

Business Development from Start to Scale
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Week - 12
Business Development Case Studies
Lecture - 60
A Case Study on Titan

Hi friends, welcome to the NPTEL course Business Development from Start to Scale. We are in week 12 with the Theme of Business Development Case Studies. In this lecture, the 60th in the series, I discussed the topic of From Start to Scale.

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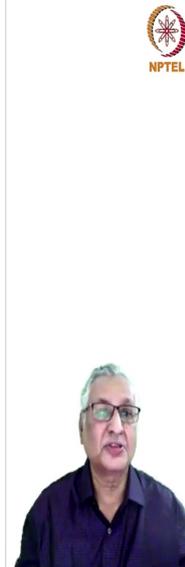
- Top Center:** Titan Company logo (a green diamond shape) and the text "TITAN COMPANY".
- Top Right:** NPTEL logo.
- Center:** The title "A Case Study on Titan" in red text.
- Bottom Left:** A logo consisting of a stylized "T" followed by the word "TITAN".
- Bottom Right:** A small video inset showing a man with glasses and a dark shirt speaking.

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Contents

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This concept is introduced and discussed based on a case study of titan. The presentation is split into many parts. Watch industry and titan and evolution followed by vision and mission, business development, strategic drivers, omnichannel strategy, core competencies, business development structures, scale and margin development and leadership. And the case study is summed up towards the end.

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Watch Industry and Titan Evolution



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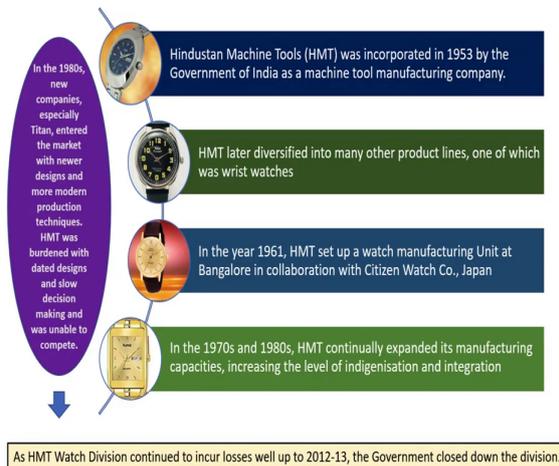


Let us look at the watch industry and Titans evolution. The global watch market was worth USD 67 billion in 2021. It is estimated to grow to USD 94 billion by 2027, (Refer Time: 01:08) a compounded annual growth rate of 6 percent. You can see some of the most famous brands of the world in terms of watches. Rolex, Cartier, Longines, Bulgari, Swatch, Tissot, Breitling, Omega, Timex, Tommy Hilfiger, Seiko, Tag Heuer, Casio, Mont-Blank, Cavin Klein, Tudor, Samsung. And it is of pride for India.

The Titan finds a place as part of the top rankers in the global watch design and manufacture.

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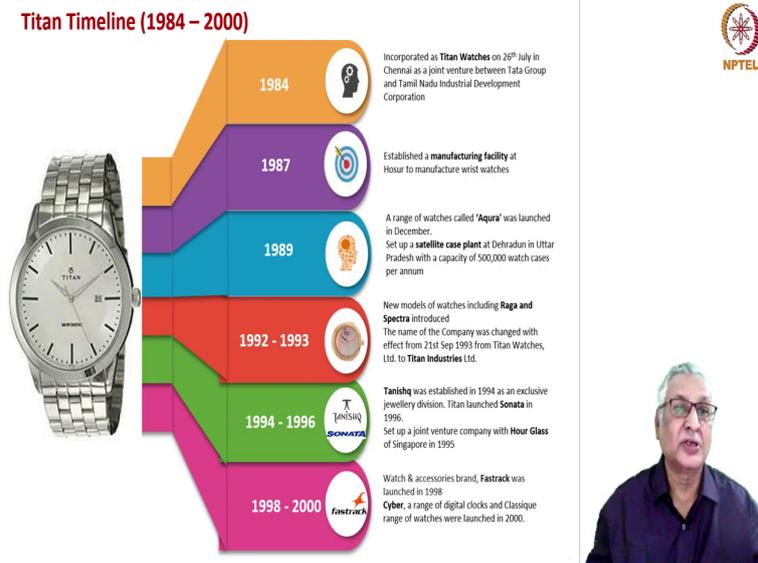
Indian Watch Industry: Led by HMT in the 1960s and 1970s



The Indian watch industry was led by HMT in the 1960s and 1970s. In the Hindustan Machine tools or HMT was incorporated in 1953 by the Government of India as a Machine tool manufacturing company. HMT later diversified into many other product lines, one of which was wrist watches. In the year 1961, HMT set up a Watch Manufacturing Unit at Bangalore in collaboration with Citizen Watch Company in Japan.

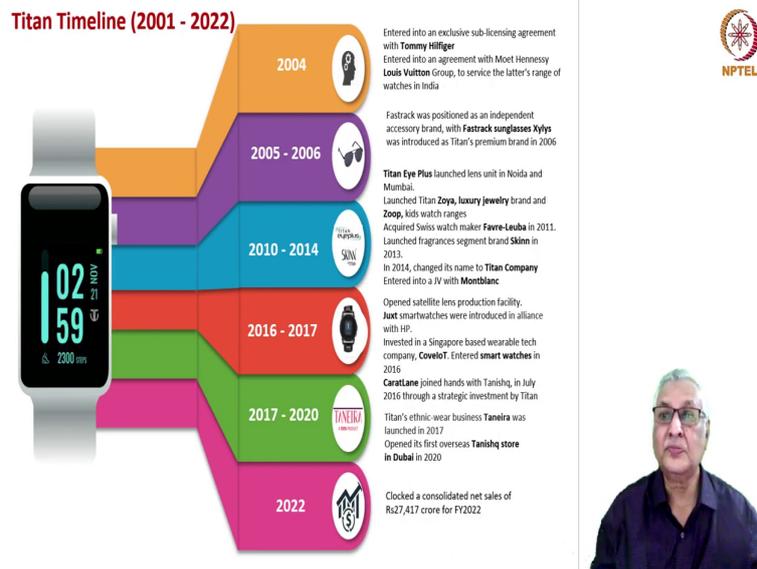
In the 1970s and 1980s, HMT continually expanded its manufacturing capacities, increasing the level of indigenisation and integration. However, its production was far behind the demand. In the 1980s, new companies, especially Titan entered the market with newer designs and more modern production techniques. HMT was burdened with dated designs and slow decision-making and was unable to compete. As HMT watch division continued to incur losses well up to 2012-13, the government closed down the division.

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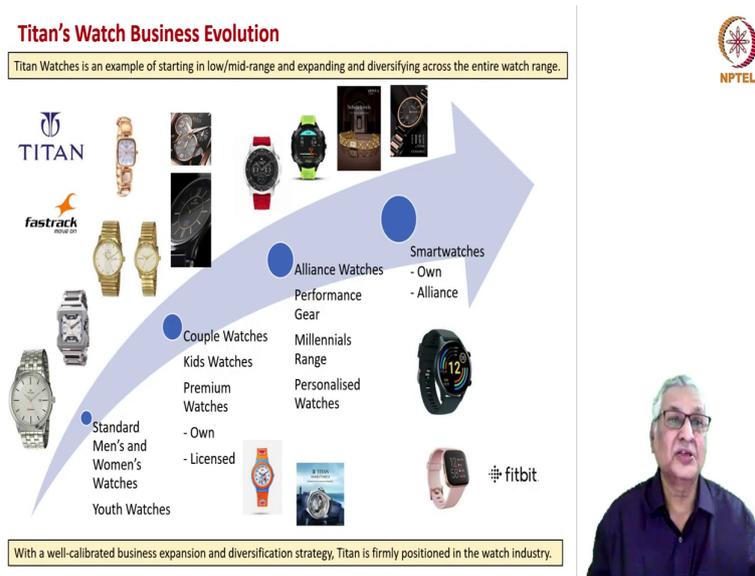
Titan Timeline started in 1984. It was incorporated as Titan watches on 26th July, 1984 as a joint venture between Tata Group and Tamil Nadu Industrial Development Corporation. After it established a manufacturing facility at Hosur, it started introducing several watches into the market. One of the important landmark events for Titan was the establishment of an exclusive jewellery division called Tanishq. That happened in 1994. It also launched its watch and accessories brand called Fastrack in 1998.

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In 2005, Fastrack was positioned even in a broader sense by adding accessories such as sunglasses. The company entered into various other businesses over the next several years into the eye care, into dresswear, into fashion and fragrances and other international operations. In 2022, it clocked a consolidated net sales of rupees 27,417 crore.

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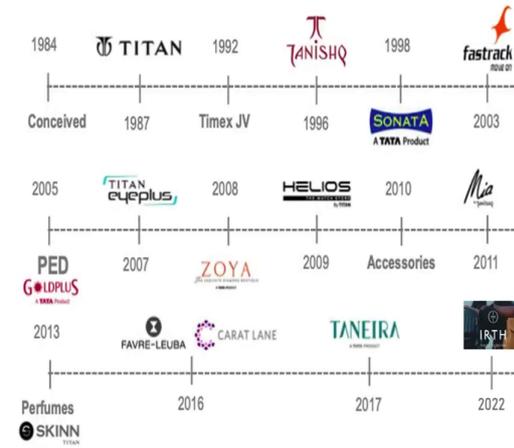


You can see the watch business getting built by Titan over a period of time. Titan watches is an example of starting in low-mid range and expanding and diversifying across the entire watch range. Its life started with standard men's and women's watches and youth watches. Then it moved to couple watches, kids' watches, premium watches, both owned and licensed.

As technology evolved, alliance watches performance gear millennials range personalised watches were brought into the system. And today, Titan also manufactures smart watches which are owned as well as in alliance. With a well-calibrated business expansion and diversification strategy, Titan is firmly positioned in the watch industry.

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Titan Business Lines – Impactful Diversification



You can see the business line diversification of Titan over the years. First Titan followed by Tanishq, then Fastrack. And in the middle, there was Sonata as a budget watch range. Then various divisions of Tanishq were brought in, accessories came in 2010. Perfumes came in 2013. Taneira, the dress brand, came in 2017 and bags in 2022.

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Vision and Mission



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Titan Philosophy, Vision and Mission

Progressive growth-oriented companies not only adopt higher-order philosophy, vision and mission but also strategically execute on these elements of business. Titan's journey is a reflection of this ethic.

Philosophy

- The name Titan must evoke superior craftsmanship, innovative technology and trustworthy product quality

Vision

- "We create elevating experiences for the people we touch and significantly impact the world we work in"

Mission

- "We will do this through a pioneering spirit and a caring, value-driven culture that fosters innovation, drives performance and ensures the highest global standards in everything we do"

A company's vision and mission are enhanced by the values that the company lives by, as shown by Titan.



Let us look at the vision and mission of Titan. Titan philosophy, vision and mission are presented here. The important aspect of business development is that business development is just started transaction. It is not like sales. It is not like doing a particular functional activity. Business development is an extension of a company's stature in the marketplace.

For that, the company needs to have a holistic strategy of how it would adopt itself or cater to the market needs. Progressive growth-oriented companies not only adopt higher-order philosophy, vision and mission, but also strategically execute on these elements of business.

Titan's journey is a reflection of this ethic. The philosophy of Titan is that the name Titan must evoke superior craftsmanship, innovative technology and trustworthy product quality. The vision in Titan's own words, we create elevating experiences for the people we touch and

significantly impact the world we work in. As I talked about vision in my previous lectures, vision must be sufficiently broad to stay and guide the company for several years.

The mission of Titan again expressed as per Titan's words is as follows. We will do this through a pioneering spirit and a caring, valued-driven culture that fosters innovation, drives performance and ensures the highest global standards in everything we do. A company's vision and mission are executed, but also enhanced by the values that the company lives by and this is demonstrated by Titan.

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Titan Values and Standards

Interestingly, Titan combines values that guide conduct with standards that determine performance.



Together, the company, philosophy, vision, mission and values constitute the DNA of Titan as a company



Titan values and standards guide the conduct and that guidance helps the company determine performance of a high-order. Customer first, people make the brand, culture and teamwork, creativity and innovation, passion for excellence and corporate citizenship are the values of

Titan. Together, the company philosophy, vision, mission and values constitute the DNA of Titan as a company.

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Titan at a Glance

Titan is a joint venture of Tata Group and Tamil Nadu Industrial Development Corporation (TIDCO), a Government of Tamil Nadu Undertaking established in 1984. Such a private-public collaboration, and that too in consumer business, in an era when such formations were rare, qualifies as a pioneering initiative.

