CHAPTER 4
A DETAILED ANALYSIS OF THE STRUCTURE OF INDIAN FASHION CONSUMERS

Introduction:
The number of households with an income of over Rs 45,000 per annum is expected to grow from 58 million in 1999-2000 to 81 million in 2005, according to a National Council of Applied Economic Research. All this will add a large number of households to the consuming class. As credit card access becomes easier, people prefer to spend more in organised retail stores. The Reserve Bank of India estimates peg the growth of credit card transaction volumes at 119 per cent to 974 lakh (97.4 million) transactions last year from 445 lakh (44.5 million) transactions in FY03. The pace is expected to continue.

As per the NCAER Report of India's current 1 billion populations, 47 per cent is under 20 years. Of that almost 160 million are in their teens. This youthful segment will explode to 55 per cent by 2015 with an even higher spending power. Add to this an increasing number of workingwomen and the number of spenders is likely to explode. The huge investments planned in real estate will increase the number of malls from 23 in 2003 to 600 by 2010. Cumulative retail space will grow from 40 million square feet to 100 million square feet, an annual growth of 46 per cent.

- According to KSA Tecnopak the “super-rich class” consists of about 400 thousands families with a household income of more than Rs. 50 lakh, is the main clientele for the premium product categories and is also the patron of designer boutiques.
- The next layer of “sheer rich” people of about 0.14 million household with an income of Rs. 20 to 50 lakhs, consists mainly of a group of early adopters and are frequent customers at solo shops and boutiques.
- The “clear rich class” of about 0.44 million households with an income of Rs. 10 to 20 lakhs are an important consumer groups for several product categories in department stores and even in speciality chains.
- The “near-rich class” of about 1.5 lakhs households with an income of Rs. 5 to 10 lakhs is a very huge market and is prime target of many readymade brands in multi-brand outlets.

KSA Technopak estimates that organised retail in India will account for 10-12 per cent of the total retail market by 2010 with sales of Rs 1400-1500 billion. The retail sector offers better
growth than any other sector including software, pharmacy or telecom. That's why investments in the retail companies are increasing in present market scenario.

<table>
<thead>
<tr>
<th>Consumer Classes</th>
<th>1996</th>
<th>2001</th>
<th>2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Rich (Rs 210,000 or more)</td>
<td>1.2</td>
<td>2</td>
<td>6.2</td>
<td>-1.5%</td>
</tr>
<tr>
<td>The Consuming Class (Rs 45,000 - Rs 210,000)</td>
<td>32.5</td>
<td>54.6</td>
<td>90.9</td>
<td>11.5%</td>
</tr>
<tr>
<td>The Climbers (Rs 22,500 to Rs 45,000)</td>
<td>54.1</td>
<td>71.6</td>
<td>74.1</td>
<td>11.5%</td>
</tr>
<tr>
<td>The Aspirants (Rs 16,000 - Rs 45,000)</td>
<td>44</td>
<td>28.1</td>
<td>15.3</td>
<td>-55%</td>
</tr>
<tr>
<td>The Destitute (Below Rs. 16,000)</td>
<td>33</td>
<td>23.4</td>
<td>12.8</td>
<td>-15%</td>
</tr>
<tr>
<td>Total</td>
<td>164.8</td>
<td>179.7</td>
<td>199.3</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

Note: Each household averages 5.5 individuals. Income figures are not PPP adjusted.

India's Consumer Markets: identifying a plausible market size for products

This discussion is intended to assist lifestyle product companies in identifying a plausible market size for their products in India. The table below should be viewed in conjunction with the text that follows.

India's consuming class

<table>
<thead>
<tr>
<th>Annual income (in Rupees) at 1994-95 prices</th>
<th>No. of households (in million)</th>
<th>Classification</th>
<th>Number of households (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25,000</td>
<td>80.7</td>
<td>&lt;16,000</td>
<td>Destitutes</td>
</tr>
<tr>
<td>25,001-50,000</td>
<td>50.4</td>
<td>16,001-22,000</td>
<td>Aspirants</td>
</tr>
<tr>
<td>50,001-77,000</td>
<td>19.7</td>
<td>22,001-45,000</td>
<td>Climbers</td>
</tr>
<tr>
<td>77,001-106,000</td>
<td>8.2</td>
<td>45,001-215,000</td>
<td>Consumers</td>
</tr>
<tr>
<td>&gt;106,000</td>
<td>5.8</td>
<td>&gt;215,000</td>
<td>The rich</td>
</tr>
<tr>
<td>Total no. of households: 164.9 million</td>
<td></td>
<td></td>
<td>Total no. of households</td>
</tr>
</tbody>
</table>

Data on income distribution of households is insufficient in determining market size for different lifestyle products like apparel in India. This is because of the lack of homogeneity of the
consuming class and the varying prices of a single product in different parts of India. In other words, purchasing power is location-specific, not income specific. Consumption habits of households are, therefore, better determinants of consumer market size than income distribution. Although this income distribution in the reality has changed a lot there are some other factors also which need to be considered.

