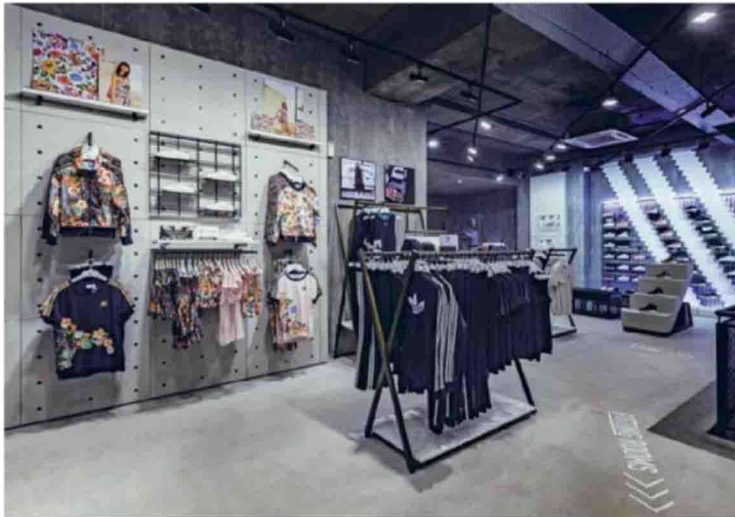


# “Retail is No Longer a Store-Count Game”

Today, e-commerce represents a channel that is growing much faster than the brick-and-mortar business. So, it's not about store count but about the extent of the consumer's wallet share that a brand has in a country that matters...

– By Charu Lamba



**W**ith the Centre permitting German sports goods maker adidas to operate fully-owned single-brand retail stores as well as cash-and-carry wholesale business under a single entity in India, the brand – one of the world's most famous shoemakers – plans to open large stores in the country, much like it has in other major markets across the world.

Elaborating, Brand Activation Director, adidas, Amrith Gopinath said on the sidelines of the India Retail Forum 2017, “We recently got the ‘own retail’ license from the Government of India. So, we are now in the process of opening our own retail stores directly for the consumer. But we are moving ahead cautiously. There is no blueprint of opening 100 stores in a year. We want to go slow. We already have a good footprint of 450-odd stores in the country and therefore expansion is certainly happening, but it is going to be a calibrated expansion.”

He further said: “It is not a store count game anymore. It used to be 10 years ago. Today, e-commerce represents a



channel that is growing much faster than the brick-and-mortar business. So, it's not about store count but about the extent of the consumer's wallet share that a brand has within the sports industry in a country that matters.”

Five years from now, I see India going big in sports – not just cricket but also football, hockey and the Olympics and adidas will be at the top of the list of every Indian sporting goods consumer. The country is on a sporting journey and adidas as a brand is going to go move along with India.”

## Omnichannel: The Way Forward

Omnichannel trends have become the ‘burning platform’ for the retail industry. The medium provides consumers with convenience as far as ease of purchase is concerned. adidas (together with Reebok), which has a 40 percent market share



Cyrus Sahukar, Ranveer Singh, Deepika Dipti and Sean Van Wyk at adidas Originals OFDD store launch



“FOR CONSUMERS INTERESTED IN FOOTBALL SHOES, THERE ARE DEVICES THAT CAN HELP YOU SEE HOW FAST YOU CAN STRIKE THE BALL, WHAT IS THE CURVE AND SPIN ON THE BALL THAT YOU HAVE WITH A PARTICULAR SHOE.”

- Amrith Gopinath, adidas Brand Activation Director

### Going Tech-Savvy

Technology coupled with consumer experience is an integral part of retail today. The idea is to give such good consumer experience - using new-age technology - that consumers keep coming back to a brand. adidas is implementing in-store technology in a big way.

“Globally and in India, we intend to introduce tech-enabled experiences for tech-savvy consumers. For example, there is something called Run Genie that we are going to bring to India soon. It is a pod that you put on to your shoe and when you jog, it analyses the way you run. It tells what kind of foot strike you have and therefore what sort of shoe will be apt for you,” revealed Gopinath.


“For consumers interested in football shoes, there are devices that can help you see how fast you can strike the ball, what is the curve and spin on the ball that you have with a particular shoe. There are also footballs which have chips imbedded in them which analyses the way a person kicks and then recommends the best kind of football shoes for him/her. So, yes, technology is going to be a big part of our selling process. We need to consider how many stores we will introduce these ideas in to start with,” he added.

### Future Goals

At adidas, the strategy is to try and create a sporting culture in India. As a brand - which is the Number One sports brand in the world - adidas wants to create a legacy of sports in India, spread the concept that sports are also a viable livelihood option, a way of life. The brand’s long-term strategy is to get more and more Indians to take to sports, to create sporting culture in this country.

Underlining the importance of sports going ahead, Gopinath said: “We are doing really well in India as of now and have no plans of shutting down any stores in the country. We are one of the most profitable sports brand in India, having crossed ₹1,000 crore revenue milestone very recently.”

As a category, the brand is very bullish on football in India. “We see a bright future of football and adidas Originals in India. It is the second sport after cricket which is emerging in the country. Indian youngsters follow the sport and both international and homegrown football heroes religiously. As a result, our adidas Originals category is growing. At present it contributes a small share to the revenue, but we believe it is going to be a big part of the business in the years to come,” asserted Gopinath.

The brand has opened 16 adidas Originals stores in India, which are doing phenomenally well. 



in the sportswear category in the country, had introduced their Omnichannel strategy in India approximately two years ago.

“Two years ago, we were the first brand to pioneer the concept of endless aisle. A tablet within our stores allowed customers to identify the availability of sizes and styles which were not available in-store and let consumers order their product online. The customer was given the choice to get the product delivered at the store or at his home. Physical inventory is difficult to maintain in store sometimes and the brand does not want to lose consumers - the main reason why this Omnichannel scheme was introduced,” explained Gopinath.

This facility has been rolled out in over 200+ stores so far and anywhere between 5-10 percent store turnover comes from ‘tablet ordering.’ “Blending of all online and offline channels through an Omnichannel approach is something we are very serious about,” Gopinath stated.

### Buzzword Athleisure

Till about a decade ago, retailers did not feel the need to register the size or the growth percentages of athleisure wear. But today, after intense activity in the past seven years, the category has carved out a separate niche for itself.

Talking about how the brand is cashing upon the opportunity, Gopinath said, “Athleisure has always been a part of brand adidas and it is growing as a category. We have observed an increase in demand and in keeping with the same, we are increasing our portfolio as seasons go by.”