Measuring the True Potential of Lifestyle Brands in India: A Firm-Level Scale for Existing and Potential Investors - (FL-LBSi)

H. R. Ganesha[1], & P. S. Aithal[2]

[1]Chief Executive Officer – Consulting Division, Gramss Retail Trading Private Limited, Bengaluru - 560078, India and Post-Doctoral Research Fellow, College of Management & Commerce, Srinivas University, Mangalore – 575001, India.
OrcidID: 0000-0002-5878-8844; E-mail: hrganesha@yahoo.co.in
[2]Vice Chancellor, Srinivas University, Mangalore – 575001, India.
OrcidID: 0000-0002-4691-8736; E-mail: psaithal@gmail.com

How to Cite this Paper:
Ganesha, H. R., & Aithal, P. S. (2020). Measuring the True Potential of Lifestyle Brands in India: A Firm-Level Scale for Existing and Potential Investors - (FL-LBSi). *International Journal of Applied Engineering and Management Letters (IJAEML)*, *4*(1), 279-302.
DOI: http://doi.org/10.5281/zenodo.3929175.

International Journal of Applied Engineering and Management Letters (IJAEML)
A Refereed International Journal of Srinivas University, India.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 279

Measuring the True Potential of Lifestyle Brands in India: A Firm-Level Scale for Existing and Potential Investors - (FL-LBSi)

H. R. Ganesha[1], & P. S. Aithal[2]

[1]Chief Executive Officer – Consulting Division, Gramss Retail Trading Private Limited, Bengaluru - 560078, India and Post-Doctoral Research Fellow, College of Management & Commerce, Srinivas University, Mangalore – 575001, India.
OrcidID: 0000-0002-5878-8844; E-mail: hrganesha@yahoo.co.in
[2]Vice Chancellor, Srinivas University, Mangalore – 575001, India.
OrcidID: 0000-0002-4691-8736; E-mail: psaithal@gmail.com

ABSTRACT

It is evident that among more than 5000 Indian lifestyle brands, only a few brands are able to create true lifestyle brand image in their employees, investors, competitors, and consumer's minds and the trueness level of the majority of Indian lifestyle brands is still in question. The majority of developing and developed Indian lifestyle brands assume that the success of a lifestyle brand is measured basis the revenue or profit they generate and are unaware of implicit long-term strategical benefits of creating a true lifestyle brand image in consumer's minds. In India, the lifestyle category has also become one of the most sought-after categories for many start-up entrepreneurs. Just because there is an evident gap for a certain lifestyle product category in the market and just attempting to fill such a gap does not guarantee sustainable success. It is true that India is one of the countries with consumers belonging to the widest range of Religions, Regions, Languages, Sub-Cultures and Economic backgrounds which makes it very difficult for any lifestyle brand to own a true lifestyle brand image at National level and makes it furthermore important for them to be more careful and efficient in ensuring adaptation of right evaluation techniques and tools to regularly measure a brand's the true potential in attaining a sustainable profitable stage of its evolution. It is inevitable that both new and existing lifestyle brands in India require investors to fund their journey of attaining the final stage of evolution which is known as a sustainable profitable stage in addition to gaining true lifestyle brand image among existing and potential employees, investors, competitors, and consumer's minds. However, in the absence of any inputs driven measurement instruments, investors are in a quandary to gauge, estimate and forecast the true potential of lifestyle brands in India before they make any investment decisions and usually most of the investors follow traditional brand equity or valuation methods which are mostly skewed toward output-driven measures. In this exhaustive empirical study, we have studied a few select lifestyle brands. investors and investments to identify 63 inputs based sub-elements across 7 key elements and 3 dimensions to design a simple instrument named as FL-LBSi, which would measure the true potential of a lifestyle brand in India irrespective of the brand's current evolution stage/phase and age in the Indian retail market.

Keywords: Indian Retail, National Brand, Lifestyle Brand Image, Indian Lifestyle Brand, Brand Equity, Brand Value, Brand Scale, Investors, Start-Up Brands, Investor Scale, The firm-Level Scale, FL-LBSi, Investment Decision Framework.

1. INTRODUCTION :

In spite of various issues faced by existing and potential investors in measuring and evaluating the true potential of lifestyle brands in India to gain the true lifestyle brand image among employees, investors, competitors, and consumer's mind, many start-ups and established lifestyle brands of Indian origin are able to attract investors. To name a few, (i) Biba; (ii) W for Women; (iii) AND; (iv) Kaaryah; (v) Faballey; (vi) Zink London; and (vii) Stock Buy Love. We have observed that (a) many investors and investments in Indian lifestyle brands have

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 280

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

gone through a learning curve over a period of last five years, (b) investors are trying to find better ways to evaluate the true potential of Indian lifestyle brands, (c) the majority of investments are attracted by lifestyle brands whose business model is predominantly skewed toward online retailing and, (d) month-on-month revenue growth is given more preference over unit economics of these brands. The majority of the investors are considering few key factors while determining the decision to invest especially in new/start-up lifestyle brands such as : (a) gap in the market, (b) original concept/idea, (c) short-term and long-term motives of the founders, and (d) academic/industry affiliations of the founders.
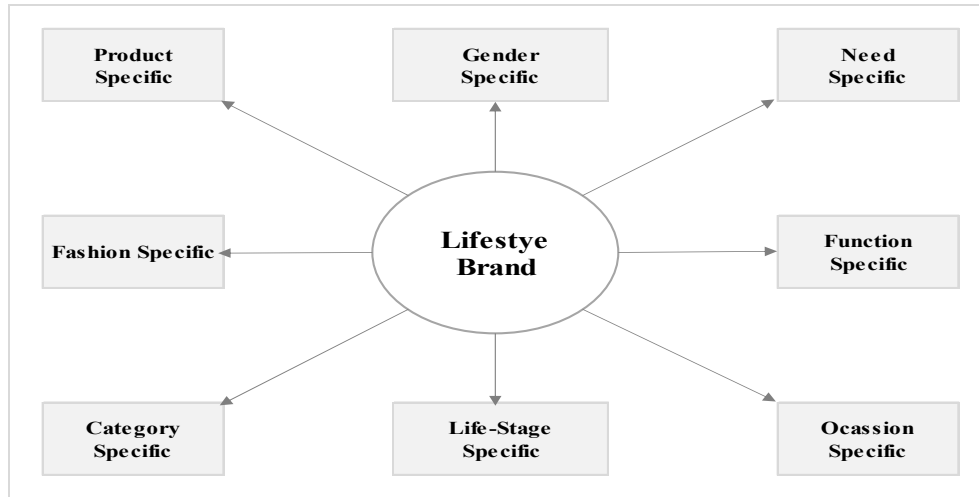

Fig. 1: Product offerings by lifestyle brands in India.

Each individual wants to have a unique identity that could be based on his/her,(a) background such as nationality, ethnicity, culture, subculture, social class, affiliation, environment, etc; (b) experiences, and (c) choices. Lifestyle brands in fact attempt to evoke emotional connections between consumers and they need to have a unique identity and most importantly lifestyle brands are increasingly becoming one of the key components of consumer's self-expression [1]. To ensure the scope of this study is focussed, we define lifestyle brands as the ones, which attempt to offer a complete solution for a specific or wider lifestyle needs of consumers through their products such as Apparel, Footwear, and Accessories with an ultimate goal of their products being key contributors of an implicit or explicit statement of consumers personality and identity. Lifestyle retail market size in India is expected to reach 130 billion USD by the year 2023 which is a 77 percent growth when compared to the year 2013 [2]. Based on India's 2011 census, the United Nation's (UN) Department of Statistics and Program Implementation estimates the Indian population to reach close to 1.38 billion by the year 2020 [3]. It is estimated that more than 300 Global lifestyle brands have plans to open their stores in India this year [4]. In addition to this humongous population, exponential growth in a number of working women, double-income families, middle-class consumer segment, increasing disposable income, rapid adoption of fashion, urbanization, the overall size of Indian retail industry, more and more unorganized retailers becoming organized, the emergence of modern retailing formats and a most importantly enormous increase in internet penetration/usage, simply caution existing and upcoming lifestyle brands and investors to revisit their existing brand performance evaluation techniques and tools.

Owing to the sheer market size and potential, India is able to attract many global lifestyle brands. A few Global brands have attempted to offer their product assortment as being a shop-in-shop at select large retail format stores, few have offered their product assortment through having EBOs, few have shown their presence only in the online store and few have licensed their brands to third parties or entered into a Joint Venture to offer their products in Indian retail market. To name a few Levi's, Zara, United Colors of Benetton, Marks & Spenser, H&M, Mother Care, Carter's, Puma, Nike, Adidas, Reebok, Armani Exchange, Diesel, Gas, Gap, The Children's Place, Quiksilver, Superdry, Kappa, Bossini, Calvin Klein, Hanes, Tommy Hilfiger, Ed Hardy, Izod, Nautica, Arrow, U.S. Polo Assn, Jack & Jones, Vero Moda, Tumi, Lee, Hero, Maverick, Wrangler, Fila, and Jockey. Unless these Global lifestyle brands explore sourcing their products predominantly from India, competitive pricing remains one of the key challenges as far as their sustainable success in the Indian market

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 281

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

is concerned.

The country also has a vast number of lifestyle brands that originated from India. One can possibly list more than 5000 lifestyle brands in India [5], of which few of them have a strong presence all over India, few have a strong presence only in certain regions of India and few are available only online. It is evident that, in spite of such humongous number of lifestyle brands available in India one could possibly list only a few which can be tagged as well-known/familiar/reputed Indian lifestyle brands such as, Biba, Manyavar, Soch, Gini & Jony, Blackberrys, Louis Phillipe, Peter England, Provogue, Monte Carlo, Mufti, W for Women, Oxemberg, Indian Terrain, Global Desi, Parx, S Kumar's, Vimal, Mini Klub, Aurelia, Sparx, Campus, Go Colors, Enamour, HiDesign, Lino Perros, Idee, Spykar, Killer Jeans, Flying Machine, Da Milano, Park Avenue, Ethnix, ColorPlus, Lux Cozy, WildCraft, 612 League, WLS, John Players, Fastrack, 109 F, Proline, Image, Jealous 21, Liberty, Paragon and few more. Only a few names from the list of more than 5000 brands possibly indicating that in spite of the humongous population and the retail market size in India, the majority of Indian lifestyle brands have failed to establish themselves as true lifestyle brands. We attribute this failure majorly to the Marketing Mix being adopted by these brands in addition to their poor understanding of the true lifestyle brand image. Figure 1 depicts the product offering of typical lifestyle brands in India. Dominantly the majority of lifestyle brands in India offer just one of these and very few caters to multiple products offering to multiple consumer groups.

