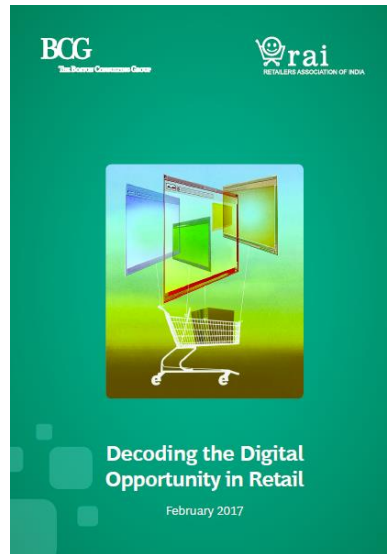


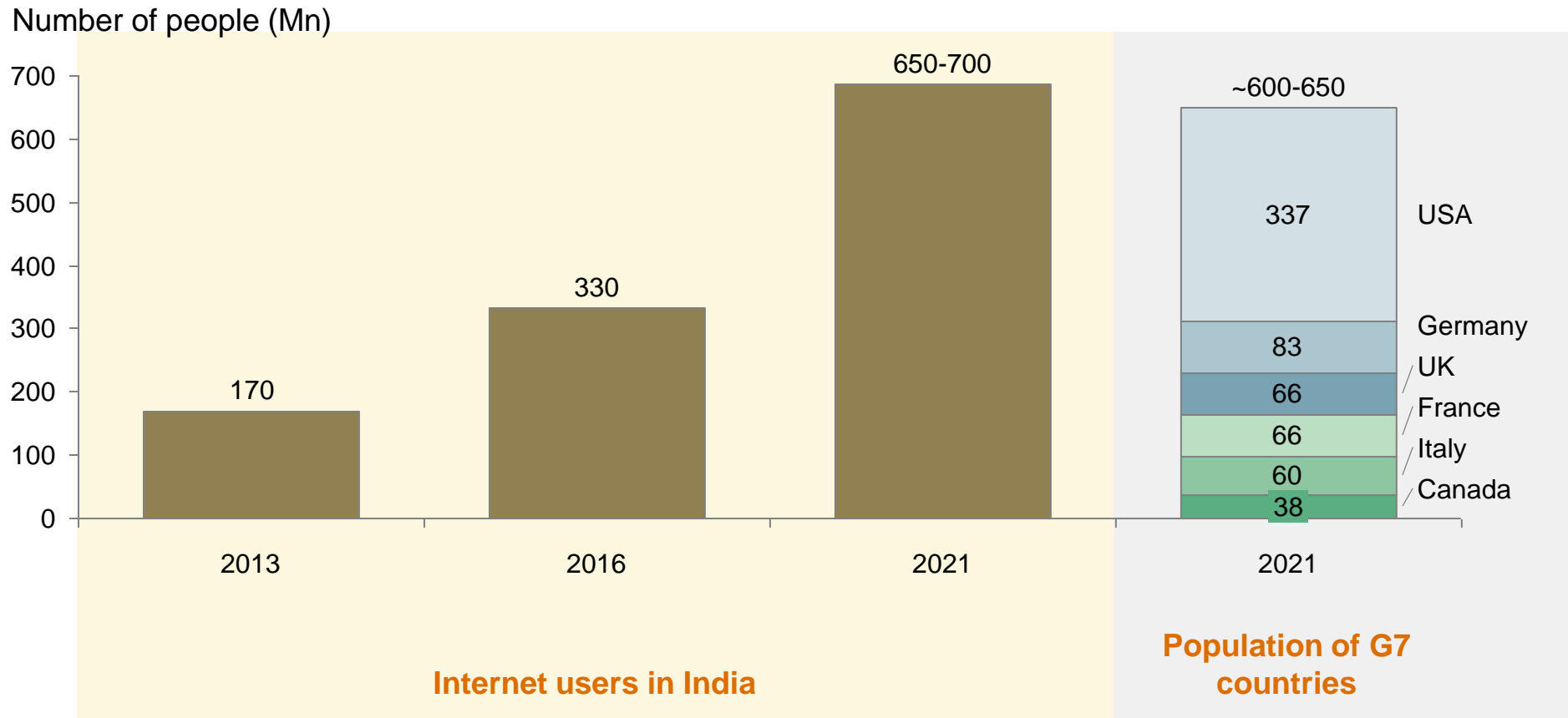
# BCG



## Decoding the digital opportunity in retail

THE BOSTON CONSULTING GROUP

# By 2021, India will have more Internet users than the entire population of 'six G7' countries

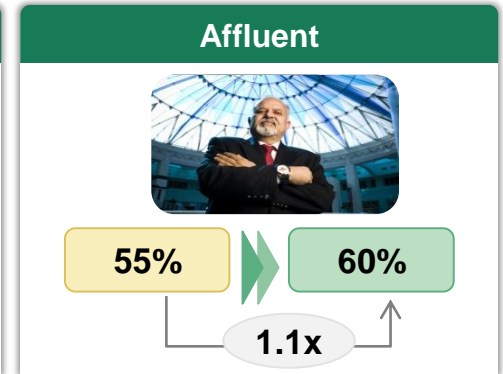
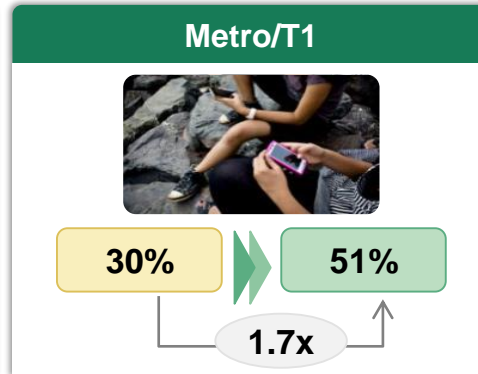
