THE RETAIL SERIES

INDIA

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THE FOUR DIMENSIONS OF RETAIL IN INDIA

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Economic Outlook

USD 2,623 TRILLION
GDP (2020)

USD 1,900
GDP PER CAPITA (2020)

Wordlbank.org

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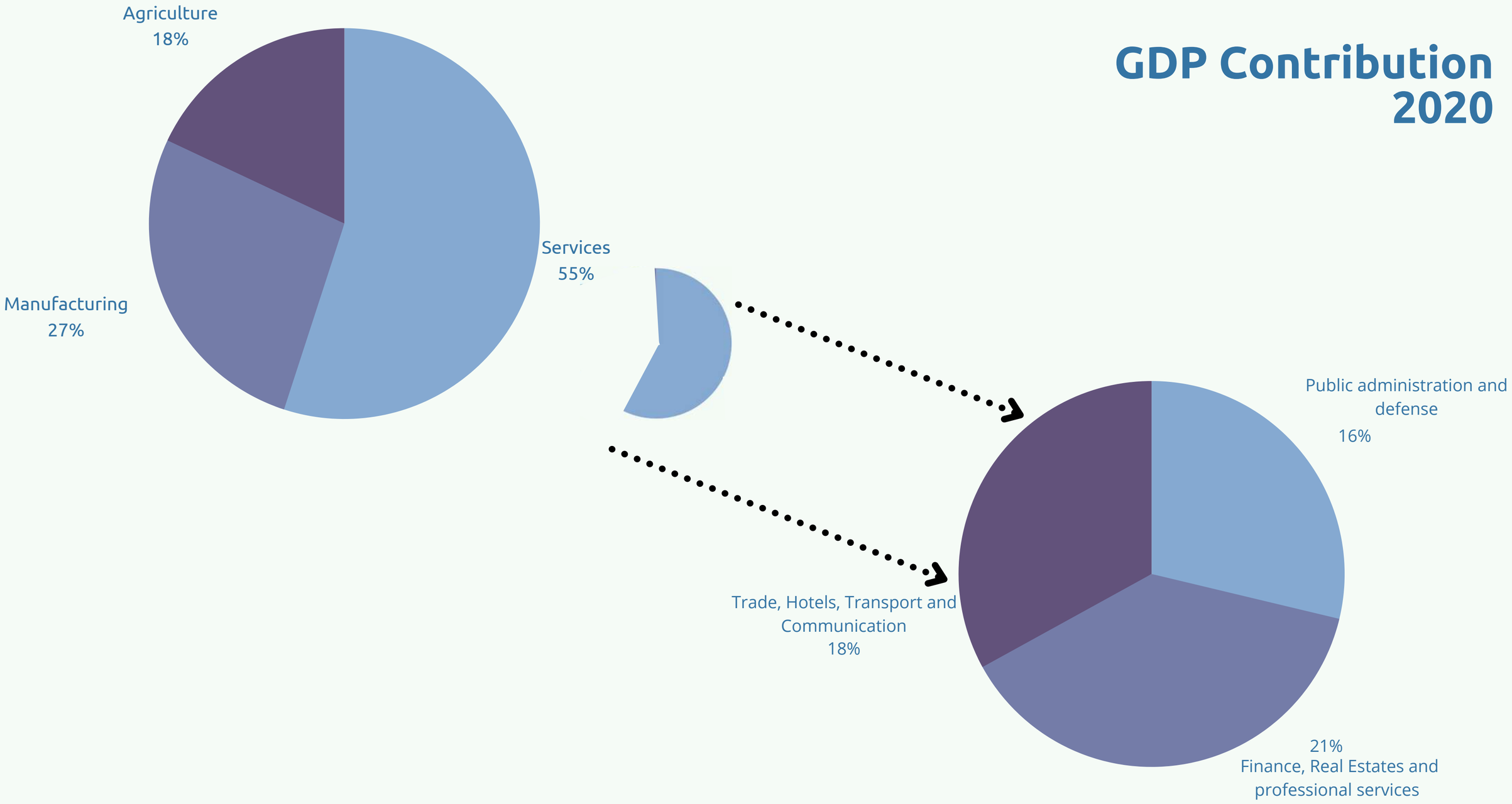
GDP Contribution 2020



Statisticstimes.com

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Most important transformation of the Indian retail market:

E-commerce

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E-commerce

Market size of e-commerce industry 2020

USD $64 billion

https://www.statista.com, Investindia.gov.in

E-commerce features

Growing demand: India's e-commerce order volume increased by 36% in the last quarter of 2020, with personal care, beauty & wellness segments being the largest beneficiary.

Increasing Investment: the recent rise in digital literacy has led to an influx of investment in e-commerce firms.

Attractive opportunities: despite the Covid-19 situation, e-commerce players are experiencing strong sales growth in 2021. Online grocery, e-pharmacy, and social commerce are leading the growth.

