samvad

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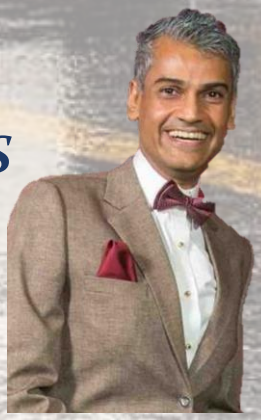
LUXURY

Featured Article

THE CHANGING TRENDS IN LUXURY TRAVEL



WeChat

Mr Ketan Patel

CEO- Shobha Asar Jewellery

ABOUT US

OUR VISION

"To nurture thought leaders and practitioners through inventive education"

CORE VALUES

Breakthrough Thinking and Breakthrough Execution

Result Oriented, Process Driven Work Ethic

We Link and Care

Passion

"*The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.*" - Alvin Toffler

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities require a new approach both in terms of thought as well as action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind's eye needs to be nurtured and differently so.

We school has chosen the 'design thinking' approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

MESSAGE FROM THE DIRECTOR

Dear Readers,

Prof. Dr. Uday Salunkhe
Group Director

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone.

As we begin a new journey with 2017, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

Wishing everyone a very happy and prosperous new year.

Prof. Dr. Uday Salunkhe,
Group Director

FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the October Issue of SAMVAD for the year 2017!

SAMVAD is a platform for "***Inspiring Futuristic Ideas***" and we constantly strive to provide articles that are thought provoking and that add value to your management education.

With courses pertaining to all spheres of management at WeSchool, we too aspire to represent every industry by bringing you different themes every month. We have an audacious goal of becoming the most coveted business magazine for B-school students across the country. To help this dream become a reality we invite articles from all spheres of management giving a holistic view and bridge the gap between industry veterans and students through our WeChat section.

The response to SAMVAD has been overwhelming and the support and appreciation that we have received has truly encouraged and motivated us to work towards bringing out a better magazine every month. We bring to you the October Issue of SAMVAD which revolves around the theme of "**Luxury**".

We hope you read, share and grow with us!

Hope you have a great time reading SAMVAD!

Best Wishes,

Team SAMVAD.

"The difficulty lies not so much in developing new ideas as in escaping old ones."

John Maynard Keynes.

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WECHAT

Mr Ketan Patel

CEO- Shobha Asar Jewellery

Team SAMVAD

1. **Could you please take us through your inspiring journey in Luxury Retail and in Shobha Asar Jewellery?**

Right after MBA I got a job with Mafatlal Finance and I worked there for a year, post that, my uncle who is the Director of HDFC bank wanted me to work with him and so he gave me a job there but I did not land up on my first day, I thought I would do something different as I was not enjoying the finance or banking space. And immediately I started a project on Commercial Agriculture at Karjat. I bought myself a lot of land and I started commercially growing fruit and vegetables at Karjat, I currently have over 108 acres. We grow all sorts of stuff like watermelon and pineapple.

It's a completely different field, it's a business and it's a different field, it's a big part of my life, I had 300 people working for me at the farm, living at Churchgate, I used to go there thrice a week by train spending a whole day there and come back by midnight or 1 o' clock. It was a great experience but the only thing that disappointed me was the pilferage. It was high and I decided to stop all activities because I was running in a loss after a while and pilferage percentage went upto 70% by the end of the project. So, I abandoned the project and I was sitting at home and I got a call from one of the head-hunters saying that he wanted me to work for a software firm which I was okay with, as I had software experience right from school, I used to do coding in school and college. I worked for this software company, moved back and forth between London and India every 15 days. I did that for 2 years, then I got bored a bit, during which I said that this is not happening and I quit. So I was sitting home wondering what to do I had the luxury of sitting at home because my parents were well-off and my dad has his own business, he allowed me to try whatever I wanted to with no stress of running the house and that's when my wife said she has got cousins and relatives who wanted to buy jewellery and wanted to buy diamond pieces and stuff. I happened to know someone who was really big in this line. My entire childhood from sixth grade onwards I used to go to his office to learn diamond braiding, gemstone braiding and how to make jewellery and that sort of stuff. And I started making jewellery with my wife's relatives. Ultimately, I teamed up with someone who was in a B2B space and started manufacturing jewellery for all the jewellers across the gulf. Did that for about 11-12 years after which I (sold) the company twice over, once to a public limited and made some money and next I sold it to my existing partner because I wanted to join the B2C space. And that's when one of my client Siddarth Asar, who is Shobha Asar's son. He wanted to expand and wanted a good team with him. Obviously, with my interactions with him he saw great potential if

we combine and align our forces and that's what he did. He made me an offer I could not refuse. And then I started B2C with Shobha Asar. Lot of my knowledge that I gathered in college and during my MMS program came handy, I brushed up on most of my fundamentals and obviously experience also taught me so much during the time I was here. Right now, we have 3 stores and we are opening our 4th store in the coming week and we are opening another store in the next four years. The plan looks good, it's a luxury brand. As a positioning I would like to clear that we are not an ultra-luxury brand but we are an affordable luxury brand, as in, we are not Burberry. We are somewhat like Michael Kors.

