

A Feat Of Dynamic Entrepreneurship



House of Fashions has long remained a name that has struck a chord with Sri Lankan shoppers. Since opening their first major store in Duplication Road, Preethi and Neelamani Jayawardena have enjoyed a success with an outpouring of loyal customers. After more than 20 years of giving it their all to the retail industry, they arrive at the pinnacle of their success-opening the largest retail store under single ownership in South Asia. It is a far cry from the very first ten-by-ten shop where it

all began. However, their values and beliefs remain unchanged. This is their story.

Words Prasadini Nanayakkara | Photographs Menaka Aravinda

The new House of Fashions store opened in Borella, has gained recognition as the largest retail store in South Asia under single ownership. Can you talk about this accomplishment?
What is meant by this recognition is that we operate the entire floor area. We haven't given out a single space or unit to anyone else. The two of us did the purchasing of all the items. There may be shopping malls that are larger than this, but they include shops or small sections that have been rented out to various companies. That is how it is done anywhere in the world. However, in the case of House of Fashions it is not so. We made a clear decision that we will undertake the entire store.

There is a 250,000 square foot area in the nine-storey building including a 170,000 area designated as areas for sales or shopping, encompassing all the items bought and priced by the both of us. We saved money for many years to open this shop. Our sweat, and blood have gone into this.

How does the new House of Fashions differ from the previous one?
There is a far greater variety here than in the previous store. For instance there is an area dedicated to electronic items and there are items such as computer tables as well.

Considering the crowd that has been with us and connected with us sincerely, it is a very large volume. We wanted to give them all the conveniences, but at the same time we did not want to increase prices. Although we have introduced a large variety to give our customers a good choice, we have not increased the prices of anything. We can even say that the items are cheaper than before and we want to maintain that.

Previously there were no fit-on rooms, but now we have introduced those as well. For the displays we have utilised visual merchandise expertise from the Philipines and there are a few who are still working here. As a result, there is a massive change. Additionally while there were no parking facilities at the Bambalapitiya store there is a 350-capacity car park here. We will also open a café, a children's corner and play area soon. At present we are ironing out whatever shortcomings in regard to the quality of the staff.

We Wanted To Let Everyone Know, Not Only In Sri Lanka But The Whole World That There Are People In Sri Lanka Who Can Accomplish All This. No One Thought We Could Do It.

What we feel is that with the opening of House of Fashions in Duplication Road, we were able to get people interested in clothing and their dress sense. However, it affected only a certain segment of society. There were choices available for the other segments, but no good brands were available. So we have introduced branded items here as well, again at a very low price, lower than the prices at branded stores.

We wanted to let everyone know, not only in Sri Lanka, but the whole world that there are people in Sri Lanka who can accomplish all this. No one thought we could do it. When the President was here at the opening, he was very surprised and said 'I can't believe my eyes, am I really in Sri Lanka?' The President spent over two hours here and he suggested that the CHOGM delegates should be brought here and shown around as well.

It Was Our Goal To Open A Store That Could Reach The People And Touch Their Hearts. We Have Been Able To Accomplish This Through Our Own Strength.

What was the motivation behind opening this new store?
Even on the day we opened the shop at Duplication Road, we thought that it was not large enough and that someday we would open the largest showroom. We knew that there was a great need for a shopping mall, a complete shopping mall that sold items at affordable prices.

There will be more shopping malls in the future, and more brand names, but our people won’t be able to afford it. If you look at any item here, it is of very good quality and we have some of the lowest prices compared to any place in the world. It was our goal to open a store that could reach the people and touch their hearts. We have been able to accomplish this through our own strength.

Can you talk about the strategy behind your success?
Many people might wonder how we have such low prices, especially for the designer brands. Our strategy is very large volumes and very low profit margins.

When we buy products in such large volumes, we get them at reduced prices and sell it at House of Fashions at a far less price than at the branded shop itself.

We sell keeping a small profit, so that we can offer these products to customers at a very reasonable price. Not a single cent is earned unfairly. There is no wrongdoing on our part.

People from overseas who come here also make sure they set a date to visit House of Fashions. We have a large crowd of foreigners who come to the store and they cannot believe how cheap it is. For example if you take sarees, we import them from India as we don’t produce them here. But Indians who come here on average buy seven to 12 sarees from us as they are cheaper than in India. It is the same with shirts.

Our secret is the approach we use in purchasing. At one time we may buy as many as 20-25 containers of items. Sellers show us material of only two containers and we can only hope that the rest of the goods are in good condition. There is a huge cost and a high risk involved. We believe if our intentions are right, everything will fall into place. We have no class difference, we cater to all segments of the market- there is something for customers who walk in with only 1,000 rupees as well as those with 100,000.