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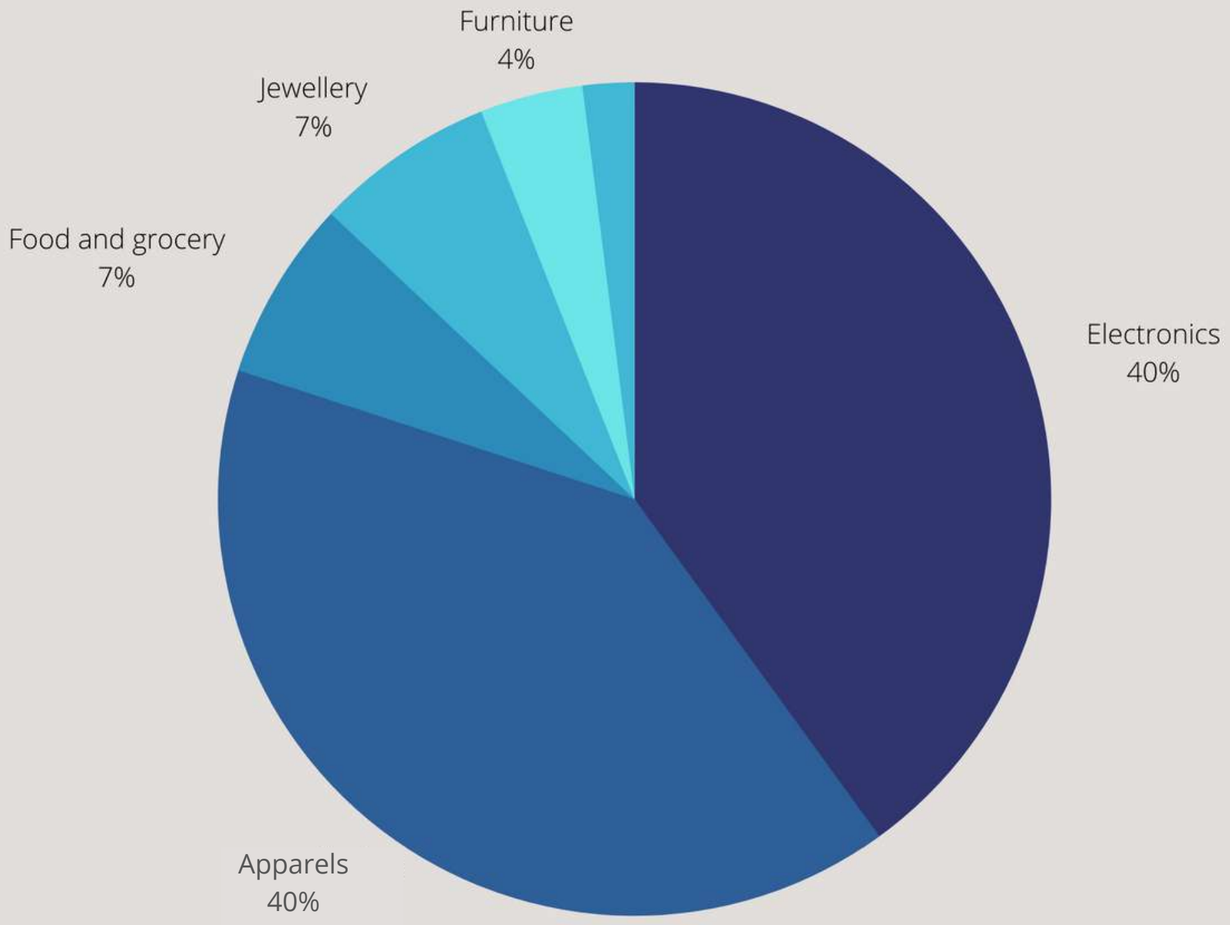
E-commerce sector composition by Value 2020



India Brand Equity Foundation, 2020

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Top luxury and lifestyle e-commerce platforms

Owned by Tata Group, Tata Cliq was launched in 2016 and operates premium and luxury fashion and lifestyle brands. The platform includes a wide range of international brands, including Balmain, Ferragamo, Tom Ford, and Pineider 1774.

TATA CLiQ | LUXURY

Myntra is a major fashion retailer launched in 2011. Myntra has more than 3000 brands as partners, both Indian and international, among them Swarovski, Prada, Michael Kors, and Versace.

Myntra

Founded in 2014, Darveys offers over 800 designer brands, such as Armani Collezioni, Balmain, Bottega Veneta, Diane Von Furstenberg, Fendi, Chloe, Balenciaga, Christian Dior, Bulgari, Burberry.

DARVEYS

Founded in 2012, Nykaa is an Indian lifestyle retailer of beauty brands. Its partners are international beauty brands as Estée Lauder, Clinique, Bobbi Brown, and Givenchy.

NYKAA

INTERVIEW WITH ANIL CHOPRA

FMCG, BEAUTY, LIFESTYLE, MEDIA ADVISOR INDIA

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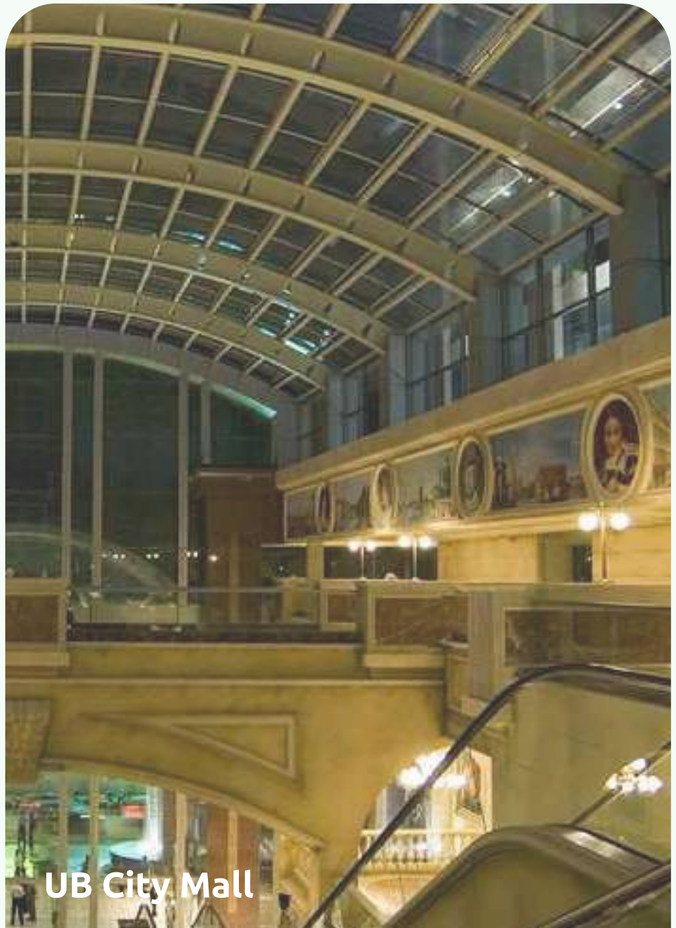
The Retail Scene

