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# MER CHAN DISING 2.0

STRATEGIES FOR RETAIL  
PLANNING SUCCESS

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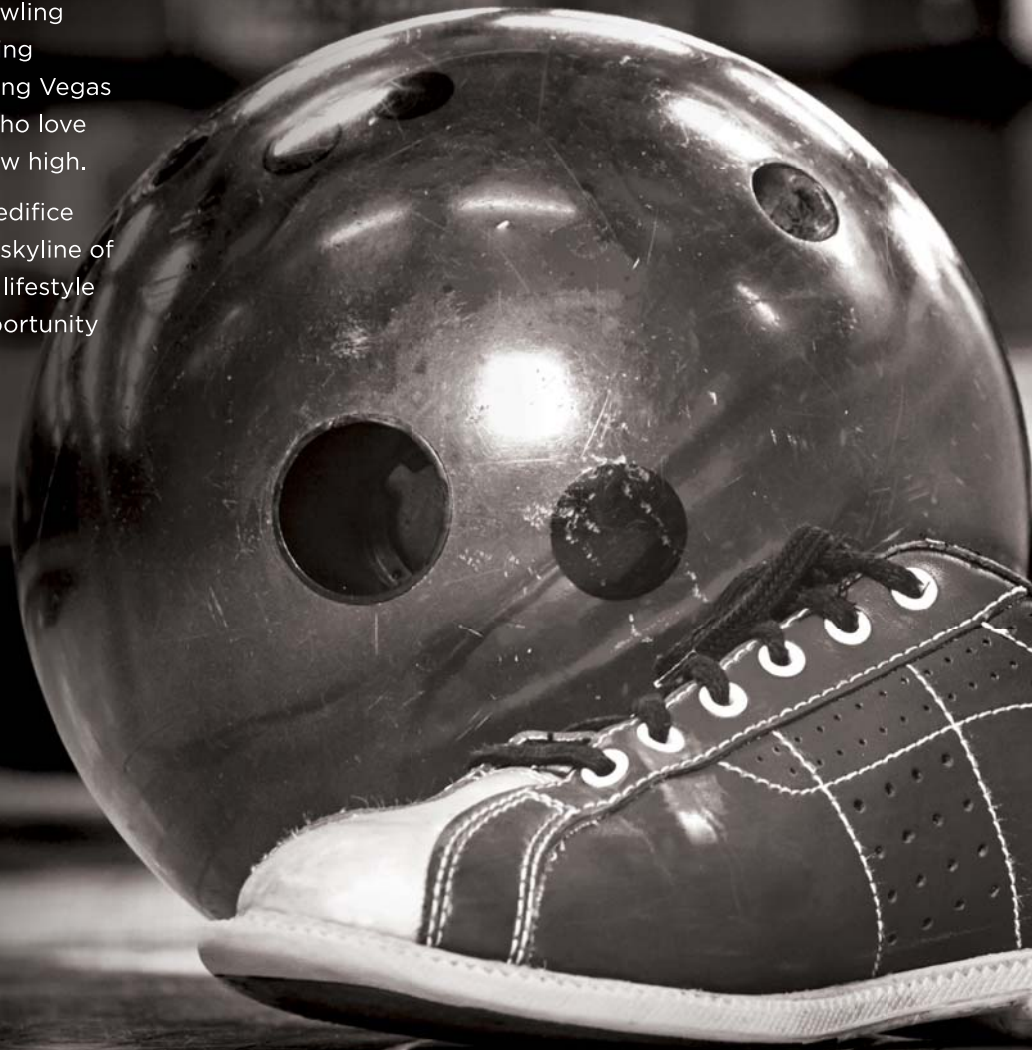
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## Merchandising 2.0 - Strategies for Retail Planning Success

Merchandising plays a pivotal role in retail planning and execution. It is the link between sales on the front-end and the supply chain at the back-end. The all important 4 Ws: what to sell, when to sell, where to sell, and whom to sell to, of retail are sorted with the help of merchandising. These four W's are critical for retailers to balance a positive consumer experience, available inventory, and the ability to meet consumer's future needs in timely manner.

To accurately identify these four W's, retailers need to devise a holistic merchandising strategy for retail planning success. In this issue we spoke to Buying & Merchandising heads of leading retail brands in India to zero in on the best practices adopted by them.

In the August issue, we also explore in detail, East India's retail market. East India is an untapped region in India, with the most potential. With the changed political, social and economic conditions and with consumers becoming more aspirational, transformation in the retail scenario has definitely arrived and one can say it is here to stay.

In a quest to understand the potential of East India's retail market, to actualize and tap into available opportunities, we bring to you the the hidden prospects of the region's retail scenario. With this article, we hope to facilitate East India's rising retail pace and bring the market's potential to the fore for the benefit of the existing players and the new entrants.

There is also a special feature on the luggage retail sector and how the category has evolved from being a necessity to a modern-day fashion accessory.

I bring this issue to you in the hope that you will find it insightful.

On a concluding note, I would like to remind our readers about the 2017 annual mega congregation of retail industry at India Retail Forum, which is scheduled for 19th-20th September at Renaissance Hotel, Mumbai. We hope to see you there in large numbers.



Amitabh Taneja

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[PAGE 21]

## THE CHANGING RETAIL LANDSCAPE OF EAST INDIA

As we move further into 2017, most of the Eastern states of India display a glorious upward trend, one which is rapidly reaching skyward.



[COVER STORY]

## BUYING & MERCHANDISING: WILL THE HEART OF RETAIL WIN THE HEARTS OF CONSUMERS?

[PAGE 40]

In the last few years, we have witnessed enough discussions on omni channel strategies, digital strategies from a marketing lens, customer loyalty, and shopper experience. Yet, the focus on Buying and Merchandising strategies in the new world has been virtually nonexistent. In this article, we explore the challenges faced by the B&M teams, the strategies they deploy to ensure that products fly off the shelves, as well as their perspective on the role of B&M in the future - what will impact it and how it will change.

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[CORRIGENDUM]

The article titled *Technology – The Greater God of Retail* – on page 56 of IMAGES Retail June, 2017 issue erroneously featured the incorrect profile and quotes of Vikram Idnani. We deeply regret the error. His correct profile and quotes are appended.



**VIKRAM IDNANI** Head-IT, Trent Ltd.

As the Head of IT, Vikram Idnani boosts performance of businesses via systematic technology investment and the measurement of ROI. By sharply focusing on IT strategy, he drives growth through IT transformation, simplicity of operations and customer satisfaction. His strong program and change management skills were honed when he was a technology consultant in the US first and then in India and later as retail CIO. He brings a team-based and process-oriented outlook to new technology adoption.

If I was not a CIO, I would be  
A wanderlust who trekked and travelled to the remotest places on this planet.

The three places you would love to visit but have not done so far  
Gallapagos Islands, Arctic circle, Antarctica

Technology that excites me the most  
Virtual reality

What according to you are the three biggest important changes happening in the world of technology?  
The big changes happening in the world of technology are: an increased focus on customer experience, the introduction of artificial intelligence and the use of big data tools to mine data coming in through various channels and enable faster decision making.

How do you think these changes will impact Indian retail?  
The availability of analyzed, consumable information is already enabling faster decision-making. Retailers who align their processes to leverage this information will naturally become more agile and more relevant to consumers.

What are the 3 game changing technologies in the space of customer experience?  
Game changing technologies in the space of customer experience are Big Data mining tools, Artificial intelligence, Virtual reality.





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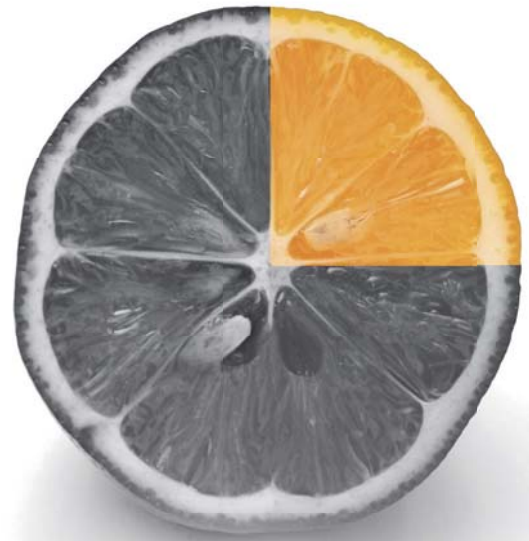
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# Q1 RESULT BRINGS CHEER TO THE RETAIL SECTOR

– By IMAGES Retail Bureau

*The first quarter of the year has turned out to be a positive and successful quarter for retail businesses across the country. Retailers have introduced new strategies to keep the profit juggernaut rolling.*



## EYEING UNTAPPED MARKETS, **BATA** TO ENTER SMALLER TOWNS

➔ Bata India is aggressively penetrating footwear markets of tier III and IV cities in order to reach out to consumers in untapped markets, a company official said. “We are aggressively penetrating into the footwear markets of tier III and IV towns and have increased our focus to improve the performance of the single town Bata stores,” company Chairman Uday Khanna told shareholders at the 84th annual general meeting. He also said the footwear retail industry in India was accelerating and it provided immense scope for the company to reach out to different kinds of consumers in untapped markets of semi-urban and rural areas. Khanna said the footwear major had adopted a dual strategy of driving same store growth while adding new retail stores in malls, high street locations.

Bata, held their Annual General Meeting for the year 2017 in the presence of all their directors, at Kalamandir in Kolkata, West Bengal, India. The conclusion of the AGM saw Bata announcing its financial results for the company’s FY 16-17. Turnover and profit before exceptional items and tax stood at ₹ 2,497.2 crore and ₹ 255.2 crore, respectively.

Speaking on the occasion, President-South Asia, Rajeev Gopalakrishnan, said, “It gives me immense pleasure to share with you an update on the overall performance of the company during 2016-17. Bata India Limited continues to be the market leader in the organised footwear segment. As our customers become more and more demanding and the marketplace gets increasingly crowded, we have realised that our best bet for winning is by offering a great product. And so, for the past year we have singularly focused on the strategy of ‘Product is king!’”



## **ONIDA** TO FOCUS ON MINI METROS, TARGETS ₹1,000 CRORE SALES

➔ Mini metros are going to be biggest contributor for the growth of LEDs and LCDs, air conditioners, refrigerators and other appliances for Onida. The company has reported revenues of ₹748 crore in FY17 and is targeting to reach ₹1,000 crore turnover during the current financial year. Onida’s 40 percent of sales comes from Tier-I cities and metros, while the rest comes from mid-segment consumers mostly in semi-urban areas.

Commenting on the development MD, Vijay Mansukani said, “We are expecting good growth from our air conditioners and television segments. Post GST there is no sales tax advantage based on the place of manufacturing, this gives us level playing ground and we can compete well with international players. Some of the growth is also expected from new products the company is going to launch in television and



microwave segments. Our efforts for the last three years have finally paid off and we were very successful in expanding our dealer network in the last three years. This is going to give us the growth of 34 percent during the current year, which will take company’s revenues to ₹1,000 crore. Our market share in television segment will also grow from current 8 percent to 10 percent.

“Even though the company’s presence in modern retail is 15 per cent currently, the company would take this up to 20 -25 percent in the coming years. The company has recently tied up with Flipkart and other modern e-retailers for better reach and visibility for their products,” he added.

Currently the company has 4,000 dealers spread across India and this number is increasing every day.

**RELIANCE RETAIL** REPORTS 65.8 PERCENT RISE IN Q1 PRE-TAX PROFIT AT ₹398 CRORE

➔ Reliance Retail, the retail arm of Reliance Industries, has reported 65.8 percent rise in pre-tax profit at ₹398 crore for the first quarter ended on June 30, 2017. The company had reported a PBDIT (profit before depreciation and income tax) of Rs 240 crore in the same period last fiscal. The turnover in the quarter under review jumped by 73.6 percent to ₹11,571 crore compared to ₹6,666 crore in the year-ago period, Reliance Industries said in a regulatory filing. “The increase in revenue was led by growth across all consumption baskets,” the company was quoted by PTI as saying. Reliance Retail added 18 stores across various store concepts during the first quarter.



**FORMER CROMA CEO AJIT JOSHI** JOINS URBAN LADDER



➔ Urban Ladder has appointed industry veteran Ajit Joshi as President & Chief Operating Officer. Ajit Joshi comes to Urban Ladder with over 30 years of professional experience and has been instrumental in building some of India’s finest retail brands. He was previously the CEO & MD of Croma – A Tata Enterprise. Over the past 5 years, Urban Ladder has built a strong product brand online. The next wave of growth will come from a two-pronged strategy of establishing a strong product differentiator and creating a world-class omnichannel experience.

“Urban Ladder has made an incredible foray into retail with the first flagship experience center in Bangalore. In the past 5 years, we have carved a niche in the furniture space with innovative design and exceptional customer experience. We have done a great job of making homes into homes for people across India. Having established ourselves as the leader in online furniture, I’m now looking forward to the team conquering physical retail in the coming months,” says President & COO, Urban Ladder, Ajit Joshi.

**DEVENDRA CHAWLA** JOINS WALMART INDIA AS COO

➔ Walmart India has roped in former CEO of Future Consumer Devendra Chawla as its Chief Operating Officer, a source close to the company told PTI. “This appointment is in sync with company’s plans to set up 50 new stores across India over the next three to four years,” the source was quoted. Walmart India owns and operates 21 best price modern wholesale stores in nine states across India. The company is seeking to leverage on Chawla’s expertise in food retail as it looks to scale up its retailer development model ‘Mera Kirana Programme’ to enable small Kiranas serve their customers better, another source told Chawla had joined Future Group in January 2009 as the CEO for its private brands business. He had previously worked at Reliance Retail Ltd, Coca-Cola and Asian Paints.



**ON ITS RUN UP TO AN IPO, SHOPCLUES APPOINTS DEEPAK SHARMA** AS CFO

➔ ShopClues, has appointed Deepak Sharma as its CFO. Deepak who joins ShopClues from V-Mart, is an alumnus of St. Stephen’s college and Institute of Chartered Accountants of India, Delhi, with over 20 years of industry experience in the retail sector. He led V-Mart’s IPO as its CFO in 2013. Deepak is credited with establishing robust practices around corporate governance, financial reporting and disclosures, FP&A, risk management, treasury and Investor relations among others, which enable sustenance and stability for organizations, especially in the challenging category of brick-and-mortar businesses. Speaking about his style of work, Deepak Sharma, CFO, ShopClues said “I believe that the CFO of the company has the prime responsibility to ensure that value creation becomes a mainstream part of the corporate culture while fundamentals of the business are further strengthened. I am happy to be at ShopClues and hope to make a difference in this vibrant and new age company.”

Sanjay Sethi, Co-founder and CEO, ShopClues, added, “We are very happy and excited to have Deepak on board. His will bring greater velocity in achieving bottom line profitability and prepare the organization for a successful IPO..”



# INTERNATIONAL RETAIL SECTOR BACK ON TRACK

– By IMAGES Retail Bureau

*After a gloomy few months, things are once again looking bright for the global retail sector. The past couple of months have been worrying for with established names withdrawing brands from top markets and others shutting shop and even declaring bankruptcy and culling jobs globally. However, July has hit an optimistic note for the sector, with some retailers embarking on positive growth, and others going on a hiring spree. All things, considering the retail sector seems to be slowly but steadily coming back on track.*



## LUXURY FASHION BRAND **BURBERRY** POSTS 3 PERCENT RISE IN RETAIL SALES


### **BURBERRY**

 Luxury Fashion retailer Burberry has reported retail revenue of £478 million (US\$613 million), up +3 percent. Comparable sales increased 4 percent in the quarter with strength in Mainland China driving improved, mid-single-digit percentage growth in Asia Pacific. In China, sales

growth was in the “mid-teens”. Chinese consumer confidence had rebounded, resulting in stronger growth in mainland China and Hong Kong. It is the first set of results to be reported under new chief executive Marco Gobetti. Christopher Bailey stood down as chief executive earlier this month to become president and chief creative officer. High single-digit percentage growth was recorded

in EMEA, led by strength in the UK, while the Americas delivered a low single-digit percentage decline. The financial information released by the British brand has not been audited. The company wants to save at least £100m by 2019 and said it is on track to deliver £50m in savings in 2018. The rise in sales came after Burberry reported a fall in annual profits for the 2016-17 year.

## SUPERMARKET CHAIN **ALDI** TO CREATE 4,000 UK JOBS TO SUPPORT EXPANSION PLANS

 German discount supermarket chain Aldi is creating 4,000 new jobs in the UK to match rising sales, with new jobs including store assistants and deputy store managers. The grocer, which has more than 700 UK stores, said that it saw 900,000 new customers walk through its doors last year. The group said it remains on course to open 1,000 stores by 2022.

“The success of Aldi in the UK is due to the hard work and commitment of our employees, and they are crucial to our future expansion plans,” said Chief Executive, Aldi – UK and Ireland, Matthew Barnes. Together with its German peer Lidl, Aldi has enjoyed impressive success in the UK in recent years, appealing particularly to cash-conscious spenders and those who have recently started to feel the effects of a significant pick-up in inflation.



## **AMAZON** LAUNCHES READY-TO-COOK MEALS IN A BID TO EXPAND GROCERIES BIZ

 Amazon has started selling ready-to-cook meal packages for busy households in a bid to expand its groceries business. The company has registered a trademark for its new meal kit service, which comes with the tagline “We do the prep. You be the chef.” These meal kits cost about US \$16-20 for a two serving meal, which is the amount of servings in a



meal kit. Also, there are plenty of meals and ingredients to choose from fit for anyone’s specific taste. In fact, there are 17 different meals that Amazon members can choose from. Amazon meal kits are available only through

the AmazonFresh grocery-delivery program, which costs US \$15 a month and requires a separate US \$99-a-year Prime membership. Delivery costs an additional US \$10 on orders of US \$40 or less, though free pickup options are available in Seattle. Amazon’s push into the space could threaten many meal kit services, most notably Blue Apron, which just recently listed on the public market.

