RETAIL

▶ **WeChat**

Raunak Raheja

GM - POWERSPORTS P&A, EBAY, USA

MESSAGE FROM THE DIRECTOR

Dear Readers,

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off, and our readers seem to be hooked onto our magazine. At WeSchool, we try to acquire as much knowledge as possible and share it with everyone.

Prof. Dr. Uday Salunkhe
Group Director

As we begin a new journey with 2022, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly, it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. Our earnest desire is to disseminate our knowledge and experience with not only WeSchool students but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director

S.P MANDALI'S
we school
Welingkar Education

SAMVAD

ABOUT US

OUR VISION

"To nurture thought leaders and practitioners through inventive education."

CORE VALUES

Breakthrough Thinking and Breakthrough Execution
Result Oriented, Process Driven Work Ethic
We Link and Care
Passion

"The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." -Alvin Toffler.

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that led to the corporate revolution.

Emerging unarticulated needs and realities require a new approach in both thought and action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind's eye needs to be nurtured differently.

WeSchool has chosen the 'design thinking' approach towards management education. All our efforts and manifestations, as a result, stem from the integration of design thinking into management education. We dream of creating an environment conducive to experiential learning.

FROM THE EDITOR'S DESK

Dear Readers,
Welcome to the **119th** Issue of **SAMVAD**!

SAMVAD is a platform for "Inspiring Futuristic Ideas," we constantly strive to provide thought-provoking articles that add value to your management education.

We have an audacious goal of becoming one of the most coveted business magazines for B-school students across the country. To help this dream become a reality, we invite articles from all management domains, giving a holistic view and bridging the gap between industry veterans and students through our **WeChat** section.

In this issue of SAMVAD, we bring to you half a dozen articles focusing on **'Retail'** with a section called **'Talk of the town,'** where we have got some exclusive deals happening under the nose of our theme.

In this edition, we collaborated with **Dukaan**, our official sponsors, a DIY platform that enables retail merchants with zero programming skills to set up their e-commerce store using smartphones.

According to the Global Retail Development Index predictions, India will become the 3rd largest online retail market by 2030, with an estimated annual gross merchandise value of $350 bn. The Indian retail market is largely unorganized. However, the organized Indian retail market has increased by ~50% between 2012-2021 to its current value of nearly 12% of total retail. After the onset of the covid pandemic, retailers' relative performance in capital markets starkly demonstrates a pandemic-driven acceleration of ongoing industry shifts. It means those who wish to keep up need to speed up, which directly indicates the growth of the e-commerce industry in the country, which is estimated to grow at a CAGR of 23%. The growth drivers, such as growing income, growth in rural consumption, young millennial households, etc., hold much potential for the retail market in India.

We hope you have a great time reading SAMVAD!
Let's read, share and grow with us!

Best Wishes,
Team SAMVAD.

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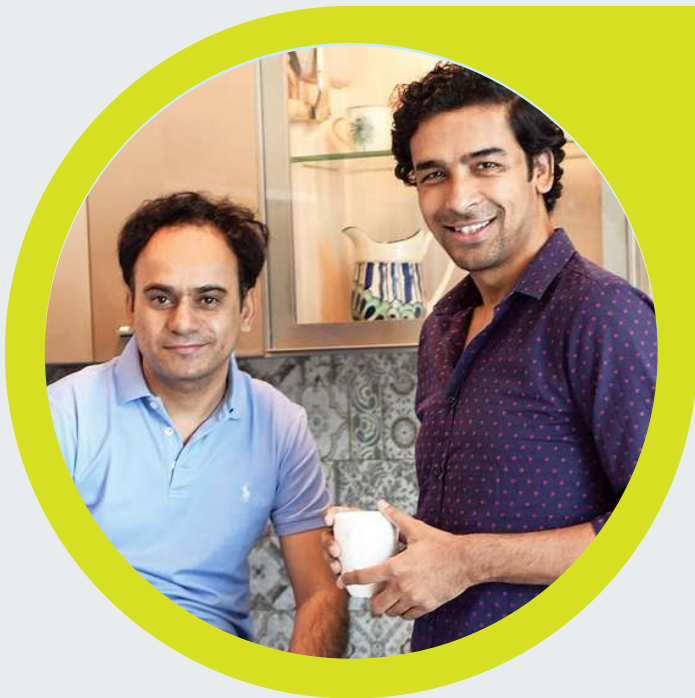
Raunak Raheja
GM - Powersports P&A,
eBay, USA

Q1) Could you please take us through your journey from being a Welingkarite to date?

As I come from a business family, my objective of joining Welingkar was to modernize our traditional business. I had never envisaged becoming a corporate professional. **The guest lecture I attended by the CEO of Future Bazaar proved to be a game-changer in my life**. The guest lecture led me to do a live project and further a PPO with Future Bazaar. **Back in 2006, e-commerce wasn't a buzzword, and start-ups weren't a thing.** My decision to join Future Bazaar surprised my friends and family, who thought I had gone insane to join this firm which, according to them, had no future. I am glad to have pursued my passion and have seen the e-commerce industry evolve from its introductory stage to what I now call its maturity phase.

Q2) What are the global best practices in the retail sector? Where is the Indian retail sector in its journey, and what could we possibly adopt from the international trends?

Unlike before, technology now allows for rapid penetration and adoption of new trends and practices. For instance, **start-ups from our country are now setting trends globally across industries such as Fintech, EdTech, and so on. Retailers across the globe have adapted to new ways of selling that include personalization, use of big data,**

machine-learning; those concepts now have become central and are no longer fancy buzz words. The omnichannel model is core to big retailers in any vertical, right from groceries to apparel. You can order online and pick it up from the store at a time convenient for you. Personalization will be the next big thing, and it's not just about having personalized algorithms but also how strong the company is and how well it carries out the implementation.


2019 Global Retail Development Index

Rank	Country	GRDI Score	Population (million)	GDP per Capita, PPP	National Retail Sales ($ billion)
1	China	70.0	1,394	18,110	3,869
2	India	69.2	1,371	7,874	1.202
3	Malaysia	61.9	32	30,860	110
4	Ghana	59.2	29	6,452	24
5	Indonesia	58.7	265	13,230	396
6	Senegal	55.6	16	3,651	10
7	Saudi Arabia	54.9	33	55,944	125
8	Jordan	53.7	10	9,433	15
9	UAE	52.8	10	69,382	78
10	Colombia	51.1	50	14,943	101

Source: A.T. Kearney 2019 / Nest Web 2020

Mobile E-commerce Adoption
% who bought an item on-line last month

- Indonesia 80%
- China 64%
- Malaysia 64%
- Saudi Arabia 58%
- India 55%
- Worldwide 52%
- UAE 51%
- Columbia 43%
- Italy 40%
- USA 39%
- UK 38%
- Germany 34%
- France 31%

Q3) How is the retail industry catering to the ever-changing and continuously evolving demands from the millennials and Gen Z?

Retail is a demanding and constantly evolving industry. In recent years, technology has emerged as the backbone of the retail industry across varied areas such as logistics, payments, platform, user interface, marketing, and customer relationship management, to name a few. Intending to maximize efficiency and increase returns, retail companies are now rapidly adopting automation, big data, and machine learning across departments. Millennials and Gen Z form India's basic demographic and are the preferred target segment for every company.

Today, the younger generation invariably uses digital media, which has emerged as the new hotspot for customer targeting and acquisition.

