

# Digital Transformation & its Impact on the Consumer sector in India



ODGERS BERNDTSON

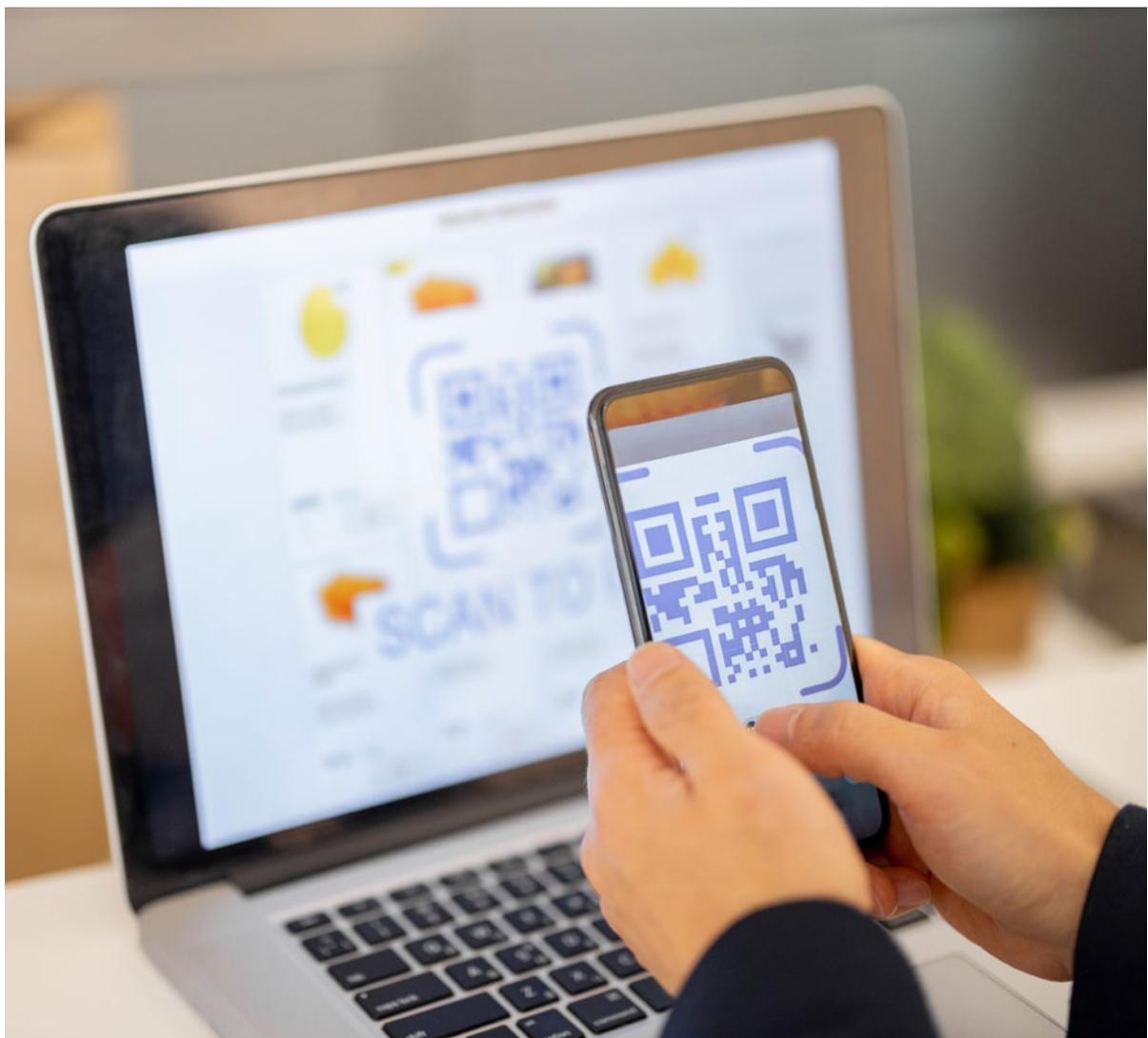
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# Introduction

Digital transformation is the process of using digital technology to create new or modify existing business processes, culture, and customer experiences to meet the ever-changing business and market requirements. The disruption caused by the pandemic has shifted organizations' focus towards digital acceleration, which has trickled into critical areas of all businesses. This includes how an organization reaches & engages with its customers.

