ₹1,954.5 crore in the previous year. "We are currently processing about 60,000 litres per day of milk in the Sonapat plant which is being sourced from Maharashtra, Haryana and Rajasthan," Shah told PTI, adding that the company expected to reach 100 percent capacity utilisation of over 1 lakh litre per day in the next financial year.

Shah said that the company is making efforts to strengthen distribution network by adding more retail (modern and traditional) touchpoints in the north India market. Parag Milk Foods had also launched its premium fresh milk brand 'Pride of Cows' in the Delhi-NCR market, wherein, the company airlifts the milk from its dairy farm near Pune.

## INDIA'S RETAIL INFLATION UP 3.05 PC IN MAY



Higher food prices accelerated India's May retail inflation to 3.05 percent from 2.99 percent in April, as per the official data. However, on a year-on-year basis, the Consumer Price Index in May 2019 was lower than the corresponding period of last year when retail inflation stood at 4.87 percent. According to data furnished by the National Statistical Office, the Consumer Food Price Index inflated to 1.83 percent during the month under review from an expansion of 1.10 percent in April 2019. Product-wise, prices of vegetables, eggs, meat and fish pushed the retail inflation higher on a YoY basis. In contrast, decline in prices of 'cereals and products' and 'milk and products' sugar capped the overall food inflation. Accordingly, the prices of vegetables increased 5.46 percent, meat and fish by 8.12 percent, eggs by 1.80 percent and pulses and its products by 2.13 percent.



## FOODSERVICE INDUSTRY TO TOUCH ₹5.99 LAKH CRORE MARK BY FY23

The overall Indian foodservice industry is estimated to be ₹5.99 lakh crore by 2022-23, growing at a compounded annual growth rate of 9 percent, a National Restaurant Association of India (NRAI) report said. According to a PTI report: It noted that the market size was ₹4.23 lakh crore in 2018-19. "The Indian restaurant industry employed 7.3 million people in 2018-19. The organised food service sector, which is only 35 percent of the total market, contributed a whopping ₹18,000 crore as way of taxes in 2018-19. The number is expected to more than double if the unorganised sector becomes organised," NRAI President Rahul Singh said. Pegging Mumbai's organised food service market at ₹40,480 crore, the report noted it was the highest amongst metros in the country. The city has approximately 87,650 restaurants and employs over 4,28,000 people. The average spend per month per household on eating out in the city is ₹2,890, higher than national average of ₹2,500, it said, while adding that the average frequency of consuming non-home cooked food in Mumbai is 4.2 times per month including dine-out, delivery and takeaways.



## RBI RAISES RETAIL INFLATION FORECAST FOR Q1 FY20 TO 3-3.1 PERCENT

The Reserve Bank on Thursday raised the retail inflation forecast marginally to 3-3.1 percent for the first half of the current fiscal, tracking uptick in food prices – mainly vegetables, albeit expectations of a normal monsoon this year.

According to a PTI report: In its first bi-monthly policy for FY20 in April, the Reserve Bank of India (RBI) had forecast the retail inflation to be hovering in the range of 2.9-3 percent for six months till September. However, the retail inflation projection for the second half of this fiscal has been cut to 3.4-3.7 percent as against RBI's previous projection of 3.5-3.8 percent. Cutting benchmark lending rates for the third consecutive time, the apex bank slashed the repo rate – the short-term lending rate at which bank borrows from the RBI – by 0.25 percent to 5.75 percent in its second bi-monthly policy review of FY20.



Joe Ravi / Shutterstock.com

"The baseline inflation trajectory for 2019-20 is shaped by several factors. First, the summer pick-up in vegetable prices has been sharper than expected, though this may be accompanied by a correspondingly larger reversal during autumn and winter," RBI said in its second bi-monthly monetary policy statement. Besides, the more recent information suggests a broad-based pick-up in prices in several food items. This has imparted an upward bias to the near-term trajectory of food inflation, RBI said, adding that crude prices have continued to be volatile.

"Taking into consideration these factors, the impact of recent policy rate cuts and expectations of a normal monsoon in 2019, the path of CPI inflation is revised to 3.0-3.1 percent for H1:2019-20 and to 3.4-3.7 percent for H2:2019-20, with risks broadly balanced," RBI said.

## MILKBASKET TO INVEST ₹10 CRORE TO SCALE BUSINESS; WILL SET UP 10 SCOURING CENTRES

Grocery delivery startup Milkbasket Tuesday said it will invest ₹10 crore to scale up its fresh fruits and vegetable category as it aims to set up to 10 more fresh scouring centres across the country. "The company aims to set up to 10 more collection centres in villages to promote right farming practices for better quality yield, maintain the cold chain to mitigate the food wastage and preserve

the nutritional value of produce," it said in a statement. Also, direct farm sourcing coupled with direct sales to consumers results in cost effectiveness and no margin leakage to middlemen or other business to business players, the company added.

"Following the success of Bakhtawarpur centre in Delhi which receives fresh produce from over 20 villages around the city, Milkbasket has shortlisted villages in Bangalore, Hyderabad, Nasik, Haryana, Himachal Pradesh and Uttar Pradesh for the next wave."

Anant Goel, Co-founder and CEO, Milkbasket said the company will continue to invest significantly to establish a robust processing and distribution network over

the next year.

Additionally, the company has tied up with multiple farmers producers organisations (FPOs) across the country to source directly from states like Bihar, Himachal Pradesh, Uttar Pradesh and Gujarat. Milkbasket said it also aims to get into the contract farming as the company believes contract farming done right can be very beneficial for both the stakeholders. Launched in early 2015, Milkbasket has till date raised close to US\$ 26 million (approx ₹180 crore) in equity funding from Mayfield Advisors, Beenext, Kalaari Capital, Unilever Ventures, Lenovo Capital, Blume Ventures and few family offices.



# INTERNATIONAL RETAILERS KEEP UP PROFIT BLITZ ON THE BACK OF EXCELLENT CONSUMER EXPERIENCE

International retail leaders are focusing on opening new stores with value added services to generate revenue and footfalls. Here's a look at some of the major activities in the retail sector globally over the last one month...

By IMAGES Retail Bureau



## WALMART RELAUNCHES SERVICE TO DELIVER GROCERIES TO CUSTOMERS' REFRIGERATORS

→ Walmart Inc will be restarting a service that offers the delivery of groceries directly to customers' refrigerators. Customers have more choices than ever before when it comes to how they get their groceries. They can shop in stores, order online for free pickup, or have groceries delivered to their front doors. It is on track

to offer grocery pickup from 3,100 stores and same-day grocery delivery from 1,600 stores by year-end.

Walmart is going one step further to make it even easier. It is introducing new way customers can order fresh groceries and everyday essentials and have them delivered directly into the kitchen or garage fridge. Walmart InHome Delivery is a new service designed to help customers save time and offer yet another convenient choice for grocery shopping. The service does so by delivering groceries even when customers can't be home.

### Here's how it works:

- Customers place a grocery order and then select InHome Delivery and a delivery day at checkout
- Customers can then go about their days

while a Walmart associate takes care of their grocery shopping for them – from food aisle to fridge

- At the time of delivery, associates will use smart entry technology and a proprietary, wearable camera to access the customer's home – allowing customers to control access into their homes and giving them the ability to watch the deliveries remotely

Later this year, InHome will also accept returns for items purchased on Walmart.com – customers can just leave them on the counter and their InHome Delivery associate will return the items on their behalf. InHome will be kicking off this fall for over 1 million customers across three cities: Kansas City, Missouri; Pittsburgh, Pennsylvania; and Vero Beach, Florida.

Jonathan Weiss / Shutterstock.com

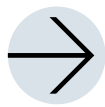


## SEPHORA TO OPEN STORE IN AUCKLAND

→ Sephora, the global beauty retailer, is opening a new store in Auckland in July. "Sephora Queen Street is set to become a beauty destination like no other, a place where New Zealanders will have access to a suite of the most sought-after beauty brands from around the world," said Alia Gogi, Managing Director, Sephora. The global beauty retailer said, in the lead up to the store's July opening, a Sephora Beauty Bus would visit three New Zealand towns as voted by the public. The double-decker bus would be wrapped in Sephora branding and feature products that would be available in store for fans to test. From Thursday, the public are invited to vote to get the bus to visit their town, with the first visit scheduled for July 6. The beauty retailer launched its New Zealand online store back in 2015. However the company didn't mention opening a physical store at the time.

SEPHORA

## AMAZON TO INTRODUCE DRONE DELIVERY SOON



Amazon plans to use self-piloted drones to deliver packages to shoppers' home in the coming months. "We've been hard at work building fully electric drones that can fly up to 15 miles and deliver packages under five pounds to customers in less than 30 minutes. And, with the help of our world-class fulfillment and delivery network, we expect to scale Prime Air both quickly and efficiently, delivering packages via drone to customers within months," Jeff Wilke, CEO, Amazon Worldwide Consumer said in a blog post.

The newest drone design includes advances in efficiency, stability and, most importantly, in safety. It is also unique,

and it advances the state of the art. It's a hybrid design. It can do vertical takeoffs and landings – like a helicopter. And it's efficient and aerodynamic – like an airplane. It also easily transitions between these two modes – from vertical-mode to airplane mode, and back to vertical mode.

It's fully shrouded for safety. The shrouds are also the wings, which makes it efficient in flight. The distinctive aircraft is controlled with six degrees of freedom, as opposed to the standard four. This makes it more stable, and capable of operating safely in more gusty wind conditions.

"We know customers will only feel comfortable receiving drone deliveries if they know the system is incredibly safe. So



Eric Broder Van Dyke / Shutterstock.com

we're building a drone that isn't just safe, but independently safe, using the latest artificial intelligence (AI) technologies," he further added.

## DECATHLON INTRODUCES MOBILE SELF-CHECKOUT SERVICE ACROSS NETHERLANDS STORES



The world's largest sporting goods retailer, Decathlon, has announced that it is deploying mobile self-checkout solution

across all its stores in the Netherlands, starting with stores in Rotterdam Alexandrium and Eindhoven. With Decathlon Scan & Go, customers can simply scan and pay for items using their smart phone, automatically disabling the RFID security tag to leave them free to exit the store without any need to queue or wait at the checkout. Eliminating the need for queuing has been one of the key competitive advantages driving the success of online retail over the last decade. However, recent studies show that 72 percent of shoppers aged 17 to 44 now also use

their connected devices while they browse in stores, so Decathlon has committed to create a market-leading frictionless customer experience by utilising the smartphone technology that their customers already carry to bring the best of the online shopping experience to in its offline stores.

Sybe De Graaf, CTO, Decathlon said, "Innovation is at the heart of what powers Decathlon. We are always looking for exciting new ways to improve the experience of our customers and to remove friction from their in-store journey. The Mishipay's mobile self-checkout solution has been implemented very quickly and is easily scalable, and our customers are going to love using it."

## L'ORÉAL'S MODIFACE BRINGS AI-POWERED VIRTUAL MAKEUP TRY-ONS TO AMAZON



ModiFace, the international leader in augmented reality and artificial intelligence for the beauty industry, which was acquired by L'Oréal in 2018, has announced that it will provide its AI-powered technology to enable the first virtual try-ons for cosmetics on Amazon.

With this innovation, Amazon customers will be able to use the front-facing camera on their mobile phone to digitally try on different shades of lipstick in a live video of themselves or on a selfie. The uniqueness of the ModiFace technology – which is run on Amazon Web Services – lies in its photo-realistic results and automatic, AI-enabled shade calibration. ModiFace's proprietary technology allows retailers

to seamlessly incorporate virtual try-on experiences for an unlimited amount of products. The AR simulation of each shade is done automatically, based on AI-powered analysis of information provided



360b / Shutterstock.com

by makeup brands, but also images and descriptions of the product available on social media. The technology is able to analyze textual and visual information related to a particular makeup shade and to realistically reproduce it via Augmented Reality.

Parham Aarabi, CEO of ModiFace, said: "We are delighted to team up with Amazon to provide its customers an Augmented Reality makeup try-on that offers highly realistic results and makes online shopping even more comfortable. Thanks to a precise color rendering, enabled by our unique AI powered technology, shoppers can easily try-on thousands of lipsticks available on Amazon and purchase the shades that fit them best."

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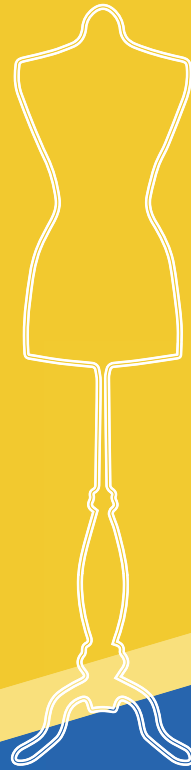
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# RETAIL INNOVATIONS: Taking Customer Experience One Notch Higher

To reshape the concept of traditional retail, innovations across the industry – product, in-store and technology innovations – are growing in popularity. They have made retail engagement all the more experiential, fascinating and personal and are often considered to be in the middle of a mixed reality spectrum; between the real world and the virtual world...

By Charu Lamba

**I**ncorporating innovation that is both interactive and engaging has changed the dynamics of retail. Today, introducing innovation in day-to-day operations is not just about enhancing business functions, it is about providing an incomparable shopping experience as well.

To reshape the concept of traditional retail, innovations across the industry – product, in-store and technology innovations – are growing in popularity. They have made retail engagement all the more experiential, fascinating and personal and are often considered to be in the middle of a mixed reality spectrum; between the real world and the virtual world.

The concept of innovation is, however, yet to fully permeate the Indian retail system, with only a handful of retailers in India being bold enough to adopt this dynamic solution to provide an enriching shopping experience to their shoppers.

***Here is the list of retailers and the innovations introduced:***



## → LIFESTYLE

With technological advancements, shopping experience has greatly evolved and Lifestyle, as a progressive retailer, has embraced many of these progressions to further enhance customer experience.

The fashion retailer, which is known for offering men's, women's and kids' apparel, footwear, handbags, fashion accessories, beauty products and much more, all under the same roof, has added features such as '**Self-Checkout Kiosk**', '**Mobile POS**', '**Fitting Room Assistance**', etc., to augment its in-store experience.



Explaining the innovations that the brand has introduced for billing, Vasanth Kumar, Executive Director, Lifestyle says, "The Self-Checkout kiosk is a facility that allows customers to bill their merchandise and complete the payment transaction in a few simple steps on their own. The Mobile POS which we have introduced is for billing some of our products such as watches, fragrances or cosmetics."

"The other innovations that we have introduced include our Fitting Room Assistance program that has emerged from our insights into our customer shopping behaviour, allows for size retrieval with the help of technology. For our e-commerce business, we have introduced visual search and enabled voice-based search on our apps which has helped creating a more personalized and convenient shopping experience," he adds.

Innovation, today, is the tool that allows brands to ensure a frictionless journey from discovery to purchase for the customer. And Lifestyle is no far behind.

"We have introduced '**Click & Collect**' – an Omnichannel initiative that allows customers to order online and collect merchandise from a Lifestyle store of their choice. Our in-store **Endless-Aisle** initiative helps a customer to find her missing size on our online channel," he further elaborates.

Several of initiatives that the brand has taken are technological solutions to real customer problems which they discovered through their interaction

with customers as well as staff. Using this feedback, they have created simple yet impactful solutions leveraging technology. These have led to positive impact on their overall customer experience and helped increase engagement with the brand.

"We are continuously evolving our stores with new technologies. To fully enable our customers to enjoy these new introductions, it is important for our sales personnel to understand, communicate and comfortably operate all new innovations. Before implementing any new technology or introducing product innovation, our entire store team goes through an extensive knowledge session, which enables them to understand the product/technology being introduced," says Kumar.

Lifestyle regularly tracks consumer satisfaction through **NPS (Net Promoter Score)** in store, by the virtue of offering, staff interactions, store ambience and consistently deliver an overall delightful shopping experience thereby winning customer trust and loyalty.

"We have also launched '**Lifestyle Edge**', an exclusive program for our premium customers in Chennai and Pune and soon we will be expanding this to other cities," says Kumar.

## → FABINDIA

'fabindia Experience Centres' house a **FabCafé** and an **Interior Design Studio**, in addition to its signature offerings that includes daily wear and occasion wear for women, men and kids, accessories, home and lifestyle products, personal care and organic foods.



Speaking about fabCafé, Viney Singh, Managing Director, fabindia, says, "It primarily focuses on bringing a nutritious menu highlighting India's diverse cuisine with a wide array of dishes representing various parts of the country."

Extending the focus on health and well-being, the Experience Centre has a designated space for Organic India's wellness store.

"The Self-Checkout kiosk is a facility that allows customers to bill their merchandise and complete the payment transaction in a few simple steps on their own."

– VASANTH KUMAR  
EXECUTIVE DIRECTOR,  
LIFESTYLE

"fabCafé primarily focuses on bringing a nutritious menu highlighting India's diverse cuisine with a wide array of dishes representing various parts of the country."

– VINEY SINGH  
MANAGING DIRECTOR,  
FABINDIA

“Our mono-store has to create a customer experience. It has to offer something else that customers cannot get online or at MBOs.”

– HENRIK SVENNING  
CHIEF COMMERCIAL  
OFFICER, HUMMEL

“We are all set to develop exclusive merchandise for the Indian market and plan to expand this in the coming years.”