It Has Been All About Hard Work, Teamwork And 100 Percent Involvement…. Here We Have No CEOs, COOs, GMs And So On. It Is Just

The Both Of Us Along With The Staff.

What are the other factors that have contributed to your success?
If you take our history and how we began, I think everyone knows the story. We have nothing left to say about it. We are not from Colombo, but from Matara and we are the same two people who are here today. We started with a ten by ten shop and we will still remember that. This is like a dream come true for us.

It has been all about hard work, teamwork and 100 percent involvement. We have been working 365 days. We travel to countries such as England, US, France, Italy, Portugal and China to purchase items. We both visit these places together to buy them. Any decisions we make are together, and through calm and collected discussion. What we have realised is that the strongest and the right decisions are the the ones made together-be it about a purchase or about staff-than those made individually. If one person becomes agitated, the other compensates by keeping a level head. It is a mutually beneficial relationship. It is on that strength that we have come this far. We have set that as an example and our employees have learnt these qualities. There are those who have been there right from the start and they recognise our ways and follow the same in making decisions themselves.

What We Have Realised Is That The Strongest And The Right Decision Is The One Made Together, Than Those Made Individually.

The two of us working together, and more importantly our communication and commitment to each other is what has made this a success. And our staff works with equal commitment.

Can you talk about the role of your staff?
I don’t think any Sri Lankan shop has a staff like ours. Nowhere will you find such fast cashiers. The reason for their speed and commitment is because they know we are always behind them. If you hire someone, you have to be a good boss to your employee and take care of his or her problems. Only then will you get the maximum service.

Here we have no CEOs, COOs, GMs and so on. It is just the both of us along with the staff. There are times that we are not in the country for as long as 25 days a month. During that time there is no one else to take over and it is the staff alone that runs the place. They are able to handle everything including managing finances without issues. Why would they do this? It’s because we treat them well.

We both manage every aspect of our business including staff matters. If they fall ill, they are taken to the doctor and provided the necessary medication. Even if their parents are ill we bring them here and look after their welfare as well. Even their holidays and meals are taken care of. Neelamani handles all staff matters and they sometimes think of her as ‘madam’ and other times regard her as a ‘mother’. We provide the staff with hostel facilities, uniforms and even personal care such as haircuts. We have a system of rules where we protect them from getting in harm’s way as they are here away from their homes. Their parents also trust that their children are in good hands. To our best employees we have built houses, given them our own land. It is because they look out for us. And we do the same.

Those who like this system and are accustomed to it want to remain with us. It is like a family business, we are a family and even the customers feel this and we find that at the shop they feel very much at home.

They work hard because they know there will always be a return. They also know that wherever they go from here, they will have good prospects. They can find employment anywhere as with their experience here they are accepted well anywhere. The staff builds all these qualities through us. We are fully committed here. We don’t go to clubs or cocktails and avoid those completely. The money is better spent on someone who really needs it, instead of wasting 20,000 or more rupees in one night.

We have a staff strength of 323 and we require about 300 more to function more flexibly and give more facilities to customers. For instance we would like to keep the shop open till midnight.

We thank our staff for this past month as they put in long hours, making it possible

to achieve this. With their level of commitment we were able to open the store on time.

Can you talk about the design concept of the new store and what customers can experience?
If you look at the entrance of the building it has been designed to the level of a five star hotel. No one will bear such a cost, but we wanted to have a grand entrance that was fitting for the design of the building. The lighting system made a great difference and was imported from both England and Dubai, incurring a considerable cost. These are things that had to be done, we are not going anywhere with the money that we have earned over the years, we will all die someday.

Accordingly we thought we should spend this money and show the world what our country can do and that this is achievable. Don’t pile up your money; there are many who do that without spending on anything. Ultimately they go nowhere. We are happy that we put our money to good use.

How has the response been so far?
From day one customers have been coming here in overwhelming numbers. Everyone could see this. We don’t advertise on TV or in newspapers. We don’t feel that it is necessary. Instead what we do is produce results and show what we can do. As a result it is mouth-to-mouth advertising that is taking place and that is very strong.

We get a crowd here that is more than what we expect and unlike anywhere else we have seen. When we were closing the old shop we did it very dutifully, and paid our respects before closing up the place. There were people who turned up that day on our behalf. The queue began at five in the morning and continued till eight in the evening. Why did they stay so long? They did so for us. They could have gone to another place to buy the item they require. Some even said that their legs don’t hurt from the long wait, as they love the shop genuinely.

