

The Tanishq Story

Inside India's No. 1 Jewellery Brand

C.K. Venkataraman

 **juggernaut**

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The views and opinions stated in this book are that of the author's alone and are based on his association with Titan Company Limited and from his various interactions with internal and external stakeholders of Titan. To the best of the author's knowledge, all the facts and figures stated have been verified to the extent possible.

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Dedicated to

Xerxes Desai.

*Maverick, visionary, legend, humanitarian,
who threw me out of his office
on a rainy July afternoon in the year 2000
and changed my life forever.*

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Foreword

Why Don't You Become a Well-Known Writer First?

Ever since I was in school, I had always loved writing. But laziness kept my interest in check for many, many years till I started writing in earnest after I turned forty-five. I usually wrote essays – accounts of my childhood in Coimbatore, my bicycle rides in the Bangalore rains or my weekends at my farm. None of these got a double-digit readership, ever, but the appreciation was encouraging. And so I kept at it, writing perhaps an essay a year . . .

I connected with Chiki Sarkar, the publisher at Juggernaut, when she published the history of the Kohinoor diamond by William Dalrymple and Anita Anand, and reached out to us for a possible sponsorship. That sponsorship did not happen, but I got my foot in the

door! Soon after, I gathered the courage to send her one of my essays and she replied – ‘you should write a book!’

Around the same time, I had started thinking about work-related stress, which seemed ever present, especially in the corporate world. I had some thoughts on how to manage this and felt that a book on the subject could be useful. I wrote to Chiki with the idea. She liked it, and she gave me a strange piece of advice: ‘*Why don’t you become known as a writer first, before you write that book?*’

‘But how do I become known as a writer, without writing my first book?’

‘By writing a well-known story first.’

‘Which story?’

‘The Tanishq story.’

It made total sense, of course, except that I had never thought of writing about Tanishq. I knew much of the story personally, having spent nearly fifteen years in the Jewellery division of Titan Company, from January 2005. I knew some of its earlier history, having heard from others who had been part of the journey between 2000 and 2004, but there were parts – especially during its founding years from 1993 – I didn’t know much about.

It was a fascinating story, not only because of its success but also for the formula of its success. The more I thought about Chiki’s suggestion, the more I was convinced that it was a story worth telling, particularly for the lessons that

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it had for people in the corporate world. Tanishq after all had delivered sustained success in excellence, sales growth, profitability and market leadership. What were the philosophies, practices and strategies that had led to this? This book tries to answer this.

Many of the points I have made apply to Titan Company as well, of which Tanishq is a part. But this book is about Tanishq and so I have written my book in the context of the jewellery brand. However, since Tanishq is a brand and Titan is the company and organization behind the brand, I will use the names interchangeably throughout the book depending on the context.

Now back to the philosophies, practices and strategies.

Titan has always been a people-centric company, believing wholly in deep relationships with its employees, through its caring and sharing, often using the word 'family' to describe itself.

Titan has always believed in a multiple-stakeholder focus, in the true Tata way, believing in the right and fair distribution of prosperity to its retail and vendor partners. It has always believed in partnerships forever.

Ethics and integrity have been central to the way Titan works. The name of its corporate campus is *Integrity*.

Tanishq has been devoted to its customers, committed to understanding everything they need and striving to delight them with its products and services.

Tanishq has kept innovation at the centre of its strategy, building differentiation and efficiency through that innovation.

Tanishq is also exceptionally resilient, pulling itself back from the brink of the abyss, when everything seemed lost. It's about the power of self-belief.

Tanishq has been an explorer, charting new territories in redefining the jewellery category, becoming a brand that holds a mirror to its customers' aspirations. It has shaped multiple aspects of the jewellery category and industry through its thought-leadership and influence.

The book explores these through the stories of the many people who were involved in that journey. In part one, I will narrate the chronological story of Tanishq, the early part as a historian, and the latter part as an executive who headed the division as the chief operating officer (COO) between 2005 and 2011, and as the chief executive officer (CEO) between 2012 and 2019. In part two, I will also look at the management lessons Tanishq can teach anyone.

The management lessons are essentially around innovation, customer obsession, the role of leaders and stakeholder focus. I believe that these aspects are fundamental to all businesses and the lessons from one successful business can be applied to other unrelated businesses as well.

Part 1

The Story

Before the Story (An Indulgent but Short Detour)

Off the coast of Bombay, 6 February 1850, 10 a.m.

Captain Lockyer is quite puzzled, even somewhat worried. He has been to Bombay many times in the last ten years. He has also anchored a few times in these very waters, about a kilometre from the shore. But he has never seen such a choppy sea. The sky has become overcast and rather dark. Streaks of lightning blaze across the sky every two minutes. The waves are over 20 feet tall and unceasing. HMS *Medea*, his strong and reliable vessel, is being buffeted like a little boat from Belfast.

One wouldn't think it is morning. It looks as if the night is setting in.

