



# How **Myntra** Has Redefined Fashion Retail with its Rapid Technology Project

– By IMAGES Retail Bureau

***As the consumer has transitioned, the challenges a retailer is faced with have also evolved. Brands and retailers have scrambled to keep up with the customer, luring him in with the use of advanced technology. E-commerce major Myntra has come up with its own winning method of using technology to provide a smooth and seamless experience to consumers across India...***

In every industry, the product might be the star, but the customer is always king. The contemporary Indian customer is hard to please. He is technologically advanced, connected over social media, and has progressively evolving expectations from fashion brands and retailers.

As the consumer has transitioned, the challenges a retailer is faced with have also evolved. Brands and retailers have scrambled to keep up with the customer, luring him in with the use of advanced technology – sometimes customer facing, and at other times, melding into the background to provide a smooth and seamless experience.

One such success story has been Myntra's Rapid Technology Project. Only two years after it started the Rapid Technology Project, Myntra successfully launched products

that had been turned around in less than 35 days, totally masterminded by machines and engineers with absolutely no designing background.

The production process to deliver latest trends to the consumer which used to take 180 days on an average has now been crunched to a time frame of just 30 days thanks to Rapid.

### So, What is Rapid?

Myntra's Rapid Project was set up roughly three years ago with an aim to achieve a simple yet revolutionary goal – to deliver fashion fast. This meant the manufacturing process needed to speed up to meet the consumer demands as quickly as possible, while making sure the end product was in tune with latest design trends, of high quality, and

low-cost. And three years later, with the use of AI and high-end graphics processing units (GPUs) teamed with Myntra's exceptional in-house engineering; this was made possible for brands such as Moda Rapido and Here & Now.

At IFF 2018 held on March 13-14, 2018 at Hotel Renaissance, Powai, top level executives from Myntra and

Jabong – **Ananth Narayanan**, CEO, Myntra & Jabong, **Gunjan Soni**, Head -Jabong and CMO, Myntra; and **Anurag Panganamamula**, Senior Director - Rapid gave presentations on and talked about the importance and role of technology in Fashion & Lifestyle Industry, describing the benefits of Vorta, popularly known as Rapid, at Myntra.

## The Role of Technology in the Fashion & Lifestyle Industry

**Ananth Narayanan, CEO, Myntra & Jabong**

In his presentation, Ananth Narayanan talked about the role that technology plays in making the fashion and lifestyle industry easily accessible and popular to the masses. "The fashion industry today is ₹165 billion, growing at about 11 percent. The online industry itself is between \$4 to 5 billion, which is equivalent to 4 percent penetration in comparison to the other parts of the world. In five years, the e-commerce industry will be at anywhere between \$20 and 25 billion. Omnichannel, which is a combination of common experiences, with technology as its backbone, will probably be at its prime in the next five years. There is a reasonable chance that almost half of the organised retail in the country will be somehow be powered through technology in e-commerce, which I think is a very different scene from what it is now. We are in the middle of an exponential curve, and in 10 years from now we will see a major transformation in retail."

He went on to elaborate the three aspects related to

the growth of Indian fashion sector.

"The first and foremost thing is the evolution of the Indian consumer and changes related to this. Second is the role of technology – both in terms of the business and in terms of the consumer and the third is implication for all of us, whether we are in the online-offline in fashion space," he stated.

**Market & Opportunity:** India today, or over the three years will have more than 600 million genre consumers. Today we are a population of 1.3 billion, 500 million of them are online and access the Internet in some form. At Myntra, we have 11 million customers. In India approximately 60 million people shop online, and five years from now, the number would go to 300 million people who will shop online. Gen Z customers spend most of their time on the Internet through their mobile phone. Their way of understanding the brand is very different and modern. They follow trends on social (digital) platforms



customer wants his order to be delivered. We don't know whether they like deliveries faster than the promised time, on time, or if later works. There are customers who want all three services in one go. Towards this, we use of Artificial Intelligence and Big Data to figure out our customer, to think like him.

**Inventory:** Fashion is a classic high width, low depth category and it's hard to manage inventory be it in stores or online. However, we use Big Data to understand which stores to place what inventory in.

