

Fasttrack

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Going digital

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ON FOR



IoT is set to reach 26 billion installed units by 2020, up from 0.9 billion seven years ago. This opportunity to connect and share data in real time will change supply chain management like never before. Are you ready?

Perna Raturi

Tech Mahindra, an Indian multinational provider of information technology (IT), networking technology solutions, and business process outsourcing (BPO) to the telecom industry, recently announced plans to build internet of things (IoT) solutions in partnership with Microsoft Azure IoT suite. The company claims it will create a set of new customer experiences by integrating the entire value chain of client businesses through product conceptualisation, development, manufacturing, supply chain, and aftermarket services.

On the occasion, C P Gurnani, Managing Director and CEO, Tech Mahindra, said, "We believe IoT-enabled digital business transformation will create significant

opportunities in the manufacturing, healthcare, transportation, and energy segments for both the organisations."

Tech Mahindra plans to launch an IoT Centre of Excellence in Bangalore, India, to focus on building solutions across industry by utilising the Microsoft Azure IoT suite toward enriching the end-customer experience. The company plans to launch Customer Experience Centres in other geographies as well.

As Jean-Philippe Courtois, President, Microsoft International, puts it, "We believe TechM's IoT Customer Experience Centre, coupled with a sharp industry focus and depth of experience around the IoT value chain, will enable our customers to drive increased efficiency and productivity in their businesses."

It is this offering of increased efficiency and

productivity by IoT that will change the way the world does business, with supply chain management undergoing a metamorphosis, say industry experts. Such is the belief in IoT and its impact on SCM that they say it will be termed "Supply Chain 2.0". Gartner Inc forecasts a 30-fold increase in internet-connected devices by 2020. The research and advisory firm on IT further claims that IoT is set to reach 26 billion installed units by 2020, up from 0.9 billion seven years ago, and will create a network rich with information that allows supply chains to assemble and communicate in new ways.

Commenting on the trend, Michael Burkett, Managing Vice President, Gartner, says, "It's important to put IoT

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MESSAGE

RELY ON INHERENT BUSINESS ACUMEN



India is at the cusp of change. There's so much happening. Make in India, the need for sustainable growth, partnering in the global value chain, on the way to becoming global businesses, producing world-class managers and entrepreneurs – it is indeed exciting times for the Indian business world. Technology has made things only better, more efficient and cost-effective. In our lead story this time, we look at how the internet of things (IoT) is set to change businesses, with a special emphasis on supply chain & logistics.

The Inside Out section deals with how startups are the toast of the season with venture capitalists and investors queuing to put their money where their mouth is. This brings me to my next thought process. Which is: in the quest to gain more and more ground, startups and well-established businesses should not disown their inherent knowledge of business and economy.

A perfect example of this would be the way small grocery stores in India are giving stiff competition to big malls and chains of departmental stores. By staying true to their values of doing business, they have managed to keep the goliaths off their territory – something that we discuss in our SME Watch section this time.

But that is not to say I defend age-old redundant practices. Just like the small stores have learnt new tricks of the trade from bigger companies, Indian corporations should keep their basic DNA intact, and be excited enough to learn the ways of the new world.

Pawan Jain

PAWAN JAIN
Founder & Chairman
Safexpress Pvt Ltd



"It's important to put IoT maturity into perspective, because of the fast pace at which it is emerging, so supply chains need to be looking at its potential now"

Michael Burkett,
Managing Vice President,
Gartner



We believe IoT-enabled digital business transformation will create significant opportunities in the manufacturing, healthcare, transportation, and energy segments for both the organizations

C P Gurnani,
Managing Director and CEO,
Tech Mahindra



Enabling next-generation IoT services and experience will require networks and devices that can accommodate an unprecedented range of wireless radio technologies, including NB-IoT

Asha R Keddy,
Vice President,
Platform Engineering
Group, and General
Manager, Next Generation
and Standards,
Intel Corporation

maturity into perspective, because of the fast pace at which it is emerging, so supply chains need to be looking at its potential now," adding how some IoT devices such as commercial telematics used in trucking fleets are more mature, while some such as smart fabrics that use sensors within clothing and industrial fabrics to monitor human health or manufacturing processes are only just emerging. In other words, although the winds of IoT may not have swept over supply chain & logistics completely just yet, it is time for stakeholders in the industry to ready themselves so that they can capitalise on it in the best possible way. In India, even more so, since the advantages of adapting and adopting to IoT are many – better shipment management, more real-time communication, a dip in transportation costs, more effective digital marketing, data management, more efficient processes, and so on.

Advantage IoT

There are several advantages of IoT in supply chain & logistics. One of the most important being making the transport part more visible and efficient. Ask logistics executives and they will tell you how complicated and crucial in-transit visibility is. With products moving from the manufacturer, supplier, warehouse, distribution centre, on to the retailer and the end-consumer – the entire SCM is a blur of movement, come to think of it. To make sense of it and allow precision to enter it, visibility is essential.

IoT makes it possible. Data collected, mined and analysed from various technological tools such as GPS, barcodes, RFID tags, cloud computing, and sensors aids in keeping a tab on product movement. It gives you better control of product movement as well, since it is easier to identify irritants such as traffic jams, breakdowns, and even temperamental weather. With the monitoring being continuous, the response to bottlenecks is quick and the supply chain becomes robust and proactive.

With a better, near-real time control of product movement, it is also easier to reduce pilferage and theft, save on fuel costs, and also ensure the temperatures in cold chains are maintained. For instance, Tech Mahindra's Cold Chain Monitoring solution helps

to track perishable products, eatables and food items with freshness and palatability.

With the rest of the data compiled by IoT devices, supply chain executives can manage tasks such as planning, procurement, and logistics more efficiently. For instance, if the fleet of perishable goods such as red roses is stuck on some highway – and Valentine's Day is in the next couple of days – the procurement manager can spring to action and look at delivery of the same from an alternate vendor through another route, thus ensuring the inventory is managed.

