CHAPTER 1

A Scenario of Branded Readymade Garments in India and Amravati
1.1 INTRODUCTION

The Indian garment industry has a unique advantage of being a truly vertically integrated one i.e. from fiber to garment. India has easy availability of raw materials, be it natural fibers such as cotton and silk or synthetic fibers. India has world-class facilities in producing synthetic filament yarn. The Indian garment Industry has carved a niche for itself in the world arena. It is able to produce world-class quality products. The Indian Garment and Textile Industry has made a significant contribution to the national economy in terms of both employment generation and net foreign exchange earnings.

The Garment Industry in India is concentrated in the small-scale sector, mainly because of the government policy that reserved the sector for the small-scale units. The government revised this policy a few years back and has permitted large-scale units to produce garments. This policy change has led to many large-scale units such as Arvind Mills, Raymond etc. to venture into the garment making activity. Another feature of this sector is that the industry is concentrated in a few clusters. The important clusters in the Garment sector are Tiruppur, Delhi, Mumbai, Bangalore, Ludhiana etc.
Tiruppur has made rapid in the production of garments. It has transformed itself from a Banian city to a 'Branded city'. Many foreign brands are outsourcing their activities to units located in Tiruppur. Bangalore has a blend of small-scale units and large production houses such as Arvind Mills and Raymond's that have set up their garment production facilities. The 'Garden city' is steadily transforming itself to a 'Garment city'.

The 1990s have seen a growth in marketing and merchandising, garment manufacturing technology, design management, fashion communication management etc. There is growth in organized branded market within India as well as there is an entry of larger companies sourcing from India like Gap, Nike, Reebok, Tesco, Next, Asda, Walmart Limited etc. Apart from traditional products, India is active in the segment of sportswear, weatherproof outerwear, suits, socks and a host of other products for all ages.

The production of garments is done by following process:

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\begin{align*}
\text{Staple fiber} & \quad \rightarrow \quad \text{yarn} \quad \rightarrow \quad \text{Raw fabric} \\
& \quad \downarrow \\
\text{Garment} & \quad \leftarrow \quad \text{Finished fabric}
\end{align*}
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The fiber comprises natural and synthetic fiber segments. The natural fiber segment further comprises cotton textiles, woolen textiles and
silk textiles. India has abundant supply of each one's raw material. The synthetic fiber comprises polyester filament yarn, blended yarns etc. In the synthetic fiber segment there are larger units such as Reliance Industries, Bombay Dyeing that produce a wide variety of international quality fabrics.

In India, under the IDRA 1951 (Industrial Development and Regulation Act 1951) textile and apparel sectors were reserved for the small-scale sector as it was labor intensive in nature and provided employment to a large section of the population. As a result of this policy, the industry is highly fragmented being dominated by a large number of units in the unorganized sector. These small players are active in local and overseas market. They are mainly concentrated in Tiruppur (TN), Bangalore, Chennai, Mumbai and New Delhi.

The market for readymade garment is highly dynamic. Here the designs change frequently depending on the changes in fashions. The Indian consumer is becoming more discerning about the brand and the finish. Price at that level becomes a secondary factor. There is an increasing competition in the branded segment amongst the major players to capture the domestic market. The garment units use four types of channels to market their products. They are Franchises, Exclusive stores, outright sales to retailers, company owned stores and the
regular chain i.e. stockiest → manufacturer → distributor → retailer. Local manufactures have tied up with foreign brands to produce garments under their label. The market for readymade garments can be classified into three broad segments namely, premium, mid-sized and economy. Apart from this, western wear for women is making way in the Indian market. Companies like India rayon are focusing on this sector to tap this important segments.

In the garment sector large manufactures such as Wills, Madura garments, Arvind Mills are facing competition from a few small brands like Killer, Provogue, Tibre, Derby, Genesis, Indian Terrain, Blackberry, Classic Polo etc. This has made the mid market segment very competitive.

The demand for readymade garments, both domestic and exports is influenced by the changes in the fashion, the retailing of garments and the policy governing the industry. The challenge for the suppliers of ready-mades is to supply the garments of the customer's choice within a reasonable time. Therefore, supply chain management in the competitive environment is very important. Globally, there are a number of concerning issues such as polluting dyes, usage of child labor, unhealthy working conditions etc. The retailers in other countries are pressurized by consumer activists not to source the
garment from companies that are not conforming to the standards. Therefore, it becomes imperative for Indian exporters to follow the restrictions strictly to compete globally.

According to a CII McKinsey report, the major components of Chinese exports are men's suits and jerseys, which are the largest traded apparel items in the US and Europe whereas India has only a minor presence in these segments. The other fact is that Chinese factories are larger and inputs are less expensive, Chinese fabric is 25% cheaper than Indian fabric. Also the cost of labor is cheaper than India. Even though Chinese minimum wages are higher but this is because of their superior labor productivity. It is nearly double than ours. The infrastructural facilities of China for transporting raw as well as finished products is also well developed which reduces lead time for delivery.

Sars has positively impacted India's garment exports. It grew by $300 million in 3 months mainly because Chinese orders were diverted to India. Though the major exporters like Harsh Amersey (Director of Milton Exports) are of the view that this is a short-term benefit and China will recover the losses after the epidemic ends.

China has already overshadowed India in apparel exports. India's exports are primarily focused on countries that have import quotas
such as the US. On the other hand China has a larger share of non-quota markets, such as Japan and Hong-Kong. When the apparel import quotas will be dismantled, restrictions placed by importing countries on the amount of apparel that can be bought from specific countries will be abolished. And as per the reasons mentioned above Chinese apparels are priced lower and India may lose the export market share to China in future. One of the steps Indian garment exporters can take is to increase their marketing presence in non-quota markets.

