

RI IMAGES

Retail

MAY 2016 VOL.15 NO.5 ₹100

CREATING NEW AGE RETAIL SPACES

- Funding & Investments in Fashion Retail
- AJIO: A Leap of Fashion!
- Dunkin Donuts: Creating a WOW Experience
- Truefitt & Hill: Cutting Edge Luxury for Men

Editor in Chief **Amitabh Taneja**
Editorial Director **R S Roy**
Publisher **S P Taneja**
Chief Operating Officer **Bhavesh H Pitroda**

EDITORIAL

Managing Editor **Rajan Varma**
Asst. Editor **Shubhra Saini**
Correspondent **Shipra Srivastava**
Conference Content **Nakul Jain**
Mohua Roy

Contributing Editors **Zainab S Kazi**
Sheetal Choksi
Namita Bhagat

CREATIVES

Art Director **Pawan Kumar Verma**
Layout Designer **Divakar Sharma**
Sr. Photographer **Vipin Kardam**

PRODUCTION

General Manager **Manish Kadam**
Sr. Executive **Ramesh Gupta**

SUPPORT

General Manager – Administration **Rajeev Mehndru**

SUBSCRIPTION

Asst. Manager – Subscriptions **Kiran Rawat**

ADVERTISING**BUSINESS HEAD**

Anjali Sondhi, Director
anjalisondhi@imagesgroup.in
Mob.: +91 9810204297

Waseem Ahmad, Vice President
waseemahmad@imagesgroup.in
Mob.: +91 9833628852

DELHI : **Vineet Chadha**, Vice President
(Retail Support Group & indiaretailing)
Vandana Verma, Sr. Manager

MUMBAI : **Bindu Pillai**, Sr. General Manager

AHMEDABAD : **Sunil Vadadoriya**, Dy. Manager

KOLKATA : **Piyali Oberoi**, Vice President & Branch Head
Rohan Narayan, Dy. Manager

BENGALURU : **Suvir Jaggi**, Vice President & Branch Head
Devidutta Roypitam, Sr. Manager
Smriti Bhagat, Manager

LUDHIANA : **Hemant Gupta**, Associate

For advertising queries, please write to salesretail@imagesgroup.in

CONSUMER CONNECT

Anil Nagar, Vice President
anilnagar@imagesgroup.in, Mob.: +91 9811333099

Membership Team:

Priti Kapil Priyanka Sagar
Sarika Gautam R. P. Singh

Images Multimedia Pvt. Ltd. (CIN: - U22122DL2003PTC120097)

Registered Office: S 21, Okhla Industrial Area, Phase II, New Delhi 110020
Ph: +91-11-40525000, Fax: +91-11-40525001, Email: info@imagesgroup.in,
Website: www.imagesgroup.in

Mumbai: 1st Floor, Panchal Iron Works, Plot No. 111 / 3,
Marol Co-Operative Industrial Estate, Marol, Andheri (East), Mumbai - 400059.
Ph: +91-22-28508070 / 71, Fax: +91-22-28508072

Bengaluru: 523, 7th Cross, 10th Main, (Jeevanbhima Nagar Main Road),
HAL 3rd Stage, Bengaluru 560 075
Ph: +91-80-41255172/41750595/96, Fax: +91-80-41255182

Kolkata: 30-B, Anil Roy Road, Ground Floor, Kolkata 700 029
Ph: +91-33-40080480, Fax: +91-33-40080440

This issue of Images Retail coincides with the 'India Shopping Centre Forum', which is the biggest conclave of shopping center managers, mall developers and support service providers in India and which will be held on the 11th and 12th of May at the Renaissance Hotel, Mumbai. We anticipate great new insights and learning at the event and also a preview of the mindsets of the shopping center industry in the face of the online challenges and opportunities. As a corollary in this issue of IMAGES Retail our cover story throws light on emerging retail destinations. Although, organised retail spaces started only recently with the maiden 'Ansal Plaza' in the late nineties, since then there has been no looking back. After the evolution of malls, now even highstreets and neighbor-hood markets are reinventing and grabbing their moments in the limelight. The ambit of modern retail in India has become so vast that it's core tenets just had to be imbibed by all. On the other side transit markets are emerging and we can expect luxury markets next. I am sure our cover feature would be an interesting and informative read for all of you.

