

The New Face of Adland!

Rs 45

Volume VI • Issue 7 • April 2009

The Face of Marketing

P!tch

HAUTE

MARKETING



How the tobacco-to-hospitality
major **ITC** stormed the
Personal Care and
Premium Apparel markets.
What makes it tick...

MARKETING@ITC

By ONKAR PANDEY

TATA, BIRLA, RELIANCE, OR GODREJ. Just look at the making of these business conglomerates, you will find that diversification into new businesses has been the biggest propellant of their ever-growing size, clout and brand prowess. Popularly known as ITC, the \$5-billion Indian Tobacco Company is a likely addition to this select club of ambitious desi conglomerates. Starting from its humble beginnings in 1910 as Imperial Tobacco Company of India, Virginia House, the group headquarters in Kolkata, has been the proud witness to many successful new business scripts in the company's long and varied journey.

As tobacco became a bad word in the last two decades, and successive governments began to put many curbs in terms of advertising and other promotions around tobaccos, it became a tough business environment to operate in, besides it has started taking a toll on the company's image. Hence, ITC needed to change its track and that too quickly. And like a skin-shedding snake, ITC started an earnest exercise in creating a new brand image and corporate philosophy by investing in new business categories like personal care, premium apparel, rural business (e-Choupal) and foods. All along using its famed distribution strengths built through its successful past businesses like cigarettes, paperboards and packaging, hotels and agri business, to create synergies across its verticals and help prop up its new businesses, like personal care and foods.

ITC has a well thought-out strategic approach. Rather than acquiring weaker brands to get into these new segments inor-

ganically, it created a range of new personal care and branded apparel brands. The decisive element for its new brands was having a product that's differentiated and superior in value proposition than what the competition has to offer. The first step in this well-planned strategy was the launch of **Wills Lifestyle**, the premium branded apparel business in 2002. This business is being spearheaded by **CEO Atul Chand** from New Delhi. That ITC was very serious about this new foray was clear from the fact that it hit the market with four brands—Wills Classic, Wills Sport, Wills ClubLife and Wills Signature—to cater to the specific apparel needs of men and women of upper and mid-income levels. Besides, it has also launched exclusive men's and women's wear brands—John Players and Miss Players.

Not stopping at apparel, ITC then moved on to take the competition head on in the **FMCG domain**, through ITC Foods in August 2001, and personal care business, which is the focal point of this story, in 2005. It has created good impact with its well etched-out **Personal Care Brands**, headed by **Sandeep Kaul**. Under this category, brands like *Essenza Di Wills*, *Fiamma Di Wills*, *Vivel Di Wills*, *Vivel* and the *Superia* were designed to take care of various sets of consumer segments.

This feature tries to unravel the behind-the-brand thoughts and strategy of its personal care and branded apparel retail ventures. How these businesses are panning out, and how significant a part they are going to be in the group's growing brand portfolio? The story also discusses the road ahead for these new ventures vis-à-vis the competition.



GROOMED

Using a six-pillar strategy that straddles consumer insighting to product development and packaging, ITC has created a powerful personal care portfolio with five brands across multiple categories and price-points

Though, the plans for personal care foray were high on chairman YC Deveshwar's agenda as one of the next growth drivers for long, it got fructified only in July 2005, after its successful foray into foods business with brands like Sunfeast, Ashirwaad Atta and Bingo.

But behind this launch was five years of intensive on ground research of market conditions and consumer expectations. Over one lakh consumers were surveyed across the country to test various prototypes. Acceptance benchmark was kept as high as 90 percent for the final products. ITC called this exercise as '3E' approach —explore, establish and execute.

ITC personal care division chief executive Sandeep Kaul said, "We, at ITC, wanted to create a portfolio on our own unlike many others who have a long and varied history of inorganic growth, which had its own merits. We had the flexibility to create the portfolio to meet the needs of today's consumers without being bogged down by the past heritage or the varied history of an acquired business. We could develop strategies to utilize the innate strength of our organisation."

Kaul adds that the unique challenges

they faced while developing the business from scratch were upfront investment of time and resources to understand consumers and develop consumer insights. "We had to have patience for converting these consumer insights to winning consumer value proposition," concurs Kaul.