HMS *Medea* has been contracted by the British East India Company to sail to England and deliver a special package to the palace in London, ultimately meant for the

queen herself. The vessel is set to sail today, 6 February. On board are Captain J. Ramsay and Lieutenant Colonel F. Mackeson, in whose care is an iron safe.

Within the safe is a red despatch box, inside which sits a rare gem with a long and chequered history. It was found in a Deccan mine in the twelfth century. Over the next seven centuries, this rare gem changed owners, shape and form, witnessed wars and fratricide, and travelled across a continent, remaining a silent witness to a nation under transformation. The most recent owner was Maharaja Ranjit Singh, the ruler of Punjab.

On 29 March 1849, following the conclusion of the Second Anglo-Sikh War, the Kingdom of Punjab was formally annexed to the East India Company rule. The last Treaty of Lahore was signed and Article III of the treaty read:¹ *'The gem called the Koh-I-Noor, which was taken from Shah Sooja-ool-moolk by Maharajah Ranjeet Singh, shall be surrendered by the Maharajah of Lahore to the Queen of England.'*

This gem, this Koh-I-Noor, this very 'mountain of light' is about to be taken away from its motherland. And it appears that even the heavenly forces are conspiring to keep it from leaving. The winds are screaming, the sea is mad and the rains are pounding the ship.

Some atavistic fear assails Captain Lockyer and he

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wants to get away from these shores as fast as possible and head towards his homeland. In an hour, the ship sets sail. The next few hours are gruelling as the vessel comes close to capsizing frequently. It is Lockyer's experience and his resolve that keep the ship afloat. It is only around 6 p.m. that normalcy returns and the crew relaxes.

But even as the ship sails away, the spirit of the Koh-I-Noor leaves its body and escapes the red box, the iron safe and the HMS *Medea* and flees into the ether.

There in the skies, higher than any mortal can reach, the spirit of the Koh-I-Noor floats above Hindustan, biding its time, waiting to be reborn.

One hundred and forty-five years pass.

In 1995, in sleepy Bangalore (now Bengaluru), a visionary is dreaming a daring vision of a new jewel in the Tata group's crown – a stone that will dazzle bright, a gem that will make every woman in this great nation swoon with delight, a diamond that will transform everything in its surroundings. The spirit of the Koh-I-Noor is seized by this extraordinary vision and surges earthward to become one with this daring idea.

Unbeknown to Xerxes Desai, founder and managing director (MD) of Titan Watches, the spirit of the Koh-I-Noor enters his consciousness and is subsumed within the bold, revolutionary idea that is forming in his mind.

C.K. Venkataraman

And, in a flash, the Koh-I-Noor and Tanishq become one.

Is that the true story?

Well, of course not, but it feels good to imagine that it had, in fact, begun like that!

1

The Early Days: 1993–2000

Titan Watches Limited (now Titan Company Limited) was formed in 1984 as a joint venture between the Tata Group and the Tamilnadu Industrial Development Corporation Limited (TIDCO), for manufacturing and selling quartz watches.² But the idea for this had been germinating in Tata Press, a printing company that was part of the Tata group, in the 1970s itself, and in the imaginations of Xerxes Desai, the MD of Tata Press, and Anil Manchanda, his deputy.

Xerxes Desai chose to go the ‘quartz technology way’ for Titan when the whole industry was defined by ‘mechanical watches’. The quartz ‘movement’ was more accurate, had fewer moving parts and cost less to manufacture. For customers, quartz watches were sleeker,

more stylish and offered them liberation from having to wind the watch. The visionary in Xerxes Desai saw the watch as an accessory when most of the country saw it as merely a time-keeping device.

Leaders working with HMT, the public-sector watch company, were also convinced about quartz technology. Xerxes's vision attracted some of them and they helped set up a world-class plant in Hosur, Tamil Nadu, which became the foundation of Titan Watches. Titan's product design department, driven directly by Mr Desai, created sleek and elegant styles to match the state-of-the-art manufacturing standards. Full-page newspaper advertisements showcasing dozens of watch models took the brand to the public, tempting them to pick the model of their choice while sipping their morning coffee. A very fresh and elegant TV commercial showcased the range even better, with Mozart's 'Symphony No. 25' providing a Western flavour and imbuing the brand with sophistication and class. A first-of-its-kind exclusive watch showroom added further allure, creating a shopping experience that was international and memorable.

A Symbol of Self-Expression

In just a few years, Titan Watches captured the imagination of the Indian public and became the benchmark in the wristwatch category. While the mechanical-watch-led HMT still had the higher market share in 1990, Titan had run away with the mind share of customers.

The annual report of FY 1989–90 reflects this status:³

Titan is now clearly seen as the most preferred brand in the Indian quartz analogue watch market. Your company has succeeded in displacing the smuggled watches from the price band in which Titan watches are marketed. We have also succeeded in establishing the product as something significantly more than just a time-keeping device – an article to be worn as personal adornment, an expression of the wearer's aesthetic sense and personality.