– TOMOYASU ITO  
REPRESENTATIVE  
DIRECTOR, PRESIDENT  
AND CORPORATE  
OFFICER OF WACOAL  
CORP.

“Roadster has shown how fashion and technology, when integrated, create unique experiences that take offline shopping to a new level.”

– AMAR NAGARAM  
HEAD, MYNTRA  
JABONG

The wellness centre allows customers to interact with trained consultants on various aspects of health, lifestyle and well-being, he said.

The Interior Design Studio provides a range of services such as consultancy on layouts, mapping spaces, product customisation and colour scheme coordination, among other things.

### → HUMMEL

To combat the competition from other players in the same category including brands like Nike, Puma, adidas and Under Armour, hummel offers a unique store experiences to its customers in India.

“Our mono-store has to create a customer experience. It has to offer something else that customers cannot get online or at MBOs. It has to be a destination that attracts and excites the customers,” says Henrik Svenning, Chief Commercial Officer, hummel.



The brand's Amritsar store has an **anti-gravity photo-booth** where customers can get themselves clicked and take the 3D prints of the photographs.

In Chennai, the brand has a dedicated **yoga zone** where a local yoga trainer gives free of cost yoga classes to customers over weekends.

The Bengaluru store, which houses the premium collection hummel HIVE, boasts of a **Chill Zone** comprising of bean bags, boombox, library and a lot more.

“As hummel is a relatively new brand in India, we want our stores to speak out loud about what we are offering and what is our positioning. We have plans to create an engagement zone in every store. In India, our positioning is as a sports lifestyle brand and we want all this to be communicated in our visual merchandising when customers enter the store. We are planning to marry tech with the stores and offer 3D and AR solutions,” he states.

To hummel, creating retail in a way that expresses the brand's identity and ethics, is extremely important.

### → WACOAL

‘Fit and comfort’ of the product is considered to be the biggest USP of Wacoal. The brand has its own manufacturing units all over the world where it produces over 80 percent of their designs. It achieves high quality and high performance with the balanced mix of their own production units and research undertaken by Wacoal's Human Science Research Centre. This is their biggest strength that differentiates them from other brands. Instead of pursuing glamor, it pursues excellent supportability with unique materials and designs based on the research and development.



“We are all set to develop exclusive merchandise for the Indian market and plan to expand this in the coming years,” says Tomoyasu Ito, Representative Director, President and Corporate Officer of Wacoal Corp. “Apart from this, in Japan, we are in the process of placing **3D high-tech machines** which will help women understand the exact sizes that they should buy. And if the experiment goes successful then we will be soon launching this technology in all our stores,” he adds.

### → ROADSTER GO

Myntra 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.





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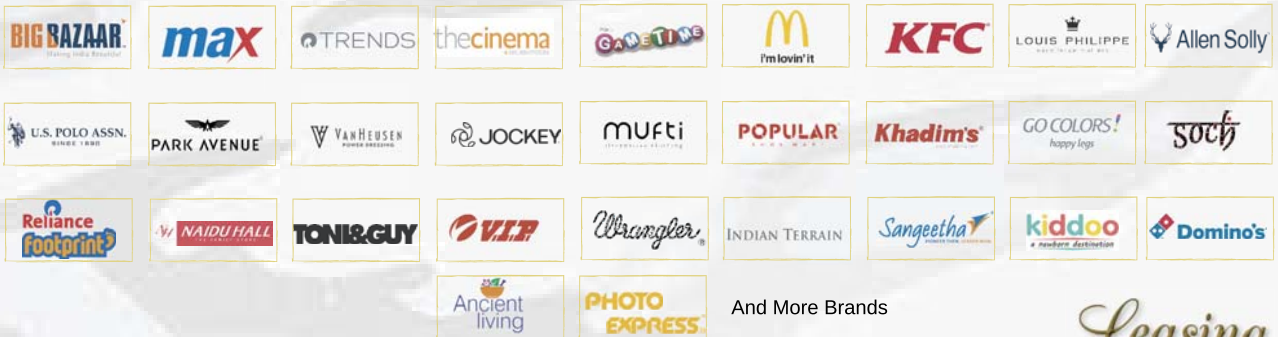
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The first ever 'Roadster Go' store has been launched at Mantri Mall in Malleshwaram in 2018, introducing visitors to a slew of technological innovations to enhance customers shopping experience and bringing online and offline experiences under one roof. Spread across an area of 3,200 sq. ft., the store is the brand's biggest yet. As a **100 percent RFID (Radio-frequency identification) enabled store**, shoppers can 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 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 buy all the products at real time online prices which they discover on the digital screen when they hold the product up against it. They also initiate a 30-second self-checkout by placing all the products in the RFID tray which captures product details and display the bill on the screen, which is paid using a debit/ credit card, upon confirmation, eliminating the need for scanning individual products or removing security tags from each garment.

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

"Roadster has shown how fashion and technology, when integrated, create unique experiences that take offline shopping to a new level. As a pioneer in Omnichannel fashion, Myntra is committed to strengthening its offline presence through a franchise model and offer new experiences to engage customers and make shopping fast and seamless through technology," Amar Nagaram, Head, Myntra Jabong, says.

## → ROADSTER

Roadster, one of India's leading casual outdoorsy lifestyle brands, has announced the launch of Augmented Reality Tees (AR Tees) or the talking tees. With this launch, Roadster marries fashion, design and technology, offering shoppers a set of t-shirts that brings their roadster visual to life. This new range has been developed inhouse by Myntra's own Innovation Labs and is set to take the level of Innovation in fashion to the next level.

Although talking tees appear as normal graphic tees, it has in it, a readable AR code that the Myntra app can read and bring the graphic to life. Viewers get a taste of the concept through sounds and visuals of being on the road, with each graphic design bringing

"Tanishq has always aimed at providing the best for our customers and this fascinating initiative is one such approach in achieving the objective. Consumers had the option of browsing through multiple jewellery pieces virtually with just one click."

- DEEPIKA TEWARI  
ASSOCIATE VICE  
PRESIDENT,  
MARKETING,  
JEWELLERY DIVISION  
AT TITAN COMPANY  
LIMITED



to life, the brand's philosophy of hitting the road and creating experiences through a simple shake of the phone, or by aiming the device at the AR reader on the shirt. From an experienced wanderer, to a soulful camper, the limited edition collectible is for everyone who loves their tech-gear, for those who love to stay in trend and certainly for all those who like to hit the road. The tees are 100 percent cotton, with 6 different AR stories to collect with each design and priced at ₹999. The AR experience is only available on Android for now.

## → TANISHQ

Tanishq has taken one step further to be more accessible to its customers by launching into the **Augmented Reality experience** at the Bengaluru and Delhi airports. For the first time in India, a jewellery brand has done an Augmented Reality/Hybrid Reality (combination of physical space Augmented Reality) campaign at an airport to engage with a large audience at a completely new level.

With this technological advancement, customers had the option of **'Try and Buy'**; trying out the jewellery virtually looking at the AR screen.

Tanishq implemented Augmented Reality and







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“Much like a flower that blooms in the sun’s rays, the hidden colours found in Girggit’s exclusive prints unfold into vibrant colour upon exposure to sunlight, then returning to their original state without sunlight.”

– HIMANSHU THAKUR  
FOUNDER, GIRGGIT

“The Magic Mirror is a huge opportunity in terms of digitizing the store and providing endless options for the customers to try virtually. In future, we plan to integrate the Magic Mirror with other store solutions to improve customer engagement, as well as further enhancing the experience.”

– ANIL SHANKAR  
VP - SOLUTIONS  
AND TECHNOLOGY,  
SHOPPERS STOP LTD.

Artificial Intelligence (AI) to let consumers virtually try on the jewellery in real time, without actually having to wear them.

Sharing her thoughts on the launch of AR experience, Deepika Tewari, Associate Vice President, Marketing, Jewellery Division at Titan Company Limited says, “Tanishq has always aimed at providing the best for our customers and this fascinating initiative is one such approach in achieving the objective. Consumers had the option of browsing through multiple jewellery pieces virtually with just one click. The real-time customer experience strengthened the retail connection between the brand and our esteemed consumers; a transformative step on how India will shop and purchase jewellery in the near future.”

### → GIRGGIT

With all kinds of innovation and technology already taking over the fashion industry, we almost forgot there is always something new coming this way. And now, we have been offered a range of **colour changing t-shirts** by a new entrant in the market, Girggit. Standing true to its name, Girggit (meaning, chameleon, in English) t-shirts change its design and colour in sunlight. The same t-shirt looks different in design and colour if worn indoors, and changes form when one steps out.



These men’s t-shirts are made from super fine-combed cotton and are available in extra small, small, medium and large sizes on all the leading e-commerce portals.

Talking about the innovations involved in the making of these, Himanshu Thakur, Founder, Girggit says, “Based on solar active technology, colour-changing inks and dyes are engineered for application on Girggit t-shirts. Much like a flower that blooms in the sun’s rays, the hidden colours found in Girggit’s exclusive prints unfold into vibrant colour upon exposure to sunlight, then returning to their original state without sunlight.”

Girggit is a part of Shree G. Pingaksh Finsol Pvt. Ltd., which always emphasises on creativity, commitment and accountability to make the brand

transparent yet trendy. Priced affordably between ₹ 699 – ₹1,499, the brand stands for change in terms of both technology and innovations in the fashion industry. Thakur assured that Girggit will very soon apply this ‘colour- changing technology’ to other apparel categories as well.

Girggit has gained a lot of popularity and acceptance among its customers and retails through major e-commerce websites like Flipkart, Snapdeal, Limeroad, Paytm, Amazon and Shopclues.

### → SHOPPERS STOP

In India, Shoppers Stop installed **Magic Mirrors** at their Malad store in Mumbai in November 2015. Helping them in this endeavour was Textronics with their AR based virtual dressing room solution – TryON. Known as Magic Mirror at Shoppers Stop, TryON is a virtual dressing room. It took Shoppers Stop approximately one month to roll out the Magic Mirror. The store at Malad was narrowed down upon keeping in mind its sheer size which happens to be one of their largest stores. In all, there are five Magic Mirrors installed at the store.

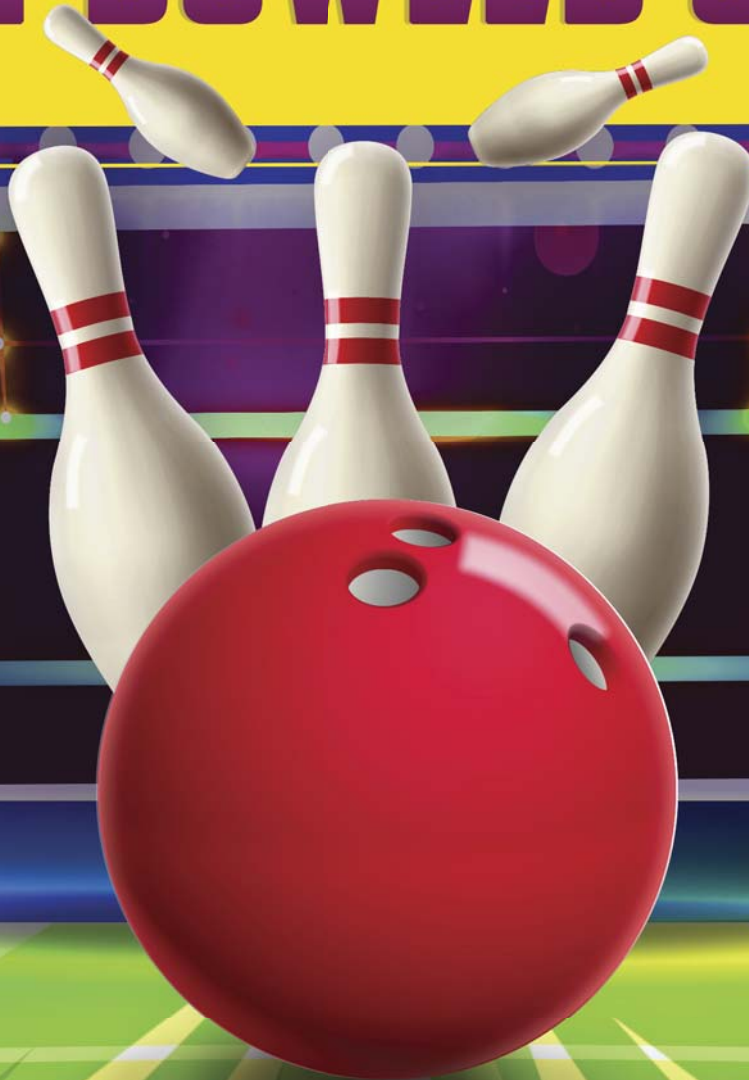


In terms of customer education, the retailer has ensured that the floor staff is trained well to respond to customer queries on how best the Magic Mirror can be used. Besides, there are well articulated instructions placed near the Magic Mirror to navigate customers. Moreover, the Magic Mirror itself is an interactive kiosk that provides step-bystep instructions on its usage. A routine check is carried out every day to ensure its smooth functioning.


Anil Shankar, VP - Solutions and Technology, Shoppers Stop Ltd., says, “The Magic Mirror is a huge opportunity in terms of digitizing the store and providing endless options for the customers to try virtually. In future, we plan to integrate the Magic Mirror with other store solutions to improve customer engagement, as well as further enhancing the experience. Customers would be able to ‘try’, click and share images to their social media accounts.”



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## → SYGNAL

Broadcast Wearables Pvt Ltd., an AI based firm, is creating ripples across the globe with its blend of technology-infused fashion. It also is the parent holding of Sygnal, who has the distinction of producing the world's first programmable, **touch-enabled t-shirt**.

# GLOWING



"We are an AI based wearables company on a mission to make everyday devices smart. We created the world's first programmable LED clothing line and haven't looked back ever since. We now specialise in the art, science, design and in-outs of integrating electronics with fashion. Our market offerings now range from smart fitness tracking t-shirts that tracks fitness levels without using any additional device, glow LED clothing line for women, kids, smart accessories and many more," says Sumil Shah, Co-Founder, Broadcast Wearables Pvt Ltd.

"We created the world's first programmable LED clothing line and haven't looked back ever since."

- SUMIL SHAH  
CO-FOUNDER,  
BROADCAST  
WEARABLES PVT LTD.

## → SAMSHÉK

Samshék embedded the role of technology in its brand from the very beginning, by introducing the system of taking measurements digitally to make the fashion experience more realistic and accurate. It effectively combined the two mediums (fashion and technology) on the same platform to deliver excellence, accuracy and timely deliveries.

It was one of the first fashion brand to introduce and execute successfully the technology of **3D body scanner** in India. 3D body scanner is a technology (machine) which requires a person to stand straight wearing a bodysuit, while it can take up to 150 measurements within a span of 5 seconds. This technology helps in contributing an accurate measurement analysis which is less possible by human methods.

"The reason behind incorporating this technology was to get a detailed analysis of all the human measurements and eliminate the problems faced by manual processes."

- SAMIKSHA BAJAJ  
CO-FOUNDER,  
SAMSHÉK



"This technology works through an application in which, the person has to stand in front of the machine wearing a tight fitted bodysuit, holding the rails and standing still. Once the machinery has detected the measurements, it itself reflects on the application with the consumer's detailed body measurements. The reason behind incorporating this technology was to get a detailed analysis of all the human measurements and eliminate the problems faced by manual processes. This process helps in giving accurate results to the consumer as well as the industry," states Samiksha Bajaj, Co-founder, Samshék.

"We enable customisation through our website as well as in store on touch screens. We tell individuals they can select from digital options and make changes in their garments accordingly. This includes modifying the necklines, sleeves, length of the garment, silhouette and even in some cases fabric. This process also eliminates the problem of in stock inventories since Samshék keeps all the inventories digitalised," she adds.

Very soon, the brand will also be launching the technology where customers can be virtually styled. A virtual stylist will analyse their body and give them the detailed outfits required for any occasion.

## → BESTSELLER

Adoption of technology concepts like AI, VR & AR for a more seamless retail experience have been the mainstay of Bestseller.

"One of our earliest implementations of AI-powered technology has been with Vero Moda, where we employed an AI-powered tool which interprets data collected across different digital platforms and aids in the prediction of trends. **The trend prediction tool** has greatly helped us in deciding various product based trends like colours, patterns, styles, etc. This has helped in narrowing consumer focused trends and thus tweak our product offering to include more products that are as per consumer preferences," says Ranjan Sharma, CIO, Bestseller India.



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“We will be launching **Smart Mirrors** at Vero Moda stores. These mirrors will work as personal shopping assistants for the customer and create an interactive fitting experience for them. Based on the product that the customer is trying out, the smart mirror will assist the customer by sharing tips on what type of product features are suiting



them, suggestions on colours and prints and even advice on what other products can be paired with the one they are trying out. This concept aims to enhance the overall offline shopping experience for a customer by creating a personalised fitting experience for them which should lead to more in-store conversions and purchases,” he adds.

The brand is also in process of installing **Virtual Reality Screens** or **Virtual Shopping Walls** – which will enable consumers to browse through the entire product catalogue of the brand’s collection. Even if a particular size or colour is not available at the store, the customer can still make a selection and the store staff can check and have the required product delivered to the customer from another store or even order it online for the consumer. Currently, the brand has full inventory visibility available across a few stores and aim to implement it across all their brands for a more hassle free in-store shopping experience.