## TIFFANY & CO APPOINTS DIESEL'S ALESSANDRO BOGLIOLO CEO

 Tiffany & Co recently appointed former Diesel chief executive Alessandro Bogliolo as CEO. He will also be joining the board of directors. Bogliolo, a luxury industry veteran with 16 years of experience at Bulgari — where he was chief executive when the fine jeweller sold to LVMH for more than US \$5.2 billion in 2011 — has served as the chief executive of Italian fashion and accessories brand Diesel since 2013, and will begin his post at Tiffany on October 2.

## TIFFANY & CO.

At Diesel, Bogliolo led a turnaround strategy aimed at reclaiming the company's luxury image, by scaling back sales to wholesale customers and improving customer service.

He will succeed Frederic Cumenal, who was ousted by the New York-based company in February after it had posted

declining sales and profits for two years in a row. Chairman Michael Kowalski served as interim chief while the company searched for a successor. Tiffany has been plagued by the challenges presented by a strong U.S. dollar, including a decline in tourism spending. Younger shoppers are also spending less on jewelry and it has had to put up with a headache at its flagship store in New York City, which is next to Trump Tower and has been subjected to heightened security.

## JCPENNEY INTRODUCES TOY SHOPS IN ALL STORES

 As JCPenney continues to explore new merchandise categories and differentiate its business, the retailer is opening toy shops in all of its brick-and-mortar locations with a significantly expanded assortment available at JCPenney.com.

Strategically adjacent to the Disney Collection inside JCPenney, the shops feature an extensive selection of toys for kids of all ages including dolls, action figures, racing cars, arts and crafts, board games, plushes and learning sets from leading brands such as Hasbro, Mattel, Playmobil and Fisher Price, to name a few. To further reinforce its commitment to this playful category, JCPenney has doubled its online assortment of toys over the last year with plans to expand

## JCPenney

even more by the holiday shopping season. "JCPenney has a nostalgic history of selling sought-after toys in our early Christmas catalogs, so we brought toys back last holiday season to see if they would resonate once again. We were extremely pleased by customer response and confidently made the decision to grow our toy assortment in stores and at JCPenney.com. We know that shoppers buy toys year-round and by creating a fun, inviting toy shop, with some of the biggest brands and hottest products, we will entice families to shop and spend

more at JCPenney," said Executive Vice President and Chief Merchant, JCPenney, John Tighe.

"Toys are an exciting product category for JCPenney and an in-store attraction that will drive traffic and sales as we continue to focus on increasing revenue per customer," Tighe further added.

The toy shop inside JCPenney will help kids dream, imagine and explore with some of the most popular toys for toddlers, preschoolers and big kids, such as Barbie, Shopkins, Hatchimals, NERF, Hotwheels and Star Wars. Located within the children's department, many of the shops feature an area that kids can play with select toys that will be available for them to try out and enjoy while in the store.

## TRUE RELIGION REACHES MILESTONE AGREEMENT WITH LENDERS

 True Religion Brand Jeans has secured critical stakeholder support for a comprehensive financial recapitalization of the company's capital structure. In signing a Restructuring Support Agreement ("RSA") with the substantial majority of its Term Loan Lenders and its Sponsor, TowerBrook Capital Partners, the company will reduce its debt by over US \$350 million and convert it into the substantial majority of the reorganized Company's equity.

To implement the terms of the pre-arranged restructuring expeditiously, the company filed a voluntary Chapter 11 petition in the United States Bankruptcy Court for the District of Delaware, and

## TRUE RELIGION

expects it will take 90 to 120 days to obtain confirmation of its pre-arranged plan by the Bankruptcy Court.

Throughout the implementation of this process, True Religion will continue to operate its business without interruption to customers, employees and business partners. "After a careful review, we are taking an important step to reduce our debt, reinvigorate True Religion's iconic brand and position the company for future growth and success," said President and CEO of True Religion, John Ermatinger. "By dramatically improving our capital structure 24 months in

advance of our term loan maturity, we will continue business operations as usual and provide our employees and business partners the long-term stability they need, while providing the necessary flexibility to invest in growing our digital footprint, building connections with customers, and improving organizational competencies. I want to recognize our lender community, our private equity owner, TowerBrook Capital Partners, and our financial and legal advisors for negotiating a constructive outcome for the company. Importantly, I want to thank our dedicated employees for remaining focused on the business, and our loyal customers and valued business partners for their support throughout this process."

# THE END RESULT OF CUSTOMER EXPERIENCE MUST BE HEIGHTENED RELATIONSHIP WITH THE CONSUMER

*The Customer Experience (CX) exercise is successful when a customer sees the organisation talking of the customer's benefit rather than the business profit, or at least a balance between creating value for them and turnover.*

**C**onsumer experience does not necessarily mean digital as projected by the software vendors in the market. During my days at Piramyd Retail as Head of IT, we did something different. It was hot summer season in Mumbai so we decided to give watermelons (big ones) for anyone who shopped for Rs 500/- and above – no agenda for upselling but just a little fun for consumers while shopping. A corner was also created for customers to take their pictures and keep the postcard we printed it on as a keepsake. Those were the days when we created memories and relationships. Today, such opportunities

have quadrupled with the coming of the Millennials. There is comfort with the ample access to technology. Gamifying the Selfie generation.

- Consumer experience is not just about
- Giving discounts
  - Attaching a sales person (head count) to the consumer when they arrive at the store
  - Offering Free Wifi (focus on the outcome and not just the means)



Abel A. Correa

The end outcome of any CX has to be heightened relationship with the customer and this can happen only when the customer sees the organisation talking of the customer's benefit rather than the business profit, or at least a balance between creating value for them and turnover.

Lot of retailers talk about customer loyalty but the way to look at it in today's generation is how loyal is the retailer to its customer base. One needs to keep a keen eye out for change in customer behavior by mining POS data – for example: if a customer who used to buy Rs 800 shirt has started buying a shirt for Rs 2200 could spell an opportunity for the retailer to offer him high-end accessories, or anything in the higher price range.

**Delivering consumer experience on a technology platform cannot be fulfilled if the following points are not taken care of:**

**PROCESSES:** A high degree of customer centric processes that are backed by an appropriately empowered employee base. My recent visit to a pizza store helped me understand this. I visited a pizza place with my son and asked for an XYZ pizza. My son pointed out that there is an offer on the pizza that I had ordered – Buy 1 Get 1 Free. So, I asked for the same. It was then that the staff informed me that this was only for consumers who ordered food online, and not for walk-in customers. Here I was being deprived of a benefit just because I walked in. I spoke to the store manager and he responded positively. “Let me see what I can do,” he said. He made a call to someone (presumably important) and just like that, they extended the offer to me. End Result – I walked out of the store happy. The Point of the Story: An



empowered employee took care of customer delight. Will I go there again with right expectations? Absolutely yes.

**CLEAN MASTER DATA:**

Your master data has to be absolutely clean and someone should own that piece in retail. An example that comes to mind is

- We as retailers send out emailers during EOSS: “Please visit our stores as we are offering 50 per cent discount”
- Customer gets into his car, drives a few miles, takes the trouble of parking and then gets into the store only to find out that the store does not have his shirt size.

- Now the merchandising and marketing teams should have thought this through. They should have known that EOSS has only cut sizes kept in the store. The Marketing team should have also known the customer’s size preference, and hence should not have sent him the invite / promotional message.

**HORIZONTALLY CONNECTED ORGANIZATION IS AN**

**ABSOLUTE MUST:** Consumer experience gets delivered through various touch points and any such touch point is a culmination of inter-department collaboration



Based on my market observation, despite higher regulatory controls, banks in India have understood the customer journey far better than retailers. I see that all communication from banks is crisp, processes are well-defined, and employees are well-informed.

stated his intent on social media and continues till the customer has taken the product home and is using it for his enjoyment. This means retailers must map the entire journey including but – not limited to – the returns policy. I find that a lot of times, internal teams do not follow the 80:20 principle while defining the customer journey and its processes. There will be fringe cases of someone breaking the rule (20 per cent), but then don’t deprive 80 per cent of the cases.

Relations are built on a dialogue where the customer has a voice. If your organization does not provide the ability (IT platform approach) to have a dialogue then don’t bother to worry about consumer experience.

I was on a late-night flight from Delhi to Bangalore recently, I ordered a cup of noodles and did not like the contents, so I decided to write an email to the customer care and the mail bounced back – forget getting a response. Great will be those retailers who have the ability to convert things gone wrong into building a bridge with the customer – it’s costly to acquire a new customer but cheaper to retain the existing ones. **IR**

*\*\*These views are of the Author in personal capacity.*

**About the author:**

Abel A. Correa is Head of IT – Strategy & Project Governance at Arvind Limited



*Consumer experience starts from the point customer has decided to buy a product or stated his intent on social media and continues till the customer has taken the product home and is using it for his enjoyment.*

meeting the customer at that touch point. The Supply Chain Management team should be aware of the event to make sure goods are delivered on time. The Merchandising team should know which stocks need to be liquidated and the Marketing team should clearly define the set of customers that will be served through the event / touch point.

While a lot of time is spent on discussing “Differentiators”, I believe it also has a lot to do with consistency. Consumer experience must be consistently delivered and it’s a promise that gets fulfilled even if it means moving mountains to deliver every time, on time.

Consumer experience starts from the point customer has decided to buy a product or

“ Woodland has clocked ₹1200 crore in revenues and has been steadily growing about 20-25 percent over the years, hoping to achieve consistent growth in upcoming years. ”

– Harkirat Singh,  
Managing Director, Woodland.

**WOODLAND TO OPEN 60 MORE STORES THIS YEAR, EXPAND TO CHINA AND SOUTH AFRICA**

– By Shubhra Saini

**H**arkirat Singh the Managing Director of Woodland India hails from a family of industrialists. He has earned a name for himself in Woodland with his competency and calculative methods. A bachelor of commerce from Hindu College, Singh pursued Philology from Moscow University, went to Harvard Business School and Stanford University to study Design Innovation.

It was during this time that his love for footwear design matured and he started learning the intricacies of the high fashion shoe business. After completing his education, Singh joined the family business where he was involved in exports to Europe and US. Harkirat Singh was appointed the Director of Woodland in 1989, and since then he has made a significant contribution towards the leading brand, which is famed as 'the maker of tough shoes.' He ventured into the unorganised Indian shoe market and introduced the adventure footwear category.

Talking about the brand, he says, "The brand 'Woodland' owned by Aero Group was started in Quebec, Canada for making winter boots. Woodland entered into India in 1992 when the Indian footwear market was largely unorganised. We created a new category of specialised 'outdoor adventure sports' shoes. Our product positioning was different and we were known as a rugged, outdoor leather shoe brand, the kind usually preferred by adventurers. The youth took fancy to our shoes and we gradually developed a product line especially for India. Since then we have never looked back. The success of our shoes encouraged us to enter new segments like clothes, handbags, and the likes."

In an exclusive interaction with Shubhra Saini, Singh talks about Woodland and the footwear retail market, how it has evolved over the years and the role Woodland has played in further intensifying the market.

#### **Retail Footprint:**

Currently we have a chain of over 600 company-owned stores and a presence in over 5,000 multi-retail outlets in the country. Globally, the brand is present in more than 40 countries.

Footfalls vary throughout the year. As ours is an outdoor brand, people prefer trying out products before buying them so there is a good footfall across our stores in standalone locations as well as shopping malls. Talking about franchise stores, we don't have many such stores but we are working to further strengthen our franchise model to grow our presence in smaller cities and towns. We prefer franchise stores in remote locations like Kashmir and far off places in Northeast India.

#### **Market Positioning & Customer Profile:**

Woodland products are strong, meant for tough conditions and have a different style. The brand has a USP of being long-lasting and has been synonymous with adventure sports and outdoors for years now.

Our customers include urban youth (both men and women) looking for adventure, aged between 17-25 years who are students, college kids and professionals.

#### **Product Portfolio:**

Our wide product range includes apparels, shoes and accessories for men and women and outdoor equipment like tents, sleeping bags, waterproof outdoor backpacks and all that one can



*The brand 'Woodland' owned by Aero Group started in Quebec, Canada for making winter boots. Woodland entered into India in 1992 when the Indian footwear market was largely unorganised. They created a new category of specialised 'outdoor adventure sports' shoes.*





associate with adventure travels and sports. Most of our products are manufactured in country plants.

**Price Point:**

Our prices are in sync with the buying power of our target audience, which is essentially the non-earning youth segment that is looking for stylish and value for money offerings. Our jackets are available at a starting price range of ₹4,000 whereas the price range of our boots starts from ₹5,000.

Men shoes and t-shirts are our highest selling items at the stores currently. The most popular price range with our customers starts from ₹4,000.

**Location Strategy:**

We target malls and high street markets of the tier I, II and III cities for Woodland stores. We may set up shop in shops with existing retailers in overseas countries, where retail is fairly organized.

**Customer Loyalty:**

We keep running customer loyalty programs from time-to-time as they provide our existing customers with additional benefits and also help us reach a wider audience. Our endeavor has always been to create such programs that motivate existing and new customers and to generate loyalty and

satisfaction. Loyalty programs also help us to further maintain conversations with our clientele. What we feel proud of is that the same customer comes to us repeatedly.

**Expansion Strategy:**

We are planning to add another 60 stores in this financial year that would be an equivalent combination of small towns and metros. Woodland as a brand has also been present in the international market for quite some time now. We are currently working on entering more foreign countries in the near future to add to our kitty of international presence.

**Future Prospects:**

We are planning to set up 60 more stores this year majority of

which will be in tier I, II&III cities. We have recently expanded our business in collaboration with Aokang International to enter China. This partnership will allow us to sell our products in about 5,000 retail outlets in China. We will initially start selling through 150 Aokang outlets. After testing the market with 150 stores, we shall scale up stocks by September and will be available in Aokang stores across China. We are planning similar collaborations in some South African countries and Canada.

**Betting big on E-commerce:**

Our online sales are growing at a faster rate and we expect it to grow to 40 per cent in three to four years. We plan to concentrate more on a seamless approach through all available shopping channels, i.e. mobile internet devices, computers, bricks-and-mortar, television, radio, direct mail, catalog, in-store experience and so on. Our EMI scheme for online sales has proved beneficial for us. It is one of the prime reasons for the growth of our online sales. Soon after is launch, it generated a tremendous response from our customers. Nearly 15 percent of our sales are now through this scheme. 





1. Howrah Truss Bridge, Kolkata
2. Vidyasagar Bridge on River Hooghly
3. Budha Park at Ravangla, South Sikkim
4. Nalanda University Ruins, first Buddhism University, Bihar
5. Lingaraja Hindu Temple Complex, Bhubaneswar, Orissa



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# the changing retail landscape of east india

**S**moothly riding the crest of Eastern India's aspiration-wave and changing shopping trends in the metros, tier II&III cities of the region have driven the conventional trader-run stores to morph into more organized, large-format retail outlets. And, to facilitate this growth of retail, many retail realty projects have sprung up in all major markets of East India.

As we move further into 2017, most of the Eastern states of India display a glorious upward trend, one which is rapidly reaching skyward. Luxury buying has transmogrified from an occasional indulgence into necessity and increasing consumer spending power is aiding this metamorphosis. The end result – the Great Indian Middle Class has been elevated to a higher level. What was unthinkable in the Eastern region till a few years ago is becoming a reality, thanks to premium retail destinations like Quest mall, which has opened the luxury retail gateway in Eastern region. It's because of such premium destinations that customers belonging to a diverse milieu are making a beeline for malls to look at, touch, feel, buy, and then revel in the experience of possessing high-

end international and national products.

Eastern India is in the cusp of being transformed from a traditional customer base into a fashion conscious, brand-savvy market. Its young generation is shopping and demanding both fashion and quality along with value for money spent from retailers. To meet these impossible demands retailers – big and small, branded and unbranded, regional, national and even international – are gearing up hugely, and very successfully. To cater to these consumers, retailers need to wake up to the importance of managing retailing efficiently and effectively. Retail management saves time and ensures the customers easily locate their desired merchandise and return home feeling satisfied that they have received what they have paid for. The consumers' ambitions to reach global standards in lifestyle, coupled with high disposable incomes, are aggressively scripting a radical change in the business viability of organised retailing East India.

"East is called the retail market of tomorrow with all its potential. The east Indian economy has grown by about nine percent annually over the last three years and even higher growth rates are being projected for the future. Malls and large size

department stores have become a fixture in the urban landscape across the East Indian countries" says, Anirban Kundu, Regional Marketing Manager, East & Central India, Max Retail Division.

India's retail market value will reach an estimated ₹6,156,333 crore (US\$ 1026.06 billion) in 2017. And if this number has to be pushed further then the focus needs to shift from traditional

North and West zones to states like West Bengal, Bihar, Orissa, Jharkhand, Chhattisgarh and the North-eastern states.

Retail stalwarts are of the opinion that the true demographic dividend of India would remain untapped if the eastern region is not explored. As the retailers are now looking for scale, sustainability and growth, Eastern India – with format retail players who are present across multiple categories – is the next obvious bet. Be it Pantaloons or Big Bazaar, or regional fashion and lifestyle brands such as Turtle, GKB Lens, Spencer's or Manyavar, the East has been a major market contributing significantly to overall growth for all these brands. In this special feature, we speak to the stakeholders of modern retail in the region. We gain their perspective and analyse 'what the future holds for East India's retail market'.



