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THE RETAIL DIGITAL TRANSFORMATION IN BHARAT

HOW BHARAT'S RETAIL IS TRANSFORMING LEVERAGING TECHNOLOGY



BY 2030, INDIA'S RETAIL OPPORTUNITY EXPECTED TO CROSS \$2 TRILLION!

The 4th largest retail market of the world contributes over 10% to India's GDP

Organised retail is just over 11% in India. It is expected to cross 55% by 2030 with changing consumer preferences, entry of global players, digital transformation of the sector being the key factors.



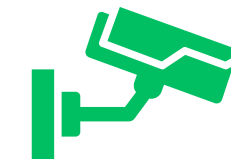
THE BIG RETAIL TRANSFORMATIONS

Organised retail formats like Large Format Retail outlets, hyper markets, brand exclusive stores, etc., are adopting advanced tech.



Mixed Reality

Creating immersive retail experiences.



Video Analytics

Predictive Consumer Behaviour.



Smart Kiosks

Digital shelves and self shopping

These and many such uber digital transformation solutions in retail are redefining the future of retail worldover.

89%
of retail in
India is
unorganised

The impactful digital journey in retail won't pickup without their inclusion!

? **But what about the unorganised and semi-organised retail in India?**

They don't have deep pockets as well as the logistics to support uber digital transformation that's defining immersive retail experiences. Is Digital Transformation irrelevant for them?



A GLIMPSE OF RETAIL IN BHARAT!





WE FOUND HOW RETAILERS ARE EMBRACING DIGITAL TECHNOLOGIES AND THE FACTORS DRIVING THEIR DIGITAL JOURNEY

We conducted a survey among retailers, street vendors, autorickshaw drivers and other general trade community stores across metro and non-metro cities of India to understand their digital journey.



THE DIGITAL JOURNEY IS VERY NEED DRIVEN RATHER THAN ELATING THE EXPERIENCE.

Covid-19 has led some indelible marks on the digital behaviour of users in India.

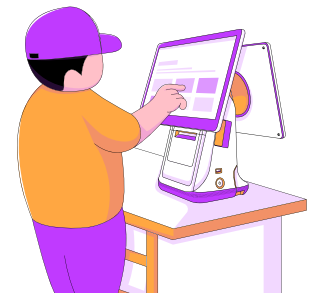
The irreversible digital habits during covid-19 period have become routine. Digital payments leads these followed by using WhatsApp for business purposes.



98%



84%



67%



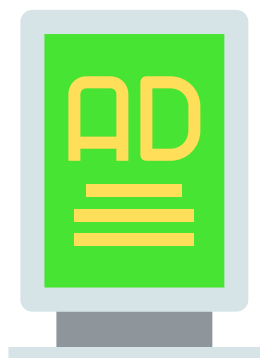
26%



19%



8%



2%





ACCEPTING PAYMENTS THROUGH DIGITAL MODES IS THE MOST COMMON APPLICATION USED BY THE RETAILERS.

UPI has emerged as a game changer in making retailers accept the digital mode for payments of any order. 98% retailers are accepting payments through a digital medium, primarily UPI.



BOOKING ORDERS, SHARING CATALOGUES AND SENDING INVOICES HAS MADE WHATSAPP A POPULAR MEDIUM.

WhatsApp has become an easy medium for retailers to send across their catalogue, receive orders as well as share invoices. Though, these are not necessarily using WhatsApp for business. 84% of the retailers are using WhatsApp with their customers.



ONE OF THE EARLIEST TECH IMPLEMENTATIONS IS BECOMING SMART AND CONNECTED.

The retailers are increasingly deploying integrated billing systems that accept many payment systems as well as help keep real time record of sales and invoicing. This has further got a push after the implementation of GST. 2 out of the 3 retailers (67%) surveyed is using a billing system.



KEEPING THE PREMISE SECURE HAS BECOME AN INCREASING PRIORITY FOR RETAILERS.

With Government also recommending retailers to install CCTVs, along with the retailers feeling need for it, the CCTV installation is also seen as an important digital intervention by the retailers. It is also helping them to monitor the operations when not present. 28% of the retailers are using CCTV cameras at their outlets.

THE BENEFITS OF CONNECTIVITY ARE INCREASINGLY BEING FELT.

