

HOME FASHION INDIA

Connecting Indian Home Textiles - Worldwide

US\$ 25 / € 21 Worldwide / Rs 300 - in India

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Changing Structure of Retail and Distribution

-Ajay Arora, Managing Director, D Décor

Indian Market:
Need for Manufacturers, Brands,
Distributors & Retailers to
act as partners

Sharp Focus, High Business:
HGH India 2012
Redefines Indian Home Market

Inspiration 2013/14:

MoOD

Growing Imports:
Obsession Experience



Growing Imports

Import to India is continuously growing across all product categories. It is now a full fledged business opportunity. Imported products are increasingly being sold alongside domestically manufactured goods on the retail shelves across the country. Despite the obstacles in importing to India, the demand for imported products in Indian Market makes it viable for an importer to keep himself going!

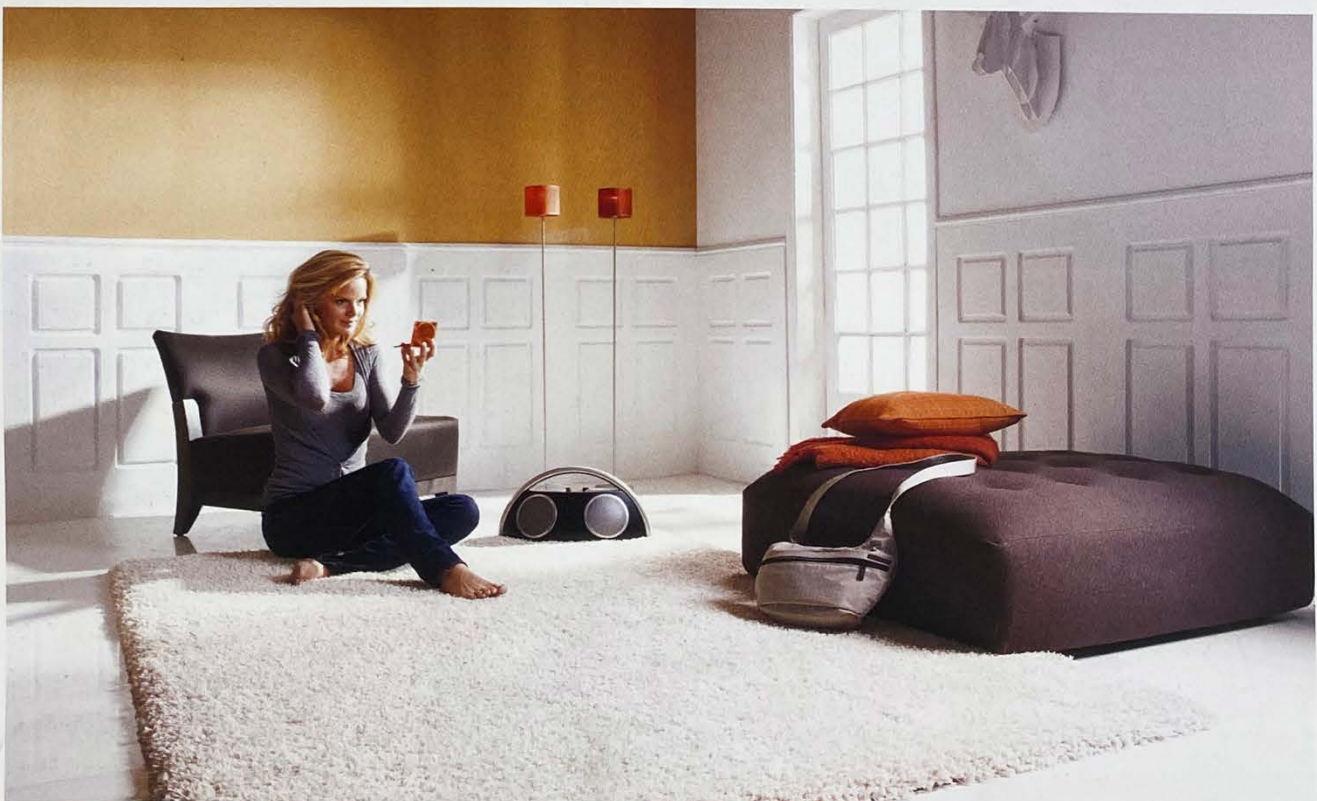
Mr. Ashish Dhingra, Managing Director, Obsession with the biggest collection of carpets under one roof, talks of the opportunities and challenges he faces in day to day operations in India. Mr. Dhingra operates with two companies, Envogue Furnishings dealing with Carpets, Home Accessories and Bath Accessories and Furnitex dealing with centre piece designs. A total of 60-70 people's team headquartered in Delhi, Obsession has a sales office in Bombay and Bangalore also. Warehousing though is centralized in Delhi. Currently a USD 5



Ashish Dhingra, managing Director, Obsession

million enterprise, Obsession, for the past couple of years has been growing about 12-13% YOY.

Having been a furnishing man since 1988, Mr. Dhingra started Obsessions in 1995 as a proprietorship firm catering to the international market and only converted into Pvt. Ltd. firm in 2004.



Imported Carpet making a mark in the Indian Market

He started with printing curtains with the help of job workers which lasted for about 3-4 years.

In 1998, he started importing products from other countries and selling it in the Indian Market. Initially he ventured into markets like China, America, Malaysia and Russia. Today, apart from buying carpets from the best manufacturers in India, Obsession is one of the biggest importers of machine made carpets in India from countries like Belgium, Turkey, China and Egypt.

Despite high import duty in his early days reaching upto 48-50%, lower margins and better quality of products in the international markets motivated him to continue importing. India is a complex market.

Selling in India is primarily based on dealer network. Today, people are able to sell bedsheets like FMCG because of strong network. On the other hand, selling goods from one state to another is so much of a problem. For example, if one has a warehouse in Haryana, every time he has to send a truck to Delhi where sales actually happen, he needs to fill in a form. The procedure not only delays the process by hours but also effects smooth operations for the company. Things have to

become more streamlined if retailing has to improve in India. But with FDI coming to India, stores like Walmart, IKEA, etc will need importers like Obsession to source goods from. Despite having vendors abroad, they would need local suppliers and importers in their initial period till they reach a certain number of stores.

Number of hypermarkets in India is growing but retail sales seem stagnant. On the other hand, specialty stores like Bharat Furnishings and Jagdish stores are growing. These stores cater to different products and different price points. As long as the products are easy to carry and within a particular



International Trends now available in the Indian Market

price range, large formats are better. The moment you have a price level above it, customers prefer specialty stores. These customers are mostly higher middle class and rich section of the society looking for designer products for their home.

With the surge in retailing, imports are sure to go up in the next couple of years. Even for domestic manufacturers to survive and grow, they need to be open to supplying to the domestic market. Some of the manufacturers from Panipat have seen to be opening their mind off late, but there still needs a transformation in their vision to reach out to domestic market profitably! 📌