Rs 27,456 crore Standalone revenue for FY 2021-22	Rs 2,25,156 crore Market capitalisation	2,178 Number of stores	2.8 mn+ Retail area in sq.ft.
11 Manufacturing and assembly Facilities	7,263 Employees	34% Gender diversity at the entry levels	15% Gender diversity in top management
Rs 2,750+ crore Sales through new- age channels	Rs 35.42 crore CSR spend	Over 4.50 lakh Lives touched through CSR activities	6 lakh+ Shareholders

Note: All numbers as of 31st March 2022

Titan has been continually extending its product and business horizons to become a bigger lifestyle brand



Let us look at Titan at a glance. Titan had a standalone revenue for financial year 2021-22 of rupees 27,456 crore. Its market capitalization is rupees 2,25,156 crore nearly 10 times the revenue, which is very impressive. It has 2,178 stores all over India and it has 2.8 million plus retail area in square feet. It has 11 manufacturing and assembly facilities all across India. Employees 7,263 people, gender diversity at Titan is 34 percent at the entry levels and it is at 15 percent in the top management.

Rupees 2,750 plus crore is the sale through new age channels, especially the digital ones. The company spends rupees 35.42 crore on CSR. Over 4.5 lakhs lives are touched through CSR

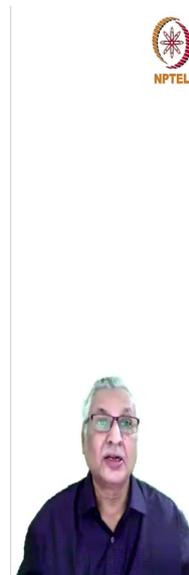
initiatives, 6 lakh plus shareholders are with Titan. Titan, as I said, is a joint venture of Tata Group and Tamil Nadu Industrial Development Corporation. It was established in 1984.

In those years, such a private public collaboration, that to in consumer business was never thought about. In an era when such formations were rare Titan's emergence qualify as a pioneering initiative. Titan has been continually extending its product and business horizons to become a bigger lifestyle brand over the years.

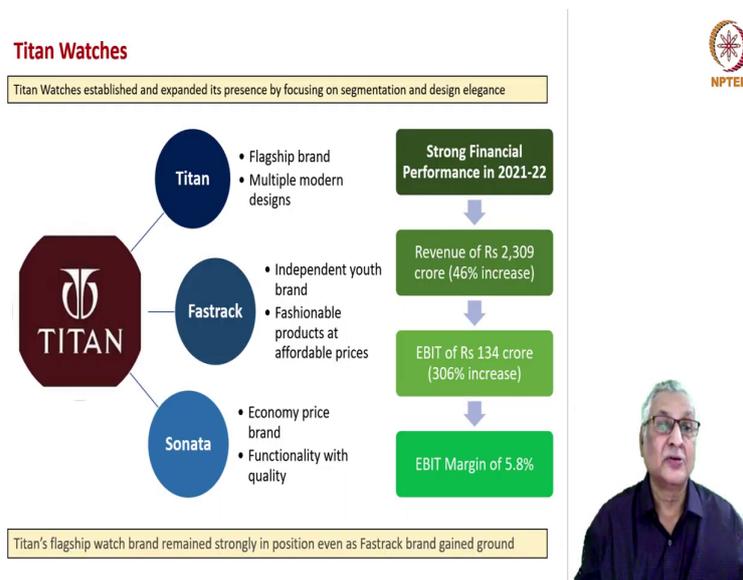
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Business Development

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Let us look at Titan's business development. Business by business. Titan watches established and expanded its presence by focusing on segmentation and design elegance. I have talked about the growth of Titan watches in terms of the range in one of the earlier slides. Over the years, Titan standardized on three particular brand clusters, Titan, which is the flagship brand providing multiple modern designs.

Fastrack as an independent youth brand, fashionable products at affordable prices and sonata within Titan as an economy-priced brand, functionality supplemented by quality. Titan posted strong financial performance in 2021-22 as the watches division. Revenue of rupees 2309 crore, 46 percent increase over the previous year. Ebit of rupees 134 crore, 306 percent decrease and ebit margin of 5.8 percent. Titan's flagship watch brand remains strongly in position, even as Fastrack brand gained ground.

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Business Development at Titan Watches

Business development at Titan watches focused on consolidation and growth based on customer needs

New Analogue Collections Edge, Raga and several others	New Smart Watches Alexa enabled with health tracking
Reinforcing Fastrack New digital designs, Alexa smartwatches, Wireless earphones	Strengthening Sonata New fashion designs with multiple value points
Channel Upgrades large format stores, modern trade, exclusive brand outlets (EBOs) and multi-brand outlets (MBOs)	Digital Channels E-commerce and D2V sites, integration of physical and online
Transforming Experiences investments in retail transformation, portfolio expansion and marketing campaigns	Portfolio Premiumisation Titan World Store chain, as well as Helios stores

Note: All numbers as of 31st March 2022

Though far overtaken by Tanishq in terms of revenues and margins, Titan watches remains a core business

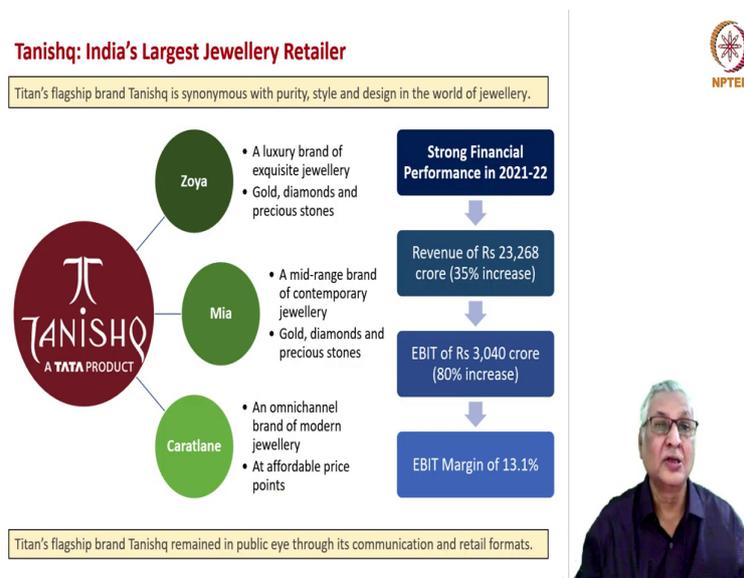


How did business development happen at Titan watches over the years? It focused on consolidation and growth based on consumer needs. New analogue collections, new smart watches, reinforcement of Fastrack, strengthening of sonata, upgrading channels, digital channels getting introduced, transforming experiences and portfolio premiumisation.

Were the key drivers of business development at Titan watches. Portfolio premiumisation happened with the upgradation of various Titan retail stores. Titan World Store chain as well as Helios stores or the flagship stores for Titan. So, when you look at how these sales and margins accelerated for Titan watches, four are the important reasons, design updates, omnichannel sales, deployment of an appropriate channel mix within the omnichannel situation and premium experiences provided to the consumers.

Though far overtaken by Tanishq in terms of revenues and margins, Titan watches remains a co-business for Titan and the company is very much known by the watch brands.

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Let us look at Tanishq. Tanishq is India's largest jewellery retailer today. It is a flagship brand for Titan. This brand is synonymous with purity, style and design in the world of jewelry. Tanishq sells its products through three brands. Zoya, Mia and Caratlane. Zoya is a luxury brand of exquisite jewelry. Gold diamonds and precious stones. Mia is a mid-range brand of contemporary jewelry. Gold diamonds and precious stones.

Caratlane is an omnichannel brand of modern jewellery at affordable price points. The division posted strong financial performance in 2021-22. In terms of revenue numbers, Tanishq is the largest and the most dominant segment of Titan's business. Revenue of Rupees

23,268 crore, 35 percent increase. EBIT of Rupees 3040 crore 80 percent increase and EBIT margin of 13.1 percent.

As you would have noticed, this EBIT margin is much higher than the a bit margin of the watches division. Titan's flagship brand Tanishq remained in public eye all through its growth period and even today through its communication and retail formats.

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Business Development at Tanishq

Business development at Tanishq focused on several initiatives of better customer connect and service.

Growing Retail Network Retail stores increased to 582	Growing Customer Base Increasing reach up to Tier 4 cities and towns
Growing in Strategic Market of Tamil Nadu State-specific plans and execution	Product Innovation Continuous introduction of new designs
Driving Brand Engagement Strong and evocative marketing campaigns	Reinforcing Trust Hallmarking, Customer savings schemes
Leveraging Technology Multiple digital and omnichannel initiatives	Entry into New Geographies and Formats Caratlane and Digital Gold

Growth in Margins

- Scale
- Price Movements
- Operating Leverage
- Product Mix

Note: All numbers as of 31st March 2022

The inception and growth of Tanishq is a classic case of successful and holistic business development.



How did business development occur at Tanishq? Several initiatives for better customer connect and service, prime Tanishq image in the customer minds. Growing retail network, retail stores were increased to as many as 580 plus. Growing customer base, the division reached up to tier 4 cities and towns.

Strategic markets were identified and state specific plans and programs were drawn up and executed. Continuous introduction of new designs. Driving brand engagement through strong and evocative marketing campaigns. Trust was reinforced through hall marking and customer savings schemes. Technology was leveraged in terms of multiple digital and omnichannel initiatives and the division continued to enter into new geographies and formats on a regular basis.

Currently, in a digital goal provided that kind of support as well. To be able to do business development successfully and achieve high growth in margins, the division looked at scale, operating leverage, product mix and aligning with the gold price movements in such a manner that both customers and the company are benefited. The inception and growth of Tanishq is a classic case of successful and holistic business development.

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Titan EyeCare

Titan's EyeCare division has been a significant diversification that attempts formalisation of eye care

- Eye+**
 - The largest optical retail chain
- TITAN eyeplus**
 - Multiple Brands**
 - Titan, Titan Glares, Titan Crest and Fastrack brands
 - Multiple Applications**
 - Eye Glasses, Reading Glasses, Sunglasses, Computer Glasses, Contact Lenses

Growing Financial Performance in 2021-22

- Revenue of Rs 517 crore
- EBIT of Rs 55 crore
- EBIT Margin of 10.6%

Despite competition from low-cost brands like Lenskart, Titan Eyecare division grew strongly.



Let us look at Titan eye care. This has been a significant diversification and that attempted formalization of eye care. Eye PLUS is the largest optical retail chain of a Titan. It has multiple brands, Titan Glares, Titan Crest and Fastrack brands. And the applications are also multiple. Eye glass, reading glasses, sunglasses, computer glasses and contact glasses. It is not huge in terms of revenue, but it started registering increases in revenues and profits over last few years.

Revenue of 517 crore, EBIT of rupees 55 crore and EBIT margin of 10.6 percent. It is mid way between Tanishq and Titan in terms of the EBIT margin. Despite competition from low cost brands such as lenskart, Titan eye care division grew strongly.

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Business Development at Titan Eyecare

Business development at Titan Eyecare focused on a good portfolio mix and enhancing retail experience

Titan Eye+ Retail Expansion Relentless expansion with target of 1000 stores	Tie-up with Sankara Nethralaya For training and unique eyecare solutions
Omni-channel Seamless connectivity between digital and physical channels (Dm, MRO and departmental stores)	Titan Eye+ App Access to in-house and international brand universe
Smart Glasses Entry into smart eyewear with Titan EYE, the first-of-its-kind smart glasses	Hyperconnectivity ClearSightZ, a first-of-its-kind 8 in 1 lens launched for the hyperconnected generation; Fastrack computer glasses and Steel Frames
OfficePro A unique visual solution in lenses for professionals covering distinct work profiles of laptop and desktop	Crest Bold An acetate material eyeglasses under Titan Crest Collection

Note: All numbers as of 31st March 2022

With time, Titan Eyecare emerged as a formidable leader in eyecare with high technology products.





And what was the driver of business development at Titan eye care? Good portfolio mix and enhancing retail experience. Titan constituted eye PLUS retail stores as its chief flagship store

approach. Relentless expansion with the target of 1000 stores. Tie up with Sankar Nethralaya, which is a renowned eye care hospital for training and providing unique eye care solutions. Omnichannel, given the nature of product, seamless connectivity between digital and physical channels was achieved.

Titan eye PLUS app provided complete access to both in-house as well as international brands in spectacle field. It entered the smart glass era. It entered the smart-eye wear product range with Titan EYEX, the first of its kind smart glasses. And it also provides hyper-connectivity with 8 in 1 lens, which is probably the first of its kind.

That was launched for the hyper-connected generation provided Fastrack computer glasses and steel frames as well. Office Pro is another unique solution. It provides lenses for professionals covering distant and distinct work profiles of laptop and desktop. Crest bold is an acetate material eye glass under Titan crest Collection.

The business development focused on competitive growth because the market is competitive and the brand had to be established. Strong portfolio, multiple in-house brands, channel mix and select global brands. With Titan eye care, the leadership in eye care has been addressed with its technology profile. Eye care was considered a commodity. However, Titan tried to provide differentiation by bringing in the technology edge to eye care.

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Fragrances and Fashion Accessories (FFA) Business

Titan entered the fragrances business due to the belief that it is underpenetrated, and offers potential.



The entry into FFA business marks the first strong move by Titan to become a broader lifestyle brand.

