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Future of Businesses

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Before the Union Budget 2022 was presented, there were umpteen rounds of discussion and expectations regarding how it will be helpful for the retail industry, what are SOPs being brought in for the industry and how they can benefit from the same. India's retail market is expected to become a \$1.5 trillion market by 2030, from \$0.793 trillion in 2020. So, the industry looking up to the Budget announcements was an obvious. Major players were keen on getting some favourable announcements that look at the whole industry as a whole. They were very keen on getting some roll outs that consider the online-offline retail with similar weightage and the categories of retail with equal weight.

This issue we bring to you varied budget analysis in order to present the reality for the retail industry, straight from the thought leader's perspective. We have weighed in the pointers put in by leading analysts alongside the retail industry to understand what the 2022 Union Budget has in store for you for each one of us, across sectors and categories. Apart from the budget thoughts we have also exclusively covered some technology-led reports and analysis, which helps us see how the industry can use varied platforms and simple tools to bring in a big difference in retail and the way of doing business.

It is all about understanding the customer and be it the new-age brands or the traditional players, the concept of doing business does not alter, what changes is innovation and strategies. Thus, we try to look closely at product innovation and the concept from the perspective of newer brands and big players, alike. We closely narrate the story of product development and how most players have marketed the same to create a niche for themselves.

With this, we move on to looking at several new aspects of retail, brand journeys and some newer brands too. What is exciting is that there is a radical shift in the mindset of the customers and how they shop. This in turn is presenting a very challenging yet promising path for the brands and retailers, as they continue to experiment and bring in a new flavour in everything they do. Thus, with a packed schedule of events this year, we promise to entice our audience by opening the podium to growth stories and new narratives from the retail universe.

Stay on with us and let us together set a new tone for retail with some exciting stories!



Amitabh Taneja

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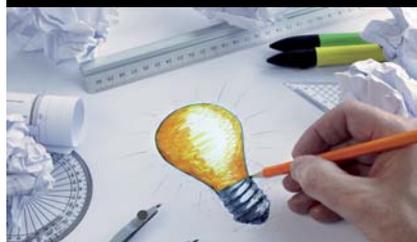
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Enrich has transformed into a beauty destination with large format experiential stores, robust beauty e-commerce presence with a wide range of makeup, skin, hair, personal care, fragrance, and men's grooming brands

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BUILDING THE RIGHT PRODUCT

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KALYAN JEWELLERS Q3 NET PROFITS GROWS 16% TO ₹135 CRORES

 Kalyan Jewellers India Limited recorded a consolidated profit of 16 per cent in PAT (Profit After Tax) and a revenue growth of 17 per cent in Q3 ended on Dec 21 as compared to the same quarter last year. The total revenue for this quarter stood ₹3435 Crores, compared to a total revenue of ₹2936 Crores for the same period during the last financial year. The consolidated PAT for this quarter stands at ₹135 crores as against a PAT of ₹115 crores in corresponding quarter of last year. The revenue growth from the India business was approximately 15 per cent during the recently concluded quarter, when compared to the same period in the last financial year. Total standalone revenue



for the company (India), was ₹2880 Crores, as against ₹2497 Crores in Q3 of the last financial year. Presently, the Company's retail footprint is spread across 151 stores in 21 Indian states and 4 countries in the Middle East, with a retail area exceeding 5,00,000 sq. ft. Ramesh Kalyanaraman, Executive Director, Kalyan Jewellers India Limited said, "The overall Q-3 performance of the company has been very satisfying, with strong momentum in revenue and footfalls across geographies. At the start of this quarter (Q4), we have witnessed COVID induced weekend lockdowns leading to showroom closures, in some regions. We are also seeing weddings and celebrations being postponed. However, due to its resilient nature, we are expecting demand to bounce back in the subsequent quarters, like we saw in the previous year. We are closely monitoring the on-ground COVID-19 situation, and are committed to ensuring the safety and well-being of our customers and staff."

BESTSELLER INDIA JOIN HANDS WITH SOCIAL COMMERCE TRELL

 Bestseller India, which sells brands such as Jack & Jones, Vero Moda and ONLY in India has announced to partner with Trell to sell its products on the social commerce platform, an official statement highlighted. This partnership marks the foray of Bestseller India into social commerce. Currently, the fashion retailer has 375 brand outlets and is present in over 1000 shops-in-shops in multi brand stores across the country.

