Future Group 2047: Building Asia’s Leading Integrated Consumer Business
We always overestimate the change that will occur in the next two years, and underestimate the change that will occur in the next ten.
1987 – 2017: FUTURE GROUP
For the past 30 years, Future Group has shaped consumption opportunities in India.
More than 500 million Indians have experienced our brands.
Only national retailer:
With presence in every state and 255 cities in the country

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<th>ANDHRA PRADESH</th>
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Big Bazar has signed properties for **new stores in Meghalaya, Mizoram & Nagaland.**

* EasyDay also includes Heritage stores.
We are within 5 km radius of 8000 pin codes in India

Closest Big Bazaar store is 2.5 km away

**Karnataka**

**BB-Bengaluru-g T World Mall**

G T World Mall, Plot No. 92, Magadi Main Road, Next To Prasanna Theatre, Opp.magadi Police Station, Bengaluru, Karnataka

Store Time: 10:00 AM to 10:00 PM

**BB-Bengaluru-ulsoor Village-iedo Mall**

Ledo Mall No.1/1,swami Vivekanand Road, ulsoor Village,north Taluka,nobili Civil Ar,bengaluru, Karanataka

Store Time: 10:30 AM to 9:30 PM

Map
We will sell almost 30 crore units of garments alone in 2018.
Making us among the **GLOBAL TOP 10**
in fashion businesses
But what makes us **unique** is...
We design & manufacture much of what we sell
We make the products
We own the brands
We own the supply chain
We own the distribution
We own the retail network
We own the consumer behavior data
And we own the data that flows through this network

AS A CONSUMER ORGANIZATION, WE ARE THE ONLY ONE WHEREIN...
1987 – 2017: SOCIAL CHANGE
Our work desk has shrunk into our palms
Leaders and Leadership has changed
A 400 Million strong generation born in 21st century is redefining aspiration & consumption
And the Indian girl child has become a treasured asset
1987 – 2017
CHANGE IN TECHNOLOGY
Earlier technology was used to overcome the physical
Allowing us to move faster and farther
And reduce both time and space
1987 – 2017
In recent times, that changed
Technology moved from the body to the mind
The digital bypassed the body — augmenting the mind
A fascinating world followed:
Networked but Virtual
What Happens Next?

2017 – 2047
2017 – 2047
Technology as a layer over the physical
2017 — 2047
The physical and digital will no longer separate
Hello, Smart Home
Wearable Tech
Augmented Body Parts
Ambient Computing: From Hardware & Software to Every-ware
1987 – 2017
Retail
In India, the 1990s marked the beginning of modern retail
Retail 1.0: High Touch: Served by humans within the store
2007, marked the beginning of online retail
Retail 2.0: High Tech: Ecommerce brought products to your home.
Retail 2.0: But didn’t allow the play of senses
Retail 2.0: And **restricted** technology to a small screen
2017 – 2047
What Happens Next in Retail and Future Group?
“With ecommerce itself becoming a traditional business, pure ecommerce players will soon face tremendous challenges.

We anticipate the birth of a re-imagined retail industry driven by the integration of online, offline, logistics and data across a single value-chain”

Jack Ma, Letter to Shareholders
“India has a great opportunity to take off. In some countries, ecommerce may not take the traditional route. They skip a phase just like some markets skipped PC/desktop to go to mobile. In those markets, ecommerce 1.0 is skipped...”
2017: The Birth of New Retail 3.0
Retail 3.0
The layering of technology over physical space
Defining Feature

Retail 1.0: Brick & Mortar Stores

Retail 2.0: Ecommerce

Retail 3.0: Blended Commerce One-on-One Interfaces
Key Assets & Value Creators

Retail 1.0: Location & Economies of Scale

Retail 2.0: User Experience / Code & Reach & Long Tail

Retail 3.0: Customer Data & Customer Proximity
Consumer Experience

Retail 1.0: High Touch

Retail 2.0: High Tech

Retail 3.0: High Touch + High Tech
Cost of Doing Business (in India)

Retail 1.0: 8% - 18%

High Delivery Cost, Returns, & High Customer Acquisition Cost

Retail 2.0: 45% - 55%

Customer Proximity reduces logistics cost. Membership program makes customer acquisition cost negligible

New Retail 3.0: 7% - 10%
Retail 3.0
What Changes?
The Customer is connected Real Time 24/7
Real Time Ordering on Chatbots
Ordering on Voice Recognition Platform
Ordering on App or In-Store
We will open Stores within 2 km of every consuming Indian
Aim for 10,000 stores
The Store is not only a Store: It is a Data Collection Point & Fulfilment Centre