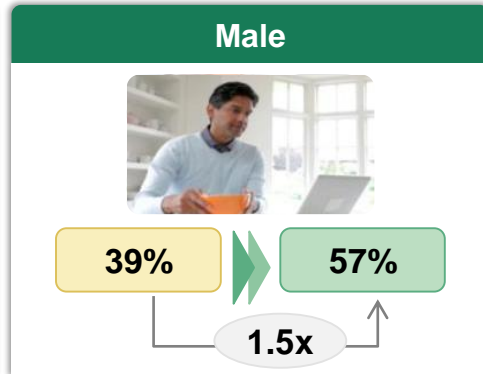
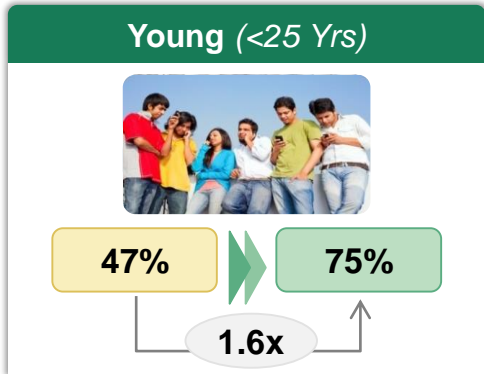


# Digital is all pervasive – goes well beyond stereotypes

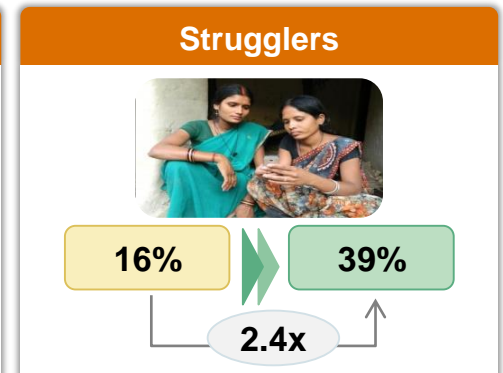
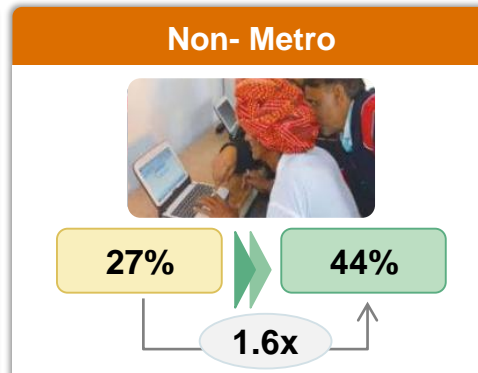
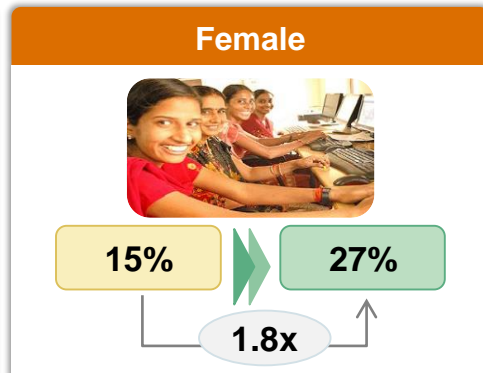
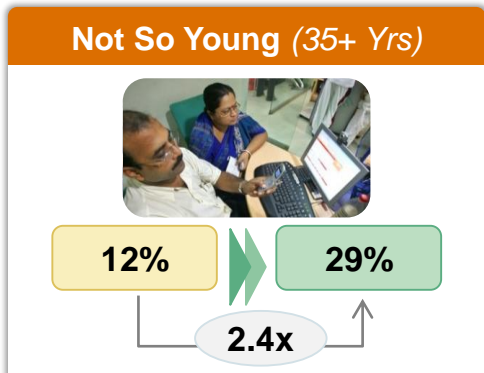
People who we think use internet in India...