While determining market size for a lifestyle product, the structure of the consuming class as seen in Table-II above, can be both revealing as well as misleading depending on the kind of product. Identifying a reasonable market size for a lifestyle product is, therefore, a hazardous task in a diverse country like India. Yet, the marketer needs some data to come as close to the real picture as possible. For this purpose, it can be cautiously assumed that purchasing power is proportional to income, despite variables such as location, taste etc. Companies are, therefore, advised to plan their lifestyle product marketing strategies on an area-by-area basis, rather than on an all-India basis. As the income data is insufficient therefore, it must be supplemented by product-specific information regarding its existing stock in the marketplace (in the case of apparels) and existing rate of purchases.

It is also advisable to further refine the plausible market size by taking into account details based on social, cultural and demographic factors. Marketing a super-premium product such as Turtle shirt worth Rs. 1800/- is relatively easy. The marketer can just go for the income class above Rs. 106,000 per annum (in 1995-96) as per Table-I above. This class, Table-I shows, comprises 5.8 million households. But the problem lies in the fact that the 5.8 million households are spread all over India.

The prime market for lifestyle products in India is aware of the cost-benefit or value for money aspect. Their concept of value incorporates socio-cultural benefits in addition to product utility. The prime consumer market in India, therefore, is not a market for absolute premium products, but for something between the "high end popular brands" to the "premium brands."

The class described in the previous paragraph is actually the "consumers" class defined in Table-II. This class comprises 33.5 million households as at 1995-96 and it owned and 'consumed' most of the expensive lifestyle products such as partywears and loungewear as well as premium expendables. At 1994-95 prices, their annual household incomes ranged between Rs. 45,000 and Rs. 215,000 (to calculate the latest income statistics, consider an annual inflator of 5 per cent). In addition to this class, the "climbers" and "aspirant" classes (defined in the Table-II) totaling 23.9 million households in urban India, also have the socio-
cultural traits of the "consumers" class and, with time, will join the consumers' class. Medium- to-long-term marketing strategy for apparel products must, therefore, aim at the aspirants and the climbers as well. This is based on the assumption that, except for the destitute class as defined in Table-II, the other classes are on the way to the next higher class. For companies with long-term marketing plans in India, the "consumers", from both urban and rural, "climbers", from urban only and "aspirants", from urban only classes can be clubbed together to give a market size of around 57 million households which can be said to be the "prime segment" of the Indian consumer market. This becomes even truer as consumer financing and the credit card culture picks up. A proper amalgamation between the classes is, of course, important to have a niche.

All of the above interpretations may be very complex, but the marketing strategist has to take these into considerations because that's how the Indian consumer lifestyle market is in reality. There is hardly a characteristic that applies across the market. Hence, the term "Indian lifestyle market" is a misnomer; it would be more accurate to describe it as a collection of different lifestyle markets. Consumers drive the clothing or fashion business and this forms the basis of the "pull" concept in the whole demand chain, which has replaced the traditional "push" concept. However, a good portion of the sales, margins and capacities of the retail chain are continually lost because consumers do not get their desired merchandise in their preferred retailed outlets.

In general, the population is ageing and life expectancy is increasing, thus creating new consumer segments with special needs. The consumers are more price conscious and has smaller budget to spend on clothing and less time to spend on shopping because of some other priorities. The consumers are looking for more fashion innovations in products, better value for money and better facilities at the point of sale. Consumers are acting fast to create new demand for clothing from the retailers. Five key changes have been identified with respect to shaping demand for readymade branded clothing:

Increasing influence and awareness of fashion:

Fashion is becoming less driven by designers, less and less dictated by fashion elite, and more and more dictated by the fashion icons and individual preferences and identity who are driven by lifestyles – from celebrities to sports heroes, from the street to the country. A major trend is the evolution of the functional and practical into streetwear; yoga-inspired leisurewear, technically advanced hiking wear worn in the shopping mall, basketball inspired urban wear
and the growing influence of technical innovation in streetwear. This will require product inspiration and innovation from varied sources and a new approach to marketing that leaves and breathes a real lifestyle rather than simply conveying a lifestyle message.

