

Da milano case study

Business



Dad Milan brand has performed fairly well in India. Today we are present in almost all the major metros and tier I and II cities in the country. The differentiating factor is our quality. We have our design studio in Italy where talented designers introduce new collections keeping the global fashion trends in mind.

The collections introduced by the brands exude character, originality, style and flair. So, we can proudly say that we are riding high on quality. Shall Mali, Managing Director, Dad Milan Leathers Pvt Ltd

Dad Milan entered the Indian market in 1989 through franchisee route by Surrender Mali with a distinct Italian flavor. He opened its first flagship store at Cosmonaut Place in New Delhi. And since then the company has only grown by leaps and bounds.

As the founder and MD of the company, Mali endeavours to elevate the brand from a family business perspective to an international podium. A connoisseur of fashion luxury and traveling, he tried to incorporate a heritage touch in the products.

Started as a leather goods exporter, Dad Milan started its retail push in 2000 when a young NIFTY graduate Shall Mali joined his father's business straight after a fashion design course to promote the brand in Indian and global market. While his education has taught him the excellence of craftsmanship and its management, his experience has enhanced the choice of launch at the stores. Dad Milan has consistently delivered luxury of the highest standards, every season; year after year. From handbags, portfolio bags,

Travel Bags, to Wallets and Accessories, the iconic craft transpires throughout the range.

Sheer elegance, impeccable style and the chic appeal are hallmark of every signature product from Dad Milan. Today, the brand has a remarkable presence across India as an affordable luxury brand in leatherier and luxury accessories with 45 signature outlets across India. Industry overview The Indian leather Industry today has established itself as a prominent Industry both In International as well as In the domestic market. With an annual turnover of over US 10 billion, the export of leather and leather products increased manifold over the past decades and touched US 4. 9 billion in 2012-13, recording a cumulative annual growth rate of about 8. 54% (5 years).

Apart from being the ninth largest exporter of theater and leather products, it is also the second largest producer of footwear and leather garments. The sector itself employs more than 2. 5 million people and is one of the top foreign currency earners in India. Abundant raw material, skilled work force, compliance with environmental standards and growth shown by the associated industries has helped the sector to grow manifolds. Exhibit 1 explains the strengths and emerging trends In leather industry In India.

The units are generally spread across large, medium, small and household units with the small and household units contributing almost 80% of the production.

Large and medium units are generally tanneries or either big companies which are Involved In manufacturing of footwear. The leather industry in <https://assignbuster.com/da-milano-case-study/>

India dates back to the prehistoric ages (around 3000 B. C). However, modern production was Introduced to IANAL Dye ten Engel's Ana ten French in 1857. Traditionally, the industry produced hides and skins with secondary leather industries like shoes, garments, bags, gloves, wallets, belts, etc.

However, over the years, the country underwent a sea change, going from being a mere exporter of raw material in the early sass and sass to an exporter of value-added finished leather rodents by 2011. Its success was due to the various policy initiatives taken by the Indian Government. In a bid to help the domestic industry, India prohibited the export of raw or part processed hides and skins, which helped the industry obtain a strong position. The Indian leather industry was quite large. With the country being home to nearly one-fourth of the world's cattle population, the basic raw material was available in plenty.

Of the 185 million hides and skins processed annually, 85% was sourced domestically – with cows accounting for 28 million pieces from fallen carcasses and illegal slaughter houses), buffalo 28 million, goat 82 million, and sheep 30 million (from organized and mechanized slaughter houses).

However, the import of raw hides, skins, and wet-blue was growing continuously. In addition to the hides and skins, portions of finishing and tanning materials, dyes, chemicals, and machinery were also imported. With the majority of the manufacturing units belonging to the unreasoned sector the industry faces many challenges.

Timely availability of raw materials, high labor cost, lack of product innovation and lack of presence in global fashion market are few of them. To <https://assignbuster.com/da-milano-case-study/>

support the leather industry, the Government of India has taken several initiatives from De-licensing the sector, allowing 100% FED and duty free imports, providing funding assistance to the manufacturing units, assisting in promotion of the industry through industrial parks to implementation of various industrial development programmers. Keeping in view the historical performance, strength of the sector and support from the government, the Indian leather industry is poised to grow manifolds.

Galloping exports Indian's leather industry has witnessed robust growth, transforming from a mere raw trial supplier to a value-added product exporter. In fact, today, almost 50 per cent of Indian's leather business comes from international trade. Exhibit 1 explains export of leather and leather products for five years. The major markets for Indian leather products are Germany, the US, the I-J, Italy, France, Hong Kong, Spain, the Netherlands and AJAX. Exhibit 2 explains the percentage share of various countries in Indian's leather and leather products exports.