**SHASHWAT GOENKA,**  
SECTOR HEAD, SPENCER'S RETAIL LTD.

***Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?***

India's retail market is currently valued at US\$ 700 billion and is expected to nearly double by 2020. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent. The industry and Government's increased focus on West Bengal, Bihar, Orissa, Jharkhand, Chhattisgarh and the North-eastern states will further push these growth figures. From an infrastructure perspective, East India has been well-integrated through improved communication systems, real estate development, urbanization, a well-traveled population and the growing service sector. There has been a palpable shift in the customer buying pattern and expectations in the East, owing to the increasing middle-class segment, rising disposable incomes and growing aspirations for improved living standard. These factors are further influenced by media exposure, globalization of cultures, lifestyles and better technology. Overall, the East has done a good job in growing the retail industry, and continues to foster retailers - big and small.

***How according to you will the modern retail industry evolve in the next 10 years?***

The next decade will see further consolidation in the industry and maturity of the omni-channel model to build a

sustainable retail practice. Consumer expectations are high. They want on-demand access to products and services on multiple platforms. It's not about online and offline, it's about being seamless across channels. Retail will become more consumer-pull driven and less retailer-push oriented. This approach will bring about a shift in how consumers plan their shopping, consumer journey and purchasing decisions. Retailers will be focusing on making this multi-channel shopping experience seamless and building an engaged customer base. Physical and digital retail will merge into a new avatar, with growth coming from more from Tier II and Tier III cities and towns. Looking ahead to 2026, curated shopping and digital assistants will be widely used. Consumers will soon let a trusted digital assistant like a Chabot wade through incoming information to identify relevant deals. Consumers will expect convenience and personalization in their interactions with retailers, and brands will accept that this is enabled by sharing personal data. Technology will further merge into the retail space, with retailers already starting to experiment with augmented reality, wearable devices, virtual reality and artificial intelligence.

***What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?***

There are no challenges that are specific to the East only - all of the challenges are applicable across the country. The retail industry as a whole has a few challenges - be it the lack of adequate skilled retail manpower, high attrition, insufficient infrastructure (eg: cold storage facilities) - but they have started to become less concerning due to focus given by the government. Overall, it is much easier to work in the Eastern part of the country.

***What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?***

As retailers are looking for scale, Eastern India with its huge population base and market potential provides a plethora of opportunities. Until a few years ago, many retail brands

seemed hesitant to step in this market, today they are vying to build presence here. This has been made possible by the joint working of the industry and the Government, facilitating the building of marketing channels and a quality supplier base. ●

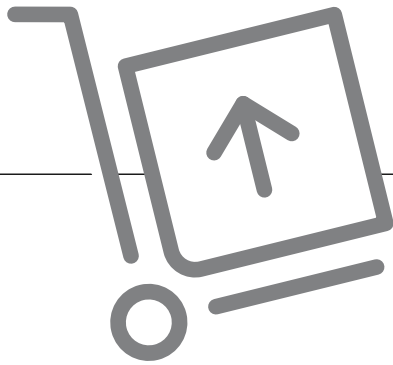


**PARTHOP KAR,**  
CHIEF CONSULTANT, BISWA BANGLA

***Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?***

Not really, it could have done much better, as historically east has been the starting point for many retailers in India, however, somehow there has been a slow growth in shopping malls and there are some lost opportunities in creating high street retail. In fact, Kolkata has the potential to become a shoppers' paradise.





### **How according to you will the modern retail industry evolve in the next 10 years?**

Over the next 10 years, the east will provide a growing market for organised retail. There is growing interest of private mall developers which will make shopping more interesting.

### **What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

Infrastructure bottlenecks are the biggest challenges. There is a lack of good malls. The government needs to help the retail industry in creation of the retail and supply chain infrastructure, which includes good public transport connectivity, parking spaces, and designated areas for shopping. Creating land bank for construction of malls.

### **In which areas is modern retail lagging behind in the East? Where do you think industry has fallen short in the region?**

Pricing is a major bottleneck. The supply chain needs to be improved, the shopping experience needs to improve both in terms of product availability and multiple brand choice. Scale is much smaller than desired.

### **What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

Kolkata should become a shopping destination like Dubai, which will mean that the government must come up with innovative spaces all around the city to cater to different level of customers. Specially curated high street retail areas need to be developed. Shopping tourism needs to be promoted not only in India but also in places like Nepal, Bangladesh, Myanmar etc. The government should participate by giving some benefits to infrastructure developers along with promotions. This will not only generate huge revenues but plenty of job opportunities. ●



★★★  
**MANISH AGARWAL,**  
CEO EAST, FUTURE GROUP

### **Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

The progress of organised retail in eastern India has been quite encouraging. Future Group has always believed in the potential of East India. For us everything started from Kolkata. Our focus and spread has been quite large in the states and cities of East India. From Bengal, Bihar, Orissa, Jharkhand, North East & North Bengal, from plains to the hills, we have been quite aggressive in increasing footprints in the eastern part of the country. For the last few years, we feel that many more retail brands have realized the potential of the east and have started venturing in this part. Further, an increase in modern retail is generating a lot of employment opportunity for young Indians, women, and even senior citizens and differently-abled people. This has been quite encouraging and satisfying, to say the least.

### **How, according to you, will the modern retail industry evolve in the next 10 years?**

The journey of modern retail over the next 10 years will be quite interesting. We feel the incubation period seems to be coming to an end and it is now time to explode rapidly. An increase in the younger population, the propensity for higher consumption, willingness to experience new products and services is making the modern retail space very exciting. Aspirations and consumption is not only limited to big cities like Kolkata,

Bhubaneswar, Guwahati, Ranchi, and Patna, but is expanding rapidly in smaller cities and towns of all states in eastern India. Our focus has been equally strong in small cities of the east. There is so much of opportunity to create new retail formats, create new products, build new services and create more jobs. It is upon modern retailers now to grab this opportunity and work towards building a new India.

### **What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

Modern retail needs modern spaces to set up retail stores. Quality retail spaces are far too less and demand in the market is far too high. The development of high street and malls has been slow. Due to constraint of proper retail spaces, affordability of retail spaces has also been a concern for setting up retail stores. There is a need to build infrastructure for modern retail spaces and also incentivize the creators of modern retail spaces and modern retailers. Old laws need to be relooked at to make them more relevant for business today. Having said this we must mention that opportunity is large and it is time that modern retailers and government should work hand in hand to look at every aspect and work towards making this happen. Every challenge leads to an opportunity for progress and growth, hence it is time to be optimistic.

### **In which areas do you think the modern retail industry is lagging behind in the East? Where do you think industry has fallen short in the region?**

Honestly, I don't think modern retail industry has lagged behind in East India. It is only that East Indian cities had far too relied on the high street for retail business. Development of modern retail malls has been less and also modern retail brands have focused late in the east. Future Group has started every venture from Kolkata and East India since 1997 and we have always been bullish and confident on the potential of East India. I would like to quote Kishore Biyani here who always says that 'Kolkata is my Karmabhumi'.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

RAI who represents Retailers has been actively working with the Government on various initiatives to improve the modern retail sector across the Nation. Collaborative approach is the way forward. Build New Malls, Simplify Laws, Create More Jobs, Build more Consumption and participate in Nation Building is the theme today for every Industry. ●



**ANIRBAN KUNDU,**  
REGIONAL MARKETING MANAGER  
EAST & CENTRAL INDIA, MAX RETAIL  
DIVISION

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

Well, it's not at all about satisfaction rather how progress is happening and how you are been able to justify a crucial role in creating and establishing the overall impact of the retail scenario. Being a part of the retail brand, a retail group I personally felt that, the potential in indian market actually takes the entire country to this level where it is now. Its again not about organized or unorganized retail industry rather the overall potential which lead to a bright future in overall retail industry. The reasons are so many, the Indian retail industry is one of the fastest growing in the world compare to other country. Retail



industry in India is expected to grow to US\$ 1.3 trillion by 2020, registering a Compound Annual Growth Rate (CAGR) of 16.7 per cent over 2015-20 which is huge. India is the fifth largest preferred retail destination globally if you check and go by data instead of being there within most adverse markets all around. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities.

**How according to you will the modern retail industry evolve in the next 10 years?**

As I said retail has a big prospect in terms of exploring business in next coming days from different aspects. Its obvious and as per customer expectation from overall convenience factor, Online retail business is the next generation format which has high potential for growth in the near future. After conquering physical stores, retailers are now foraying into the domain of e-retailing. Even we are also in the same domain with MaxFashion.com. Idea is to create a sink between offline and online store. The readiness and convenience customers are getting from offline store will be provided via online path also and that's how creating this omni flow connectivity. Almost all retailers are on same path and creating next level of customer experience, coming out of the monopoly word called customer service. That's the next level, that's the new consequences for a customer to look retail in a different way. Be it mall, be it brand, be it any form of retail, this application can be applied anywhere and it actually explores different aura altogether. E-commerce is expected to be the next major area supporting retail growth in India.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks have to be overcome to allow the industry to grow to its maximum potential?**

Challenges are so many and if I go by end to end it cover up more areas but I feel these are the main issues which create the basic problems and challenges. To overcome, I personally suggests and highlight few areas which I feel in east has to be given more focused. Retailing as an industry in East India has still a long way to go since it has the maximum potetntial being the most diversified region from each and every angle. To become a truly flourishing industry, retailing needs to overcome the bottlenecks of - Regulations restricting real estate purchases and cumbersome local laws, Taxation, which favours small retail businesses till now, though with advent of GST we are expecting this issue will be overcome, Absence of developed supply chain and integrated IT management, Lack of trained work force, Low skill level for retailing management, Intrinsic complexity of retailing - rapid price changes, constant threat of product obsolescence and low margins.

**In which areas do you think the modern retail industry is lagging behind in the East? Where do you think industry has fallen short in the region?**

East is called the retail market for tomorrow with its so much of potential. The east Indian economy has grown by about nine per cent annually over the last 3 years and even higher growth rates are being projected in the future. Malls and large size department stores have become a fixture in the urban landscape across the east Indian countries. The importance of managing retailing efficiently and effectively is obvious in the light of this sector's growth potential and the increasing levels of competition. The emergence of organized retailing has given rise to the need for a whole new set of business skills and competencies required to efficiently manage organized retail operations. In addition, it has posed tremendous challenges to existing producers of goods and services - they





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Contact No: 0891-3095222

**MD: Mavuri Venkata Ramana**

Contact: **Mr .S. Ravi:** 8008301077, raviteja@cmrcentral.in

now need to revisit their distribution policies and distribution relationship management strategies with trained manpower who can guide consumers not as a sales guy but as a fashion consultant. Among many issues we have here, value of assortment, purchase experience, logistics and supply chain issues, financing options, channel consolidation, volume driven relationships and people strategies have acquired completely new dimensions and these are the areas where we really need to work upon and explore new opportunities. Even otherwise, since shopping is all-pervasive retailing is important, both economically and socially, since it affects a large populace in the form of consumers and employers. These all actually create the fallen short areas which we really need to overcome to create the growth in east.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

That's an interesting part which is completely based out of expectation and assurance, though since the inception stage of retail in east, till now, government has done so many things to boost the retail sector in East Specifically. Government policy with regard to development of retail industry has been liberal and motivating in all circumstances. The traders/ retailers register their outlets/shops with concerned authorities in various Cities in East and by honoring sales tax and other obligations of the state concerned, they can run their retail business very easily. With that, till now, there is no constraint on the entry of any domestic business house into retail sector. Governments need to constantly question whether there is a better or more efficient way of achieving objectives. Improving efficiency can involve reducing the costs of production for each unit of output produced but, equally, might be achieved by better matching the supply of goods and services to those things people want most or by removing barriers to innovation and flexibility. ●



★★★★  
**SUVANKAR SEN,**  
EXECUTIVE DIRECTOR, SENCO GOLD AND DIAMONDS

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

Organised retail has come a long way. It has been an evolving process. However, there has been considerable improvement in customer centric behaviour and better ambience but more work needs to be done.

**How according to you will the modern retail industry evolve in the next 10 years?**

Modern retail industry will be moving towards an Omnichannel platform with an online and offline presence going hand in hand.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

The biggest challenge is good affordable retail space, trained manpower and proper international exposure in retail. Also,

government policy should change for greater retail flexibility and greater growth of overall business.

**In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?**

Spending power of consumers, visual merchandising and trained manpower with customer centric attitude is what the industry lacks.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

More training required for manpower and retail friendly policies by government. ●



★★★★  
**SHITANSHU JHUNJHUNWALLA,**  
DIRECTOR, TURTLE

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

Retail industry has seen steady growth in the last one decade specifically in the east. A lot more brands are available as compared to 10 years back with presence of malls and high street clusters in most metro and Tier II and III towns. With the rapidly changing consumer profile and aspirations, it remains a challenge for retailers to keep up with shifting shopping demands. Shoppers today are more



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discerning and better informed about products and services than ever before, expecting a certain standard of shopping experience from retailers. This might be a global trend, but in today's globalized environment, similar consumer trends may be replicated across most local markets too—including that of India. Consumers in smaller towns are ready to spend money for good value and we will continue to see this trend in the years to come as brands make foray into these towns.

**How according to you will the modern retail industry evolve in the next 10 years?**

Despite the structural challenges and bureaucratic bottlenecks that the Indian retail market suffers from, global retailers have been queuing up to enter and establish their footprint in the market, as they are aware of its potential growth opportunities.

Growth has almost plateaued in most developed markets, providing little room for retailers to drive their business expansion amid growing competition across segments. The Indian market being largely underpenetrated, offers significant opportunity for growth—especially in segments such as F&B, fashion apparel, and luxury goods—due to factors such as an expanding middle class, rising disposable

incomes, and a growing appetite for international quality goods and services among Indian consumers.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

The biggest challenges faced are lack of good real estate developments for Retail in Tier II and III towns. Most town's brands have to go to the high-street market and look for run-down stores and then modernize them. Working with smaller floor plates and local landlords can be a bit of a tedious exercise. The lack of retail space will be the sole challenge in the immediate future.

**In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?**

Ample space and infrastructure Manpower training and customer support Brand showcase/flagship stores for experience – most experience stores are either in Mumbai, Delhi or Bangalore today

For most brands investing and expansion in the East is the last priority – for eg. Starbucks coffee, Zara are yet to open stores in Eastern India – Zara has been present in India for the last seven years now.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

Both the government as well as the industry should focus on creating some retail parks and hubs. Wholesalers should be promoted – most of the hawker markets which cities like Kolkata thrive on can be a symbiotic existence with modern retail if the norms and regulations are maintained and government created more infrastructure for the smaller players.

Most of the industry and government focus is on the manufacturing side but no one is creating enough effort to increase retailing presence for better consumer accessibility to good quality products. ●



**SIDDHARTH PANSARI,**  
DIRECTOR, PRIMARC

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

Absolutely, there has been marked progress in organized retail across east India. This growth can be attributed to the growth of the middle-class segment, rise in disposable incomes and a growing aspiration for improved living standards. Today, we have most national brands present, and very few have shut shop within the last 10 years.

**How according to you will the modern retail industry evolve in the next 10 years?**

Unlike rest of India- the eastern region has lower number of urbanized cities. However, with advent of Smart cities' and development of the existing towns will give the necessary impetus to the retail infrastructure of the region. This apart, the value segment is expected to drive the online to offline (O2O) retail growth in the near future.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

Primarc believes that lack of urbanization and limited options in organized large scale formats continues to be a challenge for retailers trying to establish a foothold in the east. There are less shopping malls in the eastern region when compared to the national average.



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***In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?***

There is an overall deficit in entertainment segment vis-à-vis rest of India. Today, cities like Bangalore, Gurgaon, Noida, Hyderabad, Mumbai boast of umpteen options in high-end sports entertainment like Play Arena, Smaaash, etc when compared to the eastern cities. Meanwhile, the NCR, Mumbai or even an Ahmedabad has choicest options in Home Décor & Lifestyle segment as opposed to the eastern cities.

***What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?***

Many states have introduced flexible labour laws and store timings which have helped the industry. More planned development in organized retail formats will add the necessary momentum to growth of retail in East India. ●



★★★★  
**GAUTAM JATIA,**  
CEO, EMAMI FRANK ROSS LTD.

***Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?***

Kolkata has been the birthplace for many of the leading retail corporate houses. The modern retail has come up well in Kolkata and all the retail verticals find operating in

the city quite conducive. The same though can't be said about other markets of East India, but Kolkata and West Bengal as an overall market has grown quite organically.

***How according to you will the modern retail industry evolve in the next 10 years?***

Modern Retail is inching toward omnichannelisation, it's the quintessential parameter for retail 2.0, to serve the discreet and discerning customers, we need to move toward making our businesses hybrid and we need to embrace omnichannel retailing. Also, in future brick-and-mortar need to up the ante by giving experiential services to the customers and by making their offerings more personalised.

***What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks have to be overcome to allow the industry to grow to its maximum potential?***

Retail in general in India is facing many turbulences, one of the problem, which is more specific to East India is that the rental per sq.ft is higher than sales per sq.ft and this impacts the bottomlines of the retailers.

***What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?***

Government can play a role in creating retail zoning, it is there in every developed economy and as retail in India is one of the most important sectors, which is generating so much employment and is contributing to the GDP, I think it is imperative now to create special zones for retail in the country. Talking specifically about East, I think this region lack good high streets, so Government can work in the direction of creating better retail high streets. ●



★★★★  
**PULKIT BAID,**  
DIRECTOR, GREAT EASTERN

***Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?***

East is a peculiar market when compared with the rest of the country. Most of the eastern fringe states have seen development benefits much later than their northern or western counterparts. Bihar, Jharkhand and Odisha in particular have taken the development leap in the last 10 years. As a result of stable local governments, states in eastern India have seen sustainable development. I feel going forward we will continue to propose a string rural demand which in turn means good growth for retail.