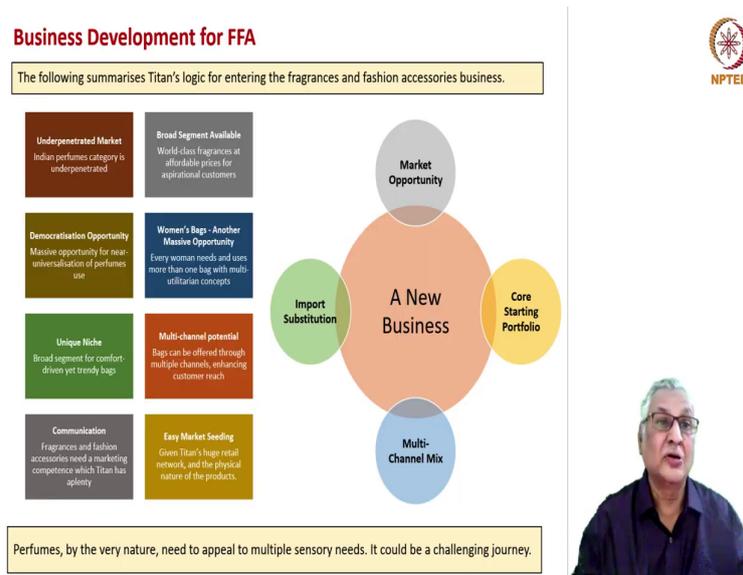


Fragrances and fashion accessories, FFA, as Titan calls it. Titan entered this business due to the belief that it is under-penetrated and offers potential. If you look at Titan's growth strategies, all the growth strategies were based upon entering into markets that are under-penetrated. And formalization and modernization of these markets are expected to provide a firm foot to Titan.

And that is the strategy that is getting reflected and repeated in the FFA business. It has two principal segments, fragrances and fashion accessories. Fragrances comprises skin imported fragrances and Fastrack indigenous fragrances. Fashion accessories comprises women's bags with around 100 variants. It has turned out notable financial performance in 2021-22. A revenue of rupees 790 crore higher than the eye care plus and has 2,303 stores.

The entry into FFA business marks the first strong move by Titan to become a broader lifestyle brand.

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How did the company do the business development for FFA? First, it considered the entire market as under-penetrated. Second, it looked at the whole segment as the broad market. World-class fragrances at affordable prices for aspirational customers is the theme of the company. And it also saw democratization of perfume use as an opportunity.

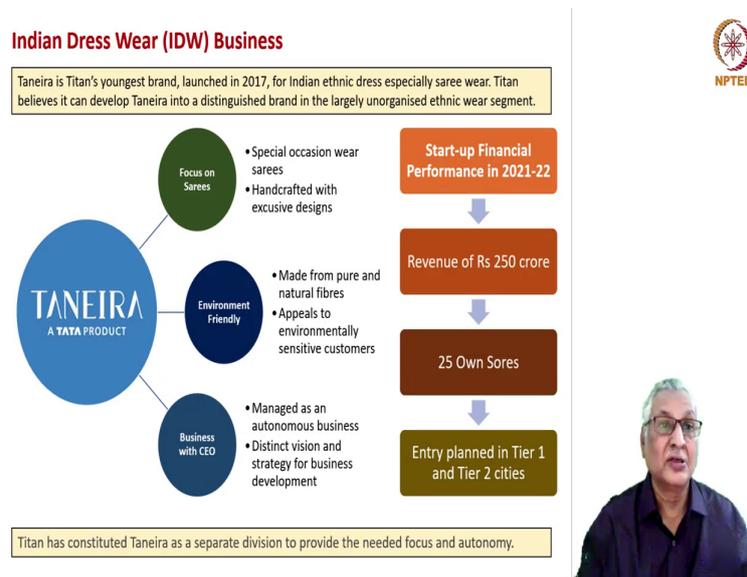
Women's bags were seen as another massive opportunity given the fact that every woman needs a bag and at least has more than two bags with multiple utilitarian concepts. Unique niche, broad segment for comfort-driven yet trendy bags and there is multi-channel potential.

Bags can be offered through multiple channels enhancing customer reach. It is not necessary that the bags are marketed only through the company owned outlets.

The communication on fragrances and fashion accessories required lot of new type of marketing competence and Titan in the in any case had that kind of capability. And easy market seating was available because Titan already had a huge retail network and the physical nature of the products enabled the products to be displayed in various Titan retail stores. How did this new business get set up? First, the market opportunity. Two, go starting portfolio. Three, multi-channel mix and four, import substitution.

Perfumes as I said earlier, which will be the dominant segment of the FFA business need to appeal to multiple sensory needs. Therefore, there could be a challenging journey in the FFA business.

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Next is the Indian dress wear business. Taneira, the brand for the Indian dress wear, is Titan's youngest brand. It was launched in 2017 for Indian ethnic dress, especially the saree wear. Titan believes it can develop Taneira into a distinguished brand in the largely unorganised ethnic wear segment.

The focus is on sarees, special occasion wear sarees hand crafted with exclusive designs. The products are environmentally friendly made from pure and natural fibers, appeals to environmentally sensitive customers. This business, despite this small size and the startup nature, is managed as an autonomous business with a separate CEO.

The company has a distinct vision and strategy for business development. Startup financial performance in FY 2022, a revenue of 250 crore, 25 own stores and entry planned in tier 1 and tier 2 cities.

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Business Development for Taneira

The following summarises Titan's business development playbook for the Indian Dress Wear business.



Taneira would be yet another important move for Titan to emerge as an emphatic lifestyle brand.



How did the business development for Taneira start, despite the fact that COVID posed lot of setbacks for the physical expansion? Tanishq Experience was getting utilized. Titan's experience of building national retail jewellery chain and the most trusted brand is being utilized by Taneira to establish Taneira as a distinct brand. And it is a niche segment.

Focus on environment friendly, pure and natural fabrics. The broad ethnic theme pervades the marketing communication. And it has the grit because of the exclusive SBU structure to overcome the COVID setback with appropriate budget support and readable marketing.

There has been thematic product innovation based on the ethnic nature of the products. And it also has a ready-to-wear adjunct. Distinctive marketing has been deployed. Specialized marketing mix and marketing campaign for IDW. And there is also as I said distinct

management. This again being a new business. The opportunity is seen in terms of something that is not catered to fully by the formal sector.

Ethnic market opportunity, a special product portfolio, exclusive retail stores with digital support and a theme of ethnicity and sustainability. Taneira would be yet another important move for titan to emerge as an emphatic lifestyle brand.

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Strategic Drivers



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Strategic Drivers: Watches and Wearables

Titan's strong entry and growth into the watches reflects the founder's passion and focus on technology.

To have a "volume focus" along with "premiumisation" and work on the transformation of existing channels

Particulars	2021-22	2026-27	% Growth
Stores	*882	1044	18
Sales (in Rs Crore)	2309	11,000	376
EBIT Margin	4.3%	18%	319



* Includes World of Titan, Fastrack and Helios stores (as of June 30, 2022)



Titan's subsequent entry into the jewellery segment through Tanishq represents brilliant entrepreneurship.



What are the strategic drivers going forward for each of these businesses? Let us look at watches and wearables first. Titan's strong entry and growth into the watches business reflects the founder's passion and focus on technology from 1984 onwards. Today, Taneira has a larger volume focus and premiumisation. And the work on transformation of the existing channels is proceeding as per the direction.

Stores are going to be increased and the sales turnover is ambitiously set at 5x. EBIT margin is supposed to be double to 18 percent from the current 4.3 percent. What are the five drivers? Traction on the back of design differentiated products, agility to respond to changing needs and changing demands, make in India initiative, major market share in the domestic organized watch market.

So, leverage this scale, compelling marketing campaigns. Let us look at the next entry, subsequent entry into the jewellery segment. And that is brilliant entrepreneurship.

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Strategic Drivers: Tanishq

Business Development rests on big dreams and strong competencies in a culture of innovation and creativity.

To grow 2.5 times in jewellery business in next 5 years

Particulars	2021-22	2026-27	% Growth
Stores	395	600+	54
Sales (in Rs Crore)	24,313	60,782	150
Towns	237	300+	28
Mia by Tanishq	290	2,000	590



- Contemporary design elegance
- Category leadership; Tanishq, Miya, Zoya, Caratlane
- Quality vendor management
- Level 3 of 4P manufacturing maturity
- Immersive retail & true omnichannel experience

Tanishq, from Titan, is a striking example of how a company can dream big and execute big.



Business development rests on big dreams and strong competencies in a culture of innovation and creativity. The fact that Tanishq grew to a level which is almost 90 percent or 85 percent of total Titan’s turnover is a clear validation of the entrepreneurial dream and entrepreneurial execution of Tanishq as a distinct business.

Today, the ambition is even higher. The company wants to grow Tanishq business 2.5 times over the next 5 years. Stores will be nearly doubled to 600. Sales will be nearly increased 3 times to 60,782 crores. Towns that will be covered will be 300 plus and other sub brands that is a mid-range brand MIA will increase from 290 to 2000 in terms of these stores.

Contemporary design elegance, category leadership, quality vendor management, level 3 of 4p manufacturing maturity and immersive retail and true omnichannel experience are the strategic drivers for Tanishq. It is a striking example of how titan could dream big and execute big.

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Strategic Drivers: EyeCare

EyeCare has been a futuristic bet on technology, healthcare and market evolution in an integrated manner.

To invest substantially in growing the scale of business, given the huge opportunities in the market

Particulars	2021-22	2023-24	% Growth
Stores	789	1000	27
Sales (in Rs Crore)	517	724	40
Pieces (Frames)	4.1 lakh	8 lakh	100
Pieces (Lenses)	11 Lakh	16 Lakh	45

Pioneer in smart eyewear within a short span of time

Innovation and the early adoption of emerging technologies

134 Titan Eye+ stores added in FY2021-22

Expansion through the Ecolite model

Growing with omnichannel presence

With technological developments such as smart wearables on the anvil, EyeCare could be a gamechanger.

Next, eye care. Eye care also has got its strategic drivers. It is a futuristic bet on technology, healthcare and market evolution in an integrated manner. The idea is to invest substantially in growing the scale of business given the huge opportunities in the marketplace. Stores are expected to be increased to 1000 from the current 800. Sales would be increased not in the same proportion of other businesses marginally to 724.

Pieces in terms of frames as well as lenses would be doubled more or less. The five drivers for strategic development of eye care division are pioneer in smart eyewear within a short

span of time, innovation and the early adoption of emerging technologies. Addition of 134 eye -plus stores in one year and keeping up the momentum in the subsequent years, expansion through the E. Colite model and growing with omnichannel presence.

With technological developments such as smart wearables being on the anvil, eye care could be a game changer for titan. It could mark a shift from traditional products to completely technology driven products for Titan.

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Strategic Drivers: Fragrances

Once Titan has decided on evolution into a lifestyle company, it embarked on an entry into fragrances.

To democratise usage of fragrances in India and make them part of everyday dressing and grooming practices

Particulars	2021-22	2026-27
Stores	700+	3000
Sales (in Rs Crore)	56	500



- Crafted in France by celebrated Perfumers
- Distilled from finest ingredients
- Sold through Titan World Stores, offline and online
- Massive opportunity for universalisation of fragrances
- Attractive price points to make fragrances affordable

The strategy rests on reaching customers through a well-calibrated stores strategy offering multiple products.



In respect of fragrances, the drivers would be crafting of the perfumes in France by celebrating perfumers, getting the perfumes distilled from the finest ingredients and the vast retail reach of Titan. Titan World Stores offline and online could be the greatest support for the fragrance sales. And there is also a massive opportunity of universalization of fragrances that is being attempted by Titan.

And the company intends to provide the fragrances at attractive price points to make the fragrances affordable. So, the store count is going to be enhanced four times over the next four years and sales is expected to increase 10 times. And the idea is to democratize usage of fragrances in India and make them part of everyday dressing and grooming practices. The strategy rests on reaching customers through a well calibrated store strategy, offering multiple products.

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Strategic Drivers: Women's Bags

Continuing the evolution into a lifestyle company, Titan took up women's bags as a new business initiative.

Bag as utility, Bag as Expression – Create 'Wear a Bag' brand

Particulars	2021-22	2026-27
Stores	Exclusive at Shoppers Stop store and online.	EBOs, Department Stores, Omnichannel
Sales		Rs 1000+ cr



- Market leadership
- Positioning for styling and mobility needs
- Serving the underserved with elegant design
- Comprehensive store and omnichannel experience
- Fine and thoughtful market segmentation

Design and marketing continued to be the twin pillars of business development for the accessories line.




The strategic drivers for women's bags or in terms of market leadership, positioning for styling and mobility, serving the underserved with elegant design, comprehensive store and omnichannel experience, fine and thoughtful market segmentation. Design and marketing will continue to be the twin pillars of business development for the accessories line.

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Strategic Drivers: Taneira

Getting into the business of sarees has been Titan's most recent business development initiative.

To become India's most loved women's ethnic wear brand by FY27

Particulars	2021-22	2026-27	% Growth
Stores	26	125	381
Sales (in Rs Crore)	*154	Rs 1,000+ cr	549

Comes under "other business" category under Titan including perfumes

TANEIRA



- Contemporary Design Elegance
- Handmade and Authentic
- 100+ Indian craft clusters – a modern weaver ecosystem
- Working with weavers and weaver societies across India
- Immersive retail & true omnichannel experience

Taneira is an example of how successful business development could include ecosystem development too.