- Door counting sensors
- Area counting sensor (WIFI)
- Demographic & Mood sensor
The store stocks 3500 SKUs of daily needs and essentials
And a **virtual marketplace** adds an unlimited assortment
Every customer touchpoint generates data
That allows us to profile customers & continuously adapt offerings.
We have Consumer Archetypes mapped to every consumer behaviour
CUSTOMER DAS AVATAR

Annual Spend
Rs 64,526
Visits
24
Potential Spend
Rs 148,567

SOCIAL MEDIA FEED
DIGITAL CHALLENGED
SELF EMPLOYED
MOBILE LOCATION DATA
CREDIT SCORE
ASPIRATIONAL
IMMIGRANT
PUNJABI
NUCLEAR FAMILY
CUSTOMER DAS AVATAR

Annual Spend
Rs 87,000

Visits
36

Potential Spend
Rs 187,564
CUSTOMER DAS AVATAR

Annual Spend
Rs 21,000

Visits
20

Potential Spend
Rs 213,576
Only 2000 Members Per Store

Personalized Shopping
One-on-One Interfaces
Customized Offerings
One-on-One Relationships
Potentially 2 Crore Members
From 10,000 Stores
1 crore spending Rs 100,000 annually
1 crore spending Rs 50,000 annually
Rs 1,50,000 crore opportunity in 5 years from Small Stores alone.
Owning the Customer’s Ecosystem

**CUSTOMER BEHAVIOR**

1. **MEMBER FEE**
2. **ACQUIRE CUSTOMER, MOVE TO MEMBERSHIP PLATFORM**
3. **COLLECT DATA FROM THE COMMERCE PLATFORM**
4. **EXTEND COMMERCE THROUGH MARKETPLACE**
5. **ENAGGE WITH PAYMENT WALLET & CREDIT**
6. **SELL INSURANCE & FINANCIAL SERVICES**
7. **OFFER ENTERTAINMENT, FOOD SERVICES, TRAVEL SERVICES AND MUCH MORE**

- Rs20
- Rs25
- Rs40
- Rs55

CUSTOMER ACTIVITY:

- EXTEND COMMERCE
- THROUGH MARKETPLACE

- INSURANCE

- OFFER
  - ENTERTAINMENT
  - FOOD SERVICES
  - TRAVEL SERVICES
  - AND MUCH MORE
We start off with 1100 stores in FY18
Consumer Data is the key asset of Retail 3.0
At our innovation lab, we are working with startups on next gen tech
A team of data scientists and technologists are building a Data Lake for AI & Big Data at Future Group.
And building a Real Time Organization
That is driven by Data Science & Predictive Analytics

HUMAN DISCRETION REMOVED FROM MOST DECISION MAKING
And responds in Real Time
New Retail 3.0

- Scalable
- Autonomous
- Frictionless
- Evolving
- Proactive
tathastu

You Ask, We Deliver.
You Think, We Deliver.
Now: You Ask, We Deliver

On Chatbots/Messenger/Whatsapp

On Voice Recognition Systems

On Apps, Websites or In-store Platforms
2047: You Think, We Deliver

Machine Learning

Predictive Analytics

Artificial Intelligence

Pattern Recognition

Image Analysis

Mood Recognition
2047: There’s a wedding in your family, and you aren’t sure what to wear
Based on consumption and social data, we will be able to predict what are others wearing at the wedding.
And recommend what you should buy and wear
2047: You are hosting a party at home and not sure what people would like to eat.
2047: Based on data, we will recommend you what your friends will like the most.
2047: India is The World’s Largest Economy

World’s 5 largest economies in 2050 (GDP by PPP)

- India: $85.97 trillion
- China: $80.02 trillion
- US: $39.07 trillion
- Indonesia: $13.93 trillion
- Brazil: $11.58 trillion

Source: Citigroup

In terms of income distribution, India will move from a pyramid to a diamond.

Population Estimate for 2050: 1.63 billion
India will give us the opportunity:

To grow at a **CAGR of 20%** from now
And acquire data, time and consumption spend of **5 crore customers**

(Each household spending **$20,000** per anum,
Population Estimate for 2047: 160 crore)
India will give us the opportunity:

To be the first Indian Trillion Dollar Consumer Business before 2047
India will give us the opportunity to be:

Among the Top 3 Global Fashion companies

Among the Top 10 Global Food & FMCG companies
India will give us the opportunity to be:

And be the **Leading Integrated Consumer Business in Asia**
You Ask, We Deliver.
You Think, We Deliver.