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Surge of corporate gifting

Ranjith Boyanapalli, Head, eTail, eYantra unwraps the popular trend of gifting, in the corporate world and the growing merchandising industry in an interview with Sandhya Patil

Please give an overview of your company.

eYantra Industries is one of India's leading corporate merchandise provider. eYantra fulfils merchandising needs of various companies in India and abroad, by providing image communication products and services that act as brand visual material. These domain specific merchandise solutions are aimed at reinstating the client's commitment to the various stakeholders along the entire length of its value chain. Started by Phani N Raj in 2001, eYantra has landscaped the brand merchandising industry in India, and pioneered the organised sector of the industry through its value addition approach and process orientation towards merchandising. The following are the major highlights of eYantra:

- ✦ Team of 110 people all over India
- ✦ Offices in Mumbai, Delhi, Chennai, Bangalore besides Hyderabad
- ✦ Product portfolio ranges over 150 categories and 5,000 products
- ✦ Rapid turnover growth from US\$ 120,000 in 2001 to US\$ 6 million by 2007-2008
- ✦ Serviced over 1000 top corporate clients across India
- ✦ It's the single largest source of all merchandising products
- ✦ It's a one-stop-shop for ideation, designing and execution
- ✦ Six physical brand stores, one concept store and 18 online stores in operation.

What prompted you to start this business?

During my stint abroad, I noticed that brand merchandising is a well-developed concept in the

western countries. And still, this concept is at a premature stage in the Indian market. However, the market was increasing at a phenomenal rate. But it was completely unorganised. This perked up my interest in innovative gifts and merchandise, which then fuelled my entrepreneurial venture.

Could you elaborate the services (solutions) eYantra provides?

Strategic Business Units: Depending on the requirement of the client, the type of product and the service offered, eYantra has been structured into three verticals as explained below:

Retail

Retail division provides a physical brand store solution within the premises of a corporate campus. The store offers a wide range of corporate branded merchandise that is readily available to employees within their corporate premises. This concept has proven to be extremely popular and eight such physical brand stores have already been launched in the campuses of TCS, HCL, GenPact, ISB and many more.

cTail

cTail caters to all leading corporate houses of India by providing corporate merchandise solutions for occasion and event-based requirements. With its expertise in product development and an excellent supply chain in place, the cTail team also provides consulting to clients on gifting solutions suitable for their specific needs. More than 1000 clients have been served since inception in a short span of five years and eYantra has been voted

as the most preferred corporate merchandise provider, many leading corporate.

eTail

eTail division of eYantra Industries provides its clients with internet based domain specific online merchandise solutions, powered by in-house proprietary technologies. It develops exclusive online brand stores for corporates which facilitates employee buy and corporate buy of corporate merchandise, which would act as a one-stop shop for all their corporate merchandise needs. Technology and Domain expertise play a major role in leveraging the strength of its merchandise expertise to provide solutions to its clients. An in-house proprietary MerTek has been developed exclusively to act as the backbone for providing this solution.

Solutions: Service orientation forms the key factor contributing to the success of the organisation. The following are the services, initiated by eYantra, supplying customised merchandise.

Confix – The online brand store solution

Confix is a technology driven online brand store solution that enables you to offer to the employees across geographies, a host of products and services comprising of company branded merchandise and popular end user brands at phenomenal prices. Confix is enabled by proprietary in-house technologies, which provides a completely secure and highly enjoyable customer experience. Confix is a one-stop solution for all your merchandise needs and through partnership with international logistics providers enables cost-effective delivery to orders from various geographies.

- ◆ An exclusive online brand store for online shopping of company branded merchandise and third party products and services
- ◆ Exhaustive range of domain specific merchandise
- ◆ 365x24x7 purchase of branded merchandise by employees and corporate
- ◆ Inventory management and order fulfilment
- ◆ MIS reporting and phone/email customer support
- ◆ Dedicated relationship manager for all communication
- ◆ Host of payment options including debit/credit cards, net banking and COD
- ◆ Global logistics powered fulfilment process.

RewardX

RewardX is a technologically driven customised solution for rewarding and recognising your employees, keeping in view your core business objectives. It enables you to create tremendous satisfaction among your employees and thus fosters an extremely high performing work environment. Backed with exhaustive domain research and expertise, RewardX designs customised RnR

solution for your corporate that is not a system in isolation but an integral part of your work process.

- ◆ Customised web based employee and moderator interface
- ◆ Activity based design of reward point algorithms
- ◆ Admin interface to develop and execute custom programmes for specific audience
- ◆ Easy integration and data exchange with your existing systems
- ◆ 365x24x7 employee redemption on exciting rewards portfolio
- ◆ Global logistics powered fulfilment process.

LoyaltyX – Maximise loyalty

LoyaltyX is a research-backed technology driven loyalty enhancement solution, which highly increases the perceived value of the incentives for loyalty. Working within budget constraints, LoyaltyX proposes the most ideal solution that maximises the loyalty of the customers, by a thorough understanding of the value chain.

- ◆ Design and implementation of customised loyalty solution
- ◆ Online/Physical medium combination to achieve maximum penetration
- ◆ 365x24x7 customer redemption on exciting incentives portfolio, global logistics powered fulfilment process.

RetailX – The retail brand store solution

RetailX is the ideal solution if you want an exclusive brand store within your corporate premises. Implemented in many leading corporate houses, RetailX is the most comprehensive solution to set up a physical store. From design aspects to fixtures and fittings to merchandise and POS, RetailX takes care of it all.

- ◆ Custom designed retail store planning and execution
- ◆ Installation and management of point of sale system
- ◆ Dedicated sales personnel and account manager
- ◆ Exhaustive range of domain specific merchandise.