As an adage goes 'if you have to win a race, you have to clearly target the No 1', ITC too aimed the No 1 which happened to be the formidable HUL (which still

The tobacco major wanted to create a personal care portfolio that met today's consumer needs, but without being bogged down by the history of an acquired business

reins over 50 percent of the FMCG market). And ITC's target was HUL and P&G only. After all, you get a kick in gunning for the best. Hence, it went about its business with a lot of strategy, experience, innovation, correct marketing-mix and better products. It modelled itself after P&G's proposition of superior products in every segment it has entered. ITC roped in its tobacco business veteran Sandeep Kaul to spear-

head the personal care launch. It also poached some key talents not only from across the industry but also a senior scientist from the HUL stable to spearhead the technology function. That apart, it also sought help from product formulation and branding experts in Europe and America to formulate the fragrance, aesthetics and packaging. Many of the brands have also been developed at its R&D centre.

The results are there for everyone to see. In less than four years, ITC has been able to create brand awareness and consumer acceptance for its five product lines—Essenza Di Wills, Fiamma Di Wills, Vivel Di Wills, Vivel and the Superia—each targeted at the needs, aspirations and usage behaviour of different consumer segments.

Kaul informs that the strategy for designing personal care is that everyone is a potential consumer.

Now let's dig deeper into the product development side. Each of these brands has been created around six key strategic pillars. The first of which is 'clear segmentation' across brands and product lines. The second pillar is making these products reach far and wide. ITC cleverly leverages its 'distribution and group synergy' strengths to deliver the

with Care

The Six Success Mantras

1 **SEGMENTATION**

Creating brands from scratch with no history and lineage, ITC used clear segmentation across its five product lines and the target audience, each brand was meant for



2 **GROUP SYNERGY**

Once the five products were created and communication strategies set, ITC leveraged its properties like hotels, foods and apparel store network to retail these brands



3 **COMMUNICATION STRATEGY**

Like HUL, these brands sport Western names, and different communication. Essenza & Fiamma, meant for the elite, have English communication, while Vivel & Superia use Hindi.



4 **BRAND EXTENSIONS**

Selective extensions as it doesn't want to confuse consumers with too many irrelevant brand extension & sub-brands. The Essenza range is the only exception.



5 **BRAND AMBASSADORS**

ITC uses brand ambassadors strategically. While for the Fiamma and Vivel ranges it has roped in brand ambassadors, for the Superia & Essenza ranges the key TG is the real king.



6 **PACKAGING**

Since packaging plays a key role in product differentiation, ITC uses it to the hilt. It has taken foreign experts' help to make its products stand out from competition.





The Desi Luxe



Essenza, as the Western name suggests, targets the luxury seeking elite



Also being distributed through ITC hotels and Wills Lifestyle stores



Gender-neutral, mostly in English, and a bit of French — the language of the super elite



Instead of brand extensions, it has sub-brands like Inizio, Aqua and Mikkle



No brand ambassadors; the TG do the role as they are very individualistic and are super achievers



Manufactured in France, the Essenza packaging has an international appeal

products right at the doors of consumers.

Though, ITC has a highly successful distribution network for its tobacco products, it had to quickly devise a different distribution plan for its personal care brands, as these are positioned in the premium category. This was answered by rolling out a wide distribution infrastructure for ITC Foods' brands like Bingo, Ashirwad Atta and Sunfeast. This helped in quickly rolling out the personal care business across the country, with further support from its universally acclaimed e-Choupal network. And today, ITC's distribution reach is almost at par with market leader HUL's reach.

The third pillar is a clear communication for these brands, according to the target consumer sets. The fourth pillar is the relevant brand extensions around which it has created the five product lines. So far, the effort has been to keep the focus on the main brands through

Personal Care Stakes

Focus is on the soap and shampoo categories as they dominate the personal care business



SHAMPOOS

Value in Rs Cr
2,605
Value Growth
18%

Volume in Litres
10,85,49,607

Volume Growth
14%



CONDITIONERS

Value in Rs Cr
84
Value Growth
25%

Volume in Litres
14,35,873

Volume Growth
29%



SOAPS

Value in Rs Cr
7,967
Value Growth
18%

Volume in Kgs
5,68,812,568

Volume Growth
4%

Source: The Nielsen Company Data, March 2009

brand extensions rather than confusing consumers with many sub-brands with different names. But, the same doesn't apply to its luxury Essenza Di Wills range, which has sub-brands like Inizio, Aqua and Mikkil to cater to exclusive and individualistic desires of its rich target audience.