2. LITERATURE REVIEW :

It is important for the marketer to constantly work on strategies to convert the existing brand image into equity [6].Few researchers have investigated the correlation among the competition of brands, the formation of consumers' attitudes, and intention to choose a particular brand or alternatives being offered to the consumers at a given point of time and the place of the offering. The findings of these studies confirm firm that consumers' evaluations, understandings, and knowledge about a particular brand of their choice are not just the key influences of creating intentions of buying a product belonging to a brand, it is also consumers' perspectives and perceptions toward another alternative or brand available in the offering [7]. There are few brands which have gained strong brand equity owing to consumers having a special, favourable association with such brands in their memories and these brands were able to create higher perceived quality, awareness about the brand name and ultimately leading huge loyal consumers over a period of time and brand image, though being a qualitative aspect of a brand, plays an important role in overall brand equity as far as consumer perspective is concerned. Brand image is one of the most important concepts in addition to brand associations, loyalty, awareness, and product quality of a brand with respect to the consumers' utility and brand equity is concerned [8- 10]. Consumers tend to correlate their personality with the brand personality they are willing to associate with, wherein they attribute this to their demographic characteristics, physical characteristics, personality traits and, cognitive abilities consequently leading them to buy a brand's product to implicitly or explicitly express/showcase their personal image or identity [11- 12]. In one of the studies conducted twenty years back in a developed country to understand as to why consumers are willing to purchase products of National brands over Store brands even though the products of National brands were priced at least 20 percent higher than products of Store brands, it was found that the brand equity was the key variable which leads to this willingness [13]. In addition to basic five concepts suggested by 'Aaker' in the year 1991, which could impact the brand equity and image viz., i) Brand Awareness; ii) Brand Associations; iii) Perceived Quality; iv) Brand Loyalty; and, v) Other Proprietary Brand Assets [10], huge number of research studies have been carried out to understand different factors which can impact brand equity, such as, co-branding or jointly branded products [14]; meaning transfer and celebrity endorsement [15]; perceived service quality [16]; advertising and marketing events [17]; perceived attractiveness [18]; effective communication, new product development, and distribution [19]; brand knowledge [20]; corporate brand image [21]; effective brand management [22]; family-based brand system [23]; represented group identity, reconciled self-image and targeted brand positioning [24 - 25]; charity activities of brands [26]; consumers' experiences [27]; brand personality [28];brand heuristic [29]; brand magic [30]; brand attributes [31]; brand attitude [32]; brand description [33]; brand name awareness [34]; brand meaning [35]; brand trust [36]; brand name [37]; brand community [38]; brand attachment [39]; brand love [40]; brand experience [41]; product experiences [42]; shopping experiences [43]; service experiences [44]; consumption experiences [45]; brand credit [46]; the brand's country of origin [47]; brand authenticity [48]; long-run competitive advantage [49 to 50]; contribution of branding to the physical product [51]; brand extension [52]; and, consumer created visual content [53].It is imperative to understand the existing

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 282

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

literature, theories, models and frameworks on retailing across formats, as a significant proportion of lifestyle the brand's success in establishing itself as a true lifestyle brand in the consumers' mind is moderated by the brand's and consumers' choice of retailing format also. Retailing in India has gone through many stages of evolution such as liberalization, organized retailing, globalization, digitalization, and urbanization. Retailing in India was and is heavily driven by unorganized retailers and the same is evident by the sheer market share it owns even today in spite of Indian retailing have had gone through various stages of evolution. Various studies report a favourable and improving market share for organized retailers. Organized retailing in India is expected to have approximately 25 percent of the market share by the year 2021 which was at 12 percent in the year 2017 [54]. We believe that the unorganized retailers also have evolved over a period of time in modifying their Marketing Mix to adopt changing consumer mindset and growing competition from organized retailers, thus one can attribute the slow penetration of organized retailing in India to this open mind-set of unorganized retailers to constantly work on their Marketing Mix in addition to their understanding of unit economics of the brand which is the key brand performance methodology they have adopted irrespective of impulse changes in the market environment. In turn, this becomes a classic example of considerable magnitude to confirm firmly that the "4P's" framework of McCarthy which was conceptualized sixty years ago holds true even today in India. One could argue that, if unorganized retailers begin to turn into even semi-organized retailers, then it really poses significant challenges to organized retailers in India to cope up with unorganized retailers. It is inevitable for organized retailers to keenly focus on their Marketing Mix strategies and strive to create differentiation across various elements of Marketing Mix and use them as part of their brand performance evaluation methods. Humongous size of Indian retail market, the evolution of modern and external brands friendly retailing formats in addition to attracting many Global lifestyle brands has also prompted many Indian exporters, manufactures, conglomerates, and entrepreneurs to launch Indian lifestyle brands. It is evident that only a few Indian brands are able to create true lifestyle brand image in their employees, investors, competitors, and consumers' minds and the trueness level of the majority of Indian lifestyle brands is still a very big question. The majority of developing and developed Indian lifestyle brands assume that the success of a lifestyle brand is measured basis the revenue or profit they generate and are impatient and unaware of implicit long-term strategical benefits of creating a true lifestyle brand image in consumers' mind. It is true that India is one of the countries with consumers belonging to the widest range of Religions, Regions, Languages, Sub-Cultures and Economic backgrounds which makes it very difficult for any lifestyle brand to own a true lifestyle brand image at National level and makes it furthermore important for them to be more careful and efficient in ensuring adaptation of right Marketing Mix' [55].

Various studies have attempted to develop different brand performance and evaluation tools and techniques both at the firm and consumer levels across many different attributes of a brand. To name a few, (a) Brand Equity; (b) Brand Loyalty; (c) Brand Value; d) Brand Image; e) Marketing Mix Adoptability; f) Strategy Adoptability; (g) Brand Experience; (h) Brand Experience; (i) Brand Disloyalty; (j) Brand Personality; (k) Brand Authenticity; (l) Brand Management; (m) Brand Communication; (n) Brand Positioning; (o) Brand Attachment; (p) Brand Love; (q) Brand Extension; (r) The brand's Perceived Product Quality; (s) Brand Awareness; (t) Brand Relevance; (u) Brand accessibility; (v) The brand's Emotional Connections; (w) The brand's Consumer Life-Time Value; (x) The brand's Rate of Sustained Growth; (y) The brand's Loyalty Programs; (z) The brand's Consumer Acquisition Rates; and,(α) The brand's Market Share. We have observed that the majority of these techniques to measure a brand's performance are 'output-measure-driven' and focus on any one of the attributes such as : i) Financial Metrics; ii) Marketing Assets Metrics; iii) Perception Metrics; and, iv) Competitive Metrics. We believe that Lavidge and Steiner's original 'hierarchy of effects model' conceptualized during the 1960s, that the consumers' journey of purchase decision begins with 'Awareness', flows through 'Knowledge', 'Liking', 'Preference', 'Conviction', and ends with a 'Purchase' [56], which was later used in the consumer loyalty studies whereby researchers extended this six-stage model further by adding two more elements such as 'Repeat Purchase' and 'Referring the brand/product/service to others post-Purchase' which would possibly help in building the brand image. This models and framework are still relevant in the Indian context, and we intend to use basic principles of these theories in this study in addition to the basic "4P's" Marketing Mix proposition which was originally framed by McCarthy sixty years ago [57], therefore we intend to give utmost priority to the basic elements of original "4P's Marketing Mix framework to develop a scale which would possibly help various stakeholders such as existing and potential investors to measure the true potential of lifestyle brands in India irrespective of the brand's evolution stage and age in the Indian retail market thereby enabling them to make a rational decision while investing.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 283

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

Need for this research indeed was originated due to various gaps found in theoretical, descriptive, empirical literature available in the brand performance measurement and evaluation domain such as a) the majority of studies have focussed on specific brand attributes and predominantly skewed toward output/perception driven measurements; b) the majority of studies have focussed on brands in general and not specific to lifestyle brands; c) absence of 'inputs-driven' the firm-level brand performance and evaluation instruments for a lifestyle brand in the Indian context; d) the majority of lifestyle brands in India follow and practice evaluation techniques incorporated by consumer goods and other generalist brands; and, most importantly; e) many investors are constantly approached by start-up and established lifestyle brands of Indian origin. Thus, we decided to carry out an exhaustive empirical study to design a scale which is predominantly built on 'inputs-driven' measures and is able to measure the trueness level of lifestyle brands image in India thereby enabling existing and potential investors to measure/evaluate the true potential of a lifestyle brand in India to gain the true lifestyle brand image among potential and existing employees, investors, competitors, and consumers' mind.

3. OBJECTIVES :

Key objectives of this research were to, i) understand lifestyle brands market in India; ii) understand evolution and performance of Indian lifestyle brands; iii) understand the key advantages of gaining a lifestyle brand image across employees, investors, competitors, and consumers' mind; iv) understand existing measures and evaluation techniques to estimate the true potential of lifestyle brands in India; iv) analyse recommendations from previous research studies; v) develop a the firm-level scale to measure and evaluate the true potential of lifestyle brands India; and vi) recommend appropriate methodology to use the scale.

4. METHODOLOGY:

To ensure a holistic approach to finding answers to our key research questions, we have adopted a mix of various research methodologies available in the research methods and design literature as detailed in this section.

Secondary Research: Intense and in-depth analysis of data available in the public domain was carried to collect data relating to various aspects of lifestyle brands in India through company websites, company annual financial reports, investment patterns, investors, Government database, trade, and business journals. Research works relating to Indian lifestyle brands were surveyed extensively to collect insights, recommendations, and frameworks to measure and evaluate the true potential of lifestyle brands in India.

Quantitative Primary Research: In the first stage, few lifestyle brands in India were selected who can represent, a) different product categories such as fashion; functional, life-stage specific, product-specific, gender-specific, and need-specific products; b) offering single-product category, and multiple-product categories; c) serving different consumer target groups at low, mid-low, mid, mid-high, high, and premium price positioning; d)selling their products through local retailers either directly or using distributors, regional retailers either directly or using distributors, national retailers, exclusive brand outlets (EBO) operated directly by the brand, EBOs operated by a franchisee, online EBO store-operated either directly or using third parties and, online marketplaces; e) products manufactured from own factory, contract manufacturers both inside and outside India; f) across developing brands, developed brands, and, established brands. In the second stage, data were collected from these select lifestyle brands to design the scale.

Qualitative Primary Research: Series of open-ended direct interviews were conducted with employees and senior management teams along with Store Sales Personnel selected through convenience sampling representing different departments/functions from Investment organizations, Angel Investors, Brands, Marketing Agencies, Distributors and to understand their perspective and attitude towards existing measures to evaluate short-term and long-term overall brand performance.

5. KEY THE FINDINGS AND INSIGHTS :

It was essential for us before we design a scale to first understand the existing Marketing Mix of select lifestyle brands in India and evaluate if the same is efficient in establishing a true lifestyle brand image across employees, investors, competitors, and consumers' mind as our scale is inputs driven and we strongly believe that Marketing Mix would possibly lead us to identify different components of the scale. In addition to taking clues from the direct interviews of employees representing all the stakeholders, we have analysed the existing sales data, consumer data, terminologies, categorization, key result areas, key performance indicators, data hierarchy, organizational hierarchy, and key business objectives through which we have assessed the attitudes

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 284

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

of the entire organization towards existing Marketing Mix in relation to data available.

5.1 Existing Marketing Mix: Figure 2 depicts the existing Marketing Mix which was common across all the Indian lifestyle brands selected for the research study. One can observe that this shows a classical and traditional Marketing Mix wherein, standard "4P's" have been utilized to strategically position the brand. It is perfectly fine not to invent new "P's" but at the same time, the framework seriously ignores the rationalization of each of these "P's" in accordance with consumers' life-stage needs and forces consumers to patronize with different brands for different needs, occasions, price points, and retailing formats. The majority of sub-elements of the framework have been derived from standard and general way of categorization which are followed by a competitor and could possibly lead all the personnel in the organization also deliver results which are just average or below average thereby seriously failing to achieve true lifestyle brand image.

The majority of the employee roles were defined based on general classification and categorization of products and they were all significantly skewed in favour of supply-side capabilities. For instance; i) an organization is strong in manufacturing or exporting a specific product category and thus decides launch a domestic lifestyle brand for such product categories in India; ii) category management team had category managers for specific product categories wherein each of these category managers were concerned about their category profitability level irrespective of its positive or negative impact on the consumers' overall life-time value and satisfaction towards the brand; iii) retail planning team had planners for specific product categories and retailing formats wherein each of these planners were only concerned about the inventory levels and turns of their product categories and retailing formats rather than the overall inventory mix of the brand and its impact on consumers perception over the brand image; iv) marketing team had managers for specific category, tasks and retailing formats grouped together and the majority of the promotions were designed and communicated to consumers in isolation that too skewed towards announcing discount related promotional activities; v) sales personnel in the store were allocated specific product categories owing to which the sales pitch to consumers was in silos and the store whether EBO or SIS across retailing formats as a whole could never focus on consumers' life-time value, consumers' complete needs across different product categories and most importantly vi) the store / brand sales team failed to create positive perceptions in consumers' mind about the brand.

