

Ethnicity Store Format: A Revolutionary Retail Move Towards Indian Legacy

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With mounting western influence and focus on revival of traditional Indian fashion elements, diversity in India sees many faces. To maintain the dignity of the culture and to provide a platform to small Indian brands, future group initiated ethnocentrism concept by opening ethnicity store in Ahmedabad, Gujarat. This initiative has provided new format insights to organized retailers to expand their horizons in highly volatile Indian consumer oriented market.

A new format has always been a challenge to any retailer to sustain into the market. In the changing face of market, to regain preference of consumers towards nationalized brands, can be looked from a confronting angle. This created an anxiety in the mind of researchers and inspired them to undergo the research to understand the ethnicity concept.

Ethnicity format is studied based on the first ethnicity store set up in the city of Ahmedabad, Gujarat and glimpses are taken from the second and third store set up in Mumbai and Pune respectively. Research is secondary followed by primary in nature. This paper gives insights into the overall set up of ethnicity format that includes differentiating Criteria's of ethnicity in comparison to regular retail formats based on observation at the store. Questionnaire based survey is also performed to get opinion on ethnicity store and paper gives insights into preferential category for purchase for future developments

Consumers have given a very good response to the new concept. Along with shopping, experiences of consumers' with the format have given a lasting impact on their mind-set. Further Raja market, Rani Market, Thoda aur market are found attractive to consumers and have gained good preference of consumers followed by Sona-chandi market Chota India and Ghar aangan market. The insights into concept development and suggested potential extended formats of ethnicity may readily work as a pillar to stand into the market for new retailers.

Keywords: Ethnicity, Ethnocentrism, Organized Retail, Nationalized brands.

Introduction

Indian fashion industry is moving towards westernization due to high level of acceptance of foreign brands by the consumers. Due to this ,western brands are getting a wider platform than the ethnic brands across the country. As a result, national/ethnic products are even overlooked by consumers and time may come that such products may disappear from the market. To protect

the Indian heritage, Future group took up the maiden initiative to provide a space to Indian products and brands under its own name and fame

Future Group, India's leading business house with strong presence in retail sector, launched a new retail format, family lifestyle store - Ethnicity, in Ahmadabad to market ethnic brands and products of India in 2008. This chain is a major family format developed after the launch of

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highly successful family formats like Pantaloons, Big Bazaar, and Home Town.

The new store format that has been billed as 'Everything Indian, seeks to promote ethnic brands, ranging from ethnic and fusion wear, Jewellery, handicrafts, home decor, beauty products to accessories and gifts.' Thus ethnicity showcases a large number of small Indian brands under one roof. Ethnicity besides promoting the culture of ethnic products, provide a modern platform to augment the presence of the retailers into the industry.

Research Objectives

- To understand the concept of ethnicity as a new retail format
- To understand differentiating factors of ethnicity store in comparison to the modern retail stores.
- To understand the consumers' preference towards the new format.

Scope of the Study

The study has explored the concept of ethnicity. It includes understanding of the theme and concept development, merchandise development and differentiation criteria of format in comparison to existing formats. Further to understand acceptance of the new format, consumers' preference towards the offerings has also been analyzed

Data Collection Sources

Secondary data sources have been used to understand the concept the ethnicity. Information has been taken from leaflet provided by ethnicity store of Ahmedabad, and Company website to get insights into ethnicity store of Pune and Mumbai. Articles kept on the websites are also used at the launch of ethnicity.

Primary data has been collected through questionnaire to know consumers preference towards the new format. Respondents were the consumers of

Ahmedabad who visited ethnicity store. Sample of 100 respondents was administered out of which 94 responses identified as valid sample for the study.

Literature Review

Ethnic origin has been defined as a group of people who share a common descent, a sense of collective identity and usually a shared cultural heritage and tradition (Crysdale and Bettie, 1973).

Ethnicity implies common customs, values, and attitudes within a group of people who are bound by a common cultural identification. Because values reflect a standard or criterion that people use in the guidance of behavior, they act as a norm for ethnic consumer behavior and an influence on many consumption motives.

Ethnic Marketing

Ethnic marketing is an important aspect of lifestyle marketing, a strategy that tailors a company's products and services towards the customer's lifestyles.