Showrooming Decreases With Age While Webrooming More Universal Across Generations
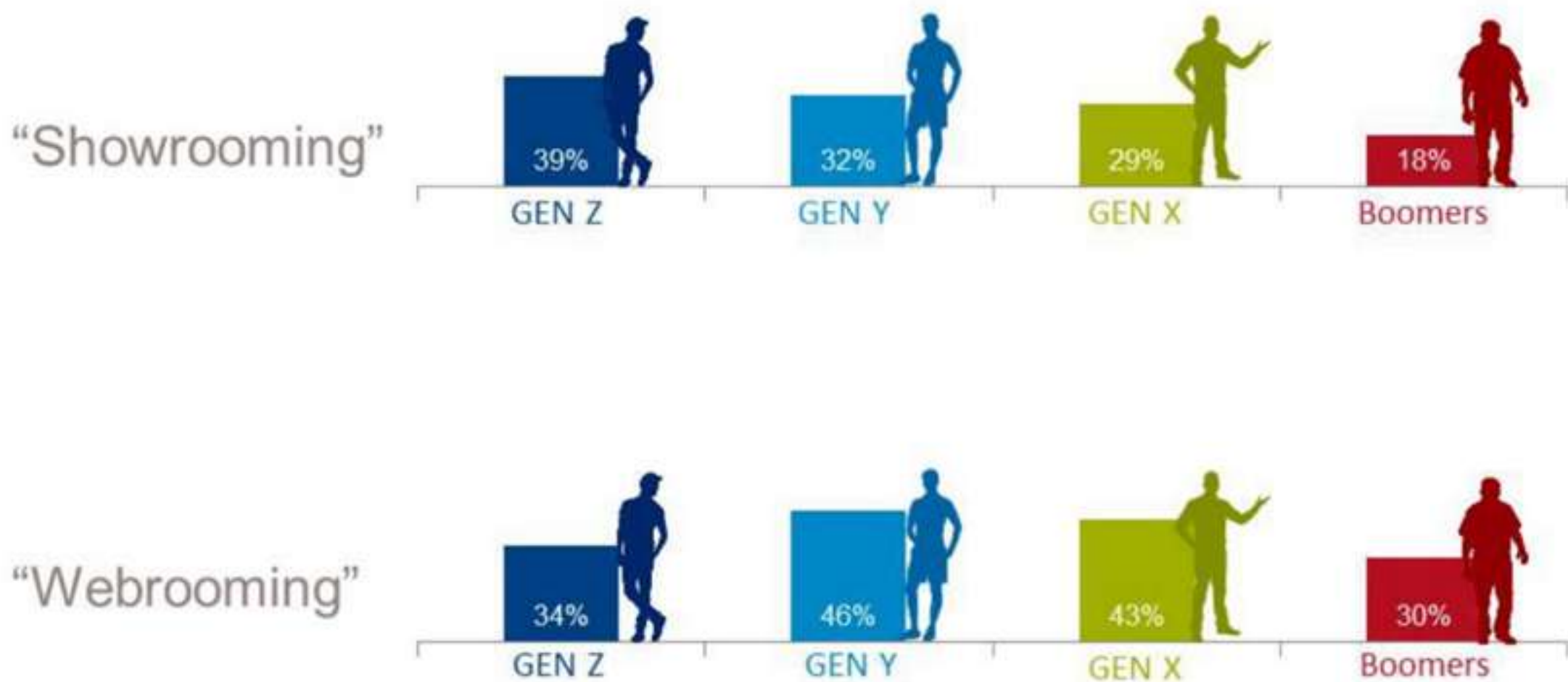
An active social media presence and digital marketing have surfaced as one of the key differentiators because they enable you to efficiently manage marketing dollars in a targeted manner and get you a solid return on investment. Then some new-age retail models are gaining momentum in the west; a few nations have developed their unique models to cater to buyer needs, which would continue to evolve. Here are a few examples:
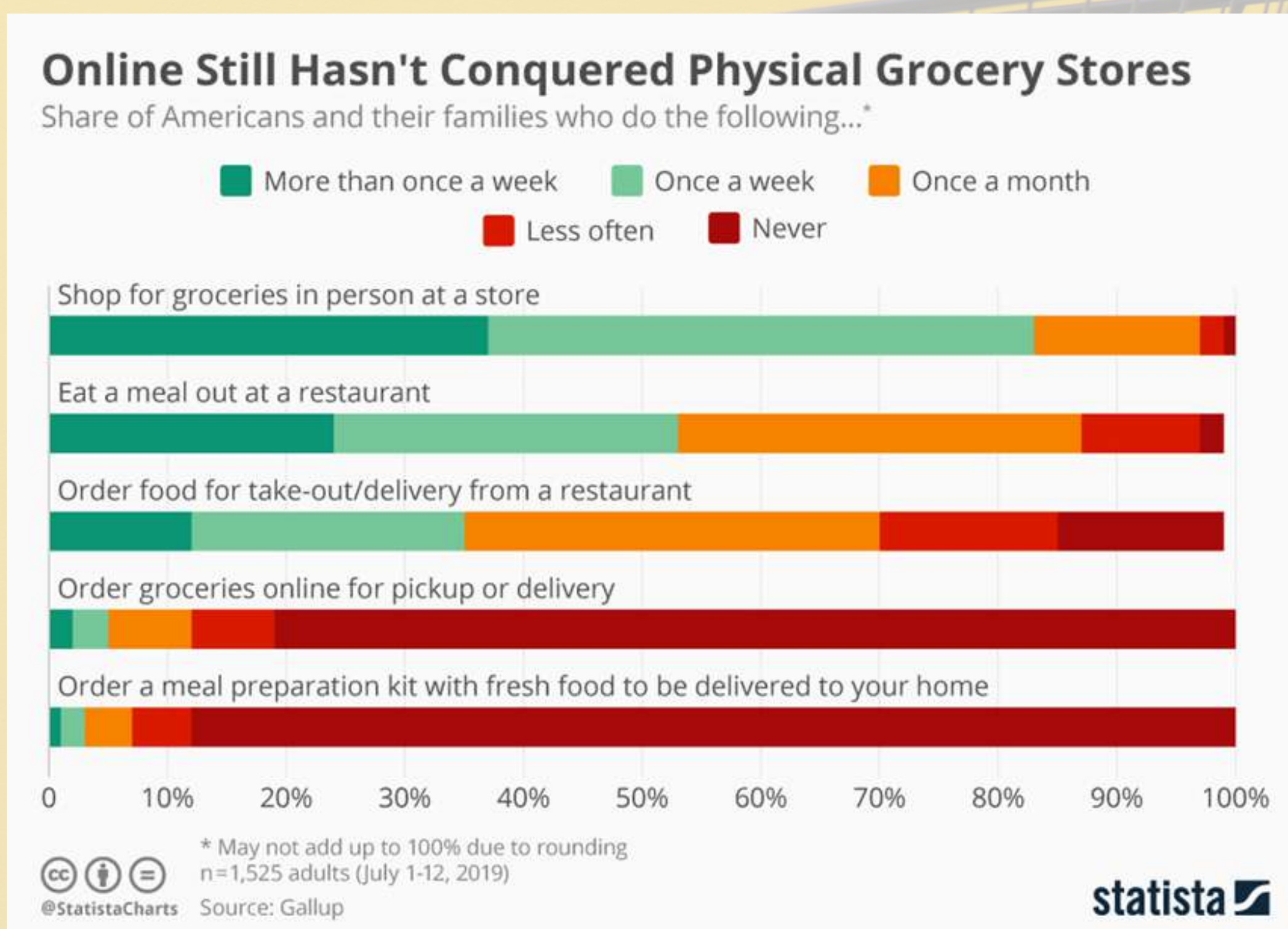
- **Omnichannel**: which lets you buy online and pick up from the store, is a seamless real-time integration of stores & inventory with online commerce. One can look for products, try them offline, and then add the same product to their online wish list. Or try the products offline and buy them; else, add them to your wish list for future purchases.
- **Purchase by scanning QR Code**: One can make most of their commute time to shop for essentials and groceries and select the preferred time for delivery.
- **Hyperlocal deliveries**: Grocery and essentials are now being delivered within 30min of ordering. Why would essentials be left behind if pizzas can be made and delivered?
- **Same/Next day delivery**: In India's metro cities, same/next day deliveries are now more or less a norm for e-commerce.

Q4) Do you think that due to the increased competition from supermarkets & largescale retailers, small retailers are in significant threat? Will they cease to exist in Urban India in near future if not in Rural India?

While all the above points on technology, automation, and big data might sound exciting and cool; **when one thinks of it big chains are using technology and automation to solve for personalization and convenience which our very own Kiranawalas have been doing for generations without any technology.**

Kiranawalas understands their customers, provides a personal touch, frequently extends credits, provides the convenience of home delivery, and much more. When you urgently need a missing ingredient for a recipe or necessities like milk, bread, or eggs, it's mostly our nearby Kiranawala who comes to the rescue. **Kirana stores might not be able to offer us great discounted prices, but in terms of convenience, they are mostly spot-on.**

Online Still Hasn't Conquered Physical Grocery Stores
Share of Americans and their families who do the following...*

Legend: More than once a week | Once a week | Once a month | Less often | Never

- Shop for groceries in person at a store
- Eat a meal out at a restaurant
- Order food for take-out/delivery from a restaurant
- Order groceries online for pickup or delivery
- Order a meal preparation kit with fresh food to be delivered to your home

0 – 10% – 20% – 30% – 40% – 50% – 60% – 70% – 80% – 90% – 100%

* May not add up to 100% due to rounding
n=1,525 adults (July 1-12, 2019)
@StatistaCharts Source: Gallup

statista

Now, one might wonder, why is there so much buzz about these start-ups and big chains? Well, we can argue both ways. The key difference here is of scale; Can the kiranawala continue to provide the same personal touch and service to his consumers when he addresses to double or triple the buyer base? Can kiranawalas offer large product width & depth along with deep discounts?

Retail is all about understanding your consumer and solving their needs. If the kiranawala can address the requirements and demands of his target audience then does he need the largest width & depth of any category? They might never be able to compete on big discounts, but one needs to focus on their strength which for kiranawalas are personalization and convenience. While there are certain limitations when it comes to local mom-and-pop stores, one important key point to ponder over is, **would big retail chains and start-ups be able to penetrate every small street in our country and rural India? Kiranawalas, on the other hand, maybe found in even the most remote parts of our country.**

Lastly, who says technology is solely for the large players? Of late, s**everal kiranawalas and vegetable & fruit vendors are efficiently operating and promoting their products via WhatsApp and accepting payments on mobile devices via UPI/QR codes.** Few of them have also opted for POS-based billing and inventory management. We live in a large and diversified nation, where all formats of retail can co-exist provided one advances and reinvents ways of selling and responds to client demands in a timely and appropriate manner.

Q5) Emphasizing on digital technologies and connected supply chain, what are the opportunities and challenges for the global retail sector?

Digital presents a zillion opportunities for entrepreneurs. A few entrepreneurs of our country are efficiently making use of digital technologies and social platforms to increase their brand reach worldwide and attract new consumers from across the globe. **In this digital age, everyone is competing internationally, and no one is in a monopoly or isolation. The main challenge that I see here is, the potential obstacles and restrictions on open borders in near future.** Few countries have started introducing additional cess or tax on products manufactured from other countries. This would result in additional pressure on Indian MSMEs and artisans because a rise in cess would directly impact the pricing and result in products becoming less appealing.

Q6) Demand from semi-urban and rural areas has increased significantly. Can you share a few insights on what different approaches the retail companies could adapt when catering to rural communities to maximize their potential?

Rural is a high-consumption market, but the cost of reach has been and continues to be a challenge. Logistics is the backbone of any company; logistics cost can make or break a company as it directly affects the revenue and, hence, the profitability of a company. Only a few companies have been able to penetrate rural India on a large scale. To be more cost-effective, new-age enterprises and B2B start-ups attempt to tackle this problem utilizing machine learning and artificial intelligence (ML & AI).

Q7) What's your advice for the young professionals who would be starting their careers soon?

I would offer three suggestions:

- Believe in yourself, set a long-term goal for yourself, and work towards achieving it. Nobody will invest in you if you don't invest in yourself.
- When starting your career, focus on learnings and not just earnings. The decision of which company to join should ideally be influenced by the factors that will provide you with exposure and present you with opportunities to learn and grow.
- Be agile, remember our grandparents never imagined a world where one could video call; technology and market are evolving at a much faster pace than one could imagine.
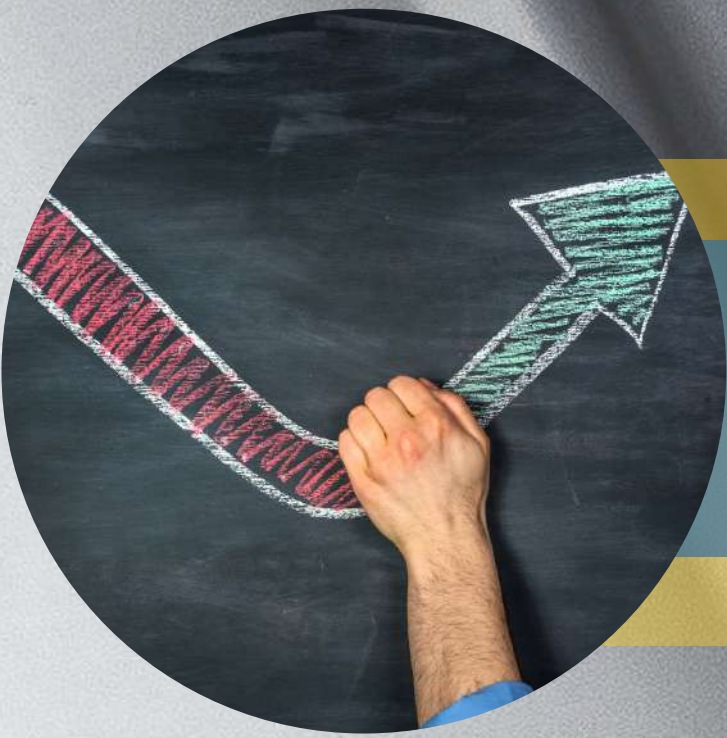
TALK OF THE TOWN

Auto Retail Remains In Negative, But Industry Looking For Improvement in Short Term.

Auto Retail has been showing a downward clip due to the global semiconductor chip shortage.

Registrations were down 18% compared to the pre-covid month of January 2020.

However, as India is getting back on its feet post the third covid wave, one can expect a positive graph.