The most important aspect of "4P's" framework is the internal and external 'People', the internal being the employees and external being the consumers and how these the internal people 'employees' utilize the basic "4P's" of the Marketing Mix to ultimately influence the external people 'consumers' through processes. In the existing Marketing Mix, this aspect was completely ignored. Most of the employees, employee roles, products, processes, performance indicators, promotions, communication tools, campaign contents, campaign methodologies, advertising techniques, product displays, control systems, retailing formats are chosen, weightage allocated to different retailing formats, planning cycles and most importantly 'unit economics' was tuned with supply-side of the brand rather than the demand-side. As a result, select Indian lifestyle brands, a) were failing to collect consumer data efficiently; b) were unable to retain the majority of consumers; c) could not witness consistent growth in revenue and profit; d) never seen the majority of EBO and SIS stores delivering profits across online and offline retailing formats; e) were unable to manage cash flow in an efficient manner; f) had piled up huge inventory with much lower inventory turns than industry average; g) were carrying higher level of inventory cover; h) were unable to derive optimal organizational structure, number of sales personnel in a store, EBO store size, SIS size, store location, city type, discount level, category mix; i) were failing to gain any strategic and competitive advantage over other lifestyle brands in the market; and most importantly j) existing and potential investors were quandary with respect to estimating the real potential of the brand in gaining true lifestyle brand image among employees, investors, competitors and consumers' mind.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 285

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

Supply Side: Product Category Specific Brand Positioning and Employee Role Definitions			
Product	**Price**	**Promotion**	**Place**
Apparel and Footwear: 　　Casual Wear 　　Formal Wear 　　Ethnic Wear 　　Fusion Wear 　　Sports Wear 　　Active Wear 　　Athleisure 　　Winter Wear 　　Occasion Wear Inner Wear Sleep Wear Fashion Eye Wear Socks & Stockings Handbags, Wallets & Belts Fashion Accessories Sports Accessories	Low *or* Mid-Low *or* Mid *or* Mid-High *or* High *or* Premium	End-of-Season Sale; Occasional Sale; Flash Sale; Clearance Sale; Cash Back: Coupons; Referral Schemes; Loyalty Programmes; Social Media Campaigns; Catchment Campaigns; TV Commercials; Celebrity Endorsements; Banners and Hoardings; Special Events.	*Brick-and-Mortar Retail Formats:* 1) EBO 2) Brand SIS in MBO 　　a) Local Retailers 　　b) Regional Retailers 　　c) National Retailers 3) Distributed to Small Retailers *Online Retail Formats:* 1) EBO Online Store 2) Brand Listing 　　a) Speciality Online Stores 　　b) Multi-Category Online Stores
Demand Side: Gender Specific Positioning - Men, Women and Kids			

Fig. 2: Existing Marketing Mix of Indian lifestyle brands.

TV = Television; EBO = Exclusive Brand Outlet; SIS = Shop-in-Shop; MBO = Multi-Branded Outlet

5.2 Qualitative: Prior to the empirical study, we were able to derive qualitative insights through mystery shopping and conduct open-ended direct interviews with employees representing all the stakeholders of lifestyle brands chosen for the study. Key insights from the qualitative survey indicate that the brand strongly had numerous beliefs and assumptions as detailed below for each distribution channel type. *SIS Stores:* a) It is very difficult to get entry in to National retailer's stores as they require the brand to have minimum level of product assortment width and depth, b) National retailers require the brand to sign up for a minimum guarantee clause, c) National retailers expect and pressurize brands to have efficient supply chain systems, d) National retailers pay the brand on 10th to 15th of every month based on actual sales of previous month and this affect the brand's cash flow, e) National retailers return the majority of unsold stocks after a specific season is complete, f) Regional retailers do not pay on-time, g) Regional retailers are yet be evolved as far as systematic retailing is concerned, h) Regional retailers have less number of stores, i) Distribution stores are controlled by the distributors and brand need to pay additional commission to distributors, j) payment from distributors is irregular, k) distributors overpower the brand in the selection of product assortment, l) in spite of an outright purchase and products being predominantly selected by them they fail to sell all the products within a specific period of time thereby pressurizing brand to accept the goods return after a season is over. *EBO Brick-and-Mortar Stores:* a) It is very difficult to attract new consumers to EBO high street stores, b) lot of marketing money has to be spent to acquire new consumers to EBO high street stores, c) EBO high street stores need to have additional security cost, d) EBO high street stores maintenance becomes additional work for the store sales personnel, e) rent is higher in EBO high street stores, f) EBO mall stores help us create premium brand image in consumers' mind, g) EBO mall stores attract lot of new consumers, h) marketing money spent for consumer acquisition is much lesser in EBO mall stores, h) EBO malls get huge consumer walk-ins/traffic, i) common area maintenance is taken care by the EBO mall management, j) EBO mall stores have greater security systems, k) EBO institutional stores do not generate significant revenue, l) EBO institutional stores run only to acquire new consumers for other stores in the city, m) consumers treat EBO institutional stores for one-time purchases and most importantly, n) consumers in the EBO mall stores are premium consumers and they tend to buy more compared to EBO high street and EBO institutional stores and most importantly o) EBO

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 286

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

distribution channel is most capital intensive channel for the brand. *Online Stores:* a) It is impossible to sell goods online without offering substantial discounts due to which brands inflate original price (MRP) to the extent of discount level which is perceived by consumers as a great deal or sells only old products with an intention of liquidation, b) it is very easy to list the brand's product assortment in online stores irrespective of product assortment's width and depth available and irrespective of the brand is new or old in the market, c) brand needs to spend a lot on consumer acquisition and logistics if associated with online stores, d) online channel gives quick entry to the brand to reach consumers directly, e) online stores generate the highest revenue per store per month, f) online stores cater to a wider group of consumers and does not require the brand to hold on to specific price positioning, region or consumer group.

5.3 Empirical: Interestingly, when we evaluated actual data related product assortment, sales, consumers, distribution channel partner commercials, inventory level, inventory turns, product sell-through and velocity, we have found many insights which are contrary to what was believed by the lifestyle brands as detailed below for each distribution channel type. *SIS Stores:* The majority of lifestyle brands in the study were unaware of the concept of 'unit economics'. Thus, we attempted to understand the unit economics of SIS stores across National, Regional, Local and Distributor stores which could possibly enable us to understand the MBO SIS distribution channel empirically rather than just looking at the qualitative pros and cons of the channel. Table 1 shows the end-to-end flow of parameters for a lifestyle brand at MBO SIS stores. Each of these parameters has been tagged with a) controlled by a channel partner, b) controlled by the lifestyle brand, c) controlled by the Government agencies, d) controlled by consumers and e) derived numbers. The results indicate that, though the National retailer stores generate higher revenue for the brand they fail to generate profit for the brand unless the brand performance is more than their expected minimum guarantee levels. Distributor stores though low in generating revenue they possibly generate profit for the brand in addition to having the capability of enhancing the brand's presence across the country on a larger scale. *EBO Brick-and-Mortar Stores:* In our previous empirical study we have noted that premium EBO locations and city Tier does not guarantee higher store-level profits in addition to the misconception of the brand is also proven in the statistical significance t-test which captures correlations between all the independent variables and overall store profit among high street, mall, and institutional stores. When we look at the correlations using per store per month values (magnitude) which is what the brand follows for strategic decision making, most of the correlations are positive and insignificant with 0.000 2-tailed sig. value. Whereas, if we take a look at the correlations using per square foot values (which is the most important determinant as far as store operating costs are concerned) then statistical results indicate; a) a strongly positive but insignificant correlation between bills and overall store profit in high street stores; b) a strongly positive significant correlation between bills and overall store profit in mall stores; c) a weakly positive but significant correlation between discount percent and overall store profit in institutional stores; d) a weakly positive and insignificant correlation between discount percent and overall store profit in high street stores; e) a weakly positive and insignificant correlation between discount percent and overall store profit in mall stores; f) a moderate negative but insignificant correlation between discount percent and overall store profit in institutional stores. g) a moderate negative but insignificant correlation between discount percent and overall store profit in institutional stores. h) a moderate negative but insignificant correlation between discount percent and overall store profit in institutional stores [58-59]. Same as the SIS distribution channel, we have attempted to understand the unit economics of EBO stores across different types of locations such as high street, mall, and institutional which could possibly enable us to understand the EBO distribution channel empirically rather than just looking at the pros and cons of the channel. Table 2 shows the end-to-end flow of parameters for a lifestyle brand at EBO stores in different types of locations. The results indicate that, though the EBO mall stores generate higher revenue for the brand they fail to generate profit for the brand. EBO institutional stores though low in generating revenue they possibly generate higher absolute profit values for the brand in addition to having the capability of being located very close to the relevant target consumer groups. EBO high street stores have shown balanced results across revenue and profit. *Online Stores:* Table 3 shows the end-to-end flow of parameters for a lifestyle brand at online stores in different types of platforms such as EBO online stores and online marketplaces. Each of the parameters has been tagged with a) controlled by a channel partner, b) controlled by the lifestyle brand, c) controlled by the Government agencies, d) controlled by consumers, and e) derived numbers. This tagging helps one to understand the key areas which can be controlled by the lifestyle brand and its existing and potential consumers, work on designing processes and systems to make these controllable efficient rather worrying about parameters that are controlled by the

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 287

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

channel partner.

Table 1: Store-level unit economics of SIS stores for lifestyle brands in India.

Particulars *(An example of Men's Apparel Category)*	Nature of the Particulars	SIS at National Retailer Stores	SIS at Regional Retailer Stores	SIS at Distributor Stores
SIS Trading Area *(SFT)*	*Decided by the Channel Partner*	200	150	50
Common Area Loading (%)	*Decided by the Channel Partner*	34%	34%	34%
SIS Carpet Area *(SFT)*	*Derived Parameter*	267	200	67
Display Density per SFT *(Pieces)*	*Decided by the Channel Partner*	5.0	5.0	5.0
Minimum Display Quantity *(Pieces)*	*Derived Parameter*	1000	750	250
Sizes	*Decided by the Lifestyle Brand*	S:M:L:XL	S:M:L:XL	S:M:L:XL
Size Ratio	*Decided by the Lifestyle Brand*	1:3:3:1	1:3:3:1	1:3:3:1
Quantity per Size Set *(Pieces)*	*Derived Parameter*	9	9	9
Minimum Size Sets per Store	*Decided by the Lifestyle Brand*	2	2	2
Minimum Display Options	*Derived Parameter*	56	42	14
Average MRP *(INR)*	*Decided by the Lifestyle Brand*	964	964	964
MRP Multiplier Factor	*Decided by the Lifestyle Brand*	3.5	3.5	3.5
Average Product Base Cost *(INR)*	*Derived Parameter*	275	275	275
Minimum Display Inventory Value at MRP *(INR Lacs)*	*Derived Parameter*	9.64	7.23	2.41
Minimum Display Inventory Value at Cost *(INR Lacs)*	*Derived Parameter*	2.75	2.07	0.69
Annual Inventory Turns	***Decided by the Consumers***	**4.13**	**2.68**	**1.10**
Sales Quantity *(Pieces per Month)*	*Derived Parameter*	344	168	23
Return Sales Quantity *(Pieces per Month)*	*Decided by the Channel Partner*	10	2	0
Net Sales Quantity *(Pieces per Month)*	*Derived Parameter*	334	166	23
Sales MRP Value *(INR Lacs per Month)*	*Derived Parameter*	3.22	1.60	0.22
Annual Discount Provision (%)	*Decided by the Lifestyle Brand*	15%	15%	5%
Discount Value *(INR Lacs per Month)*	*Derived Parameter*	0.48	0.24	0.01
Gross Sales Value *(INR Lacs per Month)*	*Derived Parameter*	2.74	1.36	0.21
Average Selling Price *(INR per Piece)*	*Derived Parameter*	819	819	915
SPF *(INR)*	*Derived Parameter*	34	23	10
Secondary Tax *(%)*	*Decided by the Government*	5%	5%	5%
Secondary Tax Value *(INR Lacs per Month)*	*Derived Parameter*	0.13	0.06	0.01
Revenue *(INR Lacs per Month)*	***Derived Parameter***	**2.61**	**1.29**	**0.20**
Cost of Goods Sold *(INR Lacs per Month)*	*Derived Parameter*	0.92	0.46	0.06
Gross Earning Value *(INR Lacs per Month)*	*Derived Parameter*	1.82	0.90	0.15
Gross Earning *(%)*	*Derived Parameter*	66%	66%	70%
Distributor Commission *(%)*	*Decided by the Distributor*	**0%**	**0%**	10%
Distributor Commission Value *(INR Lacs per Month)*	*Derived Parameter*	**0**	**0**	0.02
Retailer Sales Commission *(%)*	*Decided by the Channel Partner*	38%	35%	30%
Retailer Sales Commission Value *(INR Lacs per Month)*	*Derived Parameter*	1.04	0.56	0.07
MPF *(INR)*	*Derived Parameter*	13	8	3
Brand Staff Cost *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.20	0.20	**0**
Brand Promotional Cost Provision *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.19	0.07	0.01
Warehousing Expenses *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.11	**0**	**0**
Logistics Expenses *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.007	0.003	0.000
Shrinkage Provision *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.021	**0**	**0**
Minimum Guarantee *(MPF INR)*	*Decided by the Channel Partner*	15.00	**0**	**0**
Minimum Guarantee Value *(INR Lacs per Month)*	*Derived Parameter*	1.20	0.00	0.00
Minimum Guarantee Cost *(INR Lacs per Month)*	*Derived Parameter*	1.20	0.00	0.00
Total Retailing Cost *(INR Lacs per Month)*	*Derived Parameter*	2.77	0.83	0.10
Net Earning Value *(INR Lacs per Month)*	***Derived Parameter***	**-0.95**	**0.07**	**0.05**
Net Earning *(%)*	*Derived Parameter*	-35%	5%	23%
Net Earnings per Piece Sold *(INR)*	***Derived Parameter***	**-277**	**43**	**204**
Purchase Mode	*Decided by the Channel Partner*	SOR	SOR	OR
Basis for Payment to Lifestyle Brand	*Decided by the Channel Partner*	Actual Sale to Consumer	Actual Sale to Consumer	Actual Billing to Distributor
Payment Terms	*Decided by the Channel Partner*	30 Days from the date of actual Sale to Consumer	45 Days from the date of actual Sale to Consumer	30 to 180 Days from the date of Billing to Distributor

