

“AN ODYSEEY: FROM VILLAGE TO A GLOBAL BRAND”

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A wise man once said “Everyone I know who used to be in the intelligence community is moving into corporate world.” The rest is history, ladies and gentlemen until the liberalization of 1991 India was and isolated from the world market to protect its fledgling economy. India is since then an attraction to the world market with its rich heritage and culture.

It took an American to appreciate the potential of the original Indian art and craft to build up a global fashion brand empire, “THE FAB INDIA”. It is a one stop retail store for garments, fabric, furnishing and ethnic lifestyle product that ranks amongst India’s best known and profitable brands. India's jaw-dropping diversity brought together a single platform that singular buzzword for color, drama, ethnicity and the desi way of life The one brand that comes to mind each time you need the perfect wooden furniture for your new home--or take a gift for your friend abroad--a brand that not only sources its product through community-owned companies but actually has them on board as shareholders. And to think an American entrepreneur started it all. As far as ironies go, this one's a beauty. A Rs.1,000crore 'Make in India' story scripted by a foreigner, long before it was fashionable to do so.

John Bissel was born in Hartford, USA. His love for India thanks to his dad's account of India during World War II was married to his love of hand woven fabrics when he started work at the massive American chain Macy's. The experience taught him a lot: India had untold potential when it came to all things aesthetic not just the knowhow how to make the world sit up and take notice. With rare insight, he foresaw the enormous power of Indian textile and how it could be an opportunity to help the traditional artisans gain a dignified standard of life.

His grant expired, but his interest remained and he went on to start FabIndia Ltd in that bought local textile based items like rugs and carpets and exported them. The year was 1960. The business went from strength to strength and by mid-sixties turnover exceeded Rs.20 lakh.

Gradually, he ventured into domestic retail in 1976 with its first store in Greater Kailash, New Delhi.

Today, it has over 180 stores across India and abroad, and managed by his son, William Bissel.

It helped perfectly that the setting up of FabIndia coincided with the shift in European and American tastes abroad from the razzle-dazzle of synthetic stuff like polyester and nylon to natural textures and fibers.

“It was the best thing to happen to our business,” he said.

To do away with this, FabIndia has brought in an artisan-shareholder system through "supply-region companies" incorporated as subsidiaries. Here the craftspeople collectively own 26 percent of the equity in each company, based in nationwide centers, with Artisans Micro Finance, a FabIndia arm holding 49 percent, and employees and other private investors holding the balance.

Over the years FabIndia has consistently and willfully distinguished itself from the competition. Urban India has been as much on their radar (especially since William took over), as has the export market.

On the one hand, their in-house designers have been asked to modernize and update their line of home-linen; ready-made garments keeping in mind the tastes and preferences of urban India in a manner that is both appealing and affordable.

On the other, their artisans are taught the basics of quality control, the importance of finish and attention to detail that make all the difference between a good piece and a great one.

- While his father was the visionary to set up shop, William has been largely instrumental in shifting the focus to the domestic market, en route to becoming a retail chain. Gradually, the retail overtook exports.
- Slowly and steadily, they expanded on their strong base, to add its non-textile range in 2000, organic foods in 2004, and personal care products in 2006 and ethnic jewelry in 2008. From the mid -2000s, it opened multiple and larger stores in cities like Mumbai, Chennai and Delhi, apart from setting up shop in upcoming places like Coimbatore, Dehradun, Vadodara and Durgapur.
- In The figures have kept up just great: From Rs.90 crore in the early 2000s to over Rs.1,00 crore in sales

In 2014, FabIndia emerged as one of India's two most profitable ethnic wear and goods brand with over Rs.54 crore in net profit.

According to executive director Sunil Chainani, "We did not discount our stuff just to meet a top line. Workable businesses need profits and cash flow. For instance, we steered clear of opening stores in prime locations and top notch malls as the rentals would have impacted margins."

FabIndia also make nearly 90 percent of its merchandise in house, helping to keep inventory tight and costs under control.

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- Most of FabIndia's product range is textile based. Non-textile products include Organic Foods (since July 2004), Personal care products (since 2006) and Home Products (launched in 2000).
- The textile range includes ready to wear outfits and accessories for men, women, teenagers and kids; bed, bath, kitchen and dining linen, floor coverings and carpets; upholstery curtains and fabric. They use natural fibers like cotton, silk, wool, grass, linen and jute.
- FabIndia Organics, in keeping with its focus on holistic and wholesome living, keeps organically farmed cereals, pulses, grains, sugar, spice, fruit, preserves and herbs, tea and coffee.
- Their range of authentic Personal Care products list shampoos, hair oils, moisturizers, body scrubs, face packs, hair conditioners and special skin care products.

