

S KUMARS GOES IN FOR BRANDING REJIG

The apparel & textile major now wants separate strategies for each of its brands

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Last month, S Kumars Nationwide (SKNL) invited pitches from advertisement agencies for its brands. The purpose: repositioning of the brands that include Reid & Taylor and Belmonte. The company has already finalised two out of five pitches from the shortlisted agencies and wants to complete the entire process by January.

But the move surprised many as the brands are already in clear price segments with little overlap. But Ashesh Amin, director of the textile and apparel major, thinks a lot more can be done. "SKNL's apparel brands have grown big and we operate in different segments. There are some overlaps between fabrics and apparels in case of some labels," Amin says. For instance, Reid & Taylor and Belmonte sell both ready to wear (RTW) and fabrics.

SKNL is in almost all segments of textiles: fabric, RTW and home textiles. It retails half-a-dozen brands in the RTW segment and a handful in fabrics, which are across price segments.

Within RTW, the company sells Stephen Brothers in super premium, Reid & Taylor in premium, Belmonte in mid-price segment and World Player in economy and retails Reid & Taylor, Baruche, Belmonte and SKumars in fabrics.

So what does Amin propose to do to break the clutter? Apart from setting up an integrated supply chain and focusing on designs and merchandising, Amin wants to launch individual strategies for each of his brands.

The strategy will decide which cities to target, what type of communication to adopt for each brand, which type of events to be associated with etc.

SKNL has already carved out 10 strategic business units such as home textiles, luxury suitings and so on and half-a-dozen chief operating officers (COOs) to manage the RTW brands.

Retail consultants agree with



Ashesh Amin, director, S Kumars Nationwide, says the brands are growing at 200 per cent annually, necessitating a new strategy

SKNL's strategy. "Any company with multiple brands has to be very clear about how they segment their brands. Otherwise their own brands end up cannibalising each other," says Devangshu Dutta, chief executive, Third Eyesight, a business consultancy.

For instance, he says Madura Garments has clearly segmented its brands such as Louis Philippe, Allen Solly, Van Heusen from the beginning and Arvind had a clarity in terms of denim products such as Lee, Flying Machine which are addressing different segments.

But Susil Dugarwal, founder of Beyond Squarefeet, a mall management firm, says SKNL is yet to find its niche in retailing. "A lot of people have left them and as exits happen, the perception of

growth plans also change," he says.

The new branding strategy is also important for SKNL as it is looking to diversify its portfolio and launch new brands at different price points.

For instance, the recently launched economy brand 'World Player' is a new focus area, says Amin. The mass brand, in the prices range of ₹129-₹499, could become a ₹100 crore brand in 12 months and "₹1,000 crore in four to five years", he adds.

Out of 622 districts in the country, the company wants to be in 520 districts in the next 18 months. It has already covered 130 since the launch, he says.

Currently, Bollywood superstars Amitabh Bachchan and Shahrukh Khan are the brand am-

bassadors of the company's Reid & Taylor and Belmonte brands.

"We will continue to have a strong brand ambassador-led strategy, but that is not the only thing in our brand campaigns," says Amin.

SKNL is also gearing up for the launch of its premium casual brand KRUGER which is designed in Italy. The launch is expected in March. Initially, the company is looking at 10 outlets. The company is targeting a business of ₹100 crore from KRUGER in the first three years, he says.

With a price band of ₹999 to ₹4999, it will compete with brands such as Tommy Hilfiger and ColorPlus, consultants say.

"While these brands operate independently at the front end,

they will strategically integrate at the back-end," he adds.

Amin says the new strategy is backed by the economics of the business. He says brands are growing 200 per cent in terms of revenues compared to last year. The company wants to increase the share of RTW to total sales to 25 per cent in FY 2011 and 40 per cent in the next two years, from 11 per cent in FY 2010.

The company is also planning to take Reid & Taylor to the US in the next six to eight months and develop designs suited for that market as part of an overall expansion programme. SKNL posted net profit of ₹77.89 crore and sales of ₹1,211.42 crore in the quarter ended September 30, 2010.