*MBO: Multi-Branded Outlet; **SFT**: Square Foot; **SPF**: Sales per Square Foot per Day; **MPF**: Margin Value per Square Foot pe Day; **SOR**: Sale-or-Return; **OR**: Outright*

Results indicate that, though the online distribution channels generate higher revenue for the brand on the per store per month basis, they fail to generate profit for the brand and in fact, they generate significant losses to the brand. In comparison to other distribution channels, online stores have shown higher annual inventory turns, nevertheless, it is also noted that this could be moderated by significantly higher levels of discounts

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 288

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS
PUBLICATION

being offered to consumers as compared to other distribution sales channels.

Table 2: Store-level unit economics of brick-and-mortar EBO stores for lifestyle brands in India.

Particulars *(An example of Men's Apparel Category)*	Nature of the Particulars	EBO High Street Store	EBO Mall Store	EBO Institutional Store
Trading Area *(SFT)*	*Decided by the Lifestyle Brand*	2000	2000	800
Common Area Loading (%)	*Decided by the Lifestyle Brand*	34%	34%	34%
Carpet Area *(SFT)*	*Derived Parameter*	2672	2672	1069
Display Density per SFT *(Pieces)*	*Decided by the Lifestyle Brand*	5.0	5.0	5.0
Minimum Display Quantity *(Pieces)*	*Derived Parameter*	10000	10000	4000
Sizes	*Decided by the Lifestyle Brand*	S:M:L:XL	S:M:L:XL	S:M:L:XL
Size Ratio	*Decided by the Lifestyle Brand*	1:3:3:1	1:3:3:1	1:3:3:1
Quantity per Size Set *(Pieces)*	*Derived Parameter*	9	9	9
Minimum Size Sets per Store	*Decided by the Lifestyle Brand*	2	2	1
Minimum Display Options	*Derived Parameter*	556	556	444
Average MRP *(INR)*	*Decided by the Lifestyle Brand*	964	964	964
MRP Multiplier Factor	*Decided by the Lifestyle Brand*	3.5	3.5	3.5
Average Product Base Cost *(INR)*	*Derived Parameter*	275	275	275
Minimum Display Inventory Value at MRP *(INR Lacs)*	*Derived Parameter*	96.40	96.40	38.56
Minimum Display Inventory Value at Cost *(INR Lacs)*	*Derived Parameter*	27.54	27.54	11.02
Annual Inventory Turns	***Decided by the Consumers***	**2.85**	**2.92**	**2.62**
Sales Quantity *(Pieces per Month)*	*Derived Parameter*	2375	2433	873
Return Sales Quantity *(Pieces per Month)*	*Decided by the Lifestyle Brand*	24	24	9
Net Sales Quantity *(Pieces per Month)*	*Derived Parameter*	2351	2409	865
Sales MRP Value *(INR Lacs per Month)*	*Derived Parameter*	22.67	23.22	8.33
Annual Discount Provision (%)	*Decided by the Lifestyle Brand*	18%	18%	14%
Discount Value *(INR Lacs per Month)*	*Derived Parameter*	4.00	4.10	1.19
Gross Sales Value *(INR Lacs per Month)*	*Derived Parameter*	18.67	19.12	7.15
Average Selling Price *(INR per Piece)*	*Derived Parameter*	794	794	827
SPF *(INR)*	*Derived Parameter*	23	24	22
Secondary Tax *(%)*	*Decided by the Government*	5%	5%	5%
Secondary Tax Value *(INR Lacs per Month)*	*Derived Parameter*	0.89	0.91	0.34
Revenue *(INR Lacs per Month)*	***Derived Parameter***	**17.78**	**18.21**	**6.81**
Cost of Goods Sold *(INR Lacs per Month)*	*Derived Parameter*	6.48	6.64	2.38
Gross Earning Value (INR Lacs per Month)	*Derived Parameter*	12.19	12.49	4.76
Gross Earning (%)	*Derived Parameter*	65%	65%	67%
MPF *(INR)*	*Derived Parameter*	15	16	15
Institution Commission (%)	*Decided by the Institution*	**0%**	**0%**	15%
Institution Commission Value *(INR Lacs per Month)*	*Derived Parameter*	**0**	**0**	1.02
Rent per SFT *(INR per Month)*	*Decided by the Realty Partner*	150	200	**0**
Store Rent Value *(INR Lacs per Month)*	*Derived Parameter*	4.01	5.34	**0**
CAM per SFT *(INR per Month)*	*Decided by the Realty Partner*	**0**	50	**0**
Store CAM Value *(INR Lacs per Month)*	*Derived Parameter*	**0**	1.34	**0**
SFT Covered by One Sales Personnel	*Decided by the Lifestyle Brand*	300	300	300
Sales Personnel Head Count	*Derived Parameter*	9	9	4
Store Managers Head Count	*Decided by the Lifestyle Brand*	2	2	1
Store House Keeping Personnel Head Count	*Derived Parameter*	1	1	0
Store Security Personnel Head Count	*Derived Parameter*	1	0	0
Total Employee Cost *(INR Lacs per Month)*	*Derived Parameter*	2.02	1.92	0.78
Store Overheads per SFT *(INR per Month)*	*Decided by the Lifestyle Brand*	50	40	15
Store Overheads Cost *(INR Lacs per Month)*	*Derived Parameter*	1.34	1.07	0.16
Bank and Finance Charges *(INR Lacs per Month)*	*Derived Parameter*	0.28	0.29	0.11
Brand Promotional Cost Provision *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	1.31	1.34	0.50
Warehousing Expenses *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.71	0.73	0.27
Logistics Expenses *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.71	0.73	0.27
Shrinkage Provision *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.233	0.239	0.089
Total Retailing Cost *(INR Lacs per Month)*	*Derived Parameter*	10.60	12.99	3.21
EBITDA Value *(INR Lacs per Month)*	***Derived Parameter***	**1.59**	**-0.50**	**1.56**
EBITDA *(%)*	*Derived Parameter*	9%	-3%	22%
Net Earnings per Piece Sold *(INR)*	***Derived Parameter***	**67**	**-20**	**178**

SFT: Square Foot; SPF: Sales per Square Foot per Day; MPF: Earning Value per Square Foot pe Day; CAM: Common Area Maintenance;
EBITDA: Earnings Before Interest, Tax, and Depreciation

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 289

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

Lifestyle brands were the issue of stock returns from consumers. We have noted that about 26.69 percent of products sold to consumers were returned back to brand owing to various issues and this is one of the major concerns as far as return logistics cost is concerned which directly affects the overall brand profitability at the store-level in addition to creating unsatisfied consumers, the wrong perception about the brand image and most importantly negative word-of-mouth.

Table 3: Store-level unit economics of online stores for lifestyle brands in India.

Particulars *(An example of Men's Apparel Category)*	Nature of the Particulars	Online EBO	Online Marketplace
Sizes	*Decided by the Lifestyle Brand*	S:M:L:XL	S:M:L:XL
Size Ratio	*Decided by the Lifestyle Brand*	1:3:3:1	1:3:3:1
Quantity per Size Set *(Pieces)*	*Derived Parameter*	9	9
Minimum Size Sets per Store	*Decided by the Channel Partner*	1	3
Display Options	*Decided by the Lifestyle Brand*	556	278
Minimum Quantity to be Blocked	*Decided by the Lifestyle Brand*	5000	7500
Average MRP *(INR)*	*Decided by the Lifestyle Brand*	1446	1446
Average Product Base Cost *(INR)*	*Decided by the Lifestyle Brand*	275	275
Minimum Blocked Inventory Value at MRP *(INR Lacs)*	*Derived Parameter*	72.30	108.45
Minimum Blocked Inventory Value at Cost *(INR Lacs)*	*Derived Parameter*	13.77	20.66
Annual Inventory Turns	***Decided by the Consumers***	**3.42**	**2.85**
Sales Quantity *(Pieces per Month)*	*Derived Parameter*	1425	1781
Sales MRP Value *(INR Lacs per Month)*	*Derived Parameter*	20.61	25.76
Annual Discount Provision *(%)*	*Decided by the Lifestyle Brand*	49%	49%
Discount Value *(INR Lacs per Month)*	*Derived Parameter*	10.03	12.54
Gross Merchandise Value *(INR Lacs per Month)*	***Derived Parameter***	**10.57**	**13.21**
Average Selling Price *(INR per Piece)*	*Derived Parameter*	742	742
Secondary Tax *(%)*	*Decided by the Government*	5%	5%
Secondary Tax Value *(INR Lacs per Month)*	*Derived Parameter*	0.50	0.63
Cost of Goods Sold *(INR Lacs per Month)*	*Derived Parameter*	3.92	4.91
Gross Earning Value (INR Lacs per Month)	*Derived Parameter*	6.14	7.68
Gross Earning *(%)*	*Derived Parameter*	58%	58%
Returns Quantity *(Pieces per Month)*	*Decided by the Consumers*	499	445
Reverse Logistics Cost *(INR Lacs per Month)*	*Derived Parameter*	0.92	0.53
Digital Platform Fee *(%)*	*Decided by the Lifestyle Brand*	15%	**0%**
Digital Platform Value *(INR Lacs per Month)*	*Derived Parameter*	1.59	**0**
Selling Fee *(%)*	*Decided by the Channel Partner*	**0%**	16%
Selling Fee Value *(INR Lacs per Month)*	*Derived Parameter*	**0**	2.11
Delivery Fee *(%)*	*Decided by the Channel Partner*	25%	16%
Delivery Fee Value *(INR Lacs per Month)*	*Derived Parameter*	2.64	2.11
Transaction Fee *(%)*	*Decided by the Channel Partner*	2%	3%
Transaction Fee Value *(INR Lacs per Month)*	*Derived Parameter*	0.21	0.40
Digital Promotions Cost *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	5.50	4.10
Warehousing Expenses *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.42	0.53
Logistics Expenses *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.21	0.26
Shrinkage Provision *(INR Lacs per Month)*	*Decided by the Lifestyle Brand*	0.026	0.033
Total Retailing Cost *(INR Lacs per Month)*	*Derived Parameter*	11.52	10.08
Net Earning Value *(INR Lacs per Month)*	***Derived Parameter***	**-5.38**	**-2.40**
Net Earning *(%)*	*Derived Parameter*	-51%	-18%
Net Earnings per Piece Sold *(INR)*	***Derived Parameter***	**-378**	**-135**

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 290

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

Table 4: Comparative table across various distribution channels and key factors of a lifestyle brand in India.