% of Internet users in 2014

% of Internet users in 2016

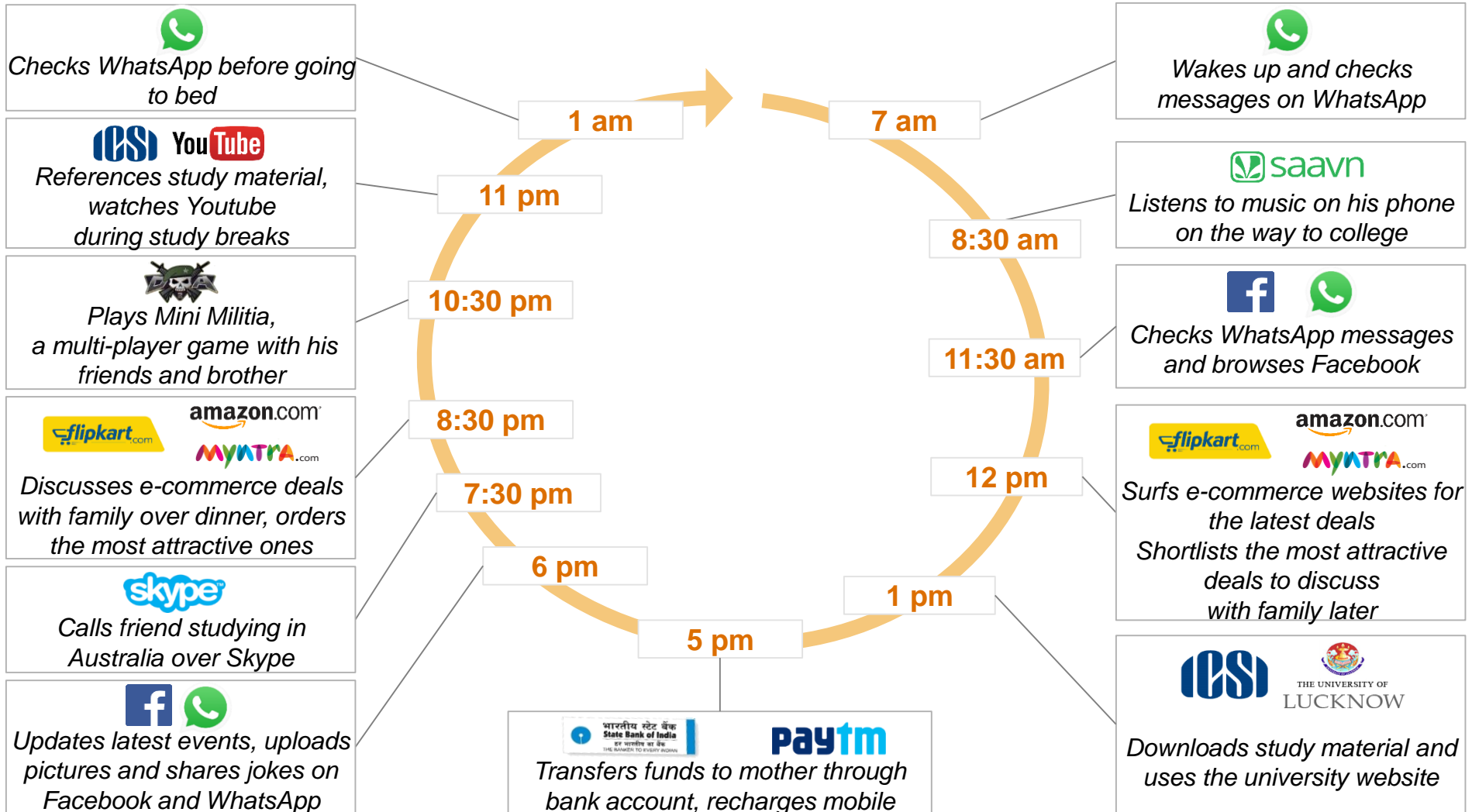


... but many others beyond the stereotype are online

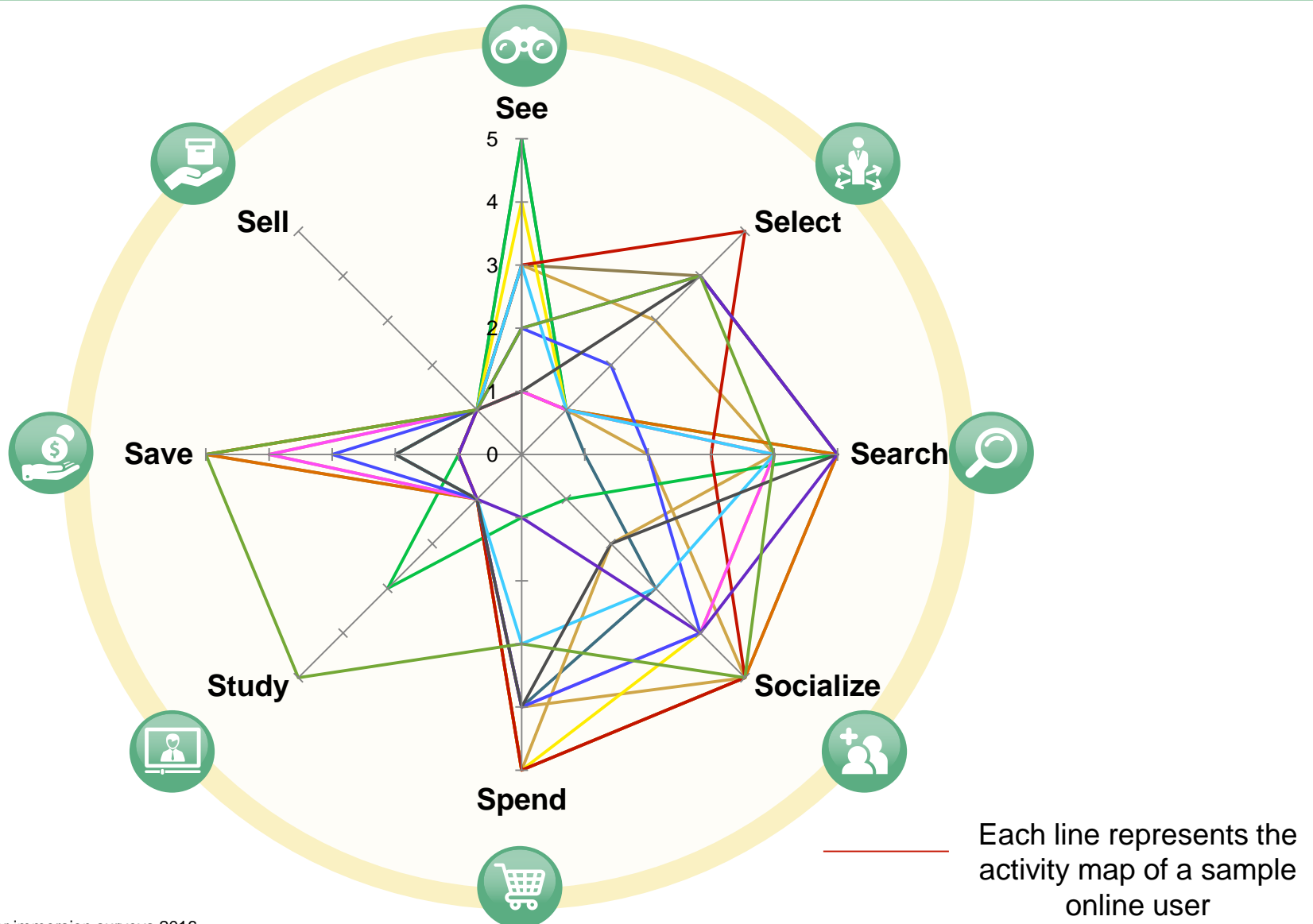


# This digital usage has no 'time slot' in user's life – it is omnipresent!

## Typical day of an Indian internet user



# 'Each' digital consumer displays a