In this issue, we present AJIO, a fashion e-commerce venture from Reliance Industries which is already getting rave reviews from consumers. With this launch Reliance is ready to extend its portfolio even further into retail. We also feature Rosso Brunello and showcase their outstanding innovations in store design. We have also traced the success story of the Dunkin Donuts business from the house of Jubilant Foodworks. We also congratulate Indian retailer Hidesign for making its great US foray. This issue also includes an extensive feature on the current vistas of funding and investments in the Indian fashion vertical.

I hope you find the May issue informative and educative as always. I wish you all the very best, and look forward to seeing you at the India Shopping Centre Forum 2016.

Amitabh Taneja

All material printed in this publication is the sole property of Images Multimedia Pvt. Ltd. All printed matter contained in the magazine is based on the information provided by the writers/authors. The views, ideas, comments and opinions expressed are solely of the writers/authors or those featured in the articles and the Editor and Printer & Publisher do not necessarily subscribe to the same.

Printed & published by S P Taneja on behalf of Images Multimedia Pvt. Ltd. Printed at Modest Print Pack (P) Ltd. C-52, D.D.A. Shed Okhla Industrial Area Phase -1, New Delhi - 110020 and published by S P Taneja from S - 21 Okhla Industrial Area Phase - 2, New Delhi.110020 Editor: Amitabh Taneja

In relation to any advertisements appearing in this publication, readers are recommended to make appropriate enquiries before entering into any commitments. Images Multimedia Pvt. Ltd. does not vouch for any claims made by the advertisers of products and services. The Printer, Publisher and Editor-in-Chief of the publication shall not be held for any consequences in the event of such claims not being honored by the advertisers.

Copyright Images Multimedia Pvt. Ltd. All rights reserved. Reproduction in any manner is prohibited. All disputes are subject to the jurisdiction of competent courts and forums in Delhi/New Delhi only. Images Retail does not accept responsibility for returning unsolicited manuscripts and photographs.

For subscription related queries, email to: subscription@imagesgroup.in

For feedback/editorial queries, email to: letter2editor@imagesgroup.in



CREATING NEW AGE RETAIL SPACES

30 COVER STORY

As the pace of the evolution of shopping destinations in India gathers unheralded momentum, Images Retail delves deep into the key emerging trends and maps the current decision making dynamics of retailers towards their location preferences.



MAY 2016

CONTENTS

14 NEWSMAKERS INTERNATIONAL

LUXURY BRANDS BULLISH ON ASIAN MARKETS

Our monthly roundup on retail buzz around the world.

16 NEWSMAKERS NATIONAL

APPAREL RETAILERS ON AN EXPERIMENTATION SPREE

Our monthly roundup on what's happening in Indian retail.

20 EXPERT SPEAK

THE GREAT TRANSFORMATION OF INDIAN RETAILING

An expert article by Euromonitor on the growth drivers in Indian retail.

24 TECHNOLOGY

THE RISE OF PREDICTIVE ANALYTICS

How leveraging on 'data' and 'analytics' helps to inform, develop, and leads to better decisions on pricing, marketing, and supply chain.

28 STRATEGY

AN INDIAN RETAILER GOES INTERNATIONAL

An exclusive conversation with Vikas Kapur, CEO, Hidesign America.

40 MY THOUGHTS

IMAGINATION AND INITIATIVES

L Subhash Chandra, Managing Director, Sangeetha Mobiles picks up the pen to share his learnings with us.

42 RETAIL LEADERSL

RUNNING A MALL IS AN ART

So believes our man in focus for the month, Yogeshwar Sharma, E.D., Select Infrastructure Pvt. Ltd

47 RETAIL DEBUTANT

A LEAP OF FASHION! LOOKING BEYOND THE OBVIOUS

We zoom in on our favorite recent brand launch—AJIO—a new e-commerce initiative from Reliance Industries. .

