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# IMAGES Business of Fashion™

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A N I M A G E S M U L T I M E D I A P U B L I C A T I O N

## THE RETAIL ROADMAP

Fashion markets in big cities are becoming saturated. What next?



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The unmistakable buzz across the IMAGES office is typical of the time prior to our events. The electrifying atmosphere is like adrenalin charging all members putting final touches to mega event that is the India Fashion Forum. This year is especially momentous as we introduce additional attractions such as the Shoes & Accessories Forum, Big Wheel alongside InFashion and India Shop.

In harmony with our thought behind bringing these forums to create a common platform where the fashion retail industry can exchange ideas and views that will help business grow profitably, our magazines too are geared towards covering issues that impact the industry. The fashion retail industry is seeing rapid changes, and with policies favouring the entry of international brands into India, the bigger cities are fast reaching saturation level.

With increasing spending power among the tier II and III cities and towns, brands need to rethink their retail strategies. We find many success stories of small-time regional retailers doing big-time business; in fact, InFashion debuting last year, brought to light so many such cases. The Business of Fashion spoke with many single-brand and multibrand retailers to try to gauge the retail roadmap for the fashion industry. We found an increasing number of retailers realising the cost efficiencies of tapping the regional market by partnering with these local multibrand retailers, who not only have the infrastructure but also a finger on the pulse of the consumer. Our March cover story "The Retail Roadmap: Will partnering with regional retailers better business?" brings a clearer picture of the way ahead. It is the first in the series where IMAGES portrays the regional angle of the larger retail picture connecting two parts of the whole of the fashion retail industry.

Thank-you to all industry partners who supported us in this initiative. Enjoy reading...



Amitabh Taneja

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# Profitable

# Retailing

SELLING THROUGH MBOS OR EBOS HAVE THEIR OWN PROS AND CONS. SANJAY JHUNJHUNWALA, MD, TURTLE, PROVIDES A COMPARATIVE ANALYSIS OF THE MOST SUITABLE FORMAT.



**T**he comparative analysis of the profitability quotient between exclusive brand outlets and multibrand outlets differ from brand to brand. Both the retail concepts have their share of advantages and disadvantages. For the last 15 years, Turtle has been retailing men's formalwear, but only recently it diversified its product portfolio by introducing casualwear and partywear. Today we provide a total of 32 products in the menswear category that includes trousers, denims, collared and polo T-shirts, cufflinks, wallets, jackets and winterwear. This resulted in setting up of the exclusive outlets to house



and showcase our entire range of merchandise under the brand name. We generate a balanced revenue from both our exclusive store and multibrand formats, however, in the last five years the overall sales has been more from exclusive outlets. This is a phenomenon that holds true for all brands. After being

present in MBOs, for a certain period, any brand naturally attempts to add more to its product portfolio. And in this process it leans more towards offering a lifestyle store to its consumers.

MBOs can accommodate only selected products from various brands. This situation necessitates the need for a brand to introduce its exclusive brand outlets to offer its varied product mix. Both mono-brand and multibrand formats are essential for almost all brands in some way or the other. Brands with a specified target consumer would need more EBOs to make available the length and breadth of its product range. On the other hand, brands which appeal across a cross section of consumers would be well-suited in MBOs. The

## ■ BRAND DEBUT ■

THIRTY-FIVE YEAR OLD SPANISH SPORTS AND LIFESTYLE BRAND KELME ENTERS THE INDIAN MARKET. **IMAGES BOF** SPEAKS TO **ROBIN CHAUDHARY**, DIRECTOR, GLOBAL OVERSEAS, ABOUT KELME'S INDIA DEBUT.



# KELME

## Debuts in India

by Shweta Jain



**T**hirty-five year old Spanish sports and lifestyle brand KELME entered the Indian market early this year with its Spring Summer collection 2012. KELME will be operating in India through a licensed partnership with North India-based company Global Overseas.

Some of the products by KELME includes shoes for men and women, jackets, sweat shirts, lowers, T-shirts, bags, belts and sports accessories. Initially, Kelme eyes 20-25 per cent share of the market in the first year with a turnover of ₹80 crore.

