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BEYOND Times

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NATURALLY, CHENNAI

naturals
India's No.1 hair and beauty salon

FACT FILE

NATURALS

Started - 2000
Founders - K Veena and C K Kumaravel
No of Salons - 410 in 16 states in India
Brands - Naturals Unisex Salon, Naturals Lounge, Naturals W and Page 3

AWARDS AND ACCOLADES

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| 2014 - India's Most Admired Retailer of the year award - Beauty & Fitness | Chain in India, Salon International |
| 2014 - Best Salon Chain Award, Franchise India | 2012 - Most Admired Retailer of the Year, Images Retail |
| 2014 - Best Salon Chain, IDiva Awards | 2012 - Salon Chain of the Year, Salon International |
| 2014 - Images Retail Award for the most admired salon | 2012 - Women Entrepreneur of the Year, Franchisee India |
| 2013 - Images Retail Award for the most admired salon | 2011 - Most Admired Salon, Estetica Magazine |
| 2013 - CII Southern Region Emerging Entrepreneurs Awards | 2011 - Best Salon Chain, Schwarzkopf Professional Estetica Hair Couture Awards |
| 2012 - Best Salon | 2011 - India's Favourite Salon, NDTV-Hindu |



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GROOMING INDIA IS OUR VISION STATEMENT. LOOKING GOOD IS NOT A PREROGATIVE ONLY OF THE WESTERNERS. INDIA SHOULD LOOK GOOD. EVERY INDIAN SHOULD LOOK GOOD, WHETHER RICH OR POOR, MALE OR FEMALE. IF PEOPLE LOOK GOOD, THEY FEEL GOOD AND IF THEY FEEL GOOD, THEIR PERFORMANCE WILL BE GOOD, WHICH WILL IN TURN MAKE THEM LOOK GOOD!

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Creating A NATION OF Beautiful People



The long journey of Chennai in the entrepreneurial arena has frequently been punctuated by mind-boggling accomplishments in the business world by a few players. C K Kumaravel and K Veena are one such couple who have contributed phenomenally to the emergence of the city as a niche hub for new era businesses. The duo have transformed Chennai with the emergence of their brand altering the perceptions of the world about the city. Started in an era when people viewed beauty business with scepticism and relegated it to the confines of film industry and modelling, Naturals has caused a sea change in people's notion about personal grooming and beauty. The brand altered perceptions about Chennai being a conservative city and have established a business the like of which not even cities like Mumbai and Delhi can boast of.

BOLD AND BEAUTIFUL

Back then in 2000, this was a difficult feat to achieve. Not only was beauty business uncharted territory, but the risk of getting regular customers was very high. Thinking astutely and employing smart strategies, Kumaravel and Veena exploited the advantages offered by the nascent

but immensely promising IT industry which was also creating cultural and attitudinal changes in the social milieu.

A matter of great pride to Chennai is that for the first time in the history of the nation, India's most successful business couple will be soon launching high end salons in the US, the country that had once refused to style the hair of the world renowned actor from Kollywood! The day is not far off when popular Hollywood actors will be making beelines to their nearest Naturals salon.

Today Naturals is a benchmark in the salon industry to contend with and the larger retail industry has started observing Naturals' successful franchisee-based business model with interest. Naturals have been a catalyst and a growth agent for the retail industry of Chennai. A Naturals salon franchise was once considered a niche business but has now become an apt entrepreneur option for women. Hundreds of young beauty professionals, especially from the North East, have embarked on promising careers after training by Naturals. And the credit goes to this inventive couple who are blessed with abundant innovations and ideas. The centre of focus of the salon industry in India is now firmly placed in Chennai. Ask actor Kareena Kapoor, their brand ambassador and she will agree!

SETTING UP SHOP

Little did K Veena founder of Groom India Salon & Spa Pvt Ltd and



Ms K Veena, Founder and C K Kumaravel, Co Founder Groom India Salon & Spa Pvt Ltd

her husband C K Kumaravel, Co-Founder and CEO, know that with their first salon, they were embarking on a journey that would redefine the salon industry and infuse the culture of personal grooming among Indians as a part of their natural lifestyle.

The first spark was but a modest ambition of K Veena, at that time a homemaker, to earn Rs 60000 a month, after her children grew up and started school. Right from the start, Kumaravel had approached the matter with great introspection and in-depth research. The couple short-listed three options for Veena to pursue a business which were a boutique, a pre-school and a salon. They favoured a business which would be easy for Veena to manage alone initially, would be scalable and would not be affected by MNC competition. A salon seemed to be the safest bet. So a salon it was.

The first Naturals salon was established in the year 2000 in Khader Nawaz Khan Road in Nungambakkam. For three years though their business was steadily growing, the salon incurred losses every year. Still the couple decided to continue the business, against the counsel of their well wishes, as they observed the losses were decreasing each year. After 3 years, the couple launched their second salon in Anna Nagar in their house and the family moved to a flat. Veena finally made her first Rs 60000 after four years!

BEAUTY BUSINESS BLEMISHES

In 1997, before starting the business, Kumaravel and Veena had gone to London to meet Anita Roddick, founder of Body Shop, to find out if collaboration was possible. Unfortunately, Anita Roddick felt that India was not yet ready to enter beauty business. However the meeting with her, reading her books and listening to her tapes gave them the knowledge and ideas on how to scale up their business on the Franchise model.

