

**How Titanic is it (?): Store Operations at Titan Company Ltd Jaipur**

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**Abstract**

*Today India's retail world is having many contrasts in one basket. Be it organized and unorganized retailing, or a humble local kiranaawala and giants like Walmart, or traditional shopping and online marketplace. The traditional 'all purpose daily goods stores' are transforming into a cleanly shelved place, having CCTVs, uniformed sale personnel providing smart ways of payment and home delivery options as well. There are much bigger players who have entered into retailing business. This scenario presents many challenges of running a profitable and sustainable retail store.*

*These challenges range from staffing, sales management, logistics management, supply chain management to managing cash and inventory. In the absence of proper planning and without concentrating on every minute facet of store operations and customers' experiences these challenges become insuperable. Like every challenge this too has a silver lining of opportunity for India's retail sector. A successful retailer pays careful attention to store operations and concerns related to that. The present case illustrates the way store operations are planned and managed at Titan Company Limited Jaipur.*

**Keywords:** Store operations, Indian watch industry, World of Titan.

**A brief Introduction**

Mr. Prashant Vashishth is the Retail Executive of the Watch Division of Titan Company Ltd. He takes care of the retail market of the state of Rajasthan. In Rajasthan, World of Titan (WoT) Stores are located at six places i.e. Jaipur, Bhiwadi, Jodhpur, Udaipur, Bhilwara and ShriGandhinagar. Jaipur has four World of Titan stores that sell watches, belts, wallets and colognes. Each of the stores is franchisee owned and franchisee operated. The oldest store of Jaipur is the first operational store in Rajasthan. Mr. Prashant is responsible for store evaluation, sales monitoring, CRO (Customer Relationship Officer) monitoring and execution of all promotional schemes and offers in all the stores including Jaipur, the pink city.

Titan Company Ltd (TCL) is a joint venture between Tata Group and Tamil Nadu Industrial Development Corporation. It came into existence in the year 1987. The head quarter is located in Bengaluru, while the registered office is in Hosur. TCL is into watches, jewellery, precision engineering devices, perfumes, bags, wallets, belts, ceramics and eye wear. The manufacturing units of TCL are situated in 5 places across the country, namely, Hosur, Baddi, Dehradun, Roorkee and Pant nagar. World of Titan stores have 6 in house watch brands that parent to 13 clusters. Presently the Watch Division is headed by Mr. H. G. Raghunath. The current verticals of Titan include Gold plus, Zoya, Tanishq, Eye Plus, Watches, Helios, Precision Engineering, Ceramics (Newly Introduced). Its own in house brands include Sonata, Fastrack, Nebula, Xyls, and Zoop. Titan also markets few international brands in India like, Tommy Hilfiger, FCUK, Timberland, Police and Hugo Boss.

**Background of Indian Watch Industry**

In India, approximately 50 million wrist watches are sold every year. Despite the presence of internationally renowned and popular brands in the country, the Indian market has always been ruled by a single player. Till the late 80's, HMT (Hindustan Machine Tools) dominated the market. In 1961, the Government of India entrusted the job to HMT which set up a manufacturing Unit at Bangalore in collaboration with M/s Citizen Watch Co., Japan. But after that, the country has solely been under the domination of a single company, Titan. Titan stands as a monopoly. Today, Titan has

roughly 65% share in the organized watch market of the country. This organized watch market itself counts to be at a value of 35% of the total industry size.

There are two broad categories of watches; specialist watches and fashion watches. The organized watch market of the country is estimated to be 1.5 billion INR. It is a male dominated market and approximately 65 percent of the sales are accounted by them. Students are the other category of buyers who account for 30 percent of sales (Rose 2015).

#### **Landmarks of Indian Watch Industry:**

1. In the year 1960, Indian marketing industry was started by the Government of India with the declaration of setting up of first watch factory in the country, named HMT, at Bangaluru, Karnataka (then Bangalore) in alliance with Citizen Company of Japan.
2. In 1980, Allwyn Limited, Hyderabad (a brand much known for Refrigerators) penetrated the market in association with Seiko of Japan.
3. In the year 1984, the 24 year old Indian watch industry witnessed the entry of Titan, the joint venture of TATA and TIDCO.
4. Timex entered the market in the year 1990 in the partnership with Titan, focusing the lower price segment of the market. This partnership broke in the year 1997.
5. By then the competition had become fierce and several private brands like, Sonata, Ajanta and Timex along with the international brands were shoving each other for getting an improved shelf space and display points even at the smallest of the shops.