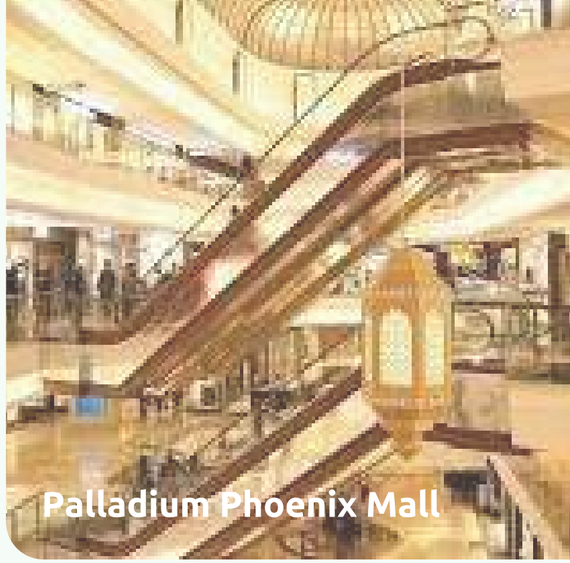

UB City Mall

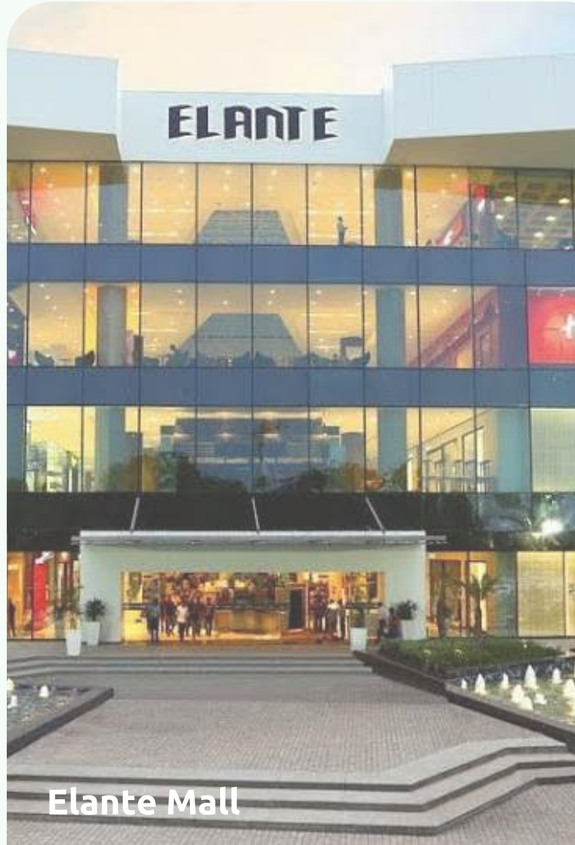
DLF Emporio Mall

Taj Mahal Shopping Arcade

Bergamo Luxury Mall

Select Citywalk Mall


Palladium Phoenix Mall



Elante Mall

Shopping Destinations

Large metropolises such as New Delhi (political capital, with 30 million people), Mumbai (financial capital, with 20 million people), Bangalore and Hyderabad (centers of high-tech industry, with 12 and 10 million people respectively), and Ahmedabad and Kolkata (industrial and cultural hubs of west India with 8 and 14 million people respectively), are traditionally richer and important for trade and commerce. These are highly densely populated cities characterised by a heterogeneous population.

"Next-level" cities such as Chennai (11 million people), Chandigarh (1 million people), and Pune (6 million people), are fast-growing cities in terms of population, per capita income, and quality of education and medical facilities. These cities are expected to be the next metropolises cities of India.

Goa is India's smallest state by area but has the highest GDP per capita. Goa still exhibits the cultural influence of the Portuguese, and is where residents of Mumbai, Delhi, Bangalore, and other cities converge for long weekends and lazy holidays filled with sun, sand, and revelry. Goa is also visited by large numbers of international tourists each year because of its white-sand beaches, active nightlife, places of worship, and architecture.

New Delhi

DLF EMPORIO MALL

DLF Emporio Mall is a luxury mall located in the Saket District Centre. It offers around 130 local and international brands such as Ankur Modi Priyanka Modi, Abu Jani Sandeep, Dior, Burberry, DKNY, Cartier, Louis Vuitton, Giorgio Armani, Salvatore Ferragamo, Hugo Boss, Bottega Veneta, and Versace.

SELECT CITYWALK MALL

Select Citiwalk Mall is located in Saket District Centre, one of the upcoming middle-class neighborhoods of Delhi. The mall includes a 4 km long multiplex, serviced apartments, offices, and public spaces.
This mall offers 180+ stores representing over 500 major Indian and international brands of clothes like Shingora, Fabindia, Tribe Amrapali.

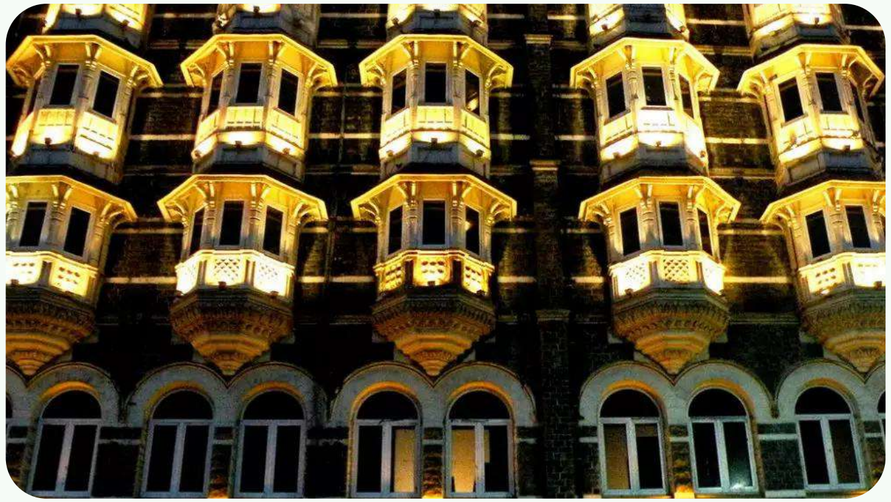
Mumbai

PALLADIUM PHOENIX MALL

Phoenix Palladium is dominating the elite consumer segment in Mumbai. It hosts luxury brands like Salvatore Ferragamo, Burberry, Bottega Veneta, Coach, Isharia, Label Ritu Kumar.

TAJ MAHAL SHOPPING ARCADE

The Taj Mahal Palace Hotel in Mumbai is possibly one of the most iconic buildings in the city. The Shopping Arcade is open to all, not just to the clients of the hotel and hosts some famous international brands such as Mont Blanc, Dior, Louis Vuitton.



UB CITY MALL

Launched in 2008, the UB City Mall hosts brands like Rolex, Burberry, Louis Vuitton, Minawala, OMA and Isharya.

Top Multibrand Furniture Showrooms

IDUS Furniture Store

Vivono Designs

And More Stories

SPAZIO

INV Home

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SPAZIO

SPAZIO, one of the largest multi-brand luxury furniture stores in India, located in Mumbai and Pune.
The showroom features high-end brands such as B&B, Kettal, and Poltrona frau.

IDUS FURNITURE STORE

Located in the center of New Delhi, IDUS Furniture features more than 100 display areas and over 2000 design products.

VIVONO DESIGNS

This showroom based in Mumbai brings together traditional and modern Italian furniture. Its portfolio includes brands like Acerbis, Frag, Paola Lenti, Moroso and Rimadesio.

PCUBE SOLUTIONS

The Mumbai showroom works on residential/commercial projects and has tied up with many European Brands such as LaCividina, Mascagni, Ethimo and Flexa.