Also, the semiconductor shortage is showing some signs of easing as many PV OEMS which assure better dispatches, according to Vinkesh Gulati, President of FADA.

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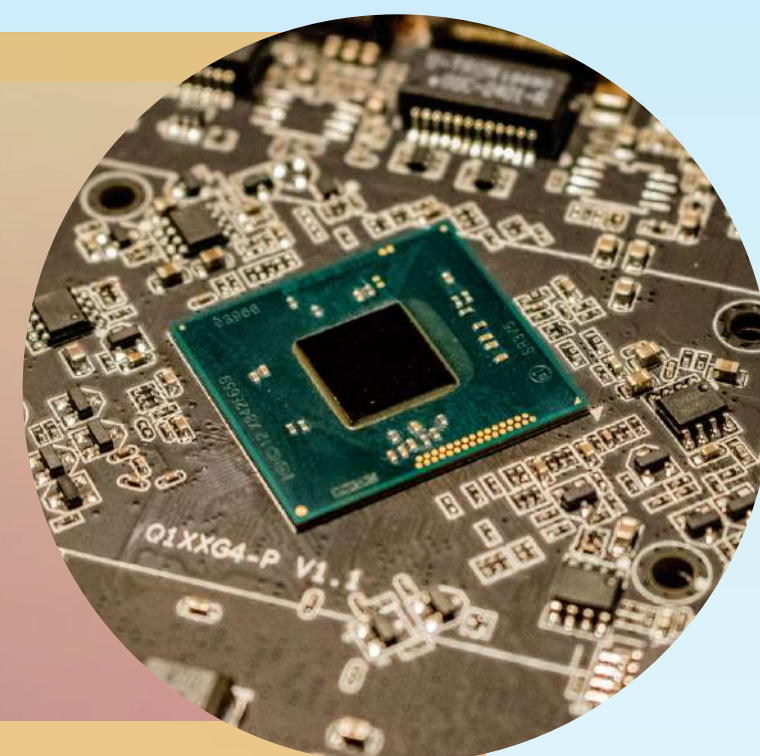
TALK OF THE TOWN

Livspace 7th unicorn in '22 raises $180 million.

LIVSPACE

1. Founded by Anuj Srivastava and Ramakant Sharma in 2015, Livspace is an Interior design and home renovation services company, becoming the 7th unicorn this year.

2. In a round led by KKR, including Important investors like Ingka Group Investments, Jungle Ventures, Peugeot Investments, it has raised $180 million, which values the firm at $1 billion.

QANVAST
MAKE IT HOME

3. Livspace recently acquired a major stake in Qanvest. Other unicorns this year were Fractal, LEAD School, Darwin Box, Deal Share, Polygon, and Elastic Run.

Redesigning Retail with People Analytics

Most companies can ramp up their analytics capacity, but many struggle to produce analytics.
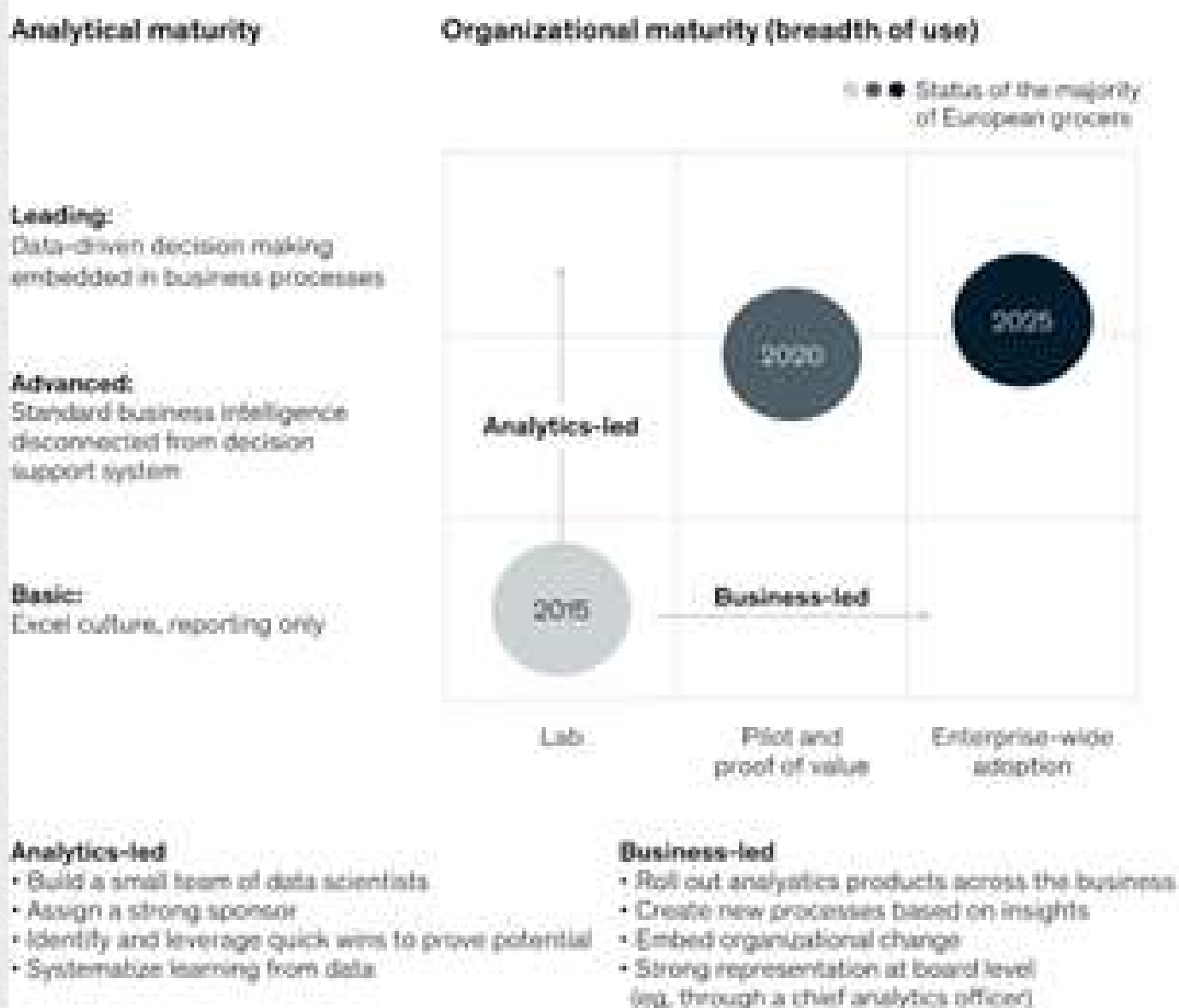
The sector of retail is ripe for automation. With the help of current technology, more than 50% of all the activities in the retail sector can be automated. This signifies that the skills required by the retailers to gain success in the future will differ a lot from the skills required for success in the past. In addition to this, the needs, interaction preferences, and the buying pattern of the consumers are evolving with each passing day. Trends that exist, such as online sales and the necessity of touchless service in brick-and-mortar stores is accelerated owing to the pandemic. To stabilize revenues and establish organizations for future growth, there is a dire need for retailers to invest in people analytics now. This will help retailers better identify the skills that will charge growth in the future, bridge the gaps, and assess their workforces' preparedness to meet tomorrow's challenges.

Stats by McKinsey Global Institute (MGI)

As per the study by MGI, with the help of existing technology, nearly 52% of all the activities in retail can be automated.

Amazon is already performing automation to provide retail experiences. The organization uses sensors and deep-learning algorithms to track shoppers' mechanisms as they make their way through the stores and detect when people take products from the shelf. The Just Walk Out technology by Amazon helps keep track of shoppers' choices, and it charges the total amount to the associated Amazon account once the shopper leaves the store.

Consumers have liked this development, and around 72% of the consumers said that the accelerated checkout feature is their favorite innovation in retail. This feature is convenient and a great way of limiting contact to reduce the spread of Coronavirus. However, since many people still prefer cash-based transactions, it is expected to have a period during which different technologies to checkout will coexist. With the advancements in technology, the operation of brick-and-mortar stores is changing. The share of consumers towards online shopping is also increasing even in categories like groceries, where growth has stagnated.

These changes have started to unfold so quickly that the advancements of the workforce's skills in retail are not keeping pace with the advancements of the capabilities required by the retailers to achieve growth in the market. It is expected that the time spent performing physical tasks will decrease from 24% in 2016 to 18% by 2030, and also, the time spent in performing basic cognitive skills will decrease to 24% by 2030. As opposed to this, time spent in activities that require technical skills will increase dramatically in the near future. People in retail looking to bridge this gap find that profiles lack the right skills.

Practices of leading Retailers

In order to reinforce their competitive position in hard times and prepare their organizations for future growth, the pioneers of retail around the globe have started to invest heavily in data and analytics.