In our last mega 'End of Reason Sale', we used predictive analysis of our Artificial Intelligence engine to predict consumer demand in bigger cities and shipped products consumers in particular are as usually buy to a storage facility near them. This way, when the consumer invariably placed an order, we managed to deliver products to them faster than any other e-commerce portal can in India. Now at Myntra, even the core of product design is being implemented by technology.

like Instagram, which instantly connects them globally. Therefore, how brands are built today is dramatically different from a few years ago, because they are getting built digitally.

At Myntra, for our last two brand campaigns, we made 1,000 videos. We worked with a Silicon Valley startup to customise and personalise each video. That's how we work towards building a brand digitally.

**Service:** Today, Myntra delivers to 19,000 zip codes and this in itself, though an achievement, is not a very personalised experience. When an order is placed, we never take into account the time frame – when the



# Release of Consumer Insights

Gunjan Soni, Head – Jabong and CMO, Myntra

In her presentation, Gunjan Soni talked about the emerging fashion consumer segments along with the categories. She gave an insight into the mindset of modern Millennials, especially GenZ consumers, the role of women in online fashion shopping, changing cultural discourse in the country and the impact of Omnichannel measures.

“If we put India in the context of the whole world, Indians are always described as people who value family, with a collective sense far more important than the individualistic trend ascribed largely to the western world. What is interesting is that even within India, there is Bharat vs India. As a marketer

this tale of two nations is something that we are very fascinated about, because this is emerging India. We need to understand the universalism of inclusiveness and from a fashion perspective, that means we need to provide consumers with acceptable fashion,” she explained.

The penetration of the mobile phone is a hugely dramatic event for India. Macro changes are impacting fashion sense and abilities. India has more mobile phones than essentials like access to toilets and proper homes.

**Emerging Customer Segments:** According to Soni, Myntra broadly looked

at two dimensions – the affluence of the segment itself and the attitude of the segment towards fashion. Among the affluent set of consumers (SEC A, B), 15 to 55-year old were the Internet accessing population. Applying the lens of attitude towards fashion Myntra found a few key emerging customer segments:

- Urban Trail Blazer: Movers and Shakers of India
- Gen Z consumer set (College goers/early jobbers fashion and digital enthusiasts)
- Fashionable ethnic homemaker segment
- Brand seeker segment (service professionals)
- Value seeking segments

These fashion segments have a mixed fashion basket – online and offline. Soni



touched upon the two main segments among these – Urban Trail blazer and Urban Value Seeker

She also spoke about the emerging fashion and category trends, which according to her presentation were:

**Sustainable Fashion:** India is set to become the biggest market for sustainable

### Bharat vs India: Technology Acting as a Great Unifier

A tale of two nations

BHARAT	INDIA
Universalism	Hedonism
Acceptable fashion	Individualistic fashion
Joint family = Security & support	Nuclear family greater individual freedom
Mall phenomenon	Online fashion shopping
Popular brands	Spend on expensive brands

### Urban Trail Blazer

Urban Trail Blazer - 14%

- 33 Y, working, affluent, located in urban areas
- Me>We
- Well traveled
- Fashion Choices: Discerning, Exclusive trend & Brand forward
- Mobile is their TV
- Weekend activities: Clubbing, weekend getaway, Spa, brunches/ wine tours
- Experimentative
- #Zeroguilt: have it, will show it
- #iKnow: Knowing is new showing

### Millennials vs Gen Z

Millennial vs. GenZ

Witnessed rise of Internet	Born in Internet age
2 screens	5 screens
More salaried mindset	More entrepreneurial mindset
Popular social platforms like Facebook	Niche social platforms like Snapchat

### Urban Value Seeker

Urban Value Seeker - 35%

- 40 Y, working men & homemakers, limited disposable income, located in T2/T3 cities
- We>Me
- Fashion choice: Price & Practicality, acceptable fashion
- Bargainers
- Heavy TV viewership
- Social media=Facebook
- Weekend activities: Family Get togethers, Mall shopping, movies
- Risk averse
- Fake news syndrome

fashion by 2030 with affluent, SEC A1+, 35 to 45 year old consumers driving the trend. Stories woven around the products generate curiosity and interest is set to play a key role in the North and Kolkata markets. Around 3X growth has been observed on eco-friendly/sustainable, handloom fashion styles in the last one year.

**Fast Fashion:** Tech-led brands are growing at a phenomenal rate of 200 percent YoY. Around 6X growth is witnessed in fast fashion in the last years. Here & Now, was launched in July

and has already become the #2 apparel brand.