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There is significant emphasis on the continued use of traditional material and textures. While being interpreted in a contemporary context, the visual design language that has come to be associated with the brand that draws from traditional patterns, and is very firmly rooted in craft.

From the ajrakhs of Gujarat and the detailed bagru block prints from Rajasthan, to the ikats from Andhra and Orissa, and the design developments out of chanderi and benarasi, Fabindia has worked with nurturing skills, while creating access to markets and developing a customer base.

Every region has its distinctive, and well-understood, patterns and systems of prints and weaves, which also link into livelihoods. The interest generated by Indian design is apparent. This is definitely more than a trend, I would go so far as to define it as the expression of one's own identity, pride in one's heritage, or even response to an array of really beautiful products. Is it still in vogue? There is tremendous talent today, and many have added to and extended the idiom, using traditional motifs and textures to create contemporary expression.

From young designers coming out of design schools to more seasoned practitioners and even mainstream retail players, we are definitely seeing more focused attention on Indian design, we welcome this resurgence.

Elasticity is not frequently used to describe retail brands. Yet often, elasticity—the ability to change with times, mirror customer needs, expand, remain profitable and relevant without losing what some call “the soul”—is what turns a label into a cult brand. Fabindia is a cult brand. It was founded by John Bissell, an employee of American export house Far Eastern Fabrics, who came to India as adviser to the Cottage Industries Emporium on a Ford Foundation Grant. Fabindia began in 1960 first as a corporation in Connecticut, US, for the “development of handloom and handicraft fabrics made in India for sale in the US and other export markets”. The company, more like an institution, is now 56. At the end of 2016, it stands on the cusp of introducing a transformative retail experience. Or what its current managing director, William Bissell (John’s son) calls the “next revolution”. This is also the year when global private equity firm L Capital (now L Catterton) sold its 8% stake in the company. In the four years from 2012, it aided Fabindia in scaling up like a global brand.

Three-thousand employees and the annual turnover rising tenfold in the last 10 years (sales turnover was around Rs911 crore in 2015-2016) notwithstanding, William describes Fabindia

exactly as his late visionary father perhaps would have: “An Indian brand where the company’s values resonate with people’s own. A brand that helps people define themselves.”

If Fabindia’s Indian-ness had only been about style, it may not have plodded on despite the wars India fought, Emergency, economic downturns as well as reforms in markets and consumer behavior. Or even the impact of Bollywood, global and local fashion, and online shopping in the last decade and more. In 2007, Fabindia became a case study for Harvard Business School (HBS), put together by the school’s assistant professor MuktiKhaire.

Two aspects stand out in considered opinions on Fabindia. One, it is really hard to criticize the company, forget about passing it over as a has-been brand. Even those who are skeptical about its fashion segments and fits say they continue to buy from its home and lifestyle departments. Two: It’s unique supply chain—Fabindia works with 55,000 artisans across the country, including those in remote Naxalite-affected areas—remains unparalleled in the world. The company works with a large number of organizations like the Self Employed Women’s Association (SEWA), Rangasutra, Dastakaar Andhra, Rehwa Textiles, Pochampally Handloom Park Ltd, to name just a few. As India’s largest private platform for products that are made from traditional techniques, skills and hand-based processes, it is a model enterprise even today.

Solutions spring up in many conversations. Darshan Mehta, president and CEO of Reliance Brands, feels Fabindia must contemporize its DNA, go after the young consumer even before it chases e-commerce, while Biswas feels it needs to identify what is exclusive and not available anywhere else. “They should stop sourcing from places which are accessible to many traders in the business,” he says.

Till early next year, when the company unfurls its new retail scenario, Fabindia will remain what Singh calls it in her book. “A brand bigger than the company that created it.”

Ethnic weaves: In the tiny village of Chanderi in the Ashoknagar district of Madhya Pradesh, there is little respite from the scorching summer heat as the mercury touches 42 and 43 degrees celcius. There is a preponderance of dry dust on the barren land, which has not seen rain in months.

There is shortage of water, with daily tankers meeting the local people’s meagre needs. The local population, which includes 1,000-odd weavers, could still have coped, but the mortal blow is looming in the form of disappearing demand for their cherished fabric, chanderi.

Yet, in the face of impending doom, there is an air of hope, anticipation and excitement in this sleepy little village, as 455 weaver families are poised to become owners of shares in a community-owned company, a concept totally alien to all except the few educated youths here.