Fragmentation of Consumer Segments across the country:

Demographic changes and migrations are creating a splintering of consumer segments driven by:

Generational evolution, a far more interesting and insightful trend than simple age analysis, which will create new consumer segments with new behaviours, attitudes and lifestyles is the prediction. Individuals in the new age group of fifty-five and above are freeing up their clothing needs and their lifestyle is becoming as diverse as their formative experiences. Ethnic diversity are creating a mixture of races and cultures, which do not want to blend into the existing consumer groups, but rather demand that brands and retailers talk to them in their own words and from their unique perspective. Existing brands will need to communicate in new ways. Understanding these multiple styles, personalities and facets will be crucial.

<table>
<thead>
<tr>
<th>Fragmentation of Consumer Segments</th>
</tr>
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<tbody>
<tr>
<td><strong>Strategy:</strong> Maximize penetration of attractive segments</td>
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<tr>
<td><strong>Identify Potential Consumer Segments</strong></td>
</tr>
<tr>
<td>• Across product categories</td>
</tr>
<tr>
<td>• Across multiple-channels</td>
</tr>
<tr>
<td>• Across multiple-consumers.</td>
</tr>
</tbody>
</table>

Consumer turning towards individualism:

Few shoppers for clothes buy coordinated items from one brand rather than buying entire outfits. They buy one item at a time to create their own combinations to suit their particular clothing style. Consumers are building separate wardrobes for work, weekend etc as per the occasions and usage pattern. Items are becoming disposable as prices go down and new products keep showing up on the market. Increased demand for customized garments, either through niche differentiated brands or made-to-measure garments; especially in menswear is the trend. Size and fit fragmentation, like jeans market which offers: classic cut, low-rise slim, reverse, long and lean, relaxed, boot cut, ankle length, extra long, flared, low and loose, and all of these can be combined with several fabric finishes and different degrees of wear and tear.
Store image and Brand Image are becoming interchangeable:

A high number of consumers are placing retail names on the same level as brands. This enormous volume of labels and brands makes it extremely difficult for any of them to gain awareness in the market. At the same time, loyalty to brand is decreasing rapidly and consumers shift easily to other brands as they move into new consumer segments, if they perceive that the new brand conveys a higher value or an image closer to them. Retail outlet images are becoming more and more important than the brand images of the product. It has become important for the customers from which store they are purchasing their merchandise rather than which brand they are purchasing.

Consumers Cross Shopping across the segment is the new phenomenon:

Consumers are no longer secluded in their theoretical market segment. They are becoming elusive, continuously moving across the marketing boundaries, depending on the occasion or on the particular desire of the moment. The trend toward cross shopping where the same consumer shops for various products across a range of price levels in different types of outlets - is becoming increasingly common. This phenomenon is leading to the development of a variety of private labels and channels by a single company with the hope to attract customers at all price points and various categories of merchandise.

Dynamics of the Fashion Retail – Challenges of the market:

A phenomenon of consumer paradoxes, fashion trends and countetrends – the first fashion trend and countetrend is versatility of wardrobe versus specificity in occasion use clothing. In terms of versatility, convergence of wardrobe is projected on two levels: blending of categories i.e. underclothing becoming outerwear and a continued emphasis on sixteen hour outfit that can serve from the golf course to the office to the cocktail party as because the working day is becoming lengthier for average Indian male. At the same time, consumers will increasingly demand occasion usage specificity in clothing like casual wear, party wear or formal wear or evening wear as people engage in a lot more different activities all though out a day.

The second fashion trend and countetrend is cheap chic i.e. disposable fashion versus tasteful investments i.e. classics, technical gear. Consumers want both types, at different time in different categories and for different reasons, worn separately or together. Disposable fashion are those outfits which are generally cheaper, funky, trendy than regular merchandise and are generally used for very few times and months. Branded manufacturers will need to address both, in a way that reflects their consumers' tastes and fits into their brand strategy.
The third fashion trend and countetrend is off-the-shelf purchasing versus personal customization. Consumers want both easy, fast cookie-cutter solutions for some products and complete individuality for other things. More and more customers are personalising their clothing – whether through embroidery, colour or actually altering the silhouette.

