

Emerging trends in marketing – A study on apparel growth in India.

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Abstract: Growth in Apparel is increasing manifold with the change in lifestyle, earnings and urbanization of the customers. The worldwide consumers are accepting the apparel fashion products produced in India. Apparel has realized the immense potential to yield business in this segment. The Indian consumers are adopting fashionable items quickly and conveniently with the rise in competition. The present study has been conducted to derive the information on the trends of apparel growth through analyzing the present and future aspects. The study has been conducted by analyzing the data collected from secondary source. The growth in apparel with respect to global scenario has been studied and highlighted in detail. The study also evaluates the potential of growth of apparel and the factors nurturing it.

Keywords: Fashion apparel, Retailing, Growth of Apparel in India

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I. Introduction

Fashion has touched every sphere of modern consumers from all over the world. Fashion can be defined as a statement a place, a class, a time, a religion, a culture, and even a nation. It is also a conventional form of expression defines a person. In present scenario marketers have realized the immense potential to yield business in this booming segment. Fashion Marketing is utilizing recent trends in fashion to analyze, develop, and implement sales strategies. According to Parson's School of Design, fashion marketing is the process of analyzing, developing, and marketing current fashion trends into sales strategies. It is the study of the relationship between fashion design and marketing. It consisting of the promotion, advertising, and retailing features of the fashion industry. Fashion marketers analyses recent trends, the fashion industry, people, and study the reason behind the popularity of the trends. Fashion Marketing integrates designing, promotion as well as administration and vast knowledge of the fashion world. Fashion Marketers are the visionaries who can identify the target consumer and know how to market the clothes to these groups.

Fashion Marketers are the linking pin between the designers and their customers. Successful marketers understand that identifying consumer needs, sturdy branding, and product image are all essential elements for building an effective and meaningful marketing campaign. Fashion retail industry has transformed in a rapid pace due to growth in the organized retail sector, affluence and increase in fashion consciousness among gennext consumers in India. From the past few years fashion retailing sector aligning itself with global trends with retailing firms Shoppers Stop, and crossroads entering into to middle class segment. It has been estimated that this sector in next few years will grow to Rs.3 Billion. Fashion retailers now outsourcing their products to extend their global presence. Fashion supply chain is also need to increase flexibility and enhance relationships with the suppliers.

Apparel sector in India has taken a paradigm shift. With the growth and rising of urbanization has given rise to fashionable gennext consumers having attitude of spending huge amount of money to look trendy. Retail apparel market has also gone through significant changes and created growth opportunity for both Indian as well as foreign brands. Fashion and apparel retailing in India is one of the largest segment of the retailing and account for almost 39% of the organized retail sector. Apparel sector in India is estimated to grow to \$220 billion by 2020.

II. Objectives

- To study the trends of latest developments in the Apparel in India.
- To analyze the scope for future growth in the apparel industry.

III. Literature review

Marguerite Moore, Ann Fairhurst, (2003) professed that fashion retailers should emphasize on cater service aligned to target customer's expectations and to distinguish their outlet in terms of product offering, advertising, image and communicational action. According to Omera Khan (2003) handling risks in fashion retail could yield functional efficiency and ensures fashion retail firms to achieve competitive edge.

Andrew G. Parsons, (2011) suggested that Interactions between sensory stimuli have a major impact on fashion shoppers' perception about a store. Fashion retailers are less differentiated in their application of sensory motivation than they could be to attain the response they anticipate. Stagnation from repeated exposure can reduce affect for the store whereas small alterations in stimuli levels can revitalize and increase affect. The dual factors generate very dissimilar experiences for the customers with regards to presenting fashion online, the first area recognized product viewing, enables the consumer to customize how they see and interact with the garment stimulating more serviceable effects, and the second portal, aesthetic fashion information is determined by the retailer tendering information about the garments motivating hedonic effects. According to Helen McCormick and Charlotte Livett, (2012) online fashion retailers must adequately interlace hedonic leisure with realistic utilitarianism to provide a mutually-satisfying e-shopping experience.