And, in line with the value system that has remained strong over four decades, the same annual report calls out.

‘ . . . The company's employees have been selected with great care and equal care has been taken in their training. They constitute the Company's greatest strength and are a source of pride to all of us.’

Success came very fast to Titan and the business started growing at a brisk clip in the early 1990s. By March 1993, Titan had reached 60 per cent of the share of the quartz analogue market and 12 per cent of the total watch market, an outstanding performance in just six years.

As some of the watches made for the domestic market required imported parts, the import bill started galloping. With the domestic success in the watch category, Xerxes Desai had also developed a global ambition for Titan Watches, centred around a European strategy. After a couple of years of trying to take the Indian product strategy to Europe, it was clear that Titan needed a whole new approach if it were to succeed overseas. The plan was to set up a London office to run operations and marketing, a Paris design office to create the right products and a 'Euro Plant' in Hosur to manufacture these premium watches.

All this needed substantial foreign currency.

In those days, the country was in a precarious situation with respect to its foreign exchange reserves, being able to finance only fifteen days of imports. According to a report in the media in 1991, Reserve Bank of India (RBI) had pledged 47 tonnes of gold to raise around USD 400 million to tide over a balance of payment crisis.⁴ It was this compulsion that led to the government encouraging

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companies to generate foreign exchange to finance their imports. Titan's own accelerating demand for foreign exchange and the government's encouragement around exports were the reasons behind Titan's decision to set up a world-class *jewellery export* manufacturing facility in Hosur.

Catalysing that decision was Mr Desai's visit to a jewellery exhibition in Mumbai sometime in 1990. Mr Desai and Jayanthi Prasad, Titan's public relations head, visited the stalls in that exhibition and the idea of branching into the jewellery business was formed. Given the adjacency of watches and jewellery in European retail stores and some of the common capabilities that watches and jewellery categories needed, it was a natural connection to make. Anil Manchanda, the executive vice president (EVP) of Titan and Mr Desai's right-hand man from the beginning of Titan, was put in charge of the jewellery export project and the concomitant European watch project. The UK-based design and technology firm Grant Walker & Associates (Norman Grant and Mark Walker) was appointed as the project consultant. A pilot workshop was set up inside the watch plant in Hosur and a few jewellery manufacturing experts from the Indian industry were recruited to establish manufacturing processes and techniques. Market-specific product lines

based on design advice from Grant Walker and other design consultants were created in that plant.

Anil Manchanda was sceptical about the project from the very beginning and had shared his concerns with Mr Desai, who had brushed them aside. 'Unlike the watch project for which we had researched every aspect at multiple levels, we had jumped into this with very little study of the market,' recalls Anil Manchanda. Nevertheless, a valiant attempt was made to tap into the European jewellery market. 'We met with major buyers in many jewellery centres of Europe with our offerings. We also displayed our wares in 1993 at the INHORGENTA in Munich and during the watch and jewellery fair at Basle, Switzerland. However, there was a huge credibility gap as we had no background in the industry, no manufacturing facility to show and our designs were out of sync with contemporary trends. After a while, it was clear to me that this was not going anywhere and we were chasing a mirage,' says Anil Manchanda.

However, Xerxes Desai was convinced that there was a lucrative opportunity waiting to be tapped and that the venture would ultimately work. Anil Manchanda feels that 'Xerxes was overawed by the glitz and glamour of the luxe watch and jewellery businesses in the fashion centres of Europe'. In mid 1993, Mr Desai decided to

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take the plans for jewellery and watch exports and for the acquisition of a luxe Swiss watch brand to the Tata Sons board for approval and financial backing. He wanted Anil Manchanda to make the business case and the actual presentation. Anil Manchanda was by then a stronger sceptic of these projects than he had been in the beginning. He refused to present a proposal or to be further involved in projects in which he did not have full confidence and decided to leave Titan. I remember when the news of Anil Manchanda's exit came out; we (I was then a young rookie in the company having joined in 1990) were all quite zapped.

The business case for the jewellery plant was presented to Tata Sons and approved. The unit that was set up in Hosur was the finest kind of plant, coming at an investment of Rs 65 crore – a huge sum in those days. Given Xerxes Desai's general penchant for doing things well, that was not a surprise. However, the strategic rationale for a plant of that nature was not clear. India had a well-developed jewellery industry for export, mostly situated in the Santacruz Electronics Export Processing Zone (SEEPZ), the export promotion zone in Mumbai. Competition was intense, sometimes even cut-throat. Here was a high-end manufacturing unit, without the manufacturing leaders and depth of talent that the watch

business had from day one, without business development people who had experience in those international markets. The venture did not seem to make sense. Of course, all this is in hindsight.

Though the focus was on export, particularly the European and American markets, there seemed to have been some plans to launch these in India as well, through a small number of showrooms. A newspaper report of March 1994 refers to this, revealing the brand name to be Celeste, and the emphasis on making 'primarily European jewellery'.