***How according to you will the modern retail industry evolve in the next 10 years?***

The next 10 years are extremely critical for the retail industry. We will see massive digitalization in the next two to three years, which will need all retailers to evolve. Fast and cheap Internet access will keep consumers well informed and hence their shopping patterns will evolve from what they are today. Rural development will force retailers to look towards villages and design brick and mortar models unique to these markets. 10 years down the line, modern retail may have a more human and traditional face than what it has today.



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**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

The industry has severe shortage of quality human resource. This is primarily because people don't still see retail as a primary career choice in eastern India. Real estate needs to be designed around retail needs and the government needs feel how taxing a physical store makes it non-viable compared to virtual stores online.

**In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?**

While the consumers in the west and south have been exposed to modern retail for longer than consumers in the east, I feel we are still miles behind in terms of usage of technology. Retailers from east are still traditional and not very open to changes.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

The government needs to recognize us as an emerging industry. It needs to take cognizance of the fact that the environment in this industry is evolving very fast and what was relevant five years ago is totally irrelevant now. Shoppers are uberating into malls and parking lots are now dead spaces. Regulations such as the shop establishment act needs to be revisited in light of modern retail practices. A consumer shopping at midnight online is not restricted by any act where as a retailer opening his store on national holidays and election days has to face penalties and fines by local bodies. It's time the industry and government came on the same page and worked for the betterment of the industry. ●



**SHIV HIRO DASWANI,**  
OWNER, LITTLE SHOP

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

In comparison to the rest of India, I feel organised retail in the East has done phenomenally well. Kolkata has been the benchmark, for a number of mall developers across the country to study the success of malls. From Forum Mall to South City, from City Centre to Quest, the success of malls in the East, and in particular Kolkata has been absolutely remarkable. It isn't rocket science why brands like Pantaloons, Shoppers Stop, Big Bazaar and Max amongst many others are clocking their highest sales in this part of the country. The loyalty that a brand enjoys in the East, is difficult to fathom anywhere else in the country. All this has happened in the last 10 years.

**How according to you will the modern retail industry evolve in the next 10 years?**

There is no doubt that with new entrants like H&M, Zara, Forever 21 and Uniqlo amongst many others, the East will continue to evolve. Healthy competition makes any brand wake up and re-strategise. To be honest, the brands that have enjoyed stupendous success in the East, will need to rethink their strategy going forward to enjoy the same success after 10 years, that they may have enjoyed till date.



**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

Firstly, I believe that rents are very high in the East. For a brand to survive, one must have reasonable overheads where one gets a chance to make money. Once a brand is profitable in a territory it would certainly expand more aggressively. Secondly, there is a lack of quality real estate in terms of options available. We have 10 malls in Kolkata whereas the city is moving further towards organised retail. We could do with another 10 malls in the next 10 years. Sadly, we don't hear of too many new malls being developed. Skilled manpower for retail is another area where I feel the East could improve.

**In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?**

Modern retail isn't lacking at all in the East. In my opinion, it is the unorganised sector that is lacking. They are completely divided over a number of issues and as a result with the strong steps being taken by the current government towards organising the retail sector further, the organised retail stands to benefit even more.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

The industry should unite and have representatives who could represent retailers and interact with the bureaucrats, persons in power and decision makers to provide more people like us, in the organised trade more support going forward. The Government needs to recognise retail as a big contributor to the tax revenue coffers and should take steps to take to task, those that are not compliant.





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How can one sell in malls with huge overheads, for example if 2 streets away, hawkers are selling cheaper without any accountability? It may take time, but such situations need to be taken into control, which only the Government can do. All I can say it is a matter of time and in a few years, organised retail will be an even bigger force to reckon with given the country's population and rising aspirations. ●



★★★  
**SAGAR J DARYANI,**  
FOUNDER, WOW MOMO FOOD LTD.

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

The advent of mall culture and coming of organised brands has helped the modern retail sector grow in East India. Food as a sector has grown really well in Eastern region, Kolkata, Siliguri, Bhubaneshwar, Patna and Northeast markets. We plan to open 20 outlets in Siliguri and Bhubaneshwar combined by the end of this year, taking our store count to 130.

**How according to you will the modern retail industry evolve in the next 10 years?**

East India is the most commercially viable and potential market for retail. There is lot of scope for growth in Eastern regions. There are various significant markets, which are still virgin but promise a lot of opportunities. Other regions like North, South or West have grown to their optimum

level and are now saturated but Eastern India is the land of opportunity and is full of potential. A lot of national/international brands have already forayed into the region and with the coming of good retail realty projects, the prospects for the region are really bright.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

When we started our business, people in East couldn't visualise a brand that exclusively sold 'Momos', so we didn't get space in malls and East India has paucity of good high streets - something which they need to desperately work on. Despite being an Eastern brand, we got acceptance in South India. When we opened our first outlet in Phoenix Marketcity, Bengaluru, we became famous and started being accepted all over the country and even in Kolkata and later in other parts of East India. I feel that the East needs to be more accepting and receptive towards indigenous and innovative retail players.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

The government can do a lot better than what it has been doing. Licensing needs to be eased. The retail sector needs industry status, not only in East but all over India. ●



★★★  
**SARAT BINANI,**  
DIRECTOR, HIMALAYA OPTICAL

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

Well, there has been good growth in terms of consumer's purchasing power is concerned when we talk about East India especially West Bengal, which is predominantly the biggest money generator in eastern part of India. In fact, there has been satisfactory growth in terms of consumer purchasing power - primarily due to increase in the penetration of branded stores, and the retail business turning from unorganized to organized. Luxury buying is also showing a marginal improvement. There has also been substantial increase in the buying power of the new middle class. The business is predominantly dependent on middle class. Other states in eastern India like Orissa, Bihar, Jharkhand, North East and suburbs of Bengal are growing rapidly.

Organized retail penetration has increased drastically in the last three years. Keeping in mind the prevailing market dynamics, we expect to see positive growth in the coming years.

**How, according to you, will the modern retail industry evolve in the next 10 years?**

In the next few years the key influencing factors which would evolve would be - consumer behavior, shift from unorganized to organized retailing, technological advancements in the retail sector, and mobility.



Consumers now research more; they are more learned and empowered. They have data at their fingertips and hence are more price aware and brand aware. Hence, retailers will have to strive hard to offer its consumer uniqueness in in-store experience. To give consumers a better experience customization and personalisation will become important. Omnichannel retailing will be the need of the era. Delivering an Omnichannel customer experience will become a key brand differentiator for retailers who want to drive increased loyalty and satisfaction among consumers. More and more retailers are trying to make Omnichannel customer engagement a priority.

In the race to give a better experience to its consumers retailers will need to adopt technology. Retailers would continue to invest in apps, social media driven consumption, virtual reality and much more. Today all conventional media like print ads, television, radios, cameras, and computers have all converged into a single instrument - a smartphone. Due to the introduction of 4G, digitalization and cashless transactions will be great influencers and hence mobility will play a very important role in retailing.

India is set to experience a dynamic transformation in the ongoing retail boom that has struck a chord with Indian citizens, particularly the youth! On the transforming Indian retail market that is catching up the pulse of youth on all kinds of digital platform along with a strong focus on the Indian consumers, importance needs to be given to technology as well as offering quality services.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

Reviewing current social and cultural trends, the biggest challenge is to introduce and assimilate the right technology into our daily operations, with the objective of increasing customer satisfaction. In a market like India, personal relationships are very important; however, certain technologies and digital services irrefutably assist in creating a frictionless customer

experience, when these customers shift between channels. Thus, the challenge is to find the right mix of personal touch and technological offerings to ensure the highest level of customer satisfaction attainable.

**In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?**

Innovation is the key to success for any Retail brand in the world. According to me Innovation and speedily getting adapted to newer business model is one of the biggest lagging in this part of the India. The consumer mindset and the entrepreneur mindset both needs to change faster than the pace we are currently in. Adaptation of technology, understanding the disruptive business models and bringing in new changes accordingly is something which we need to be faster at.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

West Bengal, being the biggest money spinner in eastern India, especially in terms of corporate houses or business houses putting up substantial money into building up Industries in West Bengal, the objective of achieving a desirable and substantial growth will not be possible. Moreover, young adults who are our future TG are migrating outside East either out of the country or to other states which is a concern for this part of our country. However, we are still hopeful of this turnaround taking place in future with the government taking up corrective measures in respect to improve the image of West Bengal in the eyes of Industrial giants. ●



**MAYANK AGARWAL,**  
DIRECTOR, SIMAAYA AND SASYA

**Are you satisfied with the way the organized retail industry has grown in East India up until now? How do you see its progress over the last ten years?**

The organized retail industry in eastern India has seen good growth until now. India's retail industry accounts for the largest chunk among all other industries, making up over 10 percent of the country's GDP and providing around 8 percent employment. In the past decade, the growth of the middle class in eastern India as well as a rise in disposable incomes among them have been factors in improving overall living standards and lifestyles. The growth of the retail sector has ridden this to a great extent. Also, eastern India has over the last decade or so witnessed the emergence of big retail giants that not only boosted business for the region but also influenced Simaaya's growth as an organized retail brand.

**How according to you will the modern retail industry evolve in the next ten years?**

It is expected that the value of India's retail market will substantially increase by the end of 2017. If this number is to be pushed further, then the focus needs to shift from traditional zones of north and west and seek out the east and north east zones. The east has great potential and will take a lead in the near future. Also, the modern retail industry will create thousands of employment opportunities which will in turn lift many households from the low income groups.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks have to be overcome to allow the industry to grow to its maximum potential?**

There needs to be more structure for this industry in eastern India. Another major challenge is that there is a marked difference in the shopping habits of the people from these parts when compared to other parts of India. Improvements in existing infrastructure and changes in people's shopping attitudes will help to boost the retail sector in eastern India. With the support of the government and more focus on unlocking the massive untapped potential of the region, we can go a long way in making eastern India take a lead in modern retail.

**In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?**

The modern retail industry is lagging behind in eastern India because of shortage of properly trained man power. Work conditions definitely need to be improved. We should also place more focus on entrepreneurship, to involve more people so that with more work creation, quality of life in the economically challenged groups may be uplifted. Only then the ordinary consumer will soon wake up to the power of the retail industry and contribute to making the east a leader in modern retail. For this, one needs encouragement from both the government and other bodies who can together steer eastern India proudly as a leader on the national retail map.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

There are many projects that are being undertaken by the West Bengal government like the "Bengal Leads" programme. Apart from West Bengal, Bhubaneswar in Orissa is also emerging as a new retail hub of eastern India. Other cities in east India have also witnessed

significant economic booms. From the point of view of industries the east still remains quite untapped. So the potential of eastern India should be explored in greater depth, as it can soon become the perfect modern retail market for the future. Over the past few years, retailers have realized the scope and opportunity of this zone and they will reap the demographic dividend. ●



★★★  
**SANDEEP JALAN,**  
CEO, SOHUM SHOPPE PVT. LTD.

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

Progress is slow but it is on the right path. Ten years ago, the setup was at zero level and from there we have now reached a point where this industry can be seen as a progressive one.

**How according to you will the modern retail industry evolve in the next 10 years?**

The next 10 years is going to be crucial. And it's just not about online channel or international brands or brick-and-mortar. It is going to be about how fast the industry is adapting to the needs of the consumer. The customer has always been the king and in the coming 10 years, this fulfillment of demands and desires will be the decider of how this industry involves. The merchandising aspect is going to evolve in a huge way.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

Local issues continue to be the biggest problem and challenge facing the modern retail industry in Eastern India. It isn't easy exploring business avenues. The industry will only be able to grow to its maximum potential here once these local issues are sorted. Transit time is also a challenge which kills out a lot. Maximum business volume generating comes from a Delhi or a Mumbai and thus centralization is one problem.

**In which areas is modern retail lagging behind in the East? Where do you think the industry has fallen short in the region?**

Understanding merchandising aspects— Every region is specific and this should be a key criteria to see growth in business. Lack of big players—There are potential players across the Country whose presence is being missed.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

As mentioned earlier, it's the local issues which need to be resolved and settled. Unless stability is seen in the region, Modern Retail Sector cannot see any boost. ●





**ARUN BIYANI,**  
DIRECTOR, MOBEL INDIA PVT LTD.

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

The organized retail industry has been growing at a healthy pace. Last 10 years have been a major change, with consumers, now, choosing more to buy from organized retail player.

**How according to you will the modern retail industry will evolve in the next 10 years?**

With the onset of GST the modern retail industry will now see a major boom. Earlier many people who were under the unorganized retail sector, were avoiding taxes and thereby enjoying price advantage over the organized players.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks have to be overcome to allow the industry to grow to its maximum potential?**

There are 3 major bottlenecks which have to be overcome to allow the industry to grow to its maximum potential...

1. Availability of quality real estate in reasonable price
2. Scarcity of skilled & educated manpower
3. High rates of taxation

**In which areas do you think the modern retail industry is lagging behind in the East? Where do you think industry has**

**fallen short in the region?**

East is not lagging behind, growing at the reasonable pace which can be absorbed by the consumers. Too much first growth leads to higher percentage of failures.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

Industry should organize training and welfare meets with all the people. Government should make changes in Law, which are now age old. Laws should be amended according to modern time and need. The Inspector Raj should be abolished. Taxation should be moderate. ●



**MANISH RAJPURIA,**  
MD, MANISH FASHIONWORLD PVT. LTD.

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

The organized retail industry has grown exponentially over the last 10 years. The most noted development has been the rapid growth of e-commerce, which has

completely changed the game for retail brands across India.

**How according to you will the modern retail industry evolve in the next 10 years?**

In the next 10 years, we will see more instances of Omnichannel retailing i.e. catering both to online and traditional brick-and-mortar retail models. This will lead to reaching out to a wider customer base. Also, I believe more personalization will lead to achieving a complete and seamless customer experience.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?**

One of the primary issues plaguing this industry is the lack of proper Supply Chain Management. Adding to that are the recent economic trends and complex tax regimes, which have further complicated the working of modern retail industry. Also, the lack of adequate infrastructure and logistics leads to a hampering in the productivity levels as well. In order to maximize our growth potential, the industry has to resolve the above areas of concern and also accelerate its shift to tier II & tier III cities from traditional tier I cities.

**In which areas do you think the modern retail industry is lagging in the East? Where do you think the industry has fallen short in the region?**

A major pitfall for the modern retail industry in Eastern India has been the fact that it's still pretty much an unorganized structure. In order to rise up to its potential and grow, the industry has to begin following a comprehensive, organized structure.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

The industry has to take up a more organized structure, invest more efforts in the tier II and III cities and improve its supply chain management. As for the government, simplifying the tax regimes and creating a better infrastructure will make a marked difference in the growth of the industry. ●



**KAMLESH AGARWAL,**  
MD, SKIPPER FURNISHINGS

***Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?***

Organized retailing has started to emerge with the growth of large standalone stores like departmental stores, supermarkets etc. and large format retail outlets like hypermarkets, malls etc.

The organized industry is not a common and known feature in the East Zone but has been improving in the last five years. There has been an increase in the power of retailers in the marketing channels for packaged goods (i.e.; packaged foods and beverages and branded health and beauty aids).

Big corporate houses like Reliance, ITC, Tata et al are entering the retail segment.

Liberalized policy of the government and change in consumer tastes and preference have also resulted in a retail revolution.

Most organized retailers tend to start their operations in larger cities. They prefer to remain regional and local until they have saturated the market and then they move to other cities or locations. Hence, the Northeast region has been attracting interest recently as communication and transportation links have improved. The retail market In East India is highly fragmented mainly dominated by the traditional formats of retailing. But, in recent times, organized retailing has become one of the emerging trends in India. The retail industry in India is undergoing a major change as the country is witnessing a retail

revolution. Organized retailing is spreading and making its presence felt in different parts of the country. The Northeastern states of India have also witnessed such significant development in the field of retailing.

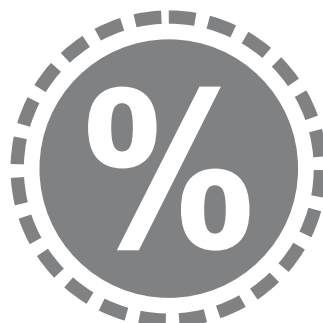
With factors like Increase in disposable incomes, brand consciousness, infrastructural developments, quality real estate and changes in technology and preferences, I see the retail industry more organized and well updated to global standards in the next 10 years.

***How according to you will the modern retail industry evolve in the next 10 years?***

Factors that are playing a role in fueling the bright future of the Indian retail are:

- The income of an average Indian is increasing and thus there is a proportional increase in the purchasing power.
- The infrastructure is improving greatly in all regions and is benefiting the market.
- Indians make good consumers, and all national and international brands are benefiting with this new awareness.
- Another factor is the Internet revolution, which is allowing foreign brands to understand Indian consumers and influence them before entering the market. Due to the reach of media in the remotest of the markets, consumers are now aware of the global products and it helps brands build themselves faster in a new region.

However, despite these factors contributing to the growth of Indian retail Industry, there are a few challenges that the industry faces which need to be dealt with in order to realize the complete scope of growth in Indian market. Foreign direct investment is not allowed in retail sector, which can be a concern for many brands. But franchise agreements circumvent this problem.



Along with this regulations and local laws and real estate purchase restrictions bring up challenges. Other than this lack of integrated supply chain and management and lack of trained workforce and flux of the market in terms of price and product choice also need to be eliminated.

