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INDIA'S  
BEST SELLING  
MAGAZINE  
ON MODERN  
RETAIL

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## GLOBAL DREAMS

### Is There Space for Indian Retail Brands Abroad?



**RETAIL EXCELLENCE**

Ravi Modi  
Founder  
**MANYAVAR**  
Ethnic Made Chic



**ENTREPRENEUR**

Nina Lekhi  
MD  
**BAGGIT**  
Bagging Success

DLF  
Mall of India  
Presents

**IRF**  
INDIA RETAIL  
FORUM 2012

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How many times have you walked into a store to buy something and felt put off by the way you were treated by the sales staff? The shop floor is where brands succeed and fail because, ultimately, you need to convert footfalls into actual sales. But how many retailers in India pay attention to quality of their staff and their professional grooming? If the sales staff are presentable, polished and courteous, it does wonders to the conversion rate. Almost all retailers of high-value products pay great attention to staff grooming, but this is something that every retailer down the line must also learn to do.

As grooming consultant Yatan Ahluwalia says in an interview with us in this issue, there is usually a class difference between the sales staff in a shop and the customers. So retailers and brands have to go beyond giving basic sales training to their staff and actively groom them for the job, just like the global retailers do. This involves polishing their body language, manners, hygiene and other verbal and non-verbal cues so that they can emerge as ambassadors of the brand.

The last 15 to 20 years have seen a flurry of home-grown brands emerge in the Indian market and some of them have become very popular in a short span of time. Does it make sense for these brands to establish a foothold in foreign markets such as the Middle East, South East Asia, and elsewhere? Will Indian retail brands be accepted by consumers in other countries? Our cover story investigates if there is space abroad for our retailers and the newly emerged Indian brands, and if there is, then what would be the best strategy to exploit the opportunity. Some Indian brands have already opened stores abroad. Let us hope that over the years, their overseas foray morphs into something big and more and more Indian brands and retailers follow suit. After all, Indians dominated the world trade for 2,000 years before the British arrived, and there is no reason why we cannot do so again.



Amitabh Taneja

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### Is There Space for Indian Retail Brands Abroad?

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# Manyavar

## Ethnicwear Made Chic

THE ₹300 CRORE MEN'S ETHNIC-WEAR BRAND MANYAVAR, BASED OUT OF KOLKATA, SAYS IT IS GROWING 60 PERCENT YEAR-ON-YEAR. IT IS LOOKING TO EXPAND EVEN FASTER BY LAUNCHING A NEW BRAND IN WOMEN'S ETHNIC-WEAR CATEGORY NEXT YEAR

By Shubhra Saini

→ Founded almost a decade ago in Kolkata, Manyavar was one of the early entrants in the ₹6,000–7,000 crore men's ethnic-wear category in India. Within this period, the brand has managed to acquire an impressive pan-India presence. The company today has a store strength of 200 EBOs spread across 80 cities around the country, accounting for a combined retail space of over 2,00,000 sq.ft.

