

# B

razilian writer Paulo Coelho said in his famous book 'The Alchemist': "When you want something, all the universe conspires in helping you achieve it." This has been absolutely true in the case of Shijo K Thomas, the CEO of Oxygen – the Digital Shop, a leading electronics retail chain in Kerala, who chose entrepreneurship at a time when he was at the crossroads of his career in the IT sector.

When he started off in 1999 from a small 100-sq.ft. shop near his home at Kanjirappally, all that he had was a diploma in IT and two-years of experience working in an IT firm. The gradual and admirable rise of Shijo from a mere shop owner to the head honcho of a large electronics retail chain employing over 350 in 15 showrooms across the State was complemented by his unique customer-centric vision and passion for popularising technological advancement among the masses.

His hard work and commitment to customers stand rewarded today. His ability to foresee market trends and formulate strategies based on them are hallmarks which fit him easily into the breed of new generation businessmen who can think futuristically. Shijo's unremitting efforts have ensured that brand Oxygen leads the market in delivering technology. "My commitment to business has its moorings in my strong belief that my calling is



## SHIJO K THOMAS

**Age:** 42

**Born at:** Kottayam

**Based in:** Kottayam

**Family:** Reshmi James (Spouse), Deepthi (Daughter)

**Loves to do (when not working):**

Listening to classical music

**Favourite gadget:** iPhone

**Favourite cuisine:** Kerala delicacies

**Favorite holiday destinations:** Monte Carlo, Monaco and Munnar

**Drives:** Volkswagen Passat, Toyota Innova

**"MY COMMITMENT TO BUSINESS HAS ITS MOORINGS IN MY STRONG BELIEF THAT MY CALLING IS TO DELIVER TECHNOLOGY TO CUSTOMERS THROUGH AFFORDABLE MEANS"**

to deliver technology to customers through affordable means," he says. In an interview to *Destination Kerala*, Shijo recalls how he built his brand and business empire.

*How did you come into the business?*

I finished my diploma in Information Technology (IT) in 1997 and then for almost two years worked in the IT industry. My work was related to computer hardware. But soon I had to resign from my job and rejoin my family in Kanjirappally. Since I had to stay back I thought of starting something of my own and subsequently, in 1999 I opened a small DTP and computer sales centre. The business was set up in a rented room not bigger than 100 sq.ft. Since it was not very far from home I could always attend to family needs as well.

At present, Oxygen has 15 multi-brand showrooms spread over Thiruvananthapuram, Pathanamthitta, Idukki, Ernakulam, and Palakkad. In one of our latest initiatives, we have added home appliances in our shops in Kottayam and Thiruvananthapuram. Our annual turnover in the last fiscal was Rs. 300 crore.

*What were your thoughts as a budding entrepreneur when you started off?*

Frankly, I did not have many long-term plans in the beginning. But by 2000 I moved my base of operations to Kottayam. Really, it was since then that I began to take my business and operations more seriously. My main area of operation was computer assembly and sales of peripherals. It was a retail business in which I took orders from customers and assembled the computers at customer's location. I remember how I used to run around from place to place for assembly and delivery.

*The early 2000 was the time when IT and craze for computers were fast catching up. I'm sure you didn't fail to*

*seize the opportunity...*

Yes, my next step was the distribution of IT hardware. It was when the IT industry was just beginning to grow. Back in those days, computers were rarely purchased for domestic use. And laptops were not easily available in the market. Computers were mostly assembled. The cost of one assembled computer was nearly Rs. 1 lakh. Even then I was able to sell two to three computers a day. Despite the high price of the hardware, the market became more active at the beginning of that decade and it prompted me to step into wholesale and distribution when an opportunity came in Kottayam. I obtained the dealerships of almost all popular brands and began supplying the products to dealers in Kottayam, Idukki and Pathanamthitta. The company was then known as Ozone Systems. Between 2000 and 2006, we supplied to nearly 200 dealers in Kottayam and nearby districts. The brand named Oxygen was started as a retail outlet in 2006.



*When you started Oxygen in 2005, how was it different from the peers in the market?*

Yes, it was the time when branded computers and laptops were starting to enter the market. None of our competitors did really bother to offer touch and feel experience to the customer. But we offered customers that experience for all brands, models and configurations. Our showroom at Kanjikuzhy offered live experience to customers. I had the courage to offer live demos because I was into distribution also. I had even kept a live demo of Sony Vaio which cost Rs. 1.5 lakh.

