



Lessons from the best: How India's L&M industry can take it up a notch



The rise of licensing & merchandising (L&M) in India has been based on the advancement of technology, rapid expansion of the marketplace and a surge in brand consciousness. In India, licensing alone is worth \$1.26 billion as per the 2018 WTR Forrester Report. Of this, \$406 million comes from entertainment industry licensing. These figures constitute 5-7% of the global licensing and merchandising market.

Indian brands constitute less than 10% of this pie, while [Hollywood](#) movies and music culture command the lion's share. There are many examples of licensing, the most famous of all being the Disney brand. India, with its deep smartphone penetration numbers and wide adoption of digital applications has offered brand owners an opportunity to go beyond their core products and set up new licensing revenue streams.

The canvas

Movie merchandising has been around in India at least since the time of Bobby (1973), when Dimple Kapadia's hair pins became available in the market. In another wave, caps with 'Friend' embroidered on them were being sold all over India after the success of Maine Pyar Kiya in 1989. However, it cannot be said with certainty if the movie studios made any money on this merchandising spree. Ra.One, Krrish, Raees and Rock On 2 are recent [Bollywood](#) releases launched with a merchandising focus. Unfortunately, audience demand left much to be desired. However, with the arrival of Hollywood, the L&M industry took on a bigger role in revenues. L&M in children's entertainment expanded to the young adult and

then to the adult brands categories. Superman, Batman, Pokemon, The Simpsons and Star Wars memorabilia captured the imagination of the Indian audience.

For L&M to succeed, organised retail development is essential. As per the India Brand Equity Foundation report (2018), organised retail is projected to reach 17% by 2021, while traditional retail still dominates with 75% of all retail. Thus, L&M has a tough battle in India. However, there is an additional 7% coming in from e-commerce retail. In 2019, the Avengers: Endgame mania is being leveraged by a host of companies to boost their own brands — movie theatres are running Marvel movie marathons; Oppo has launched an Avengers-themed limited edition phone (F11 Pro Avengers Endgame), and online digital payment platform Paytm ran a 'First Day First Show' contest, selling over 1.5 million tickets to the movie.

The outlook

A prime concern with L&M is quality control over third-party usage of a brand identity. Details of extent of control, right to inspect, and territory and duration of licence need to be spelt out clearly, and in advance. Any L&M strategy must factor these into negotiations and agreements.

The Marvel Cinematic Universe franchise will be able to monetise L&M opportunities for their 22-movie series over the past 10 years with the phenomenal climax offered by the Endgame edition, if they play their cards right and build the L&M strategy in alignment with the 'meditative, reflective, tying-up-the-loose-ends-carefully' approach of the movie.

As clinical psychologist Robin Rosenberg explained in the Smithsonian magazine, superhero movies have relevance because the origin stories of superheroes focus on choosing altruism over the pursuit of wealth and power, which offer inspirational models for overcoming adversity brought about by trauma (Batman), destiny (Iron Man) or sheer chance (Spider Man). As long as superhero story scriptwriters continue to do that, such movies will always be relevant to millennials as well as to people on the wrong side of 50.

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The article can be read online [here](#).