## → DRINX EXCHANGE

Mumbai-based Drinx Exchange has introduced **electronic tech tables**, where customers can interact with an electronic screen on the table they’re dining on. From watching live scores of sports, to receiving personalised offers, tracking their orders, paying their bill, and even singing along with the music in the bar, these tech tables will ensure consumers remain engaged through the time they’re in the restaurant. The screen also keeps giving them live offers that are just right for what they drink.

The electronic table also splits the bill among the number of diners on the table and the payment can be settled on the table itself by scanning a Paytm QR Code on the screen

“One of our earliest implementations of AI-powered technology has been with Vero Moda, where we employed an AI-powered tool which interprets data collected across different digital platforms and aids in the prediction of trends.”

– **RANJAN SHARMA**  
CIO, BESTSELLER  
INDIA

“The bar aims to ease the experience of ordering and makes it less stressful and more exciting for its millennial customers.”

– **RAHUL DHINGRA AND DIBYENDU BINDAL**  
FOUNDERS, DRINX EXCHANGE

“At The Beer Café, we believe that social drinking should first and foremost be about the experience. Our focus is to improve customer’s real world experience, their choices of brand and location.”

– **RAHUL SINGH**  
FOUNDER & CEO, THE BEER CAFÉ



Furthermore, the prices of drinks also fluctuate just like the stock exchange and customers can vote to crash the market price. Apart from this, the table also helps the customers in checking the status of their cab if they book it from **Drinx Exchange app**.

According to Rahul Dhingra and Dibyendu Bindal, Founders, Drinx Exchange, “The bar aims to ease the experience of ordering and makes it less stressful and more exciting for its millennial customers.”

## → THE BEER CAFÉ

The Beer Café has recently introduced **‘URBar’**, a virtual bar which allows patrons to reserve and consume their favourite brands.

One can explore from a wide selection of alcohol beverage, pre-pay and stock them in ‘URBar’. The latest ‘wallet for customer’s drinks’ initiative highlights the brand’s vision to redefine the alcohol beverage space through technology differentiation and further strengthen its position as a pioneer.

The patrons can log in to **The Beer Café’s app**, and click on the URBar icon, reserve in the form of bottle (for spirits), keg (for draught beer), or case (for bottled beer) and start consuming.

This not only gives patrons the privilege to buy their favourite brands at a special price but also benefits in the form of one price across the nation. A consumer can choose any portion he/she wishes to consume at any Beer Café outlet spread across 12 cities and save the rest for their next outing. The bottle/ keg purchased stands as a prepaid



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“We are extremely excited to present Mitri at our Dilli Streat outlet at the Delhi Airport. With Mitri being such an innovative and futuristic concept, and given her success, we are hopeful to bringing her to more outlets across India.”

– GAURAV DEWAN  
COO AND BUSINESS  
HEAD, TRAVEL FOOD  
SERVICES

“We have been working towards building sustainable and safe delivery technology and with our first successful test, food delivery by drones is no longer just a pipe dream.”

– DEEPIKAR GOYAL  
FOUNDER AND CEO,  
ZOMATO

“As a FMCG 2.0 company, we offer innovative products that make life easier for our consumers. Braille packaging is a small step towards assisting the visual impaired in their daily routine.”

– ASHNI BIYANI  
MANAGING DIRECTOR,  
FUTURE CONSUMER  
LIMITED

instrument and stock diminishes as the consumer opts to consume.

There are multiple convenient ways of recharging the account. Customers can use an ‘online’ mobile wallet to add balance to their **brew bucks** – which is The Beer Café’s own currency. Or ‘pay at store’ by just walking into the closest The Beer Café outlet and the brew crew will be happy to assist the customers.

What’s more, it also gives patrons the option to spread the cheer around by gifting customisable amounts of their reserved stock to friends, family and colleagues.

Rahul Singh, Founder & CEO, The Beer Café says, “At The Beer Café, we believe that social drinking should first and foremost be about the experience. Our focus is to improve customer’s real world experience, their choices of brand and location. With the URBar feature, we are giving the users a chance to experience our differentiated proposition in the virtual realm. It is a delightful addition to the existing feature on The Beer Café mobile app. With this initiative we have raised the bar – quite literally!”

## → TRAVEL FOOD SERVICES

Travel Food Services (TFS), travel food and retail company, has unveiled the latest in technology – **Mitri, the robot**, to make the experience of travellers interactive and fun.

Mitri engages with customers at TFS’s Dilli Streat outlet at Indira Gandhi International Airport, New



Delhi, and is the first ever airport installation in the F&B segment.

Visitors to the Dilli Streat outlet are greeted by Mitri, who facilitates activities and engages with them by providing menu details. It also offers food recommendations. Mitri is a testament to Travel Food Service’s commitment of enhancing the travel experience in India and presents a true example of how technology like Artificial Intelligence can help improve customer satisfaction, and drive productivity and sales.

Commenting on the latest technology, Gaurav Dewan, COO and Business Head, Travel Food Services said, “We are always on the lookout for latest innovative technologies that can enhance the experience and satisfaction of our customers. We are extremely excited to present Mitri at our Dilli Streat outlet at the Delhi Airport. With Mitri being such an innovative and futuristic concept, and given her success, we are hopeful to bringing her to more outlets across India.”

## → ZOMATO

Online ordering and food delivery platform Zomato recently said it has successfully tested its maiden **drone delivery** technology using a hybrid drone that covered a distance of five km in about 10 minutes with a peak speed of 80 kmph to deliver a food packet.

“The drone was tested last week at one of the remote sites approved by the DGCA. Such tests are done at very remote sites which are especially designed to conduct such tests,” Zomato says. However, the food aggregator did not reveal the exact location where the drone delivered the package. Currently, the average time required for the food delivery platform’s biker fleet to deliver food is 30 minutes. The only possible way to reduce the average 30 minutes to 15 minutes is to take the aerial route. Roads are not efficient for very fast deliveries.

“We have been working towards building sustainable and safe delivery technology and with our first successful test, food delivery by drones is





## What Foreign Retailers Are Doing?

Globally, the concept of innovation has caught momentum across genres – from apparel to furniture. Here is the list of a few foreign players who have introduced retail innovations to enhance customer experience:

**7FRESH** – 7Fresh introduced **smart shopping carts** which follow customers around the store. This gives customers the privilege to keep their hands free while shopping. Apart from this, the stores also house **magic mirrors** which display the info about the product when picked by customers.

**SPECSAVER** – To cut short the lengthy and exhaustive experience of trying glasses before finalising one, Specsaver introduced **Frame Styler** - an imaging software tool that produces a 3D model of the customer's face - via in-store tablets. It shows the glasses best suited according to the face, age and gender of consumer and consumer can choose the glasses through this VR tool.

**AMAZON GO** – The store uses an array of **ceiling-mounted cameras** to identify each customer and track what items they select, eliminating the need for billing and aiding **self-checkout**.

Before entering, shoppers must scan the **Amazon Go smartphone app**. Sensors on the shelves add items to the bill as customers pick them up – and deletes any they put back.

**ZARA** – Zara introduced **self-checkout kiosks** in the store to ease the pain of standing in long queues for billing. Customers can check out on their own and make the payment just by following a few simple steps.

**DECATHALON** – With **Decathlon Scan & Go**, customers can simply scan and pay for items using their smartphone, automatically disabling the RFID security tag to leave them free to exit the store without any need to queue or wait at the checkout.

**WALMART** – Walmart **InHome Delivery** is a new service designed to help customers save time and offer yet another convenient choice for grocery shopping. The service does so by delivering groceries even when customers can't be home. Here's how it works:

- Customers place a grocery order and then select InHome Delivery and a delivery day at checkout
- Customers can then go about their days while a Walmart associate takes care of their grocery shopping for them – from food aisle to fridge
- At the time of delivery, associates will use smart entry technology and a proprietary, wearable camera to access the customer's home – allowing customers to control access into their homes and giving them the ability to watch the deliveries remotely

**TED BAKER** – In 2017, Ted Baker installed interactive store windows to promote its **'Keeping up with the Bakers'** campaign. Shoppers were encouraged to place their hands in the window, triggering a camera to photograph their face (as well as prompting sound effects); the image would then be placed into scenes from 'Keeping up with the Bakers' and shared across social media.

no longer just a pipe dream," says Deepinder Goyal, Founder and CEO, Zomato.

"While regulatory hurdles are not trivial, and the government's concerns need to be looked at from various (valid) points of view, the tech is ready to fly and I am confident that drone delivery will be commonplace sooner rather than later," he adds.

The hybrid drone with a fusion of rotary wing and fixed wings carried a payload of five kg. Fully automated, each drone is currently being tested with (remote) pilot supervision to ensure safety.

Over time, as the company collects more data, it is likely to do away with the pilot supervision.

## → FUTURE CONSUMER LIMITED

Future Consumer Limited (FCL) has launched braille friendly packaging for their body wash brand, ThinkSkin.

Priced at the rate of a soap, ThinkSkin is a contemporary body wash brand that aims to upgrade customers from using soap to body wash.

**Braille-enabled ThinkSkin bottles** is a new age FMCG 2.0 approach by FCL and is carefully designed for easy access and recognition of the bottle for the visually impaired.

Speaking about introducing innovative packaging, Ashni Biyani, Managing Director, Future Consumer Limited, says, "As a FMCG 2.0 company, we offer innovative products that make life easier for our consumers. Braille packaging is a small step



towards assisting the visual impaired in their daily routine. We will soon introduce never seen before innovation in product and packaging that will take consumer experience to the next level."

Staying in line with its inclusive approach, FCL will soon be launching more braille friendly products in various other categories like spices, sauces and multiple home care products. Crafted for the visually impaired, Braille packaged body washes are available at Big Bazaar, Big Bazaar GenNXT, Nilgiris, Heritage and Easyday stores in the country. 

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# Shoppers Stop Redrafts Its Visual Story

Good visual merchandising must have a 'wow' element, something that makes customers happy, lures them in-store and then helps convert their visit into a sale...

By Satarupa Chakraborty



**V**isual Merchandising (VM) is a store's visiting card. Even before a customer walks in, talks to a salesperson or browses leisurely through a store, it is the VM element that helps him/her decide s/he will enter the store at all.

Good visual merchandising must have a 'wow' element, something that makes customers happy, lures them in-store and then helps converts their visit into a sale. One brand which has reaped the benefits of great VM is Shoppers Stop.

Launched in 1991, Shoppers Stop, India's leading fashion retailer, introduced the Indian consumer to a world-class shopping experience from its flagship store in Andheri (Mumbai). Since its inception, Shoppers Stop has revolutionised the way India shops and has become the highest benchmark for the Indian retail industry. Taking on stiff competition generated by the rise of e-commerce and other departmental store chains, Shoppers Stop is re-strategising its retail ID, in-store experiences and shopper-centric visual merchandising.

The brand's custodians say that store



count scaling plan is not the paramount to them. What's important is elevating shopper experience is. In this freewheeling chat with IMAGES Business of Fashion, **Pawan Nagarwal, CCA and Head of Visual Merchandising, Shoppers Stop Ltd.** talks about a refreshed approach of visual representations and why it means pure business for the departmental store chain.

## ABOUT SHOPPERS STOP

- Shoppers Stop, India's oldest departmental store chain, has extended its Omnichannel possibilities by introducing click-and-collect services to over 50+ stores across the country and expanded its fulfilment centre base to 37 stores apart from the existing 4 warehouses. This initiative can together deliver to over 25,000+ pin codes in India.
- In 2017, Shoppers Stop raised ₹179.25 crore from global e-commerce giant Amazon by issuing equity shares, amounting to 5 percent stake, on preferential basis. The brand now has an exclusive flagship store on the Amazon marketplace listing the company's portfolio of 400-plus brands.
- Additionally, in a bid to boost the retail experience further, Personal Shopper services have been introduced in nine cities. This is a completely customised shopping experience wherein a personal shopper helps curate fashion for customers, schedules exclusive store visits and even visits the customer's home with personalised offerings basis their requirement.
- Currently, Shoppers Stop has a footprint of 83 large stores spread across 38 cities in the country along with an e-commerce website, m-site and mobile application.
- Shoppers Stop also operates 12 HomeStop and 108 specialty beauty stores along with 84 Crossword Bookstores Ltd (a subsidiary of SSL) in more than 4.4 million sq. ft. area in the country.

### **A typical large format retailer holds at least 20-25 brands on a single floor. In such a situation, how do you derive a consistent in-store VM plan?**

See, a large format store, unlike a brand store, will pull larger groups towards a wide bandwidth of categories. That's difference between executing VM plans for a brand's store versus a departmental store. Also, categories in a departmental store vary from apparel to accessories to beauty and more. At Shoppers Stop, we are very clear that we are about brand and quality and

not about deals and discounts. Keeping in line with this, at every season change, we generally pick out a single trend story for each category and play around with that trend.

One major challenge for us is the fact that we have multiple brands in our store and each brand wants has its independent VM schemes and we need to make sure everything falls under Shoppers Stop's central VM theme. We use nesting tables and highlight areas to draw shoppers towards the trend, visiting which they can proceed to the brand they want to buy from.



### **You have been in the VM field for over 15 years now. How, in your opinion has the role of visual merchandisers evolved over the years?**

Till about 10 years ago, VM was seen just as visual representation. It was not valued as a business vehicle. However, today, it's not only an essential part of store experience but a revenue generator too. VM teams are involved in everything – from the point of conceptualisation to the final installation.

Interestingly, there was a time when the budget for VM used to be just a minuscule extension of the marketing budget but today, it demands an important budget allocation for the in-store experience it provides consumers.

### **What are the new elements in the world of VM?**

Today, More square feet of area is dedicated to in-store communications and signages because of the potential revenues that can be brought in through effective VM. In terms of mannequins – which used to be more of capex products but today have a larger role to play and hence retailers are investing into them – we use more chiseled body shapes. Their face forms have also changed drastically. A new entrant would also be multi-sensory experience, where aroma plays an important role.

### **At Shoppers Stop, how does VM convert into business?**

Every week, we pick up trends in each category and identify SKUs according to customer preferences. Recently, for five consecutive weeks, we monitored the success of styled mannequins and I am happy to share that we have been able to map the scaled up ROI for each mannequin. Following this success, our VM budget has been increased 5X. Today, Shoppers Stop has the confidence to spend 0.25 percent of the expected sale in styling and VM.

### **What innovations has Shoppers Stop has welcomed lately in the field of VM?**

We have introduced quite a few innovations of late.

- For windows, we have recently partnered with Goonj, an NGO and created human faces with discarded clothes. This was to encourage our shoppers to donate used clothes. What was more interesting was that our local visual merchandisers created their take of human faces using



their own creativity. What we achieved was a uniform idea, but the execution was exclusive to each store.

- We have also been tweaking our regular in-store communications to something interesting. For example, one of our 'fragrance wall' now reads - "Smells like Love" rather than just having category branding.
- We are also incorporating local art in our store. We have recently adorned a wall at our Nashik outlet with local visual art.
- Similarly, in Guwahati, we picked up a brass utensil, which is local to the state and created a theatrical story around it. These local elements are helping us establish a strong connect with regional customers along with generating a huge number of social media mentions as these are mostly turned into photograph zones for visitors. 

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For more information on nominations, please contact:

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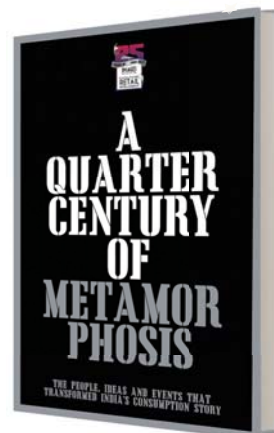


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# Impact of E-Commerce:

## Why Successful Offline Brands are Jumping on the Online Bandwagon

According to an IMAI-IMRB report, India had an internet base of about 560 million users by December 2018, which is approximately around 45 percent of the population. By 2021 India is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Online apparel sales are also set to grow 4X in coming years...

By Sandeep Kumar

A decade ago, e-commerce entered India and changed the lives of urban consumers forever. Today, with the penetration of Internet, e-commerce is changing the lives of Indians in small towns and beyond as well, owing to the convenience and wide variety of choice it affords a consumer. IRCTC, became the first company to create a successful e-commerce portal in 2002 and soon by the revolution of smart phones and easy availability of cheap data, e-commerce made a space of its own in the Indian retail industry. It has been estimated that 1.92 billion global buyers will participate in e-commerce activities in 2019, a number which is expected to swell to more than 2 billion by 2021.

### E-Commerce in India

According to an IMAI-IMRB report, India had an internet base of about 560 million users by December 2018, which is approximately around 45 percent of the population.

Despite the population and also India being the second-largest user base in the world behind China, the penetration numbers of India – in as far as e-commerce is concerned – is low as compared to the American and the European markets. In USA, the e-commerce penetration is above 85 percent whereas European countries like France leads the race with above 80 percent penetration.

A report by Google India says that the Indian e-commerce





market was worth about \$3.9 billion in 2009. It went up to \$12.6 billion in 2013. In 2013, the e-retail segment was worth US\$2.3 billion. There were 35 million online shoppers in India in 2014 and it crossed the 100 million mark by the end of 2016. By 2021 India is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Online apparel sales are also set to grow 4X in coming years.