*How would you distinguish the cus-*

*tomers psychology in the 2000s from the preferences of the present-day customer?*

There is a huge difference in that. Firstly, back in those days, 'touch and feel' experience was completely new to the customer. It has over the years become a fundamental part of decision making for the customer. Technology retail is an experience zone and we were lucky to have introduced it very early. Secondly, technology and devices have passed through a lot of transformations and improvements. Spread of internet and new payment methods, remarkable improvement in the purchasing power of people and convergence of technology in devices have completely altered the market. The latest generation of customers does not even bother to see the product they are purchasing.

*What prompted you to pick the name 'Oxygen'?*

There are reasons why I chose the name 'Oxygen'. One is the realisation that it is the digital age and technology has become important for humans just like oxygen which is one of the most important requirements for sustaining life. Secondly, the name Oxygen goes along with Ozone – the initial name of the company and thirdly, I did not want to give a technology-related name.

*What is it that makes Oxygen special and unique to customers?*

Having acknowledged the competition posed by e-commerce platforms, what we think is most important to a customer is how we help make his or her life easy by offering after-sales support which, in case of a purchase made through any e-commerce platform, may not be profitable for the seller. We on the other hand, support our customers even if the purchased device is under warranty period. Normally, if the device or appliance is covered under warranty, sellers direct the



customers to the respective company's service center. But we take the item and report it to the company's service centre on behalf of the customer. Our tie-ups with company service centers make the process easier and seamless. Similarly, if a customer brings an item that is not covered under warranty, our experienced technicians at showrooms will do the necessary repairs and replacements. We sell only select brands of gadgets and accessories of authorised companies. Lastly, since we are strictly tax-compliant, we purchase only genuine products through bonafide channels.

*How do you tackle the intense competition in the electronic retail industry with giants like Amazon and Flipkart penetrating more into the consumer base?*

In Kerala, gates have not yet been fully opened to the possibilities of

retail e-commerce. This segment has not yet fully matured or, in other words, delivery of services through e-commerce platforms is to be improved. However, people are hooking on to the business model, unsurprisingly in large numbers. The e-commerce market is revolving around a single point – price advantage. Again, Amazon and Flipkart do not directly purchase or sell products, instead they offer platform for retailers to compete and offer their products. If you see the prices offered by these retailers, they are often lower than the market price. They are selling at low prices because they carry out operations through unethical methods. So, it is only obvious that we cannot compete on that kind of prices. E-commerce industry will mature following an imminent consolidation during which a lot of fake operators will be eliminated.

As far as customers are concerned, they are viewing it from the perspective of price difference. But the fact is that it is foolishness to buy an electronic product by looking just at the price variation, and that realisation will come only after some years when the consumers are forced to run from pillar to post for getting proper service of their products done. Another reason why Oxygen shouldn't rush into e-com-

merce is that there are hardly any State-based or regional players who have succeeded in a similar venture. Yes, regional e-commerce ventures have succeeded in specific areas, especially online marketplaces which cater niche products to consumers. But none who sell electronics has entered the field.

*So, are you planning to enter the e-commerce platform in future? Is there a road map?*

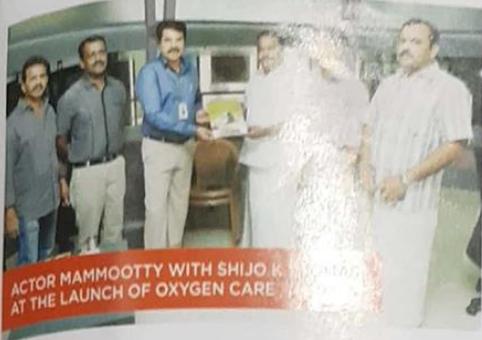
Yes absolutely. In fact, the project was finalised some years back. We are planning to do it in a couple of years. However, like I said, only after the market consolidates. And speaking about plans, yes we do have a detailed roadmap. When we start our online marketplace, we will not outsource delivery to a logistics company. Instead, we will have our own delivery boys who are well informed about the products they are delivering and who can ensure a showroom purchase experience to the customer. In other words, our delivery boys will also be able to give tech assistance, be it configuring the device or setting up Windows on a laptop. What popular e-commerce platforms are doing now is just box delivery. But what we will be doing is technology delivery and that is because we are essentially a technology retailer.

