

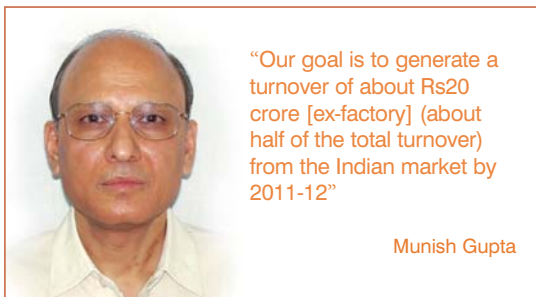
Ceramic success

Elegant and tasteful crockery from Tata Ceramics has enhanced the dining experience worldwide for many years. The company, known for its wide range of crockery — plates, teacups, saucers and bowls in myriad colours and designs that have found a place in homes, hotels and even aircraft — is now promoting sales of its own brand in the Indian retail market. Managing director **Munish Gupta** is upbeat about the business. He talks to *Christabelle Noronha* about the new foray into retail and the continuing focus on great designs and superior quality.

Tata Ceramics has recently entered the retail segment. Are you now focusing on developing the domestic business?

We have consciously decided to develop our domestic business and have started retailing our range of crockery in Pune through lifestyle stores which sell high-end products such as electronic items and expensive giftware. Our goal is to generate a turnover of about Rs20 crore [ex-factory] (about half of the total turnover) from the Indian market by 2011-12.

Tata Ceramics touched revenues of about Rs35 crore last year. What strategies are necessary for a small company to enter the retail field? What has the company's experience been so far and what are the plans for the future?



“Our goal is to generate a turnover of about Rs20 crore [ex-factory] (about half of the total turnover) from the Indian market by 2011-12”

Munish Gupta

The Indian market and the customer have been evolving tremendously in the last few years as young professionals increasingly look at high-end quality products to complement their lifestyle.

Our market research showed that high quality ceramic tableware was not readily available in the market, and that overseas luxury brands such as Villeroy & Boch, Noritake, Rosenthal, Royal Doulton and Wedgwood were entering India to tap this emerging segment. And what was interesting was that we were already manufacturing products for these companies.

It therefore seemed to be a good business opportunity to enter the domestic segment at this time. With our products manufactured to the highest international quality and the Tata brand, which epitomises trust, we felt confident that we would be able to develop the potential in this niche market. We also felt that being an Indian company we would be able to offer customers more value-add in terms of design and tableware requirements to suit Indian culture.

We entered the Indian market in 2007 and our products have been well accepted both in the hospitality and retail sector. We have been able to increase our domestic business substantially in the last two years; our domestic turnover in FY09 will constitute almost 20 per cent of our total turnover.

Which are Tata Ceramics' strongest markets? What percentage of your products is sold overseas?

Our strongest markets overseas are the UK and Germany, which constitute 90 per cent of our total exports. In India we are very strong in the 4-and 5-star category hotel industry. Our export-domestic breakup for FY09 is 80:20.

Your chinaware sells under many different brands abroad; could you tell us about these? Are there plans to build your own brand?

Our fine bone china tableware products are sold by luxury brands such as Wedgwood, Royal Doulton, Spode, Dunoon, Villeroy & Boch and Richard Ginori. The products that we make for them cover retail trade, airlines as well as luxury hotels and select institutions.

Through Wedgwood, we sell our products on an exclusive basis to airlines such as British Airways and Aer Lingus for their first class service worldwide. Our products for Royal Doulton find a table in 5-star luxury hotels like Four Seasons chain worldwide, Inter Continental hotel group, Dorchester Hotels, and also at the Ministry of Defence, UK.

Spode, Villeroy & Boch and Richard Ginori, for whom we manufacture exquisite dinner service, tea service and giftware items, sell our products to the retail trade. The products are mostly embellished with pure gold and platinum decorations. Dunoon is one of the most famous luxury mug suppliers in Europe. The products that we manufacture for them are sold in prestigious stores such as Harrods, Selfridges and John Lewis.

While we have definite plans to launch our own branded products in the Indian market in 2009, we do not have any plans to develop our own brand for the overseas market.

How has the growth of the Indian retail industry impacted your business? What do you see as growth opportunities in the current economic scenario?

We are a nascent player in the Indian retail industry. With the consumer becoming more quality and brand conscious, our business here has grown in the last few years, and we believe that there are tremendous growth opportunities for us, both in the retail and hospitality sectors.

What are the key challenges for the company?

I would say there are two primary challenges. We need to focus on improving the overall quality, yield and productivity, so as to bring these parameters at par with the 'best in class' worldwide. And secondly we need to develop the Indian market rapidly for both retail and institutional sales. We need to be known as a design and marketing company rather than an OEM manufacturing company.

Could you please share your vision for the company's future growth?

We have a stated four-point vision for Tata Ceramics:

- ▶ To be among the top five best quality manufacturers globally of fine bone china tableware products, and achieve the best in class international benchmark for manufacturing.
- ▶ To build the Tata Ceramics brand in India in the premium segment, in both retail and hospitality segments, and get a market share of more than 25 per cent in each segment.
- ▶ To become a complete tabletop provider (including crockery, cutlery, glass, giftware and table linen)
- ▶ To achieve a factory-gate sales turnover of Rs200 crore by 2019. ●



DOMESTIC

- ▶ Tata Ceramics entered the Indian market in 2007 and its products have been well accepted both in the hospitality and retail sector.
- ▶ Being an Indian company, Tata Ceramics offers its customers more value-add in terms of design and tableware requirements to suit the Indian culture.
- ▶ Tata Ceramics aims to generate a turnover of about Rs20 crore (about half of the total turnover) from the Indian market by 2011-12.



EXPORT

- ▶ Tata Ceramics' strongest overseas markets are the UK and Germany, which constitute 90 per cent of its total exports.
- ▶ Their fine bone china tableware products are sold by luxury brands such as Wedgwood, Royal Doulton, Villeroy & Boch, Spode, Dunoon and Richard Ginori.
- ▶ The products that Tata Ceramics make for the overseas brands cover retail trade, airlines as well as luxury hotels and select institutions.



Dinner set



Giftware



Cups and saucers



Mugs



Tea sets



Giftware



Mugs



Dinner sets