This is not to say that people in India are not furiously shopping online. One reason that people are being attracted towards e-commerce is the demand for

international consumer products and brands. The second – and probably the biggest reason is the number of discounts, sale offers, and deals tempting consumers of all ages, especially Millennials. Going by consumer data and popularity, Amazon, Flipkart, ShopClues, PayTm, Snapdeal and eBay are the top e-commerce platforms in India.

### Market Scenario

Both Amazon and Flipkart have pumped in millions of dollars into the booming Indian e-commerce market. Amazon had

committed an investment of US\$ 5 billion – a large chunk of which has already been pumped in across various entities (like wholesale, marketplace and payments) that it operates in India. Flipkart, which saw Walmart picking up 77 percent stake for a whopping US\$ 16 billion earlier this year, has also invested in various areas over the years.

ShopClues, India's first online marketplace honed in on this huge business opportunity and emerged the undisputed leader in its Re-New gadgets category. It clocked a huge Rs 4.5 crore in sales from refurbished and unboxed electronic devices alone, including laptops, smartphones, and tablets, for the month of July. It is also targeting to double its GMV growth by 2019.

"ShopClues had long identified the massive opportunity around the Refurbished category; specially the renewed smartphones segment, which according to industry estimates, is set to grow by over 27 percent in 2019. We have almost doubled our customer base from 8 million to 16 million within 2 years and our success has given us confidence to offer more than 400 stock selling units from different brands in the smartphone category. Also, soon ShopClues will be launching a full assortment of Laptops and TVs from HP, Dell, Apple, Asus, Lenovo, LG, Sony and Samsung for its customers," explained Radhika Aggarwal, Co-founder & Chief Business Officer, ShopClues.com.



### WHAT RESEARCH SAYS

As per the Indian Brand Equity Foundation (IBEF), the Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much growth of the industry has been triggered by increasing internet and smartphone penetration. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 560.01 million as of September 2018. India's internet economy is expected to double from US\$125 billion as of April 2017 to US\$ 250 billion by 2020, majorly backed by e-commerce. India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 percent, the highest in the world.

Propelled by rising smartphone penetration, the launch of 4G networks and increasing consumer wealth, the Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India are expected to grow by 31 percent to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and PayTm Mall. During 2018, electronics is currently the biggest contributor to online retail sales in India with a share of 48 percent, followed closely by apparel at 29 percent.

According to a study by the Internet and Mobile Association of India, the e-commerce sector reached to ₹211,005 crores by 2016. The study also stated that online travel accounts for 61 percent of the e-commerce market. E-tailing, which is just 16 percent of the e-commerce market today would grow to 30- 35 percent by 2020 and is estimated to generate employment for around 1.5 million people by 2020.



## MAJOR DEVELOPMENTS

Some of the major developments in the Indian e-commerce sector are as follows:

- Flipkart, after getting acquired by Walmart for US\$ 16 billion, is expected to launch more offline retail stores in India to promote private labels in segments such as fashion and electronics. In September 2018, Flipkart acquired Israel based analytics start-up Upstream Commerce that will help the firm to price and position its products in an efficient way.
- PayTm Mall launches India's largest mall in an app. Further to this, it has also launched its bank - PayTm Payment Bank. PayTm bank is India's first bank with zero charges on online transactions, no minimum balance requirement and free virtual debit card
- Google launches shopping feature in India with an eye on \$200 billion e-commerce space
- E-commerce industry in India witnessed 21 private equity and venture capital deals worth US\$ 2.1 billion in 2017 and 40 deals worth US\$ 1,129 million in the first half of 2018.
- Google and Tata Trust have collaborated for the project 'Internet Saathi' to improve internet penetration among rural women in India
- According to EY, E-commerce and consumer internet companies in India received more than US\$ 7 billion in private equity and venture capital in 2018



## Government Initiatives & FDI

As per IBEF analysis, the Government of India has announced various initiatives namely, Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support the e-commerce growth in the country.

Some of the major initiatives taken by the government to promote the e-commerce sector in India are as follows:

- In order to increase the participation of foreign players in the e-commerce field, the Indian government hiked the limit of foreign direct investment (FDI) in the E-commerce marketplace model for up to 100 percent (in B2B models).
- In the Union Budget of 2018-19, government has allocated ₹8,000 crore (US\$ 1.24 billion) to BharatNet Project, to provide broadband services to 150,000 gram panchayats
- As of August 2018, the government is working on the second draft of e-commerce policy, incorporating inputs from various industry stakeholders.
- The heavy investment of Government of India in rolling out the fiber network

for 5G will help boost e-commerce in India.

- In February 2019, the Government of India released the Draft National e-Commerce Policy which encourages FDI in the marketplace model of e-commerce. Further, it states that the FDI policy for e-commerce sector has been developed to ensure a level playing field for all participants. According to the draft, a registered entity is needed for e-commerce sites and apps to operate in India.

## Impact of E-Commerce on the Indian Retail Industry

As mentioned earlier, Indian retail industry today revolves around e-commerce. Every person today is connected to e-commerce by his/her smartphone, checking out new arrivals and discounts on a regular basis. "E-commerce and digitalisation of fashion along with multiple touch points of content consumption has changed the landscape of the retail industry. It has introduced fashion to more people and has greatly expanded the market by ensuring better accessibility to the masses at large. With the launch of our website & mobile app along with making our products available on marketplaces, Lifestyle is steadily transitioning into a true Omnichannel player. The e-commerce platform has shown more growth in the last few quarters," says **Vasanth Kumar, Managing Director, Lifestyle International Pvt. Ltd.**

"The e-commerce market is very gigantic and is still expanding at a tremendous rate. The technology associated with



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### OMNICHANNEL INITIATIVES BY BRANDS

- **Lifestyle** introduced “Click & Collect” – a customer-focused initiative that represents a step in the brands journey towards providing a simple and convenient Omnichannel experience – where customers can order online and collect merchandise in store.
- **Numero Uno** ensures that when a customer walks in their store with the intent to buy a product and if the store doesn't have it in the right size and colour, then with the help of Omnichannel connect, the product gets delivered at their doorstep from a different store in quick time. By this, Numero Uno aims to maintain a loyal customer.
- **Skechers** focuses on driving consumer engagement both on online and offline platforms. Over the last year they have invested in creating online platforms for all their key properties & events which witnesses huge engagement offline. These are the websites for their Run Club, Summer Camp etc that are witnessing surge in engagements online. To add further, the launch of 'e-com' enabled website has strengthened their presence in the online space.

same has been a business strategy for us, since they follow discounting model. We have recently launched our website for India [www.skechers.com](http://www.skechers.com) in which will have almost all products available through-out retail channels of Skechers,” states **Rahul Vira, CEO, Skechers, South Asia.**

“E-commerce has helped retail industry evolved immensely. While in the past retail industry depended solely on brick-and-mortar to sell with the e-commerce surge, the potential for business has grown overall. Previously only major players like eBay and Amazon were the big players when it came to online selling however it has become an important part of each and every brand to ensure their customers are catered to. We are ensuring a separate strategy is followed for the e-commerce as we cannot have the same plan as the brick and mortar set up. With this in mind a separate price strategy and product offering becomes imperative,” says **Asha Esther Jaikishan, Marketing Head, Numero Uno.**



“E-commerce and digitalisation of fashion along with multiple touch points of content consumption has changed the landscape of the retail industry.”

– **VASANTH KUMAR**  
MD, LIFESTYLE INTERNATIONAL  
PVT. LTD



“Every small to medium size businesses wants to establish a strong online presence, and this has become the need of an hour.”

– **RAHUL VIRA**  
CEO, SKECHERS, SOUTH ASIA



“While in the past retail industry depended solely on brick-and-mortar to sell with the e-commerce surge, the potential for business has grown overall.”

– **ASHA ESTHER JAIKISHAN**  
MARKETING HEAD, NUMERO UNO

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“Going by the demand, we have penetrated into the metropolitan cities and is slowly and steadily also making our way in the Tier II cities. Individual these days are more conscious of what they use and apply to their skin and want to buy nothing but the best and certified products.”

– **RAGINI MEHRA**  
FOUNDER, BEAUTY SOURCE



“The growing e-commerce wave is attributable to the ease in use and availability of internet in India. The support from the government in this space has been tremendous and this has been making shopping easy for the consumers too.”

– **NAINA RUHAIL**  
CO-FOUNDER, VANITY WAGON

### E-COMMERCE SALES FROM INDIA GREW 4PERCENT IN Q1 2019: REPORT

- Merchants from India saw an increase of four percent in e-commerce sale on international marketplaces in the first quarter of this year compared to the previous quarter, says a new report.
- Sales from India were up 121 percent on year-on-year basis, according to the Global Seller Index report from Payoneer, a leading cross-border payment platform.
- The top-10 countries in terms of sales on international marketplaces have stayed the same since last quarter. However, both India and Japan moved up one spot, reaching the number six and eight slots, respectively.
- The other eight countries in the top 10 list are China, US, South Korea, UK, Ukraine, Vietnam, Israel and Russia. While the clear majority of Q1 sales came out of China, the country saw an approximately four per cent drop from the last quarter of 2018.
- India is the only country on the top-10 list that saw a significant increase in sales from last quarter, said the report. “The growth in Indian e-commerce has coincided with the rapid economic expansion seen throughout the country, and the Q1 2019 data indicates that this trend is increasing,” Rohit Kulkarni, India Country Manager, Payoneer, said in a statement.
- The findings are based on a sample of over 100,000 merchants actively selling on international marketplaces. While Amazon remains the most popular marketplace for new merchants worldwide, the study revealed a 38 per cent year over year increase in sellers selling on more than one international marketplace.
- Half of all sellers fell into the 25-34 age bracket in the first quarter of 2019. Collectively, they were responsible for 46 per cent of total sales. The next largest age group was the 35-44 bracket, followed by 45-54, 18-24, and finally those above 55 years of age, said the study.

### E-Commerce & The Beauty Space

The global cosmetics industry too has changed dramatically in the last decade thanks to the rise of trends on social media and the demand for online beauty retailers. Consumers are buying beauty online at a rapid pace. On and offline, skin care remains the top beauty category globally, with a 36.4 percent market share, with China dominating the entire beauty e-commerce market. India is not that far behind and is rising up steadily in this segment.

“Going by the demand, we have penetrated into the metropolitan cities and is slowly and steadily also making our way in the Tier II

cities. Individual these days are more conscious of what they use and apply to their skin and want to buy nothing but the best and certified products. To promote these products, we have an extensive online and offline distribution network. Online, we retail on our website, as well as through other e-commerce portals such as Amazon, Flipkart and Elitify. We are also present at the most prestigious salon in India, Silhouette, Salon de Beaute’ at The Oberoi. We are in talks with several other online and offline retailers to expand our network further in the coming year,” says **Ragini Mehra, Founder, Beauty Source.**

First hand, not first copy  
Organic Beauty Products directly sourced from brands. No middlemen means no threat to

Petting > Testing  
Our products are 100% cruelty-free and we do not support animal testing.

Purity & Safety, Guaranteed.  
All our products undergo a thorough check for any toxic or harmful ingredients, making sure

“The growing e-commerce wave is attributable to the ease in use and availability of internet in India. The support from the government in this space has been tremendous and this has been making shopping easy for the consumers too. However, the current wave of e-commerce has been all about the overseas companies capitalising on the Indian market and this has been a major threat to the Indian born e-commerce players. The future of e-commerce in India is definitely on the up-side, however, with less force on policy, a major chunk of that growth could be with the overseas players,” says **Naina Ruhail, Co-Founder, Vanity Wagon.**



## Technological & Innovations Lead to More Growth

Having a smooth and accessible portal for shopping and other retail facilities has to be technologically driven. E-commerce marketplace Flipkart recently introduced the country's first robot-based sortation technology, automated guided vehicles (AGVs), at its sortation facility in Bengaluru. The brand has introduced over 100 AGVs at its sortation facility, which helps in sorting packages by pin code, leading to an increase in process efficiency. The Soukya set-up involves 100 plus self-guided bots that automatically sort packages to the right customer pin codes by identifying encoded information on each package.

“Growing penetration of smart phones

### CHALLENGES FOR THE E-COMMERCE PLATFORM

- Finding the Right Products to Sell
- Attracting the Perfect Customer
- Generating Targeted Traffic
- Capturing Quality Leads
- Nurturing the Ideal Prospects
- Converting shoppers into paying customers
- Retaining customers
- Achieving Profitable Long-term Growth
- Choosing the Right Technology & Partners
- Attracting and Hiring the Right People to Make it Happen

and affordable data plans are now giving easy access to consumers to buy their favourite brands/products online. Lifestyle has embarked on the journey to capitalise on the mobile & e-commerce revolution in India with Omnichannel customer experience with enabling customers to buy in-stores or online,” added Kumar.

“With technological advancements the ease to shop and the awareness and information available for customers have also increased. Technology will not only continue to evolve for e-commerce but in other ways that will help brick-and-mortar as well. The rise of e-commerce has given a platform to several retailers to expand their audience in the market. Though the belief remains intact that brick-and-mortar format for retail shall continue to grow. The changing landscape presents a great opportunity to tie digital shopping and the in-store experience together, benefitting consumers long-term,” says Vira.

“E-commerce in India is rapidly growing and customers for this industry are growing exponentially as well. Technological innovations like customer engagement driven on analytics, digital payments, advertising and Omnichannel integration has aggravated the growth of e-commerce in India,” explains Jaikishan.

### Role of AI, AR, VR & Big Data

“AI & Big Data are definitely helping e-commerce industry sense, predict and automate user experiences at scale and drive store footfalls and sales on the website & apps. AR&VR also has

tremendous scope to engage consumers both at our stores and online. This is the area where Lifestyle will explore in depth in the near future,” says Kumar.

“E-commerce is a large space, and all these play a major role in the growth of individual companies and thereby in the industry. That being said, Big Data is the most valuable asset in the space as e-commerce works on large amounts of customer-logistic-inventory data and accurate management and forecasting of the same can get every company a long way. AI again is a widely misunderstood term and it is employed by only the select few in its true sense, hence not making it the most growth dominating factor at present,” explains Ruhail.

### Conclusion

The e-commerce industry has been directly impacting all forms of enterprises, be it micro, small and medium in India by providing means of financing, technology and training. The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass USA to become the second largest e-commerce market in the world by 2034. Technology-enabled innovations like digital payments, hyper-local logistics, analytics-driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in e-commerce sector will also boost employment, increase revenues from export, increase tax collection and provide better products and services to customers in the long-term. **IR**



# Clicks-to-Bricks Brands & Their Store Experience Learnings

Reaching upon a store strength beyond 20 or so, most digital-first retailers are choosing categories to deliberate upon their store formats...

By Satarupa Chakraborty

**B**y the end of 2018, even though the global online retail sales surpassed US \$2.8 trillion, more than 82 percent of overall sales still happened via brick-and-mortar stores. In India, the e-commerce contribution to the overall retail sales is still barely at 5 percent. However, according to a report by brokerage firm Jefferies, for organised retail the figure is currently 25 percent of the overall market, and this is expected to jump to 37 percent by 2030.

According to the same report, online retail market in the country will touch US \$170 billion amounting to 8 percent of the overall retail, growing at a CAGR of 21 percent – higher than the growth of offline retailers during the same period. Despite this, and even as pure-play physical retailers are going Omnichannel for consumer convenience, introducing features like click-and-collect, endless aisles etc. – pure-play e-commerce players are investing into brick-and-mortar network.

## Online Retailers in the Offline Space

Look closely at online retailers in the country who decided to expand their capabilities to physical stores, and you will notice that they are spread across a wide spectrum of retail segments.

It is interesting to note that in a country like India, where organised retail amounts to just about 20 percent of overall retail, the last decade has been a breeding period of e-commerce brands who have come to trade in categories which have been dominated by unorganised players



–think Lenskart in eyewear, Pepperfry and Urbanladder in furniture, Caratlane in jewellery, Nykaa in beauty, Zivame in lingerie and so on.

These clicks-to-bricks brands had the advantage of closely mapping customers online and used their most successful private labels – as per data available with them – to open offline stores. For example, Myntra went with Roadster and Faballey chose Indya when they decided to launch physical stores.

While digital-first brands have entered the fray with a deep consumer understanding and shopper data – something which offline-first retailers are still striving to achieve – but are they really in tune when it comes to creating a wholesome customer-centric brick-and-mortar experience? While their entry to offline space is carefully timed and their brand story is already registered in shoppers' minds through online channels, what are these clicks-to-bricks brands learning in terms of store experience?

### Store Format - Shrinking to Grow

Reaching upon a store strength beyond 20 or so, most digital-first retailers are choosing categories to deliberate upon their store formats.

Take for example **Nykaa**, which jumped on to the clicks-to-bricks bandwagon much before most had even thought of it in India. The multi-brand beauty retailer clearly demarcated its store formats - Nykaa on Trend and Nykaa Luxe.

Typically, Nykaa on Trend stores span

across 500 sq. ft., offer the brand's 1,000 top selling products. Meanwhile Nykaa Luxe stores are almost double the size of Nykaa on Trend, have more premium offerings, most of them international bestsellers.