IV. Research methodology

This research consists of application of secondary data. The secondary data has been collected from the various published statistics, reports, journals, previous studies, websites etc.

Emerging Trend in Fashion Retailing in India: A Way Forward

The emerging trends in the Fashion retailing help the economic growth in India. Indian organized retail sector is increasing in a frenetic pace in a very short span of time. Ultimately fashion retailing has a chance of tremendous economic growth both in India and abroad. The relaxation by the Government on regulatory controls on FDI has added to the growth of the fashion retail industry. The emergences of shopping malls are also increasing rapidly in all over India. Change in consumers' behavior towards shopping and lifestyle, growth in income levels, and emerging new generation customers are supporting the growth of fashion retailing in India. With the growth of organized retailing the fashion retailing is developing at frenetic pace with Indian as well as global brands not only in the metro cities but also in smaller towns. The apparel and textiles industry is India largest selling segments of the retailing sector. Apparel Industry has become a lifestyle brand having segments not only clothing but also but also fashion accessories, jewelries, beauty, watches, etc.

Around 60% of retail sector is consisting of fashion segment. As per Technopak Indian Textile & Apparel Compendium 2010 the total textile and apparel industry was valued at Rs 3, 27,000 crores in 2009 and is estimated to grow at 11 per cent CAGR to reach Rs 10, 32,000 crores by 2020. Apparel retailing consisting of 95% of total sales in department stores, and 70% in hypermarkets such as Big Bazaar or Spencer's Retail. Fashion retail brands have elevated the Indian business at a high rate. The Technopak study shows that men's wear is the biggest segment in apparels estimated at around Rs 66,300 crores compared to women's wear at Rs 57,745 crores. However, women's wear is growing faster at a CAGR of 12 per cent and is expected to gain majority share in future. Kids wear is also growing rapidly with highest growth in girls wear.

Factors fostering the Apparel Fashion Industry in India: A Sporadic View

Indian apparel business are anticipated to reach an estimated \$65 billion this fiscal year, having a growth rate above 10 percent over the past 5 years, a growth rate faster than that of the overall retail market . In Indian market, apparel is the second largest retail segment after food and groceries, tapping approximately 10 percent of the total retail market. This growth has been triggered by a number of influential factors:

Rise in Average Household Income

By 2005, 21 million of India's 210 million households have already earned more than \$4,000 a year, meeting the criteria for membership in what we call "the consuming class." Based on McKinsey report, by 2015 the number of consuming class households will likely triple to 64 million.

Increasing Trends of Special Occasions

For men, clothing preference covers mainly three basic categories such as casual wear, formals, and special occasion wear. With more "socializing" opportunities, now men are purchasing latest forms of apparels like party wear, sportswear, Gym wear, ethnic wear etc. From the past few years, men have started preferring Western stylist jackets, and collared shirts, "funky" fashion, stripes or checks for business meetings. Nowadays, Indians are more prone than western consumers to buy apparel for special occasions. Without a doubt, 38 percent of Indian respondents to a recent McKinsey study as shown in Figure 1.1 said they were highly inclined to buy apparel for specific events significantly higher proportion than Russia (3 %), in Brazil (5 %), or China (6 %).

Growth of Women Empowerment

In the past, the men's apparel market in India has been considerably bigger than the women's apparel market. With only 20 percent of India's urban women in the workforce, women's wardrobes have been limited to sarees and items for special occasions. Today, women are more enthusiastic to put on differently when they go beyond the home.

Self-Expression

Increasingly, Indian customers are taking on the concept of fashion for self-expression. Television, advertising and the Internet bombard modern Indian consumer with innovative ideas about fashion and style too.