With four years of experience and two salons and the label of women entrepreneurship, the couple approached banks for loans to scale up to 6 salons. They offered their Anna Nagar house as collateral. But banks were not willing to give them the required loan amount as they felt this was too large an investment for the salon industry. Finally, the 54th banker, Indian Overseas Bank gave them the loan for no other reason than the fact that the Branch Manager liked the idea of a husband and wife doing business together!

By 2006 Veena and Kumaravel had six salons running, each managing three salons. They went back to their lessons from Anita Roddick and this time decided to try out the franchise model for further scaling up of the business. Despite ads in the Hindu and another paper which



Naturals Smile providers

resulted in 340 enquiries, no one came forward for a definite meeting. They prevailed upon some friends and relatives to take up franchisee arrangements by investing the shortfall in investment. The next year, Naturals grew to 13 salons and 27 the following year and 50 salons thereafter. Today they have 410 salons, in 16 states, right from Jammu to Kanyakumari. Incidentally, the Naturals salon in Jammu is doing great business.

UNLEASHING REVOLUTIONARY CONCEPTS

"When we started the salon business we wanted to do something that changed trends. We introduced natural beauty products but though we got appreciation we did not get traction," says Veena.

Kumaravel continues, "We are the by-products of a larger revolution created by the likes of Narayana Murthy, Azim Premji and others where the first salary of a daughter is more than the last salary of the father. The daughter is free to use her money the way she likes. Also youngsters are spending on grooming, thanks to IT revolution. We decided to cash in on the trend of men and women working

together and decided to create a parallel avenue for them to get groomed in a very comfortable atmosphere and launched our Unisex salon for the first time in the history of Chennai." For the first time, Naturals also impelled the grooming culture among men, which was unheard of in those days.

Apart from Unisex salons, Naturals ushered in two more brands, the upmarket Naturals Lounge which is a salon, studio and spa and Naturals W exclusively meant for women. Big companies like L'Oreal used to confine themselves solely to metros like Bombay, Delhi and Bangalore; Chennai was never in their list. Currently Chennai has 150 salons in Chennai, the most number of Naturals salons in any city in India, numbers which no other brand can boast of today.

FRANCHISOR-FRANCHISEE BOND

Naturals has created a new culture of partnering with their franchisees, breaking the myth that franchisor-franchisee relations mimic the mother-in-

law and daughter-in-law bond! Naturals is proud to state they are a friendly franchisor and have created trust among their franchisees.

Naturals has also created a pool of exceptionally successful business women. The couple has changed the perception of women in India bestowing them the respect businesswomen deserve. One major advantage of a franchise with Naturals is that the franchise partner need not have any previous knowledge in the beauty industry. A passion for business and a flair for customer service is all that is needed.

Naturals has tied up with Indian Overseas Bank and Bharatiya Mahila Bank for facilitating loans for new entrepreneurs. Once a franchisee enters the system, Naturals takes care of the complete start up work right from arranging finance to identifying a place for the salon, doing the interiors, sourcing equipment and cosmetics, to staffing. Moreover, the salon is managed by Naturals for two months after which the entrepreneur can function quite independently with some hand holding by Naturals if required.

Out of 410 salons they have only 230 franchisees. 180 salons are run by multi-unit franchisees, a proof that their franchise model of business is extremely successful.

in collaboration with Godrej, the Naturals Godrej Hair and Beauty Academy will train beauty professionals and ensure placement in Naturals salons pan India.

"The academy will be a big game changer for the salon industry. Today there is a shortage of good and qualified manpower in the beauty and hair care industry. Our aim is to reach the north and west markets," says Kumaravel.

SCALING GLOBAL HEIGHTS

Naturals has also been among the few names in the salon industry in the country to use popular brand ambassadors like Deepika Pallikal, Genelia D'Souza and Kareena Kapoor. Kareena Kapoor is their most recent brand ambassador as Naturals wishes to penetrate the north Indian market and international markets as well.

"Work is going on in Dubai and the 5 GCC countries and 20 salons will be opened by March 2015. "We are also in advanced stages of discussion with the US and will soon open our salon there," says Veena. "By 2025, we want to make Naturals World No 1 in the salon industry. That's our dream."



Ms. K Veena with Women entrepreneurs of Naturals

NURTURING BEAUTY PROFESSIONALS

Naturals sources its staff mostly from Darjeeling, Manipur and some parts of Sikkim. People from the north-east, according to Kumaravel, are fashion conscious, have a good hand for services, speak English and are willing to shift location. They are given food, a hostel to stay and training in the Naturals academy.

Naturals has its own in-house training academy with branches in Chennai, Coimbatore, Hyderabad and Bangalore. A big academy, the first of its kind in the country, is coming up at the Marg Swarnabhoomi campus near Mahabalipuram, Chennai in a 20,000 sq. complex with a hostel for 500 which will be operational soon. Run

It's Quite Natural

K VEENA: Youngsters want quick success and if they don't see results midway they decide to give it up. Anything takes a lot of time and effort. You may be just a few steps away from success so don't drop it and look for something else. You have to give enough to make one business successful.

C K KUMARAVEL: Frankly we are not satisfied yet. Because being a leader won't, and never will, stop us from trying harder.