

PHYGITAL



| COVER STORY |

Technology: Accelerating the growth curve

Small and medium-sized
businesses are chalking a new
growth story today riding on
the technology new wave!

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| TECH OUTLOOK |

Leading retail tech leaders comment on the technology trends and
lists out what's going to rule the industry in 2023

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| FROM THE CEO'S DESK |

Technology: The strongest pivot for growth for retail

Research shows that 10% of retailers using automation throughout the buy online, pick up in-store (BOPIS) process cut costs due to faster delivery of orders. Another 8% saw cost savings from implementing technology that avoided stockouts. These numbers hint at the importance of technology in a double-pronged manner. On the one hand technology for online retail is an inevitable node that helps with e-commerce implementations. On the other hand, the technology enrichment for retail also happens towards the offline integrations in order to make the processes online-offline aligned and customer ready.

Even though technology's role was well established beforehand only, its full force entry into the retail ecosystem was pandemic accelerated, and the same has helped small and medium-sized businesses grow comfortably over the last two years. Moreover, the growth story of retail in pockets that were until now kept marginally behind has started to revive owing to the right deployments. Processes have become tighter and the growth is remarkable and spotless.

End-to-end commerce has meaningfully become a significant wheel for growth in retail. And it is exciting to see that most of the adaptation is happening at the lower end of the funnel and the growth of the small businesses with technology adaptation is actually inspiring the biggies and the top of the funnel retailers. Keeping in mind the technological advancements in India that we actually better knew as 'Bharat' has pushed us to celebrate the same at our one-of-a-kind Case Study forum titled Tech. NXT. We are excited to meet you all at the Phygital Retail Convention scheduled for the 24th and 25th of August at Westin, Powai Lake, Mumbai to witness an audited showcase of success stories in Retail Digital Transformation.

Let's wing in the big change for retail in the backdrop of technology growth!

Bhavesh Pitroda



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LAST WORD



Technology accelerating small and medium business

As per the available data, SMEs form the backbone of growth for any economy and globally 90% of the economic growth rests on the shoulders of these enterprises. It is a big task for businesses operating within this segment to shoulder this growth economics. These businesses derive their biggest strength from technology implementation and the right work done with technology can help them revive the way processes work.

This issue we have tried to look closely at technology deployment all across small and medium size businesses and then in contrast tried to capture the bigger brands and their strengths when it comes to technology integration. Alongside tracing the tech stories of these brands we have also looked at the strength & challenges of the new-age brands when it comes to establishing their market focus.

Further, keeping in mind that we are months away from the New Year, we have caught some of our busy tech leaders to predict what's trending and what will make a big impact in 2023 in terms of tech developments. From omnichannel proliferating further to open the horizon to newer touchpoints to social commerce, data, metaverse, and much more, we got the leaders highlighting a lot of trends for us.

Technology has entered a very interesting growth phase now and thus, it is for us to adapt and build!

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Retailing feminine hygiene products in India is not an easy task and every brand within this space has to overcome its own share of challenges. However, with the e-commerce boom and customers being able to click and shop it is easier to get quick access to feminine hygiene products without having to face weird glances.

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SNAPSHOTS

RELIANCE IS READY TO OPEN DOORS TO TORY BURCH POP-UP STORES

A year after opening the first Tory Burch outlet in New Delhi, Reliance Brands Ltd will roll out a pop-up store of the high-end US label in Mumbai next week. The 800-sqft Tory



Burch pop-up store will be launched on Wednesday (August 17) in the multi-branded White Crow concept store located in the Reliance Industries-owned Jio World Drive Mall in Mumbai.

Last year, Reliance Brands opened the first Tory Burch outlet in New Delhi's swish Emporio Mall, selling a wide assortment of the Tory Burch collection including shoes, bags, ready-to-wear, and accessories. Tory Burch was launched in 2004 with a small boutique in Manhattan's Nolitaneneighbourhood and the designer's classic but bohemian aesthetic resonated with tastemakers

from the very beginning. Over the past decade, the company has grown into a global brand famous for its women's bags, shoes, and accessories.

Reliance Brands is the high-end retail arm of Reliance Retail and it markets around 80 bridge-to-luxury to luxury labels in India including Armani Exchange, Bally, BottegaVeneta, Brooks Brothers, Burberry, Canali, Coach, Diesel, Dune, EA7, Emporio Armani, ErmenegildoZegna, G-Star Raw, Gas, Giorgio Armani, Hamleys and Hugo Boss among dozens of other top labels.

TIM HORTONS DEBUTS IN INDIA, OPENS 2 STORES IN DELHI

Canada-based coffee chain Tim Hortons has made its India debut with two outlets in the National Capital Region (NCR). Tim Hortons first two stores were rolled out in the Select Citywalk Mall in New Delhi and the other one in the



DLF CyberHub in Gurgaon on Thursday, a day when India celebrated the festival of RakshaBandhan.