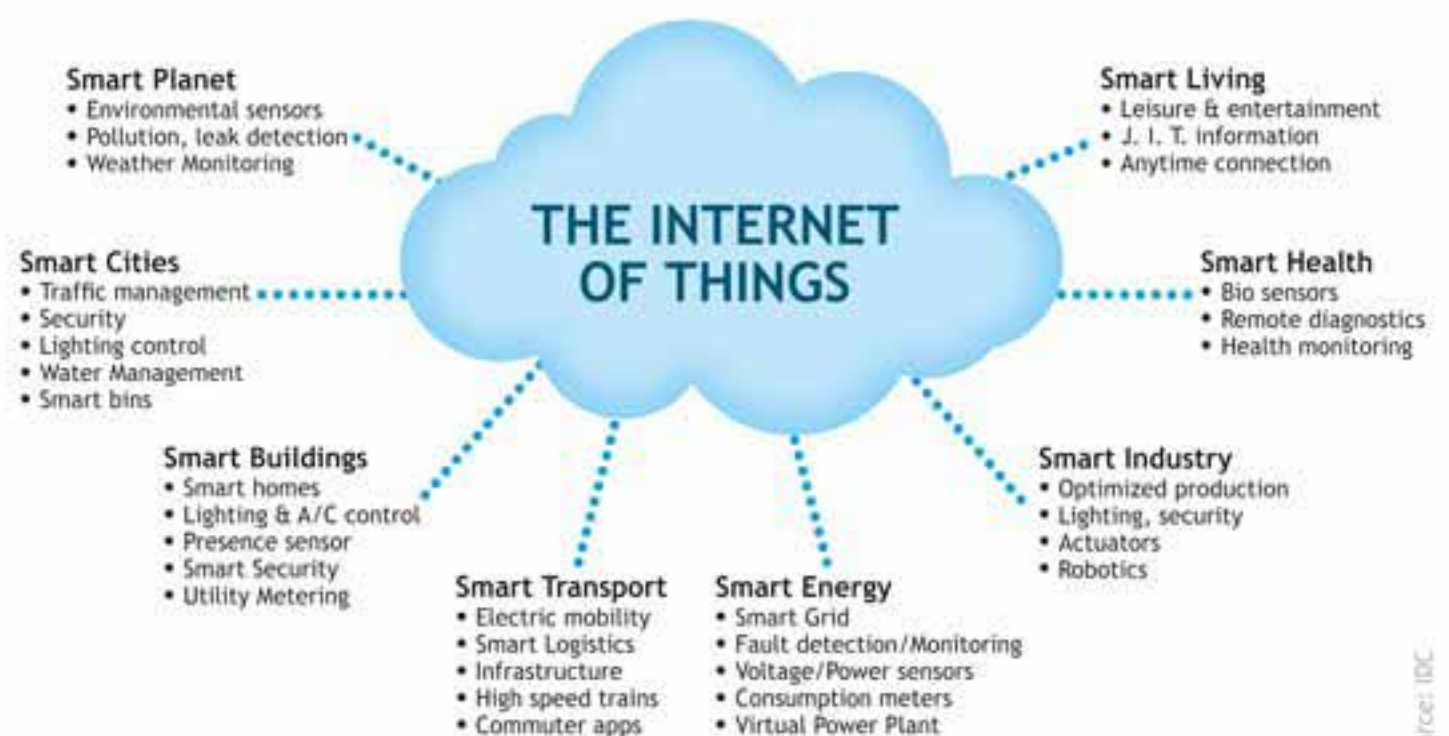
Advantage IoT

Going forward, supply chain & logistics sector is set to show even better growth. This is perhaps the right time for industry stakeholders to leverage technology – where IoT is set to play a crucial role – and stay ahead in the learning curve.

Many companies have already initiated the process. For instance, trucks from Tata Motors now come with sensors, so that fleet operators can not only get information about the whereabouts of their trucks, these sensors may also help prevent breakdowns by predicting them beforehand! In September 2014, IT companies Cisco and L&T Technologies announced a tie-up to explore IoT opportunities in sectors such as transportation and infrastructure.

Similarly, last year in October, Indian technology company Cube26, which is backed by ecommerce giant Flipkart, announced its plan to hire 100 people to ramp up its team and put its game face on for the global

IoT is Not a Technology - It's a Complex Ecosystem with Industry-Specific Implications



IoT market. In global news, in February 2016, IT giant IBM also announced an agreement with global elevator solutions provider KONE, for cloud-based IoT technologies and services so as to address innovation in smart buildings. With the help of the system, vast amounts of data from sensors embedded in equipment will help to identify and predict issues and minimise downtime for elevators.

In October 2015, Amazon Web Services, which has been providing companies of all sizes with an infrastructure web services cloud-based platform since 2006, launched a global new service Amazon IoT. According to Amazon's Chief Technology Officer and Vice President Werner Vogels, it will make working with devices, networks, security, and data collection for IoT apps simpler. "It will make it easy for you to actually control your devices without having to have the specific knowledge of how to communicate with that device," he added.

Sensing the importance of IoT in the days to come, device and

gadget companies are jumping onto the IoT bandwagon, too. For instance, this February, in Barcelona, Spain, Nokia demonstrated Narrow Band Internet of Things (NB-IoT) at the Mobile World Congress in collaboration with Intel and Vodafone. It shows how the technology in Nokia network equipment and Intel device technology can run on the Vodafone network.

As Tero Kola, Head of Portfolio Management, Radio Networks, Nokia, said, "This project clearly highlights our status as a driving force behind the creation of a programmable world, where by 2020, IoT devices globally could make up to 6.8 trillion daily connection requests."