Since brand ambassadors play a key role in creating the top-of-mind recall, the fifth pillar of its strategy rests on associating itself with strategic brand ambassadors whenever required. For example, only the Fiama Di Wills and Vivel ranges have brand ambassadors while the rest two brands are TG-driven.

en. Lastly, its sixth strategic pillar is visible on the packaging side. Explaining the rationale for innovative packaging, Kaul says that the packaging for Fiama Di Wills was developed by international design houses to ensure high-quality standards.

The personal care business is considered recession-proof as these products are of regular demand and hence a lucrative area. And ITC has both—a deep pocket to sustain through the initial years and the ambition and will power to grow large.

According to Nielsen data, the personal care space, comprising of skin care,

soaps, shampoos, conditioners and hair oils touched Rs 16,612 crore in 2008-09, growing at a healthy rate of over 20 percent in terms of value and 14 percent in terms of volume. Soaps alone account for over 40 percent of the personal care market and along with the shampoos, control well over 50 percent of the overall FMCG market. These two are also the categories of prime focus for ITC. It's in no hurry to get into every conceivable FMCG segment. The 2008 ITC annual report underlines, "We'll continue investing in building a robust personal care business in line with our strategy of creating multiple growth drivers."



High on Glam Quotient!





Targeted at the young, urban, aspirational women. Its core TG is the upper and mid-segment urban consumers.



Besides, being retailed at departmental stores, it is also present at Wills Lifestyle stores, & ITC hotels



Mostly in the language of the young urban woman professionals—English. Its aspirational in nature.



It has been cleverly leveraged in the shampoos, shower gels, soap and conditioner categories



Sophisticated, young, having arrived & beautiful Deepika Padukone is used to further the brand recall



Premium packaging to compete with the likes of Dove. Designed with help from American packaging experts.

Unlike many other consumer goods players which have too many brands, but not all which are not very clearly defined. ITC has kept the focus on its five main brands with each of them having a unique brand proposition.

Now, with high brand awareness in place, the focus is on driving sales by creating multiple touch-points through various channels of communication, promotions, different price-points and leveraging the group synergies.



The 'Popular' Choice

	<p>Clever targeting: Vivel Di Wills for the upper-middle class and Vivel for the popular mid-segment</p>
	<p>Communication in Hindi & English to cater to both upper-middle & popular mid-seg.</p>
	<p>Kareena Kapoor is the brand face thanks to her popular mass and class appeal</p>
	<p>Vivel Di Wills has a more premium packaging, but Vivel has a different packaging</p>

ESSENZA DI WILLS

The first of the four brands to be launched in mid-05, Essenza Di Wills, an exclusive range of fragrances, body and bath care products, is targeted at the high and snazzy consumers. Essenza is a gender-neutral brand, and hence offers a range of products for the well-heeled men and women.

Inizio, the signature range of the Essenza brand, has two sub-brands—Inizio Femme and Inizio Homme—and offers an exclusive range for women and men. The fragrances offered in this range were designed by leading French fragrance houses. The brands across the Essenza line share the same olfactory signature creating a harmonious experience, and hence the brand recall for consumers.

Since, men constitute a high percentage of luxury consumers, a new line Aqua Homme has been created. It offers a range of grooming products like after-shave lotion, deos, hair and body shampoos and soaps for discerning men. Mikkel, an evening fragrance,

is the latest addition to the Essenza portfolio, which again is targeted at the high-end men.

The strategy here is around sophistication and enigma rather than brand recall, hence we see sub-brands with western titles like Inizio, Aqua and Mikkel than simple brand extensions, as the target consumers in this segment are drawn by exclusivity and enigma and not by popular brand names. An entry level Essenza range of fragrance comes for a cool Rs 2,000!

The Essenza caters to the market segment where established names like Lancôme, Olay, Body Shop, Oriflame and Avon are present. It's a niche segment, which is growing fast, and where there's no competition from dominant players like HUL and P&G. ITC feels that with its packaging, sales and distribution strength, it has a fair chance of getting a head start in this high-margin space the over present players.

The premium brand is also retailed across more than 50 Wills Lifestyle

stores, its premium branded apparel retail offering, across 30 cities, and provides (as these stores offer) an ideal environment for sampling by elite consumers who regularly visit these stores. The Essenza range is also available across the ITC Welcomegroup hotels.

