

CONVERGENCE OF PHYSICAL AND DIGITAL BUSINESS

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AUTOMATION: THE PRESENT & FUTURE OF RETAIL

Knowledge Partner



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| AI UNDER FOCUS |

Experts touch on the importance of 'AI in retail', highlighting trends, thoughts, data points, and use-cases, to analyse how Artificial Intelligence is changing the course of retail.

FROM THE CEO'S DESK

It's a new beginning



Let bygones be bygones and it is time to embrace the new. It feels great to say this, out loud in the middle of the year. But it is a special time for us as we embark on a new journey with the IMAGES Group. With the pandemic shifting gears for retail, it was time for us to collaborate and this time it is big for us as we have shook hands and now officially become a part of the prestigious 'IMAGES Group'.

Carrying forward the legacy of decades, we are now ready to add some touch of new and old to Phygital, Internet Commerce Summit, Phygits Live, and much more. Just as the industry has adapted technology for growth, we have also adapted to adopt and bring in a technology touch to everything we do at IMAGES from now on.

Apart from assuring that we will get bigger, better, more agile and ready in the days to follow, I also happily announce the next session of ICS. I know the 'future of retail' is digital and that is why we take pride in announcing the second season of ICS VIRTUAL SUMMIT. This is the time to come together and explore opportunities and the Internet Commerce Summit team is ready to meet you all in October - Virtually in order to initiate a conversation around retail and what awaits it in the days to come.

In our effort to make this event a grand success, we need your support. Do join us and let's make every moment of VIRTUAL ICS a grand success.

Bhavesh Pitroda

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| LAST WORD |



Ruling out uncertainties with growth

The temperament for retail since the last few months has been all about business deals, IPOs, new infusion of funding, digitalisation. It has been all about accepting future-looking trends and strategies. With small and medium businesses tightening their customer approaches and entering the omnichannel space, for biggies like Reliance it was all about strengthening the portfolio. Indeed, these are exciting times for retail and there is so many conversations to account for.

Taking a leap from there, we have decided to dedicate this issue to AI and automation. Two of the most talked-about themes for retail at present. Some brands and retailers are already on their path to adapt technology and growing from strength to strength. While others are gearing up to race with more agility.

The scenario has got more interesting on the D2C front and a beeline of brands are changing their marketing strategies to make it more relevant and relatable for the customer, every walk of the way. Technology adaption this side of the road is even faster and it is becoming the call of day all across the supply chain.

There is no denying that automation with a fair balance of human touch, is going to be the game changer for retail. So, ride on this wave to welcome the exciting times ahead!

Anurima Das

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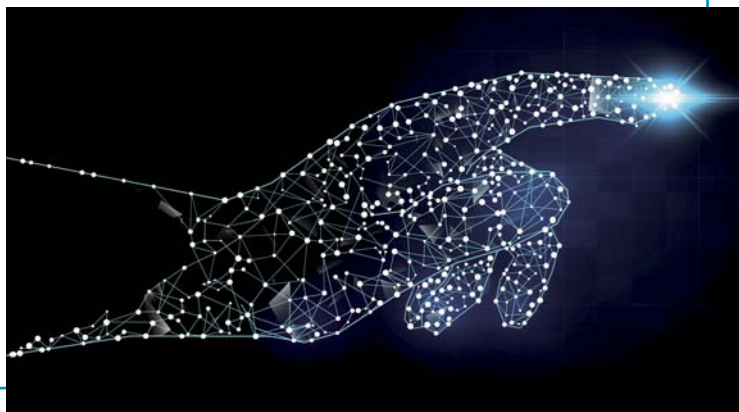


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in stores, retailers have realised that they require more agility to meet the demands. They are moving from brick and mortar to customer-centric, data-backed business models.

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Sahaj Retail Ltd, which offers e-learning, healthcare, financial and a host of other G2C (government to consumer) and B2C (business to consumer) services in rural villages plans to expand its network by setting up close to two lakh outlets by the end of 2022. In conversation with Amit Kumar Singh, Chief Executive Officer, Sahaj Retail to know more about their future plans.