Speaking at the event, Asha R Keddy, Vice President, Platform Engineering Group, and General Manager, Next Generation and Standards, Intel Corporation, said, "Enabling next-generation IoT services and experience will require networks and devices that can accommodate an unprecedented range of wireless radio technologies, including NB-IoT."

IoT DECODED

The internet of things (IoT) is the network of physical objects – devices, vehicles, buildings, and other items embedded with electronics, software, sensors, and network connectivity – that enables these objects to collect and exchange data. The technology makes it possible to transfer data over a network without requiring human-to-human or human-to-computer interaction.

This can include anything from daily use items such as geysers, air-conditioners, garage doors, washing machines, coffeemakers, smartphones, to specialised gadgets such as oil rig drills, and airplane engines. IoT involves operating, stopping, and manipulating of any of these gadgets via other gadgets, through the internet.

WE STRIVE FOR A SEAMLESS CONSUMER EXPERIENCE

Vijay Jain, CEO and Director, ORRA, on the importance of multi-channel presence, and how the diamond and platinum jewellery brand has sparkled despite competition

Despite dealing with a product – diamond – that is as old as many civilisations, diamond and platinum jewellery brand ORRA has always been quick to sense the market pulse. At a time when the Indian market was abuzz with everything gold, ORRA stood steadfast in its commitment to diamonds. What's more, it added platinum to its portfolio. As if that wasn't enough, it introduced platinum jewellery for men, too! And it has worked. Today, ORRA

is one of the most reputed jewellery brands in India and is known for its contemporary and traditional product offerings. And late last year, it changed its marketing strategy that was hinging entirely on print and TV, significantly towards digital marketing. On the occasion, Vijay Jain, CEO and Director, ORRA, said, "ORRA is already a well-established jewellery brand with huge brand recall and digital is becoming a critical medium for consumer

interaction. Taking such a huge call on the digital platform is based on the medium's ability to micro segment, engage and influence consumers." Jain is committed to digital, with the option of online shopping for its customers. The two formats are only going to complement each other, he says in an interview, and also discusses market opportunities and the road ahead for ORRA. Edited excerpts:



Prerna Raturi

ORRA is a well-established diamond and platinum jewellery brand for many years now. What triggered the move to give shoppers the online option as well?

The consumer of today is already online. While the traditional place of "discovery" used to be the store, word-of-mouth and advertising, today this has shifted to the social and digital medium. Our key focus has, therefore, been to build a stronger connect with the consumer through an omni-channel presence. We believe that ORRA is at a unique advantage, given our strong offline presence with 34 stores across 25 cities, and a strong online presence.

Since your ecommerce foray, how much has changed for the company in terms of market penetration, revenue, product portfolio, and staying off competition?

With our foray into the online space, we have been able to extend our reach to new markets where we did not have an offline presence. In addition to being able to attract new customers in new markets, we have also been able to attract new customers in existing markets as well as bring back older customers.

By getting the opportunity to showcase our products to a larger audience, we have also been able to get a broader understanding of the changing tastes and preferences of the consumer. Such an exploration has definitely helped us witness double-digit growth.

Selling something as costly as jewellery online can't be easy. How does the company ensure the prospective customer can rely on the brand, the delivery model, and any after-sales issues?

As I mentioned earlier, today, the consumer is already present across different mediums as well as social media channels and,

therefore, digital marketing has become an important aspect for growing and improving one's business. One in three consumers is simultaneously on her cellphone as she watches TV, while one in four Indians is already online and accessing multiple channels.

At ORRA, our focus is on providing the consumer with design, quality and experience. Our focus, therefore, has been on making "one view of the customer", "one view of stock" and one similar experience unified across different channels. With the option of in-store delivery of the products that are available online, we aim to unify the experience of the product in the online and offline worlds, thereby striving for a seamless consumer experience.

What is the kind of logistics challenge in selling something like diamond and platinum jewellery? How did you overcome them? Any supply chain & logistics

With our foray into the online space, we have been able to extend our reach to new markets where we did not have an offline presence

learning/ opportunity/ challenge that you would like to discuss in particular?

Aggregators in the space of delivery have today become dis-aggregators. In addition to specialist couriers in the jewellery industry, courier services that operate nationally are carrying jewellery as well. Courier cost in jewellery delivery is not a challenge because the courier cost percentage of total value of sales is small. However, given the high value of transaction, cash on delivery is not possible in all markets.

ORRA has a significant offline presence already. Isn't there a fear that one format might cannibalise another?

No, there is no such fear; rather, our presence across multiple channels is proving to be an advantage for us. As mentioned earlier, a balance of an online and offline presence is helping us to reach to a wider audience throughout the country.

What is the road ahead for ORRA for the next, say, couple of years in terms of turnover and market penetration?

As ORRA is already one of the most preferred destinations for diamond jewellery, we are looking at consolidating our position through constant innovation in our designs and increased consumer satisfaction with all our products.

What's HOT, What's NOT

So, is there a trend one can pick up from Tata when it comes to funding ventures? Abhishek Rungta, angel investor and founder-CEO of Indus Net Technologies, a web development and digital marketing company, strongly objects to such reading-between-the-lines. "Startups are unique ideas or innovations, which are executed well and which grow fast. I do not see a logic of seeing it in a sectoral sense," he says, adding how startups basically mean "doing the new" and thus, it is difficult to put a sector to it. "In fact, me-too investments start to happen when the market heats up, and investors want to avoid the effort of thinking through the business," he feels. Rungta's personal passion lies in startups in the space of consumer internet, enterprise software, digital media, advertising, and software as a service (SaaS).

When it comes to a great idea, however, Rungta insists he is sector-agnostic and has made investment in startups across sectors. Discussing funding trends, Rungta reveals, "Thinking of angel investment, we have recently seen an era of food-tech, transportation and hyperlocal just gone by. I can see a new surge in artificial intelligence, fin-tech, logistics, fashion, food, and health startups."