52 PIONEERS

CUTTING EDGE LUXURY FOR MEN

An exclusive feature on recently ventured Truefitt & Hill

56 SUCESS STORY

CREATING A WOW EXPERIENCE

A look at the spectacular success of global QSR chain Dunkin' Donuts.

60 INNOVATION

SETTING BENCHMARKS FOR NEW AGE RETAILING

A look on Rosso Brunello's swanky new store at the DLF Mall of India.

68 ECONOMICS

FUNDING AND INVESTMENTS IN INDIAN FASHION

A most comprehensive overview on funding and investments in fashion retail in India today.

78 INDEX



EMERGING SHOPPING DESTINATIONS

HOW RETAILERS KEEP AHEAD OF THE CURVE

As the pace of the evolution of shopping destinations in India gathers unheralded momentum, Images Retail delves deep into the key emerging trends and maps the current decision making dynamics of retailers towards their location preferences.

By Sheetal Choksi & Sharmila

Retail has come forth as one of the most dynamic and fast-paced industries of India. Its metamorphosis over the last two decades has been nothing short of dramatic. It has impacted lives, livelihoods and living. Several players may claim credit for shaping the idea of shopping in India and redefining consumer buying behaviour, but it is an amalgamation of various factors – the growing middle class, rising incomes, international exposure and changing expectations – that have shaped modern retail as we know it today.

Organised retail is born

The 1990s witnessed an unorganised landscape dominated by local kirana and mom-and-pop stores. Staunch in service delivery and monthly credit, these were the pillars of the locality's home and kitchen. Then came the wave of liberalisation, privatisation and globalisation which ushered in sprawling new retail formats, modern techniques and more importantly, the power of choice. Needs were nudged out by wants. Novelty and excitement became the motivation even if shopping didn't. The retail industry had found a new buzzword, "Experience". A simple word that unknown to them would be extremely difficult to live up to.

The first murmurs of shopping centre development rippled through the country's major cities in 1999 with Crossroads in Mumbai and Ansal Plaza in Delhi. While fresh shopping experiences aided by consumer-friendly layouts remained the core focus, customers were treated to even more pleasant surprises such as tempting food and beverage options and a recreational centre.

The response was unsurprisingly emphatic. This soon led to rapid shopping centre development across leading cities in the country.

The sudden and meteoric rise in footfalls at the initial clutch of malls piqued the interest of developers. To get their piece of the pie, unique differentiators were explored to draw in bigger catchments and increased footfalls. Forum Mall (Bangalore – 2004), Infinity Mall (Mumbai – 2004) and Select City Walk (Delhi – 2007) set brave new benchmarks for others. With this revised format came a new insight; the success of a shopping centre was directly proportional to its location, design, tenant mix and professional mall management practices.

The concept of a shopping centre had already evolved from marquee department stores to large shopping malls, from a showroom to a retail store, from supermarkets to hypermarkets. Every vertical of retail upgraded itself and the competition grew fiercer.

While the country's top cities continued to lead the organized retail real estate landscape, with Delhi National Capital Region (NCR), Mumbai and Bangalore spearheading the change, the consumer mindset in smaller cities was on the cusp, moving away from the functional and into the aspirational. Soon Kolkata, Chennai, Pune and Hyderabad followed suit. The shift in consumer mindset directly influenced retailer mindset that now considered tier 2 and tier 3 markets such as Chandigarh, Ahmedabad, Nagpur, Jaipur, Coimbatore, Ranchi and Lucknow as lucrative options.

2011 was a momentous year for the retail industry with the implementation

of the FDI policy, which broadened the horizon for single-brand retailing. International brands would now be freely available. Retailers in metropolitan cities were left with no choice but to rethink their strategy and steer their attention and investment to high streets and malls. This sudden surge of international brands led to higher rental as the space war began.

High street vs. shopping centres

The last two decades have witnessed a race of epic proportions between high streets and shopping malls with each trying to outdo the other by reinventing themselves and the shopping experience for the consumer. At the core of it, both have fared well as retail destinations purely on the strengths of their individual advantages and offerings.

