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STORE OF THE FUTURE

Tech is empowering retail to expand
its horizon!

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Cart Abandonment: Time to
resolve the challenge!

| FROM THE CEO'S DESK |

Retail-tech: the dawn of new-age retail



The global retail digital transformation market was valued at \$143.55 billion in 2020 and is expected to reach \$388.51 billion by 2026, with an expected CAGR of 18.2% over the forecast period (2021-2026). The emergence of digital technologies for collecting, storing, analyzing, and disseminating information has created a new dynamic of digital transformation in the retail market. Technology is now an indispensable part of the retail ecosystem and it is not only causing a facelift or transformation but has also become a positive driver for growth for the entire industry and is the most sought-after component for not only retail but every other industry as well. It is heartening to see the enabler ecosystem deriving a lot of power through active collaboration and it feels great to note the newer technology dissemination. These are here to revive processes and further the growth of the traditional as well as the new-age brands.

From check-out to inventory management, fulfillment to in-store facilities, retail technology includes the deployment and implementation of innovations and digital solutions in retail and e-commerce processes. The use of retail technology plays a fundamental role in customer experience. And this has kicked in a new lease of innovation for the enabler ecosystem, who are ready with new technology to help retail at every juncture. Keeping in mind the technological advancements and in order to celebrate the newness in this path, we have planned a first-of-its-kind Case Study forum titled Tech. NXT as a concurrent event to PRC. Scheduled to be held on the 24th and 25th of August at Westin, Powai, Mumbai this event is an audited showcase of success stories in Retail Digital Transformation. An offline presentation of Live Case Studies demonstrating actual, measurable turnarounds and transformations driven by technology implementation.

Exciting times are ahead of us, as we unravel some masterpiece technology for retail! Come, join us to witness in person.!

Bhavesh Pitroda



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| LAST WORD |



Technology becomes the backbone of retail

Today it is no more about technology supporting the varied aspects of retail. It is more about technology becoming the part and parcel of the everyday working of retail. Retail takes the centre stage among many industries at this juncture -led to glory by technology. It is an indispensable aspect of retail and a big truth that is nowhere undeniable. There is so much to explore and implement and our tech leaders all across brands are accepting and enriching their growth stories with this technology merger. Thus, we wanted to bring this issue of the Phygital magazine to focus on these newer aspects of retail handheld by technology.

From store technology to leading international technologies on offer, we have explored varied aspects of the tech layer that completes retail today and prepares it for the future. However, interestingly customer is still held at the centre of every new growth journey and everything is being roped in keeping them at the locus. That makes the transformation stories even more exciting and very interesting.

Let's ponder on the facets of technology to unravel the new face of retail and wait to see how it transforms in the future!

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56. Eyeing a D2C growth with tech support

D2C space is ever-evolving and tech partners are accelerating the growth journey of the tech players by supporting them in their endeavour. Here's how Navin Joshua, Founder/Director, GreenHonchos comprehends the ecosystem to grow in the days to follow.

TECH VIEW

58. Retailing a change

The pandemic has accelerated digital transformation all across industries and retail is no different. From adaption of the right tools to changing the internal policies and working style to budget, there is a lot of consideration and over the last year and a half, these transformations have been a part of every retailer's journey. How has the industry responded to digitalization?

E-COMMERCE

66. Decor fix

Established in 2015, The Décor Kart in the past few years has made a name for itself in the online space for the elegance, style, and quality of the objets d'art provided by the organization. From e-commerce to a prominent presence in the offline retail space, the brand has only grown over the last few years.

68. Pet needs in just a click!

PetKonnect, India's most comprehensive online pet products, and services aggregator, has just launched an e-commerce platform for pet products accessible through the "store" section of their website. Customers, across India, can now easily gain access to best-in-class products for their furry charges.

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DroneUp and Walmart first launched drone delivery services in Arkansas in November 2021. Now, taking this trend head-on the company is expanding its delivery operations with Walmart to 34 sites. The plan is to roll this out by end of this year.

