

XTRAVAGATE

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"Continuous improvement is better than delayed perfection"

- Mark Twain

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***“To be realistic today
is to be visionary. To
be realistic is to be
starry eyed...”***

- Hubert H. Humphrey

Use of Technology in Fashion E-commerce Industry

We are in an era where e-commerce shopping is more of a habit than traditional shopping. Previously, shopping was attached with experience and a perfect time for outing with family or friends. But now, with more and more technology advancements and internet ruling our lives, everything has come to our doorstep. We now need to sit back at our office/home and order online the things we want. The technology and the companies related to e-commerce have been doing well since the invent of it and the early movers ruling the market by the likes of Amazon, Alibaba, etc. But, huge success comes with its downfall.

The rapid growth which took on to replace the traditional shopping has somewhat failed to deliver the kind of expectations customers had. Initially, with slow internet speed and low logistics network, it was okay to wait for your order for 10-15 days. But nowadays, with a lot of advancement over the years, in all the departments, and the competition coming from other e-commerce players, there has been a drastic change in the delivery time of the orders and hence it has changed the expectations of the customers, who now want their orders to be delivered as quickly as possible.

To cope with this problem, the e-retailers brought out 1 day's shipping strategy but only for the metro and the tier II cities. But that too wasn't very successful, yet they managed to bring down the delivery time and are currently working on to provide quality products and services to their customers.

The time now is to move to the next segment. One of the most purchased product category is Apparel and there are many players in this category, who are fighting it out to get on to the top of the business scene. In India, the apparel segment is highly dominated by Myntra, Jabong, Fashionandyou, Koovs, etc.

The Indian e-commerce industry is worth \$35bn in 2016 and would be of worth \$100bn in 2020, of which \$35bn will consist of fashion e-commerce. According to the analysis reports of Technavio, Indian fashion retail market is expected to grow at a CAGR 64.87% in terms of revenue over the period of 2014-2019.

With such a huge market potential, the stage is set for the big players to come in and fight for supremacy. The competition is intense and hence, huge discounts on branded clothes keep shoppers on their toes. The e-commerce websites find it very difficult to maintain customer loyalty as the brands of clothes are same as that of the other websites and hence, a little drop in price given by those websites will lure the customers making the market very dynamic and extremely competitive.

Fashion has its trend cycle and it's pretty difficult for e-commerce players to achieve their targets of sales for a definite trend period and hence, have to cover huge losses if they don't fulfil their forecasted sales for a particular fashion trend. This creates a huge problem in keeping and maintaining inventories. One of the main problem in the industry is to maintain regular flow of cash and it's not achieved mainly because of the trust that

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people don't have, on the websites and they opt for COD which roughly takes 30 days to settle down as it involves a 3rd party. Although COD is costlier and time consuming, the option is very much loved by India as it is a cash obsessed country. With cashless and digital India initiatives introduced by our honourable Prime Minister, the future seems bright for e-commerce. Out of these problems, the most complicated problem of them is the high volume of returned items. According to a study by Cognizant, it is said that nearly 40% of the apparel bought online are returned. Mostly items bought by COD are returned. And this happens because of not liking the fabric, colour, fitting, etc. These are the problems which seem to persist for a while as no technology has popped up to cope up with these problems.

Despite these problems, companies have been trying to solve them as much as they can with innovative ideas to increase their sales, like the "Try at Home" option which Myntra gives its customers. Though the idea is commendable, it involved high volume of return due to the option of selecting 1 apparel out of the 3-4 dresses ordered and sending back the remaining, increasing the shipping charges and other changes over just one sale and eventually bringing down the margin. This strategy was not a hit in India and hence it was scrapped off.

