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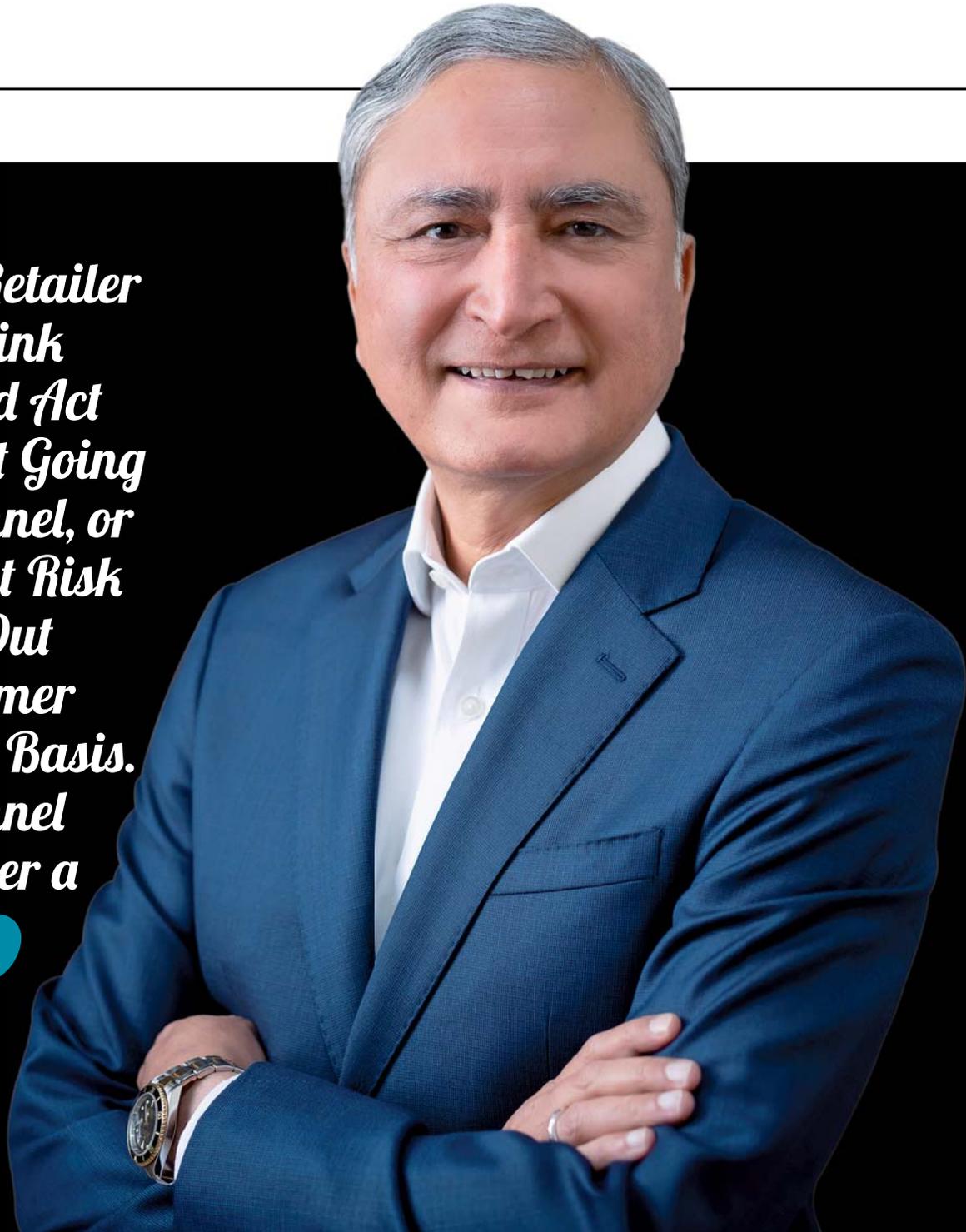


Omnichannel is No Longer a Choice

- Naresh Ahuja
Founder, ETP Group

**“The Retailer
Should Think
Deeply and Act
Fast About Going
Omnichannel, or
They are at Risk
of Losing Out
on a Customer
Experience Basis.
Omnichannel
is No Longer a
Choice”**

- Naresh Ahuja



The genesis of ETP's story can be traced back to the passion for software development held by its founder, Naresh Ahuja. It's no small surprise that within a mere span of twenty years, the organisation has expanded its reach to encompass 24 nations and has been serving 35,000 stores across the globe. Within India, they boast an impressive roster of prominent enterprises, and their influence continues to burgeon daily, propelled by their meticulously crafted solutions that are able to withstand the nuances and intricacies of the Indian retail landscape.