As far as Taneira is concerned, the strategic drivers should be contemporary design elegance and made an authentic 100 plus Indian craft clusters, a modern weaver ecosystem to be established to support Taneira's expansion. Working directly with weavers and weaver societies across India, immersive retail and true omnichannel experience. Stores will be doubled up in the next year and taken to a level of 125 from the current 26.

The sales also are expected to be increased by 8 times over the next 5 years. Taneira is an example of how successful business development could include ecosystem development too.

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Strategic Drivers: International

Titan has adopted a strategy of becoming a dominant force in India prior to embarking on globalisation.

To become brand of choice for the Indian diaspora in North America and West Asia

Particulars	2026-27	Overseas Locations
Stores	30	Dubai
Sales	Rs 2,500+ cr	UAE and GCC
Pieces	125,000	USA



- Affinity for Indian tradition and elegance
- Pride in India
- Physical presence in strategic cities
- Occasion-driven demand
- Retail & omnichannel experience

Given Titan's product and market leadership in India, stronger international growth is possible for Titan.



Titan has seen its international business lag behind the domestic business. Titan from the inception has adopted a strategy of becoming a dominant force in India first prior to embarking on globalization. Now, Titan has set its sights on international business. It wants to be a brand of choice for the Indian Diaspora in North America and West Asia. Dubai, UAE and GCC and USA will be the principal locations for internationalization of Titan's product range.

The five drivers would be affinity for Indian tradition and elegance right in India, physical presence in strategic cities, occasion driven demand, retail and omnichannel experience. Given Titan's product and market leadership in India, stronger international growth is certainly possible for Titan. But given the fact that it is could be given the fact that it could be

infrastructure and investment intensive, I would expect Titan to grow and go slow in respect of the international business.

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Growth: Portfolio Transformation

Brands	5 Years Back	Today	5 Years Hence
Tanishq	Green	Green	Green
Zoya	Yellow	Light Green	Green
Mia	Yellow	Light Green	Green
CaratLane	Yellow	Light Green	Green
Titan Watches	Green	Green	Green
Fastrack	Light Green	Light Green	Green
Sonata	Green	Green	Green
Helios	Light Green	Light Green	Green
Titan Eye+	Orange	Light Green	Green
Skinn	Orange	Light Green	Green
Taneira	Orange	Yellow	Green
Favre Leuba	Orange	Grey	Orange
Mont Blanc	Orange	Grey	Orange
TEAL	Yellow	Light Green	Green
Titan Smart	Grey	Yellow	Green

Source: Titan Investor Presentations, 2020-22

Green	Cruising
Light Green	Sailing
Yellow	Plans in Place
Orange	Striving
Grey	Non-existing



You can look at the portfolio transformation of Titan. 5 years back, the greens were very few. Today the greens are more in number, but 5 years later the greens are expected to be all over the product range. Greens indicate as per Titan that the whole business in a cruising autopilot model and light green indicates that the business is gaining traction. And this clarity in understanding the portfolio transformation is the strategic guidance for Titan.

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Omnichannel Strategy



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Now, let us look at omnichannel strategy. If you have heard me all through whatever I have said, retail stores are the key performance parameters or performance enablers for Titan. And today Titan is pursuing a hybrid strategy of having physical as well as digital presence.

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Tanishq's Omnichannel Sales Process



Tanishq's omnichannel sales process includes generating millions of leads and converting them into physical sales processes apart from continued online processes. So, in a particular cross section, Tanishq had three million unique online visitors, had one million leads. Several online chats and video tryouts were offered as different platforms. Online purchases were concluded and offline purchases were encouraged. And that is how the omnichannel has a win-win approach towards enhancement of sales.

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Strategic Drivers: Distribution and Retailing Channels

Titan has excelled in aggressive business development through deployment of multiple business channels.

MBO	EBO	LFS	E-Commerce	Others
<ul style="list-style-type: none">• Direct Dealer• Indirect Dealer	<ul style="list-style-type: none">• World of Titan• Fastrack• Helios	<ul style="list-style-type: none">• Shoppers Stop• Life Style• Central• Phoenix• VR Mall• Reliance Trends	<ul style="list-style-type: none">• Flipkart• Amazon• Myntra• Nyka• Tata Cliq• Titan.co.in• Fastrack.in	<ul style="list-style-type: none">• Service Stores• Canteen Stores• Corporate Business Group



Titan's aggressive store development signified a strong commitment to stay connected with customers.



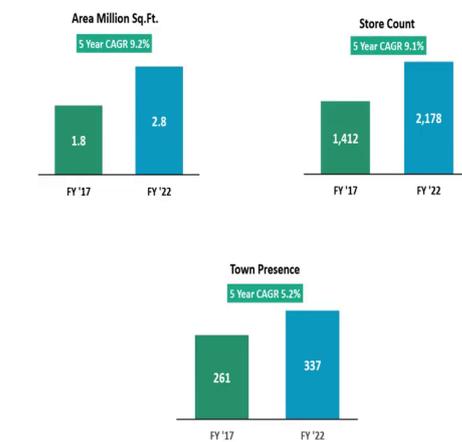
How did the distribution and retailing channel strategy pan out? Titan has excelled in aggressive business development through deployment of multiple business channels. It has MBO, that is multi brand outlets, direct dealer, indirect dealer. It has primarily exclusive brand outlets, world of Titan, Fastrack and Helios. It is also into lifestyle fashion stores, shoppers stop lifestyle, central, Phoenix, VR mall, Reliance Trends, just as an example.

It is also into e-commerce in a big way Flipkart Amazon, Myntra, you name the E-commerce site, Titan is available there. And several other specialist channels such as service channels, canteen stores, that is for defense and corporate business group platforms are available to drive distribution and retailing. Titan's aggressive store development signified a strong commitment to stay connected with customers.

Staying in the minds of customers through a variety of retail presence factors has been an important driver of Titan's continued growth and it remained in consumer minds in a (Refer Time: 32:24) manner.

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Strategic Drivers: Growing Retail Footprint



Source: Titan Investor Presentations, 2020-22.



Let us look at the retail footprint growth over the last few years. In 5 years, the area, served by Titan in million square feet, increased from 1.8 to 2.8. The store count increased from 1,412 to 2,178. The presence in towns increased from 261 to 337 and the company wants to maintain this growth momentum in terms of area, number of stores and the towns present.

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Strategic Drivers: Digital Business Development

Titan has taken many strides in deploying digital for business development through customer satisfaction

Redefining Omni Experience

- **Omni channel smart campaigns:** Rs 900 crore + sales; 20 to 40% higher lift
- **Omni service:** 70% queries from new age channels; 2 million bot intents

Lead with Data

- **Democratising data access:** 890 users, 320 dashboards, 50+ models
- **AI made designs:** 60,000 images for training, AI designed blended models, Generating 150 designs a minute

Digital across Value Chain

- **Direct ordering for dealers:** Access to a larger, location-specific selection for best seller insights, 20 + crore direct orders
- **Digital Product Introduction for Franchisees:** More frequent access with simplified ordering, 2,150 crore orders in Tanishq

Digital for Trust and Integrity

- **Ethnic wear:** New designs with weaver to weaver responsibilities
- **Precision eye wear:** Super-fast diagnosis for the right lenses, frames and solutions

Titan plans to enhance its digital deployment over the next few years in all segments of the business.



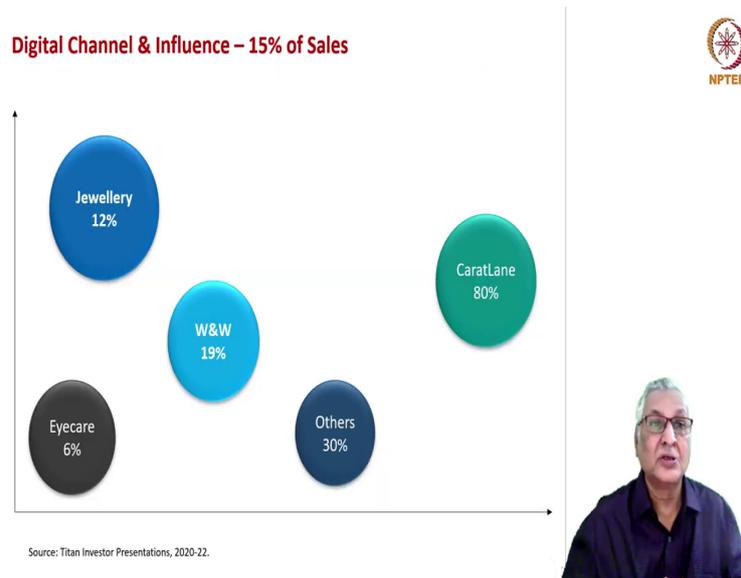
The digital business development is also going on multiple parameters. Omnichannel smart campaigns, omniservice, they define the Omni experience and they contributed to nearly 1000 crore plus sales with 20 to 40 percent higher lift. The queries that come from New Age channels are answered and also led to different kinds of purchasing possibilities.

Then democratisation of data, 890 uses 320 dashboards 50 plus models and designs that are made from artificial intelligence, 60,000 images for training and ability to design at the rate of 150 per minute. Then digital across the entire value chain, direct ordering for dealers and digital product introduction for franchises.

2150 crore orders could be processed in Tanishq because of the digital access and it also has digital for trust and integrity. New designs with weaver to weaver responsibilities for ethnic wear, super fast diagnosis for the right lenses, frames and solutions for precision eye wear

utilizing digital. Titan plans to enhance digital deployment over the next few years in all segments of the business.

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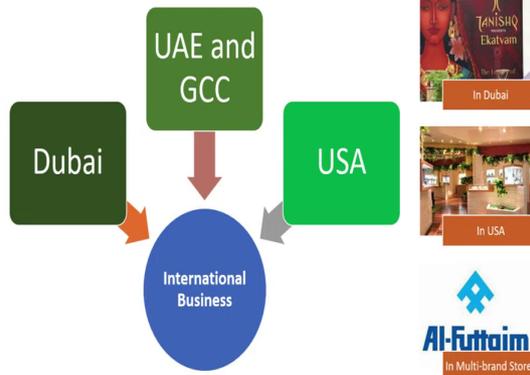


The digital channel has already started contributing to direct sales in the eye care division 6 percent in the jewellery division 12 percent in the watches and wearables division 19 percent in caratlane as much as 80 percent and in others 30 percent.

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Strategic Drivers: International Business

Titan has anchored its international business on its India success and the Indian diaspora abroad.



Despite the stupendous success in India, Titan seems to have lagged in international business development



If you look at the international business, the anchoring is based on the success in India and the Indian Diaspora abroad. Certainly, Titan has lagged behind the domestic growth. However, we can expect that the company would make up for the slow start in international.

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Core Competencies



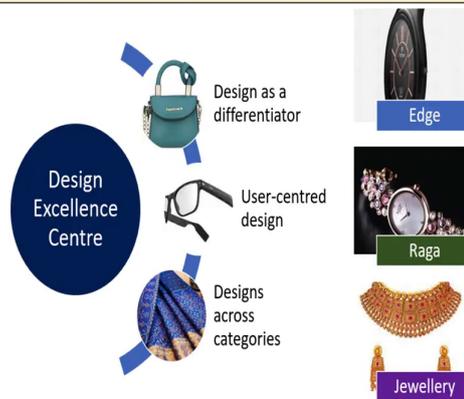
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As I said, a company has to have co competencies to successfully support business development and the co competencies of Titan or the following one design innovation. (Refer Slide Time: 35:07)

Design Innovation

Titan Design Excellence Centre has been influential in defining fashion and introducing new concepts with milestone collections and signature styles. It amalgamates creative designs with emotional connect.



Collections across businesses push the boundary of design for differentiated looks, techniques and innovation.



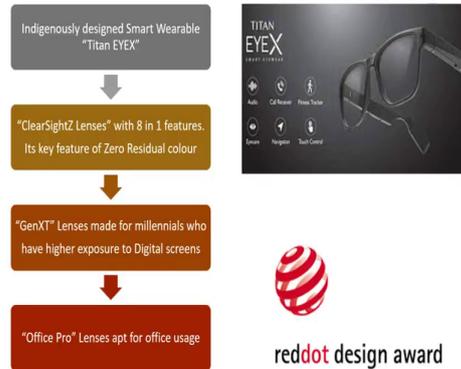
Titan set up a design excellence center to define fashion and introduce new concepts and there were milestone collections from time to time and signature styles introduced again from time to time. The design innovation center or design excellence center amalgamates creative designs with emotional conduct. Those who looked at Titan watches such as edge or Raga and the range of Tanishq jewellery will support this hypothesis.

Titan's design excellence center supports design as a differentiator. It conducts user centered design and conducts designs across categories. Collections across boundaries and across businesses push the design envelope for differentiated looks, techniques and innovation.

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Design Excellence: Eyecare Example

Products and brands can be well-positioned in consumer minds if they have a unique design language.



