

CONVERGENCE OF PHYSICAL AND DIGITAL BUSINESS

PHYGITAL

May-June
2023

VOL. 5 No. 3

www.
phygitalmagazine
.com

₹100



INDIA

THE FORCE IS HERE

THE RETAIL MEGAVEVERSE

THE MANY AVATARS OF THE WORLD'S MOST
EXCITING, ASPIRATIONAL MARKET

PAGE 40

India's top retail
leaders bestowed and
honoured at the
**IMAGES RETAIL
AWARDS 2023**

PAGE 44



(L-R) **BS Nagesh** founder TRRAIN, **Ram Chandra Agarwal**, chief managing director, V2 Retail, **Pramod Arora**, chief growth & strategy officer, PVR Group, **Sagar Daryani**, WOW! Momo Foods, **Aniket Nikumb**, founding team, Mensa Brands and **Sandeep Varaganti**, chief executive officer, Reliance Retail (JioMart.com)

FROM THE CEO'S DESK

Retail Revolution in India enters its most exciting phase



The recently concluded Phygital Retail Convention in Mumbai surpassed all expectations and we are delighted to share that the event was validated by retail industry colleagues as one of the biggest retail events India has witnessed till date. With over 300+ speakers, PRC saw close to 1700+ delegates and 100+ exhibitors come together under one roof.

A few important lessons from PRC centre around the need to constantly innovate not just in terms of product but also how best a customer's shopping experience can be enhanced and made seamless. Sustainable retail has been a talk point since a while now and at the summit too, we had industry leaders unanimously agree on customers being sensitive towards their purchase decisions and are actively looking at engaging with companies following ethical practices.

The rise of the D2C channel is another thing to watch out for. Post the pandemic, we have witnessed an unprecedented rise in D2C brands and those with something niche to offer are managing to seek funding, just as what we witnessed during the IT bloom in India. The D2C space is definitely something to watch out for. Logistic companies are coming out with various tailored solutions especially for D2C brands irrespective of their size thus providing them with a cushion to grow further. This is heart-warming since the need of the hour in these economically unstable times is to grow together as one community.

This brings to my mind a very encouraging gesture by one retailer wishing another competing retailer on the opening of their 100th store in India. I am talking about Shoppers Stop congratulating Lifestyle Store on reaching a century in India. Over the years, The Images Group has exactly been striving for this – bringing the entire retail community together to work as one, having each other's back in good and bad times.

Bhavesh Pitroda



All material printed in this publication is the sole property of Retail Advising Services LLP. All printed matter contained in the magazine is based on the information provided by the writers/authors. The views, ideas, comments and opinions expressed are solely of the writers/authors or those featured in the articles and the Editor and Printer & Publisher do not necessarily subscribe to the same.

Printed & published by **Bhavesh Pitroda** on behalf of **Retail Advising Services LLP** Printed at **Modest Print Pack (P) Ltd.** C-52, D.D.A. Shed Okhla Industrial Area Phase -1, New Delhi - 110 020 and published by **Bhavesh Pitroda** from S - 61A Okhla Industrial Area Phase - 2, New Delhi 110 020 Editor: **Amitabh Taneja**

In relation to any advertisements appearing in this publication, readers are recommended to make appropriate enquiries before entering into any commitments. Retail Advising Services LLP does not vouch for any claims made by the advertisers of products and services. The Printer, Publisher and Editor-in-Chief of the publication shall not be held for any consequences in the event of such claims not being honored by the advertisers.

Copyright Retail Advising Services LLP All rights reserved. Reproduction in any manner is prohibited. All disputes are subject to the jurisdiction of competent courts and forums in Delhi/New Delhi only. Retail Advising Services LLP does not accept responsibility for returning unsolicited manuscripts and photographs.

For subscription related queries, email to: subscription@imagesgroup.in

For feedback/editorial queries, email to: letter2editor@imagesgroup.in

EDITORIAL

Editor-in-Chief
Amitabh Taneja

Designated Partner
Bhavesh Pitroda

Publisher
Bhavesh Pitroda

Group Managing Editor
Rasul Bailay

Consulting Editor
Zainab S. Kazi

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

COO, Technology
Shaurya Somani
shauryasomani@imagesgroup.in

MUMBAI:
General Manager
Imran Khan

DELHI:
General Manager
Rohit Pandey

BENGALURU:
Head Technology Sales- South
Anand Nair

For advertising queries, please write to
salesretail@imagesgroup.in

CONSUMER CONNECT & SUBSCRIPTION

Senior Manager: **Priti Kapil**, pridikapil@imagesgroup.in

Retail Advising Services LLP

LLPIN-AAJ-1907
(Group company of Images Multimedia Pvt. Ltd.)