During an engaging conversation with Phygital, Naresh Ahuja delves into the voyage of ETP, shedding light on the significance of omnichannel retail as a universally embraced concept, including its resonance within India.

By Zainab S. Kazi

Taking the Plunge

Rewinding to 1988 in India, the world of computers had barely captivated even a fraction of 2% of the population, let alone having a discussion on the subject of software development. However, passion propels the inconceivable. Naresh Ahuja, a student in one of the South Mumbai colleges at the time, stumbled upon an advertisement from NIIT which was inviting students to study a computer language by the name Cobol. This marked NIIT's inaugural advertisement, aiming to gather its maiden batch of students. Ahuja intrigued by this, decided to enrol and he recounts, "I fell in love with software development."

Working with his uncle, Shyam Ahuja, one of India's most acclaimed designers in soft furnishings with clientele across the globe, the young Naresh conceived the idea of constructing a retail system, leveraging his newfound expertise

in the 1990s. Their omnichannel solutions emerged nearly a decade ago internationally and in India five years ago with one of their biggest and long-standing clients, Titan. Ahuja discloses, "The novel AI-driven software and our forthcoming Unified Commerce platform are poised to surpass the prevailing market standards. The market will likely need another three to four years to fully embrace them. We tend to be slightly ahead of the market curve."

Building on ETPs USP

With the market being abuzz with new age tech companies offering retail software solutions, what makes ETP stand tall? Ahuja answers, "The difference we have is how we have architected the solution. The data communication is in real time and resilient. So if a customer places an

order, it is captured in a perfect architecture from about seven years now and according to Ahuja, "Since then it has persisted and become more and more strong and stable. Our architecture is very strong and powerful."

The second hallmark inherent in ETP lies in its intrinsic scalability to extensive proportions. Underlining this, Ahuja imparts, "One of our largest customers managed to do 1.4 million invoices in a day on our system of which approximately 80,000 were omnichannel orders". The third thing that gives us some edge in the market is completeness of information. Omnichannel does not only cover an order. It encompasses a host of other things like- real time inventory management, it also alerts both customers as well as store staff, head office etc. on various movements, shipments. It allows for things like an endless aisle. For e.g. if you are shopping at any store and if the product you are shopping for isn't available at that store, the store staff can instantly look up at the ETP system and check which store has it and it can be delivered to the customer's home. So all this is on one screen with an effortless experience."

Highlighting the expectations retailers harbour when embracing omnichannel strategies, Ahuja emphasises, "Foremost is the demand for inventory visibility. Second is consistent order fulfilment, where errors such as misplacement, automatic cancellations, or erroneous store deliveries are prevented. Our ETP system possesses formidable architecture, capable of safeguarding information and data even in cases of internet disruption. When connectivity is restored, the stored information is promptly synchronized."

As per Ahuja's observations, Indonesia and the Philippines emerge as two of Asia's foremost omnichannel adept markets.

On India's Readiness to be Truly Omnichannel

Ahuja promptly highlights that Indian retailers possess a keen grasp



in software development. Securing a modest office space and hiring an employee, he commenced crafting software solutions for fellow retailers on his computer which he purchased with his savings. Reflecting on those initial strides, Ahuja reminisces, "We began creating software for any business seeking digital solutions, as pre-packaged options were non-existent back then."

From its inception, ETP consistently positioned itself as the forerunner. In the Indian context, they introduced retail software solutions during the

order on the website and wants to pick the item up from a particular store, it immediately pops up in the showroom in real time. The communication is near real time. Majority of the time stores are offline, the central head office is somewhere else, the person placing the order is also from another location etc. It has to check what inventory is available at which store, where do you live, which is the nearest place for the order dispatch - all that orchestration is done in real time from a web services framework that we built ourselves." ETP has been building on this near to

of technology and recognise the substantial value it offers. He goes on to share his insights, "They are amazingly good at rolling it out and absorbing it and using it and squeezing the most out of the system so this challenges us a lot also. But we like that challenge as it helps us improve. The only area where we could really improve is the IT infrastructure. The provisioning could improve. The networks are not that great. Sometimes some networks break down so you have issues with where store servers will go down, POS will go down etc. It is improving but the network and infrastructure are more of a challenge in India than other countries."

