

“Plan to Take Sachin Tendulkar’s ‘True Blue’ Global,”

– J Suresh, Arvind Lifestyle Brands

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– By Charu Lamba

India’s leading textile to retail conglomerate, Arvind Lifestyle Brands Limited, is looking to scale brands which come under Arvind’s portfolio this financial year.

Elaborating on the same, J Suresh, MD and CEO, Arvind Lifestyle Brands, told IMAGES Retail Bureau on the sidelines of India Fashion Forum 2018, “Since we have a lot of brands that we would like to scale up, we are not really looking at introducing any new brands in India for the time being. However, if there is a good opportunity in terms of bringing in new brands, we will definitely be open to it.”

He further stated, “We are scaling up brands like Aeropostale, Ed Hardy, Gant and Nautica. Apart from this we have also entered the footwear segment in a big way. We have introduced US Polo footwear, Flying Machine footwear, Aero footwear. So, this is going to be a big area of expansion for us. Then we are also going to promote cricket

legend Sachin Tendulkar’s brand True Blue.”

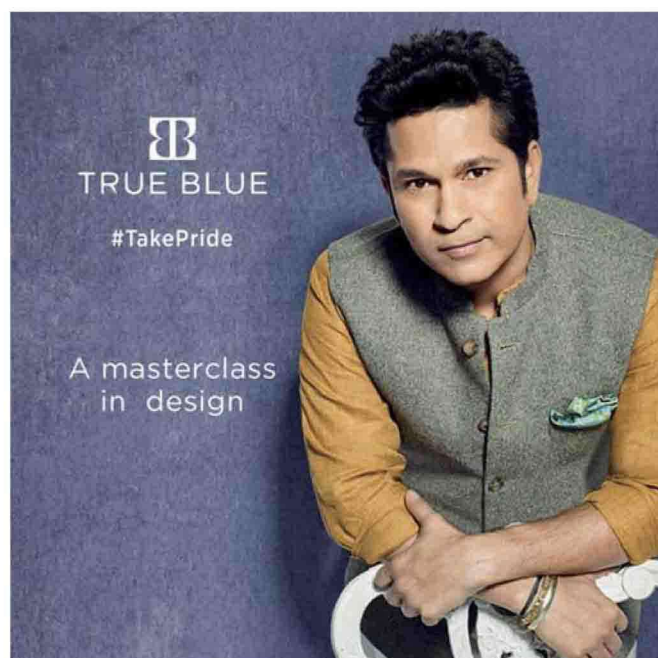
True Blue caters to men aged between 28 and 40 years, in the price range of ₹1,200-3,500, with the cost of premium evening wear going up to ₹8,000. Once the business is established in India, Arvind also has plans to



go global with the brand.

“We are looking at True Blue as one huge opportunity to take to the international market as it is an India-inspired global brand.

We however, first need to establish it in India before thinking of taking it abroad. It is too early to share the details, yet our intentions are to do that,” he said.



Expansion Plans for GAP

Just like Aeropostale, Ed Hardy, Gant and Nautica, Arvind Lifestyle Brands has big plans for GAP India, which is launching 17 shop-in-shops through multi-brand retailers.

The shop-in-shops will launch with partners Kapsons Group, Iconic India, and All That Jazz and will open in Jammu, Amritsar, Ludhiana, Patiala, Chandigarh, Jaipur, Ahmedabad, Bhopal, Bhubaneswar and Ranchi as well as existing Gap markets of Pune, Noida, and New Delhi.

This is the first time GAP’s shop-in-shop format will be introduced in India.

Talking about the reason behind opening shop-in-shops, J Suresh said, "GAP as a brand has got a universal appeal, which extends to even small towns in India. These small towns were places where we have not been able to open individual stores. We think a shop-in-shop is great format to reach smaller towns."

"Most of our brands have shop-in-shops. The only brand under Arvind Lifestyle Brands; portfolio which does not have shop-in-shops in Sephora," he added.

Measuring Sephora's Success

Arvind Limited tied up with the French cosmetics and beauty retailer, Sephora, owned by Moët Hennessy Louis Vuitton (LVMH), to run its India operations,

and within the category, the position of the brand and within the brand, the position of the products. And the way the products have been placed, educates the customer in terms of buying the product.

Apart from emphasizing on the exclusive brands like Sephora, Make Up For Ever, Benefit, Burt's Bees and Boscia, it also emphasizes on Louis Vuitton brands like Dior and Bulgari, and also selective global partners like Estée Lauder, Clinique and Lancôme.

Sephora is primarily catering to customers that are 18 to 40 years old and are fashion-conscious, beauty-conscious and are moving up the ladder and have enough disposable income to spend.