Registered Office:

S-61A, 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: E 519, Floral Deck Plaza, Central MIDC Road, Opp SEEPZ, Andheri East, Mumbai 400 093

T: +91 22 28398000

LAST WORD

Putting together this issue of Phygital has been a delight! It is heart warming to have distinguished retail experts share their expertise with us in this issue

on topics ranging from retail analytics to importance of mindfulness in business. We are working towards ensuring Phygital magazine gives our readers an insight on topics relevant to retail while capturing the dynamics of phygital retail in its truest form.

When we were putting together the story on the dynamics of kidswear in India and the role play of technology in revolutionising the industry, one very important factor that we came across was the influence of social media in having a deep impact on the way parents shop for their children. They are discovering new brands on Instagram and they aren't shy to try them in spite of steep pricing at times. Another very important factor that has scored high is sustainability. Parents are actively looking for brands that have sustainability at their core, especially when it comes to shopping for toddlers.

This issue has excerpts from the recently concluded Phygital Retail Convention. We shall be sharing in-depth features on key panel discussions and masterclasses held during the convention in our forthcoming issues. Each of the panel discussions at PRC were filled with insights into tapping into the new age customer and how innovation across backend is required to meet with the changing retail dynamics of the country. The retail experts were unanimous in agreeing that the infrastructure development that we have witnessed in India today has been responsible for driving retail in the remotest part of India and that this is just a start. Brands encashing up on the growing aspirations of Indians from smaller towns and cities have an unpainted canvas before them!

We are eager to hear from you with your feedback and suggestions. Bouquets and brickbats – both awaited! Please write to us as zainabkazi@imagesgroup.in.

Zainab S Kazi
Consulting Editor

CONTENTS

REGULARS

8.

Snapshots

Latest happenings in the Indian market.

COVER STORY



26. Phygital Retail Convention wins accolades across the retail industry

32. Phygital Retail Convention 2023

40. India The Retail Megaverse – The many avatars of the world's most exciting, aspirational market

44. India's top retail leaders bestowed and honoured at the IMAGES Retail Awards 2023

| CONTENTS |



18

DEEP DIVE

18. Unleashing the potential of kidswear in India

The kidswear category has undergone a phenomenal change with new age brands, especially those that ride high on luxury and sustainability.

EXPERT SPEAK

48. Deriving business value from analytics

QUICK READ

52. The entrepreneurs contribution to India's GDP (report by Shopify)

LOGISTICS

54. Prozo - Democratising access to enterprise-grade, future ready supply chain

SOCIAL MEDIA

58. Unleashing the power of social media stars

RETAIL DESIGN

62. Why the 'why' matters in phygital experiences

PERSPECTIVE

68. Technology driven metal fixtures

ECOMMERCE

71. Adding innovation to ecommerce shopping space

THOUGHT BUBBLE

74. Direct selling - nuances, challenges and future in the age of D2C

INNOVATION

76. Roastea - Using IoT to track consumers beverage consumption habits

BUSINESS INSIGHTS

78. Sourcing saga

START-UP STUDYBOOK

80. Surviving financial crunch

D2C STUDYBOOK

82. Personalized marketing strategies - A way to go for D2C brands

REPORT

84. PwC consumer insights pulse survey 2022: India Perspective

LEISURE

90. Mindfulness and emotional intelligence



54



71



84

| SNAPSHOTS |

E-COMMERCE START-UP DIRECT2U RAISES ₹1.8 CRORE IN SEED ROUND LED BY IPV

E-commerce platform Direct2U has raised ₹1.8 crore in a seed round led by Inflection Point Ventures (IPV). The fund raised will be used for technology development, hiring, marketing and expansion plans. Direct2U, a B2B2C (business to business to consumer) platform owned by Flow Commerce Pvt. Ltd., is a consumer durables marketplace that brings together order fulfilment, online money transfer, and credit purchase options, along with door-step delivery for rural Indian consumers. Flow Commerce was started by Gaurav Ahlawat and Anshuman Maheshwari in December 2022. The company's Direct2U marketplace started posting revenue on 1 January

2023. Since its launch, the company has expanded its operations in Bihar, Madhya Pradesh, Odisha, and Karnataka with 23 warehouses.

