



Beauty: The Natural way

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Abstract

Naturals, considered a pioneer in the Indian beauty & hair salon industry was one of the first to introduce the concept of unisex salons. While Mumbai and Delhi stand out as the nerve centers of the beauty industry, a surprise player from the south has swept across the country and taken the beauty industry by storm. What started as a standalone salon in the year 2000 for providing occupation to the wife has turned into a lucrative, highly organized and successful business for the Naturals family. Naturals was founded by Mrs. Veena Kumaravel whose knowledge of the international beauty industry pioneered a new era in the hair and beauty care industry in India. Established in 2000, Naturals has revolutionized the beauty and franchising industry with over 550 salons spread across India. Naturals has created 400 women franchise partners and trained over 10,000 staff and has more than 30 lakh customers. This paper attempts to explore the journey of Mrs. Veena in transforming a standalone salon to a highly lucrative and successful chain of salons.

Keywords: beauty industry, franchise

1. Introduction

Naturals, considered a pioneer in the Indian beauty & hair salon industry was one of the first to introduce the concept of unisex salons. While Mumbai and Delhi stand out as the nerve centers of the beauty industry, a surprise player from the south has swept across the country and taken the beauty industry by storm. What started as a standalone salon in the year 2000 for providing occupation to the wife has turned into a lucrative, highly organized and successful business for the Naturals family. Naturals was founded by Mr. C.K. Kumaravel and Mrs. Veena Kumaravel whose knowledge of the international beauty industry pioneered a new era in the hair and beauty care industry in India. Established in 2000, Naturals has revolutionized the beauty and franchising industry with over 550 salons spread across India. Naturals has created 400 women franchise partners and trained over 10,000 staff and has more than 30 lakh customers. The modern Indian woman has many responsibilities, from caring for her family to meeting deadlines at work. And every woman needs a place to escape. Naturals is that place for women. It is an oasis to detox, rejuvenate and relax. Naturals is India's most prominent chain of hair and beauty salons. Naturals aims to expand to 3000 salons by 2020.

2. Mr. C.K.Kumaravel & Mrs. Veena Kumaravel-bold & beautiful

Born into a business family that launched Velvette, India's first sachet shampoo in the late 1970s, Mr. C.K. Kumaravel had worked under elder brothers Mr. C.K. Rajkumar, who ran the family business after the death of their father and Mr. C.K. Ranganathan, who had launched his own shampoo brand in 1991. Mrs. Veena Kumaravel comes from a third generation business family. Mrs. Veena, a commerce graduate from Ethiraj College for Women, Chennai, had a taste for beauty

and hygiene. She along with her husband Mr. C. K. Kumaravel looked at three businesses - pre-school, boutique, and salon. They wanted to do a business that was free from MNC competition and which Veena could handle single handedly. She always wanted to do something and she felt there was an opportunity in the beauty industry. They narrowed down on beauty salons. She felt that there was a need for a segment that would be between a five star salon and the local barber shop. There was scope for good quality, affordable beauty salons. She saw this slot as an opportunity. Veena played a key role in developing the first few salons, and continues to be the backbone of the rapidly expanding business.

2.1 Review of literature

An attempt has been made to review case studies and the work of individual researchers, magazines, journals, articles pertaining to Naturals and the efforts of its founders to bring their business to the forefront.

Narasimhan (2014) states that Just over a decade-old Naturals, which has a dominant presence in the beauty business across southern India, is now embarking on a journey that its co-founder C K Kumaravel hopes will not only make it the largest salon brand in the country, but also in Asia. That's a huge distance for a brand that started its first beauty parlour in Chennai in 2000, mainly because Kumaravel wanted to help his wife Veena to start a new business that will keep her busy while their kids were away in school. The business broke even after three years and the couple opened their second salon. Naturals has moved beyond and has also launched Rs Page 3' targeted at the luxury segment and Naturals Lounge, which is a bridge between the mass market brand and the luxury brand. Athira (2015) opines that their success story is textbook material, for they had seen hard times before lady luck smiled