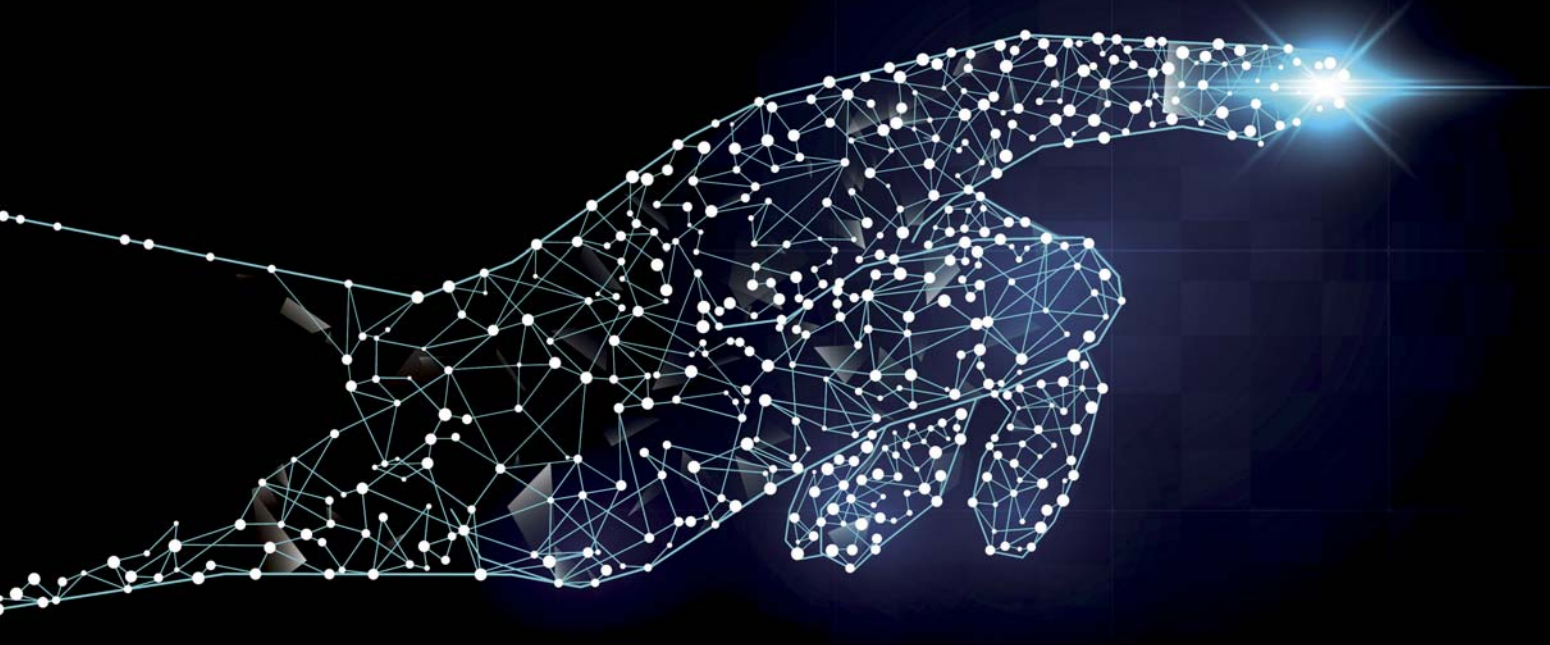
Knowledge Partner



| COVER STORY |

AUTOMATION

THE PRESENT & FUTURE OF RETAIL



With omnichannel retail coming under the spotlight, a wide array of touchpoints and channels have now become a must for brands/retailers. Automating varied functions, tasks and connecting the dots to bring in all these touchpoints within one ecosystem is more than necessary now.



The Global Retail Automation Market is predicted to surpass \$19.5 billion by 2024. With automation becoming the buzzword for retail, it is now time to checkout this umbrella term with a little more depth. In simple terms, anything that you set on auto-pilot in your business is regarded as automated processes. This means you set a time and put a process in place and then just let the action take its own course, without any to negligible intervention. In eCommerce and retail specifically, automation runs the gamut today. Multichannel to omnichannel to the traditional retail, automation for everything from order management systems to marketing – and lots in between makes tasks simpler and seamless.