The manufacturing unit began operations sometime in 1994. Weighed down by a higher cost of production, poor knowledge of what American and European jewellers and wholesalers wanted, and a pool of talent that was learning on the job, the export operations sputtered. After months of struggle, it was clear to Xerxes Desai as well that the export opportunity did not quite exist. His focus turned to the domestic jewellery industry, which was huge but totally different from the European and American markets. Everything here was different: the category codes, the types of products that customers bought, the industry structure, the retail practices and the manufacturing methods.

Jewellery in India had existed for centuries, perhaps millennia. It was a store of value and a symbol of wealth.

\$30 m Titan unit to make jewellery

BY PRIYA RAMANI

Bombay, March 21: Indian consumers will soon be able to purchase Titan's new jewellery range, Celeste, from a chain of exclusive Titan boutiques across the country.

The Tata-owned, \$85 million Titan Industries, that entered the watch business seven years ago, has decided to replicate its success in the field of pure gold and gemset jewellery.

A \$30 million plant in Bangalore will manufacture 12,000 pieces of finished jewellery every day. Of this 70 per cent will be exported, primarily to Europe and America. The remaining 30 per cent will be sold in the country.

"We will manufacture primarily European jewellery. Even when we use an Indian motif, it will be executed in an international style. Typical Indian jew-

ellery has lots of detailed work but often lacks precision and finish," says Mr Jacob Kurian, general manager, international marketing.

Titan's targetted clientele is the younger crowd who, according to Mr Kurian, are "much more international in their approach."

For the company that sells its designer watches through 4,000 retail outlets across the country, the decision to open exclusive boutiques for its jewellery collection was simple.

"Jewellery is easily copied and once your trust and reputation is damaged it becomes very difficult to earn back consumer confidence. Watches are more difficult to make but with jewellery we're going to be much more careful," he says.

The new collection will be branded and heavily promoted.

The newspaper story mentioning Celeste as the brand name and Titan's plans to 'manufacture primarily European jewellery'

It was also about auspiciousness and purity. Most Indian jewellery was made by hand by *karigars* (artisans) in small workshops. Indians primarily bought heavily ornamental, intricately designed gold jewellery; gemstones and diamonds were seen as an indulgence. The 22-karat alloy (91.6 per cent pure gold, having 916 parts of gold in a total of 1,000 parts of metal that also included other metals) was the preferred alloy: it was pure enough for the customer and soft enough for the artisan to work on.

Given its value and wealth, jewellery was also *streedhan*, given to the daughter at the time of her wedding. It was also a marker of ethnicity. More than two-thirds of the jewellery made in the early 1990s was wedding jewellery and each state and community had its rituals and trousseau: the Bengali wedding jewellery was different from the Punjabi, which was different from the Telugu and so on. The jewellery was ornate, elaborate and the variety was mind-numbing. This was nothing like what Titan was making for the European market: a small range of 18-karat (750 parts of gold to 1,000 parts of total metal) jewellery, minimal in styling.

Ishaat Hussain served as the Tata Sons' finance director for many years and was on the board of Titan for more than twenty years. He recollects being quite surprised about the decision to enter the domestic jewellery market,

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especially as a retailer. ‘To me, the picture of the Indian jeweller was of the owner sitting on his *gaddi* (cushion), personally overseeing everything in his shop. I just couldn’t see how all that could be corporatized.’

Despite all these significant differences, it was decided that Titan would change its direction and enter the domestic market. The circumstances warranted this decision, on account of the huge manufacturing investment that had to be recovered. However, the product-marketing strategy needed to be well-thought-through, given the fact that the plant had been created for the Western markets. Much consumer research needed to be done, to begin with.

Revathi Kant, currently the chief design officer of Titan who oversaw Titan Company’s market research then, remembers suggesting carrying out market research to see how receptive people would be to buying 18-karat jewellery instead of 22-karat. But no research was conducted and Titan plunged into making 18-karat jewellery for the Indian consumer. Xerxes was confident that Titan would transform the jewellery market just as it had transformed the watch market.

The strategy was multifold: The brand would offer more diamond jewellery than gold. Gold jewellery prices were transparent and everyone was making the same kind

of product. Diamond jewellery could be differentiated and would be more profitable. The stores would be fashioned after European boutiques and position the brand as an exquisite jewellery store. The staff would be carefully chosen for their sophistication.

David Saldanha was the head of retailing in the Watch division and was appointed as the head of the domestic jewellery project some time in 1994. He remembers being told by Xerxes Desai that he needed to set up twenty stores in two years. That remit took him to London, Paris, Milan and a few other European cities on a recce trip. Xerxes Desai was closely involved in the store design, wanting to create 'the Tiffany of the East'. David signed up four company-owned and fourteen franchisee store locations, thereafter, paving the way for the speedy launch of Tanishq in various cities.

