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CREATICITY PUNE

ISSUE 3

WISHING YOU A happy diwali

BRANDS ARE BS!!!

Somewhere in India… Three friends at a housewarming party

Amrita: Hey, you have a beautiful home, and this sofa is just making me sink in.

Amy: Oh, it is a Natuzzi Sofa

Alifah: I love my Little Nap recliner, just my own space

Amrita: I know right! For me, my Wakefit mattress makes me feel so 'me'. Let's eat something guys.

Amy: Sure. Welcome to my Homelane kitchen.

Alifah: Oh, mine is a Livspace, but you know that already.

Amrita: Hey, don't leave me out, my husband loves his Spacewood so much that he doesn't just leave the kitchen, which is good for me.

All ladies proceed towards the dining room to lay out the food.

Amy: And just before you ask about this dining table, let me tell you it is an Alf Italia. And I know, Amrita, you love your Pepperfry, not to forget how many times Alifa drools over her Durian. Now ladies can we stop discussing brands and enjoy this evening?

When is this conversation happening? What exactly is happening?
The first thought in my mind right now is

'Do brands matter in the Furniture category?'

Dr. Mahesh M.,
CEO, *Creaticity*


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Well, I had this thought way back in 2010 too, and 15 years have only added to my conviction.

Long, long ago, and we are talking 25 years or more ago…

There was a time in the late 90s and early part of the new millennium, one would see and hear about Sauder from USA, Italy-based Saporiti and the French company Gautier setting up shop in India and ushering in the first green shoots of exposure to global brands.

Locally, the likes of heritage rich Godrej, Durian or Furniturewalla were gently invoking a sense of buying furniture from brands. These were times when our FNC or friendly neighbourhood carpenter was ruling the roost. I am sure that many of my generation will remember these times vividly.

As we moved forward into the decade leading to 2010, 'store brands' exploded onto the scene. Big and mighty Hometown, Home Center, @home, Style Spa, Damro and many more, all backed by large corporations who exposed customers to chain retail and 'ready to assemble' furniture which began the chugging of the organized retail train.

People started looking at the bright and shiny facades of these branded stores, full page ads with their 'believe it or not' deals, mood room packages and many more. Customers reciprocated with 'heavy walk-ins' and good 'conversion rates' to forge decent average ticket sizes or 'ATVs'. All signs of organized progress. And then, the new decade opened to India embracing the ecommerce boom.

Pepperfry, Urban Ladder, FabFurnish, etc., truly accelerated the momentum of consumer acceptance of buying furniture and home products from brands.

Then came 'Omnichannel' which changed the paradigm once again. Now, online players jumped into offline studios, while offline retailers integrated online channels and 'seamless brand experience' began making the rounds in boardrooms and marketing meetings.

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At the same time, quiet and significant inroads were made by a handful of international brands such as Natuzzi, Ashley, Nolte, Hacker, Serta, Tempur, etc., across the spectrum from living rooms to bedrooms and from kitchens to mattresses.

> ***I must equally admit that the organized pie is growing significantly, and hence brand-led buying is also not too far behind.***