AND MORE STORIES

The luxury store is located in Mumbai and offers a selection of decor brands such as Ligne Roset, Cattelan Italia, Arketipo, and Himolla.

Top Supermarkets and Gourmet Stores

FOODHALL

In 2011, Future Group launched Foodhall, a premium lifestyle food superstore. Currently, Foodhall has six stores present in Mumbai, New Delhi, and other important Indian cities. Foodhall targets well-traveled urban consumer who understands the nuances of gourmet cooking.

GODREJ NATURE'S BASKET

Godrej Nature's Basket was founded in 2005 as a single fresh food store, now it has evolved into a premium gourmet store. It has a wide range of organic food, imported ingredients, and exotic foods.

THE GOOD FOOD STORY

Le Marche is a chain that primarily operates in a premium, niche gourmet retail market. It has a wide range of products ranging from basic, everyday groceries like staples and spices to exotic imports from across the globe.

MODERN BAZAAR

Delhi chain of 14 stores offering more than 25,000 products ranging from regular groceries to health and organic food. The stores feature a bakery and meat kitchen, a cafe, swathes of gourmet specialties, and an international food items section.

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EXPERT BITES ADVISOR

In India, most of the luxury and premium products are sold in the malls of important **metropolitan cities** such as Mumbai, Delhi, and Bangalore. However, the country is increasingly modernising and, along with these metro cities, there are also “next-level” cities that are expanding, such as Chandigarh, Pune, Coimbatore, and Chennai.

India, therefore, is still a growing country that will offer progressively more **opportunities** in the near future.

For instance, India is one of the few countries in the world that has very few cosmetic brands, suggesting that there is an opportunity for international brands.

ANIL CHOPRA

FMCG, Beauty, Lifestyle and Media Advisor

EXPERT BITES CONSULTANT

Covid has had **a significant impact** on the retail market of India. Customers now expect brands to be available online and also to be able to communicate and service their requirements remotely. Retailers have responded by launching several **innovative customer services**. Acceleration on digital investments with a focus on customer activation via video walk-through, virtual sales, and 3D store profiling became compulsory.

This new trend is likely to **continue in the future** since Indian consumers now seem to have achieved a higher degree of comfort in both browsing and purchasing online.

VIKRAM RAIZADA

Retail, e-commerce, media, luxury, jewelry and fashion expert

EXPERT BITES FOOD EXPERT

As the country is increasingly modernising, people have less time to cook and many are turning to **online deliveries**, with Foodhall as the major retailer of international products.

Food delivery has also become progressively important thanks to the pandemic, as the lockdowns have forced people to remain at home for long periods of time.

There is certainly a growing trend of Indian people consuming more Western and gourmet food. Pizza, for instance, is one of the highest-selling products in India, both in restaurants and retail.

Additionally, Western brands are increasingly introducing products that include local ingredients, to cater to the local taste.

PRONOY BANERJEE

Culinary trainer and Expansion Manager at Ola Foods

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136

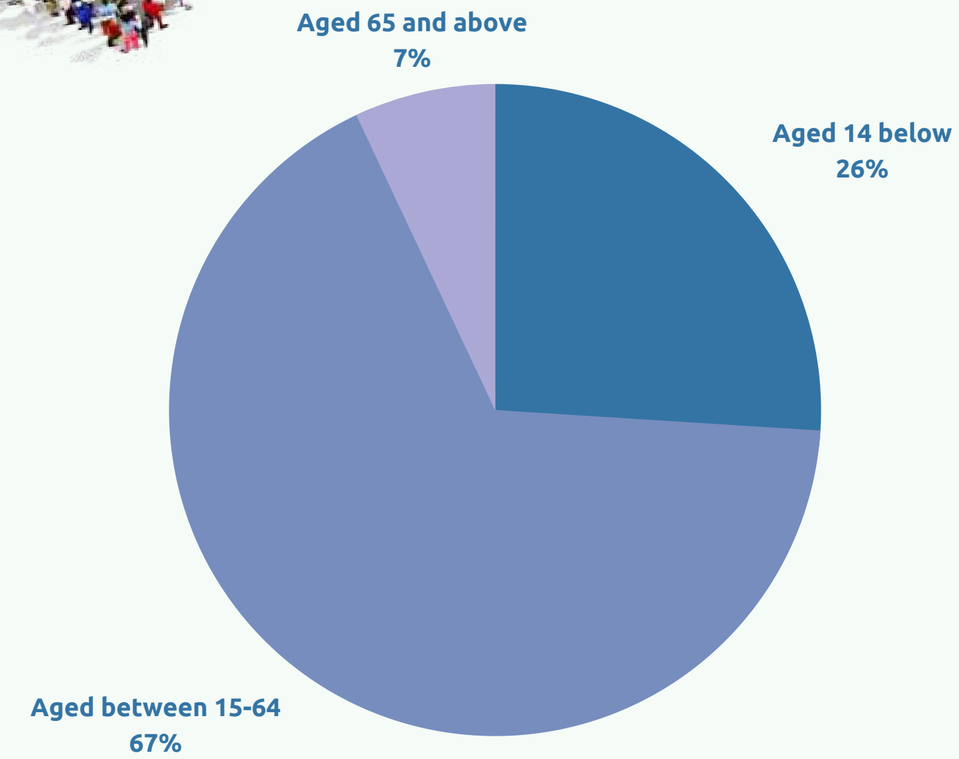
The total number of Indian billionaires in 2020

3rd

world's highest number of billionaires

Forbes, April 2021

The Population



statista.com; The Times of India; Ethnologue, Santander

With 1,391 million people, India is the second-most populous country in the world. India is projected to surpass China to become the world's most populous country by 2024.