The communication strategy is well defined too. There are no brand ambassadors for this segment, it's the product which is the hero; a brand imagery of allure and enigmatic grandeur has been created around the Essenza line. Even the brand website communicates in English and French, the language of the uber-sophisticated.

FIAMA DI WILLS

If Essenza is about luxury, Fiama is about premiumness. This second product line, launched in September 2007, caters to the premium segment with the mid and upper middle-class as its prime TG, and it is pitched against HUL's Dove and Vaseline, Nivea,



L'Oreal and Garnier shampoos and conditioners. Its fragrance, aesthetics and packaging are developed in consultation with European experts. Fiamia is exclusively targeted at the young, working and modern women who want indulgence. Fiamia offerings include shampoos, conditioners, shower gels and soaps.

The USP of this range is a combination of science and natural extracts for shampoos. Developed in collaboration with the US-based Cosmetech Laboratories, these shampoos come in five variants, while the shower gel comes in three. It has a soap sub-brand called 'SkinSense' which is priced on par with Dove at Rs 40.

The Bollywood sensation Deepika Padukone has been strategically used as the brand ambassador for the Fiamia range, thanks to her sophisticated, youthful look and urbane appeal.

Using group synergies, ITC retails the Fiamia range across Wills Lifestyle stores and modern retailers like

Spencer's Hyper, Big Bazaar and Reliance Fresh among others, besides group hotels.

The brand imagery has been created using different shades of natural colours like green, yellow, blue and orange, conveying gentle and effective care through its tagline 'Beautiful you today, tomorrow'. A special fan club 'Friends of Fiamia' has been created to increase two-way communication with consumers, where they get a chance to interact with the brand face Deepika.

To increase brand salience and position Fiamia as a lifestyle product, ITC positions it as one of the partners of the Wills Fashion Week, held twice annually, besides an exclusive luxury lounge called Salon Di Wills is created at the Wills fashion weeks to experience the effectiveness of Fiamia Di Wills products. At the 2008 Wills Lifestyle pageant, it has an exclusive Fiamia Di Wills fashion line created by two leading fashion designers titled 'Lost in an Urban Maze' to showcase a premium imagery.

VIVEL DI WILLS & VIVEL

Easily, the most important of all the brands, Vivel Di Wills and Vivel compete in the most competitive, the popular market segment, dominated by well-entrenched players like HUL and P&G, besides smaller players like

Marico, CavinCare, Godrej, Dabur etc.

Launched in the first half of 2008, Vivel Di Wills offers two soap variants. Vivel has both soaps and shampoos, catering to a wide range of consumers in the mid and upper-middle class segments. The USP of Vivel range is nourishment, protection and hydrating ingredients for complete skincare. Vivel, unlike Fiamia, is a gender-neutral brand.

Vivel Di Wills soaps come in two variants and cater specifically to upper-middle class consumers, and is priced at Rs 30. While Vivel offers five variants, all priced between Rs 16 and Rs 17, while the Vivel shampoos come in three variants.

This space is dominated by HUL, whose brands like Lux, Rexona, Liril, Sunsilk and ClinicPlus command over 50 percent market share in soaps and over 45 percent in the Rs 2,600-crore shampoos market, while ITC has only around 2 percent of the personal care market. Kareena Kapoor is the brand face for Vivel brands and its communication is both in Hindi and English unlike Essenza and Fiamia which is only in English and French.

Towards the end of 2008, ITC has launched a new anti-dandruff shampoo 'UltraPro' under the Vivel umbrella, pitched against HUL's Clinic AllClear and P&G's Head & Shoulders in the rapidly expanding Rs 600-crore dandruff control segment. Targeted at men, UltraPro is endorsed by Hrithik Roshan. Besides being available across leading departmental stores and modern retail outlets, Vivel is also retailed through the John Players showrooms — ITC's men's wear stores.

The five ITC brands cater to various consumer segments according to their needs, usage, aspiration levels, and are clearly etched

Targeting the Masses



Superia has four soap variants and three shampoo variants which take on the likes of Clinic AllClear, Lifebouy, Breeze, Godrej No1 etc



No popular brand ambassador; the focus is on the target audience, which is the low-income families



Superia is the mass brand from the ITC stable, catering to lower income and rural segments like a Lifebouy does



Retailed through ITC's distribution channels across the hinterlands, especially the E-Choupal for rural reach



Being a mass brand, it caters to segments where aspirations are low, and family is very close-knit. The brand has a family-oriented communication strategy too



The only brand which is available in sachets, Superia has colourful packaging, which is common among mass brands

SUPERIA

To cater to the popular mass segment, especially in the hinterlands, where HUL's Lifebouy, Hamam and Breeze and Godrej No1 etc compete, ITC has launched the Superia range of soaps and shampoos. Superia soap range is available in four variants, the shampoos come in two variants, besides an anti-dandruff variant.