ITC is on its way to register its trademark overseas and begin its business in three capitals of the west- London, Milan and New York. The concerned officers are unwilling to reveal the details of the same but have confirmed that it will be the consolidation of the brand in India. Giving the product a serious western foray will at least take 3-5 years. They were waiting for the year 2005 when the quotas will be lifted. This is company's second step towards progress after getting the "Images, Retail Visionary of the Year" Award for ITC's Lifestyle Retail Business Division. Yogesh Chander Deveshwar (ITC chairman) is also extending a project 'e-choupal' for cotton. The project, in which ITC's International Business Division will create web portals for a particular crop in the relevant vernacular language to help the farmers with weather forecasts for his area and provide him with advice on
the best agricultural practices and usage of fertilizers and pesticides. Wills sports is also spreading its wings into lifestyle retailing to establish its national presence. There are 100 planned outlets across all metros and towns called Lifestyles stores. Apparel will be the major contributor but multiple brand perfumes; cosmetics will also be kept for display. The fact that competition, both national & International will also be tougher by 2005 cannot be denied too.

The domestic market in India is witnessing a substantial growth in the garments industry. This is fuelled by rising purchasing power of the Indian consumer and the development of organized retailing. According to KSA Technopak consumer spending in India has shown a rising trend since 1999. The share of clothing in consumer spending in 2002 was 6.6% up from 4.7% in 1999. This rise in consumer spending provides a huge opportunity to players in this industry to tap the unfulfilled demand.

_The Indian consumer is increasingly shifting his preference from tailor made garments to readymade garments._ India has large and expanding middle class consumers that are willing to spend the extra amount to purchase branded garments. The emergence of single branded and multi-branded retail stores have provided the Indian customers a wide range of choice. It is interesting to know that men have rated Designer
Apparel and Branded garments higher than women. Though this status symbol has fallen from the rating of 12 down to 22 and the total score also shows decline; but this is strange to know that apparel advertising and designer label consciousness have both gone up. Whatever may be the reason for the decline in prestige marketers need to reverse the trend. Men are more status conscious with regards to clothes than the women. Mumbai is more brand conscious and Kolkata is the least. Raymond's is the most familiar brand cited and most recalling brand for readymade shirts is Arrow. Among designers Ritu Beri label is saleable and most prominent cities for the same are Delhi & Mumbai.

What do the consumers look for in their choice of clothing? 85% of those in the study chose comfort. Comfort is the buying point for consumers and selling point for the salesperson to emphasize in selling. Cotton fabric and ultimately cotton garments are the solution for it. On the other hand silk is the premier fabric for formals as well as casuals. Silk is no longer limited to women's wear; in fact men's suits, sports wear, shirts are now being made from silk or silk blends.

Under the MFA, the US and the European Union imposed quota restrictions on garment exports from certain countries including India. Since these restrictions did not apply to countries like Bangladesh, Sri Lanka and Mauritius, they could build a strong export base in garments. With the phasing out of MFA under WTO requirements,
the advantages these countries have enjoyed will disappear. This represents a considerable opportunity for Indian garment manufactures that have added advantage of a large supply of good quality raw material in their own country. However the quota restrictions are likely to be abolish only in the early years of next decade, growth engines like garments will begin to have an impact on the economy only after 2005.

Foreign labels are set to make an impact in India after January 2005 when the MFA expires. The Indian consumer’s obsession for foreign brands will still provide a challenge to the local industry.

The readymade garments could be classified into the following categories:

- **Formal Wear** such as Suits, Trousers, Shirts, Jackets, Blazers and Neckties. Some important brands in this segment are Allen Solly, Arrow, Cambridge, Color Plus, Louis Phillippe etc.

- **Casual Wear** consists of Shirts, Trousers, Jeans, T Shirts, Shorts etc. Some prominent brands are Lee, Flying Machine, Parx, Weekender, etc.

- **Kids Wear** segment consists of Shirts, Shorts, Frocks, Skirts, Jeans, etc. The brands in this category are Lee, Ruf n Tuf, Wearhouse, Weekender.
Ladies Wear segment consists of Skirts, Tops, Salwar Kameez and Women's western wear. The concept of Women Western Wear is new in India. In India, women's wear was introduced by Indus League in 2000.

Undergarments and knitwear segment consists of vests, briefs, t-shirts consisting of brands such as Byford, Crocodile, Jockey, VIP etc.

1.2 INDUSTRY CHARACTERISTICS

World-over, the readymade garments industry is characterised by fragmentation. The scene in India, too, is not any different. Though concrete data on the size of the industry is hard to come by, the industry sources reckon the men's readymade garments market at around Rs. 5,000 crore; the women's western-wear market at Rs. 150-200 crore; and that for children around Rs. 450 crore. (Source: Subbulakshmi V., Indian Garment Industry : Prospects Beyond 2005, ICFAI Books, The ICFAI University Press, Hyderabad, ISBN : 81-7881-402-1.)

Leading brands that jostle for consumer mind space include Van Heusen, Louis Philippe, San Frisco, Peter England, Allen Solly and Byford of (Madura Garments, a division of Indian Rayon); Arrow, Lee and so on (of Arvind); Raymond, with its offerings of Park
Avenue, Parx and the recently acquired Colour Plus; Indigo Nation and Scullers, owned by Indus League; Wills Lifestyle, promoted by ITC; Zodiac; and a slew of other brands that have a presence either nationally or in a particular region.

Women's wear is an emerging market with the majors focussing on western wear. Among leading brands, Scullers and Allen Solly have offering in this market. In the kids -wear category, the unorganized players have a fair share of the market. The major names in the organized segment of this market are Lee Kids from the Arvind stable and Weekender Kids of Personality Ltd, which also owns the Weekender brand.

