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IMAGES Retail™

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14-15 OCTOBER, 2020

PRC VERDICT:

Convergence, Integration,
Online-Offline
Collaboration &
Digitalisation are New
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SimpleRetail:
How Retailers
Can Engage
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The months of October and November have so far been very fruitful for the retail industry. As far as the pandemic is concerned, while there has been no reasonable decline in the number of new cases in the past few weeks, people have nonetheless come out to in large numbers to shop for the festival season, making it a happy month for the retail industry as well. Stores in both high streets and shopping malls reported decent footfalls and an increase business.

For IMAGES Group too, October was a historic month as we conducted 'Phygital Retail Convention (PRC)' a first of its kind 'Live on Your Screen' digital event. The event turned out to be 2020's most powerful business event for retail and retail support industries. Along with India's top retail companies and international brands, key decision makers from retail design, technology, retail real estate, logistics & supply chain companies used the virtual platform to both deliver and gather insights, acquaint themselves with latest retail innovations and network for emerging business opportunities pan India. The 2-day event (October 14-15) received an overwhelming response from both the Retail & Shopping Centre Industries.

The November issue of IMAGES Retail brings a recap of the PRC for our readers. The edition features the entire coverage of the event, bringing our readers the most popular and constructive sessions from the gala event. The edition also features exclusive interactions with retail experts and stalwarts from the shopping mall industry/brands, who were part of the PRC panel.

The cover story throws light on the 'Convergence of Offline & Online model' making it the sharpest and most forward-thinking concepts of the retail industry today. Digitalisation is the future of retail and PRC was an attempt to enlighten our readers more about it.

As always, we hope you find the issue informative and useful. Log on to our website <https://www.indiaretailing.com/> for more features, analysis and expert opinions.



Amitabh Taneja

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RETAIL INDUSTRY WITNESS TECTONIC SHIFT IN TRADITIONAL BUSINESS MODELS

Big brands are closing stores, malls are shuttering, and consumer spending is increasingly going online, laying waste to power centers and main street merchants alike...

By IMAGES Retail Bureau

FLIPKART GROUP GARNERS 68 PC OF ₹29,000 CR FESTIVE SALES: REPORT



Riding on a shopping surge in smaller towns and cities, Flipkart Group emerged as overall leader during the week-long festive sales, accounting for 68 percent of the total sales as the country saw a massive 55 percent (year-on-year) growth with US\$ 4.1 billion (nearly ₹29,000 crore) goods being sold across e-commerce platforms.

This figure was US\$ 2.7 billion for the seven-day festive sales period last year. Flipkart Group and Amazon together accounted for over 90 percent of the total online sales during the seven-day period,

according to Bengaluru-based consulting firm RedSeer which has forecast that online platforms will clock US\$ 4 billion in sales for the respective festive period this year.

“E-commerce sector has exceeded the aggressive forecasts we had made a few weeks before the festive season week one started out,” said Mrigank Gutgutia, Director at RedSeer Consulting.

The number of shoppers during the first week jumped from 28 million last year to 52 million this year which is 85 percent (y-o-y) growth.

“This points to a revival of consumption sentiment among Indian shoppers, where they have been shopping online in big numbers driven by massive selection, great prices and the

convenience and safety of shopping from home,” he added.

The key themes that boosted this year's festive sales include affordability, mobiles, tier II growth wave, availability of stock items which directly resulted in recovery of sales for brands and sellers — who have been strongly enabled by the online channels to drive their sales growth which was affected by the COVID impact on offline channels. The biggest growth lever this year was the massive addition of shoppers. Over 55 percent of shoppers came from Tier II cities like Asansol, Ludhiana, Dhanbad and Rajkot among others. Given the Tier II + skew of the shoppers, buyers preferred



affordable price ranges this year for almost all product categories, instead of expensive items. The platforms enabled affordability this year with aggressive tie-ups through brands and financing deals, coming on the back of a bleak, pandemic-affected year, according to the report. After registering record sales in the seven-day period to kick off the festive season after pandemic-induced lockdowns, e-commerce marketplaces have now announced the second round of online sales to keep up the momentum.