According to Technopak Analysis, the current market of sarees and ethnic wear stands at Rs 31,000 crore and is projected to grow at 10 per cent to reach Rs 45,000 crore in 2014.

Views expressing rationale towards ethnic marketing Mr. Arvind Singhal, chairman of management consulting and retail specialist firm Technopak Advisors (2010-11) said, "Overall apparel category spends are rising, with special focus on ethnic wear brands, where many new brands have emerged as market heroes. They sensed the vacuum in the market, ease of entry, and attracted women - the most interesting target consumer, which places the Indian ethnic wear market at Rs. 56,800 Crore, growing at 9% annually".

Govind Shrikhande, customer care associate and managing director, Shoppers Stop said "Branded ethnic

wear is one of the top selling categories in our stores. For the past few years this segment has seen double digit growth,"

Mr. Gaurav Mahajan, CEO, Westside, a Tata group company said, "Indian ethnic wear is an integral part of our customer promise. We widened the Westside range and introduced Zuba, which offers silks and authentic handlooms. This autumn will see the launch of two more brands,"

Mr. Rakesh Biyani, joint managing director, Future Group said, "There is a significant rise in demand for women's ethnic clothing. There is a big gap between the opportunity and what is being delivered today by organized players.

This gap identification generated a lead to cover the untapped ethnic market and future group took up the initiative to establish ethnicity store as a revolution in the existing apparel format.

Concept development of Ethnicity Store by Future Group Store Design

Future Group has launched the first of a chain of stores aimed at retailing Indian wear in 2008 in Ahmedabad city. It is the branded 'Ethnicity' store that keeps the a range of ethnic and fusion wear, jewelry, handicrafts, home decor, beauty products and accessories and gifts. All the products are India inspired. The store is having a spread over an area of 25,000 to 30,000 sq. ft.

Store Objective

The apparel labeled as traditional and indoor clothing a decade ago, has laid the foundation for today's contemporary Indian ethnic chic. Ethnicity proudly follows the Indian values of being sensitive to Ahmedabad city, environment and community. It provides a platform to bring together traditional or ethnic

retailers and consumers. It recreates the know-how of a traditional ethnic market in a modern retail format and is an aggregator of the multi-faceted ethnic merchandise and traditional selling practices. It revives and rejuvenates anything and everything that is Indian. It aims to truly open out the urban ethnic market and redefine the scale of ethnic merchandising.

Ethnic-Theme Positioning at the Store

The concept Ethnicity is not limited to ethnic clothing but it is a destination to get the unique experience. The key differentiator for Ethnicity lies in its 360-degree shopping experience. Ethnicity's store design reflects a distinctly ethnic character - visual merchandising tools include artifacts, paintings and décor pieces from Rajasthan, Orissa and Gujarat. "Visual merchandising at ethnicity is like the synopsis of a story book". Ethnicity has gone the "Desi way (Highly traditional)" to become attractive and communicative. It is vital to not only be a differentiated retailer but also to draw out the true essence of the products. Branding in ethnic wear has been led by region of origin of the product like Benaresi sarees, Lucknowi kurta, Kutchchi Bandhani. The store is colorfully designed and the flashiness gives it an ambience of luxury and festivity.

Atmosphere at Ethnicity Store

Atmospheric at ethnicity store is a reflection of Indian heritage. Instead of halogen lights, everywhere light is reflected by lanterns. Instead of room freshener or perfumes, a raw fragrant of essential oil from flowers known as attar is used to mesmerizes the entrant and bring them to the Indian culture. All the racks for display of merchandise are developed from wooden and outside decoration is of handicraft, which gives a reflection of Indian art. Instead of having all the racks or shelves for display, few of the merchandise is displayed on cot. Store assistants are dressed in ethnic kurtas for refreshments, Coconut water is served in a lorry (Cart) which gives a flavor of typical Indian culture, on the road serving.

Use of multi colors, art and fancy designs, air fragrance and traditional lightings give all time festival feeling experience.

market. Chosen name for the market is based on arterial language of India. With the theme of ethnocentrism, the collection represents only Indian brands in all the merchandise.