Retailers are increasingly understanding the benefits of connecting their shops and establishments. This helps them to create a layer of additional services including surveillance, entertainment and others. 19% of the retailers have a broadband connectivity in their shops that not only allows addition of services but also is a source of entertainment for them in free or off-business hours. However, a predominant number of retailers still rely on cellular connectivity through their smartphones.



FEW RETAILERS HAVE IMPLEMENTED ERP OF DIFFERENT LEVELS.

With more understanding of the advantages of ERP solutions, few retailers have implemented one, though in fewer elements. These ERPs are not comparable to the ones enterprises use, but typically have inventory management, analytics and in some cases employee management in addition to the basic billing solutions.

8% of the retailers are using ERP for their business planning and management. This is also sector specific. For example, pharmacies have higher penetration of ERPs.

THE DIGITAL SIGNAGE GIVES RETAILERS A REAL ESTATE TO SHOWCASE PRODUCTS.

With the advent of smart TVs, the pure form of digital signage boards has almost shrunk. However, for small retailers the smart tv gives them an interactive real estate to display their products, offers and at times advertise products from different brands.

2% of the retailers were using a digital screen in their premises.

DIGITAL PAYMENTS HAVE EMERGED AS THE ANCHOR OF DIGITAL TRANSFORMATION IN RETAIL IN BHARAT.

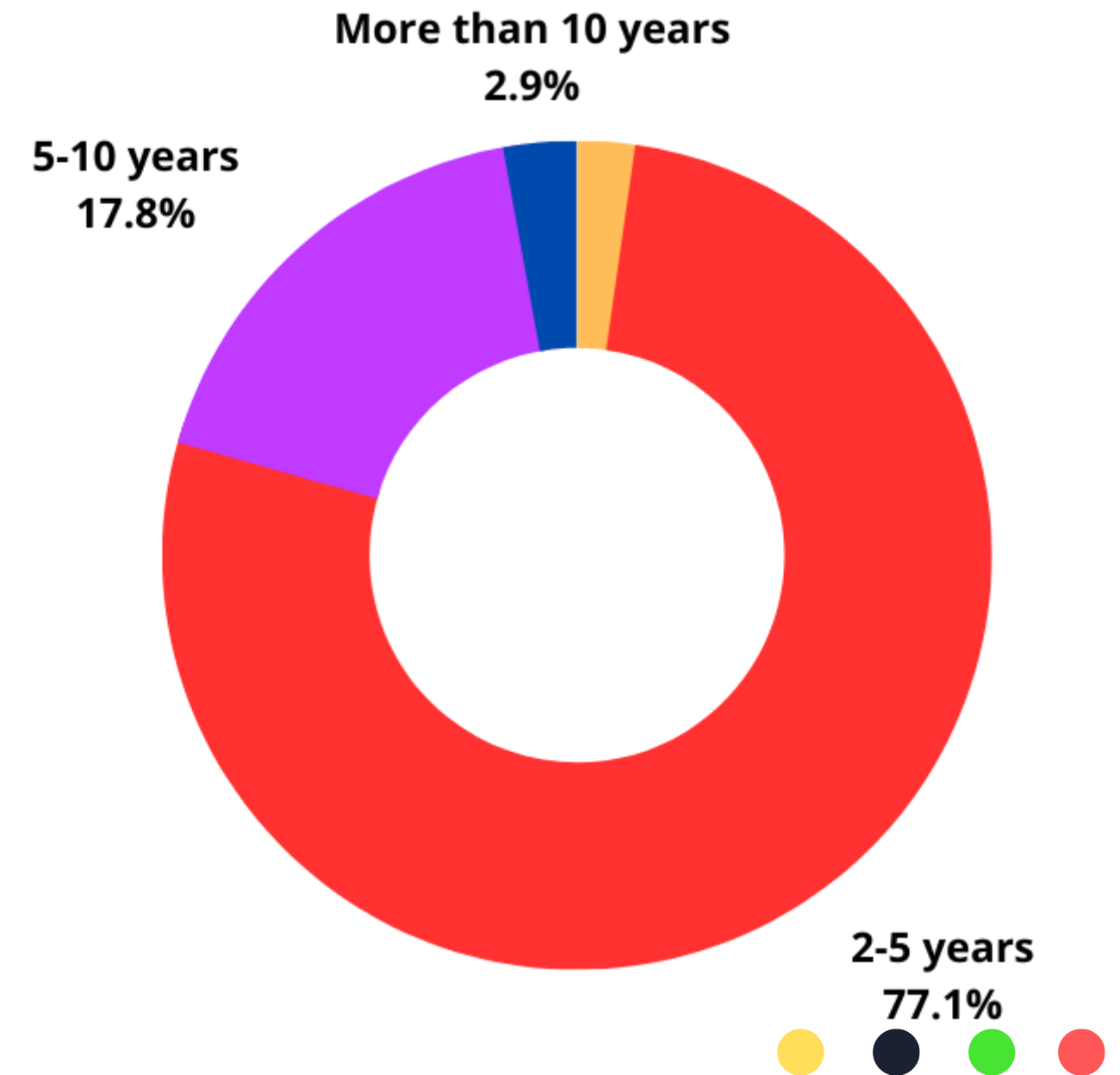
Covid-19 fast forwarded the adoption of digital technologies in retail. But the journey had already begun. Factors like 4G services, development of UPI and some innovative payment solutions helped a very smooth and rapid transition to cashless payment methods making India a pioneer in digital payments. Today, India's UPI is accepted in more than 10 countries besides in India.



