

Synopsis – Home & Home+ LIVE (Second Session)

LIVE Date – April 24, 2020

Panelists – a) Mr. Ajith Mohan Karimpana (Founder & CEO, Furlenco)

b) Mr. Ankur Bisen (Senior VP & Head – Consumer & Retail, Technopak)

c) Mr. Kirit Joshi (Co-Founder, Spacewood)

d) Mr. Robin Lim (VP- Sales (Asia), Ashley Furniture Industries)

Convenor – Mr. Mahesh M. (CEO, Creativity)

The convenor, Mr. Mahesh, started the proceedings by refreshing the memories of the participants with the key takeaways from the first Home & Home+ LIVE session conducted on April 17, 2020.

He then further set the context of the session taking the learnings from the previous session forward into two key questions.

- a) How do retailers generate Consumer Demand in the Home Category post lockdown
- b) How do retailers engage with the customers in the post Covid-19 times

The discussion was kickstarted with the tangential question, ***What would the furniture renting market be like post COVID-19 and would consumers move***

towards renting furniture considering discretionary spends are likely to go down post lockdown?

Mr. Ajith proceeded the conversation by opining that rental is not a discretionary spend but rather a way of millennial lifestyle as it has been observed in different consumer driven verticals. Post COVID-19, there will be an inclination in the consumer behaviour towards renting since people are likely to retain cash and refrain from making heavy purchases. This change might not be permanent but will definitely be there for at least a few months after the lockdown is released. It can range from 20-30% up swing from where the current rental businesses are.

The next question was posed towards Mr. Ankur Bisen on whether there will be a surge in consumer demand towards rental or the regular pattern of consumers purchasing furniture will continue with a small downtrend.

Mr. Ankur felt that it is a broader point of view and it is important for us to understand that Pre-Covid and Post-Covid times will be different altogether from a customer standpoint. Because of this pandemic, there are certain shifts expected in the consumer behaviour. Factors like salaries, job security, social distancing are going to be significant elements that will drastically influence the psyche of the consumers in the coming days and we need to appreciate this psyche of the consumers while repositioning ourselves and adapting to the changes.

The conversation then took a turn towards Mr. Kirit Joshi who shared his opinions on how consumer demand can be generated in the coming times.

Mr. Kirit felt that in terms of demand, metro cities will be impacted more rather than Tier2 or tier 3 cities. He also predicted that post lockdown, the demand for factory made furniture products would increase since consumers might not want to engage in a carpenter and spend more of getting the product. Moreover, since the demand structure is not completely devastated, it will become highly important to provide value for money products to the customers since the salaries and wages of the consumers will be impacted of this pandemic.

Taking the interesting conversation forward,

Mr. Robin felt that demand for products might stay stable for smaller goods after the lockdown and will get better once people start finding jobs and going out. Another factor that will attribute to this demand will be the fact that during the lockdown, people have been spending more time with their families and have better understood their needs and requirements.

Furthermore, few things that retailers must understand and take a note of is to establish a more effective and better relations with their vendors and improve their digital efforts like shortening their lead time post covid to progress and adapt efficiently.

Mr. Mahesh then further moved the conversation towards Mr. Ankur by asking him ***if the retailers should become more conservative and save cash in the coming times or we should be optimist and generate demand through more aggressive promotion and stocking up on goods?***

Mr. Ankur felt that as retailers, we need to see the situation as glass half full and appreciate the fact the demand will change and as long as we are in line with the change and appreciation, we should be okay. The design sensibility will definitely see some shift and consumers will start looking for functionalities more than grandeur and this must be taken into account while planning and going ahead.

Mr. Kirit added that though consumer demand is likely to go down, there are certain phases like festive buying and marriage purchases that will keep the demand afloat and might help the retailers in achieving good numbers rather than the advance buying during the conservative sales period.

After discussing lot about generating demand, the discussion slowly shifted towards engagement. ***The context was set to how do one as a retailer would engage with the consumers during the pre, in, and post sales period with the customers.***

Mr. Robin felt that in the post Covid time, it is highly important that we engage our digital efforts to engage with the consumers and we must increase it as much as we can, especially on Facebook. You can do that either by Live Chat, Live Streaming, Remarketing ads and many other elements of digital media.

Also, messaging builds trust, and as a retailer, our Facebook pages must have an instant messaging tool installed to better connect with the audiences.

Another step that can be taken is to repurpose and make our shops ready for the customers with probably newer collections that offer more value to the consumers. We should also look to utilize this time to Re-Skill and Re-Hire to have a more efficient team which will be able to engage with the consumers in a better manner once the lockdown is released.

Mr. Ankur added on this part mentioning that social distancing has made us all more inclined towards digital and as retailers, everyone must embrace online because that will surely be on the rise in the post covid times. We never thought grocery would be sold online but lockdown has showed us how important digital platforms have become in our life.

Mr. Ajith, simultaneously mentioned the evolution and growing trend of Augmented Reality and Virtual Reality and how their integration can improve the consumer experience by providing them with a more immersive experience online and providing them with a clear picture about how a particular product will look at their home, and the best part is, all of this can be done at the comfort of their homes. This way, we can substantially help people follow social distancing while also getting them to purchase products as per their need. One key point worth mentioning here is that retailers need to adapt to consumer mindsets and that is definitely integrating tech in the coming times.

Mr. Kirit, added to VR/AR discussion talking about the challenges which multi brand stores in tier-2 or tier-3 cities might face while shifting towards digital. These retailers might have to ramp up their processes especially in the early enquiry generation stage in order to catch up and come out strongly post the lockdown. These stores might also have minimal digital assets and also a non-permanent price tag with some scope for negotiations. Hence, ramping up their fundamental processes will put in greatly for their success.

Taking the conversation forward, **Mr. Robin** also stressed on the point that fundamentals digital processes must be kept clear and error free before upgrading to more complex tech practices like AR/VR.

Recommendations to the retailers

1. Expect shifts in consumer trend and purchasing patterns reposition ourselves as per the changing demand and psyche for better results
2. Product demand is likely to go more towards functionality rather than grandeur and that too towards readymade furniture products. It is important that such shifts are anticipated and acted upon.
3. Digital efforts need to ramp up rapidly and at a massive scale to further engage with the consumers and shorten the lead time
4. Tech upgradations like integrating AR/VR will result in positive results while coming back post lockdown if the fundamentals are worked upon strongly and are made error free.
5. Rental furniture will see an up-swing in the coming days and incorporating such models might help the retailers
6. Sales person need to up-skilled and should be trained to be become more of a Product Manager rather than a Sales guy to manage and handle customer effectively.