Moreover, as brands enter high-growth phases, retail automation becomes even more integral to business operations. “Automation has a very wide meaning or scope and there is no single yardstick to measure brands’ readiness for automations. Different organisations take different approaches to bring automation practices in play. One thing that could

| ANALYSIS |



AI Trends for 2021

In the face of the pandemic the roles of technology leaders has changed and the way each node of tech is functioning is more collaborative. Data and AI certainly plays a very big role now, more than ever. Here is Gartner's take on the role of AI in 2021 and the trends to watch out for.

From artificial intelligence to small data and graph technology, data and analytics leaders should think about leveraging these trends. When COVID-19 hit, organizations using traditional analytics techniques that rely heavily on large amounts of historical data realized one important thing: Many of these models are no longer relevant. Essentially, the pandemic changed everything, rendering a lot of data useless.

In turn, forward-looking data and analytics teams are pivoting from traditional AI techniques relying on "big" data to a class of analytics that requires less, or "small" and more varied. These data and analytics trends can help organizations and society deal with disruptive change, radical uncertainty and the opportunities they bring.

Transitioning from big data to small and wide data is one of the Gartner top data and analytics trends for 2021. These trends represent business, market and technology dynamics that data and analytics leaders cannot afford to ignore.

"These data and analytics trends can help organizations and society deal with disruptive change, radical uncertainty and the opportunities they bring over the next three years," says Rita Sallam, Distinguished VP Analyst, Gartner. "Data and analytics leaders must proactively examine how to leverage these trends into mission-critical investments that accelerate their capabilities to anticipate, shift and respond."

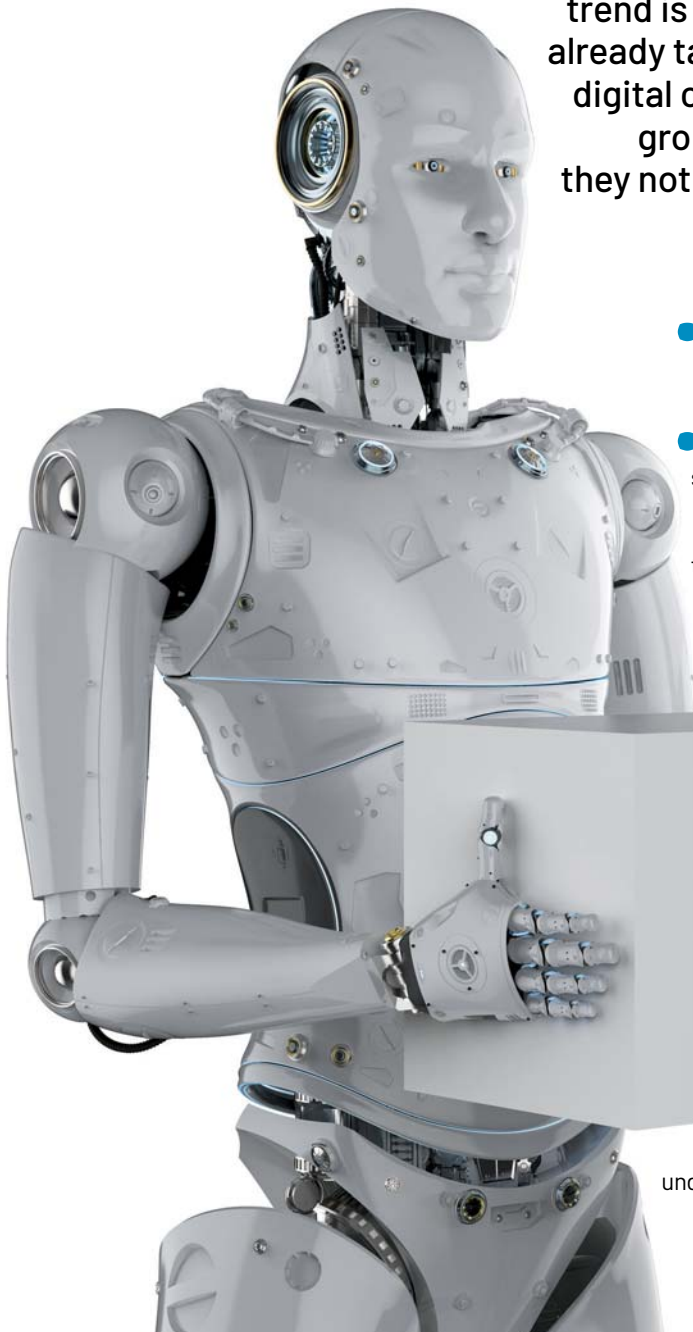
Each of the trends fit under one of these three main themes:

