



September 2018

EMPOWERING TIMES



THINKING ALOUD

The Price versus Design Debate
Jay

PODIUM

Ishu Datwani
Founder, Anmol Jewellers



WE RECOMMEND

Healer: Dr Prathap Chandra Reddy and the Transformation of India
Pranay Gupte

VOICES

The Battle of IPC 377 and the Right to Love
Krupali Bidaye



Dear Reader,

The Jewelry industry has gained importance given its dual utility of fashion and as an investment option. In India, the Jewelry sector plays a pivotal role contributing around 7% to the GDP and 15.71% to India's total merchandise exports. A labour intensive sector, it is one of the fastest growing segments of the country.

With a mix of Indian culture and western influence, consumers today are demanding new designs and varieties. The growth of this sector is enhanced by the development of large retailers, especially branded Jewelers, who are able to fulfil consumers' changing demands. Today, Jewelry shopping has become a 24 by 7, online shopping experience with major Indian retailers (Malabar Gold, Tanishq, Tribhovandas Bhimji Zaveri, PC Jewellers, etc.) building capabilities by establishing an online presence. In the near future, virtual-reality will lure consumers and define the Jewelry landscape.

Although rising demand will fuel the growth of the Jewelry sector, challenges exist. Case in point is the recent scam (read Nirav Modi) in the Indian Jewelry market which has tightened the purse strings of banks' lending to the unorganised Jewelry sector and small retailers. Adverse policy measures, market volatility, regulatory restrictions on gold imports, to name a few, will impact this sector. Despite these, global Jewelry players (the World Gold Council, World Diamond Mark Foundation and the Platinum Guild International) have safely predicted that the Jewelry industry is poised for a glittering future! **ET** this month looks at the **Retail Jewelry Business**.

In the **Thinking Aloud** segment, **Jay** takes the case of the luxe industry to explain the debate between price and design. On the **Podium**, Founder of the well-established brand, Anmol Jewellers, **Ishu Datwani** speaks of his love for his Jewelry business and the challenges involved in it. In the **We Recommend** segment, **Meeta** reviews a



relevant book which captures the life of doctor-turned-entrepreneur Prathap Reddy, Founder Chairman, Apollo Hospitals. **Healer: Dr. Prathap Chandra Reddy and the Transformation of India by Pranay Gupte**, a 2013 read walks down memory lane and talks about how Dr. Reddy's Apollo Hospitals changed the healthcare landscape of India. In the **Voices** segment, **Krupali Bidaye** shares her perspective on Section 377 of the Indian Penal Code which was recently decriminalised.

In **Figures of Speech**, we have **Vikram's** rendition of how valuable customers are in the Jewelry business!

As always, we value your opinion, so do let us know how you liked this issue. To read our previous issues, do visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) & [Google+](#) - where you can join our community to continue the dialogue with us!

THINKING ALOUD

The Price versus Design Debate

Jay

What do customers *really* want? Every marketing team has grappled with this question when they have sat around a drawing board, determining the unique selling proposition for their product (or service). A section of voices will strongly advocate that customers choose price over all other features - and there are others who will argue in favour of premium price positioning. Bringing sense to this debate is not easy as votaries on both sides have strong views, often backed with valid examples, that can be used to affirm their point of view. Economic theory tells us that in a perfectly competitive market, equilibrium price is arrived at through an interface process between demand and supply. For a firm in the marketplace, the stark reality is that this give-and-take during the

interface process could be extremely expensive - if not done right.

This issue is more acutely seen in the Luxury industry. By definition, luxe is not for everyone. A low-priced luxury product is an oxymoron. Take Fashion Apparel, Jewelry and Ladies Luxury Accessories (like Bags), for instance. Consumers for these products are not buying them for utilitarian reasons. Rather, customers usually buy them for one of the following reasons: wearing/using them for special occasions or for gifting. The third segment of consumers are those who buy it for daily or regular use - and in such case, the price segment changes.

In all the above cases, the customer's consideration, apart from personal choice, are purchasing power, lifestyle attitudes and recent fashion trends. However, what is not to be ignored is the x-factor called emotional value. This is mostly visible in the case of jewelry purchases made on special occasions - weddings, anniversaries, etc. - which are not only treasured for a lifetime but also have multi-generational significance and become family heirlooms.

