



FASHION REDEFINED

APPAREL RETAILING IS A BUSINESS THAT INVOLVES MUCH COMPLEXITY AND SPEED. WITH A VAST MAJORITY OF RETAIL STORES BEING MANAGED AS FAMILY-RUN BUSINESSES, HOW FAR IS IT SUCCESSFUL? IMAGES BUSINESS OF FASHION SPEAKS TO KALPANA SHAH OF AHMEDABAD BASED KALPANA CREATIONS TO KNOW MORE.

•BY MEGHA S ROY

The Indian retail industry is going through phenomenal growth, marking its name into the list of top retail markets globally. The sector offers immense growth potential and has much room for further penetration. Most retail stores are family-run businesses, particularly apparel retail outlets. One such among them is Kalpana's Creations. Spearheaded by a professional couple, Manan Shah and Kalpana Shah, the company will complete seven glorious years of its existence in November this year. Kalpana, a fashion designer, has almost two decades of work experience in the fashion industry. In her teens, she used to attend her family shop 'Roopkala', founded by her father, Vaghjibhai Mehta. Similarly, Manan has significant experience in advertising and has several diplomas to his credit. He has also completed a six-month rigorous course at Mudra Institute of Communications, Ahmedabad. He is a partner in a family-owned INS accredited advertising agency, M/s. Naren Advertising & Marketing, founded by his father, Naren Shah.

We have taken this property in lease. If someone wants to start this business then an initial investment of ₹1.5 to 2 crore is required for property and moderate furniture, and ₹45-50 lakhs in stock. There is an inverse correlation between ROI and sales. Higher the ROI lesser will be the sales and vice versa. Ahmedabad is a tough market to operate from. Consumers there are cautious of costs, and hence the pricing needs to be aggressive. However, to run a successful business, a healthy ROI of 20 to 22 per cent is needed.

The company, which started with a 300 sq ft shop on Ashram Road in Ahmedabad and with ₹35 lakh turnover in the first year, is growing at a steady rate of 45-50 per cent and today has a turnover of ₹2.75 crore. It is spread across 1,650 sq ft designer studio in one of the most developing areas of Ahmedabad-Prahladnagar Garden. A typical retailer in Ahmedabad works on a margin of 15 to 20 per cent and a store can break even at the end of the third year, approximately 1,000 days.

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For any business to become successful, it is important for it to stand out from the crowd. This way the brand gains a competitive edge over its rivals. So how successful is Kalpana's Creations in this venture? To this, Kalpana answers: "In 2006, when this retail outlet was started, an internal decision was taken to have 'Cotton' as our base. With an average selling price of ₹750-800 per unit, it is a low range item. For two years, our complete focus was on cotton fabrics and cotton costumes. Our designer studio now sells saris between ₹1,500 to ₹40,000, chaniya-cholis between ₹3,500 to ₹50,000, dress materials from ₹700 to ₹10,000, anarkalis ₹1,250 to ₹15,000, exclusive dupattas between ₹500 to ₹4,000, running fabric starts from ₹75 per metre and goes up to ₹1,500 per metre, borders, laces, et cetera. Our USP lies in our tailor-made designs. We do a lot of creations in ethnicwear. Sometimes, when a client selects fabric from our studio and comes back after 10-12 days as the piece is stitched, they get confused about whether the piece they selected is the same. We add many elements to our designs besides the fabric - borders, laces, patches, hand or machine embroidery, khat work, different sleeves, et cetera to make the piece unique."

She continues with a smile, "Our speciality lies in the excellent matching that we provide to our clients as per their complexion and body structure. Many a times, a customer comes with a photograph of a celebrity and we design the same piece for them. For clients who want to do wedding shopping, we have a special setup for their trousseau. We have price as well as product range, so that the client gets everything at one stop. It is almost like a one-stop shop for them."

The retail store features excellent Navratri Collection of chaniya-cholis with smart Indo-Western cuts in a price range of ₹2,500 to ₹6,500 per set to match the preferences of young girls as well as women in their late forties or even early fifties! There is something for everyone!

During the years of successful transition, the brand witnessed sea change in their client profile. Manan says, when they started off, their consumer were from the age group of 30 to 70 years, and belonged to the middle and upper middle class family. When they came up with their stitching unit of designer bridal blouses, it attracted customers in the age group of 20 to 28. Now they cater to the urban woman of Sec A+ category from the age group of 16 to 70. The Navratri Collection and medium range function chaniya-cholis are their fastest moving items from among all the products. "In this third year in Prahladnagar Studio," says Manan, "we have a regular customer base of 500+ clients from upper middle class and upper class segment."