Amazon announced ‘Happiness Upgrade Days’ where customers will get special offers on a wide range of products across categories from top brands till October 28. Flipkart has also started Dussehra sale from October 22 till October 28 and after that, the e-commerce platform will begin the ‘Big Diwali Sale’. Online retailers are expected to generate approximately US\$ 6.5 billion (₹47,751 crore) in sales during the festive month (October 15-November 15).

15 Shopping & Business Discontinuities in COVID-19 Times

CONSUMER BEHAVIOUR, RETAIL, MALLS, APPAREL, GROCERY, ONLINE, WORKERS

The World Bank has opined that between 2020 and 2021, COVID-19 will push about 150 million people below the poverty line of USD 1.90 per day. It will be some years before customers splurge USD 2 million on a Hermes Kelly Rose Gold handbag or USD 1,000+ on a Stefano Ricci formal Crystal necktie...

By Rajendra K Aneja



C OVID-19 is an unprecedented crisis in the history of mankind. As if now, there is no readymade solutions in a manual or a business school textbook. The trauma of the pandemic, has led to significant changes in human behaviour. Human beings will no longer consider themselves infallible. Nobody will ever take anything for granted, ever again. An invisible virus has brought the entire planet to a complete halt. The virus was a great equaliser, it attacked with complete immunity. It attacked presidents; it attacked paupers. Human beings learnt to live in their homes, without stirring out for months. We worked from homes. The laptop, Wi-Fi and Zoom, saved the world, for they kept the wheels of business moving. Companies and people worked remotely, at lower costs. So, businesses will now deploy these strategies in the future too. These new ways of living will impact shopping patterns and businesses in the future. The major changes are reviewed below:



Seamless Offline & Online Convergence Makes India the Best Consumer Story in the World

The inaugural session of the Phygital Retail Convention, Live on Your Screen, on October 14-15, 2020, saw some of the sharpest and most forward-thinking minds of the retail industry today speaking on digitalisation as a way of life, the phygital consumer of today and tomorrow, retail convergence and integration, and crisis leadership...

By IMAGES Retail Bureau

The next five years will be dedicated to the convergence of all channels and the emergence of truly new multichannel retail.

The inaugural session of the Phygital Retail Convention, Live on Your Screen, on October 14-15, 2020, saw some of the sharpest and most forward-thinking minds of the retail industry today speaking on digitalisation as a way of life, the phygital consumer of today and tomorrow, retail convergence and integration, and crisis leadership.

The panel included:

- » **Manish Tiwary**, Vice President, Amazon India
- » **Bryan Bade**, Chief Executive, Reliance Digital
- » **Vidya Laxman**, Director - Technology, TESCO (Global)
- » **Arjun Sharma**, Chairman, Select Group

The session was moderated by **BS Nagesh**, Founder TRRAIN and Chairman & Non-Executive Director, Shoppers Stop.

Buoyant Consumer Story

Pre-COVID, retail math was very simple – a physical store's next step was to go online and online only brands were looking to establish at least one physical touchpoint, if not more. With COVID hitting, physical retailers were suddenly left with no choice but to capture and engage audiences online and 24x7 or perish.

The nature of the current customer has changed with the onset of COVID. Select Group's **Arjun Sharma** gave an insight into the new psyche of the



The need of the hour is a next-generation, mobile-based, seamless shopping experience built to engage consumers across all channels, and Appexus Technologies, a 15-year old ERP implementation and SAP co-innovation partner, focused exclusively on the retail industry, has developed SimpleRetail to enable the physical brick & mortar stores to go digital.

powered by



Their new technology, SimpleRetail, is powered by Artificial Intelligence and includes features which optimise and support store operations such as smart product recommendations, customer loyalty, clienteling and more. It can be quickly and seamlessly integrated with most leading ERP solutions and applications including over 50 pre-built SAP interfaces. A webinar, powered by **SimpleRetail** and hosted by **IMAGES Group** was organised to educate retailers on the need for redefining customer buying channels and in-store operations, while engaging consumers across all touchpoints. The session was moderated by **Surabhi Khosla**, Managing Editor, IMAGES Group.

