

# RETAIL 4.0

## INDIA STORY

Unlocking Value Through  
Online + Offline Collaborations

technopak



# Foreword

Retail as a sector is one of the growth engines for nation's economy, with double digit contribution to the GDP, and employment to nearly 40 million individuals in FY2020.

The COVID-19 pandemic presented enormous challenges for the retail segment. The players not only experienced sudden shifts in demand patterns and supply chain disruptions resulting from restricted inter-state movement, but also faced sudden workforce fluctuations because of infection related concerns and mass reverse migration.

COVID-19 has been a litmus test for resilience and adaptability, and retail players have been largely successful in navigating the crisis by leveraging technology and collaborations.

Government of India has been consistently emphasizing that focus on digitization is the need of the hour. As such, it is heartening to see the exponential increase in tech-adoption in Indian retail during COVID-19 which was led by traditional retail players.

It is fascinating how neighbourhood stores and kirana shops crossed over to the other side of the digital divide and are now part of a digitally connected retail ecosystem.

As we set our gaze towards a post-COVID future, I hope that Indian retail carries forward the growth momentum leading to a digitally activated and more collaborative Online + Offline ecosystem.



**Amitabh Kant**

CEO, Niti Aayog,  
Government of India

# Foreword

Indian retail sector contributes 10% to India's GDP and 8% to the workforce. The sector is very diverse and comprises of multiple channels and participants.

One of the silver linings of the COVID-19 pandemic is that it highlighted the agility and resilience of the retail sector. Fuelled by technology, different retail channels which are often pitted against each other worked together and partnered to ensure that needs of the population at large is met. Be it e-commerce players collaborating with neighbourhood kirana shops, or modern retail players collaborating with hyperlocal players, COVID-19 brought the entire retail ecosystem closer.

As Retail becomes digitally activated, Brick and Mortar players will increase their online presence, and online players will increase their on-the-ground/offline presence, leading to an online-offline convergence. This will blur the traditional definitions of channels, and accelerate win-win partnerships between online and offline channels. As such, Online+Offline play will define the next phase of retail evolution in India.

Retail 4.0 or Online+Offline (O+O) will further boost the retail's contribution to India's GDP and drive incremental value addition, job creation, online-led exports, and more importantly a more inclusive ecosystem with greater participation of MSMEs.

The Government of India will extend all support to enable a thriving O+O ecosystem and I hope that all the retail participants come together to capitalize on the current situation, and turn this 'Adversity' in to an 'Opportunity' to grow the Indian retail industry through win-win collaborations.



**Dr. Guruprasad Mohapatra**

Secretary, Department for Promotion of Industry and Internal Trade, Government of India

# Foreword

India's Retail growth story journey has been remarkable, with the market size rising by three folds in the last decade. The role of technology in the retail has also evolved significantly with tech-enabled retail models and solutions driving efficiencies across the retail ecosystem.

The COVID-19 induced lockdown led to unprecedented challenges – both at demand and supply end for retail players. However, technology and tech-led collaborations not only ensured the survival of all retail channels, but also accelerated the convergence of different retail models in the country.

Retail 4.0 - Unlocking Value through Online + Offline Collaborations analyzes the undergoing digital transformation in retail, and how the next evolution of retail will be driven primarily by collaboration and tech-led convergence of online and offline retail formats with blurred boundaries of retail channels.

The report analyzes the retail evolution journey in India so far, the emerging collaboration models, key drivers and enablers of the retail evolution (O+O), and its massive benefits for all stakeholders. During the course of the research, NASSCOM-Technopak conducted 360+ interviews across retail ecosystem to identify the challenges and bottlenecks in greater Online-Offline integration. The report also highlights the policy imperatives which will enable Indian Retail to achieve its full potential, leading to an even more remarkable growth story in the next decade!



**Debjani Ghosh**  
President, NASSCOM

# Scope Of The Study

Technology is playing a pivotal role in formalization of Retail- both online and offline channels are boosting their tech, and closely collaborating with each other, to drive efficiencies, increase market access, and create compelling value propositions for consumers.

The study aims to identify all the major factors at play which are driving the evolution of Retail in India, leading to Retail 4.0.

## Research Process

NASSCOM and Technopak engaged in one on one interactions with 360+ Indian retail ecosystem stakeholders- including traditional retailers, kirana shops, wholesalers, distributors, modern retail players, digital retailers, tech startups and investors, over a 4 month period.

1

### India's Retail Journey: Retail 1.0 to Retail 3.0, Shift to Retail 4.0

- Indian Retail – A 2020 view
- Evolution from Retail 1.0 to 3.0
- Prominence of E-Commerce in Retail 3.0
- 2020 – COVID-19 Fueled E-Retail Boost and Market Expansion leading to Retail 4.0

2

### Shaping Retail 4.0: Redefining Retail for "Offline + Online (O+O)"

- Defining O+O
- Primary Drivers of O+O and evolution across parameters
- Predominant O+O Models

3

### O+O Retail: Enablers, Challenges, and The Disruption Potential

- O+O Impact Potential
- Bottlenecks and Challenges
- Recommendations

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# Executive Summary (1/2)

## Evolution Of Indian Retail: Journey From 1.0 to 3.0 Era

### Retail Market Size Has Increased 3x In Last Decade And Accounted For -

~\$800 Bn. To India's GDP In FY 2019-20

35+ Mn Employment Or 8% of Total Workforce.

Indian Retail Evolution Spans Three Eras Of Transformation-

**Upto 1999- Retail 1.0-** Dominated By Neighborhood Kiranas

**2000-2006- Retail 2.0-** Prominence Of Modern Retail

**2007-2020- Retail 3.0-** Online-led Retail Growth With The Promise Of Technology-Led Integration Of India's Largely Fragmented Retail Ecosystem.

### COVID-19 Impact

The Pandemic Has Proved A Catalyst In The Evolution Of Retail 3.0 Into A More Digitally-Enabled Collaborative Era

## Shaping Of Retail 4.0, The Offline + Online (O+O) Retail Era

### Retail 4.0 – The “Offline + Online” (O+O) Retail Era

O+O Will Witness Convergence Of Traditional And Online Channels Into A Digitally-Enabled Ecosystem Led By Active Interplay Of Tech Solutions And Digital-Savvy Consumers.

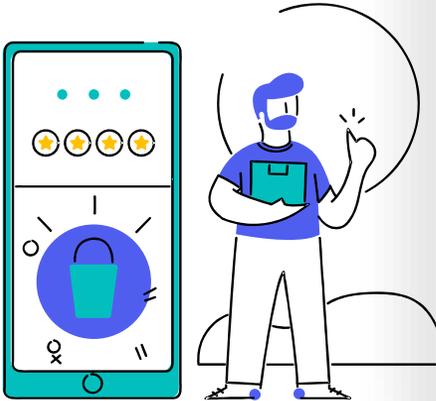
### Retail Growth In The Next Decade

~\$1.5 Tn. by 2030, \$700 Bn Addition In Market Size, Around 25 Mn. New Jobs

### Tech-led Convergence

Individual Channels Will Grow At Varying Pace Towards O+O convergence, Four Models Are Predominant -

I. Brand Led O+O (In-House) Model	II. Brand Led (In-House + 3P) O+O Model
III. O+O Collaboration – For Traditional Retail	IV. O+O Collaboration – For Modern Retail



# Executive Summary (2/2)

## Impact Of O+O Models On Accelerated Growth Of Retail 4.0 By 2030

### O+O Led Increase In Market Size

~\$640 Bn., O+O Enabled Sales To Account For 90%+ Of The Market Size Addition In Retail Sector

### O+O Led Job Creation

~12 Mn. or ~50% Of New Jobs In The Retail Sector

- ~3 Mn. Additional Jobs At Neighborhood Kiranas
- ~3.2 Mn Additional Jobs In Supply Chain & Logistics

### Export Boost And Incremental Tax Contribution

~\$125 Bn. In Online-Led Export Potential By 2030, From An Estimated \$2.1 Bn. or 0.2% Of India's Exports In 2020, To 8.9% Share In Total Exports.

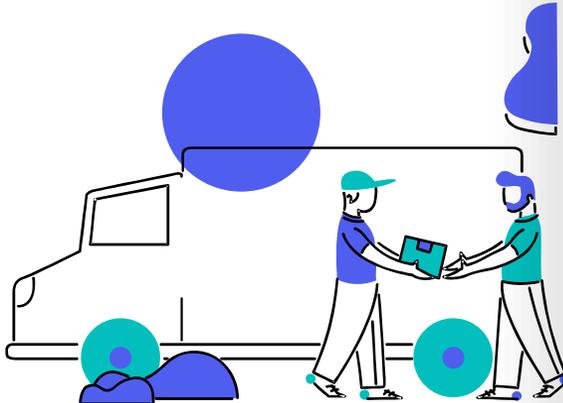
~\$8 Bn. In Incremental Tax Collection – O+O To Account For 37% Of Retail Sector's Total Tax Contribution.

## Key Challenges And Policy Recommendations

**Tech-Awareness, Operating Standards And Equitable Norms** - Tailwinds Aside, O+O Does Have Headwinds In Building Technological Awareness In Traditional Retailers, Smoothing Supply Chain Cash Cycles, Introducing Operating Standards, And Establishing Equitable Norms.

**Need For Greater Collaboration In Retail Ecosystem, Related Entities And Policy Makers** - The O+O Model Certainly Requires A Coming Together Of Policy Makers, Traditional And Online Retail Entities And Supporting Sectors, Such As Financial Entities To Exploit And Further Grow The Opportunity Presented.

**MSME Support, Trust Building, And Export Promotions** - O+O Success Requires Support To MSMEs And Traditional Retail, Export Promotion And Access To Export Markets, And Trust Building In The O+O Ecosystem.



# In 2020, Indian Retail Emerged As World's 5<sup>th</sup> Largest, Having Grown >1.5X Every 5 Years In The Last 15 Years, Undergoing Sustained Digital Transformation

India's retail industry has emerged as one of the most dynamically-evolving, rapidly digitizing sector, with the second-largest consumer base in the world.



Retail Contribution to India's GDP, FY2019-20

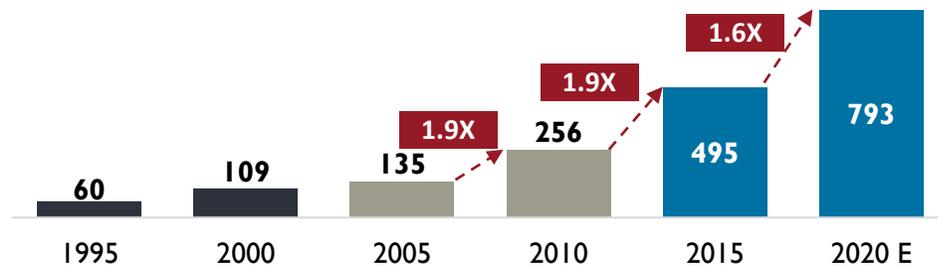
10%



Retail Contribution to India's Employment, FY2019-20

8%

## India Retail Market Growth Story Through 2020, in USD bn.



Source: Technopak Analysis, NASSCOM Research

Value Added  
\$68 Bn.



**Retail 1.0: Pre-1990 to 1999**

From traditional retail to pureplay modern brand outlets in MBO and EBO formats

Value Added  
\$54 Bn.



**Retail 2.0: 2000 to 2006**

Superior and consistent customer experience with more diverse product assortment

Value Added  
\$641 Bn.



**Retail 3.0: 2007 to Pre-Covid 2020**

Technology-enabled channel diversification, value-chain integration, and seamless purchase

## Indian Retail Has Evolved From Retail 1.0 (Neighborhood Kirana) To Retail 3.0 (Online Retail)



# Indian Retail's Journey: From Retail 1.0 to 3.0

*From Retail 1.0 to 3.0, the sector evolved from being a near-complete neighborhood kirana market to becoming a global, multi-channel retail market with cross-border trade, product diversification and rapid technology advancement*

Particularly since 2005, Indian Retail market size has increased by 1.5-2x every five years, leading to a USD 793 Bn. market in 2020. Rapid shifts in both demand and supply drivers, as digitization expands market, access routes, and speed of lead-to-cash conversion, are going to accelerate the momentum of Retail expansion in India, from here on.



1990 - 2020

Retail Market Addition

\$763 Bn.



1990 - 2020

Employment Addition in Retail

35 Mn.



# Retail 1.0: Neighborhood Kiranas

*From traditional retail to pureplay modern brand outlets in MBO and EBO formats*

While dominated by traditional retail, Retail 1.0 saw emergence of pure-play modern retail, in metro cities in 1990s. The consumer preference started shifting from need-based shopping to premium shopping experience, and first signs of modernization in operations (backend) and formalization of value chain appeared.



## Key Categories

- Groceries
- Apparel



## Emerging Models

- Modern Retail (mostly in Apparel)
- MBOs and Supermarkets



## Disruption Drivers

- MNCs as aspirational employment destination for Urban India
- Rise of Exposure through Sat. TV and International Travel



## Challenges & Solutions

- High cost of organized retail
- Low Penetration of internet

**Retail 1.0** - Consumer demand majorly in grocery and apparel segment, with rising consumer interest in modern format apparel outlets and showrooms

# Retail 2.0: Branded Outlets

## Year 2000 Onwards

*Focus shifted to superior and consistent customer experience with greater product assortment*

Modern retail evolved in Retail 2.0 with emergence of hyper-marts, super-marts, and cash and carry stores formats, coupled with geographical expansion from Metros to Tier 1 cities. The key consideration for consumer transitioned from premium shopping experience to convenience; and technology accelerated the modernization in operations (backend). Players started leveraging technology for information dissemination through websites



### Key Categories

- Footwear
- Apparel & Accessories
- Food & Grocery



### Emerging Models

- Emergence of large retail formats
- Entry of large Indian corporates and Global Retailers
- Emergence of Listing websites



### Disruption Drivers

- Technology started playing an active role in modernization of operations, and product awareness and marketing
- Online marketplaces emerge, such as ebay, rediff and indiamart



### Problems & Solutions

- Supply chain to evolve beyond Tier I cities
- Access to capital for rapid expansion and growth

**Retail 2.0** – In this era, the rise in disposable income led to increase in consumer consumption in terms of volume, value and product categories

# Retail 3.0: Online Retail

## Year 2007 Onwards

*Technology led-transformation in Retail to offer wider product assortment and ease of purchase*

Retail 3.0 was marked with a rapid growth phase, and an increased realization by all retail participants of the need to embrace digital technologies in order to remain relevant to an increasingly digital consumer. Personalisation became the key consideration for customer, and retail growth story started moving beyond top 500 cities



### Key Categories

- Consumer Electronics
- Jewellery & Watches
- Apparel & Footwear
- Food & Grocery



### Emerging Formats

- Emergence of marketplaces
- Rise of direct-to-consumer brands
- Emergence of Omnichannel



### Disruption Drivers

- Rise of Digital Payments
- Rise of m-Commerce
- Growth of vertical specialists as category champion
- Employment via Gig Economy



### Problems & Solutions

- Modern Retail penetration beyond 500 cities yet to evolve
- Seamless cross-channel collaborations yet to evolve

**Retail III.0** – Gaining consumer trust on digital channels leading to higher value purchases in categories such as electronics moving online

# Online Retail, Or E-Commerce, Became The Fastest Growing Channel In Retail 3.0, Contributing 4% To The Retail Market Within A Decade

*E-Commerce in India is growing at 3-4X the rate of traditional brick and mortar retail. The growth of this format is driven by superior technology usage leading to a more virtuous and profitable investment cycle*

## E-Commerce Contribution in India's Growth Story



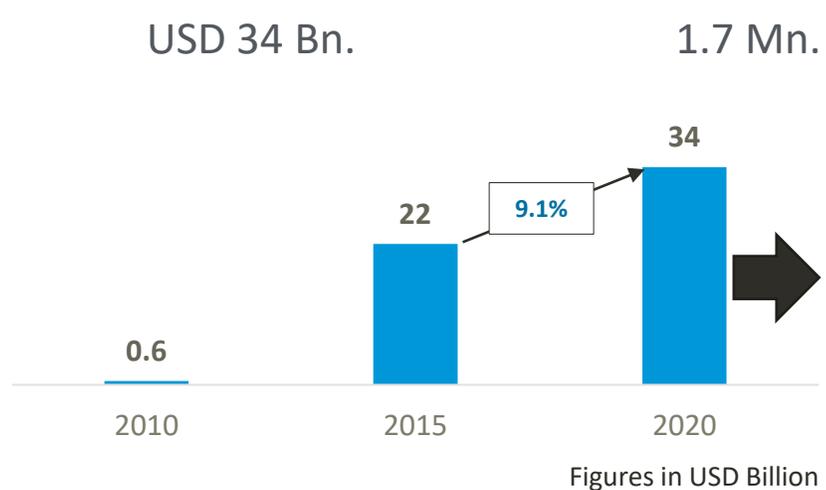
E-Commerce Market Size ,  
FY2019-20

USD 34 Bn.