To elaborate, shopping centres in Delhi NCR, Mumbai, and Bangalore

provide consumers with the advantage of a holistic retail experience that integrates social activities like F&B and entertainment with shopping. Add to this a wide product and brand mix, a well-maintained infrastructure and a vibrant shopping ambience, and the reason why consumers and retailers alike prefer shopping malls becomes all too apparent. The success of shopping centres can be largely attributed to their constant endeavours to bring in new brands, apply excellent mall management skills and adopt critical differentiating factors.

High streets, on the other hand, magnetise their consumers with the promise of convenience, ease of accessibility, centralised location and a plethora of popular brands. They are also a big draw for retailers owing to greater scope of visibility and signage opportunities, impulse purchases, repeat customer visits and

The success of shopping centres can be largely attributed to constant endeavours to bring in new brands, **apply excellent mall management skills and adopt differentiating factors.**





RETAIL DEBUTANT

A LEAP OF FASHION!

LOOKING BEYOND THE OBVIOUS

AJIO, the newly launched online fashion venture of Reliance Retail, seeks to carve out a unique niche for itself as a premium style destination. Alongside known Indian and global brands and own labels, it brings in curated fashion from across the world. Backed by the advanced internet infrastructure built by Jio and a robust physical retail business built by Reliance Retail, AJIO aspires to create a differentiated e-commerce model for India.

By Namita Bhagat

Reliance Retail Limited (RRL), the retail arm of Mukesh Ambani-led Reliance Industries, is not only the largest retailer in India, but has also attained market leadership in most of categories it operates in. As on 31st March 2016, it operated 3,245 stores in 532 cities across core format sectors such as Value Formats and others, Fashion and Lifestyle, Digital, Jewellery and Brands. Not so long ago, Reliance had announced its plans to adopt a multi-channel retail strategy across all its formats to tap the burgeoning e-commerce market in India.

Going ahead with the plan, the company recently launched AJIO (Ajio.com), its fashion and style e-commerce platform. It is a significant initiative from Reliance Retail that seeks to offer a differentiated omni-channel shopping experience and deliver tremendous choice and convenience to the consumers. AJIO.com was unveiled on 2nd April, 2016 at the country's leading fashion extravaganza, Lakme Fashion Week (LFW).

The brand idea

AJIO is a style philosophy, a brand foremost. A style destination which offers handpicked curated fashion across a unique selection of own brand, international brands, authentic handcrafted artisanal products, inspired indie and national brands. The online store will also be offering a significant majority of exclusive merchandise that customers will not find elsewhere. Its

target audience is the fashion lovers and trendsetters looking for exclusive accessible premium collection. The store wants to create a distinct positioning for itself in the cluttered online fashion space driven largely by discounts, and will make premium fashion accessible via excellent value.

The company wants to build a brand with strong emotional connect, and aims to provide the very best price/value to the discerning consumers. According to it, this is a more sustainable approach that will differentiate AJIO in the market.

Fashion redefined

AJIO's endeavor is to redefine the fashion by challenging the stereotypes and breaking them. AJIO's style is inimitable, it says. It's all about "fearless

fashion" and calls out boldly on the conformism built into the society as regards fashion. For its preview showing at the LFW, AJIO made a statement with its #DoubtIsOut campaign, which appeals to the woman who is empowered, who knows what she wants to be, and is confident in being who she is.

In sync with the campaign theme, AJIO picked up unconventional showstoppers and brought in exceptional women achievers from unique genres as showstoppers who epitomise the 'Doubt is Out' movement. The original Bollywood 'item girl' Helen walked the ramp, demonstrating 'Age no bar' to look stylish; the daring Sunny Leone sashayed down to say 'Choice no bar'; the chubby and bubbly Bharti Singh, known for her stand-up comedy



▲ Ms. Isha Ambani graced AJIO's preview at Lakme Fashion Week 2016. Her presence was indeed a #DoubtIsOut moment as Reliance Retail introduced, in the most unique manner, AJIO, their e-commerce venture for fashion-aware Indians. AJIO brought in exceptional women achievers from unique genres, to showcase their collection designed and crafted for the women of today. The entire collection can be seen and instantly shopped at www.ajio.com.

on reality shows, walked the ramp effortlessly to 'Size no bar'; The first Indian woman to fly an MIG fighter jet, Suman Sharma, walked the ramp for 'Career no bar'; wrapping it up was Laxmi Narayan Tripathi, the transgender activist, stealing the show with 'Gender no bar'.