Brands are also classified as premium/super premium, mid-level and mass market, depending on the price point at which they are positioned. Typically, Louis Philippe, Van Heusen, Zodiac and Arrow would be part of the premium/super premium segment in the formal wear category; and Peter England, Parx and San Frisco would be a notch lower, as they compete at lower price points.

Clearly, within the organised segment, it is brands that ultimately hold sway over the customer. With a plethora of choices available to the customer, companies are all the more keen to established points of differentiation that would set their brands apart.
Among the lower level brands, it would not be incorrect to say that commoditisation is gradually setting in. With shirts available in simple, solid shades - and not much of a difference in the quality of the fabric - these brands acquire an air of sameness in the eyes of the consumer.

However, as one scales up the price chain, differentiation kicks in: in the form of the quality of fabric used, the kind of fit the garment provides or the sheer emphasis on the design of the garment itself. At price points in excess of Rs. 1,500 the Indian consumer has access to a garment that is truly international in styling, yet priced lower than its comparable international counterpart.

1.2.1 Consolidation Trends

With a surfeit of players staking a claim to a share of the consumer's wallet, the industry has also seen brands being taken over by companies intending to offer a comprehensive range of garments to the consumer, straddling multiple price points.

Indian rayon took over the brands of the Madura Coats in India a few years back, while Raymond stitched a deal with ColorPlus. Likewise, Bombay Dyeing and Proline entered into a strategic agreement. As takeover provides the advantages of an established brand and an existing distribution network straightaway, companies looking at strengthening their position
in the market would continue to look at takeovers to acquire brands that have a complementary fit with their existing offering and to drive top line growth.

1.2.2 Opportunities, Challenges

The biggest fillip to the industry would be provided by the growth of organised retailing. As more shopping malls open, adding thereby a few lakh square feet of retail space, garment manufacturers will have many options to peddle their merchandise. This phenomenon cannot, however, be looked at in isolation and needs to be examined in the perspective of retail outlets also promoting their in-store brands.

As more consumers realise the convenience of readymade garments, it will only serve to hasten the transition from tailored clothing. Unlike in the West, where tailoring is a more expensive alternative to readymade clothing and makes a fashion statement, it is more preferred in India, especially for those who look at it as a lower priced option vis-à-vis branded ready-to-wear. The price differential between tailored clothing and ready-mades is partly because of the excise duty on the latter. The industry would, naturally, like to see a reduction from the current level, as it would make ready-mades more affordable.
Another challenge confronting Indian garment manufacturers is the need to devise strategies once the quota on garment exports is abolished in 2005. With garments accounting for nearly 50 per cent of overall textile exports, the threat from lower-cost producing nations is real.

To counter the potential loss of revenue, Indian garment exporters are gearing up to launch ready-mades in the domestic market. Conversely, there is also the likelihood of a wide variety of fabric coming into the country, providing the exporters opportunity to be creative with their design.

Women's western wear is another segment that is likely to see action. With increasing urbanisation, the demand for such clothing is likely to rise significantly. It would also pose a challenge to retailers in terms of how they rejig their stores to appeal to the more demanding fairer sex.

Both opportunities as well as challenges abound for players in the readymade garments business. Substantial investments made in brand building and in establishing customer niches will ensure that they further build on the gains they have made.
At the same time, brand strategies will have their plate full when it comes to entering territories such as women's or kids wear, or taking advantage of emerging retail opportunities. Capitalising on these opportunities will ensure that the garments industry is clothed in success.

**1.2.3** Agregi (Action Group for the Removal of Excise on the Garment Industry), the body comprises 14 big manufacturers from the Indian garment industry, with Rahul Mehta, MD of Creative Outerwear Ltd. as its convenor. Asserting that a 16 per cent levy on the manufacturer translates into a 25 per cent extra cost to the customer, Mehta points out that this will adversely affect over 50 lakh people directly or indirectly employed by the industry as demand will dwindle and margins will be squeezed. (Source: Chuganee Bhakti & Kaul Suneeta, Too many twists, Business India, March 19 April 1, 2001.)

Agregi also fears that the harsh levy will render branded garments progressively unpopular, leaving the field wide open for an inflow of imported unbranded products, mainly from China and Bangladesh.

The total domestic garment industry is valued at between Rs. 15,000 and 20,000 crore. Of this branded goods account for a
miniscule Rs. 2000-Rs.2500 Crore. At least 60-70 percent of the branded garments sold are unregistered brands, or those that have applied for registration. (Source: Chuganee Bhakti & Kaul Suneeta, Too many twists, Business India, March 19 April 1, 2001.)

In India, branded garments have to be registered under the Trade and Merchandise Act. According to Mehta, it takes 5-7 years to register a brand. While brands such as Raymond, Park Avenue, Flying Machine, Louis Philippe and Van Heusen are already registered, there are others like San Frisco, Peter England, ColorPlus and Excalibur that are yet to be registered and have applied for registration. Brands that have applied for registration will also have to start paying excise assuming that they will get registered.

The structure of the garment trade is such that one garment can be well manufactured in up to seven different units, each making a specific section of the garment. A product can thus well go in and out of various manufacturing units, from the raw material to the finished product, as many 14 times. Besides, excise is paid on the maximum retail price, which is not mentioned on the product by 70 per cent of the industry as a
garment is often not a packaged item. Goods and samples are routinely returned. Also, because apparel is a fashion or seasonable product, 20-30 percent of it is sold at discounted prices. (Source: Chuganee Bhakti & Kaul Suneeta, Too many twists, Business India, March 19 April 1, 2001.)

