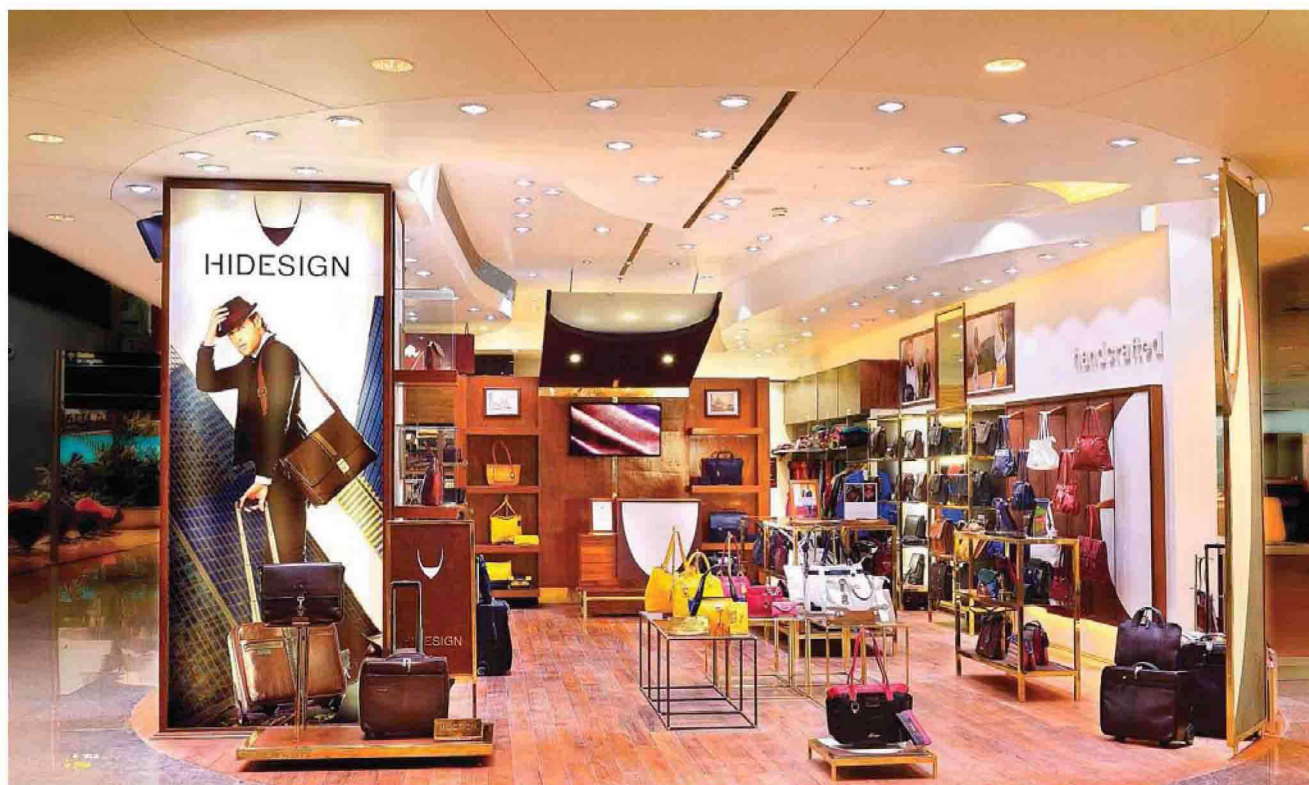


# HIDESIGN

## THE INDIGENOUS ICON



**It started off as a hobby with ₹25,000 as capital and with only two artisans. But today, after almost four decades, Hidesign is an international brand worth more than Rs. 100 cr. with products selling all over the world and more than 3,000 employees.**

By Parama Sen

In 1978, Dilip Kapur, a PhD in International Affairs from the prestigious Princeton University, USA, returned to his hometown, the French-flavoured Puducherry (then called Pondicherry), and found out that there was nothing exciting for him to do in the spic and span Auroville rather than to make it greener by planting more trees. So the young lad opted for an interesting option of designing leather bags, which was his hobby. He started making bags with his own designs by buying leather from Chennai and gifted those to his mother, sister, aunt and some friends. When one of his friends offered him Rs. 300 for one of his bags, he realised he could make money out of his hobby!

One hint is enough for a wise person; Kapur was enterprising enough to understand the 'hint' and thus started the brand 'Hidesign', which has created its unique success story in the intervening 38 years. In an exclusive conversation with IMAGES Retail, Dilip Kapur, founder and CEO of Hidesign takes us with him through the timeline of an eventful journey.

### **The Journey Begins with 'Naturalness'**

"While studying in the States, I had taken an internship with this leather factory for a few months. This short stint was what made me relook at leather and became a lifelong passion for me. I decided to return to Auroville and wondered what to do next. To keep myself occupied I started making leather bags. What started as a hobby soon caught the interest of people passing by and I landed up with larger orders," Kapur recalls.