Artificial intelligence has been around for some time, but Rungta says practical and working consumer-centric solutions were holding it back until now. "Pattern-matching, image identification, and augmented reality is catching up, and this might just become mainstream," he says, but also warns how a big talent crunch for this in India might pull it down a bit. When it

comes to fin-tech, the opening of payment banks and multiple ways for people to pay and receive money, and the way rural India is set to do banking, will make all the difference. "Logistics is a pertinent problem, however, which needs to be solved. With huge manpower availability, it also looks like an easy problem to solve. It may be a mirage for many, but nonetheless, many will give it a try," says Rungta.

Rungta's own recent investments include Azo (health-tech company), Plivo (an SMS API, voice API, and global carrier provider), Cropin (agriculture tech provider), LetsVenture (online fund-raising platform), Betaout (ecommerce marketing software), and IIMJobs (an online jobseekers portal for mid-to-senior level placements).

Rahul Chandra, Co-founder and Managing Director, Helion Ventures, explains the investors psyche a little more and hopes e-commerce and e-commerce-enablement remain hot. "Travel will become attractive as well, and online lending and payments will also be sectors to look out for." He explains the reason as, "There is room for innovation that drives real value for both consumer and merchant side, since it doesn't push for significant adoption of new habits or patterns, but upgrades existing consumption patterns." He feels capital efficiency and unit economics in business models will be the primary reasons for attractiveness of sectors and startups. Talking about some successful investments the venture capital company has made in the past year, Chandra mentions Crown it (cashback app), Wooplr (style and fashion app) and Railyatri (a multi-modal train travel app).

India's unicorns Startups valued at over \$1 billion



The Indian Startup Story

India has emerged as the world's third-largest startup destination. Private equity and venture capital firms, as well as angel investors, are fuelling this growth story.

Prerna Raturi

January 16, 2016, was a red-letter day of sorts in the startup ecosystem of India. It is on this day that Prime Minister Narendra Modi unveiled the Central government's Startup India Action Plan. The policy included a number of incentives, such as no capital gains tax on personal property sold to invest in startups; no income tax on profits for first five years; self-certification compliance; simplifying patent regime and IPR; mobile-oriented application forms; exit policy to be introduced; and a dedicated fund worth Rs 10,000 crore.

The action plan was applauded by startups all over India, which are witnessing a windfall of encouragement, funds and society's support. This could be the best time to turn entrepreneur, some say.

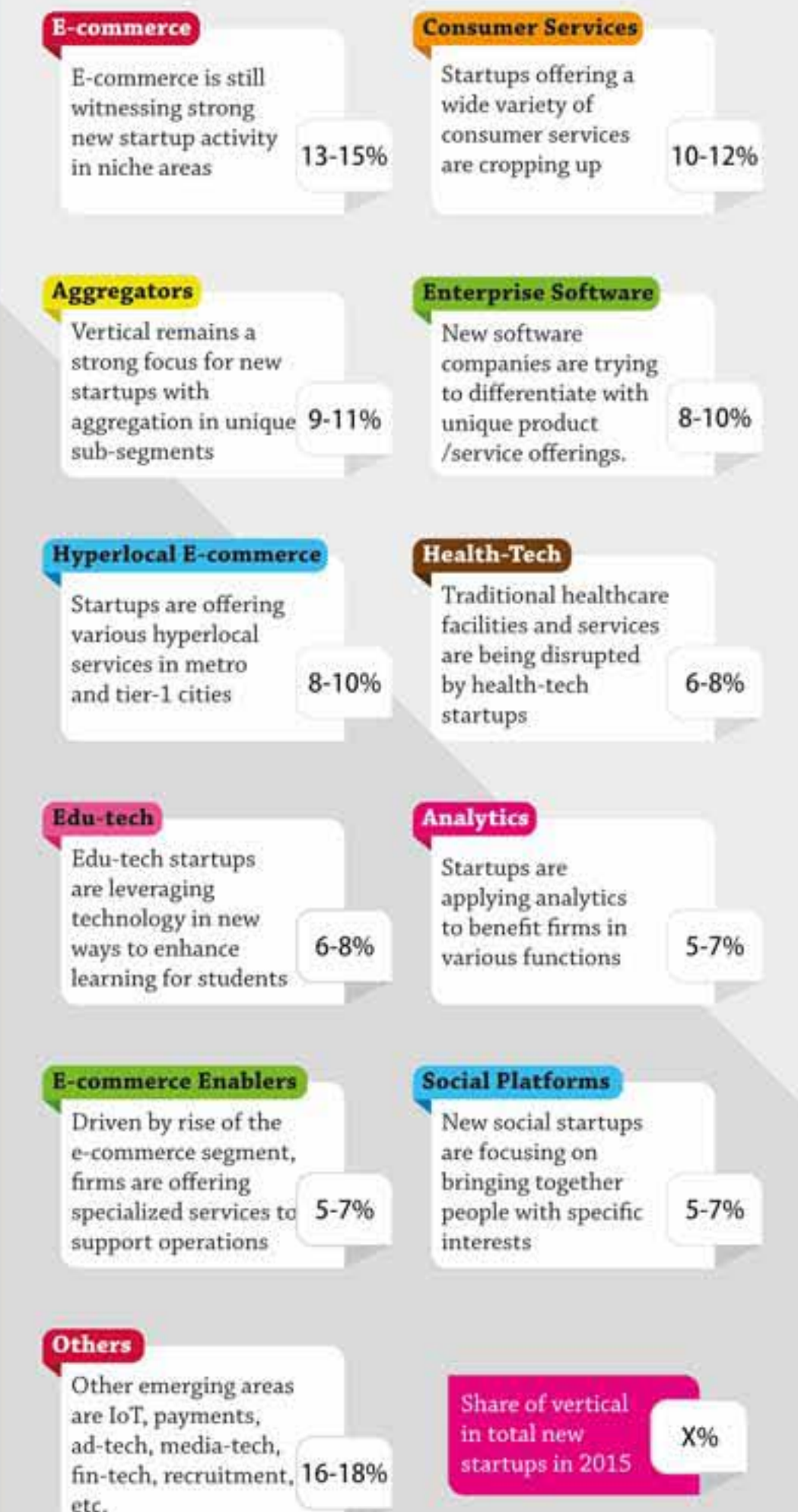
Experts say India will witness about \$6.5 billion funding in startups, what with global investors eyeing firms catering to the local Indian market, as well as emerging economies of regions such as Asia, Africa and Latin America. With India becoming the world's third-largest startup destination, industry figures from the last calendar year indicate that venture capital funding and investments by angel investors went through the roof. Approximately \$3.5 billion had been invested in startups in the first six months of 2015, and things only got better in the next six months. The NASSCOM Startup Ecosystem Report said that the number of accelerators and incubators has grown by 40 per cent over 2014, to touch 110. Moreover, India has emerged as the youngest startup country, with the average age of startup founders at 28 years.

