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Emerging Trends in Fashion Marketing: A Case Study of Apparel Retailing in India

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Abstract

Fashion has touched every sphere of modern consumers globally. Marketers have realized the immense potential to yield business in this booming segment. In present scenario irrespective of the class Indian consumers are adopting fashionable items quickly and conveniently with the rise in competition. The main purpose of the paper is to focus on recent developmental trends in fashion marketing in India for promoting apparel retailing. This paper highlights the strategies implemented by Indian fashion retailers to achieve global competitiveness and win customer's confidence. The study also evaluates the scopes and challenges of fashion retailing in India. The scope of the study is limited to the area of Apparel retailing. Based on the data collected through secondary sources, this paper makes an assessment of the extent of innovativeness and responsiveness retail sector for marketing fashion. In the concluding section, limitations of the study have been discussed and recommendations provided for undertaking more detailed investigations in the area.

Keywords: Fashion Merchandising, Global Competiveness, E-Tailing, Supply Chain, Gennext Consumers

1. 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.

2. Objective of the Study

- Study the innovations in fashion retailing in India
- Examining the emerging trends in apparel retailing in India.
- Evaluate the scopes and challenges of fashion retailing in India.
- Understanding the future prospect of fashion marketing in India

3. Literature Review

However, there is limited literature on the fashion retail industry and little emphasis is placed on the application of marketing strategy in fashion retailing. 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 recognised 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.

4. Research Methodology

To understand the present scenario of fashion retailing in context of apparel merchandising, descriptive and case study approach has been used in the study to reveal the facts. 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.

5. Emerging Trend in Fashion Retailing in India: A Way Forward

The emerging trends in the Fashion retailing helps 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's 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.

6. Growth of Apparel Retailers in India: Scope and Challenges for the Fashion Industry

The global fashion apparel industry is one of the extreme significant sectors of India in terms of revenue, investment, and trade and job creation. Apparel industry has tremendous product variety, short product life cycles, explosive and changeable demand, long and stiff distribution network. The fashion industry has been undergoing transitional shift over the last 20 years. As shown in Figure-2 apparel is the most profitable segment of retail sector. The fashion retailing where the preferences of customers are focused, the forms and shapes of necessary silhouettes and costumes purchased. The capacity of fashion retailers to cater the latest fashion looks of the shop floor is now a very important as fashion styles and trends to change at rising velocity and promptness. There are a number of fashion retailers developing and yet to develop in this ever splendid area of Business. So, fashion marketing is attaining its own Elysium of fame. Some prefer to buy the latest stylist outfits, trying to replicate themselves as the elite section of the modern society. The fashion industry saw a frenetic growth of 10 percent since 2005. Understanding the propellers of this growth in fashion and the challenges ahead a session titled "Indian Apparel and Fashion Market - 2012 and Beyond" organized by Subhinder Singh, MD, Adidas and Reebok India was held on the first day of India Fashion Forum 2012, Mumbai. It is the rise in fashion trends in India that revolutionized the products arrangement in retail industry. Fashion Retailers such as Brand Factory, Central, Mega Mart, Marks & Spencer, have revolutionized the whole fashion world. Brands in, textiles, apparel accessories, jewelry footwear, salons and cosmetics increased the business to around 40,000 crore. The Indian retail market is growing fast. It is blatant that now Indian retail firms needs lots more of styles. The organized fashion retailing is rising at breakneck velocity. It is harmonious to all that fashion is an imperative to both the retail as well as the other brands. Fashion has directed the retail industry explosion and it has sustained its supremacy in every markets, malls, and outlets. It is expected that around Rs 80,000cr retail sales would be raised from the fashion retailing. A country of over one billion population, an enormous consumer class, India is measured as the most favored destinations for trade and investments. Apparel and textiles are the largest segments in retailing industry, and if we accumulate the other segments like watches, jewelry, cosmetics, health & beauty care etc as a single area, then fashion would report nearly 60 % of the total retail sector. With radical changes in fashion and retail industry, the Indian gennext are facing massive transformation. With a mounting income levels and changing attitude "look good - feel good", fashion is providing gigantic potential to foray into the untapped Indian markets.

Fashions will touch nearly 95% in total revenues in the department stores and in hypermarkets like Big Bazaar the ratio could be around 70%. Fashion apparel has been the most profitable sector in the terms of development in Indian retail industry, not due to its volume but the way it has altered lifestyle of the Indian gennext consumers.

Figure-3.0



Source: <http://xxlorjawaxx.blogspot.in/2011/01/indian-fashion-retailers-looking-to.html>

7. 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:

7.1 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.

7.2 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 %).

7.3 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.

7.4 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.

7.5 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.

7.6 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.

7.7 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 Tritiya". Similarly, the "Friday dressing" idea by some of the retailers encourages gennext consumers to buy gowdy dresses for Fridays.