- Accelerating change in data and analytics: Leveraging innovations in AI, improved composability, and more agile and efficient integration of more diverse data sources.
- Operationalizing business value through more effective XOps: Enables better decision making and turning data and analytics into an integral part of business
- Distributed everything: Requires the flexible relating of data and insights to empower an even wider audience of people and objects.

| BIG IMPACT |

Data-Driven Customer Approach

According to research, more than 93% people made online purchases in 2020, all across the globe. Maybe the push was pandemic induced, but this trend is surely going to stay, given that people have already tasted the convenience of shopping through digital channels and found it secure too. This is the ground for success for the D2C brands, but will they not make analytics come to work to know their customer better?



As per the Accenture's 2014 Global Consumer Pulse Research, nearly two-thirds of consumers switched their providers due to poor service in 2014. These switches were estimated to be worth a staggering \$6.2 trillion. That was 2014, cut to the recent years and if you look closely then this customer switches will look to have grown by 20 per cent and more, depending on the sector and industry.

Further, research shows that acquiring a new customer is 5X to 25X more expensive than retaining an existing one. Moreover, customers do not like to be known by their demographics today, but they seriously want the brands to know them closely. In order to offer these customized and memorable experiences, D2C businesses,

who has to man their own channels of customer reach, need to have systems that gather and analyze relevant customer data and serve up actionable insights.

Data driven personalization, customized offers, keeping the basket ready for repeat customers, the options are endless and each one of the brands are trying their own ways to 'seal the deal' with customers. We

divided the conversation across 3 different brands who count data as their supreme power, to understand their analytics-oriented approach.

| OPINION |



Fulfillment Near Home

Neighbourhood robotic warehouses can boost the omnichannel retail models by cutting down delivery time

BY KUNAL MEHTA

About Kunal Mehta
Kunal carries 21 years of experience with over 17 years in the Retail and Manufacturing sector across a wide range of organizations in leadership roles, primarily responsible for Enterprise IT Operations and IT Strategy. In the past, he has worked with companies like Raymond Limited, Reliance Retail, and Johnson & Johnson. Now, as a Program Director with TCS he is responsible for defining the IT strategy roadmap for retailers and driving IT transformation through business.

Retail operations across the world underwent rapid changes last year as the COVID-19 pandemic led to lockdowns across the world. Brick-and-mortar stores closed. Customers shopped online clocking record volumes for ecommerce platforms. Forecasting models went for a toss. On top of that supply chain disruptions led to shortages and unpredictability. With the entire industry facing new challenges, new solutions also emerged.

A sudden increase in e-commerce orders and pressure from tech giants, forced retailers to re-look at their existing infrastructure. Operations had to be rewired to meet safety and hygiene standards while meeting the rising pressure of customer expectations of order fulfillment within hours.

In this scenario FMCG companies and retailers started to pilot or scale up their micro-fulfillment operations. **Micro-fulfillment centres (MFCs)** are vertically stacked warehouses that can fit within an existing retail space also termed as “**mini warehouses**”. Being smaller in size they can be situated within city limits, within existing grocery retail spaces.