Thus, last October witnessed some of the biggest funding exercises take place, when India's fastest growing e-commerce venture Snapdeal raised \$627 million and entered the unicorn club with a valuation of more than \$2 billion (See box: "India's unicorns: Startups valued at over \$1 billion"). Around the same time, Ola, the Indian venture that is based on Uber's strategy, raised \$210 million and was valued at more than \$1 billion. In July, Flipkart, India's largest e-commerce company, raised \$700 million with over \$11 billion valuation. This list is a long one, but one that entrepreneurs and would-be-entrepreneurs can't stop talking about. The list of investors is an equally long one: Tiger Global, Matrix Partners, SoftBank, Steadview Capital, Sequoia Capital, Falcon Edge Capital, DST Global, Didi Kuaidi, Accel Partners, Helion

Ventures, ABG Capital, Intel Capital, Reliance Capital, Sofina, Iconiq Capital, Qatar Investment Authority, T Rowe Price, Greenoaks Capital, Alibaba, Nexus Venture Partners, Kalaari Capital, eBay, Blume, Omidyar Network, and many more.

Lending glamour to the funding scene are angel investors such as Sunil Kalra, Rajan Anandan, Krishnan Ganesh, Kunal Bahl, Sachin Bansal, Samir Bangara, Abhishek Rungta, Bhupen Shah, Raghav Kanoria, Hari Balasubramanian, Indus Khaitan and, of course, Ratan Tata. It is worth noting that in the past two years, Tata has invested in no less than 25 ventures, ranging from Ola, Paytm, Snapdeal, Babycry to Tracxn, the latter being a startup intelligence and market research platform, in which he invested in January 2016.

Majority of the 1200 new startups are B2C, primarily present in 3 segments: ecommerce, consumer services and aggregators



Startups and their funding ways (2015)

S. No.	Name	Founder	Founded in	Founding in 2015 (\$ million)	S. No.	Name	Founder	Founded in	Founding in 2015 (\$ million)
1.	Ola	Bhavish Aggarwal, Ankit Bhati	2011	900	9.	Zomato	Deepinder Goyal, Pankaj Chaddah	2008	110
2.	Paytm	Vijay Shekhar Sharma	2010	890	10.	InMobi	Naveen Tewari, Mohit Saxena, Abhay Singhal, Amit Gupta	2007	100
3.	Flipkart	Sachin Bansal, Binny Bansal	2007	750	11.	Pepperfry	Ambareesh Murty, Ashish Shah	2011	100
4.	Snapdeal	Kunal Bahl, Rohit Bansal	2010	500	12.	ShopClues	Sanjay Sethi, Radhika Aggarwal	2011	100
5.	Grofers	Albinder Dhindsa, Saurabh Kumar	2013	165	13.	Yepme	Vivek Gaur, Anand Jadhav, Sandeep Sharma	2010	97
6.	Quikr	Jiby Thomas, Pranay Chulet	2008	150	14.	Freecharge	Kunal Shah, Alok Goel	2010	80
7.	Oyo Rooms	Ritesh Agarwal	2013	125	15.	Urban Ladder	Ashish Goel, Rajiv Srivatsa	2012	50
8.	Practo	Shashank ND, Abhinav Lal	2008	120					

It shouldn't stop with capital funding, however. Startup gurus and experts feel venture capital firms, private equity companies and angel investors should bring more to the table than money. For instance, angel investor and member, Indian Angel Network, Hari Balasubramanian, is not only an investor but a mentor as well. He involves himself with the companies in their journey and helps them with mentoring,

networking and advice. Such exercises not only serve to build better ties between the entrepreneur and investor, they could also help both sides in making better funding choices if this becomes a norm. While investors do carry out their due diligence exercise before sealing the deal, startups, too, need to be frugal with spending the funding money and not get carried away.

Where startups are concerned,

they will make things much easier for investors if they take care of a few things, the most primary one being questioning themselves if the product or service does, indeed, target a pain point with the consumer. It is also crucial for you to not only have the plan in your mind and on paper, but also in motion, with some traction. Of course, investors aren't looking at you breaking even, or making profits when you approach them for funding.

But your work on ground gives them a better idea of what you want to achieve. Startups need to understand that it isn't just about fire-in-the-belly. For an investor to put in his money where his mouth is, it is crucial for him to be convinced that there is a market for your product, the business model can be scaled up, and that the venture is headed and backed by an earnest, dedicated, and smart team.

