

The entry of international brands, changes in preferences from non-branded apparel to brand names, the fast-growing economy, and a large young consumer population in the country has made India a highly lucrative market – something Splash Fashions' CEO & Director Landmark Group, Raza Beig, plans to cash in on...

– By Charu Lamba



RAZA BEIG TO FASHION A MAKEOVER FOR MIDDLE EAST RETAIL CHAIN SPLASH IN INDIA AS HE EYES GROWTH, EXPANSION

The Indian retail market is expected to hit ₹1,02,50,500 crore (US \$1,576 billion) by 2026, growing at a CAGR of 10 percent. A big chunk of this number belongs to the fashion segment. Retail pundits are predicting that the Indian fashion retail market worth ₹2,97,091 crore (US \$46 billion) will grow at a promising CAGR of 9.7 percent to reach ₹7,48,398 crore (US \$115 billion) by 2026.

The Indian apparel industry, which is the second largest contributor in the retail industry after food and grocery, is seeing some major shifts. The entry of international brands, changes in preferences from non-branded apparel to brand names, the fast-growing economy, and a large young consumer population in the country has made India a highly lucrative market.

To cash in on this immense opportunity, Splash Fashions, Middle East's largest fast fashion retailer, plans a makeover, and will present itself to India in a new avatar.

Speaking on his big plans for the brand in India, Raza Beig, CEO, Splash Fashions, & Director Landmark Group, said in an exclusive interview on the sidelines of India Retail Forum 2017: "Splash Middle East is at a very mature stage. We have already captured quite a bit of the fashion market in the Middle East.

The brand is 287 stores strong in 13 countries covering 2.8 million sq. ft worldwide. However, in India, the growth is in nascent stages.

SPLASH – THE MIDDLE EAST FORMAT

Splash Fashion stores comprise of three formats in Middle East:

POWERHOUSE STORE –

Ranging from 20,000 to 22,000 sq. ft.

ATTITUDE STORE –

Covering 15,000 sq. ft.

BOUTIQUE STORES –

Ranging between 8,000 to 10,000 sq. ft.

"We have been operating in India for about seven years now but because of all the expansion that we were taking on in the Middle East, we have not been able to give a lot of attention to our Indian model. Earlier, our India operations were done through a franchise model. However, two to three years ago, we decided to takeover and conduct operations internally. Honestly, we have started working on Splash India only over the last eight or nine months," Beig said.

"We went back and revisited the entire India model – from product to pricing. We had to re-engineer products to a certain extent to meet the demands of the Indian consumers and the traction that we have received in last seven to eight months has been really good," he added.

steadily as we have learnt a few lessons in the last seven years, we do not want to make the same mistakes. At present, what Splash lacks in India is position. We are in B-spots and even C-spots in malls. So, the first thing that we need to go is ensure that we are in the right space and retailing to the right consumer," said Beig.

In keeping with this vision, Splash Fashions closed some stores that were not rightly positioned and now plans on refurbishing the remaining stores in line with their new format.

According to Beig: "We will be repositioning all of our stores in malls – we are already in talks with mall developers for the same, and we will also start looking for spaces in existing and new malls."

The brand, which will be



There are around 18 stores of Splash Fashions – part of the Dubai-based Landmark Group – in India and Beig aims to take this number to 50 in next three years.

A Slow & Steady Pace

Raza Beig feels that aggressive expansion is not the style of Splash Fashions.

"We want to go slowly and

spending between ₹100-150 crore to open new stores in India, eyes a revenue of ₹1,000 crore in the next four to five years.