Rapid Urbanization and Modernization

About 29 percent of Indian lives in cities n towns, among the least urbanization ratio of any country in the world. However that has been shifting fast in the forthcoming 20 years, anticipated number of Indians living in cities will grow by grow by 300 million, where they will adopt new styles and fashions to cope with new lifestyles and social statute . A major percentage of these new city residents will be gennext consumers, and making first-time selection for whole section of apparel items including denims, shirts, and shoes.

Incessant Growth of “Organized Retail”

Large, branded retail outlets where merchandises are systematically shelved and displayed will speed the change of consumer buying pattern. Today, organized retail accounts for less than 20% of all Indian apparel market the rest takes place in small, pop n mom store. But over the last ten years there has been a rapid acceleration of new shopping malls and hypermarkets across major cities of India.

Diffusion of Fashion Innovators

Innovators and early majority are main agents of diffusion of fashion a respective market. It has been reported that maximum gold sale takes place in India on the eve of special occasion “Akshay Tiritiya”. Similarly, the “Friday dressing” idea by some of the retailers encourages gennext consumers to buy gowdy dresses for Fridays.

Growth of apparelindustry in India: Present and Future aspects

India, with a population of more than 1.2 billion people, has a huge domestic market. India's middle class is half the country's total population. Based on purchasing power parity, India is the fourth-largest economy in the world, has the third-largest GDP in the continent of Asia, and is the second-largest economy among emerging nations. India is also one of the fastest growing economies of the world. Although the disposable income of the majority of the Indian population is low, as the Indian economy grows, more consumers will have greater discretionary income for clothing and other purchases after meeting their basic needs.

Change in consumers' behavior towards shopping & lifestyle, increasing household income and urbanization of the customers are supporting the growth of AII. The growing apparel industry is contributing to the GDP of India. The export of the apparels in India is shown in Figure 1 which indicates that the export of apparels increased continuously over the years.

According to the study carried out by Technopak, the growth in the apparel segment is primarily driven by the growth in modern retail. An increasing number of international brands across formats shall foray into India to leverage the potential. Keen competition is driving international brands to adopt ‘made for India’ models leading to higher acceptance and thus increased share from around 18% in 2011 to 25% over the next five years.

Demand for nonwoven textiles has been growing with increasing domestic affluence, growing health consciousness to use more disposable clothes, and the cost effective production of synthetic fibers in India. The liberalization of the Indian economy has created opportunities to import machinery and technology at preferential tariffs and enter into joint venture arrangements with foreign firms. The technical textiles market in India has grown due to strong demand for automotive fabrics.

India's total apparel and textile industry size (Domestic and Exports) was estimated to be Rs. 4, 18,000Crores (USD 89 billion) in 2011 and is projected to grow at a CAGR of 9.5% to reach Rs. 10, 50,000Crores (USD 223 billion) by 2021 (Figure 3). The current domestic apparel market is worth Rs. 2, 73,350Crores (USD 58 billion) and is expected to grow at 9% annually to reach Rs. 6, 63,800Crores (USD 141 billion) by 2021. The domestic AII is also expected to grow at a CAGR of 9%. Higher per capita consumption, favorable consumer demographic and increase in prices will drive apparel market growth in India.

The apparel and textiles sector has witnessed a spurt in investment during the last five years. The industry(including dyed and printed) attracted foreign direct investments (FDI) worth Rs 5,674.45 Core (US\$ 1.04 billion) during April 2000 to February 2013. The Government of India (GOI) has also promoted a number of export promotion policies for this sector. It has also allowed 100% foreign direct investment (FDI) in the Indian textile sector through automatic route.

According to the Technopak study, the buying behavior of the Indian consumer is changing with time. The buying behavior of the consumer 10 years is quite different to the present one and the latter is quite different to the project buying behavior after 10 years. The choice of diversification of the mid-sized companies in India is also increasing leading to the forward integration into the retail sector. After building successful brands within the domestic territory, Indian apparel brands are venturing into international markets in order to enhance brand salience. According to the study, the main areas of apparels for the development and growth are kids wear, denim, contemporary ethnic wear for women, lingerie, lifestyle accessories and active & comfort wear.