Merchandise at Ethnicity Store

All the offerings are divided into a "Niche name" of

Overall Analysis of Ethnicity Store

Table 1 Store Sections

Generic category name	Ethnic name at ethnicity store
Women's wear category	Rani market-everything ethnic for women
Men's wear category	Raja market-everything ethnic for men
Kid's wear category	Chota India market
Jewellery/ accessories	Sona –chandi market- ethnic Jewellery
Home accessories	Ghar –aangan- ethnic ideas for your home
Stationary/medical items	Thoda aur- ethnic accessories and more

Source: <http://www.indiaretailing.com/organising-ethnic-retail.asp>

Data Analysis

Regular formats of organized retail stores have their specific offerings. While ethnicity store has differentiated the same to give a new experience to

the consumers. Based on observation at ethnicity store, the following comparison has been made to derive the differentiation criteria

Table 2 Comparative Analysis: Organized Regular Retail Format V/s. Ethnicity Format

Parameter	Organized Retail Outlet	Ethnicity Store
Theme	A move towards western culture	A move towards Indian legacy
Objective	To give exposure to western culture dynamics	To give platform to Indian brands and appeal to ethnocentrism
Size of the outlet	Large size	Comparatively small size
Structure	Vertical departmentation	Horizontal departmentation
Availability of brands	Global brands	Only Indian brands
Atmospheric	Exclusive halogen lights	lantern /yellow lights

Decoration	No additional decoration	Fully decorated with colors, lamps, handicraft ,puppets etc. -looks like all time festival
Music	Western songs	Indian instrumental
Fragrance	Room fresheners	Raw fragrant of essential oil from flowers known as attar
Shelves	Racks	Along with racks Traditional village themed cots with four legs
Merchandise division	<u>Products are separate</u> Apparel gets displayed in one section, accessories other section, footwear another section and so on	<u>Gender wise product bundling</u> e.g. Raja market includes apparel ,accessories ,footwear addressing men. Rani market includes apparel, accessories, footwear for women
Merchandise name	English names	Traditional Indian names
Store assistant's dressing	Western formal wear	Traditional Indian kurta
Packaging	Plastic printed bags	Paper bags with traditional look
Merchandise	Western outfits and indo-western designs	Indian traditional outfits with embroidery work
	Shoes	Mojaris and chappals
	Indo-western painting	Handicraft
	Cosmetic products	Natural ayurvedic products and aromatherapy
	Perfumes	Incense stick, attar, natural fragrances
	Light chandelier	Candles and Lantern
	Artificial jewellery	Stone work, Kundan jewellery
Refreshments	Food court with multi cuisine	Small push cart/lorry with coconut water
Deliverable	Shopping	Experience

Source: Primary data collection through observation

Analysis of Consumers Preference Towards Ethnicity Store:

Consumers survey has been performed to get insights into their experience towards the format with the help

of questionnaire. Respondents were the consumers who visited the ethnicity store.

Figure 1 Consumers' Preference towards the Market based Merchandise at Ethnicity Store with Mean Rank (where 1 is least and 5 is maximum)

0	1	2	3	4	5
Raja Market					4.25
Rani Market					4.02
Chota India			2.80		
Sona Chandi				3.20	
Ghar Aangan			2.05		
Thoda aur					4.15

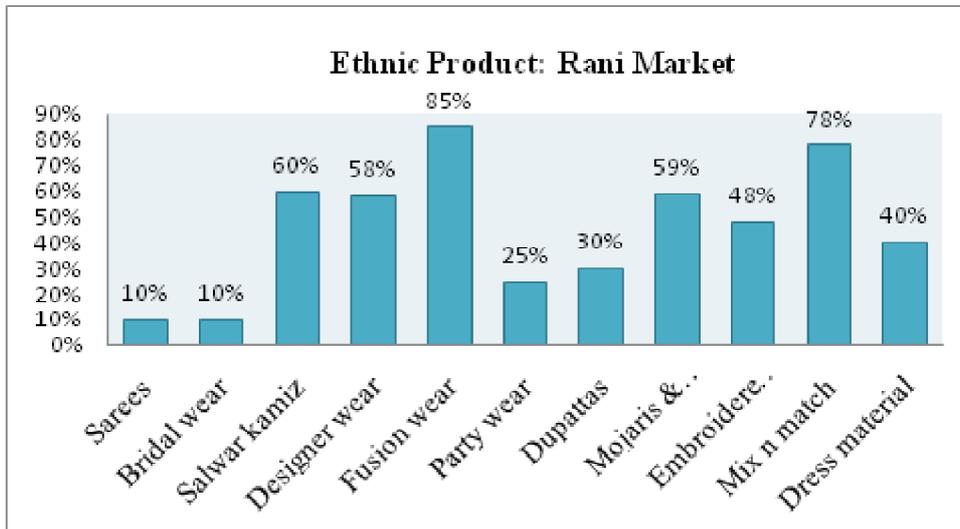
Source: Primary data collection through questionnaire