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| COVER STORY |



Store of the **future**

It takes years to perfect innovation and research goes into making each technology product perfect and ready for the retail market. However, the pandemic has disrupted and fastened this process, how has it affected the evolution of store technology?

Retail stores are no more just one of the many touchpoints for a retailer today. Irrespective of the retailer or brand or the industry they exist in, the retail stores today are a platform connecting many touchpoints and actually bringing together multiple touchpoints to one point offline. The retail stores are no more just an offline center for the retail environment today but a station from where multiple touchpoints open or get linked.

"The pandemic has accelerated digital transformation in all sectors including retail. The adoption of Cloud-based systems has gained traction along with the concept of Everything as a Service. One sees a wave of new offerings in areas of Instore Analytics, Visual Merchandising, Digital Signage,

and Augmented reality systems. For the industry, the historical evolution is that of having different systems for offline and online business respectively. This poses technical challenges when it comes to ensuring the smooth functioning of Omni Channel processes. Having the right technology stack and partner becomes important to ensure that near-real-time visibility of cross-channel inventory and smooth Order and Catalog Management," **Rajgopal Nayak**, CTO, Metro Brands mentions.

What is the way ahead?

Rajgopal says, Everything as a Service, Leveraging Cloud-first systems with a pay-as-you-go model, Solidarity Spending, Growth in Virtual Try before



you Buy, and Customer Data Platforms driving intelligent personalization are a few trends that one sees across the industry.

The customer post-pandemic is technology savvy, mobile-first, will research online first, leverages physical store as the final decision-making step in the purchase journey to validate her/his insights, and focused on brands that stand for a cause that she/he believes

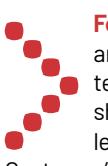
| INDUSTRY BEAT |



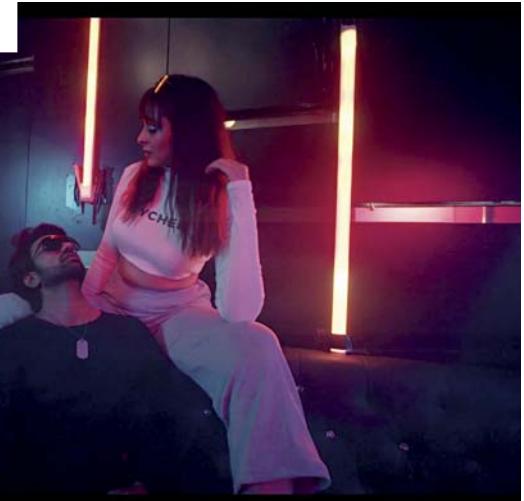
Retailing tailoring services, enabled by technology

Launched in December 2020, Cloudtailor is a D2C mobile app that specializes in hyper-personalized women's wear segments and aims at providing a digital solution to an offline tailoring problem. An enabler of personalized fashion styling, fashion visualization, order placement, recommendations, tracking, and fulfillment, Cloudtailor offers a simple and reliable tech-based solution globally.



 **Founded** by Susmitha Lakkakula, an entrepreneur at heart and a technology buff in her career, she learned the most intensive lessons by observing 'Business and Customer' interactions. She is an alumnus of Birla Institute of Technology and Science - Pilani & IIM Kolkata and comes with an industry experience of over 19 years having worked with companies such as Wipro Technologies, Quantum, and Dell. She talks to us to give an insight into her growing venture.

| INDUSTRY BEAT |



Customizing fashion trends with an AI-backed platform

Styched is here to revolutionize fashion retail and by integrating technology and multiple lean processes, the brand is doing just this in style for its customers.



Styched has been started by fashion enthusiasts, who have been in the fashion e-commerce business for most of their careers. IIT Kharagpur & ISB grads by education, the founders have been associated with brands like Jabong, Amazon, and Foodpanda to name a few, at leadership positions. The team comprises experts from the textile industry, and quality assurance industry, and if you pop into their office, you may also find a mechanical engineer who now works on operational excellence! No matter what the backgrounds of the core team members, they are all guided by one principle – the best customer care and quality, along with the latest trends in fashion and garment technology.

