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Future of Businesses

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SOCIAL MEDIA RETAIL:

*How New Age Brands are
Earning Big by Creating &
Sharing Their Stories*

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IMAGES Retail™

Future of Businesses

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Editor-in-Chief | **Amitabh Taneja**

Editorial Director | **RS Roy**

Publisher | **SP Taneja**

EDITORIAL

Managing Editor | **Surabhi Khosla**

Assistant Editor | **Sandeep Kumar**

CREATIVES

Art Director | **Pawan Kumar Verma**

Dy. Art Director | **Deepak Verma**

PRODUCTION

Sr. General Manager | **Manish Kadam**

SUPPORT

Sr. General Manager – Administration

Rajeev Mehandru

ADVERTISING

Vineet Chadha | Business Head & Associate Publisher

+91 9350897807, vineetchadha@imagesgroup.in

DELHI:

- **Lokesh Arora** | Regional Head (North)
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For advertising queries, please write to salesretail@imagesgroup.in

CONSUMER CONNECT & SUBSCRIPTION

Priti Kapil | Deputy Manager
pritikapil@imagesgroup.in

Images Multimedia Pvt. Ltd.
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Registered Office:

S-61 A, Okhla Industrial Area Phase 2, New Delhi 110 020
T: +91 11 40525000 | F: +91 11 40525001
E: info@imagesgroup.in | URL: www.imagesgroup.in

Mumbai: 2nd Floor, Plot No. 3/116, Marol Co-Operative Industrial Estate, Opposit GPL House, Near Marol Bhavan, Marol, Andheri (East), Mumbai 400 059
T: +91 22 28508070 / 71 | F: +91 22 28508072

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

From a retailer's point of view, in the last five years or so, there has been a huge inclination towards technology and digitisation. However, social media is another category which is gaining popularity as more retail brands are associating with it and are spending a large amount of money to adopt it in their business plan. Retail today is largely about experience; even e-commerce giants are working on a shift in proposition from convenience to experience.

No matter how big or small a brand is, it must have now a robust social media strategy for growth and survival. Be it a strategy or just a rat race to keep yourself updated, a large section of the industry is backing this trend. A look around and we notice innumerable brands online that are working towards building themselves using social media and after having tested the waters, taking an offline plunge. Having a strong social media strategy in place, these brands are creating a ripple in retail, the effect of which has forced many big brands to pay more attention to their social media presence.

With the onset of the pandemic, people are spending more time at home on their smartphones and therefore are connected with this model of retail in a very dedicated manner. The April edition of IMAGES Retail brings you an analysis of how the power of social media is being actively used by budding new brands in roping in new customers and pampering the existing ones.

As the retail industry prepares itself for yet another wave of the pandemic and lockdowns, we bring our readers some perspectives from retailers and brands that will be facing the sword to come out of this situation.

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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By IMAGES Retail Bureau



INDIAN ECONOMY MAY CLOCK DOUBLE-DIGIT GROWTH IN 2021 BUT RETAIL ACTIVITY DOWN 25% IN APRIL



The second wave of COVID-19 infections presents a risk to India's growth forecast as the reimposition of measures to curb the spread of the virus will hit economic activity, but a double-digit GDP growth is likely in 2021 given the low level of activity last year.

Moody's expects that given the focus on 'micro-containment zones' to deal with the current wave of infections, as opposed to a nationwide lockdown, the impact on economic activity would be less severe than that seen in 2020, according to a PTI report.

"India's very low Coronavirus death count (only about 1,70,179 deaths have been recorded as of April 12) and relatively very young population also help mitigate risks. GDP is still likely to grow in double digits in 2021 given the

low level of activity in 2020," Moody's Investors Service said.

In its commentary on India, Moody's said the countermeasures to combat the second wave – some of which are due to remain in place at least until the end of April – risk weakening the economic recovery. However, the targeted nature of containment measures and rapid progress on vaccinating the population will mitigate the credit-negative impact.

In February, Moody's had bettered India's growth projection for the current fiscal year, which began on April 1, to 13.7 per cent as economic activity gathered pace. For the calendar year 2021, Moody's has projected economic growth rate at 12 percent. As per official estimates, the Indian economy contracted 8 percent in 2020-21 fiscal year, which ended on March 31, 2021.