People Management is one of the domains where many players expect a higher return on investments by executing an overall people diagnostic through analysis of certain questions as follows –
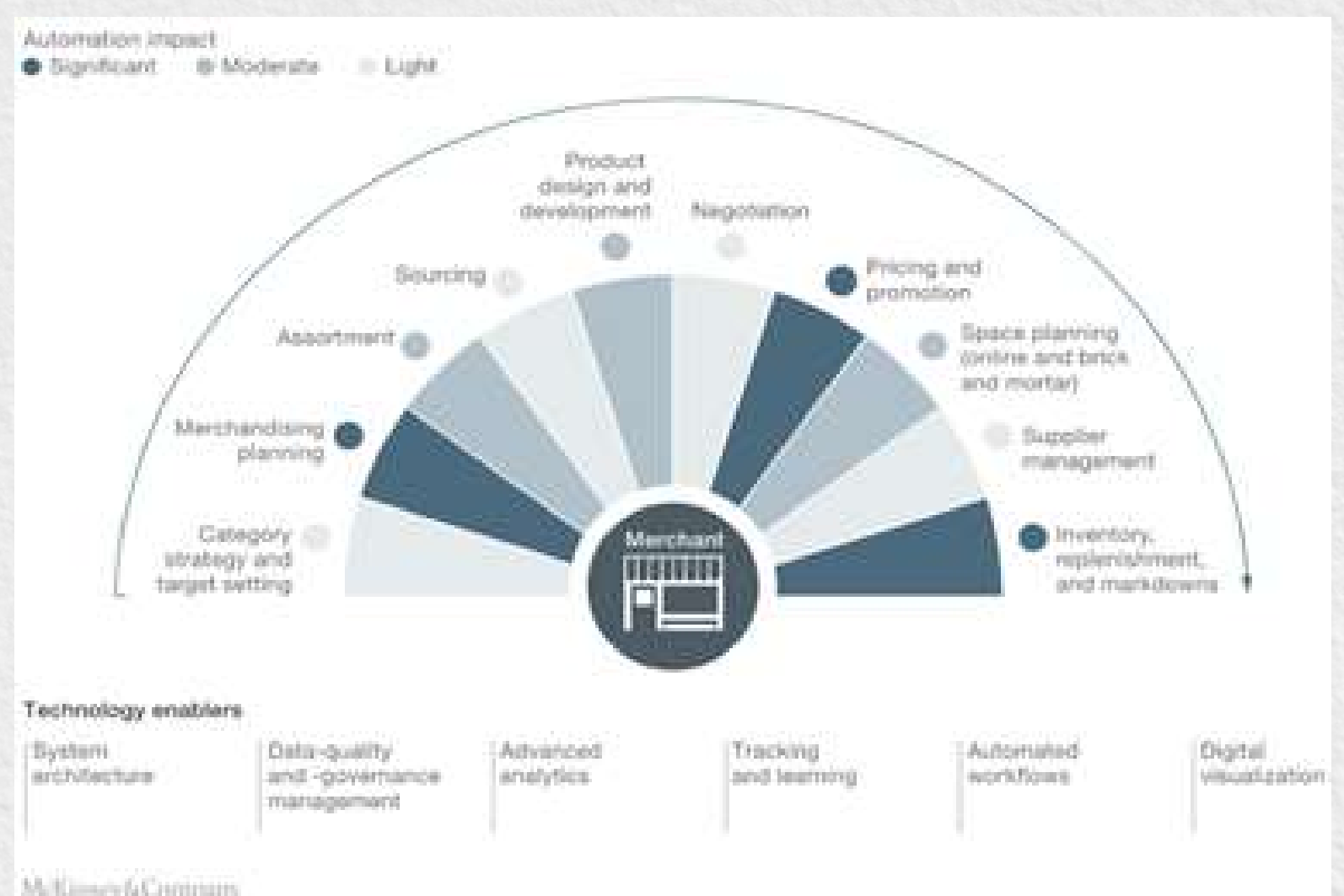
- How will automation, advancements in customer preferences, and labor shortages affect the business?
- Which areas or capabilities will help an organization drive growth, and which of these the organization currently has?
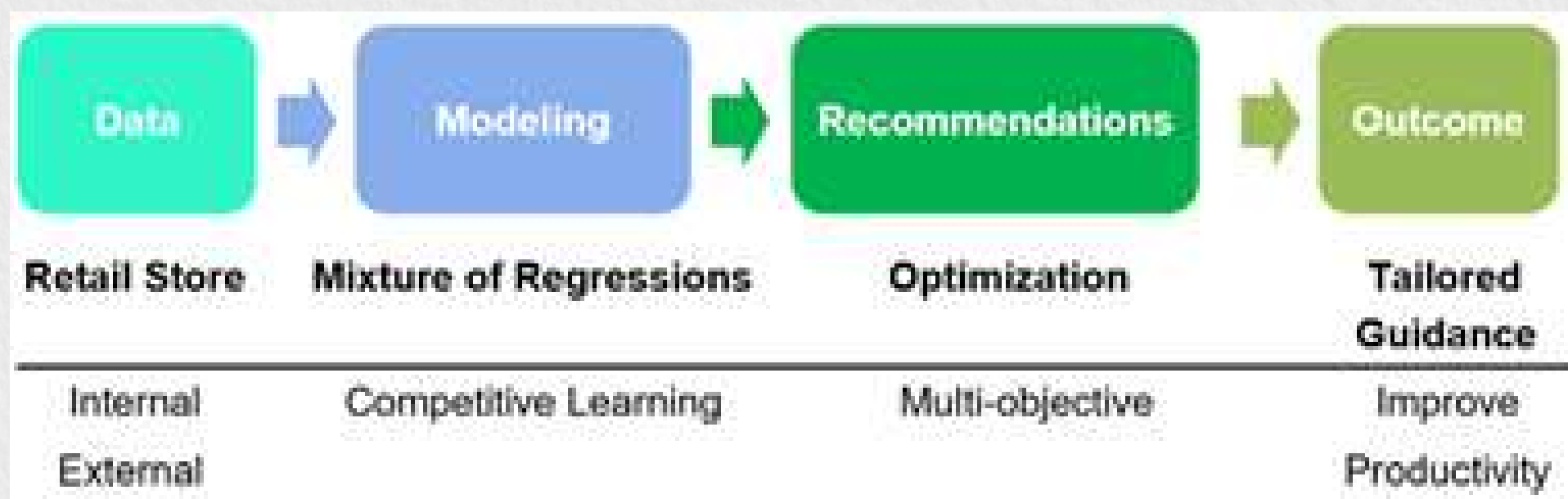
For brick-and-mortar stores, it is essential to examine capabilities within the store and determine how these parameters drive the value for the organization. Typically, higher-value roles in a firm are team lead, customer-facing sales roles, and experts who work with various departments to spread knowledge and guide employees on new-age tools. It is the job of retailers to determine what these roles are and what skills are needed to achieve the organization's growth. Often, retailers realize a gap between the capabilities required to succeed and skills they already have, which major players address by making informed decisions on how to bridge this gap and applying analytics in various areas.

As per a report by McKinsey, about 90% of the managers say their organization is either already facing skill gaps, or they expect the gaps in the next five years. To resolve this, companies must invest in people analytics that can inform reskilling efforts, which is an investment that yields returns enabling retailers to maximize productivity without changing the labor model. As roles advance, there is a dire need to invest heavily in developing new capabilities that will drive future growth. The future stores will not only have an advanced shopping experience through technology, but also it would serve as a hub for data-driven decision making. For maximizing the value, skilled labor is a crucial prerequisite.

Retailers looking to hire specialists would often find that most profiles are not readily available in the labor market. Many profiles that possess the skills are drawn towards start-ups or technology firms rather than brick-and-mortar retailers. But even after these difficulties, the retailers must keep in mind that not all skills are required forever. In order to meet the short-term requirements for certain skillsets, retailers may take the benefit of staffing solutions like one-off efforts, ecosystems where organizations collaborate with specialized players, employee sharing, or replying on interns and trainees (temporary staff members who have an option for permanent employment).

Modifying the retail labor model

After retailers have taken the initial step to bridge the talent gap, they must set their eyes on modifying the retail labor model, focusing more on win-win areas where customer satisfaction and the success of a business are driven by analytics and technology.

Data	Modeling	Recommendations	Outcome
Retail Store	Mixture of Regressions	Optimization	Tailored Guidance
Internal External	Competitive Learning	Multi-objective	Improve Productivity

Design thinking is one crucial tool that best practice players use to restructure retail with state-of-the-art technology. This is a tool that alters the traditional approach to process definition, and product development initiates with an unsolved need of the customer rather than just an idea. Analytics and technology are introduced in the operating model of the retailer so that the speed of processes can be raised, services are improved, and to develop a compelling user experience.

Across various domains, analytics and technology have the potential to improve productivity by 15 to 25 percent. Especially people analytics is a tool that will help retailers enhance their talent pipeline. This tool will help enhance the retention rate, employee performance, and customer satisfaction besides upgrading training and hiring efficiencies. This will help retailers who invest in people analytics to emerge from the current crisis and compete with their competitors.

Omnichannel Marketing

National Runner Up

Sudhanshu Aggarwal
MBA'23
SJMSOM, IIT Bombay

Introduction

Marketing is undergoing quick and significant change, shifting away from mass, "push" marketing and toward a more individualized, 1:1 connection with customers across the many platforms and touchpoints they utilize. The distinctions between what we do online and in reality have begun to blur. Marketers will need to adapt as people's behaviors change. Instead of considering multiple touchpoints, they need to take a more comprehensive approach — an omnichannel experience that customers can use whenever they choose.

Offering a captivating omnichannel experience was formerly considered cutting-edge in retail. It's now a prerequisite for survival. Retailers have to reimagine their customer interactions and develop new strategies to recruit, engage, and keep consumers by providing extraordinary experiences across touchpoints. Thanks to internet outlets, modern customers have more alternatives than ever before, and they want information in real-time. Omnichannel marketing allows people to interact with businesses on their terms, resulting in a better consumer experience.
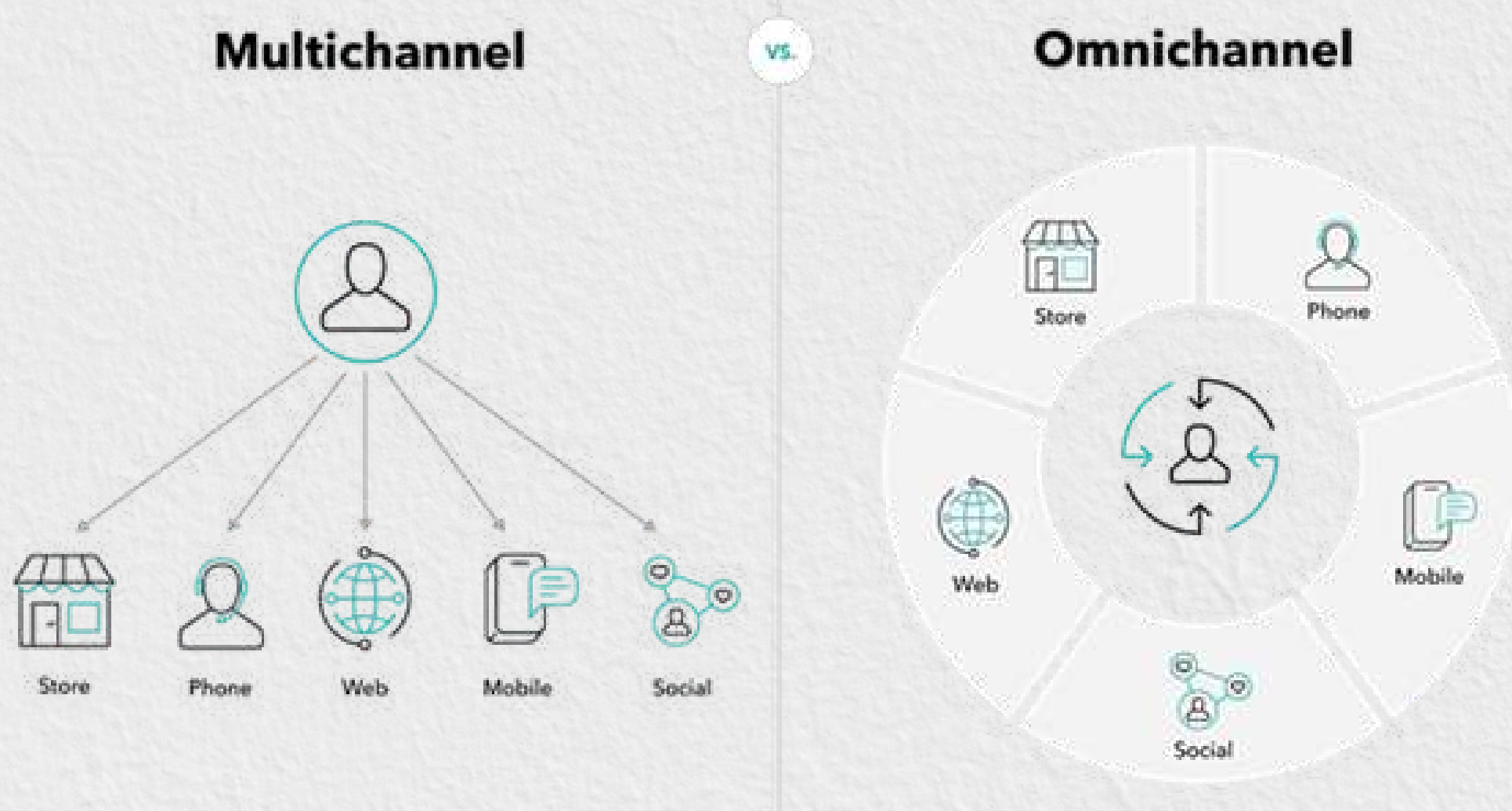
What is Omnichannel Marketing?

