



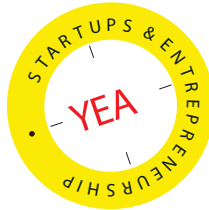
# 'ADDRESSING THE ISSUES FACED BY MILLENNIALS'



AMANGUPTA

CATEGORY: 3-7 YEARS

boAt Lifestyle



**B**OAT LIFESTYLE began life as a consumer electronics startup in 2016 with the sole aim of bringing affordable, durable, and more importantly, 'fashionable' audio products and accessories to millennials. Having completed two years selling earphones, headphones, speakers, travel chargers and premium rugged cables, it has clocked more than Rs 100 crore in domestic sales alone. From just two founders, it has grown to a 32-member team, opened offices in Delhi and Mumbai, signed up celebrity brand ambassadors, and created a community of over 800,000 'boAtheads'. Aman Gupta, Co-founder, boAt Lifestyle has been chosen as the winner of the BW Businessworld Young Entrepreneur Award 2019. Gupta talks about his startup in a chat with BW Businessworld. Excerpts

**BOAT IS PRESENT IN BOTH BRICK AND MORTAR STORES LIKE AMAZON, FLIPKART ETC. AND ARE NOW EXPANDING OFFLINE PRESENCE TOO**

#### The idea behind the startup

BoAt entered the market with its sturdy cables that solved the perennial issue of breaking of mobile charger cables with the use of Kevlar fibre to extend the life of boAt's connector cables. BoAt today offers products such as earphones, headphones, soundbars, speakers, travel chargers and premium rugged cables. They have created a consumer tech lifestyle brand that addresses issues most commonly faced by the millennials and Generation Z through solutions that offer the best in technology and style, with a keen focus on product design.

In terms of targets set, boAt recently logged Rs 108 crore in FY 2018 in gross sales, grew at almost 300 per cent over FY 2017 and is aiming to achieve Rs 500 crore in sales in the next five years.

#### The USP

BoAt's philosophy has always been to create experiences

and not products. As a brand, boAt doesn't create products and tell the consumer how to fit them in their life. Instead, it listens to the target audience and connects with their needs to create products that enhances their lifestyle. What differentiates boAt is that it is an aspirational yet affordable brand for enthusiasts who expect the latest available technology but also seek style and affordability.

It is high on style and fashion and elevates audio and mobile accessories from commodities to fashion statements that attract immediate attention and serve as conversation starters.

With an in-depth understanding of the Indian market and the consumer, we know that the consumer electronics space in India lacks products design while keeping Indian use cases in mind. Given factors such as dust and heat, tropical weather, etc. there is a huge gap in the market for products designed to be more durable and resistant to these factors while also appealing to the Indian consumer's aesthetic sensibilities. BoAt's products try to address this gap through a strong focus on product design. For instance, the use of Kevlar fiber to considerably extend the lifespan of its connector cables.

The brand offers a lot more than just functional benefits and this allows boAt to be viewed as the first Indian lifestyle brand in the sound and audio space — the growing boAt community is a testament to the same.

#### Business model

BoAt has an agile business model with a steadfast focus on consumer needs, desires and behaviour patterns with a competitive advantage in its ability to listen and adapt in real time to offer consumers what they desire. Most importantly, the brand constantly innovates and expands its portfolio to offer technology solutions that are aligned with the changing consumer desires and consumption

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patterns.

We have a two-pronged approach in terms of customer acquisition. The first is to make the discerning consumer aware of a better way of consuming sound to create the category of 'hearables' and second, to continue to grow this category by converting the traditional user to a boAt way of life purely on the strength of the product and the user experience.

BoAt is present in both brick and mortar as well as online stores like Amazon, Flipkart etc. and are now expanding offline presence too.

Bose, JBL, Sennheiser are our key competitors but we are confident as we are always connected to our loyal community and constantly listening to their needs and desires to offer consumer focussed product innovations. We are committed to deliver superior experience through the life of the product with truly hassle-free consumer service.

#### The way forward

As more and more people join the smartphone club the need to differentiate and stand out increases. That's the market that we hope to capture with our lifestyle focussed products. We are also actively looking at home audio space and grow our product portfolio.

As long as we mine our data, listen to our consumers and innovate to bring unique offerings from the stable we will be relevant.

#### Overseas foray

While we continue to receive interest from across the globe, we wish to strengthen our foothold in India by aiming to become a household brand, before sailing in international waters.

#### Social touch

BoAt audio accessories have started becoming lifestyle accessories and part of one's fashion statement.

#### The paradigm shift

The mobile accessories market is growing at a healthy pace and is expected to grow at 8 per cent by 2020 to reach a size of Rs 117 billion. With smartphone penetration at an all-time high and the market size expected to reach a staggering Rs 1,768 billion by 2020, our growth story is

just in its nascent stage. As more and more people join the smartphone club the need to differentiate and stand out increases. That's the market that we hope to capture with our lifestyle focussed products.

#### Tech disruptions

Technology is changing constantly as we speak. BoAt recently launched its Alexa-powered water-, shock- and dust-resistant smart speaker with top-notch sound quality.

#### Idea of wealth generation

BoAt's financial performance has been strong. We are EBITDA positive, recorded Rs 108 crore in FY18 in gross sales; grew at almost 300 per cent over FY17. Also, we are projecting Rs 500 crore in sales in the next five years. We raised Rs 6 crore from Fireside Ventures in May 2018.


Every three minutes there is a new boAt head (consumer) being added to the family. The brand sells over 6,000 units per day and on an average four units every minute.

#### Self-realisation

One of the heartening moments was to see the brand as the top three bestselling products on Amazon.in, but to be honest, we don't think we have made it big. Simply because every single day we wake up worried as to what should be done to ensure that the brand promise and the USP of boAt does not sink to competition and that we keep our boAt heads (consumers) along with us as we grow. This journey has just started!

Personally, I aspire to be the CEO of a billion-dollar company 10 years down the line.

#### Message to entrepreneurs

- Hustle — challenge yourself to do anything and everything
- Be frugal
- Keep an eye on the balance sheet
- Surround yourself with a group of people with diverse viewpoints and experiences
- And have a work-life balance. 

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