Consumers' preference towards the ethnic theme based markets is analyzed to know the preferred market. This analysis is aimed at developing the market to increase the preference

- Consumers are highly satisfied with Raja Market offerings followed by Rani market and thoda aur market.
- New introductions in thoda aur market like lamps, candle and fragrances, ayurvedic products etc have grabbed attention of people which gives a lead to introduce more unique and Indian traditional items.
- Sona chandi market has got a good response. Thus it can be interpreted that fashion accessories in ethnic look are keeping tune with the ethnic garments.
- As per consumers opinion, Chota India is yet to gain preference may be because of traditional designs that are not preferred more for kids in comparison to western attractive outfits with cartoon characters
- Again as per consumers opinion, Ghar aangan is also yet to gain preference may be because of bed sheets, utensils, toys , purchase for rituals like puja ka saaman etc. have pre-existence of established unorganized market.

Consumers' Preference towards Ethnic Products for Three Most Preferred Markets

Figure 2 Preference has been Analyzed towards Offerings for Females as Rani Market

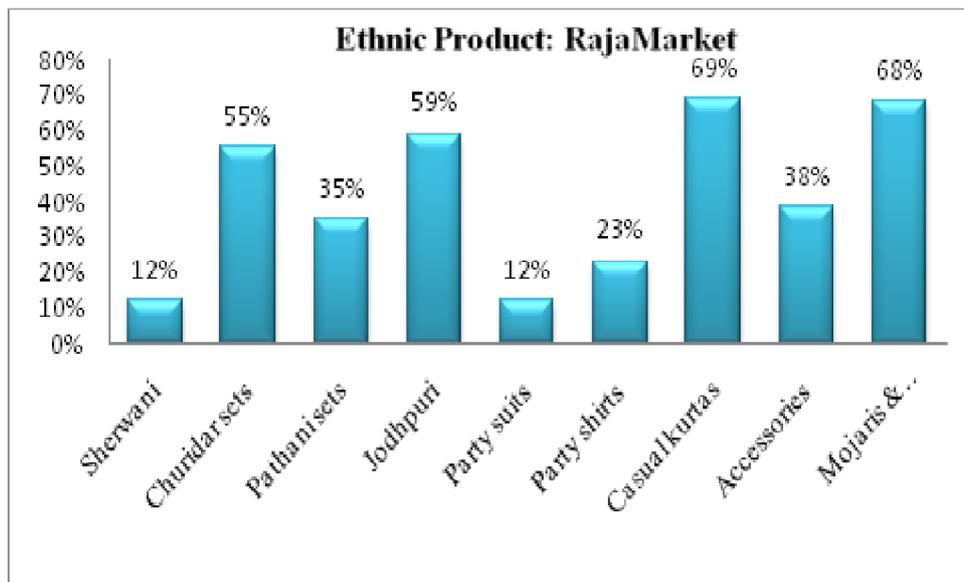


Source: Primary data collection through questionnaire

Fusion wear and Mix & Match are able to attract consumers as it is a new and unique base of ethnic products. As Saari, salwar kamiz have become a

common purchase and many platforms are available to address the demand, preference is found at the moderate level.