Factors *(per store per month)*	Brick-and-Mortar Stores						Online Stores	
	SIS at National Retailer Stores	SIS at Regional Retailer Stores	SIS at Distributor Stores	EBO High Street Stores	EBO Mall Stores	EBO Institutional Stores	EBO Online Store	Online Marketplace Store
Store Count	150	50	400	8	12	4	1.00	5.00
Carpet Area *(SFT)*	267	200	67	2672	2672	1069	Na*	Na*
Trading Area *(SFT)*	177	133	44	1774	1774	710	Na*	Na*
Annual Inventory Turns	4.13	2.68	1.10	2.85	2.92	2.62	3.42	2.85
Quantity Sale *(Pieces)*	344	168	23	2375	2433	873	1425	1781
Discount Percentage	15.00%	15.00%	5.12%	17.65%	17.65%	14.26%	48.70%	48.70%
Revenue *(INR in Lacs)*	**2.61**	**1.29**	**0.20**	**17.78**	**18.21**	**6.81**	**10.57**	**13.21**
Gross Earning *(INR in Lacs)*	1.82	0.90	0.15	12.19	12.49	4.76	6.14	7.68
Gross Earning Percentage	66.39%	66.39%	69.89%	65.30%	65.30%	66.68%	58.11%	58.11%
Average Selling Price *(INR)*	757	773	862	748	748	779	742	742
Overall Retailing Cost *(INR in Lacs)*	2.77	0.83	0.10	10.60	12.99	3.21	11.52	10.08
Net Earning *(INR in Lacs)*	-0.95	0.07	0.05	1.59	-0.50	1.56	-5.38	-2.40
Net Earning Percentage	-36.63%	5.51%	23.63%	8.93%	-2.73%	22.89%	-50.89%	-18.14%
Sale Return Percentage	1.12%	0.95%	0.95%	1.25%	1.09%	1.36%	34.72%	25.08%
Net Earning per Piece Sold *(INR)*	**-277.2**	**42.5**	**203.8**	**66.8**	**-20.4**	**178.4**	**-377.5**	**-134.6**

Na: Not Applicable

Table 5: Percentage deviation from the lifestyle brand's mean in key factors across various distribution channels.

Factors *(per store per month)*	Brick-and-Mortar Stores						Online Stores	
	SIS at National Retailer Stores	SIS at Regional Retailer Stores	SIS at Distributor Stores	EBO High Street Stores	EBO Mall Stores	EBO Institutional Stores	EBO Online Store	Online Marketplace Store
Carpet Area *(SFT)*	35.34%	13.78%	-158.65%	93.53%	93.53%	83.83%	Na*	Na*
Trading Area *(SFT)*	35.34%	13.78%	-158.65%	93.53%	93.53%	83.83%	Na*	Na*
Annual Inventory Turns	67.74%	50.28%	-21.14%	53.24%	54.37%	49.14%	61.04%	53.24%
Quantity Sale *(Pieces)*	43.72%	-15.64%	-745.19%	91.84%	92.04%	77.82%	86.41%	89.13%
Discount Percentage	-27.66%	-27.66%	-274.01%	-8.49%	-8.49%	-34.29%	60.68%	60.68%
Revenue *(INR in Lacs)*	**43.94%**	**-12.86%**	**-639.02%**	**91.78%**	**91.98%**	**78.54%**	**86.18%**	**88.95%**
Gross Earning *(INR in Lacs)*	45.07%	-10.59%	-587.88%	91.82%	92.01%	79.06%	83.76%	87.01%
Gross Earning Percentage	-2.89%	-2.89%	2.27%	-4.59%	-4.59%	-2.44%	-17.55%	-17.55%
Average Selling Price *(INR)*	0.39%	2.40%	12.56%	-0.74%	-0.74%	3.24%	-1.65%	-1.65%
Overall Retailing Cost *(INR in Lacs)*	55.74%	-47.58%	-1147.10%	88.44%	90.56%	61.77%	89.36%	87.83%
Net Earning *(INR in Lacs)*	-123.95%	220.70%	389.29%	114.40%	-145.93%	114.67%	-104.25%	-109.53%
Net Earning Percentage	-142.72%	184.15%	-33.79%	275.22%	-672.73%	168.35%	-130.75%	-186.25%
Sale Return Percentage	42.72%	32.47%	32.47%	48.68%	41.15%	52.83%	98.15%	97.44%
Net Earning per Piece Sold *(INR)*	**-142.56%**	**177.33%**	**-42.11%**	**276.52%**	**-676.99%**	**166.14%**	**-131.25%**	**-187.67%**

Na: Not Applicable

Table 4 indicates a comparison among various distribution channels with respect to the magnitude of performance indicators whereas, Table 5 shows the percentage deviation across key factors among various distribution channels from the lifestyle brand's national level means. Some of the beliefs which do match with the results are mostly skewed to absolute numbers (magnitude) and that too related to revenue generation per store per month and not the efficacy levels such as overall brand profitability at store-level per store per month as well as per store per square foot productivity. In table 6 we have captured the percentage deviation across key factors among brick-and-mortar and online distribution channels from the lifestyle brand's national level means which clearly indicates that brick-and-mortar stores in addition to generating store-level profits, also enable the lifestyle brand to expand their store presence across the country using various distribution channels available.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 291

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS
PUBLICATION

Table 6: Percentage deviation from the lifestyle brand's mean in key factors across brick-and-mortar and online stores.

Factors (*per store per month*)	Brick-and-Mortar Stores	Online Stores
Annual Inventory Turns	-1.18%	54.75%
Quantity Sale *(Pieces)*	-8.21%	88.75%
Discount Percentage	-25.25%	60.68%
Revenue *(INR in Lacs)*	**-8.05%**	**88.57%**
Gross Earning *(INR in Lacs)*	-6.60%	86.56%
Gross Earning Percentage	1.34%	-17.55%
Average Selling Price *(INR)*	0.15%	-1.65%
Overall Retailing Cost *(INR in Lacs)*	-7.68%	88.11%
Net Earning *(INR in Lacs)*	-12.63%	92.10%
Net Earning Percentage	-4.24%	30.95%
Sale Return Percentage	-64.04%	97.60%
Net Earning per Piece Sold *(INR)*	**4.09%**	**-170.19%**

On a scale of i) low; ii) moderate; and iii) high, we could map various roles played by available distribution channels in India in relation to lifestyle brands as shown in table 7.

Table 7: Distribution channel-wise expected role matrix for lifestyle brands in India.

Role of Distribution Channel	SIS at National Retailer Stores	SIS at Regional Retailer Stores	SIS at Distributor Stores	EBO High Street Stores	EBO Mall Stores	EBO Institutional Stores	EBO Online Store	Online Marketplaces
Helps in Building Brand Awareness	High	Moderate	Low	High	High	High	Moderate	Low
Helps in Building Brand Familiarity	High	High	Moderate	High	High	High	Moderate	Low
Store Count Scalability	Moderate	High	High	Low	Low	Low	Low	Low
Expected Consumer Loyalty	Low	Moderate	Moderate	High	Moderate	High	Moderate	Low
Helps in Testing New Design / Product	Low	Low	Low	Low	Low	Low	High	High
Old Stock Liquidation	Low	Low	Low	Moderate	Moderate	Low	High	High
True Lifestyle Brand Image Building Capability	High	High	Moderate	High	High	High	High	High
Capital Investment Requirment	Low	Low	Low	High	High	Moderate	Low	Low
Expected Revenue	Moderate	Moderate	Low	High	High	Low	Low	High
Expected Profitability	Low	Moderate	High	Moderate	Low	High	Low	Low
Capability of Understanding Consumer	Low	Low	Low	High	High	High	High	Low

6. DEVELOPMENT OFFL-LBSi INSTRUMENT :

Dimensions of FL-LBSi Instrument: Before we head on to explaining the FL-LBSi scale, let us first define the key dimensions of the scale. Based on the findings and insights of this exhaustive research study, we have identified three key dimensions that are detrimental for a lifestyle the brand's sustainable success in the Indian market such as, i) Supply-side; ii) Demand-side, and iii) Connectors of Supply and Demand-side. This is not in any order of preference as one has to understand that it is inevitable for a lifestyle brand to give equal importance to all these three dimensions irrespective of the magnitude of their business and the stage of their evolution. As the FL-LBSi scale is an input-driven instrument it is imperative for us to identify, a) key inputs across all the three dimensions; b) elements and sub-elements of each of these dimensions; c) expected outcome of these elements and sub-elements; d) the single most important output; and most importantly e) the flow. Figure 2 illustrates the journey of a brand to gain a true lifestyle image in existing and potential employees, investors, competitors, and consumers' minds in a systematic and measurable flow.

Items of FL-LBSi Instrument: FL-LBSi scale has 3 dimensions, 7 elements, and 63 sub-elements / items which are defined as below and illustrated in Figure 3.

Supply-side (S): As mentioned earlier there are more than 5000 Indian lifestyle brands in addition to well-known global lifestyle brands in India. It is universally accepted phenomenon that the 'Product' plays an important role in establishing a 'true lifestyle brand' image in consumers' mind and it is imperative to all the lifestyle brands that, each product tagged with the brand name must be created in such a way it creates positive

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 292

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

and unique perceptions in addition to long term memories in consumers' mind. We have identified two key elements under this dimension which are, i) Unique Product Properties (Sa); and ii) Unique Supply Chain Partners (Sb). A brand might argue that it is easier to maintain product uniqueness if we manufacture all the components of a finished product using the brand's own factory. This argument is not valid as the financials of such model does not support them. Many reputed Global brands do not own any manufacturing facilities, what they own is the designs and creative elements of each and every component of a finished product through nominated supply chain partners who have been aligned to the brand's tangible and intangible personality and image. Under the element 'Sa' we have identified sub-elements / items which would be useful in measuring viz., Sa1) Raw Material Components (example – Base Fabric); Sa2) Trims (Example – Zippers); Sa3) Fits (Example – Ultra Skinny Fit); Sa4) Silhouette and Model (Example – Anarkali); Sa5) Testing Standards (Example – Button Pull Test); Sa6) Finishes (Example – Anti Bacterial); Sa7) Packaging (Example – Eco-Friendly Box). Once the brand has designed unique components of a finished product, it is very important to identify, train, develop, and align supply partners who are experts in making these components. Thus, under the element 'Sb', we have identified sub-elements and items which would be useful in measuring viz., Sb1) Designers (Example – Freelancers); Sb2) Raw Material Makers (Fabric Manufacturers); Sb3) Trim Makers; Sb4) Finishing Specialists (Example – Textile Processing Units); Sb5) Testing Agencies (Example - Third Party Global Testing Agencies); Sb6) Packaging Makers; Sb7) Product Assembly Works (Example – Garmenting Units); Sb8) Logistics (Example – Transporters); Sb9) Warehousing (Example – Regional Warehouses). All these sub-elements directly or indirectly help the brand to, i) own and use these unique properties to promote the brand; ii) use them as strong communication contents; iii) each product to be a rational combination of these properties to ensure optimal total product cost; iv) to use specialists in each area of supply; v) enable no single product to be a creation of single vendor partner; vi) rationalization of costs, and most importantly vii) make it hard to reproduce a product by any competitor.

