

EMPREINTES – International Brand Forum, Bordeaux, France, Nov 5-6, 2009

▶ India was the “Country of Honour” in the Empreintes International Brand Forum, which had the participation of Directors of the worlds leading Brands, Industrialists, Marketing and communication people and also distributors and experts. The two day Event had a total of 22 Conferences on different subjects and one of the conferences was dedicated to India titled ‘**Innovation : India, Leader of the 3rd Millennium?**’.

The Conference model was in the form of a debate between 5 or 6 speakers who all have an expertise and an interesting perspective on this subject and it was a place for exchange of information where these speakers share their experiences and discuss the opportunities for Indian Trade in the world.

The Indian leather industry was represented by **Mr. Sanjay Leekha, Vice Chairman of the Council for Leather Exports**. From the **Embassy of India, Paris**, **Mr. Vijay Khanduja, Second Secretary (Economic & Commercial)** attended the event. Other participants in the event were **Ms. Dominique DEMOINET-HOSTE**, Consultant, DLD Consultant; **Mr. Herve GUIONIE**, International Coordination Director, ETAM; **Mr. Marion LAVAINE**, Board Director for Brand Marketing, Martine Le Herpeur Conseil; **Mr. Stephane LEVY**, Chief Executive Officer, TAAJ; **Mr. Darshan MEHTA**, Chief Executive Officer, Reliance and **Mr. Veronique POLES**, Luxury and Fashion Consultant / Partner Consultant India

Through this conference, a message has reached out to the International business community about the readiness of India to meet all expectations of the big brands. The conference traced the evolution of leather industry, and opportunity potential it presents in the current dynamic business environment wherein India has become a preferred location for manufacturing due to certain competitive advantages. **In nutshell, the conference highlighted India as an attractive destination to the International business community who attended the Event.**

Deliberations in the Conference : “Innovation: India, a leader of the third millennium?”

The following are the participants who took part in the Conference held on Nov 6th 2009

Ms. Dominique DEMOINET-HOSTE, Consultant, DLD Consultant, **Mr. Herve GUIONIE**, International Coordination Director, ETAM, **Mr. Sanjay LEEKHA**, Vice Chairman, Council for Leather Exports, **Mr. Marion LAVAINE**, Board Director for Brand Marketing, Martine Le Herpeur Conseil, **Mr. Stephane LEVY**, Chief Executive Officer, TAAJ, **Mr. Darshan MEHTA**, Chief Executive Officer, Reliance, **Mr. Veronique POLES**, Luxury and Fashion Consultant / Partner Consultant India

Dominique DEMOINET opened the round table by quoting Jacques Attali’s book on Gandhi, “More than any other country, India was humiliated. More than any other continent, it is today in a position to affect the future of the world. More than any other human being, an Indian today, plays and will play a role in history.” Today, India, which is

the greatest democracy and market economy, is a fascinating country. It is both rich in values and is a land of contrasts. However, it cannot be approached or penetrated in the same way as other countries.

Stéphane LEVY first of all talked about the population pyramid in India which he described as being perfect, thereby suggesting an extremely promising future for the next 30 years. Indeed, nearly 45% of the population was under the age of 19 and he indicated that there would be approximately 400 million people under the age of 35 before 2030 compared with 6% of seniors. Furthermore and contrary to China where the pyramid was practically inverted, India would not encounter any social problems during this period, in particular in terms of retirement. In this respect, he went as far as comparing the India of today to the United States of the 20s.

Marion LAVAINE stated that the current crisis practically had no impact whatsoever on India which had seen its economy progress by 7% in 2008. This success, she said, was due to a huge optimism which, in the same way as China, enabled it to truly exist on the international scene today and in the future. The success of Mr Lakshmi Mittal, who was a true role model for the country, was a perfect example of this. As a consequence, she explained that young Indians no longer aspired to become civil servants as in the past but on the contrary wished to undertake, a factor for them of true success. She also quoted these “working women”: Women who progressively acquired a form of independence of mind, oriented towards western customs which enabled them to exist from a social point of view. This type of transformation consequently offered a true mine of potential, in particular in the cosmetic or lingerie markets, which were looking for nothing more than to be developed as they were still at the immature stage. But, as she said, the procedure should not be rushed.