- » **Nittu Thomas**, COO, Applexus Technologies
- » **Kumar Nitesh**, CEO, Reliance Footprint/ Trend Footwear, Reliance Retail
- » **Madhav Nishtala**, Director - Digital Transformation Office, SAP India



DIGITAL TRANSFORMATION



Post COVID-19 Retail World: Transform Your Business Model or Perish

The complete collapse of many successful business models only proves that companies now need to reinvent their business models that can withstand crises like the one in hand...

By IMAGES Retail Bureau

powered by



Crisises like the current pandemic shake 100s of 1000s of small and big businesses that otherwise seem to be doing fine. Most are fighting it real hard to get into some delivery mode and simultaneously exploring future business models with every possible permutation and combination of the evolving scenario. The complete collapse of many successful business models only proves that companies now need to reinvent their business models that can withstand crises like the one in hand.

A session at the Phygital Retail Convention titled *'Transform Your Business Model or Perish'* brought together some of the most dynamic technology, digital and innovative leaders to discuss how to put AI & analytics, flexible supply chain with variable cost base and modular design programmes at the core of the business to reinvent

models for future businesses. The session was powered by **Vinculum Group**.

The session was moderated by **Anil Shankar**, CTO, Shoppers Stop. The panelists included:

- » **Abhishek Sudhakar**, Senior Director & Head- Men's Apparel, Sports and Footwear, Myntra
- » **Kumar Sambhav Verma**, Sr. Vice President & Head Omnichannel- Asia, Bata
- » **Venkat Nott**, CEO, Vinculum Group
- » **Vishal Kapil**, CTO, Fashion Retailer
- » **Praveen Shrikhande**, Chief Digital and Informative officer, Aditya Birla Fashion and Retail

Convergence of Online & Offline Retail

After the initial slowdown, businesses are finally picking up pace. However, they are still not out of the woods and it is extremely important to understand

how to navigate the series of challenges ahead. One of these challenges is the convergence of online and offline retail, a challenge which puts the very future of physical stores in question. Online, any which ways, was a good place to be and due to COVID-19, there has been a constant shift towards online. Customers have moved to online in a big way because of various limitations and challenges.

Talking about this, **Abhishek Sudhakar**, Senior Director and Head - Men's Apparel, Sports and Footwear, Myntra, says, "Online was more of a deal-seeking and discovery-led channel. However, now both consumers and brands are seeing online as a must have channel. They are not using it as a point of convenience. If we look at all developed countries in the world, online did see an inflection point when it went from a point of discovery to a point of convenience and the same shift

SAFETY FIRST!

Salon Industry Focuses on Hygiene to Boost Consumer Confidence

Customers prefer salons that have a good track record of following safety and hygiene protocols, salons where all service providers have certifications of training in COVID related heightened safety protocol, salons that have a quality team and a measurement and metrics of compliance to safety norms...