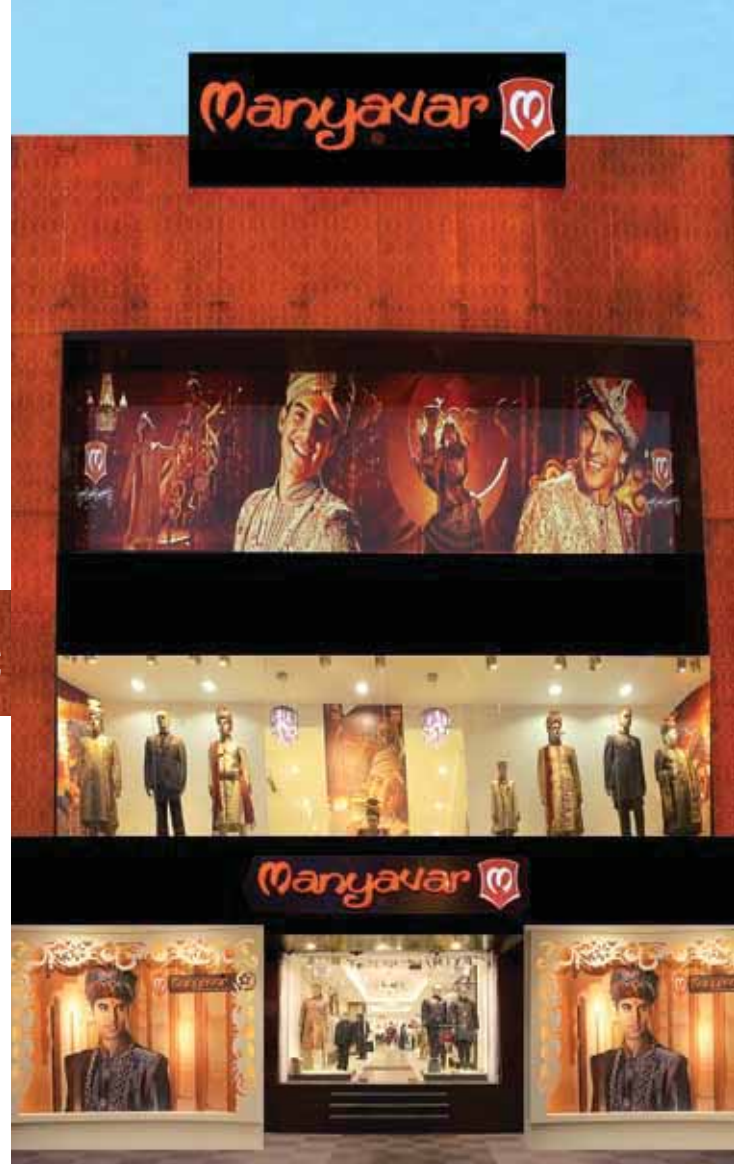
Manyavar products are also sold through major MBOs and Large Format Stores (LFS) in India. According to company officials, Manyavar's turnover is ₹300 crore from its EBOs alone, and the year-on-year growth is around 60 percent. The company has recently also ventured into global markets such as Bangladesh and Dubai. Manyavar has firmed up plans to expand its portfolio and is soon going to launch their ethnic-wear range for women too.

The man behind the brand is Manyavar's founder Ravi Modi, who is a first-generation entrepreneur. "Manyavar over the years has emerged as one of India's most-valued men's ethnic-wear brand," he says.

### HISTORY

The journey of Manyavar started from a small retail store in Kolkata. It used to stock Western and Indian menswear. Later, the store started manufacturing its own range as Modi was not satisfied with the ethnic-wear products available in the market. In the year 2000, he thought of taking the retail business to a new level by starting a new brand of ethnic-wear that was called Manyavar after the store's name.

Manyavar initially began marketing its range primarily in the Eastern region, including the states of Assam, Bihar, Orissa, Uttar Pradesh and Kolkata. The company kept adding two or three states every year to its distribution



network. In four years, Manyavar had almost acquired a pan-India presence selling through the MBOs.

The turning point for Manyavar came in 2008 when it opened its first-ever store at Bhubaneswar's Forum Mart. Spread across 400 sq.ft., it was a franchised set up with an investment of around ₹20 lakhs.

The Manyavar brand now has a strong presence in the country through its network of EBOs. It is also present in some big retail chains like Pantaloons, Shoppers Stop, Westside, Planet Fashion, and Central.

### THE CONCEPT

Over the years, Manyavar has emerged as a prominent brand in the men's ethnic-wear category in the country. The product range includes sherwanis, kurtas, Indo-western (fusion) suits that can be complemented with ethnic accessories, and footwear. The products can be specially customized and designed keeping in mind the needs of Manyavar's customers. "Manyavar is a one-stop solution for all those men who want to maintain their uniqueness in all the important events in their life," says Modi, taking about the positioning of the brand.

Manyavar's initial stores were a bit small in size but even in these, the company says it managed to showcase its product range properly. "We always utilized our store space in an optimum manner. This is one of the main reasons



**“ UNDERSTANDING THE PULSE OF THE CUSTOMER AND OUR PRICE POINTS WOULD BE THE KEY DRIVERS TO OUR BUSINESS. – RAVI MODI, FOUNDER, MANYAVAR**

why we have been able to achieve economies of scale,” say company officials.

Manyavar today has EBO formats that range from small format of 400–500 sq.ft. to medium-sized stores ranging from 1,000 to 1,500 sq.ft. in size. The company also has bigger format stores that sprawl across an area of 7,000–21,000 sq.ft.

Location of stores can make or break a retail brand. Modi says he has always been very certain about the kind of locations Manyavar needs for establishing its footprint in an area. “This is one of the main reasons behind Manyavar being present at all the right places and the key market areas in the country,” he adds.