The funding strategy



STANDING UP TO THE GIANTS

Contrary to what big grocery chains thought, snatching away business from smaller kirana stores is not as easy as they made it out to be

Prerna Raturi

It is a classic tale of David and Goliath. No matter how much they try, organised food retail chains just can't seem to take it away from the kirana stores – mom-and-pop stores – in India. There are studies to back the claim, too. A CRISIL Ratings report for a couple of years pegged India's top 10 food retailers accumulate a loss of Rs 13,000 crore. It is worth mentioning here that food and grocery items make for the largest pie of the retail market, which is set to be worth \$1.3 trillion by 2020, and accounts for a whopping 69 per cent of overall market. Despite providing air-conditioned environment, jazzy aisles, ambient music, well-groomed cashiers and helpful assistants, these newer department stores, hyper-markets and supermarkets are still struggling to carve a niche in the Indian market. Yes, there are those that have made profits, too, such as Future Retail and Avenue Supermarts Ltd, but you can count them on your fingertips. People browse around malls, probably opt for a Spencer's for a foreign brand of pasta and meat sauce, but it is the kirana stores they go to for their monthly shopping of groceries and staples. So there they are – your and my kirana stores, too busy to let dust settle on their counters, or worry about eroding profits. They are not only doing brisk business in

their existing formats, they are also staving off competition by beating the bigger chains at their own game. So what is it that these mom-and-pop stores are doing that the organised segment of the sector is trembling in its boots?

Rent receipts

Organised retail outlets need big spaces – several storeys, at a time – in malls, and areas where they are visible. With real estate prices going through the roof, every square metre of space they occupy in their multi-storey address hurts. On the other hand, the mom-and-pop stores function out of community and block markets, have been there for decades, and pay a fraction of the rent amount for the same. Not to say the infrastructure development isn't helping the bigger stores, however. It's just that there is too much disparity at present.

Micro-credit

Ever heard of a hypermart letting you buy your monthly ration on credit? They might lure you with big discounts and schemes, but it stops there. The smart Indian consumer has also caught on to the fact that most of these marked-down prices are for products nearing their expiry dates, or for products that aren't selling in the first place. And then you have the smaller stores, where your credit account works just fine; in fact, you can just call up the store, order something, and pay for it at the end of the month! For Indians who are used to such luxuries, it is hard to say no to it, and opt for a place where you stand in queue to pay then and there.

Size matters:

Big stores believe in everything big. They mostly keep pre-packaged products, with most of them with an average size of 1

kg upwards for staples, bigger packs of biscuits, mega-size bottles of soft drinks, and so on. Thus, for someone who doesn't want to buy half-a-kg of almonds, or wants a smaller bag of packed tea, it is easier to go to his local store and ask for the same. Want 200 gm of rice? Your grocer will measure it out for you instantly and serve you with a smile. With a large number of India's population looking at thrift-spending, this works perfectly.

Home delivery and what not

It is only with a small grocery store that you can read out your grocery list while driving, and have it delivered to your doorstep by the time you arrive from office. Not just that, these stores also double-up as utility bill payment counters, phone charge points, and even for booking train tickets! For a small fee – although home delivery is free – these stores not only

acquire the customer for good, they also make her life simpler.

Fast learners

Having said that, however, it would be wrong to say the kirana stores don't know what the competition is up to. A number of them have already started to pick up the tricks of the game – offer pre-packaged staples, give decent discounts, stock up on foreign brand items as well; many have even opted for the aisle-style shopping option. The icing on the cake – if they don't have something, the errand boy will either run to a shop next door and get it for you, or it will be delivered to your doorstep on request.

Logistics

While a number of mom-and-pop stores will accept a grocery list on WhatsApp, they will not leave everything

to technology. Thus, there are chances that the products – especially the perishable ones – are fresher and better at the smaller stores, rather than at the supermarket, which have to accept the consignment that is delivered to them. Additionally, you can't discount the fact that at a smaller store, the owner makes most of the decisions – he is, after all, a proprietor, concerned about his business. For bigger mall managers, it is a job they are holding on to.

It's no time to become complacent, however. Ecommerce is set to change the equation all over again – this time for both smaller stores and the big ones as well. Industry experts indicate that after initial hiccups, online grocery is picking up in India. Not only are companies such as Bigbasket, ZopNow, Localbanya, and Grofers receiving significant amounts of funding, a number of smaller ones are following the hyperlocal model, which helps them control costs since they work within a particular area, say, a particular part of the city. The trend of hyperlocal has picked up to such an extent that they are giving stiff competition to bigger companies as well.

These hyperlocal startups have all the advantages that smaller stores have. It is here that kirana shops need to focus to understand the model and see if they are ready to reinvent themselves, yet again.

Grocery ecommerce startups in India

1. Bigbasket
2. Grofers
3. Godrej Nature's Basket
4. Peppertap
5. Jugnoo
6. ZopNow
7. Localbanya
8. AaramShop
9. Greencart
10. Naturally Yours

The big competition Big grocery retailers in India

1. Aditya Birla Retail Ltd
2. Bharti Retail Ltd
3. Heritage Foods (India) Ltd
4. HyperCITY Retail (India) Ltd
5. Max Hypermarket India Pvt Ltd
6. METRO Cash & Carry India Pvt Ltd
7. Reliance Fresh Ltd
8. Spencer's Retail Ltd
9. Trent Hypermarket Ltd
10. Wal-Mart India Pvt Ltd.



A HEALTHY MOVE

Dabur India's exclusive e-store on Snapdeal marks the FMCG's company's commitment to stay ahead in the Ayurveda sector

Perna Raturi

There are two things that led FMCG giant Dabur to ink a deal with ecommerce major Snapdeal, which has created an exclusive e-store called LiveVEDA to sell Dabur's Ayurvedic products. One, the space of Ayurvedic products is rife with competition, and it's not just the Patanjali Ayurved offerings one is talking about. Hindustan Unilever Ltd (HUL) has resurrected its Ayush brand. Others such as Biotique, Himalaya, and Kaya have pulled up their socks, too. They are not only coming up with new product categories and better packaging, but are also marking their online presence in a big way. According to a report by Equentis Capital, the Indian healthcare industry is estimated to touch \$160 billion by 2017, with a CAGR growth rate of about 15 per cent. Of this, the Indian Ayurvedic market is about 50 billion, and is growing at a substantial and constant rate of 10-15 per cent. Which brings us to the second reason for Dabur's strategic online move – the ecommerce boom.