Vineet Gautam, CEO and country head, Bestseller India commented on this "We are constantly trying to discover newer ways to communicate with our customers and our partnership with Trell will help us in that endeavour. Influencer marketing is now a full-fledged marketing channel and combined with the offering of social commerce, we see tremendous opportunity in this partnership with Trell." Trell Shop currently offers products from several brands L'Oreal, Garnier, Plum Goodness, Calvin Klein, Elle 18, Global Desi, Bewakoof, among others. The new launches will add to Trell's portfolio of over 1,000 brands in beauty, fashion, mom and baby care, and personal care categories.



SHIPROCKET ACQUIRES SUPPLY CHAIN MANAGEMENT PLATFORM GLAUCUS

 Shiprocket, a tech-enabled logistics and fulfillment platform has acquired a majority stake in Glaucus Supply Chain Solutions Pvt. Ltd., a leading supply chain management company and further the two companies have agreed to merge in due course, an official statement highlighted. The company's statement added that this transaction will allow Shiprocket to accelerate development of solutions that will improve speed, accuracy and efficiency in the post purchase process across trade channels.

Saahil Goel, Co-Founder, and CEO of Shiprocket said, "In an environment where it is becoming increasingly important for every brand to delight their customers with both products and services, it is essential to build innovative, resilient solutions to unlock the next phase of growth for the industry at large. There is a very clear need to remove the fulfillment complexity across B2B and B2C channels for our clients and help them focus on what they do best – make and sell products. We are thrilled to announce our acquisition of



Glaucus Supply Chain Solutions Pvt. Ltd. With our technology prowess, capital availability, and ability to focus on solving problems for our current and future clients, we aspire to become the country's largest provider of fulfillment services. We welcome the Glaucus team onboard and look forward to working with them."

Glaucus provides enterprise-grade fulfillment services to mid-market brands supported by a mature combination of processes, geographic spread, quality reporting, and proprietary technology. Founded in 2015 by Vivek Kalra, Nitin Dhingra, Mandeep Kanwal, and Jayant Mahto, Glaucus' key service offerings include B2B distribution, sales return management, D2C marketplace fulfillment, and managed transportation. Headquartered in Delhi, the company has an established presence in Gurgaon, Mumbai, Bangalore, Hyderabad, Ludhiana, Faridabad, and Sonapat.



Union Budget 2022:

Did it Stand up to the Expectations of the Retail Industry?

Finance Minister Nirmala Sitharaman on February 1, 2022 presented the Union Budget for the financial year 2022-23, which got a mixed response from the retail industry. Here's how prominent retailers and brands from across segments reacted to the announcements made by the Finance Minister.

By IMAGES Retail bureau



Samir Modi, Managing Director, Modi Enterprises

"It is heartening to see the strong stimulus incorporated in the Union Budget to catalyse overall digitisation of the economy along with the provision for digital currency to be rolled out by RBI. The accent on catalysing domestic manufacturing and powering the start-up ecosystem through adequate policy incentives are expected to be sure enablers to steer the Indian economy in a progressive direction. Besides, the boost to rejuvenate rural demand and restoring confidence in the real estate sector are surely a shot in the arm. I am also delighted to see the special emphasis laid on the education space with access to international education in India through regulatory reforms and robust provisions made for skill development, which is indeed a far sighted and future ready move."

BUDGET 2022

The Focus is on Overall Growth and Economy

In the medium to long term, Budget 2022-23 seems to be aiming at giving a good push to infrastructure by significantly increasing capital expenditure, with renewed focus on supply chain and logistics, and domestic manufacturing. In the medium to long term, this should result in strong employment generation, buoyancy, and growth in economy, thereby benefiting the sector.

Paresh Parekh, Partner and National Tax Leader Consumer Products and Retail sector, EY – India

Budget 2022-23 is highly focused on ‘growth’ and ‘capex spending’ across sectors, which is a positive step in the right direction. For the ‘multiplier effect’ which consumer and retail sector looks out for, Budget 2022-23 seems to have strategically chosen to address the ‘supply’ side, instead of giving a ‘direct booster’ to demand side for increasing disposable income. In the medium to long term, Budget 2022-23 seems to be aiming at giving a good push to infrastructure by significantly increasing capital expenditure, with renewed focus on supply chain and logistics, and domestic manufacturing. This should, in the medium to long term, result in strong employment generation, buoyancy and growth in economy, thereby benefiting the sector.