Addition to India's Employment ,  
FY2019-20

1.7 Mn.



While E-commerce accounts for only 4.3% of the total retail market in FY20, it contributes-

- 14% of total GST collections
- 4.2% of total employment

## E-Commerce and Retail's Expansion in India

- **Supply chain integration to access 100% of India's pin codes** - leading to higher consumer discretionary spend with access to a more diversified consumption basket
- **Mom-n-Pop shops becoming offline+online sellers** - over 800,000 local sellers started selling on online platforms for wider reach, realizing 2-8x topline growth at low costs
- **Organizing the exports market that will bring global-scale production quality** – with exports to 180 countries and around 200 million international buyers
- **Support to Government of India initiatives**
  - Digital India – investments in core digital infrastructure
  - Skill India – high-volume digital skilling for the future
  - Make in India – Indian artisans finding global markets
  - Startup India – grooming startups for cutting edge retailtech solutions

# Retail 3.0 Has Also Seen Greater Technology Penetration, Driven By E-Commerce Platforms, And Gradually Adopted By Traditional Retail, Both

*E-Commerce, while an integral part of the retail ecosystem, has brought distinct technology capabilities to the overall retail sector and extended value chain, further enabling digitization of traditional retailers with greater ease than before*

**E-commerce core strengths are extending to other retail channels, transforming the chain, and thus helping expand the overall market with access, tech deployment, speed of GTM, and cost efficiencies**

 <p><b>Supply Chain Integration Led Market Expansion</b></p>	 <p><b>Real-Time Operations and Inventory Tracking</b></p>	 <p><b>Fast GTM and Delivery Agility</b></p>	 <p><b>Greater Leverage from Variable Cost Models</b></p>
<ul style="list-style-type: none"> <li>Enhanced supply chain capabilities to service 100% of pin codes</li> </ul>	<ul style="list-style-type: none"> <li>Tech-enabled book-keeping and inventory tracking (PoS or App)</li> </ul>	<ul style="list-style-type: none"> <li>Faster go-to-market and accelerated customer purchase journey</li> </ul>	<ul style="list-style-type: none"> <li>Lower CapEx in tech and logistics infrastructure, and digital advertising</li> </ul>
<ul style="list-style-type: none"> <li>Outreach to diverse demographics (digital native to hinterland artisan)</li> </ul>	<ul style="list-style-type: none"> <li>Real-time shelf optimization for optimal product inventory</li> </ul>	<ul style="list-style-type: none"> <li>Analytics-based reliable delivery scheduling</li> </ul>	<ul style="list-style-type: none"> <li>On-demand and usage-based pricing models (Gig workers)</li> </ul>

\*RetailTech of Retail Technology refers to technology-based, and increasingly, digital tech solutions that enable brick-and mortar, direct-to-consumer, and e-commerce channels to optimize business growth and customer satisfaction

# During COVID-19, Traditional Retailers Embraced Online Channels To Sustain, Getting A Critical Shot In The Arm, And Longer-Term Options

Retail industry has survived the COVID-19 pandemic with greater resilience than several other industries. Across the board, channels struggled. Physical sales were hit hence B&M retailers took to online/ App-based modes to diversify reach, stay connected with customers shifting online for shopping, and refocus product catalog based on shopping analytics



## Customers Buy Small, Buy Often Tier II and III Buyers Go Online

**72%** Buyers made online purchase daily to several times a month

Of digital sales from Tier II-III locations during H1 of FY 2020-21

**50%+**



## Traditional Retailers Digitize; Online-Offline Tie-ups Rise

**79%** Traditional retailers plan to digitize in-store operations

Traditional retailers open to partnerships with online retailers

**78%**



## Supply Chains Connect Hinterland; Large FCs to Local Microsorting

**53%** Selling through an interconnected system of hyperlocal and B&M retailers

**60%+** Increase in sorting and fulfillment stations closer to delivery locations

**60%+**



## Digital Transactions To Stay, Contactless Payments Rise;

**75%** Of first-time digital payments likely to sustain even beyond COVID-19

Rise in contactless payments via smart PoS within 30 days of lockdown

**2-3%**

# Online Platforms And Tech Solution Providers Assisted Offline Retailers With First Steps To Digitization, Many Offline National Brands Went Online



# Shaping Of Retail 4.0 Will Entail New Business Models Of Collaboration – An “Offline + Online” (O+O) Approach To Retail

*The convergence of Retail channels, and collective evolution of their capabilities via tech-enabled collaborations will define the Retail 4.0 evolution in India*

Retail 4.0 will result in significant rise in size of domestic market, job creation, and exports.

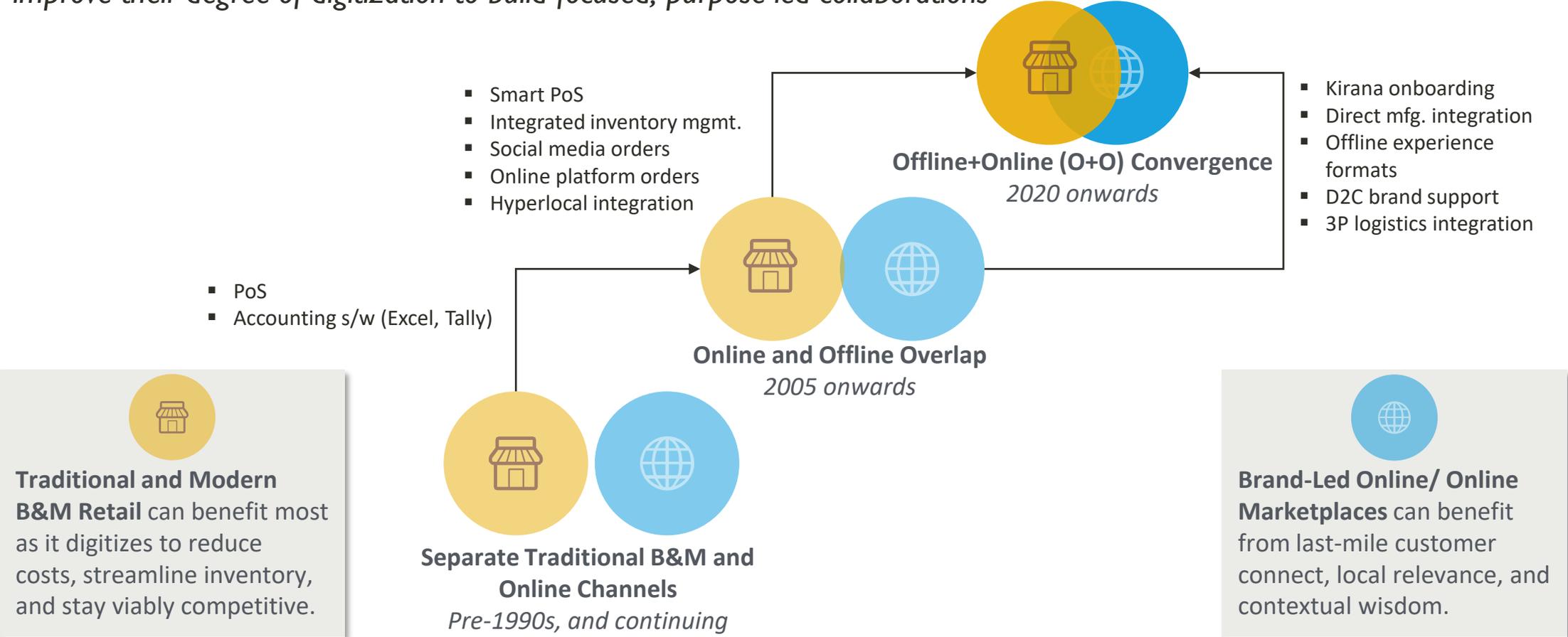
The changing demand and supply drivers are likely to accelerate the growth momentum, with the Retail market reaching USD 1,476 Bn by 2030.



\*O+O Retail Impact is reported separately on Slide 38

# From Retail 3.0 To 4.0, The Shift Is From Situational Overlap To Planned Convergence, From Reactive To Proactive Digital Enablement

More shift in traditional channels that are yet to digitize operations could be seen initially, even as all retail channels improve their degree of digitization to build focused, purpose-led collaborations



\* O+O retail is the convergence of digitally-enabled Traditional Kirana Retail, Modern B&M Retail, and Online Retail that facilitates organization of Retail

# What's Driving O+O

*Transformation in Retail is driven predominantly by technology, which has not only influenced customer behaviour, but also enabled entry of new players, formalization of value chain, and cost and operational efficiencies.*

Macro-economic factors, such as demonetization in 2016, GST reforms starting , and the black-swan global pandemic event of COVID-19 starting late 2019, have in direct or indirect ways, acted as catalysts in the acceleration of O+O



Advancing Core Tech solutions and interest towards Tech In Retail



Increasingly Evolving Consumer



Maturing Omnichannel



Shift towards ecosystem driven models

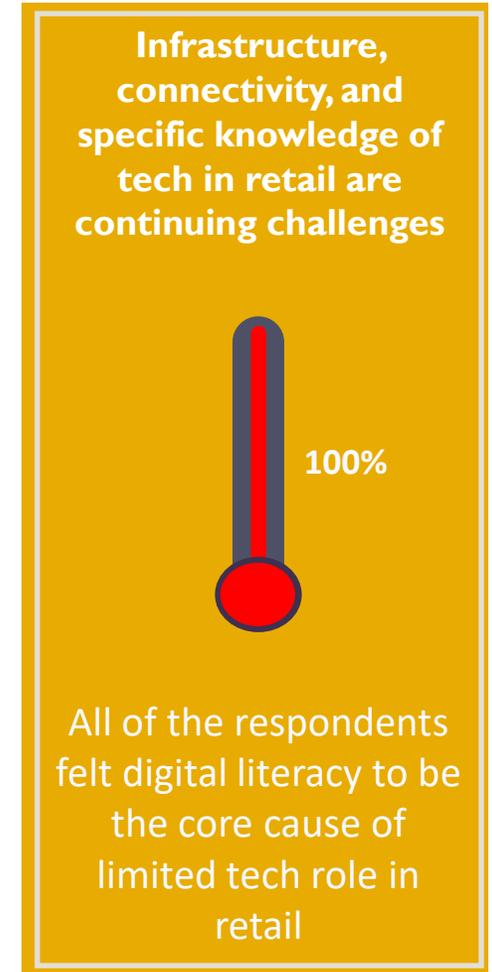
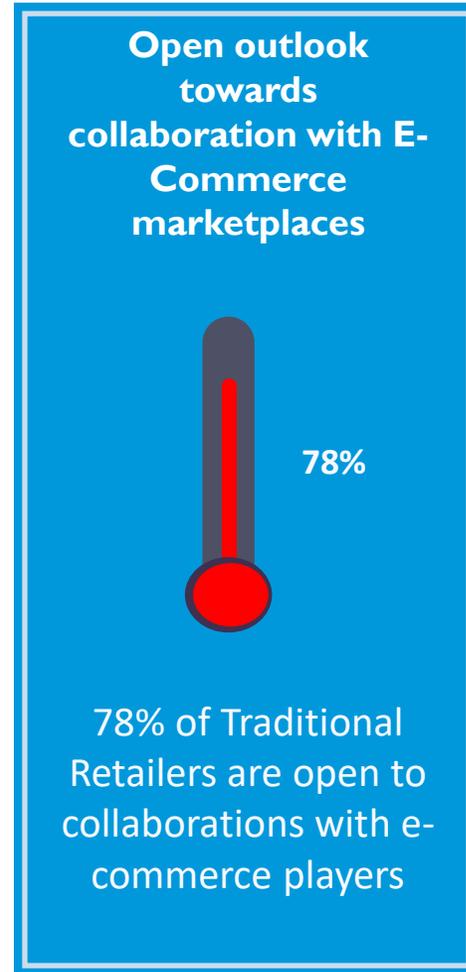
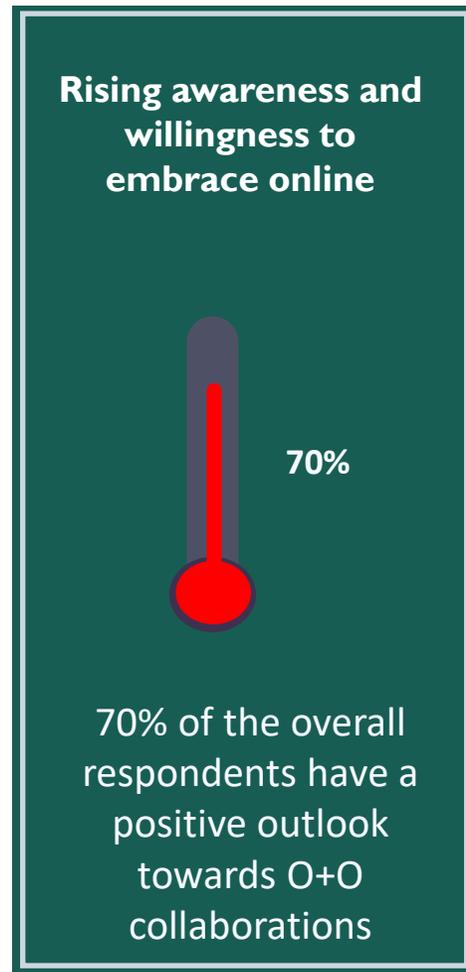
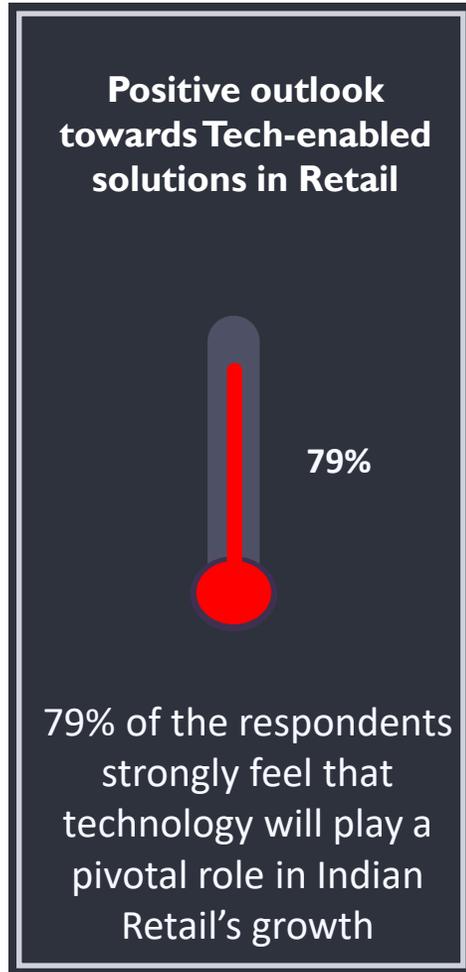