How could Dabur, one of the oldest Indian companies that has valiantly fought competition and reinvented itself time and again, not have read the writing on the wall? The leading FMCG company, which crossed the \$1 billion mark in 2012, is aiming its gun for the online sales pie in a big way. As K K Chutani, Executive Director

Ecommerce browsing is becoming a catchment area for brands and there is a substantial growth in the online healthcare market. This, we feel, is imperative for our future business

K K Chutani, Executive Director and Executive Vice President, Healthcare and Foods, Dabur India

and Executive Vice President, Healthcare and Foods, Dabur India, said, "Ecommerce browsing is becoming a catchment area for brands and there is a substantial growth in the online healthcare market. This, we feel, is imperative for our future business."

It is also worth noting that Snapdeal is a perfect choice for Dabur. The company that started in 2010 is one of the largest online marketplaces in India, and offers about 10 million products across diverse categories from over 100,000 sellers, shipping to more than 5,000 towns and cities in India.

And although Dabur already has multiple online partners across categories to sell its products online, LiveVEDA ups

the company's online game by creating an exclusive online store. This comes at a time when competitors such as HUL, Himalaya and Patanjali Ayurved have a prominent online presence, too. It is worth mentioning that Patanjali, a new entrant in the game, recently became the biggest FMCG advertiser.

Dabur India has been working on that, too. It appointed LinTeraactive, Lowe Lintas and Partners' digital division, to handle the digital marketing part for Dabur Healthcare and Foods Division. LinTeraactive will provide services such as search, social, web, mobile, monitoring, analytics, and campaign activation for brands such as Dabur Honey, www.liveveda.com, www.daburmediclub.com, Dabur

Shilajit and Dabur Chyawanprash.

Chutani explained the move saying, "Our association with Lowe Lintas and Partners has been a successful one. They've understood the core insights integral to our product offerings and have delivered solutions that have made us stand out in the marketplace. As we seek to extend our reach onto the digital platform, it was only apt that we hand over the reins to our trusted partner to bring us the desired results on the medium. We look forward to some forward-thinking solutions from LinTeraactive that will help our brands stay ahead of the curve." Having said all this, however, it is also worth mentioning that the tie-up with Snapdeal is not Dabur India's first foray into ecommerce. It already has an online presence in the form of www.liveveda.com. What is special about the website is that it has extensive tips and advice on various ailments – from cough, acidity, constipation, diabetes, to sexual health issues.

According to financial services company Edelweiss Securities, the Snapdeal tie-up by which the company can sell its products through one of the biggest ecommerce sites in India is a continuation of Dabur's strategy towards herbal and Ayurveda category expansion. After exclusive ecommerce sites, making its presence on Snapdeal is a healthy move indeed.

DABUR'S MILESTONES

Established in 1884, Dabur has emerged as a multi-product, multi-location, diversified group. Its product range today includes health and beauty care products, foods and food additives, oral care, diet supplements and over-the-counter health products. With manufacturing locations spread across the world's length and breadth, Dabur also has a wide distribution network, covering over three million retail outlets with high penetration in both urban and rural markets. Dabur's products also have a huge presence in the overseas markets and are today available in over 60 countries across the globe. Its brands are highly popular in the West Asia, Africa, the SAARC countries, the US, Europe and Russia.

PRIORITY

CELEBRATING GROWTH

Safexpress has driven a warehousing revolution in India over the last decade. Across the length and breadth of the country, Safexpress has been creating state-of-the-art Logistics Parks year after year. In line with the same, the JFM quarter saw the launch of Safexpress Logistics Park at Guwahati. This is the 28th Logistics Park launched by Safexpress and has taken the overall warehousing space of the firm to 12 million square feet. This Logistics Park at Guwahati will help augment economic growth in Northeast.



Safexpress, which has India's largest logistics network, has a massive presence in the region and covers every square inch of Northeast.

Throughout the JFM quarter, Safexpress participated in several events across the country including India Food Forum and India Fashion Forum at Mumbai, Auto Expo at New Delhi and many more. Safedute, the education and training arm of the supply chain industry leader Safexpress, won ASSOCHAM Best Institute for Innovation award. This prestigious award was handed over to Ms. Divya Jain, Founder & CEO of Safedute, by Honorable Union Minister of State for Skill Development, Mr. Rajeev Pratap Rudy.



Ms. Divya Jain was also conferred with a highly venerated award by Economic Times recently. She received the award for Best Woman Entrepreneur in Logistics industry at the ET Logistics Asia Awards at Ahmedabad.

Recently Economic Times came out with a coveted list of ET Inspiring Business Leaders of India 2016. Topmost business leaders from across the country and sectors were chosen by Economic Times by way of a comprehensive research. Mr. Rubal Jain, Managing Director, Safexpress was chosen from the supply chain & logistics industry for this very special honor. The same was bestowed upon him recently in a glittering ceremony organized at Hotel Sahara Star in Mumbai.

Always looking to innovate, Safexpress



recently used truck container as an art medium. An old truck container was utilized by the firm to spread its Go Green message. The company called upon an internationally acclaimed artist to paint the container at Select City Walk, New Delhi, as a part of public art festival, PUBLICA. Like every year, Safexpress employees celebrated Holi with a lot of fervor. On this occasion many interesting activities were organized at the firm and gifts were distributed to the employees. All Safexpress employees resolved to have a Green Holi, which included using organic colors and celebrating a waterless Holi.