Often times, these brands carve larger, experiential formats for their debut stores and often times, for the metro cities but an expansion beyond metros usually calls for leaner formats.

Once known for launching 100 stores in 100 days, organised eyewear major **Lenskart** chose a store model, Lenskart Lite, to expedite rollout in smaller towns.

**It is interesting to note that in a country like India, where organised retail amounts to just about 20 percent of overall retail, the last decade has been a breeding period of e-commerce brands who have come to trade in categories which have been dominated by unorganised players.**

This format was lean and profitable and was mostly based on plug-and-play fixtures. Turnaround time here was as brief as taking just a few days to build a store. Later, Lenskart –which is now selling approximately 30,000 spectacles everyday and enjoys a whopping 70

percent sales from the offline route – also came up with a premium store setting for its upmarket private label, John Jacobs. Ambient lighting, a smart mix of metal and wooden fixtures became the talking point of the store design, although it carried Lenskart's brand ethos carefully.

Aside from Lenskart, two iconic Indian Omnichannel furniture retailers, **Urban Ladder** and **Pepperfry**, shrunk their store sizes to grow their network. Pepperfry recently emphasised on their mattress category with a much smaller studio format – Pepperfry Snooze.

### Fitting the Brand's Design Narrative

After garnering much comfort and love in the online space, when fashion retailer **The Label Life** came into store existence last year in Mumbai, the idea was to actively interact with customers in the physical space and one of a few learnings that the brand woke up to was that the store design was too formal and premium for their customers' understanding.

**Preeta Sukhtankar, Founder, The Label Life**, 30 percent of whose overall business comes from offline channels, says, "Our first store in Mumbai was a high street location and it was way too premium for our price point. Since most of the customers who walked into the store were already familiar with the brand, we missed that personal connect through our store design. Therefore, in our new store in Select Citywalk, Delhi, we have added various personalised elements like social media inspirations, postcards made by





## CARATLANE'S KINETIC WINDOWS

When Caratlane decided to re-launch one of their jewellery collections – the flower-inspired collection, Fleur – the brand decided to go with kinetic windows that showed the blooming process of flowers from their buds.

The flowers were made of foam boards, paper and acrylic, and plastic pipes were used as stems.

The brand used a hack to give the blooming effect. Simple head massaging wires were attached to the piece, which was then attached to a motor that helped the flowers 'bloom in and out'

customers etc. for a different experience.”

Most of these brands, though very certain of their customer preferences, usually take a few stores to lock into their uniform design ID.

Only couple of years old into the clicks-to-bricks journey, lifestyle brand **Vajor**, with 4 physical stores in existence, is already clocking 65-70 percent of its overall business offline. **Founder Natasha AR Kumar** shares, “With category expansion and aggressive interaction with customers, we are still refreshing our store design with each new store that we launch.”

### Bringing the Visual Story from Online to Offline

Online Visual Merchandising (VM) may have been easy to create, but, often times, the offline VM is also continuous learning process for lot of these clicks-to-bricks brands.

As per **Nishant Gupta, VP - Marketing, Urban Ladder**, “In terms of Visual Merchandising, the earlier format that we used to follow was a vertical layout of our products. After observing how this layout was working in the store, we decided to change it up. We switched the layout to showcase a mini-living room. This attracted many more customers and showcased how our products looked in the overall picture. In terms of visual merchandising, we first started by incorporating many items that were not for sale. These elements helped to brighten the space and create a certain mood. Soon after, we began selling these elements

thereby increasing our return per sq. ft. We also altered how we displayed our window merchandising. We incorporated a living room setting in a narrow space.”

Interestingly, these clicks-to-bricks brands are creating their visual story as independent offline brands and many a times, influenced independently by the physical retail data.

With close to 60 stores in their network, **Caratlane** went a few notches above what physical-first brands usually do with their series of kinetic windows. “We took the kinetic approach only over a year ago and it’s still an experimental approach. We are currently doing kinetic windows at 25 percent of our stores, which are mostly located at metro markets,” explains **Radhika McGregor, VP - VM & Projects, Caratlane**.

### The Tech (Dis) Connect

The popular notion is that when online stores embark on an offline journey, in-store tech touchpoints almost become



indispensable. E-commerce behemoth **Myntra** proved this wrong with their store, Roadster Go, which blends fashion and tech to form a winning combination. Roadster’s 3,200 sq. ft., fully-RFID-enabled store in Bengaluru is a perfect example of this.

However, while Myntra may have struck technology gold with Roadster Go, investing highly on in-store technology is not proving to be an ROI-friendly model for many retailers.

For example, Urban Ladder launched a Virtual Reality technology concept in their first flagship in Bengaluru, but it turned out to be difficult to actually make that technology accessible in such a large format and high footfall store.

On the other hand, for smaller stores, where footfall is lower, but every walk-in has a bigger ticket value, people actually have the time and inclination to invest that time in tinkering with in-store technology since they walk in with the intent of buying. Upon building similar technology in small format stores, Urban Ladder is, today, enjoying 60-65 percent conversion rates.

All in all, many digital-first retailers have accepted that heavy in-store technology often ends up looking gimmicky. While in-store technology is today largely reduced to tablet screens, retailers are all talking about how to invest into more profound technology which adds ‘value’ for both retailers and shoppers. **R**

# MEGA ANNUAL ISSUE

## AUGUST 2019

**CEO SPECIAL:**  
From Vision To Execution!



# IMAGES Retail™

Future of Businesses

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- How will the industry evolve? What shape will it take?
- What bottlenecks and challenges will it face due to consumer demands?
- How will technology and innovation be disruptors?
- What has been the key learning of Indian modern retailers until now?
- How will government policies give the sector a boost?

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# E-Commerce: The 'Super' Market

E-commerce' has been defined to mean buying and selling of goods and services including digital products over digital & electronic network. Primarily, two models of e-commerce are recognised – 'inventory based' and 'market-place'.

By Monica Das, Partner, Lume Legal



Our lives have been changed by e-commerce with the e-commerce market witnessing consistent growth in last many years all over the world including India. Not only big market players like Amazon and Flipkart but also small companies involved in e-commerce are also thriving and growing.

With the ever growing scale of e-commerce business in India, the government is also striving for developing a comprehensive legal framework to govern and streamline it. Foreign investment in e-commerce is governed by Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended and FDI (Foreign Direct Investment) Policy (and the Press Notes) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and

Industry, Government of India ("DIPP"). 'E-commerce' has been defined to mean buying and selling of goods and services including digital products over digital & electronic network. Primarily, two models of e-commerce are recognised – 'inventory based' and 'market-place'.

## The E-Commerce Platform

Inventory based model of e-commerce means an activity where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly. The marketplace model provides an information technology platform on a digital & electronic network to act as a facilitator between buyer and seller. Digital & electronic network includes network of computers, television channels and any other internet application used in automated manner such as web pages, extranets, mobiles etc.

FDI is not permitted in the inventory based model of e-commerce. In the market based model of e-commerce, 100 percent FDI under automatic route is allowed, subject to the fulfilment of the prescribed conditions. Subject to the provisions of the FDI Policy, the e-commerce entities are allowed to only engage in B2B e-commerce and not B2C e-commerce activities.

As FDI is allowed only in B2B e-commerce, it was provided in Press Note 3/2016 that, an e-commerce entity providing marketplace will not, directly or indirectly, influence the sale price of goods or services, which also renders such business as an inventory based model. The said Press Note however also provided that FDI would be permitted in B2C segment, in certain cases inter alia including as manufacturer being able to sell its products manufactured in India and by a single brand retail trading entity operating through brick and mortar stores. However, the government continued to receive complaints that certain marketplace platforms were violating the policy by influencing the price of products and indirectly engaging in inventory based model. An e-commerce platform operating an inventory based model does not only violate the FDI policy on e-commerce but also circumvents the FDI policy restrictions on multi-brand retail trading.

## Going by the Law

On December 26, 2018, the DIPP issued a Press Note 2 (2018 Series) modifying the policy on foreign direct investment in e-commerce. Prior to the said Press Note there was a restriction on an e-commerce entity to permit more than 25 percent of the sales value on financial year basis through its marketplace from

one vendor or their group companies and an e-commerce entity providing a 'marketplace' was not allowed to exercise ownership over the inventory. It was being observed that many of the e-commerce entities in India created complex corporate structures to get around these requirements. For instance, when the DIPP restricted large sellers on e-commerce platforms from contributing more than 25 percent of sales, the online retailers set up complex structures to get around the legal loopholes.

Press note 2 of 2018 Series sought to address these issues. It inter alia provided that inventory of a vendor will be deemed to be controlled by an e-commerce entity if more than 25 percent of purchases of such vendor are from the marketplace entity or its group companies. It also prohibits any entity having equity participation by e-commerce marketplace or its group companies or having control on its inventory by e-commerce

growth of the e-commerce sector. The Government had come up with a draft national e-commerce policy in February 2019 which proposed setting up a legal and technological framework for restrictions on cross-border data flow and also laid out conditions for businesses regarding collection or processing of sensitive data locally and storing it abroad. The draft policy however exempted certain categories of data from restrictions on cross-border data flow which included data not collected in India, B2B data shared between business entities under a commercial contract, data flows through software and cloud computing services (having no personal or community implications), data (excluding data generated by users in India from sources like e-commerce platforms, social media activities, search engines) shared internally by multinational companies.


The draft policy provided for integrating Customs, RBI and India Post

consent of the customers; start-ups and small firms proposed to be given 'infant industry status', initiative to eliminate fees applicable for claiming export benefits, replacing Bank Realisation Certificate (BRC) charges with Export Data Processing and Monitoring System (EPDMS) access to reduce cost of exports; discouraging capital dumping, restricting access to non-compliant apps and websites, tracking suspicious activities; increase in existing cap for courier exports; putting legal metrology obligations on market places, putting in place stricter grievance redressal systems through constituting e-consumer courts, mandating seller details on websites; putting obligations on intermediaries to create systems to identify and prevent dissemination of pirated content etc.

### Concerns & Challenges

There have been concerns being raised by various stakeholders and discussions between the government and the industry players. The data localisation norms are now proposed to be kept out of the proposed e-commerce policy and is now proposed to be handled by the nodal ministry of electronics and information technology, which is working on a data protection bill. It is also being maintained that the policy will be prospective, and nothing will be implemented with retrospective effect.

Further, it is also being contemplated that to ensure e-commerce companies are not indulging in predatory pricing, online marketplaces may soon have to disclose the source of as part of the pricing details of a product as well as the maximum discount that can be given on a product may also be limited, as part of the proposed e-commerce policy.

While there are ongoing discussions, it will however still be sometime before the policy is actually put in place and the possibility of further changes in the current proposed framework of the policy cannot be ruled out. It would be interesting to see how the policy is shaped when it is finally out. The Government is also maintaining that there would be no changes in the foreign direct investment norms in the sector. 



marketplace entity to group companies, to sell its products on platform run by such marketplace entity.

The Government has been maintaining a strict stance about adherence of FDI norms by the e-commerce entities so as to secure the interests of small players in the market.

The government has also now conveyed its intention to put in place a national e-commerce policy within 12 months to facilitate achieving holistic

systems to improve tracking of imports through e-commerce. The draft policy proposed to address the issues related to consumer protection, data protection and localisation, governance framework for various stakeholders, growth of MSMEs. It emphasised on data and its localisation, firms getting 3 years to comply with local data storage requirements, restrictions on cross border flow of data including restrictions on sharing sensitive personal data with third parties even with the



## INDIAN LUGGAGE INDUSTRY:

# Packing Innovations to Stay Ahead of the Curve

The luggage industry has, over the years, shed its traditional utilitarian tag and has evolved as a lifestyle product. Increasing business and leisure travels coupled with rising disposable income and organised retailing have led to increased demand for luggage...

By Charu Lamba

**W**ith increasing globalisation and urbanisation, there has been a significant increase in the spending capacity of consumers. Their changing lifestyles and a growing interest in tourism and travel are fast giving a much needed boost to the Indian luggage industry. The segment has, over the years, shed its traditional utilitarian tag and has evolved as a lifestyle product. Increasing business and leisure travels coupled with rising disposable income and organized retailing have led to increased demand for luggage.

Along with this, a boom in online commerce, has given a considerable pace to the fast growing luggage industry enabling brands to reach out to smaller markets as well. Also, within this category, the demand for brand names has grown, as consumers aspire for goods that count as status symbols.

“The biggest factor leading to evolution of the luggage industry is that luggage is not just a travel utility anymore, it is a lifestyle product, a fashion accessory. Trendy looking trolleys and bags add to the look. The demand too has grown exponentially over the past few years,” says **Sahil Malik, Managing Director, Da Milano.**

Bags can range from casual to business travel segments as per the consumer’s requirements.

### From Unorganised to Organised

The Indian luggage market can be broadly segmented into organised and unorganised sectors, with the unorganised sector still occupying a majority share. However, with the spurt in demand, many





Left to Right: **Sahil Malik**, Managing Director, Da Milano; **Sachi Maker**, Vice President- Marketing, Traworld; **Anirudh Pandharkar**, Head of Marketing, VIP; **Jai Krishnan**, CEO, Samsonite South Asia Pvt. Ltd; **Manoj Choukhany**, Chairman and MD of Goblin India Ltd; **Indranath Sengupta**, Director, Kompanero; **Radha Arora**, Senior General Manager - BU, Spicejet Merchandise Pvt. Ltd.

organised players have started entering the space and these brands are taking various steps to educate the customers.

“For us, education and imparting knowledge to our customer is what we want to focus on the years to come and hence, we plan to be very content heavy on our website and other social media platforms. Educating our customers on what they will be purchasing is a priority, as it is important that they understand its quality, features and design of the product. We believe in selling a story with each piece of luggage that we make,” says **Sachi Maker, Vice President- Marketing, Traworld** - which is planning to open EBOs by the start of next year.



“Two-thirds of the industry is still unorganised. The best way we can interact with our audience is through our campaigns,” states **Anirudh Pandharkar, Head of Marketing, VIP**.

Apart from this, with growth in modern retailing and fashion consciousness among consumers, luggage products are becoming more than just a mere travel accessory. They are becoming lifestyle products, acting as status symbols. Owing to this, consumers are slowly and gradually gravitating more towards branded products instead of unbranded ones.

In the long run, GST will be beneficial in making luggage market more organized and therefore add to the demand of branded luggage, as the small or local players will cease to exist.

### Online v/s Offline - Which Channel Is Driving Growth?

With more consumers gravitating towards online retail, the Indian luggage industry is ensuring its presence on the medium, and online retail in turn is responsible for the industry's growth trajectory. Increased exposure to various e-commerce platforms have led to the increase in demand for more and more options for travel accessories.

“We use the hyper, trade and e-commerce channels for sales. E-commerce has proved to be the fastest growing channel for all our brands, and we predict that the trend will only increase over the years,” says Pandharkar.



According to **Jai Krishnan, CEO, Samsonite South Asia Pvt. Ltd**, his company had assessed the potential of e-commerce at a very early stage, at a time when it was still strengthening its presence in the physical retail space in India. “Our focussed approach helped us gain early movers advantage and we continue to enjoy same even today. Currently we are present on all leading online marketplaces, including Flipkart, Amazon, Snapdeal, and Myntra. We anticipate the growth rate from online channels will continue to increase as a larger proportion of the population gains access to the digital world.”

Despite the leg up from online channels, many brands are of the firm belief that customers need to touch and feel before they buy. They say that consumers regularly check out products and compare prices online but end up making the actual purchase at a physical store.



### TRAVEL TRIVIA

→ The growth of the luggage industry has been impacted directly by the growth of travel infrastructure such as national highways, airports, railway stations which contributed significantly to the development of the travel industry in India.

→ Over the years, both domestic and international air travel has shown consistent double-digit growth.

→ It is also expected that India will account for 50 million outbound tourists by 2020, thereby presenting favourable prospects for the luggage industry.

"We still getting 95 percent of our business from the traditional medium. We have listed our products on Amazon, Flipkart and other digital channels, which is contributing approximately 5 percent of sales," says **Manoj Choukhany, Chairman and MD of Goblin India Ltd.**

Resonating Choukhany's thought, **Indranath Sengupta, Director, Kompanero** says, "By far, offline stands tall, contributing majorly to the brand's revenue, but at the same time we are keeping our pace up with today's world by focusing on our e-commerce channels as well. To achieve the vision of the brand, it is important that both the channels go in partnership. We are proud to say that as we are achieving various milestones by opening more brick-and-mortar stores, so are we for online by channelising our presence on all online platforms which include – our brand's website 'www.kompanero.in', and other e-commerce portals such as Myntra, Amazon etc. As online retail is still at a nascent stage in India, the growth is positively steep and something we are very excited about."

### Brands Innovate, Invent New Features

The modern consumer wants more – he wants a product that screams fashion, that conveys his lifestyle, that helps him make a fashion statement among his peers. He also wants a product which is loaded with features, which is innovative, inventive and fulfils all his needs.

And brands are delivering!

"We have introduced a new collection called 'Smart Luggage'. The collection features distinguished products with added smart features, specialised designs and styles, wherein the luggage comes with a weighing scale that helps users to ascertain the weight of bag hassle-free and without strain, as weight measurement is imperative while travelling. It is a feature for convenience as the scale is built at the top handle of the trolley," explains Malik.