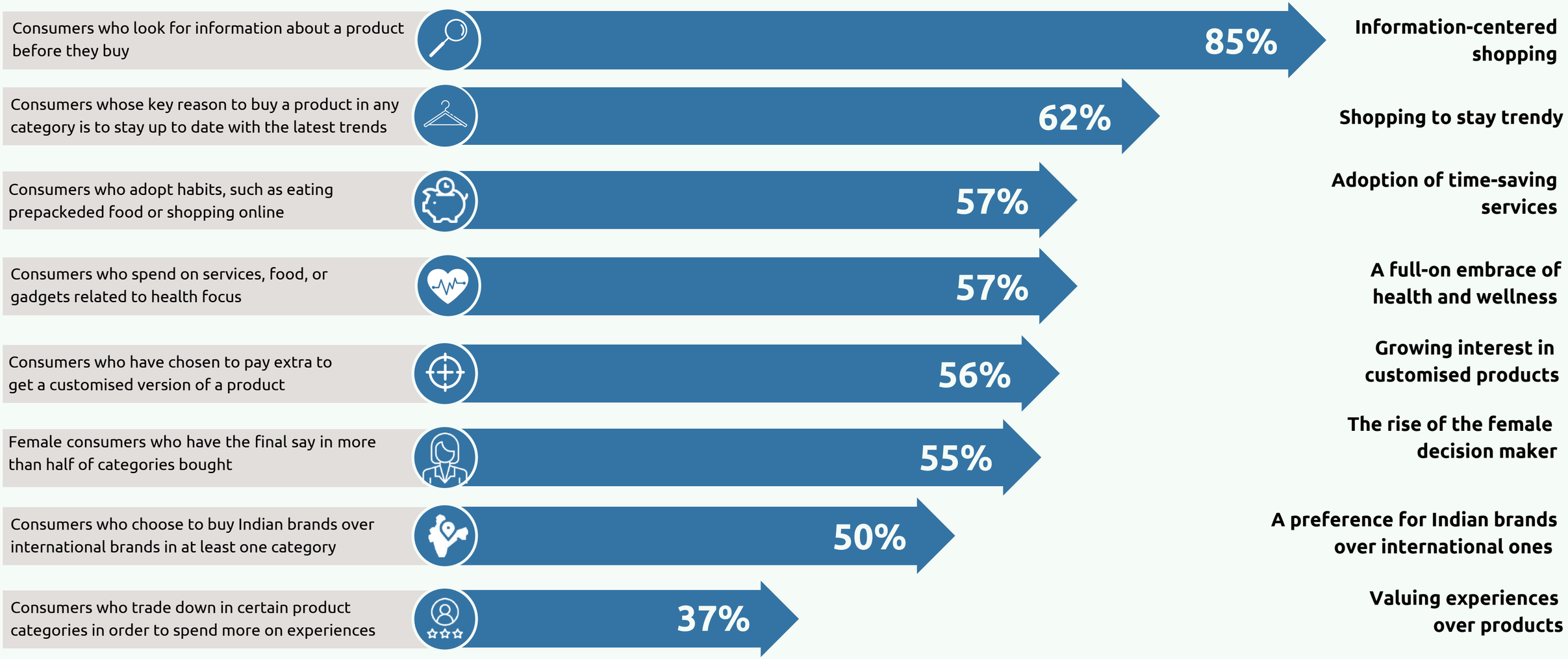
While the number of Indians living in urban areas has increased over the past two decades, about 65% of the population still lives in rural areas. **India is a vast country, marked by a great diversity of religions, languages, literacy levels, traditions, social customs, and economic status.**
There are therefore several types of Indian consumers and the largest consumption expenditure is concentrated on categories including people with undergraduate degrees, blue-collar workers, and migrant workers. These categories represent about 129 million workers.

In 2020, the average age of an Indian was 29 years, compared to 37 for China and 48 for Japan; an important aspect for international brands that plan to position themselves in the Indian market.

Consumers Profile

- Young and tech-savvy
- Proud of their heritage: traditional dresses are widely used for formal events/celebrations
- Well-traveled and brand-conscious
- Not impulsive and price-conscious
- Like to mix western brands with local
- Increasingly demanding premium products
- Strongly value word of mouth from peers
- Seek added value of the purchase and the brand, more than its reputation

Consumers' emerging trends



BCG

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INTERVIEW WITH

ROYDEN CORREA
CANDICE CORREA

TEXERE COUNTRY MANAGER AND PROJECT ASSISTANT INDIA

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EXPERT BITES ADVISOR

In the past years, there has been a strong **evolution of the mindset** of Indian consumers.

Today, they no longer associate foreign brands with the stereotyped label of higher quality. In fact, Indians are **proud of their heritage and culture.**

However, this doesn't translate into a rejection of foreign brands and products. Actually, thanks to this awareness, Indian consumers are more likely to appreciate international brands and to mix elements of Indian culture with western ones.

Additionally, Indian consumers are becoming **more aware** thanks to the increasing digitisation; they are now more familiar with what's available, what's on-trend, what's new, what are the product benefits, and more importantly, what are the brand's benefits.

ANIL CHOPRA

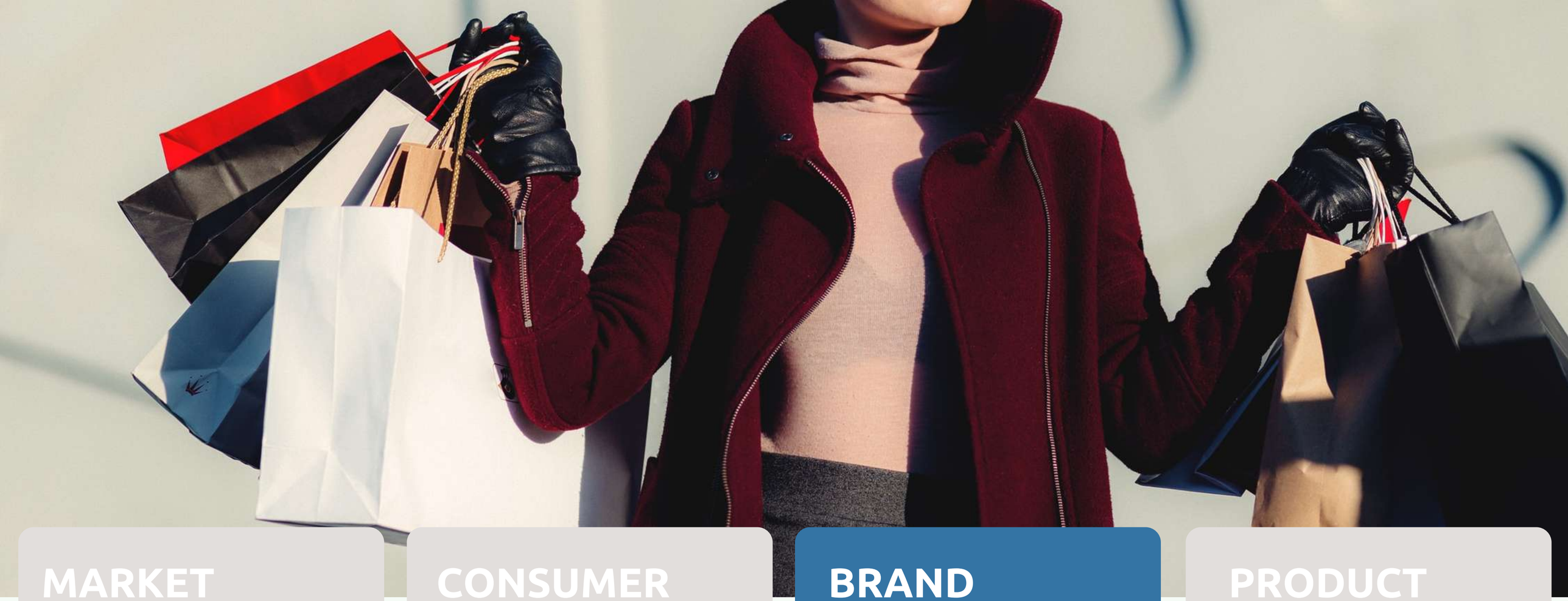
FMCG, Beauty, Lifestyle and Media Advisor