Another newspaper article in 1994 quotes: 'The company is getting the well-known Austrian designer Hans Hollein to design these exclusive, upmarket jewellery shops.'

But ultimately, the assignment went to an Indian architect and designer, Kiran Patki.

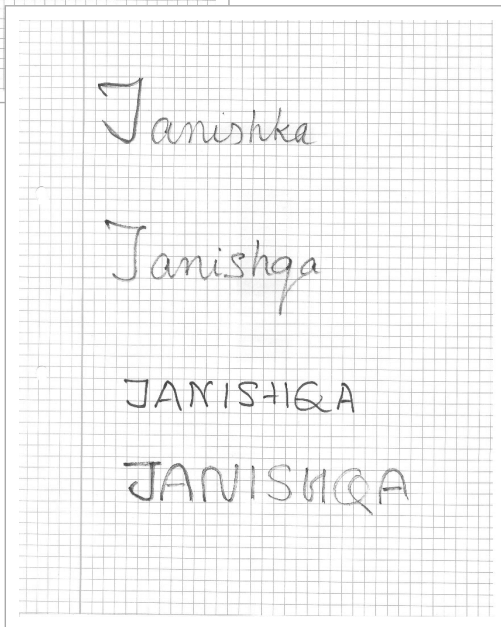
It's also not clear how the name Celeste got dropped. Obviously, between the time when Celeste had been finalized (mid 1994) and when the first Tanishq store

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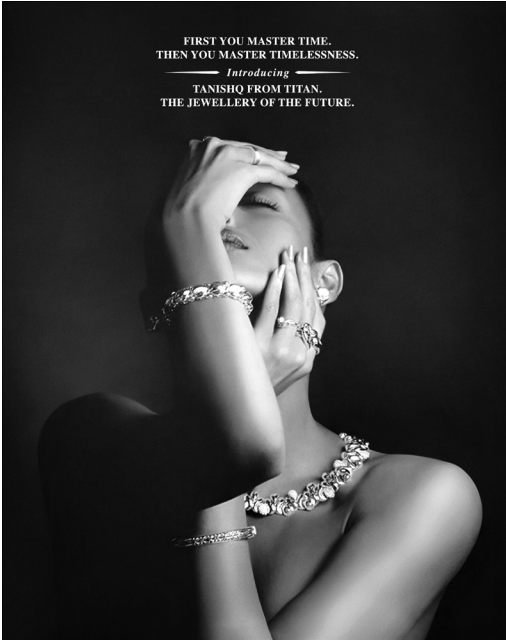
opened (mid 1996), enough time had passed for a reconsideration. The story of how the name Tanishq was finalized is fascinating. Meera Harish, a veteran at Titan, remembers poring over books at the suggestion of Xerxes Desai to come up with the ideal name. One of the names she had circled from a book was Nishka, which meant a 'throat ornament'. Xerxes played with it, knocking off the 'a' and replacing the 'k' with a 'q', converting it to Nishq. He felt it sounded more exotic. Then, in a flash of inspiration, he added a 'ta' in the front, creating Tanishq. Over time, the name came to be interpreted in different ways: representing Tata and Tamil Nadu in one interpretation and combining 'tan' (body) and 'ishq' (love) in another.

The first up-market Tanishq store opened in Cathedral Road, Chennai in July 1996. As planned, it was a boutique fashioned after the finest stores of the European capitals, where customers were supposed to fix an appointment with the store manager before their visit! The jewellery was all 18-karat diamond jewellery, very Western in its appeal. The sales staff were like 'air hostesses', as a colleague of that time recalls.

Latha Padmanabhan, the store manager at that time, who ultimately retired as the regional business manager of Tanishq in 2016, recalls, 'The walk-in was quite low most



Xerxes Desai's doodles on the way to coining one of India's most iconic brand names



FIRST YOU MASTER TIME.
THEN YOU MASTER TIMELESSNESS.

Introducing
TANISHQ FROM TITAN.
THE JEWELLERY OF THE FUTURE.

IT'S UNQUESTIONABLY EARLY IN THE HISTORY OF THE WORLD.
JEWELLERY FROM A WATCHMAKER.

And that's exactly what makes Tanishq jewellery so delightfully different, so passionately perfect, so enchanting to the eye.

Tanishq is where new standards are defined. Titan has done it before. History now repeats itself as Titan pushes the frontiers of jewellery in India.

ALL THAT GLITTERS IS COMMITMENT

It's a commitment that has many expressions. For instance, an investment of over \$4.65 crores in jewellery making facilities that are completely integrated and equipped to the highest international standards. The gold used is painstakingly refined, assayed and tested to an enduring 18 karat purity - the world standard for fine jewellery. From design to craftsmanship to final finish, everything is done here, so that quality is always in control.

AN NEW RELATIONSHIP WITH WORKMANSHIP

A relationship that combines craft and technology, art and engineering. And an unparalleled attention to detail that reflects the watchmaker's concern for precision. Magnify any feature and you'll find flaws in the workmanship. You'll find none. The standard is the best in the world.