Transition from Full Stack to Plug and Play



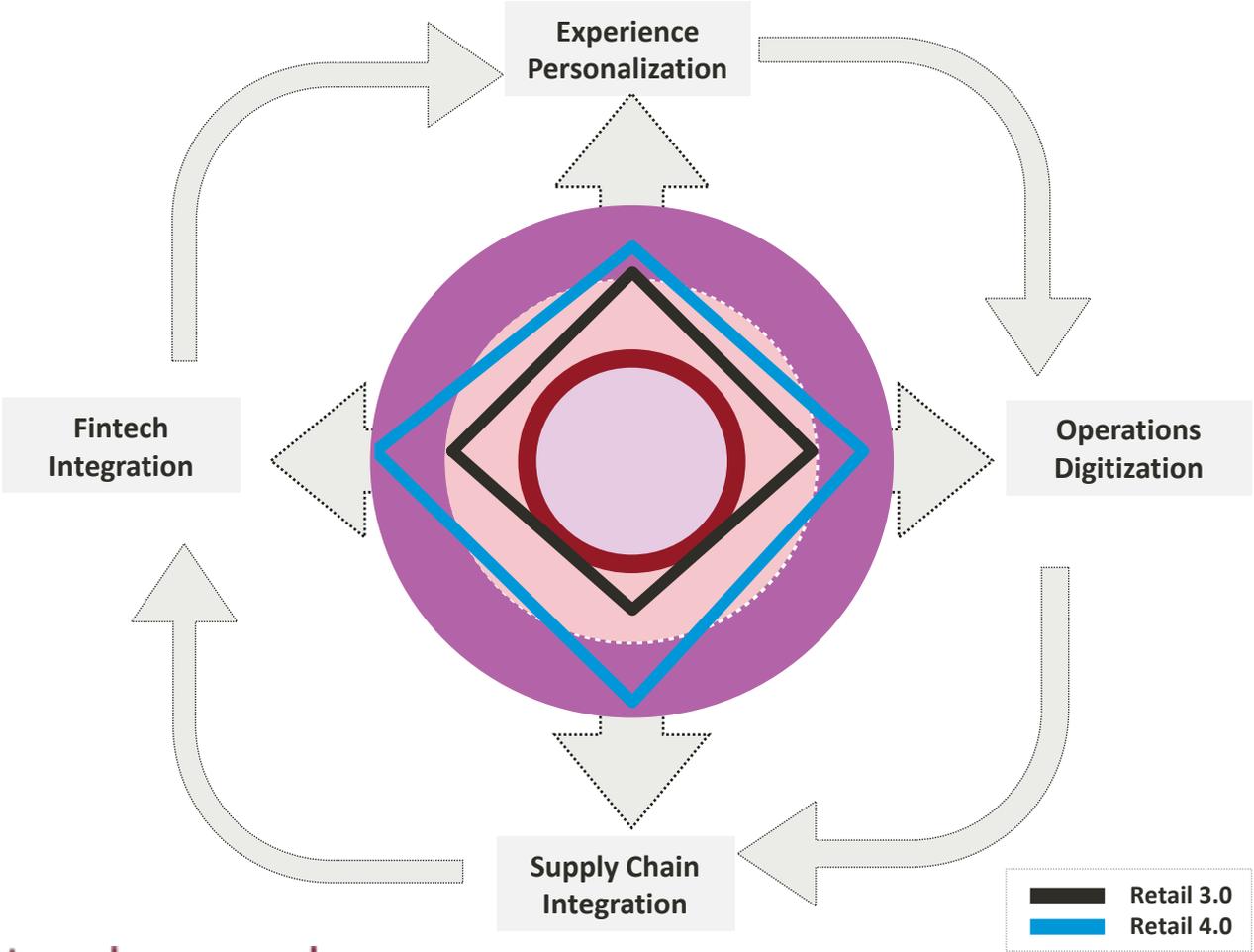
Macro Drivers favouring O+O and Digital Integration

# NASSCOM-Technopak Survey Of 360 Retail Stakeholders - B&M Retailers, Logistics Providers, And Retailtech Investors Validates The O+O Drivers



# O+O Shift Is Driven By Four Key Enablers – Experience Personalization, Operations Digitization, Supply Chain Integration, Fintech Integration

*Both demand and supply side enablers shaping the O+O shift will push Retail 4.0 era to unseen performance and productivity*



## Enablers and Key Levels of O+O Retail Transformation

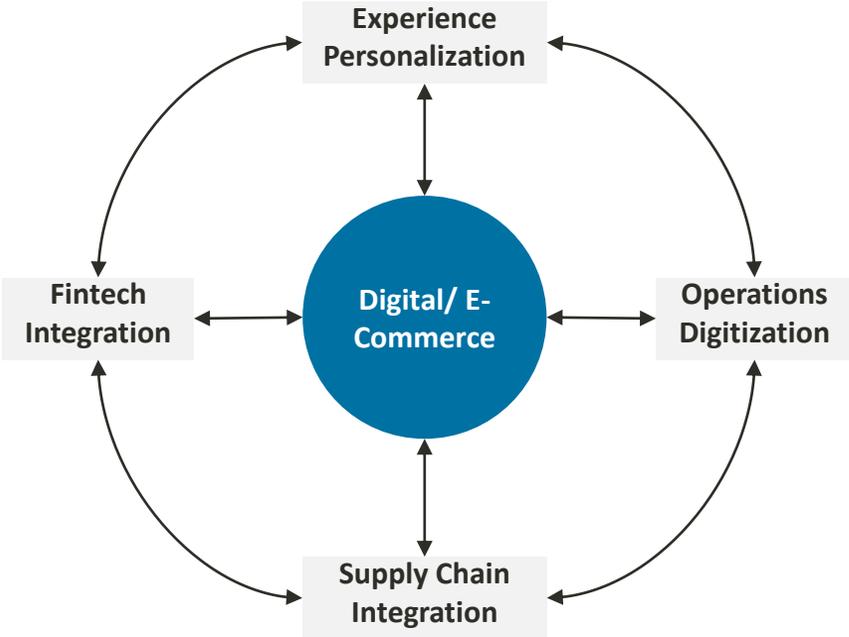
<b>Experience Personalization</b>
<ul style="list-style-type: none"> <li>▪ Device Agnostic Experience</li> <li>▪ Product Visualization and Personalization</li> </ul>
<b>Operations Digitization</b>
<ul style="list-style-type: none"> <li>▪ In-Store experience and Operations</li> <li>▪ Backend Operations and POS Inventory integration</li> </ul>
<b>Supply Chain Integration</b>
<ul style="list-style-type: none"> <li>▪ Integrated Supply Chain Management</li> <li>▪ Localized supply chain and delivery capabilities</li> </ul>
<b>Fintech Integration</b>
<ul style="list-style-type: none"> <li>▪ Digitization of Transactional Data</li> <li>▪ Digital Transactions</li> </ul>

# Additionally, O+O Stands To Gain From Evident Synergies With Existing And Planned Technology Enablement Through E-Commerce

*O+O enablers will evolve faster from continued advancement of E-Commerce, and vice versa, to fuel Retail 4.0 growth*

E-commerce has benefitted from investments in advanced Retail technologies, such as enterprise-grade software, use of Cloud services, Big Data Analytics, AI/ML/NLP, etc.

As a result, E-Commerce channels offer superior customer experience, can digitize operations end-to-end, ensure sophisticated supply chain monitoring, and have accelerated use of diverse digital and contactless payment modes – *all critical enablers of the evolving O+O model of Retail.*



## Current and Emerging E-Commerce-Enabled Retail Formats\*

<p>Direct to Consumer (D2C) via E-Commerce Platforms</p>		<p>Direct-to-Consumer Online FMCG Platforms</p>		<p>Non-Government B2B E-Commerce Marketplace</p>		<p>Govt. B2B E-Commerce Marketplace</p>		<p>Category/Cause-Led E-Commerce Marketplace</p>	
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\*In particular, D2C via E-Commerce and Cause-Led E-Commerce models can provide world-reaching leverage to MSMEs, solopreneurs, and at-home artisans in India’s hinterland

# Digital-Native And Increasing Digital-Savvy Customers Will Seek Personalized Products And Seamless Offer-To-Delivery Experience

Retailers that employ ways to provide device-agnostic buying, desired products, and location-specific delivery stand to benefit



## Emergent Components of Experience Personalization

- **Device Agnostic Experience**
  - A device agnostic digital experience where multiple digital channels are at play in customer’s awareness, consideration, and purchase stages
- **Product Visualization**
  - Product visualization which extends to online product catalogue, pictures, virtual visualization using AI, VR, augmented reality in addition to physical touch and feel at brick and mortar stores
- **Personalization**
  - Use of data driven advanced analytics, and prediction tech to tailor customer centric product/service offerings leading to enhanced personalization experience

## Demand and Supply Factors Driving Experience Personalization

<b>Demand side Enablers</b>	Maturing Millennials	Rise of Digital Consumption	Customers seeking convenience	Rise of social media
<b>Supply side Enablers</b>	AI/ML based purchase pattern assessment and predictions	Rise of digital payments	Digitization of value chain	Low internet tariff, increased affordability

# Retailers, Offline And Online Both, Are Likely To Digitalize In-Store Operations To Minimize And Alter The Cost Structure Effectively

*Digitizing point-of-sale (PoS), in-store operations, and inventory tracking will make retailers nimbler in face of evolving demand*



## Emergent Components of Operations Digitization

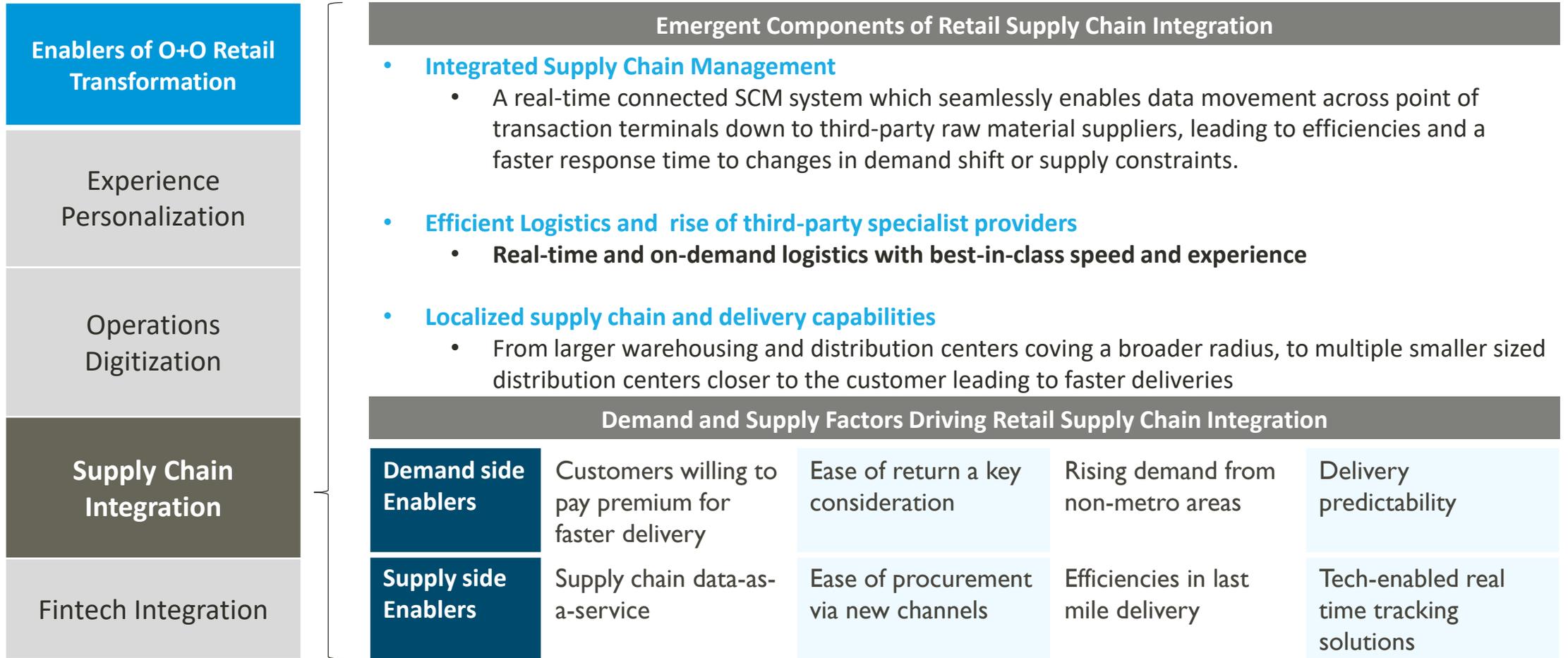
- **In-Store experience and Operations**
  - Endless-aisle, superior visibility and seamless pricing/quality and availability at every transaction/delivery point in the operations
- **Backend Operations and POS Inventory integration**
  - Seamlessly integrated sales data to quickly respond to changing customer needs and limit the transit costs and inventory costs

## Demand and Supply Factors Driving Operations Digitization

<b>Demand side Enablers</b>	Demand for seamless experience across channels	Increased expectations from sales staff - product knowledge, insights, troubleshooting assistance	Real-time visibility
<b>Supply side Enablers</b>	Plug-ins - Smart Inventory systems that can enable “just in time”	Growth of technology specialists who use AI/ML/Analytics to assess in-store customer behaviour	POS adoption

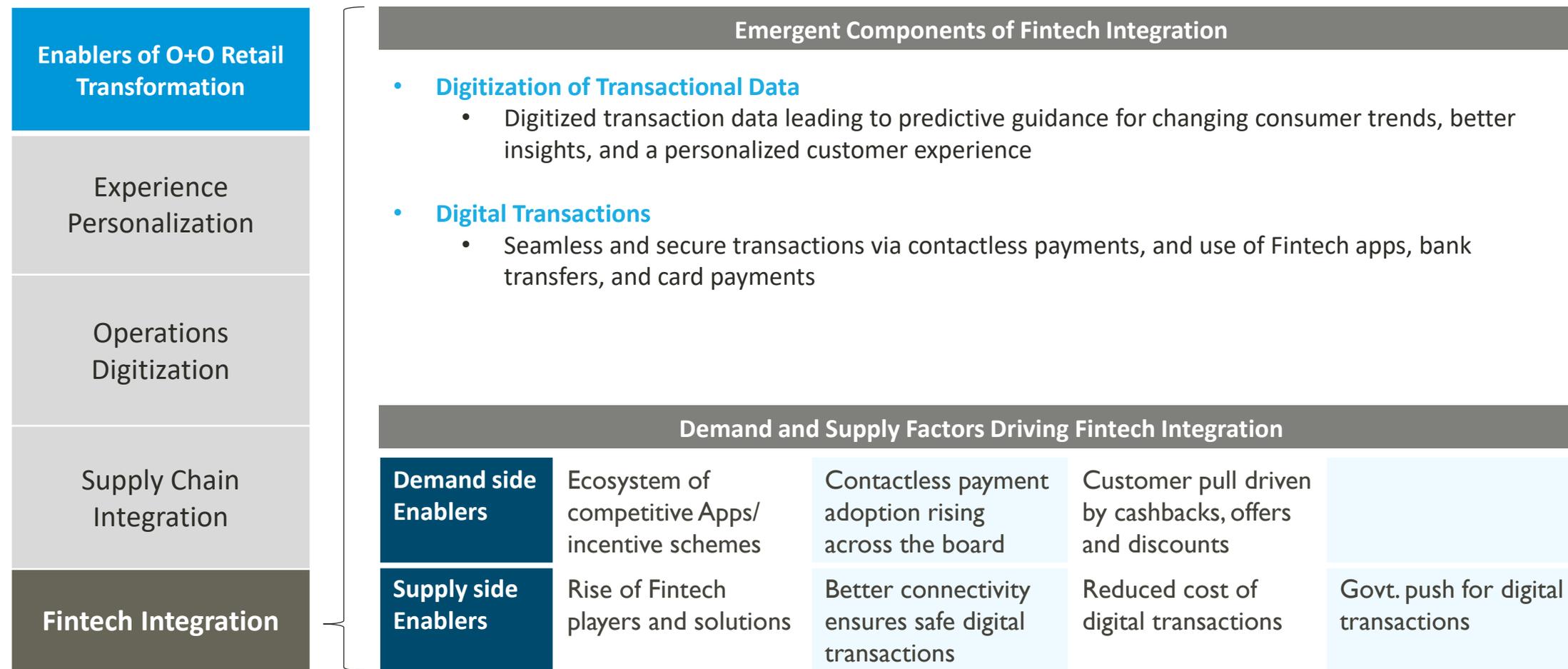
# All Supply Chain Players Will Find Significant Boost To Reliability, Flexible Scalability, And Traceability Through End-To-End Integration

*From real-time logistics to integrated planning, supply chains are rapidly evolving at technology, operations, and people level*



# India's Pole Position In Digital Payments Continuing, Fintech Integration Is Becoming Critical Way To Sustain In The Value Chain

*The Fintech revolution is at the core of Retail evolution, driving digital adoption by traditional and modern Retail players*



# As O+O Enablers Mature, And As Individual Channels/Categories Evolve At Their Pace Into The O+O Setup, Four Collaboration Models Show Promise

O+O journey of different formats will be different, led by the pain points in operation and the push by their target customers. As such, Indian retail has witnessed varied O+O models, which will continue to evolve.