There has been a strong design shift towards creative design language which helped marketing differentiation



Let us take the example of eye care. The design by Titan won the red dot design award. EYEX has been the indigenously designed smart wearable with ClearSightZ lenses in with 8 in 1 features. It is a key feature in terms of zero residual color. Again, GenXT still its just for millennials and office pro lenses apt for office use. There has been a strong design shift towards creative design language which have achieved marketing differentiation.

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Intellectual Capital – Design and Innovation

Business	Design and Innovation Centres/Hubs	Products	Areas worked upon (material, functionality, design, technology-smart/connected)
 Watches	Hosur/Hyderabad	Watches & Wearables	Laser cutting, wire cutting, torch brazing, texturing finish, new colour laser, investment casting, fine numerals by forming, aluminium case by cold forming, stone set drilling on 5 axis, etc.
 Jewellery	Hosur	Jewellery	Automatic diamond bagging, hollow ball making, 22kt hard alloy, low temperature melting gold alloy, stone detection, investment mixing operation, investment powder removal, chain making etc.
 Eyecare	Chikkaballapur	Lenses and Frames	Designing of lenses and various types of coatings on lenses and manufacturing types of materials for frames
 Fragrances	Bengaluru	Fragrances	Fragrance development and directing the creativity of our international perfumers, bottling and packaging development
Common for Businesses	Design Excellence Centre, Bengaluru	Watches, Jewellery, Eyecare	Designing of watches, jewellery, eyewear and other products catering to various divisions



Titan has been building its intellectual capital through exclusive design and innovation centers in various parts of the country. The watches business is supported by the innovation centers and hubs in Hosur and Hyderabad. The jewellery business is supported by the hub in Hosur eye care by Chikkaballapur hub and fragrances are supported by the center in Bangalore. And the design excellence center at Bangalore is common for all businesses.

And several capabilities exist from laser cutting, wire cutting, torch blazing to automatic diamond bagging. Every activity of a value chain of every product is being subjected to design excellence and innovation in terms of elegance in design and crafty manufacturing. And that is how intellectual capital is getting built in terms of design and innovation.

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Manufacturing Competencies

Business	Plant/Location	Products	Key Equipment and Processes
 Watches	Hosur and Coimbatore	Production of Watches	Design and manufacturing of cases-Brass and Gold at Hosur, Stainless Steel (SS) case plant at Coimbatore, surface finishing & allied activities, Pro-E, CAD/CAM for design, laser marking, electroplating, polishing, and forging machines. Assembly line with multipoint monitoring systems and Retail Stores-laser engraving.
	Roorkee and Sikkim	Assembly (casing and strapping) of Watches	
 Jewellery	Hosur, Pantnagar and Sikkim	Manufacturing and assembly of Jewellery Sorting office	Manufacturing Technology and Equipment - Waxing, casting, melting, rolling, refining, alloying, assaying, automated component bagging, robotic kit material, butterfly manufacturing and investment powder loading, 5 Axis, CNC Machine, Rapid Prototyping, etc.
 Eyecare	Chikkaballapur, Noida and Kolkata	Production of frames and lenses	Lens Labs - Lens manufacturing, glass cutting, testing and special coating systems and Frame Manufacturing - Metal Line.



Similarly, manufacturing competencies are getting built for the each business on a continuous basis. From 1987 to 2022 a whole lot of manufacturing capabilities have been built for watches in Hosur and Coimbatore as well as in Roorkee and Sikkim. For jewellery, Hosur, Pantnagar and Sikkim and for eye care in Chikkaballapur, Noida and Kolkata and many of these things are also having certain specialized lines which will provide national support for the other manufacturing locations.

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Marketing Competencies



Marketing is a key driver for Titan's success. Marketing competencies include high impact advertising, evocative communication campaigns, strong brand development, deep retail reach, consumer connect programs and stakeholder communication. And this cluster of marketing competencies converges as one powerful market thrust for any business which Titan undertakes.

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Connecting with the customer is illustrated in respect of Titan watches. The basic market expansion strategy has been through product development and market segmentation. That led Titan to become the fifth largest watch manufacturer in the world and the most trusted Indian brand. Intense and creative marketing supported by aggressive communication strategy adds that struck a world-class chord with Indian population.

Celebrating women of the day with the theme of women empowerment were all ingredients of a intelligently developed marketing communication campaign for Titan. And multi-channel retailing is another important way of connecting consumer for Titan watches. World of Titan showroom, Helios, Time Zone and several traditional outlets and non-traditional outlets. Omnichannel is now here to stay for Titan.

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In respect of Tanishq, the process of connecting with the customer was of a different experience. In 1995, when Titan ventured into this sector of jewellery, it was a pioneering move. Because it was completely unexplored by either Tata group or any other group. The golden branded jewellery was considered a bastion of informal activity. Titan launched its own jewellery brand at that point of time called Tanishq.

It entered with 18 carat gold jewellery and there was instant market resistance. Therefore, there was an existential question for Tanishq. What do these early losses indicate? Should the division be closed? Voices were being heard in the organization and even at the board level. But the founder had strong instinct. He decided to introduce 22 carat jewellery, respecting the consumer requirements.

And he owed to build a strong brand with professional drive and aggressive retail expansion was achieved and elegance was combined with ethnicity to become more deep rooted in consumer psychology. It came up with several innovations such as Karatmeter to test the purity of any gold jewel new or old provide the purity guarantee.

Therefore, conduct continuous purity campaign to occupy the mind space, provide purity promise and provide exchange schemes for various households. These were the four drivers of consumer connect for Tanishq.

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Business Development Structures

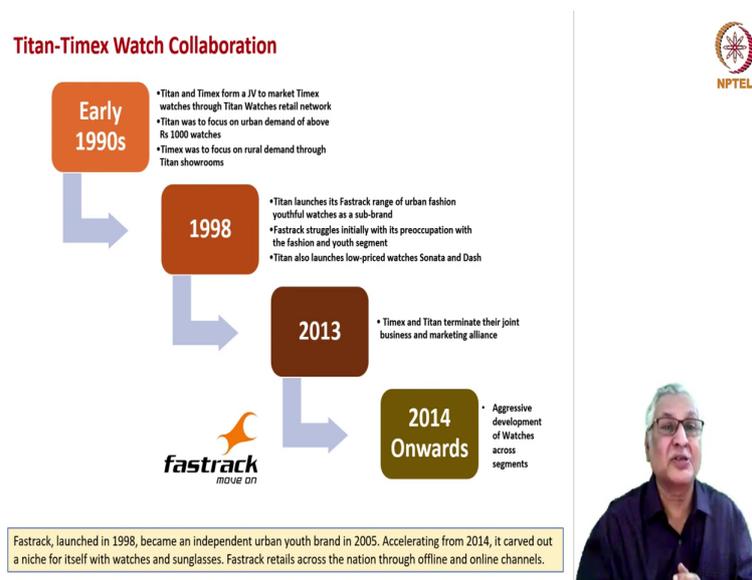
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Now, let us look at business development structures. I told that certain structures are important for business development to happen for any organization. Titan has been no

different, but its experience with different business development structures has been contextually different.

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The first was the Titan Timex Watch collaboration. In the early 1990s, Titan and Timex Timex is a reputed US watch company. Formed a joint venture to market, Timex watches through Titan watches retail network. Titan was to focus on urban demand that is above rupees 1000 watches. That was the prevailing high price range at the point of time. And Timex was to focus on rural demand through Titan showrooms.

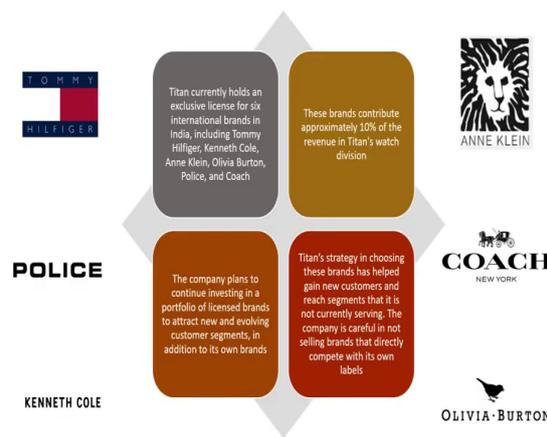
In 1998, Titan launched its Fastrack range of urban fashion youthful watches as a sub brand. Fastrack of course, struggled initially with its preoccupation with the fashion and youth segment. Titan also launched low priced watches Sonata and Dash. By 2013, both Titan and

Timex concluded that the collaboration was not going anywhere. They terminated the joint business and marketing alliance.

From 2014 onwards, Titan pursued aggressive development of watches across segments, both Titan and Fastrack. Fastrack became an independent urban youth brand in 2005 and it accelerated the moment the Timex collaboration went off. This is an indication that the collaborations have to be carefully crafted to be supportive of both the alliance partners. In this case, it was not. So, well crafted. And Titan also probably did not need Timex as much as Timex needed Titan.

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Licensing and Franchising



Titan also pursued licensing and franchising deals. I talked about licensing and franchising as the easiest route to collaborate with foreign partners or other partners. And it is seen to give instant entry into a market. Titan currently holds an exclusive license for six international

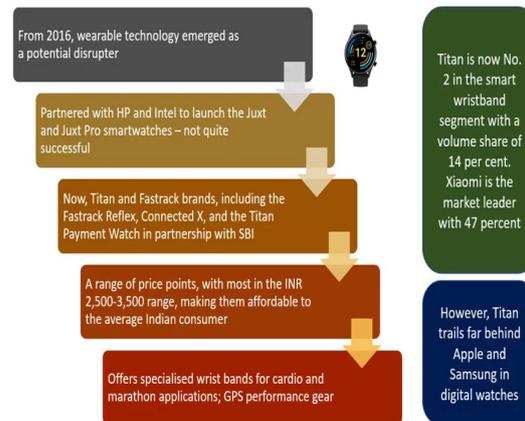
brands in India, including Tommy Hilfiger, Kenneth Cole, Annie Klin, Olivia Burton, Police and Coach. These brands contribute approximately 10 percent of the revenue in Titan's watch division.

The company plans to continue investing in a portfolio of licensed brands to attract new and evolving customer segments in addition to its own brands. However, Titan chooses the brands in such a manner that they do not compete with Titan's own brands. Titan's strategy in choosing these brands has helped gain new customers and reach segments that is not currently surfacing. Customers who were sold on these overseas brands would walk into the Titan showroom.

They would also look at Titan watches and could get the perception that Titan watches are as good as the overseas watches. Therefore, the market spread increases for Titan. And this has been in a brilliant (Refer Time: 44:23) And Titan is repeating this licensing and franchising move in respect of the spectacles as well. Many global spectacle brands are currently licensed and franchised by Titan.

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Titan Smart Watch Strategy – Rather Incomplete



Titan's smart watch strategy is an intriguing strategy. I would say that it is rather incomplete. From 2016, as we are all aware, wearable technology has emerged as a potential disruptor for the incumbents in the watch industry. Titan partnered with HP and Intel to launch the JUXT and JUXT Pro smartwatches.

They were not quite successful. Now, Titan has launched under its brand as well as under the Fastrack brand. Several smartwatches. Fastrack reflects Connected X and the Titan payment watch. And the last was in partnership with SBI. A range of price points with most being in the 2,500 to 3,500 rupees range, making them affordable to the average Indian consumer.

It also offers specialized wristbands for cardio and marathon applications GPS performance care. Titan is currently the number two in the smart wristband segment with a volume share of 14 percent. Xiaomi is the market leader with 47 percent. However, Titan completely trails

far behind Apple and Samsung in digital watches. That is why I say that Titan's smartwatch strategy is rather incomplete. The question also is whether Titan lagged behind in understanding the implications of smartwatches.

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Titan Smart Watch Strategy: Work in Process

Start-up Investments

In 2017, Titan invested \$500,000 (around Rs 3.2 crore) in Singapore-based wearable technology and Internet of Things (IoT) startup Covelot



In 2020, invested in HUG Innovations, a Hyderabad-based technology and wearables company, for an undisclosed amount to scale up its smart watch business.



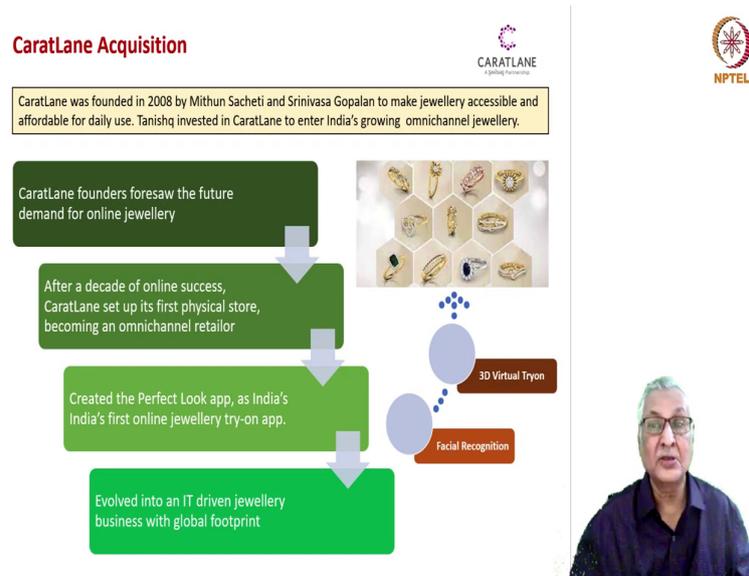
In March 2022, Titan also acquired Gurugram based start-up Noise for an undisclosed amount. In Q2 2022, Noise trailed (though far behind) only Apple, Samsung, and Huawei, in total smartwatch shipments and market share.