### What kind of business model will KELME have in India?

KELME will be operating in India through a licensed partnership with us, Global Overseas, which is a part of the Singapore-based Sports Fashion (SF). We will be responsible for operation, manufacturing and distribution of KELME in India.

### How do you see India as a market for the brand?

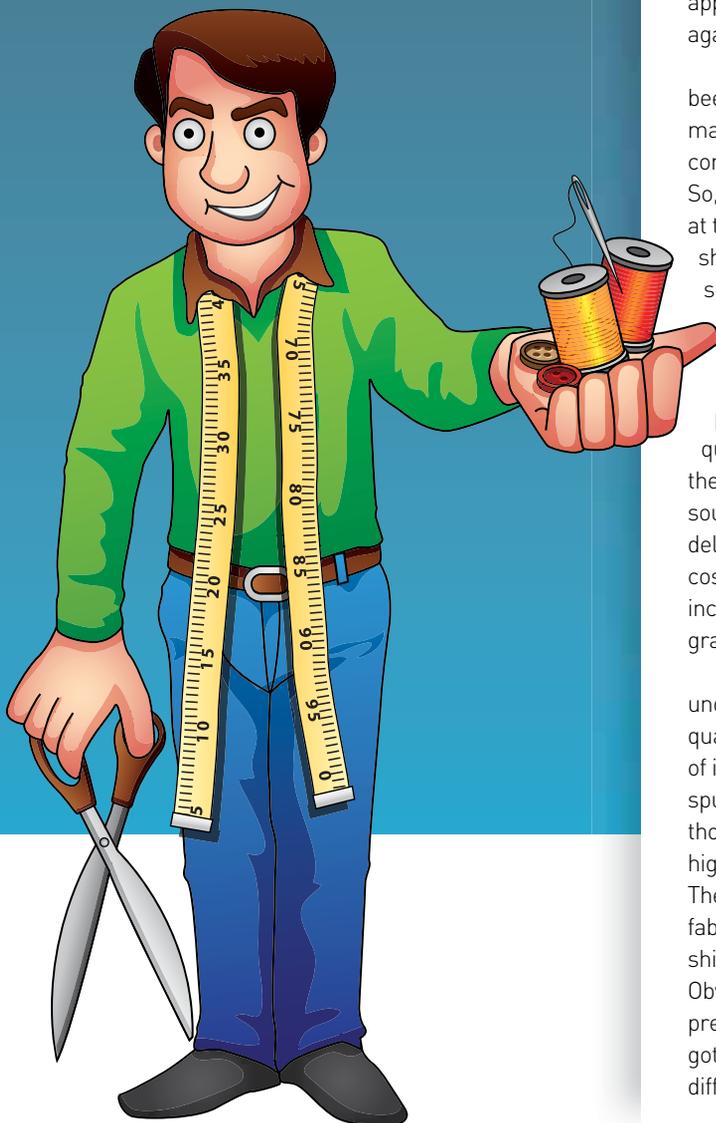
Since India is a young country consisting of youth in majority, we see huge potential here for the kind of product range KELME has. Launching in India is a part of the brand's five-year plan of

aggressively targeting the other BRIC nations (India and China), after its huge success in Brazil and Russia.

### What will be your main target or focus in this first year of having launched the brand?

Initially our focus will be metros and other leading cities including Delhi, Mumbai, Bangalore, Chennai, Kolkata, Pune, Hyderabad, et cetera. We opened its first exclusive brand outlet at the West Gate Mall, Rajouri Garden. It has plans to open 10-12 EBOs pan India on the franchise model and also be present in over 600 multi-brand outlets across the country in the first year of its operation.

# Bespoke Clothing in India



BESPOKE IS NOT A NEW PHENOMENON AND HAS NOW MADE INROADS INTO MODERN RETAIL. **AMIT GUGNANI**, VP, APPAREL OPERATIONS, TECHNOLAK, TALKS ABOUT ITS GROWING POTENTIAL.