distinct behavior online



# Implication: New segmentation possibilities, enabling predictive and customized targeting



**Mass Targeting**



**Micro Segmentation**

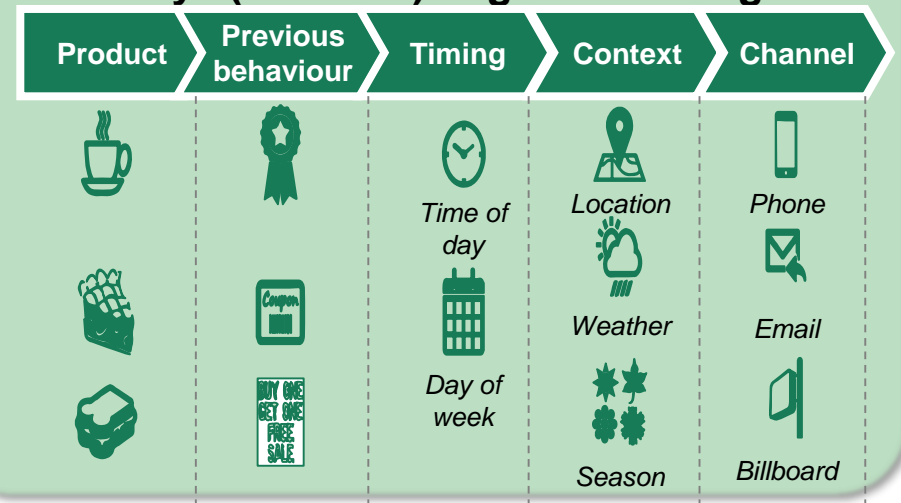
**From**

**A "handful" of segments....**

- Limited data availability
- Demographic data based segmentation

