

Titan

Inside India's most successful consumer brand

Vinay Kamath

**‘Titan is a company created by its people,
their passion, dedication and belief’- N
Chandrasekaran**

**Post liberalization, Titan, Maruti, hero
Honda became symbols of a New India.
Titan was a maverick brand that defied
norms and brought freshness to the Indian
consumer goods market.**

As of march 31, 2018, total production of Titan watches was 225 million units, making it the 5 th largest integrated watchmaker in the world.

Xerxes Desai (the first Titan CEO) started as the CEO to turn around Tata press. Once it was on its way, Xerxes, Minoo Mody a tata Director and Anil began scouring for interesting projects. Shipping containers, Gelatin and Carbon Black were considered and dropped.

At that time gold and watches were he most smuggled items into India.

Titan was an acronym for Tata Industries and Tamilnadu, since TIDCO (Tamilnadu Industrial development Corporation) had the license to manufacture watches. It was a JV where TIDCO appointed the Chairman and Tata's appointed the CEO.

Titan established its factory in Hosur, since HMT the watch leader at that time was based in Bangalore and had good talent and a good eco system. This would come in handy in later years.

The license issued to titan was for 2 million watches – 1.6 mechanical and 0.4 million quartz. Making mechanical watches is complex, involves too many components and high capital

Titan put a plan where they ended up making all the watch components in 3 years , well ahead of the seven years they had planned.

On 23 December 1987, a bunch of Titanians assembled at Safina Plaza. This was the first Titan show room. Titan had advertised in the newspaper with watches and their process. Consumer came to the outlet with paper cutting of the ad.

This first outlet created a shopping experience well before malls came into India. This was designed by Mumbai architect Sudhir Diwan who took a trip to Switzerland and France to understand contemporary retailing.

With the success of the Safina plaza outlet, it was decided that all towns with a population of more than 10,000 should have at least one Titan dealer.

The initial spectra range failed, but titan learnt and moved on and neither the trade nor the employees had time to linger on a failure.

Titan started the concept of NTOs – non traditional outlets- they put Titan in book stores, Jewelry stores and even restaurants. They even tried to get into a partnership with Bata, but that didn't work out.

Ravikant, the sales and marketing head wanted sales people to know every detail in the market. He would quiz them on turnover of Raymond store, or share of Bata in that market.

A critical decision Titan made early on was to set up a service network along with its showrooms. Till then service was identified with some shabby back room,. Titan set up air conditioned service centers.

‘Repair the watch, repair the damaged reputation, repair the company’s reputation’ Xerxes Desai on the service centers

Mani Ayer of O and M told Xerxes Desai that if he called O and M and asked for the Titan account head, then the call would come to him. This commitment from senior management won them the account.

Post 1984, Titan's philosophy of watches as a fashion accessory/statement would resonate with Indian consumers.

From the start, Titan saw its competition as the smuggler and not HMT or Allwyn. Titans proposition was world class watches in a wide range of designs and prices brought to you by Tata.

Titan advertising used Mozart's 25 th symphony to good effect. It was unheard of then.

Titan consistently attacked other product categories like sarees to encourage watch buying as an alternative.

Titan recognized that people were gifting significant number of watches to relatives and friends and this was born the gifting idea.

Titan entered Europe and spent a lot of money but flopped because they just didn't get access to distribution.

Xerxes's decision to introduce the India range of watches in Europe was out of sync with European tastes.

**‘The big lesson we learnt was that we needed to do a lot of pilots before rolling out anything. we went to 11 countries simultaneously and took a big risk there’ –
Bhaskar Bhatt**

The birth of Uttarakhand in 2000, the 27 th state gave Titan a huge break. Uttarakhand promised no excise for ten years and profits were exempt from income tax. Titan had a big plant there and added two more.

Many people were skeptical of Titan's entry into jewelry with Tanishq. They were unsure of the business model and scale since jewelry was a traditional family run business till then.

The choice of the brand name is interesting. Xerxes asked Meera Harish to go and look around for a new brand name. she searched and came with a name ‘Nishka” which then through iterations became Tanishq.

Indian consumers wanted 22 carat gold while the gold standard elsewhere was 18 carat. Titan imported a machine to tell the purity of gold. This was labelled the Karatmeter. When installed in shops, it created a furore because consumers realized that what their jeweler had given them was actually 14 or 18 carat. The whole jeweler community turned against Titan.

Titan introduced a 19=22 scheme where consumers could come and check their jewelry. If it was 19 and above, Titan would make a fresh 22 carat piece of their choice by bridging the difference in gold and with free making charges. This scheme was a huge hit.

An institutional order from Maruti for 50,000 gold coins saved Tanishq in its early days.

**Bombay House was unhappy with Tanishq,
Ratan Tata once famously asked “ is Titan a
watch company with a jewelry business or a
jewelry company with a watch business?’**

**Nichola Hayek created Swatch and Titan
looked at the same concept with FastTrack.**

Titan launched eye wear like novices in the monsoon season in Mumbai and achieved 30 % of their sales. A big institutional order from Samsung got this division off the block.