Ahuja goes on to provide a more detailed account of his experience in working with Indian retail enterprises, expressing that, "I think the Indian mindset is where we like to grapple with something and go deep and understand it. While as in many other Asian countries, it is expected that the system should come ready in a manner where everything should be accessible on a touch of a button. And the staff will follow the laid down processes perfectly"

On Why has India Taken Time to Adopt Omnichannel Strategy

As per Ahuja's account, the initial country to embrace omnichannel strategy was a rather unexpected contender - not the US, but the UK. Remarkably, the UK transitioned to omnichannel practices 15 years ago. He shares, "It is a nation of shopkeepers. Retail is something very important to the British. 15 years ago I was amazed at their omnichannel strategy and I said to myself - one day Asia will adapt. I think that possibly the concept appeals to many people but there are a lot of little tweaks you need to make to your organization which sometimes possibly result in the delay. For e.g. if you are going omnichannel - the biggest question on the table would be what will be the commission structure for my store staff if an online order is fulfilled at the store and that debate will go on probably for 6 months and then the project gets delayed."

Ahuja also attributes part of the delay to the COVID 19 phase stating two years were lost during the pandemic. The temporary closure of stores resulted in proficient store personnel seeking alternative employment. Consequently, retailers found themselves in a position akin to starting anew, necessitating the reconstruction of their front-end teams. He further shares, "Most organisations in India still have e-commerce as a separate department and physical retail as a separate department. For omnichannel these two need to be working together very tightly but e-commerce in India is seen as the purview of the young cool hip marketing type people who make

In addressing the challenge posed by discounts, Ahuja proposes the idea of labelling items with substantial discounts. "Many retailers will have different quality and calibres of products. Some products that are highly discounted are only sold online but not sold at the store. Or you say that this is my last season stock sale which I am only selling online and not available at the store," shares Ahuja.

Regarding the duration required for a company or brand to achieve omnichannel readiness, Ahuja says, "Our system is very user friendly. Any change is about training. We train the trainer. To implement an omnichannel platform like ours can take training of



websites and all the offline retail on the other hand is for the older more steadfast individuals. None of it is lack of vision or lack of motivation or management. It is getting the nitty gritty done to get the departments to work together, to align the incentive structures. To get one common promotion strategy for the organisation and not for the channel. So if I am saying that this is my end of season sale and I am giving a 30 to 50 % discount, it should be the same online and at the store too. But stores want to run their own kingdom and online too wants to run its own kingdom. So it actually is turning the organisation on its heads."

two months to 12 months. This depends on how big and complex you want to make it. We have gone like in 3 weeks with a brand that has 200 stores across India but we also have projects that have taken a year where they want to do a lot of customisation on the software."

What Truly Defines Omnichannel?

Undoubtedly, we've been witnessing a multitude of retailers, both large and small, expressing their eagerness to join the omnichannel movement. However, the genuine essence of omnichannel remains a point of contemplation. Frequently, we observe a certain

ETP Group's Star Performer Retail Software Solutions

› **ETP V5 Omnichannel Retail Software Suite:**

This flagship solution integrates inventory management, point of sale (POS), customer relationship management (CRM), and more, delivering a unified shopping experience. It supports various retail formats and has been successfully adopted by several leading luxury and lifestyle retailers across the region.

› **ETP Omnichannel Connect:**

ETP Connect enables retailers to optimise order fulfilment by selecting the best location to fulfil each order, whether from a warehouse, store, or distribution centre. This leads to faster and cost-effective deliveries as well as better working capital management.

› **ETP Mobile Store:** This mobile point-of-sale solution enhances customer service by enabling staff to assist customers anywhere on the shop floor. It expedites the checkout process and offers cross-selling opportunities.

› **Ordazzle E-commerce Management System:**

Ordazzle, by ETP Group, is an e-commerce management platform that elevates the entire e-commerce journey by helping sellers process millions of orders/day, meet delivery SLAs, and improve margins with marketplace reconciliations.

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degree of conflation between this term and “multichannel.” As Ahuja succinctly phrases it, “Multichannel – I would have different channels of selling – I may have catalogue business, I may have a call centre business, I may have an online portal and may sell on marketplaces and I also have my stores. From a customer facing perspective these are not integrated with each other. This is still the case where say you go and buy something from an online store brand, your customer ID, password, loyalty points all will be different and when you go to the store, it will be different. You are not the same person who bought from them last week, they don't recognize you because you bought online. Whereas in omnichannel, you are one customer across. You can buy online, take those points and go to the store and use them or get a gift voucher from the store and redeem it online. Or just go online, reserve some product and go to the store and try and then pick it up. Very few retailers are offering this as of now.”