The industry is facing a major dilemma. The Quick Response “QR” concept encourages partnership programmes with the supply chain in order to respond to demand. Sometime it increases delivery times, structural costs and business risks. Verticalisation is one approach taken by many retailers but the size of the business, specific knowhow needs, and the levels of risk are key strategic demand. The small retailers cannot easily generate the buying impulse on the part of consumers because rotation in their products offerings is too low as per the seasons. Competition in fast fashion goods with the big mono branded chains is becoming very hard or nearly impossible for small traditional brands or multi-brand retailers.

Recommendations for Retailers:
The retailers should be investing in market intelligence and consumer knowledge to define their wants and needs as because this can be a key element in building new strategies. Vision and thinking should be with an open mind and perspective with long term Dynamism and continuous information and observations of the market should be done. A continuous observation should be kept on the competition and the competitors and should think globally and act by focusing on the target consumers.

Brand Strategies:
Consumers tend to feel attracted by the brands’ images and personality and even identify with them when they feel that they fit their lifestyle, price and quality perception. A good brand always inspires more trust in value products. Products that are aimed at a well defined target market are able to develop and maintain an attractive proposition and image, and are consistent in style, message and the advertised differential value, can become brands and even acquire prestige. The ever-increasing diversity of consumers, greater amounts of working time and longer life expectancy and by contrast the canalization of fashion and the growing interest in personalisation lead one to predict an increase in consumer-oriented brands for multi branded retail outlets in the readymade branded menswear garment sector.

Non-vertical retailers are competing in a complex and changing brand landscape. Private brands, owned by the retailers are operating in the market and which are not found at any other retailer. They are all niche brands, supplier owned and targeted at specific consumer
segment or representing a societal icon. Thus exclusive brands, which are owned by the vendor, but created exclusively for the retailers are having an expanding market. The clutter of the national or international brands, which are highly recognizable, supplier owned brands sold through multiple channels are making the market dynamics complex.

As per the market study it is our opinion that the future share growth of private, exclusive and niche brands will be achieved at the expense of well-known national brands. Retailers will continue to differentiate through exclusive and private label brands, which will put increasing pressure on national brands.

In a nutshell, we can formulate a policy that may work:

Active observation and listening process with the retail customers should be continuously there to know their wants, needs, and expectations and communicate with them as per the retailer’s inferences.

The retailer should analyse the results and gaps, explore new opportunities and involve, train and motivate staff with an orientation towards objectives. Emphasise has to be given more on category management to find the gaps and to tap the opportunities by introducing more categories and sub categories.

The objectives have to be properly defined with proper clarity and specific long-term action plan to achieve the retail objective has to be achieved.

Recruitment of the suppliers should be done as per the operational requirements, which should be properly explained to them so that they can be involved in the retailer’s objective. The retailer should inform and communicate with the suppliers, embarking upon a journey with them by creating a win-win relationship and long run business partnership.

The consumers want a more value added service, starting from to feel special, to have an easy, time efficient shopping experience, to find exciting shelves, to have entertainment.

**Shopping Experiences:**

A good deal of the interviewees agreed that consumers have less time to shop and look for easy and productive shopping experiences. This requires a series of well-studied conditions:

Functional and friendly store layouts with efficient adjacencies have to be created which enhanced comfort levels among the shoppers.

Stacking a proper merchandising is the key issue now with an appropriate presentation of garment styles, sizes and designs across all the product categories.
Products, which are in great demand should come in combined top and bottom sizes, through "mix and match" concept should be there in the outlet.

Information about the products and their attributes should be meticulously supplied to the shoppers for their better conveniences. Better product knowledge develops a more brand loyal customers.

The sales staff should be patient, polite, trained and motivated who can guide the customers, through their shopping journey understanding their requirements.

In most number of cases the consumer does not shop alone. So encouragement for cross shopping and enhancing the experiences of the shoppers and his/her partners should be there which can be achieved via these two types:

Core Categories Expansion: An expanded offer aimed at attracting the shopper and his or her partner(s) in shopping and making the experience enjoyable and valuable. Within this context multi-product bazaar concepts have proliferated in a big way like Big Bazaar where an abundance of decoration, gift items, home appliances and clothing are on offer.

Category Integration: Creating a sales and leisure multiplexes such as Forum or City Centre. They have converted some of their big outlets into multispaces where clothing products can be found along with personal care products and others that are attractive for the families such as home supply and decorative furnishings, music, electronics products etc. Spaces are created amid them that are attractive, relaxing areas where one can visit an art gallery, buy a book, surf the internet, enjoy food, snacks and coffee and have a total family outing.