This segment again doesn't have a brand ambassador as the company projects its target consumers as its endorsers. The brand communication, mostly in Hindi, is weaved around a happy family and its various members.

This is also the only segment where ITC has launched its products in sachets, considering the price-sensitivity of its TG. On the distribution side, it cleverly uses its e-Choupal network to create deep entrenchment for the Superia range among the hinterland consumers.

THE WAY FORWARD

Sandeep Kaul says that he has a robust long-term strategy and his portfolio is designed for multiple price points, which has proved to be working well so far, at least in terms of brand recall, as its market share is at under 2 percent is anything to write home about. While the core focus remains further developing the categories under the belt, by offering more value proposition to consumers, besides working on new categories, including acquisitions.

Sandeep Kaul says, "Consumers have

ITC brands have received high consumer acceptance so far. The company says that it's open to inorganic growth if a brand fits its long-term plans.

shown a good degree of acceptance to our value propositions. The progress so far, has been as per the internal goals set for the business. At a time when most of the homegrown FMCG brands were looking at going niche, we did not want to limit our potential. The way forward can be sometimes through an organic route and sometimes through an inorganic route but the growth strategy for us will always be consumer centric," Kaul further elaborates.

Now that the brands are out on the racks across the country, and consumers have given their thumbs up to them, the tough task lies ahead – to continuously innovate and provide better value to consumers and make them stick around these brands. After all, consumers in the personal care space are a fickle lot, unlike in the cigarette space (who overwhelmingly prefer the ITC sticks), and ITC knows it well. ■

— onkar@pitchonnet.com

On the **HIGH** S

How Wills Lifestyle has been able to weave a premium success story with its high-end branded apparel range; and how it plans to sustain this success?

AS THE ECONOMY STARTED vrooming post-liberalisation, the retail scenario witnessed many convolutions as the last century drew to a close with organised retail taking off in a big way. As a result, in the past one decade, the nation's shopping habit, especially in the metros and big cities has changed completely. The tobaccos-to-foods-to-hotels major ITC was quick to sniff at this

opportunity, and launched its branded apparel business under the Wills Lifestyle brand in 2000. But, it wasn't a work done in a hurry, rather an elaborate marketing and branding strategy went behind this to ensure its success as a brand with premium imagery and high-aspiration appeal.

We spent considerable time to figure out the reasons for its huge success with Atul Chand, the New Delhi-based ITC

Lifestyle retail business division chief executive. Recalling the initial days, Chand says that when they started out, organised retail was almost an unknown concept in the country, as there were hardly any exclusive premium outlets or brands of repute for premium wear for men and women. Working on these segment-insights, Wills Lifestyle presented its premium offerings. "It's really challenging to start with. There were no



street

malls, no premium stores and a complete lack of women's wear. Hence, we set out to make a strong store imagery. And we've been able to successfully fill those gaps," shares Chand.

Since, consumers' shopping habits and brand expectations have undergone a polar change, the unorganised sector is no more appealing, especially to mid and upper-middle class consumers. In fact, it doesn't stop there; people in smaller cities are also hankering for branded wear and so we see many brands including Wills Lifestyle, with presence in tier II and III towns too.

Industry experts point out that con-

sumers are increasingly looking for solutions and not just garments. They are looking for brands which offer distinct apparel, for instance, formals, casuals, sports, club wear, sleepwear, and innerwear. They want precise solutions and prefer brands which can help them select a piece of functional clothing, thereby enriching their quality of life. And most marketers, including ITC Lifestyle, seem to have understood this.

ITC, through its deep consumer

research and insight, has understood this fact and rolled out its strategy accordingly. And hence in less than a decade, Wills Lifestyle boasts of over 55 retail stores across 30 cities and enjoys around 8 percent of the Rs 2,000-crore premium branded apparel market. Being one of the category leader, ITC has been successfully fending off steep competition from a host of domestic and foreign brands like United Colours of Benetton, Provogue, Louise Phillip etc.