Omnichannel marketing approaches marketing methods from the consumer's perspective. It seamlessly integrates branding, message, and online and physical touchpoints as customers go down the sales funnel, allowing for a more robust customer experience.

Customers may now communicate with companies through various platforms, ranging from social media to customer care hotlines. By providing a few critical aspects, an omnichannel approach guarantees that the consumer gets a favorable, consistent experience across all channels –

•Maintaining a consistent, recognizable brand tone and vision
•Personalized messaging based on individual preferences
•Content informed by previous interactions and the present stage of the buyer's journey

Difference between Omnichannel & Multichannel Marketing

While both omnichannel and multichannel are predicated on engaging customers across various channels, they are not interchangeable. Multichannel considers the channel in question and how the purchase will be performed there. It makes a company available to customers online, in print, in-store, etc. Information and engagements across different channels are frequently isolated. Alternatively, omnichannel considers that the sales funnel may span numerous channels - and considers how to provide the most incredible experience when consumers travel between them. It offers an integrated, smooth experience across all channels. Transitions between devices and online and offline systems are fluid. Multichannel reflects operations by accessing different platforms, whereas omnichannel reflects the total customer experience.

Omnichannel Retail Strategies

As the buyer's journey grows more complicated due to the increasing number of promotional tools, marketers must untangle it and simplify it as much as feasible. An omnichannel strategy prioritizes the whole experience. Keeping this in mind, there is a critical criterion for creating an omnichannel experience –

HOW TO CREATE AN OMNICHANNEL MARKETING STRATEGY?

Cultivate a Customer-Centric Culture

Understand Your Customers

Segment Your Target Audience

Implement the Right Tools in Your MarTech Stack

Personalize!

Be Proactive Across All Platforms

Track the Right Metrics

Step 1 – Develop a Customer-Centric Marketing Culture

Businesses must fundamentally transform their marketing strategy to implement omnichannel marketing. Omnichannel marketing favors the consumer above the brand. The first step in omnichannel is changing people's perceptions of the buyer's experience. Examine all consumer touchpoints before becoming a customer to verify they all give a consistent CX.

Step 2 – Understand Customers

Collecting accurate and timely customer data is critical to executing an omnichannel strategy. This information can help businesses identify when their target audience connects with brands. An omnichannel approach will be powered by first-party data obtained through multiple methods. Brands must ensure that they have the tools to capture this data successfully, spanning traditional and digital channels.

Step 3 – Select the Right MarTech Tools

Brands must implement an analytics tool that can distill all this information in near real-time, allowing teams to course-correct while campaigns are running to fulfill customer requirements in the present. Brands must discover the appropriate tools and apps to link all the data. The tools should address the whole buyer's experience, from discovery through enjoyment.

Step 4 – Segment the Target Audience

After the data is analyzed, divide users into classes sharing common activity patterns. This will aid in developing customized experiences for each sort of consumer. There are virtually limitless methods to categorize your customers based on demographic, regional, psychographic, and behavioral factors. Identify and apply the data coordinates attributes pertinent to the company goals to identify audience segments.

Step 5 – Personalize the Content

Personalization is the most important part of omnichannel marketing because it helps consumers feel appreciated. Companies can customize interaction at a much greater level with the correct tools in the MarTech stack. As firms acquire more customer information, their capacity to customize the CX will grow.

Step 6 – Consistent & Proactive Across Channels

Brands must be accessible on the platforms where customers spend most of their time giving a consistent CX. Connect with them on their preferred medium and engage on several channels they like at different phases of their buyer's journey. Maintain uniformity across all channels to avoid consumer confusion.

Step 7 – Track the Functional Metrics

Integration of multiple technologies can provide a consolidated picture of feasible metrics, reducing confusion and assisting in generating actionable insights. Tracking the proper metrics with the right tools may also assist in identifying data irregularities.

Finally, perform an A/B test and assess the outcome to continually evaluate the omnichannel method's efficiency. This allows the marketing team to optimize campaign cost, messaging, creativity, and other aspects.

Benefits of Omnichannel Marketing

Today, most brands will accept that an omnichannel strategy produces significant outcomes. While executing an omnichannel strategy is far from straightforward, it provides a slew of advantages when done well. Creating multichannel consumer engagements may serve as brand differentiation, providing the following benefits –

- **Customer Engagement and Loyalty Increased** – Omnichannel marketing delivers a consistent experience across several platforms, tailoring the message to various audience segments. This sympathetic approach builds trust in your audience's thoughts, which improves the entire CX and leads to higher customer retention and loyalty.
- **Improves Brand Recall** – Business recall is a massive gain for a brand in today's day since customers buy things from brands they remember. The emphasis on consistency in omnichannel marketing guarantees that the brand is displayed consistently across platforms and devices
- **Contributes to Revenue Growth** – The key to multichannel marketing success is precise segmentation and personalization. Along with assisting in client retention, it draws new consumers with highly tailored content, increasing income.

Omnichannel marketing also aids in the improvement of a company's analytics. Brands have a deeper insight into the customer journey by measuring engagements across channels. This data may improve the strategy by creating more focused advertisements and optimizing advertising expenditure.

Conclusion

Every firm must create its omnichannel experience architecture, and to do so, it must collaborate closely with multiple divisions inside its organization. Companies can provide a consistent experience to consumers across all touchpoints by using this strategy. Maintaining a strong presence across numerous channels and getting them all to operate in sync to deliver a smooth experience for each of your clients may be daunting. Companies that execute well increase client relationships and user affection for their brand. They will appreciate organizations that consistently provide great experiences pertinent to whichever medium they choose to connect with. As a result, there are more sales, but there is also a better customer experience.

How fintechs are disrupting the retail banking space?

National finalist

Piyush Gupta
MBA 21-23
SJMSOM, IIT Bombay

Banking is the oldest Industry in the history of humanity. The Greeks were lending and borrowing money even three thousand years back [1]. Retail banking, often known as personal or consumer banking, provides financial services to consumers rather than enterprises. The major services provided by retail banks include savings and checking accounts, payments, personal loans, certificates of deposit, mortgages, and credit cards. As the backbone of any nation, banking is also an area where technology plays a crucial role. It is often said that Banks now have to think like a tech company and not just a financial company [2]. With almost all, Big Tech dipping their toes in the financial sector, failing to digitize would certainly mean failing to survive. This has led to the increased digitization of the existing banks and the emergence of FinTechs. The global investments in fintechs reached $98 billion in the first half of 2021 [3]. These new organizations have spotted the potential for the technology. They are competing with the traditional retail banks and the global tech giants for a place in the great Indian Banking Industry.

Why are Fintechs prospering?

With the emergency of the digital economy, tech-savvy individuals have quickly realized the benefits of fintechs. There are many reasons why people are flocking towards fintech rather than the traditional banks. These can be majorly classified into three buckets [4] -

1. Changing customer requirements
- The rise in technology has led to massive reductions in its time to do things. Latency in banking processes is no longer accepted, and many customers now prefer instant loans from fintech apps rather than from traditional banks.
- The hassle-free promise of fintech. Most of the major fintech provides a holistic experience where they can autopay your prepaid mobile bill, DTH bills, electricity bills, and so on.

2. Evolving Technology
- Now that internet has become ubiquitous. Most customers prefer performing regular banking tasks online. Tech-focused companies have the edge here as they can achieve a better User Experience and faster processing.
- UPI has been a major game-changer in India. It essentially makes going to banks or ATMs redundant for many activities. Many startups have successfully built their apps around this model.
- Faster and easier availability of technology. With cloud computing, processing power can be rented, and with the low baggage of startups, they can easily build their online infrastructure rapidly.

3. Growing Availability of data
- With data availability, many big techs have penetrated the market by providing customized offers to users. This could include discounts on their purchases, auto-payments of bills, etc.

Faced with such challenges, the retail banks of India rapidly pursued these initiatives and launched their own fintech products like SBI YONO. However, the delay in launching these services meant that startups and the big tech had already taken the first mover's advantage. SBI Yono, for instance, was launched in November 2017[5], while many major fintech had already made their presence felt in 2016. Even though these platforms by traditional banks have secured huge valuations, they remain second to the newer fintech in terms of regular use by customers. Most fintech today are either backed by big organizations or are part of these organizations themselves. This provides them with the capital to attract customers. Google pay built a humongous following based on its scratch card model of cashback.

Despite being a late entrant, Amazon pay is doing the same today and reaping benefits in the form of huge customer acquisitions.

One caveat to the rise of fintech is that most of these fintechs are actually dependent on today's major banks. For example, all UPI transactions are linked to a partner bank. Given the regulatory environment in India, it is highly unlikely that the major banks of India would perish due to the rise of fintechs. However, these banks now have to share their profits and customer base with fintechs, leading to a decline in the power banks command over users. The rise of cryptocurrency is another challenge for banks. The legality and regulation might be in jeopardy, but most banks would be severely hit if cryptocurrency gains mainstream recognition.

The rise of fintechs has definitely led to numerous benefits for the customers. Today we can pay the electricity bill in under a minute, while 15 years back it involved going to the electricity office to make the payment. While a boon for the end-users, it has disrupted the retail banking space and has left no options for banks but to digitize. The banks did respond to the threats, and most of the major banks have a presence in the digital space, but many other players could take the first mover's advantage. In the future, we would definitely see complete digitization by the banks. Still, it remains to be seen if banks would be able to gain an advantage or would the startups and big tech continue disrupting the banks and gain even more prominence in the retail banking space.