However they are also gaining traction across other consumer categories like white goods or health and beauty. Retailers are carving out space for them within existing premises. Today a lot of retailers have either already implemented, or are in an advanced evaluation stage of setting up robotic micro-fulfillment centres that use vertical robots in their operations. RMFCs make e-commerce profitable for supermarkets while

| STRAIGHT TALK |

Agile & Ready

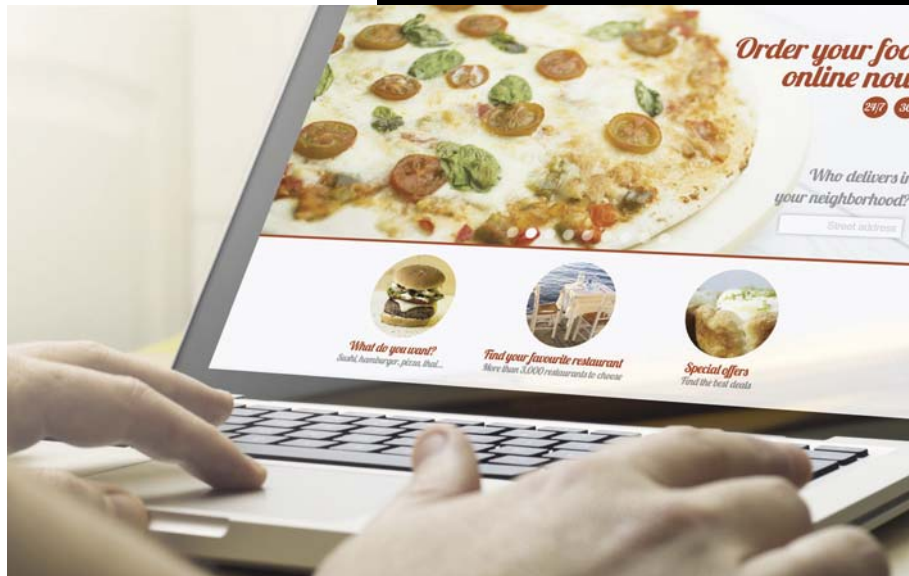
Even with millions of active users and hundreds of thousands downloading the Swiggy app every day, the team has successfully maintained high levels of app stability. That's not all, Swiggy is no more just a food delivery app, and the brand's mission today is to elevate the life of urban consumers by offering them unparalleled convenience.

At Swiggy, technology is taken very seriously and they regard the domain of data and analytics in two ways: the first one is anything that makes machines smarter that the team earmarks as data science. And secondly, anything that makes people smarter is analytics. In conversation with David Zakkam, VP Analytics, Swiggy we try to decode the nodes of AI and how it is helping them build an agile, yet robust technology framework for the company.

"If you look at Swiggy, as a business, it's actually a really tough business to run. Because we are dealing with food in an extensively hyper local environment. This increases our responsibility manifolds, from handling the food properly to ensuring that it is delivered on time in the right condition to accounting for the location specific external factors like rain, roadblocks etc., we have to manage each piece very carefully. In order to maintain agility we therefore need a good data driven system, because if you're not data driven, then it's difficult to sustain this business," David highlights.

Because of this, data science and analytics are extremely important for the company. "There are two things we do to maintain agility, first, we work basis streams. So across the company, we have 50 to 60 streams at work. To explain further, the stream is a multifunctional virtual team, which we create. It can include business people, product people, engineers, data scientists, analysts, the city teams etc. Each stream has what we call as a single threaded stream leader. This person is empowered to make decisions because we are working very collaboratively in a multifunctional manner. This adds to the speed of response. Apart from streams we are also trying to democratize data driven decisions, by training our staff to analyse independently. These collaboration and diversification is really helping us speed up our functions," David adds.

David Zakkam is the Vice President and Head of Analytics at Swiggy. He has 17+ years of experience in Analytics and Data Science. At Swiggy, David's teams focus on problems in the hyperlocal delivery and food-tech space. The teams are working on providing a better customer experience, ensuring the safety of everyone involved, helping restaurants grow through insights, ensuring drivers get good pay for their work, providing better discounts, reducing the cost of delivery and evaluating new business models. Prior to Swiggy, David was at Mu Sigma where he was consulted at 23 companies across 9 verticals, led analytics teams of over 450 people and managed senior client relationships in Europe and the US. Interestingly, he started his career as a 'Scientist' writing algorithms to identify drugs using computers. He is a graduate of IIT Delhi (2001) and IIM Calcutta (2006). Outside of analytics, his interests are on the creative side and include playing the drums, singing, learning new languages and sports.