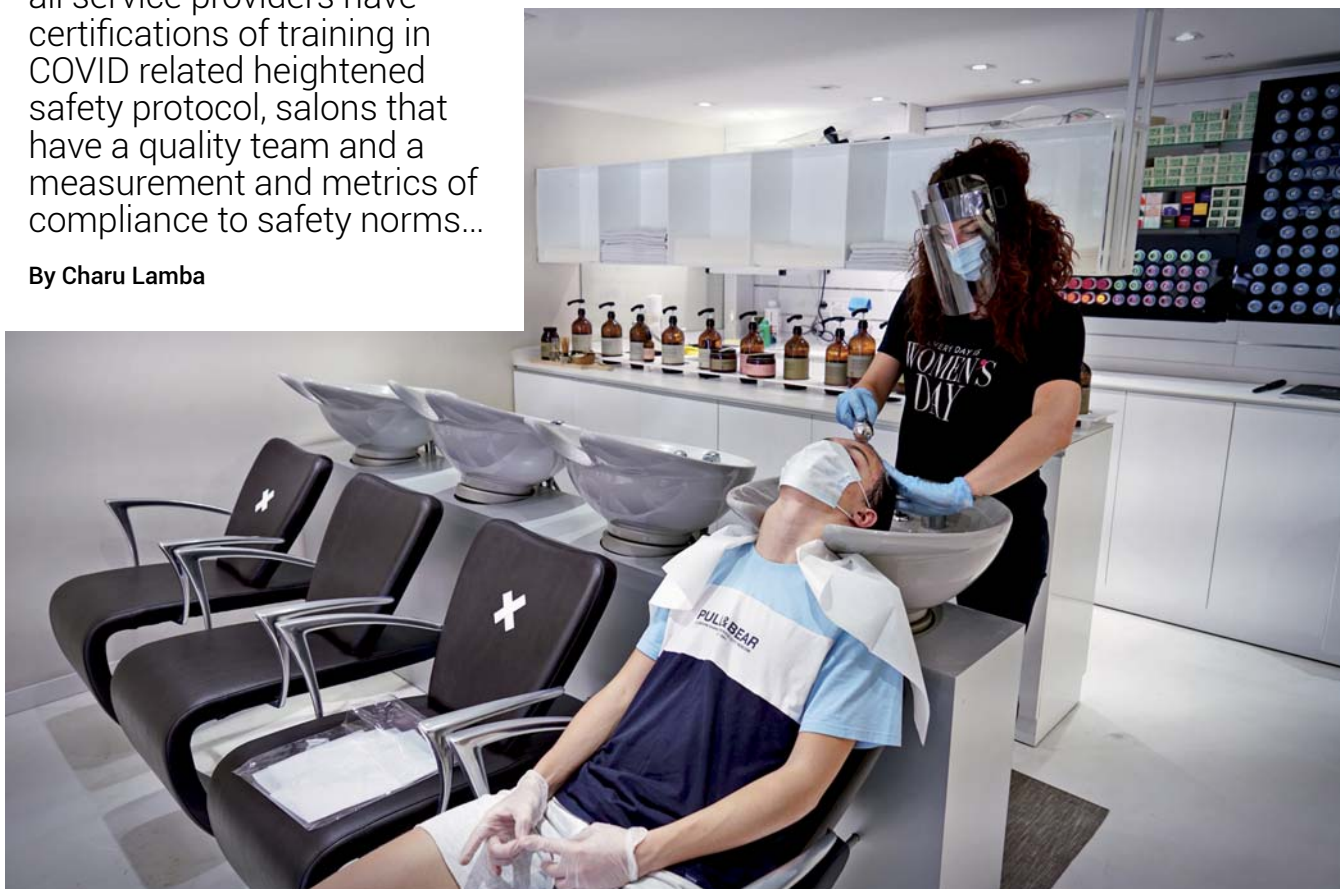
By Charu Lamba

Customer preferences w.r.t salon services have changed and for good reason. The nature of the salon business is that of contact, proximity while delivering services is usually a given. Unfortunately for the industry, social distancing has been one of the key precautionary steps the world is following in the wake of the COVID-19 pandemic.

On the other hand, grooming and beauty services are essential for the well-being of the society. Here is why. The need to look good and consequently feel good is a primordial human need that feeds our self-esteem and the lack of it also affects us adversely. Consequently, to fulfill this need, the industry must ensure that customers are confident enough to come back to salons.

Customers prefer salons that have a good track record of following safety and hygiene protocols, salons where all service providers have certifications of training in COVID related heightened safety protocol, salons that have a quality team and a measurement and metrics of compliance to safety norms.

“COVID-19 has impacted the very foundation of the beauty and wellness business – i.e. human touch, which includes both physical contact as well as an emotional connection. Detailed safety measures and enhanced protocols are top priority for



80 Percent Indian Consumers Excited To Shop This Festive Season

While consumers are shopping online (75 percent) they are also considering shopping in stand-alone stores (66 percent) as well as malls (37 percent), reflecting the rise of Omnichannel shopping. While online is the primary mode of discovery, consumers are looking forward to purchasing at physical stores...