The next big thing lined up in this industry is the use of AR and VR. To talk about the two technologies mentioned here, first VR which stands for Virtual Reality and the scientific definition of it may stand as

the computer-generated simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment, such as a helmet with a screen inside or gloves fitted with sensors. Which in simple words rounds up to the fact that, it creates a virtual digital world around the user to connect with. The technology looks very advanced and has now been used in many industries increasingly. As more and more advancement are coming up, newer opportunities are being explored. Second is the next level of VR that's AR which stands for Augmented Reality and the scientific definition of which stands as a technology that superimposes a computer-generated image on a user's view of the real world, thus providing a composite view, which means that the digital images and other things will be created not on a virtual environment but on the same environment where we live. Both the technologies look very interesting and as the technologies are popping up with its positives, it can be used in many places in the fashion e-commerce industry.

With the kind of usage it has, it can be used in the fashion e-commerce industry pretty well, eliminating the problem of returns. Using this technology, customers can choose their clothing and other stuffs at home and can decide whether they want to buy that piece or not. It will perfectly provide them the idea about fitting, colour, etc. of the clothing and hence, chances of returns will become less. Also, it will engage customers with the site providing them original shopping like experience, like choosing clothes on trial

“ Without continual growth and progress, such words as improvement, achievement and success has no meaning.... “

- Benjamin Franklin

“You can't open a website and expect people to flood in. If you really have to succeed you have to create traffic “

- Joel Anderson

“Success is a lousy teacher. It seduces smart people into thinking they can’t lose “

- Bill Gates

through VR and AR and then deciding whether to purchase or not. AR can be a good low-cost option for the companies dealing with items like shoes, as the technology is more common than VR along with having an economic value. Whereas VR is newer technology and is advancing day by day and will be more beneficial in online furniture and décor company. With the kind of opportunity lying in front, the players should hit the technology and use it as a 1st mover advantage, which will prove to be a very good sign here.

Many more technology concepts can come up in future eliminating many other problems related to online shopping to make the life of humans more and more comfortable. This is the kind of future we are heading towards, where everything will be served at our doorstep, that too for a less cost.

“It always seems impossible until it’s done.... “

- Nelson Mandela

Though the technology is new, many companies have already started using the technology in their businesses to become e-commerce giants. It is essential to dig into this scenario to survive in the market. The sampler mobile app from converse is a great example of AR in the fashion technology industry. IKEA AR catalogue is also a prime example of this. In a similar fashion, Indian fashion e-commerce websites should also start using these technologies as soon as possible, to grab the market.

Indian Premier League: A Business perspective

The Indian Premier League is a cricket tournament hosted every year in the month of April -May since 2008. It follows the Twenty-Twenty format where each team is allowed a maximum of 20 overs to bat and score the maximum amount of runs possible. Since its inception back in 2008, IPL has been a centre for large investments and is largely associated with a lot of splurging of money.

It is a BCCI managed tournament where Bollywood and business men get involved. For people, it is a true form of entertainment with lots of sponsorship and employment, while new players across small cities get a chance to play along with players from other countries, which gives an international platform and an exposure for the new and upcoming players.

The brand value of IPL was estimated to be US\$4.5 billion in 2015 by American Appraisal, A Division of Duff & Phelps. According to BCCI, the 2015 IPL season contributed ₹11.5 billion (US\$182 million) to the GDP of the Indian economy. Organizing an event as big as IPL helps in generating employment opportunities. There is involvement of various sectors in IPL. Primarily, the marketing industry gets a boost. The IPL is currently known as Vivo IPL (this is due to the sponsor Vivo, a smartphone manufacturing company).

The revenue for IPL is obtained from various sources. This includes the following:

1. Ticket Sales
2. Sponsorships
3. Merchandizing rights
4. Internet and Television Rights
5. Cellular Service providers

VAS. So, for any ticket sales, there's some form of tax that government charges, while viewers pay. Thus, it is a kind of consumption. Money is brought into economy, benefiting many industries from Cricket equipment manufacturer to apparel makers (fashion designers and allied groups). Even printing a ticket has given a thrust to printing industry.