In today's highly competitive and over stored retail environment, sustaining growth and profits requires a more complete integration and optimization of operating and supply chain resources. For many retail organisations, the prevalent emphasis on rapid store expansion as the major component of a revenue and profit improvement strategy may no longer be sustainable or even desirable because of the increasing operating cost. Improvement in organizational valuation and operational viability may require greater emphasis on comparative sales increases, rather than an increase in location counts.

Improve availability is a key and fundamental aspect in successful retailing – having the right product at the right time when the consumers want it. Nearly 35% of the consumers do not find what they look for in a store and 40% of the shoppers decide to go to another store. To improve product availability, a well-coordinated and monitored planning process has to be put in place, starting from well-defined annual and seasonal budgets through product strategy,
assortment plan, the allocation plan and replenishment. All these need to be linked to manufacturing and sourcing plans and a well defined sourcing strategy.

Creating and enhancing partnerships with suppliers from the point of sales to the suppliers as a mean to improve forecasting and higher level of response to market demands which can lead to a lower level of end-of-season sales due to buying mistakes and poor forecasting and will boost the volume of sales of “winners” during the season as a result of which higher margin can be achieved.

To solve the dilemma between short term requirements and long term manufacturing cycles it is necessary to combine product characteristics with process characteristics based on a product's lifecycle and flow requirements, effectively linking sourcing and replenishment to merchandising.

Reaping the technological upgradations the first step to be taken is to develop a common format for data that will enable the use of RFID technology across the supply chain. Significant advances are required in areas like: Inventory management, increased visibility of retail in-stock position smart shelves; Comfort shopping as a help tool for retail customers to facilitate their purchase; Smart check out facilitating auto-check out; In-store information – viewing of existing product variables, guiding the consumer through the store. These innovations will result in improvements in procurement, reduction in averaging shopping time, improved flows and fewer queues at the cash register.

MBO and its Procurement Strategies:

Multibrand retailers have most faced the push of competitive priced vertical retailer brands and opportunities exist for those who can offer high value through a personalized product and service and a well-segmented concept and product offer. The objective for them is to attract more customers into their stores, to increase the frequency of visits of their customers in the stores, to achieve a high degree of customer loyalty and to increase margins. Independent retailers must build strategic alliances with other retailers in order to obtain size, synergies and economies of scale. They should also develop targeted private level brands and build a well-defined portfolio of brands covering the targeted consumer segment with selection of product personalization and product differentiation and made-to measure services.

The retailers should build cooperation with selected brand suppliers and develop reliance on suppliers and should build cooperation with selected apparel and yarn or fabric suppliers for own brand strategies and look together for sourcing opportunities. The retailers should also try
to create a lean supply chain directly connected to point-of-sales information and ally with competitive specialized suppliers, coordinate the product mix, and delivery planning together using QR concept.

Finding the right mixing in the sourcing:

<table>
<thead>
<tr>
<th>Product Characteristics</th>
<th>Innovation</th>
<th>Trend Follower</th>
<th>Stable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing Requirements</td>
<td>New and Risky Product</td>
<td>Mainstream Fashion</td>
<td>Basics NOS Products</td>
</tr>
<tr>
<td>a) Planned in advance:</td>
<td>a) Planned in advance:</td>
<td>a) Planned in advance:</td>
<td>a) Planned in advance:</td>
</tr>
<tr>
<td>Consistent execution to specification.</td>
<td>Consistent execution to specification.</td>
<td>Consistent execution to specification.</td>
<td>Consistent execution to specification.</td>
</tr>
<tr>
<td>Reliable delivery performance.</td>
<td>Reliable delivery performance</td>
<td>Reliable delivery performance</td>
<td>Reliable delivery performance</td>
</tr>
<tr>
<td>Consistent quality across line.</td>
<td>Consistent quality across line.</td>
<td>Consistent quality across line.</td>
<td>Consistent quality across line.</td>
</tr>
<tr>
<td>Lead Time</td>
<td>Short</td>
<td>Medium</td>
<td>Long</td>
</tr>
</tbody>
</table>

Perspective of Consumer Behaviour and Trends in Clothing

Consumers drive the clothing and fashion business. However, a good portion of the sales, margins and capacities of the retail chain are continually lost because consumers are not interested in what they access in the shelves or because the desired garment simply does not fit. But where there are so many unsatisfied customers, there are also significant gaps as well as important opportunities. There are several key changes under way such as:

An increase in migratory movements in the population all across the cities and countries has been observed.

An increase in life expectancy and lifestyle typologies, including new fashion consumers segment has formed.