Running a fashion studio for seven years, Kalpana narrates her observation regarding the fashion sense of Ahmedabadis. "Fashion in Ahmedabad has gone through a sea change over the last seven years. To start with, the purchase power of locals in Ahmedabad has increased tremendously, thanks to the dynamic leadership of Narendra Modi. Called the safest place in the country for women or a heaven for women, Ahmedabad girls are now spending a lot on their clothes. The concept of wearing heavy dresses for different functions over a period of time has taken a backseat. Today, girls want to experiment with designs and try out trends that are in vogue even when they go out for small get-togethers. This is



ADDITIONAL INFORMATION:

- **STORE LOCATION:** Prahladnagar, Corporate Road, off S.G. Highway
- **CUSTOMER CATCHMENT:** SEC A+ women of the age group of 14 to 70 years
- **START OF OPERATION:** Commercial venture started in November 2006. The designer studio was started on July 25, 2010.
- **TOTAL AREA:** 1,650 sq. ft
- **RENTALS/MONTH REVENUE SHARE:** ₹90,000
- **AVERAGE MONTHLY SALES:** ₹20 lakh to ₹25 lakh
- **AVERAGE BILL SIZE:** ₹ 5,000
- **AVERAGE FOOTFALLS PER DAY OR MONTH:** 35-40/950-1,000
- **VELOCITY SALES PER SQ. FT PER MONTH:** ₹1,250 to ₹1,500 per sq. ft per month
- **SALES GROWTH Y-O-Y:** 800 per cent in seven years; 55 per cent to 60 per cent year on year basis

THE CUSTOMER IS ALWAYS RIGHT. IF A CUSTOMER DOES NOT LIKE EVEN A HEAVY COSTUME, WE EITHER REPLACE THE PIECE OR REFUND THE MONEY. WE ARE FOLLOWING THIS PRACTICE FOR THE PAST THREE YEARS.

due to the rise in income levels and also due to their exposure to worldwide fashion trends. We see young girls visiting our store and asking for anarkalis in the range of ₹1,500 to ₹2,000 for gifting purpose. However, they end up buying a set for ₹4,000 for gifting and another for herself in no time.”

Talking about her successful business career, Kalpana acclaims the business environment in Gujarat. “Gujaratis give a lot of respect to women, so women like me are given the lead role by the male members of their family even though the men might be a lot more or equally capable. Gujaratis spend a lot of money into travelling and as such migration of world fashion to Ahmedabad is faster. Women have a good sense of selection now, and they pick up the latest and the best from our collection, sometimes even overlooking their budget constraints.” Medium range apparels sell fast. Anything beyond ₹5,000 to ₹7,500 takes time to sell, whereas medium range items are sold at a smooth pace.

Manan shares how they keep experimenting and introducing interesting concepts and ideas in the outlet frequently. One example is of a cotton chaniya with 5–6 metre flare that was converted into a 5–6 metre flared anarkali by adding contrast colour fabric like ‘Kotha’ and coloured sleeves. The list is endless. All creations and innovations are done in their dead stock, which is less than 2 per cent.

Today’s retail landscape is facing cut-throat competition, and Kalpana’s Creations is no exception. Manan remarks, “Competition is a mind game. Draw a bigger line instead of rubbing off someone else’s line. We don’t bother about competition, as we try to compete with ourselves – both of us with each other, with lots of small quarrels and heart breaks and difference of opinion. This is for growth and we enjoy this part of life too.”



When asked about their customer loyalty programme, Kalpana minces no words to state that they don’t have any. She adds, “Good price round the year is the best policy. This is what we have observed over all these years.”

After all this success, the couple says they are in no hurry for any expansion. “Now, the shopping is turning online. We have some 550 clients registered on our site from countries like the US, UK, Australia, New Zealand, and Botswana. The average order size is ₹10,000. We are only concentrating on these clients and others who are registering on our website or chatting with us on Skype, WeChat or WhatsApp. By 2017, we plan to cross our online sales from our retail turnover. We are as popular as local big brands like Asopalav, Aishwarya, Rookkala, Deepkala, et cetera. By increasing floor space, we add a lot of cost and managing the same like a family-owned shop isn’t possible.”

The entire web gamut and all media coverage, promotions, and advertising are taken care of by Manan, as that’s what he’s been best at as an advertising professional for a lot of companies. They are in talks with their clients in the US, UK, Canada and Australia to facilitate their online business or have franchisee with their share of profit. Manan plans to expand on the basis of franchise model. Seeing many retail majors like Future Group, Reliance, Aditya Birla Group, and other small players like Subhiksha bleeding heavily and closing down their major retail outlets, they prefer to do a lot of backward integration before going ahead.

They conclude the conversation by sharing the insight they have gained over these years in business. “The customer is always right. If a customer does not like even a heavy costume, we either replace the piece or refund the money. We are following this practice for the past three years. Initially, in 2011, the count was 22, which reduced to 17 in 2012, and in 2013 we have refunded money in just seven cases. The customer is happy that way and we always make our best efforts to put a smile on their faces.” **Bof**

