



RISE OF **DIGITAL** **WAVE** IN RETAIL

Retail is one of the fastest growing sectors in India, ranking second amongst the world's largest consumer markets, and is expected to increase to US\$ 750B850 billion by 2015. The future of the Indian retail industry shows terrific potential with the continuous market growth, favourable government policies and emerging technologies. In fact, technology has played a pivotal role in transforming the dynamics of this industry. For instance, a decade ago, nobody had fathomed the rise of online retail through the digital push.

By Srinivas Nidugondi

Mobile phone is one such technological innovation that has changed the way merchants and brands interact with their consumers. The penetration of Internet-enabled smart phones has been so rapid that India is already the third-largest market for smart phones and is estimated to soon overtake even China. According to reports, smart phone users in India will explode by nearly 300 per cent to 382 million by 2018, with most of these users accessing Internet through their phones. This increase in mobility has resulted in the world evolving into a truly connected place. Estimates are that combination of smart phone convenience with the needs of the bank card acceptance at the points of sales, will account for 52 million units shipped in 2018.

Mobility also provides new channels to businesses for active engagement with their existing customers as well as reaching out to potential customers. Customers today demand greater control, personalisation, and convenience in sphere – from shopping and payments, to the way they receive offers and promotions. Such an adoption has also given a certain boost to mobile digital wallets by

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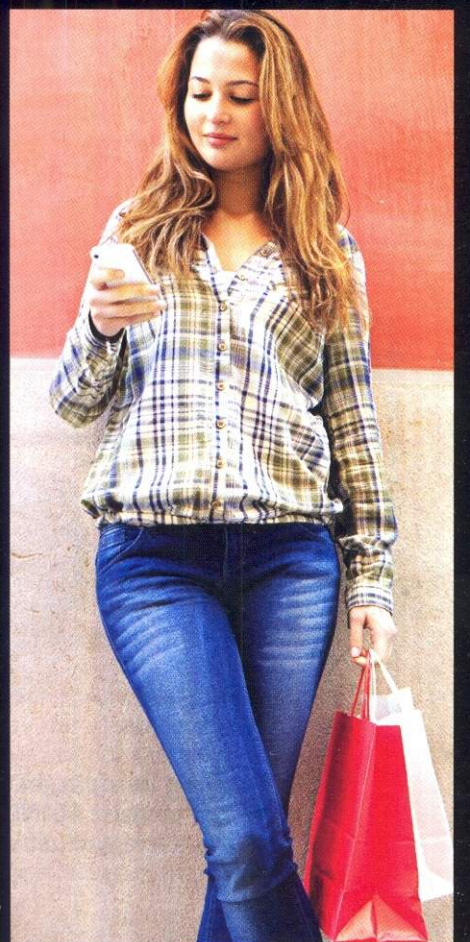
the retailers to convert their mobile into a POS device and drive transaction volumes by accepting cards anywhere, anytime. A small dongle, which can connect via Bluetooth to a mobile phone, can convert the mobile phone into a card-accepting device!

mPOS solutions are light in weight and compact enough to be carried by salespeople. Connected to a smart device, it allows smaller businesses and individuals to support on-the-go cashless transactions seamlessly,

transforming the mobile phone into a convenient one-stop solution for payments, identity, loyalty, couponing, and ticketing for consumers and merchants. Enabling technologies like NFC, biometrics, BLE or QR code have made transactions and marketing more contextual and convenient.

With personalisation as a strategy, even banking sectors and retailers can leverage the use of location-based services like geo-fencing to push context aware and segmented offers to consumers, thereby increasing the chances of having loyal consumers and ensuring the requirements of consumers are fulfilled more efficiently.

Therefore, upsurge in mobile-based payment presents a strong case for greater adoption of mobile point-of-sale (mPOS) solutions by merchants. As of April 2014, India has about 418 million credit/debit card holders as against a mere 1 million point of sale (POS) terminals. Modern mPOS solutions are convenient to use, ensuring



while larger retailers can use mPOS to enhance their retail and payment processes. This simple technology can help proliferate the POS devices and bring millions of merchants into the card-accepting network. This would lead to better sales for retailers, add value to customer experience and drive the economy towards cashless transactions. Rise of mPOS could enable previously cash-preferred, small-scale merchants and retailers to accept payments via a new channel, keep electronic financial records, and even introduce loyalty or location-based marketing schemes.

For consumers, increased availability of mPOS platforms could encourage the use of electronic payments, fostering a shift away from cash with multiple benefits: convenience and empowerment to track their expenses better. In cultivating an enabling environment for the geo-fencing growth of electronic payments, mPOS platforms – accompanied by increasingly popular mobile money offerings – could begin to see a spike in popularity over the coming years, bringing with them widespread socio-economic benefits.

The retailers need to move beyond traditional practices and adopt next-generation technological solutions, which would give them the required impetus to script greater success stories in times to come. The next wave of growth is through technological innovation and it is imperative for the retailers to ride on it for greater success. **IR**

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