Of these, there are four predominant models which reflect the ongoing O+O journey of different retail channels-

- I. **Brand Led O+O (In-House) Model**
- II. **Brand Led (In-House + 3P) O+O Model**
- III. **O+O Collaboration – For Traditional Retail**
- IV. **O+O Collaboration – For Modern Retail**

*Retail in India is diverse, and retail channels cater to diverse set of target demographics, and operate in distinct geographies, cultural environment, physical and digital infrastructure availability, and different growth pockets.*

Retail Channels	Broader O+O Priorities
Single Outlet Modern Retail	Digitization of Transactional Data
Multi-Outlet Mortal Modern Retail	Integrated Supply Chain Management
Single Brand Modern Retail	Backend Operations and POS Inventory integration
E-Commerce and Online-led Retail	Product Visualization, Localized supply chain and delivery capabilities
Traditional Retail	Digital Transactions

# I. Brand led O+O (In-House): Single-Brand Online Retail Transitions to O+O Through In-House Initiatives

*Single Brand Retail channels – either online or offline – are developing capabilities in-house to transition to O+O*

Recognizing the need to develop O+O capabilities to remain competitive, efficient, and offer an enhanced and seamless customer experience, many retail players have put in substantial efforts in developing the O+O capabilities.

These include-



**Launching an online/offline store to strengthen their O+O presence**



**Integrating inventory with payment systems for real-time tracking**



**Leveraging analytics & social media for demand forecasting and personalization**

# I. Brand led O+O (In-House) Case Study: Single-Brand Online-led Players Are Establishing Offline Stores

## Case Study

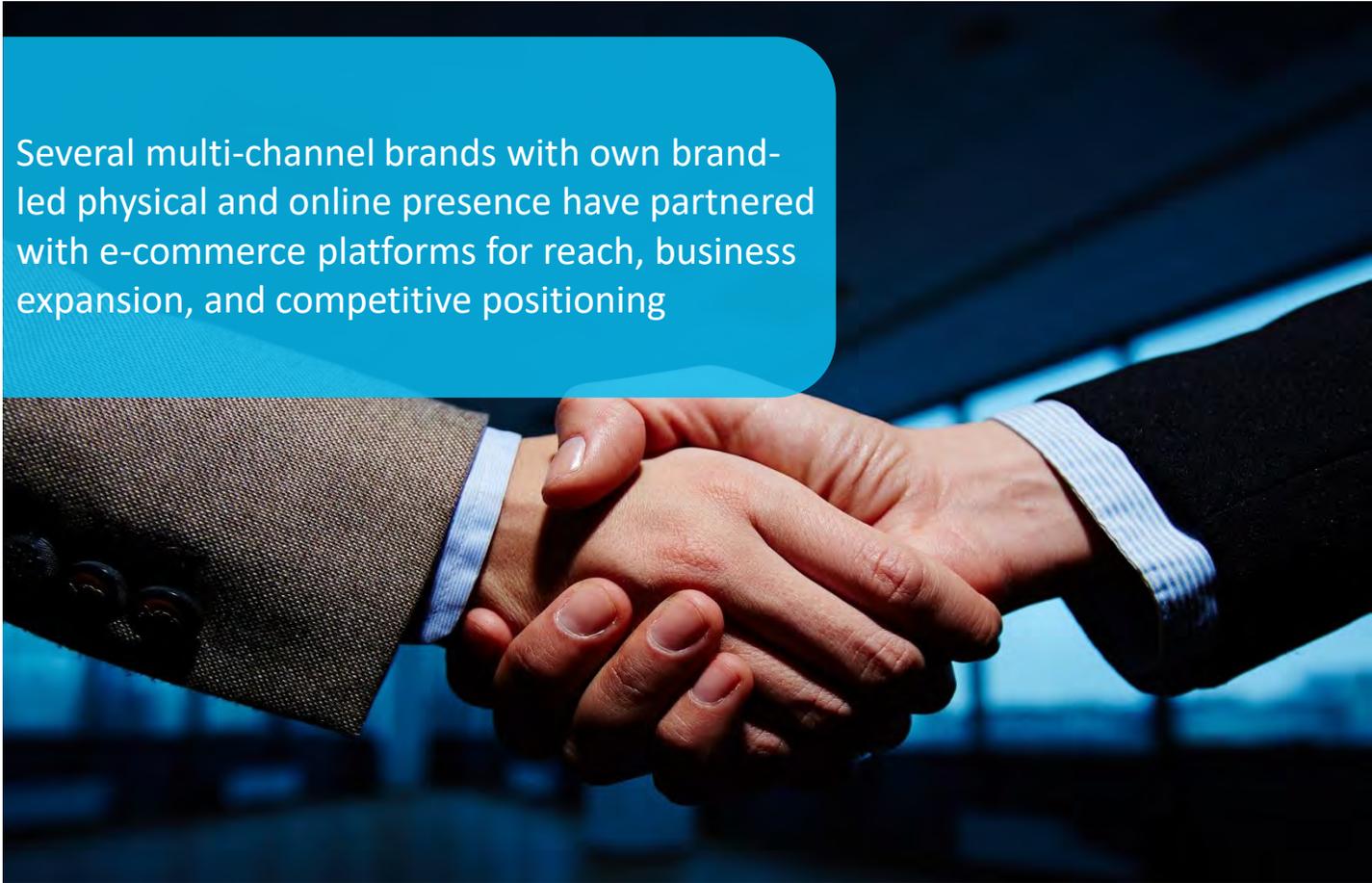
Transition from Online-only (Digital-First Brands) to Online+Offline through In-house Capabilities

Player	Collaboration
<b>Lenskart</b>	<ul style="list-style-type: none"><li>• Lenskart started as an Exclusive Online Player in 2010 but realized a need for Integration of mediums for a Universal CX &amp; Opened its first Offline store in 2014, four years after its Online entry</li><li>• Currently has 500+ offline stores to cater to demand of physically trying before buying.</li><li>• Integration of channels for CX: Purchase product online and get it delivered either to a store near them or to customers' house; Perform return/ exchange at the store/home; Place order online, try it at the store/home and complete the purchase there</li><li>• Annual Turnover of over INR 480 Cr with 600+ stores across 120+ cities . Entered the Unicorn club with investment of over INR 1900 Cr by Softbank Vision fund in 2019</li><li>• 20-30% rise in revenue &amp; addition of new customers through online trial rooms</li></ul>
<b>Nykaa</b>	<ul style="list-style-type: none"><li>• Nykaa started as beauty and wellness platform in 2012. Beauty was largely an untapped market until then and Nykaa provided a unique CX through its platform</li><li>• Opened its first Offline store in 2018, and operated 76 stores as of December 2020</li><li>• It also entered the fashion category with a sub brand Nykaa Fashion, which too is available at both online and offline mediums</li><li>• After being a leader online, the natural extension for Nykaa was to enter offline retail to enable touch and feel experience</li><li>• Nykaa deployed a solution named eRetail Suite for online order, inventory and returns management. To integrate offline operations, they developed POS solution to be able to sync with store and update all master data accordingly</li></ul>

## II. Brand Led (In-House + 3P) O+O: Multi-Channel Brands Expanding O+O Capabilities Via Collaboration With E-Commerce Marketplaces

While some modern retail players initiated the journey on their own and were able to realize benefits, they are now collaborating to expand the capabilities in customer experience, operational efficiency, and seamless tech integrations.

These allow players to widen their market access, expand logistic reach, implement best-in-class tech solutions, and leverage the ecosystem to drive digital transformation which would otherwise be financially unviable.



Several multi-channel brands with own brand-led physical and online presence have partnered with e-commerce platforms for reach, business expansion, and competitive positioning

# II. Brand Led (In-House + 3P) O+O Case Study: Multi-Channel Brands Enhancing O+O Capabilities Via Collaborations

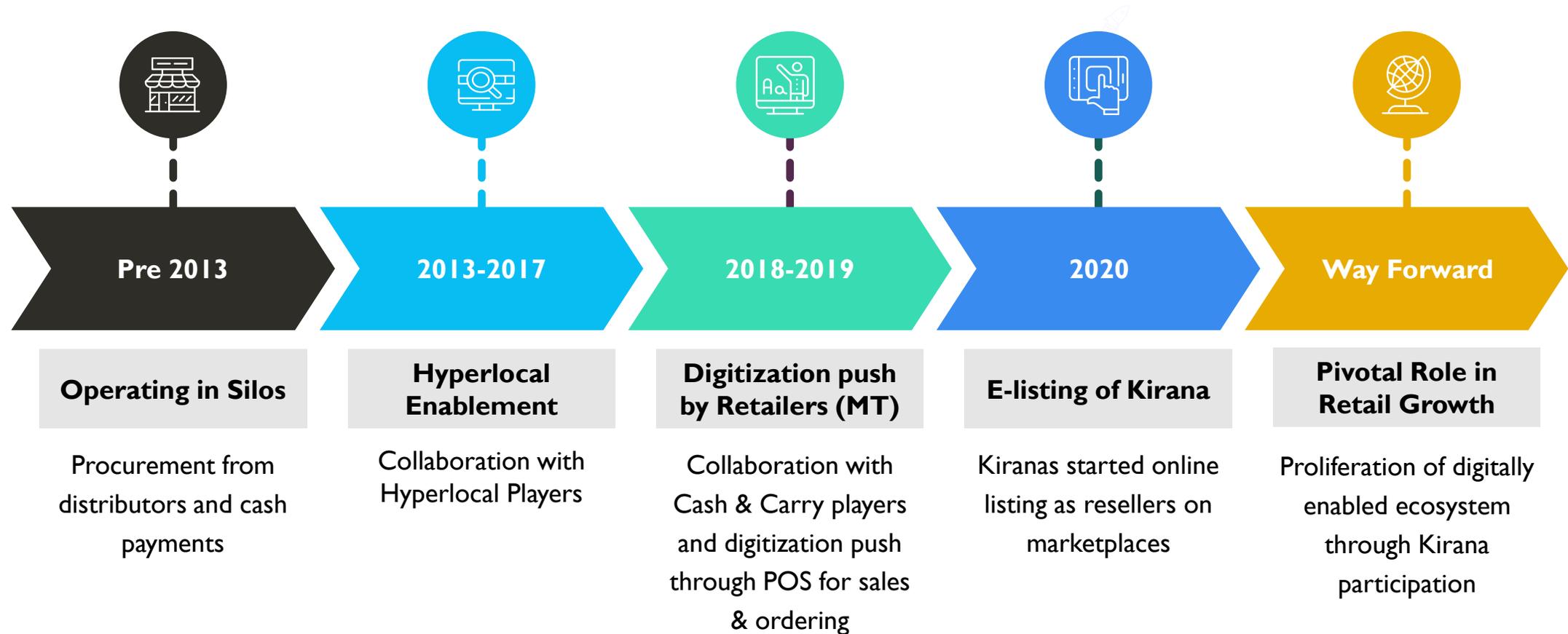
## Case Study

Multi-Channel Brands are expanding their Online+Offline capabilities through collaborations with digital channels and eCommerce marketplaces

Player	Collaboration
<b>Fabindia</b>	<ul style="list-style-type: none"> <li>• A Traditionally Offline Player since years, Fabindia moved to E-commerce through its own Online Store - it's Website, in 2015</li> <li>• Post in-house O+O integration with Website &amp; Physical Stores, it Collaborated with other Online Marketplaces, such as Amazon, Flipkart, Myntra, etc. in order to expand reach in 2017</li> <li>• Social media Marketing and Influencer marketing through Instagram &amp; Facebook</li> <li>• O+O seamless Omnichannel Integration for Uniform Customer Experience: Buy online, pick-up in store and Buy in-store and get home delivery- active at more than 100 stores &amp; targeted to expand to all stores</li> <li>• Enhanced CX through Fabindia Experience Centers- with clothing, wellness center, Fabcafe, interior design studio and kids' zone</li> <li>• E-commerce sale currently accounts for 5% of its overall sales, with targeted plans to increase this share</li> </ul>
<b>Marks &amp; Spencer India</b>	<ul style="list-style-type: none"> <li>• M&amp;S opened its first store in India in 2001 and in April 2008 signed a JV with Reliance Retail to form Marks &amp; Spencer Reliance India Pvt Ltd.</li> <li>• Though it has been an Omni-Channel Player globally, it ventured into Online Retail in India in 2015 through the fashion marketplace Myntra</li> <li>• Launched its brand store on Amazon in 2017</li> <li>• Currently has its own brand website in India too, but online sales are higher through marketplaces</li> <li>• Omnichannel Presence with extensive physical retail footprint &amp; online capabilities</li> <li>• India is now M&amp;S's largest market outside of UK</li> </ul>

# III. O+O Collaboration For Traditional Retail: Neighborhood Kirana Embrace Digitization, Led By Online Marketplaces

*Traditional Retail moving towards digitization with collaboration with tech-enablers and online players in the retail ecosystem*



# III. O+O Collaboration For Traditional Retail Case Study: Neighborhood Kirana Going Digital, Customer Reach And Efficiencies Improve

## Case Study

Neighbourhood Kirana Stores and other traditional retail players are embracing digitization by collaborating with online marketplaces and digital channels