"Innovation has always been at the core of Goblin India Ltd. A good example of this is the anti-theft luggage bag, which sets off an alarm if strolled at a distance more than 10 metres from its owner. The alarm can be controlled easily using a mobile app. Another example is a luggage bag with a USB port. These technologically smart products have been made taking into account the modern needs of customers," Choukhany says.

Another company called Spicestyle, a subsidiary of SpiceJet, is also working on smart luggage with 'proximity alerts' that – once activated – notify users if they go far away from their luggage.

Samsonite first introduced the 'Samson' trunk, the world's strongest suitcase. This was followed by a string of unique features and innovations over the coming decades, including lightweight 'Streamlite'; 'Saturn', constructed from high impact polypropylene material; the wheeled 'Silhouette'; the inbuilt zipper of the 'Ziplite'; the 'Crusair' four-wheeled spinners; and the ground-breaking Curv technology of the 'Cosmolite'.



"One of our most recent design innovations is the introduction of the easy-brake system in our 'Polygon' collection. Designed in conjunction with Hinomoto Japan, it incorporates a smooth double wheel and stopping function, and ensures that upright movement is still capable when two wheels are locked. This is further supplemented by a Flat-Max

structure, which maximises the storage capacity of the line through a 20/80 split structure. 20 percent of the lid area is assigned to the trolley system, while the remaining 80 percent serves as a dedicated storage area, allowing for the ultimate packing ability and experience. The most recent development out of this centre is the 'Skytracer', zip-closure suitcases made from poly-propylene," says Krishnan.

### The Future

Despite the oligopolistic nature of the luggage retail industry in India, organised brands are very optimistic about its growth prospects. With the travel and tourism sector set to witness growth, the luggage industry is expected to see a growth of 8.3 percent from 2019 to 2023.

"The growing demand for high-quality luggage products – dustproof, fireproof, crack proof and durable – is expected to expedite the growth of the luggage sector. What will make any brand stand out in such a scenario is product innovation and usability," says Choukhany.

Talking on the same lines, **Jai Krishnan, CEO, American Tourister** says, "Consumers are becoming more responsible as more and more travellers are supporting sustainable travel experiences as well as products, and hence we can expect a surge in demand for sustainable products. This automatically means a growth for the industry as well as need for innovation."

Moreover, with large disposable income and travel gaining momentum, there will be a growth in demand of premium luggage and smart luggage. The growing government support for the leather luggage industry is further driving growth in the segment.

"Sports and outdoor luggage is another segment that will see huge growth in coming future, with the increased appreciation for fitness among Indians and growing affinity toward adventure travels," states **Radha Arora, Senior General Manager - BU, Spicestyle Merchandise Pvt. Ltd.**

All in all, if the organised sector can hold its growth momentum, then the luggage industry is bound to reach the top tier of the consumer durables category in India over the next few years. **R**



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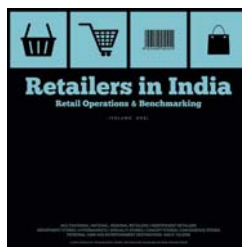
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# hummel's Elaborate In-Store Experience Centres Prove India is 'An Important Market'

With the launch of five franchise stores, hummel has embarked on a physical retail expansion drive to cater to the Indian Millennial by offering a wide array of its high-performance, stylish and durable range of products...

By Charu Lamba

**D**anish footwear brand, hummel, is eyeing offline expansion in India. The brand, which has already been running a substantial part of its production from India, has recently opened five franchise stores in Chennai, Bengaluru, Amritsar, Pune and Surat.

With the launch of these stores, the company has embarked on physical retail expansion drive to cater to the millennial by offering a wide array of its high-performance, stylish and durable range of products.

"We are excited about the Indian market and are looking to invest in becoming one of the major players in the sports and lifestyle category in coming years. As a brand, we believe in changing the world through sports and we see many wonderful collaboration opportunities in India," says **Henrik Svenning, Chief Commercial Officer, hummel**.

Over the past few years, India has rapidly caught up with the wider global fitness trends. From 2015 to 2016, the Indian sportswear market grew 22 percent, outpacing the segment's global increase of 7 percent, according to Euromonitor International. By 2020, it is expected to grow an additional 12 percent CAGR with sales expected to reach US\$ 8 billion.

Cashing on growing opportunity, hummel is looking forward to opening 10 more stores this fiscal year in cities like Hyderabad, Delhi, Mumbai, Lucknow and Ludhiana. It is eyeing both malls and high-street to open the stores.

"The stores in malls will span across 800-900 sq.ft, whereas high-street stores will be over 1,500 sq. ft. in size," Svenning says.



## The India Journey

Last year, the brand forayed in the Indian e-commerce space by selling its products on Myntra and Jabong to test the waters.

"hummel was launched on Myntra and Jabong in 2016 but, we stopped selling directly to both the platforms in 2017 because we had no pricing control. Three months ago, we listed our merchandise on Amazon and Flipkart via our partner ND Commerce, which manages our online stores and handles pricing control too. Now the customers receive the same discounts on our end-of-season products on Amazon or Flipkart, as they receive in our physical stores," Svenning states.

The brand will soon be available in MBOs like Go Sport. Hummel HIVE, the premium collection, will be available at The White Crow - a premium multi-brand

store during the first phase to aid the expansion plans and it will be investing 10 percent of its revenue towards marketing spends.

"We will be spending 60 percent of the spend on digital and rest 40 percent offline. By the end of this fiscal, the brand is eyeing ₹20 crore in sales, out of which offline and online revenue ratio will be 60:40," he added.

## Betting Big on India

The Danish sportswear major, which is following FOCO (franchise-owned-company-operated) model in India, is betting big on the country. "We are planning to make India a manufacturing hub for South East Asian markets and for the other markets wherever the global



**"We are excited about the Indian market and are looking to invest in becoming one of the major players in the sports and lifestyle category in coming years."**

**- HENRIK SVENNING**  
CHIEF COMMERCIAL OFFICER, HUMMEL.



department store. It is also in dialogue with several of the other LFS, plans which they hope will reach fruition by Autumn-Winter 2019.

"Apart from this, we are also introducing the brand at marketplaces and our own e-commerce portal - hummel.net - will be ready soon. It is very important for us to combine the online and offline experience for customers. The customers will soon be able to buy online and pick from store or buy from store and get products shipped direct to home. We are of the firm belief that the success of any brand lies in the combination of both offline and online," Svenning says.

The brand is planning to invest ₹38.5



crore hummel collection is available," explains Svenning. Instead of importing, the brand will be focussing more on producing locally here in India. By 2020, a big part of their inventory sold here in India will also be manufactured here. However, it will still be importing the inventory from other countries, but the ratio will be lesser as compared what is produced here in India.

At present, the stores have on display, the summer 2019 collection featuring key product categories including sneakers, track pants, t-shirts, hoodies, bags, accessories and sports shoes in the price range of ₹900-14,000. Although the company offers 6,000 SKUs (stock keeping units) for men, women and kids globally, in India it has started with 850 SKUs for men and women only.

## Location Strategy

Unlike other brands, which begin their Indian journey from big cities, hummel has not been shying from testing waters in Tier II cities along with metro majors.

"Instead of opting for a metro-oriented approach, we opted for a national approach as we wanted to get in touch with consumers across the country. We also want to get a sense of how the brand is being perceived in North or South as well as metro cities. India is a big country with a lot of variations in different states, we thought this is really a good way to test it on the product scale," reveals Svenning.

## Store USP

To combat the competition from other players in the same category including brands like Nike, Puma, adidas and Under Armour, hummel offers a unique store experiences to its customers in India.

“Our mono-store has to create a customer experience. It has to offer something else that customers cannot get online or at MBOs. It has to be a destination that attracts and excites the customers,” Svenning says.

- > The brand’s Amritsar store has an anti-gravity photo-booth where customers can get themselves clicked and take the 3D prints of the photographs.
- > In Chennai, the brand has a dedicated yoga zone where a local yoga trainer will be giving free of cost yoga classes to the customers over weekends.
- > The Bengaluru store, which houses the premium collection hummel HIVE, boasts of a Chill Zone comprising of bean bags, boombox, library and a lot more.

“As hummel is a relatively new brand in India, we want our stores to speak out loud about what we are offering and what is our positioning. We have plans to create engagement zone in every store. In India, our positioning is as a sports lifestyle brand and we want all this to be communicated in our visual merchandising when customers enter the store. We are planning to marry tech with the stores and offer 3D and AR solutions,” he states.

To hummel, creating retail in a way that expresses the brand’s identity and ethics, is extremely important.

## Tech Innovations

In Denmark, the brand is working with some engineers to build technology into their sportswear which can help athlete track their progress.

“We are trying to fit in a chip in the jersey which can be connected to the smartphone, however, it has not been commercialised yet. We are expecting to launch such innovations by 2020 in India,” he shares.

“We are a CSR-driven brand which is trying to change the world through sports. Beyond Spring-Summer 2020, you will see a lot of hummel products made with eco-



**It is one of the oldest sports brand in the world. One rainy afternoon back in 1923, Albert Messmer, a football fan and a fine boot maker, was distraught seeing the conditions of the players who had no control on their moves and were rendered helpless in the muddy waters of the field.**

friendly materials, for example, we will be converting plastic bottles into t-shirts. We are also making performance jerseys using zero percent water,” he adds.

## Tracing hummel’s History

Established in 1923, hummel has a long history of creating sportswear. Both defining and defined by the Danish design tradition, hummel works with clean lines, but also with a mad love for the edgy look and strong colour combinations. Since 2006, the brand has also been engaged in producing fashionable trainers and today, hummel shoes stand as a strong alternative to the convention with a passion for fun and catchy designs and vibrant colours. The collections also reflect the significant sports heritage drawing on classic sports styles from the brand’s own archives.



It is one of the oldest sports brand in the world. One rainy afternoon back in 1923, Albert Messmer, a football fan and a fine boot maker, was distraught seeing the conditions of the players who had no control on their moves and were rendered helpless in the muddy waters of the field. This reminded him of the bumblebee which flies despite its weight. He worked tirelessly to perfect the shoe that would make the footballers akin to the bumblebee, known as hummel in the German language. Thus, came the first ever football studs and is a tribute to the bumblebee that never gave up despite its weight.

hummel currently manufactures apparel for football, futsal, handball, basketball, shinty and volleyball. The company also produces footwear for football and handball.

The brand sponsors internationally recognized football teams like the Danish and Afghan national football teams, Charlton Athletic FC, SC Freiburg, Christiania SC, Brøndby IF, V-Varen Nagasaki, Jeonbuk Hyundai and SpVgg Greuther Fürth.

In the world of handball, hummel sponsors star players like Mikkel Hansen, Daniel Narcisse, Paul Drux and Victor Tomás, while teams like ViveTauron Kielce, Füchse Berlin, MVM Veszprém KC, and RK Vardar all play in hummel chevrons. **IR**

# Kompanero: A Journey of Innovation Through the Use of Technology

Internationally, the brand is available in more than 400 stores in Australia and in more than 50 stores in the UK. Aside from this, Kompanero is quickly gaining in prominence in the United States, Japan, Korea, Italy and Canada via a multitude of distribution networks...

By IMAGES Retail Bureau

Since its inception in the year 2014, Bengaluru-based Kompanero's journey has been nothing short of incredible. Curated specially for the Indian market, the strategy of the premium leather bags brand of contemporary designs imbued with a vintage appeal has brought their products at par with similar designs at the international fashion circuit.

Founded by Indranath Sengupta and Alope Sengupta, Kompanero currently has 26 stores operating in India and plans to expand it to 100 outlets by 2025. The brand will also open 4 more stores in 2019. The new stores will be opened in Express Avenue Mall in Chennai and SarathCity Mall in Hyderabad among others. In addition to this, Kompanero's airport presence is being strengthened with newly launched stores at Guwahati Airport, Chandigarh Airport and the Chennai Domestic Airport. Internationally, the brand is available in more than 400 stores in Australia and in more than 50 stores in the UK. Aside from this, Kompanero is quickly gaining in prominence in the United States, Japan, Korea, Italy and Canada via a multitude of distribution networks. The brand's USP lies in the fact that their products are one of a kind.

The brand is a big believer in the use of technology, both in the manufacturing process as well as in-store, to enhance consumer experience. "We have incorporated robotic cutting machines for unparalleled speed and accuracy. Our first and foremost priority strives to augment in-store experience, keeping in mind the prospects of sustainability,"



says **Indranath Sengupta, Co-founder, Kompanero.**

In fact, the founders of Kompanero have even invested in a tannery to have better control on the quality and authenticity of the raw material – leather. The tannery too is equipped with state of the art machinery which yields high quality vegetable tanned leather with 70 percent reduced water consumption.

## Product & Technology Innovations

The use of technology has steered Kompanero towards the path of innovation in a bid to be unique in its chosen category. "Our leather bags go through a special ageing process, that undergoes a totally re-engineered procedure by our R&D department, making innovation a part of our DNA," explains Sengupta.

### Category Innovation:

→ Laser-etched designs of the Utopia Collection


- Innovative weaves of the Apache Collection
- Monolithic structure bags tailored from a single sheet of leather, that has no reinforcements or linings, belonging to the Minimalistic Zen Collection
- Time-traveller trolleys made from a high grade single sheet aluminum
- Leather sneakers which can be used to jog, play or run

"In our effort to be as consciously sustainable as possible, all our POS communication in the store have been cork-based in the last one year. Another

innovation point for Kompanero is packaging – simple yet elegant, biodegradable, promoting a step towards not using plastic," Sengupta explains.

## Marketing & Promotions

Kompanero as a brand is moving towards a more holistic approach, where it strives every day to become more sustainable. A part of this sustainability is innovating by programs such as Kompanero Tribe, which is a carefully designed program installed to benefit consumers with each and every purchase.

"Our social media campaigns are not typical, bold and are different from each other, what they have in common is the use of channels to raise brand awareness and stand out of the competition. In terms of revenue we have grown by 60 percent from last year. But we are not focusing much on revenue, as we believe that with the right inputs, the revenue would automatically grow," concludes Sengupta. 

# Phygital: The New Wave of Transformation in Indian Retail

In a customer experience session held at the IFF 2019, retailers explored the reasons behind a reverse entry onto the high street and the role data plays in decision making...

By IMAGES Retail Bureau

**G**oing online to offline? Why? A decision by online first brands to move into the offline space often leads to queries like why would a digitally-born brand foray into the brick-and-mortar space? How fruitful is this move when the word 'online' is what is making the retail industry buzz and is attracting both retailers and customers like never before.

In a customer experience session held at the IFF 2019, retailers explored the reasons behind a reverse entry onto the high street and the role data plays in decision making. The session was moderated by **Gurukeerthi Gurunathan, Co-founder & SVP Technology, Caratlane.**

**The panel included:**

1. **Amit Choudhary**, Co-Founder, Lenskart
2. **Jacqueline Mundkar**, Senior CX Thought Leader & Practitioner
3. **Manoj Krishnan**, President – IT, Landmark Group
4. **Ganesh Subramanian**, Founder & CEO, Stylumia

## Why Brands Go Omnichannel

Gurukeerthi Gurunathan started the discussion saying, "We started Caratlane in the year 2008 and we realised that jewellery is one segment where the consumers need to trust a brand before buying products regularly from them. For creating that trust, we realised that it all boiled down to the services provided by the brand with customer experience being the priority. This includes experience on social media as networking plays a big role in building brand credibility. Brand building is a slow process and is done over time, and one its key factors is a touchpoint for customers. There has to be a platform where consumers can physically interact with the brand. Most customers don't make heavy purchases online or while



Left to Right: **Gurukeerthi Gurunathan**, Co-founder & SVP Technology, Caratlane; **Jacqueline Mundkar**, Senior CX Thought Leader & Practitioner; **Manoj Krishnan**, President – IT, Landmark Group; **Amit Choudhary**, Co-Founder, Lenskart and **Ganesh Subramanian**, Founder & CEO, Stylumia

talking to customer care executives. Most of the customers want to touch and feel any product above the price of ₹ 15,000 before purchasing. Hence, to fulfill this need and demand, we decided to move into the offline space and started our first store in 2012.”

Caratlane currently has 54 stores across India and its founders have understood that offline is where the big sales happen and that a connection between the online and offline is what makes the business work.

Ganesh Subramanian stressed on the importance of a great product coupled with technology and innovation, saying, “Retail today is all about technology, with all and sundry dabbling in the technology and innovation segment. Amidst all these changes, there is one constant – the customer. The real purpose of digital advancement is not for any revolution but to understand the customer. Every retailer’s objective is to serve consumers at the right place and time, be it offline or online. The product is the real hero and the platform is only a medium to make it available to the consumers.”

“Brands plan their marketing and social media strategies according to their product. Some of them highlight the services, innovation and digital transformation, while few go for brand building by doing celebrity campaigns. Doubling the numbers of stores doesn’t guarantee the business profit to 2X. Improving the product and getting it to the right consumer is a critical point, if done successfully, it can double the business on all platforms, be it offline or online,” he added.

