



# WHERE TECH WILL TAKE RETAIL

# **RETAIL TECHNOLOGY**

# **LEADERS ENVISION**

# **THE FUTURE OF RETAIL**

Till about a decade ago, Technology was considered unobtrusive, a “back-office thing” without a name or an identity. Consumers were shopping the old-fashioned way, wearing out their shoes instead of their keypads. Today, buzzwords like ‘consumer-centric’ and ‘Omni-channel’ have raised their expectations and they now seek experiences rather than just delightful products and services. Technology has transcended from an aspiration to an expectation and has wedged itself securely between consumer and experience to create an everyday interface. A plethora of experiences have migrated online and with them, consumers.

By Sheetal Choksi & Sharmila Cirvante

**F**rom a service extension, technology has evolved to a lifeline for businesses. Retail is no stranger to the tech-revolution; today, it has technology woven into its DNA. In this landscape, the role of the Technology Leader in creating seamless consumer journeys between the online and offline realms is invaluable. If technology is the face of retail, the CIO is its brain.

While the rapid changing pace of technology has caused seismic shifts in shopping habits, its tremors have ripped apart the definition of the Retail Technology Leader. Images Retail spoke to 29 Chief Information Officers across the country to understand how their roles have changed over the last few years and the future they foresee. Presented here is a consolidation of their responses.

We have structured the article in two sections: the first part documents the CIOs’ views on their changing role in this tech driven world, the technology challenges retailers will face, as well as an analysis of the Top 5 tech priorities of 2016-2018 they anticipate. The second part introduces us to the man behind the designation and spotlights the priorities he envisages will shape the retail world of the future. On a lighter note, we also peek into his personal tech choices.

“IT teams are expected to know the retail business realities as much as marketing or operations and be involved in conceptualisation, rather than just solutions”

– **Indresh Pradhan**,  
Head - IT, Kaya

“Now the same CIO has to be Chief Innovation Officer/ Chief Intelligence Officer/ Chief Integration Officer/ Chief Infrastructure Officer”

– **Yakeen Gazi**,  
Sr. V.P. IT & Supply Chain,  
Hypercity Retail India Limited

“The challenges will be on how to use mobile tech without tearing down the virtual walls of security”

– **Kiran Komatla**,  
AVP - IT, Burger King India

### **The changing role of the CIO: from business enabler to business stakeholder**

Gone are the days when impressive IT or Engineering degrees staked claim to a CIO's fame. With most companies fusing their IT strategy with Business strategy, today's Head of Technology is getting down to business and is expected to use technology to drive business strategies and fulfil the corporate vision. The tech credentials are not even a mandate anymore.

Given the consumer demand for digital transformation, it is important for Technology Heads to develop the mindset of Digital Enabler and Growth Hacker in the next couple of years. *“Heads of Technologies now need to have a deeper understanding of business and its challenges to drive sales and margin growth, without ignoring the customer intimacy needed to stay aligned with their expectations from retailers as a service provider,”* observes **Abel A. Correa**, Head IT Strategy and Governance, Arvind Ltd.

The age of web and mobile technology has created highly tech savvy customers who look for a seamless shopping experience across multiple channels. Consumers use technology in various ways before they shop and during their time in the store – they search for online coupons, use mobile devices to check prices, research products, make shopping lists and read product reviews. From being present across channels, the focus now is to provide a unified experience across channels. Customers will naturally gravitate towards retailers that can combine a competitive shopping experience with high customer satisfaction.

With lines getting blurred between service offerings, it is important for retailers to be creative and innovative to provide a relevant and unique differentiator.

### **The three big technology challenges retailers will face: technology solutions must evolve to business solutions**

Technology is becoming more agile and responsive. It is relevant to almost every business function and process of an organization today, and the impact of this change on business is significant and challenging. The Technology Leader is expected to convert this challenge into opportunity and while they are rising up to the task, some lacunae between service and delivery are expected.