AI and ML-powered Marketing: Views from Customer's Perspective

National finalist

Deep Arora
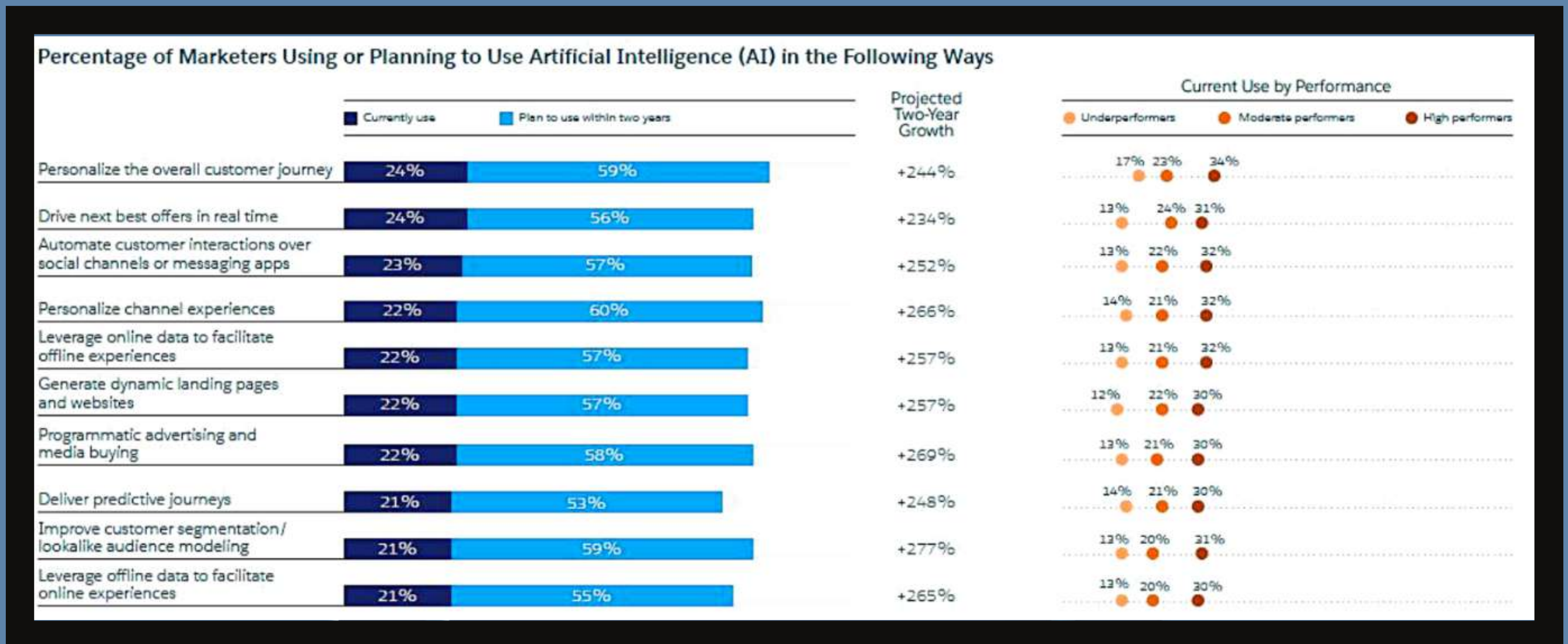**Symbiosis Institute of**
Management Studies (Sims)

"Is artificial intelligence less intelligent than us? Can we run market on autopilot with ML?"

AI and ML (automation) in marketing have been a growing trend over the past years. Companies are smart enough to see that customers' desires are changing, and they have taken to automation as a way of adapting. But how do consumers feel about this? What are their thoughts on AI and automation, like never-before-seen attempts by companies to change up their customer's experience?"

Traditionally, marketing approaches don't have a comprehensive understanding of user behaviors and buying patterns. In contrast, AI-based marketing uses detailed information about buying patterns and behavior. Marketing teams today can leverage the power of AI into their businesses with the help of these detailed ML models.

Source: https://www.google.com/url?sa=i&url=https%3A%2F%2Fblog.socialmediastrategiessummit.com
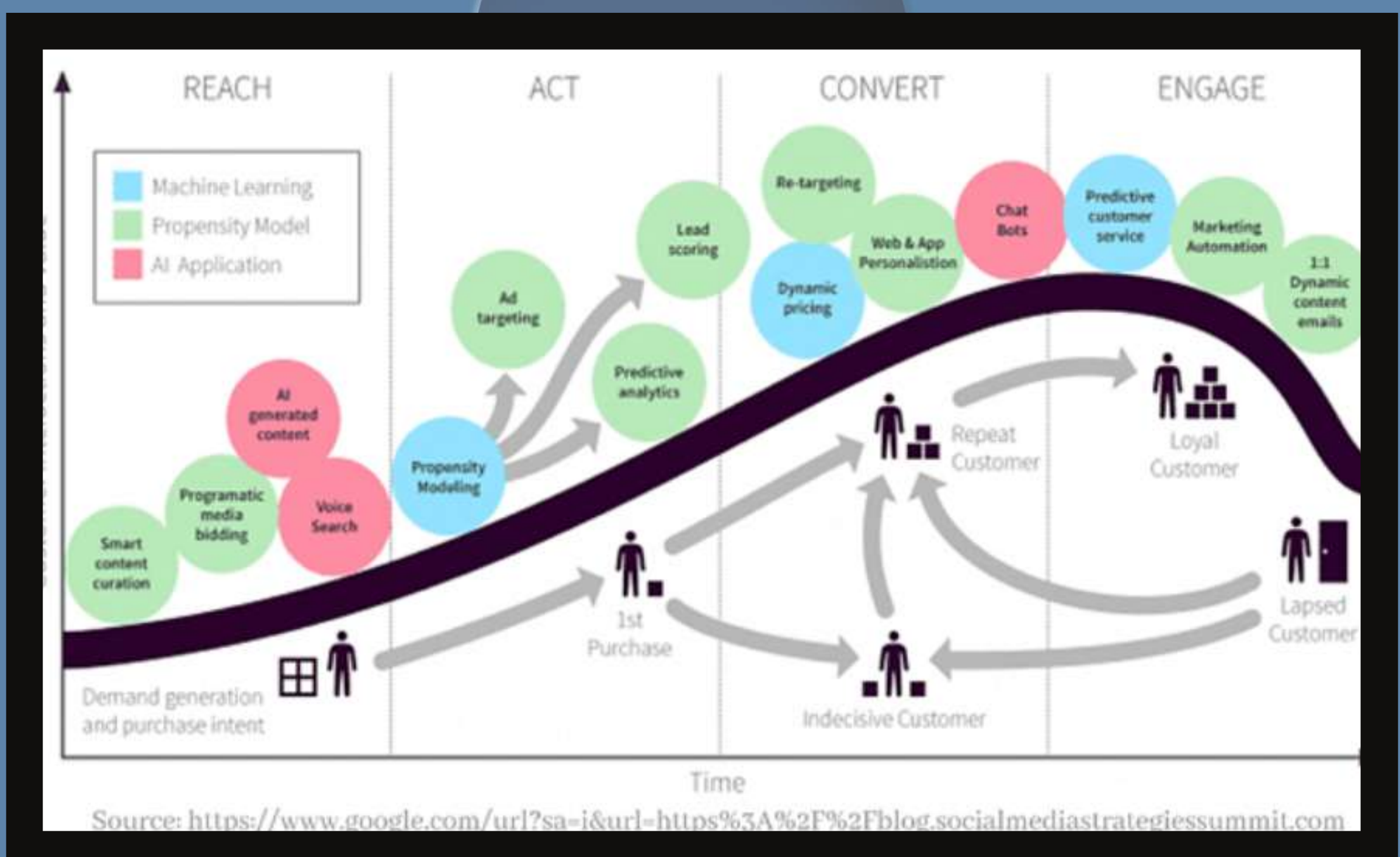
For years now, marketing has been taking place online; this has led companies to take advantage of AI and automation to tweak the experience for their customers. While many consumers see the benefits of these advancements, there is concern about some things that may happen along the way without human involvement.

Percentage of Marketers Using or Planning to Use Artificial Intelligence (AI) in the Following Ways
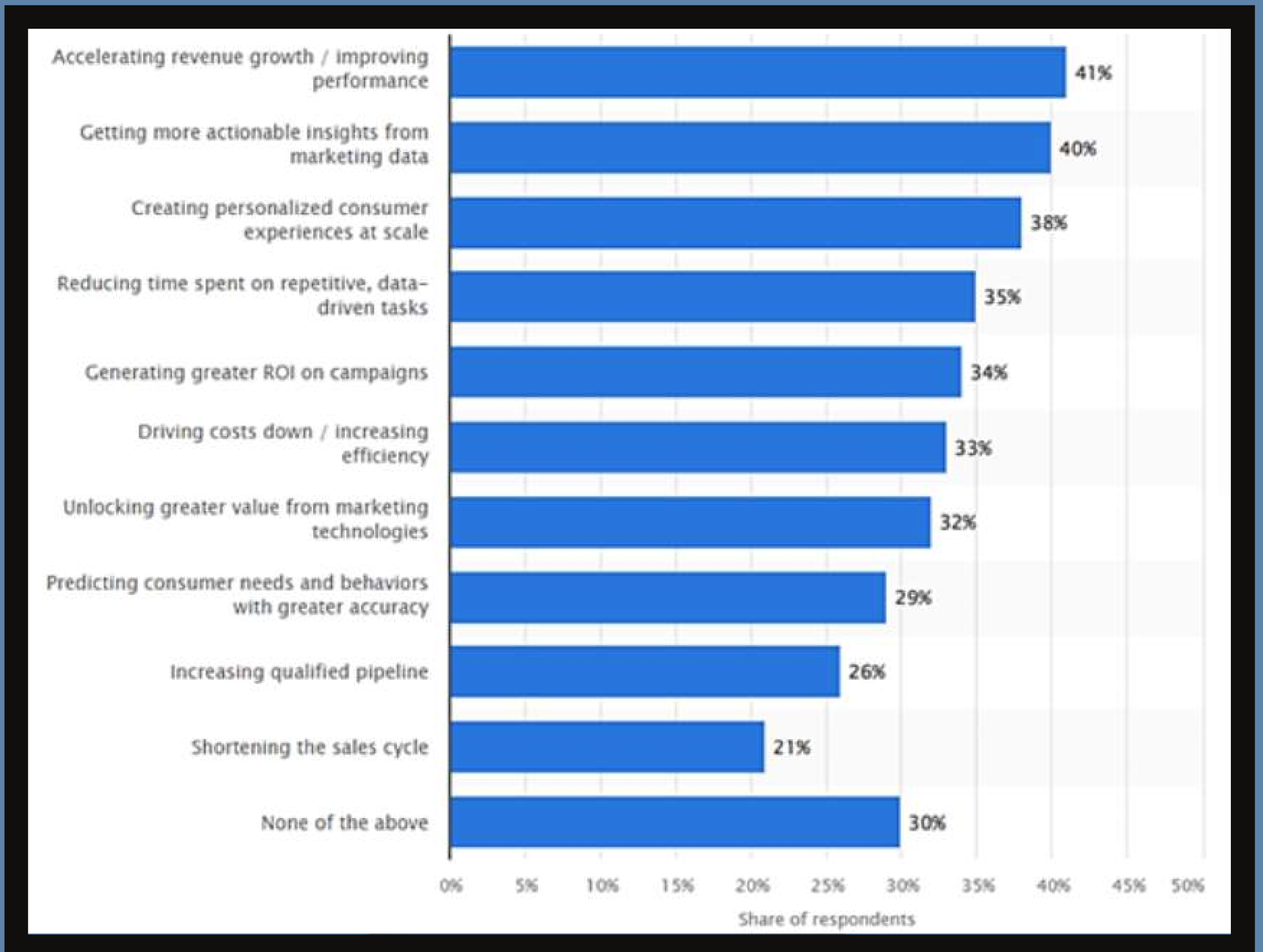
The Customer Experience

While seemingly helpful and convenient, AI and automation can cause some problems to customers. A study conducted by Tractica, a Boulder-based research firm specializing in information technology, found that automation can lead to customer frustration. Companies have been using AI and automation as a way of helping their customers, but this may not always be the case. For instance: AI can begin to automate certain processes in your company's products or services it offers without human input. This means that you won't receive customer service when help is needed.

