

expert speak

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Western Brands LOOK EAST

Western brands can create licensing opportunities in corporate, fashion and celebrity categories here.

India is the next big opportunity for western brands to leverage their intellectual property rights. This comes at a time when the legal system here has created the framework for cross-border trademark licensing, coupled with projections of more than 50 per cent growth in retail sales to nearly \$550 billion here over the next few years.

In addition, with 40 per cent of the population here below the age of 15, along with global licensing revenues still very small, the long-term growth opportunities are very promising. The growing wealth of the Indian middle class has led to increased demand for licensed products, and retailers are allocating more shelf space and product choices in this product category.

Licensing is also fast gaining acceptability with several international brands entering the market, coupled with established Indian companies who have recognised the opportunities

from licensing western brands, and their resulting ability to defend, and even improve their market share.

LICENSING OPPORTUNITIES

The key trends related to licensing of western brands here:

- Corporate brands – It continues to be one of the fastest growing areas of licensing opportunities in India, and allows for additional product lines of a brand, and also creates an additional source of revenue. Several international brands across categories have entered India including Pampered Girls, Mountain Dew, Ford, Beverly Hills and Crew Only, amongst others, and have also entered into licensing deals with local companies in a variety of product categories, including jewellery, apparel, lifestyle accessories, toys and gifts
- Fashion brands – It has become one of the 'hottest' categories as consumers are buying more licensed products and brand names, than ever before. Some Indian brands have had limited

success with licensing, but western brands dominate this segment. The global fashion majors such as LVMH, Roberto Cavalli and Elle are among the new entrants in the Indian fashion scene, and expanding their reach in stores here, is a key objective. In addition, LVMH, Elle, Waverly and Ed Hardy, amongst others, are just some of the big brands that are actively pursuing licensing opportunities here

- Licensed entertainment merchandise – Bollywood, is





LICENSING IS ALSO FAST GAINING ACCEPTABILITY WITH SEVERAL INTERNATIONAL BRANDS ENTERING THE MARKET, COUPLED WITH ESTABLISHED INDIAN COMPANIES WHO HAVE RECOGNISED THE OPPORTUNITIES FROM LICENSING WESTERN BRANDS.

creating a number of licensing opportunities in this segment, with movies like Krrish 3 and Ra One. However, Indian movies have still not leveraged licensing opportunities like Hollywood, by capitalising on the sales of licensed products at retail before a movie is released. Television is also increasing character licensing in India, with well known properties like Power Rangers, Ben 10 and WWE. In addition, Chhota Bheem is becoming a popular TV show for children and is creating licensing opportunities in a variety of categories including apparel, gifts, publishing, stationary and candy

Celebrity licensing –Movie stars, TV personalities and sports stars are driving sales for their licensed merchandise, coupled with legendary icons like Elvis Presley, Michael Jackson, Marilyn Monroe, and Princess Diana. Harbhajan Singh also recently entered into a licensing deal for a brand - Harbhajan Da Dhaaba. Apart from that, the India Premier League's (IPL) licensing program has extended the brand into a variety of merchandise categories including T-shirts, caps, cricket gear, stationery, bags, bars and cafes. And, given India's cricket crazy population, IPL is one of the biggest licensing opportunity

Licensing is still a small but fast growing business

model in India, and some of the best opportunities for western brands are in fashion, entertainment, consumer electronics, household appliances, food and beverages, amongst others. In addition to the brand license, technology from the brand licensor can also be strategic for the Indian licensee.

Design rights, design support, patents, manufacturing technology, recipes and other proprietary rights granted to the Indian licensee, help make the brand more attractive and sustainable.

Clearly, licensed products based on western brands will have the best chances of success in the Indian market over the long-term. ©R