No retail touchpoints nor do any warehouses or inventory management issues as compared to other fashion brands. Styched only sells online, from their website and app. The brand works on a very lean model, so establishing the right processes in all its hubs was a key to the brand's growth. For example, a simple process like Quality Check that happens at one go in bulk manufacturing has to happen every day at all of their hubs. Styched works with a lot of processes that may not be applicable to other fashion brands but are critical for only them, setting a very unique pathway for brand growth. With this technology-backed manufacturing backbone,

Water POWER

Zenzi proudly stands as India's first fruit & botanically infused sparkling water brand, and aims to grow healthier with nature.

 In a digitally advanced world, where health has affirmatively taken a backseat, considering the loss of touch with nature, Zenzi stays true to its Latin origin word meaning "to grow". Today leading a healthy lifestyle is paramount and Zenzi is the perfect alternative for typically sugar-loaded unhealthy soft drinks and juices. With zero calories, sugar, and sodium, Zenzi adds a refreshing and fun twist to the simple habit of drinking water. During one of his many trips to India, **Aman Rastogi (Founder, Zenzi)** had an acute observation, that sparkling water in India was practically non-existent and certainly unaffordable where it was available.

"With the high level of diabetes prevalent amongst the population, I knew that the Indian consumer was in the utmost need of a healthy alternative to soft drinks. There was an opportunity to create a locally flavoured sparkling water company and that's how Zenzi was born," explains Aman. It's no coincidence that the mantra 'growing together with nature' aligns with Zenzi in its totality. The brand represents the possibility of mindful

- Launched in November 2021 MoM revenue is over 100%, clocking in over 4L in revenue in month 4
- Zenzi launched on their own website, Amazon, Flipkart, BigBasket, JioMart, CRED, StepSetGo, Chennai Grocers – they aim to keep entering more online channels as they move forward.
- Launched a new product in April – Just Soda. To penetrate the HORECA space and offer an affordable mixer to their lineup of flavored waters.



healthy choices for better living and a better future. Beyond its health and wellness stand, Zenzi aims to provide clean water and improved sanitation for the underprivileged, hence 1% of sales will be donated to organizations and initiatives that support these causes.

Why Zenzi?

Zenzi is 100% vegan and offers a variety of premium flavour blends including Lime Ginger, Watermelon Mint, Lychee Rose, and Mango Hibiscus, these carefully curated flavors blend perfectly with cocktails and mocktails too. The brand has just launched its Zen pack,

an assorted pack of 4 or 12 flavourful waters. With a clear focus on sustainability, the brand's products are fashioned in recyclable PET bottles. Zenzi transports consumers to a relaxing guilt-free space that rejuvenates them and allows them to mindfully enjoy a relaxing moment in a busy day, knowing that they've made a healthy and socially responsible choice. Putting health and wellness first and giving back to the community is just the beginning of the brand's ambitious journey. Zenzi's absolute effort is to bring each and every individual closer to nature and to each other, hence Zenzi's motto is, Together, let's Zenzify the world!

| DEEP DIVE |

Cart Abandonment: Time to resolve the challenge!

How is cart abandonment as a concept playing out for the e-commerce ecosystem, especially when it comes to the digital-first brands this can be a headache and how are they dealing with it in a very smart way?



While browse abandonment is a pertinent cause of worry in the world of e-commerce, the one that has emerged as a big sign of worry today is cart abandonment. However, to tackle the idea of cart abandonment let's understand the concept of browse abandonment a little more closely.

Browse abandonment refers to those shoppers who browse an e-commerce portal or website, viewing category pages and products on-site, but leave without placing items in their basket or making a purchase.

Even though these browsers may not go on to complete a purchase, they are expressing an interest in the products they viewed and may be persuaded to return to checkout. This is where a brand needs to bring in a conversion rate optimization solution that can help you convert more browsers into buyers. According to data 43.8%, browse product pages on retail sites but don't go on to add items to their shopping carts or make a purchase on that visit.

