

Luxury goes on Bharat Darshan

Many brands are setting up shop and expanding their presence in India, even to smaller cities.

AMRITA NAIR-GHASWALLA

Never mind the chatter that the high-end is starting to crack, international retailers are striving for greater control over operations in the country. Even as DLF, with its many associations with luxury brands, announced it would sever ties with Giorgio Armani and Salvatore Ferragamo, several big global retailers are vying for a toehold.

London-based toy retailer Hamleys opened its second store in Mumbai at Infiniti Mall, Malad, at the end of August. The new outlet stocks Hamleys' own brands along with other national and international brands such as Mattel, Fisher Price, Funko and others.

New York-based footwear label Steve Madden opened its first flagship store in New Delhi mid-August at Select Citywalk, Saket. Other than high heels, boots and stilettos, the outlet stocks the 'Madden Girl' collection for younger girls, Big Buddha bags and accessories, and the Betsey Johnson line of handbags.

I Capital, which is a PE (private equity) firm created in 2001 with sponsorships from LVMH Group and Groupe Arnault, is betting on the Indian luxury space by setting up an enterprise in partnership with domestic designers. The PE firm is to rope in designers Rohit Bal and Sabyasachi Mukherjee along with specialist mid-designer retailer Evolution for the new venture.

Premium fashionwear designer Tarun Tahiliani opened a boutique in Hyderabad's Banjara Hills. Tahiliani now has five flagship standalone boutiques—two each in Delhi and Mumbai, and one in Hyderabad.

The list goes on. Though the Indian economy may see the kick-start of high-earners' lavish spending, there is no dearth of affluent consumers who are far from making changes in their lifestyle due to worries about inflation or the sliding economy.



retailers such as Pavers England and US Polo Association (USPA) setting up shop.

USPA Properties is a wholly-owned subsidiary of United States Polo Association. The brand has been in the country for over two years and has been expanding. In 2010, USPA brand's wholesale sales totalled \$7.12 million in India and \$475 million worldwide.

In Mumbai, Palladium Annex, part of the existing Palladium Mall at Lower Parel in Central Mumbai, commenced operations with Gucci, Bottega Veneta, Jimmy Choo, Tumi, Ermenegildo Zegna and Tag Heuer opening stores. Incidentally, this is the first time Ermenegildo Zegna has stepped out of the confines of a five-star hotel.

Not to be outdone, international automobile majors such as Mini Cooper, Lamborghini and Volkswagen opened independent showrooms. Mini Cooper opened its flagship showroom at Santacruz (W) while Lamborghini and Volkswagen took space at Prabhadevi and Hughes Road respectively.

According to a report by CB Richard Ellis,

a real estate services firm, luxury retailers are entirely focused on Tier 1 locations, but continue to refine their strategy and product offering for India, which in select cases has seen them consolidate and reduce the size of some stores.

Several well-established international mass market brands have also entered Tier II locations, partly due to the lack of space in Tier I markets, the report says. It adds that major apparel brands from the US and Europe continue to try and enter or expand in major markets across the country.

Incidentally, Hamleys entered the Indian market through a franchise arrangement with Reliance Brands, a part of the Reliance

Industries Group. It opened its first store in the country in 2010 at High Street Phoenix, Mumbai, and the second store in 2011 at Express Avenue mall, Chennai. For the premium toy store, it has been a slow but steady progress, with the retailer being very choosy about store locations.

BOOMING BUSINESS

The National Capital Region too has not gone unnoticed with several international and local retailers expanding their presence.

Brands such as American fashion major Bebe, footwear and accessories label Steve Madden, BMW and casual diner Chili's launched new outlets in the southern pocket

of the city. International donut and coffee chain Dunkin Donuts marked its India entry by launching three outlets (Connaught Place, Greater Kailash and Saket) in quick succession.

The luxury retail segment also gained traction, with footwear brands Bally and Christian Louboutin and German shirt maker Van Laack launching their flagship stores in India at the DLF Emporio Mall in Vasant Kunj.

Though international retailers have followed the franchising route on account of FDI regulations when entering the country, most players prefer the joint venture or the silent partner route due to prevailing FDI regulations.

The luxury retail landscape is seeing some changes, but its wealthy clientele just can't have enough. A shortage of space will have these retailers setting up shop in different parts of the country, seeding it with their opulent offerings and ensuring that class gets across to the mass!

A growing market for luxury

Lamborghini and other expensive cars on display at a car show in Chennai. The Jimmy Choo store at DLF Emporio mall in New Delhi.

R. RAVINDRAN, BLOOMBERG

HIGH STREET OFFERINGS

In Mumbai alone, the first half of 2012 witnessed the launch of several high street stores and luxe malls. Linking Road in Bandra in suburban Mumbai witnessed the opening of stores such as Guess, Hush Puppies and The Hub, while Colaba Causeway and Waterfield Road in South Mumbai had

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