Today, Titan is investing in startups to be able to enhance its technological capabilities. In 2017, Titan invested 500,000 dollars in Singapore based wearable technology and Internet of Things IoT startup Go IoT. In 2020, it invested in HUG innovations, a Hyderabad based technology and wearables company for an undisclosed amount to scale up its smartwatch business. And in March 2022, Titan also reportedly acquired a Guru Gram based startup noise for an undisclosed amount.

In Q2 2022, noise trailed only Apple, Samsung and Huawei in total smartwatch shipments and market share. However, the distance of course, is far too great to say that it is close anywhere to Apple or Samsung.

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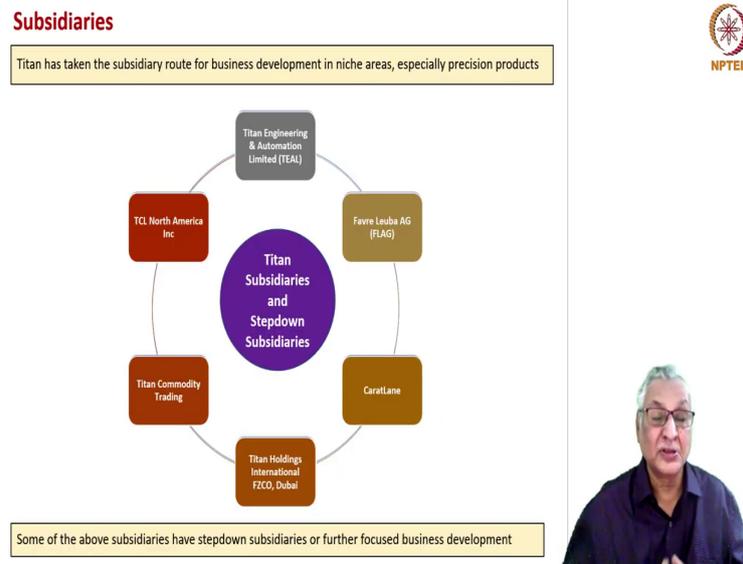


In terms of the acquisitions, the Caratlane acquisition gave excellent reach, additional reach for Thanisq. Caratlane was founded in 2008 by two entrepreneurs to make jewellery accessible and affordable for daily use. Thanisq invested in Caratlane to enter India's growing omnichannel jewellery. The future demand for online jewellery was foreseen by Caratlane in terms of digitization.

So, it set up a string of online platforms to be able to succeed in this in its online mission. Created the perfect look app as India's first online jewellery try-on app with 3D virtual try-on and facial recognition and it evolved into an IT-driven jewellery business with global

footprint. And its acquisition has supported Tanishq's diversification within the jewellery segment.

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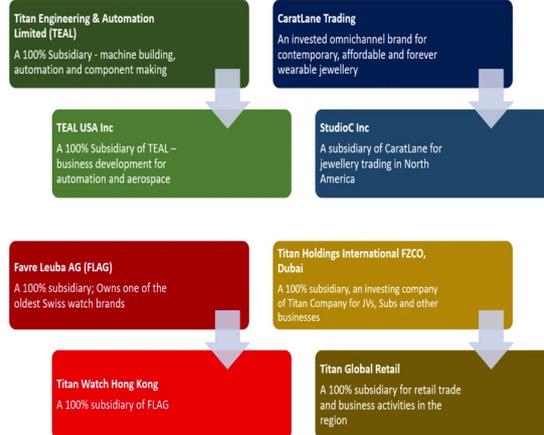


Titan also followed a subsidiary route for business development in these areas, especially precision products. Titan Engineering and Automation Limited TEAL, Favre Leuba AG, FLAG, Caratlane, Titan Holdings International Dubai Titan Commodity Trading, tcl, North America, Inc. Or some of the only one subsidiaries of Titan. Some of these subsidiaries also have stepped-down subsidiaries for further focused business development.

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Subsidiaries and Stepdown Subsidiaries

Stepdown subsidiaries help subsidiaries and parent companies achieve further business specialisation

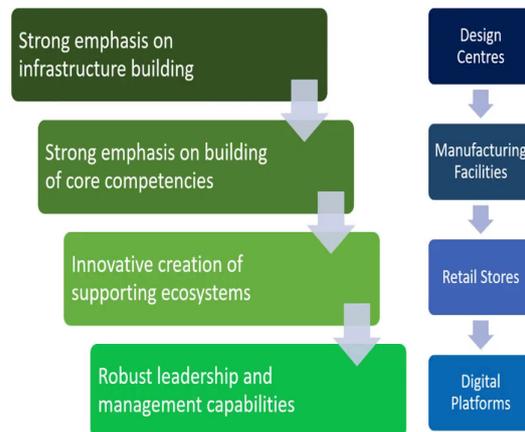


These are these stepped- down subsidiaries. TEAL has TEAL-USA Inc for business development in Automation and Aerospace. Caratlane has stepped-down subsidiary for jewellery trading in North America. Favre Leuba has a subsidiary in Hong Kong. Titan Holdings International has a subsidiary for retail trade and business activities in the Gulf region. All the business development structures that I have outlined in the lecture on the business development platforms can be seen to have been adopted by Titan.

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An Organically Driven Company

Despite certain inorganic business development structures, Titan's growth and success has been organic.



An extensive use of business development structures has not happened at Titan because the company is essentially an organically driven company. Titan's growth and success are organic. There is no doubt about it. Strong emphasis on infrastructure building. Strong emphasis on building of core -competencies internally. Innovative creation of supporting ecosystems.

Robust leadership and management capabilities. Design centers, manufacturing facilities, retail stores and digital platforms. These are all the infrastructural and intellectual capabilities of Titan organically.

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Scale and Margin Development

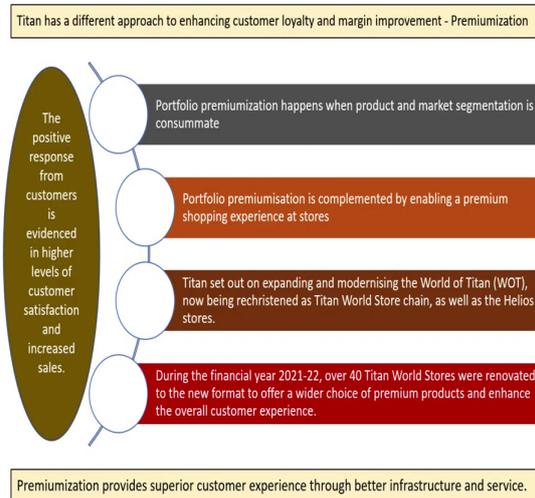


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Titan also focuses on prudent financial management. Scale and margin development is one of the important facets of Titan.

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Premiumization as a Concept

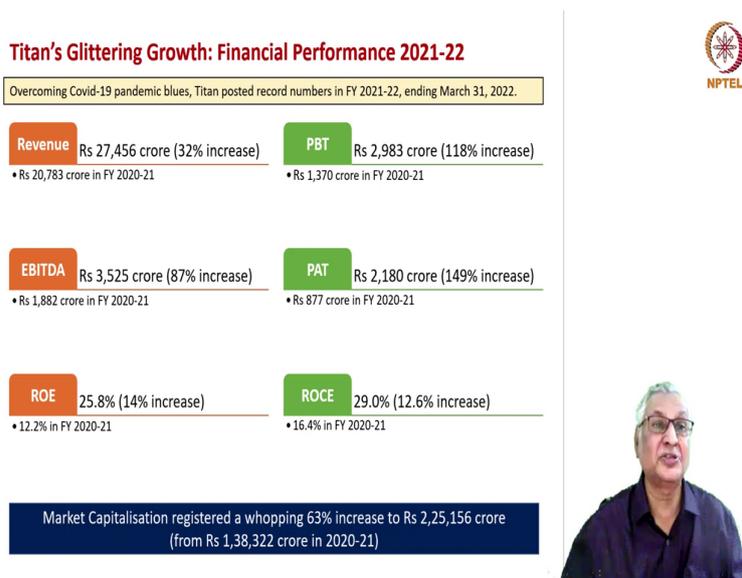


Premiumization is the concept for Titan. It has a different approach to enhancing customer loyalty and margin improvement. Premiumization. Portfolio premiumization happens when product and market segmentation is consummate when it is elegant. It is complemented by enabling a premium shopping experience at stores.

Therefore, Titan set out expanding and modernizing the world of Titan stores. These are now re-christened as Titan World Store Chain as well as the Helios stores. During FY-22 over 40 Titan World stores were renovated and the same is happening in respect of the Tanishq retail stores as well.

They are looking very grand today. The positive response from customers is evidenced in higher levels of customer satisfaction and increased sales. Premiumization provides superior consumer experience through better infrastructure and service.

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Because of the premiumization, Titan is having a glittering growth. Financial performance in FY-22 has been substantially of high order, 32 percent increase in revenue, 118 percent increase in PBT, 87 percent increase in EBITDA and 149 percent increase in PAT.

The levels are also significantly high. Rupees 2456 crore of revenue, rupees 2983 crore of PBT, rupees 3525 crore of EBITDA and rupees 2180 crore of PAT. Return on equity is 25.8 percent, a 14 percent increase and return on capital employed is 29 percent at 12.6 percent increase. Market capitalisation registered a whopping 63 percent increase to rupees 225156

crore in FY-22. This has been made possible because of the focus on scale as well as on margins.

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% Margin: EBIT (Consolidated)



Business	FY '17		FY '20		FY '22	
	EBIT	%	EBIT	%	EBIT	%
Jewellery	1,012	9.6%	2,051	11.8%	3,068	12.0%
Watches & Wearables	176	8.6%	316	12.1%	100	4.3%
Eye Care	17	4.1%	(14)	-2.6%	56	10.8%

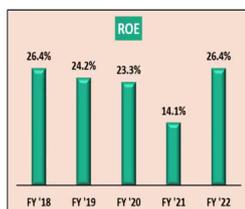
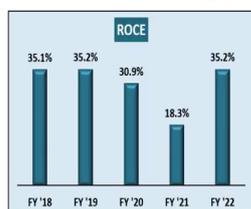
Note: EBIT figure before Exceptional Items
Source: Titan Investor Presentations, 2020-22.



Margins have moved up to 11.3 percent and the margin growth in the segments has been very impressive, particularly in respect of jewellery and in respect of eye care.

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Scale and Return Driven Approach



Note: Exceptional Items in the respective years excluded for ROCE & ROE calculations

Growth	Top-line	15.8% CAGR
	Bottom-line (PAT)	22.9% CAGR
Margin	EBIT Margin	△ 3.0% (8.3% → 11.3%)
Cash		Self Sufficient
ROCE/ROE		Capital Efficiency Maintained

Source: Titan Investor Presentations, 2020-22.



There is also a scale and return driven approach which aims to measure of ROCE and ROE on a regular basis. These are today at the highest levels experienced by the company ever. And the percentage margin is measured in terms of the scale of business access as well as the margin predictability. Titan would like the margins to be predictable and at the same time the business to deploy high levels of scale.

So, if you have a gradation, jewellery is at the highest level in terms of scale of business and in terms of the margin predictability. Watches and wearables are at the middle level whereas, eye care which is still finding its feet on a mass basis is having lower scale of business and lesser margin predictability.

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The Next 5 Years

Jewellery

Watches & Wearables

Eye Care

Source: Titan Investor Presentations, 2020-22.



Invest in:

Talent



Digital



International

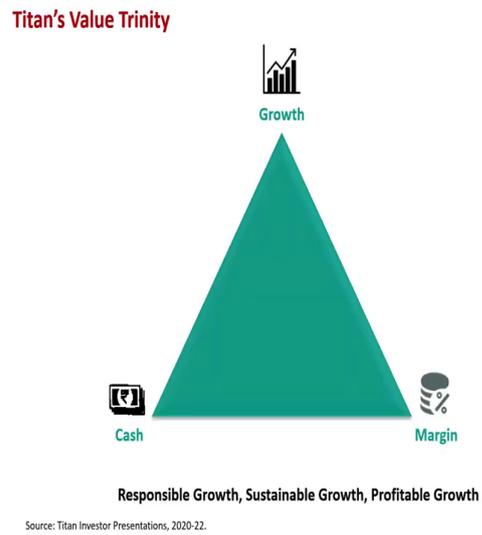


Emerging Businesses



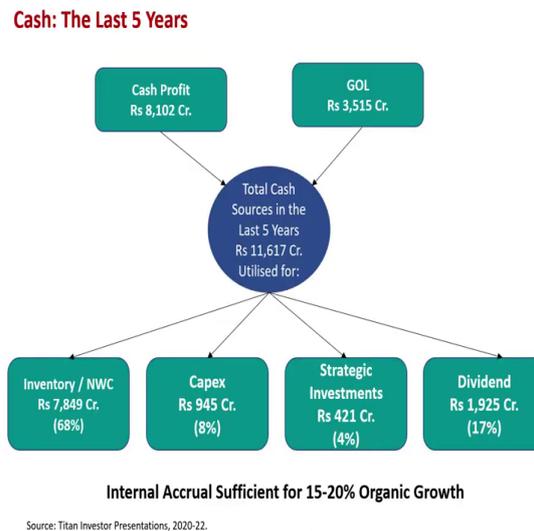
The next five years will be the years of jewellery, watches and wearables and eye care. And the company proposes to invest in talent, digital, international and emerging businesses.