**T**he history of bespoke probably dates back to the advent of clothing and tailoring, when mankind started appreciating the use of clothing as a look differentiator as against its functional use of only covering the body.

Bespoke or made to order or made to measure has been in India since generations, especially in the clothing market. Till the late twentieth century, clothing as a consumer product in India, was a tailor delivered outfit. So, the wearers were buying fabrics and getting it stitched at tailoring shops, generally one of their favourite tailoring shops that would deliver the desired fit and content. To some extent, it still continues to be so.

Then came readymade garments which were manufactured with defined specifications on input material, with defined process parameters that promised to give consistent quality – the industrial quality. Over a period of time, as the quantity increased, the factories leveraged their economies of scale, better sourcing, product engineering and process engineering to deliver a wide range of apparel choices at a relatively lower cost. With the rising middle class and increasing disposable incomes more people started buying branded clothes of graded sizes that best fitted them. Well, most of them.

To a few discerning, the product expectations were still undelivered. Their attire had to be better than industrial quality, with better than the tailor's fit, and with the best of input materials and service quality. This expectation spurred the need for an organised bespoke market for those who could afford it. Bespoke services evolved in high-street retail outlets at Delhi, Bangalore and Mumbai. The retailers used to source and showcase the best fabrics from the best mills globally and convert them into shirts, trousers and jackets for their bespoke customers. Obviously these fabrics and the tailoring came at a premium for quality and exclusivity. The bespoke customer got access to his choicest fabrics and fit and a feeling of differentiation and exclusivity. However, the quality of the

# Designed for Success

WITH HUGE EXPANSION  
PLANS CRIMSOUNE CLUB IS  
ALL SET TO VENTURE INTO  
INTERNATIONAL MARKETS.  
VIVEK MANGLA, MANAGING  
DIRECTOR, TALKS TO IMAGES  
BOF ABOUT FUTURE PLANS.

**C**rimson Club started with its menswear range in 2005 and is from the stable of Mangla Group, a textile company which has been in the industry for 75 years. With rich experience in producing and sourcing of textile, the company introduced its own label. Vivek Mangla, Managing Director, Crimson Club, launched the brand after conducting a thorough market research. It was amongst the first few brands to have started smart casual category in the menswear segment.