The cafes are in the range of 1,500-2,000 sq ft. "A cup of

joe to-go on the way to work? Weekend coffee outing? We've got you covered for all scenarios! Canada's most popular coffee store chain, Tim Hortons is now at your favorite high street, DLF CyberHub, Gurugram," DLF Malls announced on its LinkedIn page the new addition to its food and retailing destination.

Tim Hortons, owned by Canada's largest quick service restaurant operator (QSR) Tim Hortons Inc., comes to India in a franchisee partnership with AG Café, a joint venture entity owned by Apparel Group and Gateway Partners. AG Cafe holds the master franchise rights for Tim Hortons for India, Bangladesh and in the Gulf Cooperative Council has markets including Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

LEVI'S UNVEILED ITS NEW STORE IN SOUTH CITY MALL, KOLKATA

Levi's inaugurated its new store at South City Mall in Kolkata. The store is spread across 5800sq ft. and will provide an elevated experience, premium collections and the Levi's Tailor Shop, the statement highlighted.

Levi's has historically been the blank canvas of self-expression, and this comes alive at the Levi's® Tailorshop. The first Tailorshop in the city will feature everything to make their Levi's truly their own thru pins, patches, embroidery, paneling, and distressing.

Amisha Jain, Senior Vice President and Managing Director of South Asia-Middle East and Africa, Levi



Strauss & Co commented on this announcement and said, "Kolkata is known for its artistic flair and for being one of the more fashionable cities in India, and we are excited to introduce our latest iconic store in this vibrant city. Strategically located in South City Mall, the new store will feature our premium collections as well as personalization services via the Levi's® Tailorshop. It perfectly illustrates how we continue to elevate brand experiences across our stores in the region."

| COVER STORY |



The Growth Driver:

Technology driving up business for SMEs

Technology has been playing a big role as an accelerator for the retail industry for years now. The technology growth story has become an integral part of business functions and is redefining approaches and processes constantly. However, the interesting aspect of the technology growth story is now being written by small and medium-sized businesses. Even though the investment in technology is a concern the SMEs are not shying away from technology-led growth.

Firms of all sizes, across the retail industry and other domains are increasingly equipping their staff with digital tools. Today, over half of employees in SMEs use computers with Internet access. If this looks obvious, how can technology integration still seem

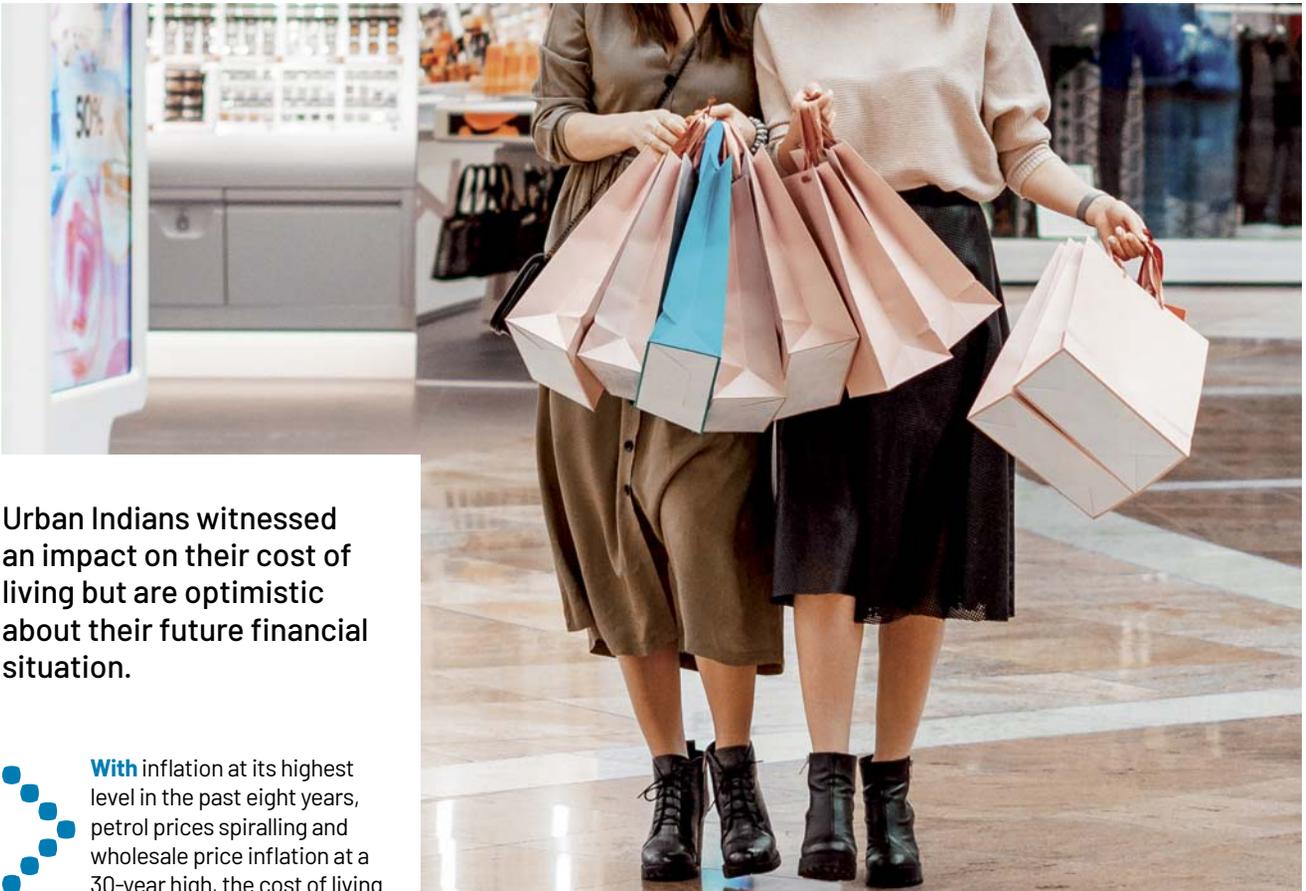
like a thing of the future? Digital tools bring many significant benefits for firms. Digitalization reduces transaction costs by providing better and quicker access to information, and communication between staff, suppliers, and networks. It can help small and medium-sized enterprises (SMEs) integrate into global markets,