Discussion in Progress : From Left to Right Darshan Mehta, Marion Lavaine, Sanjay Leekha, Hervé GUIONIE and Stéphane LEVY

Coming back to the potential of this country, **Hervé GUIONIE** confirmed the excellent level of training and insisted on the good level of English which naturally facilitated contacts contrary to their Chinese neighbour. He also emphasized



the good level of management and performance in terms of new technologies and talked about a country which was open towards the exterior. However, even if the crux to establish oneself was finding a partner who shared the same vision of things, he noted that there were problems linked to the infrastructure. Quoting the experience of his brand, ETAM, which had already been introduced in China and had been looking to establish themselves in the Indian market since 2005, he explained that he was obliged to take this factor into account in the business plan as certain sites were not adapted. You must not, he said, “approach this market with European reflexes”. Finally, he described the Indian consumer as somebody who was perfectly informed and who also took into account the price factor in their purchases.



Participants noting down the deliberations

Darshan MEHTA, Chairman of the Company RELIANCE, affirmed that his group completely focused on India and invested a lot of money in the country. His retail trade activity employed a large number of shopkeepers and was very representative in terms of return on investment. With a launch rate of three shops per day, he hoped to obtain a turnover of 850 billion dollars by 2015. With a large appetite for risk, he strongly believed that the retail market would change radically and hence he currently spent a tremendous amount of time working on his supply network. As far as he was concerned, the crux was having a good understanding of the Indian culture and its developments in order to be able to adapt to a market which was constantly changing.

Sanjay LEEKHA, Vice-Chairman of the Council for Leather Exports, India and proprietor of the company ALPINE APPARELS stated that his company concentrated on exports and 50% of its leather production was promoted in particular in Europe and the United States. Shri Sanjay Leekha hoped that the Indian Leather Industry would be able to double its export performance and achieve the export turnover of 7 billion dollars in the next five years. Though faced with the current economic crisis, he explained that one of India’s strengths resided in its capacity to produce massively at a low cost. He explained that many efforts have been made to improve the infrastructure, particularly with regard to the construction of larger factories and pointed out that initiatives have been undertaken with strong support from the Government.

Mentioning his personal experience and that of his company, TAAJ, **Stéphane LEVY** believed that one of the future challenges for the Westerners not only involves

capturing the country’s market but on the contrary drawing inspiration from it. Indeed, he advocated an opposite approach preferring to benefit from the teachings in terms of behaviour, healthy lifestyle and well-being to develop and rethink these values in Europe.

Regarding the Indian market, **Darshan MEHTA** talked about India as a land of contradictions, sandwiched between the current economic emergence and the fact that nearly 250 million people live below the poverty line. Nevertheless, he affirmed that the country fully assumed this contrast and managed it perfectly well. He pointed out that currently India represented a potential of 15 million people for his company and affirmed that everything remained to be achieved in this young consumer society. Investing relentlessly, he was convinced that in this emerging market, the efforts that were made today represented the fundamentals of a better life for tomorrow and estimated that in the next twenty years, the most underprivileged would in turn become consumers. Finally, he confirmed the boundless optimism of the population as a whole whose sole objective was “to live better together”.

Sanjay LEEKHA too concurred with the view of **Darshan Mehta** and stated that this collective hope formed an integral part of India and it played an important role in its commercial approach. It was also due to this hope, Shri Leekha added, that India had not suffered the adverse effect of the global crisis on account of which more and more companies were looking to establish themselves in the country thereby making India a tough competitor to China. Describing about the long-term prospects, Shri Leekha added he was convinced that the growth and development of India would stem from this investment.