BrandX

BrandX is the factory of our merchandise consulting. With specialist merchandisers and product designers working around the clock churning out new products, the solution to your merchandising requirement is just a call away. We know that every need is different, and that is precisely why we provide free domain specific merchandise consulting.

Please tell us something about eYantra's product portfolio.

The product line of eYantra boasts of high quality merchandise of 5000 SKUs, which have been sourced and delivered since inception. eYantra offers a complete

line of customised brand merchandise. All products are designed to be very attractive brand visual material. eYantra follows a global sourcing model for all the merchandise. eYantra has developed strategic alliances and partnerships with many manufacturing companies. They are upgraded regularly and newer products are introduced in our inventory to enhance the brand communication efforts of our clients.

All our products are classified broadly into the following categories:

Apparels

- ✦ T-shirts
- ✦ Shirts (formal or denim)
- ✦ Jackets and windcheaters
- ✦ Caps

Awards and Recognition

- ✦ Mementos and Trophies

Bags

- ✦ Travel bags
- ✦ Executive bags
- ✦ Laptop bags
- ✦ Back packs
- ✦ Trolley bags

Desktop Utilities

- ✦ Clocks
- ✦ Pen stands
- ✦ Paper weights

Electronics

- ✦ Laptops
- ✦ iPods
- ✦ USB pen-drives
- ✦ Mobile phones

Ethnic Products

- ✦ Paintings
- ✦ Bidri sets
- ✦ Glass and Acrylic gift sets
- ✦ Wooden souvenirs

Executive Gifts

Watches

Gift vouchers

Leather/Leatherette

- ✦ Wallets (men's and women's)
- ✦ Passport holders and organisers
- ✦ Folders

Mugs (Ceramic/Travel/Sippers)

Pens and Stationery Items

Which products have worked really well for you so far?

Apparel remains to be the main grosser in terms of revenue. Recent market trends indicate the emergence of electronics as a preferred gift of the new economy. Stable categories like bags, mugs, and utilities have always been popular and have a small, but assured demand.

For whom are your services (solutions) and the products designed? Tell us about your target customers or your clients.

eYantra's clientele is predominantly in the IT / ITES space and the MNCs who have been the early adopters of online shopping.

What kind of growth do you see happening in merchandising business in India vis-à-vis abroad?

We are still a few miles behind the abroad market in terms of clients accepting the brand merchandise as a clear and respected tool for brand awareness. The



eYantra's product category: Apparels

eYantra's product category: Ethnic Products



paradigm shift in India has definitely started and this in turn triggers the emergence of organised segment of the market. The growth per cent will definitely be higher in the Indian market than the mature markets of overseas.

Are there any problems with merchandising? Could you please discuss those?

Design element and quality remain the two most important aspects to work on. With customers getting more demanding, the design element of the product will act as a differentiator. This in turn puts pressure on the vendors to raise in-house design capabilities on a continuing basis, in order to survive. Getting the costs down in a growing market and improving quality to match that of the international standards is also a challenge for us.

What strategy has eYantra planned to survive in the market?

eYantra has raised tremendous capabilities as a differentiators of the market and has also set cost saving procedures. Hedging the risk and being comprehensive by offering solutions in all domains is yet another strategy eYantra follows to survive in the market.

eYantra's strengths include:

- ◆ Management team
- ◆ Technology driven solutions
- ◆ Online-offline presence for stability and synergy
- ◆ In-house design studios.

What are the challenges and the opportunities in this business?

Brand communication is now rapidly extending to the concept of corporate gifting. Companies are being forced to extend branding onto every surface that they interact with. Corporate gifting is today a well accepted and a well recognised marketing and HR concept. The growth of the services business in India and the growing

importance of establishing and consolidating relationships between customers and companies, and employers and employees are enabling the corporate gifting segment to grow at a phenomenal rate.

Trends and challenges:

◆ 'Design Element' of the gifts is a vital factor in the customer evaluation criteria and vendors need to constantly provide innovative and custom designed gifts as the more conventional forms of gifts are losing charm in need of sophistication. Also, the design element is a mandatory element in the corporate gifting segment, for exact alignment with the corporate brand image, and the target group

◆ 'Target Group - Gift' match. Vendors need to have an exhaustive product portfolio to be able to cater to a large variety of target groups. This product portfolio also needs to cut across various categories, and the vendor needs to develop consulting expertise to help corporates and individuals for custom orders

◆ There is a tremendous pressure to keep prices low. This in turn translates into implementing a global sourcing model to procure wide range at the most effective prices

◆ International Appeal. The online gifting model dissolves the geographical boundaries, which in turn translates into the vendor raising capabilities in terms of,

- ◆ Products of international quality
- ◆ International logistics
- ◆ Multi-currency payment gateways
- ◆ Products with universal appeal.

◆ Strategic alliances with third party products and services. In a bid to increase the range of product portfolio offering by a single vendor, there is a definite surge in the number of alliances forged

◆ Technology expertise. Vendors in a bid to reach the consumers directly are exploring options of creating their online interface. With web development costs crashing, the cost for a vendor to raise technical abilities is low and hence, there is a trend of many vendors opening up their own exclusive online portals for gifting.

Emergence of large players:

The gifting industry in India has been largely fragmented and unorganised for a long time. The market being very lucrative has tempted big players to enter, thereby bringing a professional and process oriented approach towards online gifting. This translates into bars being raised, and we can look forward to clear emergence of few large players and the death of many small players, who might have to play the second fiddle to the winners.

Five years down the line where do you see your company?

eYantra will emerge as the most comprehensive player in the area of fulfilment solutions. Thanks to the inherent synergy that is created and its retail experience, eYantra will be a major player in the B2C online shopping market