



MAX INDIA

DEMOCRATIZING FASHION THE FASHIONABLE EVERY DAY

Value consciousness drives the shopping habits of an Indian shopper. Max India, a division of Lifestyle International (P) Ltd., which pioneered the concept of 'value fashion' in India in its 10-year journey has had a remarkable journey growing at the rate of 38 per cent per annum.

By Zainab S Kazi

Ramanathan, director of the Landmark Group conceptualized MAX and the journey for the brand began in 2004 with their first store opening in Dubai. MAX worldwide is present in 16 countries. Growing at the rate of 20 per cent per annum, it is a \$1.6 billion brand. India journey for Max started in 2005 is when the brand decided to launch itself in India. Vasanth Kumar was given charge to carry forth the mission and in 2006, the first Max store opened its door in India in Indore; sticking to its core mission – to democratize fashion in the country making looking good and feeling good integral to the customer experience.

The pricing model involves an in-house design team, large purchasing volumes, efficient logistics and cost efficient retailing system in the organization which helps the brand to adapt to changing consumer needs.

Vasanth Kumar, executive director at Lifestyle International – Max Retail Division shares, “When we launched Max in 2004 in Dubai, we could see that it was hitting this sweet spot of urban middle class catchment who are globally aware/connected but there is certain value consciousness that drives their shopping habits. They want certain price points and they want it in a certain manner where they can shop easily for their entire family. Internationally, it is a proven model. When you look in UK there is Primark, in US there is Target. It is a proven format where value fashion has succeeded very well. What we did is that we added a little bit of presentation. We stuck to the format where it is meant for the middle and upper middle class. This clicked very well in Dubai. Within a year we decided to launch the brand in India.”

The team for India was put in place in 2005 itself. Kumar adds, “I was the first employee to be recruited and then I started recruiting my team. In 2005, we undertook ground work to understand the shopping habits of the consumers. We visited families in India, we found their wardrobe habits. Dresses back then were





considered too fashionable. Men's wear in India is more dominated by Indian brands. We had to make it more colorful. We studied all these things and opened our first store in Indore in March 2006."

The Growth Story

In the first year, MAX India spread itself to Indore, Hyderabad, Lucknow, Bangalore and Delhi and Noida. Talking about the current dynamics, Kumar shares, "Our store count as of today stands at 145 and 98 per cent of our stores are profitable. We were clear that we did not want to expand for the sake of expansion. We decide within two years whether or not to run the store. When we find that customer profile is miss-match then we know there is no point in pursuing. It has been a conscious decision not to enter the tier 3 markets with Max."

Max India plans to open one store every week and by the end of this financial year (2016-17) the store count is expected to reach 190. With a turnover of ₹1800 crores at present, by

USP OF THE BRAND

The brand offers a varied range of 3000 styles capturing the latest international trends and designed in-house, available at great prices. The brand relies on experiential marketing to connect with its customers. The brand does not own factories, but instead buys products from independent suppliers in India and abroad who are long-term partners for the brand.

the end of financial year 2017-18, the targeted turnover is ₹3000 crore.

Elaborating on the growth of the stores, Kumar talks about it being simultaneous with the growth of malls in India. He explains, "70 per cent of our stores are in malls and 30 per cent are stand alone because there are markets where malls will not be there and we do not want to be dependent on that. Because of the balance we have between the standalone and stores in malls, a slow down in the opening of malls will not really affect us. This year,

we have booked 45 stores out of which 20 are standalone stores."

Investment per store: ₹ 2.5 Crore

Total number of Employees: 7000

Floor staff per store: Approximate 45

The 10 year journey

Kumar shares, "I can divide this 10 year journey into three phases. One is the initial formation of Max India when the malls were settling down and people were getting used to organized retail and mall environment. This is when we grew – between 2006 – 2010. Market was pretty conservative. People bought garments but the consumption was moderate. We also had fashion that was moderate. Western wear was not much. Ethnic wear dominated women's wear and western wear was more restricted to the youth. People in Mumbai were used to Western wear but rest of India was not as evolved hence penetration was limited. Second phase was when we saw penetration of western wear with the revolution in the IT industry where a lot of women employment was taking place. Women started traveling abroad for work. They got exposure to international trends and began experimenting with their wardrobe. 2010-2013 saw a rapid growth of women's western wear. Kids wear and men's wear was doing well always.

Ethnic wear in women was conservative and western wear was less. These two changed between this period. Ethnic wear became more trendy as a lot of fashion shows started happening in cities as well and designers came out with fusion collection. IT led the growth of Western wear, especially in South India and Delhi."

Kumar goes on to elaborate on the third phase, "The real boom happened 2013 onwards thanks to e-commerce. They opened the entire market. They went ahead with massive advertisement campaigns and exposure of fashion trends. They bought in international brands and through digital catalogue communicated all this. The India consumer who was not used to all this suddenly got bombarded with trends that actually led to the change of fashion scenario in India. Consumption was up. Women started opting for dresses. Unlike

earlier, today, women wear dresses without leggings. Social media too has added to this. We have witnessed a complete transformation in India in the last three years. Women bloggers too have led to a change in a huge way.

Key HR Initiatives carried out in 2015 include

People Pulse - Employee Engagement Survey

MAX India has been the proud recipient of the GPTW (Great Place to Work) award for three consecutive years. People Pulse is an employee engagement survey which helps the brand to understand the engagement levels of employees and employee satisfiers. The feedback that is shared by employees is consolidated to arrive at a manager-wise scorecard which is shared with respective teams. Based on this scorecard, employees participate in improving the areas of concern by coming up with action plans which are reviewed on a periodic basis.