"Direct2U has identified a promising white space i.e rural e-commerce market and it is disrupting rural market by bringing in standardised processes which will elevate customer experience, business growth of the brands, generate employment for delivery staff and a safe payment process will give trust and comfort to the customers, many of whom are first-time online shoppers," said Mitesh Shah, Co-Founder, Inflection Point Ventures. "The fact that rural commerce, with tech-enabled last mile delivery along with a user-friendly



frontend platform, can be executed with positive unit level economics is a winning factor. IPV is instrumental in guidance through various mentor investors in supporting the business grow further," said Gaurav Ahlawat, founder of Direct2U.

STAGU TECHNOLOGIES UNVEILS JARVIS' HEAT MAPPING FEATURE

Stagu Technologies, a leading artificial intelligence solutions provider, has unveiled a new heat mapping feature for their JARVIS platform which is poised to revolutionize video analytics. The heat mapping feature uses a real-time camera feed to track human movement and has a wide range of potential applications across various industries.

The JARVIS heat mapping feature offers insightful data on customer behavior, demographics, consumer preference, and store layout optimization. In addition, it can also enhance inventory management, analyze sales and customer metrics, and identify potential revenue generators.

Heat map analysis is a helpful tool for retailers, allowing them to track foot traffic in each section, gauge customer dwell time, and assess sales conversion rates. In addition to JARVIS, a heatmap feature for the retail industry, JARVIS is further used in smart cities, real estate, manufacturing, and airports for safety hazard prevention, as well as to track unlawful activities, fire hazards, and other analytics.



CHECKOUT NETWORK SIMPL PARTNERS WITH ZOLVIT TO OFFER LEGAL SERVICES TO D2C MERCHANTS

Merchant-first check-out network Simpl has partnered with legal services platform Zolvit (formerly Vakilsearch) to provide personalised legal solutions for the D2C (direct-to-consumer) merchants across the country. The partnership aims to provide a one-stop platform for the legal, tax, and compliance needs of D2C merchants and solves a critical pain point, enabling them to focus on their core business. "As a merchant-focused organisation, we are committed to solving the critical pain points for them, given our nuanced understanding of the industry over the years," said Nitya Sharma, co-founder of Simpl. "In this endeavour, we have instituted a 'booster package' which brings together services from allied sectors which are necessary for business growth. From credit to digital marketing and now legal and compliance services with Zolvit, we are enabling D2C merchants to focus on their offerings in a cost-effective manner," she added. With this partnership, merchants will receive a complete portfolio of Zolvit's legal, tax, and compliance support along with a host of additional services at affordable rates, enabling them to bring more efficiencies in businesses. "Partnering with Simpl is an excellent opportunity for us to expand our reach and help D2C merchants across the country with their legal, tax, and compliance needs. By working together, we can create a seamless and reliable ecosystem that supports the growth of the D2C sector in India," said Hrishikesh Datar, founder of Zolvit.

| DEEP DIVE |

Unleashing the potential of kidswear in India

Whether it is the easy availability, social media push or rise in disposable income, the factors that have led to the rise in the kidswear market in India is phenomenal. An upsurge in the number of home-grown brands, especially in the D2C channel well substantiates this. We take a look at the role of technology and other factors that have given a push to the kidswear market in India.

By Zainab S Kazi

It wasn't long ago that the kidswear market was largely dominated by the unorganised players. Not many parents indulged in spending lavishly on clothes for their children owing to the fact that children outgrow their clothes at lightning speed. Though today, there is a considerable change in the market dynamics for kidswear and this is across metros and non-metros. Advancements in technology along with strong social media campaigns by brands have given a push to this segment. Pricing is no longer a deterrent as majority of the new age brands in this category have pricing at par with women's wear and men's wear. And then of course there is no dearth of international brands catching the fancy of the customers.

When we talk about advancements in technology, it includes the unprecedented rise in e-commerce platforms and the credit here to set the ball rolling would be to amazon, Flipkart and Myntra. The convenience of mobile shopping coupled with digital marketing strategies has changed the entire landscape of shopping across the world, India being no exception. This one factor has been the most prominent ones to have given a rise in the number of brands entering the segment for children.