8. Role of Technology in Fashion Retailing: A Symbiotic Effect

Technology has revolutionized fashion retailing from every aspect. Internet and mobile technologies has transformed the way retailers do the business. In the highly competitive market scenario retailers has 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 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.

8.1 Innovation in Apparel Retailing

Over the few decades apparel retailing has undergone radical transformations. Technology has moved the sector forward in terms of its size and scope. Few years back consumers were extremely choosy in their apparel purchasing habits. They used to go for purchasing clothes particularly for special occasions. Though they purchased less often but spent a larger overall proportion of their income on clothing. Gradually demands of the consumer became unlimited choice and the effects of this shift in their expectations have been considerable. Now a days the apparel industry has become one of the main drivers of a new reality, with global supply chains, remarkable product variety and short product life cycles.

Technological innovation has helped fashion apparel retailers to achieve global competitiveness and growth sustainability. Through improved technology apparel retailers can maintain effective relationship with the customer in a better way.

8.1.1 Merchandise Visibility

It represents a supply chain and in-store solution that enables retailers to improve operations, sales and margins. Merchandise visibility offers an end-to-end solution for closed-loop apparel retailers. With help of latest technology fashion retailers can know the exact inventory situation so that they can track which materials are on the shelf and what needs to be re-stocked.

8.1.2 Digital Retailing

It facilitates real-time data technology where every product can be tracked and traced. In apparel segment different forms of technology are used each day to make operations more efficient. Inventory management is a vital part of a retail store. Stock and inventory should be periodically tracked to check shoplifting. IT based inventory management system helps the retailers to make order and track inventory in a very easy way.

8.1.3 Point of Sale

Many Apparel stores have implemented transaction processing system based cash register for calculating sales tax, processing coupon codes, scanning of UPC codes and also updating inventory after each purchase. Technocentric retailers have employed e-payment systems for debit and credit card transactions and also run personal checks for safeguard against fraudulent activities.

8.1.4 Security

Previously apparel retailers used to depend upon guards for their security point of view. But now in IT age many retailers have adapted to electronic based security systems to prevent shoplifting. These are comparatively cheaper systems with which retailers can see and record each and every nook and corner of the store through powerful Cameras.

8.1.5 Promotion

Promotion plays a major role for the retailers to sustain in the highly competitive scenario. Apparel retailers have adapted various strategies to promote their brands. Now many retailers utilizing social networking media for brand promotion, to maintain relationship with the customers by handling customer service inquiries and maintaining public relations. Apparel retailers also gone for Web presence with a blog or website, with a great number of them selling their items online as well as in a physical store.

8.1.6 E-commerce & Online Retailing

Innovation in Internet technology facilitates apparel retailers to sell online in a better manner. There are a wide variety of online stores available in India providing E-commerce and E-retailing support. Jabong.com, myantra.com, zovi.com, zara.com fashionindia.com, utsavfashion.in, marksandspencerindia.com are some of renowned online fashion retailers in India.

8.1.7 Bodymetrics

Body metrics technology which consisting of Prime Sense 3D sensors to map the body's measurements and shape has been implemented in apparel retailing since long days. It has revolutionized the way consumers buy clothes through the virtual 'try on' system both at retail stores and through online clothing retailers, enabling customers to measure a more realistic fit before they purchase. Previously body scanners were expensive and

too complex for most clothing retailers. Body scanners facilitate apparel retailers to provide online customized services. And also helps in reducing the number of returned unfit clothes. Now days most retailers have installed body scanners to allow customers to shop for garments that fit their size, shape and style, and also they can access their Body metrics account online.

8.1.8 RFID Technology

The implementation of RFID technology in fashion retailing is in its infancy stage today. Fashion retailing are benefitted from deployment of RFID because of suitable product attributes of fashion outfits and cost effectiveness achieved on item level tagging of RFID. In the current era of intense competition, a fashion retailer needs to exploit the use of advanced technology such as RFID extensively so as to develop competitive advantage for long term success of business.

9. 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.

9.1 The Number of Fashion Institutes is on the Rise

With the accelerating empire of fashion and design, it is required to groom and train future Fashion leaders through education. Nowadays, the fashion industry has become so unique and special that it embraces a vast spectrum of studies in concept management, design, production management, quality control and planning. Fashion technology has a large scope for preferring a career and so it is required to support it through better faculty, infrastructure, course structure, practices and technological innovation. Many Indian youths are selecting fashion designing as a main-stream career. With the Indian talent Capital being renowned at all platforms both nationally and globally, the fashion education needs to be supplemented by constructing capability of the fashion education providers in India. NIFT, IIFT, JD Institute of Fashion Technology, Pearl Academy of fashion, National Institute of Designing are some of the pioneers in providing fashion education in India. Conferences like International Foundation of Fashion Technology Institutes (IFFTI) are ideal global exchange experience forum, helping fashion aspirants to learn more about fashion and design. They put on confidence, appreciation, and respect for other people and cultures and also provide a wide scope to struggling models and designers to take off their arrival in the fashion industry. The IFFTI is distinguished from other forums because of the competency of Organizers, the level of participation of the international fashion aspirants.