But what was so unique about Hidesign products that attracted consumers towards them? According to Kapur, it was the 'naturalness' of the product. Starting from the inception point, Hidesign products are always natural. Fake leather, PU, zinc buckles were a complete no-no. The colouring of the products is done by using the age old Indian technique of vegetable tanning.

"Hidesign was born out of the need to be distinct from the uniformity and synthetic flatness of the mass market," Kapur says. "It was almost like giving shape to my instinctive aversion to painted, patented leathers that lose all semblance of naturalness. Hidesign's brand values are always consistent and provide Hidesign a unique identity and great customer loyalty."

#### First 'Global' Indian Brand

Hidesign can be cited as a very good example of today's 'Make in India' campaign. Where all the other Indian brands have first curved a niche of success in the domestic market and then tried to move towards international beginnings, Hidesign has done just the opposite; crafted out of India, the Hidesign bags were first sold out of some Australian stores. In fact, Hidesign products were available in Indian market years after the brand's global launch. But, according to Kapur, he had never taken any kind of marketing exercise; on the contrary, the markets have always 'found' him. One of his first designs was bought by his friend, who liked it and later on bought 1440 pieces from him and started selling those in Australia. Then his cousin liked those and she started curating Hidesign products for the UK market. From there

### HIDESIGN IN INDIA

Total no. of Exclusive Hidesign Boutiques

73

No of cities present

41

Total Shop In Shop Presence

100 (Shoppers Stop, Lifestyle, Central, Ritu Wear, Soham Shoppe, Shohum Emporia, Style Plus etc)

Store count break up between High Streets/Malls/Airports

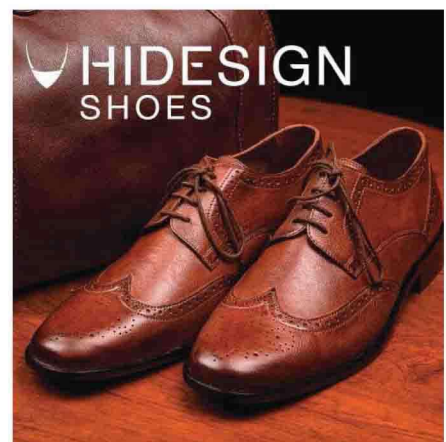
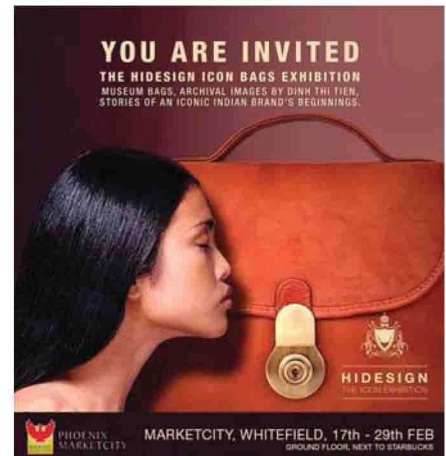
23 EBOs in High Streets,  
44 in Malls and 6 in airports.

Best performing store  
Bengaluru airport store.

Online partners and % sales from online channels

Hidesign sales through own website and e-com partners like Shoppers Stop, Infibeam, Amazon, Flipkart, Myntra, Snapdeal and Jabong. The total percentage of sales is approx 20-25%.

We take great pride in some of our iconic bags which are legendary for our brand. In 2014, we re-launched 11 of our most beloved bags, calling them 'The Icons'. These bags with their whimsical designs are individualistic and full of character; they stood for what we loved best - a spirit of adventure, clean designs and the use of natural materials like the Boxy bag which was awarded the 'Accessory of the Year 1992' by Accessory Magazine UK and the felicitation of the same was done by none other than, the gracious Princess Diana. Another very iconic bag from Hidesign is the Grazia bag, which has a signature shape that is identifiable with Hidesign,



Hidesign bags travelled to California and the journey continued. As Kapur has studied arts in the USA and always had international standards in mind, the products were designed accordingly and never lacked an international sensibility. This very thing actually paved the way for success.

#### Capturing The Home Front

In the year 1998, Hidesign forayed into the Indian market. The story happened in the following way: Indian consumers who travelled abroad, discovered the brand there, came to know that this was actually something 'made in India' and yet not available in the country itself. These consumers actually forced Kapur to launch the product for the Indian market. The first Hidesign store was launched in Bangalore, in 1998.

"Looking at India changed us completely. Suddenly we were directly in touch with our customers. This



focus on India came at the right time for me. I was bored and was ready to quit and join Auroville full-time. For me, it was like I discovered myself all over again,” Kapur says.

India turned out to be the biggest market for the brand in the following years. Two thirds of the business now comes from the domestic market. Hidesign has opened more than 70 stores in the country and has over 100 shop-in-shops.