Organized retail represents a large untapped market in India that is likely to see tremendous growth in the coming years. New entrants are bound to see large returns. However, they must adapt themselves to the unique state of retail in India where infrastructure and regulations provide little support. They must also understand the tastes of the Indian consumer who has only recently started treating retail as a form of leisure. Meanwhile organized retail will continue to displace many unorganized retailers.

***What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks must be overcome to allow the industry to grow to its maximum potential?***

- A long way to meet international standards
- Lack of efficient supply-chain management
- Lack of required retail space
- No fixed consumption pattern
- Shortage of trained manpower
- Lack of proper infrastructure and distribution channel
- Shortage of talented and qualified workforce

***In which areas do you think the modern retail industry is lagging behind in the East? Where do you think industry has fallen short in the region?***

There are many projects that the West Bengal Government is taking under 'Bengal Leads' Programme. Apart from West Bengal, Bhubaneswar in Orissa is becoming a new IT and education hub. Other cities in East India, such as Bokaro, Ranchi, Patna, Rourkela, Dhanbad and Jamshedpur have witnessed significant economic booms because of the rich mineral resources found in these places. These cities have high disposable income but lack of retail hubs, and brands.

One can rightly say that between 1960 and the mid-1990s, many large size factories were closed or downsized because of lack of capital and resources coupled with a long standing tradition of trade unionism. Kolkata's economic revival was led largely by IT services, and because of it there has been surge of investment in real estate be it housing projects or retail real estate.

Eastern India has all the potential to become an upcoming hub of modern retail. But certain factors, including facilitation of entrepreneurship, creation of quality infrastructure and upliftment of poor are critical if consumers in East India are to take the lead in modern retail.

East India is like a cheque ready to be encashed, only if the state governments agree to unlock the massive untapped potential of the region without further delay and allow the people to participate in the retail evolution sweeping across the country. Modern retail will also create thousands of jobs in the region and will lift many households from the low-income category.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

- The industry and the government can help immensely to towards an Organized Retail Industry in east India.
- Coming up with more liberated laws and policies for FDI would immensely increase the global standards and the transfer of technology.
- Showcase and spread retail education and knowledge for a more focused growth.
- There should be a focus on laying a foundation for budding startups. These are the ones who will become big organised



players later. The fabrics and garment manufacturers in East India are huge, I would love to see more brand spring up from here and become national players.

- Boost and encourage new trends in technology and retail formats like super markets and e-commerce.
- Help develop infrastructure for smooth growth of the supply chain and distribution, which is a big challenge in the industry for East-India. ●



**B K GUPTA,**  
CMD, GKB LENS PVT LTD

**Are you satisfied with the way the organized retail industry has grown in East India until now? How do you see its progress over the last ten years?**

Yes, we are satisfied with the way the organized retail industry has grown in the East. Development of New Malls like Quest Mall, Avani Mall, City Centre 2, Acropolis etc; has given opportunity for new organized retailers to grow. Several High Street retailers have grown with the development of infrastructure. Prime example is the VIP road where with the development of roads and infrastructure has led to the growth of retails industry at a fast pace.

**How according to you will the modern retail industry evolve in the next 10 years?**

Evolution of modern retail industry will



depend on the economic growth; the growth entirely depends on the growth in GDP. Normal GDP growth in the next 10 years will result in the same growth of modern retail as in the past 10 years. Growth in GDP in next 10 years will bring about a growth in the retails industry at the same rate.

**What do you think are the biggest problems and challenges facing the modern retail industry in Eastern India? What bottlenecks have to be overcome to allow the industry to grow to its maximum potential?**

Economic growth and better infrastructure are the biggest challenges faced by the modern retail industry. Economic growth will result in people having more money to buy, retail spending increases. Better infrastructure, development of roads and economic growth are required to allow industry to grow to its maximum potential.

**In which areas do you think the modern retail industry is lagging behind in the East? Where do you think industry has fallen short in the region?**

Modern retail is not lagging behind as such in the East, rapidly improving infrastructure will create more areas, more retails. The rentals will come down.

**What do you think should be done by the industry and the government to boost the growth of the modern retail sector in East India?**

The Govt. has to play a bigger role in the development of the infrastructure to boost the growth of modern retail sector in the East. ●



# BUYING & MERCHANTISING: WILL THE HEART OF RETAIL WIN THE HEARTS OF CONSUMERS?

— By **IMAGES Retail Bureau**

*In the last few years, we have witnessed enough discussions on omnichannel strategies, digital strategies from a marketing lens, customer loyalty, and shopper experience. Yet, the focus on Buying and Merchandising strategies in the new world has been virtually nonexistent. In this article, we explore the challenges faced by the B&M teams, the strategies they deploy to ensure that products fly off the shelves, as well as their perspective on the role of B&M in the future - what will impact it and how it will change.*



## PRODUCT THE HERO

It is a known fact that without a great product, no amount of marketing, experience building, or visual merchandising will help a retailer grow.

Retailers are under tremendous pressure today. They are constantly plagued with channel proliferation, fickle consumers, increasing price sensitivity and lack of brand loyalty. To attract new customers and ensure that the existing ones keep coming back, retailers must understand their consumers thoroughly. They must keep abreast of what they like or dislike, the trends they follow, their shopping patterns in order to be able to align merchandise accordingly.

We asked some Buying and Merchandising practitioners to talk about the unique B&M strategies they apply to both, delight consumers as well as turn them into brand loyalists by keeping them coming back for more. Here is what they had to share.



### WINNING STRATEGIES

#### 1. Customer-centricity:

Consumers will continue to be the voice that dictates; retailers must be prepared to listen. They must become more attentive, even pre-emptive to consumer needs. The voice of the consumer will be central to all decision making across all functions, especially B&M, if the organization intends to achieve its goal of becoming a customer-centric.

Almost every one of the B&M practitioners believes that success is difficult unless the consumer is at the heart of B&M decision making. Different retailers use different methods of staying in touch with the consumer but the information they seek is the same:

- i. What the consumer wants and desires and marrying the product to those needs
- ii. Understanding their buying behavior
- iii. Their purchasing power and choices at a catchment level

The desired objective: to ensure a seamless fit between product, consumer needs and desires, and assortment optimization on the basis of customer buying behaviour.

Gaurav Jadli, Head of B&M, Arvind Lifestyle Brands Ltd. believes, "Being close to the retail shop floor is very important to understand the market and the consumer. I have been following this strategy since the early years and it has resulted in getting good consumer insights to take the right decisions."

Sudhir Gupta, Head of Buying and Merchandising, ITC Limited – Lifestyle Retailing, sums it up succinctly. "The B&M strategic focus has shifted from identifying trends to interpreting the same into products which marry consumer needs, deeper data analytics and constantly working on new ideas to create excitement through product differentiation. The result of these gives the consumer a reason to visit again and again."

#### 2. Freshness and Relevance of Merchandise:

No longer does the "4 collections in a year" apply – especially to the fashion category. The consumer is getting more informed and fussier and demanding changes more frequently than brands can cope with. As a result, the brands are offering the same merchandise using various imaginative strategies – from new and innovative fabrics, to new graphics, prints and embellishments. Or, as in the case of Crocs India Pvt. Ltd., by expanding the portfolio from unisex to specifically for him and hers.

Nishant Poddar, CMO, Universal Sportz Pvt. Ltd. says, "We ensure that a lot of freshness is maintained on the shop floor with the introduction of fresh options every fortnight."





**3. Innovative and Differentiated product:**

There is a definite shift towards investing in differentiated fabrics, as well as adding a newness to the product in each season.

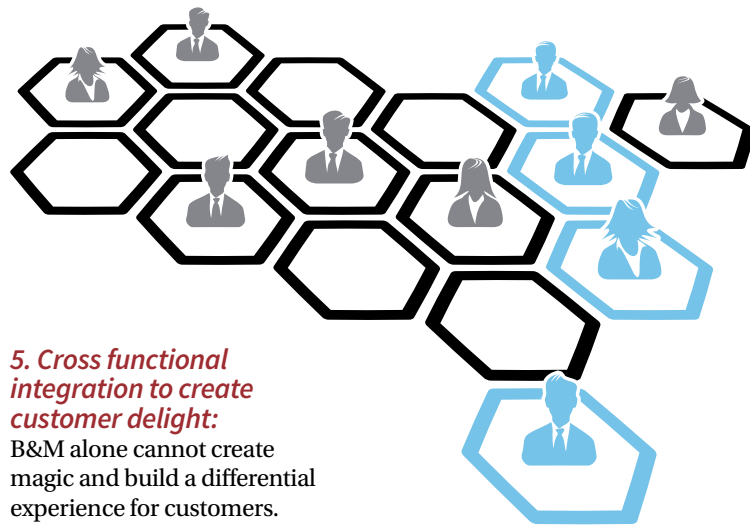
Leela Krishna, DGM, Buying and Merchandising, Raymond Ltd. speaks of the rapid changes happening at Raymond, “We are moving towards customer centricity by focusing on customer needs and innovations resulting in new age fabrics like the techno series (features UV protection, easy care, moisture management, anti-microbial and stain resistant fabrics). Another example is Imola fabric crafted from super 100’s with richness of design clarity.”

**4. Inventory Management to ensure availability with no stock outs:**

A great product that is not available does not have any meaning. Each of the retailers works towards ensuring that the right product is available at the right time, in the right size at the right place. To ensure this, a lot of investment and planning at the backend is critical to ensure availability always. Vishal Dubey, National Retail Manager, Lee Cooper, believes that the key differentiator that

B&M brings to consumers is the meticulous planning which helps to achieve better sell through. This allows inventory to rotate faster and create freshness in-store. Sanjali Giri, GM, Quest Retail Pvt. Ltd (The Body Shop) reiterates, “The product life cycle management plays a key role in driving customer experience. Ensuring availability of the right product at the right time at a competitive price is key.”

As Salesh Grover, Business Head, OSL Luxury Collections aptly sums it up, “The basic rule that applies to buying strategies is listen to what the consumer wants. If you are meeting their needs and they think that you are listening to their wants, they will keep coming to you.”



**5. Cross functional integration to create customer delight:**

B&M alone cannot create magic and build a differential experience for customers. Across board, we hear that while product superiority and uniqueness is the key contributor to a differential experience, there is much more that needs to be done to keep consumers engaged. The in-store experience is a combination of Visual Merchandising, branding and communication, store design and layout, the people on the shop floor, loyalty programs and much more. Each of these elements add significant value to the overall customer experience and delight.

As Leela Krishna, DGM, Buying and Merchandising, Raymond Ltd puts it, “While merchandise is a key differentiator along with

service, we believe it is the collective functioning that creates superior experiences and delights the end consumer.”

Surabhi Agrawal, Head of Merchandising, Crocs India Pvt. Ltd. adds, “B&M can help with right product planning. Focused storytelling helps convey the brand message and elevates the consumers’ experience.”

Nitin Yagnik, Vice President Merchandising, Soch Apparels Pvt. Ltd., adds, “We have a simple mantra towards delighting our customers - “Amazing product at a great price from a large assortment to choose from and with availability of every style in every size”

**The in-store experience is a combination of Visual Merchandising, branding and communication, store design and layout, the people on the shop floor, loyalty programs and much more.**



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## ARE CUSTOMERS COMPLAINING?

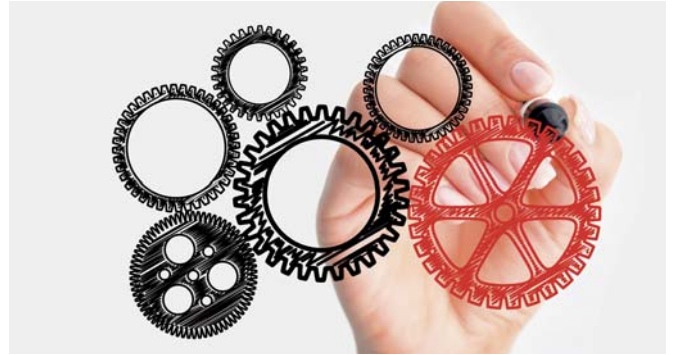
In every business, especially customer facing businesses such as retail, consumers always have a reason to complain. And despite the best strategies implemented, consumers who are evolving much faster, thanks to their exposure to other service industries and international exposure, keep asking for more.

**Some of the key challenges faced by B&M heads are:**

1. Non-availability of size
2. Fit and comfort of the garment
3. Colour bleed
4. Delay in delivery of tailored products at festive/ peak seasons
5. Stock outs for hit styles



We believe that admitting the problem is 50 percent of the problem solved. Most of the retailers who did share the problems also mentioned the new initiatives they are undertaking to resolve the issues. From training additional tailors for peak season demand, to educating consumers on wash care to avoid colour bleeding, to managing designs and styles especially when there are contrasting colours at play, to alteration service. The solutions are varied and yet signify a commitment to solving customer issues and ensuring better experience.



## CHANGING ROLE

While product is hero and presentation its co-star, it is not enough for consumers of the new world. The well-travelled, highly demanding consumer also seeks engaging experiences and it is these experiences that will have them gravitate towards the brand repeatedly and loyally. This fast evolving, dynamic industry has not only put B&M teams under far more pressure, it has also redefining their role. They are now expected to think strategically than just being execution-led. Technology, analytics, innovations are all impacting B&M thinking and strategies. Everything from product design, selection and presentation to talent development to customer experience, is being impacted.

Earlier, it was enough to offer the latest trends and styles at competitive pricing. Today the mix involves customization, hyper-localization, trend-setting vs. trend-right, a deeper understanding of the consumer (not just his product choices but also his/her lifestyle choices) and much more. All of this while ensuring that the economics of the product is always correct.

The consumer's need for freshness has resulted in new products hitting the floor every fortnight vs. the seasonal changes earlier. Online with its

deep discounting is putting margins under pressure. B&M professionals are having to manage the fine balance between customer and business expectations. A tough job all around!

## THE NEW RULES OF RETAIL MERCHANDISING

The future seems to be bringing in even more complexity to the role. Most retailers mentioned that while it is difficult to predict what the role of B&M would look like in 2025, everyone is convinced that the game is changing rapidly and the rules will be rewritten. Here is what we believe will become important:

1. The strategies for online will have to move away from price and discounting to experience based. There will have to be strategies that help replicate in-store experiences online and therefore the buying strategies will be impacted.
2. Speeding up of the product life cycle: Product life cycles have already become short and will continue to become shorter. Sparking chatter around new launches will be important.
3. Customization in terms of fit, silhouette and comfort: More and more consumers are wanting garments that match their personal style. No longer will an off-the-rack garment cut ice. Better fitted garments, silhouettes



FRIENDZY  
WINTER WEAR BY DEAL



that are flattering, understanding consumer choices and delivering customized garments which ensure that they fit well and take away the hassle of non-availability of size will be key.

4. Integration of Digital Intelligence and Data Analytics to improve decision making: Whatever the insightful tools used, incorporating digital intelligence will help B&M practitioners take better decisions faster. Whether it is social media listening

which will help buyers understand straight from the consumers what they like or don't, or it is getting real time data incorporating retail tech will benefit the B&M team in every aspect of their job. Sharad Venka, MD and CEO, Toonz Retail India Pvt. Ltd., speaks about how they utilize their online presence to gauge responses to styles. He says, "With a few selected sites we do a pre-look for our products with an option to pre-book. This helps us estimate the sell through and response."



## MEET THE CONTRIBUTORS



### GAURAV JADLI

*Head of Buying & Merchandising, Arvind Lifestyle Brands Ltd.*

Gaurav Jadli has done his Post Graduation from NIFT and Executive Programme from IIM-C., Jadli has 14 years of work experience with renowned international and domestic fashion brands like Gant, Nautica, Splash, Wills Lifestyle and others, especially in retail buying, merchandising, strategy and planning, product, inventory management, brand building, etc.



### LEELA HARA KRISHNA

*DGM - Buying & Merchandising, Raymond Limited*

Leela Hara Krishna has 17 years of retail experience with top retail centric organisations, he has extensive skills encompassing retail operations, business development, marketing, retail planning and merchandising. Hara Krishna has a unique distinction of being a part of luxury, premium and mass brands. Post his hotel management, he started the career with ITC Wills Lifestyle working in operations, and buying and merchandising in different capacities for 8 years. He moved to Brandhouse Retails and handled operations and buying before moving to Reliance brands. Post Reliance, he handled the high fashion women's wear brand, Chemistry, as Business head before moving to Raymond.



### SURABHI AGRAWAL

*Head of Merchandising, Crocs India Pvt. Ltd.*

Surabhi Agrawal has been part of the retail industry for nine years now, prior to joining Crocs, Surabhi Agrawal was associated with footwear brand Clarks, retail chain Max - a part of Dubai based Landmark Group - in buying, merchandising and sourcing roles. She graduated from National Institute of Fashion Technology in a design course that specialises in designing footwear and leather goods. Thereafter, she started her professional journey as a designer with an export house, creating leather goods for brand like Guess, Tommy Hilfiger, Nautica, Replay and Diesel. This product knowledge and experience came in handy in her B&M roles later.

## NITIN YAGNIK

*Vice President Merchandising, Soch Apparels Pvt Ltd*

Nitin Yagnik is an Engineer in Textile Technology, GMTian from NIFT Mumbai and GMBA from SP Jain Center of Management. In his work experience of 16 years, he has worked with organisations like Future Group, Reliance Trends, Carrefour WC&C, Arvind Mills and Soch.