While customer retention, a seamless Omni-channel experience and creating differentiation in products and services topped the list, there were others. Some of it had to do with a fast changing pace, while others involved a change of mindset.

When we asked CIOs on what they believed would be the three key challenges that retail would face from a technology point of view, we received myriad answers.

The key themes however revolved around:

#### **1. Managing customers and their changing expectations**

From creating a one view of the customer and one view for the customer to customisation and personalisation for customers. From





“Retailers who analyse their data and convert it to actionable information will be better at understanding and engaging their customer needs and hence will be able to create more relevant offers for their customers”

– **Vikram Idnani**,  
Head-IT, Trent

drawing insights from data to retaining consumers as the price war has driven away margins and loyalty.

From creating a seamless shopping experience to managing rapidly changing consumer preferences, CIOs will be on their toes to identify the right platform or products, keeping in mind the high degree of obsolescence.

On the subject of providing differentiated and unique personalised experiences, **Anil Shankar**, *Customer Care Associate & VP, Shoppers*

“Omni-channel customer engagement combines orchestration and journey management to provide multi-channel contact centre best practices for great customer experience with compelling business outcomes”

– **Sandeep Kothari**,  
VP - IT, Travel Food Services

**Stop adds, “The need is for in-store digitization to match the other channels and to improve the interaction of frontend association with customers.”**

## 2. Data, Data Analytics and Data Protection

With the ability to collect large amounts of data comes the responsibility of managing that data, making sense of that data to be able to impact business decisions as well as protection of that data.

**Indresh Pradhan believes that the big challenge will be “making sense of the data.”**

## 3. Skilling and Re-skilling of the workforce

Technology providers will have to change their positioning from providing technology solutions to business solutions. This shift in positioning will mandate a shift in mindset, both with the IT teams as well as across management. This will necessitate investments in re-skilling of existing teams, as well as investments in training and development of both IT personnel.

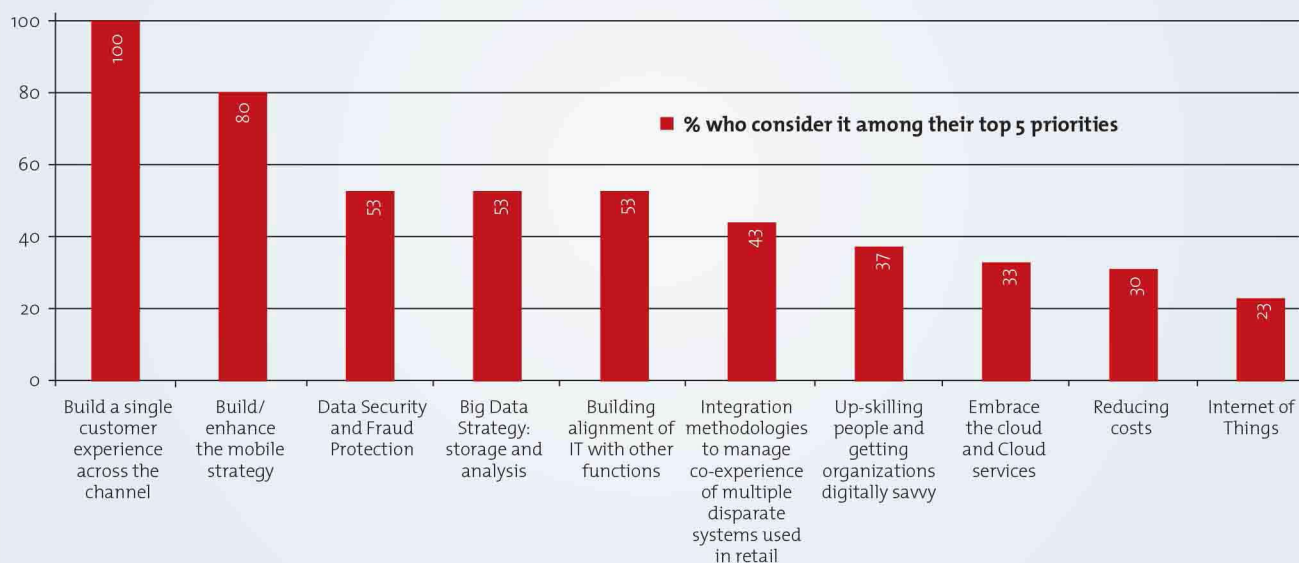
## Priority 1: Build a single customer experience across channels