The real challenge is to price design. In a world where utility pricing is decided by market competition, the test is to carve a niche for one's products by stressing the aesthetic value signified by the design element in the product. Aesthetics are in the eyes of the beholder and the marketer's task is to create a perception in the customer's mind that the design is special enough to warrant the price that you are seeking from him. This is where Brands come into play. The more you are seen as a commodity - just another bland player in a crowded field - the less reasons you offer to a customer to pay a price higher than the next product. Conversely, the more exclusive you make your product out to be, the higher the price you can command. The exclusive edge in features may not be much - and you may not be able to hold on to this advantage for too long in a world of copy cats - but if you can combine it with smart optics and a tight legal contract, your premium positioning can be sustained for fairly long periods. Some do argue that Apple has used this strategy well to lock and hold on to its customers in an exclusive eco-system. While Chinese firms are quick to come to the market with similar follow-on products, none can match Apple's appeal.

Luxury goods firms, of course, can go to any extent to preserve their elite appeal. The recent uproar over disclosure that Burberry destroys its excess inventory (running into millions) threw light on a well-kept secret of the fashion & luxury goods businesses - creating exclusivity by inventing artificial scarcity! Many well-known

brands - H&M, Louis Vuitton, Cartier, Victoria's Secret, Nike, and many others - have done this for years and now attract the ire of activists as being the 'world's worst polluters'. In their quest to retain their premium price, they would rather extinguish their lines than be seen as a discounter.

The Indian consumer has long been seen as a utilitarian customer. However, post-liberalization India has created a market of consumers who aspire for more. Hence, luxury labels are multiplying in India, both global and a new generation of designer Indian brands (primarily in luxury fashion garments and in Jewelry). The burgeoning middle class is now willing to shed its inhibitions and go public with its lust for luxury. The marketer's challenge is now to take the conversation away from the 'value-for-money/kitna deti hai' mentality and feed the 'have-it-and-will flaunt-it' consumerist attitude. Emphasis on design and premium branding will be the vehicle that drives this shift.

[back to top ^](#)

Podium

Interview with Ishu Datwani Founder - Anmol Jewellers



Ishu Datwani is the Founder of the celebrated brand, Anmol Jewellers, established in 1986. His journey with Jewels and gems started when he successfully pursued a course at the Gemological Institute whilst in college as a student of Commerce. He is a first generation Jeweler and made headway into the Jewelry business with a firm resolve to create a brand to reckon with. From a humble beginning 32 years ago, today, Anmol Jewellers is counted among India's finest and most revered Jewelry brands.

ET: Retailing Jewelry is not just a highly competitive business but is also about offering great designs and creating a powerful brand. In your opinion, how can a business build its brand to create a special niche in the marketplace?

ID: For us, it is all about Design, Design and Design! Discerning clients are always looking for exclusive designs in Jewelry. When we talk of excellence in design, we also mean excellence in craftsmanship, finish and attention to detail, which is an inherent part of design. Our attention to design development is intense and undivided. The attention to detail helps us in creating the best finished Jewelry in the country and create a special niche in the marketplace. Only if we value ourselves, can we make a brand for ourselves.

ET: From your vast experience as a luxury retailer, please share what are the challenges companies face while serving retail clients.

ID: Retail selling is a completely different ball-game and one needs to understand the psyche of the consumer and come to their level and then communicate with them.

I would like to say specifically from a Jewelry retail perspective that one major challenge that we face in the Indian Jewelry industry would be the consumer buying thought process. From being curious about the break-up and the making charges for every piece to being curious about the return value of every piece - which can be easily measured. I wish they could understand and appreciate the design and aesthetics of Jewelry and give respect to not only the designers who use their creativity to come up with unusual designs, but also the craftsmen who put in their labour and artistry in creating unique pieces of Jewelry.

Overseas, people never expect a break-up, and consumers look at the value based on aesthetics. Both design and craftsmanship are intangible elements which lend exclusivity to Jewelry and I wish consumers in India can acknowledge and appreciate its value and importance and are willing to pay the premium for design and craftsmanship of a Jewelry piece.

ET: It is said that a customer is central to an enterprise. In your view, what does it take to build long term relationships with a customer?