### Offline or Online: The Better Medium

As per Amit Choudhary, Lenskart never believed in different channels. “We loved how one interface can get you in commerce, without getting into the real estate phase, that was something which was stuck in our head until we opened a 60 sq. ft. kiosk stall at Select City. We saw people queuing up to check out the product. That is the first time we realised that the consumer knows your brand, but they are not transacting with you because they want to see and experience the products. While we were online for the first five years of our existence, we didn’t experience the kind of growth we had hoped for, but we did a lot of backend work for the consumer. We finally managed to reach the consumer when we took the offline route.”

Lenskart decided to trial a few stores and study the results. The biggest learning of the experiment was that traffic per store, sales per store, cost per consumer was way more



“Brand building is a slow process and is done over time, and one its key factors is a touchpoint for customers. There has to be a platform where consumers can physically interact with the brand.”

– GURUKEERTHI GURUNATHAN  
CO-FOUNDER & SVP  
TECHNOLOGY, CARATLANE



“Doubling the numbers of stores doesn’t guarantee the business profit to 2X. Improving the product and getting it to the right consumer is a critical point, if done successfully, it can double the business on all platforms, be it offline or online.”

– GANESH SUBRAMANIAN  
FOUNDER & CEO, STYLUMIA

than their competition and the reason for this was that the brand was already online, and consumers knew it.

“Going Omnichannel just gave us an added platform and we didn’t have to lure consumers with a brand concept. This helped us in saving the brand building cost. As a result, today we have more than 500 stores,” he added.

Talking about the adapting his online model to offline specifications keeping marketing and finance in mind, Choudhary explained, “When we were opening offline stores, we didn’t follow the trademark offline store procedure. We copied everything from our online model and put it through the offline stream. If any customer walks into a Lenskart store, there is



no one standing there to show him/her glasses. It is very similar to our online model. One can browse the store as there is display inventory everywhere. What we tried to do was not to be influenced by what offline retail is doing. It’s like we are doing e-commerce but on a different platform. We realised that the customer doesn’t need tons of inventory. All he needs is trial.”

### Role of Digitisation

According to Manoj Krishnan online is changing youth trends massively. “At Lifestyle and Max Fashion, every assortment, every launch is built upon certain principles of curation and application. In a store a customer sees only merchandising – the content is lost. However, online, we get more chance to convey the content. The online model is very convenient in case of product discovery, followed by understanding the attributes of price discovery and so on.

On the other hand, the brick-and-mortar model is constrained by various parameters for experimentation.”

He added that experimentation done online is a much easier process than offline. “There



“While we were online for the first five years of our existence, we didn't experience the kind of growth we had hoped for, but we did a lot of backend work for the consumer. We finally managed to reach the consumer when we took the offline route.”

– AMIT CHOUDHARY  
CO-FOUNDER, LENSKART



“A good NPS tool keeps a track of both numbers and trends and help the brand directly build insights and make decisions based on that. If a brand has access to free flow text via data through NPS, it can find out the exact reasons why a product has been purchased or not.”

– JACQUELINE MUNDKAR  
SENIOR CX THOUGHT LEADER & PRACTITIONER

are different elements to both brick-and-mortar and online, both bring in many capabilities and so, we decided to extend our presence online,” he explained.

### Why Data is Key

According to Subramanian, getting the supply chain and logistics right is key to fulfilling shopping needs of consumers.

“Planning and keeping the right stock according to market trends is an everyday problem for a retailer. A trend can last entire season sometimes, and at other times, it may last just for a few days. One cannot take decisions from descriptive analytics, or by visual attributes. Deriving data insights helps in understanding customers and trends in a better way. But usually, retailers talk about expansion and sales first and put inventory to the last,” he stated.

Jacqueline Mundkar added to this saying, “One place where customers can talk to the brand is if the brand has a good Net Promoter Score (NPS) tool. A good NPS tool keeps a track of both numbers and trends and help the brand directly build insights and make decisions based on that. If a brand has access to free flow text via data through NPS, it can find out the exact reasons why a product has been purchased or not.”

“A lot of PoS data tells you what somebody has bought, the quantity of the product bought, time and frequency of the purchase etc. This helps in establishing the trend analysis; the only concern is to maintain the accuracy of data at the time of purchase. If the retailer is able to engage the customers through a feedback mechanism and get a lot of insights and his understanding,




it will help him in deriving the kind of channel he wants to put the customer into,” she added.

However, Krishnan was of the view that measuring impressions in an offline store is not an easy task and neither does it happen on a regular basis. “As per our knowledge what people see and buy at the brick-and-mortar store cannot be compared to the copious amounts of browsing and shopping they do online,” he stated.

“We are trying to prompt people towards a new kind of shopping, which combines the best of online and offline – touch, feel, try and alter in case of offline and product, price and promotion discovery in case of online shopping,” explained Krishnan.

He used a case study to explain his point. “In Lifestyle, there are hundreds of offers running at any given point in time, and it is not humanly possible for sales staff to inform consumers about all of them – something which is easily discoverable online. In a bid to go phygital, we have provided the consumer with a progressive app, one which doesn't need to be downloaded. The shopper can simply scan the QR code and a page with all offers opens. There are other pages which can describe all product attributes for the customer.”

Mundkar concluded the session with the customers' point of view, saying, “Retailers make decisions on strategies that are purely based on marketing and business growth. However, the fact is the customer is more interested and extremely attracted to a frictionless, transparent and seamless experience. He doesn't worry about the platform it is on. He wants to feel free, minus a barrier into his browsing journey. This is where Phygital becomes irreplaceable since it covers all available touchpoints and customer needs. Creating such a parameter and opportunity should be the retailers' priority and for sure the business will follow then.” 



# Leather Talks Introduces LT Smart-Technology to Woo Consumers

The brand has introduced LT Smart Technology, which – with the help of its technologically sound aspects – greatly enhances consumer experience when they buy luxurious leather products, exclusively handcrafted...

By IMAGES Retail Bureau

**E**stablished in 1973, Leather Talks is a premium leather accessory gifting brand. It caters to a wide assortment of product categories specialising in men, women, travel, bridal accessories, LT Go-Custom, LT Smart and corporate gifting.

## Innovating for a Brighter Future

The demand for leather is nearly ceaseless and so is the urge of innovation. Leather Talks has gone a long way when it comes to novelty in terms of products, sale, billing, visual merchandising, technology and consumer experience.

The brand has introduced **LT Smart Technology**, which – with the help of its technologically sound aspects – greatly enhances consumer experience when they buy luxurious leather products, exclusively handcrafted. Some of the features of LT Smart Technology are:

- **LT Smart Wallet**, a gadget of today, for the man of tomorrow - a Hi-Tech concept where the wallet gets automatically connected to the customer's mobile phone. It is also embedded with an additional GPS tracking system which prevents it from getting lost or stolen as it's hidden shutter camera captures the identity of the thief instantly.
- **LT Smart Notebook**, which comes with a set-up consisting of a power-bank portal and two USB ports which allow you to charge multiple devices all at once.
- **LT Smart Wallet 2.0 and LT Smart Travel Wallet**, an extended version of LT Smart Wallet which has an in-built power-bank and lets you charge



your mobile phones immediately, just in case of an emergency or when a charger is not near a hand's reach. It is also useful during travelling as it curbs the need to carry an extra charger.

- **Smart Ladies Wallet**. It has many unique facets including an in-built power bank ensuring a lady a quick resort for emergency power. Furthermore, we are also launching a Ladies Bag having the provision of light, as ladies keep looking for their stuff in an over-packed bag with their phone's flashlight. That is when the idea of installing an in-built light in her bag came into play.

LT Smart-Technology has always managed to get good reception of exclusively handcrafted luxurious leather accessories across all their stores as well as in Croma, where Leather Talks products are available. These products are also contributive for the 'Corporate Gifting category' at the store level. This category generates 5 percent of the store sale.

## Marketing & Promotion

Innovation plays a very important role in the marketing and promotion of the brand.

"Innovation provides a creative edge and helps augment a brand's overall



perception from the customer's viewpoint. Functionally innovative and high-quality leather accessories have been the true DNA of Leather Talks. Wherever we establish stores, we easily become a desired destination either through the word of mouth, publicity or via the essence of modern marketing. For instance, we have come up with a belt hanger product, which is aimed to be a simple cure for denoting a specific location for your belts in your cupboard, thereby addressing a simple gap," says **Apekshita Jaggi, Managing Director, Leather Talks**.

"The thoughtfulness toward consumers and the ability to innovate of Leather Talks drives customers towards us," Jaggi adds.

## Digitally Advanced Stores

Leather Talks stores are digitally equipped with gadgets to reduce the shopping time of the consumers.

"We have iPads in all our stores, enabling a version of our online store to be seen from our offline stores. In fact, when a product goes out of stock, consumers get to see online, in all available colours, and can place an order online, in-store. iPad screens have also been put up to showcase the marketing material. One of our latest supplements is our POS system which has Bluetooth bar code scanners for billing. We are also soon launching products for leather Air Pod Cases, Apple Watch straps, Phone covers, iPad working stations and leather covers," concludes Jaggi. **IR**



Left to Right: **Amit Pratihari**, Director Retail, Forevermark India; **Debosmita Mazumder**, Head – Marketing, Puma India; **Arun Gupta**, CTO, Praxis Home Retail; **Abhishek Shetty**, Head – Marketing PR & Loyalty, Celio® Future Fashion; **Srinivas Rao**, Sr. Vice-President, Marketing, Lifestyle

# Customer Experience:

## The Final Retail Bastion

The evolved consumer today wants more than just a great deal – he wants an experience, be it on the web, mobile, social media, through bots, or in-store. The Millennial consumer expects reduced friction towards a seamless shopping experience...

By IMAGES Retail Bureau

**W**hile every consumer loves a good deal, sometimes fatigue can set in just looking at and sifting through the tsunami of offers and promotions. The evolved consumer of today wants more than just a great deal – he wants an experience, be it on the web, mobile, social media, through bots, or in-store. The Millennial consumer expects reduced friction towards a seamless shopping

experience. While the role of technology is limited to changing the rules of the game, customers have the potential to change the game altogether.

In this one of a kind session held at India Fashion Forum 2019, a host of retailers and technology providers discussed and debated the future of retail along with customer engagement and retention. The panel, moderated by **Arun Gupta, CTO, Praxis Home Retail**, consisted of the following panelists:

1. **Srinivas Rao**, Sr. Vice-President, Marketing, Lifestyle
2. **Debosmita Mazumder**, Head – Marketing, Puma India
3. **Abhishek Shetty**, Head – Marketing PR & Loyalty, Celio® Future Fashion
4. **Amit Pratihari**, Director Retail, Forevermark India

While sales and discounts drive footfalls, they also bring along a string of inconveniences – crowded stores, scruffy

trial rooms, longer billing queues, etc. At a time when retail is accelerating towards customer experiences, this is serious concern for retailers and brands, as this can lead to serious consequences. To address to and stay ahead of today's time-starved consumer, it is essential for brands to understand pain points and come up with ways to make the consumer journey more pleasant.

"The billing line is not a new issue. What we have done to tackle it and give the consumer a seamless experience is introduce self-checkouts or assisted checkouts. Customers can now bill their purchases themselves," said Srinivas Rao.

For a long time, fashion has been a one way street, but this is changing rapidly now. Today, it's the consumer that dictates trends and brands that follow it. "There are numerous types of technologies that brands deploy to understand what the customers actually want. Now that these technologies are at our disposal, we should leverage them and come up with products that the customers want, within the DNA of the brand. Also, consumers are shopping multichannel today. So, it is very important that we as brands and retailers provide the same magnitude of information and experience to our consumers across every channel and platform," said Abhishek Shetty.

As a brand, Puma has grown over the years to become one of the leaders in the sportswear Industry, especially sneakers. Consumer connect has been central to the strategy that has impelled this growth.

"Sneakers are not a commodity anymore. They have evolved to become a culture over the last few years. Our customers believe in that and we do too. It's all about finding out why the consumer believes in our brand and building over it. We also need to communicate to the consumer seamlessly so that we give them an experience and build a long lasting relationship that is not just limited to transactions," stated Debosmita Mazumder.

When it comes to diamonds, emotions is a big influencer; and experience is an integral part of building emotions. To be in line with the modern consumer's expectations, Forevermark is focusing on a contemporary concerns right from ethical business.

"We ensure that every diamond that our customers buy has a positive impact on the community from where it is mined to the person wearing it. We take care of the complete pipeline of the channel – right from mining, cutting polishing and designing – and that's how we ensure that every product we offer is not only a valuable purchase for our customers, but it

also is responsibly sourced so that people can connect to it emotionally," said Amit Pratihari.

Taking about connecting with the customers, Mazumder, expounded how their association with Usian Bolt is making a positive impact on the brand. "You do not just associate with a celebrity -- a brand ambassador has to be someone that the people can connect to. There has to be a synergy between the ambassador the brand and the consumer," she adds.



### Evolving Consumption Patterns

Of late, a new consumption psychology has emerged wherein most consumers today aren't very influenced by deals. They simply buy what they want and when they want it. This has influenced business models of brands and has ushered a shift in the way they attract consumers.

Take for example Celio\*, which banks on modern technology to mine consumer insights and paves its strategies in line with this.

"About five years ago, we ran a campaign and since we didn't have much data on consumers, we sent everyone the same set of offers through SMS-es. But today, things have changed, and we can utilise data and technology to send customised offers aligned to each individual customer's preferences. This also boosts the conversion rate by about 1.5-2 percent. This is the change that customisation is bringing about in terms of consumerism and how you retail a brand today," said Shetty.

Discounts and cheaper rates of products are among the major shifts that the digital retail space has brought about in retail. For most pure play physical retail outlets, it's an uphill task to match prices with the online domain.

"I think the charm of shopping in physical stores is evergreen. We all know how customers still yearn for the touch and feel of a product, especially in fashion. Having said that, it's really important for every brand and retailer to build their digital presence and, if



"It's all about finding out why the consumer believes in our brand and building over it. We also need to communicate to the consumer seamlessly so that we give them an experience and build a long lasting relationship that is not just limited to transactions."

- DEBOSMITA MAZUMDER  
HEAD - MARKETING, PUMA  
INDIA



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- AMIT PRATIHARI  
DIRECTOR RETAIL,  
FOREVERMARK INDIA



**"I think the charm of shopping in physical stores is evergreen. Having said that, it's really important for every brand and retailer to build their digital presence and if possible going Omnichannel."**

**- SRINIVAS RAO**  
SR. VICE-PRESIDENT,  
MARKETING, LIFESTYLE



**"Today, we can utilise data and technology to send customised offers aligned to each individual customer's preferences. This also boosts the conversion rate by about 1.5-2 percent. This is the change that customisation is bringing about in terms of consumerism and how you retail a brand today."**

**- ABHISHEK SHETTY**  
HEAD - MARKETING PR &  
LOYALTY, CELIO\* FUTURE  
FASHION

possible, go Omnichannel. Also, while price is a very important adjudicator, today, it's more important to address the fashion needs of a customer the moment he needs it. So basically, it's more important to offer a proposition than just offer a cheaper price," stated Rao.

### Technology as an Enabler

Technology is rapidly rising through the ranks to become the most indispensable part of retail today. Is the day near when it will transcend the consumer to become the top priority of brands and retailers?

"We can afford the technology we utilise today because of our consumers, so I would always chose the customer as the first priority," stated Shetty. "End of the day, it's all about how well you exploit technology to make an unforgettable experience for the customer," he added.



Technology is a huge part of Forevermark. The brand uses technology for forecasting. "We are the only mining company which has already adapted Blockchain. We use Blockchain for a variety of reasons – right from bringing transparency in the business to adding consumer confidence," said Pratihari.

Technology is also changing the way consumers interact with a brand. "Today, the Omnichannel customer is on the rise and this is only because of the investment we have made on technology. Digital channels have bolstered our sales and brought us nearer the consumer. Today, we see Customer Churn Rate has increased with much lower churn and so has the marketing ROI. Also, we have developed a lot of personalisation capabilities. At the same time, technology has also helped us increase our visit value and has helped us to add extra products in consumer's baskets," stated Rao.

### The Customer of the Future


Customers have always wanted friendly, efficient and reliable services, but with the development of new technology, their expectations have been raised and the pace of their evolution has accelerated. Talking about the future consumer, Debosmita said she was confident that they will shop really fast. "By 2025, customers will have everything on their fingertip, and they will buy more than ever before," she added.



Pratihari added that by 2025, the consumer will be more aware and confident about what they need and from where. "They will study the brand in every aspect, right from what the brand communicates to the magnitude of their contribution towards social causes. So, I think, for a brand to sustain to 2025 and beyond, they will have to work really hard," he said.

Shetty added to saying that by 2025, a lot of the decision making will be driven by Artificial Intelligence, even for consumers. "Voice assistant products like Alexa, Google Home, etc., will actually start making decisions for people. This means that brands will have to change their approach radically in terms of reaching out to the consumer," he said.

Also, customers are expected to be more fickle and expect more from brands. "They will definitely expect everything to be served to them on a platter. Technology will play a bigger role than ever to help brands and retailers understand the customer and serve them with personalised products and services," said Rao.

In a nutshell, the influence of technology will only increase in the near future. Brands and retailers will have to leverage on technology to understand the growing expectations of their consumers and serve them with products customized to their specific preferences. 

