



## MASTERCLASS 07

# NEW NORMAL IN RETAILING – IT IS STILL ABOUT SHOPPING STUPID!

HOST



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New normal in retailing – it is  
still about shopping stupid!

Professor Nitin Sanghavi

Hello and welcome

“All of us are lying in a gutter,  
but some of us are looking at  
the stars”

Oscar Wilde

# Retailing in India

- Retail industry in India gone through a 'rough patch' over the last 18 months due to: weak demand, rising input costs
- Now been hit by pandemic and extended lock downs
- Outlook looking much bleaker – significant short, medium and long term impact on sales, margins, returns and market share

# Outlook

- According to IMF, McKenzie and other forecasts:
- Global retail industry will contract between 25 to 40% in 2020
- Returning to positive growth of between 2 to 4% (compared to the base line of 2019) in 2021
- Indian retail industry will contract between 20 to 60% in 2020
- Returning to positive growth of between 4 to 10% in 2021 ( compared to the base line of 2019) in 2021
- For a few, it will be the end of the road; for some it will be a fight for survival; for others, they will be 'wading through' this crisis but will be left severely battered and bruised. For some though, they will be saying 'Never waste a crisis''

# Question - 1

- Do you agree that, as a result of this pandemic, retail is redefined for ever?
- Yes
- No
- Not sure
  
- PLEASE CHOOSE YOUR ANSWER NOW

# “Black Swan Event”

- New normal in retailing
- Retail is redefined forever
- Lack of clarity
- Plethora of webinars
- Opportunity for consulting industry
- Retailers are in ‘sea of change’
- Not just about surviving but thriving as well



# Future ain't what it used to be – Yogi Berra

- Changes will be constant
- Four types of changes: marginal, incremental, step and discontinuous
- Impact across the entire value chain and the whole of the retail ecosystem
- Different for different sectors/types of retailers
- Short, medium and long term perspective

# Impact cascading on 9 key areas (9'C's)

- Consumers
- Competition
- Cash
- Costs
- Continuity

# Impact (2)

- Company
- CSR
- Channel/communication mode changes
- Corporate valuation
- Need to look at each of these areas, type of change impacting when where and how much
- Appropriate action plan
- NO BLUE PRINT

# Question -2

- How should senior managers/leaders respond to these changes?
- Ad hock
- Strategically
- Follow the competition
- Sit tight and keep your head down
  
- PLEASE CHOOSE YOUER ANSWER NOW

# Senior managers/leaders challenges:

- Increasing ambiguities, complexities and uncertainties
- Need to prepare multiple scenarios
- Pre-empt, shape and leverage the changes to your advantage

# Consumer perspective

- Reassessing their shopping attitudes, buying behaviour patterns and priorities, channel choices and brand loyalties
- Different for different consumers
- Emergence of “Fluid Hybrid (FH) Consumer”
- Impact on the entire retail value chain and whole of the eco-system

# Retail perspective

- Opportunity to reset the business model, entire value chain and whole of the eco-system
- Underpinned by FH consumer and dynamic market changes – now and going forward

# Remember

- “Now this is not the end. It is not even beginning of the end. But it is, perhaps, the end of the beginning”

- Winston Churchill

- Welcome to the new world of retail