1.2.4 Retailers' Challenge

The big opportunity that has presented itself before manufactures of readymade garments today is the growth of organised retailing. As players such as Shoppers Stop, Lifestyle, Ebony, Westside, Pantaloon and Globus embark on ambitious plans to ramp up the square footage of organised retail space, branded ready-mades will have more shelf space to display their merchandise.

Branded garments retail either through an exclusive brand outlet (EBO), where only the merchandise of a particular company is showcased, or through a multi-brand outlet (MBO) which stock multiple brands under one roof. Location in up market areas that has sizeable catchments, and an ambience that spells class and sophistication, large retail stores are but a logical destination for branded apparel makers.

Here, the in-store brand like 'Stop' - Shoppers Stop, 'Oak Valley' - Globus gain greater prominence as they are allocated a greater
floor area for display. As a result, retail out-fits stand to make higher margins on its own brands compared to other brands in its stock. But this doesn't reflect that branded garments manufactures are heading towards a dead end. Customers visiting the retail store are facilitated with comparison-shopping and are not tied down to choosing just one brand. Thus they are not willing to let go of the footfalls that the various brands that they stock generate and, at the same time, want to boost revenues from their in-store brand, which is a more lucrative proposition.

The onus then falls on the retailers to arrive at a balance between these conflicting issues to ensure that their interests, as also that of the other brands they stock, are best served. Also, a company must ensure that its brands are available at all points where a prospective customer is likely to visit.

1.3 THE READYMADE GARMENT INDUSTRY IN INDIA

The garment industry in India is one of the best in the world. An extremely well organized sector, garment manufacturers, exporters, suppliers, stockiest and wholesalers are the gateway to an extremely enterprising clothing and apparel industry in India. There are numerous garments exporters, garments manufacturers etc. both on the small scale as well as large scale.
The apparel industry is the largest source of foreign exchange flow into the country with the garment exports accounting for almost 16% of the total exports of the country. The industry is very vast with over 30,000 readymade garment-manufacturing units. (Source: Mrs. Sabeena, G., The Readymade Garment industry in India.) Indian garment export business has made great strides in the past few years and today many of the leading fashion labels, from all over the world, are known to source their products from India. This speaks volume of the India as a major supplier of top quality fashion garments.

India has seen a steady increase in the export of readymade garments in the past few months. Apart from being one of the largest exporters of tea, jute and tobacco, India is rapidly emerging as one of the biggest players in the international fashion arena, in fabric souring for fashion wear. Most of the leading names in fashion, like Next and Top Shop of UK, Federated Stores, R.M. Macy's, Target, Maryn's, to name a few, feature among the list of buyers.

An extremely well organized sector, garment manufacturers, exporters, suppliers; stockists and wholesalers make for a very venturesome clothing and apparel industry in India. There is great demand for Indian readymade garments the world over. They are renowned in the International market for their durability, high quality and exquisite
work. The ready availability of the highly skilled cheap labor is one of the primary reasons for Indian garments being so economically priced. Apart from this there are other factors in favour of the Indian garments industry like the cost effectiveness in manufacturing, raw materials and quick adjustment to what will sell, offering high quality at competitive prices, shorter lead times and virtual monopoly in embellishments. These are the reasons that attract more and more leading international brands and fashion chains to visit India to choose from its extensive range of fabric available in a multitude of colors and designs, unparalleled by any in the world. Embellishment includes elaborated hand embroidery, which is in great vogue abroad and of variety accessories like buttons, zippers, laces etc.

Today, garments exports from India have made inroads into the international market for their durability, quality and beauty. One of the reasons for economical pricing of India's ready made garments and apparels is the availability of highly skilled cheap labor in the country. The superiority of India's Garment Industry has been acknowledged in the National Textile policy (NTP) of India 2000. Having realized the tremendous growth potential of this sector there is a proposal in the NTP for taking the Indian Garment Industry out of the SSI reservation list.
1.3.1 Fibers

India yarn Dyed cotton need no introduction as it has already captured the world markets for years. Slowly but surely weavers are understanding the need to replace the traditional power looms with auto looms, and the importance of cone dyeing as replacement for bucket dyeing, so that uniformity in colour is achieved. In moving away from cotton, the Government is encouraging the promotion of denim and various types of woolen fabrics and polyester staple fabric etc. that have already been shifted to the open general license list. Stone washed shirts, embroidered jumpers; dresses in denim are being exported in plenty. Arvind Mills, Ahmedabad is the third largest producer of denim in the world. Other mills of repute are K.G. Denim and Ashima.

Rayon Blends like poly /rayon; rayon / linen; rayon / cotton / linen are now popular. The cost conscious market is turning to polyester for reason of price, durability, comfort and drape, linen and linen blends- i.e. linen/cotton, linen/rayon continue to be directional. Besides wovens, Indian has emerged as a viable option, for the manufacture of fine knits and sweaters. The potential centres for knitwear are Ludhiana and Tiruppur.
Fig. 1.1: The Process

1.3.2 Major customers

GAP (The biggest store for readymade garments in US) has emerged as one of the strongest customer in India. Other key US customers in the market are: - Ann Taylor, Avenues, Blair Corporation, Dillards, Federation Stores, J.C Penny, K-mart, Kohls Lane Bryant Liz Claiborne, May Department Stores, Mervyns, Polo Sport, Sag Harbourm Sears, Target, Tommy Hilfiger and Walmart.

In January 2005, WTO provisions came into force, and there is no quota restrictions in any of the 137 exporting countries. A free-for-all regimes is emerging. Now, only garment exporters, who are able to provide the best quality at the cheapest price, will succeed.