Budget includes rationalization of import duties to support ‘Make in India’ initiative, including gems and jewellery, electronics, imitation jewellery, etc. Fintech and Digital push, including digital rupee, digital banking, etc under “Amrit Kaal” vision, is in line with the Digital Ecommerce and start up revolution being witnessed in India. Also, Budget 2022-23, by proposing to extend tax holiday eligibility timelines, has recognised the Start-up sector contribution.

Impact on the Consumer Products and Retail Sector

Capital Expenditure: Large capital expenditure increase of 35.4 per cent in FY 2022-23, taking the capex of the



BUILDING THE RIGHT PRODUCT!

Retail is no more just about simple trading or about essentials. Retail is all about innovation today, it is about bringing to the market new-age products. Product development and foraying into the retail space with something unique and offbeat is the need of the hour.

By Anurima Das

Product development is a full-pronged process that completely involves delivering a new product or improving an existing one for customers. The customers and their requirement is counted in to support the development. However, products at present across categories and domains is evolving basis changing customer

behaviour. This space has become even more challenging at present, given the growing number of brands making their presence felt in the market.

Product development methodologies are used to build many new offerings. The first stage in any product development process is to identify and analyse the business opportunity — this can be how the brand serves external

customers or build internal products for the organization. Before a concept moves to implementation, the brand must determine if and how it supports overall business objectives. Once the brands have a clear vision for what they want to achieve, the next step in the product development process is to define what will be built. Researching customer needs, prioritising features, and testing



FMCG players Driving the Growth with D2C platforms

The FMCG sector piggybacking on D2C brands has been getting a focused growth since the pandemic. With the customer demanding to shop from home, the idea of buying from brands that are quicker, offer seamless purchase backbone, and quick fulfillment gave the new-age businesses catering within the FMCG sector a big impetus for growth. With ROI and bold numbers on their card, how has the market shaped for these brands over the last few months?

By Yash Bhatia

For Fast Moving Consumer Goods (FMCG) traditional brands, the pandemic has been an absolute bloodbath for the last eighteen months or so. From supply chains to stores being shut down, the brands had to face all sorts of retail challenges over the period.

Meanwhile, the rapid adoption of the Internet and digital marketing strategies, saw brands offering niche and customized options for customers, which eventually raised the demand of D2C (Direct to Consumer) brands in the

FMCG category. The brands also took this advantage seeing the market size.

The D2C brands found this as a good moment to foray into the FMCG market as the sector is 4th largest sector in the Indian economy. The factors which drove the popularity of the FMCG in the D2C category were:

» **Growth in Online Spending:** The ongoing pandemic made every customer follow the e-commerce route, which wasn't the case earlier. Plus, the trusted payment options and fast-growing logistics

systems are giving the consumers a convenience to order from anywhere. According to the report, online spending in India is expected to reach \$200 billion from \$39 billion in the next five years.

» **Tapping the Untapped Market:** The D2C sector is catering to the market which was unserved before and brands are following methods like offering personalised and options to the consumer. The brands are catering to the change in consumer behaviour of the Tier II & III markets.



Enrich is a prominent 24-year-old beauty brand with the largest chain of company-owned and company-operated hair & beauty services in the country. From being one of the leading salon chains in India with over 80 salon outlets and providing home beauty services across six cities - Mumbai, Ahmedabad, Pune, Surat, Vadodara, and Bengaluru- Enrich has transformed into a beauty destination with a leading beauty image; large format experiential stores with a separate section allocated for beauty services, and a robust beauty e-commerce presence with a wide range of makeup, skin, hair, personal care, fragrance, and men's grooming brands.

By Anurima Das

Exploring New Avenues

Enrich, India's largest home-grown beauty services brand is launching India's first all-inclusive beauty destination in Mumbai. The 5000+ sq.ft. large-format store provides immersive shopping from the widest range of cosmetics, skincare, haircare, fragrances, bath & body, men's grooming categories and beauty accessories.

The store debuts with over 50 brands with a catalogue of more than 5000 products that includes luxury brands like Givenchy, Burberry, Elizabeth Arden, Kérastase, Roberto Cavalli, Paco Rabanne, Carolina Herrera, Davidoff, Calvin Klein, Dermologica, Thalgo etc. It features clean skincare and clean haircare brands like Born Ethical, KAMA Ayurveda, Human + Kind, Olaplex etc. It also houses Gen Z's favorite's makeup brands like NYX Professional Makeup, Maybelline New York etc. along with the new-age brands like mCaffeine, Mamaearth etc.