THE DESIGNERS TAKE YOU BACK TO THE FUTURE

It will refreshingly, the designs are the nothing you've seen before. There's a marked departure from tradition, and yet there's a link. Designers from Europe and India fuse their roots to bring to you a host of theme-based collections in ever new designs. Themes that draw their inspiration from the best of nature, art and architecture.

FOR THE WOMAN OF THE FUTURE

And finally, every piece of jewellery from Tanishq is designed to enhance and echo the intrinsic charm of the new Indian women - a wonderful tribute to her beauty, intelligence and attitude.

So Titan, the commitment to make her a woman of the new world is not just a mission. But a passion.

TANISHQ
Precision jewellery by TITAN

LAMPAD 1995

The Tanishq launch ad campaign, sometime in 1995, pre-dating the first store launch in 1996. The jewellery was sold at that time through other jewellers and Titan Watch showrooms.

of the first year. The feedback was very clear; we needed 22-karat jewellery.’

David Saldanha and the team responded quickly. They went to Mumbai and Mysore, contacted jewellery manufacturers and got some 22-karat jewellery made. This improved the walk-in situation significantly, but the bulk of the product lines were still 18-karat diamond jewellery, misaligned both on the store-of-value and design needs of the customers. The Chennai store struggled in its first year, closing at Rs 2.8 crore of sales against a target of Rs 3.5 crore.

Of course, the introduction of the 22-karat jewellery, however small at that time, was a crucial change in the direction. ‘To give Mr Desai credit, he realized that this was badly needed, even if it did not fit his vision,’ David is graceful in his recollection. Then mirth takes over. ‘We, first of all, got it wrong in terms of what the Western people liked. And then we assumed that what they didn’t like, the Indian people would like!’

Titan’s 1996–97 Annual Report calls for attention to the growing importance of 22-karat jewellery:⁵

While the company believes that an 18-karat gold alloy is the most-suited for jewellery – and is, in fact, the world standard for fine gold jewellery – the existence of

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a very strong consumer preference in India for 22-karat gold jewellery cannot be wished away. Our entry into this market segment will, it is hoped, accelerate the trend towards an official hallmarking process which will significantly benefit the consumer who, today, is often the recipient of substantially undercarataged jewellery masquerading under the 22-karat label.

This acknowledgement, written in the style that evokes Xerxes, does not seem to go all the way through and appears more like a grudging acceptance of a challenging situation rather than an enthusiastic embrace of a new, exciting path.

Sometime in 1997, around the time this annual report came out, Vasant Nangia, who had been the head of Titan's international business based in London, was moved to head the jewellery business and David Saldanha went to London in his place. Vasant created a larger team by bringing in a few more Titan veterans. More traditional 22-karat gold jewellery was created and launched with considerable ad support, and standard industry practices like showing the gold weight, diamond quality and weight and making charges separately were also started in his time. Quarterly buying meets were started, where the company teams presented the new product lines to the



Fashioned after the luxury stores of Europe, the early Tanishq 'boutiques' were quite elitist and forbidding.

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franchisees and staff for systematic ordering as well as for building ownership. All these helped, but the big differentiator was still missing.

M.S. Shantharam was the head of manufacturing for jewellery from 1994 and retired as the chief manufacturing officer of Watches in the early 2000s. On a visit to the Basel Jewellery and Watch Show in 1996, he had seen an X-ray fluorescence machine that could determine the elements in a metal alloy in a very short time, without damaging it. Vasant and the team immediately saw the potential in this machine.

The single biggest benefit from gold jewellery was (and still is) its 'store of value'. Because of this, the public had been wary of paying high making charges⁶ for decades, so, when they needed to convert the jewellery into cash, very little was lost. This put considerable pressure on the industry with respect to profitability and even viability. Over time, many jewellers ended up selling lower karat alloys in place of 22-karat, to make profit. So, customers ended up paying the low making charges which they wanted, but also ended up getting 19-karat or 20-karat jewellery (or even lower karatage) in the place of the 22-karat jewellery that they thought they were buying. Undercaratage was rampant in the industry. Tests of jewellery from across the country had clearly established

this fact to the people within Titan. But the way to demonstrate this to the customers remained elusive since it meant destroying the jewellery by melting it for testing. That was obviously not feasible.

The X-ray fluorescence machine provided a fabulous solution to that problem. Through a non-destructive process, it could break up the gold alloy into its constituent elements: gold, silver, copper, whatever – in just three minutes!

This machine was called XRF, an X-ray fluorescence Spectrometer. It had been originally designed to assess combinations of all 100+ periodic elements. Titan had first bought it for its lab, for broad-spectrum alloy testing. The gold alloy standards that the XRF was designed for were only 75 per cent (18 karat) and 91.6 per cent (22 karat). India sold multiple karat types and the XRF needed to be able to measure those accurately. Alagappan, head of Tanishq's Customer Service today, recalls starting with forty-five to fifty types of gold alloys, sitting with the programming people of the manufacturer of the XRF and reprogramming the machine for Titan's specific requirements. This machine was to become a game-changer for Tanishq ultimately.