Titan is a renowned brand in the world of watches. The titan watches are a fast moving product and the important factors for its success are its quality, attractiveness, designs and latest new models (Anitha&Maheswari 2013). It is the fifth largest company in terms of watch manufacturing. Titan commands a market share of 60-65 percent in wrist watch segment (Press Trust of India, PTI 2014).

Being one of the Tata Group Company, TCL was completely committed and cautious about its brand equity and legacy. TCL aims at giving maximum priority to customers' needs and expectations. On the contrary, the focus of CRO's and store manager's lies somewhere near total revenue generated for the given period. This was diluting the preference and priority for customer satisfaction, expected from them and this significant task of providing a memorable shopping experience was lost amidst the sale figures. Although, the company has a predefined format titled **Moment of Delight** wherein in the cases when customers had an awe moment in the store, were recorded in a prescribed datasheet, yet the possibility of filling unrealistic and manipulated data cannot be turned down and ignored.

Today all stores across the country work on the same format, under a unique store atmosphere. The retail store is the place where the customers take a decision on the purchase of the products offered by the retailer. The store also influences the perception that customers form in their minds about the store, the products, services and staff. Efficient operations of the store include; staffing, sales, logistics, supply chain to managing cash and inventory. In the absence of proper planning and without concentrating on every minute facet of store operations and customers' experiences can ever match the desired levels. As a consequence, the store itself becomes a critical asset of the retail business and it is imperative that the operations are managed well to achieve and sustain customer satisfaction and be cost effective. Managing store operations for a small retail business of any size or complexity from the neighborhood grocer to the national retail chain is a challenging task. It requires integration among various functions within the store. When all the functions are performed in an integration manner, the store operations run smoothly.

Mr. Prashant has to ensure that the stores are following all the norms and guidelines of the company. He keeps a regular check on all the stores. One of the policies of the company is that the stores celebrate the birthdays of their customers. When Prashant tried to implement this policy, he had no idea that he might face any trouble for such a pleasant initiative. Initially when the activity

was introduced to different stores by the company, the stores executed it perfectly. They called each of the customers from their database and wished them, but, when they received unenthusiastic and averse response from customers, two of the franchisees refused to continue this policy.

Prashant took the initiative to reestablish the functioning of the policy. He along with his team took the charge and changed the style of wishing the customers over the phone. Instead of simply saying “We are calling from World of Titan”, he added the store location to the pitch. This helped the customers in understanding that the call is not made from any random call center, and it was also instrumental in recalling their experience with the store. The customers were asked to come to the store for birthday celebration. This change was fruitful, and a significant number of customers showed up.

But this was just a spoon of the pudding that Prashanth had to taste in due course of time. As Retail Executive for district Rajasthan one of his major responsibilities was to assess the overall performance of Customer Relationship Officers (CROs). He made sure that all the sales persons are well aware about each of the brands of watches, by regularly visiting the stores and marking them on company checklist. A bonus was given to the CRO’s on completion of individual targets. If the targets of the store were not achieved, the store managers were called for an explanation. The main job of these CRO’s was target completion. Though the store managers and CRO’s were hired by the franchisee, yet in case of failure of completion of store targets they were answerable to both, the company as well as the franchisee.

The major responsibility of hiring, training and retaining store staff lies on the franchisees who are failing to understand the crucial difference between customers’ needs and store sales. Prashant is trying to bring both the situations under one roof and train the staff accordingly. But the staff is already under tremendous pressure of meeting sales target by their employers.

Prashant is in a state of utter dilemma as he has to inspire a group of people to understand the legacy that a Tata brand carries on its shoulders. This legacy and the much cherished brand image of Titan leaves no scope of an unsatisfied customer. But the responsibility of bearing this coveted baton is on those who feel less connected with the roots and more with the stem. In such scenario how will the age old principle of treating ‘Customer as King’ and fulfilling their expectations will be practiced. Who will steer Titan the TITANic way!

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