An increase in clothing expenditure and time spent shopping due to time pressures are also been noticed.
The above graph shows about which age group prefers which shopping destination. By our observation we analysed that people above age group of 25 yr. prefers to shop in mall. 15-25 years consumers prefers to shop at any of the 5 destinations as these are students and have free time to shop anywhere. The most important analysis is that only 6% whose age is 15-25 prefers to shop outside cities.
Trend in Consumers in Kolkata:

The five main key drivers for Kolkata's consumers are enjoyable shopping experience; value for money; product quality; fashion attributes and service. Around 31% of the consumers enjoy shopping while fashion driven and value conscious people constitute 25% each.

As per the research done, 49% of the Kolkatans spend less than Rs. 1000 on an average per month on the purchase of Fashion products followed by 28% of people who spend around Rs. 1000 – 2000 on the same. The percentage of people who spend Rs. 3000 & above is quite less, around 14%.
Consumer's Decision Making Process:

While selecting a retail store, Kolkatans have different criteria like

- Location of the store
- Geographical proximity of the store to home or office
- Type of merchandise in the store
- Services provided by the retailers
- Ambience of the store

Majority (35%) of them say that merchandise is the main factor, followed by the customer service (28%) provided by the retailers. However, geographical proximity to home or office (15%), location (11%) and ambience (11%) of the store are also of concern.

Thus we can infer that people in Kolkata are still conservative. They want fashion products, but at cheaper prices, and since for them shopping is a need-driven exercise, therefore they prefer to do it at outlets where they can save time.

Changes Observed over the last five years in Apparel Retailing – Consumer’s Perspective

According to the consumers of Kolkata the ambience of the retail stores has become more inviting and has improved a lot. It has become more appealing these days.

According to them the display of merchandise is now unique and attractive enough to lure the customers and is more eye-catching. The retailers have now become more conscious about the display of their products as *first impression is the last impression*. 
Talking about the layout they say that it is now more spacious, well planned, and well distinguishable. They now get larger variety of merchandise and thus have a wider choice in most of the product category. Customer service has also improved as consumers get almost 100% satisfactions before and after sales service. These improved services include:

**Salesman's Attitude**
According to the customers, *salesmen are more customers friendly and helpful* as compared to past three years.

<table>
<thead>
<tr>
<th>Salesman attitude</th>
<th>Now</th>
<th>5 years back</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Important</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>Not so Important</td>
<td>21</td>
<td>51</td>
</tr>
</tbody>
</table>

This is supported by the fact that 5 years back people were not so bothered about the attitude of the salesmen. But now the scene has changed. Earlier the salesmen attitude was a very important factor for 19% of people, which has now increased to 46%. If the salesman attitude is good it can be a satisfying factor for the shoppers but if it is bad, it becomes a huge dissatisfying factor.
Similarly, in case of convenience in payment, the research shows that only 14% of the people say that a convenient payment system is not so important, while for more than 50%, it is very important. The customers are not ready to stand in a queue to make their payment and waste time.

Salesmen attitude and convenience in payment are not enough; customers now look for other facilities also like parking space, multiplexes, and hangout places etc. which affect their shopping behavior, especially after the emergence of malls. Preference given to these facilities by Kolkatans is as follows:
More than 30% of the consumers of Kolkata give preference to parking facility available in the shopping centers. There has been a significant increase in the importance of presence of multiplexes and hangout places from 12% and 16% to 14.5% and 19% respectively. The preference given to Air-conditioning in shopping centers has also increased from 12% to 15% over a period of 5 years.

Major Improvements Observed by the Consumers in the Fashion Retailing:
- More variety of merchandise for the consumers.
- The availability of more brands across product categories.
- Better quality of products is available in the market now.
- Availability of a unique kind of merchandise.
- Availability of foreign brands, which are increasing day by day.
- Visual display done by the retailers has improved and become more attractive.
- The shoppers have greater choices in choosing their preferred retail outlets.
- There is an improvement in the layout of the stores.
- Better customer service provided by the retailers.
- Westernized culture are influencing today's' generation a lot.
- Availability of latest designs and styles in accordance with the ongoing trends.
- Convenience in payment especially in form of plastic money.

Major Deteriorations observed by the consumers in the Fashion Retailing:
- Flashy and unwearable products have come into the market.
- Fashion products have become more expensive.
- Lesser choice for the lower segment of people because the prices have gone up.
- Wiping out of stand-alone stores gradually.
- Sometimes there is a lot of clutter which hampers movement inside the store.
- Sometimes older stock is sold at lower prices.