# END OF AN ERA:

## RETAIL ICON HARISH KUMAR, CMD, NEERU'S PASSES AWAY AT 62

His innate understanding of everything retail, flair of retail and innovative bent of mind will be missed by everyone in the retail industry, his passing a great loss to the retail community as a whole...

By IMAGES Retail Bureau



**L**egendary retail luminary and the driving force behind Indian ethnic wear major Neeru's, Shri Harish Kumar, CMD, Neeru's, left for his heavenly abode on 20th June 21, 2019, leaving behind an unparalleled legacy of retail excellence. His humble yet revolutionary vision - both towards building an enterprise as well as towards humanity - are a source of inspiration to the entire retail fraternity.

### Humble Beginnings


Harish Kumar's journey began along with that of his mother's, Basant Kaur (the founder of Neeru's), in 1971 with tailoring and embroidery of superior and intricate designs in Hyderabad. He then branched out into manufacturing and wholesale supplying of fabric to over 1,000 retailers across India.

Spotting a potential for handloom, he was quick to introduce the same as well as other natural fabrics. This not only came as a fresh boon to the fabric market, which was till then saturated with man-made fibers and fabric, but this also gave a respite to weavers from south India helping them generate due economic benefits from their skills of weaving natural fibers.

It would be no exaggeration to say that Harish Kumar worked towards making handloom look fashionable and trendy thus giving it a facelift from its earlier avatar of being considered a choice for people who could not afford expensive fabric. The turning point came in 1991 when he realised that there was a gap in the market for a good ethnic wear brand in the country, specially so when ethnic wear had a strong underlying demand. This is when Neeru's journey started as a brand.

### Building Brand Neeru's

As Chairman, Kumar took Neeru's to an altogether higher growth trajectory. In the years that he was at the helm of the company, he accelerated growth, built a meritocracy and enhanced brand value. He used his knowledge of textiles and intuitive understanding of fashion to create Neeru's as a brand in itself with all the ingredients that make it irresistible for customers from all over India as well as to NRIs from UK, USA, Canada, the Middle East and other countries.

In 2012, Kumar launched his dream retail concept, Neeru's Emporio, a palatial 30,000 sq. ft. store located in Jubilee Hills, Hyderabad. Its plush interiors featured technologically advanced tools such as iPads as catalogues, video walls and LED screens for the modern day customer. His innate understanding of everything retail, flair of retail and innovative bent of mind will be missed by everyone in the retail industry, his passing a great loss to the retail community as a whole. 





# Most Effective Tech Implementation by Brands & Their Technology Partners

A duet presentation by brands and retailers along with their technology partners of the most successful execution of retail technology in the year 2018 across the country...

By IMAGES Retail Bureau



**T**he India Fashion Forum 2019 session titled 'Most Effective Tech Implementations' aimed to highlight the most successful execution of retail technology in the year 2018 across the country. A duet presentation by brands and retailers along with their technology partners, the session was judged by a bench of jury consisting of:

1. **Amit Bahl**, Global IT Leader
2. **Anil Menon**, IT Innovation, Tata Starbucks
3. **Arun Gupta**, Managing Partner & Director, Ingenium Advisory
4. **Kiran Komatla**, VP-IT, Burger King
5. **Meheriar Patel**, Group CIO, Jeena & Company
6. **Ranjit Satyanath**, CIO, Infiniti Retail (Croma)
7. **Krishna Dhumal**, Dy. Director - IT, GJEPC
8. **Rajiv Rajda**, CIO, All Time Plastics

## IN-STORE TECHNOLOGY ADOPTION – LEVI'S AND OMUNI

OMUNI, India's largest Omnichannel retail enablement platform, faced a slew of new challenges. "The first challenge was that Levi's POS was VPN based and there was no direct integration with ERP. Moreover, as an international brand, it has various international mandates," explained **Gerard Khan, Sr. Manager, Arvind Internet**.

"Levi's operates with a multiple franchisee model and the brand wanted a sourcing logic that ensured that if an order was placed by a franchisee, then the technology should first look to other franchisees in the same city for fulfillment, then at franchisees within the same state, then within the same region and finally, if none of these manage to fulfil the order, only then move to a different franchisee. And all of it has to happen within seconds without the customer having to wait. So that kind of a sourcing logic had to be created," Khan said.

On November 16, 2018, OMUNI commenced roll out with 6 stores in Bengaluru. It started with winning over the store leadership (store managers, etc.) and exercising rigorous skill building sessions within each store. Eventually, it was scaled to 50 stores in a few months.

Elucidating on the revenue that comes from Omnichannel, Khan shared that it's about learning and improve implementing them. He went to explain how a store that had received 42 orders in a single day. "It was 42 opportunities lost converted

into sales in a single day. Managing Director - South Asia, Middle East & North Africa, congratulated the store and invited himself to a meal with them. Executive leadership stepping in and endorsing performance helped us transform Levi's story," he added.

**OMUNI enabled:**

→ Levi's' promos → Endless Aisle → Helped set up kiosks

The implementation also witnessed improved tracking, brand score cards for overall and regional review, monitoring device data along with increased app adoption, and 70 percent plus orders from mobile and tabs.

Currently OMUNI has successfully implemented Omnichannel in ~200 stores with 180 percent L2L Omni-revenue.



## IN-STORE TECHNOLOGY ADOPTION - LANDMARK GROUP

**Manoj Krishnan, President - IT, Landmark Group** presented two used cases -- the Mobile POS Billing Counter at Pacific Mall and the Self-checkout Counter at Pacific Mall, Delhi.

In the existing format of Lifestyle stores, if a customer buy a piece of cosmetic, the consumer is handed a slip which he/she has to submit and pay at the main POS queue. Then the customer has to take the bill back to the cosmetic counter and get the product. "There was a drop of about 2 percent between the cup and the lip, so to say. So we utilised mobile POS billing to help us out," stated Manoj Krishnan.

Mobile POS Billing allows customers to scan barcode and pays at the cosmetic counter itself via debit and credit cards. This ensures that transactions are completed at counter itself and saves time and effort.

In its furniture format, Home Centre, the mobile POS billing technology was an instant hit. "Normally, a single order takes about 45 minute to bill, because customers also enquire about exact delivery date, which means we need to check the location of the warehouse that the product is available in. All these things have been integrated in the mobile POS," he said.

Lifestyle realised that the billing speed is one of the main factors of customer dissatisfaction. So, it invested and rolled out a self-checkout mechanism through which customers can bill their products in three in 3 easy steps. Although the technology is not fully rolled out., it has been implemented in the top 20 stores of Lifestyle. The brand has already noticed a 5 percent increase in the NPS score. Lifestyle is currently working on RFID to tackle the issue of tag removal.



"The first challenge was that Levi's POS was VPN based and there was no direct integration with ERP. Moreover, as an international brand, it has various international mandates."

- **GERARD KHAN**  
SR. MANAGER, ARVIND  
INTERNET



"Normally, a single order takes about 45 minute to bill, because customers also enquire about exact delivery date, which means we need to check the location of the warehouse that the product is available in."

- **MANOJ KRISHNAN**  
PRESIDENT - IT, LANDMARK  
GROUP

## IN-STORE TECHNOLOGY ADOPTION - LOGIC ERP AND PAL DEPARTMENTAL STORE

Pal Departmental Store is a business chain of departmental stores with built up area of more than 15,000 sq. feet per store, each store having 8-10 billing counters located in Ludhiana. As the store count increased, the company was plagued by lack of purchase management and challenges in reviewing purchase cycles. It need technology support to find plausible solutions for customer relationship management, payroll, reports and user rights.

Finally, Pal Departmental Stores enlisted Logic ERP Solutions to streamline its operations. Logic ERP was implemented through a centralized location to manage all the existing retail outlets. Real time connectivity was defined through RF links and Lease Lines whereas warehouses were managed from the central location. The solution also helped it to deploy payroll separately to manage a strength of 500 employees.

Post implementation of Logic's solutions, operations became seamless as the company was armed with purchase and inventory control and a customisable CRM module. Moreover, a vast range of reports, in depth user control and integrated payroll module resulted in the following:

- Seamless Operations
- Improvement In Billing Cycle
- Better Manpower Management & Productivity



- Accurate Stock & Data
- In Depth Analytics
- Multi Location Master Control

"Our footfall has increased from 4,000 to 8,000 per day. Before Logic's ERP we had different software for accounts, inventory and payroll. We wanted one software to handle it all and Logic's ERP is just perfect. The best part is that, all we need is a tab or a smartphone and we can bill from anywhere," explained **Varun Kapur, Pal Departmental Store.**

"Before Logic's ERP we had different software for accounts, inventory and payroll. We wanted one software to handle it all and Logic's ERP is just perfect."

- **VARUN KAPUR**  
PAL DEPARTMENTAL STORE

## IN-STORE TECHNOLOGY ADOPTION - CIPHERCODE TECH. SOLUTIONS

Products are the first touch points between consumers and brands. Digitising products enables brands to digitally communicate with the consumer at the micro moments. Ciphercode Tech. Solutions' Brandwise platform provides innovative solutions to connect the unconnected products with the digital world and provides an unique digital identity to each product through unique QR codes for each product.



This patent pending technology enables consumer to authenticate products and facilitates them with the brand's online store access without any dedicated app installation on consumer phone. For the brand, Brandwise gives a detailed analytics of consumer behavior that can potentially help businesses to take key decisions. It also helps brands with analytics and dashboard solution to get the ground reality

The solution was specifically curated to not losing walk-in customers to other shops due to lack of stock. It also helps to promote walk-in customers to a brand's online store. E.G., if the required size of the apparel was not in stock, consumer can directly



"Investment is close to ₹ 15,00,000 and the ROI time period is 6 months. The implementation envisages 10X growth in customer education and online store awareness drive."

- **VENKAT TERUGU**  
CEO, CIPHERCODE TECH. SOLUTIONS



reach to that specific product page and order the same for door delivery if stock is not in store. This wins consumer satisfaction, sale conversion and provides relevant analytics for long term business strategies

A unique digital certificate injected to each product at production in the form of QR code. Scanning this code with a smartphone opens many options.

Consumer can authenticate brand name and product origin. Clicking on certain links on the first web page (landing page) scanner opens will lead to various consumer digital experiences such as:

- Access online page of that specific product
- Share product and its details to social media network, which proliferates consumer reach

- Experience current offers from the brand
- One touch feedback to business

“Investment is close to ₹15,00,000 and the ROI time period is 6 months. The implementation envisages 10X growth in customer education and online store awareness drive,” stated **Venkat Terugu, CEO, Ciphrcode Tech. Solutions.**

## IN-STORE TECHNOLOGY ADOPTION – DELOPT

A deep insight of footfall count is indispensable for every retailer to get a true representation of how the business is performing. Traditionally, it has been a manual process and there were a plethora of challenges like:

- Issues pertaining to accuracy and manual errors.
- No records maintained and representation of a vital and huge data.
- Growth, dip or any kind of variations were not known by number and percentage. Which are the peak or lean footfall hours.
- How to decide on manpower for facility.

But now, with advancement in technology, retailers can now depend technology providers like DELOPT to automate the process. DELOPT's Robovision 3D People Count Systems is a high accuracy 3D people count systems for retail and other applications that feature sensors with proprietary algorithms of 95 percent and above.

DELOPT focuses on the design, development and production of Embedded Systems and Electro-optics Systems for military and civilian applications. For retail applications, the company provides the following service:

1. **Footfall Counting System:** Accurately captures visitor count and sends to reporting software DELBI. RV3D+1 sensors use the latest 3D Vision technology for classifying adults, children and group count.
2. **Demography:** Helps retailers to know visitors gender and age classified data.
3. **Dwell Analysis:** Helps offline retailers to measure their zone based performances based on number of customers and average time spent.
4. **Heat Map:** A quick and easy indicator of a stores holistic traffic movement behaviour. Customer movement is visually represented with color patterns on the store layout.
5. **WIFI Analytics:** Used in advanced models of people counting to gather consumer information beyond count data.
6. **Queue Management:** Timely alerts to store manager to reduce queue lengths and increase customer delight.

“The company's latest and the largest implementation is with the Reliance Group. DELOPT exercised almost two years of pilot to show Reliance the accuracy of their counting,” stated **Kumarswamy Hiremath, Head Marketing Delopt.**



“The company's latest and the largest implementation is with the Reliance Group. DELOPT exercised almost two years of pilot to show Reliance the accuracy of their counting.”

– **KUMARSWAMY HIREMATH**  
HEAD MARKETING DELOPT

## OMNICHANNEL TECHNOLOGY IMPLEMENTATION – WILDCRAFT AND OMUNI

In June 2018, OMUNI went live with Wildcraft with OMUNI's in-store technology solution OMUNI. one, which mitigates opportunity loss. While the implementation was started with only two stores, the store count crossed 100 stores in 3 months.

OMUNI is a powerful product suit that can power every brand's LTP roadmap. “Seeing the early success, Wildcraft was encourages to explore our entire product suit. The suit has everything from AI to marketplace integration, websites and consumer apps and call centers for ground operations. In November 2018, we launched the new website [www.wildcraft.com](http://www.wildcraft.com) in place of the existing [www.wildcraft.in](http://www.wildcraft.in), Wildcraft has seen fantastic results -- 3X sales, store fulfilment of orders and enabling all Omnichannel journeys,” stated **Gerard Khan, Sr. Manager Arvind Internet.**

Wildcraft has also signed up for Arvind Internet's analytic space managed services, retail marketing services and loyalty program. Arvind Internet has also helped Wildcraft launch its app in March 2019.



## OMNICHANNEL TECHNOLOGY IMPLEMENTATION – LIFESTYLE GROUP

Lifestyle launched [lifestylestores.com](http://lifestylestores.com) and [maxfashion.in](http://maxfashion.in) in January 2016. Initially, the group started with landmarkshops.in, but in line with their strategy, the it was segregated into dedicated e-shops for Lifestyle, Max Fashion and Home Centre. “We did this because, all these brands had excellent brand recall. People might not know Landmark, but they knew each of these brands,” said **Manoj Krishnan, President - IT, Landmark Group.**

Taking through the brand’s technology development in the fiscal 2018-19, Krishnan revealed that Landmark started off with a single view of the inventory for the warehouses. “We saw that when the warehouse inventory was exposed, we saw some traction in terms of the availability.



This year, we have gone live with the single view of inventory for the stores, another milestone for us,” he said.

Also, to enhance the Omnichannel experience in stores, the brand also uses an employee productivity app called Stylus, that employees use to send shortened

URLs. In case a specific size or color is not available in store, the shortened URL then takes the customer to the online store where the required size or color is available. The Stylus app is also used as front end for delivery from stores.

The brand also exercised a massive Omnichannel campaign orchestration. Market campaigns were orchestrated based on consumers purchase behaviour both online and offline. Landmark’s loyalty programme, Landmark Rewards helps the company analyse and link consumer purchases both online and offline, based on which campaigns are triggered. Landmark is also using Google Near Me extensively, sharing the physical inventory with Google.

## CUSTOMER EXPERIENCE TECHNOLOGY IMPLEMENTATION - LIFESTYLE GROUP

A heightened customer experience that enables personalization is the call of the hour for every retail in today’s age. In line with this, Lifestyle launched its new customer engagement app, Buddy, that helps the company to create personalized in-store experiences for its customers. The platform uses AI and IOT with the sole aim of increasing customer engagement,

improving customer experience, increasing customer conversions and purchase value and enabling data enrichment for more personalized recommendations. The solution is IOT based and leverages QR codes, NFC, Missed Call and Wi-Fi to enable customer adoption and engagement for the app.

“The app comes loaded a slew of features

including LMR information, exclusive offers and style and beauty tips. The app has registered significant increase in basket size and categories purchased and enhanced customer satisfaction leading to increased retention,” said **Priya Mehrotra and Akash Mathur, Marketing Operations, Lifestyle.**

## CUSTOMER EXPERIENCE TECHNOLOGY IMPLEMENTATION - MOBIQUEST

The m’loyal Mobile Loyalty Platform is a unique Omnichannel platform that encompasses all aspects of the customer life-cycle in retail from customer acquisition to rewards and engagement. It automates the customer journey through configurable business rules that help in sending out meaningful, relevant messages to the consumer, at the right time and place.

The analytical based communication sent from the platform helps drive incremental sales and increase campaign ROI. The platform not only automate consumer communication on the basis of insights, it connects all touchpoints/channels including EBOs, MBOs, e-commerce, mobile, social, partner and print.

“The main aim is to create the largest automated precision/digital marketing

ecosystem and trigger personalised offers to millions of consumers from one brand to another complimentary brand consumer, based on well-established purchase, frequency and demographic patterns,” explained **Chandra Shekhar Executive VP, Mobiquest.**

*The Branded/customisable Mobile app for consumers allows the consumer to:*

- Receive personalised updates
- Get Exclusive relevant offers
- Get news and latest information
- Updates about the program
- Choose rewards from the inbuilt m’loyal Reward Store™
- Share offers/updates with friends
- Locate the closest store



“The main aim is to create the largest automated precision/digital marketing ecosystem and trigger personalised offers to millions of consumers from one brand to another complimentary brand consumer.”

– **CHANDRA SHEKHAR**  
EXECUTIVE VP, MOBIQUEST

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