Demand-side (D): We believe that Lavidge and Steiner's original 'hierarchy of effects model' conceptualized during the 1960s, the consumers' journey of purchase decision begins with 'Awareness'. 'Awareness combined with Familiarity' should be given priority in the beginning stages of establishing a true lifestyle brand. Consumer retention rate or consumer loyalty are output in nature whereas 'Awareness' is an input component of the consumer purchase decision-making process. To create brand awareness and familiarity in India brand has to partner with as many relevant distribution channel partners as possible; cater to as many consumer groups as possible; and regularly communicate with all the stakeholders (employees, investors, supply-side partners, demand-side partners, and consumers) with consistency, accuracy, and authenticity in the communication content which is consumer-centric. We have identified two key elements under this dimension which are, i) Breadth of Target Consumers Group (Da); and ii) Breadth of Distribution Channel Partners (Db). A brand could argue that it will only focus on specific consumer groups and sell through specific distribution channels as the brand is not comfortable with other available consumer groups and distribution channel partners. This argument is weak as far as long-term brand sustainability is concerned in addition to limiting the brand's potential value. Under the element 'Da' we have identified sub-elements / items which would be useful in measuring viz., Da1) consumers grouped as Pregnant and Nursing Women; Da2) consumers grouped as Babies (0-1 Year); Da3) consumers grouped as Infants (1 to 3 Years); Da4) consumers grouped as Kid Boys (2 to 8 Years); Da5) consumers grouped as Kid Girls (2 to 8 Years); Da6) consumers grouped as Teen Boys (8 to 16 Years); Da7) consumers grouped as Teen Girls (8 to 16 Years); Da8) consumers grouped as Young Women (18 to 30 Years); Da9) consumers grouped as Young Men (18 to 30 Years);
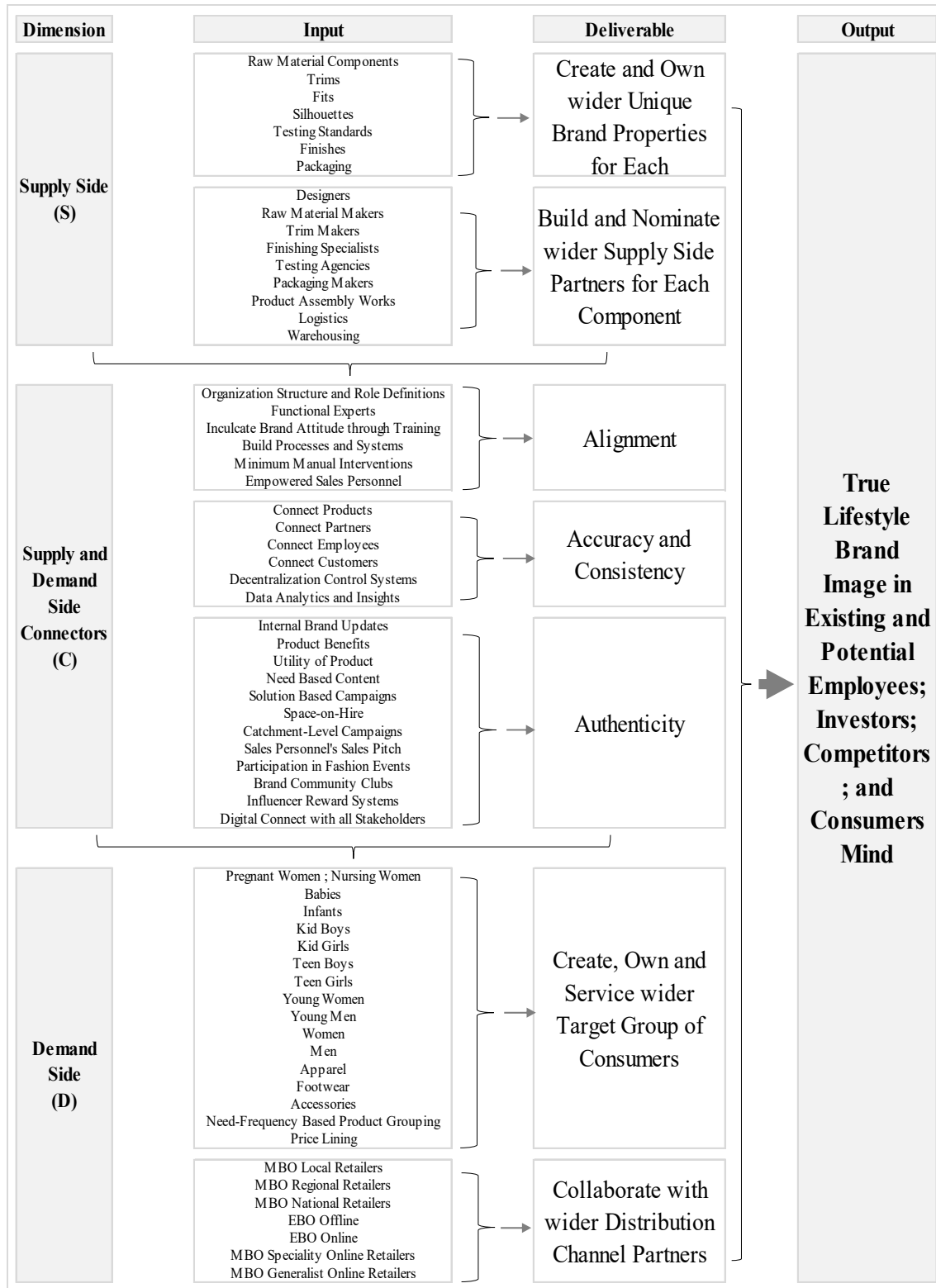
H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 293

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

Dimension	Input	Deliverable	Output
Supply Side (S)	Raw Material Components, Trims, Fits, Silhouettes, Testing Standards, Finishes, Packaging	Create and Own wider Unique Brand Properties for Each	**True Lifestyle Brand Image in Existing and Potential Employees; Investors; Competitors; and Consumers Mind**
	Designers, Raw Material Makers, Trim Makers, Finishing Specialists, Testing Agencies, Packaging Makers, Product Assembly Works, Logistics, Warehousing	Build and Nominate wider Supply Side Partners for Each Component	
Supply and Demand Side Connectors (C)	Organization Structure and Role Definitions, Functional Experts, Inculcate Brand Attitude through Training, Build Processes and Systems, Minimum Manual Interventions, Empowered Sales Personnel	Alignment	
	Connect Products, Connect Partners, Connect Employees, Connect Customers, Decentralization Control Systems, Data Analytics and Insights	Accuracy and Consistency	
	Internal Brand Updates, Product Benefits, Utility of Product, Need Based Content, Solution Based Campaigns, Space-on-Hire, Catchment-Level Campaigns, Sales Personnel's Sales Pitch, Participation in Fashion Events, Brand Community Clubs, Influencer Reward Systems, Digital Connect with all Stakeholders	Authenticity	
Demand Side (D)	Pregnant Women ; Nursing Women, Babies, Infants, Kid Boys, Kid Girls, Teen Boys, Teen Girls, Young Women, Young Men, Women, Men, Apparel, Footwear, Accessories, Need-Frequency Based Product Grouping, Price Lining	Create, Own and Service wider Target Group of Consumers	
	MBO Local Retailers, MBO Regional Retailers, MBO National Retailers, EBO Offline, EBO Online, MBO Speciality Online Retailers, MBO Generalist Online Retailers	Collaborate with wider Distribution Channel Partners	

Fig. 2: Inputs to output flow across dimensions of the proposed FL-LBSi Scale.

Da10) consumers grouped as Women (Above 30 Years); Da11) consumers grouped as Men (Above 30 Years); Da12) products grouped as Apparel; Da13) products grouped as Footwear; Da14) products grouped as Accessories; Da15) product grouped based on Need-Frequency metrics such as Essential, Fashion and

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 294

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

Occasional; and Da16) product grouped by based on Price Lining such as Low, Mid and High. Once the brand has defined the target consumer group, product categories, and product pricing it is very important to identify, train, develop and align distribution channel partners who are experts in selling the brand's products. Thus, under the element 'Db', we have identified sub-elements / items which would be useful in measuring viz., Db1) MBO Local Retailers (Example – Channabasappa & Sons Davanagere); Db2) MBO Regional Retailers (Example – Kapsons Punjab); Db3) MBO National Retailers (Example – Shoppers Stop); Db4) EBO Offline; Db5) EBO Online; Db6) MBO Speciality Online Retailers (Example – Myntra); and Db7) MBO Generalist Online Retailers (Example – Flipkart).All these sub-elements directly or indirectly help the brand to, i) cater to wider target consumer groups with specific product categories or wider product categories for a specific target group of consumers; ii) maximize reach & conversion of any communication efforts; iii) minimize cannibalization & maximize basket size; iv) create 'Go-To' brand perception for any life-stage need; v) utilize the expertise of specialists in each area of demand generation; vi) enable the brand to define specific roles for every demand generating partner; vii) distribute part of the partnering costs as part of brand-level promotional costs to understand the true impact on retail format level profitability; viii) take the brand where the customer is already shopping and ease customer shopping efforts by making it available across existing purchase options for them, and most importantly; ix) create brand awareness through Product-Market penetration and let customers get familiar with the brand.

Connectors (C): What is most important in achieving the goal of establishing a true lifestyle brand image is the way in which a brand connects supply-side with the demand-side attributes. The internal people, processes, systems, and control measures play an important role in connecting supply and demand-sides. Unless all these elements and sub-elements are aligned to the brand's overall personality and image the connection efficiency shall not be up to the expected mark. In case this alignment is weak then it could probably lead to a steady deterioration of the brand's positive image and most importantly it is very difficult to recover this damage in the short run. We have identified three key elements under this dimension which are, i) Brand Centric People and Processes (Ca); ii) Technology (Cb), and iii) Communication (Cc).Under the element 'Ca' we have identified sub-elements and items which would be useful in measuring viz., Ca1) Organization Structure and Role Definitions;Ca2) Functional Experts; Ca3) Training; Ca4) Processes and Systems; Ca5) Minimum Manual Interventions and Ca6) Empowered Sales Personnel. In order to connect all the stakeholders, processes, and systems adoption of seamless technology is necessary, thus, under the element 'Cb' we have identified sub-elements and items which would be useful in measuring viz., Cb1) Connect Products; Cb2) Connect Partners; Cb3) Connect Employees; Cb4) Connect Consumers; Cb5) Decentralization Control Systems, and Cb6) Data Analytics and Insights. Once the brand has structured and aligned people, processes, systems, and technology it is very important to effectively communicate to all the stakeholders, and unless the communication is intended to communicate the authenticity of the brand personality and image it is not a sustainable intangible asset of a brand. Thus, under the element 'Cc', we have identified sub-elements and items which would be useful in measuring viz., Cc1) The internal Brand Updates; Cc2) Product Benefits; Cc3) Utility of Product; Cc4) Need-Based Content; Cc5) Solution-Based Campaigns; Cc6) Space-on-Hire; Cc7) Catchment-Level Campaigns; Cc8) Need-Based Sales Pitch; Cc9) Participation in Fashion Events; Cc10) Brand Community Clubs; Cc11) Influencer Reward System and Cc12) Digital Connect. All these sub-elements directly or indirectly help the brand to, i) achieve Employee-Business model fit; ii) allocate ownership of each function with measurable deliverables; iii) strengthen processes over people; iv) seamlessly interface products, processes, partners, and consumers; v) use technology to provide key insights on performance across people, product, processes, partners, and consumers; vi) help employee to first know the happenings in the brand across functions; vii) create awareness on the relevance of each product for a specific life-stage need; viii) keep constant touch with new and existing consumers with consistent communication contents; and ix) create excitement in consumers' mind with updates on upcoming products, promotions, and events.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 295