**To**

**"Many" (hundred) segments using:**



**Personalized product offering**

Shirt recommendations based on previous browsing history, purchases, "likes" on social media ( Facebook/ Instagram), usage and latest trends...

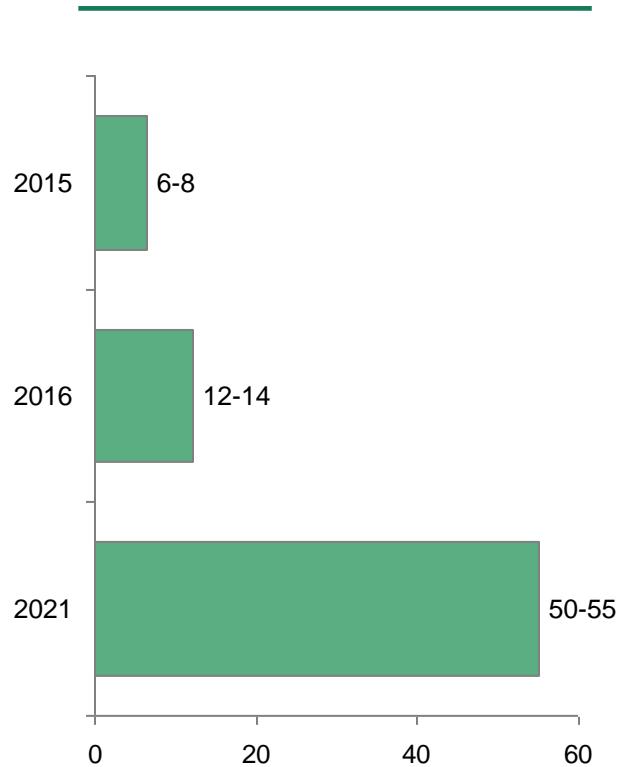
**Personalized communication and promotions**

Targeted contextual promotion such as, "It's a foggy day, try our new hot beverage "