COVID-19 WAS THE MOMENT OF TRUTH FOR DIGITAL PAYMENTS

Very few users had started accepted digital payments in the form of debit / credit cards at their shops. These were primarily from the organised retail.

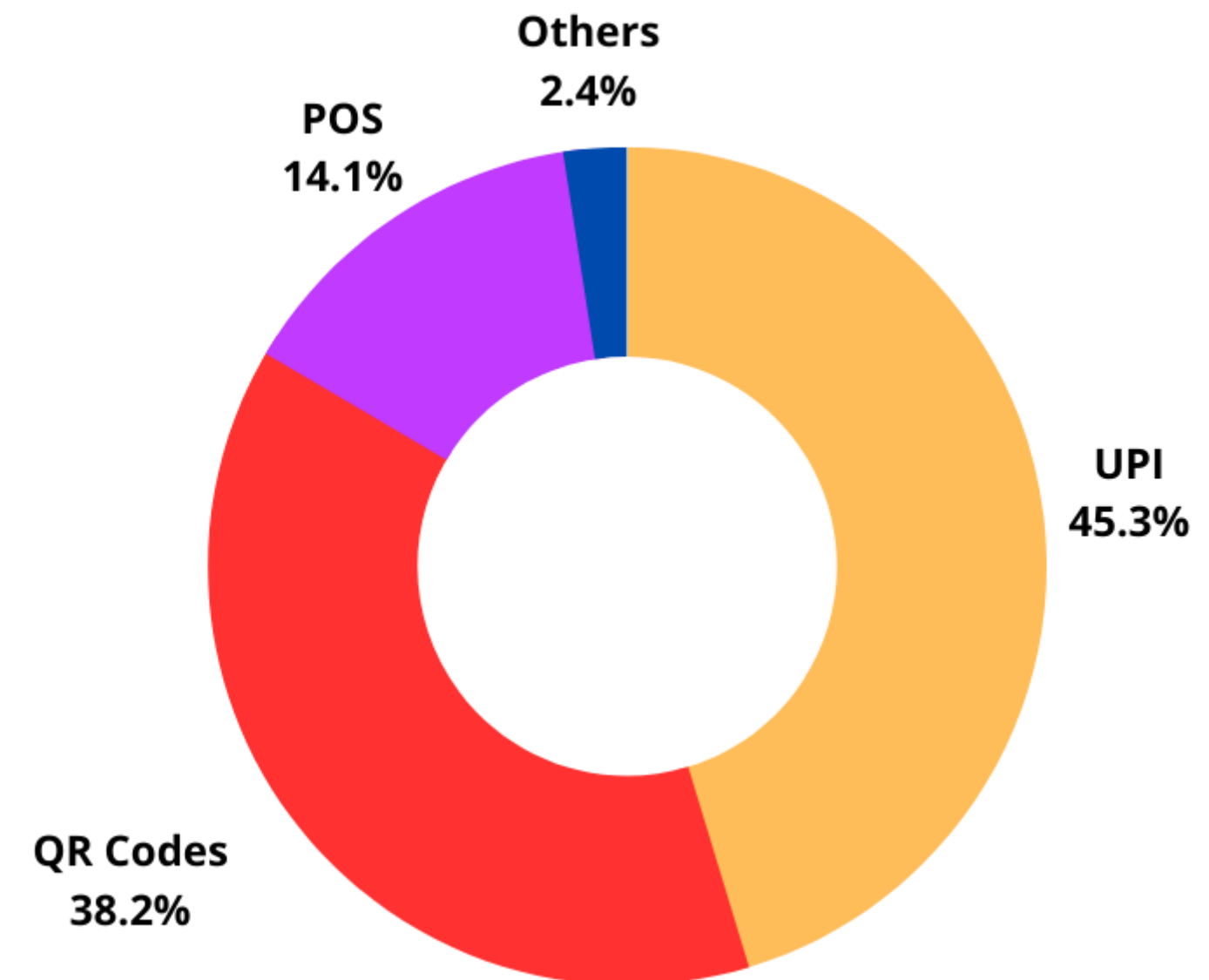
The digital payments became a mainstream mode only around covid-19 when the entire transactions in retail and other sectors went online.