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. For the apparel and textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer and Guess. The organized apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13% over a 10-year period.

According to the research carried out by Corporate Catalyst India, along with the increasing export figures in the Indian Apparel sector in the country, Bangladesh is planning to set up two Special Economic Zones (SEZ) for attracting Indian companies, and duty free trade between the two countries. The two SEZs are intended to come up on 100-acre plots of land in Kishoreganj and Chattak, in Bangladesh. Secondly, Italian luxury major Canali has entered into a 51:49 Joint Venture with Genesis Luxury Fashion, which currently has distribution rights of Canali-branded products in India. The company will now sell Canali branded products in India exclusively. These facts highlight the fast pace of growth expected in the Indian apparel sector and offers tremendous growth opportunities for both domestic and global apparel players.

Role of Technology in Fashion Retailing: A Symbiotic Effect

Technology has revolutionized fashion retailing from every aspect. Internet and mobile technologies have transformed the way retailers do the business. In the highly competitive market scenario retailers have become technology-conscious. To sustain and attract customers and achieve global competitiveness fashion retailers are adopting technology.

Marketing strategy for fashion retailing is changing day by day. Fashion retailing sectors like apparel, jewelry, accessories, wallets, footwear, bags, etc. are exceptionally competitive with slight profit margins. Retailers have implemented technology to achieve global sustainability and tackle shrinking profit margins. Technology facilitates customer engagement, ease of product selection, customization, promotional content, loyalty benefits and customer relationship management. In the fashion-conscious market, retailers must ensure the fastest and most accurate delivery of products from suppliers to warehouses and stores. Fashion retailers are also growing their footprint to reach global markets. It is necessary to bring a better understanding of customer experience, personalization, signage, billing, etc. to meet the demand of the respective cultures and mix it with attributes to build the global identity of the fashion brand.

Future of Fashion Retailing in India

In recent trend there is more inclination towards fashion. The apparel industry has experienced considerable development in the last decade, creating new career paths within the Fashion industry in current years has taken up momentum. In recent days there is also a huge demand for the fashion merchandisers, fashion forecasters, fashion journalists other than the fashion designers. Fashion and design over the last decade has developed as a serious career option with materialization of courses, curriculum, opportunities and constant up gradation and innovation in the curriculum and technology. Indian Fashion designers making a mark both at national and global forum exhibiting Indian culture, custom and designs to the international consumers has geared up the morale of fashion aspirants. The Government also supports apparel industry by encouraging fashion events, funding fashion shows for the overall development and promotion of the fashion industry.

V. Conclusion

The study describes in detail the facts about apparel fashion industry and its growth potential. In spite of the apparel consumer's increasing demand and their active role in the diffusion of innovation, the study highlights the importance of research in the domain of apparel industry to tap this increasing potential. Apparel retailers and suppliers also have a decisive role to play in order to understand the consumer behavior for buying the fashion apparel so that they may cater to this segment more profitably. They must take responsibility for the elements under their domain that also affect the technical factors in addition to the condition of machinery, efficiencies in the production line, and good management practices for growth of the apparel industry in India (AII).

The growth of the AII is also highlighted by the increase in the number of large fashion events. Industry growth in India is mainly driven by the growing exposure of domestic designers at international forums, but growth is also supported by other factors such as the launch of focused business education courses for emerging designers and the establishment of an industry association. The role of e-tailing is also studied in this study. It is also an emerging area where the retailers or brand owners need to penetrate in more depth and with focused marketing strategies. This study also indicated the possible factors responsible for the growth of AII. Lacking in anyone of them will negatively affect the growth of AII. It is very much important to consider all factors accountable for the growth of AII and the factors which are more sensitive may be given more preference.

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