ID: It is very important to have a strong value system comprising of ethics and principles. Our value system plays a very important role in building the foundation for our success. At Anmol, we believe that we must always be honest, fair and transparent in our dealings. Trust forms the base of every relationship and it is the most important factor which can define our relationships with our customers. We have a long-term attitude and it invariably reflects in everything that we do.

ET: A well accepted study in B2B selling indicated that, 'Customers say that they buy based on product and price. But research shows that value-added services and the sales experience matter as much or more'. In your view, does this statement applicable to B2C selling too, and if yes, why?

ID: According to me, the product is always the 'King'. However well one may tell the story to sell his products, it is the quality and supremacy of the product which can make or break a brand. The frills attached to a product may help bring customers to the store, but ultimately it is the product which defines a brand and is the precursor

to the sale. The differentiating factor for a brand is always the product. But at the same time, it is also important to create an everlasting sales experience and make the customer feel important - that would be the icing on the cake!

ET: Please share with us more about your firm, Anmol Jewellers, and how you have built a vast following of loyal customers.

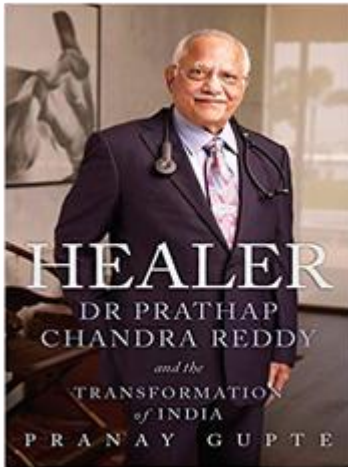
ID: Anmol was established on 4th April 1986 and over the last 32 years, we have grown as a store and as a brand. One of most important attributes responsible for our success is the fact our brand is built on a strong foundation of ethics, values and principles which remain at the core of our existence. Honesty, Integrity, Trust and Transparency are the four pillars of this foundation. We always have the customer's best interest in mind, which is why we have been able to build and sustain long-term relationships with our customers. We also have a very strong loyalty program for our customers called the 'Anmol Hug' which aims at strengthening the bond we share with our customers, with personalized rewards and benefits offered only to the privileged few who are a part of the Anmol Hug.

[back to top ^](#)

We Recommend

Healer: Dr Prathap Chandra Reddy and the Transformation of India

Pranay Gupte



When I started reading "Healer - Dr. Prathap Chandra Reddy and the Transformation of India" by Pranay Gupte, I was anticipating this read to be similar to "An Unfinished Agenda" which is the autobiography of Dr. Anji Reddy. Though the cultural backgrounds of both these personalities are similar, the difference lies in the way Gupte has captured the life and times of doctor turned entrepreneur, Prathap C. Reddy, Founder Chairman of Apollo Hospitals. Pranay Gupte, from Mumbai worked for the New York Times and as a foreign correspondent he worked with major international publications and currently lives in New York.

This book has captured intense emotions of Dr. Reddy through his journey as a student, a son, a husband, a doctor and finally an entrepreneur, which makes it a very compelling read. Gupte shadowed Dr. Reddy for a whole year to write the book. It details Dr. Reddy's early life, right up to a historic date, September 18, 1983, when Apollo's first hospital in Chennai was inaugurated by Giani Zail Singh, the then Indian President.

The book details Dr. Reddy's lifestyle and his kind, sensible and generous behaviour with his colleagues. His spiritual aspect of praying and meditating, his humility and genuineness and his persistent dedication have contributed to his stunning success in creating India's first private sector hospital system. Gupte maintains that when Dr. Reddy returned to India from the US in 1970, setting up Apollo Hospitals may not have been among his objectives. His first goal then was to create a first-rate cardiology practice. In fact, Dr. Reddy wanted to settle down in the US, but his father was a very great influence in Dr. Reddy's life and because of his urging, Dr. Reddy

returned to India after finishing his training in the US.

Some interesting anecdotes to read are about Dr. Reddy being a fussy eater, being the naughtiest amongst his siblings and being his mother's favourite child. There is also an incident which highlights his compassion as a doctor - when he got slapped by a patient in the US who was furious for being treated by an Indian doctor and how Dr. Reddy convinced his boss to not react and treat the patient kindly.