Regardless of the industry, leaders recognize the power of digitization & are using it to empower their business. However, for some organizations, the journey has not been simple. Odgers Berndtson invited select leaders for a dialogue to understand how digital transformation has impacted their business. This paper aims to capture some of the key takeaways from the dialogue.



# Power of real time data offered by digital platforms

The power of real-time data has been harnessed than ever before. The pandemic has pushed businesses to look at real-time data to stay ahead of the curve. Platforms like Facebook & Google have reduced the distance between the consumer & the seller and improved the overall buying experience. An example of this is how some organizations have even gone ahead to use real-time data, gathered through their in-house digital platforms, to measure employee satisfaction in the midst of the pandemic.

“ My 3 broad observations about 21st century consumers in a digital world are that (i) Regardless of the industry, leaders are recognizing the power of having First Party Data to understand consumer insights and this can enhance the ability and agility of the organization to serve customers better; (ii) The need to understand Customer Journeys to create relevant User Experiences which impact an organization’s retention rates/brand equity in a world where there is a multitude of choice for customers, and (iii) In a social media fuelled world, it becomes even more important to offer choice and quality as now the conversation has moved from one-sided advertising campaigns to conversations.”

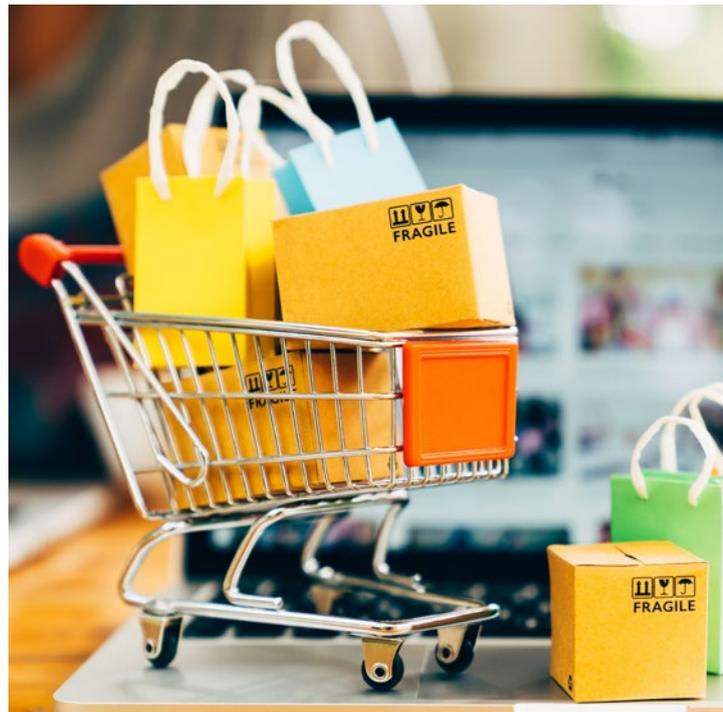
**Siddharth Banerjee, Managing Director - India & Asia, Pearson Education**



# Changes in the shopping experience aided by digitization

With the aid of mobile applications, the conversion funnel of a consumer, moving from a shopper to an end-buyer has seen a dramatic shift. An individual browsing through a mobile app can be converted into a consumer in a matter of seconds. The decision-making process for the consumer within the shopping environment has itself become dynamic. Leaders are recognizing this, and are including the digital piece to facilitate the shopping experience by increasing brand awareness in the eyes of the consumer.

Digitization has expanded the marketplace too. The small business owner can easily sell to different parts of the country by taking the support of the distribution channels offered by online sellers such as Amazon and Flipkart. Digitization has facilitated the process of starting a business. The challenge however, is to identify which products can be sold digitally and to continue to scale up the business to greater heights.



“ The exciting thing we are observing in the digital world is testing few digital-first brands, which we are incubating as ideas for the future, betting on them, gaining scale, and going wider. E-Commerce may not always be the most viable option given the high cost of service, but e-commerce does offer you an opportunity to pick and choose where you want to be present. There is no specific playbook and organizations are finding their own ways and means to find the sweet spot. ”

**Achyut Kasireddy, Managing Director & CEO - India & India Subcontinent, Mayora India**

# How Covid has accelerated the digital journey

Though Leaders recognized the need to automate, the pandemic spurred the rapid adoption of digital solutions, thereby accelerating the transition to the digital economy. This meant integrating technology into supply chain solutions, the emergence of omnichannel sales & marketing solutions, collecting real-time data to forecast demand, collection of payments, manufacturing & audit processes, etc. The consumer sector witnessed quick integration into the digital economy. While some organizations that had the necessary leg work done found it easier, some struggled with the shift.