Retail and recreational activity across India had dropped by 25 per cent as of April 7 compared with February 24, according to Google mobility data. This was mirrored in the Reserve Bank of India's March consumer confidence survey which showed a deterioration in perceptions of the economic situation and expectations of decreased spending on nonessential items, it noted.

E-COMMERCE FIRMS STEP UP EFFORTS TO PROTECT ASSOCIATES, ENSURE DELIVERIES



With night curfews and weekend lockdowns driving bigger orders for e-commerce companies, these online platforms are stepping up efforts to protect their associates, including delivery staff, and ensure safe delivery of orders to customers. According to senior

executives in the industry, demand in categories like grocery, essential items like sanitisers and masks, books, consumer electronics and appliances has gone up in the past few weeks across various parts of the country, according to a report by news agency PTI.

"There has been a 60 per cent spike

in demand in the markets that are adversely affected by the second wave. The significant surge in demand is in categories such as — packaged foods i.e. ready to eat and ready to cook — up to 80 per cent, frozen foods – up to 500 per cent, and packaged milk, and milk products – 150 per cent. There has also

How **E-Commerce** has been a Gamechanger for Indian MSMEs

Internet was once the weakness of MSMEs in India but with the passage of time, the weakness turned into the strength of MSMEs and eventually e-commerce proved to be a gamechanger for Indian MSMEs

By Raghunandan Saraf,
Founder & CEO, Saraf Furniture

Government, whether of any state or Centre, on various platforms, has always accepted the potential of Micro, Small and Medium Enterprises (MSMEs) in India and the pivotal role they play in the Indian economy. No matter what the industry or domain is but MSMEs always contribute a major role in the growth of the particular sector. But, with the advent of the internet, the MSMEs have gained muscle like never before by catering to an online audience. Internet was once the weakness of MSMEs in India but with the passage of time, the weakness turned into the strength of MSMEs and eventually e-commerce proved to be a gamechanger for Indian MSMEs.

MSMEs Enhance Revenues

By embracing e-commerce platforms, MSMEs in India are surpassing existing revenues and business margins due to increased market reach and by establishing online connections with the new and unexplored markets. Moreover, it has been proved in many surveys and reports that MSMEs using the internet are making their jobs way easier as compared to MSME entities which are hesitant or challenged in any manner to embrace e-commerce.

India To Be 2nd Largest E-Commerce Market By 2034

Continuing with the positives that the MSME sector has received in the past due to e-commerce boon, it is expected to fetch likewise returns in future as well. According to data cited by IBEF, the



Second Wave of Ad Hoc Localised Restrictions Begin to Hurt Indian Retail Industry



There is a need for a coordinated effort at handling the second wave of the pandemic rather than creating diverse restrictions at the local levels like the local weekend lockdowns, shutdown after a definite time period, arbitrary testing inside malls, among others...

By IMAGES Retail Bureau

The Indian retail industry had faced many hurdles last year due to the pandemic-led lockdowns and localized restrictions.

As the number of COVID-19 cases surge and the pandemic takes a new turn with the second wave in the country, the retail industry is beginning to see similar issues repeating in some form that were faced last year with varied localized restrictions across states.

Retailers Association of India (RAI) believes that there is a need for a coordinated effort at handling the second wave of the pandemic rather than creating diverse restrictions at the local levels like the local weekend lockdowns, shutdown at 8:00 pm, arbitrary testing inside malls, among others.

Speaking about the concerns faced by the retail industry, **Kumar Rajagopalan, CEO, Retailers Association of India (RAI)**, said, “RAI has been highlighting the fact that formal retail spaces, especially shopping centres are controlled spaces and have SOPs in place. They have got the ability to adhere to hygiene standards and can definitely ensure social distancing, as compared to local markets. The government could also consider these places to be used to vaccinate citizens and speed up the inoculation drive. However, as soon as pandemic seems to surge, a new wave of restrictions seem to apply on these places first, which beats the logic in our mind. These extemporized restrictions are creating setbacks for retailers as the already stressed retail businesses are

getting further interrupted and in turn dampening consumer sentiment.”

India will always be a consumption Economy, and strain on the retail industry cripples the entire value chain, which involves manufacturing, entertainment, right down to artisans and other micro-enterprises, leading to layoffs and downscaling or even shutting down operations widely.

Removing roadblocks at the local level will not only help retailers to plan ahead, but will also help them make decisions on hiring. It will also help the exchequer in the form of taxes collected by the State Governments like GST, among others which is important to help revive the economy. Most importantly, it will be in the interest of consumers as it will bring convenience to them.