Talking about choosing the right location, Modi says: “We mainly

prefer high street. However, we also open some of our stores in malls. But keeping in mind the small number of successful malls in the country, it becomes a little difficult to choose which is the correct mall for us to enter into.”

Apart from choosing the right store size, format and location, the company says it tries to bring exclusive and intricate designs for its customers to ensure brand loyalty. Manyavar mainly stocks men’s ethnic-wear products. These include sherwanis in the price bracket of ₹5,999– ₹74,999, kurtas (₹699– ₹11,999), Indo-westerns (₹5,999– ₹24,999) and accessories (including footwear) with a price range of ₹399–₹1,999.

In a 1,000–1500 sq.ft. store of Manyavar, around 15–20 percent of the available space is dedicated to accessories and footwear, says the company.

#### THE FRANCHISING MODEL

Franchising plays an important role in the expansion strategy of Manyavar across India. It claims to be one of the very few successful franchisors in the country. “In India, many retailers had a hard luck with franchising. But, Manyavar has almost 50 percent of their stores franchised and they all are doing good business,” says Modi.

There are three different franchise models with Manyavar:

- The first is the pure franchisee model. In this, the franchisee gets 38 percent margin on the total sale and they have to give the company a deposit for space and investment in furniture as well as 50 percent stock deposit.
- The second model is where a franchise gets 33 percent on the total sale or minimum guarantee that comprises salary, electricity bills and rent.
- The third model is where the store is taken up by Manyavar and the franchisee has to pay for investment in furniture and 50 percent of stock deposit. The franchisee gets 10 percent margin on the total sales.

The company says the first model is the most popular among its franchisees. About 8 out of the 10 new Manyavar stores getting opened are functioning on the pure franchisee model, its officials say.

#### ADVERTISING: A WAY TO CONNECT WITH CUSTOMERS

Manyavar spends around 10 percent of its total turnover on advertisements. The company was one of the brands that became the official partners of the Kolkata Knight Riders (KKR) cricket team during the last IPL

BEST-PERFORMING STORES OF MANYAVAR	
<b>Location: Karol Bagh, New Delhi</b>	
Opening Year	2011
Store Size	7,000 sq.ft.
Rental	₹11,25,000
Investment in shop-fit and stocks	₹2,500 per sq.ft. for stock and ₹2,500 per sq.ft. for furniture
Average Monthly Sales	Above ₹1 crore
Average Bill Size	₹7,000
Average Monthly Footfall	Above 1,500
<b>Location: T Nagar, Chennai</b>	
Opening Year	2010
Store Size	3,500 sq.ft.
Rental:	₹5,00,000
Average Monthly Sales	Above ₹75 lakhs
Average Bill Size	₹5,000
Average Footfall (Per Month)	Above 1,000
Sales Growth y-o-y	30%



concept

# Citywalk's Unique Concepts

By Priti Payal

LOOK AT THE MALLS AROUND YOU – YOU WILL FIND THAT MOST OF THEM HAVE ALMOST SIMILAR OFFERINGS, INCLUDING NATIONAL AND GLOBAL BRANDS, FOOD COURTS, MULTIPLEXES, AND FAMILY ENTERTAINMENT ZONES. REALISING THIS, MANY PROPERTIES TODAY TRY TO BE AS UNIQUE AS POSSIBLE TO STAND OUT IN THE CROWDED MARKETPLACE. HERE ARE SOME OF THE INNOVATIVE CONCEPTS OFFERED BY THE SELECT CITYWALK MALL OF DELHI TO MAKE THE CUSTOMERS KEEP COMING BACK



Kriti Creations sells products for all festivals celebrated in the region by different communities

## Festival Shopping

→ Gone are the days when festivals saw people running from one market to another to do shopping for special occasions. To make festival shopping as hassle free as possible for its customers, Select Citywalk brought Kriti Creations to its property as a one-stop store that sells goods for all festivals celebrated in the region. Kriti is a chain of stores specialising in Feng Shui, Vaastu Shastra, Reiki crystals, Pyravaastu, gifts articles, handicrafts and a comprehensive range of special items needed for various festivals celebrated by different communities. The store occupies an area of 8,000 sq.ft. and is located on the ground floor of the mall. The concepts' flagship store was launched in 1993 at the Khan Market, a high-street shopping destination in New Delhi. The speciality of the chain lies in its unique way of approaching traditional beliefs and maintaining a

parallel line with modern ideas. The USP of Kriti is the merchandise that keeps changing year-round timed with the various Indian festivals. The chain keeps innovating different products for its customers from time to time, say company officials.