Keeping the above in mind and in order to be competitive in a world scenario, the Indian export industry has started emphasizing on the import of textiles, rather than only working with domestic PC goods. Taiwan has emerged as the leading supplier ($60 million). South Korea a close second ($ 45 million) and China at position no. 3 ($ 35million) The Indian garment manufactures are using most competitive fabric in export. (Source: Mrs. Sabeena, G., The Readymade Garment industry in India.)
By starting this trend exporters are hoping that they will be perceived by the West as another production base—not restricted or limited to Indian industry. Like

- Setting up of apparel and design centers, facilities for upgrading technology and ready access for all necessary and better inputs e.g. machinery, raw material, trimmings and embellishments to get higher unit value realisation.
- Greater focus on Eco-friendly chemicals and azo free dyes.
- The removal of special fabrics and all types of knitting and sewing machines to the free import list to enlarge the export supply base.
- Setting up of private warehouses to facilitate bulk exports for large departmental stores.
- Cheaper pre-shipment credit setting up of Special Economic Zones (SEZ's) for garments.

After China, India is being perceived as the next country with the biggest growth potential due its manpower and natural resources. The first decade of the 21st century should see us as a major player in the apparel business—partly because more industrialised countries like Korea, Taiwan etc. have moved into other industries - and partly because the Indian Government
believes in, and wants to grow the apparel exports business, since it is a major earner of foreign exchange. Indian apparel exporters tend to specialize in women's blouses, dresses and skirts, men's trousers and shirts. By tapping export markets, the clothing sector's growth has far exceeded that of the textile industry. Average growth in exports has been around 15% per year, mainly because of the expansion in Union woven apparel.

1.3.3 Vertical integration

India's textile industry is truly vertically integrated from raw material to finished product, including fiber production, spinning, knitting and weaving and apparel manufacture. Business and cultural linkages with neighboring countries like Bangladesh, Sri Lanka, Nepal, Thailand, Myanmar, China provide a platform for souring from them as well.

1.3.4 Production variety

Raw material production includes cotton, silk, wool, linen and manmade fibers such as polyester, viscose, acrylic, and polypropylene. Indian companies have built global scale even in non-traditional areas.
Fabric production includes fine dress fabrics, shirting and fabrics for trousers/shorts, worsted suiting, denim, fleece, jersey, flat/woolen knits, technical fabrics and more. Apparel production includes active sportswear, outerwear, foundation garments, suits, socks, infant wear etc. Production of made-ups includes a wide variety of bed, bath, and table linens, kitchen accessories etc.

1.3.5 Labor force

India's textile and apparel industry directly and indirectly employs 35 million people. The country has an abundant, low-cost base of labor, which has long term sustainability and very high skill in fabric and garment making.

1.3.6 Capacity

India's industry has consistently remained flexible in term of production quantity and lead-time and thus presents the possibility of producing quantities as low as a few hundred pieces.

A large base of European and American customers are already served from India, with almost 35% of apparel exports headed to EU. (Source: Mrs. Sabeena, G., The Readymade Garment industry in India.)
The India garment exporters have given main emphasis on new fabrics and presentation like Romantic line meant for top designer, which is not available in budget stores. There is an introduction of new fabric like poly satin, viscose, ply chiffon, heavier georgette tie and dye fabrics, embroidery and hand knitted garments.

The exporters have been using various kinds of washes like natural wash; vintage wash and laser wash to give a new look to the garments.

Though stagnant for long, the readymade garment industry has seen some major changes in the last few years. This is visible in the success of enterprising small companies, which see great potential in branded clothing and are deriving benefits from their small size. These players have moved ahead by leaps and bounds by catering to the changing perceptions of the Indian consumer. Most were launched between 1995 and 2000 and include ColourPlus, Indus League, TNG Casuals, Free Look and Provogue. Collectively, they cater to a Rs. 190-crore market. (Source: Mrs. Sabeena, G., The Readymade Garment industry in India.)
Catering mainly to the men's segment, their approach has been to react to the changes in clothing perceptions and the market and take advantage of the changed scenario. As the men's segment is divided into formals, semi-formals and casuals; the big companies that had traditionally catered to the formal market are: Madura Garment (Allen Solly, Van Heusen, Louis Philippe, and Peter England), Zodiac and Park Avenue-Raymond Venture.

The tilt towards semi-formal clothing is being catered to by the industry newcomers. The rate of growth in the formal wear market has fallen from 15 percent to 10 percent. On the other hand the semi-formals segment is growing at 25 per cent per annum. (Source: Mrs. Sabeena, G., The Readymade Garment industry in India.) However, the industry perception is that this development is just a phase and is the direct result of the segment's late introduction into Indian market.

The story is different in the casuals market. The industry believes that the transition is here to stay. The casuals market began to sprout roots post-liberalisation when companies such as Levi's and Benetton entered the Indian market and began wooing the Indian consumer. Since then, Indian companies and
exporters experienced in international fashions have realised this market's potential and tried to remedy the situation. The casual wear market is pegged at around Rs. 600 crore and is said to be growing at a phenomenal 30 per cent per annum.

The smaller companies have been successfully catering to a market where clothes are in fashion for periods as short as two months or a fortnight. Indus League, launched in 1999, already boasts a Rs. 27 crore turnover. Similarly, other companies have done in a year or two what established brands like Park Avenue took ten years to achieve.

1.3.7 Types of brands

Exclusive brands: Arrow shirts are meant for an exclusive clientele in India. Not everyone can buy them. The "upper crust" range of shirts from Coats Vyella has a small crown stitched on the cuffs that sets it apart from others.