Making a Splash in India

Splash, which used to retail several brands in India like all MBOs – including Benetton, Vero Moda – has decided to do away with this model. They will

RAZA BEIG: THE SUCCESS STORY

- Raza Beig heads Splash, the fashion concept of the Landmark Group.
- Back in 1993, Splash was at a nascent stage and Beig was involved in almost every aspect of the business from buying to visual merchandising, budgeting and retail operations.
- Before he became cognizant of it, Beig was promoted as the General Manager of the fast-growing fashion brand, Splash.
- Over two decades with the organisation, his strong dedication and passion has guided Splash to become a category leader and a core brand of the Group.
- Since the inception of Splash in 1993, Beig has been actively involved with the overall business development and retail buying for the brand.
- In 1998, he helped set up Lifestyle, the department chain in India.
- Beig's bullish approach facilitated the initial days of the Group's entry into a new market and before he knew it, he was made a board member, in charge of the fashion division for India.
- Sometime in early 2000, he was appointed Managing Director of Splash and was invited to be part of the Board of Directors of Landmark Group.
- Eventually, in 2006 he was appointed the CEO of Splash.
- Splash has achieved new heights under Beig's vigilant leadership and today the brand is taking 'fashion' forward to a new level.
- Beig heads the buying team, and oversees the creation of Splash's season collections. He travels with Splash's team of designers and buyers to major international fashion shows, to keep abreast with the changing trends in global fashion.
- He is personally involved in selecting and signing off all the garments and accessories which finally make it to a collection.
- Beig is at the forefront of the business, spearheading the brand across the Middle East, Levant countries and the sub-continent, with aggressive expansion plans in the near future.



ABOUT SPLASH FASHIONS

- Splash, part of the Landmark Group, is one of the biggest retail conglomerates in the Middle East and India.
- Founded in 1993 as a single-brand store in Sharjah, in the United Arab Emirates, Splash has grown to over 287 stores across 13 countries.
- Earlier, basic and essentials accounted for almost 70 percent of the merchandise in Splash stores. Now fashion occupies half the merchandise.
- In other markets, fashion accounts for over 70 percent and, with a positive response from the Indian market, Splash wants to take fashion to that level here as well.
- The brand has 11 stores in the south. But it has seen better growth in the western and northern markets of late.
- Cities like Mumbai, Pune and Delhi have done better than southern cities. These two regions have seven to eight stores now and going ahead Splash will ensure that these regions have a deeper presence with more stores.

still be retailing Being Human and Bossini apparel and merchandise at their stores, but 90 percent of the inventory will be purely Splash.

Beig outlined the format of stores in India, saying, "In India, our stores will range from 6,000 - 12,000 sq. ft. depending on the mall we are in, as well as the catchment."

Stores will have the average

target price point between ₹999 and ₹1,499. Beig said that his brand closed the last financial year at ₹160 crore. "Going forward, we are looking at a growth of 50-60 percent every year, year-on-year for next three years. Last financial we touched a like-to-like growth of 35 percent, and we want to maintain the momentum."

Going Omnichannel: Catering to the Evolving Consumer

Technology holds great importance in the success of any brand and retailers are leveraging digital technologies to reach the modern shopper. Mobile-enabled applications draw in a lot of consumers and retail chains are investing heavily in them. Automation and IoT (Internet of Things) are lower on the list for investment but gaining momentum as they are perceived as game changers.

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To stay ahead of the competition, Splash Fashions is leaving no stone unturned as far as leveraging technology is concerned. The brand is planning on investing 4-5 percent of its turnover in this space.

Elaborating on the technological advancements his brand is embracing, Beig stated, "With the world moving so fast, we have to be very tech-savvy. We will soon be introducing an entire tech-based collection. This means that technology will be an integral part of the garment we are selling."

He further added, "Two months ago, we introduced tech-merchandise in UAE to which young kids can relate to. These include phone-

covers, headphones and even quirky speakers. Our India stores are just receiving their first shipment."

And as Omnichannel retailing is continuing to mature, and the lines between the online and the physical store blurring, Splash is preparing its e-retail website in a bid to lure more customers and with an eye on profitability.

"We have launched our e-commerce website in UAE, as well as Saudi Arabia and by the end of this financial year, our online stores will be available across all GCC's. In India, we have signed up with Myntra and we will soon be launching Splash online in India," Beig concluded. 