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RETAIL 4.0: UNLOCKING THE FUTURE

Through the Lens of a Retailer

Change, according to industry insiders, is the only constant in retail. Since the advent of new technology, rising customer demands, and fast shifting economic conditions, retail has undergone considerable transformation. Leading retailers have already put into practice the newest digital change in retail.

Bangladesh appears to be an interesting retail prospect besides the exports of manufactured goods, thanks to the country's expanding economic strength and increased purchasing power of its inhabitants. According to some estimates of the year 2020, the overall retail market size was around Taka 1,500 crore, with a growth rate of roughly 15% over the last 3-4 years, which is predicted to continue well into the coming years, when the market will increase around 15 times. However, organized retail accounts for less than 1% of the total retail market. According to the Bangladesh Superstores Owners' Association (BSOA), over 30 enterprises with over 160 outlets are currently functioning across the country, with the majority of the stores located in cities and urban areas.

Sadaf and Rahman are the co-owners of Forza, an emerging clothing brand known for their cutting-edge designs, top notch quality and bold branding. While the partners compared the number of online stores that emerged in response to the pandemic, they were taken aback by the saturation of apparel brands.

Forza started in 2016 in Dhaka with the mission of dressing a generation of changemakers. Forza has always prioritized their quality of output, coming up with bold designs and incorporating cutting edge innovations in both their clothes and the way they operate. Forza started with one outlet in Banani and currently has 6 outlets in total in Dhaka city (Gulshan, Banani, Dhanmondi, Uttara, Mirpur DOHS, Bashundhara).

Forza evolves at the same pace as its customers, always watching out for new technologies, social movements, and the latest artistic or musical trends. This is reflected not only in its designs, but also in its stores. Besides the stores, Forza also has an online store that operates through Forza's website and social media handles.

As a brand that caters mainly to the youth, Forza drops new designs every month to cater to the ever-changing needs of its visionary customers. Their price ranges from mid to high and their clothes are made in local factories contracted by the brand themselves. Forza was set for an expansion to Chittagong, but due to the COVID-19 pandemic, the Chittagong outlet plans were called off.

The pandemic has altered the way people buy, with internet sales surging while many high-street stores and shopping malls close their doors. Brands are increasingly racing against each other to take advantage of one of the most significant weapons in the war for buyers: customer insights.

Inception of Ideas

Sadaf and Rahman, Forza's ambitious co-founders, were at a standstill with their brainstorming for Forza's Spring 21 Collection when Sadaf began scrolling through his Facebook feed while seated in the meeting room. It was then that he noticed a video of Amazon Go, a 1,800-square-foot grocery store in Seattle, Washington (USA). Customers can shop and then walk out with their purchases without waiting in lines or checking out at this store, which was launched by e-commerce giant Amazon in December 2016. The store is equipped with Amazon's "Just Walk Out" shopping experience, which leverages multiple technologies such as computer vision, sensor fusion, and machine learning. The virtual shopping cart keeps track of purchases, and when the shopper exits the store, his or her Amazon account will be charged. Sadaf couldn't help but be taken aback by this concept, and so he summoned his partner Rahman to come take a look. "This is the retail future, Rahman." After watching the video, Sadaf asked, "Do you believe Bangladesh is prepared for something like this?" Rahman considered Sadaf's question and responded, "Whether we are prepared or not, innovation is a requirement in the post-covid economy. The more pertinent question is, 'Is Forza prepared for this digital transformation?'"

Retail 4.0

In a data-driven world where the consumer has increased power over the buying process, Retail 4.0 has become a commercial prerequisite. Nowadays, customers demand a shopping process that is instantaneous and personalized. In the case of providing such a service for retail businesses, it means smooth operational management in sales, inventory and also the right customer journey. As technology continues to advance, data solutions are enabling brands and retailers to operate with a level of real-time visibility and transparency that was previously unseen.

Given the current status of e-commerce, as well as its potential, - how should managers of physical retail locations think about objectives and direct their time, effort, and resources in the face of the digital transformation? Is it possible that other technical breakthroughs are being overlooked - and that their potential is going unnoticed - as a result of the overwhelming amount of attention being paid to the internet alone? Is the way managers of "traditional" stores think about their products and services different now that they offer them online?

Many businesses in Bangladesh have been forced to rethink their sales strategies as a result of the introduction and widespread use of technologies. For instance, non-cash transactions or advance payments are now more than 20%, a 4x surge in 2 years.

In 2020, sales of items via electronic platforms increased by 70% year over year. Hence, Retail 4.0 has an immense potential to bring in seamless omnichannel experiences, personalization of customer interactions, responsive merchandising, consistent customer and product information, enhanced delivery performance and many more dimensions.

The Challenge

Following the completion of a recent survey by LIRNEasia dubbed "AfterAccess," it was discovered that while Bangladesh has done rather well in terms of cell phone access, the country is "still falling behind its contemporaries in Asia when it comes to upgrading to internet usage and knowledge". Bangladesh's internet penetration is projected to be at 13 percent, according to government statistics.

Bangladesh's condition is not yet as mature as that of established markets, but the country is quickly tackling long-standing issues caused by traditional rigidity among its citizens. Some brands have already begun to employ cutting-edge technology, but how far they shift will be decided by a number of factors, such as the club expenditure on digital channels, infrastructure, and leadership. Hence, it is crucial to determine the optimum ground for deploying resources and the implementation of technology in order to make this project yield maximum return on investment.

While 'convenience culture' is on the increase in Bangladesh, it may be at odds with the country's growing awareness of the importance of sustainability. Although Retail 4.0 encourages acceptance of hyper-personalization, it could potentially conflict with consumer concerns about data and privacy, which could offend the country's already wary consumer base. As a result of new endeavors, consumer relationships should be strengthened while new ones are fostered.

The Task at Hand

Plan a project with feasible operational strategies that could leverage a competitive advantage for Forza by implementing new technology to bring about a tangible benefit for consumers as well as the business across their existing outlets in Dhaka, within an execution timeline of one year.

Your plan may include the following components and more.

- Project Stakeholder Mapping
- Work Breakdown Structure
- Demand Forecasting
- Project Budgeting