Flipkart and Adani Group's Strategic Collaboration: Key Takeaways for India's E-commerce Logistics Infrastructure

E-commerce players are seeking alternative warehousing locations (fulfillment centers) to help the business continuity, along with mitigating delivery delays, which the partnership will help extenuating. In this context, a growing number of companies are opting for a collaborative approach to overcome challenges associated with e-commerce fulfillment and last-mile delivery space.

By Bijay Oram, Director, Supply Chain & Logistics Practice, Frost & Sullivan

The e-commerce market is heating up in India as the country is one of the biggest consumer markets globally, ranked behind America and China. The Indian e-commerce logistics market is flourishing due to an increase in internet penetration, rise in smartphone adoption, favorable demographics, and surge in acceptability of online payment. Further, supportive government initiatives to boost infrastructure development and

GST implementation have improved e-commerce across the country. COVID-19 has also fuelled the growth of the e-commerce logistics sector.

E-commerce players are seeking alternative warehousing locations (fulfillment centers) to help the business continuity, along with mitigating delivery delays, which the partnership will help extenuating. In this context, a growing number of companies are opting for a collaborative approach to overcome challenges associated with e-commerce

fulfillment and last-mile delivery space. Mumbai being the epicenter of India's e-commerce, Flipkart and Adani Group's strategic collaboration is expected to support their corporate growth objectives. The fulfillment center, which will be leased to Flipkart, will serve as the major distribution center to meet the demands arising from the western region of India and international exports.

Repercussions of the collaboration between the two industry giants:

- 1. INCREASING THE COLLABORATION THROUGH LOCALIZATION:** It is in line with the idea of self-reliant India built around three fundamentals - local manufacturing, local markets, and local supply chains. The construction of a fulfillment center to support MSMEs and sellers will sequentially develop the manufacturing and supply chain segments.
- 2. DATA PROTECTION:** The need for data center infrastructure within the country is further necessitated by the data localization in line with the Data Protection Act, for the protection of the digital sovereignty of the country in an increasingly connected world.
- 3. END-USERS:** A wide variety of goods will be offered to the customers at competitive pricing with mitigating delivery delays, thus boosting e-commerce sales.
- 4. ACCELERATION OF DIGITALISATION:** With the increasing demand for e-commerce, the demand for an effective supply chain and related products and services will also increase, such as Automated Storage and Retrieval System (ASRS), route aggregator, supplier management, etc.

With this partnership with Adani, Flipkart will strengthen its supply chain infrastructure in the country and aims to fend off the stiff competition from other MNCs, partnerships, and collaboration. All eyes will be on the volume of trade that will take place from the newly constructed fulfillment center when it becomes operational in the third quarter of 2022. [R](#)

Social Media Retail:

How New Age Brands are Earning Big by Creating & Sharing Their Stories

Having a strong social media strategy in place, these brands are creating a ripple in retail, the effect of which has forced many big brands to pay more attention to their social media presence...

By Zainab S Kazi



A strong social media presence which also includes engaging with customers using WhatsApp has become the new norm in retailing. In the COVID world, the power of social media is being actively used by budding new brands in roping in new customers and pampering the existing ones.

No matter how big or small a brand is today, having a robust social media strategy is imperative for growth and survival. No brand today can skip having an online presence on various social media platforms and this is something that any retail guru would vouch for. A look around and we notice innumerable brands online that are working towards building themselves using social media and after having tested the waters, taking an offline plunge. Having a strong social media strategy in place, these brands are creating a ripple in retail, the effect of which has forced many big brands to pay more attention to their social media presence.

The story of **Huda Beauty**, that built itself completely using Instagram and is today one of the most sought-after beauty brands in the world, is known to all. Similarly, **The Souled Store** – with its quirky range of products / merchandise – managed to build a strong customer base online through their own website and is today eyeing prime offline retail space across key metro cities in India. There are innumerable such brands that have gone ahead to redefine retailing purely using social media, engaging with customers, and working towards being a part of their digital lives.