Pieces from Kalyan & Malabar start from 2K-3K and go upwards, pieces from TBZ start at 18K-20K and go upwards, pieces at Tanishq start at 35K-45K and go upwards, there's a brand called Zoya which would ultimately result in multistore and a big competition to us but unfortunately the Zoya brand failed and they moved to a flagship store at Bandra. We are the only one or one of the few who are professionally driven, multi-citied in affordable luxury segment. That doesn't take away from the fact that there are mom and pop shops in every city which are ultra-luxury or affordable luxury or catering to the entire bandwagon. But they are not multi-citied and even if they are then there are only 1-2 stores. Because they will only open stores if they have an uncle or a nephew willing to take up that store which is not the same in our case, our stores are all driven professionally, they are all run by processes which are laid down by us and that's about it.

2. **The fact that luxury time drove you into luxury retail space sounds beautiful.**

Also talking about luxury in India, we are at a very nascent stage, people don't understand luxury, now that people have been travelling abroad, the lower middle class and middle class have been travelling abroad thanks to all these great tour companies who have packages starting at 40K and 80K. So, they have ventured into luxury spaces abroad and understood the difference between luxury and semi-luxury. They are also now becoming aspirational, and they have an aspirational value for Indian brands as well. Earlier Indian brands did not command an aspirational value. You know great brands like Anita Dongre, Rohit Bahl, Jade(Mumbai). These are all great names who have pushed semi-luxury and luxury and it's doing well.

3. **Being an Indian Luxury brand, what are some of the challenges you face?**

First Challenge would be pricing. Most people are used to 'value for money'. Everybody is looking for great deal and an affordable player. We do provide great value but obviously it's slightly different from the run-of-the-mill Jewellers. We also authenticate our jewellery and have credibility for our processes. They (Other Jewellers) cannot afford a 50Lakh worth machine to check whether the diamonds are synthetic or real or whether the gold is of utmost purity. Thus their processes are very weak. They give you a decent product but it's not fulfilled in terms of quality. We fall in the middle bracket such that, we are not Super Luxury. We are willing to serve everyone who is willing to spend 35 thousand upwards. And we give you a product which is great. Thus, pricing is one of the challenges.

1. The second challenge is providing an experience which is at par with the other Luxury players. Not all of our Stores have jewellery in display. You come in, sit down with the Jewellery Consultant and she will actually guide you through the buying process. They will also educate you wherever you seem to understand stuff and therefore they suggest this is what you should be doing. Not necessarily they'll push you for great sales. But they'll push you for a return

visit. That's very important to us. We have had customers who come with kids, spend 2-3 hours, since every transaction takes about 1 to 3 hours. The kids play around, fall asleep on our sofas. It's a very warm atmosphere that we try to create. Also, the idea for us is not to go very contemporary. Because that would scare off 60 year-old ladies, who are very traditional. Because we're dealing with everybody from Gujaratis from Gujarat, Tellugu-ites from Hyderabad, Kannada. These ladies from affluent background haven't been exposed to Luxury. Coming to our stores, we don't want the atmosphere to be very crisp and cold. We prefer it to be warm and comfortable. So, we work right from the music to the smell. Because every sense invokes a certain feeling within yourself. We've got a smell coming in from Australia, which is a customized smell that we've focused on. The feelings that we're trying to invoke are that of Comfort, Home-coming and Euphoria. They should feel excited looking at the jewellery, therefore, making the purchase.

Along with giving out a great experience, giving out a uniform-experience has been a real challenge because we're multi citied. For training of individual staff member at a one-to-one level becomes crucial and critical. We have to push the values that we have into all of them so that it culminates into repeat buying from walk-ins.

4. **According to GRDI(Global Retail Development Index), India has become the most attractive market for Retail in the world, what is the potential for Luxury Retail in this growth story?**

It has unbelievable potential. A lot of new players have come up in the last 5 years. First of all, our industry is tarnished with a lot of black money. So it is easy for the mom and pop stores who accept black money while selling and buying products. In case of a company like us, which is driven very professionally, we cannot indulge in these activities. So, the number of brands which have come up are great but the number of brands which will stay will be the ones that stay professional. We go by the GST, which has been a great move by the PM. This has brought the mom and pop stores at a level playing field with us as they have to abide by the Taxation Norm.

Looking at the matured markets like Europe and America, for them, the real challenge is the online space. Most of them have gone online and are figuring out ways on how to captivate and get customers to come back again and again. Online is very new to our company. I don't think anyone is going to spend 5Lakh Rupees online. So Online Luxury in India doesn't look that great. But Online Retail space looks fabulous.