One way that companies are taking advantage of AI and automation is by using chatbots. Chatbots are AI technology that enables a computer to interact with a human through messaging. Companies use these chatbots to replace certain processes, such as customer service, to save time. However, this can lead to confusion and frustration for customers when they have issues with a chatbot. Chatbots can be very hard to understand, and they must be continually explained and improved upon for them to function properly. There is also concern about how chatbots handle sensitive information, like credit card information.

Companies like Amazon and Google have recently begun to display the number of purchases made by some of their users through their card-processing service. This is a way for the consumer to see all the purchases they've made on their account and how much money was spent on each purchase. While this can be helpful for customers, and a good measure of how much money they spend, there are concerns that nefarious individuals would use this information for their own gain.

Category	Share of respondents
Accelerating revenue growth / improving performance	41%
Getting more actionable insights from marketing data	40%
Creating personalized consumer experiences at scale	38%
Reducing time spent on repetitive, data-driven tasks	35%
Generating greater ROI on campaigns	34%
Driving costs down / increasing efficiency	33%
Unlocking greater value from marketing technologies	32%
Predicting consumer needs and behaviors with greater accuracy	29%
Increasing qualified pipeline	26%
Shortening the sales cycle	21%
None of the above	30%

Another AI technology that companies have been using is automated sales calls. Companies will use AI to make cold calls to sell products or services directly to consumers. It can also mean that companies will use AI to take customer information, like names and contact information, to make future sales calls: something that may not be very desirable. Consumers view both technologies as an invasion of privacy. However, one might ask the question: if a customer chooses to answer a call, is it really their choice? Companies are using both AI and automation to save time and resources, but this has caused some concern among consumers; however, it is also a beneficial tool for companies to better market their products or services.

Who is Affected?

Most individuals who use these chatbots and automated sales calls are typically younger adults. Individuals that use these technologies suffer from less-educated parents and weak social structures. These individuals often have lower incomes and are less likely to use the banking system, creating a risk for them when it comes to fraud and theft. In other words, people who don't have the money to afford a chatbot or automated sales call may be vulnerable to identity theft or financial fraud. Additionally, these technologies are great tools for socially isolated since they can interact with others online by simply speaking with a computer system. Many of the users on these platforms will have shallow barriers to entry, which can make them open to interactive marketing tactics that they may not normally consider before, such as phone calls or emails. Additionally, chatbots and automated sales calls are most likely to be used by young adults with low incomes, considered vulnerable groups. These individuals have very little money saved up and can be prone to fraud due to their lack of experience. This can lead to financial losses in the long run, as well as an impediment in getting loans or other services from banks and other institutions later on.

Why Is This Happening?

The power of AI is growing every day. At this point, there is no way that a company can avoid it. According to Harvard Business Review, AI is one of the six key innovations that will change our lives in the next five years. This is because every big business, both online and off, knows that they must be able to use these new technologies in order to stay competitive. In this way, companies are dependent on AI to streamline their operations and improve their customers' user experience. AI will not only continue to change how we work with businesses; it will also change the way we engage with each other through our smartphones and computers. The power of automation will greatly increase in the future, and its benefits will help everyone. The ability to communicate with a computer system through messaging platforms like Facebook Messenger or even by simply asking Siri a question are just several examples that can help individuals who can't afford chatbots or automated sales calls.

Conclusion

AI and automation can help companies make the most of them by saving time and resources. However, there is also a potential for harm here. AI is a powerful tool that can be used for good or evil, both for companies and individuals alike. While it is still in its infancy stages, there has been enough talk about AI to create concerns among consumers regarding these technologies. There are fraudulent uses of AI on these platforms, such as automated sales calls and fraudulent accounts, in order to steal money from individuals who wouldn't normally have money to lose. It is important that consumers be aware of this as they venture into these spaces as they may be more vulnerable than many think. In order to prevent the potential harm that can come from these platforms, it is important that companies use these technologies wisely and responsibly. Consumers should be aware of some of the risks involved in using these technologies and know their rights when interacting with companies online.
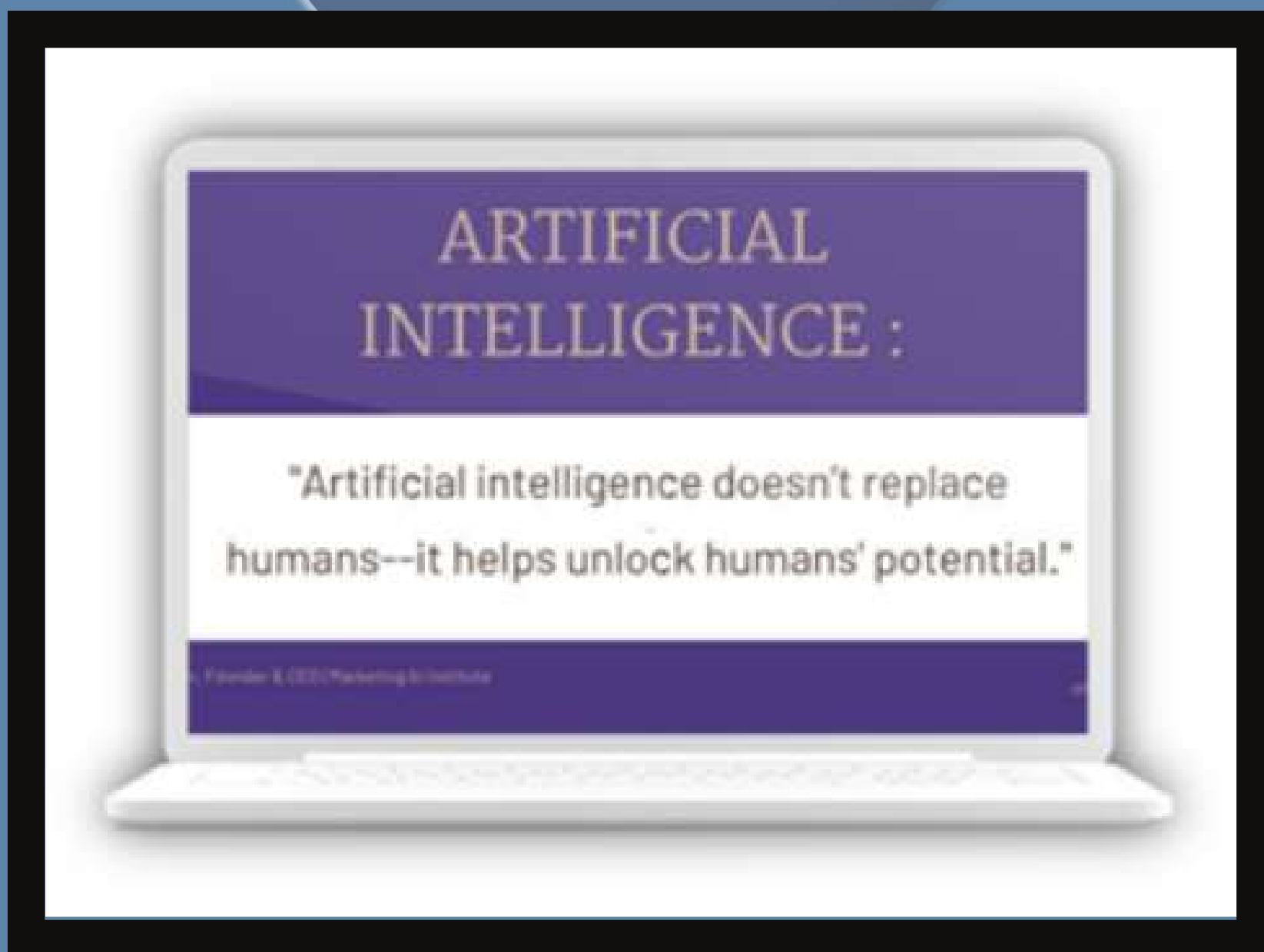
Inventory Management – the heart of retail operations

National finalist

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MBA 20-22
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Automobile 0.43%	FMCG 0.8%	Textile 0.36%	Metal 0.25%
Warehouse cost in proportion to Net sales	Durables 0.38%	Engineering 0.22%	Pharma 0.43%
Chemical 0.57%	Auto Auxiliary 0.35%	Fertilizers 0.46%	Cement 2.03%

The major challenge for a business is cost optimization, where the significance of inventory comes into the picture. To prevent a stockout situation during spikes in demand and avoid lost sales, businesses need to ensure that adequate inventory is maintained. The efficiency of the logistics chain determines the cost and time savings that can be achieved. Businesses with seasonal fluctuations and last-minute inventory management require effective scale-up of supply chain in-line with customer demand, giving rise to the requirement on the on-demand warehouse. The advantage of the most cost-efficient carrier options and ground delivery is done by setting up the inventory closer to customers, reducing last-mile costs by shortening the distance goods have to travel. On average, the typical spending on warehouse cost in proportion to the Net sales ranges from 0.3% to 2%, which is a significant contribution. These figures are higher for fast-moving goods which require short-term storage options.
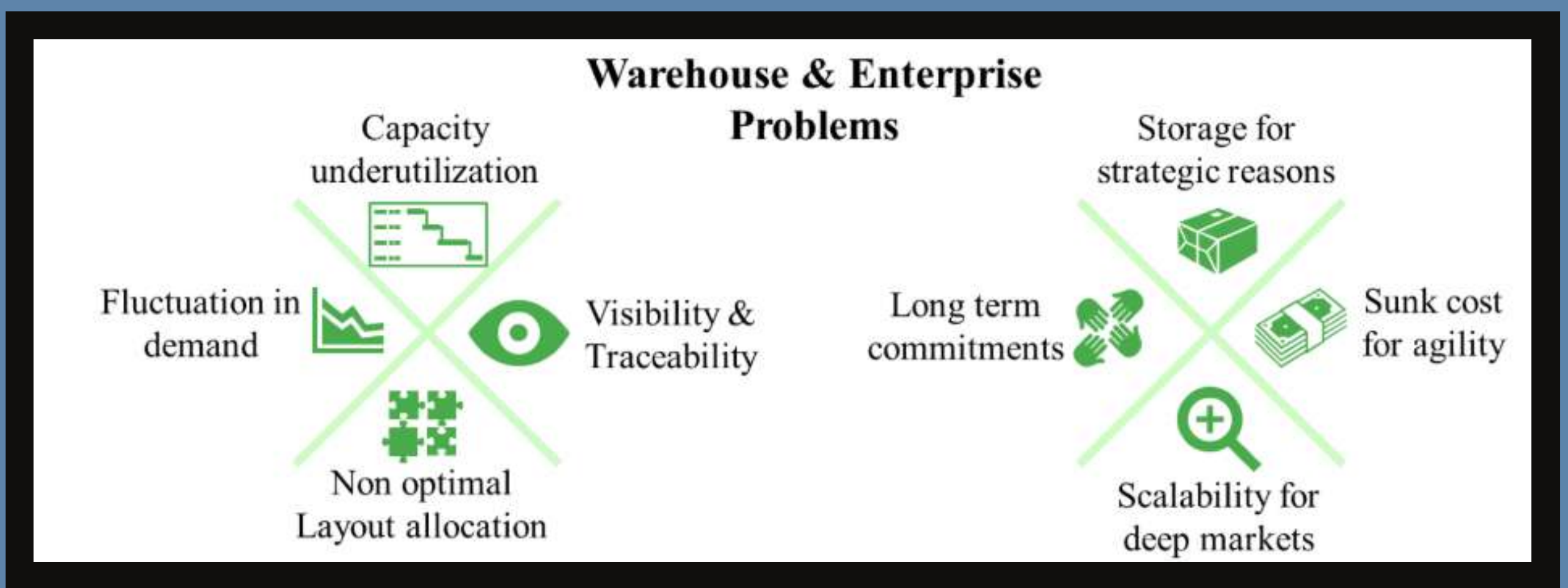
Warehouse market

