

TO(O)NS OF SUCCESS



Hyderabad-based 'Green Gold Store' deals in children's merchandise branded with iconic animated characters Chhota Bheem, Mighty Raju and others. Owing to its repertoire of popular toons, wide array of products and prudent business strategy, the company today has established strong pan India presence through 26 outlets across 16 cities within a short span of opening its first store in 2012. Continuing with its expansion plans, it is aiming to have 100 stores by the end of 2014, primarily via the franchise route.

By Namita Bhagat

BACKGROUND

The laddoo-eating, toon hero, Chhota Bheem, is one of the most recognisable and loved cartoon characters among children in India today. The Chhota Bheem animation series has been created by Hyderabad headquartered animation company, Green Gold Animation (GGAPL), a brainchild of Rajiv Chilaka. The series, which was first shown on Pogo channel in April, 2008, became an instant success. Soon after, GGAPL established its new division Green

Gold Licensing and Merchandising; a pioneering Indian company to have licensed original homegrown cartoon character for merchandises. Beginning with Chhota Bheem trade mark comic books, home videos, garments, stationeries and gifts, it introduced branded merchandise of other characters from the house of Green Gold Animation.

Like TV series, the products too were a huge hit. In the next few years, the colour of success turned green enough, signaling the company to embark on its retail journey via own retail concept 'Green Gold Store'. Sudeesh Varma, Head-Green Gold Stores says, "Green Gold Store is the retail arm of Green Gold Animation, the leading Indian 2D animation original content provider to top kids' channels since 2001. The company's

retail operation started in 2012 by establishing two company-owned stores in Hyderabad. To swiftly expand our reach, we have opted for franchising business model. The model has helped us reach 26 outlets in 16 cities across India within a brief span of time since its inception.

MARKET POSITIONING

The concept of Green Gold Store is a gateway to the fascinating world of animated characters wherein children can experience their beloved toons 'in real' through products like comics, toys, apparels and more. "Green Gold Store is a one-stop shop for all branded products and merchandise of popular cartoons-Chhota Bheem, Mighty Raju, Krishna Balram, Chorr Police and Luv Kushh. Basically, every Chhota Bheem aficionado is our target

customer and we look forward to serving them. The stores attract varied clientele covering practically every income strata. In the last two years, we have witnessed steady increase in our customer base and growth in demand for our product offerings,” Varma informs.

GROWTH SO FAR

At present, Chhota Bheem has a viewership of more than 40 million children across the country and internationally. So, it is not surprising that 85 per cent of total sales at Green Gold stores are contributed by Chhota Bheem brand and balance constitutes Mighty Raju branded products and merchandise of rest of the characters. Varma comments, “We have grown almost 200 per cent over the previous year. As of now, the turnover of Green Gold Store is of ₹6 crore. In the current phase of expansion, we plan to open a significant number of stores by the end of 2014, in all key metros and other major cities mainly via franchisee partnerships. Recently, we have opened our flagship store at Mumbai airport, which caters to national and international customers.”

Since its beginning, Green Gold Store has been garnering overwhelming support of kid fans and their parents. This has encouraged the company to quickly grow its product range spread from 20 to 200 plus. Even though the Chhota Bheem and Mighty Raju brands are targeted at children, still they have managed to get adult patrons as well. Lately, the company has introduced ready-to-wear for grown-ups to tap into this emerging customer segment.

BUSINESS DYNAMICS

The average size of Green Gold Store is of 250 sq. ft. “We are currently concentrating on standalone franchisee run stores,” declares Varma, adding, “Shop-in-Shops (SIS) would be considered at a later stage for increasing penetration in the market.”

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He reveals that an investment ranging from ₹8 lakh for tier III cities to ₹14 lakh for tier I cities is required for opening the brand's store. He also shares that while the estimated return on investment is of 24 per cent per annum, the retailer margin is between 35 to 40 per cent and break even can be achieved within 24 months of commencement of operations.

Right location is the key to success for retail business. According to Varma, a location that is easily reachable, easy to find, clearly visible and has a high footfall would be ideal

for setting up a Green Gold Store. He notes that preferential store locations comprise malls, high street, market area, main roads and other areas having high concentration of children and schools.

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PRODUCTS AND PRICES

Green Gold deals in a wide array of products and merchandise from different product categories including apparel (infants, t-shirts, sublimations, shorts, night dress, sports wear, kids inner wear; back to school (school bags, water bottles, lunch boxes, school labels); books (comics, Activity and colouring), gift, stationeries and novelties (mugs, rakhi's, accessories, pens, DVDs, board games), and home décor. As per Varma, the company's

SALES AND MARKETING

Well trained sales staff is an important asset to Green Gold Stores, Varma opines. "As our stores mainly cater to mothers of children of 2 to 12 years, we stress on having both male and female administration staff. Depending upon the city and store size, the store is manned by 2 or 3 employees who are given basic training prior to the store launch. Additionally, we regularly interact with the franchisees and their store

CUSTOMER LOYALTY

Besides regular marketing efforts, the franchisee stores are encouraged to maintain customer databases so that the same can be used to reach out to customers and visitors alike for promotion of schemes, disseminating information about new products and latest developments at Green Gold to help increase the business yield. Moving forward in this direction, the brand has come up with its customer loyalty programme – Chhota Bheem Star Club.