Going hi-tech

As indicated by Mukesh Ambani, Chairman and Managing Director, Reliance Industries Limited, with the advanced internet infrastructure built by Jio and a robust physical retail business built by Reliance Retail, AJIO will create a differentiated e-commerce model for India. The model will entail seamless integration of online and offline while innovating across superior customer experience, delivery services and payment ecosystem.

AJIO will leverage Reliance's stellar sourcing, supply chain and retail operations capabilities to differentiate further in the market. Markedly, supply chain will be a combination of internal and external partnerships. The company is partnering with leading supply chain organizations across the country to deliver an impactful shopping experience.



CUTTING EDGE **LUXURY** FOR MEN

By Namita Bhagat

Famed for catering to the rich, famous and noble, Truefitt & Hill, the world's oldest luxurious barbershop for men entered India in 2014 in partnership with Lloyd Luxuries Ltd. The UK-based brand is looking to capitalise on its first mover advantage and position itself as a leader in the country's niche men's luxury salon space.



Till some years ago, Indian men did not indulge much in personal grooming and looking good. Shaving at home or visiting local barber for a haircut was all they did to enhance their outward appearance. Barring an after shave lotion or a hair gel, there were hardly any other grooming products they would use. Salons and parlours were considered a woman thing! However, the scenario has changed overtime and today men like to pamper themselves and have taken to elaborate grooming big time. Men's salon is a common feature in India now and there is a growing demand for branded ones.

Truefitt & Hill, a world-renowned men's luxury salon brand from UK, entered India in 2014 by signing a master franchise agreement with Mumbai-based Lloyds Luxuries Ltd. (LLL). Says Istayak Ansari, Co-owner & Director of Lloyds Luxuries, "Truefitt & Hill is the world's oldest and one of the finest barbershops for men established in 1805 in London (UK). For over two centuries and a decade now, the brand has been offering a wide range of exceptional services and products designed to groom discerning gentlemen to perfection. We have acquired the brand's master franchise rights for countries like India, Nepal, Sri Lanka, Bhutan, Vietnam, Myanmar and Bangladesh."



▲ Istayak Ansari, Co-owner & Director, Lloyds Luxuries Ltd., Master Franchisee of Truefitt & Hill in India

“TRUEFITT & HILL STANDS APART FROM ITS CONTEMPORARIES AS IT HAS THE FIRST MOVER ADVANTAGE IN THE INDIAN LUXURY BARBERSHOP SPACE.”

Truefitt & Hill India started operations in May 2014 with its first flagship store launched in Khar, Mumbai. Following the Truefitt & Hill deal, LLL is in process of bringing in various other luxury men's product brands to the Indian market through exclusive distribution agreements.

Current spread

The chain operates through a mix of barbershops or salons and retail shops. Currently it has five barbershops and one retail outlet at various locations in Mumbai besides one barbershop each at New Delhi and Bengaluru. The average store size is 1200 to 1900 sq. ft. "Three more sites are under construction in Gurgaon, Hyderabad and Bengaluru (Lavelle Road) and expected to open their doors by May 2016. The brand will soon have 11 operational stores across five cities," informs Ansari.

Products and services

In line with its tradition of excellence, Truefitt & Hill offers a diverse range of 'royal' and 'classic' grooming services for men, including shave, haircut, head-and-face-massage, manicure, pedicure, waxing, threading, etc., in its signature style to provide exceptional experience to its clientele. The brand also retails a full line of shaving, fragrance, hair and bath products to provide a daily grooming solution for today's man. Travel and gift collections are also available.