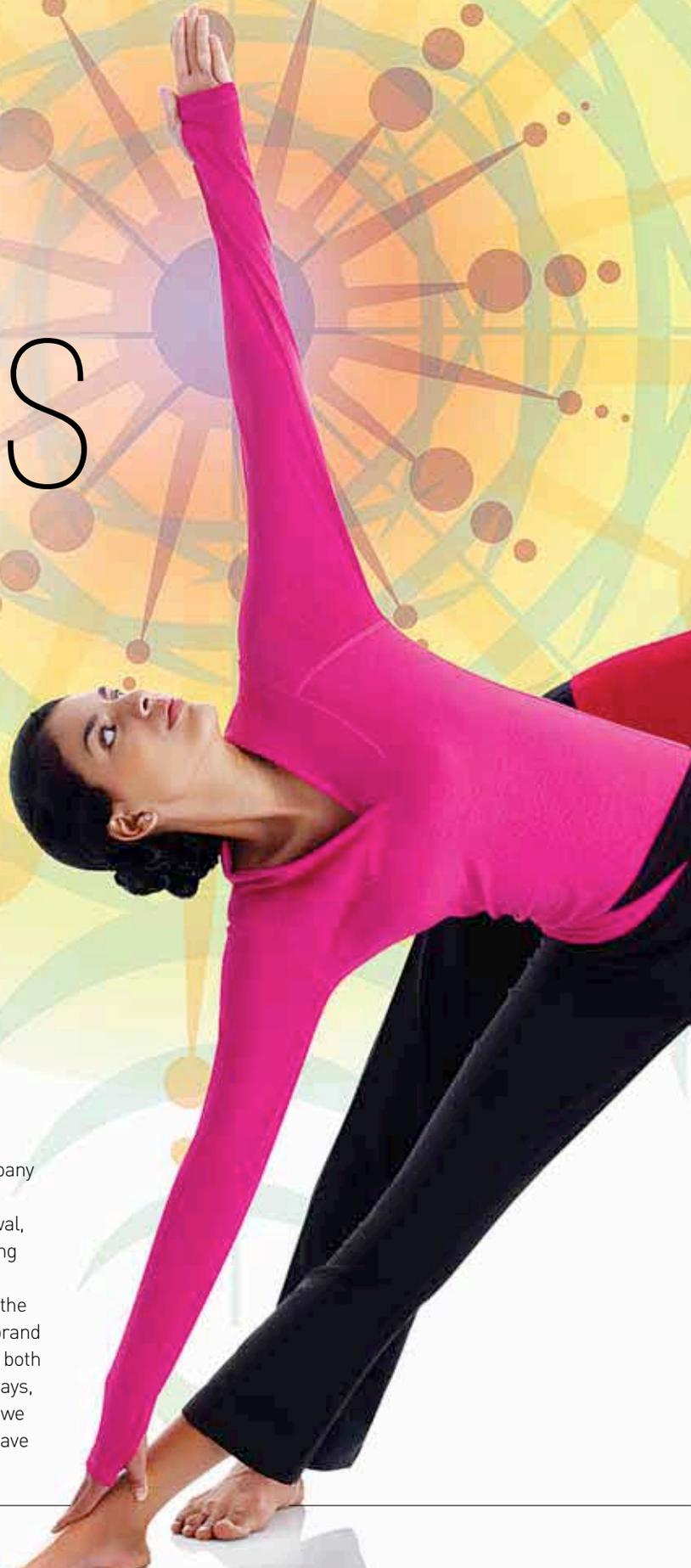
# League of Brands

SINCE 1999 INDUS LEAGUE CLOTHING LTD. HAS BEEN CREATING FASHION THROUGH PREMIUM AND VALUE BRANDS FOR THE INDIAN CONSUMERS.

**RACHNA AGGARWAL**, CEO AND DIRECTOR, ILCL, TALKS ABOUT THE BRAND CREATION.

by **Tista Sengupta**

**F**or 12 years, Indus League Clothing Company (ILCL), a company that was formed by a group of seven professionals – Sriram Srinivasan, Fazle A. Naqvi, Arun Srideshmukh, Rachna Aggarwal, Kanchan K.Pant, Uday Kumar and Vineet Nair has been creating international fashion for Indian consumers. Starting off with men's formalwear brand – Indigo Nation and Scullers in 1999, the company now has seven brands under its belt. Currently, the brand has penetrated in almost every section of apparel business for both men and women. Rachna Aggarwal, CEO and Director, ILCL, says, "Indus League has a unique set of brands. As an organisation, we position it as a lifestyle brand marketing company, where we have premium to value brands."



# Must-Knows

## for Indian Textile and Apparel Companies



**T**he year 2011 witnessed some major disruptions around the globe which were political (the Arab Spring), financial (bailout of Spain, European sovereign debt crisis) and natural (devastating earthquake in Japan and Turkey, flashfloods in Philippines) as well. Back home, in India too, bad news outscored the good ones – the economy grew at a

rate much lower than anticipated; RBI had a hard time reining-in the inflation, scams of colossal size were unravelled, FIIs turned their back to stock markets, government's own alliance partners forced it to withdraw its progressive steps toward allowing FDI in retail and so on. 2011 is already being termed as The Lost Year by some.

For the Indian textile and apparel sector specifically, 2011 was quite a turbulent period. Cotton prices which started an upward trend during the last year came crashing down at an equally fast pace – nearly half in a period of

five months (March to August). The cotton yarn export quota remained a much debated topic whereas levying excise duty on readymade garments led to a widespread industry resistance and fall in retail sale volumes. New investments in the sector were minimal because of sluggish domestic demand, a general recessionary trend in export markets and higher interest rates. On one hand, where fabric manufacturers, especially MSMEs increasingly felt the pangs of imports from China into the country, garment exporters on the other hand saw themselves losing ground

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