9.2 PAF's Thought Leadership Formula

Pearl Academy of Fashion's (PAF) thought leadership campaign is all about boosting fashion and design awareness across sectors like, mass clothing, fashion, textiles, home textiles, footwear, jewellery accessories and handicrafts, The role of Mentors and trainers is to sensitize Fashion students to all the up-and-coming issues like social, cultural, ecological, in order to make sure their growth as per global principles. Short-term courses also provided by few fashion institutes. These courses furnish the students with analytical and creative thinking skills. But the concentration should be on the quality of education and the competencies of the faculty.

10. Conclusion

Indian fashion designers having made a remarkable presence in global ramp shows, enhanced merchandising and customer relations by apparel firms have also helped this sector. Retail firms such as, Raymond, Levi's, Arvind Brands; Madura Garments etc have all attained their Brand Equity while adding more MBOs, EBOs, and LFS to their retail operation. Having established a strong brand value in all their related segments, they have all extended their product portfolio mix while also escalating their manufacturing capacity year-on-year. However, if the retail boom is to sustain, retailers and brands should focus into some factors such as collaborative alliances with non-competent services providers and quality brands, uniform sizing and customized services across the country.

At the same time apparel retailers have to give attention to on certain lucrative potential consumers. Also well-planned product mix format, trained sales force, improved customer relations and EBO's and B2B system. Fashion brands also should assure augmented products and not cash discounts to attract customers. Ladies' westernized wear and kid's clothing are a money-spinning segment that has been flourishing over the last ten

years. Several domestic and international marketers are now focusing on this segment of society. From cheaper to premium market players, both domestic and international Retailers are now realizing the mammoth scope of piercing deep into the Indian rural markets and are reaping the growth sustainability in fashion Business.

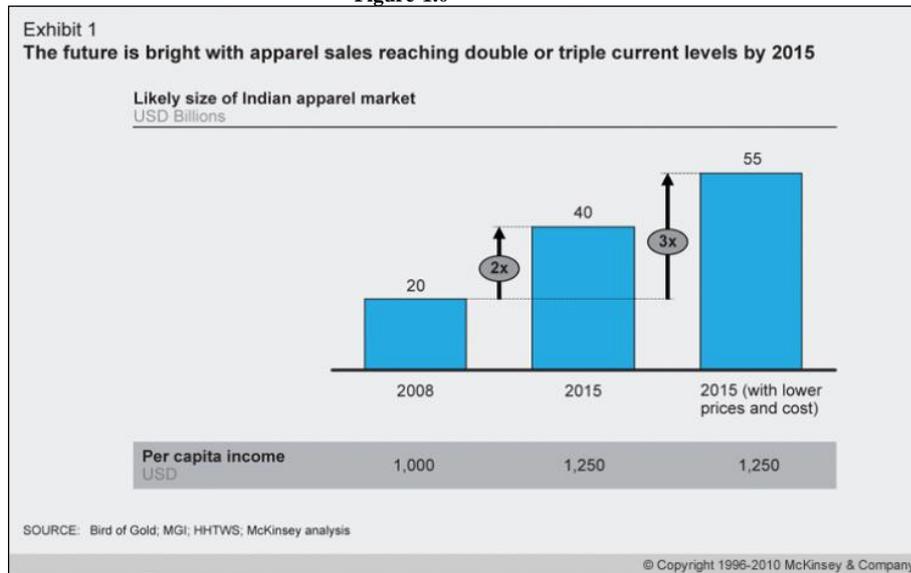
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Figure-1.0



Source:

http://csi.mckinsey.com/Knowledge_by_region/Asia/India/~media/Extranets/Consumer%20Shopper%20Insights/Exhibit/exhibit_indiaapparel_1.ashx

Figure 2.0

Exhibit 2
Apparel is the most profitable segment of the Indian retail market today

Category	Typical retailer margins	Description
Food	15-20%	<ul style="list-style-type: none"> More than 80% organized retail in India is food – however margins are not as high
Apparel	35-50%	<ul style="list-style-type: none"> Highest retailer margins through apparel The more organized segments like men's formals provide the highest returns
Electronics	5-10%	<ul style="list-style-type: none"> Household appliances may provide as much as 8-10%; however categories like cell phones may be as low as 5-6%

SOURCE: McKinsey research

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Source:

http://csi.mckinsey.com/Knowledge_by_region/Asia/India/~media/Extranets/Consumer%20Shopper%20Insights/Exhibit/exhibit_indiaapparel_2.ashx