EXPERT BITES ADVISOR

Traditional retail and e-commerce are learning to coexist well together and feeding off each other in a symbiotic way. In the past years, **retail has gotten more organised from the sales point of view with malls, specialty stores, and destination stores becoming extremely important** in their distinct spaces. An increasing number of designers have also started to take up prestigious locations, creating destination stores of their own.

Local consumers are **tech-savvy, well-informed, and what I call "India proud"**. Earlier India sought many international designs but nowadays consumers are also very proud of local productions. Consumers generally can be divided into two groups: **those looking for the best price** and browsing on e-commerce for offers and discounts; and **those searching for something more unique**. The latter group is usually not so price-sensitive, but very conscious of quality. They do not necessarily spend just for status but are aware of what goes into the product and want to see quality inside and out.
Overall, there is still a lot of room for development and elevated experiences especially in certain retail categories such as beauty, home decor, and bedding.

MANISH SAKSENA
Lifestyle specialist



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THE FOUR DIMENSIONS OF RETAIL IN INDIA

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The brand must put high effort in storytelling in order to transmit the brand values and quality

EXPERT BITES ADVISOR

Since India is very **diverse**, international brands should perform research on consumers' preferences and features.

Another key element that international brands should consider is to value the Indian culture and heritage and try to **stay "neutral"**, rather than pushing their own foreign beauty/fashion standards.

As an example, **L'Oreal** wrongly tried to export western feminine standards by using foreign models with western dresses and makeup. As a result, local women had difficulties relating to the brand for a long time.

ANIL CHOPRA

FMCG, Beauty, Lifestyle and Media Advisor

EXPERT BITES TEXERE

India is a very heterogeneous market, with different languages, cultures, and mentalities. The success of a brand highly relies upon understanding consumer behavior and to win over local consumers, it is key to have a **trusted local partner.**

The country is constantly undergoing noteworthy changes and although both luxury and affordable brands are present in the market, there is certainly **room for new entrants** across all categories as the country is growing at a very fast pace.

Indian consumers associate *Made in Italy* products with perfection, a must-have. These brands are perceived to be generally premium quality. However, despite Indian consumers' appreciation for Italian products, many are unable to detect the real Italian from the fake but Italian-sounding ones. This is an important aspect that new brands entering the market need to address.

ROYDEN CORREA

CANDICE CORREA

Texere Country Manager
and
Project Assistant India

EXPERT BITES EDITOR

Product **localisation** is key to success in the Indian retail market. For example, what happens quite often in fashion is that foreign brands struggle in creating something that Indian consumers like as they are not familiar with how Indian textiles are used as embellishments and therefore unable to catch local customers' attention.

As in the rest of the world, launching a new brand requires a mix of online and offline advertising. Indian people are obsessed with Bollywood and many brands collaborate with Bollywood's actors to generate awareness. However, this is a very expensive practice and smaller brands often prefer to collaborate with key opinion leaders, which are "cheaper" but must be selected very carefully.

Local consumers are also well informed and always look for the most competitive prices. Thus, brands should pay attention to their global pricing strategy.

SATHYA SARAN

Consulting Editor Penguin Random House India

Tata Nano case study

For a middle-class Indian family, buying a brand-new car meant only three options: Maruti 800, Alto, or WagonR.

With the aim of providing a 4-wheel car to every family, Tata Motor created the cheapest car: Tata Nano costing only over 1,300 USD.

When the car was launched it was marketed as "the cheapest car" on the market. However, the word "cheap" prevented it from flourishing as consumers doubted the quality of the brand.