Today’s customers want a seamless shopping experience across multiple channels. Omni-channel fuels this shift, but the current technologies used by each channel do not talk to each other smoothly. This puts the onus on the retailers. **“In order to provide a seamless experience**

## FORECASTING THE FUTURE: THE RETAIL CIO’S TOP 5 PRIORITIES FOR 2016-2018

In such an amorphous and rapidly changing scenario, what key areas are CIOs focusing on in the future? We gave them a list of 10 options and asked them to select the top 5 priorities and the reasons for choosing these. The options were:

1. Build a single customer experience across channels
2. Integration methodologies to manage co-existence of multiple disparate systems used in retail
3. Build/enhance the mobile strategy
4. Big Data Strategy: storage and analysis
5. Data Security and Fraud Protection
6. Up-skilling People and getting organizations digitally savvy
7. Building alignment of IT with other functions
8. Reducing Costs
9. Embrace the Cloud and Cloud Services
10. Internet of Things



for the customer, it is important to build a consistent experience across all channels to make it simpler for the customer who does not think channels, but just thinks experience”, says Vikram Idnani.

According to Sandeep Kothari, Vice President - Information Technology, Travel Food Services, the answer lies in Omni-channel Journey Orchestration.

**“Omni-channel, sooner than later will become a hygiene factor for all retailers”, confirms Yakeen Gazi, Sr. V.P. IT & Supply Chain, Hypercity Retail India. “But integrating existing legacy fail-safe systems with online technology requiring 100% connectivity and stability will be the main challenge in reaching the goal”.**

For Omni-channel to become a reality, agile software solutions are a must. Unfortunately, the industry is yet to witness a proven comprehensive solution. **Abel A. Correa, Head IT Strategy and Governance, Arvind Ltd. expresses a different point of view. “The game changer will be the adoption of Cloud based deployment strategy for delivering IT in a cost effective manner as retail business will continue to be hard pressed for margins and returns on capital employed. The other major game changing touch point will be Mobile enabled software”.**

## Priority 2: Build/Enhance the mobile strategy

Mobile first is the new mantra.

It is a must-have for the Millennials, a customer segment which cannot be ignored for business sustenance and growth in the coming years. In today’s competitive marketplace, mobile strategies help retailers remain relevant to modern consumers. **“In fact, it’s been here for quite some time, but retailers have been slow to catch on to consumer habits and behaviours”, points out Sunil Nair.**

On the other hand, Pooraan Jaiswal, CTO, Globus Stores believes that mobile technology is still new and limited, but is investing in it as it offers tremendous cost and space savings and increases productivity with collaboration in real-time.

**“Be it in-store, website or mobile, it is important for retailers to drive competitive advantage to win in the digital era”**