Warehousing is important in ensuring the smooth flow of supply chain networks globally. Various sectors like FMCG, Retail, Pharma, E-Commerce, Manufacturing are seeking more demand in the warehouse market. In the Indian warehousing market, the manufacturing industry contributes to about 80% of the market, estimated to be at 68 million sqm in 2019 and is expected to grow to 86 million sqm by 2024. The unorganized segment and captive spaces largely address the manufacturing sector. The leased warehousing space market of all sectors is of interest to developers, occupiers, and institutions. The Top warehousing markets in India witnessed a growth of 77% year-on-year in leasing in April 2018 – March 2019.

On-demand warehouse

The need for an On-demand warehouse arises in scenarios where E-Commerce fulfillment increases their delivery promise and makes one-day or even same-day delivery possible. Online businesses use on-demand warehousing as their entire logistics network by adding more fulfillment centers that are simple & cost-effective to shorten delivery times, cater to last-minute requirements, construct built-to-suit warehouses, enter new markets and expand globally. Based on the demand conditions, warehouse space could be deployed at different locations, for different volumes, by paying only for what is used without investing in fixed costs or long-term leases. By splitting warehouses between multiple companies to maximize utilization and offset costs, they can improve their earnings.

Reasons for On-demand warehousing

Using the scale of a firm's operations and the duration for which it needs to store the inventory, the following can be the typical used cases.

a. Pilot run for market expansion – A firm planning to penetrate a new region generally runs a pilot program to gauge the response. Based on the feedback, it may decide to go further or exit. Typically, these firms do not want to have a higher sunk cost on the warehouse.

b. Strategic inventory – Due to anticipated demand, a firm might pile up its inventory to gain and capture the market in the future, which typically requires temporary storage as the current capacity may not satisfy the volatile requirement; hence temporary storage with fewer commitments is required.

c. Spillover – In contrast to the above situation, there can be the case, especially with FMCGs, due to uncertain situations and error in forecasting might result in inventory pile up when the demand is less than the forecast. These inventories, however, will be sold in the near future but will require temporary storage.

d. Fulfilment centers – With the gaining traction in E-commerce, firms' main differentiation is reduced delivery time. However, to achieve this, the firm needs to make its product available by pulling the inventories as close to the customer. As soon as the demand occurs, these pulled inventories can be used to satisfy the demand. However, these demands are highly volatile. A firm operating on low margins cannot afford to invest in a warehouse that caters to fluctuating demand and hence requires a methodology with fewer commitments.

Components of On-demand warehouse

There are two main stakeholders in the entire business model. One is on the supply side, i.e., the warehouse operators who run the warehousing services, either owned and operated by the warehouse owner or operated by a 3PL. The other is on the demand side, i.e., one who requires the warehouse and will actually be using it. There is a requirement for an in-between intermediate to map the two stakeholders, which requires an aggregator similar to Swiggy or Uber. The following are the components of an on-demand warehouse aggregator.
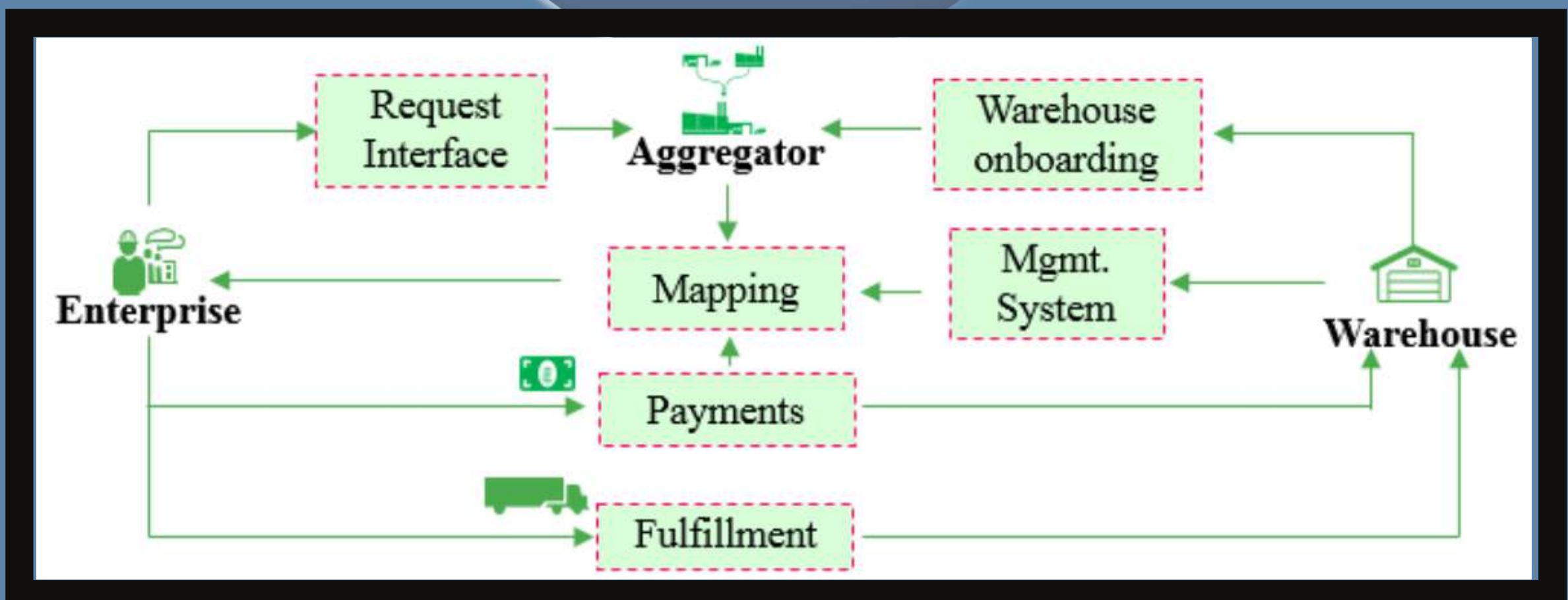
a. Warehouse onboarding – For the firm to choose from the list of the available warehouse as per their need, the maximum number of warehouses need to be on board on the platform. This starts with the sourcing from the regional teams to the final boarding on the listing.

b. Warehouse management system – A suitable WMS that can accurately track the activities of the warehouse from receiving to final send-off is needed to promise the customer the space available for the tenure.

c. Request interface – There must be an interface through which the customer/firm enters the platform and makes his request.

d. Mapping – Based on the user requirement and the supply availability, the aggregator makes the suitable mapping to match the stakeholder. This could be an automated system that uses decision tree algorithms, Artificial intelligence, etc.

e. Payments – Post-approval by the firm. It makes the necessary payment via a portal. The aggregator deducts a certain percentage of his commission and pays the remaining warehouse, which forms additional revenue.

f. Fulfilment – Once the deal is closed, the enterprise starts sending their shipment to be stored to the warehouse. There could be other value-added services provided by the warehouse or the aggregator, such as logistics support, packaging, labeling, etc.

Advantages of On-demand warehouse
For warehouse operator
a. Instead of bearing the expenses of the unused space, their warehouse can be converted into a means that can provide revenue.

b. Ability to understand the business dynamics to varying trends and fluctuation in demand. Since there operate on short durations, the microscopic perspective of the business can be well understood.

c. Gives access to a wider customer base. Since the aggregator takes care of the listing, the related marketing is offloaded and enables access to a wider spectrum of users.

For enterprises
a. No commitments for the enterprise. Since they enter into short-term contracts, the associated commitments for the enterprises are less.

b. Getting closer to the customer. This model enables pulling the goods required by the customer as close as possible, thereby satisfying the demand as soon as possible whenever it arises.

c. Scalability at the control and better cold start for a firm entering into a new segment or a new region as this model reduces the sunk cost involved.

WeAchievers

Tata Projects' Sustainability Challenge - Case Study Competition | National Runner-Up

The competition was to think of new and inventive ways to improve a data center's productivity, dependability, and efficiency. It was a test of our capacity to think technically and commercially, keeping in mind that the solution should be economically realistic and practicable.

Team PAL

Prabhlin Kaur Matta

Aakash Gupta

Lakshman Upadhyay

1. Give us a short description of your competition.

The competition was to think of new and inventive ways to improve a data center's productivity, dependability, and efficiency. It was a test of our capacity to think technically and commercially, keeping in mind that the solution should be economically realistic and practicable.

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2. There are n no. competitions on D2C. What is your strategy of deciding which ones to apply to?

While searching for competitions, we play to our teams' strengths. Our priority is to look for the exposure the competition offers and also how we can get to learn beyond academics. We never restrict ourselves to a particular specialization or a domain. Our motto is growth with experimentation.

3. How does your team manage differences of opinion?

We are well versed with each other's strengths and weaknesses. Based on the task in hand, we let the relevant person take charge, and the rest of us contribute in the required capacity. This helps us in sharing responsibilities, promoting peer-to-peer learning, and avoiding differences of opinion.

4. Briefly describe challenges, if any, that your team faced during this competition and how did your team handle them?

While working for this competition, we were short on time, and human resources as one team member was traveling, and due to late registration, we had just two days to solve a 14-day challenge. We made the most of our time by delegating our work according to the strengths of the remaining two members. Our approach was to keep the solution simple and practical.

5. Any Key learnings you would like to share.

Participating in these competitions allowed us to apply what we learned in class to real-world situations. It also helped us build our interpersonal skills such as problem-solving, teamwork, and working under pressure. We learned to compare various outcomes that we get iterating the input considering the feasibility and accessibility of the resources. Going with a simple basic solution backed by numbers and relevant explanations helped us greatly.

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