Traditional Retailer	Collaboration
<b>Kaina Creations</b>	<ul style="list-style-type: none"> <li>To increase visibility and store reach &amp; for gaining new customers, Kaina Creations (Apparel &amp; Accessories Retailer) collaborated with Amazon &amp; Flipkart to increase its revenue without additional costs (also avoiding high rental cost in expanding offline)</li> <li>Simultaneously listed on Indiamart for Bulk orders</li> <li>Use of Social Media platforms like Facebook, Instagram for Promotion &amp; Sales</li> </ul>
<b>Ganesh Stores</b>	<ul style="list-style-type: none"> <li>Ganesh Store (F&amp;G Retailer) collaborated with Walmart Kirana Development Program whereby they received a POS device to simplify business by billing, inventory management, customer data management, Ordering from the C&amp;C chain</li> <li>The store was renovated in this collaboration which gave a modern look and feel to the shop with proper racks, layout, and training in category management product placement. This helped attract customers as it made navigation for customers easier and boosted sales.</li> <li>They also started providing home delivery of products with the shop being better managed</li> <li>The C&amp;C collaboration resulted in better shop management, renovated &amp; improved store layout and an increase in number of customers visiting and self browsing, leading to an increase in sales</li> </ul>
<b>Hari Om Textiles</b>	<ul style="list-style-type: none"> <li>Hari Om Textiles (Apparel Manufacturer, Retailer, Distributor) have had a physical presence for a long time but recently ventured online seeing it as a growing opportunity. It helped them generate sales during the pandemic and also, they've been able to offer discounts since they are manufacturers as well</li> <li>They have their own website as well, but footfall there is less, and sales is higher on marketplaces like Amazon</li> <li>They have been able to focus on brand building through social media platforms as well as driving traffic to their website via spending on google ads</li> <li>Have managed to create a 200-product portfolio on marketplaces with an average customer rating of 4.5 out of 5</li> </ul>

# IV. O+O Collaboration For Modern Retail: Modern B&M And E-Commerce Platforms Partner To Enhance The O+O Ecosystem

*Modern Retail collaborating with e-commerce and tech players for strengthening O+O capabilities*



# IV. O+O Collaboration For Modern Retail Case Study: Modern B&M And Online Platforms Partner For Greater O+O Capabilities

## Case Study

Offline-led Modern Brick and Mortar Players enhance their Online+Offline capabilities through digital partnerships

Player	Collaboration
<b>FoodHall</b>	<ul style="list-style-type: none"><li>Partnership with Hyperlocal Delivery Chains like- Scootsy (which was later acquired by Swiggy) in April 2019, Swiggy, Dunzo for Grocery Home delivery to customers</li><li>Enabled Foodhall to reach out to more customers and ensure greater customer convenience through delivery (90-120 minutes delivery)</li><li>Wider assortment of orders as complete list of items displayed on Hyperlocal apps basis real-time stock</li></ul>
<b>HyperCity &amp; Spar</b>	<ul style="list-style-type: none"><li>Both Hypermarket chains collaborated with Amazon Now to deliver Groceries to consumers (120 min delivery)</li><li>Enabled them to move beyond B&amp;M retail by putting their entire assortment online, and getting orders through Amazon Now</li><li>App based ordering and syncing with the Hypermarket stock for stock-taking</li><li>Dedicated team of 1-3 persons at the Hypermarket store catering to Amazon Now orders</li><li>Increased customer case base for the Hypermarkets, and Delivery Ease for Amazon Now</li></ul>

# The O+O Retail Journey Entails Multi-Dimensional Challenges, Yet It Holds The Potential For Disruptive Growth And Benefits To Core And Allied Entities

The convergence of Offline and Online retail has an enormous potential in terms of incremental economic contribution, job growth, exports, and an inclusive retail ecosystem with greater participation of MSMEs



By FY2030

O+O led Retail Market Addition  
Up to \$640 Bn



By FY2030

Employment Addition  
Up to 12 Mn



By FY2030

O+O led Retail Exports  
Up to \$125 Bn



By FY2030

O+O led GST Contribution  
Up to \$8 Bn

# Model Assumptions To Assess Economic Impact Of O+O in Retail 4.0

## Base Case

Transition of traditional retail towards O+O to continue at the current rate due to:

- Limited to no change in policy environment, and continued COVID-19 induced uncertainty
- Supply chain integration and infrastructure grows at the pace slower than needed to build the core O+O infrastructure

## Moderate Case

Transition of traditional retail towards O+O accelerates moderately due to:

- A systematic easing of policy limitations, and demand-led recovery, after the introduction of COVID-19 vaccine
- Improvement in demand from Tier III+ regions

## Best Case

Transition of traditional retail towards O+O accelerates rapidly with two-sided growth – higher demand-pull and sustained investments to improve tech-led supply:

- Most policy recommendations accounted for and enabled
- Agri-reforms take off on intended lines that successfully enables retail market linkages
- Food Retail gets onboarded on the O+O, led by sustained online demand from Tier I-III regions

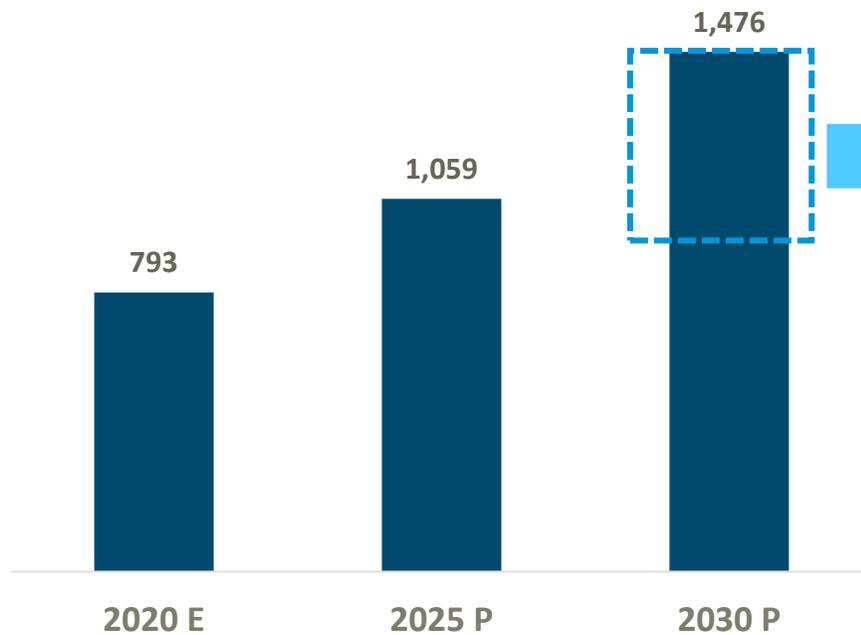


Please refer to slide no. 56 for detailed model assumptions

# O+O Economic Value Add: Incremental Revenues Of Up To \$640 Bn. By 2030, Constituting Nearly 44% Of Total Retail Market Share

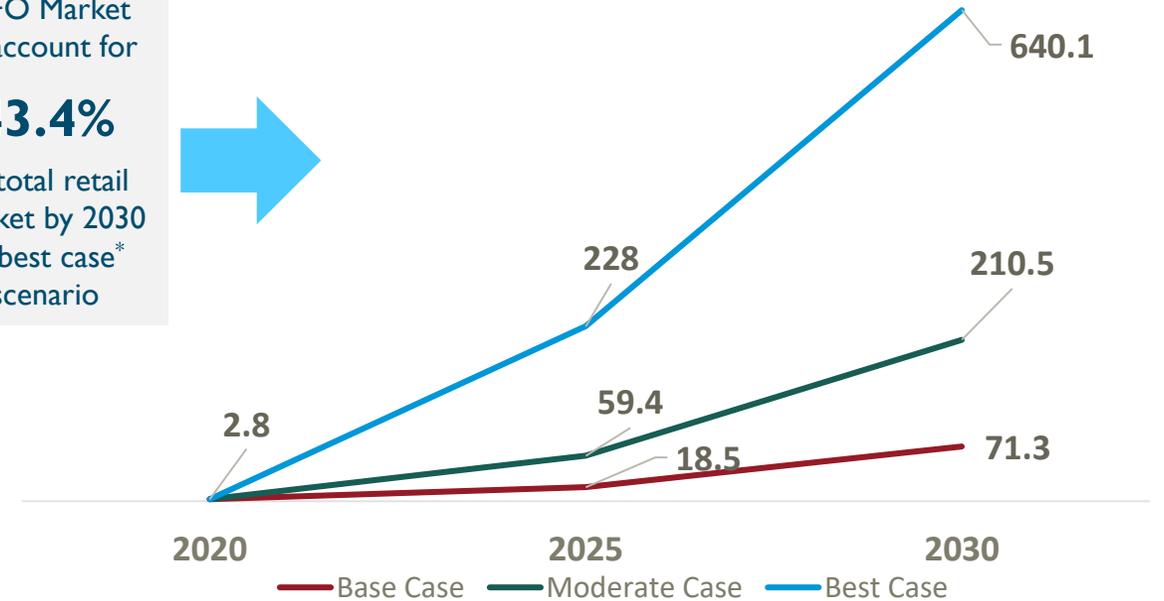
By 2030, Indian Retail is likely to witness increased sales, adding upto USD 640 billion as a result of O+O. Digitally-enabled Retail could account for up to 43.4% of the overall retail market by FY2030

**O+O-Led Total Retail 4.0 Market Size, in USD Bn.**



O+O Market to account for **43.4%** of total retail market by 2030 in best case\* scenario

**O+O Share in Total Retail Market, in USD Bn.**



\* O+O market is calculated as a sum of digitally-enabled Traditional Kirana Retail, Modern B&M Retail, and Online Retail convergence

# O+O Success Story: 750,000+ Sellers Witnessing Incremental Sales From O+O Collaborations

## Case Study

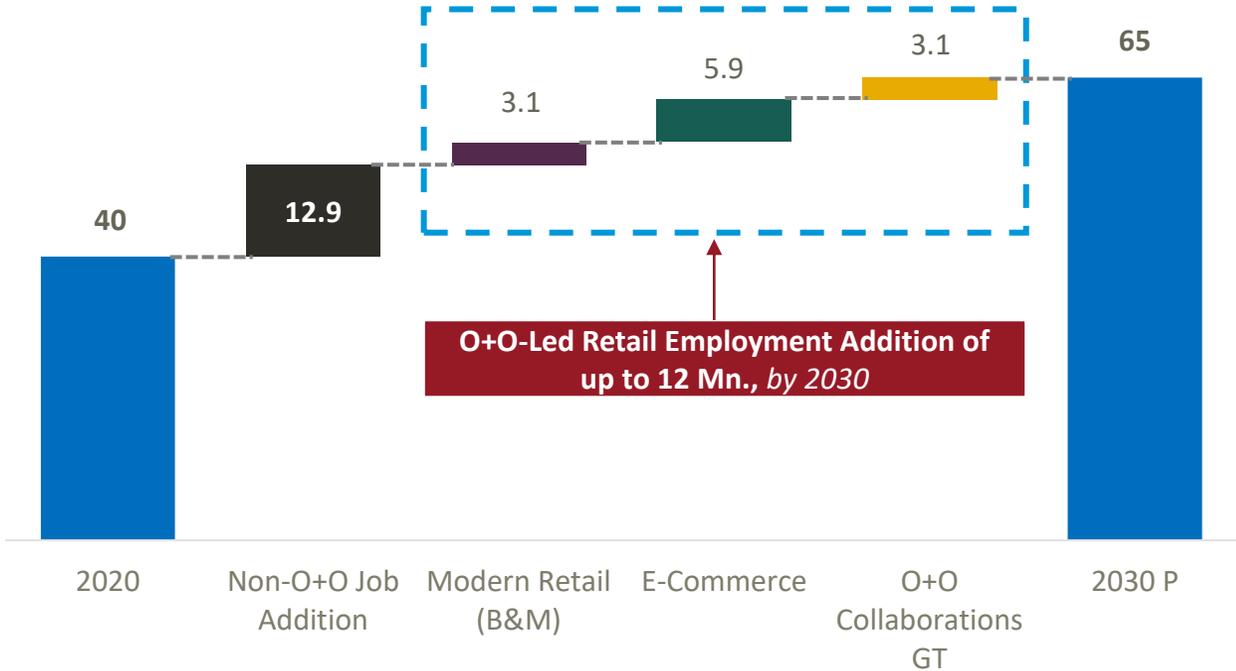
Creating Opportunities for Collaboration leading to Incremental Revenues

Players	Spotlight
Amazon	<ul style="list-style-type: none"> <li>• <b>Amazon Launchpad:</b> Showcases over 900,000 unique products offered by 1000+ emerging brands across 30 different product categories</li> <li>• <b>Local Shops</b> on Amazon: Helps customers order from local shops in their city. Shops can also sign up to earn additional income through <b>'I Have Space'</b> to act as delivery and pickup points, and <b>'Amazon Easy'</b> to aid customers currently not shopping online due to trust, technology etc barriers</li> <li>• Providing Lending support: To enable MSME businesses on Amazon.in to get fast and easy access to working capital through amazon lending partners, enabling business expansion</li> <li>• <b>Global Selling Program</b> for Exports Promotion &amp;</li> <li>• <b>Saheli, Karigar &amp; Seller University</b> programs for Skill Development &amp; Job Creations</li> <li>• Amazon delivers to India's 100% serviceable pin codes enabling to leverage growth potential of Tier 2, 3 cities. 90% of its sellers leverage Amazon's logistics &amp; delivery network (<b>EasyShip</b>)</li> <li>• Initiatives like Prime Day, Small Business Day contribute to higher Revenues</li> <li>• 650,000+ sellers in India have benefited from various seller services offered by Amazon.in</li> <li>• 18,500 millionaire sellers and 3500+ crorepati sellers on amazon.in in 2019 with 65% growth in crorepati sellers over last year. From 2019 to 2020, Average YoY growth of the sellers was 1.3X</li> </ul>
Snapdeal	<ul style="list-style-type: none"> <li>• <b>SD Advisor Program:</b> Launched advisor program for its 200,000 strong seller community, to enhance the level of engagement and hand holding for sellers on the marketplace</li> <li>• Initiatives such as <b>'Sherpalo'</b> and <b>'Shopo'</b>: Snapdeal launched initiatives such as 'Sherpalo' a seller service interface and also mobile marketplace 'Shopo' to empower sellers</li> <li>• Addition of 5000 manufacturer sellers: Plans to add manufacturers of steel utensils, kitchen gadgets, toys among others so that traditional multi-layer seller system is bypassed.</li> <li>• Sellers experienced 50% faster growth in their sales after being advised upon by Snapdeal team and attending regular training sessions</li> </ul>

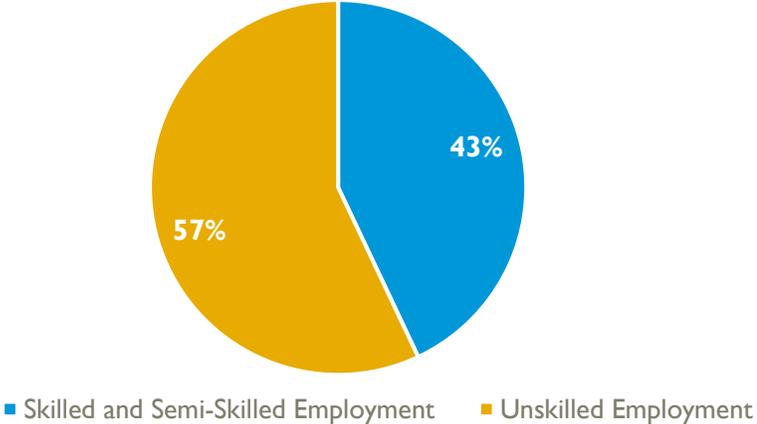
# O+O Employment Addition Potential: Up To 12 Mn. Jobs, Accounting For 50% Of Total Retail Employment Addition In The Next Decade (1/2)

*Formalization of Retail will lead to creation of jobs needing skilled manpower, resulting in higher degree of employability and ability to work in a cross-functional ecosystem. In terms of total employment addition in Retail, between FY2020 and FY2030, O+O will contribute ~50% (12 million out of 25 million) jobs*