Talking about the brand's success in India, J Suresh said, "Sephora has been a

combined strength using Omnichannel model, allows consumers to find their favourite store in the area close by, place the order and either have it delivered to their location of choice or pick it up at the store if around.



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The beauty major has presented its complete offering online with special sections for makeup, skincare, fragrances, bath and body, haircare and accessories for women and men's grooming. The e-store presents Sephora's own range of makeup, skincare, bath and body, accessories and men's grooming and several exclusive brands like Benefit,

Makeup Forever, Becca, CoverFX, Smashbox, Stilla, Burt's Bees, Boscia, Foreo, Percy & Reed etc.

The new e-store offers complete experience with distinct sections such as Bestsellers, Just Arrived, Weekly Specials, Recommended for You and Editor's picks, making it easy to browse for seasoned and first-time shoppers.

Omnichannel - The Way Forward

With NNNow.com, Arvind Lifestyle Brands has been able to cash into the huge opportunity in the online space.

"We are looking at online as a very critical part of our overall growth process. I think going forward one needs to have their own website to get a complete understanding of customer. Another motive to know the consumer better is of course, to generate higher sales," J Suresh said.

According to the first edition of the Myntra Fashion Report released by the e-commerce major at the India Fashion Forum 2018, by the year 2020 India will have over 700 million Internet accessing population, with almost half of it engaged in online transactions.

The report also endorsed a new trend - that the online consumer profile is now older, with a heavy focus on rural areas, women folk and people using vernacular languages.

According to consumer behaviour research by Google on online fashion, Internet users in India are expected to grow 1.5 times from a third of the population at 43 crore to almost half of the population at 60 crore by 2020. Within this user base, e-commerce transactions will be worth US \$40-45 billion by 2020 and



bagging both the store and e-commerce rights.

With its navigation friendly layout, the revamped store under Arvind Limited enhances the shopping experience of the customers. The customer can walk in to the store and go to the area where they want to shop and find the products.

Lots of emphasis is on category demarcation

wonderful success for us. On an annualised basis we are more or less at ₹200 crore level and we have already opened 16 stores and six to seven more stores are coming up."

Sephora is also available on NNNOW.com - the official site for all brands under Arvind's portfolio. The unification between online and offline stores and their



will be driven by shoppers above the age of 35 with more women shoppers and people from smaller towns.

E-commerce users are expected to increase from the current 80-90 million in 2017 to 180-200 million by 2020, smaller cities are expected to comprise more than 50 percent of the online shopper base by 2020.

However, according to J Suresh, offline still has the higher contribution. "Roughly 11 percent of our revenue comes from online which I feel is fairly sizeable for a large company like ours."

"It is difficult to say how it will pan out but looking at the trends in other countries like China and US. 15-20 percent is what we can see over the next five years. After that, how the market will change, it is very difficult to predict," he said.

Growth Targets

Arvind Lifestyle Brands is well on course to be ₹5,000 crore company by FY19.

"We are reaching ₹4,000 crore of revenue this year and we were ₹3,000 crore of revenue last year. So, we have two more years to add

another ₹1,000 crore, which should be easily achievable. I think we are very much on course to reach ₹5,000 crore," J Suresh asserted.

He further stated, "We have demonstrated that being the fastest growing company in the industry, we have to just maintain the same growth record to reach ₹5,000 crore mark."

IT IS DIFFICULT TO SAY HOW IT WILL PAN OUT BUT LOOKING AT THE TRENDS IN OTHER COUNTRIES LIKE CHINA AND US. 15-20 PERCENT IS WHAT WE CAN SEE OVER THE NEXT FIVE YEARS. AFTER THAT, HOW THE MARKET WILL CHANGE, IT IS VERY DIFFICULT TO PREDICT.

Arvind Lifestyle Brands is depending on brands like Flying Machine, Sephora, Unlimited and GAP to reach the targeted revenue as these brands are performing quite well.

According to J Suresh: "The brand which is performing best under the Arvind Lifestyle Brands umbrella is US Polo, which is now almost touching ₹1,000 crore on company's revenue – much more from the consumer revenue point of view."

He however, added that it had been a difficult and a peculiar year, with things looking up till December, but then the market situation becoming very tough January onward. Despite the tough market conditions from the retail point of view, he was confident that US Polo would deliver a 15 percent growth rate.

"We open around 150-200 stores every year and the expansion plans remain the same for the coming year as well," he revealed.

Listing On The Bourses

Arvind Ltd. has also announced that it will spin off its branded apparel and engineering businesses into separate listed companies to focus on its core textiles business. The textiles and apparel player said the demerged entities will be listed on the bourses. On completion of the process, both the companies will be listed on the BSE and the NSE.

"Last November, we announced the demerger of Arvind Brands from the parent Arvind Ltd. A listing on bourses is expected to happen somewhere around August or September 2018," J Suresh concluded. ■