Giving the reason behind bringing this unique concept to the mall, Arjun Sharma, Director, Select Citywalk, says: "Kriti Creations has a lot of flexibility in their offerings as they change their merchandise according to the season. We cannot allocate individual stores for selling merchandise related to different festivals. We wanted one retailer that could consolidate all the items at a reasonable price. We brought Kriti Creations to our mall because they were genuine in their approach, had a long-term vision and were passionate about their products."

Kriti Creations offers a comprehensive range of products to mall visitors, including handcraft

items made of brass, marble and wood, apart from those related to Feng Shui, Vaastu, Pyravaastu, and Reiki, fulfilling the spiritual needs of the customers.

Candles, hand-made paper items, pouches made of cloth, crystals, aromatherapy products, and figures of popular Hindu deities are some of the other items offered at the company's Select Citywalk outlet. At the time of writing, the outlet was focussing on products related to festivals of Raksha Bandhan and Janamashtami. The store also provides free Vaastu consultation to visitors.

According to the company officials, Kriti Creations was the first retailer in Delhi to enter the retailing of organic colours used on the popular festival of Holi, along with other eco-friendly products which are mostly recyclable. The brand maintains a purchase team which keeps it updated about new products and suppliers from all over the country and abroad.

Sharing the importance of unique concepts and customer satisfaction with *Images Retail*, Mukesh Goyal, Managing Director, Kriti Creations, said: "Customers want value for money and that is what we at Kriti Creations try to offer. Our focus is to retain our customers for the long term. This could be achieved only by offering them the best of products at the most reasonable cost and with the most elegant presentation. Kriti customizes its products according to customer requirements. With almost 90 percent conversion rate, our store at Select Citywalk has become quite popular with customers."

## Heads Up For Tails

Those who love pets and have grown up with them are bound to stop at one of the most unique kiosks located on the first floor of the Select Citywalk mall. Known as “Heads up for Tails,” the store houses everything to make your pet look and feel the most distinguished among its counterparts. The merchandise of the store includes fashionable dog collars and leashes; grooming and spa products such as shampoos and conditioners; pet treats; accessories such as hats, neckties and bow ties; pet jewellery;

price of the merchandise ranges from ₹200 to ₹10,000. The store also offers personalisation services like customising dog beds to fit into people’s homes (to match colours of the room or the upholstery). Also available are customised blankets, jackets, collars and accessories carrying the dog’s name. Recently, the brand launched its online store at [www.headsupfortails.com](http://www.headsupfortails.com) and hopes to open some grand stores soon. The target markets include Bangalore, Mumbai and Kolkata and the company is also exploring high-street options.

create customized products for our beloved pets,” says she.

Talking about the target audience of the store, Narang adds: “Our target group of customers is pet lovers. In the last four years, I haven’t been able to categorize customers in terms of age since people of all ages come to our store and shop for their pets. We offer a huge variety of products ranging from very economical to luxury, and hence we have people from medium and high income brackets shopping with us. However, since pampering one’s pets is a fairly new concept in the country, we have



For Pet's Sake: The Heads Up for Tails outlet at the Select Citywalk mall in Delhi

beds; and apparel such as raincoats, t-shirts, and jackets for your cats and dogs. A unique product available is customized *sherwanis* and tuxedos for dogs to be worn during the wedding season!

The store was opened in September 2009, with an initial investment of ₹10,00,000 and broke even in one year. Occupying only a 150 sq.ft. area, the kiosk receives a daily average footfall of 20–40 with an average bill size of ₹500. The

According to Rashi Sanon Narang, Founder, Heads Up For Tails, the store was launched not just to create a buzz in the Indian retail industry – the decision was fuelled by passion. “I am truly passionate about what I do, and you will see this reflected in the design and quality of our products. It’s been a real learning adventure: innovating pet-friendly fabrics and stitching techniques, ensuring quality control, and finding the right vendors to

more people from the higher income brackets shopping with us.”