Working the GREEN WAY

By saving up to 40 per cent energy, green buildings not only offset your carbon footprint, they help you save money, too

Prerna Raturi

Is it too much to assume that you, the reader, knows that World Environment Day falls on June 5? One will also take the liberty to believe that when Leonardo DiCaprio received his first Oscar award for *The Revenant* this March and spoke about climate change being a pertinent danger in his acceptance speech, most of us believed him. And yet, how many of us make it a matter of concern at the air-conditioning running full blast in our steel-and-glass office buildings? Or how we mindlessly waste our resources at work? Do we stop to think of the carbon footprint of our workplaces? Should it shock us that our residential and commercial buildings have some of the biggest carbon footprint?

This is especially relevant to India, which is undergoing a big infrastructure boom as a developing nation. With the process of construction and operation, our buildings use up significant amounts of water and electricity – not to mention the waste generation – which poses a big environmental hazard due to the construction materials and the techniques that are used in making these buildings.

All's not lost, however. It seems there are people in the government, at the policymaking level, and in the industry, who are paying heed to these pertinent questions and working on them. In this Union Budget, Finance Minister Arun Jaitley has allocated Rs 5,036 crore for the renewable energy sector. Additionally, the Energy Conservation Act, 2001, requires all large commercial buildings to conduct an energy audit at specified intervals of time. What's more, that very year, the Indian Green Building Council (IGBC), which is a part of the Confederation of Indian Industry (CII), was formed to promote eco-friendly buildings. Did you know you can save up to 40 per cent energy with green buildings?

On the industry's part and that of the corporate world, there is an increasing interest in opting for green buildings for workplaces. This not only takes care of their commitment to reduce greenhouse gas (GHG) emissions and carbon footprint, it makes perfect business sense, too. Lesser power and water bills, a happier and

How green is my building

A look at some of well-known LEED Platinum certified buildings

- CII-Sohrabji Godrej Green Business Centre (GBC), Hyderabad:**
Made out of recycled material, this is one of the first Platinum certified buildings in India, and recycles all used water.
- CRISIL House, Mumbai:**
This one actually has 14 gardens inside the building! What's more, 70 per cent of the work area does not need any artificial lights during daytime, and all interiors are made of recycled construction material.
- ITC Hotels:**
It is the greenest luxury hotel chain in the world and has all its 10 premium luxury hotel properties as Platinum certified. These include the ITC Grand Chola in Chennai, ITC Maurya in Delhi, ITC Maratha in Mumbai, ITC Sonar in Kolkata, ITC Grand Central in Mumbai, ITC Windsor and ITC Gardenia in Bangalore, ITC Kakatiya in Hyderabad, ITC Mughal in Agra, and ITC Rajputana in Jaipur.
- Patni Computer Systems, Noida:**
This IT-BPO centre was built with an investment of Rs 175 crore and is spread over five acres.
- Wipro Technologies, Gurgaon:**
This V-shaped building makes the most of the natural light by having a courtyard that opens to the skies.
- Suzlon One Earth, Pune:**
The global headquarters of one of Asia's largest wind energy provider, this building actually generates energy with the help of windmills and solar panels.
- Infosys BPO, Jaipur:**
This is one of the largest platinum rated buildings of India, and is spread over 3,30,000 sq. ft.
- Great Lakes Institute of Management, Chennai:**
Apart from other green commitments, it also recycles water and waste, and used recycled products.
- Green Boulevard, Noida:**
This is the world's largest Platinum LEED building in the shell and core category.
- Mindspace, Hyderabad:** Spread across 110 acres, this commercial, residential, entertainment and retail area offers about 40 per cent open space as well.
- Infinity Benchmark, Kolkata:**
This one has carbon dioxide monitoring sensors and intelligent humidification controls along with rainwater harvesting and water recycling. The building design has reduced energy costs by 30 per cent.

healthier workforce, and better branding reflect on your bottomline in a positive way. So what are these green buildings? The term refers to both a structure and the using of processes that are environmentally responsible and resource-efficient

throughout a building's lifecycle – from site choice and design, to construction, renovation and demolition. There is a standardisation tool for green buildings as well, called the Leadership in Energy and Environmental Design (LEED) Rating

Today, more than 67 countries have adopted the LEED Rating System. It is worth mentioning here that Platinum certification is the highest level under the Indian Green Building Council's (IGBC's) LEED rating system

System, which was developed by the US Green Building Council. Designed to promote green buildings, the rating system recognises a building's energy saving, water efficiency, carbon dioxide emission reductions, and environmental sensitivity. Today, more than 67 countries have adopted the LEED Rating System. It is worth mentioning here that Platinum certification is the highest level under the Indian Green Building Council's (IGBC's) LEED rating system.

The IGBC has adapted to LEED and created LEED India, and is the body responsible for certifying buildings under the system. It offers two kinds of certifications for office buildings. The LEED for New Construction and Major Renovation certification is given to buildings where the owner or developer controls the design and operation of the building. The second certification – LEED India for Core and Shell – applies to owners and developers who are not in control of all design and construction aspects. The best example for this is malls and offices where the space is rented or leased out to tenants. These tenants control the internal space and can opt for additional green interiors. Apart from LEED, there is also the Green Rating for Integrated Habitat Assessment (GRIHA), which has been developed by The Energy and Research Institute (TERI). This ranking system considers features that may be unique to India, such as malls and others buildings that are only partially air-conditioned. Moreover, it pays stress on construction knowledge that is local and traditionally followed in India. Although it is less popular than LEED, GRIHA has certified about eight buildings until now.

It is not just about the certifications from organisations that can save the day, however. Each one of us, in our personal capacity can make a difference. For instance, setting our computer to energy-saving settings and shutting down after the day's work is done, goes a long way. Minimising paper usage at work means you are preventing tree cutting, one page at a time. Opting for public transport whenever you can also offsets your carbon footprint. Using recyclable material and recycling whatever you can, may not help multinationals, but the planet will thank you. Also, spread the word!