through reductions in costs associated with transport and border operations and it significantly enhances the scope to trade services.

More than anything else technology supports innovation, and greater access to innovation assets, as well as the potential for firms to generate data and analyze their own operations

| REPORT |

Urban India experiences a cost of living hike



Urban Indians witnessed an impact on their cost of living but are optimistic about their future financial situation.

With inflation at its highest level in the past eight years, petrol prices spiralling and wholesale price inflation at a 30-year high, the cost of living in India has gone up in the recent past. A new YouGov survey reveals a majority of urban Indians say that their cost of living now has gone up to some extent as compared to 12 months ago. Nearly half of these urban Indians said their cost of living has gone up a lot (46%) while for three in ten it has gone up a little (31%).

Analysis

Residents in tier-1 cities are more likely to feel a greater impact on their cost of living with half of them claiming their cost of living has gone up a lot, as compared to 44% and 43% of residents in tier-2 and tier-3 cities who said the



Compared to 12 months ago, how has your household's financial situation changed? (% of respondents giving their thoughts)

Source: YouGov

| TECH DEPLOYMENT |

Going the 'Omni' way

Tech implementations and deployments have become the call of the day for retail all across categories. We speak to Zahid Ansari, VP – Information & Retail Technology, Forever New Clothing India to understand how is tech driving growth for the brand.

Founded in Melbourne, Australia in 2006, Forever New is the fastest growing premium women's fashion retail brand with its footprints in over 12 countries across the globe. The brand has taken over a share of voice of 37% with respect to its peers. They are committed to fashion that stays relevant beyond seasons & elevates 'her' personal style. Since the time it launched the brand in India, they have grown steadily and are present in



over 32 cities and available in over 45 stores and 35 shop in shops across the country. They also have a successful own e-commerce platform and sell from all the leading online fashion platforms. The brand has almost half a million registered members of its loyalty program called 'Allure' which is their flagship engagement program and they are refreshing it with a host of new features and benefits.

There is a continued focus on creating effortlessly wearable

and timeless fashion collections, dedicated to the celebration of modern femininity. Each collection is designed with a unique blend of seasonal trends, feminine silhouettes, and of-the-moment detailing, giving 'her' the confidence to feel beautiful in every moment. In conversation with **Zahid Ansari, VP – Information & Retail Technology, Forever New Clothing** to understand technology implementations and how it is helping the brand grow.

Implementing the right technology

As part of the brand's digital transformation roadmap, some of their current focused areas are to have a unified Order Management System that works together with physical and digital channels, inventory management systems using RFID

technologies, CDP, CRM & CXM platforms for a better consumer connect, unified communication system, new digital channels such as communication & live commerce, cyber security, privacy, and internal learning systems.

"This transformational journey would enable us with the right technology mix that is modern, works together, giving us the agile edge to bring flexibility in our operations, decisions making, and embracing the rapid changes in the outer world, and help us make strategies that are data-based, faster, and better for the brand as well as for our consumers," Zahid says.