"At Flipkart, we realized the potential of the kids fashion category at a very early stage and aimed towards bringing the best-in-class products to consumers across the country, through the convenience of online shopping. We created a separate kid's sub-category in 2014, which



| COVER STORY |



PHYGITAL RETAIL CONVENTION WINS ACCOLADES ACROSS THE RETAIL INDUSTRY

The Phygital Retail Convention stood tall with an august gathering of retailers across genres. Here are a few sharing their take on the event. Needless to say, PRC was a super hit and those present unanimously agreed to it.

“PRC is once again building the momentum for the retail industry. Shift towards a multichannel phygital environment is timely and appropriate.”

I am very happy to see that the retail industry is seriously looking into markdown management, margin enhancement and inventory optimization. In the euphoria of store openings this is the Godsend mantra.

- **BS NAGESH**, TRUST FOR RETAILERS & RETAIL ASSOCIATES OF INDIA (TRRAIN)



“Congratulations on a fabulous event! Truly impressed with the scale and quality of audiences at PRC this year.”

- **BHASKAR RAMESH**, GOOGLE

“PRC is a Great Retail Conference bringing together People, Ideas, Innovation, Technology and Best Practice’s across the entire retail chain. My Summary of Understanding of Sessions : “As Consumers Keep evolving - Retailers and Brands are adopting Practice’s and Technologies to lead the change and win the Customer’s Loyalty.”

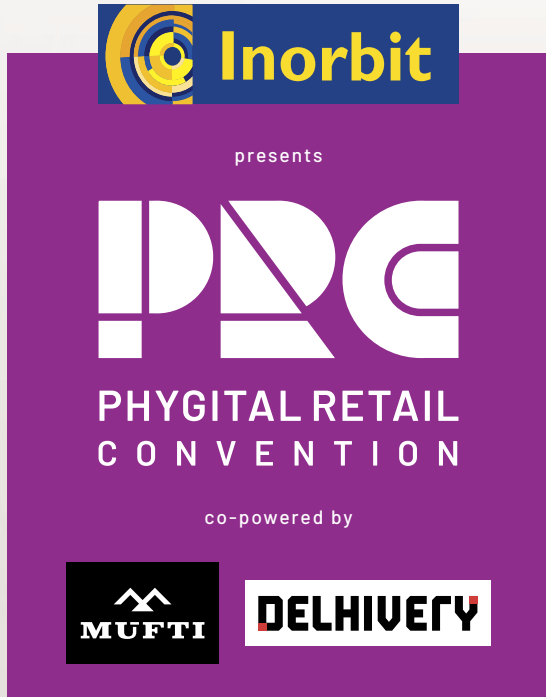
- **GOVIND SHRIKHANDE**, RETAIL VETERAN

COVER STORY

The Phygital Retail Convention 2023

Spread across 100,000 sq.ft of space with 1000 brands and companies participating, The Phygital Retail Convention (PRC) by The Images Group, held at the Jio Convention Centre BKC, was an event to witness! Bringing together prominent and budding retailers alongside service providers across genres - from IT to supply chain and logistic companies, merchandising, payment solution and retail consultants, the event at large had experts discuss and share ways and means to bridge the gap between physical and digital. We share excerpts from the event.

By Indiaretailing.com bureau with special contribution from Anagha Rata



The changing face of retail in India

Citing one of the most apt adage that is in sync with the retail dynamics we are witnessed today, **Sangeeta Pendurkar, chief executive officer, Pantaloons** in the session - **100 Shades of Retail** shared, "Necessity is the mother of invention. It is through such challenges that we are compelled to come up with innovative solutions that can improve our lives and the world around us."

On the mantra for winning Bharat, "The current mantra for most of the retailers is to win Bharat and winning Bharat will win retail in the right manner beyond any doubt, said **Sagar Daryano, co-founder and chief executive officer of Wow Momo Foods.**

Accentuating that physical shopping shall always remain evergreen, **Shibu Philips, director - Shopping Malls at Lulu Group India**

was quick to point out that despite the availability of online shopping options, customers are still flocking to physical shopping malls. He highlighted that even after the pandemic, footfall did not decrease as expected. As a result, retailers are placing increased emphasis on the importance of enhancing offline stores to cater to the evolving preferences of their customers. To this, **Rajneesh Mahajan, ceo of Inorbit Malls,**



| COVER STORY |

INDIA

THE FORCE IS HERE

THE RETAIL
MEGAVEVERSE

The many avatars of the world's most exciting, aspirational market

A high voltage panel discussion on the many avatars of Indian retail had retailers on the panel share insightful take on the current revolution we are yet again witnessing in Indian retail.