In 1997, Vasant Nangia and team had the machine deployed in multiple boutiques nationwide. Each machine

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cost more than Rs 10 lakh and it must have taken a lot of conviction and guts for such an investment, given the financial state of Tanishq at that time. But the team had the conviction and guts and ended up creating the most critical differentiation that Tanishq was desperately waiting for. This gave Tanishq a little more time to breathe.

The Karatmeter, as branded by the Lintas team and the then head of the Tanishq account, Joseph George (Joe, who went on to become group chairman of Lowe Lintas in 2016), ended up becoming the bedrock of Tanishq's value proposition, a powerful symbol of purity. Stories are legion about the Karatmeter's use at that time. Hundreds of people standing in queue for testing, customers breaking down after discovering the actual purity of their jewellery and then becoming irate about the jeweller who had gypped them, the local jewellery industry leaning heavily on the Tanishq franchisees to desist from using it, some jewellers even threatening violent action.

The Karatmeter changed the brand's marketing approach. The filmmaker R. Balki was the creative director of Lintas Bangalore from the mid to late 1990s and was very closely involved with Tanishq along with Joe (Balki went on to become group chairman of Lowe Lintas around 2007).

BEWARE, THERE'S A THIEF IN THE FAMILY.

In Mrs Meena Agarwal's eyes, her jeweller was not an outsider. She trusted him no less than she trusted her family members. All this changed on 30th July, 1998. The day we invited Mrs Agarwal to our showroom and offered to test the 22 karat necklace that she had bought from her jeweller.

It was a simple procedure. The necklace was placed on a computerised karatmeter (the same machine that is used to test the purity of gold, the world over) and, in 180 seconds, we had the result. Mrs Agarwal's necklace was actually made of 18.3 karat gold. She was embarrassed and her trust in the jeweller was shattered.

This is a true story of a woman who bought gold jewellery without knowing its exact karatage.

But when you buy jewellery from Tanishq, you can be sure. The gold used is painstakingly refined, alloyed and verified for its exact karatage. This stringent quality control process is carried out at our jewellery manufacturing facilities. So, when you buy 22 karat jewellery, you get jewellery that is precisely 22 karat.

That's not all, every piece of Tanishq jewellery comes with a guarantee. A guarantee that gives women like Mrs Agarwal a reason to place their trust in Tanishq.

If you too want to get your jewellery tested*, we will do it for you, free of cost, at the Tanishq showroom.



*Testing facilities available at the showroom only for a limited period. The Tanishq Showroom: City Centre, M.G. Road, Indore. (0731) 540379.

Pulling absolutely no punches! One of the early, and perhaps the most effective, Karatmeter ads.

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'Xerxes was always reluctant about 22-karat Indian jewellery,' recalls Balki. In Balki's vivid recollection, Xerxes did not want to make Tanishq '*yet another Indian jewellery brand*'. Balki remembers being in this complex situation, where 22-karat jewellery was where the business was, but the founder MD was dead against the brand proposition built on that! Balki remembers being stuck and desperately looking for an angle.

'The Karatmeter gave us the angle that we were desperately looking for, with which we could build a story for Tanishq that Xerxes was comfortable with,' Balki recollects. Joe adds, 'Suddenly, the purity story became the anchor and Xerxes was sold!' Vinod Moolacherry, copy trainee at Lintas, wrote, in Balki's words, 'What was perhaps the most powerful headline of his life: "Beware, there's a thief in your family!" It was a direct reference to the family jewellers and their unfair practices,' Balki pauses in recollection. 'That one ad, and what followed from that, changed the fate of Tanishq forever. The Tiffany of the East, which was Xerxes Desai's vision for Tanishq, had moved on to a different course altogether. Even though we did not know it then.'

(I could see that the 'Tiffany of the East' dream never went away for Mr Desai. Even though he was quite proud of what Tanishq had achieved, he was perhaps not that fond of

what Tanishq had become. On a visit to a Bengaluru Tanishq store with me around 2010, he was a bit taken aback by the jewellery he saw on one of the counters. He said, 'My god, Venkat! Who buys all these?' I could also play his game. I smiled and said, 'Not Europeans, Mr Desai!' And when he visited the Mumbai Zoya [Titan's luxury jewellery brand] store around 2011 at my request, he wrote me a one-line mail: This is the Tanishq that I had always wanted!)

When Balki and team presented the purity story underpinned by the Karatmeter, he accepted it because 22-karat was where the game was and the idea of transparency and trust gave Tanishq the license to play that game. Mr Desai's insistence on a unique story for Tanishq and his stubbornness in not getting railroaded into making it yet another 22-karat-jewellery brand was how Tanishq came to have such a differentiated brand value proposition.