In 2013-14, Indian's leather exports recorded a growth rate of 17. 81 per cent, reaching US\$ 5908. 82 million as against the performance of IIS\$ 5015. 1 million in the corresponding period of last year. Export of different categories of Footwear holds a major share of about 43 per cent in Indian's total leather and leather Products exports with an export value of IIS\$ 2531.

04 million, followed by leather goods and accessories with a share of 23 percent and, finished Leather with 22 per cent. Exhibit 3 explains the percentage share of leather and leather products.

Brief on Background Dad Milan Leathers Private Limited is an entity incorporated in India as a Private Limited Company under the Companies Act, 1956. The Promoters, present controllers Ana Dielectrics are all Tamely memoirs AT Mr. sureness Mall won start his leather venture in 1989, Exhibit 4 explains the History of Dad Milan. The brand has been assiduously nurtured to become a leading leather retail brand by the Mali family, which is now a premier leather brand marketed by a team of trained professionals some of whom (at the operational helm) are from the best institutes in India.

Dad Milan Ventured into production of Leather products, from one Industrial Unit the Dad Milan family now owns three Industrial Units and two exclusive dedicated vendors in India. From Two Retail Outlets at prime hi-street markets in Delhi in 1989, Dad Milan today has 45 retail outlets at best locations, malls , airports in over 10 cities in India, spread across a total of over 60000 sq. Ft. Of prime retail space. Dad Milan is a brand that embodies all the characteristics of a truly leading international name in luxury – high fashion, Italian style and traditional craftsmanship.

The brand is well known for its leather quality. It Offers the best fashion accessories in its range. From leather handbags, I-pad cases, trendy file folder, wallets, trolley bags to smaller yet essential accessories like belt, key chains ND card holders, Dad Milan offers it all. The concepts at Dad Milan are differentiated, not just by the elegance of exclusive leathers, but also by their distinctive designs which are resourced from its parent company in Italy. The craftsmanship, in two of its main seasons is employed to ladies' handbags and clutches, men's bags, wallets and accessories, luggage, travel bags and trolleys.

Above all, the collection also pampers the corporate needs with an air of snobbery, with its business gifts collection. By offering a sense of vintage with contemporary fashion, the archetypal creations of the brand gives each of its customer a sense of pride with individuality an asset offered by royal couture's! Competitors Dad Milan has large number of competitors in the market for Luxury handbag and leather segment. For instance, Hides is a company based in Benedictory which manufactures leather goods and accessories. Hides sells more than 40, 000 bags a month.

It also recorded over 35 % growth in 2013, which is much higher than its average growth rate of 20 % a year.

Hides currently has priced its products between RSI 4, 000 and RSI 25, 000 in the Indian market. Leave is another lifestyle brand which launched its first collection of bags in 2010. Presently in India, Leave handbags are sold in 20 cities. Cappers is another new brand which is imported and marketed in India by the reputed VII Industries. Cappers handbags are available in over 100 cities in retail outlets as well as VII Lounges which number around 400.

The pricing of the products is also competitive and starts from RSI 2, 000 and goes up till RSI 7, 000.

Other competitors include Lion peppers, Baggie , Laid, Pepperoni and Kara. Dad Milan has been able to establish a strong footprint in India despite tough competition. The brand's ability to generate high turnover per store makes Dad Milan a favorite among many mall owners. " Dad Milan is doing well in our mall as there is no competition in terms of pricing, quality, freshness and offerings.

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Those things are unmatched by any Indian company,” Babushka Banana, head of Pacific Mall in west Delhi, says.

Back in 2000, almost 80% of the company’s RSI 25-core revenues came from exports. Last fiscal, 80% of its RSI 135-core revenues came from retailing in the home market. This is very close to rival Hiding’s revenues of RSI 150 core with almost double the number of stores. Redefining luxury- Emerging as one of the top ml-level retailers In IANAL Animal market In 1 saw a Tray AT International luxury brands in Indian market due to globalization.

Many domestic and global leather brands experienced an increase brand consciousness among the consumers over a period of time owing to rise in propensity to spend over lifestyle product, growing retail culture and growth in economy.

Notwithstanding the deluge of international luxury bags, Dad Milan has continued with the same brand values that they started out with; to create products using the country strong heritage of craftsmanship. Dad Milan differentiates itself on design sensibilities, uniquely Indian appeal and quality of its products, made from Italian hide which is the foremost differentiating aspect.

Product portfolio expansion The brand provides huge variety and high quality to consumers looking for affordable leather products. Product differentiation is extremely important to running any kind of business. This is due to economic principles that have been demonstrated time and time again in nearly every market place. If the public perceives no difference between two

competing products, then the only possible means of competition is wrought pricing.

“ At Ezra everyday you find something new. Same is the case with our stores.