upon them. The duo has opened salons in small towns and are planning to open branches in the Middle East. They do not differentiate between large and small cities, because every household in India is hooked to television, which exposes them to the latest in fashion and beauty. The best thing is a good number of their franchise owners are their own staff, including the owners of the Page 3 salon. Their aim is to have as many salons as possible, thereby creating more entrepreneurs, especially women, and more job opportunities. Niharika Verma (2016) mentions that Naturals dominates the Indian salon industry with about 550 salons in 80 cities across India and has presence in UAE. Known for disrupting the industry, Naturals salon has once again ideate to bring brook & mortar merge with online marketplace Vyomo and re-branded it as Naturals@home. Abhinav Khare, Founder, Vyomo beauty marketplace signed \$15 million deal with Naturals, giving controlling stake to the later in cricketer Yuvaraj Singh backed Vyomo and agreed to re-brand the beauty app as 'Naturals@home'. Significantly, 'Re-branding' was yet another strategy of the duo to boost online clientele.

3. Need for the study

Beauty industry is all about the field of cosmetology and its importance cannot be denied. Looking good and beautiful has been the preference of all men and women from the beginning. History states that different beauty therapies were used even in the primitive times. This has now become an industry with millions of people working at improving the products and services to make people look good. Nowadays different treatments are available to look beautiful because appreciating beauty and being appreciated is in human nature. As far as physical beauty is concerned people like to have clean and clear face with glowing complexion. Well groomed thick long hair is also a sign of beauty. Smart and fit body makes a person very attractive. Spotless and fair skin appeals to everyone and clean body makes an individual more beautiful. Soft hands and well groomed nails are also appreciated by people. And this is the reason why beauty industry came into being. An industry which was dominated by people from Mumbai and Delhi was surprised to see the duo from Tamilnadu revolutionizing the beauty industry by setting up Naturals, a chain of beauty salons that is rapidly leaving footprints all over South India. Hence, this paper makes an attempt to evaluate the efforts of Mrs. Veena Kumaravel nad Mr.C.K.Kumaravel in steering Naturals to the pinnacle of glory and success.

4. Objectives of the study

- To analyse the reasons behind the accomplishment of Naturals
- To evaluate the effectiveness of Mrs. Veena & Mr. C.K.Kumaravel in taking Naturals to greater heights
- To appreciate the efforts of the duo for making a mark in the beauty industry.

5. Methodology

Information for the study was collected from both Primary and Secondary sources.

5.1 Primary Data

Primary was collected by interviewing Mrs. Veena & Mr. C.K.Kumaravel and the employees of Naturals.

5.2 Secondary Data

Secondary data was collected from various online sources, books and journals.

5.3 Limitation of the Study

- The study is confined only to Naturals and its founders.

6. The journey of naturals-down the beauty lane

The duo started their first shop at Khader Nawaz Khan Road in Chennai in the year 2000 with an investment of Rs.30 lakh. A substantial part of that amount was spent in buying imported equipment and setting up the shop. They took the plunge on intuition. They did no market research or any such thing. They raised the money from friends and family. Kumaravel had modest expectations from the business. In his previous venture, his goal was to do Rs.5 crore business in the first year. In the present venture he wanted to make a monthly profit of Rs. 60,000 to run the family.

6.1 The Initial Three Years

The first three years were hard, as the company incurred losses of Rs.10,00,000; Rs.5,00,000 and Rs.2,00,000 in successive years. They were running out of resources and everyone advised them to close the business. However, Kumaravel and Veena pressed on, encouraged by the fact that the losses were coming down each year. They focused on promotions and marketing of their brand. They placed advertisements in neighborhood newspapers and distributed gift-vouchers in shops to bring in the footfalls to their salon. The venture became profitable from the fourth year. They opened their second salon in Chennai in the fourth year of their business and started opening more outlets. By the end of the sixth year, they were making a profit of Rs.2,00,000 per month.

6.2 Partnership Agreement

After opening their sixth shop, the couple introduced a 50:50 partnership model to speed up expansion. While investors would meet 50 percent of the cost of new projects, Naturals would meet the rest and also help in promotions, and supply manpower. Profit would be shared equally. This concept encouraged many investors to join with the duo in their business. By 2009 they had 54 shops and they revised the strategy and said no more partnerships.