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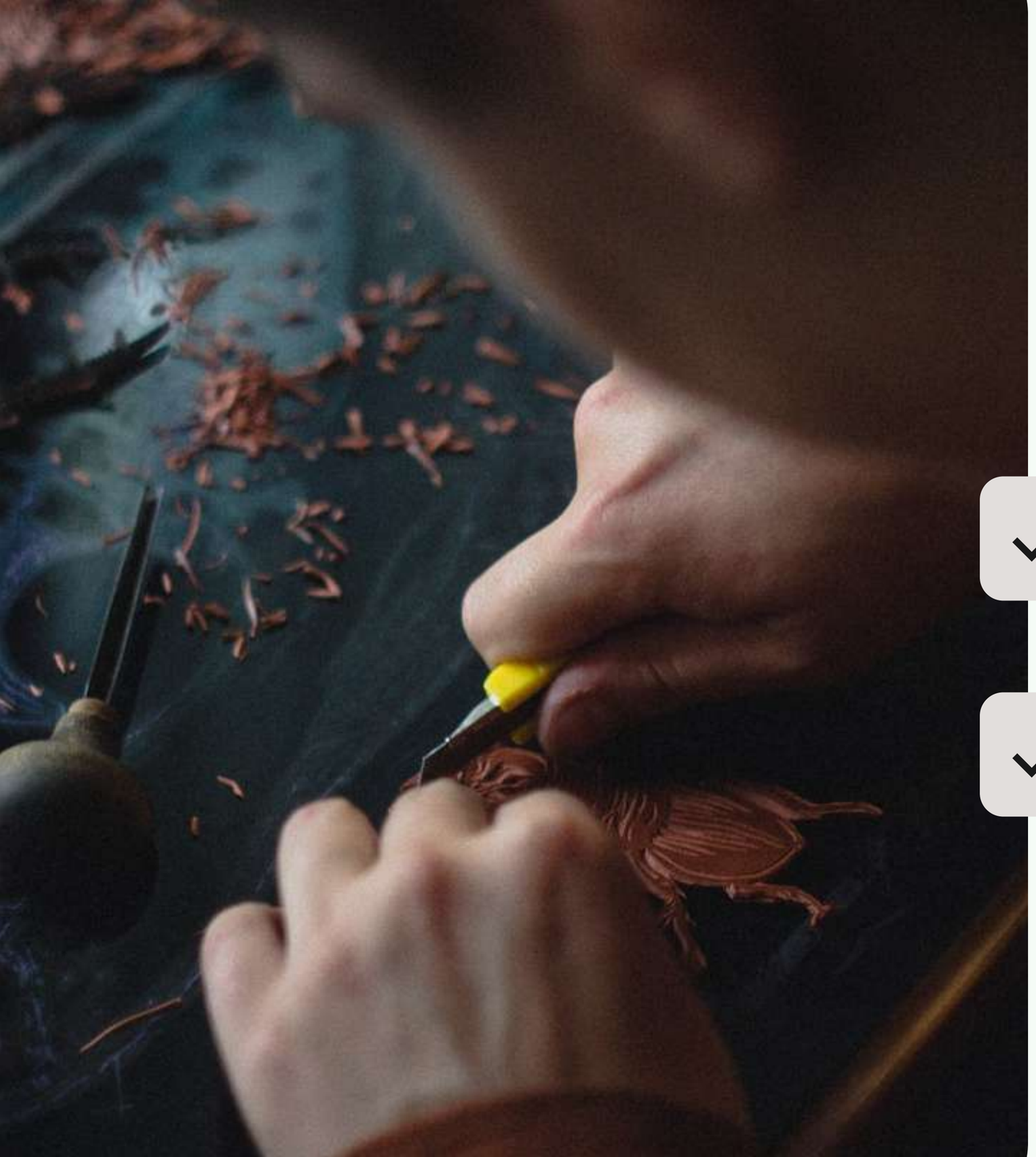
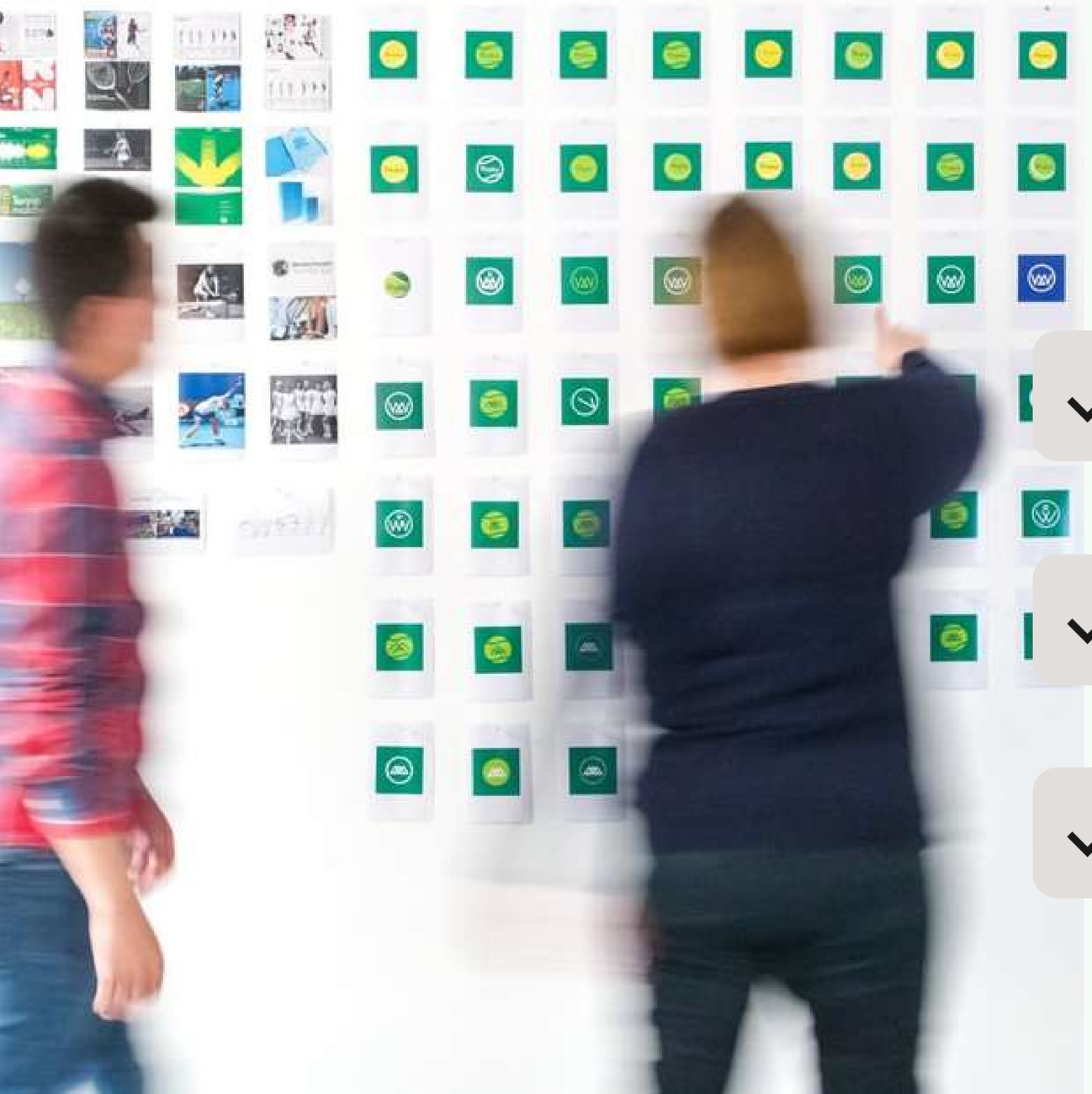


Quality

- The Made in Italy factor in the 3F (fashion, food, and furniture) is still an important value if it corresponds to the production reality

- Craftsmanship, that is the "know-how" and attention to detail, is a desired and sought-after value that makes the difference



Positioning and localisation

- Price positioning must be consistent with product quality and brand awareness
- The product must address a clear and specific market segment (luxury, premium, mass)
- The product must strike the perfect balance between being relevant to the local culture and being consistent globally. Brands should not push western beauty/ fashion standards and cultural sensitivity is key.

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Gillette case study

Gillette is a world-famous brand but when it launched Vector razor in India, it was one of the biggest failed marketing campaigns in India.

Before launching vector they performed some market research and found that in India men had thicker and longer hair as compared to Americans. Keeping that in mind to unclog the razor while shaving they included a plastic piece that could slide down.

However, they didn't conduct this research in India but interviewed Indian students at MIT. Therefore, they missed out on the biggest problem of Indian men: access to running water while shaving.

That is why unclogging the Vector razor while shaving isn't possible in India. This ultimately led to its marketing failure in India.

Kellogg's case study

The launch of Kellogg's cereals in India was an initial failure due to its overconfidence and lack of critical cultural insights.

