



IIMC CASE RESEARCH CENTRE (IIMCCRC)

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SPENCER'S: OMNICHANNEL RETAIL IN THE AGE OF ECOMMERCE

"Our company is investing in the Four A's – Availability, Accessibility, Affordability and Analysability –with the objective to build one of India's most loved retail brands."

- Sanjiv Goenka, Chairman, Spencer's Retail Limited

DECEMBER 2018, KOLKATA

Shashwat Goenka, Head – Retail and FMCG at RP Sanjiv Goenka Group, was in a pensive mood as he looked out across the early evening cityscape from his office at Duncan House. The lights had just come on across the city as the sun was setting on the horizon. Goenka wondered if the lights would soon shine brightly on Spencer's, the flagship retail chain of the group, which had been demerged into a separate entity in 2017. It was a critical time for the company even as final preparations were on for a separate market listing of Spencer's Retail in January 2019.¹

Goenka had been deeply involved in growing the Spencer's business and brand since he joined the organization in April 2013, aged 23. He had the responsibility of delivering on the Spencer's promise of "making fine living affordable" and making it accessible to consumers across the country. Shashwat Goenka was particularly keen to see the company become the largest "omnichannel"² food and fashion retailer in India. He believed that this was the key to the

¹<https://economictimes.indiatimes.com/markets/stocks/news/spencers-retail-cesc-ventures-to-list-on-friday/articleshow/67675836.cms>

²https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/whats_next_in_ecommerce.pdf

Prof. Indranil Bose of the Indian Institute of Management Calcutta and Saikat Lahiri developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.

future as traditional brick and mortar stores alone could not fuel the next leg of growth given the evolving preferences of the young consumer.

Goenka reflected on the many changes that had been made in the past few years, including revamping of the store layouts and a redesign of their website and mobile application channels for a seamless customer experience across platforms. Spencer's had turned positive at the Earnings Before Interest Tax Depreciation Amortization (EBITDA) level the previous financial year. Goenka was confident that it would report its first ever annual positive profit after tax (PAT) this financial, and they would be able to continue investing in their omnichannel strategy.

Was the steady pace of development in their online platform enough? Or did they need major investments in innovation? Had their business model delivered what they wanted it to? Should they go the acquisition way to build scale or enter new markets? The lights were now on around the city of joy as he gazed outwards and into the future.