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

Dimension	Key Elements	Item No.	Sub Elements / Measurable Items	Stages							Maximum Score
				Strategic (Score = 1)	Planning (Score = 2)	Pilot (Score = 3)	Learning (Score = 4)	Rationalization (Score = 5)	Operational (Score = 6)	Sustained (Score = 7)	
Supply Side (S)	Unique Product Properties (Sa)	Sa1	Raw Material Components	1	2	3	4	5	6	7	49
		Sa2	Trims	1	2	3	4	5	6	7	
		Sa3	Fits	1	2	3	4	5	6	7	
		Sa4	Silhouettes / Models	1	2	3	4	5	6	7	
		Sa5	Testing Standards	1	2	3	4	5	6	7	
		Sa6	Finishes	1	2	3	4	5	6	7	
		Sa7	Packaging	1	2	3	4	5	6	7	
	Expert Supply Chain Partners (Sb)	Sb1	Designers	1	2	3	4	5	6	7	63
		Sb2	Raw Material Makers	1	2	3	4	5	6	7	
		Sb3	Trim Makers	1	2	3	4	5	6	7	
		Sb4	Finishing Specialists	1	2	3	4	5	6	7	
		Sb5	Testing Agencies	1	2	3	4	5	6	7	
		Sb6	Packaging Makers	1	2	3	4	5	6	7	
		Sb7	Product Assembly Works	1	2	3	4	5	6	7	
		Sb8	Logistics	1	2	3	4	5	6	7	
		Sb9	Warehousing	1	2	3	4	5	6	7	
Supply and Demand Side Connect (C)	Brand Centric People and Processes (Ca)	Ca1	Organization Structure and Role Definitions	1	2	3	4	5	6	7	42
		Ca2	Functional Experts	1	2	3	4	5	6	7	
		Ca3	Training	1	2	3	4	5	6	7	
		Ca4	Processes and Systems	1	2	3	4	5	6	7	
		Ca5	Minimum Manual Interventions	1	2	3	4	5	6	7	
		Ca6	Empowered Sales Personnel	1	2	3	4	5	6	7	
	Technology (Cb)	Cb1	Connect Products	1	2	3	4	5	6	7	42
		Cb2	Connect Partners	1	2	3	4	5	6	7	
		Cb3	Connect Employees	1	2	3	4	5	6	7	
		Cb4	Connect Consumers	1	2	3	4	5	6	7	
		Cb5	Decentralization Control Systems	1	2	3	4	5	6	7	
		Cb6	Data Analytics and Insights	1	2	3	4	5	6	7	
	Communication (Cc)	Cc1	Internal Brand Updates	1	2	3	4	5	6	7	84
		Cc2	Product Benefits	1	2	3	4	5	6	7	
		Cc3	Utility of Product	1	2	3	4	5	6	7	
		Cc4	Need-Based Content	1	2	3	4	5	6	7	
		Cc5	Solution-Based Campaigns	1	2	3	4	5	6	7	
		Cc6	Space-on-Hire	1	2	3	4	5	6	7	
		Cc7	Catchment-Level Campaigns	1	2	3	4	5	6	7	
		Cc8	Need-Based Sales Pitch	1	2	3	4	5	6	7	
		Cc9	Participation in Fashion Events	1	2	3	4	5	6	7	
		Cc10	Brand Community Clubs	1	2	3	4	5	6	7	
		Cc11	Influencer Reward Systems	1	2	3	4	5	6	7	
		Cc12	Digital Connect	1	2	3	4	5	6	7	
Demand Side (D)	Breadth of Target Consumers Group (Da)	Da1	Pregnant Women ; Nursing Women	1	2	3	4	5	6	7	112
		Da2	Babies	1	2	3	4	5	6	7	
		Da3	Infants	1	2	3	4	5	6	7	
		Da4	Kid Boys	1	2	3	4	5	6	7	
		Da5	Kid Girls	1	2	3	4	5	6	7	
		Da6	Teen Boys	1	2	3	4	5	6	7	
		Da7	Teen Girls	1	2	3	4	5	6	7	
		Da8	Young Women	1	2	3	4	5	6	7	
		Da9	Young Men	1	2	3	4	5	6	7	
		Da10	Women	1	2	3	4	5	6	7	
		Da11	Men	1	2	3	4	5	6	7	
		Da12	Apparel	1	2	3	4	5	6	7	
		Da13	Footwear	1	2	3	4	5	6	7	
		Da14	Accessories	1	2	3	4	5	6	7	
		Da15	Need-Frequency Based Product Grouping	1	2	3	4	5	6	7	
		Da16	Price Lining	1	2	3	4	5	6	7	
	Breadth of Distribution Channel Partners (Db)	Db1	MBO Local Retailers	1	2	3	4	5	6	7	49
		Db2	MBO Regional Retailers	1	2	3	4	5	6	7	
		Db3	MBO National Retailers	1	2	3	4	5	6	7	
		Db4	EBO Offline	1	2	3	4	5	6	7	
		Db5	EBO Online	1	2	3	4	5	6	7	
		Db6	MBO Speciality Online Retailers	1	2	3	4	5	6	7	
		Db7	MBO Generalist Online Retailers	1	2	3	4	5	6	7	

Fig. 3: Proposed Scale for investors to measure the firm-level the true potential of lifestyle brands in India: FL-LBSi.

7. HOW TO USE FL-LBSi INSTRUMENT :

Figure 3 depicts the FL-LBSi scale with scores being allotted to all the 63 sub-elements/items and 7 stages of a lifestyle brand's evolution such as i) Strategic; ii) Planning; iii) Pilot; iv) Learning; v) Rationalization; vi) Operational, and vii) Sustained. We were cognizant about the fact that every brand needs a certain time to evolve to a sustainable stage, thus, we have considered different stages of this evolution in the instrument. However, a brand can reach a sustainable stage only if it has adopted all the previous six stages of the evolution considered in the instrument. Even the allocation of scores is based on the stage of evolution a brand has reached for every dimension, element, and sub-elements of the proposed instrument viz., i) strategical

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 296

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

consideration stage is equal to 1; ii) in the planning stage is equal to 2; iii) piloting underway is equal to 3; iv) analysing the pilot results, finding insights and listing the learnings is equal to 4; v) using the pilot stage insights to rationalizing every sub-element is equal to 5; vi) full fledge operational stage is equal to 6, and vii) attained a sustainable stage in a sub-element is equal to 7. A brand that has attained the 'Sustained' stage is capable of achieving an overall score equal to 441 which in turn is 100 percent. The recommended methodology of interpretation and decision making for existing and potential investors is illustrated in the form of simple framework number 1. This framework could also possibly be used by the investors as milestones to decide on investment stages, frequencies, and magnitude for each investment round.

Recommended Investment Decision		Overall Score as % of Total Maximum Score					
		15 to 29%	30 to 44%	45 to 59%	60 to 74%	75 to 89%	90% & Above
B r a n d A g e	0 to 1 Year	Yes	Yes	Yes	Yes	Yes	Yes
	1 to 2 Years	No	Yes	Yes	Yes	Yes	Yes
	2 to 3 Years	No	No	Yes	Yes	Yes	Yes
	3 to 5 Years	No	No	No	Yes	Yes	Yes
	5 to 8 Years	No	No	No	No	Yes	Yes
	Above 8 Years	No	No	No	No	No	Yes

Framework 1: Recommended investment decision based on the brand's FL-LBSi overall score.

8. DISCUSSION AND CONCLUSION :

Through this intensive research work, we have noticed that it is not just about identifying a gap in the market or coming up with a great idea. It is all about understanding the entire market dynamics in relation to a lifestyle brand's product assortment and target consumer group, which in India varies by a) City, State, and Region; b) type of supply chain partners; c) type of distribution channel partners; and most importantly d) the way in which the brand's personality and the image are communicated to consumers consistently. More than 5000 lifestyle brands of Indian origin in which only a few can be listed as true lifestyle brands indicates that the majority of these brands are not rationally measured by the existing investors and the senior management personnel of the brand organization due to absence of an inputs-driven measurement technique/scale/instrument. It is inevitable for brands and investors to evaluate the true potential of a lifestyle brand in India at a micro-level and not just based on the revenue a brand has generated and the growth it has recorded. For long-term sustainable profitable lifestyle brand, one has to focus on the 63 measurable sub-elements identified in this study which are a subset of 7 key elements and 3 dimensions at the very beginning stage of the brand's evolution (ideation/strategy stage) which could possibly increase the probability of the brand's success in the long run in addition to enabling the brand to attract investors as and when each milestone are reached. FL-LBSi instrument has been designed considering the majority of sub-elements that are inputs-driven in nature and hence the instrument is a reliable scale to measure the true potential of a lifestyle brand in India by any existing and potential investors before they make an investment decision of any magnitude.

9. SUGGESTIONS TO INVESTORS :

Let us take a look at an example of a typical Indian lifestyle brand organization's attitude. A lifestyle brand organization might believe that their biggest strength is in making Sleep Wear Apparel for Mid-Aged Women, they believe that they understand the category better than competitors. It is not at all wrong in focussing on a specific product line or category, but at the same time what is very important is to ask these brands as to what stops them to extend the offering to few more consumer groups using the same product line or category?. On the other hand, a lifestyle brand might believe that their biggest strength is in understanding a specific consumer group for example Kids, they believe that they understand Kid's consumer group better than

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 297

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

competitors. It is not at all wrong in focussing on a specific consumer group, but at the same time what stops the brand to extend its product line and categories to cater to the majority of the life-stage needs of your focussed consumer group Kids?. Investors who are serious about investing in Indian lifestyle brands need to identify every other investor's and organization's key financial objectives which could have compelled them to have invested in a particular lifestyle brand. The sustainable success of a lifestyle brand significantly depends on the trueness level of a lifestyle brand that is carried in consumers' minds and not the revenue or profit a brand generates. To ensure a brand gets a true lifestyle image in consumers' minds, brands need to think beyond revenue and profit which is what has to be the main criteria while deciding on investing in a lifestyle brand in India. Be cognizant of the fact that, few brands may be trying to capture the bigger market share by just focussing on increasing the revenue; few brands may be trying to show exponential growth in their revenue to attract more investors; few investors may be assuming that consumers acquired by the brand based on discounts and advertising tactics as their key components of selling proposition are going to be loyal to the brand forever in which they have invested; few brands may be trying to create short-term positive perceptions in consumers' mind to impress existing and potential investors, few brands may be opening many EBO stores in premium locations with larger size to tag them as experiential, anchor or destination stores assuming that this effort would lead them to create a premium brand image in investors mind; few brands may be expanding their presence in catchment areas irrespective of their target consumer groups to promote their brand to attract new investors; few conglomerates may be trying to show their presence in the lifestyle retailing segment to enhance their overall group portfolio and hence investing in few lifestyle brands; few may be selling premium priced products or categories to position themselves as premium lifestyle brands; and few renowned angel investors might have invested in a lifestyle brand owing to past academic and industrial affiliations of founders and so on. What is very important is the understanding of Indian retailing dynamics and the brand's short-term and long-term plans which must be aligned to the final goal of attaining a sustained profitable stage in addition to gaining true lifestyle images in existing and potential employees, investors, competitors, and consumers' mind. Finally, we would like to suggest investors interested in investing in lifestyle brands in India to apply an unbiased empirical approach while making an investment decision and we strongly believe that the FL-LBSi instrument would possibly help investors to adopt the suggested approach. In addition to using the FL-LBSi instrument to make investment decisions, we recommend them to also insist the brand organizations to use the scale to regularly monitor the brand's performance.

10. LIMITATIONS OF RESEARCH :

The main limitation of this research work is the coverage of various stakeholders viz., number and type of investors, number of lifestyle brands, product categories, consumer groups, employees, price positioning, product mix, category mix, and different types of Marketing Mix in designing the FL-LBSi instrument. This might limit the generalizability of research findings to other sets of lifestyle brands. The second limitation would be the empirical validation is restricted to a few Indian lifestyle brands selected for the study and hence the generalizability of the findings and suggestions to other Indian lifestyle brands. The third limitation would be our ability to identify inputs based sub-elements while designing the instrument, it is possible that we would have missed a few. However, as the proposed scale has been based on, i) proven theories in the field of marketing; ii) based on exhaustive empirical research The findings of this study; iii) based on inputs-driven measures, and iv) based on recommendations from our previous experimental and empirical research studies which are relevant to this context [60 - 70], it would be instrumental in accurately gauging, estimating and forecasting the true potential of a lifestyle brand in India.

11. SCOPE FOR FURTHER RESEARCH :

We strongly recommended that the FL-LBSi instrument is used by researchers to further test its validity and reliability in addition to finetuning it further if required for Indian lifestyle or non-lifestyle brands. Based on the key business objectives of investors and lifestyle brands, the FL-LBSi instrument can be used as a basic tool to measure the brand's true potential in addition to adding few other sub-elements which are crucial for them and are not part of the scale proposed.

REFERENCES :

[1] Schmitt, B (2012). The consumer psychology of brands. *Journal of Consumer Psychology, 22*(1), 7–17.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 298

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

[2] http://www.technopak.com/Files/fashion-retail-scenario-in-india.pdf. Retrieved in June 2020.

[3] http://statisticstimes.com/demographics/population-of-india.php. Retrieved in June 2020.

[4] https://www.mckinsey.com/industries/retail/our-insights/the-state-of-fashion-2019-a-year-of-awakening. Retrieved in June 2020.

[5] https://www.amazon.in/b/?ie=UTF8&node=6648217031&ref_=topnav_storetab_top_ ap_mega. Retrieved in June 2020.

[6] Biel, A. (1993). *Converting image into equity. In Brand Equity and Advertising, Aaker, D. and Biel, A. (eds),* Lawrence Erlbaum Associates, Hillsdale, NJ, 67–82.