**Active Wear:** 60 percent of this growth contributed by Tier II+ markets which are surprising. Women consumers tend to be the larger contributor in this growth. The 'Active Wear' growth percent outpaces casual and formal apparel growth by 2X and the prime reason is that 35 percent of Myntra and Jabong customers wear sneakers to work. Even the growth of Sneakers showed growth of 3X in the last year.

**Premium Goes Online:** There

is an ongoing debate on whether the Indian consumer is buying by volume or value. 40 percent contribution is made by North India. Other areas contributing to growth are North East, and Chennai. 4X growth is seen in premium products over the last two years. Acceptance of buying higher price points is increasing and online platforms are becoming a luxury destination for shopping.

**Beauty & Personal Care:** Around 3X increase in the category is expected by 2025. Natural ingredients, basically

herbal water-based products are becoming popular. Men's grooming market will grow faster than the industry average. Beauty and personal care grew 3X in last one year and is expected to grow 5X over next.

Gunjan Soni summarised her presentation by saying: "All the segments are growing and within that, if you see the growth of the online segment in particular, we see it almost becoming 3.5X in the next two-three years. This means that almost 50 percent of organised branded shopping will start to happen online soon."

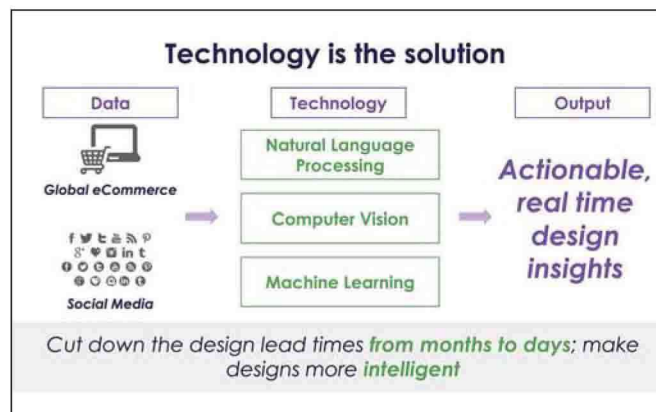
## Technology in Fashion Design

Anurag Panganamamula, Senior Director - Rapid

Anurag Panganamamula, spoke about Vorta Intelligent Fashion, referred to as Rapid at Myntra and its impact in transforming the fashion business.

Rapid Technology is into solving tech problems for the world of fashion retail - from getting customer insights to sorting the supply chain in delivering fashion to the customers.

According to Panganamamula, social media is changing the worldview of the customer. "A brand is no longer the place where a customer looks for fashion trends. Social media has collapsed the world of fashion retail into e-commerce sites globally, with comments from fashion bloggers, and celebrities. This has really expanded the dimension of the customer. Customers display their preferences in the varied form of the platform," he said.



"Then we have to take into account how fashion is created in this day and age. There has to be a constant sense of newness, where everyone wants to have the best looking, most fashionable clothing / accessory item on the block. Trends emerge overnight and disappear as quickly, so the ability to react to the trend is as important as the ability to spot a trend," he explained. "The entire catch is in the data. Imagine you are a designer designing a dress. If you search on Instagram for example, type #dresses, and you will find more than 77 million tagged images



and styles. Scroll down and you will get the top ten e-commerce websites which sell these dresses. The problem is that a human being can look at maximum as 1000 images in order to look for a style. But what about the rest in millions which remains unexplored?" asked Panganamamula.

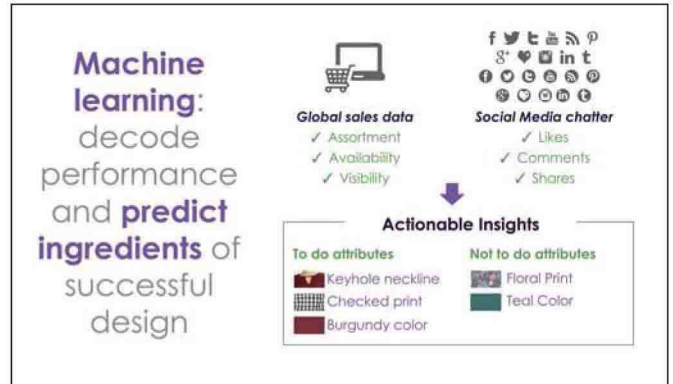
"It is very important for brands to understand what to do with this huge amount of data and shift those parts which will help them understand customers. Here's where technology comes in. Technology like Natural language processing, Computer Vision, Machine Learning, when used properly can cut down the design lead times from months to days; make designs more intelligent," he stated.