We see Dr. Reddy's strong belief in astrology and numerology. He consulted his astrologer and numerologist, D. Nagarajan, who made some calculations and suggested Dr. Reddy put up a figure of Rs 17.4 lakhs, which turned out to be the winning bid for the Apollo Hospital deal in Chennai. Dr. Reddy was a visionary and had a knack of persuading people. He was able to convince the bureaucrats about the need to offer tertiary care to 1.6 billion patients by 2030 and provide them with appropriate healthcare facilities. Testimonials by Jeffrey Immelt, Chairman and CEO of General Electric, Ratan Tata, Chairman of Tata Trusts and Mukesh Ambani, Chairman and CEO of Reliance Industries speak volumes of his visionary personality. Today Apollo Hospitals has grown in to a very large chain having 38 owned and 13 managed hospitals and treating patients from 120 countries. This has created opportunities for Indian doctors settled abroad to return to India and help them advance professionally.

The read also has information about healthcare in India and innovations like robotic surgery. The last segment of the book is all about Dr. Reddy's family members and how his legacy is moving forward.

[back to top ^](#)

VOICES

The Battle of IPC 377 and the Right to Love Introduction by Krupali Bidaye



In April 2014, the historic NALSA judgement brought about a revolutionary change in India. It established a gender identity beyond binary classification of gender, and upheld the Right to Self-identification of gender identity, acknowledging that gender identity was an 'intrinsic sense of being' for an individual. This turned the tables for a community that remained unacknowledged in the legal, political and societal spheres. However, legal recognition and institutionalisation of 'transgender' identity was just the beginning!

In August 2017, the Hon'ble Supreme Court upheld the Right to Privacy as a fundamental right under the Constitution of India. The judgement stated that the protection of sexual orientation lies at the core of fundamental rights, and the rights of the LGBT population are real and are founded on constitutional doctrine.

The changing legal environment, the progressive judgements, community participation and assertion for their human and fundamental rights, and long battle against Indian Penal Code Section 377, led to another historic judgement that would be a call for real 'freedom' for the LGBT community. The Hon'ble Supreme Court struck down IPC 377, decriminalised consensual adult sex saying 'sexual orientation is natural and people have no control over it'. IPC 377, refers of 'unnatural offences' and states that whoever voluntarily has 'carnal intercourse' against the order of nature shall be with any man, woman or animal, shall be punished with imprisonment for life, or with imprisonment of either description for a term which may extend to 10 years, and shall also be liable to pay a fine. This has brought rejoice to the LGBT community across India, and on the day of the judgement - 6th September 2018 - social media waves expressed untold stories of love, relationships, emotions that were

suppressed, subdued, and yet under the covers for ages.

The Right to Love has been upheld. Love that is beyond the perceptions and perspectives of the majority, beyond the rights and wrongs of rule books, institution of marriage and definition of 'family'. It upholds love that is beyond sex, and very aptly complements the NALSA judgement in its principle of acknowledging the gender identity that is intrinsic to an individual's sense of being. The victory has come much later, after ages of discrimination, suicides, dismissals from public jobs and 'social deaths' of persons who advocated for love beyond sex, who advocated their right to love the individual, and not his gender.

The corporate sector has been opening itself to more diversity, with attempts at inclusion of the LGBTQ individuals. However for this to take place in letter and spirit, the systems will need to change, the shifts will need to take place in cultures and attitudes. In a recent tweet that was tweeted nearly 400 times, a corporate giant claimed to have sacked an employee who was accused of harassing and discriminating against another employee on grounds of sexual orientation. This response was a welcome step to show zero tolerance towards discrimination based on sexual orientation. With the striking down of IPC 377, it is time to create a corporate policy that not only stands for inclusive work spaces, but will also be an enabler for individuals to express their real self freely and fully, for only in an environment that respects dignity, a place for diversity can be created and the full potential of individuals harnessed.

While we rejoice this victory, we must remember this is not the end. Let us wait and watch if the right to love shall ever manifest in the right to same - sex marriage in India. We are on the road, but there is a long way to walk yet!

[back to top ^](#)

THROUGH THE LENS



Rupesh Balsara walks through the picturesque Kaas Plateau situated 25 kilometres West from Satara city in Maharashtra. The Plateau turns in to a 'valley of flowers' during August to early October and has more than 150 or more types of flowers, shrubs and grasses. Rupesh presents a collage of the flowers in full bloom at this UNESCO World Natural Heritage Site.

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