## ‘Unique’ness of Hidesign

Hidesign began its journey at a time when ‘Indianness’ and ‘being international’ meant two completely different things altogether. Where the West, as we can term it, was all about class, simplicity, minimalism and aristocracy woven together, East was about getting flashy, spunky and making it cheap and pret, as opposed to haute couture. Typically, in order to satisfy consumers from two completely different markets, a brand either has to create two different lines or craft a ‘middle’ way. But Hidesign

Hidesign has shifted from the urban, hippie couture from where the design ideology started, **it was for this unique rebel design approach that its products were sold initially only through ‘alternative’ retail outlets.**

has not done that. Clearly, the same line worked in all markets beautifully even when it was available in India after almost three decades since its launch. The timing was sanguine; after liberalisation of the economy, Indians started becoming well acquainted with western standards and were much more ready to adopt Hidesign’s aesthetic language. As Kapur himself likes to put it, “We have our own leather tanneries and a loyal set of artisans that understand the brand ethos; therefore we have great leeway to create a product as per our design sensibilities in a sustainable manner.”

“Also, our customers and the media understand that our brand is an original brand with a unique brand story and a true heritage. Our heritage adds to the premium perception of the brand, and our marketing, for instance the Art of Re-Use, the Icon Collection and the ongoing Green Story marketing campaigns, are really among the best and most interesting marketing initiatives.”

Hidesign products are meant for urban, educated men and women ranging from the age of 25- 40 years and is mostly tech-savvy and a working professional, Kapur adds. “Our customers tend to have a good understanding of the product and have a fashion sensibility that skews more towards classics. Our TG usually also includes people who have inclination toward environmental sustainability and conservation.”

Though Hidesign has shifted a little from the urban, hippie couture from where the design ideology actually started, it was for this unique rebel design approach that its products were sold initially only through ‘alternative’ retail outlets. “I would say it is the

## TIMELINE

1978	Begins with a two-person artisan workshop. First markets are small, alternative shops in Australia and USA
1982	Launched in UK and became popular in independent shops.
1984	Solid brass buckles instead of zinc ones
1985	John Lewis in UK, the first departmental store to carry the complete line of Hidesign.
1988	Hidesign introduces leather garments
1990	Estd first custom design factory in Pondicherry.
1992	Best accessory ‘Boxy Bags’ by Accessory magazine UK. Princess Diana awarded Hidesign
1997	First international exclusive store in Moscow, Russia
1998	South Africa, Vietnam, Malaysia and India became emerging markets
1999	Started growing in India as well
2000	Launched award winning ad campaigns in India and internationally.
2004	Alberto Ciaschini joins as the new lead designer
2010	Launches flagship store in Pondicherry which includes Hidesign Museum



▲ Dilip Kapur at work







There is always something ‘cooking’ in the Hidesign factory; **creativity is the essence of Kapur’s existence. Retail expansion is also on the cards.**

rebels who bought my bags. So, our bags were sold in alternative stores and not in the mainstream stores. We had only the rebels as our customers in the first ten years. It took us ten years to conquer the mainstream market. That was with UK supermarket chain John Lewis retailing our products. By then, the entire culture had changed and consumers became less conservative, more casual. But yes, I did feel a little bad when we moved from the rebel camp to the mainstream camp.”

But this was only the international scenario. After capturing the West’, Hidesign also won consumers of the Far East, in countries such as Malaysia, Vietnam, etc. In fact its

first international exclusive store was opened in Moscow, in 1997.

#### Best-in-class Partnerships

Hidesign was the first Indian retailer to receive foreign funding. Realising the brand’s potential for scalability, luxury retail conglomerate Louis Vuitton Moët Hennessey bought a stake in the brand in 2007 and thus helped it open a new state-of-the-art production unit in Puducherry. At the same time, Hidesign also had the opportunity

to learn the intricacies of the luxury retail business from the very best in the market. “LVMH has never interfered in our operations but I learn something from them all the time,” Kapur states.

In 2009, Future Group’s venture capital arm Future Ventures and Hidesign entered into a 50:50 joint venture to launch an India-oriented

lifestyle brand, called Holii. This new brand was to focus on the modern Indian woman and offer competitively-priced products. It was designed to cater to the mid-market segment with prices being 30-40 percent lower than those charged by Hidesign. “We set up Holii, because Kishore (Biyani, Group CEO, Future Group) kept teasing me that I did not understand India. That is why Holii is modern and vibrant, but has its feet firmly in India,” says Kapur.

There is always something ‘cooking’ in the Hidesign factory; creativity is the essence of Kapur’s existence. The brand launched a footwear range January this year, beginning with a men’s line, shortly to be followed by a women’s line as well. Retail expansion is also on the cards. “In the next few years, we will have about seven stores coming up,” Kapur says. But that’s not all. Hidesign is also looking to optimise the e-commerce channel. “Currently, we are focusing on Hidesign’s luxury collection -- the Atelier Collection featuring exotic deer skin and ostrich leathers. It is segregated under two categories: Champagne and Caviar Collection. The price range starts at ₹2,595 onwards and goes up to ₹25,900,” Kapur informs. 