We don't sell online. We're not intentionally putting up the channel because our pricing starts at 40-45k, which is a very basic range for our products. From whatever reading I've done, 50k is the limit the people will spend online. Above that limit, 'touch' becomes an important factor to buy. So only when the limit grows to a larger number, we will introduce our Online channel. But we are ready. We have our technology partners pushing us and we have introduced our in-store iPad apps which enable CRM, and gives you access to almost 30k designs. They're all high resolution shots, and beautifully created so that they look attractive and give you the feeling of looking at almost-real jewellery.

All in all, Retail in India is going to be at a great place. We have great brands like Ikea coming in. So we want to strengthen our position before we get Luxury Jewellery to that level.

5. **When you say, your brand is multi-citied how do you define your target**

audience and how do you cater to them?

Our cities are chosen by virtues of demographics and size, so our focus is what are the income of the people in these cities, what is the population of these cities, what are the types of businesses in these cities. I believe 'metro-cities' is a very relative term, we are in a constant state of flux so saying we are in the larger cities would be more appropriate. We are in Hyderabad, Mumbai, Bangalore. We have plans for Chennai, Pune, and plan for another store in Mumbai as people don't generally wish to travel north to south or east to west to buy jewelry. Therefore, we have exhibitions in the north and the east of Mumbai like Powai.

The reason why we are also attacking the south and west of India is because they buy the same quality of diamonds, the two qualities of diamonds that we offer work very well there.

The North generally buys low grade of diamonds, we are not focused on doing that yet as it also includes a lot of redesigning, they prefer larger in terms of pieces but lower in terms of quality and price range. Therefore, when we finish west and south we are planning north and east.

We also do a lot of exhibitions in these cities before we plan to open a store, when sales numbers are at a certain level is when we decide to open a store. Our basic strategy unlike other stores is to start with exhibitions, set up a large base of customers and then open a store. So right from day one we are talking good sales.

6. **How does your marketing campaign look like? And how do they differ from brands like Nirav Modi?**

Mr Nirav Modi is a fabulous gentleman and has done a great job with marketing and positioning himself. He has defined luxury for his company and has gone outside the country and set up stores in London, New York, Macau, Hong Kong and has done a great job. The difference between his brand and ours would be that he has a huge capital base and private equity to market and advertise but in our case we are fully funded by profits. We also now plan to expand and explore the option of private equity.

Coming to our campaigns, most of our campaigns are called to action i.e. whenever we have exhibitions, festivals coming up that's when most of them are in full force. Otherwise the general brand building exercises are carried out throughout.

7. **What advice would you like to give students who want pursue a career in the field of luxury?**

My first word of advice is - follow your heart, just like I did. If you really want to do well in whatever you pursue just make sure you're following your heart. If you're following money you're going in the opposite direction. It's a difficult thing to do as not everyone is from an affluent background and there are needs to be fulfilled. But if you do get an opportunity to follow your heart, you are going to succeed and do well because it will automatically come into your work. It's your passion that drives you and nothing else; any amount of money is a by-product. I've learnt that the hard way so even I have gone back and forth. I have also made wrong decisions, but at this stage I am following my heart. I am grateful that I did that at one point and shifted gear. So my first and only suggestion is just know what you're doing and you'll be happy. The moment you're happy everything else will follow through.

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OPERATIONS

LUXURY FOR OPERATION MANAGEMENT

Archana Premkumar, Prin. L. N. Welingkar Institute of Management and Research, Mumbai

The luxury market in India is set to grow to a hundred-billion-dollar industry by 2025. The market stood at 18.5 billion USD which showed a 26.5% growth from 14.7 billion USD. This promising scenario is defended by the increase in the count of Ultra High Net Worth Individuals by about 340% to 6020 persons (Source: Knight Frank Wealth Report). The growth in the luxury market cannot be attributed only to the increase in HNWI but the changing mind-sets of the Indian consumers, the potential customers having higher disposable income, having better brand awareness etc. Owning a pair of Gucci sunglasses, the chic Louis Vuitton shoes or the heavenly smelling Dior fragrance is going to be an aspirational buy for about 3 million customers. The challenges associated with the expansion that the luxury industry seeks are plenty ranging from the conservatism of the potential shoppers (availability there but no demand) to low penetration of luxury labels outside key metros (demand there but no availability). A key concern is that most of the luxury malls is present only in Mumbai, Bengaluru, New Delhi, Chennai. The young people from Tier I and Tier II cities like Pune, Cochin, Coimbatore in the 15-35 lakhs earning bracket with more disposable income than the crowd in Mumbai due to lower cost of living are not targeted at all. Hence it can be said that a lot of work is to be done on the supply side to increase the market share of luxury retail and also give the customers more avenues to indulge in luxury. The supply chain approach that can be used for luxury retail must be an amalgamation of lean i.e. The Toyota Production System as well as agile.As the products, we are dealing with are premiere products, the entire value stream must avoid wastage and the corresponding components during the process must arrive JIT (Just in Time) in the right amount of quantity. Along with it, the supply chain must be very responsive. Many types of luxury items have short product life cycle as in they go out of fashion just like that and something obnoxious becomes the next IN thing. The supply chain must hence be very agile to adapt and adjust to these fluctuations and deliver to the customers most of whom are not used to waiting. To reduce lead times, so that response time increases, increasing agility, investment must be done to better the forecasting based on the Indian demography.