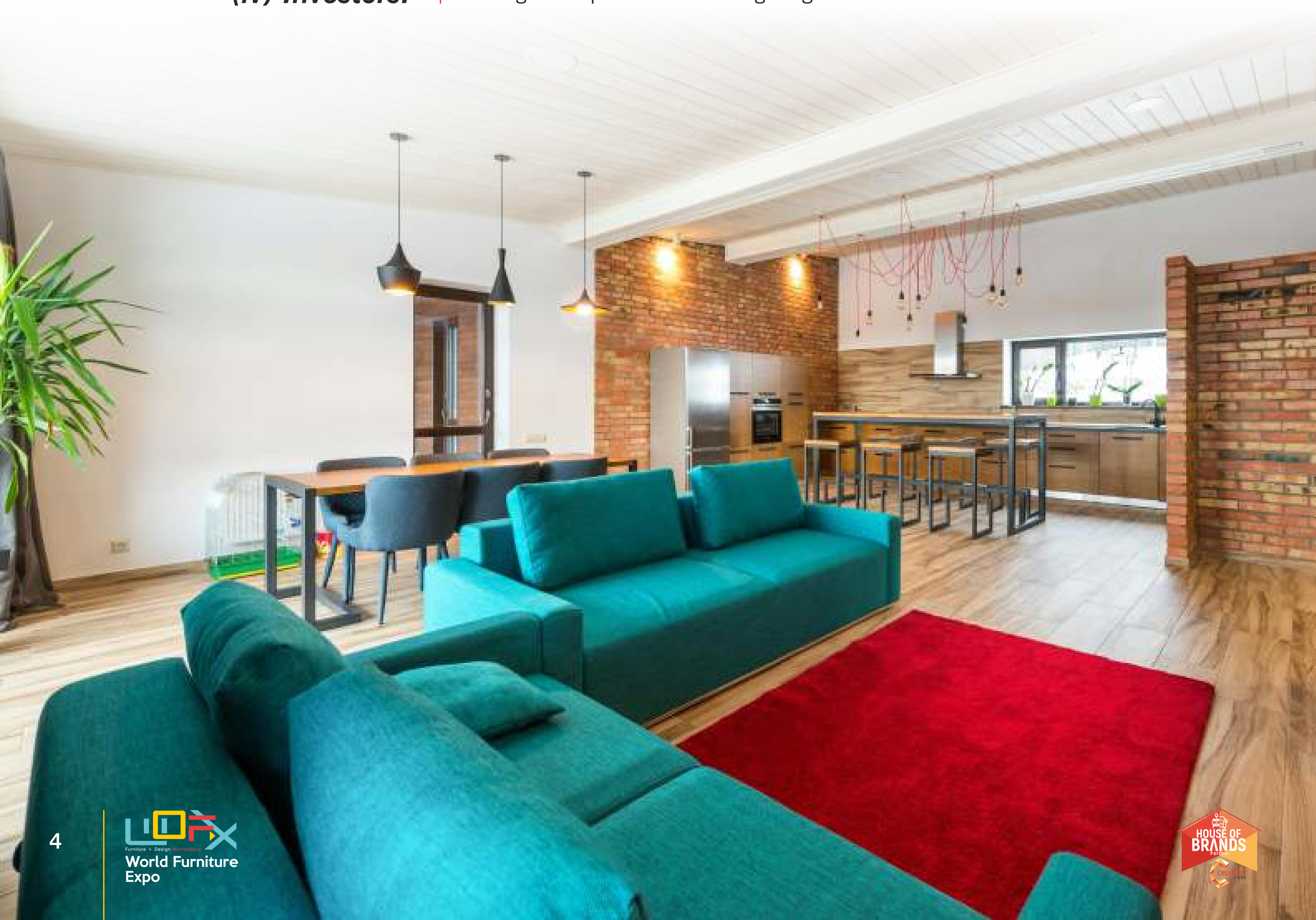
CIRCA 2024...

We have four stakeholder groups viz. (i) Manufacturers, (ii) Product and Interior Designers, (iii) Marketers (be it wholesalers, retailers, franchisees and dealers) and (iv) Investors.

We have probably multiplied the number of brands in the furniture and home space. The list is proudly long, Royal Oak, Wooden Street, Wakefit and Spacewood to name a few.

In addition to these names from within India, top international brands such as HTL, Kuka, Milano & Design, Febal Casa, Scavolini, Alf Italia, Stosa and West Elm are eyeing India as a long-term growth market. The impetus that IKEA, the global powerhouse is giving to India along with large formats, new formats and online-offline mix, and we all know that Indian consumers are here to encourage us in more ways than one.

Whether you are part of a large retail chain or a single city operator or for that matter a stakeholder in the furniture category and if you have been able to relate to most or some of the above, I am sure the next couple of paragraphs will also make sense.



As someone who has spent most of my work life in the furniture and home category, I must confess that the pace of progress in the 'brand-led' buying culture is not as rapid as one would want it to be.

I always compare the computer/PC category, and all of us would remember the days of 'assembled PCs' (read it as carpenter made furniture) and how the Dells and HPs of the world transformed market into a fully brand led product category (read it as all brands mentioned above making it happen in the furniture category).

Having said that, I must equally admit that the organized pie is growing significantly, and hence brand-led buying is also not too far behind.

Why am I so fixated on wanting our furniture category to be brand-led?

I can cite three reasons which are simple yet profoundly impactful...

1. The category becomes 'more organized than ever'. We would want to get recognized with industry status at some point in time, don't we?

2. Standardization becomes the norm rather than an exception. With brands offering transparency, established quality standards, and even getting comparison engines akin to automobiles and mobile phones, can we enable 'habit formation' of buying from brands rather than from the unorganized sector?

3. The category grows both organically and in an organized manner. This means there is more room for manufacturing to pick up, and space for many international brands to step into India for retail and manufacturing and lastly, more employment opportunities and more respect.

None of the above reasons are esoteric, nor are they philosophically wild dreams. I believe we can make this happen through a voluntary coming together of stakeholder strengths.