Changing Perceptions about Retailers—Retailers Perspective:
Retailers' perception about customers:
According to some of the retailers not only people have become more brand conscious, but they are also ready to pay for the extra premium prices for branded products. This has led to an increase in the footfalls in malls where one can get various brands under the same roof while the others feel that people have become more design and style conscious and want to adapt to the latest prevailing fashion. Some of the big retailers think that customers now want
branded stuff at fixed prices because they feel cheated and unsatisfied if they bargain with the retailers because the customers think that they could have got the product at cheaper price.

25% of the retailers think that the services and the merchandise being provided at reasonable prices is what a customer expects from their store, whereas 20% stressed on the merchandise being of good quality. The rest 30% believe that variety and the brand name are the factors that attract a consumer to their store.

Retailers opinion about apparel Retailing

Lee highlights the change in retailing by hinting on the changes in fabrics and styles prevalent now a day. Also retailers are now conscious of providing better services to their consumers. The main change highlighted by the Bizarre is the substantial increase in the footfalls. The footfalls have now increased by around 20-30% in weekdays and even about 50% in weekends. Just Casuals feels that the upcoming malls are giving a huge boost to the retailing sector. Thus, it can be concluded, by saying that according to most of the retailers in Kolkata, there is an increasing craze for branded products among the consumers. This is because people have become more design and style conscious while making their apparel related purchase decisions, which is driving them more towards malls where they get a wider variety of choice.

Coping with the Competition:

Having just started picking up steam, the Kolkata market is attracting a considerable number of regional and national retail chains. This leads to a high degree of competition being faced by
the retailers. When asked from the retailers as to what do they do to cope up with the competition, the following points came up:

- Providing a combination of the best merchandise at the right prices because Kolkata’s consumers are noted for the high degree of value orientation. So the Apparel retailers have to design a unique pricing strategy in order to get a foothold in the Kolkatan market.
- Maintaining the quality of the products.
- Providing the best of services to the customers.
- Changing the visual display every week or fortnight.
- Providing schemes during the off-seasons.
- Using imported fabrics not used by other retailers.
- Providing other facilities during festive seasons and Puja time.
- Undertaking various advertising and sales promotion programmes to attract target customers.
- It is the new brands (like No Code), which have to cope up with the competition rather than the already existing brands.
- Some (like Lee, Provogue) also believed that they are the ones creating fashion and trends, so they need not worry about the competition.

Extra facilities provided by the Retailers to the consumers:

Consumers show preference for shops offering special schemes or sales and are keen on products that are trendy and in with the times. Retailers try to cope up with these expectations and always try to get more customers while holding their old customers. In an attempt to this the retailers in Kolkata offer various facilities and services to the customers like low prices, discount during Pujas, refreshments etc. but when the question of extra-facility comes retailers in stores like Planet Sports pay more emphasis on the stock replenishment activity every week. Raymond people at store believe in making customer feel comfortable by providing them with refreshments. Retailers in stores like Wrangler and Spykar have tie-ups with food joints like Cafe Coffee Day. They provide coupons to their customers on purchase of certain amount as extra facility to them. An interesting facility highlighted by the Lee was that now they stress on appointing “sober salesmen” to provide better services to the customers. An exception to this is Just Casuals who feels that they already provide products at such low prices that they cannot afford to provide extra facilities to the customers. Also retailers of new brands like No Code in City Centre expressed their inability to provide any extra facility at the
present moment due to the lack of customer loyalty. Most of the retailers are providing Exchange facilities to all the customers (Within a pre-specified time period) along with other discount schemes and the facility of providing free alteration due to the increasing demand by the customers.

**Amalgamation of Retailing and Entertainment:**
A large percentage of consumers said they enjoyed shopping to the extent they were willing to drive further for a pleasant and better shopping experience. The 'satellite township' has come of age and the manner in which a shopper could choose between shops a while ago has changed today. Customers can now also choose between mega malls.