By IMAGES Retail Bureau

Festive Shopping Index 2020 by the Retailers Association of India (RAI) and LitmusWorld captures the consumer sentiment on several aspects influencing purchase decisions this festive season. There have been significant changes in consumer behavior due to the pandemic with an increase in preference for Omnichannel shopping.

The survey highlights that 80 percent of Indian consumers are looking forward to festive shopping. While consumers are shopping online (75 percent) they are also considering shopping in stand-alone stores (66 percent) as well as malls (37 percent), reflecting the rise of Omnichannel shopping. While online is the primary mode of discovery, consumers are looking forward to purchasing at physical stores.

Commenting on the festive shopping sentiments, Kumar Rajagopalan, CEO, Retailers Association of India (RAI), said, "Retailers are looking at the festive season with some amount of cautious optimism. We believe that all formats of retail will see resurgence but on an Omnichannel basis. Customers do feel the need to reconnect with a sense of cheer and are slowly coming out to shop. However, they may not shop in the same way they have been shopping all these years. There is a lot of reliance on what is being shown to them digitally."



Having been confined to their homes for so long away from relatives and friends, there seems to be some excitement around gifting highlighting the need to rekindle relationships and reconnect. About 23 percent respondents have expressed their intent to purchase gifts along with items for their personal use.

What are consumers interested in buying?

Apparel (53 percent), Home appliances and electronics (47 percent), Work-from-home products (37 percent) and Home furniture (34 percent). And they would prefer paying through digital modes of payment such as credit cards, debit cards, mobile wallets and UPI.

"In spite of the pandemic, the Indian consumer is still very excited for the festive shopping season and that's a big positive for retailers. However, the industry will need to respond with interesting value propositions and superior

New Leasing & Partnership Models as Physical and Digital Retail Merge



A discussion between industry titans highlighted the situation of retailers and mall developers in COVID times on the parameters of business, revenue, leasing, partnership models, leadership and thought process involved during the lockdown and reopening phases...

By IMAGES Retail Bureau

In an attempt to discuss the preparations, objectives and parameters of the retail businesses in order to thrive in the current pandemic situation and also to sail through the phase, Phygital Retail Convention (PRC) hosted a session titled, 'Emerging Leasing & Partnership Models As Retail Goes Phygital' with experts from both retail and shopping mall industry.

The discussion was segmented into three different chapters which was dedicated to specific topics highlighting the situation of the retailers and mall developers on parameters of business, revenue, leasing, partnership models, leadership and thought process involved during lockdown, reopening and upcoming coming months.

The session was moderated by **Anuj Keriwal**, CEO & MD, ANAROCK Retail. The panellists included:

- » **Rajneesh Mahajan**, CEO, Inorbit Malls
- » **Rashmi Sen**, Group COO – Malls, The Phoenix Mills Ltd
- » **Sidharth Pansari**, Director, Primarc Group (Junction Mall)
- » **Shashie Kumar**, COO -Retail, Brigade Enterprises

CHAPTER 1:

Thought Process During Lockdown/Unlocking To Come Out Stronger

Safety and Hygiene

Rashmi Sen, Group COO – Malls, The Phoenix Mills Ltd rated safety of retail employees and consumers as the prime objective during the pandemic. "For this, we implemented many new policies at a very early stage. The second aspect was dealing with all regulations set up by the authorities, which was indeed a huge task in the

beginning but slowly we got used to it. The third and the most important thing was to focus on the business and bring it back on track after re-opening. The key objective was that our retail partners' businesses should also return to normalcy as soon as possible. Phoenix malls as a unit was fortunate enough to return to good business and occupancy in two-three weeks time after

reopening."

She said that luxury as a category was initially a very slow starter, but it picked up really very fast. "Actually, we were never worried about this category as we have 'A-list' of consumers and catchment around all the malls, so we knew our consumers will return. The sale in the luxury category has doubled since re-opening. To everyone's surprise,

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