DRESSING UP THE NATION

Industry Break-up	2008	2013
Total Apparel Market	1,28,347	2,29,673
Branded Apparel Market	33,004	59,059
Urban Apparel Market	79,575	142,397
Urban Market as % of the Total	62	62
Branded Apparel as % of the Total	41	41

(Source: Technopak Advisors; Figures in Rs Crore)





- Its the formal wear range from the Wills Lifestyle stable
- The highest selling label of the company
- Competes with the likes of Louis Phillip & Arrow from the Madura Garments & Arvind Mills stable, respectively
- The Classic range starts around Rs 1,000 and can go upwards of Rs 25,000 for a suit
- Available for both men & women

According to retail consultancy Technopak Advisors, the domestic branded apparel market is worth over Rs 33,000 crore (2008 figures) or over 20 percent of the Rs 1,28,347-crore domestic apparel market and 40 percent of the overall urban apparel market. The same is expected to grow to Rs 59,000 crore plus by 2013, or around 25 percent of the overall apparel market that is forecast to touch Rs 2,29,673 crore.

STYLISH PAR EXCELLENT

Wills Lifestyle not only offers a vibrant product portfolio but also an international shopping experience to the discerning consumers. Because there is a seamless flow of careful attention paid to all the four brands in the formal, casual, evening wear and the designer ranges under the respective brand names of Wills Classic, Wills Sport, Wills ClubLife and Wills Signature. "From products to

shopping experience to event tie-ups to in-store visual merchandising to communication, we ensure that there is a consistency to the values and imagery that these brands offer," Chand concurs. Even its stores are designed with care. These stores use glass, steel and granite extensively, thus matching the premiumness of the apparel they store. This premium look is also reflected in the spacious and

done-up change rooms!

The lifestyle label currently offers four product lines, each catering to a different set of consumers. The formal wear range under Wills Classic was launched in 2002. The second line, Wills Sport, is the casual wear range; and there is an evening wear range called Wills ClubLife launched in 2003. Capping it all is the clearly differentiated designer wear range called Wills Signature, which contributes 15 percent to the overall sales.

Wills Lifestyle, as a gender-neutral brand, offers these four ranges in both men's and women's segment, and if Chand is to be believed, they are one of the largest women's wear brands today. Women's wear constitutes a significant portion contributing to close to 35-40 percent of overall revenues. The men's formal range is popular, too.

Maximum care has been given to the store location as well. Chand informs that store presence at the right places is a major focus for them. "We ensure that we are present where consumers are shopping extensively – malls and high streets. So, your expansion strategy is in line with what and how consumers are doing and where," he adds.



- The showpiece collection of Wills Lifestyle contributes around 15 percent to total sales
- Retail creations of a dozen Indian designers like Rohit Bal, Manish Malhotra and the like
- Signature range prices start from Rs 2,000 for a designer shirt and can go upwards of Rs 10,000 for, say, a Rohit Bal jacket.



ATUL CHAND, CEO, ITC Lifestyle Retail Business Division

A RAMPS-TO-RACKS PRESENCE

After creating its retail presence and establishing premium brand imagery, the brand needed something to keep itself up-to-the-minute to get to the next level. And being a premium brand, it found an easy-fit with India Fashion Week, a bi-annual event title-sponsored by Wills Lifestyle for some years now.

Chand emphasises that there's a perfect synergy between his brands and the fashion week. "The whole idea is to take designer wears from the ramp to the rack, making sure that the designer wear is glamorous, aspirational and at the same time accessible and affordable. The fashion week provides a great opportunity to create global benchmarks and has worked very well for us with a positive rub-off on us," Chand says.

For its regular wear range, it has an in-house talent pool of 30 fashion designers, who are clued on to the latest fashion trends across the world. That apart, to ensure future supply of talent and to promote fashion further, it has tied up with leading fashion institutes like NIFT, NID and Pearl Academy to help budding designers showcase their talent, with an eye on building future capacity and the capability of the fashion industry.

GOING THE WHOLE HOG

Even as Wills Lifestyle was busy preparing itself to rule the premium segment, many premium category players like Westside, United Colours of Benetton, Provogue, Madura Garments, Arvind Mills, etc. entered the fray targeting the young and upwardly mobile urban consumers. ITC changed gears, and sought

international advice in areas like people training, store designing, merchandising, and fashion trends to keep its loyal customer base intact.