Faster response can be due to faster flow of information between the entities in the supply chain. It is imperative as a result to have strong relationships between the vendors or suppliers along with proper hardware and software to guide decision-making, planning of operations so as to facilitate the consequent execution in real-time. Consider Zara, which apart from outsourcing sewing, almost all the activities like procurement of raw materials comes from Zara's parent company (about 40%), pressing, tagging and inspection is done at its own factory which gives greater control over all the activities, but here there is huge risk of backfiring. Hence for these luxury brands, they must concentrate on what they are good at and outsource other operations to smaller companies and bring about seamless integration of supply chain. For

these premium luxury brands, it is important to track each and every feedback of the customer although sales information will be collected by the ERP systems, actual ground level, information from the horse's mouth will give huge insight in improving forecasting. The salespersons at these retail outlets will help in putting on-the-spot feedback of customers into handheld devices. The company must also invest in SaaS technology to firstly bring about integration of various outlets in the country and secondly in going online. Consider an example where there is requirement of a particular Louis Vuitton Bag in the Nariman Point Outlet but is unavailable but the same bag is available at its outlet at the airport, then we have one less unhappy customer if armed with this information are able to source the bag in a matter of hours. Thus, technology can be leveraged to build strong customer relationships. A SaaS platform can also help to take the brand from the confines of a brick and mortar store to the internet. Although many high-end luxury brands want to maintain their exclusivity, they can atleast make the less premium products available online and the others only at store. If these brands are outsourcing their online presence to another company (e.g. luxehues.com, an online portal that provides various brands of lifestyle products, is operated by Radiant Hues CRM Solutions Private Limited) they must keep a keen watch on the delivery and feedback from customers.

An unpleasant incident in this ludicrously connected world can create a dent in the flawless image of the brand. Indians are not oblivious to luxury. The Maharajas and Maharanis of Rajasthan exemplify the elegant and sophisticated choices the affluent class were privy to. Hence creating the aspirational value around the product by right kind of marketing targeted at the potential customers will lead to them being brand aware to brand conscious to brand experiencer to brand loyal and to finally swearing by the brand proudly.

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FINANCE

FINANCE JOBS IN THE LUXURY INDUSTRY

Vivek Pungle, Prin. L. N. Welingkar Institute of Management and Research, Mumbai

The luxury industry, just like any other needs its fair share of qualified financial professionals. Brand Managers, Financial Managers, financial Planning and Analysis are a few of the usual suspects in terms of job opportunities. But, being a part of a luxury brand entails far more than the average finance job.

Luxury brands demand passion for the brand. The industry thrives on providing exceptional products and services. Providing a level of service beyond compare, requires a strong passion for the brand itself. And that sentiment is expected from every individual employed in the industry.

Also, unlike say fast fashion, where the pace of work tends to be extremely fast, the luxury industry tends to work at a far steadier pace. The year of year revenue and sales tend to be fairly predictable. That doesn't mean that work is any less, but it means there is greater leg room and it is easier to see where the road ahead leads.

Now to talk about brass tacks, the salaries tend to be slightly on the lower side as compared to those working in similar positions in traditional financial institutions. The reason being that most employees tend to prioritize company or brand over other factors. The trend of lower salaries tends to be in the industry as a whole, however that does not apply for every individual position or company.

Since we have spoken so far about the uniqueness of the luxury industry, it's time to talk of ways to enter this particular industry. As would be expected from any industry, prior experience does give you a leg up. Not having any luxury industry experience at all doesn't entirely crush someone's chances of breaking into the industry. Experience in related industries such as inventory and financial management for large consumer brands is also valid. In the end its about how the individual justifies himself and projects himself to the employers.

For any finance professional interested in the field of luxury, this should give you a little glimpse at what to expect in this unique industry.

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MARKETING

LUXURY BRANDING

Adrita Majumder & Ankita Talit, *IISWBM, Kolkata*

There is an increasing demand for luxury goods today. But similar looking goods, yet cheaper, have made their presence felt too. But the luxury goods consumer will seldom choose the cheaper. Why so? Branding, which means uniqueness,

individuality, quality, class among others. It gives the consumer a social status. Won't the first copy satisfy all the above mentioned criteria?

Yes.

But still people do not go for the first copies. Why you ask?