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**TENANT PROFILE**

(Source: Images Retail – Malls in India)

Multiplex in a mall is the mantra for managing convergence of retailing and entertainment in India and the merging of these is one of the biggest trends facing stores and malls today. Shopping centers and business districts are using entertainment to set themselves apart from competition. Many innovative examples of how entertainment and retail are being combined exist in our country's urban areas. The idea of providing shoppers with a pleasurable experience offers an opportunity to increase sales. Organized retail outlets are attempting to attract large footfalls by setting up malls that cater to every consumer group. In recent times, theatre chains in the form of multiplexes are being set up all over the country. Multiplexes, which provide high-quality viewing experiences, are fast emerging as one of the key drivers of
footfalls in a number of organized retail outlets. This has also resulted in a renewed interest in investment and growth of the movie exhibition business in India. Multiplexes provided a steady stream of returning visitors to the mall and became a powerful anchor that increased patronage and also attracted new restaurants. Retailers view entertainment environments to lure shoppers who might otherwise choose home shopping by mail, television and computer as several new distribution channels are getting acceptable especially due to paucity of time.

The new concept, which has evolved in the Retail Industry, is that of “shoppertainment” i.e. the summation of shopping and entertainment. The major credit for this development goes to the emergence of malls all over the country, including Kolkata. The young Kolkatan consumers are redefining the shopping high street, giving resounding acceptance to new generation formats such as malls having integrated shopping/entertainment/eating, as and where such options make their presence.

This entertainment aspect majorly brought in Kolkata by the malls has changed the purpose of shopping. The main factor driving the consumers towards shopping was purchase for themselves and for their family members. But over the time, as retailing has developed, a new aspect of shopping has evolved – entertainment. This new aspect includes window shopping, passing leisure time, visiting multiplexes in malls, hanging out etc. Nearly 33% of people in Kolkata come to the shopping centers due to this entertainment aspect.

![Purpose of shopping chart]

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Percentage of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
<td>5 years back: 25%, now: 30%</td>
</tr>
<tr>
<td>Family Entertainment</td>
<td>5 years back: 15%, now: 30%</td>
</tr>
<tr>
<td>Gift</td>
<td>5 years back: 10%, now: 15%</td>
</tr>
</tbody>
</table>
About 66% of the Kolkatans say that they are not willing to shed extra amount of money for enjoying extra facilities like air-conditioning and escalators in the shopping centers. Only 34% of the people say that they are willing to pay extra money but not more than 20% of the value of the product. People in Kolkata are still willing to stand in queues to enjoy the offers being provided by the shopping centers during festival seasons. This trend shows that even when the young Kolkata is enthusiastic about the new formats like shopping malls, the majority of the people here are value-driven. They want value for their money. Malls are preferred as favorite hangout places but not as ultimate shopping destinations in Kolkata.

Suggestions and Recommendations:
- Kolkata's consumers are noted for the high degree of value orientation. Apparel retailers have to design a unique pricing strategy in order to get a foothold in the Kolkatan market.
- Retailers need to be dynamic and respond to ever changing trends in consumer lifestyle and behavior.
- They need to focus on providing value for money and generate loyalty for repeat purchase.
- The people of Kolkata pay a considerable amount of significance to the entertainment aspect of shopping. So the retailers should try to incorporate a tint of entertainment in the shopping experience of the customers.
- The changed retail scenario also brings with itself some extra facilities like that of parking, hangout zones, multiplexes etc. that a consumer expects should be provided to him. So the
retailers should make an effort to incorporate as many extra facilities as possible in their whole act of selling.

The insights like enjoyable shopping experience; value for money; product quality; fashion attributes and service can be transformed to opportunities for retailers. Clearly, retail outlets that would succeed are those that, in addition to offering quality products, also build enjoyment into every part of the consumer's shopping experience; create an ambience by effective use of merchandise display techniques; offer quick and efficient service; reward the customer for loyalty; and use a combination of promotional schemes and offers to attract the customer.

The young Kolkata is redefining value perceptions -- almost concurrently upgrading its aspirations and spending levels on fashion products. The young Kolkata is redefining its relationship with brands. The young Kolkatan consumers are redefining the shopping high street, giving resounding acceptance to new generation formats such as malls having integrated with shopping, entertainment and eating, as and where such options make their presence. But majority of people in Kolkata say that with the upgradation of retail formats in Kolkata the prices of the products have also gone up.

![Pie Chart: Most Preferred Time of Shopping]

- 10 a.m.-12 noon: 8%
- 12 noon-4 p.m.: 22%
- 4 p.m.-6 p.m.: 52%
- 6 p.m. onwards: 18%

**Most Preferred Time of Shopping**
CHANGES IN THE BUYING PATTERN

- More price sensitive
- More fashion sensitive
- More brand image sensitive
- More quality sensitive oriented
- More customer sensitive

![Bar Chart]

Legend:
- More price sensitive
- More fashion sensitive
- More brand image sensitive
- More quality sensitive oriented
- More customer sensitive

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