Belonging brands: Human being is constantly in need of being socially accepted. Brands that make the consumer a part of larger family are belonging brands. A Levi-Strauss jeans puts a youth at par with youth in the rest of world.

Arrow shirts have premium image while Kumar shirts have a value for money image.
Research on image built through endorsement of celebrities show that there are three aspects that influence a consumer's attitude of a brand. These are Attractiveness, Trustworthiness, Expertise.

The early positioning statement of Vimal was simply "Only Vimal". This signalled a sophisticated premium brand for the urban customers. This positioning has not been abandoned. To make it relevant for the present times it was made "the look of nineties'.

**Philosophical brands:** The brand at this level acquires more intangible character and orientation. The philosophy transforms the product in a realm altogether different from its physical reality. This generally happens in case of designers and artists. For example, Armani signature on the product completely changes it to give it a higher philosophical meaning - an expression that creative style of Armani carries.

Many brands break away from product orientation to reflect their customers. These reflections may consist of aspirations, images, emotions, values and experiences. 'Raymond' brand in India signifies 'complete man'. As of now, it markets fabrics for the complete man. The brand could begin to offer toiletries, furniture, writing instruments and books, even houses for the 'complete man'. The extension possibilities are greater in this
case. But the key caveat is that the brand must not dilute its core essence. It must carry over its philosophy over to different product categories.

**Symbolic brands:** These cater to symbolic or psychological needs. Customers buy these brands for esteem enhancement, group membership, ego gratification and with self concept.

The key proposition in a brand with a symbolic concept is its proposed relationship with a specific group or identification with the self-concept of the target customers. The brand stands for a meaning that cannot be deciphered at product level. The symbolism is attached to the brand. Thus at the introductory stage, the brand must established its meaning to target and non-target customers. The brand must clearly signal its relationship with the group and/or identification with the customers. For instance when Madura coats launched its two premium shirt brands, the communication was attempted to drill the symbolic concept of Van Heusen as 'power dressing' for today's corporate achiever while Louis Philippe was positioned as 'Upper crest', not meant for every one. The brand was made aspirational.

A brand with a symbolic concept draws its strength from its identification. Usually the line between the target and non-
target customers is critical. If the brand reaches to everyone, it has risks of losing its meaning. Imagine every one-sported Louis Philippe shirts and trousers. The operating activities therefore must be aimed at enhancing or maintaining distinction. It is for this reason 'Arrow' range of clothes are available only at exclusive and limited 'Arrow' show rooms. The price is also one variable, which can help increase the transaction barrier for non-target customer.

1.4 NATIONAL RETAILERS

Kishor Biyani ranks 1st in the retailers. The Pantaloon Retail, his topline will be about 650 crores. Raghu Pillai, RPG's Retail ranks 2nd with about 550 crore & B. S. Nagesh of Shoppers stop is third with a revenue of 400 crores. (Source: Rajshekhar M., The man they wrote off, Business World, Vol. 24, issue, 3, 8-14 June 2004).

Biyani has three highly successful retail formats: the Big Bazaar hypermarket; Food Bazaar that straddles the food and grocery business; and his original Pantaloons apparel stores. The property opening in Bangalore is his fourth model, a mall called Central. By the end of next year he expects to have 30 Food Bazaars, 22 Big Bazaars, 21 Pantaloons and four Centrals. Right now, he has 13 food Bazaars, 9 Big Bazaars, 13 Pantaloons and one Central. Between them,
Biyani's stores occupy 1.1 million sq. ft of retail space. By the end of next year they will occupy 3 million sq. ft. Now there will be newer format from Biyani's side. His focus will be on consolidating the operations of these four formats.

The idea of retailing struck Kishor Biyani when the two brands of Pantaloons, John miller & Bare struggled for market positioning.

Even though products were good, and the pricing were competitive, high distribution costs and margins were making the whole business unviable. This made Biyani to set up his own stores. Over the years Pantaloons has been through a few makeovers. And right now the old positioning of India's family store is junked and it has been targeted to the youth instead.

**Table 1.1: The current scenario of retailers**

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Turnover</th>
<th>Total floor space (lakh sq. ft.)</th>
<th>Total no of outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003-04</td>
<td>2004-05</td>
<td></td>
</tr>
<tr>
<td>Pantaloons</td>
<td>650</td>
<td>1300</td>
<td>11.0 30.0</td>
</tr>
<tr>
<td>RPG</td>
<td>545</td>
<td>800</td>
<td>5.2 7.5</td>
</tr>
<tr>
<td>Shopper's stop</td>
<td>404</td>
<td>545</td>
<td>6.3 8.5</td>
</tr>
<tr>
<td>Life style</td>
<td>230</td>
<td>310</td>
<td>3.2 3.2</td>
</tr>
<tr>
<td>Westside</td>
<td>120</td>
<td>N.A.</td>
<td>2.3 3.3</td>
</tr>
<tr>
<td>Ebony</td>
<td>850</td>
<td>100</td>
<td>1.7 2.4</td>
</tr>
<tr>
<td>Piramyd</td>
<td>72</td>
<td>140</td>
<td>1.3 5.0</td>
</tr>
<tr>
<td>Globus</td>
<td>N.A.</td>
<td>N.A.</td>
<td>1.5 6.0</td>
</tr>
</tbody>
</table>

Fashion from Pantaloons in the next two years will make Pantaloons the Indian equivalent of Spanish fashion retailer Zara.

1.5 THE AMRAVATI SCENARIO

In Amravati, buyers of the readymade garments are of following categories: -

1.5.1 Brand loyal:

In this category are those buyers that are strictly brand loyal to reputed companies. They restrict themselves to one brand only and possess the purchasing power for the same. They even postpone their buying if their preferred brand is not available or purchase it if they go to some bigger cities like Nagpur, Pune etc.