Let us begin with the ground reality of the rich people. Rich people seldom appear rich, don't they? They do not advertise themselves by the brands they use. On the other hand, the upper middle class who use fewer branded materials are often seen showing off. Also, almost all of us have met people who use first copies of the branded goods but when appreciated they blurt out the truth. So, what's the point in using the first copy if you tell everyone that it is not original?

Isn't it about how much people around you perceive you spend? Maybe.

Psychology behind buying luxury goods point out a very interesting fact that is – core customers do not buy luxury goods to show off or mark their social status. They do so as a mark of accomplishment.

Credit goes to the companies in the way they tag their products. Rolex tells its customers that they do not tell time as much as they tell history. While Lavie urges everyone to be unique.

Likewise, Chanel subtly hints that its price is justified. Michael Kors has a policy to eradicate hunger, and hence connect to the customer sentiments. Customers often tend to buy those things whose taglines they can relate to.

The other most popular way of connecting to the customer is by advertisement. But most of the luxury companies do not market themselves in the traditional way. They generally tend to market themselves by brand associations and high-end models.

Longines emphasizes the "elegance is attitude" with the help of former Miss World as their brand ambassador.

Sometimes the brand advertises the association they had with a certain huge international good. Rolex flaunts the fact that they were associated with Wimbledon.

As we have seen earlier, the luxury goods are marketed in two ways. One is where you boost the authentic pride, which is the case in the western market. But the Indian market is generally different from the western. Here people mostly buy from the hubristic pride that is the need to flaunt and mark a social level. Hence marketing of these goods need to be different in different markets.

Although every impression is important, the first impression always has a serious impact. The product should aspire to make a very strong first impression. They should be soothing to touch, appealing to the eyes to make an instant connection with its consumers. And this connection has to be emotional and deep. Also, when people don't have easy access, they desire an item more and will work harder to get it.

Limiting supply makes a product, service or experience seem more valuable.

As far as pricing is concerned, in the luxury business model prices are always expected to go up as there are enough newly rich consumers to justify this strategy as long as they dream of the brand. When this dream falters, many luxury companies prefer to expand downwards, selling to more people thanks to profitable accessories that have more accessible prices and are produced in larger quantities in countries with low labour costs.

It is all about how you appear to your customers. It is about advertising your brand and not about customers advertising themselves. So, the branding needs to touch the sentiments of the customer. High pricing gives the product a sense of high quality while making the product rare, demand is raised. The well-known example of diamond-water -paradox has already proven the point that rare and costly things are more important to consumers than necessary and cheap things. Hence, high pricing and rarity adds value to the brands and also creates a better impression as the quality, look and feel of the product is always high.

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HUMAN RESOURCES

HR IN THE LUXURY INDUSTRY

Suprita Kaur Bhatia & Sakshi Bhasin, ICFAI Business School, Gurgaon

"The 'luxury' division in consumer goods is often compared with terms like 'bespoke', 'handmade', 'customized' or 'curated'. A luxury consumer is always on the top-most position on the bell curve reflecting his or her potential to consume a product which demands a sense of taste and experience. It involves a lot of psychological factors. The consumers are buying the image, the prestige and the glamorous feeling that the product alludes to.

In the last decade the Indian luxury market has been in the spotlight with global luxury brands showing a growing presence. The current Indian luxury market which is valued at 18.5 Billion USD (strewn across many segments, from cars to watches, hospitality, apparel and accessories and other lifestyle products) in the country (Source : ASSOCHAM) has the potential to cross 100 Billion USD in the next 7-8 years.

India's growth in ultra high net worth individuals (UHNWI) has also been impressive. As per the latest Knight Frank wealth report India's UHNWI count rose by 340 per cent (to 6,020 people), whereas global growth was 61 per cent (to 187,468 people). The report also says that India will account for five per cent of the total UHNWI population and six per cent of all billionaires across the world by 2025. Luxury retail industry in India is flourishing and has expanded from fashion and jewellery to various other categories – personal, household, office, travel and hospitality. Fragrances, watches and jewellery are top sellers in the luxury market, followed by skincare, apparel and fine dining. Consumers today seek value, even if they have to pay a premium for it.

For luxury goods, the Delhi NCR market seems to have the highest potential, followed by Mumbai, Bengaluru and Chennai. Non-metro cities such as Ahmedabad and Chandigarh are also growing in terms of income and propensity to buy luxury goods.

However, there are other sore points too which is preventing luxury retail in India from realising its full potential, like lack of luxury department stores, pricing parity (vis-a-vis Europe/USA), width and depth of merchandise, unfavourable demographics, lack of adequate skilled retail manpower and high attrition to name a few.

While there is no denying that the sector is one of the front runners in shaping the economy of any demography, it is crucial to realise the importance of the building blocks which have gone into shaping the present-day luxury retail sector. Human resources and its various allied functions have always been a significant contributor in bringing about any such transformation.