The company tied up with the US-based Friedman group to train its people in selling skills thus converting more footfalls into sales. It has also tied up with the London-based Elemental Design on visual merchandising to make in-store product presentation more attractive. The company also collaborated with the Italian design studios Alessandra Macchi Studio for flat knits and Ricardo Rami Studio for fashion wear for women.

Recently, it has roped in FRCH, a Las Vegas-based architectural, planning and interior design services firm, to get a new-look. Since then, there has been a 20 percent increase in footfalls across its stores and 15-20 percent rise in productivity, according to industry reports.

INNOVATIVE MEDIA MIX

Most of the marketing strategy for the brands revolve around its flagship event association with the fashion week, as it gives it a clear chance to promote its flagship Signature collection in a big way. Besides, the chain does extensive promos through mass media advertising like magazines, newspapers, etc.

In the light of the slowdown, it's channeling its marketing spend more towards BTL initiatives like activation, loyalty leveraging and promo. BTL spends are expected to go over 60 percent of the total spends.

The company spends roughly 12 percent of its turnover on advertising and marketing, and is also looking at FaceBook and YouTube to attract the youth, through personalised marketing.

SLOWDOWN CHALLENGES

Though slowdown has caught every corporate by the gut, Wills Lifestyle says its less affected owing to the very nature of its business i.e. luxe. "The market is obviously sluggish, but people are still shopping; it's a great opportunity for brands like ours to go back to consumers and satisfy their needs in a better way. The stronger and more premium brands will survive that much better than mid-market or weaker brands. "We need to give innovative stuff in terms of variety and newness. We must continue to surprise our consumers," Chand opines.

Still, the company is re-working its strategy to protect bottom lines and check sales drop. It has reportedly cut down its growth forecast for the current fiscal from 30 to 20 percent. It also recently shut down four of its loss making stores in Bangalore, Mumbai, etc.

In an effort to boost sales, it's devising special schemes and activation events for its 60,000 Club Wills (its loyalty programme card) members, who account for over 50 percent of its sales.

WAY FORWARD: FRANCHISE & IN-HOTEL RETAILING

"With a huge amount of retail investments in the pipeline, the branded



- The casual wear range from the Wills Lifestyle stable under the Classic & ClubLife labels. Price for a shirt or jeans starts from Rs 1,000.
- Upper price-point is around Rs 5,000
- Competes against the likes of Levi's, Benetton, etc.

apparel retail scenario is likely to undergo a rapid transformation in the next five years. Concurrently, the consumer behaviour is also likely to show some significant changes. These two revolutionary changes shall create an entirely new set of opportunities and challenges," says Technopak Advisors associate vice-president Ashish Dhir.

Dhir adds that traditional strengths of some brands like vast reach and brand aura are now coming under threat since consumers today are looking at retailers who have consolidated base. They are looking at a hassle-free one-stop shopping experience which has led to success of players like Shoppers Stop, Lifestyle, Central etc. These retailers can today increase their sustainability by offering the best brand collection in a limited space and with excellent customer service, he adds.

And all this augurs well for the ITC. The clothing brand witnessed a 25 per-

cent growth in 2007-08, higher than the segment's growth 15 percent growth. And despite the slowdown, it hasn't held back its expansion plans. Chand informs that he will add 10 more stores this fiscal and by 2011, it will touch 100 stores. To achieve the same, it's planning to take the franchisee route in a big way, especially in expanding into tier II and tier III cities.

In yet another exercise in premium imagery, Wills Lifestyle will also open boutique stores across the group's hotels. A 1,500 sqft boutique is already operational at the ITC Maurya in New Delhi, and soon Chennai and Bangalore hotels will too have them. ITC runs 14 star premium hotels across the country.

Chand states this is a noble way to reach out to international customers at ITC hotels. Does it point towards ITC's future plans of going global? "Currently, the focus is on India. This is where the action is happening. But we are certainly an international-level brand," is all what Chand would proffer.

So far Wills Lifestyle has had an exciting nine years of existence in the country, but it will be worth watching how the home-grown apparel brand goes on to cope with the growing competition in the premium and luxury clothing segment, as more and more international brands pour in. ■

—onkar@pitchonnet.com



- Not among the four Wills Lifestyle brands. Its an independent offering from the ITC Retail Division catering to men's wear.
- A strategic initiative to take on the likes of LP or Arrow. Also used for retailing like ITC personal care brands such as Vivel.