Along with the positives, there also lies the negatives. The negatives mainly include money laundering, betting and gambling and tax evasion methods applied by the rich investors. Like the two sides of the same coin, IPL also has had its fair share of woes. From scandals which include suspension of two teams because of match fixing to banning of players over the same issue. IPL has grown over the years, and in its 10th iteration, it is still a profitable business. The popularity of IPL is ever increasing and hence beacons for a great business perspective.

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“Far from marking the end of nationalism, the IPL is the ultimate triumph of that principle : a global tournament in which the same nation always wins “

- Gideon Haigh

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“Success today requires the agility and drive to constantly rethink, reinvigorate, react and rethink ...”

- Bill Gates

An Agile Approach Towards HR

Different organizations are looking towards strengthening their structure by applying agile methodologies to their management processes. In the current environment, HRM departments usually confront with agility, and a question arises “What does this actually mean?” Is it the transformation of HRM or is it just the establishment of a strong and dignified corporate culture?

An agile organization changes its direction quickly and easily. Adaptability, transparency, simplicity and unity are the primary values for agile development. Adaptability focuses on changing business needs, whereas simplicity assists in designing easier and efficient programs. Unity guides to work together and transparency builds a sense of trust between managers and employees. In the recent years, Agile HR is gaining recognition as a means of helping the organizations and aligning with the realities of today’s requirements. Many companies are implementing agile methodologies in order to achieve success. Bigger the company, bigger would be the challenges for scaling agility across the organization. Agility requires a culture of empowerment where employees have independence to respond to the needs of customers. HR can assist in creating that culture. It has been stated, not only to control or execute, but facilitate and improve agility in any company.

The traditional culture and agility development can be compared on various grounds such as control, management style, knowledge management, role assignment, communication, customer cycle and organizational form and structure.

Traditional culture focuses on process, command and controlling the channels, individual and specialized roles with formal communication. They are driven by task and activities, and follow a bureaucratic and highly formalized structure. On the other hand, agility gives more focus on people, leadership and collaboration, self-organization with informal style of communication. They are driven by product features and follow flexible, informal and participative organizational form. If we want to move towards an agile culture, we need to make changes to structures. This does not mean breaking down of existing form but, inclining focus to people and facilitating their needs.

In order to accomplish this change, we need to look for facilitating knowledge workers who focus on staffing, developing, maintaining and motivating employees across any organization. Traditional focus areas are still valid and agile organizations often approach these areas in different ways. Here are 10 tips towards Agile HR for managers:

1. Before changing anything, make everyone aware of the cultural changes ahead.
2. Involve HRM in the agile transition team.
3. Stop calling professionals as ‘human resources’ and start with facilitating them.
4. Become an inspiring leader for professionals.
5. Give the teams the mandate to hire the best.
6. Once the best are hired, make sure they will stay.

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7. Challenge professionals to become experts.
8. Stop annual performance feedback and start continuous performance feedback.
9. Change rewards, so people are motivated from the inside out.
10. Rewarding publicly, not privately.

HR is charging towards redefining work experience and engaging employees like never before. For an organization to be completely agile, all the departments should be involved effectively. Agile organizations flourish on a daily basis and enhance its culture at regular intervals.

***“Speed, agility and responsiveness are the keys to future success*”**

- Anita Roddick

***“Great vision without great people is irrelevant*”**

- Jim Collins

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“Attitude is a little thing that makes a big difference ...”

- Winston Churchill

Internship Season

As the 3rd trimester examinations ended, students have packed their bags to reach their respective internship destinations. Though being a part of the curriculum, internship is seen as an opportunity to connect with corporate professionals to enhance one's skills in their domains of interest. Some might even get a chance to make money with a “paid-internship”, giving a win-win situation for the students as well as the corporates. This opportunity will be an experience of a life time, by gaining a platform to showcase one's skills in the real world and also, to gain some hands-on experience. All the way from start-ups to big companies, our students have secured an internship each which is worth exploring.

There are a few main take-aways that the interns are focusing upon, in this summer internship tenure. First is to build good and healthy relationships with peers (co-interns) and senior management. This will energize the whole learning environment, ensuring better communication channels with peers and seniors. Next would be to develop upon the new-found knowledge, which will also include tasks fulfilment relevant to the desired career path, along with sharpening and honing one's skills.