**Retail 4.0 Employment Creation, by FY2030\***



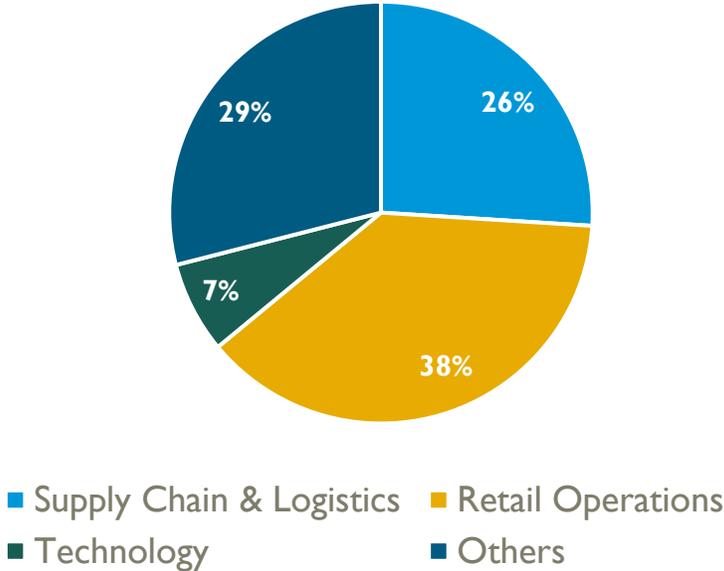
**Split of Employment Type in O+O, by FY2030\***



# O+O Employment Addition Potential: Retail Operations Jobs To Grow Most As B&M Retail Digitizes Core Ops, 3 Mn. New Jobs By 2030 (2/2)

- Retail Operations and Supply Chain will be the largest contributors in O+O led employment generation, followed by Technology
- Of the total 4.6 million jobs created in retail operations, due to O+O, the share of general trade (neighborhood kirana) is likely to be 62% - resulting in an additional 2.9 mn jobs by FY2030
- The share of Modern Retail in job creation by retail operation is estimated to be around 38% or 1.8 million jobs by FY2030
- Supply Chain and logistics will witness an incremental 3.2 million jobs, of which E-commerce will account for 2.6 million by FY2030

Function wise Employment Generation in Retail, by 2030\*



\* Others include job functions such as, offer management and customer care

# O+O Success Story: Job Additions And Skill Development Programs Boosting Employment

## Case Study

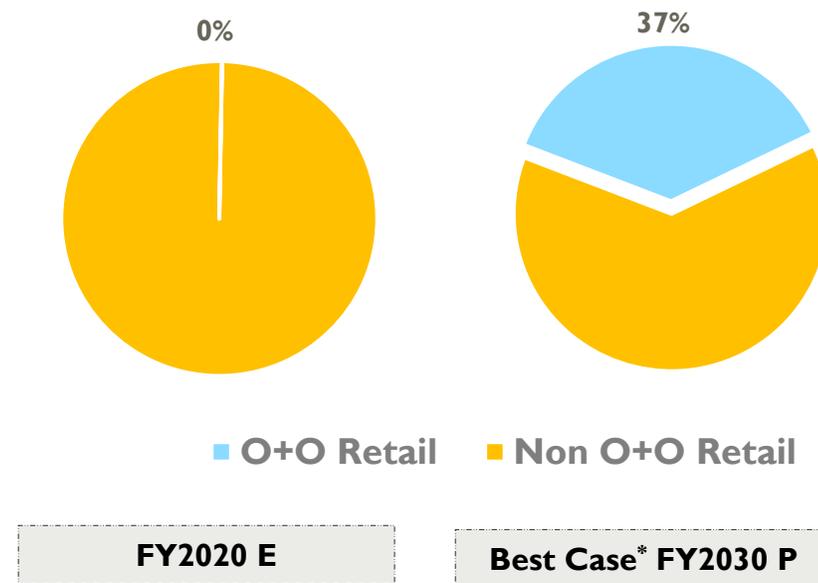
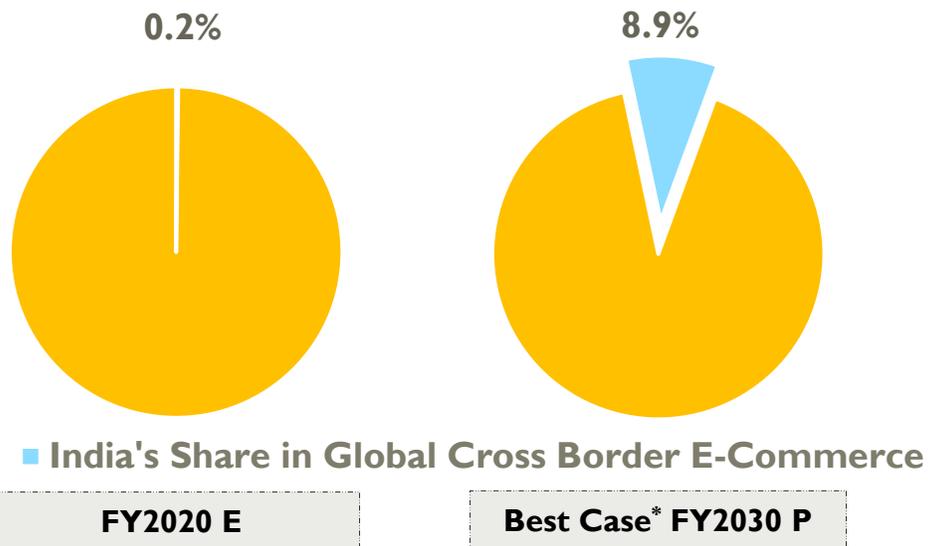
O+O partnerships programs to create job opportunities across sectors and towns

Program	Spotlight
<b>Amazon Karigar</b>	<ul style="list-style-type: none"><li>• Showcases authentic crafts of more than 2500 master weavers, co-operatives, artisans and APEX bodies</li><li>• Partnership with 22 Government Emporiums and 5 Government bodies</li></ul>
<b>Amazon Saheli</b>	<ul style="list-style-type: none"><li>• The program works with 36 partners with the reach of 280,000+ women entrepreneurs with 1000s of products across 10 categories</li><li>• It offers extensive training and skill development workshops for its partners to help women entrepreneurs with nuances of online selling and develop skills and capabilities necessary to grow their business online</li></ul>
<b>Amazon Seller University</b>	<ul style="list-style-type: none"><li>• Conducts both offline &amp; online training sessions for sellers</li><li>• Online module has over 700 videos in English, Hindi, Tamil, Telugu and Kannada with 7,500+ views a week</li></ul>
<b>Flipkart Samarth</b>	<ul style="list-style-type: none"><li>• Flipkart Samarth saw a 12x growth in the number of partners who joined the programme in 2020 over previous year</li><li>• About 60 per cent of Flipkart Samarth's partners are from tier-II and beyond</li></ul>
<b>Flipkart Big Billion Days</b>	<ul style="list-style-type: none"><li>• Employment of nearly 70,000 people in its supply chain, along with generating lakhs indirect jobs at its seller and other ecosystem partners' locations during BBD 2020</li><li>• The onboarding of more than 50,000 kiranas by Flipkart for last-mile delivery targeted to create thousands of seasonal jobs</li></ul>

# O+O Exports And GST Addition Potential: Estimated 8.9% Of Global Exports Share By 2030; GST Contribution Can Exceed 1/3rd Of Total

**Global Exports:** From an estimated \$2.1 Bn. in 2020, O+O enabled exports can potentially reach nearly \$125 Bn. by 2030

**GST Contribution:** By 2030, O+O Retail could contribute nearly \$8 Bn. in incremental tax collection, accounting for 37% of total Retail tax contribution



**Key Markets out of nearly 190 Countries in 2020**  
USA, UK, UAE, China, Germany, Australia, Canada, Singapore

**Potential of nearly USD 8 Bn in potential additional tax collection through digital enablement (O+O) of Traditional Retail by 2030**

# O+O Success Story: Over \$2 Bn. In Online-Led Exports Through 2020

## Case Study

Export assistance to Indian Sellers to Expand Globally

Program	Spotlight
<b>Amazon Global Selling</b>	<ul style="list-style-type: none"><li>• Gives easy access to a wider market to sellers &amp; Supports sellers through various seller tools &amp; logistics network- help in Product listings, Currency conversion, International fulfilment, Customs and duties assistance and Customer service in local languages</li><li>• Contributing to Indian govt.'s vision on exports and encouraging "Made in India" products to go global</li><li>• Over 60,000 sellers have listed their products on 15+ global marketplaces</li><li>• Expected to generate more than \$10 billion in cumulative export sales by 2025 for Indian exporters</li></ul>
<b>eBay Sell Global</b>	<ul style="list-style-type: none"><li>• The program helps pack and ship products to over 182 million global buyers in 200 countries</li><li>• eBay India works with the Government of Uttar Pradesh for their 'One District One Product' programme, with the key objective to promote local art and crafts that will further aid skill development and self-employment. Sellers and traders are encouraged to undertake exports through eBay's global marketplace platform.</li><li>• Sellers from across Uttar Pradesh have joined eBay to export indigenous, and increasingly GI-marked products, such as Chikankari and Zari Zardozi, traditionally-made Ittar (perfume), leather products, metal crafts, and sporting goods.</li></ul>

# O+O Contribution To GoI Initiatives: MSME Promotion, Digital India, Make In India, Startup India



# O+O Success Story: Online Collaborations Enabling Market Access And Providing Growth Avenues To MSMEs

## Case Study

O+O partnerships  
programs to empower  
MSMEs

Program	Spotlight
<b>Flipkart Samarth</b>	<ul style="list-style-type: none"> <li>Over six lakh artisans, weavers and craftsmen</li> <li>National market access from on-boarding till process of selling online</li> </ul>
<b>Flipkart Wholesale</b>	<ul style="list-style-type: none"> <li>Its a digital B2B marketplace with an aim to connect local manufacturers and MSMEs with retailers and other businesses</li> </ul>
<b>Walmart Vriddhi</b>	<ul style="list-style-type: none"> <li>Aims to empower 50,000 MSMEs to 'Make in India' for local and global markets</li> <li>Leverages the supply chains and expertise of the Flipkart businesses and Walmart, and provides tailored training and advice along with access to an ecosystem of peers and mentors.</li> </ul>
<b>Amazon Karigar</b>	<ul style="list-style-type: none"> <li>Showcases over 55,000 products, including more than 270 arts and crafts from 20 states, enabling weavers and artisans to showcase 'Made in India' products to customers</li> </ul>
<b>Amazon Saheli</b>	<ul style="list-style-type: none"> <li>Supports over 2.8 lakh women entrepreneurs</li> </ul>
<b>Amazon Launchpad</b>	<ul style="list-style-type: none"> <li>Support entrepreneurs by providing resources, expertise, and global support to help showcase and deliver innovative products</li> </ul>
<b>Snapdeal CapitalAssist</b>	<ul style="list-style-type: none"> <li>Platform through which partner banks and NBFCs can provide low-cost financing to Snapdeal sellers</li> <li>Collateral free loans to MSMEs</li> </ul>
<b>Snapdeal Project Saksham</b>	<ul style="list-style-type: none"> <li>Collaborates with the Gol to promote "One District One product (ODOP)" for Indian SMEs and help them sell their goods online</li> <li>It supports the sale of GI products, handlooms &amp; handicrafts, &amp; provides market access, guidance, packaging assistance and standardisation opportunities</li> </ul>

# O+O Success Story: E-Commerce Players Supporting GoI Initiatives

## Case Study

O+O partnerships  
programs to support  
initiatives of Government  
of India

GoI Initiative	Spotlight
<b>Skill India</b>	<ul style="list-style-type: none"><li>• <b>Flipkart</b> - Skill development programme for e-commerce delivery executives in collaboration with Logistics Sector Skill Council</li><li>• <b>Amazon India</b> - Skilling programme under the National Apprenticeship Promotion Scheme (NAPS)</li></ul>
<b>Startup India</b>	<ul style="list-style-type: none"><li>• <b>Amazon Launchpad</b> – Showcasing and highlighting startup products on marketplace</li><li>• <b>Amazon Web Services</b> – Probono cloud services to startups</li></ul>
<b>Digital India</b>	<ul style="list-style-type: none"><li>• <b>Naaptol</b>- Over 1 lakh IT - enabled post offices in India by collaborations with e-Commerce companies like Amazon, Flipkart, Yepme, Shopclues, Naaptol, etc</li></ul>
<b>Make in India</b>	<ul style="list-style-type: none"><li>• <b>Snapdeal</b> and <b>Amazon Karigar</b> Programs to support local artisans, handicrafts, and handloom products via collaborations with self-help groups – to enable cost-efficient market access and logistic support</li></ul>

# Bottlenecks In Greater Online+Offline Play And Policy Imperatives



# O+O Growth Challenges

## Technological Bottlenecks



- Awareness gap
- Limited understanding of benefits
- Unavailability of hardware/ and or repair support
- Inadequate supporting infrastructure

01

## Operational Bottlenecks



- Lack of standardization
- Pen-paper based accounting and book-keeping
- Inventory and process integration

02

## Financial Bottlenecks



- Higher cost of digital technologies
- Liquidity concerns due to higher cash conversion cycles
- Concerns regarding financial viability and margins

03

## Regulatory Bottlenecks



- Export challenges w.r.t product returns
- Lack of parity between selling online and offline with stricter GST requirements & grievance redressal norms for online sellers
- Lack of dedicated warehousing zones in close proximity to consumption centers

04



# NASSCOM Summary Policy Recommendations For Driving O+O Retail

- Training and awareness sessions for MSMEs
- Handholding of MSMEs and traditional retail in achieving compliances relating to online retail.
- Enabling wider adoption of digital payments by MSMEs, and addressing the key barriers and disincentives to adoption of digital payments
- Supporting MSMEs embracing digitalization through targeted incentives



## Support to MSMEs and Traditional Retail

- Reduce barriers to online retail by bringing parity between online and offline business on tax costs and compliances
- EODB measures for small sellers selling on online marketplaces:
  - Eliminating the need for state specific physical PPOB requirement
  - Single Window clearance approach for licenses and registrations
  - Timely release of tax refunds, simplifying procedures for obtaining lower withholding tax certificate and encouraging digital maintenance of tax records
- Benefit of turnover based threshold for GST registration

## Export Promotion and Access to Export Markets



- Easing regulatory compliances for export and returns by encouraging exports
- Facilitating easier and faster online cross-border payments, by adopting risk-proportionate obligations related to cross-border payments and reviewing current rules.

- Running awareness programs on extant regulations applicable to online retail so as to induce greater confidence in an O+O omni-channel ecosystem amongst MSMEs, other offline sellers and consumers.
- Providing a platform or a forum for digitalized MSMEs to voice their concerns relating to compliance costs and operational bottlenecks before the Government.

## Trust Building in the O+O Ecosystem



# Appendix

Survey Timelines, Objectives, and Participant Profile

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Detailed Model Assumptions To Assess Impact Of O+O

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Retail 4.0: O+O Collaboration Case Studies

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Detailed Policy Recommendations

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Abbreviations & Glossary

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# Retail 4.0 Survey Timelines and Objectives

NASSCOM-Techopak solicited responses from 360 stakeholders across the retail ecosystem through one-on-one interaction, with a detailed set of interview questions.