Starting in 1997, the Karatmeter exposed the bad practices prevalent in the industry and provided a key differentiator to Tanishq that had the potential to change its trajectory substantially. But a few things were still in the way. The product line had still not transformed fully into the relevant Indian 22-karat jewellery that the market needed. The stores were still the 'Western' boutiques which were somewhat intimidating, with staff who were 'distant and formal'.

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These remained unaddressed, perhaps because of the original dream that persisted as a hope. Maybe Xerxes saw the entire 22-karat journey more as a detour through which Tanishq would rejoin the path that he had envisioned, to an end that the rest of the world had already reached. Given his upbringing, his aesthetic standards and his Oxford education, that was the worthy goal.

It was natural that a visionary would see things that other normal people couldn't. The strategy behind Titan Watches and its quick success was proof of that. However, much of the rest of the world had gone from chunky mechanical watches to sleek quartz watches, particularly in the volume market, driven by the Japanese companies. There was a global precedent for that and there was no reason why it would not have happened in India. Xerxes Desai's vision and strategy substantially accelerated it and advanced it by many years.

But the jewellery category was very different. In India, jewellery was a store of value. It was an investment, often vying with real estate and the stock markets for a share of the wallet. It was a cultural identity that differentiated a Bengali bride from a Gujarati one. In America or Europe, jewellery was none of these.

The diamond jewellery focus of Tanishq went against this need. The styling of the products did not help either.

And the stores were 'boutiques'. Visualized from the best localities of Europe, they looked like art galleries inside with padded walls, paintings and marble facades that evoked the look and mood of high-end restaurants. In Mumbai's Churchgate store, for instance, Vilas Shinde, an artist friend of the franchisee Ajeet Arenja, hand-painted the 200 square feet ceiling, lying down on his back on a scaffolding for four weeks because Xerxes Desai wanted it done that way (evoking to me the commissioning of the Sistine Chapel ceiling painting by Michelangelo at the insistence of the Pope).

When a vision runs quite counter to the dynamics of the marketplace, how does an organization alter its direction, how does it course-correct?

It's quite axiomatic that in visionary-led organizations, the influence of the visionary is so great that everyone believes them, or perhaps no one dares to question him or her. Anil Manchanda was the only person who had a strong influence on Xerxes Desai, but even he could not prevail over him.

How much did Xerxes Desai attempt to align his leadership team to his vision? Was it his style that kept the others out? Or did his deep belief in his vision, which was not shared by others, become a barrier and made him dig his heels in?

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What are the lessons here? As leaders, how comfortable are we about having strong personalities around us who offer counterpoints – people who push us hard, who force us to blink? How do we learn to distinguish our conviction from our hubris? Was it a deep conviction that made Xerxes Desai ignore Anil Manchanda's point or Revathi's suggestion, or was it his hubris? Was it belief or arrogance? We will never know, of course, especially since Xerxes Desai is not here to present his view, but it would be good to question ourselves when we encounter a similar situation in our lives.

At the same time, the passion that Xerxes Desai had for anything he took on and the obsession that he put into every detail was inspirational. Everyone who worked with him was touched by all that gold dust and came away better for it.

The naming of Tanishq was certainly genius at work. The differentiated strategy that would evolve over time to make Tanishq jewellery an accessory, an object of grace and beauty, an expression of special relationships and a symbol of refinement and discernment had started with a name which had many of these dimensions already synthesized in its sound and, soon, in its visual form as well. It was only a man like Xerxes Desai who could create an exotic name like that, looking into the distant future while he did that.

Whenever I think of Xerxes Desai and his visioning ability, I recall a powerful line from the Lawrence of Arabia:⁷

All men dream, but not equally. Those who dream by night in the dusty recesses of their mind wake in the morning to find it is vanity; but the dreamers of the day are dangerous men, for they act their dreams with open eyes to make it possible.

But this dream, as it turned out, had to wait for some years to become a reality. From 1996 to 2000, it was a continuous struggle for Titan Company. The misadventure in the European watch market was sucking a lot of funds. The international watch operations in West Asia, headquartered in Dubai, were a consistent success from day one, but that was not enough to compensate for the European losses. The domestic jewellery business was also losing money and aggravating the overall company situation.

Debt was high and the cash flows were very meagre. S. Rajarathnam, a Titan Finance department veteran who had seen these tough times, recalls that the financial IT system would automatically print all the supplier cheques a few days ahead of the due date (as it had been

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programmed to do) and the pile of cheques would build on his desk. His team would pull out all the cheques below Rs 5,000 for him to sign as Titan was very particular about payments to small firms. The rest would wait as Raj and the team did a lot of juggling of the current cashflows and desperately imagined what the next few days would bring.

From an 8.9 per cent profit margin in FY 1995 and a Rs 554 crore market cap in May 1995, Titan Company crashed to a 3.4 per cent profit margin in FY 2000 and a Rs 311 crore market cap in May 2000.

Things were looking bad.