ALWAYS IN FASHION

WITH A PROJECTED ANNUAL TURNOVER OF RS 240 CRORE AND ANNUAL WALK-IN OF OVER THREE MILLION CUSTOMERS, PLANET FASHION IS NEVER OUT OF FASHION. IT HAS A VERSATILE RETAIL CONCEPT THAT CAN ADAPT WELL IN ANY TOWN AND MARKET. IT IS AN EXCITING BUSINESS PROPOSAL.

MADURA, a pioneer in men's readymade garment industry, which was incorporated in the year 1988, has the largest share in the premium formalwear segment in India. Planet Fashion, the retail initiative of Madura Fashion & Lifestyle, has brands like Louis Philippe, Van Heusen, Allen Solly and Peter England under its umbrella. The inception of these retail stores took place with an objective of upgrading the quality of retailing and offering customers a world-class shopping experience.

In view of escalating demand and to meet the rising customer expectations, Madura launched a retail initiative that was christened as Planet Fashion. With its first mega store at Commercial Street in 2001, the brand Planet Fashion was born. It stands as a one-stop solution for all the apparel needs of men.

Weaving a franchising web
Since its inception in 2001, Planet Fashion has been going strong on franchising for strengthening its presence across the nation. In the last fiscal, it expanded to 22 towns and today is present in over 80 towns across the country. This makes Planet Fashion the largest chain of stores of its kind in the country. Sensing the potential of this concept, Madura announced it as a full-fledged retail initiative rather than just a brand distribution vehicle. Three years ago, Madura Garments had put together a crack team under the stewardship of Shoaib Farooqi, Chief Operating Officer (COO) of Planet
Fashion, International Business and Trade Business, Madura brands. Since then, it has been the most sought-after brand by the franchisees.

As per Farooqi, “We have a rigorous process of franchisee evaluation. Retail is a business of passion and ownership and we closely look for this trait when we evaluate a candidate. Needless to say, financial capability, sense of integrity and customer orientation is important. We are not rigid about partners from apparels background. ”

**Franchisee is spoilt for choice**

So far, for Planet Fashion, big cities have been a priority. In terms of sheer volume, by virtue of size and consumption, the metros take the cake. However, of late, Planet fashion is aggressively expanding in tier II and III towns. For a steady growth, they have retail business development teams in each region that would evaluate franchisee queries. Prior to giving a franchise, the company follows a meticulous approach while deciding the brand-mix for each store. It first conducts a thorough research of the catchment area and competition before signing the final deal.

It offers a wide choice of brands across categories and price points. (Formal wear is the largest selling segment at Planet Fashion. Van Heusen stands out as the ideal choice for a corporate executive, whereas Worldwear is the top of the line premium range spotted in boardrooms. Louis Philippe caters to the status & style conscious contemporary man. The Permapress collection of Louis Philippe is the top-of-the line formal wear which is apt for special ceremonial events where one wants to stand out. Peter England is very popular amongst entry level customers who seek value for money. In casuals, Allen Solly is the undisputed leader with its youthful contemporary look. To this already impressive portfolio, Planet Fashion has added brands like Levi's, Monte Carlo, Jockey & designer ethnicwear from Manyavar.)

The merchandisers put together a grid specific to each location, which is constantly reviewed and course corrections made, if required.

According to Farooqi, “Franchisees take immense pride in dealing with our organisation and take active ownership in the business. Since ours is a profitable concept, we are constantly approached by many prospective partners. Given that
Planet Fashion is aggressively looking at expanding in smaller towns, franchise route seems to be the ideal strategy, as it best understands the flavour of the local market.”

In addition to regular apparel requirements, Planet Fashion also caters to the ever increasing wedding market. The company offers complete wardrobe solution for the wedding shoppers with its range of suiting, premium shirting and accessories. It also has a good designer ethnic wear collection in selected towns to address the need of the wedding shoppers. Keeping in mind the store space, this section of the store has been designed in a way to provide comfort to the wedding shoppers, as they normally spend more time and seek dedicated attention. This concept of the company has yielded fantastic dividends.

**Strong support structure:**
Franchisees are never alone

Another advantage of an established franchise like Planet Fashion is its ongoing support system. The company never lets the partner feel alone. From the initial stage of project conceptualisation to establishing the store, from recruitment of staff to constant upgradation, visual merchandising and stock management skills, it offers assistance in all departments.