Figure 3 Preference has been Analyzed towards Offerings for Males as Raja Market

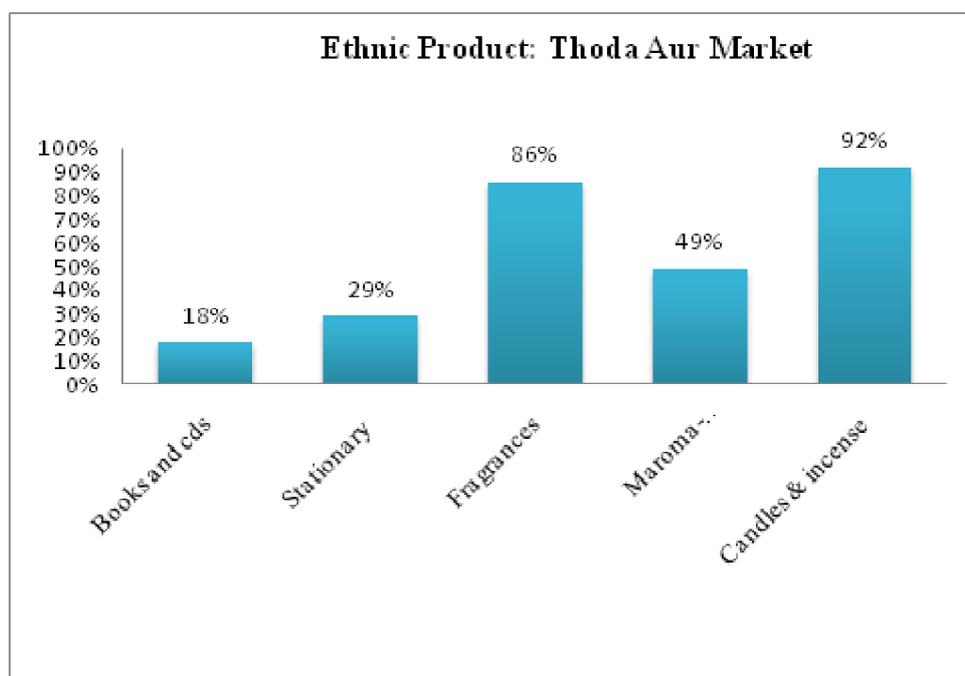


Source: Primary data collection through questionnaire

In men's wear traditional wear in the form of Jodhpuri, Churidar and kurtas along with traditional mojaris have

attracted consumers to larger extent

Figure 4 Preference has been Analyzed towards Offerings for Thoda Aur Market



Source: Primary data collection through questionnaire

Full range of Fragrances and Candles & Incense has been introduced by ethnicity store. It has got extraordinary preference of consumers. Thus it has contributed towards maintenance of Indian legacy

Consumers preference towards Aromatherapy

Aromatherapy is the use of aromatic plant oils, including essential oils, for psychological and physical wellbeing. Aroma therapists blend therapeutic essential oils especially for each individual and suggest methods of use such as topical application, massage, inhalation or water immersion to stimulate the desired responses.

Aroma therapy oils may include :

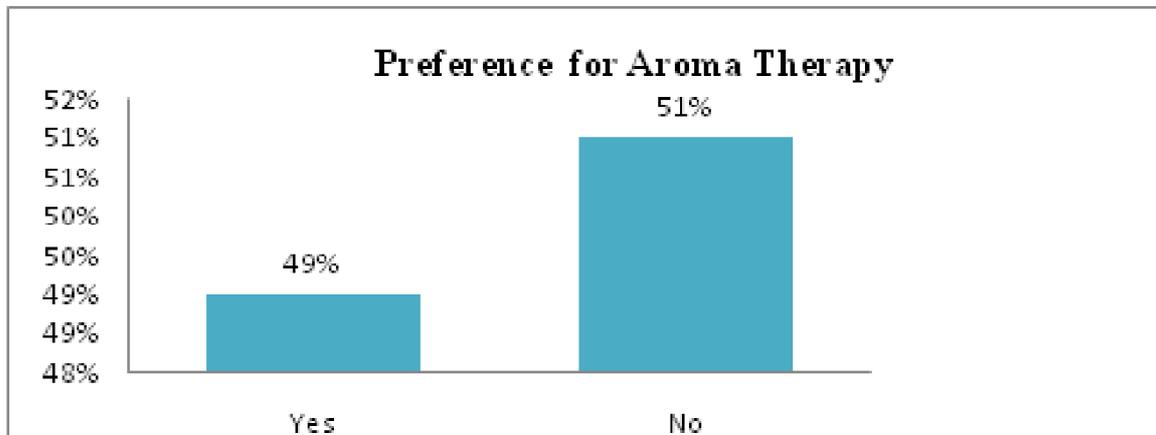
- Peppermint - Digestive disorders
- Rosemary - Muscular pains, mental stimulant
- Sandalwood - Depression, anxiety and nervous tension
- Sweet orange - Depression and anxiety
- Tea tree - Respiratory problems, antifungal, antibacterial and antiviral