It is also expected to give a greater sense of professionalism along with a few future contacts for references. Navigating through the business world needs adaptability and a clear vision, which can be obtained from these internships. Resumes can be upgraded by grabbing the opportunities available at the organization. Converting internships into jobs or utilizing the opportunity to get further con-

tacts can be the ultimate captivating factor.

It is important to learn and grow. But it even more essential to maintain healthy organizational culture and relationships to collectively work for the objectives of the company. Even if it is for a short duration, the students are expecting to learn a handful of skills that will make them “future-ready” to secure a job!!

Rocket Singh Salesman of The Year

At one point in the film, the lead character Harpreet Singh Bedi says, "Even Spiderman has to take risks, at least I am a Salesman". It is not strange that this line comes from a film directed by Shimit Amin and written by Jaideep Sahni because both of them are pretty good salesmen, who know how to sell their story, in the business. Take "Chak de! India", for instance, where these two previously collaborated. Chak de is not without clichés, it is a done to death sports template of a disgraced player pulling together a team of misfits. But the writer-director duo didn't take their audience (or customer, may be) for granted to settle on the brand value of King Khan. Instead, they placed their product with a riveting screenplay.

The same has happened in Rocket Singh. The AYS chief corporation is told, "The brand had no value, sir. You were fooled. It is the people who made the brand" when he enquires his employees about sales after acquiring the Rocket Sales Corporation (started by his once employee Harpreet while working for AYS itself for which the chief sues him legally). Acquiring a brand does not grant you success, offering what makes a good brand is the key. Throughout its running time, the writer-director duo unfolds a tale that involves entrepreneurship, profit sharing and friendship. Rocket Singh is no "Wall street". Instead, it is different from the films about sales. This is not a film about a person who dreams and wants to make big at any cost. It is about a simple straightforward man who believes in making part-

ners than getting workers. "If he is able to be a partner, why can't he be one" says Harpreet to his friend about a chaiwallah (tea-seller) who also knows how to assemble a computer. According to Harpreet, his friend who assembles computer is a partner, then why can't he be the chaiwallah who is going to do the same?

Jaideep cleverly points out this inefficiency of the work system in every sub-text. He wants to make a point that a good system should try to find what a worker is capable of doing and utilise the best out of him and treat every worker for the work they do, irrespective of their job position and finally tries to convey with an example that a lady receptionist is not just an eye candy, since she may be aware of a company's existing and previously existed clients better than anyone. Rocket Singh is not a film that holds you from the start, it takes its own time to establish its characters but holds you with the honesty the lead character possesses in doing his business. The film has a set of ensemble actors- from the charming Ranbir Kapoor who plays Harpreet Singh Bedi, to Santhosh who plays giri to a nuanced performance and Gauhar Khan who plays the receptionist. In one of my favourite scenes, Harpreet asks his lover to help in his business and she casually says "I love you, use me". She doesn't mean that he uses her love for him but it is easy to ask someone with whom we are in love with. May be, love is also a business where life is shared between people by Jaideep's idea.

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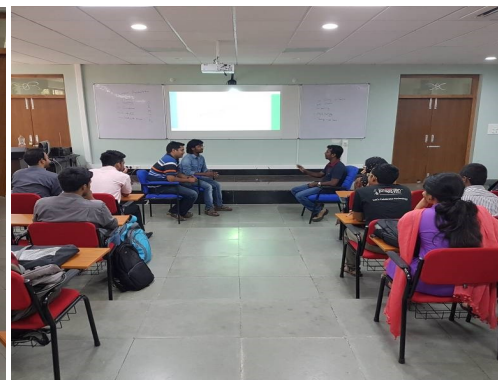


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Snippets

April 5 - Guest Lecture on “Industrial Relations & HR Disputes” by Mr. Karthick Govindarajan, HR Head, Innoppl.



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