Customer needs to be offered ease

"The relationship with customers is not just limited to buying & selling but it's all about the connection and

| INDUSTRY BEAT |

Building a robust Post Purchase Model in retail



After the pandemic, online shopping has become a buzz and customers are

preferably using this option as

it's safer in nature. Despite the fast deliveries

offered by the brands, the returns are turning out to be an inevitable part of the e-commerce business. How to deal

with it and what's the effective remedy.

By Yash Bhatia

How powerful is email marketing?

- Email is 40x more effective for customer acquisition than social media
- For every \$1 you spend on emails marketing, the brand can expect an average return of \$38
- 81% of SMBs(Small and Mid-size businesses) still rely on email as their primary customer acquisition channel.
- 60% of consumers have made a purchase after receiving a marketing email

Retail is focussing on a lot of thought processes to acquire new customers, but the industry is also equivocally focussing on the post-purchase aspect of the business. Post-Purchase Journey, in simple terms, hints at all the actions that the customers take after making their purchase. This could include anything from visiting a website to referring to friends or family.

This behaviour is a pinpoint for the online retailers, as it can totally change the buying pattern of the customers. According to Research, 86% of customers agree that the post-purchase journey significantly impacts their decision to make a repeat purchase or not.

As soon as a customer buys the product, the journey of Post-purchase begins, and at that stage, the retailers should provide a best-in-class experience and leverage the positive sentiments that the customers are experiencing.

| OPINION |

Walking in your customer's shoes



'Previewing excerpts from the chapter entitled 'Turn Adversity into Opportunity', from the freshly published book entitled *Customer First: the mindset that spells success* authored by Dr. Jacqueline Mundkur. Jacqueline and her co-author Varun Aggarwal emphasise that now more than ever, applying a Customer First approach has become more a necessity than a luxury. This excerpt covers a veritable toolkit that can help tackle the vexed issue of returns, the bane of all retailers so as to bring in customer experience and profit benefits. Read on...

By Dr Jacqueline Mundkur

The explosion in e-commerce transactions has been accompanied by a worrying increase in exchanges and refund transactions. How a company manages (or mismanages) some or all aspects of the exchange journey can have an impact on CX and customers' loyalty to the brand. As this chapter is being written, digital-led commerce shows no signs of abating even as a more vaccinated world seeks to get back to the erstwhile normal. The topic of managing exchanges is therefore important to discuss today because of its impact on CX and its clear impact on both top and bottom lines.

About Author

Dr Jacqueline Mundkur is CEO of The Nxt Levels Business Advisory and Sr. Adjunct Faculty, School of Business NMIMS, Mumbai. She has deep multi-sectoral leadership experience with MNCs and Indian companies including Retail where she headed Customer Experience across all the Group Companies. She is deeply committed to supporting companies who wish to transition to a higher level of CX that brings sustained success. She also mentors Startups in the MarTech and CX Tech Space.

| DEEP DIVE |

Where technology meets traditions

Shree – She is Special, by SHR Lifestyles Pvt. Ltd., is a prominent Indian ethnic wear brand that manufactures and retails comfortable, everyday wear for women. Established by Sheetal Kapoor and Sandeep Kapoor.

In 2009, Mrs. and Mr. Kapoor launched Shree to cater to the growing demand for ethnic wear amongst the Indian diaspora abroad. Soon after, Shree entered the domestic e-commerce space and began wholesaling all over India. Today it is a coveted name in the world of fashion and has grown leaps and bounds to create a niche in the market. The brand's growing popularity among its customer base stands witness to this growth story. However, a lot of technology and futuristic integration in the backend makes the backbone of the brand robust that's where we spoke to **Amit Arora, CIO, SHR Lifestyles Pvt Ltd** to understand more about the tech implementations for the brand.

It takes years to perfect innovation and research goes into making each product perfect and ready for the retail market. What are the processes that have been put in place to make the problem-solving ability of your brand perfect?

Innovation indeed takes time, but it must start somewhere. The Covid-19 pandemic was a pivotal moment of introspection for us. Technologies and solutions that worked well before C-19 quickly became irrelevant or obsolete and were replaced by smarter customer-centric technologies.

We, at Shree, deeply analyzed what worked before the pandemic and what needs to be done in the new normal. While some technologies perished due to market constraints & matured during the pandemic as the researchers spent more time developing them and companies were more open to adopting them.



When solving problems, we conduct brainstorming sessions and evaluate each potential solution by listing its pros and cons. Once an educated decision is identified, we put together a list of obstacles in the rollout of the solution and mitigate them by making a sustainable model. We understand the needs of our business and our customers and only implement what produces the desired outcome for both.

While we have hugely improved our online retail presence, we continue to work on it so we can provide our customers with the best shopping experience possible.

Delivering an unfair digital advantage for eRetail Brands.

Consulting | Technology | Marketing | Analytics | Marketplace