## SUDHIR GUPTA

*Head of Buying & Merchandising, ITC Limited - Lifestyle Retailing Business*

Sudhir is a dynamic fashion and retail business professional with 25 years of enriched experience in reputed international and Indian brands in the lifestyle and fashion industry. He has wide experience in fashion value chain covering lifestyle, apparels, accessories, home textiles and hard-goods sectors. He has been in leadership roles with hands on experience in strategy and operations in the areas of merchandising, category and product management, product development, global sourcing and supply chain, business development, establishing and heading Multi country operations, systems & processes and team development & coaching. During these years, Gupta has had the privilege of working with customers in luxury, premium and mid segments spread across North America, EU and India.



## PURVI JOSHI

*VP- Sourcing and International Business, The Mandhana Retail Ventures Ltd*

Purvi Joshi has been part of the core foundation team of Being Human clothing that was put on the global map in 2012 by Mandhana Industries Ltd, the global licensee for designing, marketing and distributing the clothing line. She has been with the brand ever since its inception. Her journey in the garment industry has enhanced her expertise in design, merchandising, sourcing and overall business development over the course of 18 years. Amalgamating this with her varied international outlook achieved from travelling to various fashion capitals, Purvi has put her best foot forward in expanding the overall reach of Being Human Clothing, driving the brand to sell at over 500 Point-of Sales across 15 countries currently.



## SHARAD VENKTA

*MD & CEO, Toonz Retail India Pvt. Ltd., Toonz Retail India Pvt.Ltd.*

Sharad Venkta has been instrumental in making Toonz one of the largest kid's retail player in India today. He joined Toonz in March 2012 with the determination and passion to make it retail "Kids own store" and the "Go-to" fashion brand for kids. Sharad's previous experience of 13 years has helped Toonz Retail brand portfolio, facilitate the launch of 100+ retail stores and three home brands - Wowmom, Superyoung and Superyoung Celebrations.



## ADITYA PURI

*Retail Head, Giovanni*

Aditya Puri is retail head at Giovanni. Puri has an experience of over 20 years in retail and fashion business. He has worked in all the departments of retail sector including manufacturing.





## SALESHE GROVER

*Business Head, OSL Luxury Collections Pvt. Ltd (Corneliani)*

Saleshe Grover is a passionate professional with a successful track record. He has acquired excellence in taking up tough projects and making them successful. His experience of 17 years with various luxury houses has enhanced his knowledge and played a pivotal role in formation of sound fundamentals of nuances of global business. Currently, he manages the P&L, and complete management and future planning of OSL Luxury.

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## SANJALI GIRI

*General Manager - Quest Retail Private Limited (The Body Shop)*

Sanjali has 14 years of experience in Branded Apparel, Footwear, Accessories, Cosmetics and Toiletries. Areas of expertise include Brand, Product and Ecommerce. Sanjali joined The Body Shop in 2011 to manage the product and commercial function for India and Sri Lanka before moving to the current portfolio of Brand Management, Retail and Ecommerce strategy. As GM, she is responsible for new initiatives, business expansion, identifying growth opportunities and driving business for 154 POS and E-commerce. Sanjali has played a key role in building the brand in India. She started working in Buying and Merchandising function. Moved on to the international brand Guess (Planet Retail Holding Pvt. Ltd.) driving planning, buying and merchandising function for the brand. Post Guess, she did a brief entrepreneurial stint by creating a niche concept of a style studio offering design solutions to designers and consumers.

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## NISHANT PODDAR

*Chief Marketing Officer, Universal Sportsbiz Pvt. Ltd*

Since joining Universal Sportsbiz Pvt. Ltd in Aug' 2014, Nishant has helped grow the company from a lone brand Collectabillia to a strong 4 brands business with the launch of Wrogn, Imara and Ms. Taken. As Head of Marketing & Retail, he is responsible for building partnerships and broader business relationships with online and offline channel partners, providing business thought leadership to his team of Champions, retail expansion along with complete marketing and promotion of all the fashion brands.

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## VISHAL DUBEY

*National Retail Manager, Lee Cooper, Future Speciality Retail Limited*

Vishal is a hard core Sales Specialist and purposeful Strategist encompassing street smart skills honed through toil and sweat. His sole objective is to succeed at the task in hand. His motto is 'walk the talk'. His belief is 'Never give up'.



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# RISE OF THE INDIAN LUGGAGE INDUSTRY: FROM UTILITY TO FASHION ACCESSORY

– By **Namarita Kathait**

*The Indian luggage market has, over the years, shed its traditional utilitarian tag and has evolved as a lifestyle offering. Increasing business and leisure travels coupled with rising disposable income and organized retailing have led to increased demand for luggage. The segment – which is growing around 18 percent CAGR – is extremely streamlined and is looking at a good next few years. According to a report by Ken Research, the Indian luggage industry will reach ₹102,857 million by FY'2018.*

**R**emember when Hritik Roshan acted as the poster boy of VIP commercials, making all the girls swoon and all the boys wish they could carry a VIP luggage like him. How about when American Tourister commercial became an exemplary marketing tactic?

And we certainly can't forget the rise of Fastrack bags that penetrated the school and backpack market successfully by cashing in on the 'cool quotient'.

In the past, consumers have always separated luggage from fashion. Luggage was a utility, not a style accessory. Today, luggage brands are working extremely hard to completely change this perception of Indian consumers. In fact, the market over the last few years has become tremendously competitive. From established brands like VIP and Samsonite – trying to compete for the throne – to new entrants such as Da Milano, trying to establish a stronghold in the Indian market, the Indian luggage segment is on the move!

The segment has, over the years, shed its traditional utilitarian tag and has evolved as a lifestyle product. Increasing business and leisure travels coupled with rising disposable income and organized retailing have led to increased demand for luggage. Within this category, the demand for brand names has grown, as consumers aspire for goods that count as status symbols.

The segment – which is growing around 18 percent CAGR – is extremely streamlined and is looking at a good next few years. According to a report by Ken Research, the Indian luggage industry will reach ₹102,857 million by FY'2018.



### **Dynamics of the Indian Luggage Market**

The Indian luggage market can be broadly segmented into organised and unorganised sectors, with the unorganised sector still occupying a majority share. The overall luggage market in the country stood at between ₹3,000 crore to ₹4,000 crore in 2016, according to market estimates, with approximately 50 percent of this dominated by organised players.

Further segmentation is also done on the basis of make or materials, and this segmentation suggests that soft-shell luggage holds the maximum share of the market, mostly because of its easy-fit in small spaces.

The market is also divided on the basis of the types of bags such as casual, travel, business and school backpacks.

***As per a Nielsen report, hypermarkets have become a favourite destination for the urban shoppers and as almost all luggage brands are visible there, they can easily make an informed purchase. Leading hypermarkets of India have also registered growth in this sector. From a category point of view.***



price sensitive with a wide untapped market below the price range of American Tourister,” says Chief Executive Officer at Samsonite South Asia Pvt. Ltd, E.P. Suresh Menon.

### **Rise of Modern Trade Channels**

As per a Nielsen report, hypermarkets have become a favourite destination for the urban shoppers and as almost all luggage brands are visible there, they can easily make an informed purchase.

Luggage has been purchased primarily through traditional brick and mortar mechanisms comprising of dealer outlets, company owned stores and franchisees. However, owing to the changing times and needs, modern trade channels will continue to lead the growth.

Leading hypermarkets of India have also registered growth in this sector. From a category point of view, for Big Bazaar, daily travel is around 30 per cent and outdoor travel category is 70 percent. Major growth driving products are school bags, backpacks and hard trolleys.

### **Factors Driving Growth**

Over the last 14 years, India’s luggage industry has grown at an average rate of almost 13 percent. The last financial year has recorded a growth rate of 18 per cent and is expected to reach 20 per cent in the present FY.

The growth of this industry has been impacted directly by the growth of travel infrastructure such as national highways, airports, railway stations which contributed significantly to the development of the travel industry in India. Over the years, both domestic and international air travel has shown consistent double-digit growth. It is also expected that India will account for 50 million outbound tourists by 2020, thereby presenting favourable prospects for the luggage industry.

Modern retailing and new fashion trends are also

expected to drive the sale of casual bags and travel luggage bags category over the forecast period FY’14 to FY’18 according to Ken Research.

Not just that, luggage has also become an important part of the wedding trousseau, with even people in tier II and III cities buying branded suitcases and strollers during the wedding season.

Millenials, who constitute a considerable portion of Indian population, travel and like to travel hands free, which in turn has initiated growth for the backpack-duffle bag category.

The rural segment of the population is also not being ignored, with major players seeking laying greater emphasis on product innovations such as handbags for women and eco-friendly bags.

“India is one of the fastest growing economies in the world and the most



As per HyperCITY luggage as a category has been growing at an average of 55 percent for the last five years. Almost 1,000 sq. ft. area is dedicated to this particular category in all HyperCITY stores.

The picture is pretty much the same with Metro. Luggage there constitutes 10 percent sales of the non-food segment, with 20 percent average growth in the last five years.

**Leading Players in the Organised Sector**

Samsonite, V.I.P and Safari constitute approximately 95 per cent of the total organised sector of the luggage industry. Brands like Da Milano, Delsey, Tommy Hilfiger constitute the rest. V.I.P is the leader with an almost 47 per cent market share, followed closely by Samsonite (45 per cent). Safari accounts for the rest.

V.I.P Industries Pvt. Ltd.: V.I.P, which started its retail journey in 1971, has presence in all three segments – Premium, Mass and Economy.

For years now, VIP Industries Ltd has been the leading player in bags and luggage. Since leaving its predecessor Universal Luggage – which used to make an aristocratic range of moulded luggage in 1984-85 – far behind in the market share, VIP has become a household name in India. In 2014, it occupied 60 percent market share ruling the organised sector.

However, Samsonite slowly caught up to VIP, largely because VIP is being perceived as an ageing brand. VIP Industries faced stiff competition from Samsonite, and its mid-priced brands like Delsey and American Tourister, which offer



**“The response to our product has not only been encouraging but it has also accelerated growth of the business in terms of product development, designing, expansion and further motivates us enhance customer experience.”**

– Sahil Malik, MD, Da Milano

consumers sleeker and more contemporary designs within the same price range.

Samsonite South Asia Pvt. Ltd.: is a subsidiary of Samsonite International S.A and was launched in India in 1997. It has become a favourite among the niche urban consumers and holds over 90 per cent market shares in the premium category (over Rs 10,000 price tag). The category accounts for around 10 percent market share.

After VIP refused for a joint venture with Samsonite in 1998, it collaborated with Ramesh Tainwala, who is now the CEO of Samsonite International. VIP then fought back, by introducing many more youth-orientated designs and backpacks via its Skybags range.



“From manufacturing only suitcases in early ’70s, V.I.P Industries now has an evolved offering of a vast range of products like polycarbonate strolleys, Nylon-based strolleys, printed luggage, handbags, backpacks, wallets and travel accessories through various brands under its portfolio. Today, V.I.P Industries is synonymous with luggage, which is the core product category,” says MD, V.I.P Industries Pvt. Ltd, Radhika Piramal.

Both luggage manufacturers are now coming up with more youth-orientated products, which are lightweight with more innovative and space efficient designs. This is in part because the younger population is keen on travel and adventure, increasing the demand for hands-free and hassle-free luggage in India. This trend is further expected to propel various bag manufacturers to come up with a variety of bags and

backpacks which are scratch-resistant, water-resistant and convenient in nature.

“For Samsonite, we have luggage, backpacks, travel accessories, in brand AT, with all these, we have a very special back to school category with backpacks, rucksacks, messenger bags, bags for toddlers...we want to capture the entire lifetime of a consumer. From the moment you have started travelling, we want to fulfill all your luggage requirements,” Director, Samsonite India Pvt. Ltd, Anushree Tainwala, told IMAGES Retail.

Another brand which has received a very positive response from customers over the years is Da Milano.

“The response to our product has not only been encouraging but it has also accelerated growth of the business in terms of product development, designing, expansion and further motivates us enhance



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**Distribution Redefined**

customer experience,” says MD Da Milano, Sahil Malik.

The brand is currently planning to launch a new sub-brand of handbags and accessories with lower price brackets. It has 58 stores (and growing) in 17 cities in India. The plan is to grow to 100 outlets across 34 cities in the next five years.

“Da Milano is a product and service entity. Its range is unparalleled. The leather procured is harnessed and finished with features that are designed based on the style aspirations of the day, the customer feedback and utility. The craftsmanship ensures a blend of the orient with west and produced at plants that are the state-of-art. Four-five seasonal portfolios in a year meet the craving and yearning requirements of an elite customer base. Design and merchandising ensures style & competitiveness that leaves competition in awe of Da Milano and just running out of breath chasing the new concepts and designs of Da Milano,” he adds.

Malik is optimistic about the growth prospects of his brand despite the oligopolistic nature of the luggage retail industry in India.

“Growth in business is a gradual process irrespective of nature of the market. At Da Milano we are constantly striving to match the aspirations of the customers pertaining to travel needs and carve a niche for the brand in that segment,” he says.

Safari Industries (India) Ltd. too joined the race to become the top luggage retail company in 1974, though it became a dominant player only in the past few years. The company is rapidly gaining ground in the mass-premium section. It acquired Genius Leathercraft and also forayed



***Both luggage manufacturers are now coming up with more youth-orientated products, which are lightweight with more innovative and space efficient designs. This is in part because the younger population is keen on travel and adventure, increasing the demand.***

into the school bags segment.

According to Sr VP Sales, Safari, Indranil Roy, “Our Company is one of the 100 fastest growing companies in India. There is a tremendous scope for this company to be a Rs 1,000 crore company in next three-four years.”

### ***Going the Online Way***

Samsonite has already made plans to launch its newly acquired e-commerce site ‘E-bags’ soon. E-bags founded by Peter Cobb, an ex-director of Samsonite will provide a direct channel for Samsonite to market their brands American Tourister and

Hartmann by the end of 2018.

With consumer’s growing liking towards digital shopping, Samsonite is looking to grow their digital businesses and increase their sales from 32 percent to 50 percent.

Apart from being present in hypermarkets, luggage retailers are also tapping online marketplaces including Flipkart, Amazon, Jabong, Snapdeal, Shopclues, Myntra, Jungle. Safari is also revamping its own online portal and Samsung has been using e-commerce to sell furniture for a long time now.

Skybags from V.I.P are available on the company’s online portal, as well as on other e-marketplaces, while the mother brand V.I.P is available on Snapdeal and Amazon.


Clubb International is another name in the luggage industry that is doing wonderful things with their e-commerce platform Clubb Cart. The brand has a multi-portfolio including items ranging from jute bags for women to leather executive bags.

“Clubb is most popular in middle class segment brand. Those who cannot afford

high-end and most expensive brands,” says Managing Director, Clubb International, Tarun Mullick.

The brand has entered into the online space with Clubbcart. “There is a huge difference between Clubbcart online & Clubbcart offline stores. Offline sales are much higher than the Clubbcart online store. It is not even comparable. But where are online platforms are concerned like Amazon, Flipkart & eBay, Clubb is highly successful like its offline counterpart,” Mullick explains.

The brand is now opting for the Omnichannel approach, because, as Mullick says, “to sustain growth in today’s competitive environment, one must expand offline as well as online”.

“These days, it is imperative to have multiple touch points to reach customers. Though the foundation of our brand was through retail channels – a more personalized way to reach customers – on the other hand we understand that an online marketplace helps reach a wider net of potential clients who might otherwise not know we exist,” concludes Da Milano’s Sahil Malik. 

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# KAMA AYURVEDA: A RETAIL CONCEPT THAT TOUCHES THE INDIAN ROOTS

– By **Shubhra Saini**

*Understanding the gap in the market for authentic Ayurveda beauty and wellness products, **Vivek Sahni, Co-Founder and CEO of Kama Ayurveda** launched the brand along with three partners in 2002. The brand, which started with a small line of just nine products, has today become a name to reckon with. Kama Ayurveda, has 23 stores in India apart from a strong e-commerce presence. Their product range comprises of seven major categories – skin, hair, bath & body, mother & child care, men’s care, gifting and wellness. Talking exclusively to IMAGES Retail, Vivek Sahni outlines his brand’s journey and summarizes his vision of the evolution of Kama Ayurveda in the near future.*

**T**he idea of launching an authentic Ayurvedic beauty brand came to

me after I worked closely with Indian artisans while spearheading a packaging project for the Khadi brand. While on this project, we worked closely with Indian farmers and artisans and this project strengthened my belief that Ayurveda and a return to traditional Indian values and crafts is something that held great power for the modern-day consumer. As an avid practitioner of Ayurveda and Yoga, I have always believed in a holistic way of living and this was the seed of the brand that has now become Kama Ayurveda.

Armed with belief and knowledge of authentic Ayurveda as it is truly intended to be, we founded the brand in 2002 with my three partners Rajshree Pathy, Vikram Goyal and Dave Chang to promote the message of true Ayurveda, universally. The journey has truly been rewarding ever since. We built a brand and a business around our conviction and faith in bringing Ayurveda to the world and the world in turn loved our products. Kama





Ayurveda was launched with a small line of nine products that were Ayurvedic oils and powders. The fact that the original line of products not only continues today but also forms the heart of our bestsellers is a testament to the fact that efficacious and naturally gentle skin and hair treatments are appreciated by consumers all across the world. While we are still a young brand and have a long way to go, we are proud of giving this country its foremost home-grown beauty and wellness brand that is based of true and authentic Ayurveda.



*It is no secret that the beauty business is booming in India and there is a renewed global interest in Ayurveda due to a variety of factors. In India, there is a deep cultural acceptance of natural, holistic beauty remedies as well a rapid increase in purchasing power due to rising disposable incomes.*

**The Footprint:**

Currently we have 23 stores in various cities across India such as Delhi, Noida, Gurgaon, Mumbai, Bangalore, Ludhiana, Kolkata, Coimbatore, Chennai and Pune. We are also expanding to newer cities as we speak and have increased access to consumers through our presence online on www.kamaayurveda.com as well as premium India e-tailers. Our store are exclusive brand outlets only and it is very important to us to maintain the purity and authenticity of our consumer’s experience. We are available in 36 countries across the world via our international distributors.