## OXYGEN PLANS TO OFFER FRANCHISES

So far Oxygen, the digital shop, has been opening new showrooms on its own. Starting this financial year, the electronics retailer plans to offer franchises to interested entrepreneurs in Kerala. People from both business and non-business backgrounds can apply for franchises of Oxygen. For the ease of management, Oxygen looks to promote only franchises in small format i.e. Oxygen franchises for gadgets like mobile, mobile

accessories, tablets, laptops and peripherals. Prospective franchisees are required to arrange 500 sq.ft. to 1000 sq.ft. area, preferably on the ground floor of a building to set up the showroom. The franchisees are also required to make a basic investment for furnishing the store. Oxygen will provide the stocks at the lowest available price in the market. It will also communicate operational details to the franchisees – mainly the dos and don'ts

in the business. "We will transfer details of our system and functioning which we have evolved through our experience in the industry during the last 20 years, to the franchisee in just a matter of days," says Shijo Thomas, CEO, Oxygen. The franchiser will also provide staff, training and software used in the parent showrooms. Franchises could be opened in any part of the State. For more details, contact: +91 97470 20822



ACTOR MAMMOOTTY WITH SHIJO K. AT THE LAUNCH OF OXYGEN CARE



ACTOR KUNCHACKO BOBAN DURING THE INAUGURATION OF OXYGEN'S SHOWROOM IN MUVATTUPUZHA

*Where do you see Oxygen in the next five years?*

In future we plan to add home appliances to our showrooms at district headquarters or in other main locations. Satellite showrooms will be opened at each taluk headquarters just for mobiles, tablets, laptops and accessories.

However, the realisation I have at this point is that I should ensure quality of the existing showrooms. And yes, I believe that there is a lot more to be done in this regard. We have identified potential markets in Kerala and by 2020, we aim to reach extensively across the State.

*What about diversification plans?*

We are waiting for the right opportunity to diversify. This is an industry which witnesses a lot of fast-paced changes. See now I have established Oxygen as a gadgets store so our plan is to take the benefits of robotics and Artificial Intelligence (AI) to our customers. At the current pace of technological progress robotics and AI will become an integral part of our life in another five years. All future electronic machines and gadgets will require

service support. I think we should be also ready for changes in a way that makes us able to deliver services by keeping pace with the changes in the global electronics market.

I may be able to open another 100 showrooms like this for mobiles and other devices. But you never know when these gadgets will suddenly be phased out like how VCP and VCR of olden days vanished from the market.

*How do you connect with your staff and employees?*

I have 350 employees. I believe that if my business has grown it is because of the valuable manpower I have. They are the people who helped this company grow. And I should say that my contribution has been minimal. People say many negative things about the same manpower in Kerala; that they have a white-collar mentality and so on. From my own experience, I should say that the locally-recruited manpower is my strength. Close to 99 per cent of people here work selflessly. From my side, I have always ensured that there was never any differentiation on the basis of caste or religion during recruitment

or performance evaluation.

*What's your advice to the youth coming into entrepreneurship?*

Do not do it because choosing entrepreneurship has become a trend. The experience from an established workplace is always an added advantage. Just a degree in some professional or job-oriented course really holds no real value because that won't make you industry-ready. Also, aspiring entrepreneurs should have creativity. It is okay to have creativity without money. One can still change the scenario. But if it is having money without creativity then much cannot be attained.

*What is your philosophy at work?*

I don't maintain tight schedules in life. I am a relaxed person and take things the way they come. I am interested in current affairs and I love listening to news. Some people may argue that newspaper reading may create negative vibes right at the start of the day. But I think it is okay if you have the capacity to channelise your energy in the right direction. I am a person who enjoys delegating work and I get bare minimum business calls. Usually, cell phones of business people keep buzzing. I regularly come to the office but even here I do not have to take a lot of strain. My office work mainly involves meeting with employees and managers who are in charge of things. Once in a while, I visit Oxygen showrooms.