6.3 Franchising

Franchise model was introduced. The growth became rapid since then, as within a year they doubled their units from 54 to 108. The expansion continued and today they have more than 550 units. The shops include the slightly up market Naturals Lounge, Naturals W, the women's only salons and the luxury brand 'Page 3' salons.

6.4 Training Academy

With a mission to transform the hair and beauty industry in India, the Naturals Training Academy is set to educate aspiring individuals in the art of hair and beauty. The Naturals Training Academy is more than just learning about hairstyling and makeup. It arms students with the right technical skills, effective communication techniques and client management knowledge too. The academy also provides hands-on training at our beauty salon and ensures a 100% placement at Naturals. The training academy offers a range of courses from a foundation course to a short two weeks course on specialised subjects. The Naturals Training Academy also offers customised courses on hair, skin and makeup to meet individual requirements.

6.5 Awards & Accolades

In a hugely competitive space, winning an award gives a sense of accomplishment, but more than that, it inspires people to go the extra mile for the customer, whose loyalty has helped them to achieve these milestones. They continuously strive to improve the experience of their customers through our services and these achievements motivate them to do better.

2011

- India's favorite salon by NDTV - The Hindu Lifestyle Awards.
- Best National Salon Chain of the Year - Salon International.
- Best Salon Chain - Schwarzkopf Professional Estetica hair couture awards.

2012

- Salon chain of the year - Indian Salon Congress.
- Women Entrepreneur of the year - Entrepreneur India, Veena.
- Most Admired Retailer Health & Wellness - India Retail Forum.
- India's Favorite Salon - NDTV - The Hindu.
- Best Franchiser in the Beauty and Wellness - Franchise India.
- Most Admired Salon - Estetica Magazine.
- The Best Salon Chain in India - Salon International.
- Women Entrepreneur of the Year - Franchise India, Veena.
- Most Admired Retailer of the Year, Health and Beauty Services

2013

- Best Salon Award - Franchise India.
- Best in Category Beauty Aids & Salons - Franchise India.
- Most Admired Retailer of the Year, Health and Beauty Services
- Best Southern Region Emerging Entrepreneur Award - CII

2014

- India's Most Admired Retailer, Sep 2014 - Indian Retail Forum, Mumbai.
- Best Women Entrepreneur, Sep 2014 - CII
- Retail Entrepreneur of the Year, Oct 2014 - Franchise India, Delhi
- Best Salon of the Year, Aug 2014 -

- Annual Women Achievers Award - Raindrops, Veena
- Gateway to Beauty
- Women Achievers - Rotary International, Veena
- Inspiring Change in Women Entrepreneurship - Pink Power Award, Veena
- Best Entrepreneur Award - Saveetha Engineering College, Veena

2015

- Brands Achiever National Business & Service Leaders Awards 2015 - Brands Achievers, Delhi.

6.6 Road ahead

The organized beauty services market is set to grow 5 fold and it is expected to reach 98,500 by 2020, poised to be one of the top 5 service industries to contribute to the GDP and a huge employment generator. Naturals is well positioned to lead the beauty sector, being India's No:1 Unisex Salon & Spa. Naturals have plans to expand their presence in the North and are also looking at international expansion plans, in places like Sri Lanka, Dubai, Middle – East, Singapore and Malaysia. By 2020 they are planning to launch 3000 Salons, and create 50,000 jobs.

7. Conclusion

More than nearly any other fast-moving consumer goods (FMCG) sector, the beauty industry is guided by trends. And over the last few years, multiple trends have emerged with the promise that they will redefine the future of beauty. The secret is finding a connection between the micro-trend and macro consumer needs, which are readily shifting. Startups and big brands are increasingly finding ways for customers to create their ideal products, tailored for them. Naturals have travelled a long way in the beauty industry and created a niche for themselves. Makeup is not a mask that covers up beauty, but it is a weapon that helps a person to express who he or she is from inside. Naturals have set up high goals for them in bringing out the best out of individuals. The duo stand as a concrete example for the saying "Tough Times Never Last, but Tough People Do"

8. References

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