[7] Michel Laroche and Robert Sadokierski (1994). Role of confidence in a multi-brand model of intentions for a high-involvement service. *Journal of Business Research, 29*(1), 1-12.

[8] Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. Journal of Marketing, 57, 1–22. Lutman, M. R. (1991). End-benefit segmentation and prototypical bonding. *Journal of Advertising Research, 31*(3), 9–18.

[9] Badenhausen, K. (1996, July 8). Blind faith. *Financial World,* 50–55.

[10] Aaker, D. A. (1991). *Managing brand equity,* New York: Free Press.

[11] Starčević, S. (2013) Istraživanjekonceptaličnostibrenda u marketingu. *Marketing, 44*(2), 149-172.

[12] Fournier, S. (1998) Consumers and their brands: Developing relationship theory in consumer research. *Journal of Consumer Research, 24*(4), 343-373.

[13] Sethuraman, Raj. (2001). What Makes Consumers Pay More for National Brands than for Store Brands - Image or Quality? *Review of Marketing Science,* WP No. 318, 24-28.

[14] Dignam, Conor. (1999). The beginning of a profitable friendship. *Marketing Sept 30*, Retrieved in June 2020.

[15] McCracken, G. (1989). Who is the celebrity endorser? Cultural foundations of the endorsement process. *Journal of Consumer Research, 16,* 310–21.

[16] Parasuraman, A., Zeithaml, V.A., Berry, L.L. (1994). Reassessment of expectations as a comparison standard in measuring service quality: implications for future research. *Journal of Marketing, 58* (1), 111–124.

[17] Simon, C.J. and Sullivan, M.J. (1993). The Measurement and Determinants of Brand Equity: A Financial Approach. *Marketing Science,12,* 28-52.

[18] Hayes, J. B., Alford, B. L., Silver, L., & York, R. P. (2006). Looks matter in developing consumer-brand relationships. *The Journal of Product and Brand Management, 15*(5), 306-315.

[19] Lev, B. (2004). Sharpening the intangibles edge. *Harvard business review, 6,* 109-116.

[20] Füller, J., Matzler, K., & Hoppe, M. (2008). Brand community members as a source of innovation. *Journal of Product Innovation Management, 25*(6), 608-619.

[21] Da Silva, R. V., & Alwi, S. F. S. (2006). Cognitive, affective attributes and conative, behavioural responses in retail corporate branding. *Journal of Product & Brand Management*, *15,* (5), 293-305.

[22] Roncha, A. (2008). Nordic brands towards a design-oriented concept. *Journal of Brand Management, 16*(1-2), 21-29.

[23] Craig, J. B., Dibrell, C., & Davis, P. S. (2008). Leveraging family-based brand identity to enhance the firm competitiveness and performance in family businesses. *Journal of Small Business Management, 46*(3), 351-371.

[24] Jun, J. W., Cho, C. H., & Kwon, H. J. (2008). The role of affect and cognition in consumer evaluations of corporate visual identity: Perspectives from the United States and Korea. *Journal of brand*

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 299

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

management, 15(6), 382-398.

[25] Smith, T. (2007). The essential consumption paradox: an exploration of meaning in marketing. *The Marketing Review, 7*(4), 325-341.

[26] Sargeant, A., Hudson, J., & West, D. C. (2008). Conceptualizing brand values in the charity sector: the relationship between sector, cause, and organization. *The Service Industries Journal, 28*(5), 615-632.

[27] Westbrook, R. A., & Newman, J. W. (1978). An analysis of shopper dissatisfaction for major household appliances. *Journal of Marketing research, 15*(3), 456-466.

[28] Batra, R., Lehmann, D.R., & Dipinder S. (1993). *The brand personality component of brand goodwill: some antecedents and consequences,* in Brand Equity and Advertising, David A. Aaker and Alexander Biel, eds. Hillsdale, NJ: Lawrence Erlbaum Associates, 83-96.

[29] Punj, G.N. and Hillyer, C.L. (2004). A cognitive model of customer-based brand equity for frequently purchased products: conceptual framework and empirical results. *Journal of Consumer Psychology, 14*(1/2), 124-131.

[30] Biel, L.B. (1997). Discovering brand magic: the hardness of the softer side of Branding. *International Journal of Advertising, 16,* 199-210.

[31] de Chernatony, L. & McDonald, M. (1998). *Creating powerful brands in consumer, service, and industrial markets.* 2nd edition Oxford, Butterworth Heinemann, London, 38-92.

[32] Keller, K.L. (2003). Brand synthesis: the multidimensionality of brand knowledge. *Journal of Consumer Research,29,* 595-600.

[33] Feldwick, P. (1996). What is brand equity anyway, and how do you measure it? *Journal of the Market Research Society, 38,* 85-104.

[34] Lane, V., & Jacobson, R. (1995). Stock market reactions to brand extension announcements: The effects of brand attitude and familiarity. *Journal of Marketing, 59*(1), 63-77.

[35] Berry, L.L. (2000). Cultivating service brand equity. *Journal of the Academy of Marketing Science,* 28(1), 128-38.

[36] Atilgan, E., Aksoy, S. and Akinci, S. (2005). Determinants of the brand equity. A verification approach in the beverage industry in Turkey. *Marketing Intelligence and Planning, 23*(3), 237-48.

[37] Mishra, Pallabi., & Datta, Biplab. (2011). Perpetual Asset Management of Customer-Based Brand Equity - The PAM Evaluator, India. *Journal of Social Sciences, 3*(1), 34-43.

[38] McAlexander, James H., John W. Schouten, and Harold F. Koenig. (2002). Building Brand Community. *Journal of Marketing, 66* (1), 38–54.

[39] Thomson, Matthew, Deborah J. MacInnis., & C. Whan Park. (2005). The Ties That Bind: Measuring the Strength of Consumers' Emotional Attachments to Brands. *Journal of Consumer Psychology, 15*(1), 77–91.

[40] Carroll, Barbara A., & Aaron, Ahuvia. (2006). Some Antecedents and Outcomes of Brand Love. *Marketing Letters, 17*(2), 79–89.

[41] Schmitt, B. H. (2000). Experimental Marketing: How to get Customers to Sense, Feel, Think, Act and Relate to Your Company and Brands. *European Management Journal, 18*(6), page 695.

[42] Hoch, Stephen J. (2002). Product Experience Is Seductive. *Journal of Consumer Research, 29* (4), 448–54.

[43] Roger A, Kerin., Jain, Ambuj., & Howard. J. Daniel. (1992). Store Shopping Experience and Consumer Price–Quality–Value Perceptions. *Journal of Retailing, 68*(4), 376–97.

[44] Michael K, Hui., & Bateson E.G. John (1991). Perceived Control and the Effects of Crowding and Consumer Choice on the Service Experience. *Journal of Consumer Research, 18* (4), 174–84.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 300

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

[45] Moris, B. Holbrook., & Hirschman, C. Elizabeth. (1982). The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun. *Journal of Consumer Research, 9* (3), 132–140.

[46] Esch, F.R. (2007). *Strategie und Technik der Markenführung.* (5th Edition). Vahlen: Stuttgart, pp. 26-49.

[47] Schaefer, A. (1997). Consumer knowledge and country of origin effects. *European Journal of Marketing, 31*(1), 56-72.

[48] Brown, Stephen, Robert V. Kozinets, and John F. Sherry Jr. (2003). Teaching Old Brands New Tricks: Retro Branding and the Revival of Brand Meaning. *Journal of Marketing, 67*(3), 19–33.

[49] Blackett, T. (1989). The role of brand valuation in marketing strategy. *Marketing and Research Today, 17*(5). 245-248.

[50] Murphy, J. (1989). *Good brand husbandry techniques.* In J. Murphy (ed.), Brand valuation: Establishing a true and fair view. London: The Interbrand Group, 59-93.

[51] Tauber, Edward, M. (1981). Brand Franchise Extension: New Product Benefits from Existing Brand Names. *Business Horizons, 24,* 36-41.

[52] Aaker, D. A., & Keller, K. L. (1990). Consumer evaluations of brand extensions. *Journal of marketing, 54(*1), 27-41.

[53] Diehl K., Zauberman G., & Barasch A. (2016). How taking photos increases enjoyment of experiences. *Journal of Personality and Social Psychology, 111*(2),119-140.

[54] https://www2.deloitte.com/content/dam/Deloitte/in/Documents/consumer-business/in-consumer-RLS-2019-noexp.pdf. Retrieved in June 2020.

[55] Ganesha. H. R., & Aithal, P. S. (2020). Establishing True Lifestyle Brand in India: An Integrated Marketing Mix Framework. *International Journal of Management, Technology, and Social Sciences (IJMTS), 5*(1), 261-284.

[56] Lavidge, R. J. and Steiner, G.A., (1961). A Model for Predictive Measures of Advertising Effectiveness, *Journal of Marketing,* October, 59-62.

[57] McCarthy, E. J. (1960). *Basic marketing: a managerial approach.* Homewood, Illinois: Richard D. Irwin. Inc. McCarthy Basic Marketing: A Managerial Approach, 24-95.

[58] Ganesha, H. R., Aithal, P. S. & Kirubadevi, P. (2020). Consumer Affordability in Tier-1, Tier-2 and Tier-3 Cities of India – An Empirical Study. *International Journal of Applied Engineering and Management Letters (IJAEML), 4*(1), 156-171.

[59] Ganesha, H. R., Aithal, P. S. & Kirubadevi, P. (2020). Ideal Store Locations for Indian Retailers – An Empirical Study. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, 5(1), 215-226.

[60] Ganesha, H. R., Aithal, P. S., & Kirubadevi, P. (2020). Inputs and Output Driven Sales Personnel Performance Measures: Insights from an Experiment. *International Journal of Case Studies in Business, IT, and Education (IJCSBE),4*(1), 23-37.

[61] Ganesha, H. R., Aithal, P. S., & Kirubadevi, P. (2020). Need-Based Sales Pitch: Insights from an Experiment. *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 4*(1), 79-87.

[62] Ganesha, H. R., Aithal, P. S., & Kirubadevi, P. (2020). Integrated Inventory Management Control Framework. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, 5(1), 147-157.

[63] Ganesha, H. R., Aithal, P. S. & Kirubadevi, P. (2020). Optimal Category Mix in Multi-Category Retailing – Insights from an Experiment. *International Journal of Case Studies in Business, IT, and Education (IJCSBE)*, 4(1), 112-126.

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 301

International Journal of Applied Engineering and Management Letters (IJAEML), ISSN: 2581-7000, Vol. 4, No. 1, June 2020.

SRINIVAS PUBLICATION

[64] Ganesha, H. R., Aithal, P. S., & Kirubadevi, P. (2020). Changes in Consumer Perspective towards Discount at Brick-and-Mortar Stores owing to Emergence of Online Store Format in India. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, *5*(1), 43-83.

[65] Ganesha, H. R., Aithal, P. S., & Kirubadevi, P. (2020). Short-Term Discounting Frameworks: Insights from Multiple Experiments. *International Journal of Case Studies in Business, IT, and Education (IJCSBE), 4*(1), 8-22.

[66] Ganesha, H. R., Aithal, P. S., & Kirubadevi, P. (2020). Long-Term Discounting Frameworks: Insights from Multiple Experiments. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, *5*(1), 84-100.

[67] Ganesha, H. R., Aithal, P. S., & Kirubadevi, P. (2020). Decentralized Discounting Framework: Insights from an Experiment. *International Journal of Applied Engineering and Management Letters (IJAEML),4*(1), 20-40.

[68] Ganesha, H. R., Aithal, P. S. & Kirubadevi, P. (2020). Integrated Discounting Framework for Indian Brick-and-Mortar Retailers. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, *5*(1), 110-123.

[69] Ganesha, H. R., Aithal, P. S. & Kirubadevi, P. (2020). Impact of Store Size Reduction on Overall Store Performance – Insights from an Experiment. *International Journal of Case Studies in Business, IT, and Education (IJCSBE)*, *4*(1), 103-111.

[70] Ganesha, H. R., Aithal, P. S. & Kirubadevi, P. (2020). Integrated Marketing Mix Framework for Baby Care Retailing in India. *International Journal of Applied Engineering and Management Letters (IJAEML),4*(1), 191-219.

****

H. R. Ganesha, et al. (2020); www.srinivaspublication.com

PAGE 302