Presently working as SVP Analytics & ML with Lenskart, Saurabh has led AI & Analytics initiatives at Motherson Group in the area of Manufacturing, IoT, Finance, Internal Audit & Enterprise Performance Management before starting his stint with Lenskart. He was also responsible for setting up the foundation of the Tata iQ team and business covering the business planning, team setup, technology and development, big data platform. Lead the team to build scalable information-based data & digital solutions for the Tata group to help drive value from the group's data in the area of BFSI, Retail, E-commerce, Manufacturing, and Automobile. With 10+ years of experience and a keen eye for analytics, Saurabh presently is using a spectrum of analytics-led use cases to create a unique challenge and opportunity for professionals to learn and contribute, at the same time solve a 2 billion+ problem at Lenskart.

Analytics Driven CX

Saurabh Agrawal, SVP - Analytics & ML, Lenskart talks to us to explain how the company is taking thoughtful steps, backed by technology and analytics to make the customer journey's more fruitful.



Lenskart being a direct-to-consumer omnichannel retail brand, realizes the potential of data and analytics. "The brand requires a full spectrum of analytics use cases which very few companies in the world provide. This creates a unique challenge and opportunity for professionals to learn and contribute, at the same time solve a 2 billion+ problem," Saurabh mentioned.

He highlighted that the Founders of the company have established a very strong data driven culture, and each step of the decision has been carefully taken with a vision to provide extraordinary customer experience at all touch points.

Lenskart today has 750+ stores in India, an e-commerce website, and is eyeing to expand aggressively in Singapore, US, and the Middle East, adopting an omnichannel approach.

Data-oriented approach

From the beginning, Lenskart has taken a data-oriented approach, nurturing the same across functions and the entire structure of the company. Lenskart collects permissible data across touchpoints,

| STRAIGHT TALK |

Data Backed

Subramanian M S (Mani), Head of Category Marketing and Analytics, Bigbasket.com talks to us to give us an insight into how analytics rules the aisle for the leading Indian online grocer.

Mani currently heads the category marketing and analytics functions at bigbasket.com – India's largest online supermarket. Mani has 23+ years of experience in consulting and analytics and has worked with Dell, McKinsey and Infosys. Mani studied at University of Madras, IIM-Ahmedabad and MIT. Mani is a frequent speaker in industry forums and academic forums. He has also been a part-time faculty at SIBM, Bangalore and NMIMS, Bangalore. He is a columnist and the co-author of best-selling book on Bigbasket - 'Saying No to Jugaad'. He invests, advises and mentors start-ups in the DeepTech space.

Bigbasket is a tech-enabled company. The analytics team in the company, led by Subramanian M S (Mani), Head of Category Marketing and Analytics, Bigbasket.com tackles three relevant and well-identified aspects for the online grocer. Deliver excellent customer experience, help revenue growth, and identify scope for cost reduction. These 3 are the key pivots that the data science and analytics team at Bigbasket drives. The analytics team to start with is responsible for data management and they ensure that they are able to build data pipelines basis the data flowing in from varied touchpoints for the company through the day. This in itself is a humungous task, given the operational diversity Bigbasket brings to the table.

Alongside this, the analytics team is responsible for giving shape to tools for internal usage, which makes processes seamless. Apart from these sophisticated tools or mechanisms, the team also works towards making the customer journey smooth using engines such as 'smartbasket' and 'recommendations'. The entire Bigbasket folio includes firstly its B2B and B2C models, then there are the varied grocery experiences like bb Daily, bb Instant, and much more in the pipeline. The analytics team supports the entire framework of business and also backs each task with data support. But, this did not happen in one day and it required overcoming a lot of challenges all along the journey. Mani explains the same in more detail.



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