



Press release

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Indian retail industry is devising strategies which could potentially disrupt competitor business: PwC study

Mumbai, 11 February 2015 – Indian retail industry is devising strategies which could potentially disrupt competitor business. The disruption strategy adopted by online retail has resulted in successful sales of 5.3 billion USD. Although the numbers amounted to only about 0.5% of the overall retail trade, their innovative marketing and aggressive expansion strategies invited growing interest from investors, both in India and outside.

The disruptive strategies driven by online retail companies had traditional retailers struggling to retain their leadership positions. The ‘online v/s. offline’ debate has given rise to an era of disruptive innovation, where retailers, both online and offline, are pulling out all stops to remain ahead in the competition.

Out of a total of 1,005 respondents surveyed as part of the PwC study from India, 48 to 50% of the respondents voted for features like lower prices with a clear slant towards online shopping. At the same time, on being polled regarding reasons for choosing their favourite retailer, respondents voted for good prices, trust, availability of products, good returns policy and fast and reliable deliveries in that order.

These findings are part of a ***PwC report titled ‘Retailers and the Age of Disruption’*** that gives insights into disruptors, which are changing the Indian retail business model. The report was launched at the **Retail Leadership Summit 2015** organised by the Retailer’s Association of India here.

This year, the report looks at how disruptions – be it e-tailers with innovative campaigns or physical stores attempting to reinvent themselves to stay relevant – are changing the retail landscape. This year, the annual shopper’s survey recognises the ‘disruptors’ as driven by the confluence of consumer power, technology and social media.

Last year, the PwC report on **Total Retail** discussed key trends for the ‘total retailer’ to take note of while enhancing customer experience that would blur the lines between online and in-store channels.



Rachna Nath, Retail and Consumer leader, PwC India said, “Despite the success of e-commerce and e-tail companies, traditional large-format retailers have been persevering under the pressure of trying to match their competitors’ every step of the way by promoting discounts and adopting technologies to enhance in-store experiences. The role of the physical store will continue to evolve into a sleeker, more customised and less transactional model. As online shopping continues to grow at the expense of store visits, the premium in the future will be on creating unique, brand-defining store experiences that keep customers coming back for more.”

Kumar Rajagopalan, CEO, Retailers Association of India said, “The rapid business growth of online marketplaces has now put the onus on brick-and-mortar retailers to reinvent their business models. The current wave of disruption will push the stores to reshape not just their strategies but also their customer orientation. They will now have to look at skill development and technology in a new light. In that sense, online marketplaces are both an opportunity and a threat for retailers – customers expect the anytime anywhere of online, and the touch-and-feel of products, service excellence and personal touch of off-line retail.”

Notes to the Editor:

1. Survey Methodology:

PwC’s Global Retail and Consumer practice, in conjunction with the International Survey Unit (ISU), administered a global survey to understand and compare consumer shopping behaviours and the use of different retail channels across 19 territories—Australia, Belgium, Brazil, Canada, Chile, China/Hong Kong, Denmark, France, Germany, India, Italy, Japan, the Middle East, Russia, South Africa, Switzerland, Turkey, the UK and the US.

A team of subject matter specialists representing each participating territory developed the survey based on last year’s survey. The final survey for 2014 includes updated questions and answer options in addition to new questions on payment methods. Where possible and appropriate, last year’s questions have been retained in order to conduct year-on-year comparisons. Research Now, an external provider, carried out the survey in August and September 2014, resulting in 1,000+ completed responses in every territory.

Nineteen thousand and sixty-eight online interviews were conducted across 19 territories during August/September 2014.

The demographic profile of the respondents was defined by the age, gender, employment status and region.

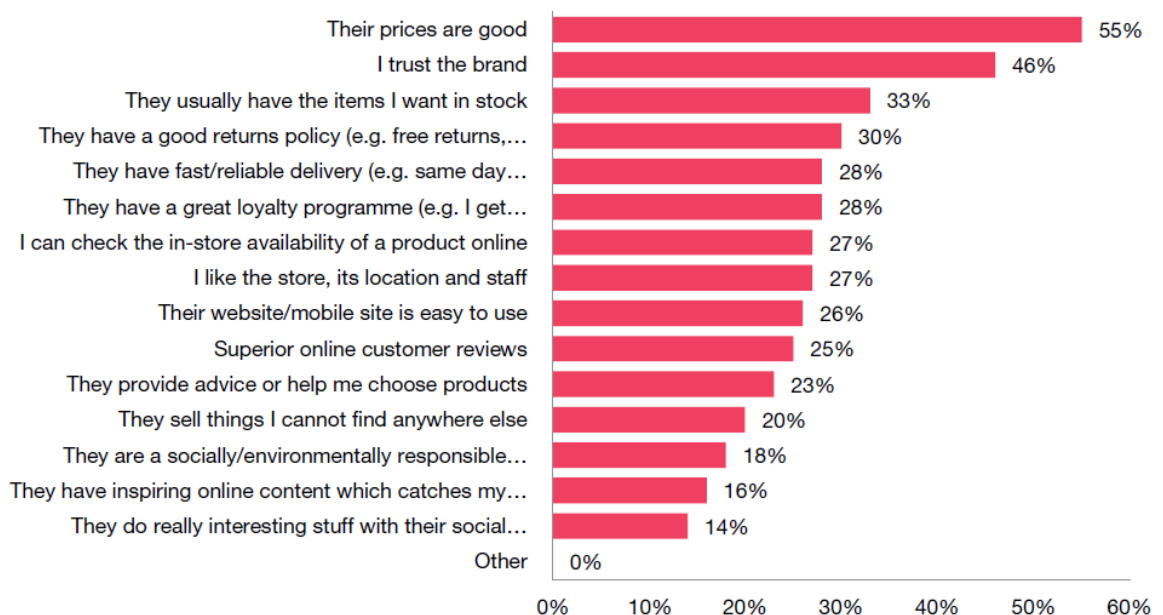


2. Graphs from the report:

Why do you buy products online instead of in-store?



Why do you shop at your favourite retailer?





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