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The Face of Marketing

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# P!tch



## *Off Track*

Running in its second year, the Indian edition of the high-profile sport - Formula One, has failed to attract local advertisers and associations. What's keeping the marketers away and what are the opportunities available?

# Carrying the Oxford pride

*Oxford University has brought to India its merchandising and is hoping to target the youth beyond the loyalist alumni*

By **Arshiya Khullar**

Though brand licensing is an old business practise across the globe, it has slowly gained momentum in the Indian market only in the recent past. The trend has picked pace owing to the emergence of modern, organised retail and a strong manufacturing base in the Indian market. Moreover, the rise of the affluent Indian consumer class and greater international exposure has further paved way for greater collaborations between international licensing companies and Indian business houses.

According to industry estimates, the size of the brand licensing market in India is around \$1 billion, which is small in comparison to the total size of the international brand licensing market, estimated at around \$200 billion. In terms of product categories that are the most popular when it comes to licensing, apparel, with 90 per cent of the market share rules the roost.

## Go India

To tap the untapped potential in this space, a host of international brands are entering the country via the licensing route. Earlier this year, there were reports of apparel maker, Arvind Lifestyle Brands entering into a licensing agreement with French brand, Elle to retail women's fashion wear in India.

## Fact File

*India is among top 5 countries for Oxford in merchandising*

- International brand licensing market, estimated at around \$200 billion
- \$1 billion - estimated size of brand licensing market in India
- 90% market share governed by apparels
- Oxford is targeting middle class and young adults
- The price range for apparel and other offerings will be in the premium to mid range



Another such player, to adopt the strategy, is University of Oxford, which will be launching its merchandise-apparel, educational toys, and stationery among other things in India next year. Oxford Limited, which manages the global brand licensing programme of Oxford University, entered into a partnership with Bradford License India last year to search for licensees in India to introduce the brand in the country. For the record, Bradford is a brand licensing agency present in India since the last four years under a joint venture with Franchise India. At its end, Oxford has been selling its merchandise in different regions of North America, Europe, China, South Korea, and recently Brazil.

For Robert Ridder, Partner at Bradford, the aspirational Indian population is one of the strong reasons behind the company doubling its activities in the country every year. Hence, in India, the product portfolio would be the same as other countries with certain amount of localisation to suit the taste and cultural sensibilities of the consumer segment.

Apparel is the first category that will be launched in India followed by scientific toys, 'Back to School' merchandise- a range of school tools, and stationery. The products will be embellished with patterns and designs specific to the University.

While Oxford's product range will only be available in retail outlets by next year, the company will be announcing its official partners by the end of this year. Chris Evan, MD, Oxford Limited, who was in the capital to attend a conclave on licensing, refused to divulge details about the licensee, but spoke on the strategy that will be followed in India.



**"The consumer valuing the University as an education brand will not place the same value to it as a consumer brand"**

**Chris Evan** | MD, Oxford University

Young adults and mid-age consumers pan India are the core target audience for Oxford products throughout the world, including India. However, the Oxford Alumni is not, as many would assume, the key consumer market for these products, according to Evan.

In terms of pricing again, while one would expect a premium tag to be attached to products affiliated to a University of such stature, the price range for apparel and other offerings will be in the premium to mid range, not high end. At such price points, the company is looking to engage the burgeoning affluent middle class in India.

"We have tried and tested this principle that a famous name equals high premium. Our famous name relates to education. When you translate an education brand into a consumer brand setting, you need to understand that the consumer valuing the University as an education brand will not place the same value to it as a consumer brand. We have to tailor our expectations to consumers' expectations," says Evan.

Hence, a lot will also depend on the customers who will be attracted to Oxford merchandise. Aspirational students nursing dreams of studying in the university and alumni are the obvious loyalists. According to Saurabh Uboweja, Director, Brand Strategy at Brands of Desire, a strategic brand consulting and design company, this may also turn into a challenge for Oxford. "A challenge for brand licensing in India for a brand like Oxford University is the knowledge about the brand. No doubt it is an iconic international brand but only for a few. The brand is still not deeply entrenched in the minds of the people here. I would like to believe that this might be a compelling reason for Oxford University to license in India – create more awareness," he opines.

With the objective of communicating a brand proposition, imagery, lifestyle that is unique to Oxford, the company's marketing strategy will be a mix of in-store activities, point of sale communication and print led campaigns. To effectively reach its intended TG, the brand will work with the upper and middle tier retailers



## Brand Oxford is not deeply entrenched in India. This could be a compelling reason for Oxford University to license in India and create more awareness

as opposed to malls and other high-end retail chains.

### Lessons from the West

Oxford branded merchandise throughout the world, at retail, is estimated to be around 50 million pound sterling. While Evan does not share the targets set aside for India; he does mention that India is one of the top five countries for the company. China figures right on top followed by Brazil.

However, a major obstacle in India, according to Evan, is the dearth of pan Indian organisations which can sell in different parts of the country. "Mostly there are small retailers that serve specific geographic parts. This is very different from the western

model of retail where one can see the same flavour of retail in any store in the country," he appends.

There is also a yawning gap between the levels of maturity between the two markets. "It is slightly over heated at the moment and in its start up phase even after 20 years," says Uboweja. You might have a dozen brand licensing agencies in India but they are just struggling to define their niche. There is not a single player who has truly emerged out as a mature frontrunner in the industry yet. But the experimentation is going on pretty well and I am sure it will eventually work out as a very promising market in the next five years or so. ■

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