UPI AND QR CODES REVOLUTIONISED DIGITAL PAYMENTS

UPI was seen as a real equivalent of cash transactions virtualising the paper money by users. This increased the acceptance of digital payment mode.

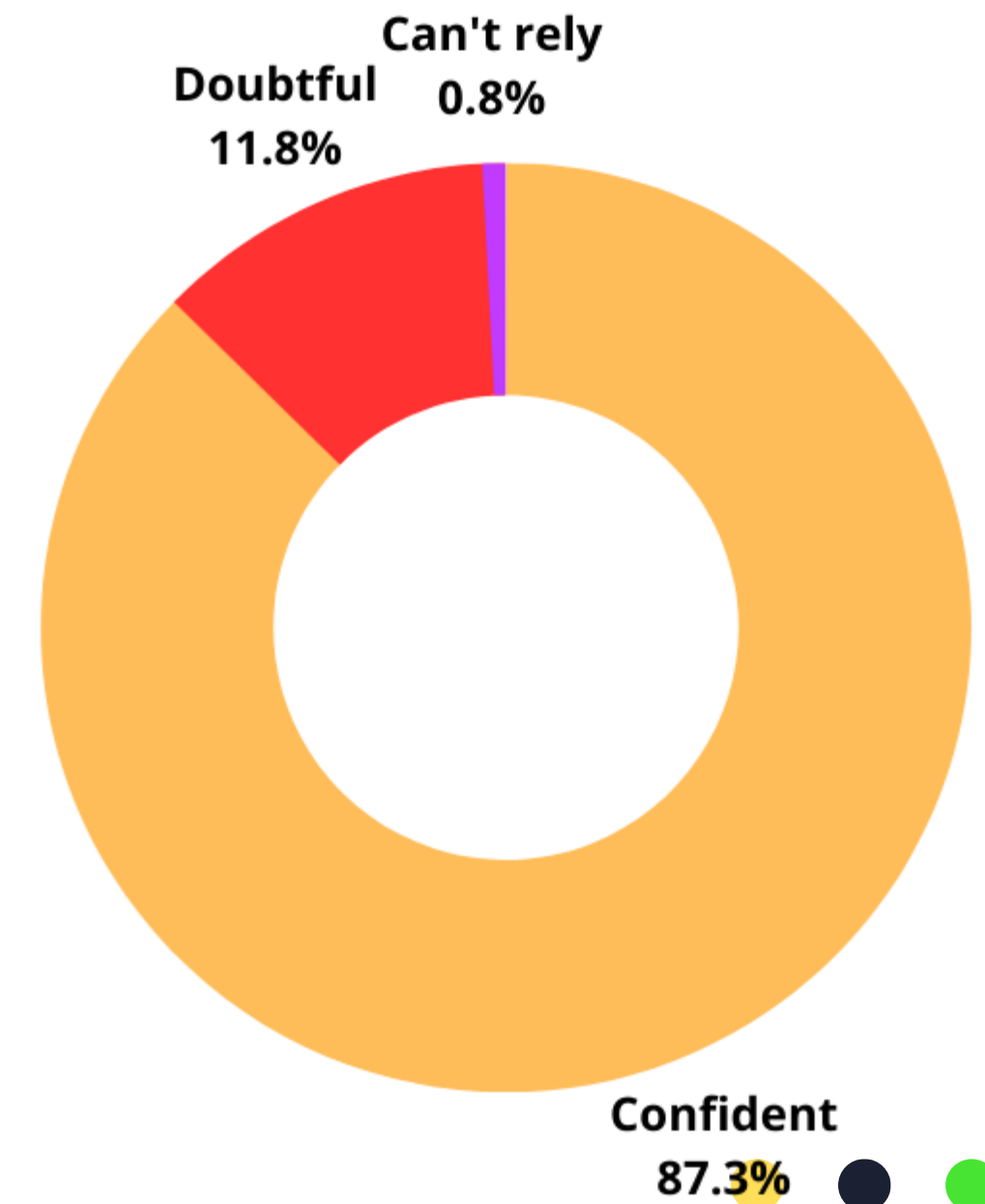
QR Codes made it easy for users as an interface to make payments using their smartphones. The QR Code popularity reached even to street vendors, carts and autorickshaws.