01 ----->

**192 respondents answered to queries on**

1. Current and Potential Partnerships with E-Commerce and Modern Retail Channels
2. Expected / Realized Benefits of Collaboration
3. Concerns and Challenges in Collaboration
4. Outlook towards Tech Usage, present and future use areas
5. COVID Impact and subsequent use of Tech



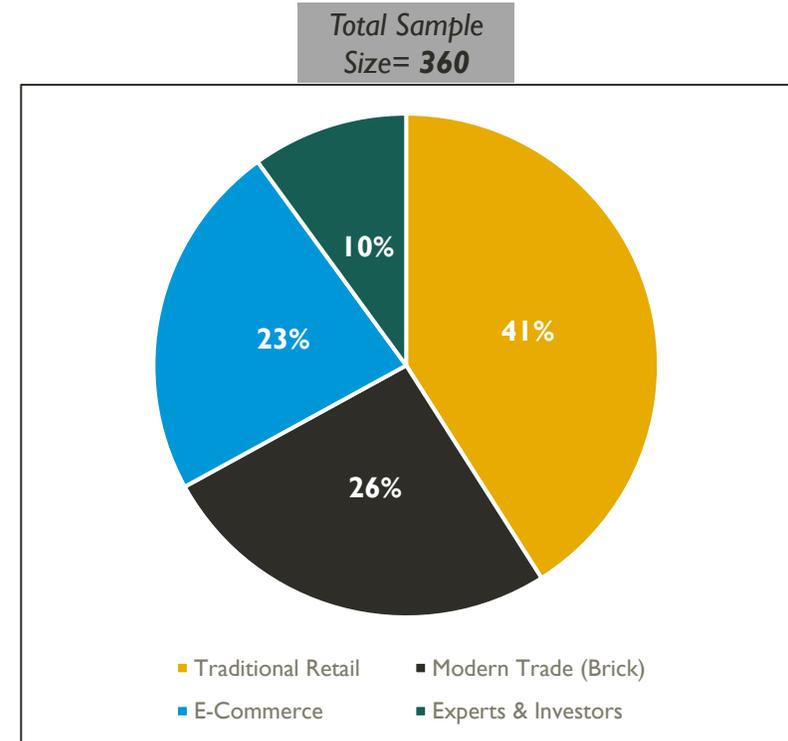
02 ----->

**168 respondents answered to queries on**

1. View on O+O Collaboration Models
2. Role of Tech in Retail Transformation
3. Drivers, Enablers, and Bottlenecks in Indian Retail Ecosystem, and O+O
4. Emerging Tech Focus Areas and Opportunities
5. Global Learnings - Best Practices and Models replicable in India
6. Policy Expectations

# Retail 4.0 Survey Respondents' Profile

	Stakeholder	Interview Count
<b>Traditional Retail Ecosystem</b>  <b>N=146</b>	General Trade Retailers (Kirana Owners)	80
	Wholesalers and Distributors	33
	Logistics and Warehouse Operators	33
<b>Modern Retail Ecosystem</b>  <b>N=93</b>	Leadership of Key Retailers	10
	Functional Heads	43
	Vendors & Suppliers	20
	Logistics and Warehouse Operators	20
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# Model Assumptions To Assess Economic Impact Of O+O in Retail 4.0

## Base Case

Transition of traditional retail towards O+O to continue at the current rate due to:

- Limited to no change in policy environment on transactions through online marketplaces, digital payments, and cost of online transactions
- Continued COVID-19 induced uncertainty that limit tech investments and workforce increment needed to enable risk-based business expansion
- Supply chain integration & infrastructure enablement across India grows at the pace slower than needed to build the core O+O infrastructure

## Moderate Case

Transition of traditional retail towards O+O accelerates moderately due to:

- A systematic easing of policy limitations, primarily around ease of payments through digital modes and export-oriented regulations
- Demand-led recovery, and stabilization of demand across major categories, after the introduction of COVID-19 vaccine and government's vaccination plan
- Increasingly, improvement in demand from Tier III+ regions. Also, early PoCs of traditional kirana onboarding sustain and grow.

## Best Case

Transition of traditional retail towards O+O accelerates rapidly with two-sided growth – higher demand-pull and sustained investments to improve tech-led supply:

- Most policy recommendations accounted for and enabled – infrastructure, connectivity, warehousing, digital transactions, exports, and MSME support
- Agri-reforms take off on intended lines that successfully enables retail market linkages with sourcing and warehousing of agriculture produce. Significant improvement in control temperature warehousing and logistics to support post farm infra.
- Food Retail, particularly loose market and fresh produce, gets onboarded on the O+O, led by sustained online demand from Tier I-III regions for domestic, as well as, imported food categories/products

# Retail 4.0: O+O Case Studies

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# I. Brand Led O+O (In-House) – Lenskart Transitioned From Pure-Play Online To O+O Model

## Case Study

### Lenskart

Transition from Online-only to Online+Offline through In-house Capabilities



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#### Problem

- Offline Expansion, as Lenskart started as an Exclusive Online Player in 2010
- Creating Technological capability Online to remove online trial/ purchase barriers
- Integration of both Mediums for a Universal CX



#### Solution

- Lenskart opened its first Offline store in 2014, four years after its Online entry. Currently has 500+ offline stores to cater to demand of physically trying before buying
- In-house robotic lens manufacturing and assembling center to cut costs and for quality control
- Patented 3-D technology enabling Virtual trials of eyewear
- AI & ML powered Search engines on Website & App, PCI DSS compliant payment gateway and ReactJS technology which helped in increasing platform speed and in improving responsiveness
- Home trial of frames with Eye expert carrying over 100+ best selling designs
- Home eye testing by Optometrists
- Integration of channels for CX: Purchase product online and get it delivered either to a store near them or to customers' house; Perform return/ exchange at the store/home; Place order online, try it at the store/home and complete the purchase there



#### Impact

- Annual Turnover of over INR 480 Cr with 600+ stores across 120+ cities . Entered the Unicorn club with investment of over INR 1900 Cr by Softbank Vision fund in 2019
- Over 6000 styles of eye-wear, 50 lakh customers, 10+ Million App downloads
- 20-30% rise in revenue & addition of new customers through online trial rooms
- Set up a new trend of viewing eyewear as a style statement & purchasing this category at home

Integrated O+O Experience for Customers – a first in eye-wear segment



# II. Brand Led (In-House + 3P) O+O – FabIndia Expanded From Physical To Brand-Owned Online To 3P E-Commerce Platforms

## Case Study

### Fabindia

Both In-house and External  
O+O Collaborations



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#### Problem

- Started as an Offline-only player & need to Adapt to changing Consumer behaviour
- Market Expansion & Customer Reach



#### Solution

- Moved to E-commerce through its own Online Store - it's Website, in 2015
- Post in-house O+O integration with Website & Physical Stores, it Collaborated with other Online Marketplaces, such as Amazon, Flipkart, Myntra, etc. in order to expand reach in 2017
- Social media Marketing and Influencer marketing through Instagram & Facebook
- O+O seamless Omnichannel Integration for Uniform Customer Experience: Buy online, pick-up in store and Buy in-store and get home delivery- active at more than 100 stores & targeted to expand to all stores
- Enhanced CX through Fabindia Experience Centers- with clothing, wellness center, Fabcafe, interior design studio and kids' zone



#### Impact

- Fabindia is currently India's largest private platform for traditional products
- More than 300 stores in India and 14 stores internationally and staff of 2,500+
- Provides employment to around 50,000 artisans in rural India
- E-commerce sale currently accounts for 5% of its overall sales, with targeted plans to increase this share

A Traditionally Offline Store developing O+O capabilities In-house, and later utilising External E-commerce collaborations too, to expand business



# III. O+O Collaboration For Traditional Retail – Kaina Creations Collaborates With E-Commerce Platforms For Greater Market Access

## Case Study

### Kaina Creations (Traditional Retail)

Transition from Offline-only to Offline+Online through E-commerce Collaborations



#### Problem:

- To increase Visibility and Store reach, gaining new customers
- Brand building and Higher sales
- High rental cost in expanding offline



#### Solution

- In addition to having own offline store & manufacturing, have transitioned to online marketplaces like Amazon & Flipkart to increase revenue without additional investment or increase in costs
- Use Easy-shipping option by Amazon for delivering orders owing to convenience
- Have listed themselves on platforms such as IndiaMart for bulk demands
- Using Social media platforms like Facebook, Instagram for Brand building & Sales



#### Impact

- Incremental sales & acquired customers through Online Channel
- Increased brand visibility improving Offline brand name

O+O Transition proving fruitful for a traditional Offline Retailer



# IV. O+O Collaboration For Modern Retail – Foodhall Collaborates With Hyperlocal Delivery Players

## Case Study

### Foodhall

Transition from Offline-only to  
Offline+Online through  
External E-commerce  
Collaborations

*Foodhall*  
— for the love of food —

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#### Problem

To Expand Customer Reach & improve customer experience

- Being an Offline-only store hampered sales growth. Foodhall website only informative & not used for e-commerce
- Lack of access to potential customers who preferred to shop from homes.



#### Solution

- Partnership with Hyperlocal Delivery Chains like- Scootsy (which was later acquired by Swiggy) in April 2019, Swiggy, Dunzo for Grocery Home delivery to customers
- Enabled Foodhall to reach out to more customers and ensure greater customer convenience through delivery (90-120 minutes delivery)
- Wider assortment of orders as complete list of items displayed on Hyperlocal apps basis real-time stock
- Orders also placed through Whatsapp or phone calls to Foodhall stores
- In July 2020, Foodhall launched its Ecommerce App in Bangalore as a pilot



#### Impact

The O+O partnership with Hyperlocal chains resulted in:

- Step towards increasing feasibility and accessibility of gourmet food for customers
- Greater profitability for Foodhall

O+O Transition by an MT Store to expand its Reach



# O+O Success Story: Incremental Sales From O+O Collaborations for 650,000+ Resellers

## Case Study

**Amazon**  
Creating Opportunities for  
Collaboration leading to  
Incremental Revenues



### Problem

- Creating Incremental Revenue & GDP Impact through various O+O Collaborative Programs



### Solution

Various collaborative programs & Initiatives which led to Incremental Revenue & GDP:

- **Amazon Launchpad:** Showcases over 900,000 unique products offered by 1000+ emerging brands across 30 different product categories
- **Local Shops on Amazon:** Helps customers order from local shops in their city. Shops can also sign up to earn additional income through 'I Have Space' to act as delivery and pickup points, and 'Amazon Easy' to aid customers currently not shopping online due to trust, technology etc barriers
- **Providing Lending support:** To enable MSME businesses on Amazon.in to get fast and easy access to working capital through amazon lending partners, enabling business expansion
  - **Global Selling** Program for Exports Promotion
  - **Saheli, Karigar & Seller University** programs for Skill Development & Job Creations
  - Amazon's vast reach and network aids in business growth – It delivers to India's 100% serviceable pin codes enabling to leverage growth potential of Tier 2, 3 cities. 90% of its Sellers leverage Amazon's logistics & delivery network (**EasyShip**) making it easy for them to do business
  - Initiatives like **Prime Day, Small Business Day** contribute to higher Revenues



### Impact

- 650,000+ sellers in India have benefited from various seller services offered by Amazon.in
- 18,500 millionaire sellers and 3500+ crorepati sellers on amazon.in in 2019 with 65% growth in crorepati sellers over last year. From 2019 to 2020, Average YoY growth of the sellers was 1.3X

With Programs specific to India's Economy, Amazon has contributed to India's Ecommerce Story



**amazon**

# O+O Success Story: Amazon India Has Added 700,000 Jobs Through Various Skill Development Programs, Plan 1 Mn. By 2025

## Case Study

### Amazon

O+O partnerships programs to aid Sellers



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#### Problem

- Creating Incremental Jobs and Skill Development opportunities for sellers and businesses looking to move online



#### Solution

Various collaborative programs help create both direct and indirect employment across industries. Few O+O Collaboration initiatives:

- **Amazon Karigar:**
  - Showcases authentic crafts of more than 2500 master weavers, co-operatives, artisans and APEX bodies
  - Partnership with 22 Government Emporiums and 5 Government bodies
- **Amazon Saheli:**
  - The program works with 36 partners with the reach of 280,000+ women entrepreneurs with 1000s of products across 10 categories
  - It offers extensive training and skill development workshops for its partners to help women entrepreneurs with nuances of online selling and develop skills and capabilities necessary to grow their business online
- **Amazon Seller University:**
  - Conducts both offline & online training sessions for sellers
  - Online module has over 700 videos in English, Hindi, Tamil, Telugu and Kannada with 7,500+ views a week



#### Impact

- 700,000 jobs created through Amazons investments in India over the last 6 years, with target to create 1 million jobs by 2025
- Over 50,000 seasonal employment opportunities including part-time flexible work opportunities
- Over 50% sellers from Tier II and below cities, & From 2019 to 2020, Average YoY growth of the sellers was 1.3X

Incremental Jobs and Skill Development through O+O collaborations



# O+O Success Story: Over \$2 Bn. In Online-Led Exports Through 2020

## Case Study

### eBay Sell Global and Amazon Global Selling Programs

Export assistance to Indian Sellers to Expand Globally



#### Problem

To help Indian sellers:

- Difficult for small Indian sellers to make their products reach the right market
- Limited capital, limited knowledge and non-availability of suitable technology
- Cost constraints on modernisation and expansion



#### Solution

The eBay Sell Global and Amazon Global Selling Program in India:

- Provides transformative opportunities for Indian entrepreneurs, manufacturers, retailers, brands and traders to grow and scale through e-commerce exports
- Gives easy access to a wider market to sellers & Supports sellers through various seller tools & logistics network- help in Product listings, Currency conversion, International fulfilment, Customs and duties assistance and Customer service in local languages
- Contributing to Indian govt.'s vision on exports and encouraging "Made in India" products to go global
- The program helps pack and ship products to over 182 million global buyers in 200 countries



#### Impact

- Over 60,000 sellers have listed their products on 15+ global marketplaces
- Over \$2 billion dollars in cumulative exports until now since launch through these programs, & expected to generate more than \$10 billion in cumulative export sales by 2025 for Indian exporters

Incremental Exports through O+O collaborations



eBay India works with the Government of Uttar Pradesh for their '**One District One Product**' programme, with the key objective to promote local art and crafts that will further aid skill development and self-employment. Sellers and traders are encouraged to undertake exports through eBay's global marketplace platform. Sellers from across Uttar Pradesh have joined eBay to export indigenous, and increasingly GI-marked products, such as Chikankari and Zari Zardozi, traditionally-made Ittar (perfume), leather products, metal crafts, and sporting goods.