**The Market:**

It is no secret that the beauty business is booming in India and there is a renewed global interest in Ayurveda due to a variety of factors. In India, there is a deep cultural acceptance of natural, holistic beauty remedies as well a rapid increase in purchasing power due to rising disposable incomes. The emergence of online shopping in beauty has

also driven growth for us due to our emphasis on consumer education, our foundation in Ayurvedic prescriptions as well strong word of mouth on our products that we are very proud of. However, for us our brand values of purity, efficacy, authenticity, kindness and sustainability speak to audiences not just in India but also to global consumers.

**The Customers:**

Our positioning is simple – we offer pure, holistic and efficacious treatments for beauty and wellness based on authentic Ayurvedic prescriptions. The key here is “authentic” – pure and classical Ayurveda is at the heart of everything we do. Our purpose is to bring authentic Ayurveda to the world through effective formulations as well as elegant and contemporary packaging. Our consumers are women and men looking for safe, gentle and highly effective remedies for their beauty and wellness needs who are also conscious about reducing chemical or non-natural elements in their lives.



**The Products:**

Our product ranges across seven major categories – skin, hair, bath & body, mother & child care, men’s care, gifting and wellness. We are best known for our iconic treatments such as Bringadi Intensive Hair Treatment, Kumkumadi Miraculous Beauty Fluid and Kumkumadi Brightening Ayurvedic Face Scrub. Our high quality, beautifully packaged products are sold globally and used by some of the world’s leading hotels and spas. They have also received extensive coverage

and recognition in various global and Indian publications including US Vogue, French Vogue, Japan Vogue, Harper’s Bazaar and Tatler.

All our brand stores stock our entire line of beauty and wellness treatments – we also do limited edition and gifting collections from time to time. Apart from our award-winning range and the wonderfully warm Kama customer service, our brand stores also have Ayurvedic Doctors who provide lifestyle and wellness advice to our valued consumers.

### **Pricing Strategy:**

Our product pricing ranges from Rs 225 – 2,295. Our consumers place a premium of the purity and efficacy of our products rather than judging our range purely by price. Our bestsellers are Bringadi Intensive Hair Treatment, Kumkumadi Miraculous Beauty Fluid, Kumkumadi Brightening Ayurvedic Face Scrub, Organic Coconut Oil, Eladi Hydrating Ayurvedic Cream among many others.

### **Location Strategy:**

Location is key. Our location strategy is currently a mix of malls as well as high street – for both formats we look at prime real estate with high footfalls. We do have shop in shop outlets at select Shoppers Stop stores and also retail from select premium outlets like Good Earth, The Box by The Park, Amethyst & Taj Khazana.

### **The Stores:**

The average size of our stores is 300 sq. ft. Our store formats currently are Exclusive Brand Stores only. While in terms of size they differ depending on the space availability,

***Our location strategy is currently a mix of malls as well as high street – for both formats we look at prime real estate with high footfalls. We do have shop in shop outlets at select Shoppers Stop stores and also retail from select premium outlets like Good Earth, The Box by The Park, Amethyst & Taj Khazana.***



the store design, products available et al, are all uniform across our stores. Our consumer profile is largely women in their late twenties and above, well-educated and well-travelled. She is a contemporary, discerning woman who consciously chooses more holistic and healthier alternatives in her daily life.

### **Customer Loyalty:**

We launched our exclusive Rewards Program 'Amaaya' in May 2016 and the response from our consumers has been phenomenal. It is our special privileges club and as a valued Amaaya member, our consumers can earn points every time they shop with us. Amaaya members also get access to a host of other benefits including new product previews, special offers and exclusive experiences with Kama Ayurveda.

### **Marketing Strategy:**

Our marketing strategy has evolved as the brand has grown – in the beginning we had almost no marketing except for the word of mouth about our products. Today we are focusing our energies on wider channels

### **Innovations:**

We have Ayurvedic Doctors in our store who provide health and lifestyle advice to our consumers. Often our consumers have questions or concerns beyond our products alone and our highly experienced Ayurvedic doctors help address these quickly and efficiently. Our doctors are not there to sell, they are practicing physicians in their own right and this is a complimentary service available at Kama stores.




of marketing but what has not changed for us is listening closely to our consumer. Our discerning and passionate consumers are the driving force behind everything that we do – whether it be new product launches or new store location, we listen closely for their suggestions and feedback. We believe that as long as we remain close to our consumers' needs and desires, business will be a natural result.

### **Expansion Strategy:**

We are looking to expand our footprint in cities where are already present as well as take our brand to newer locations. We have recently opened stores in Pune and Ludhiana apart from adding stores in Mumbai and Bengaluru. We are not looking at franchising options at present.

### **Online & E-Commerce:**

E-commerce is a critical growth factor for us and the online boom in beauty buying has really helped our brand grow and reach out to newer consumers India and the world. While we cannot share any revenue numbers, it is safe to say that our online channels are growing at a rapid pace and we are looking to amp up our efforts online. Apart from building a rich and engaging brand site that provides fast domestic and international shipping, we have also partnered with key online partners to increase our online capabilities. A unique factor on our site [www.kamaayurveda.com](http://www.kamaayurveda.com) is the Complimentary Trial feature wherein consumers can pick free samples of their choice and have it delivered to their home for a nominal shipping fee. 



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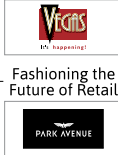
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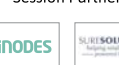
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## Luxury Retailers in India not just ‘surviving’ but ‘thriving’

– By Prem Dewan

*There is no denying that the luxury retail segment has evolved immensely over the last decade. Many brands have entered the Indian market, few have left and a few are re-entering India as they feel the country is now ready for them. India’s luxury sector is growing at a rapid pace with international brands setting up shop here.*

**S**o, what is the reason for this rapid growth? There could be many factors: The manifestation of social media, rise of emerging markets, sprouting aspirational youth and a growing sense of 'brand-consciousness' are propelling the wheel of growth of luxury sector in India. Consumers are becoming aware - and vocal - about their lifestyle, and looks, and are bold enough to experiment with different fashions, silhouettes, color and fits.

Their shopping preferences are no longer dependent on fit or color of the product; they expect an experience at the boutiques. Also, there is a wider target audience residing in Tier II and III cities that have the propensity to buy luxury goods and are emerging as new reservoirs of luxury spending.

The current market is steadily growing across the country. The most sought-after format of entry for international brands is through franchise and joint venture. Due to fragmented and diversified customer base in India, there exists a huge opportunity to the international brands. To cater to the Indian market, some brands are tailormaking a collection, which is India specific.

Corneliani has launched a new product for customers called 'Court Suit' - a limited edition 'India-specific' product, bandhgala, Made in India. Following in Corneliani's wake, more and more brands are jumping on the customized product bandwagon. The current is clearly an indicative of how renowned international brands are adapting themselves to cater to the budding Indian luxury market.

We have experienced 12-15 percent growth in business since we took over the brand. The Indian market has accepted the brand very well and we have seen remarkable growth in terms of our clientele. At the store level, we ensure that we build a relationship with the client and provide a unique shopping experience. Since people aspire for luxury, international brands - to test the waters and to look for new target audiences - are exploring trunk shows in smaller cities. Reaching out to the new elite in tier II and tier III cities

is a growing trend and these trunk shows have been a mammoth success.

Luxury stores in India are at seeding phase and are poised to rise. The introduction of GST (Goods & Services Tax) will also provide a competitive advantage to India's luxury sector. We need to grow and expand and move from tier I to tier II and III cities and facilitate sound infrastructure.

The new luxury consumers are younger, better informed, more globally exposed and more sophisticated, so sale is not the final point in the word stock - it's the onset of the relationship with the customer.

With recent political and economic developments and demonetization, sales have taken a dip as an instantaneous impact. 2016 was a dynamic and challenging year in which the buying pattern changed and there was a halt in luxury retail for a few months. The market may take a couple of months to recover and gain momentum. Other issues that serve as roadblocks to the entry and marketing of luxury brands in India are tedious government policies, custom procedure, taxes, high tariff and import duties, poor infrastructure.

To swim through the tide and reach the other side, it is necessary for retailers to adopt a customized marketing channel strategy. A retailer must determine how to successfully acquire, engage, attract, sell to, and retain the diverse and demanding luxury product customers.

To be successful in India as a luxury retailer, it is necessary to gauge both the financial potential as well as the mindset of the Indian luxury consumer. This will help in bringing forth the right product offerings to the Indian consumer as well as targeting them better. Luxury has not lost its sheen; with growth of India, luxury market will obviously grow. **IR**

**About the author:**

*Prem Dewan, Retail Head, OSL Luxury Collections Pvt Ltd-Corneliani*



# CROCS TO DOUBLE INDIA BUSINESS IN THREE YEARS, INVEST HEAVILY IN DIGITAL MEDIA

– By Shubhra Saini

*Crocs – the slip-on plastic clogs and flipflops – have become a niche trend. They are cool, the in-thing, shoes for all occasions. Founded by Scott Seamans, Lyndon “Duke” Hanson, and George Boedecker, Jr., Crocs were originally developed as boating shoes. The first model produced by Crocs, the Beach, was unveiled in 2002 at the Ft. Lauderdale Boat Show in Florida, and sold out the 200 pairs produced at that time. Crocs came to India in 2007 in a joint venture with Chogori India. Today, it is hoping to earn at least one-third of its overall revenue from the casual footwear category by 2019. The brand operates in over 90 countries around the world. Talking exclusively with IMAGES Retail, **Bhavna Tewari, E-commerce and Marketing Head, Crocs** divulges brand’s future plans.*

**What is Crocs’ current market share in India? Is there a target you have set your eyes on in the future?**

We are growing at over 35 percent year-on-year. In terms of outlook, we will be doubling our India business in three years and to achieve this, we will be widening our product portfolio and going in for geographic expansion. We are also looking at expanding beyond our core beachwear offerings. We plan to expand our brand to a pure casual footwear brand. Over four-five years, we want to be a larger player in the casual footwear category and capture 10 percent market share.

Globally, we have sold 55 million pairs in 2016, out of which we sold 1.5 million pairs in India. At present,

the company has 1,000 points of sales including over 52 exclusive stores. Our standalone stores will be an important channel of growth for us, going forward.

**What is your reach in terms of the total number of outlets and cities?**

In India, we are present in six metro cities with 52 stores that contribute to 50 percent of our total revenue. We plan to open 50 more stores by the end of December 2017, across the same metros and in Pune, Ahmedabad, Chandigarh, plus four to five new cities.

Besides geographical expansion, we believe that the future of e-commerce lies in the brand’s own store rather than other online marketplaces. This calendar year we are adding over 300

point of sales (POS) and in the long run we will have close to 2,500 POS, out of which 250 will be our exclusive stores.

**How big is the market for your products in India and what is the growth rate? What are the factors propelling the industry’s growth? Please tell us about some of the trends you have been witnessing in your industry in India over the past few years.**

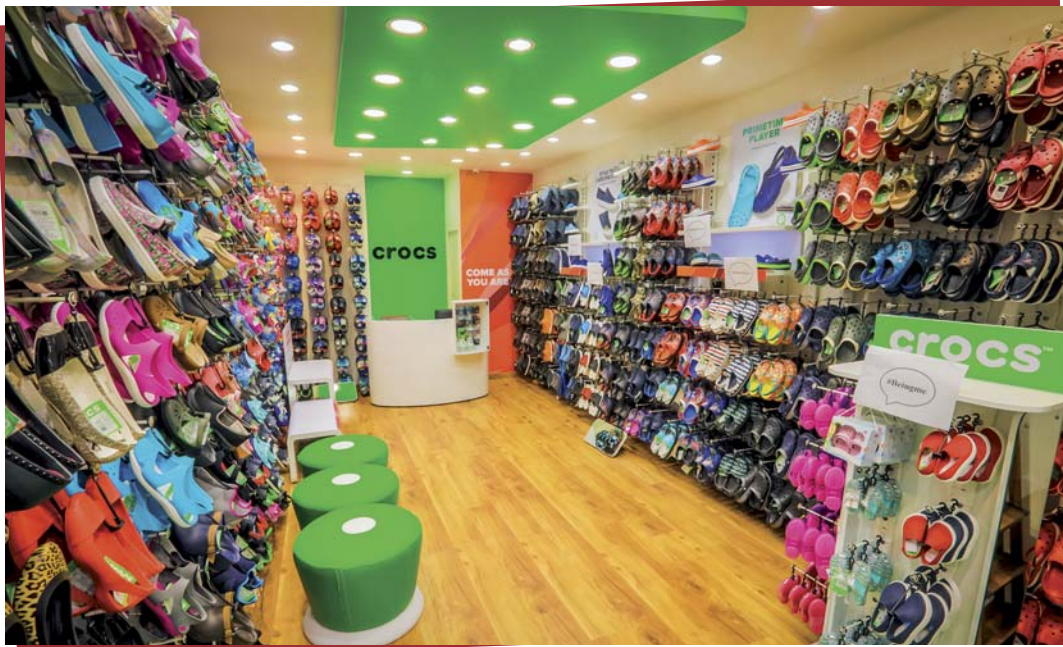
India is a growth engine for our brand. In fact, our product launch (we launch new designs and silhouettes every season) happens in sync with our global markets. Crocs is known to offer a

wide variety of options to customers, roughly 500 new styles every season. Add to these styles various colors and every season we have over 1000-plus designs. Roughly 60 percent of the global styles are brought to India.

**What is your market positioning and customer profile?**

Crocs as a brand is loved by every kid, though the percentage of contribution from kidswear sales is around 20 percent. Kids are the main decision makers in a family for impulse buying, and that helps us get into every household possible. Half of our business comes from Men, 30 percent





of the brand's business comes from Women and 20 percent is from Kids. Given the socio-economic demography of India, our target group is largely between 18-30 years, men and women. We are progressively and steadily growing our business in the women's category - in the last two years, we have grown this segment from 18 percent to 30 percent. We see it growing to 35 percent further.

For kids, the demand is largely led by the need for lightweight comfortable shoes. The 35-plus age group also buys Crocs for comfort. There were some gaps in the 16-28-year-old segment. We looked at what was missing. Crocs are known for clogs, flips (V shaped) and slide, but you can't wear them to work or parties, so it becomes 'glorified home wear' or travel wear. That's where the innovation started.

In 2013, our entire product segmentation changed. We got into boots, shoes, wedges, flats and booties. We still don't call ourselves a fashion brand. We call ourselves a fun, casual brand, with a fashion orientation. Designer Christopher Kane in London Fashion Week had a whole line on Crocs. In India, we will develop something on the same lines.

Over 44 percent of our business comes from loyal customers. Generally, a customer will own one pair of Crocs. The product is durable and lasts for three to four years, after which you get bored, and give it away. So, increasing the penetration in each household is important.

**Give details about the product range available at your stores.**

Our footwear are made of the Crocs patented technology called Croslite™. We have our basic product - clogs, as well as gender specific products ranging from block heels, wedges, sandals for women and leather shoes, canvas sneakers, and loafers for men. The price range varies from Rs 1,500 and goes upto Rs 8,000.

**What is the average size of your stores? What are your various store formats?**

The average size of a store is 350 feet. However, as a brand we don't invest in opening stores, since we operate out

of a franchise model. We have two store formats EBO and MBO, they both differ in the products that are stocked, which can be only exclusive to an EBO or an MBO, the pricing will be the same and the kind of customer flowing in will always be different - an EBO in all likelihood will have a brand loyalist walking in and at an MBO, we would have customers who are exploring other brands as well.

**What is your marketing strategy?**

We have identified that adding more physical stores so that people can actually experience Crocs will be the growth engine for us. This will also allow us to have a relatively larger control on what we sell, how we sell and ensuring customer satisfaction. Globally, the brand, which till now didn't have celebrity endorsement,


has signed actor Drew Barrymore and WWE champion John Cena. For the Indian market, we will roll out our mass media activation this year, something that hasn't happened in our ten years of existence in India. We don't want to confuse the customer with Indian celebrity endorsement. We will, however, do activation on television and films for our brand to reach out further among our customers.

**Are there any interesting concepts or innovations you have introduced at your stores?**

The brand is investing heavily in the Visual Merchandizing space to enhance the overall look and feel of stores.

**How focused are you on e-commerce? Explain your online strategy in detail? What percentage of revenues comes from e-commerce currently, and how high do you expect these numbers to go in the next few years?**

Digital media is absolutely relevant for all brands and the growth of brands. For the last three years, we were only investing in digital media. Those investments will grow. Though we will invest in mass media advertising, our digital media investments will double this year. We will continue being active on social media platforms. Since we are investing in celeb endorsements, we feel that the digital investments will have to be complemented with that in 2017. We intend to invest six percent of

our business plan on marketing activities - as a percentage this figure may not go up but as dollar value it certainly will. 