Planet Fashion is a win-win venture for both the franchisee and the company. To make it happen, the company regularly interacts with the franchisees to maintain standard and quality at all its outlets. Being a part of Aditya Birla Group, Planet Fashion takes pride in adhering to the group's values of integrity, commitment, passion, seamlessness and speed.

**Maintaining growth momentum**
The chain grew by 35 per cent over the previous year despite winding up certain unviable stores. Planet Fashion is aiming to maintain this momentum for the coming year as well. Looking at the growth potential, the company plans to expand in 100 towns by the year-end. When asked about strengthening the presence across metros, Farooqi avers, “While we have been penetrating into small towns, we have simultaneously been consolidating our presence in the metros. Last year, we opened
stores in 24 non-metro locations. Our target for FY12 is to have 150 stores. India is a huge market and there is abundant opportunity, provided you get the right retail business model.”

Planet Fashion has reached out to its overseas customers in Gulf and the SAARC region through its five outlets.

**Interview**

**SOON, WE’LL OFFER LARGER BOUQUET OF BRANDS**

Shoaib Farooqi, Chief Operating Officer (COO), Planet Fashion, is a veteran in the apparel industry with over three decades of rich experience. In an interview, he talks in detail about growing competition, move to tier II, III cities and multi-brand retailing.

With the influx of numerous international brands, what kind of competition are you facing and what steps have you taken to overcome that?

We don't feel international brands are a direct competition to us. In fact, the advent of such players develops the market and propels growth of the category. They have been actually upgrading the Indian customers in terms of fashion sensibility. Most international brands are positioned at the top end of the market and cater to a niche customer profile. Our business model has a much wider appeal and caters to customers seeking garments across price points. You could find a basic formal shirt from Rs 599 to Rs 4,900 for a premium imported shirt. Similarly a basic Peter England suit at Rs 6995 to a premium ceremonial Louis Philippe suit at Rs 40,000.

**Which are the brands with whom you have a tie-up?**

We wanted to offer a complete wardrobe solution, so we started partnering with brands beyond the Madura menu. We conducted a study of our consumers to understand what they actually want. Based on the feedback received, we added brands like Levi's, designer ethnicwear from Manyavar, Jockey and winterwear from Monte Carlo. Soon, we will offer a much larger bouquet of brands.
How efficient is the concept of multi-brand retail as compared to the exclusive store strategy?

I have observed three distinct types of customer buying behaviour. There is a brand-specific customer, who is very categoric about the brand he seeks. Such a customer would prefer to shop at an exclusive brand store. Then, there is the value-seeker, who constantly scouts for deals and settles where the terms are favourable. The third and largest category is the choice-seeker, a customer who is brand-conscious and yet seeks a choice. Such a customer is not really sure of what he wants but has in consideration a set of brands. Planet Fashion appeals to such a choice-seeker.

What is the sale percentage of in-house brands and external brands you are associated with?

The mix of brands at any of our stores is a reflection of market requirement. We have stores right from Jharsuguda in Orissa to Ongole in Andhra, from Connaught Place in Delhi to Commercial Street in Bangalore. Each market has its own unique characteristic. Therefore, our product & brand mix changes from store to store. However, currently our in-house brands have a dominating share of over 80-85%.

Shoaib Farooqi has been serving Madura for over 30 years. After serving in various capacities with Madura Coats he moved to Madura Garments when the division was set up in '88. He has been instrumental in setting up the entire distribution set-up of Louis Philippe, Van Heusen, Allen Solly & Peter England. Prior to his current assignment, he was Sr Vice President (sales & marketing) for all the Madura brands. Now as the COO, he is at the helm of Planet Fashion’s retail and international business and is managing it impeccably.

Box 1

Pillars of success

The strength of Planet Fashion hinges on three factors. Firstly, the stores are present in the best of locations in each town. Secondly, it boasts of best brands across each category. As a philosophy, the company avoids competing brands in the same category, which could confuse customers. Instead, they keep the best brands and
ensure that an exhaustive collection is showcased. Added to this is a superlative shopping experience.

**Box2**

**Franchise Facts**

Number of cities present in: 78

Number of franchise units: 75

Total Investment: Rs 1,400 to Rs 2,400/sq. ft on interiors, plus stocks

Area Required: Over 2,000 sq.ft

Preferred Location: Malls, high streets, standalone stores with high visibility and parking

Expected break-even time: Minimum of a year