We were very sad to leave the old shop, because it paved the way to all these achievements. But we have always been true to our values and kept our traditions

alive, which have been blessings for us throughout. We closed the shop and told customers we were selling everything. We had 50,000 square feet at that shop and there's a limit to the retail business that could be done in that space, but the amount that we carried out that day we can guarantee could not have been done anywhere else.

We never placed an advertisement about giving any discount, all we said was that 'everything must go'. Customers knew that we were not going to cheat them in any way and we gave a 25 percent discount. That is actually a loss amounting to millions for us, but we did not want to bring a single item to the new store. We wanted people to take all the items and they knew that we would do the right thing.

During the last hour we decided to do something that had never been done anywhere else. We called everyone to the cashiers and announced that whatever was in their hand would be given free of charge. They were crying out with joy. We did it because we wanted to do something for the people who turned out on our behalf and the more you give, the more you gain. You will not lose anything by giving. We are still sad to have left the old shop but also glad about this change. There has to be a change for development. We have given these customers gifts that they will cherish for a long time.
We feel that the same crowd has started coming to the new store as well. We couldn't believe the sheer volume of customers and realised the amount of respect and regard they have for us. We know this will continue because of the trust we have built.

We Have No Intention In Opening Branches Either. We Will Only Operate One And We Will Do It Right.

The House of Fashions in Bambalapitiya was closed before opening the new store, why did you decide to close the old?
Even though the business at Duplication Road was also our own, we had no intention of continuing it. We have made all our investments in this mall, as we are confident that there will be a good return on investment.

We have no intention in opening branches either. We will only operate one and we

will do it right. Each and every city has small-scale entrepreneurs-people who do small businesses. If we open branches these people will be compelled to close their shops. They earn 40,000 to 50,000 per month and all of their expenses depend on that. That will only create enemies for us. We don't want to sabotage smaller businesses. We have never done it in the past and we will never do it in future.

We sell at a lower price than others. When we offer such low prices, others have no option, but to close their shops. Why should we destroy the businesses of people in our own country? It is better where there is an opportunity for everyone to do business.

How do you cater to the customer demands and keep up with trends in a constantly changing industry?

We are in touch with international trends. Even when designing this building we contributed our input. We always buy products from various places and we love shopping and wherever we go, we shop until we are exhausted. That gives us a good experience of what the latest goods are and how they are manufactured. We learn about the new trends in fashion.

Even before certain trends or styles are introduced to Sri Lanka, we bring them here. It is the same with the European market. Sometimes even before the manufacturer sends them to the market there, we buy them. We have no degree in fashion, but we are constantly studying the market. We decide everything through our practical experience in the market. There are companies with educated individuals but they remain where they are, there is no growth. That is because they do not like to go out and work. They only go by the book and don't seek the exposure. If you only go by the book, there will be no growth. You should always take risks.

In the present day diversifying business is seen as the way forward but you have remained in retail. What are your thoughts on this?

We remain in retail, as through this business we are able to get the results we want. Why should we change that? We don't want to go into any other line because being involved in one business all the time, has given us the success we want.

Our Advice Is To Give 100 Percent Commitment To Your Business. Always Start A Business With A Small Profit Margin. Be Reasonable When Keeping

Your Profit Margins And This Applies To Any Kind Of Business.

We want to lead a simple life as taught in our religion that we believe in. What we have is enough for us. We have earned enough, now we just want to lead a good life. We don’t want to expand our business further.

Your message to upcoming entrepreneurs?
Our advice is to give 100 percent commitment to your business. You must live and experience what you do. Secondly, always start a business with a small profit margin. Be reasonable when keeping your profit margins and this applies to any kind of business. Then work with the turnover. With that you can go a long way. Build trust among customers and whatever you sell, always give a quality product to the customer.

For instance, if they say a certain fabric fades when it is washed, we immediately remove the whole stock from the store. That is how we do business. We have never given low quality products to customers and if by mistake such a product is distributed, we take all measures to exchange the products for one of high quality. Never deceive your customer. This may cost you at the time, but in the long run it will be a key factor in stabilising your business and reaching success. Sometimes we have had to remove container loads of goods. What we have to say to an entrepreneur is to live with the business, always deliver a quality product and to do business with a reasonable profit margin.

We ask everyone to open up malls such as this in all parts of the country. It has always been our wish to see the country developing. More shops of this kind must be opened and will help the country develop. All along we never had any competition, we simply journeyed on and many others followed. We would like for others to continue this journey.


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