

# RETAIL'S NEXT BIG REALITY: CURATED SHOPPING, DIGITAL ASSISTANTS



While the developing world population has grown 21%, retail sales in those markets have increased by over 350%. India stands at the forefront of these markets, and with a projected annual gross domestic product (GDP) growth of almost 7% over the next 10 years, driven primarily by urbanization, an expanding middle class, and more women entering the workforce, it is set to maintain its leadership position in the retail space. Moreover, with one of the highest growths in penetration of digital devices, the Internet, and robust investments in the sector, India is on the cusp of becoming the world's fastest growing e-commerce market.

The next decade will see further consolidation in the industry and maturity of the omni-channel model to build a sustainable retail practice. Consumer expectations are high. They want on-demand access to products and services on multiple platforms. It's not about online and offline, it's about being seamless across channels. Retail will become more consumer-pull driven and less retailer-push oriented. This approach will bring about a shift in how consumers plan their shopping, consumer journeys and purchasing decisions. Retailers will be focusing on making this multi-channel shopping experience seamless and building an engaged customer base. Physical and digital retail will merge into a new avatar, with growth coming more from tier II and tier III towns.

The retail industry is rapidly undergoing a paradigm shift, from being a product-oriented industry to a consumer-focused one. The future retailers of the country will be catering to the next generation of consumers, who are growing up with the Internet, social media and smartphones as their primary environment. This consumer-set will expect retailers to have a continuous interface with brands. Engagement will be the key value addition, and customers will expect to stay connected with the retailer 24x7. The next 10 years will witness ground-breaking innovations in handling customer queries and

delivering tailor-made solutions. While current CRM (customer relationship management) practices aim to leverage existing customers by rewarding them, the future of CRM will move towards offering them personalized and context-relevant services. This will be driven largely by a big push in big data analytics. Retailers will use data to drive decisions and provide consumers with relevant services. The ability to leverage multiple data points to provide a contextual view of consumers will drive the evolution of predictive analytics.

Looking ahead to 2026, curated shopping and digital assistants will be used widely. Consumers will soon let a trusted digital assistant like a Chabot wade through incoming information to identify relevant deals. Consumers will expect convenience and personalization in their interactions with retailers and brands. Technology will merge further into the retail space, with retailers already starting to experiment with augmented reality, wearable devices, virtual reality and artificial intelligence.

India will also see the entry of a few global retail giants, owing to the easing of foreign direct investment norms and the clearing up of erstwhile infrastructure bottlenecks, including archaic labour laws, complex regulations, high labour attrition rates, and limited high-quality retail space. These new entrants will further challenge their domestic counterparts, leading to greater innovation and technology adoption.

Overall, India's potential for an over \$1 trillion (around Rs68 trillion) retail market is promising. The stakes have never been higher, and India's retail sector will need to embrace dynamism as its mantra, enabling it to lead the retail evolution across the world. With all the moving parts of the value chain being aligned to this, it will be nothing short of a revolution. A revolution that will put India back as the front-runner in the global economy.

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