Talking about her learning while running this unique concept at the mall, Narang says she had to quickly learn about visual merchandising, inventory control, recruitment, and brand building since all of these are essentials in running a business. “Our customers want constant variety and thus we bring out five to seven new products every month,” she says.

# GLOBAL DREAMS

## Is There Space for Indian Retail Brands Abroad?

By Priyanka Dasgupta

THE INDIAN CONSUMPTION STORY IS LARGELY DRIVEN BY FOREIGN BRANDS. THE INDIAN BRANDS, HOWEVER, ARE STAYING PUT ON THE HOME TURF. BUT HAS THE TIME COME FOR SOME OF THEM TO START EXPLORING SELECT INTERNATIONAL MARKETS TO GAIN A LARGER PROFILE? AND WHAT WILL IT TAKE FOR THEM TO BE SUCCESSFUL BEYOND THE INDIAN SHORES?

→ After liberalisation threw open the Indian economy to the world, a host of global brands have entered the country, selling goods in every segment from apparel and accessories to CDIT, cosmetics and luggage. And many iconic ones like Ikea are waiting in the wings, seeking policy clarifications on single-brand retail. In fact, the last two decades have opened the floodgates and foreign retail brands are pouring into India – but is there a reverse tide of Indian retail brands heading abroad to target consumers in other countries? There is only a trickle, not a flood, but these are early days yet.

The Indian footprint does exist across the world, with Indian companies doing well in sectors like engineering, telecom, steel and jewellery. Businesses such as Tata's, Bharti, Geetanjali, and Mahindra are well-known players abroad, even buying well-known Western brands like Jaguar Land Rover and Corus. But as far as Indian retail brands and players are concerned, most of them have not even tried to look beyond the national borders, with some industry watchers saying they lack a long-term approach which is essential for building brands in the international market.





One of the reasons for this is that India is still not a brand-rich country and offers tremendous potential for domestic retailers to grow.

Most Indian retail brands are just a decade old and trying to establish themselves on the home turf, unlike the Western ones which are several decades old and are being propelled to look at countries like India and China due to saturation in the home markets. Indian retailers, which have opened stores in tier II and III cities, have found a world of opportunity, with small-town consumers ready to spend. "So why go abroad when India is still a virgin market, and how will we benefit by squandering our resources in other countries if our competitors establish themselves in the home market at our expense?" is the question they ask.

Yet, many forward-looking Indian brands have already made the moves. Titan, Asian Paints, Godrej, Dabur, etc. have tapped foreign markets successfully. Analysts say Indian retailers can establish presence abroad by buying smaller brands in other countries to establish their footprint. If, however, they want to sell their own brands globally, then the best bet is to carefully choose markets which have gaps in supply and do not have direct competition from other aggressive foreign players like the Chinese, Japanese or Europeans. Nations like South Africa and those in the Middle East fit the bill, among others.

#### EARLY DAYS

Modern retail is around a decade-old in India and retailers are still experimenting with several verticals and formats to discover which ones would click with the Indians. Hypermarkets have emerged as a key format in the country but experts believe it is apparel and allied categories such as shoes and accessories from where a global Indian brand will most likely emerge. The food and grocery segment is the least likely to give rise to an international brand from India, they explain.

The apparel category globally has three segments. The premium

segment comprises luxury brands and expensive private labels of department stores. The upper mid segment has specialist players like Gap, Coles, and H&M which have their own brand stores. The bottom rung is crowded with value retailers.

Vasant Kumar, Executive Director of Max Retail, the value format of the Dubai-based Landmark Group which also runs the popular store chain Lifestyle in India, points out that all the global apparel brands have evolved over a period of a century to a certain position in the market. "The Indian market, in contrast, is very nascent. It is only 15 to 20 years back that the readymade garments concept has taken off in India. We are actually three generations behind if we compare ourselves with the international market. For us to even think of going global, we should first try to establish ourselves as an international brand. This means we should be setting clear benchmarks of what we stand for in the long term and we should have consistency in our formats, both in terms of products as well as the retail experience, in India itself."

According to Dilip Kapur, MD of premium leather products company Hidesign, culturally the international market is very different from India and may need offerings that are also very different. "The Indian market itself is growing very fast for Indian retailers and brands, and their compulsion to go abroad may not be so strong yet," he adds. Harminder Sahni, MD of retail consultancy firm Wazir Advisors, says that there are no successful domestic retailers yet in India, so expecting global retailers to emerge from the country is a bit premature. "Actually, most Indian retailers have nothing to base their global ambitions on, such as knowledge, capital, brand name, professional teams and so on," he says.