– Anil Shankar,  
Customer Care Associate &  
VP, Shoppers Stop

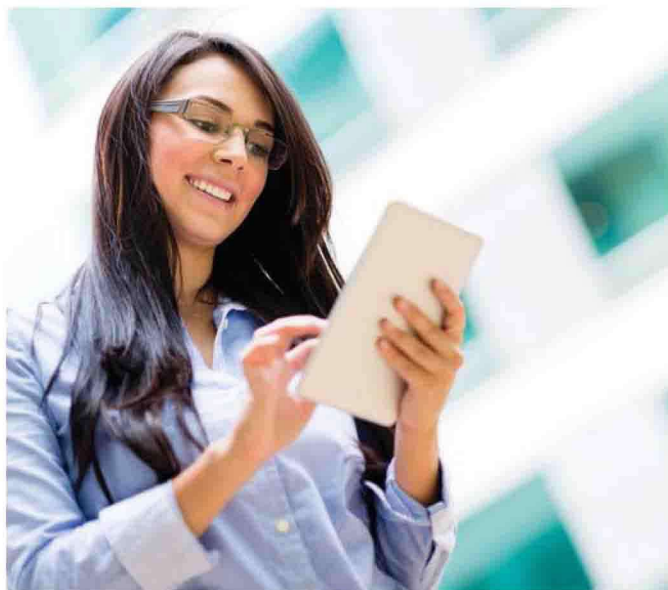


With mobile technology becoming universal, how can retailers drive disruption and create a value differentiator? **According to Sandeep Kothari, “The firms that can best capture mobile moments will have a great advantage over their competitors, and the ability to engage customers or employees in their mobile moments depends on the organisation’s ability to innovate, build, and deploy”.**

Mobile technology is an equally valuable tool to improve employee engagement, performance and productivity. **Ranjan Sharma, Head IT & SCM, Bestseller confirms its**

**“Though IT heads have started getting into the business, there is a long way ahead to create a proper bridge between IT and other functions”**

– Pooraan Jaiswal,  
CTO, Globus Stores Private Limited





importance. “We intend to bring the entire life of an employee to this app to execute his day to day transactions and manage his issues and problems”. Liberty Shoes uses the mobile strategy to exhibit significant data to reach their widespread sales work force and employees.

### Priority 3: Data Security and Fraud Protection

The increasing use of digital technology, social media and the adoption of technology without a full understanding of its boundaries is creating a playground for cyber criminals. Data theft is a misfortune that plagues even offline retailers. The threats amplify with the addition and integration of an online channel.

As a preventive measure, **Uzwal Kumar Chatterjee, VP & Head IT, Shop CJ Network** advises to, “Insulate the organisation from Cyber-attacks and provide a robust and resilient IT security setup”.

### Priority 4: Big Data Strategy: storage and analysis

In today’s turbulent world of ever-changing customer expectations, big data can help retailers find new ways of remaining relevant and competitive. **Sunil Nair** says, “Big Data solutions can facilitate predictive analysis on customer data collected from a wider range of sources such as POS, online transactions, social media, loyalty programs and more. This can help retailers more accurately identify shopping behaviour of customers, which in turn can be used to deliver highly targeted, location-based services almost in real time”.

While data storage and analytics will play a pivotal role in understanding the consumer, **Abel A. Correa**, Head



IT Strategy and Governance, Arvind Ltd., feels that Indian retailers would first have to evolve on the sanity of current Master data layers to be able to move from descriptive to prescriptive to predictive analysis. This underscores the necessity of strong Master data management processes.

### Priority 5: Building alignment of IT with other functions

In this day and age where technology is ingrained in every breath we take, IT has to be Enabler, Enhancer, and Experiential for its stakeholders and drive sales, operational excellence and customer intimacy.

Competitive advantage is what all businesses need and the same can be achieved thru IT automation and integration at all levels across the company. It is therefore important

for the IT team to understand the business better and delve deeper into the functions and goals of different departments.

### Priority 6: Integration methodologies to manage co-existence of multiple, disparate systems used in retail

The technology landscape is a complex, fragmented mix across channels with every retailer having built individual systems. This has resulted in a patchwork of antiquated solutions prone to errors. As retail organizations grow, the complexity of systems increases. Having systems that integrate closely with each other makes it possible to view information end-to-end as well as maintain a single source of truth.

Today, the availability of new integration methodologies and national level connectivity can move retailers up the value chain on data flow, from being End of Day routine to Real Time. This will allow them to engage the customer with highly relevant and accurate information while provide the latter with a glitch-free unified experience.