1.5.2 Prefer branded clothes but are cost sensitive:

In this category fall those who are brand aware but are also cost sensitive. They go for a specific brand of garment but if they get a better alternative in less price they opt for it.

1.5.3 Lower class:

This category includes those who are buyer of readymade garments but are not brand aware. They buy anything that looks good at lower cost.
1.6 MANUFACTURES

There are two manufacturing units in Amravati

1.6.1 Thackarsee Exports and

1.6.2 Modtex Fashion

1.6.1 Thackarsee Exports:

Thackarsee Exports owned by Mr. Nitin Mohod is totally Export Oriented Unit (EOU). The unit takes order from the main exporters and supplies them the stitched garments. They are finished, furnished and packed according to the order. If there are some surplus pieces after supplying the order they are made available at a local shop 'TRY ME'. 'TRY ME' is the agent for 'ASSAULT' brand of readymade wears. It also sells the garments of other suppliers. The whole lot of it comes from Mumbai, Delhi, and Bangalore.

It carries out promotional activity to enhance the brand 'ASSAULT'. Direct factory sale or Discount Exhibition twice a year are held at premier hotel to promote the brand.

1.6.2 Modtex Fashion:

Modtex Fashion owned by Mr. Virendra Ganediwal is also a competitive manufacturer. The concern has some good brands in its pocket like Mark Homer, 1st Rank, Challenge, Best
Berries, Chiller, Carbone, Carolon, Fortune etc. The supply chain for all brands are manufacturer → Whole seller → Retailer. The retailer may be located anywhere in India including Amravati. Care is taken that a particular whole seller (supplier) is handed one particular brand so that there is no internal clash. For example, Mark Homer brand is exclusive for Bombay market. 1st Rank brand is supplied only at Samrat fashions. Challenge & Chiller are supplied to retailer at Takhatmal estate. Best Berries, Fortune are exclusive for Best Bazaar.

The designing and finishing are done at the factory it self. Changes in design of collar, buttons, cuffs etc. are done to set new trend. The unit is fully equipped with latest machines and skilled labour.

Here the manufacture is not at all concerned with marketing and promotional activities. It is up to whole seller and retailer how to manage in the competition market.

1.7 RETAILERS
Khatri complex is a famous readymade garment wholesale market. It has about 100-150 shops, which are involved in trading of readymade garments. The stock arrives from different metro cities like Bombay Calcutta, Banglore and Chandigarh. It is then distributed to local market and in the retail shops of near about villages.
In Amravati itself there are 4 exclusive company shops of readymade garments.

- Raymond (Park Avenue) (Jaistambh Chowk, Amravati.)
- Peter England (Jaistambh Chowk, Amravati.)
- Cambridge (Near Sahakar Bhavan, Amravati.)
- New Port (Near Sahakar Bhavan, Amravati.)

There are few specialized shops that are stockist of different brands

- Amarsons (Near Sahakar Bhavan, Amravati.) : Grasim range of suits & readymade garments of Madura Garments (Van Heusen, Louis Philippe) and Zodiac.
- Bharat Collections (Saroj Chowk, Amravati): Bombay Dyeing (Arrow, Vivaldi etc).
- Samrat men's wear (Jawahar Road, Amravati): - Suits, traditionals, shirts, trousers.
- Mafatlal (Jaistambh Chowk, Amravati.)
- Dulheraja (Takhatmal Estate, Amravati.)
- Digjam (Mahanagar Palika Complex, Amravati.)

The other generalised shops that have a separate section for men readymade garments are;

- Mayur garments (Jawahar Road, Amravati.)
- Sheetal paridhan (Bapat Chowk, Amravati.)
• Saarthi (Jawahar Road, Amravati.)
• Sanskriti (Jawahar Road, Amravati.)
• Aaradhna (Jawahar Road, Amravati.)
• Keshwani's (Mahanagar Palika Complex, Amravati.)

Some fabric-oriented showrooms are also present which have mix blend i.e. fabric of various reputed companies as well the readymade range of garments. They are.

• Mangal Vastralaya (Jaistambh Chowk, Amravati.)
• Aaradhana (Jawahar Road, Amravati.)
• Rasik stores (Jaistambh Chowk, Amravati.)
• Raj Rasik (Jaistambh Chowk, Amravati.)
• Samra sons (Jaistambh Chowk, Amravati.)

Then there is a market of branded (including local brands) and unbranded readymade garments as well as fabric in Takhatmal estate that consists of all ranges of clothes and garments.

One single departmental store called Best Bazaar is also a good shopping place. Different brands like Arrow, Zodiac, Live in, Baysland, Killer are available at reasonable price, with a very helpful salesmen staff and good décor and lay out. Among exclusive shops Raymond, Grasim and Newport are counter oriented while Peter England has a self-service system.
Amravati customer has a purchasing power ranging from the least to Rs. 1000-1500 for shirts, trousers and traditional wear and 4000-5000 for suits, blazers and 3-piece suits. The market offers a wide variety of garments and the customer who is brand aware, price conscious is ready to purchase it. The market is flooded with different brands; especially those shops that are not sticking to one or two specific brands and stock all available brands. For shirts it has Azzarow, Touch, Coffee Berries, Parx, Killer, Chestline, Oxemberg ranging from Rs. 500 to Rs 1199. For T shirts Juki, Parx, Cambridge, M2, C & C etc. ranging from Rs. 195 to Rs. 1400, for trousers Puff, Oxemberg, Havox, Sapphire, Legend, Parx, Van Heusen, Zodiac, Cambridge etc. ranging from Rs.200 to 2000. Suits & traditionals are available of reputed brands like Raymond, Cambridge, Peter England, OCM, Digjam etc of different ranges. The prices are reduced during monsoon sales and off-season discounts. Though these prices are not real reduction but there is a trend among general customers to buy during this period.