**Natural Language Processing:** With NLP one can decode social media and fashion blogs and get related information. This will help in figuring out fashion related

words, combined with the right fashion trends. It is not like a normal Google search where you search dress and you get a result. It is very contextual. It is like a human being reading a fashion blog and making an opinion about it. This helps you in understanding the trends along with the sense of why they are in news. This can be done by scale machines.

**Computer Vision:** Enables extraction of attributes from images and interpret them at scale. Basically, this helps in understanding the product on levels of categorization.

**Machine Learning:** This decodes performance and predicts ingredients of a successful design. When we have millions of images in front of us in the form of a huge database, machines help us in understanding what's hot and what's not. Machine learning can take a variety of signals and information on social media

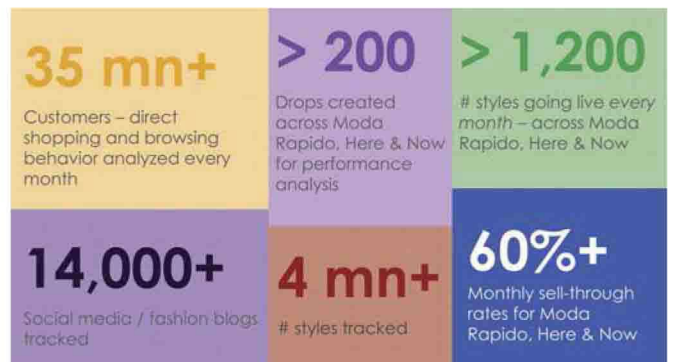
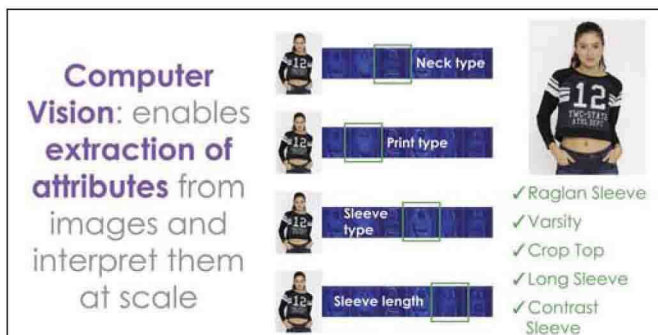
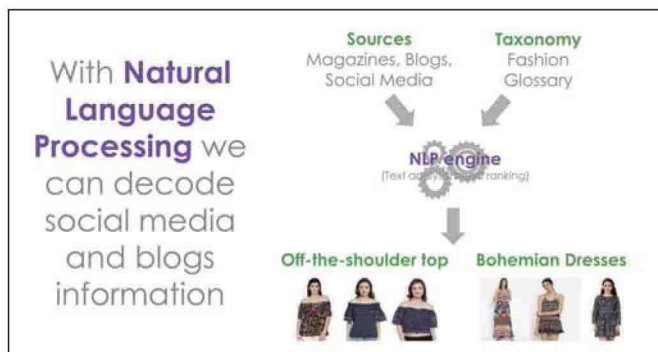


and decode data. It can look at likes and comments – good ones and bad ones too – and understand whether Style A is more liked than Style B. It can look at global e-commerce sales data and decide based on assortment, visibility, discounts they are offering. It aims to give the consumer the best possible recipe.

Myntra collaborated with MVP and launched

is rated as phenomenal growth.

Myntra has constantly evolved and enriched the algorithm and approach towards fashion retail with these technological initiatives. Today, the e-commerce giant is able to analyse shopping and browsing behavior of more than 35 million customers every month.



two brands using these technologies – Moda Rapid and Here & Now.

- **Moda Rapid:** Launched in 2015, Moda Rapid is Myntra's most profitable brand; scaling 200 percent+YoY growth
- **Here & Now:** Fastest growing brand on Myntra and the second largest apparel brand in less than 7 months of launch, which

The e-commerce major is currently looking at more than 14,000 social media and blogs to understand what is latest in the trend, to see what consumers want. They are tracking 4 million styles and have redefined more than 200 drops across Moda Rapido and Here & Now over the last two years. This has helped them in creating 1,200 designs every month with a small team of four to five designers. IR

Courtesy: Myntra presentation slides at IFF 2018