Cart abandonment is a serious problem

Alongside browse abandonment then comes the concept of cart abandonment, wherein the customer moves out of the e-commerce site or the brand page without making any purchase, even after adding a list of products that they have selected after spending quite some time on the product pages. When asked how they tackle these sorts of situations, **Dhruv Madhok, Director, Arata** mentions, "The most effective strategy that we follow is personalized cart abandonment communication through different channels such as emailers, text messages, and now WhatsApp as well. Having said that, traditional methods of reaching out to customers like personal checkout abandonment calls made by our customer success team to assist customers with the checkout process prove to be extremely effective as well. Monitoring customer feedback consistently by checking reviews and proactive ORM practices helps us



understand customer sentiment".

He says there is no simple straight answer to why this happens. Various factors such as the availability of multiple brands and competitive pricing end up swaying the customer's mind and lead to cart abandonment, he highlights.

Data decoding to get to the depth

When asked about rebuilding the right customer approaches to pull back the customer, Dhruv says "Data is king! We monitor and analyse data to understand what our customers need. Constant surveys, reviews, and feedback also help us determine our approach. We're using different data tools and platforms to help convert customers at the point of abandonment. Analysing data via various tools helps us curate campaigns specific to a customer's journey. Various retargeting campaigns with a discount or offer-centric communication have proven to be

| DEEP DIVE |

Star POWER

Brands have changed their way of doing business considering the new normal and among all the newer paths they are treading, signing up with a celebrity as a leading investor and ambassador are big on the trend. Let's dissect this a little closer.

By Yash Bhatia



 The funding landscape is changing rapidly and in recent years, new fund raises have been the talk of the town, alongside the buzz of IPO. The trend of funding started with bank loans and then moved further into the venture capitalist arena, which brought in a personal approach to investment. But with our growing economy, the trend changed quickly when our country India became the third largest

startup ecosystem in the world, and also became home to more than 100 unicorns. A drift has been followed up in the investing pattern as celebrities, content creators, social media influencers and sports stars started foraying in the funding process and changing the whole strategy of how startup capital should be raised.

Popular celebrities have stepped into the investors' shoes and are betting big on new-age brands. The celebrities are

investing strategically to secure their future growth. Bollywood celebrities are also contributing it with their financial power, and additionally also adding a flavour of glam and glitz by associating themselves with the brand.

Vision or glam?

The drastic shift in this trend also raises the question of whether the celebrities associated with the brand

| EXPERT SPEAK |



The consumer goods landscape is undergoing a seismic shift, with changing consumer preferences, rise of D2C brands, and meteoric growth in online shopping boosted by the pandemic. Personalized experiences (product interactions through immersive experiences, product recommendations, marketing efforts or products themselves) are becoming key to driving strong consumer brand loyalty and paving a path for sustainable growth.

By Ajay Srivastava & Rasuka Kishore

The future of business:

Predictive Personalization in CPG and Retail

 **Predictive** personalization is defined as the process of leveraging customer data to create individualized, relevant, and unique interactions and shopping experiences for consumers by steering their experience through pertinent consumer journeys. And it has made huge inroads across business, especially in the CPG and Retail industry.

New enablers in personalized experience

Today, several factors are pushing brands to employ personalization strategies. The number of customer touchpoints has risen to almost six on average, with consumers expecting consistency across channels. A Nielsen study says that globally, around 30K new products are launched annually. Traditional differentiation tactics like

strategic pricing, promotion or product range is no longer significant, while unique tailored experiences are.

D2C brands have added a new dimension to personalized experiences. The Bombay Shaving Company, Mamaearth, Sugar, The Mom's Co., Boat, etc., are challenging established companies through better insights into customer consumption patterns using customised messaging



Exploring Limitless Potential Way Beneath The Surface

As a leading full-stack D2C enabler, we help brands unlock their potential and exponentially grow their exclusive online channel with a Technology driven and Performance oriented approach towards operational ease & enhanced conversions.

Consulting | Technology | Marketing | Analytics | Marketplace