

Kids in lap of luxury

Global Brands Such As Monnalisa, Chicco, Benetton Kids, Zara & Hamleys Are Busy Expanding Their Presence & Widening Product Portfolio In India

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KIDS are getting spoilt more than ever before with busy parents trying to make up for lack of time and presence through luxury goodies, triggering a march of global kid's fashion brands and toy houses into the country.

International brands such as Monnalisa, the Versace of kids, Chicco, Benetton Kids, Zara and Hamleys are all busy expanding their presence and widening their product portfolio as kid stuff has become one of the fastest growing segments in the Indian luxury market.

"The huge and increasing children population in India is attracting more and more companies from mature markets," says Gopi Krishnaswamy, CEO of Insight Instore, a Bangalore based retail research firm.

The kids segment accounts for just about 5% of the overall luxury market estimated at over \$15 billion (about Rs 70,000 crore), but its growing faster than other segments and is also more profitable, say industry sources.

"Luxury and premium kids segments have higher margin compared to adult's apparel and accessory segments," says Anand Raghuraman, partner and director at Boston Consulting Group. One reason for this is, parents are not looking for value when spending on children.

Says Bijou Kurien, president & chief executive (lifestyle) of Reliance Retail: "When both the parents are working and unable to give quality time to their child, they develop a guilt feeling that leads them to spend more on child's luxury."

Reliance Retail, which has tied up with London's famous toy store Hamleys, plans to develop specialty category chains such as apparel, toys and sports gear for children, he says.

The average size of a billing at Hamleys, at Rs 1,800, reflects the huge potential of the segment.

Money is not an issue for these parents. In fact, several shoppers at Mumbai's swanky Palladium mall that houses a slew of luxury brands including Zara and Burberry are happy that they no longer go abroad with a long shopping list.

"Earlier, I used to shop from the US for my daughter each time we go there. But with the availability of brands such as Zara, Burberry and Monnalisa our visits (abroad) do not include shopping list anymore," says Indrani Mehta, a rich housewife and regular shopper here.

The recently opened Palladium outlet is the second in the country for Zara, a children's fashion label owned by Spanish company Inditex SA, after Delhi. Its future expansions will depend on the response these stores get, says Jesus Echevarria, chief communication officer of Zara.

The US-based Nautica Kids and Burberry Kids have launched their collections in India, while the UK-based kids fashion brand Adams is set to start its operation through franchisee model. Sports brands such as Reebok and Nike also have rolled out their children category specific stores. Reebok's junior concept store is a one-stop shop for apparel, footwear, accessories and sports equipments for the kids in the age group of 4 to 14 years.

It's not just international brands. Kidology, the country's first designer wear

brand for children, was launched in Delhi recently and it plans to spread out to Mumbai, Bangalore and Chennai soon. "Parents also indulge their kids by spending on makeup, designer furniture for their kids and expensive toys such as Play Station and Wii gaming consoles," says Neha Sachar Mittal, MD of Kidology.

According to Insight Instore's Krishnaswamy, apparel, lifestyle accessories including footwear, fashion accessories, watches and cosmetics are some of the categories where kids segment is witnessing huge spending. Recently, Italian baby products brand Chicco opened its first flagship store in Delhi's Select Citywalk mall. It plans eight exclusive stores in major cities by next year. It also plans to build a large distribution network across the country.

Chicco, a premium brand with a maximum price limit of Rs 20,000, is into baby nursing products to fashion clothing, shoes, beauty care products, toys, travel systems. Meanwhile, the kids' luxury segment has gone beyond products to include services, says Reliance Retail's Kurien. Now, luxury for kids now includes indulgence like summer camps in Europe and special salons and gyms for children — things

not even heard about a couple of years ago in India, he says.

The little ones don't want any kid stuff, do they?!

NO KIDDING

- Monnalisa, Chicco, Benetton Kids and Zara have stepped up focus on launching kids' luxury products
- Zara, the fashion label owned by Spanish company Inditex SA, recently launched its second store in Mumbai
- US-based Nautica Kids and Burberry Kids have also launched their collections in India
- The UK-based kids fashion brand 'Adams' is starting its operation through franchisee model
- Sports brands such as Reebok and Nike also have rolled out children stores.
- Reebok has launched junior concept stores, which is rooted in sports ideology and is a one-stop shop for apparel, footwear, accessories and sports equipments for the kids

NewGen parents believe that the way a kid appears is often a reflection of parents' sense of style. The engagement of kids into decision making for their shopping has increased compared to what was five years back.

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