Marion LAVAINÉ presented her study on the consumption and behaviours in India. Examined under several facets which included cosmetic brands, retailing and lingerie, she put forward seven main levers.

First of all “the Indian Pride” or the pride of belonging to their country, which was represented by images which promoted symbols or icons in relation to a brand, were the true signs of authenticity and recognition for consumers.

Then “the Indian Muse”, which was a true star system in reference to the celebrations of the countless gods and deities and which represented a large share of the Indians’ budget. In the same way, the New Year festival or “Diwali” represented a major commercial and promotional opportunity for brands which were also obliged to accommodate a very influential film industry (Bollywood).

The third lever concerned the particular features of the Indian morphology or “Indian Fit”, archetypes of beauty which were firmly rooted in a traditional mythical and poetic landscape. Importance was given to complexion, long hair, voluptuous looks and curves and the sari which was both discreet and revealing. With regard to this criterion, the study also noted the development of fitness centres or even advice on clothes in female magazines.

The fourth point concerned the “working girls”, who were also known as “Fashion Massala”, or the emergence of a new type of woman who in their quest for independence left their family to work away from home thereby finding more

freedom as far as their clothes were concerned. Here again, a number of development prospects could be envisaged since they wore more and more Western clothes, in particular in the jeans and lingerie industries.

Another key factor of consumption was the “Indian Wedding” or the importance of the sari, a traditional piece of clothing which is handed down from generation to generation. As a huge economic market, these celebrations which lasted for several days offered potentials in the clothing, cosmetic, aestheticism or event fitness sectors.

The sixth criterion related to service which represented both a culture and a project. Indispensable in this country it included the notions of smiling, a warm welcome and availability but still needed working on in terms of information content, hygiene and packaging. Marion LAVAINE insisted on a better training of the sales teams, even more so as it involved building up a market for a large number of products.

Finally the seventh lever, “knowing how to pinpoint the good locations” in a country which did not possess any real urban development plans. By way of an example, she mentioned certain “malls” which due to a poor infrastructure or an unfavourable environment were sometimes not adapted to the establishment of brands or services. Here again she said priority had to be given to the training of managers.

To conclude, **Dominique DEMOINET** affirmed that one of India’s future challenges resided in its capacity to carry out adapted infrastructure work. Used to working slowly, wisely and patiently, she wondered if that would be sufficient to establish itself as the leader of the third millennium.

Stéphane LEVY reaffirmed this joint optimism, the true base line in a country where he said everything was possible. Nevertheless, he admitted that it was hard to penetrate this market and pointed out that before any approach it was indispensable to have a good understanding of the market and real expertise. He indicated that this democracy benefited from a huge potential with regard to its population and technology and was convinced that there was a lot of work that France could still carry out in the country.



During Deliberations : From Left to Right Véronique POLES, Darshan Mehta, Marion Lavaine, Sanjay Leekha, Hervé GUIONIE and Stéphane LEVY & inique DEMOINET-HOSTE

As a strategic country, **Hervé GUIONIE** pointed out that the Indian market was not the Chinese market and that it had to be approached in a different manner. To go about that correctly, you had to visit the country without any preconceived ideas and be able to adapt to its way of functioning.

Véronique POLES believed that French companies that wanted to establish themselves in India to capture the middle classes had to take price into account, spend time understanding the market and adapt their products to local demands.

Darshan MEHTA agreed that his country had to meet the challenge of its infrastructure. He was convinced that India was ready for the international scene and invited the French to participate in this growth.

Sanjay LEEKHA then listed the advantages of his country: India had one of the best banking systems in the world, it had cutting edge new technologies and it had greatly developed its means of transport. He added that his country had a rapid immigration procedure and indicated that the incorporation of a company was relatively quick as it was based on the English law system. The essential point was to have a good partner. He reminded those present that it was important to think globally to be able to act locally. He indicated that India was currently the only market in the world which was still untapped.