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Titan's value trinity is in terms of responsible growth, sustainable growth and profitable growth.

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Cash is measured on a day to day and continuous basis. It has a cash profit of 8102 crore FY-22 and that internal accrual is considered sufficient for 15 to 20 percent organic growth including the GOL accrual. So, the four uses of cash for any company or in terms of inventory management or networking capital, Capex deployment, strategic investments such as acquisitions and dividend pay out to the shareholders. And you can see the balance of Titan's cash deployment here.

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Leadership



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The growth of a company is dependent on leadership because it is the leadership vision, leadership mission and leadership strategy that brings forth all of the competencies, capabilities and strategic drivers as well as business development approaches that I have discussed earlier. It is important in respect of Titan to review the leadership capabilities at Titan.

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Xerxes Sapur Desai

In the Hall of Fame of legendary leaders that Tata Sons has, Xerxes Sapur Desai, the Founder-MD of Titan has a special place. His vision, passion and faculties laid the foundations of Titan Industries (now, Titan Company).



Xerxes Sapur Desai (1937-2016)

A graduate of Bombay and Oxford Universities, Xerxes Desai played a key role in introducing India to its first quartz watch in the late 1980s when he set up Titan as a joint venture of Tata Group with TIDCO. Desai was considered an "amazing, eclectic entrepreneur, with inspirational design sensibility, and dogged pursuit of perfection".

Desai's qualities laid the foundations of the precision-driven consumer corporation that Titan became over the years.

Xerxes Desai's ability to identify a product-market niche and develop a core competence of precision engineering and consumer marketing characterised his entrepreneurial leadership at Titan.



Xerxes Sapur Desai is the founder of the company. In the hall of fame of legendary leaders that Tata Sons has, Xerxes Sapur Desai, the founder MD of Titan has a special place. His vision, passion and faculties led the foundations of Titan industries now, a Titan company. The S.I. was a graduate of Bombay and Oxford Universities. He played a key role in introducing India to the first quartz watch in the late 1980s when he set up Titan as the joint venture between Tata Group with TIDCO.

Desai was considered to be an amazing eclectic entrepreneur with inspirational design sensibility and dogged pursuit of perfection. His qualities led the foundations of the precision driven consumer cooperation that Titan became over the years. His ability to identify a product market niche and develop a core competence of precision engineering and consumer marketing characterised the entrepreneurial leadership at Titan.

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Xerxes Desai: The Visionary Founder

Xerxes Sapur Desai founded Titan and made Titan an internationally renowned Indian watch brand

Before Titan, Desai spent four decades working across the Tata Group—TAS, Tata Press, Taj Hotels—fighting odds and making a case for businesses to flourish in a closed economy.

Xerxes Desai played a key role in introducing India to its first quartz watch in the late 80s. His journey in building one of the largest indigenous brands in the country was not an easy one, however.

While the idea of Titan came about in 1979, it took him seven long years to finally set up a factory in Hosur, on the outskirts of Bengaluru, in 1986 with support from the Tamil Nadu government.

"It was a time," Desai recalled of the days in the '60s in an earlier interview with Mint, "when one had to write an application to HMT to get a watch you see. One couldn't buy it in the open market. You then got a letter of approval from the department and then over a couple of weeks you had to go to a store to collect it."

A visionary leader can make a world of difference to a company's future as strikingly illustrated by Titan.



He was a visionary founder because he had the vision that India can make watches of global quality and global elegance. Before Titan, Desai spent four decades working across the Tata Group, TAS that is Tata Administrative Service, Tata Press and Taj hotels. All through his career, he fought against odds and made case for business to flourish in a closed economy.

He played a key role in introducing India to the first quartz watch as I said in the late 80s. His journey in building one of the largest indigenous brands in the country was not an easy one however. He had to wait for 7 years. In fact, his idea about Titan came in 1979 for him, but it took seven long years to get the whole board accept, interact with the government agencies and have the joint venture with TIDCO and that happened because of the governmental support which is constituent proactive if you look back.

It was a time Desai recalled of the days in the 60s when one had to write an application to HMT to get a watch. One could not buy it in the open market. You then get a letter of appointment or letter of approval from the department. Based on the appointment, you can go to the store or the department and get the watch you have been allotted and that was the situation and he wanted to change this situation completely to one where the watches would be available in plenty for the Indian consumers because being timely is an important aspect of day to day life.

A visionary leader can make a world of difference to a company's future as strikingly illustrated by Titan and its founder leader.

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Leadership Successions

Titan's leadership structure and competencies have been of very high order – visionary, creative and competitive.

		
<p>Xerxes Desai (1984-2002) Vision, Mission and Foundational Strategy Titan Watches – Entry and Expansion Tanishq Jewellery – Entry and Expansion Fastrack Watches Development and Manufacturing Network Store Network Marketing</p>	<p>Bhaskar Bhat (2002-2019) Competitive Growth Strategy Watch Range Expansion and Modernisation Tanishq Jewellery Range Expansion and Modernisation Titan and Tanishq Store Network Expansion New Businesses: EyeWear Skinn: Fragrances and Fashion Accessories Taneira: Indian Dress Wear Aggressive Marketing</p>	<p>CK Venkataraman (2019 to date) Driving Scale, Scope and Sustainability Post-Covid Consolidation and Growth New Businesses: Consolidation and Growth</p>

Leadership successions have been seamless and internal at Titan – reflecting a strong leadership bench.





Leadership's successions in Titan have been of very high order visionary, creative and competitive. Desai who ran the company between 1984 and 2002 focused on vision mission

and foundational strategy. Titan watches entry and expansion. Tanishq jewellery entry and expansion, Fastrack watches, development and manufacturing networks, store network and marketing, but the foundational contributions of Desai.

Bhaskar Bhat who acted as the managing director between 2002 and 2019 in full-time role ensured competitive growth strategy. He was the face of modern Titan. Watch range expansion and modernization. Tanishq jewellery range expansion and modernisation. Titan and Tanishq store network expansion. New businesses such as eye wear, fragrances and fashion accessories and Taneira.

All of these things are attributable to Bhaskar Bhat's initiatives and he is also responsible for aggressive marketing that positioned Titan as the leading marketing company in India. The current MD is CK Venkatraman. He has been at the from 2019. His mission is in terms of driving scale scope and sustainability. Post-COVID consolidation growth, new businesses consolidation and growth.

Leadership's successions have been seamless and internal at Titan and this reflects a strong leadership bench at Titan.

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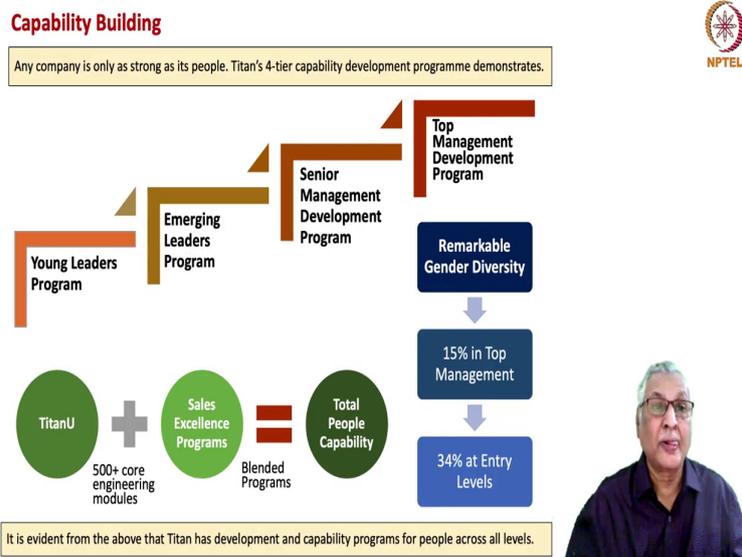


Also, the SBU structure drives business development. Titan has been an early adopter of divisional leadership structure to incubate and grow new businesses. If you look at the organization structure at a high level, you have the managing director supported by the chief financial officer and the chief people officer.

Then there are five divisions. Watch and wearables, jewellery, eye care, fragrances and fashion wear and Indian dress wear. And each of these divisions has its own CEO. It is not a matter of the revenue scale or the profit scale. The company has decided that every business is a growth business and every business has its own characteristics and therefore, the business strategy has to be unique to that business and business development also has to be unique to that business and that business should have its own focus and its own contextual strategy.

And this is an important aspect of business development at Titan and SBU structure drives business development without any doubt and also it makes a company a factory for developing CEOs.

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Capability building at all levels is one of the genetic factors at Titan. Any company is only as strong as its people. Titan's four-tier capability development program demonstrates. It has four types of programs, young leaders program, emerging leaders program, senior management development program and top management development program.

TitanU is a portal which has 500 plus core engineering modules. Sales excellence programs are in terms of blended programs and therefore, there is a total people capability that is techno

commercial that arises within the company. As I talked about earlier there is remarkable gender diversity at Titan 15 percent in top management and 34 percent at entry levels.

The evidence of Titan's development and capability programs is there for every analyst of Titan and that comes up on top as one of as the top factors of Titan's future potential.

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Environmental, Social, and Governance (ESG)

Positioning in consumer minds is not merely in terms of products and brands – it will be through ESG too.

 Miyawaki Forests in Titan Factories and Public Spaces Rainwater Harvesting Wind Energy Check Dams/ Water Conservation Lake Restoration	 Girl Education Skilling through ITIs Village Water Supplies Integrated Village Development Happy Eyes Programme Volunteering	 Best Large Cap Board in India 2021 – ET/AMROP Award Benchmarking Ethics and POSH Practices Maximising shareholder value through stakeholder focus
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Titan's early focus on ESG has positioned the company as a differentiated consumer marketing company

NPTTEL

Titan is also engaged deeply in environmental, social and governance standards. Positioning in consumer minds is not merely in terms of products and brands or even revenues and profits.

It will be through ESG as we move forward. Miyawaki forests in Titan factories and public spaces. Rainwater harvesting wind energy check dams water conservation, lake restoration

and in terms of CSR, girl education, skilling through ITIs, village water supplies, integrated village development, happy eyes program and volunteering.

It won several accolades, best large cap board in India 2021- et Amrop award, benchmarking ethics and posh practices, maximizing shareholder value through stakeholder focus. Titan's early focus on ESG has positioned the company as a differentiated consumer marketing company.

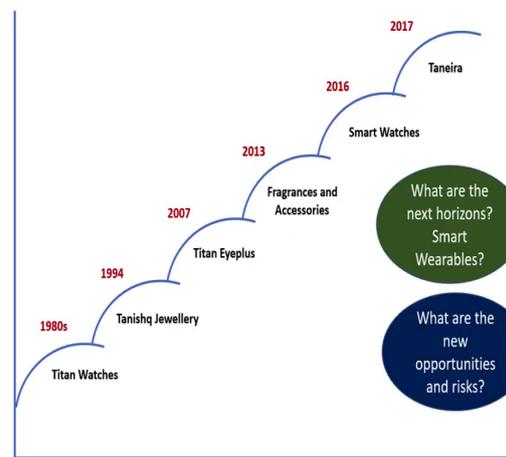
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Summing Up



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Titan's Multi-Horizon Evolution



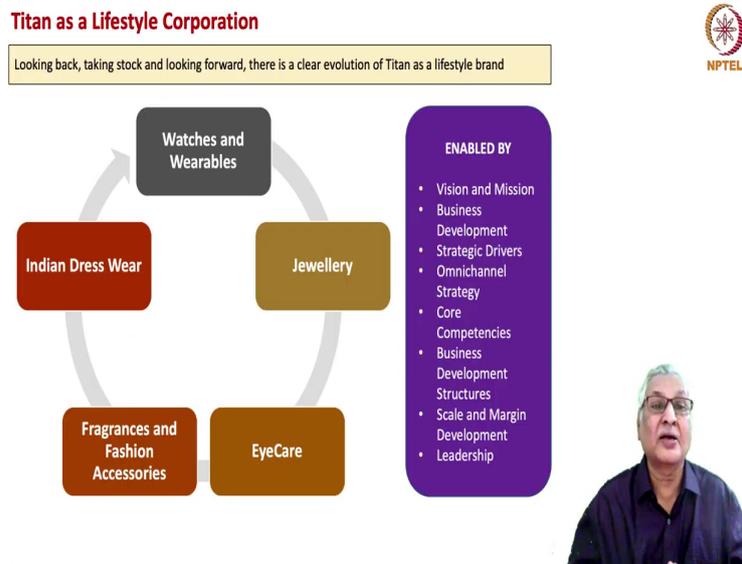
Now, let me sum up. Titan has followed a multi horizon business evolution strategy. Started in 1980s with Titan watches, added Tanishq jewellery in 1994, added Titan eye plus in 2007, added fragrances and accessories in 2013, added smart watches in 2016 and has added Taneira in 2017.