While the luxury retail setup is steadily expanding its reach, the corresponding surge in the demand for talent has underscored the need for effective HR practices. After all, HR practices are like the catalysts for enabling any establishment to achieve its organisational objectives. With time, even these HR practices have not remained untouched by the wave of innovation and evolution. This revamp has resulted in the emergence of many best practices, which runs through the very foundation of organised retail framework.

HR Practices have moved on from their previous identity of just being an operational and support

function, to becoming a strategic partner for organisations. Moving beyond the regular tasks of managing only the hiring and exit policies, they are now more about innovative prospect profiling, competency mapping, targeted hiring, ingenious methodologies for employee retention, productivity enhancing mechanisms, attrition reduction, industry trend analysis etc.

Let's take a look at a couple of practices which can have a significant impact on the luxury retail sector and help in shaping the future outlook as well as define the growth projections for the sector:

Competency Mapping

The luxury retail Industry caters to high end customers who are not very price conscious and look mostly for experience and to serve that strata of society is the biggest challenge. When working for a luxury store, one is required to maintain very high standards. To hire the best talent in the industry takes skill and persistence. The human resources have to constantly keep an eye on the current salary trends, benefits packages, and other employee incentives extensively to ensure that competitors' offerings aren't more attractive.

An effective and scientific talent assessing practice wherein a person's skills, aptitude, strengths and weaknesses etc. are mapped against the pre-set requirements of the role. This practice is intended for increasing the talent hire hit rate.

Building Capability Through Training And Development

It takes a set of capable people to write the success story of any company. Employees hired in luxury retail Industry are the brand ambassadors in ways more than one. Hence, their proper training and overall grooming becomes supremely important. Customised and well-researched learning and development plans can be created to make the workforce better at the specific profile. At times, this capacity building also helps in locating/developing in-house talent, which in turn saves them the time and investment that goes into a new hire.

Talent Retention

Owing to the competitive industry scenario, talent acquisition has not remained any much less than a war for talent. Though it is challenging enough to find the right people with the desired skill set, more challenges lie in retaining a competent workforce. High attrition rate in retail is accredited as a recognized, but inept practice. Best performance work practices are developed to make people plan their future with the organisation and thus avoid their outward movement. Career progression discussions, mentor allocation, internal movement provisions etc. are few of the best practices which are aimed at retaining the talent.

Diversity&Innovation

Diversity in the workforce ensures a comprehensive and an integrated organisational approach in any situation. Therefore HRs have to take a risk and hire a percentage of workforce from outside the inner sanctum, in order to have the chance to gain insights and knowledge from someone with a different perspective and thought process. This risk and aberration in the regular process is something which brings variation and newness into the system. Several HR programs and policies are developed to ensure a constant identification and nurturing of a diverse workforce.

Apart from these, there are several other HR functions which play an extremely crucial role in defining the organised luxury retail sector. These virtuous practices not only enhance the competencies, but also address the current and anticipated talent shortfall. Retail is characterised by enormous flux in terms of workforce, especially at the ground-level. With the help of well researched policies and interventions, HRs will be able to anticipate the industry trends in advance, timely identify imminent business needs and steadily populate

a pool of future-ready talent. Other challenges such as high attrition rate, maintenance of compensation equilibrium etc. can also be dealt with the help of these best practices.

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GENERAL MANAGEMENT

THE CHANGING TRENDS IN LUXURY TRAVEL

Madhur Jain, Prin. L. N. Welingkar Institute of Management and Research, Mumbai

During the past decade when the world changed rapidly through advancements and rapid growth of the Internet, travelling has also undergone a complete change. Especially when we speak about luxury travel, the consumer is more focused on personalized services right from travel planning, services during journey, services during stay and food served on his table, connectivity and many more. This has created great level of ease and comfort to the customer at the same time providing opportunities for employment generation and business creation. Also this change has not met its true potential and further advancements are happening daily. We will look into some above mentioned aspects to understand in detail about consumer experiences and employment opportunities in the space of Luxury Travel.

Planning

Any sort of tour requires planning, whether it is a two days business trip or a week long tour with family, one needs to decide the place to visit, modes of travel, food and stay options and many more. Earlier it used to take a long time to collect information on each of these parameters. Later on choosing among available options was another difficult task due to limited information available of those options. But with advancement in Internet technology it takes only a few clicks for the consumer to gather the data and understand the whole scenario.

Also it used to be a difficult task for businesses to reach more customers in a cost effective way. But due to internet now it has become easier for them to reach large number of customers in a very cost effective way. Also this has created more avenues for advertisements such as Social media and Digital Advertising platforms. Due to this more affordability with existing services or more services with existing prices came into picture. Also getting out of traditional ways market places such as Make My Trip and Yatra.com started completely different phases of this businesses. This has not only created huge employment but also come with good pay packages and decent jobs.