- Lavender - Headaches, insomnia, burns, aches and pain

Ethnicity store has provided the platform for Aromatherapy. Full range of essential oils has been displayed to generate the awareness and preference towards the same. It is aimed at generating awareness towards ayurvedic medicine in the arena of allopath for better and secure treatment. Ethnicity has taken maiden initiative to mould the consumers psychology towards naturopath. (Graph on next page)

It can be interpreted from figure-5 that first hand response has been satisfactory with 49% for Aromatherapy and thus it enjoys the potential to increase the preference in future. The atmospheric of traditional products is supporting the purchase of traditional way of health supplements. The advice and explanation given along with the product has played important role in making realization to go for natural products

Figure 5 Preference has been Analyzed for Aroma Therapy



Source: Primary data collection through questionnaire

Figure 6 Analysis of Consumers' Satisfaction towards Ethnicity Store:

Consumers' level of satisfaction towards the differentiated offerings has been analyzed. Such analysis

is aimed at identifying the most appealing differentiation for future positioning of the store and developing the strategies that may lead to future satisfaction

Competitive Assessment Matrix with Mean Rank (Where 1 is least and 5 is maximum)
Regular Organized Retail Formats and Ethnicity Store

Consumers' satisfaction on competitive assessment matrix						
	0	1	2	3	4	5
Theme					4.05	4.95
Price			2.30	2.60		
Variety				3.25	4.00	
Display					3.94	4.35
Experience					4.00	5.00

Source: Primary data collection through questionnaire

Keys :

- Regular organized retail outlets
- - - - - Ethnicity store

- Competitive assessment matrix depicts that ethnicity theme is highly appealing to the people.
- The differentiation point of giving experience to the consumers than only to provide a platform for shopping is getting correct positioning in the mind set of consumers as it is applauded by consumers with the mean rank of 4.95.
- Unique display of ethnicity is highly appreciated by consumers in comparison to regular organized retail formats.
- On the dimension of variety ethnicity is lagging behind in comparison, the contributing reason may be limited number of Indian brands into each category.
- As far as pricing is concerned none of the outlets satisfied the consumers expectation. It brings out the fact that price structure is too high. Here opportunity lies with ethnicity store to discriminate pricing strategy to get competitive edge over other formats. It might be feasible to reformulate the pricing strategy due to nationalized brands.

Major Findings

- Ethnicity is indeed a revolutionary move towards consumers' ethnocentrism. National players have also joined hands with the big retailer and accepted the opportunity to address the mass market. Thus it has contributed to a greater extent in providing a wider platform to small retailer of India. Further is has contributed towards generating awareness of ethnic products and brands of allover India which were not noticed by the consumers and importance was not realized by consumers.
- It is an absolutely unique model into organized retail formats. Everything starting from atmospherics to collection of brands, merchandise display and packaging is uniquely positioned with the nationalized theme. It provides a feel-good factor and thrilling experience to the consumers.
- Consumers are getting attracted by the theme and getting exposed and penetrated by ethnic products. Today consumers look for fashionable clothes. National brands which were not recognized earlier, have provided a platform of fashion to explore
- Consumers are highly satisfied with Raja Market offerings followed by Rani market and thoda aur market.
- Fusion wear, Mix & Match, Jodhpuri, Kurtas, Chudidars, Mojaris and fragrances ,candles and incense are able to get preference of people.
- Aroma therapy is able to get good welcome form the consumers.
- Ethnic designs are getting acceptance in the form of novelty.
- In all this innovative concept well applauded by consumers as they are getting exposed to all the variety and designs of products of all the corners of India under one roof.