Seizing the opportunity

The Indian wellness and beauty industry has been growing at the rate of 30 percent (y-o-y) for past five years and the trend will continue for the next 10 years, notes Ansari. "There is a huge opportunity ahead of us and we intend to exploit the same in a structured and planned manner," he says, citing a

recent report which suggests that the men's grooming segment will grow at a CAGR of 22 percent by 2020 attributed mainly to factors like growing consciousness among men to look well-groomed, increasing per capita income, and rapid urbanisation.

About competition, Ansari is confident, though, not taking it lightly. "The biggest challenge ahead of us is to build a team that will execute and implement our expansion plan. In our business, passionate, trained and self-driven team is a key to the growth and success of the company. Truefitt & Hill stands apart from its contemporaries as it has the first mover advantage in the Indian luxury barbershop space," says he.

Being a cut above

The brand's store design and ambience exudes quintessential majestic feel with classy interiors in mahogany



DUNKIN' DONUTS

CREATING A WOW EXPERIENCE



Indians are known for their sweet tooth. And any option to satiate their sweet desire with international delicacies was perhaps guaranteed to succeed. Specifically, while donuts in India have always been around, the launch of Dunkin' Donuts has redefined the way donuts are looked at and perceived in India, with their restaurants centered around donuts and other delicacies! We speak with the team to find out about the genesis of the brand and its journey down the years.

By Zainab S Kazi

The Beginning

The story of Dunkin' Donuts began in 1948 with a donut and coffee restaurant in Quincy, Massachusetts called "Open Kettle." Founder William Rosenberg served donuts for five cents and premium cups of coffee for ten cents. After a brainstorming session with his executives, Rosenberg renamed his restaurant "Dunkin' Donuts" in 1950. His goal was to "make and serve the freshest, most delicious coffee and donuts quickly and courteously in modern, well-merchandised stores," a philosophy which still holds true today.

"What started as a single restaurant in Quincy is now a global coffee and baked goods chain, with more than 11,700 locations in 43 countries around the world," shared the company spokesperson, Dunkin' Brands Group, Inc. Adding further on the initial days of their journey, the spokesperson shared, "In its earliest days, Dunkin' Donuts was focused on serving high-quality coffee and a wide assortment of delicious donuts. Over the years, we have expanded our menu to include espresso beverages, hot and iced tea, Coolatta® frozen beverages, sandwiches, bagels, muffins, and croissants. We've also evolved our restaurant design over the years to include digital menu boards, modern décor, comfortable seating and Wi-Fi for our guests."

OFF TO A FLYING START

Redefining the neighbourhood shopping experience

RETAIL PROPERTY OF THE YEAR – SOUTH*



Brigade Group successfully launched its second mall – Orion East Mall in March 2016.

Orion East Mall is located in a vibrant catchment area on Banaswadi Main Road. Orion East Mall has a smart portfolio of International and Indian brands across fashion, lifestyle, food and entertainment.

Within a month of its launch, Orion East Mall has already clinched the Retail Property of the Year award from Franchise India.

Orion East Mall is all set to redefine the neighbourhood shopping mall experience in India.

Main Anchors:

Cinépolis, Shoppers Stop and Westside.

Other Brands:

Mc Donald's, Apple, Adidas, Puma, Celio, Jack & Jones, Vero Moda, Skechers, Arrow, U.S. Polo Assn., Mothercare, Soch, AND, Global Desi, Sunglass Hut, The Body Shop and many more.

* AWARDED BY FRANCHISE INDIA

Email: feedback@orionmalls.com
Contact: Mr. Varun Khanna at +91 9980642712

www.orionmalls.com



BRIGADE

RNI NO.: DELENG / 2002 / 09182

A Decade of Excellence!



Raising the bar year after year!!

FOREVER 21[®]

for being No.1 store in India per sq. ft. sale
and Worlds Best Store in Top5

SHOPPERS STOP

START SOMETHING NEW

South India's best store per sq. ft. sale.

More than 100 best performing brands...

Follow us on:



15, Magrath Rd, Ashok Nagar, Bengaluru, Karnataka 560025