



SHASHWAT GOENKA, 33
Sector head, retail and FMCG,
RP-Sanjiv Goenka Group

RPSG GROUP'S NEW-AGE CAPTAIN



WHEN 22-YEAR-OLD Shashwat Goenka joined the RP-Sanjiv Goenka Group in 2012, he wanted to enter new-age businesses to make the 200-year-old business empire future-ready. Having soaked his feet in the group's multiple businesses (power, carbon black and music) and being part of the acquisition of First-source, the first challenge thrown at him was to turn around its modern retail arm Spencer's Retail.

That he achieved. Revenues of Spencer's Retail at ₹1,350 per sq. ft. per month now are more than double the ₹600 per sq. ft. per month when he took over.

Though the 163-year-old Spencer's had come into the group's fold way back in 1989, it was yet to

get into the groove. It shut 300 unviable stores and was unclear on whether to stay pan-India or focus on select geographies. Shashwat decided to focus on the hypermarket format and operate only in the south and the east (and eventually Eastern U.P. and NCR).

"We decided to exit the west since we had just a couple of stores in Maharashtra. Real estate cost was high, and so was people's cost," explains Shashwat Goenka, sector head, retail and FMCG, RPSG Group.

He increased focus on non-food categories for better margins. In 2013 non-food comprised 10%

of overall offering, now it is 21%. The contribution of private labels rose significantly since they, too, offered better margins. In food, private label margins are 10-15%, while in apparels they are upwards of 35%. Around 32% of food offerings at Spencer's are private label brands, while in apparels they are 65%. These initiatives resulted in gross margins expanding from 17% (2013) to 31% (Q3FY23).

From the day he joined, Shashwat only wanted to foray into businesses of tomorrow. "I want to be in consumer-led businesses and reduce dependence on

regulated ones," he says. He forayed into omnichannel retail in 2018 with the acquisition of Meragrocer.com, which became the Spencer's app. "Today, omnichannel, what we call out-of-store, is a profitable business. We are at a GMV of about ₹300 crore." Around 16% Spencer's revenue is from omnichannel.

In 2019, it acquired Nature's Basket from Godrej and in January 2023 launched Spencer's Value, the discount format that competes with DMart and Reliance Mart. Nature's Basket caters to premium consumers, while Spencer's Value is the value brand.

Shashwat expects 30-40% of revenue coming from its value offering in five years. "We will be aspirational, yet best-priced in the market for those 200-300 items you buy on a monthly basis. We will give you a wider assortment."

Shashwat is a director at RPSG Ventures, through which he invests in consumer-led start-ups. The first, a ₹100 crore fund, invested in Vedix and True Elements (which was bought out by Marico). He now plans to launch a ₹500 crore fund which will also invite external funding.

So, how does Shashwat complement group chairman Sanjiv Goenka? "We are data driven and less emotion driven. It's about working collaboratively." Their collective vision is to reinvent the legacy ('Growing Legacies' is the RPSG Group's motto) and chart a future path. —Ajita Shashidhar



Shashwat expects 30-40% of Spencer's' revenue coming from value offering in 5 years.