So, the multi business horizon strategy has been very much in flow at Titan leading to concentric circles of development. Into the lifestyle needs of the Indian society, but what are the next horizons? Is it smart variables or something else? What are the new opportunities and risks?

I have some thoughts on it, but this is not a lecture related to business strategy. Therefore, I would steer away from that, but suffice it to say that a holistic business strategy, a forward

looking business strategy has been the driver of Titan so far. And these things need to be in place for continued successful business development at Titan.

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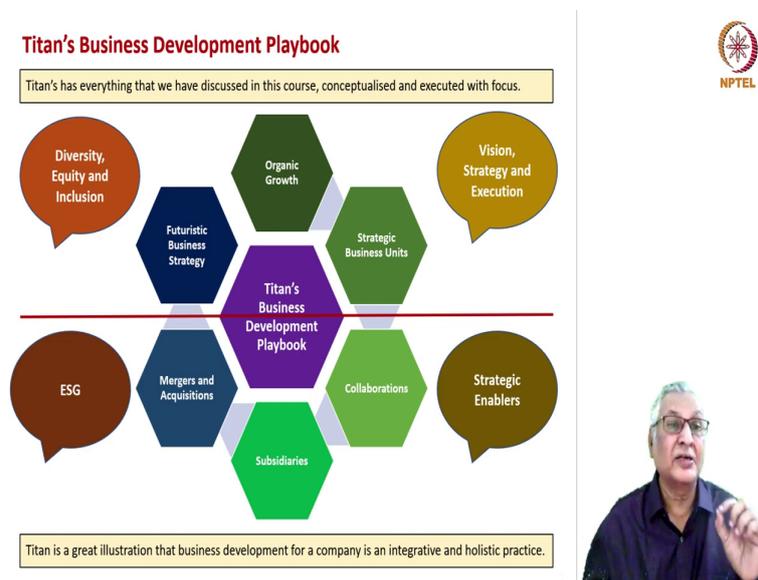


Looking back, taking stock and looking forward, there is a clear evolution of Titan as a lifestyle brand. Titan is now a lifestyle corporation comprising five distinct business verticals or five distinct consumer verticals, watches and wearables, jewellery, eye care, fragrances and fashion accessories and Indian dress wear.

And as I have covered throughout this lecture, these are enabled by the vision and mission or the DNA of the company, business development capabilities, the strategic drivers that are deployed to move into the future.

A very real omnichannel strategy reaching the customers through physical and digital stores, core competencies in terms of innovation, design, manufacturing and marketing. Use of appropriate business development structures, although the use could have been much better and much more. Scale and margin development, very prudent financial management and finally, leadership of the highest order providing for forward looking leadership, competency in management and also leadership succession.

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Titan has everything that we have discussed in this course conceptualised and executed with focus. There are two parts to it. One, strategic part, futuristic business strategy, organic growth and strategic business units. Supportive strategy in terms of measures and acquisitions, subsidiaries and collaborations. There have been strategic enablers, there have been strategic drivers.

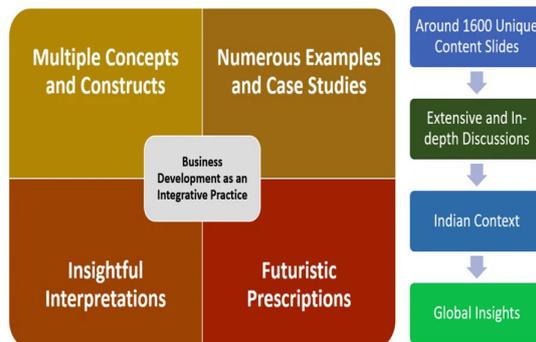
Cultural drivers are in terms of diversity equity and inclusion as well as ESG. Titan is a great illustration that business development for a company is an integrative and holistic practice. With this we come to the end of this lecture on Titan. Give me a few more minutes to wrap up this course with coming back of the overall core structure and our journey so far.

It has been a fascinating 12 week journey to present to you the various facets of business development as an integrative art and practice of management. So, in closing I would like to trace our journey. It has been of great satisfaction that I could share my knowledge of several decades in business development and business strategy with all of you.

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In Closing...

Over the last 12 weeks, we have covered the subject of Business Development extensively and in-depth. We had 60 lectures, including the 60th lecture on Titan Industries as a shining example of business development.



The course covered business development, with all related domains such as business strategy, strategic marketing, business models and organizational structures for a holistic appreciation.



Over the last 12 weeks we have covered the subject of business development extensively and in depth. We had 60 lectures including this 60th lecture on Titan industries as a shining example of business development.

To demonstrate that business development is an integrative practice and not just a subject, I have used multiple concepts and constructs provided you with numerous examples and case studies offered you several insightful interpretations and provided again futuristic prescriptions and this must have given you sufficient knowledge about business development as an integrative practice.

All the related domains such as business strategy, strategic marketing, business models and organizational structures were utilized for a holistic capitalization of this emerging discipline. I have created and have used around 1600 unique content slides for this course. We have done that for extensive and in depth discussions. The context has been essentially of India. However, there were several global insights that were viewed into the lectures.

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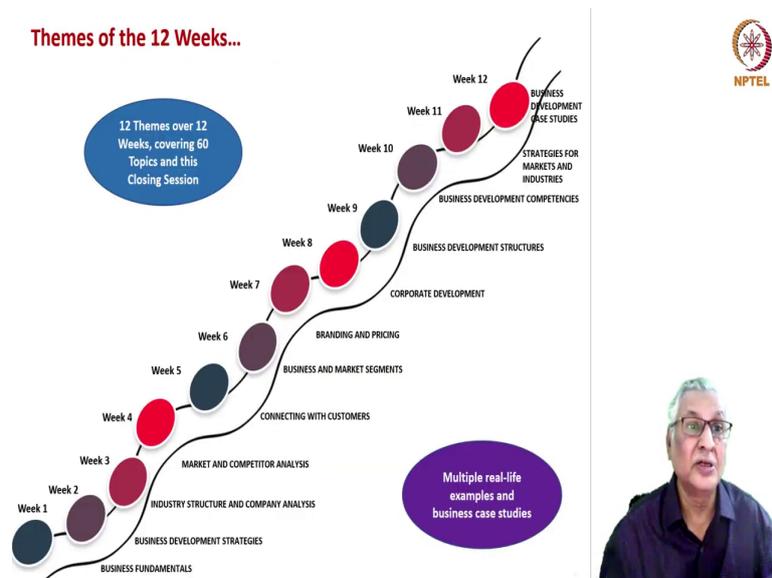


The course was a comprehensive study of business developed concepts, models, methodologies and tools. As I said it was a unique integration of adjunct domain such as strategic marketing, business strategy and business models. Importantly it provided end to end value chain perspectives that are needed for effective business development. I keep repeating that business development is not like sales transactional or marketing strategy.

It is a company's demonstration of its capability through a business development leadership in front of the partners and with the partners for win-win arrangements. I have provided therefore, several real life examples and information and insight rich case studies to demonstrate how at a company level business development can be enabled and supported and finally, achieved through the business development leadership of the company.

I demonstrated the building blocks of business; the drivers of company and customer connect. I outlined how the right business impact can be created and how we all business development as well as various other disciplines getting included drive towards enterprise growth, economic prosperity and professional fulfillment.

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The themes of the 12 weeks have been as follows business fundamentals, business development strategies, industry structure and company analysis, market and competitor analysis, connecting with customers business and market segments, branding and pricing, corporate development, business development structures, business development competencies, strategies for markets and industries and finally, this week's business development case studies.

All of these were supplemented with multiple real life examples and business case studies.

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Business Development: Course Structure... (1/3)

Week	Theme	Lectures
1	BUSINESS FUNDAMENTALS	1. Understanding Business Development 2. Marketing and Business Development 3. Markets and Marketing 4. Strategy Formulation 5. Business Development Cases
2	BUSINESS DEVELOPMENT STRATEGIES	6. Successful Businesses 7. Industry and Market 8. Vision, Mission and Strategy 9. Goals 10. Case Studies of Business Development Excellence
3	INDUSTRY STRUCTURE AND COMPANY ANALYSIS	11. Industry and Business 12. Porter's Five Forces Theory 13. Industrial Transformations 14. Competitive Strategies 15. Company Analysis
4	MARKET AND COMPETITOR ANALYSIS	16. Industry, Market and Business 17. Industry and Market Analysis 18. Market Structures 19. Demand Forecasting 20. Competitor Analysis
5	CONNECTING WITH CUSTOMERS	21. Customer Characteristics 22. Customer Typologies 23. Market Research and Design Thinking 24. Customer bonding 25. Customer Relationship Management



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Strategy and Technology: Course Structure... (2/3)

Week	Theme	Description
6	BUSINESS AND MARKET SEGMENTS	26. Market and Market Descriptors 27. Market and Product Segmentation 28. Product-Market Segmentation 29. Segmentation Deep Dive 30. Market Attractiveness and Competitive Positioning
7	BRANDING AND PRICING	31. Branding 32. Brand Organisation 33. Advertising and Communication 34. Servitization 35. Pricing
8	CORPORATE DEVELOPMENT	36. A New IT Start-up 37. An FMCG Start-up 38. A Logistics Start-up 39. A Nutraceuticals Start-up 40. A Telecom Fightback
9	BUSINESS DEVELOPMENT STRUCTURES	41. Collaborations 42. Strategic Alliances 43. Joint Ventures 44. Subsidiaries 45. Mergers and Acquisitions
10	BUSINESS DEVELOPMENT COMPETENCIES	46. Value Chain Competencies 47. Functional Competencies 48. Negotiation Skills 49. Cultural Skills 50. Leadership Attributes



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Strategy and Technology: Course Structure... (3/3)

Week	Theme	Description
11	STRATEGIES FOR MARKETS AND INDUSTRIES	51. Growth Strategies 52. Growth Examples 53. Fragmented Industries and Emerging Industries 54. Mature Industries and Declining Industries 55. Global Industries and New Businesses
12	BUSINESS DEVELOPMENT CASE STUDIES	56. Business Transformation 57. Strategic Alliances for Growth 58. Business Turbulence 59. Creating Value 60. From Start to Scale In Closing

Multiple Enriching Case Studies, across Businesses and Industries

Start-ups	Companies	Conglomerates
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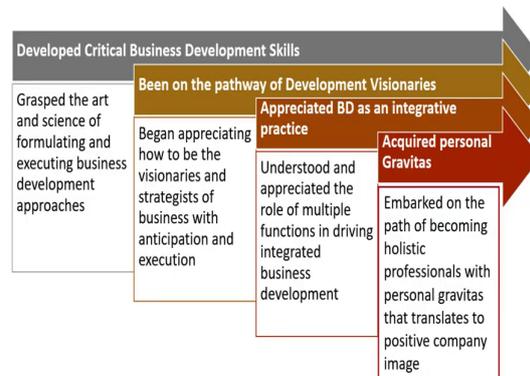
The course is positioned for a broad spectrum of students and working professionals to develop and hone their strategic skills, integrating multi-domain insights.



Just for your recap the entire business development course structure is presented here. 60 lectures of different topics amongst these 12 business themes. The case studies covered startups, companies and conglomerates across businesses and industries. The course is positioned for a broad spectrum of students and working professionals to develop and hone their strategic skills integrating multi-domain insights.

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Upon Completion of the Course, the Participants are Likely to have...



Because of the way in which the course has been designed, developed and delivered. I am hopeful that with the completion of the course the participants are likely to have developed critical business development skills. Being on the path of development visionaries, appreciated business development as an integrative practice and finally, acquired personal gravitas.

What does it mean? In terms of business development skills, you would have grasped the art and science of formulating and executing business development approaches. On the path of being a development visionary you would have begun appreciating how to be a visionary, how to be a strategist of business with anticipation and execution.

In the understanding of business development as integrative practice you would have appreciated the role of multiple functions in driving integrated business development and you

would also have acquired personal gravitas in terms of business development leadership. You would have embarked on the path of becoming a holistic professional with personal gravitas that translates to your positive image as well as your company's positive image. It has been a great journey.

I wish you all the very best as you move out of this course after completion of the examination, but I believe I have provided you with content and the video lectures which you can keep referring to as you continue your studies or you continue your work profiles and they will be useful to you at all times.

And I am really thankful to you for taking this course and for participating in this course with enthusiasm and diligence. And my special thanks are to the entire NPTEL team and the NPTEL platform for having enabled me to share my multi-decade experiences in terms of this business development course. As I have stated earlier this is one of the four courses that I have provided on the NPTEL platform.

The other three were entrepreneurship leadership and strategy plus technology. So, with this we come to the end of this course and this lecture. Thank you very much for your attention and hopefully I will meet you sometime through the platform as well as through any other means as we go forward in our respective journeys of academic excellence.

Thank you. All the best and [FL].