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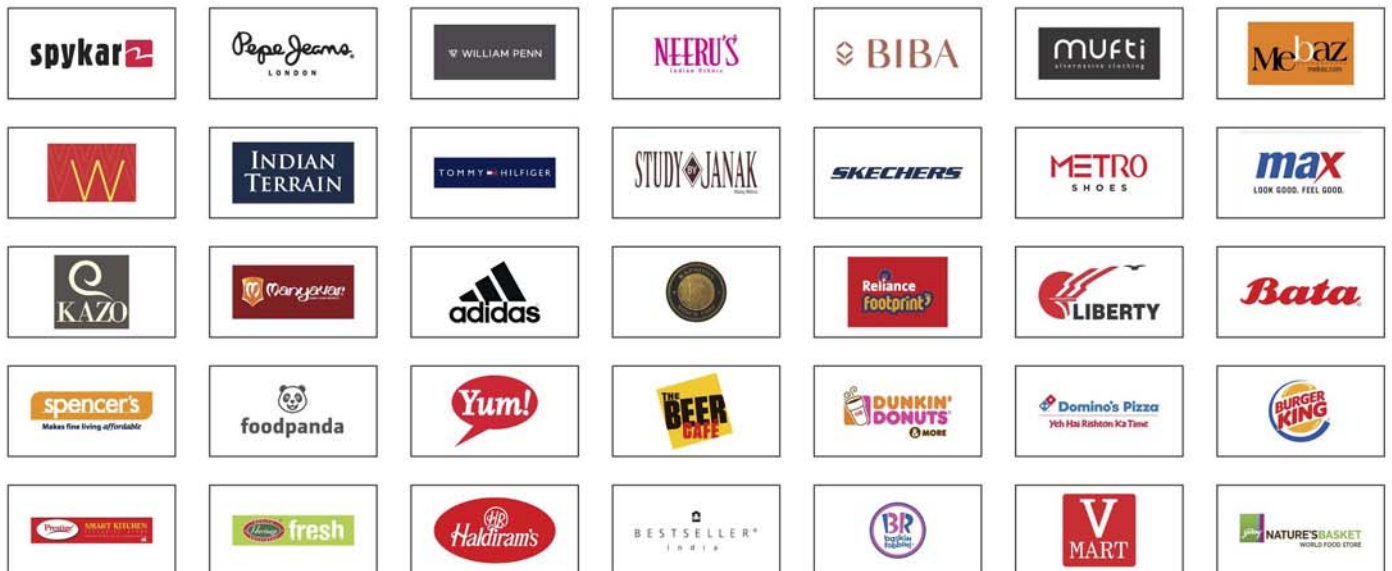


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## THE INDIAN LUXURY LANDSCAPE IS EXPERIENCING STRONG EVOLUTIONARY UNDERCURRENTS

– By Shubhra Saini

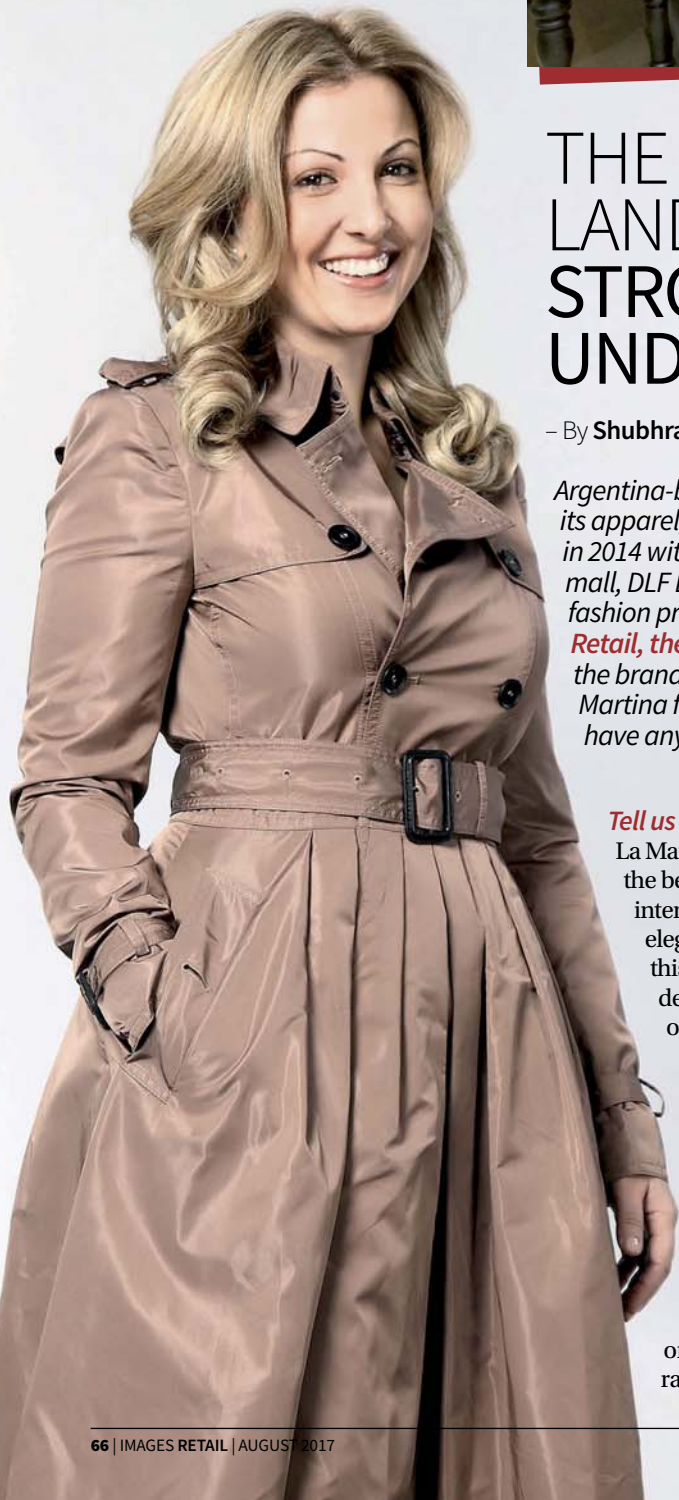
Argentina-based luxury brand La Martina – a polo lifestyle company known for its apparel, technical equipment and accessories – started its India operations in 2014 with the launch of its maiden store in the capital's most coveted luxury mall, DLF Emporio. La Martina in India has diversified the brand to add general fashion products for ladies, men and kids. **Eliana Koulas, Director of Luxus Retail, the Indian franchisee for La MaUrtina**, finds colossal potential for the brand in the country. Talking to IMAGES Retail, Koulas points out that La Martina falls in affordable luxury segment and says that the brand doesn't have any direct competitors in India.

### **Tell us about the history of the company and profile.**

La Martina is a deeply authentic brand. Its style was born on the Polo fields. From the beginning, the vision was to create an Argentine brand that could expand internationally closely linked to Polo and share sporting values such as sacrifice, elegance, luxury and skills which constitute the DNA of La Martina. To achieve this purpose, La Martina spread its passion around the world, fostering the development of Polo in every country around the world making the brand the official supplier of the most prestigious Polo events including competitions in Saint Tropez, Miami and Sylt and in some of the most traditional and renowned universities of the world – Harvard, Yale, Oxford and Cambridge, with the addition of a number of other associations and institutions.

### **How big is the market for the products of La Martina in India and what is the growth rate?**

While the Indian psyche is driven towards value luxury and discounting, there is a fine line between what the India consumer aspires for and the price he is willing to pay for this aspiration. Indians are instinctively value-laden and would think twice before splurging on luxury items. We have observed that they don't necessarily buy into random purchases where there's no repeat purchase behavior happening,



although, this is starting to change as more and more brands become available in the market. Fortunately for us, we are in the affordable luxury segment and don't have any direct competitors in India, which means colossal potential for our brand. Polo Ralph Lauren and Etiqueta Negra ride on the same traditions.

Both these stores are currently franchised. We get approximately 400 footfalls in a month.

***What are the factors propelling the industry's growth?***

This is a good question since many brands have had a lot of stops and starts in between. Others have entered

will grow, a lot of wealth will get created in India too.

To win in India you need to be relevant to the people of the country. Generally, brands see some sort of opportunity, be it a consumer opportunity or otherwise, but they are not relevant to what people really need. Relevance will ultimately pave success for the brand. The presence of international brands has further increased due to the level of competition for big domestic brands, which has been evident over the last four to five years. Domestic players are using big budget advertising (something most luxury brands do not have much leverage in India due to budget restraints), using ATL, and BTL marketing. Bollywood and sports celebrities are also playing a significant role in the overall domestic brand strategy, which has changed the power of branding. Stars are lending their names to promote local brand messages, which have a widespread effect especially on social media platforms like Facebook, Twitter or Instagram.

***What are some of the trends you have been witnessing in your industry in India over the past few years?***

India has been inspiring the luxury and fashion industry for years and has been a source of inspiration for the rest of the world for decades. Parallely, it is currently passing through a window of demographic transition, which is rare. 72 percent of our population is below the age of 32 and rarely has this happened in the history of the world when you have a very young population, when you pass through this window of demographic transition that the luxury market does not grow. In the case of India, the

***La Martina's style was born on the Polo fields. From the beginning, the vision was to create an Argentine brand that could expand internationally closely linked to Polo and share sporting values such as sacrifice, elegance, luxury and skills which constitute the DNA of La Martina.***

population in India is getting younger and will keep getting young till 2040, and therefore the scope of the luxury market will keep going up.

This is a huge growth opportunity for new players entering the market where they have the chance for an early brand seeding. It requires mammoth patience and financial commitment in order to thrive and survive in the luxury business with a minimum of three to five years to start making profits. I think we need to look at this from a long-term perspective of a two-decade market.

We do expect growth trajectory in some new mall developments over the next two years across Delhi and Mumbai to help ease the real estate problem. This is presently a major concern, since there are not enough real estate players to offer the right destination.

***What is your market positioning and customer profile?***

The Indian luxury landscape is experiencing strong evolutionary undercurrents that are redefining the consumer profile and how luxury players operate in this domain. La Martina is truly a global name known as Polo's luxury technical and lifestyle brand with a portfolio of



Our annual growth has been continuously growing at a pace of 20-25 percent per annum.

***What is your reach in terms of the total number of outlets and cities? How many footfalls do you get each month? How many of your stores are franchise stores?***

We have a total of two outlets in India - one in Delhi and one in Hyderabad. Delhi is the main flagship anchor.

and exited the country very quickly for various reasons. Whether it was a premature brand entry, or poorly handled local operation there have been many such examples since the 2007 luxury boom. But in an overall larger context, luxury has been growing continuously for the past several years. What is powering this growth is a massive increase in consumption, urbanization and economic leverage. While high net-worth individuals

stunning and highly desirable collections thanks to the brand's ability to combine style with performance infusing its key focus on British tailoring. Our main global target audience is people who have a passion for beautiful things, which enhance their way of living. These patrons are brand conscious, and in some cases, have strong brand loyalties. In absolute terms, they are unafraid to spend and are highly individualistic be it on high quality homes, food, clothing, or luxuries. They are also finding new ways to splurge, such as on buying art and artifacts or travel experiences.

Our global audience is predominantly men as we are a polo inspired brand (since more men are drawn to the sport than women). However, this ratio is rapidly changing and we see more and more women involved in the sport. Simultaneously, we have also witnessed the purchasing power of women rising in India, where they seek collaborative opinions and collective influencers such as social media engagement and other digital experiences to finalize their purchase decisions. We will see more and more mobile and Internet penetration on the increase this year, which will be the driving force of this growth change.

*Please provide details about the product range and services available at your stores.*

We place heavy emphasis on quality and dedication in offering the very best of products within the sport of Polo, which represents a whole way of living, culture and lifestyle. Our product pool offering comprises of menswear, women's wear,



shoes, leather goods and small accessories such as scarves, sunglasses and fragrances. We also have custom-made / made-to-order Polo riding boots and saddles – all made in Argentina. A crucial part of our business offering in India is extending private appointments at our customer's residence or office. There is a huge chunk of the target audience who do not have the time or reach to visit the store and having the luxury of a well-curated product selection, personally styled by us is a propelling part of their decision-making process as well as overall brand experience.

*What is the price range of your products? Which price band is the most popular with customers?*

Our prices range from Rs 3000 for a silk pocket square and can go up to goes up to Rs 100,000 for a jacket. Our most popular price band is Rs 13,000 for our medium range polos and shirts. This fits into the 'affordable luxury' category. Pricing and distribution are amongst the key challenges where luxury goods in India are generally over 30 percent more expensive than other major markets – after including

*The ideal space for a flagship store is approximately 1000 sq. ft. as this minimizes the investment risk and the brand gets to showcase their product range in a more focused way.*

duties and taxes. In order to keep a global approach and maintain the impact of the brand image, we aim to retain our pricing fairly equal to the rest of the world.

*What kinds of items sell the most at your stores?*

The polo T-shirt has been and will always remain our highest best seller due to its high-detailed construction and true representation of a Polo-inspired product. A customer feels the instant connection to the world of Polo. Both women and men alike value and appreciate our T-shirt segment. However, our men's shirts are far more detailed versus women's. Globally we have witnessed women steering away from the 'badge brand syndrome' and moving towards simpler products with lesser logos. The quiet minimalist revolution in India is trending particularly with our male customers, which is the new India



Modern Man. He doesn't like ostentatious branding and wants to downplay the brands his wears, with a stroke of subtlety.

*What is the location strategy for your stores – malls or high street and why?*

The ideal space for a flagship store is approximately 1000 sq. ft. as this minimizes the investment risk and the brand gets to showcase their product range in a more focused way. However, our Delhi flagship is 1800 sq. ft. (almost double of the average size store expectation) due to lack of available retail space. Since we didn't have a choice, we decided made a conscious choice to maximize the opportunity and create a colossal impact for the brand.

Currently we have 2 EBOs in New Delhi and Hyderabad, which are vital building blocks for the brand. The Delhi flagship store is in a mall format, whilst the Hyderabad store is on a high street. It was a natural choice positioning Hyderabad on a high street location and while scouting for prime locations we realized there was no prime luxury destinations housing luxury brands in this market. Jubilee Hills had a denser and more concentrated catchment for our La Martina target audience which was ideal. Our neighbours are Bentley Cars, and Bentley Furniture – a perfect alignment of brand values comprising of elegance, luxury and skill which we both share.

Even though the high street culture isn't trending in India as much as in the West, I think many successful high street models like the Hermes Maison – located at the Fort in Mumbai – or Zara's newest icon established in a 110-year old heritage building, sprawled across 51,000 sq. ft. in South Mumbai, are promising examples of where the future is heading for high street retail trends in India. As of now, we don't have any MBO formats for La Martina in India. Our focus was initially to create brand salience and strong brand recall only through the EBO channel. But currently we are recalibrating our business model seeking other MBO channels to widen our Indian presence.

***Do you have a customer loyalty program?***

We don't have a global customer loyalty program in place; however, we frequently offer special loyalty promos for our VIP clientele.

***What is your marketing strategy? What impact do these have on your business?***

The Indian luxury landscape is experiencing strong evolutionary undercurrents that are redefining the consumer profile and how luxury players operate in this domain. Our main global target audience is predominantly men as we are a polo inspired brand (since more men are drawn to the sport than women are). However, this ratio is rapidly changing and we see more and more women involved in the sport. Simultaneously, we have also witnessed a rise in women's purchasing power India, where they seek collaborative opinions and collective influencers such

as social media engagement and other digital experiences to finalize their purchase decisions. We will see more and more mobile and Internet penetration on the increase this year, which will be the driving force of this growth change. There is a global digital strategy and sports marketing strategy in place, which is La Martina's new driving force in customer engagement and outreach for 2017. Our focus this year is transcending the old, and moving towards an era of digital evolution and new customer experiences. We believe that experience is the new brand of today.

***What is your expansion strategy? Are you looking at other regions of India?***

Our market concentration has always been Delhi; however, the idea was to widen our brand reach to newer audiences, and we successfully did this with our store in Hyderabad that was launched in November 2015. Due to the lack of good real estate options and insufficient real estate players offering the right destination, we have held back on opening a third flagship store in any other prime metro city till prime real estate space becomes available.

***Are you looking for franchise stores too? If yes, what kind of franchisees are you looking for, and where in India?***

We are currently the master franchise in India and not sub-franchising to other parties.

***Are there any interesting concepts or innovations you have introduced at your stores?***

La Martina is in a constant process of technological research, pursuing



leadership in innovation. One of the areas in which we specialize is the safety of Polo equipment. Always considering the demands of the professional Polo player and interpreting their needs, La Martina manages to achieve evolution without disregarding design.

**BOOTS** – We have developed a new concept in high tech Polo boots and kneepads. They are handmade out of five different layers of leather, providing extra protection and comfort, after a thorough process of research and development.

**HELMETS** – La Martina has created a helmet that meets the superior technological demands of a professional polo player. The result is the Pro Evolution Series Helmet© made of three layers of different materials: Kevlar, carbon fiber and closed cell foam. These layers disperse shock energy, offering increased security to the polo player because they are so much more light and resistant than traditional materials. Comfort was further enhanced by the Three-Way Strap System© that offers a snug fit, inspired by the harnesses used in other physical demanding sports such as mountaineering. We are always at the forefront of innovation and technology and translate this even in our fashion clothing lines.

***How focused are you on e-commerce and what is your e-commerce strategy? What percentage of your revenues comes from e-commerce currently, and what revenue targets do you have from e-commerce over the next few years?***

The digital online influence is currently not so much used for commercial viability but more to connect better with our consumers and reinforce the physical experience at every level. Until recently, a lot of international brands held back going the digital route as it would eliminate the physical experience. However, we are witnessing that this is enabling customers to purchase more if we give them an online opportunity. The international players often have a variation in their product offering and price point versus the local players, as some products are market specific. Hence, we do not see any competition in this segment. We are implementing our own e-commerce website for La Martina specific to India, which will now facilitate online shopping targeted to reach customers all over India via a local platform. This will be a retail offering with a huge product range. We see this a new turning point for the online Indian luxury brand space and hope to be pioneering it. **R**

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