# O+O Success Story: E-Commerce Companies Enabling Market Access For MSMEs

## Case Study

### Snapdeal

O+O Partnership Programs to enable growth of MSMEs



technopak



#### Problem

To help Indian sellers:

- Difficult for small Indian sellers to make their products reach the right market
- Limited capital, limited knowledge and non-availability of suitable technology
- Cost constraints on modernisation and expansion



#### Solution

- **Project Saksham** launched in the year 2020 collaborated with the Gol to promote “One District One product (ODOP)” for Indian SMEs and help them sell their goods online. It provides market access, guidance, packaging assistance and feedback on consumer preferences and standardisation opportunities
- Snapdeal has partnered with TRIFED (The Tribal Cooperative Marketing Development Federation of India) to promote tribal handicrafts. Similar collaborations with other State entities like Jammu & Kashmir Industries Department (Jammu & Kashmir Trade Promotion Organisation - J&K TPO), Haryana ( Department of Industries), Madhya Pradesh ( Department of Industries, Uttar Pradesh (UPKVIB products), Tamil Nadu (Tamil Nadu Industrial Development Corporation Limited- TIDCO)
- **Connecting manufacturer-sellers to the buyers-** In 2020, Snapdeal launched a special drive to connect manufacturer-sellers to the buyers directly. More than 5000 such manufacturer-sellers from manufacturing hubs like Meerut, Ludhiana, Tirupur, Jaipur, Panipat, Surat, and Rajkot were onboarded on Snapdeal.
- Also, Snapdeal follows a decentralized logistics network under which it operates small logistics centers co-located within major commercial hubs in various cities. Through these centers, sellers can ship their orders as and when they are ready
- Snapdeal launched **CapitalAssist-** a platform through which partner banks and NBFCs can provide low-cost financing to Snapdeal sellers



#### Impact

- Rs. 1,000 crore collateral free loans offered to MSMEs via CapitalAssist program of Snapdeal. This program also saw sellers doubling their revenue within 2 months of financial aid
- Diminishing Arts of the country have got a revival through these programs

O+O Programs by Online Marketplaces helping MSMEs expand reach and business



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# O+O Success Story: Operations Digitization And Fintech Integration Of Kirana Store By Digitized Book-Keeping Solutions

## Case Study

### Gimbooks

Easy Invoice Manager helping address Operational Issues for MSMEs



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#### Problem

- To resolve Operational bottlenecks for MSMEs, like Invoicing and Bookkeeping
- Due to low digital adoption, most MSMEs in the country maintain accounts manually-takes a lot of time and effort



#### Solution

A flagship mobile app- Easy Invoice Manager and website platform :

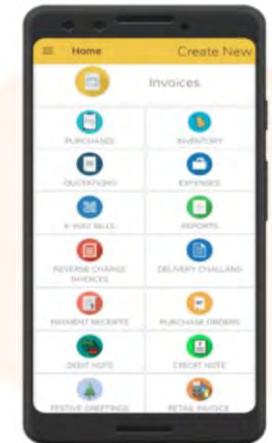
- Gimbooks is a cloud based, domain specific and customised bookkeeping and business management platform- convenient mobile-first, easy-to-use and affordable solution
- It helps users create GST-compliant invoices, waybills, quotations, purchase orders, delivery challans and get loans and insurance
- It helps MSMEs manage their inventory and expenses, keep a live track of business reports and send payment reminders to customers
- Users can also see their business reports and analytics, sale and purchase reports, ledgers and accounts in the app, and connect with other business owners.



#### Impact

- It is affordable and MSME centric and has 90,000 pay users and more than 5 lakh downloads
- 5 Lakh+ Downloads and 4.8 rating on App store

Gimbooks won the Aatmnirbhar Bharat App Challenge in the business category, 2020. Also awarded Best Startup of the year by EO in 2019



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# O+O Success Story: ShopX Operating System Facilitating Efficient Logistics

## Case Study

### ShopX

Retail Operating System enabling O+O Transition for Traditional Retailers



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#### Problem

- To Provide technology support & assistance for Traditional Retailers and enabling O+O Collaborations
- To improve the sales of Retailers in Tier 2 cities as Small retailers stuck with large inventories and unable to find customer base resulting in losses



#### Solution

ShopX e-commerce platform and ShopX App:

- Aggregates small businesses into a network across India, enabling B2B and B2B2C commerce and credit
- Helps retailers sell online by connecting their physical supply chains to a digital distribution network- connects small retailers and big brands and suppliers through its app
- Provides back-end solutions without the sellers having to start from scratch
- Retailers get customised online store-front, on-demand dashboard to check transactions and order fulfilment in real time, plan delivery routes, manage end-to-end logistics



#### Impact

- Presence in 460 towns across 24 states
- Has helped serve more than 15 million customers by collaborating with 180,000 retailers
- The platform generates more than 20,000 transactions per day

A mission to empower one million retailers and thereby enable 400 million middle income Indians to reap the benefits of Online commerce



# O+O Success Story: Enabling O+O For Retail Brands Through Easy To Use, Plug And Play Technology Solution

## Case Study

### Unicommerce

Enabling omnichannel for retail brands  
Spotlight – Enabled a retail brand to scale its operations 3x (80K+ dispatches per month and 25+ Stores) with 99.5% fulfillment accuracy



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#### Problem

- Inconsistent Customer Experience in offline and online channels
- Lower footfalls in Offline Stores post Covid19; Inability to sell offline catalog on E-Commerce channels
- Disorganised Returns Management and lack of integration of online business with ERP



#### Solution

- Implemented Unicommerce's Omnichannel system to achieve inventory accuracy for managing inventories for Online and retail store sales
- Order allocation feature reconciles orders from different channels and automatically routes them to the nearest stores
- Seamlessly integrated its online business with their ERP & POS System through APIs, and scaled up revenues, saved operational cost and time
- Reduced shipping cost by unifying online and physical stores for returns management and dealt with order returns effectively, limiting the shipping costs
- Integration with 40+ leading marketplaces and 30+ global logistic partners helped the brand achieve on-time delivery of products across all sales channels



#### Impact

- The brand achieved 30% increased delivery efficiency with 80k+ dispatches per month and 23% reduced logistic cost
- Stock capacity increased up to 4 Lakh items from 1.5 Lakh. Optimal inventory management across their 5 Warehouses and 25+ Stores with 99.5% fulfillment accuracy
- With simplified backend, the brand optimised end-to-end business operations and was successful in enabling order fulfilment and real-time inventory view across multiple warehouses/ locations

Omnichannel (O+O) transformation has led to present wider assortment at lower cost and create seamless end-consumer experience



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# O+O Success Story: Facilitating Collateral Free Credit Facility For SMEs

## Case Study

### FinanSME & Power2SME

Financial Support & Online Buying Platform for SMEs



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#### Problem

To help in Business & Increase profits for SMEs:

- Difficult access to finance and lengthy documentation process- challenge for growth of SMEs
- SMEs don't have the capacity to buy at wholesale prices due to lack of bulk purchasing power and buy at a rate much higher than what big firms buy at



#### Solution

Group companies FinanSME & Power2SME helping SMEs through-

- FinanSME helps partner SMEs obtain working capital loan, machinery loan, loan against property and debt refinancing from partner banks/NBFCs through Online process
- FinanSME ensures availability of SME's transactional data & helps reduce the processing cycle time for the loan
- Helps provide collateral free loans a low rate of interest up to 14.5% p.a. to SMEs
- Power2SME- an online buying platform catering to manufacturers for supply of steel, chemicals, polymers, paints, etc. It does bulk procurement and partners with suppliers and manufacturers



#### Impact

- FinanSME has helped empower SMEs with more than Rs.1850 crore disbursed from among 10 financial partners
- Power2SME has more than 45,000 SMEs registered on its platform

Mission- "Empower SMEs to enable the India growth story" both in terms of revenue and development

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# NASSCOM Policy Recommendations For O+O Retail (1/2)

## I. Support to MSMEs and Traditional Retail

1. Training and awareness sessions on:
  - Adoption of new technologies, and working around the challenges of digitizing retail;
  - Legal rights and obligations of sellers vis-à-vis online and offline retail partners;
  - Strategies and compliances for MSMEs looking to join onto the O+O ecosystem.
2. Handholding of MSMEs and traditional retail businesses in achieving compliances relating to online retail.
3. Enabling wider adoption of digital payments by MSMEs, and addressing the key barriers and disincentives to adoption of digital payments by MSMEs
4. `Supporting MSMEs embracing digitalization through targeted incentives
  - Providing MSME specific tax reliefs, such as extending the lower income-tax rate of 25% to all entity forms (currently only limited to companies);
  - Prescribing higher revenue thresholds for tax compliance and registrations requirements so as to not burden MSME.
5. Reduce barriers to online retail by bringing parity between online and offline business on tax costs and compliances.
6. Eliminating the need for state specific physical PPOB requirement will facilitate sellers to get state level GST's with single national place of business:
  - Simplify the entire Principal Place of Business (PPOB) requirement especially for online sellers by making it digital and not requiring physical presence to expand their reach outside their home state and by replacing physical “principal place of business” with a “place of communication” in the State;
  - Exemption for 1% TCS for Exports transactions on e-commerce marketplace - provide necessary clarifications to exclude levy of TCS under GST laws on zero rated export sales made by online sellers.
7. Enabling ease of doing business:

A ‘single-window clearance’ approach should be followed regarding all requisite licenses and registrations associated with e-Commerce in India. Paper-based processes should be eliminated and substituted with cost-effective and efficient solutions

  - Timely release of tax refunds for MSME entities and simplifying the procedures for obtaining lower withholding tax certificate

# NASSCOM Policy Recommendations For O+O Retail (2/2)

- Encouraging digital maintenance of tax records, such as removing the requirement for payers to issue TDS certificates and prescribe Form 26AS, as the basis for granting TDS credit.
  - Reduce the scope of transactions subject to TDS/TCS, by leveraging on informational data points from the GST database
8. Benefit of turnover based threshold for GST registration to be provided for small sellers selling on online marketplaces All sellers selling through online platform to be made eligible for a threshold exemption of Rs. 40 lakhs for intra state supplies. This will enable small sellers to get market visibility and sell online, hence increasing their turnover.

## II. Export Promotion and Access to Export Markets –

- Easing regulatory compliances for export and returns by encouraging exports by clarifying non-applicability of marketplace TDS provisions on exports through online channels.
- Clarify that EL should not be levied on the foreign e-commerce operators for the revenues earned from facilitating Indian exports, as such costs could add to the costs of exports for the Indian seller.
- Facilitating easier and faster online cross-border payments, by adopting risk-proportionate obligations related to cross-border payments and reviewing current rules. Particularly:
  - Increasing the per-transaction limits prescribed under the OPGSP Guidelines, which are currently capped at USD 10,000;
  - Reviewing the compliance obligations imposed upon payment gateways and payment aggregators.
  - Implementing import-duty exemption for re-imports of unsold products.
  - Coordinated and targeted schemes at enabling greater export market access for Made in India products.

## III. Trust Building in the O+O Ecosystem –

- Running awareness programs on extant regulations applicable to online retail so as to induce greater confidence in an O+O omni-channel ecosystem amongst MSMEs, other offline sellers, and consumers.
- Providing a platform or a forum for digitalized MSMEs to voice their concerns relating to compliance costs and operational bottlenecks before the Government.

# Abbreviations

Abbreviation	Description
<b>AI</b>	Artificial Intelligence
<b>ATL</b>	Above The Line
<b>Bn</b>	Billion
<b>BTL</b>	Below The Line
<b>B&amp;M</b>	Brick and Mortar Store
<b>B2B</b>	Business-to-Business
<b>B2B2C</b>	Business-to-Business-to-Consumer
<b>B2C</b>	Business-to-Consumer
<b>CAGR</b>	Compound Annual Growth Rate
<b>CXO</b>	Chief Experience Officer
<b>EBO</b>	Exclusive Brand Outlet
<b>Ecomm</b>	E-commerce

Abbreviation	Description
<b>EPR</b>	Extended Producer Responsibility
<b>EU</b>	European Union
<b>F&amp;G</b>	Food & Grocery
<b>FSSAI</b>	Food Safety and Standards Authority of India
<b>GST</b>	Goods and Services Tax
<b>GT</b>	General Trade
<b>Hypers</b>	Hypermarkets
<b>ICT</b>	Information and Communication Technology
<b>LFS</b>	Large Format Store
<b>MBO</b>	Multiple Brand Outlet
<b>Mn</b>	Million
<b>MSME</b>	Micro, Small and Medium Enterprises

Abbreviation	Description
<b>MT</b>	Modern Trade
<b>O+O</b>	Online + Offline
<b>PE</b>	Private Equity
<b>POS</b>	Point of Sale device
<b>S.Korea</b>	South Korea
<b>SLA</b>	Service Level Agreement
<b>SME</b>	Small and Medium Enterprises
<b>SOPs</b>	Standard Operating Procedures
<b>Supers</b>	Supermarkets
<b>Tech</b>	Technology
<b>Tn</b>	Trillion
<b>VAT</b>	Value Added Tax
<b>VC</b>	Venture Capital

# Glossary (1/2)

Terminology	Description
<b>C&amp;F</b>	Carry and Forwarding Agent, a value chain partner facilitating warehouse and logistics services to established players
<b>Cash &amp; Carry</b>	Formats catering to large demand of institutional players and resellers.
<b>Convenience/ Neighbourhood Store/ Kirana Shops</b>	High focus on fast moving categories with emphasis on neighborhood requirements.
<b>Direct Employment</b>	Indicates the total employment at store on company roll as well as 3 <sup>rd</sup> party roll
<b>Distributor</b>	A value chain partner aggregate orders and supply products to retailers , often associated with one or few brands in a product category
<b>EBO</b>	Exclusive Brand outlets only have products of single brands with efficient and skillfully trained staff
<b>Hyperlocal</b>	An online retail format delivering ordered items instantly from nearby retailers or early morning doorstep delivery
<b>Hypermarket</b>	Format driven by addressing wider consumer needs through wider spread of product assortment and SKUs.
<b>Indirect Employment</b>	Indicates the employee which works on hourly basis or task basis & depend on more than one store
<b>Kirana Store</b>	A small neighborhood retail store focusing on food and grocery retail

# Glossary (2/2)

Terminology	Description
LFS	Large format stores carry products of multiple brands, they also carry their own products under private label
MBO	Multi Brand outlets have products from different brands, offering more options to consumers
Metro City	Delhi NCR & Mumbai
Mini Metro City	Next 6 cities with population >5 million (Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata & Pune)
Paan Shop	Small outlets having less than 100 sq. ft. size that primarily selling tobacco products, bottled beverages and packaged snacks
Private Label	Private Labels are brands managed by retailers for sale in specific retail chain
Supermarket	Stores are located in residential area and carry wider assortments of SKUs with relatively lower prices
Tier I City	A city with population 1 to 5 million
Tier II City	A city with population 0.3 to 1 million
Tier III City	A city with population less than 0.3 million

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# About NASSCOM

The National Association of Software and Services Companies (NASSCOM®) is the premier trade body and chamber of commerce of the Tech industry in India and comprises over 2800-member companies including both Indian and multinational organizations that have a presence in India. Our membership spans across the entire spectrum of the industry from start-ups to multinationals and from products to services, Global Service Centers to Engineering firms. Guided by India's vision to become a leading digital economy globally, NASSCOM focuses on accelerating the pace of transformation of the industry to emerge as the preferred enablers for global digital transformation. Our strategic imperatives are to reskill and upskill India's IT workforce to ensure that talent is future-ready in terms of new-age skills, strengthen the innovation quotient across industry verticals, create new market opportunities - both international and domestic, drive policy advocacy to advance innovation and ease of doing business, and build the Industry narrative with focus on Talent, Trust and Innovation. And, in everything we do, we will continue to champion the need for diversity and equal opportunity. NASSCOM has played a key role in not just the growth of the Industry to become a \$180+Billion industry today, but we have helped establish the Tech industry in India as one of the most trusted partners, globally. NASSCOM continues to make significant efforts in contributing towards India's GDP, exports, employment, infrastructure development and global visibility. Our membership base constitutes over 95% of the industry revenues in India and employs over 4 M professionals, and as technology blends into every aspect of the economy, we expect the industry to become key driver of growth, development and inclusion for the country. Our mission is to make India a global hub for Innovation and Talent so when the world thinks Digital, the world will think India.

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# About Technopak

India's leading management consulting firm with more than 29 years of experience in working with organizations across consumer goods and services.

Founded on the principle of "concept to commissioning", we partner our clients to identify their maximum-value opportunities, provide solutions to their key challenges and help them create a robust and high growth business models.

We have the ability to be strategic advisors providing customized solutions during the ideation phase, implementation guides through start-up assistance, and be a trusted advisor overall.

Drawing from the extensive experience of close to 80+ professionals, Technopak focuses on five major divisions, which are Retail, Consumer Products & E-tailing; Fashion (Textile, Apparel & Engineering); Food & Agriculture and Sustainability

## Key services:

**Business Strategy:** Assistance in developing value creating strategies based on consumer insights, competition mapping, international benchmarking and client capabilities.

**Start-up Assistance:** Leveraging operations and industry expertise to 'commission the concept' on turnkey basis.

**Performance Enhancement:** Operations, industry & management of change expertise to enhance the performance and value of client operations and businesses.

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# Thank You

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