



IoR is going to be the buzzword of Version 6 of retail in India, predicts Govind Srikhande, CCA & MD, Shoppers Stop. In an exclusive article, he shares his thoughts about retail in India

INTERNET OF RETAIL, NOT IOT IS THE NEXT BIG THING

He had never seen a textile mill in his native town Kolhapur. In spite of that, he went on to complete Textile Engineering from Veermata Jijabai Technological Institute of Mumbai, though his parents were not sure what he was up to. Govind Srikhande then completed his MBA from Symbiosis Institute of Management, Pune and joined Mafatlal as a trainee in 1984. And today, after three long decades of association with this industry Srikhande has evolved as an expert personified of this industry.

‘Textile’ and ‘retail’ are two words which is associated with Shrikhande’s career from the very beginning. Be it Mafatlal, his first workplace or Shoppers Stop, his present, where he is the Customer Care Associate and Managing Director, Srikhande has seen the length and breadth of this industry in this country and the changing face of it clearly. He passed out from college at the same year of the biggest textile strike, 1982. From there to the creation of a new success story with Shoppers Stop, where in 2001, he joined as the Head of Buying and Merchandising and then went on to be the MD, Srikhande is the right person to predict about the future of retail in India. In an exclusive feature for IMAGES Retail, he has penned down his thoughts about the industry.



Srikhande’s vision for retail business in India

Evolution of Indian Retail industry

Retail has continued to evolve from Version 1 to Version 5 over the past four decades. Till the 90’s under Version 1, it was a seller’s market with ration shops & controlled distribution dominating the market. Post 90’s, when the economy opened up, Version 2 started rolling. Customer aspirations started changing & with the birth of Shoppers Stop, Consumerism started taking shape across multiple categories, including TV, Media & Retail. Version 3 was a frenzied period, starting around 2004 with everyone



and their international brothers thinking that Indian Retail was a pot of gold! Multiple Indian & international players entered India & announced billions of dollars of plans. Post the Trillion Global Meltdown in 2008-09, the sane version of retail – Version 4 emerged with all players focussing on profitable growth. Version 5 is the digital disruption phase wherein, online players are creating new definitions of GMV & getting a lot of share. And the brick & mortar players are preparing to fight back with Omni-channel strategy.

Present challenges in retailing & strategies to fuel growth

Indian retail has never evolved to the level of international markets like US, Europe or even South East Asian countries. The prime reason has been lack of good real estate availability at affordable rates; lack of infrastructure, both physical such as lack of quality transportation, warehousing etc & financial – such as muddled FDI policy, multiple taxation regime, multiple license requirements, entry taxes etc. These challenges still continue. Adding to these, the complete lack of professionalism from mall owners and managers has only complicated the issues. Over all the factors mentioned above, educated and aspiration focussed

consumers, digital technology, GST would be the other factors that would impact retail in the long run. In order to fuel growth, industry needs to focus on customers and create magical experience for bringing the customers back into the store again and again.

Future of retail in India

Technology in retailing, with reference to Shoppers Stop's journey into Omni-channel

The new age Millennial customers are 'connected' all the time. They don't go online anymore, they 'live' online. In such a scenario, adopting digital technology & using brick & mortar stores to create an omni-channel play, is key for the traditional retailers. We are on our way to become an Omni-channel Retailer by 2017 & are investing more than Rs. 60 cr. to achieve this objective. Every channel has both challenges & opportunities. Tying up with marketplaces for going omni-channel can be a challenge for the retailers. As far Shoppers Stop is concerned, we are quickly learning the ropes of the marketplace ecosystem. Now there is a relevant question which is frequently asked about being technologically advanced in physical retailing. That is, why is it so critical to focus on

technologies for brick-and-mortar locations when e-tailing has already started capturing market space? My answer would be, even today majority of global customers still prefer to shop in physical retail. Therefore it is important to be a part of their Journey from discovery to actual shopping through the digital channels.

Retail innovation in improving customer experience

Nothing but the best should be the motto for customer experience, whether online or offline. All investments, services & infrastructure are needed to be geared in the way to take care of customer satisfaction. My advice to the retailers who are just starting to add customer-facing or other digital technologies in their business will be, stop waiting for the tide to turn, jump in, try swimming and you will be successful. You have to keep the customers in the centre and build everything around their needs and aspirations.

Next for retail in India: IoT or Virtualisation?

According to me, Version 6 will be Internet of Retail. Don't wait for it to start. Start your own journey on this path today. 