Currently, we have four stakeholder groups viz. (i) Manufacturers, (ii) Product and Interior Designers, (iii) Marketers (be it wholesalers, retailers, franchisees and dealers) and (iv) Investors. These people (and that is us) can make this happen through a collaborative and concerted effort.

I believe we can make this happen through a voluntary coming together of stakeholder strengths.

The scope of this newsletter doesn't allow me to expand on all aspects, each of which is a chapter by itself.

Let me therefore spend the next few minutes writing about what is specific to the WOFX platform. Platforms such as WOFX are meant to help in getting together the above stakeholder groups, who should then involve in meaningful dialogue and forge new associations or cement existing partnerships for building branded interiors in India.

FUTURE Ahoy!

I can visualize three approaches that help make the brand led category dream into a firm reality. And as I am fond of acronyms, let me lay it out for you.

1. **Build Your Own Brand (BYOB):** Come prepared to the show after identifying your audience, research on competitors within the city, region or nationally. Have clarity on what you want to offer your customers and have a broad brand narrative in mind. At the show, search & seek sources who can offer products aligned to your proposed brand narrative and explore buying and merchandising options in-depth. It doesn't matter if you want to be a 'one city wonder' or a national player or look beyond the shores, all that matters is having a clear brand vision.

Tip: Firstly, don't get carried away with too much choice & deviating from your brand core. Secondly, don't ignore the back end while checking out new & eye-catching designs as the back end is the backbone while sourcing.

2. **Lean on Existing Brands (LOEB):** This strategy is especially suitable for those who have a good understanding of category dynamics, reasonable capital & business acumen to nurture a brand. You may also have a manufacturing setup, good design bandwidth & strong understanding of producing in bulk or bespoke.

If you are any of the above, then seek already established brands, evaluate best fit for your wavelength & products, offer your area of expertise, work through models of associations from consignment basis to full franchisee operations and the many models in between.

Tip: Scale is key for this approach, don't bite off more than what you can chew. I call it being 'cautiously aggressive'.

3. **Partner with like-minded Peers (PWLP):** More often than not, there will be hunger in us which we want someone else to reciprocate. Many successful enterprises have happened when hungry people shake hands and join minds. Seek a manufacturer if you are a marketer.

If an investor, I am sure the entrepreneur with a good product & even better appetite for growth is waiting for your capital, and if you want to cultivate a designer connection, respect their thought processes for products and markets. If the big tick box on 'complementary capabilities' is double ticked blue, then growing together as a brand is the next stop.

Tip: This 'equal play' approach isn't easy as there is always a veil of trust deficit. Get that addressed on day 1, else no amount of expertise or specialization can sustain the long term.

If none of these approaches are on your mind, but visiting to meet & network, check out new trends and gather some market data which is always welcome, because knowledge in any form is wealth.

I am glad to share that Creaticity and its team will be at WOFX in full force, doing what we do best, chat, collaborate and create a 'house of brands' that will make us proud. I am looking forward to meeting with industry captains, fellow stakeholders and learning a lot from everyone I meet.

AAJ AUR ABHI

There are success stories that are already inspiring us. India's answer to international brands Stanley is right up there, casting their story in stone. The tremendous response to their IPO made every Indian furniture player want to mark their date too.

Celebrities are investing in brands, MSD with Homelane, Virushka as brand ambassadors for Livspace and other companies are also lining up stars to add value to their brands. Needless to add, brands are built on strong products, high quality customer service and consistent customer experience.

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To me, a brand is the final prism through which our customers should choose us over others. The many ways and number of conversations that we have with our customers through various media vehicles, word of mouth and so on will eventually form a mental map about who we are as a brand and what is different about us.

The success of our brand will eventually be measured on "Are people coming to us and buying from us" now and later 'are they referring us to their known circles'.

And if we have

(A) Clarity of thought on our brand vision,
(B) Clarity of intent on the type of approach we wish to take and
(C) Clarity of action on 'how and when to implement'...

Then I am quite confident that Amrita, Alifa and Amy will be joined by Brinda, Banu and Becky in having only brand-led conversations around furniture, more and more. I hope to see that era soon and invite all of you to join me in making that day happen sooner rather than later.

YES, BRANDS ARE BS – BEAUTIFUL STORIES TO BE TOLD AND LIVED.

Creaticity - Arguably India's first multi-branded home interior destination, with a vision to establish a house of brands that will make the category stakeholders partners in purposeful and profitable progress.

DISCLAIMER: Brand names mentioned are representative of the category and we are all aware that there are many more beautiful stories being scripted across the country.