RETAILERS ACROSS INDIA ARE CONFIDENT ABOUT DIGITAL PAYMENTS.

Compared to few years ago, today retailers are very confident about the efficacy of digital payment as an alternative mode to accepting payments from consumers.

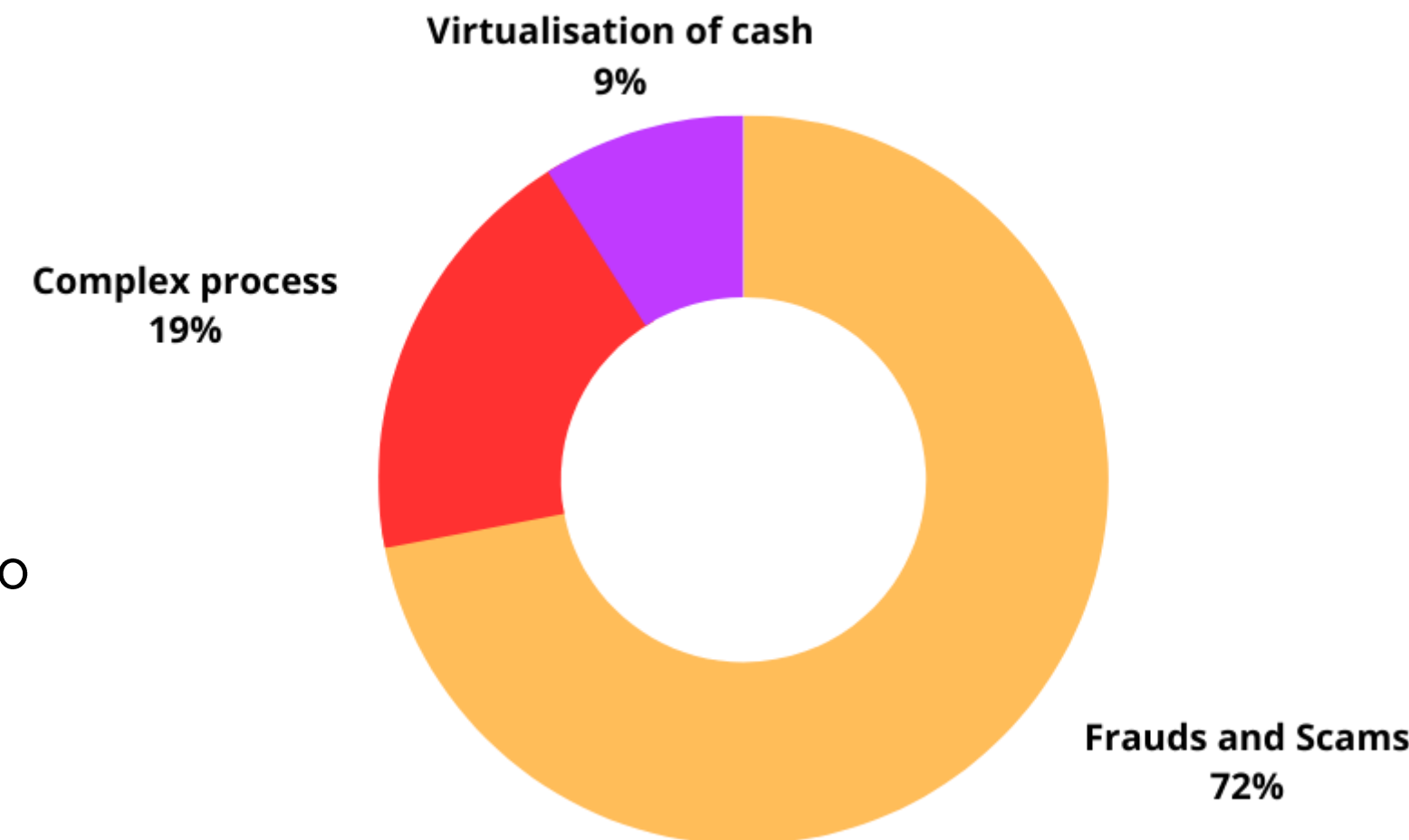
Just under 1% of the retailers surveyed were not preferring a digital payment mode.