Journey

With technological achievements and ease in norms by government, FDI bought in more options in Air travel segment thereby giving more value for money and satisfactory services. Removal of procedural hurdles has also encouraged domestic players step in thereby offering more benefits to customers. Not only from pricing point of view but also from different types of experiences which these companies brought by developing new products for customers. Also initiatives such as UDAN (Ude Desh ka Aam Nagarik) has given opportunity to the middle class segment to experience luxury. Apart from Air travel, travelling by personalized cars like Zoomcar offers great service.

Food and Accommodation

The most vital part of any travel is food and stay. A king sized bed and a marble lined bathroom

with bright ambience and personalized service like having a butler to fold or unfold the luggage gives customers a Royal feel. On an online platform where we can see and book all these facilities it is also very transparent wherein we can have understanding real gains without any chance of being cheated. Moreover rating systems which displays views and counter views straight away in public domain leaves no room for businesses to mislead the customer. This has led to overall increase in quality of service along with increase in profit ratios as well.

Connectivity

Gone are the days where being on a tour we used to go to cyber cafés for sending simple mails by paying them on hourly basis with low speed and poor connectivity. In fact now we have much faster internet speed with smartphones of various features wherein we can not only perform our mailing tasks but can also enjoy our tour more curiously by getting informed about particular places where we go.

Finally to conclude I would like to say that being updated to new technological advancements and understanding consumer's changing requirements is key to grab early opportunities. Also this is bringing tremendous pleasure and services of great satisfaction to customers. However they also need to understand this technology from utility point of view.

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NEWS CORNER

Team SAMVAD

By 2025, a research projects that Millennials and generation Z will account for 45% of the global personal luxury goods market. While that presents great opportunities for many brands, the challenges are also considerable because Millennials think and shop differently from previous generations.

Consumption has a different meaning now. Consuming products and brands is not just a way to say who you are but a way to define who you are. This is why people today are more engaged than previous generations with self-expression. All luxury brands have work to do. Some are doing better than others, but those who are truly leading the way come from other industries or price segments. The brands that are well positioned to capture the market are moving away from the old luxury habits: from celebrating their own heritage to celebrating consumers' passions; from looking obsessively into their past to providing futuristic aesthetic visions; from 'shouting their name' to enabling consumers' self-expression; from being fanatical of brand-purity to be open to collaborations and contamination.

HOW TO? CORNER

How to Become an Invaluable Brand

Loyalty is a myth. But sometimes we may stumble upon the leprechaun's gold at the end of a rainbow. Like when a brand become invaluable, you see consumers become loyal and willing to pay a price suited to its value. Similarly, in the work place an MBA student must strive to become invaluable in order to ensure a successful career. According to ***Simon Sinek,*** *We- the millennials are a generation who do not understand the meaning of loyalty and try to switch between 3-5 companies in our work life.* This trend, however may soon change as we see the adverse effect of such a move in today's employment crisis. Following are the ways in which we can grow alongside our companies and become invaluable brands:

Lay down expectations on both ends: As a new recruit or intern it is difficult to get an idea of the organisation's culture. Most summer internships don't provide an induction and since they are short-term these projects call for limited attention from your mentors at workplace. The best way to ensure you have all the cards on the table is to clearly ask the expectations of your mentor from your work as well as YOU.

Throw self-doubt out the window: Most interns/recruits especially, freshers and women have a tendency to lay low rather than shine through. Be willing to showcase your talents and to accept your mistakes when you're wrong. *As* ***Marianne Williamson*** *once said, "Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness that most frightens us."* If you want to shine be bold and take risks.

Seek regular feedback: Don't just show your work every week, also be open to feedback on your personality. With limited time on their hand your mentors tend to draw quick conclusions and it is imperative to seek regular feedback for your work and yourself. If nothing, this step will serve the purpose of showing how much effort you are putting in to fit the culture, if you are not already cut out for it.

Go beyond the call of duty: Most of the times we don't realise that our work does call for more research than our work hours permit us to give. A harmless couple of times, if we go that extra mile to achieve something or tighten your case (like an investigative journalist or a lawyer), it would considerably propel our chances of achieving our goals or being seen by the important people.

Build trust: Trust building is the toughest of them all. Nobody expects you as a summer intern to deliver or add value to the business but they continuously assess you for organisational fit. So, you must give them the opportunity to see you perform thoroughly during the limited time you have with them. The best way to do so is to sit with your mentor and his/her team while working as well as eating and not just with the interns/new recruits like you. Get out of your comfort zone and break the ice. Speak to your potential future colleagues and earn their trust.

Stay focused: While this one is easier said than done, keep out of office politics. Try to be a sweetheart to all and a best friend to none.