By Zainab S Kazi



One of the most recent avatars of retail in India is its feature of offering quick 10 minute delivery. On this, **BS Nagesh founder TRRAIN** and one of the most coveted retail icons of India Retail curiously asked, "Are we influencing the consumers not to plan by offering them 30 minutes delivery? I mean my mother used to plan ahead and have a list across and do things but today we are saying, you don't plan, be lazy." He in his inimitable style asked those present in the audience the number of people who use this app and to his surprise it has hands down handful! He then went on to further ask if anyone present had used the app in the last 10 minutes and to everyone's surprise, there was a gentleman who had done so. "This is our Indian consumer," said Nagesh.

Reducing operational cost for better margins

Moving over to hear from Indian retail icon, **Ram Chandra Agarwal, chief managing director, V2 Retail**, one of the most interesting and valid insight he shared was to always keep in mind the cost of a product – which implies the operation cost and the actual cost of the product which eventually has retailers opt to selling the product for meagre margins. "We survive on very low margins and this is where retail fails. What we need to do is increase profits and this can only happen when in our backward integration we work towards reducing the cost of product," elaborated Ram Chandra. He suggested contract manufacturing is the way to go where if done correctly, we could increase 15 % margin in the product and this according to him would pave way for one being the best retailer in the world.

| AWARDS |



India's top retail leaders bestowed and honoured at the **IMAGES RETAIL AWARDS 2023**

~Bata, Croma, and Bestseller Among the Winners at IMAGES Retail Awards~

powered by



IMAGES Retail Awards of the year were held at the Jio World Convention Centre, after a magnificent fashion show by Mufti. The ceremony recognized the outstanding retailers for their remarkable contributions to the industry. The event witnessed many distinguished brands vying for the top honours, including Puma, Shobhitham, Bata, Kama Ayurveda, Max Fashion, PVR, and Shoppers Stop, among others. However, Chroma emerged as the star of the evening, winning the majority of the awards.

The IMAGES Retail Awards selection process benefited greatly from the expertise and insight of its esteemed jury members. Aditya Sachdeva, Founder of Raintree Catalyst, Ameesha Prabhu, CEO of TRAIN, Anurag Mathur, Partner at Bain & Company, Ashish Dhir, EVP (Consumer & Retail), Nikhil Sethi, Partner at KPMG, and Shrenik Gandhi, Co-Founder of White Rivers Media, were among the distinguished individuals who served as jury members.



| EXPERT SPEAK |

Deriving business value from analytics

I must confess, I have spent a good part of the last 15 years of my life, working exclusively with Retailers, helping them make sense of their Data. And I sense a fair amount of frustration with Retailers around their Analytics and Business Intelligence (BI) practice. For setting the context right, I would add here that “Reports” in excel are covered in the context of “Analytics”.

By Niraj Jaipuria



So, what is ailing data analytics in retail? Analytics is not a destination, it is a journey

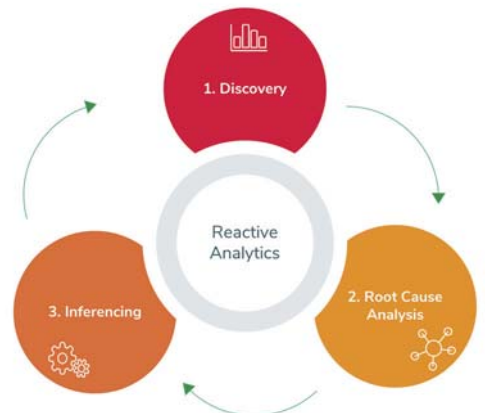
First, I cannot impress enough that analytics is a journey. Each retailer needs to evolve it over stages.

If you consider the BI Journey graphic alongside, I could confidently say that 80% of the Indian Retailers I talk to, even today, have not matured beyond the Reactive Analytics stage. The bad news is that their Reactive Analytics process itself is mighty flawed. As an outcome, the good news therefore is that there is immense scope for improvement.

Improving reactive analytics

When we look at reports, we are looking at events of the past, which help us identify anomalies in our business. With that, we look to carry out some action, which will resolve such anomalies. We are reacting to a problem - hence REACTIVE ANALYTICS!

Reactive Analytics itself consists of a 3-stage process



Delivering An Unfair Digital Advantage For eRetail Brands.



SCAN TO KNOW MORE

Commerce | Automation | Growth