CONCERNS THAT RETAILERS HAVE OVERCOME IN DUE COURSE OF TIME.

The biggest concern amongst retailers was any kind of fraud or scam that a fraudster could play on them while making a digital payment. This was coupled by several retailers not able to understand the process and finding it too complex.

For some retailers it was difficult to comprehend how they were receiving the money since there was no tangible token they were getting, like paper cash.



SOME SCAM EXAMPLES



A lady in her 50s running a family-owned provisions shop during the day time.

In an incidence, a lady who would take charge of a provisions shop within the home premise during daytime when her husband would go out for work was once shown a payment screen by two passersby who purchased some juice and chips from her worth ₹250. She wasn't literate and could not read the screen which was showing up something in English. She assumed that the payment has been made by these two customers.



A senior citizen father in his early 70s who was running a provision store.

In this case the son had enabled a QR payment linked to his mobile account. Whenever, any customer would pay using the code, the father would confirm with his son by calling him every time. One day, a customer purchased some cigarettes and made a payment of ₹50 using QR code. The father tried to confirm with son, but he wasn't reachable due to poor network. After some attempts he let the customer go only to later come to know that he had shown perhaps a screenshot of some earlier payment.



Examples like these are not isolated cases. These are frauds and scams that retailers would face regularly with the onset of digital payments at the retail stores.

The scammers would take advantage of illiteracy, lack of understanding of digital payment modes, poor networks, or sheer cleverness on their part to dupe retailers of the money to be paid against a purchase.