Every week we would launch 8-10 new products,” Mali says Dad Milan entered Indian market in 1989 with the leather handbags and today it offers products ranging from laptop bags, footwear, file folder, I-pad , trolley bags to smaller yet essential accessories like belt, key chains and card holders. Dad Milan has its design studio in Italy, where talented designers introduce new collections keeping global fashion forecasts in mind. The collections introduced by the brand exude character, originality, style and flair, in sync with global fashion trends.

With the advent of the big fat Indian weddings and growing number of newlywed couples traveling right after their wedding has witnessed the creation of a new product category Designer luggage. Hence, Dad Milan launches a new premium wedding collection specially targeted at brides to be. The collection varies from smart tote bags to bright & cheerful luggage trolleys which will definitely keep the bride's trousseau the way it should be, so that she can flaunt it in style during her one of the best days of her life.

Dad Million's premium wedding collection has it all from a sparkly clutch to carry your lipstick, a romantic veil for the ceremony, and more for your honeymoon travel. The Collection is harmonious blend of the International design sensibilities and amazingly bright & sheens colors and at the same time unique enough to give every woman her personal style statement.

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Dad Milan premium wedding range is specially designed to suit the need of a newlywed bride, from colors to clean cut shapes this versatile designs is bound to look chic with every ensemble be it black evening gown or a red chic dress.

The collection is designed for men & women respectively keeping the different needs of the respective individuals in mind. Not only this, now you can shop online, you just need to visit [http://www. Denominations. Com](http://www.Denominations.Com) to buy the new office professional range of Dad Milan. Dad Milan also introduced a line of leather accessories for home and office under a new sub-brand, Dad Milan Home.

Its product range would include lamps, photo frames, coffee tables, wall clocks, planters, rugs, cushions, drapes, coasters and desktop sets for office tables. Pricing- Regional customization strategy for India

In an era where customer satisfaction is driven by not merely quality of product and services out ten value Tort money Tort Nils/near purchase, ten Pricing Policy Ana strategy is perhaps the most challenging aspect of commercial retail for any leading brand. Typically in a dynamic environment that has to factor the changing customer preferences for the product and the macro volatility which at times create a necrosis on customer's purchase decisions. Pricing strategy at Dad Milan is brand and customer oriented. It presents the ethos of Dad Milan and seeks to maximize customer satisfaction.

Dad Milan has been following a unique regional customization strategy in India, with customized prices for the South Indian markets which the company officials say is a price-sensitive region.

Talking to India Retailing, Dad Milan Leather's Managing Director Shall Mali said: " The South Indian market prefers a particular price range, so we have priced our products lower in the South compared to North where the same products carry somewhat higher prices. " He said that the brand is differentiated between the two regions in many other ways, such as color.

While the company sells products of subtle colors in the South, in the North fashion colors are preferred. " Customization is a must for retailers today because India is a vast country with a huge diversity in cultures and tastes. So what sells in the North doesn't sell in the South, and vice-versa," said Mali. He added that the Dad Milan products are customized in terms of size and designs for the south While ladies bags are priced between RSI 6, 000 and RSI 15, 000, men's computer bags and luggage command anything between RSI 8, 000 and RSI 14, 000.

Global reach and expansion The brand continues to be the fastest fashion moving leather accessories brand in India. It continues to have a strong foothold across India with its 45 retail store pan India. Not only this, the brand is getting popular at E-commerce is quite connived at airports which includes Delhi Domestic Terminal-3, Delhi International departure, Iambi Domestic departure Terminal IA and Terminal B, Mandated & Kola Domestic Airport Among the key expansion projects the brand will be soon working in

other international podiums at AJAX, South East Asian and European markets.

Interestingly, airport retail is also a lucrative area of growth for brands and their tragic expansion efforts are significantly concentrated at airport retail in both domestic and international realm. It is believed that airport retail to be a brand's gateway to an international customer base as it allows the brand to test consumer's taste without being physically present in those countries.

“ It is a bit like real-time market research.

A positive response will encourage the brand to setup stores in new international locations, Besides eyeing the global market Dad Milan are also making inroads into the less penetrated towns and cities in India which present a viable Roth opportunity. Shall Mali, Managing Director, Dad Milan disagrees. “ Dad Milan is very selective when it comes to location. We are present in the best of locations be it the high streets or malls. Even the high streets that we target are the fashion hubs for the city and similarly for the malls.

Wherever the boutique is, we target only the niche audience of that particular area,” he says. Embroiling the customers Promoting the brand In terms AT tenet communication Ana marketing strategies, Dad Nolan Touches naively on the print media to drive sales, and advertise in print publications, fashion Gaines, and newspapers. In 2013, the company launched “ The Dalai Campaign ” designed to enhance the overall premiership and interaction for the brand. Dalai seemed to be a perfect holiday to catch hold of people, mainly women, getting active on Backbone.

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