

Corporate News

E-COMMERCE ENTRY

Reliance Retail on hiring spree as it readies online venture

Firm hiring for fashion, apparel, and is building a merchandise-buying team; venture to follow inventory-led model

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NEW DELHI

The retail arm of Mukesh Ambani's **Reliance Industries Ltd (RIL)** is on a hiring spree as it prepares for a big entry into e-commerce, seeking to entice people from online retailers such as Myntra.com and Amazon.in by offering to as much as double their salaries.

Reliance Retail, which is looking to set up an e-commerce portal, is currently hiring for the fashion and apparel categories and is building a merchandise-buying team.

According to two persons close to the development, Reliance Retail will follow an inventory-led business model instead of the marketplace model adopted by Flipkart.com and Snapdeal.com, on which individual sellers display their products for buyers to order.

Reliance Retail is toying with the idea of using Reliance Trends, its apparel and fashion business, and Reliance Digital stores, which sell electronics, to act as distribution centres to ship and stock goods.

The company is yet to come up with a name for its online platform. It is also considering setting up in-store kiosks where consumers will be allowed to place orders and the products will be shipped to them directly. *The Times of India* reported in December that Reliance Retail is also planning to start selling electronic goods such as mobile phones, tablets, laptops and television sets online.

Currently, Reliance has e-commerce presence only in Mumbai via reliancefreshdirect.in, its convenience store format.

Reliance Retail and other store

in e-commerce to tap an online market that's expanding rapidly. Online retail is expected to be worth \$6 billion this year, a 70% increase over 2014 sales of \$3.5 billion, according to **Gartner Inc.** E-commerce currently represents less than 4% of the total retail market, according to a Gartner report published in October.

According to job postings on professional networking site LinkedIn, Reliance Retail is looking for category managers, and merchandising, sourcing and product development managers with experience for the apparel and fashion segment.

Yet, Reliance Retail, which is looking to launch its e-commerce business by Diwali, is clearly targeting the planning and category teams working for the big e-commerce companies in Bengaluru.

"Hiring for Reliance's new venture - E-Commerce division," said the LinkedIn page of a manager for talent acquisition at Reliance Retail.

The company is also looking for people in senior leadership roles with more than 10 years of experience in supply chain, operations, technology, product management and marketing, according to the LinkedIn page.

Reliance Retail did not respond to an email query sent to it on Saturday.

In the last six months, Reliance has already hired executives from Myntra, a fashion retailer owned by Flipkart.com. The hires include Aditya Mukerji, former assistant vice-president and head of planning at Myntra, and some of the senior members from the talent acquisition team.

Earlier in 2014, Myntra's vice-president of product management Vikram Bhatt moved to Aditya Birla Online Fashion.

"Companies like Reliance Retail and Aditya Birla are picking up the second-in-command people from Myntra, Flipkart and Amazon and making them the head of departments. It is the better role and more money that is attracting some to go and join them," said a hiring specialist

Reliance Retail is seen targeting the planning, category teams working for big e-commerce firms in Bengaluru

e-commerce companies. He spoke on condition of anonymity.

Myntra did not respond to a query sent on Saturday.

Aditya Birla Online Fashion, which sells through its portal Trendin.com, did not respond to calls or emails.

According to an Amazon India spokeswoman, the company has not witnessed attrition rates that would bother it. Also, she said, the company will remain aggressive in its hiring plans for 2015.

According to industry estimates, the e-commerce space currently employs over 110,000 people from delivery boys to senior executives.

To be sure, up until 2014, apparel and fashion retailers were not as badly hit by the e-commerce boom as electronics retailers. But with the increasing focus of online retailers on the apparel category given the high margins in the business, offline retailers in the segment have seen their businesses decline in the last 12-18 months.

E-commerce firms are offering steep discounts, increasing their advertising spending in fashion retail, and are also launching their own private labels.

This is pushing companies such as Reliance Retail, Aditya Birla group and **Arvind Ltd** to expand their online presence by poaching experienced employees from online vendors such as Amazon, Myntra and Flipkart.

However, given the pool of foreign capital available to online retailers and their experience in building a pure-play e-com-

brick-and-mortar retailers to compete with them.

To protect its turf, Myntra, for instance, is giving counter-offers to retain its employees. "Reliance has no option but to throw a lot of money to attract right talent because of the perception they have in the market," said Ronesh Puri, managing director, Executive Access, an executive search firm.

"Reliance typically is known for offering massive hikes to attract talent. They offered close to 200% salary hikes for building their telecom business," he added.

With e-commerce gaining scale rapidly, the battle for talent in the sector is intensifying. "There is a limited talent pool available especially for the niche skill sets and hence, there are some employees sitting on multiple offers," said Rituparna Chakraborty, co-founder and senior vice-president at **Team-Lease Services Pvt. Ltd.**, a recruitment consulting firm.

"It is the leadership position which faces a bigger problem of talent," she explained.

E-commerce companies such as Myntra, which was acquired by India's largest e-commerce firm Flipkart in 2014, Amazon India and Snapdeal continue to be among the most aspirational brands for young employees because of the rapid growth in their business, lucrative stock options they offer, and high remuneration packages.

"Reliance e-commerce is very different. They will not be able to get as aggressive as Flipkart, Amazon or Myntra does," said Chakraborty. "There is no comparison between a brick-and-mortar company going online and an Internet company like Flipkart or Myntra building scale," she added.

Industry experts anticipate attrition to get more intense in the coming months in the e-commerce industry as the availability of skilled employees lags demand. According to Puri, "this musical chairs will be on for