Amongst its many firsts, the Enrich beauty destination offers an innovative lipstick bar where you can mix and match to create your desired signature shade in trendy tones. Personalized skincare consultations from beauty advisors, the beauty bar also offers mini makeovers and makeup tutorials consisting of diamond lips, smokey eyes, charcoal glitter lids, golden glam eye shadow, sculpt & contour, tips to get perfect eyebrows and iconic eyeliner looks.

*In an exciting conversation with **Vivek Bali, CEO, Enrich**, we try to decode the new paths the brand is set to travel!*



Health First

UpNourish is India's first D2C brand that's focusing on the meal replacement category and aspires to become the market leaders of this segment. It is catering to the conscious clientele and looking to add health with every product offering.

By Yash Bhatia

The Indian economy is booming at a high pace, marking an increase in the GDP, and the working age population is expected to climb over 800 million people in the next three years. With this, it is leading us towards a busy lifestyle. Be it full-time corporate employees, teachers, students or some other professional, people from different walks of life are leading an extremely hectic lifestyle, which is to a greater extent dominated by a sedentary lifestyle. This, the experts predict, will eventually lead to chronic diseases and lifestyle problems.

Earlier, fast food with Trans-fat, sugar

and harmful elements was dominating the market. But with people getting more aware about what they consume and opting for healthy options. One of the healthy alternatives available in the market today are meal-replacements. The beverages, bars, shakes and ready-to-eat meals are some of the meal-replacement alternatives available in the market. According to MarketsandMarkets, the global meal replacement market size is estimated to be valued at USD 11.9 billion in 2021 and is projected to reach USD 15.5 billion by 2026, recording a CAGR of 5.4% during the forecast period in terms of value.

To know more about this market and



what the sweet spot for his brand is, we spoke to **Kuonal Lakhapati, Co-founder, UpNourish**. UpNourish is India's first D2C brand that's focusing on the meal replacement category and aspires to become the market leaders of this segment.



Consumers Return to In-Store Shopping but E-commerce Remains Strong

New 2022 consumer trends report reveals surge in e-commerce may have plateaued, as more consumers anticipate return to in-store shopping experiences.

By IMAGES Retail Bureau

Gen Z and Millennial shoppers are now more likely to order products directly from brands, and 72 per cent of all shoppers expect to have significant interactions with physical stores once the pandemic subsides – up from 60 per cent pre-COVID. This is according to a new Capgemini Research Institute report, *What Matters to Today's Consumer*, which reveals the far-reaching impact of the pandemic on consumer behaviour and preferences.

More than two-thirds (68 per cent) of Gen Z and over half (58 per cent) of Millennials have ordered products directly from brands in the past six months, compared to 41per cent on

average across all age groups. Only 37per cent of Gen X and 21per cent of Boomer shoppers have ordered directly from a brand in the last six months. For those who have bought directly from brands, almost two thirds (60per cent) cite a better buying experience as a reason for purchasing directly, and 59per cent cite access to brand loyalty programs.

In return for these benefits, consumers are willing to share their data. Currently, almost half (45per cent) of all shoppers say they are willing to share data on how they consume or use products and more than a third (39per cent) say they are willing to share personal data such as demographic information or product preferences. However, 54per cent of all

shoppers say that offers, deals, and/or discounts would make it more likely for them to share their data directly with brands.

Tim Bridges, Global Head of Consumer Goods and Retail at Capgemini said, “Younger consumers’ willingness to go straight to brands when purchasing goods presents a real opportunity for consumer product companies. This enables them to collect consumer data and helps create a more mature direct-to-consumer channel. Being data-powered enables the consumer product and retail organizations to translate supply and demand trends into intelligent decisions on where best to stock their products, customize products and services, and enhance customer experience.”

ANALYSIS

BIG DATA

IN-STORE TECHNOLOGIES

RETAIL OPERATIONS

SUPPLY CHAIN & LOGISTICS

RETAIL FORMATS

MARKETING & BRANDING

LOCATION STRATEGY

INNOVATION TRACKER

STORE DESIGN

CUSTOMER EXPERIENCE

SHOPPING CENTRES

VISUAL MERCHANDISING

ZONING



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

[THE AUDIENCE]

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