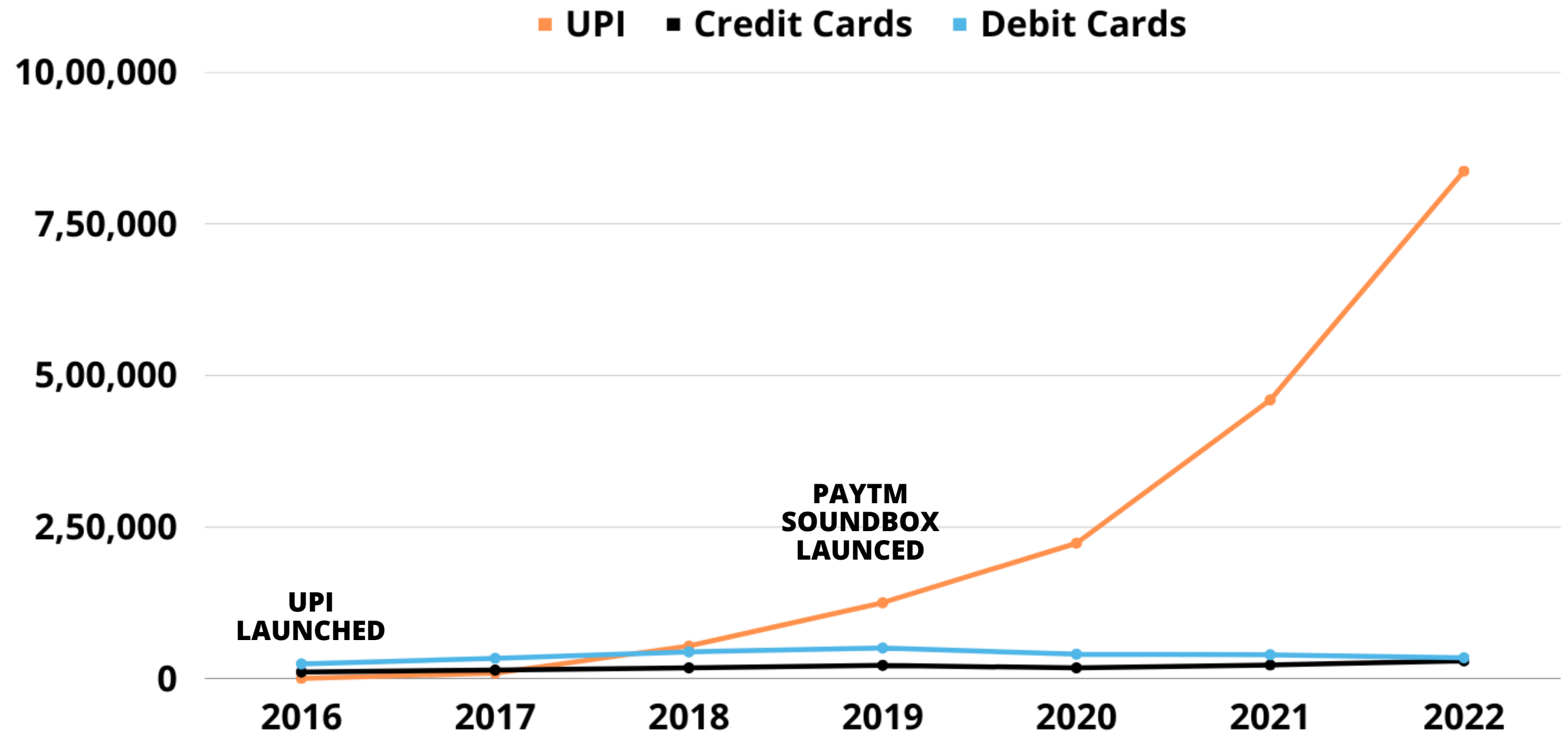


PAYTM SOUNDBOX AN ENABLING INNOVATION!

There is a consensus among retailers of Bharat that Paytm Soundbox revolutionised the digital payment system by making it transparent to them. 100% of the respondents surveyed confirmed using a soundbox enabled payment system daily, while 89% felt its extremely important for them to have the audio confirmation. 63% respondents find its feature to playout confirmation in local language essential.



DIGITAL PAYMENTS LED BY UPI ARE SOARING



VOLUME OF TRANSACTIONS IN LAKHS | SOURCE: RBI ANNUAL REPORTS



SOUNDBOX EXPERIENCES



We captured views from retailers as well as some customers about how soundbox has helped them shift to digital payments permanently.

- “As a retailer we need not to worry now about any possible scam or fraud as we get real time confirmation about the payment.”
- “The ability to utter in local language (Hindi) has eliminated any chance of ambiguity and made it as natural as talking to a customer.”
- “As a customer we need not to think twice if we have made the correct payments.”
- “As an autorickshaw driver I need not to worry about change anymore as I can easily accept exact money from the passengers.”
- “Earlier the shopkeepers were in usual habit of giving us candies for the remaining money. But now there is no such scope.”



MEDIA TEK A KEY ENABLER



Paytm Soundbox



Mosabee PoS

MediaTek, the leading chipset solutions maker for smart and connected devices is a key enabler in the digital transformation solutions for retail as well.

The first of its kind ‘soundbox’ that Paytm introduced to solve various concerns of retailer as well as customers about using digital payments, is powered by MediaTek’s chipset. Similarly, Mosabee, another digital payment solutions provider in India has developed a PoS (portable card swipe machine) using a MediaTek chipset.

Factors that go in selecting chipset for payment systems include power efficiency, modem performance to work in any quality of network, security management among others.





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