The People survey is:

- Administered through an online survey to the employees who have access to computers and paper and pencil survey for the front-end staff.
- Administered by the third-party to ensure integrity, fairness and anonymity
- Covers areas such as people management, communication with senior leadership, work environment, team dynamics and so on
- Popularly accepted as an important channel of feedback with over 95 per cent of employees responding to the survey

Connect over Coffee - Skip Level Meetings

It is important to foster two-way communications in a team and ensure that everyone follows an open-door policy to enable the employees to speak. To encourage this culture within teams, skip-level meetings are organized every quarter at the Corporate office.

Whistle Blower Policy - Ensuring the highest standards of openness and integrity

This initiative has its root with a commitment to the highest possible

“STANDING UP FOR QUALITY”
IS KEY TO SUCCESS

>> EDUCATION JOURNEY

B. E. (College of Engineering Guindy Chennai).

>> THE FIRST JOB

Post my M.Tech, I began working at HAL Aircraft division, Bangalore. Post my MBA, I then became a part of TTK Prestige followed by being a part of HUL – Beverage Division, Bangalore.

>> NUMBER OF YEARS IN THE INDUSTRY

It has been 21 years since I have been a part of the Apparel Fashion Industry. The journey began with being the Brand Head of Van Heusen in 1995. Besides

Van Heusen, I also handled other fashion brands at Madura Garments before moving to head the launch team at Peter England.

My journey with Landmark Group began in 2005 wherein I was entrusted to spearhead Max Fashions entry to India. The brand was established as the largest brand in the value segment by 2004.

>> ENDURING MEMORY FROM EARLY CAREER DAYS

Working in rural / semi urban markets in HUL gave me a good

standards of openness, integrity and accountability. In line with that commitment, this policy was introduced to create a fearless environment for the employees wherein they can report any instance of unethical / improper practices whilst maintaining their confidentiality. The policy educates employees on the various situations under which they can raise a red flag to the Audit committee.

I- connect : Landmark Group's intranet

i-connect is Landmark Group's intranet which provides all the information and announcements that enable employees to work seamlessly in the organization. The discussion board on i-connect enables employees to ask questions, which can be answered by anyone in the organization, breaking the location barrier and enabling collaboration across the country. Basecamp is a web-based project-management tool that offers to-do lists, milestone management, file sharing, time tracking, task assignment and a messaging system. Retail Strategy

WHY INDORE?

Kumar reveals, "We wanted to target the middle and upper middle class segment. Ideally this target audience you would find existing in suburbs in all the cities - like Navi Mumbai or Noida or Whitefield (Bangalore). These kinds of markets have a good mix of middle to upper middle class catchment. We were targeting the top 10 cities and it so happened that the first mall in Indore happened at that time - so it was a coincidence.

Meet is a regular feature that brings all the thought leaders from various functions together to embark on new milestones every year and to celebrate the previous year's achievements with utmost zeal and enthusiasm.

Quality Control

Keeping the Landmark standards in mind, a lot of attention is given to quality at Max. The buying team works in close collaboration with the vendors. Kumar shares, "It is a very large team of about 50 people in our buying team. They work with the vendors to maintain and ensure consistency in quality. We

go into depth of everything and ensure our production lots are consistent and of good quality."

National Brands and Max Private Label

Given the size of their stores and the target audience and category they cater to, there is no other brand in the country that can claim to come anywhere close to them. With store sizes ranging from 8,000 to 12,000 sq.ft. (their smallest store is 8,000 sq.ft. which has been recently opened at Panvel), the 95 per cent of the available merchandise at the store is Max. Men's and women's wear have a national brand each but apart from that, in kid's wear, they have no national brand. Kumar elaborates, "In 2011 we broke even. We went into a typical model that is a close to hundred percent private label. Majority of the players in the market do a 50:50 ratio of private label and national brands because managing fashion and customer taste is very difficult. In each category there is just one outside brand. For e.g. in women's wear we have W. In men's wear, we have Peter England. These brands come at higher price point." 

understanding of the Indian consumer. Subsequently while being a part of the fashion industry, I understood the criticality of brand positioning in an aspirational segment like apparel - which I leveraged through targeted Consumer Engagement events such as Seminars by Jack Trout and Philips Kotler in building Van Heusen as a Corporate Brand.

>> FAVOURITE BUSINESS ICON

Undoubtedly it would be Andy Grove and Steve Jobs.

>> FAVOURITE BUSINESS PHILOSOPHY

It would be Apple's core philosophy i.e. Excellence in Design, creating great products and building it with superior user experience thereby ensuring customer loyalty.

>> COMPANY YOU ADMIRE MOST

Two of them - Intel and Apple for delivering great user experience.

>> KEY LEARNING BASED ON YOUR CAREER SO FAR

It is important to attain excellence in whatever task you undertake and pursue it till the end.

>> FAVOURITE BOOK

"Only the Paranoid Survive" by Andy Grove and "Jugaad Innovation" by Navi Radjou

>> FAVOURITE FASHION BRANDS

It has to be Philip Kotler which is still the hallmark with regards to design aesthetics and Primark for setting new benchmarks in value fashion.

>> FAVOURITE SHOPPING DESTINATION

Oxford Street in London and Times Square in New York.

>> BUCKET LIST

Holidaying at South American Antarctica, European Alps and African Savanna

>> Vision for India

I aspire to witness India steadily progressing towards realizing its

vision of becoming a developed country by 2050.

>> THING YOU VALUE MOST IN YOUR LIFE

Inspiring people to lead great teams and building lasting relationships in both corporate and personal life.

>> Key Learning's

Before you enter the segment - you should be clear on what is the difference you want to make. Once you are clear about the mission, then you get your team to agree and vouch of the mission and irrespective of the market changes, stick on to it and do not deviate. If you deviate, returning to the mission is costly. When we came across product failures, we put them back on track along the mission and undertook course correction.