“Luminous shifted to a digital payment only mode at the height of the pandemic. There was a huge resistance at first as our channel partners were used to manual payments via cheques & drafts, but they themselves transformed to only accept payments from retailers in a digital manner. In fact, the whole audit process at Luminous was carried out in a digital manner, which is a massive and complex exercise in itself. Covid has brought many learnings & has pushed organizations to innovate & digitize rapidly.”

**Vipul Sabharwal, Managing Director, Luminous Power Technologies**



# Digital transformation has to be clubbed with a change in the cultural mindset

Digital transformation has not been easy for those organizations in which there was an apprehension towards automation. Leaders across various sub-sectors within the consumer sector agreed that efforts towards digital transformation must be clubbed with steps to change the cultural mindset within the organization. Employees have to be the first to be included in the transformation process. Addressing their concerns & giving them ownership eases the digitization process.

“Traditional industries like metals, minerals and mining, construction etc. have adapted very well to digitization. The last two years for businesses has been about the survival of the fittest & the quickest to adopt digital transformation.”

**Dr. Prasad Medury, Managing Director, Odgers Berndtson India**

“Digitization initiatives across revenue growth and cost / capital efficient pillars can deliver transformational benefits beyond organic revenue and profitability growth. For example, it is no doubt a highly effective tool to track the entire lifecycle of the customer and figure out what interventions can be done in a timely and cost-effective manner to enhance both efficiency and effectiveness for customer communication, social media engagement, reducing acquisition cost, up-selling, cross-selling, and referrals. However, one of the big learnings for me, especially being part of a consumer services business, has been that the key to successfully leveraging technology and digital initiatives is to bear in mind that employees are your first customers. Organizations need to incentivize employees to facilitate the digital journey and answer the ‘what’s in it for me?’ question for them”

**Jayant Khosla, Managing Director & Group Head, VLCC Health Care Limited.**

# Omnichannel experience is here to stay

Digitization is now a critical piece of the go-to consumer strategy. And analytics is the backbone of digitization. Leaders are closely looking at which channel is working for their business, finding the right channel matrix and then riding out the waves of the pandemic.

Providing a seamless experience across various channels for the consumer is key. By partnering with e-commerce platforms like Amazon,

Flipkart, one of the leading wellness & beauty brands could increase its e-commerce contribution to almost three times in two years.

However, the significance of traditional sales channels such as physical stores cannot be undermined. This can be affirmed by companies opening select physical stores, wherein the products have been sold majorly through digital channels.



# Leadership & Talent Trends

The demand for experience in digital skills has picked up significantly in the consumer sector. Organizations are using a pyramid approach wherein individuals with subject matter expertise are at the top of the pyramid, followed by upskilling of existing staff on some basic understanding of digitization. This, however, does not mean only digital skills are relevant. All skills sets are required but having a base of digital knowledge aids the digital journey. It was agreed by the leaders within the consumer sector that there is a skill gap in the industry today. There is more demand than talent supply. Organizations are willing to take unique approaches to fix such talent gaps.



“As executive search consultants, we ourselves are witnessing an increase in demand for talent with some level of digital skills across all levels and functions - from CEOs who have led Digital D2C businesses, to Chief Marketing Officers who are experienced in acquiring customers digitally, to digitally-savvy Supply Chain Leaders. The definition of how customers are going to the market is evolving rapidly, and businesses are already digitizing in some way or the other to stay ahead of the curve.”

**Ramit N Bhel, Principal - Consumer & Retail Practice,  
Odgers Berndtson India**



# Odgers Berndtson in India

Odgers Berndtson India works with Indian conglomerates, large global Indian companies, and foreign multinationals to discover and develop leaders with the talent to capitalize on India's growing markets. With a presence in Mumbai, Delhi & Bangalore, we pride ourselves on a deep understanding of every aspect of our client's needs, focusing on quality candidate experience.

For over 50 years, Odgers Berndtson has helped some of the world's biggest and best organizations find senior talent to drive their agendas. We deliver executive search, assessment and development to businesses and organizations varying in size, structure, and maturity. We do that across over 50 sectors, whether commercial, public or not-for-profit, and draw on the experience & expertise of our partners & their teams in over 35 countries to deliver the best possible talent search.

## Participants

We would like to express gratitude to the following for their valuable insights.

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