Solutions Tailored for the Indian Market

ETP Group offers a wide range of retail software solutions such as omnichannel orchestration, POS, Mobility, CRM, Marketing Campaigns, Promotion Management, Order Management, Supply Chain Management, and Analytics. For the Indian market, these solutions are further enhanced with the localisations such as complete GST compliance for retail sales, order processing, stock

transfers, order dispatches, and many more. ETP's retail POS solution, ETP Store can also perform updates to e-invoice portal on real time basis for transfer orders, institutional sales, and sales returns. These design enhancements in the ETP retail POS software help retailers in India optimize their operations and stay ahead in the competitive market.

Handling Inventory Management and Order Fulfilment Regardless of Sales Channels

Elaborating on this, Ahuja shares, “ETP's omnichannel retail software offers a range of solutions to manage inventory and order fulfillment, ensuring that customers have access to products regardless of the sales channel they choose. One of the key features of ETP's omnichannel retail software is its omnichannel Inventory Management module, which helps retailers manage and control different inventory processes carried out inside stores for both retail sales and online sales. This module improves order fulfillment percentage and replenishment rate, reduces stock take lead time, and minimizes losses due to shrinkage and pilferage at the stores.” He further elaborates, “ETP's omnichannel retail software also offers several other features that help retailers optimize inventory management and order fulfillment. For example, the Stock Transfer function enables retailers to manage inter-store stock transfers, warehouse to store stock transfer, store to warehouse transfers, and direct to store deliveries. The Endless Aisle concept allows retailers to offer an extended range of products beyond what is physically available in-store. This approach improves customer satisfaction and helps capture potential sales that may have otherwise been lost due to limited in-store inventory.”

The New Launches

2024 shall see ETP launching its Unified Commerce Platform. Elaborating on this, Ahuja shares, “This is a platform where you have e-commerce,

omnichannel and retail – all on one cloud platform.” With this solution, the entire company logs into just one platform enabling the different verticals to check on the dynamics of what is happening at the store, the e-commerce platform etc. “Today in most cases, the offline retail vertical does not know what e-commerce promotion is running and vice versa. In Unified commerce you will be able to see all the promotions across various channels, all the inventory, all orders which are coming from e-commerce and which store they are going to, who is fulfilling, what is the SLA being achieved etc. You have an informed organisation with one information, one version of truth on one database. This is the new cloud platform which we are launching in January next year.”

Overcoming the Challenge of Cart Abandonment

Cart abandonment ranks high among the challenges confronting retailers universally. One approach to combat this issue involves persistently reminding customers, which, after a certain point, can backfire and cause customer irritation. ETP presents an innovative remedy that takes a different route, aiming to captivate the customer. Elaborating on this solution, Ahuja expounds, “We have two platforms –one is the ETP V5 which is the retail omnichannel platform, we have another platform called Ordazzle which is our e-commerce platform. These two are fully integrated at the hip. They don’t need data replication as they are integrated. If there is an abandoned cart let us say on the website, it will appear in the abandoned cart on the customer’s omnichannel point of sale system so if a customer goes to the store, the storefront shall be able to see the abandoned cart and the customer can be offered the same product he / she left behind or a conversation can be carried forward based on what is left in the cart.” Either way, this simple gesture goes a long way in making the customer feel special.



AI to Check on Returns and Flag Fraud Orders

The penetration of AI and machine learning has permeated virtually every domain, and the retail sector is no different. ETP has been working to seamlessly integrate AI into its software solutions, and a notable instance lies in its utilisation of AI to manage returns and identify potentially fraudulent orders. “We have two AI implementations in our systems. On the e-commerce side we have this AI built called Order Anomaly Detection. What it does is that first it just observes all the orders coming in. It sees which orders are getting cancelled, which are getting returned, what are the circumstances where orders get cancelled, get returned or sometimes you are shipping to some unsafe places.

It would detect fraud orders as well. It flags orders and gives description why possibly it could be a fraudulent order. Second at the store level we have an AI based solution called Product Recommendation Engine where it tries to understand the consumer and based on his / her information gathered, there are personal recommendations in place – whether at the store or even when he / she is shopping on the brand’s portal,” reveals Ahuja.

Anticipated to launch in 10 countries encompassing Australia, Singapore, Malaysia, Hong Kong, Cambodia, China, Indonesia, and more, these two solutions will be rolled out early next year and Ahuja and his team are actively constructing 18 AI use cases, spanning a spectrum from ordering and competitor pricing to sales and beyond. ●