#### CRACKING THE CODE

Vinay Khandpur, Business Director of the brand consultancy firm Vertebrand, argues that for an Indian retailer, managing an international

business can be a very complex procedure. "If Indian retailers want to do business on a global scale, they must understand that there are different needs of different customers, there are different cultural backgrounds and a complex supply chain mechanism. Also, one must remember that the international market is by and large a very highly developed consumer market. One cannot go by the Indian route of one-size-fits-all," he says.

When building a brand abroad, the first thing that should be factored in is the risk-taking ability – whether the retailer is willing to take the risk

#### TURTLE AHEAD IN THE RACE



The East India-based menswear brand Turtle is steadily expanding its footprint in Europe and West Asia and plans to launch three EBOs overseas this year. The company has tied up with Massimo, a fashion brand based in Milan, to launch a range of products in Europe. It has already test marketed in Italy and Massimo will first launch an exclusive store in Cosenza in the country to retail products under the Turtle brand.

Turtle plans to launch three more stores in Milan and Como through its partner franchisee Massimo after six months. All the products will be sourced from Turtle's three manufacturing factories in Kolkata and one captive unit in Bangalore.

Turtle will also launch an exclusive store in Saudi Arabia in three to four months. It has been selling a range of menswear under the name of Turtle, a premium brand, and London Bridge, an economy brand, in the UAE, Oman and Bahrain for the last six years.

# Why there are no **global** Indian consumer brands?



INSPITE OF SO MANY SUCCESSFUL BRANDS IN INDIA, WHY NONE OF THESE HAVE REACHED COMPARABLE TO THAT OF THE GLOBAL GIANTS IN THEIR RESPECTIVE INDUSTRIES? WHY INDIAN BUSINESSES ARE INCREASING IN SIZE TO COMPETE WITH INTERNATIONAL COMPANIES, BUT OUR BRANDS ARE NOT GROWING AT THE SAME PACE? WHAT DOES THE FUTURE HOLD FOR INDIAN BRAND TO GO GLOBAL.

By Anuja Mehta

→ Eight Indian companies made it to the Fortune's annual ranking of the world's largest corporations in 2011 – the Global 500 list – and, according to RBI figures, the overseas investments by Indian companies amounted to \$33.89 bn last year. Yet, not one Indian brand made it to the consultancy Interbrand's list of the world's top 100 brands. In fact, I am not sure any of us can name a globally popular Indian brand (except Shahrukh Khan and Sachin Tendulkar, of course!).

So what does it take to become a Coca Cola, Nike or Starbucks, and how is it that amongst 1.2 billion of us in a vastly entrepreneurial country, we have not been able to build one such Goliath consumer brand?

Is it because the European and American brands already pass through a cultural sieve and appeal to universal tastes when successful in their local markets with large global populations, while India's domestic market is not as representative of

the world and, in the absence of this litmus test at home, our brands struggle to find global appeal?

Is it because, as a country that ranks 132nd out of 183 economies in "ease of doing business," most of our bandwidth is used up in operational minutiae in the domestic market, thus making it tougher for us to focus on other markets in the world? Or is it because our large and diverse domestic population, which attracts global brands and makes us a key market in their overall strategy, offers our brands sufficient untapped potential so that they become content in India and do not go looking for greener pastures abroad?

#### CRITICAL FACTOR

All of these may constitute part of the answer, but a historical context highlights the critical factor. A majority of today's top global brands came into existence over 40 years ago, while Indian businesses were sheltered by protectionist policies.

Post-independence, our focus was on building core industries and creating import substitutes. We set up steel plants and cement industries. Our obsession with building a self-sufficient economy was so fanatical that we stifled foreign competition with strict import licensing and ridiculously high import duties.

The result was sub-standard Indian products, safe in the face of little competition in their home turf, which could definitely not compete in the global market. Interestingly, import licensing for consumer products was lifted only as recently as in 2001 and import tariffs are still high compared to other countries but exponentially lower than earlier. Technological backwardness added to our woes since manufacturing processes were not efficient enough to supply a worldwide market. To boot, stringent foreign exchange restrictions meant limited capital to popularize our brands abroad – a must for any brand with global aspirations.



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