Although milk is a regular part of the Indian diet, Indians are accustomed to boiling their milk and consuming it hot and sweetened. Trying to persuade the Indian consumer to consume milk cold rather than hot when eating breakfast cereals was one of the key reasons for failure.

Additionally, the pricing was far too high to be a regular grocery purchase, explaining the lack of repeat sales.

Essentially, the brand failed in localising the product and offered something that did not match local breakfast habits and expectations at twice the price of local competitors.

EXPERT BITES ADVISOR

Since Indian consumers have become extremely aware of their heritage, culture, and values, one of the most important aspects that international brands have to consider when positioning themselves on the Indian market, is to give **relevance to the Indian taste**.

An example to better explain this aspect is what happened with the Spanish producer of fine ceramics, **Lladro**. Initially, the brand was struggling in capturing attention and interest in its products. The situation changed completely when Lladro **introduced an exclusive line featuring the Indian God of Good Luck, Ganesh**. The line perfectly represented Indian values and heritage and was so successful that customers were signing up for a 6 months waiting list.

ANIL CHOPRA
FMCG, Beauty, Lifestyle and Media Advisor

EXPERT BITES ADVISOR

For any foreign brands entering India, I would suggest not to “Indianise” their products too much as they then tend to lose their authenticity and aura.

When it comes to fashion especially, **retail requires a seamless experience globally**: customers should experience the same products at any store around the world as this is what gives them confidence in the brand. Moreover, excessive "Indianisation" can result in products that do not seem authentic at all.

This is also true for food; local consumers do not want an Indian version of pasta or ravioli, they want Italian food in its purest form. Global parity is what makes a brand consistent & strong.

MANISH SAKSENA
Lifestyle specialist

INTERVIEW WITH MANISH SAKSENA

LIFESTYLE SPECIALIST INDIA

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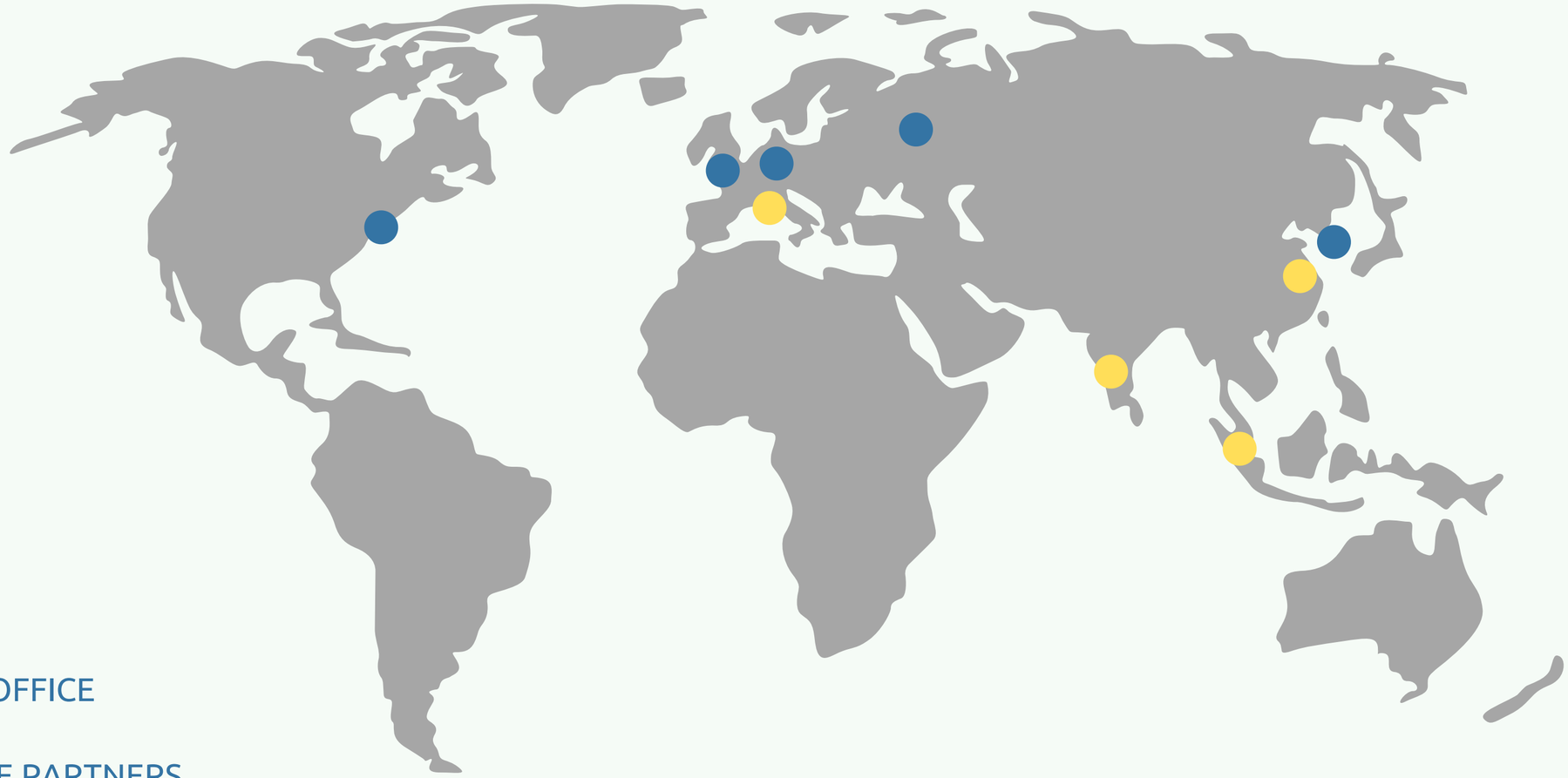
WHERE WE ARE

OUR NETWORK



TEXERE OFFICE

AFFILIATE PARTNERS

MANAGING TEAM

SINGAPORE AND CHINA

ANDREA BONARDI

MANAGING PARTNER

MATTY CHOW

PARTNER SALES AND OPERATIONS

JESSICA ZHANG

BRAND MANAGER

SHAUNA SIM

BRAND MANAGER

ALEX IUCHYK

MARKETING MANAGER

KYLIE DING

COUNTRY MANAGER CHINA

TEXERE BRANCH OFFICE

INDIA

ROYDEN CORREA

COUNTRY MANAGER
INDIA

CANDICE CORREA

PROJECT ASSISTANT
INDIA

Texere has now an office in Mumbai, India. Royden Correa, who boasts extensive retail experience and a strong local network, is the Country Manager and leads the local business operations supported by Candice Correa.

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