Don't burn the bridges: One of the most overused and yet the most useful term of the

century is Networking. In the high competition environment of today, networking serves the purpose of a safety net to help you cushion any professional blow eventually in life. Paulo Coelho introduced a term called the "favour bank", that emphasises the importance of building long-lasting relationships. Even if you don't work for someone any more, ensure that you are still in good terms with them.

This list is not exhaustive. Of course, the best way to learn is by doing and making mistakes.

-Hinal Rathod, Editor

CALL FOR ARTICLES

We invite articles for the November 2017 Issue of SAMVAD.

The Theme for November month- "**Adventure Tourism**"

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

You may also refer to sub-themes on Dare2Compete.

Submission Guidelines:

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com. Deadline for submission of articles: 30th October, 2017**
- Please name your file as: <Your Name>_<title>_<section name e.g. Marketing/Finance>
- Subject line: <Your Name>_<Course>_<Year>_<Institute Name>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Clearly provide source credit for any images used in the article.

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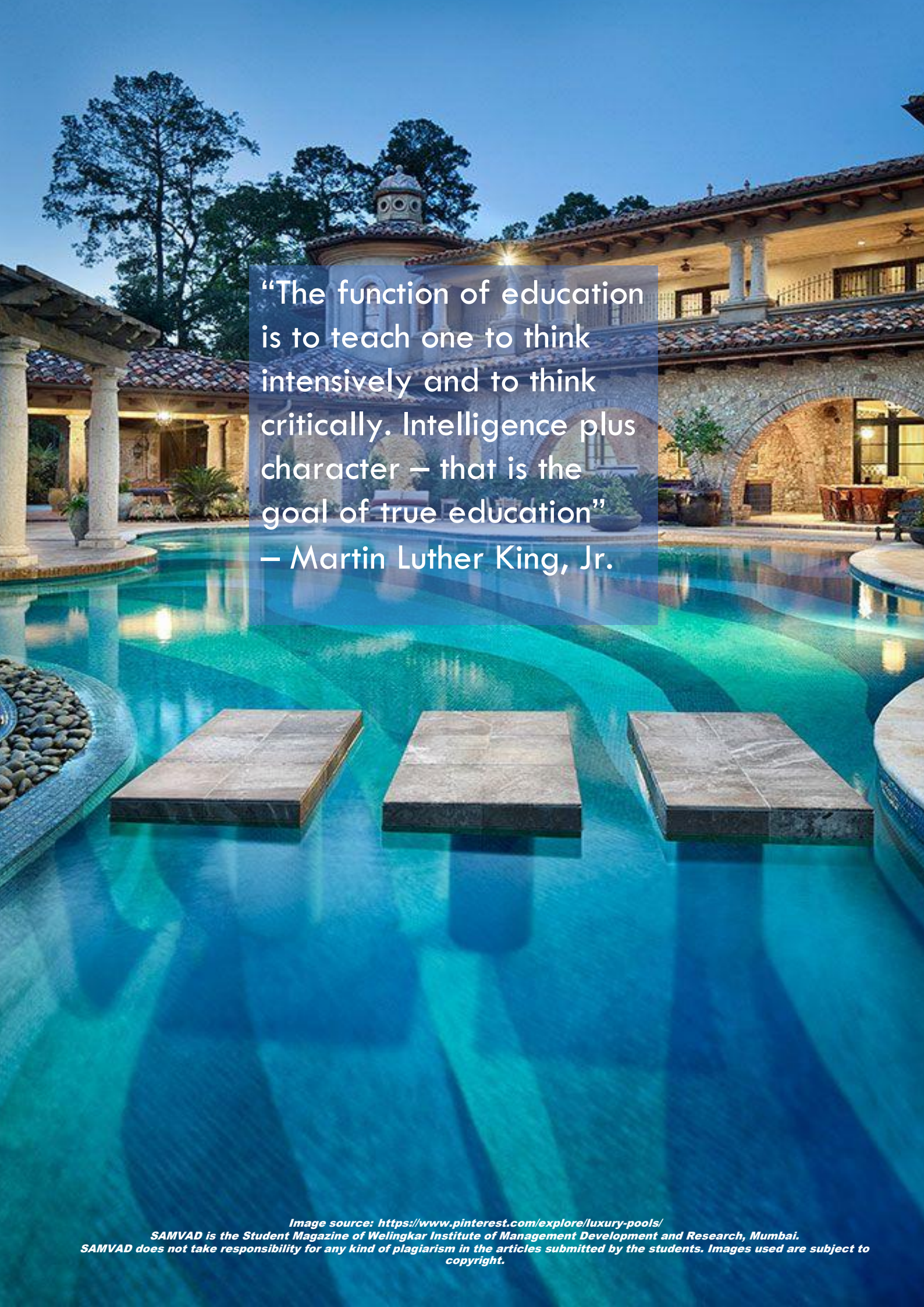

"The function of education is to teach one to think intensively and to think critically. Intelligence plus character – that is the goal of true education"
– Martin Luther King, Jr.

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