One Click at a Time

Having a brick-and-mortar store is the ultimate dream of any entrepreneur who wants to be a part of the retail world. However, that's not all they want. Budding entrepreneurs today are busy building their customer base online before taking the offline plunge. A look at some of their Instagram handles and one cannot but help wonder the miracles they manage to achieve in terms of having a strong customer base that could give





How The **Jewelry Industry** is Riding The New Normal

Technology, particularly social media, has also played a crucial role in helping the gems and jewellery industry to regain what it lost in the year since the pandemic. Many companies have taken a leap of faith by continuing to power on with their businesses along with their partners and consumers, using the digital platform to bridge the gap between the real and physical world as seamlessly as they can...

By Sachin Jain, Managing Director, De Beers India

The pandemic has rearranged most sectors and industries across the world. Several businesses have made short-term and long-term changes that fit in with the new normal even as they pave a new way of reaching out to consumers while keeping a close watch on their bottom lines. The jewellery sector in India too has seen its share of ups and downs in the last 12 months and

is finally making a great comeback post the lockdown by riding the wave of a new way of life.

After being locked in for months during lockdown, the consumer buying behaviour changed considerably. Buyers were drawn to buying things that are real, valuable, long-lasting and also define a deep meaning or commitment for them. In jewellery too, we now see consumers making informed decisions

about the real and natural valuable pieces vis-a-vis jewellery that is artificial and meaningless. They are increasingly investing in fewer but better things than in items that may look fashionable but might not last. There will be a continued demand for classic diamond jewelry pieces with the desire for quality and lasting value expected to continue, a recent survey done by the De Beers group found.



AIRPORT RETAILING

No Matter the Pandemic, the Sky is Still the Limit

The current turmoil in retail, thanks to the ongoing pandemic has spread its wings far and wide. And the worst hit of all would be 'Airport Retailing'. Once a crowning glory for retail, today the sector is under stress but the good news is – it is just a phase. As the vaccination drive further spreads and people take to traveling like before, 'Airport Retailing' will soon attain its lost glory...

By Zainab S Kazi

As part of transit retail, 'Airport Retailing' is by far considered the most lucrative. People flying in and out of the countries/cities took to shopping as their best bet to 'kill the waiting time'. From local to national to international brands, each of the airports have become home to a wonderful world of retail offering customers an array of choice from basic products to luxury merchandise. In India, with airports being at par and in some cases above notch the other international airports, airport retailing has undergone a tremendous change. Today, it is no longer only about food and duty-free shopping, airport retailing has taken an altogether new dimension and is aptly being referred to as 'Travel Retail'.

As stated in a report by global consultancy, Knight Frank Research, India's airport retail segment is expected to grow to US\$ 9.3 billion by 2030 from its estimated market size of US\$ 1.6 billion in 2019. In case of key markets of Mumbai and Delhi, the airport retail developments garner a revenue of 2.4 times and 2 times that of successful malls like Oberoi Mall and Select CITYWALK Mall in these markets. In the case of Bengaluru, the airport retail revenue stands at 0.9 times that of the successful Orion Mall in this market. In India, non-aeronautical revenue from the Indira Gandhi International Airport is as high as 70 percent of the gross revenue of which 34 percent comes from retail, food & beverage and duty-free components, thus reinstating the importance of integration of retail into the transit formats on a more pronounced basis. According to a survey conducted by the Knight Frank Research,



Organised Retailers Can Partner in **Vaccinations**

Organised retailers like supermarkets and shopping centres can play a major role in fostering rapid vaccinations. Governments will disburse vaccines to corporations and private organisations, as availability improves, for administering them...

By Rajendra Aneja



ABOUT THE AUTHOR

Rajendra Aneja was the Managing Director of Unilever Tanzania. He is an alumnus of Harvard Business School and the author of books entitled, "Rural Marketing across Countries" and "Business Express". He is a Management Consultant.

The COVID-19 pandemic has caused momentous disruptions among the brick-and-mortar retailers in the West, especially in the USA and the UK. Many of them have had to down their shutters. Retailers like J. C. Penny, Sears, Neiman Marcus, Toys R Us, Circuit City, etc., have packed up. Customers were shifting to online purchases, prior to the pandemic. The pandemic accelerated the slide towards ecommerce, triggered by protracted lockdowns.

The decision of John Lewis Department stores in the UK, last week, to reduce its outlets by a third from the 50 prior to the lockdown, has caused heartburn, anger and unhappiness among consumers. The closure of the Sheffield store, signals that many other retailers are also evaluating how much physical store space they really need, post the pandemic. Online sales which comprised 20 to 30 percent of sales, are now around 50 percent.

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