Suggestions

- More Indian retailers should be motivated to provide huge collection of ethnic products in the categories of mens' wear and women's wear to provide more varieties.
- There is a need to increase the range of aroma therapy offerings to increase the awareness and consumption.
- Fragrances, candles and incense offerings have brought Indian values back in the preferences. This has showcased a very good business potential as a whole. There is a need to provide more and more offerings into the segment with more and more varieties.
- Potential revolutions into existing format of ethnicity for India.

Format can be expanded by introducing specialties of major states/cities of India

- Rajasthan market - Art & craft
- Jamnagar market-Bandhani

- Bangalore -Silk garments
- Chennai- Pearl jewellery
- Kerala market-Spices
- Format can be expanded by introducing specialty food of major states/cities of India it may help to give a back shift to the consumer trend which is moving towards western food
- Gujarati food
- Punjabi food
- South Indian food
- Rajasthani food
- North Indian food
- Kathiyawadi food
- Potential revolutions into existing format of ethnicity for other countries

It has been witnessed that countries are getting specialized into technological innovations but spread of such innovations into the same continent reflects questionable behavior of consumers. Many a times it is because of lack of awareness. Such type of format may provide a common platform to explore the small innovative products at consumer end E.g. European countries.

Fashion based Ethnicity- As fashion industry is one of the major growing industries in Europe, all fashion statements can be displayed under one platform

- Fashion statement of Italy
- Fashion statement of France
- Fashion statement of United kingdom
- Technology based ethnicity- Technical Research & innovation driven countries, all innovations can be displayed under one platform
- Big to small innovative products of Finland
- Big to small innovative products of Germany
- IT & Renewable technology based products from Sweden
- Electric technology innovations of Netherland
E.g. Asian Countries

Technology based ethnicity

- Robotic technology based innovative small to big products from South Korea & Japan

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Additional material

Leaflet circulated at ethnicity store

Glossary

Attar: A fragrant of essential oil typically made from rose petals

Ayurvedic: It is a Hindu system of traditional medicine native to India and a form of alternative medicine. Ayurveda can be defined as a system, which uses the inherent principles of nature, to help maintain health in a person by keeping the individual's body, mind and spirit in perfect equilibrium with nature

Bandhani: A process of patterning cloth by tie-dyeing in which the design is reserved on the undyed cloth by tying small spots very tightly with thread to protect them from the dye especially popular in Rajasthan and India

Chappal: An item of Indian footwear, similar to a flip-flop with a toe strap

Chota (India market): Younger, junior child related products

Ethnicity: Ethnicity implies common customs, values, and attitudes within a group of people who are bound by a common cultural identification

Ethnic groups: A group of people who share a common descent, a sense of collective identity and usually a shared cultural heritage and tradition

Ethnic Marketing: Ethnic marketing is an important aspect of lifestyle marketing, a strategy that tailors a company's products and services towards the customer's lifestyles

Ghar -aangan (market):Home decoration related products

Handicraft: Items made by hand, often with the use of simple tools, and are generally artistic and/or traditional in nature .They are the objects of utility and objects of decoration.

Incense stick: It is composed of aromatic biotic materials, which release fragrant smoke when burned

Kundan Jewellery: Kundan is a traditional Indian gemstone jewelry, a method of gem setting in a jewellery piece, consisting of inserting gold foil between the stones and its mount, usually used to create elaborate necklaces believed to have originate in royal courts of Rajasthan and Gujarat. It is the oldest form of jewellery made and worn in India

Kurta: A knee-length, collarless shirt worn over pajamas by men in India

Mojaris: A style of South Asian handcrafted footwear mostly using vegetable-tanned leather produced in India

Organized retail: Organized retail has been defined as a network of similarly branded stores with an element of self service

Raja (Market): A prince, chief, or ruler related products in India

Rani (Market): Indian princess related products

Saree: a dress worn primarily by Hindu women; consists of several yards of light material that is draped around the body

Sona-chandi (market)-Gold & silver related products/ jewellery

Thoda aur (market): somewhat more than the existing here in the context of more than the regular offerings