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product development team constantly works on fresh categories and points out that off late, it has introduced a number of new products such as- oral care, skate scooter, soft toys, cycles, toys and footwear. He assures that there are many more categories which will be explored in the times to come.

Shedding light on the company's pricing policy, Varma asserts: "We, at Green Gold Store, we have consciously strived to keep the price brand competitive and affordable for most of the products offerings. We want more and more people to visit our stores and buy our products. Therefore, on an average, majority of our merchandise are available in price range of ₹300 to ₹500."

employees to update them about new products, schemes, promotions, etc.

Green Gold's marketing and promotions on national scale are done via newspapers, television commercials, large scale events, nationwide tie ups etc. Varma discloses, "Our most prominent and impactful promotional activity is Meet and Greet with brand mascot, which drives in many customers to our stores." Apart from traditional promotions, we run schemes and discounts at our outlets at regular intervals, he says. The company strengthens its franchisee partner's marketing initiatives at local level by extending creative support, mascot activities, promotional ideas and games, etc.

The soft launch of the programme was done in December, 2013. Customers can walk into any Green Gold Store and become a member of the loyalty club following a simple process.

"Chhota Bheem Star Club is our unique loyalty programme which is open to all fans of Chhota Bheem. The exclusive club gets them one step closer to their most loved character and they are provided all updates on Chhota Bheem meet and greet events, new product launches, games, applications and a lot more. We also reward the members for every purchase they make at Green Gold Stores," shares Varma. He also says that the company is working on some interesting concepts but it is too early to share them at this time.

E-COMMERCE

In October 2011, Green Gold Stores took the e-commerce route and launched its official online store—greengoldstore.com. The business unit has not only been instrumental in spreading the brand reach among prospective buyers with all the merchandise product related information but also been consistent in terms of orders. Varma tells more, “Green Gold’s web store is also a potent platform for people seeking online information related to nearest branded green gold store. We have recently revamped the online store. We are now working on improvising the usability by simplifying the order processing with an aim to position our online store as a one point shop for all the merchandise products of our brands: Chhota Bheem, Mighty Raju and so on.”

Apart from online sales, Varma discusses about the brand’s other revenue generation streams as well. He shares that Green Gold is also diversifying into areas such as content monetisation on YouTube. He says that with more than 46 thousand active subscribers, the company’s official youtube channel gets around 3 plus million hits on a monthly basis. Additionally, it is quite active on social media and has over 112 thousand followers on its Face Book page—www.fb.com/welovechhotabheem. He goes on to tell that the company has



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lately ventured in to digitising of its comics through online portal namely greengoldcomics.com.

COMPETITION

Competition is part and parcel of every business but Varma at Green Gold Store thinks otherwise. He feels that since the company deals in own trade mark brands, vie from other retailers is not a major issue. “Practically speaking, we don’t have any major competition because our

brands are ours only. But yes, we do face comparisons in terms of products and merchandise of other toon range available in the market vis-a-vis our range. Thus, our product team is constantly at work to find out new products lines which can maximise the brand’s impact and at the same time give maximum satisfaction to the customers at the best prices that can be offered.” Speaking about key learnings gleaned during the course of business, Varma stresses that that one of the critical factors of success in this business is to have the store locations factored rightly. We have experienced that it is important to reach out to the customers rather than waiting for them to approach us, he sums up.

GOING FORWARD

The Chhota Bheem mania has raked in both success and moolah for Green Gold Animation. To leverage from its popularity even more, the company plans to introduce new series and work on theatrical movies every year. It will also continue to create and develop more such winning concepts and characters. So, depending on market demand, it plans to bring in more products branded on new cartoon characters also. Launched in 2012, Mighty Raju merchandise has already created its own niche.

As regards to Green Gold Store’s expansion strategy Varma states, “By the end of 2014, we would like to ramp up our nationwide presence to 100 stores from present 26 outlets. Our target cities for expansion comprise all metropolitan cities along with other upcoming towns having population of more than five lakh.” Importantly, the current planned spread out is synced to franchisee stores. After that, Green Gold Store plans to open locations via a mix of COCO and FOFO business model. 



About the author:

Namita Bhagat has extensive business writing and editing experience related to the retail and franchise industry, covering Indian and Middle East markets.