“Fail Fast, Learn Fast and Evolve Fast should be the mantra to overcome the above challenges”

– **Abel A. Correa**,  
Head IT Strategy and Governance,  
Arvind Mills

“The CIO is very visible in most business meetings”

– **Vishal Kapil**,  
IT Director - Emerging Market  
India, Adidas Group

On the other hand, adopting new mobile based and cloud based solutions and integrating the same with existing systems could be the other game changer for the retail industry.

#### Priority 7: Up-skilling people and getting organisations digitally savvy

However sophisticated or modern technology may be, it is worthless if it is implemented with errors. A retailer cannot be digitally enabled if its employees fumble with the nuances involved in engaging with the customer to deliver a product or service.

The ever changing nature of digital has also redefined the profile of people. **Ranjit Satyanath, Head – Technology, Infiniti Retail Limited** observes, “Earlier it was the super specialists. Now with the need to move fast, all-rounders are in great demand. Retailers must continually

*upgrade customer service skills to be able to leverage the digital prowess which will enable them to provide the speed, quality and richness of experience that customers expect today. It may be more cost effective to mass up-skill the current generation using modern training tools like online portals, mobile apps, games and other interfaces as they are comfortable with digital interactions.”*

#### Priority 8: Embrace the Cloud and Cloud services

Depending on the size and maturity of the organisation, the cost-effectiveness of Cloud makes it a boon for retailers who would like to ‘Try Fast, Fail Fast and Learn Fast’. New business start-ups are already operating out of the Cloud, enabling them with competitive advantage against the traditional setups.

#### Priority 9: Reducing costs

It is encouraging to note that cost reduction features as the last priority. Today, retailers need more integrated and reliable strategies and solutions in order to remain competitive, and optimizing cost of operation is key to enjoying this advantage. Information technology as a domain, with its tools for modern retailing can improve retailer, supplier, and customer activities and experiences and provide an opportunity for retailers to control their operations resulting in cost optimization.

#### Priority 10: The Internet of Things

The Internet of Things (IoT) is regarded as a major driver of the third Industrial Revolution. IoT will be a disruptive force in retail operations and companies devising an IoT strategy should put one question at the forefront: Do you want to be a disrupter or the disrupted? **R**

## THE MAN BEHIND THE TECHNOLOGY: MEET THE CIO



### ABEL A. CORREA

Head IT Strategy and Governance, Arvind Limited

Abel has spent over a quarter of a century in IT, having held a multitude of influential positions like Country Manager for Red Prairie Technologies and JDA Software Inc. as well as CIO for Piramal Group. His deep knowledge in the field has enabled him to single-handedly drive Operational Excellence through IT and Process Innovations as well as Build and Manage Profitable CoE.

#### TOP 5 priorities for Abel for 2016-2018:

- > Build a single customer experience across channels
- > Integration methodologies to manage co-existence of multiple disparate systems used in retail
- > Build/Enhance the mobile strategy
- > Building alignment of IT with other functions
- > Embrace the Cloud and Cloud Services

#### TOP 3 challenges retailers will face from a Tech POV:

1. Vendors lacking domain expertise in retail, which hinders the delivery of tech solutions
2. Changing the perception of tech solutions into business solutions
3. Adopting the “Fail Fast, Learn Fast and Evolve fast” mantra to overcome challenges pertaining to obsolescence and the pressure it creates.



- I own (laptop/tablet brand): **Lenovo**
- I own (mobile phone brand): **Samsung S6**
- My favourite podcast: **Ted Talks while driving**
- My blog or my twitter handle is: **Coming Soon!**
- My most memorable tech disaster: **My laptop refusing to connect to projector on one of the key presentation**
- An app that I cannot manage without: **Google and Outlook**
- Most creative way to deal with password management: **Wife's name and birthday**
- A website I most refer to: **TEDX.com, Harvard Business Review**
- On my day off: **Family, Family, Family**
- Tech of the future is: **Internet of Things**
- IT leader I look up to (role model): **Mr. Arun Gupta**