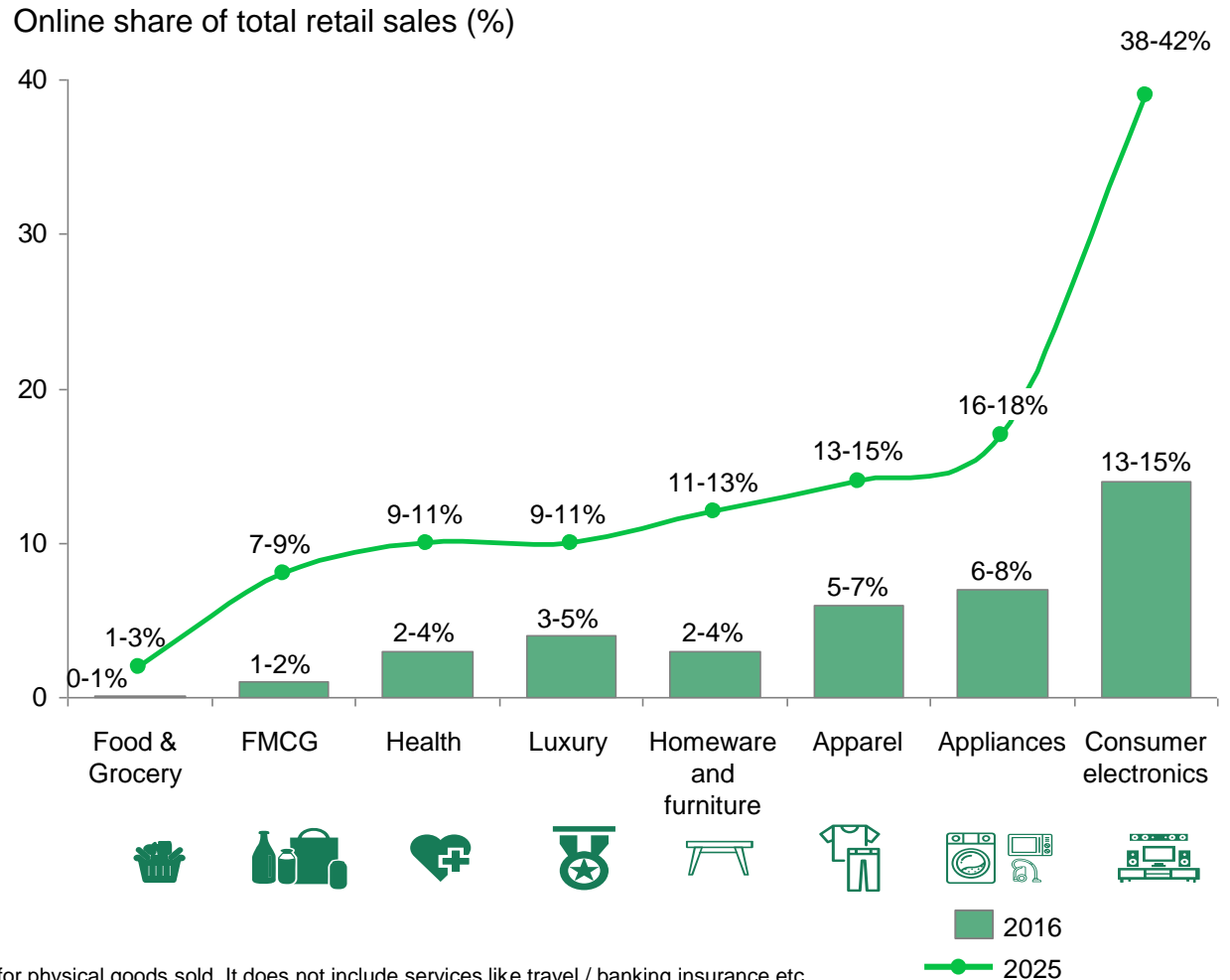
# E-commerce expected to be 50-55 Bn USD by 2021

E-commerce could become a significant channel across many categories

### Online retail spends (Billion USD)



### Percentage penetration of e-commerce across categories



E-commerce values are total annual sales, net of returns / discounts, for physical goods sold. It does not include services like travel / banking insurance etc. All estimates are at constant currency USD =68 INR -

# Winning in the new reality: Digitize and Disrupt

## Business strategy, powered by digital



### Transform the core

1

#### Digitize core business

Enhance effectiveness across the retail value chain

2

#### Digital engagement

Enhance consumers digitally; build strong advocates

3

#### Digital in store

Redefine role of physical stores: enhance experience through in-store interventions

4

#### Digital commerce

Use digital as a sales channel

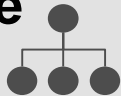
5

#### New Business Models

Disrupt & Innovate



### Enable



Organisation



IT & Infrastructure



Data & Insight



Support Functions



# Key takeaways for a true digital transformation

1



**Do not treat digital as an "add on" – It should be central to the CEO's agenda**

2



**Re-imagine consumer journeys in light of new and emerging technologies**

3



**Challenge the organization to digitize across the value chain**

4



**Harness the power of data – The hidden goldmine of BIG DATA**

5



**Reorganize for the digital world & create network of partnerships for new capabilities – CANNOT be done in-house**

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