Mohammed Zuber Ansari, 28, has a master’s degree. After failing to find a job, he found himself in front of a loom and is still trying to come to terms with the developments. “We bought shares for Rs 1,000 and all I know is that this could change our lives in some way.”

That way has been paved by Fabindia, a retail outfit that has grown from one store in the mid-1990s to 85. Dabbling in fabric, apparel, handicraft and other products, it began an experiment with community-owned companies nine years ago in an attempt to include artisans in the wealth creation process.

People are hungry for cultural symbols, says FabIndia's William Bissell

The new-age Indian customer is a coveted breed. Both offline and online retailers are jostling for his attention, which puts a high value on cultural authenticity. As the MD of FabIndia, William Bissell has some experience with that. When Bissell took the stage at a recent investor meet, for a session titled 'Delighting the Rapidly Evolving Indian Consumer', he shared interesting observations about how brands have converted their traditional appeal into market success. A few years ago, India launched brands that were copies of Western brands. It worked for a while because the consumer was hungry for the Western brand experience. When the original brands came to India, the copycat brands lost market," he said. Today, the reverse is true. It is not the me-toos, but culturally rooted brands that are finding global markets. However, in Bissell's view, two Indian brands make for standout case studies:

Bissell praised menswear brand Manyavar's strategy of catering to an under-served category. With a comparative aid, he explained that while there are 5,000 places a woman can go wedding shopping; a man has six options. "They realized that in a wedding, the budget for women's couture and men's couture is not that different. There was a huge opportunity there. They made the groom outshine the bride," Bissell said.

"Typically in an Indian wedding, the groom would wear a blue suit and the bride would look resplendent in a lehenga choli and jewelry. Today, if you look at wedding photos, the groom looks fantastic as well in his zardozi outfit with a safa (turban) and kamarband (belt). He is giving competition to the bride."

The marketing, too, was clever: With an elaborate outfit, elaborate accessories were a given. Also account for the male friends and family. "Before you knew it, you had a `40 lakh proposition for the man," Bissell said.

Bissell also dwelled on the success of Patanjali.

"Everyone is shocked at the company's growth. I saw it coming about a year-and-a-half ago when I was travelling to small town India and saw people fighting with the kirana store owners for these products," he said. So how is the company taking on the FMCG space, traditionally dominated by MNCs? Did its value for money pricing strategy play a role? Bissell conceded that partly, it did. But there are other factors at play as well. "I have no doubt that they are going to make a couple of billion dollars (in sales) in the next few years. Some of the best brands in the

world that have taken 20-30 years to establish their market shares in India are now faced with an upstart. "Within one year, it is aiming to sell 50 per cent of their volume. This is because they have keyed into a culturally appropriate space. And it resonated with people," Bissell said.

The runaway success can also be attributed to the timing of the brand. He explained this with FabIndia's example. "We introduced organic products at our company in 2001 and for eight years, saw little growth. Then suddenly it took off. It took off because there is a movement towards organic foods in the cities and the sales benefitted from that. So timing is important," he said.

As for Patanjali, Bissell said, "If it had come 10 years ago, it may not have enjoyed the same success. People are hungry for symbols of their own culture.

Despite its strong position, the brand faces stiff competition from western wear and foreign brands and has to be on its toes all the time. Also, it does not advertise and focuses on word of mouth. Question is: will it continue to work in the days to come? Besides, a few years ago, the company had acquired UK-based apparel brand, East which did not do well. "The trouble with East was that the styles were too western," said CEO Subrata Dutta in retrospect. Recently with an idea to cater the modern Indian youth and also the international buyers who are fond of Indian textiles and clothing, FabIndia launched a western wear brand 'Fables'. The brand was first launched at FabIndia's Connaught Place store in Delhi but later on, was made available all over the country. Dutta hopes that Fables would contribute at least 10 percent to the company's revenue within the next 18 months.

An average Fable garment is priced between Rs.2,000 to Rs.5,000. But despite the winds of uncertainty and unforgiving competition, ever FabIndia is in a stronger position at most and is one of the brands to watch out for.

Being desi sure looks good.

Words said by FabIndia "A delighted customer is our best brand ambassador". Every employee feels connected, recognize his or her role in the success story that in FabIndia. It gave an opportunity for the rural employment. It is preserving and nurturing the Indian culture and values also providing platform to the Indian craftsmen. FabIndia started its sales from retail stores and took it to e-commerce along with multiband.

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