Some selected brands like John Miller, Lacoste, Crocodile and Henry Hill etc. are available in few stores.

1.8 MARKETING READYMADES: SOME PATH BREAKING EFFORTS

1.8.1 Grasim Industries Ltd:

Grasim industries Ltd. (2000-2001 turnover: Rs.5582 crore)
launched Uncrushables, a 'zero-crush' fabric targeted mainly at the busy, young executive aged between 25 and 45 years representing SEC (socio-economic class), in India. The fabric, developed by Grasim's textile division (2000-2001 turnover: Rs. 306 crore), uses polywool (a blend of polyester and Australian wool) and the brand promises that unruffled, 'just-dressed' look for hours. With prices ranging from Rs. 450 to 1,500 a meter, the fabric has three broad segments- super 70, super 80 and super 90, depending on different micron wool combinations. The range also features a trendy array of colours in over 500 combinations.

Grasim, part of the Aditya Birla Group, claims to be among the 'Top Three' in the Rs. 1,000 crore-premium menswear suitings market (in terms of realization to the manufacturer), and has a value market share of about 12 per cent. It already has some well-known brands such as Royal club and Milano. The launch of Uncrushables followed Aquasoft, the summer fabric; launched a few months ago and the company's new retail initiative.

1.8.2 Provogue:

Traditionally men's formal wear implied white shirts, black or dark pants. Wearing colourful shirts to offices was out of
imagination till early 1990's. But the data shows that men's casual formal wear market has already chained up to Rs. 185 crores and was supposed to be more than double in two years' time. *Perfumes and garments are two products where consumers' buying pattern is guided by personality.* As mentioned, more and more people are moving from the formal white and authoritative blue to informal orange, novel yellow and relaxed green. Colours people wear is closely associated with personality traits. So we can say new generation of professionals in the age group of 25-40 are whole lot relaxed and informal. This gets reflected in the brand personality. Brands that propagate a causal formal wear are preferred more and more to traditional formal wear brands. No wonder, well know departmental stores in major cities which earlier would not look beyond the big names like Allen Solly, Van Heusen, Zodiac, Park Avenue, are showing distinct preferences for "formal casual" wear. Industry people say customer profile is changing. Even for formal wear people's perception of social image has changed. People prefer more relaxed looks in work places. Further, consumer is tired of typical formal wear. It is not only limited in colour but fabric of typical formal wear is uncomfortable in Indian weather conditions. Cotton, which is
the main fabric of casual formal wear, breathes easily. The message is clear; formal wear segment has slowed down from 15 percent to 10 per cent between 1999-2000, while casual formal wear is growing at a rate of 25 per cent with the consumers preferring novelty and relaxed look. Provogue brought in Polynosic fabric. Because of the fabric, the look of the wear is different. Although Indian men were looking for novelty, Indian consumers are price conscious. Hence any fabric you develop, should be durable even if it is making a fashion statement. The fabric developed by Provogue had the comfort of cotton and durability and fall like any synthetic fibre. Nikhil Chaturvedi of Provogue used the concept of a change in one's self image and altering the fashion statement stating 'Wear something that at the same time has the comfort of natural fabric and the elegance of synthetic fibre'. Motto of Provogue is to build a pret-a-porter brand. In other words, modern Indian men have developed a self-image of fashionable yet informal personality, a lifestyle image that cuts accross categories.

1.8.3 The Dockers:

Branded premium shirts, trousers and accessories from Levi Strauss India Pvt Ltd, a wholly owned subsidiary of Levi Straus & Co, San Francisco, is now available throughout the country.
The world's No.1 Khaki brand as is claimed, comes in four broad categories - business casuals, smart casuals, active wear and accessories, including wrinkle-free pants, woven shirts, cotton polo, performance shirts, cotton sweaters, dress slacks, cargo shorts, wallet's, belts, socks et al. While shirts are priced between Rs. 449 and Rs.1,499, trousers range from Rs.995 to Rs. 1,999.

On pricing, Dockers has learnt from global brands that have entered India since the early 1990's that price-economy is very important to the Indian consumer. It needs to be just right - high enough to make the consumer aspire to the brand and low enough to reach it. Initially launched in Mumbai, Dockers then gradually rolled out to Bangalore, Pune, Kolkata, Hyderabad, Vijayawada, Panaji, and Chennai and then moved to North.

Targeted at the up market urban youth in the age group 25-35 years, the premium brand promises casual comfort at work, as well as leisure and sport utilities. The premium segment of the Indian market for readymade trousers is estimated at about one million pairs and Levi Strauss, India plans to grab a 25-per cent in the first year. Currently, only 15 per cent of the young executive's wardrobe is ready-to-wear. Levi Strauss wishes to
raise it to 25-30 percent. There are about 20 brands in the market, but people are still going for tailor-made clothes. All brands in the premium menswear category are the competitors; but the biggest competitor is the tailor. (Source: Khaki Software, People & Product, Advertising & Marketing, 30th April, 2001.)

1.8.4 Madura Garments:

Having established itself in the mid-priced shirt segment in India since it introduced Peter England shirts in 1997, Madura Garments (1999-2000 turnover: Rs. 248 crore) has launched the Peter England range of formal and semi-formal trousers, priced between Rs 545 and Rs 845 a pair. These will retail at about 1,800 multi brand outlets across the country, as well, as 100-odd exclusive Peter England outlets. (Source: Honest Deal, People & Product, Advertising & Marketing, 30th April, 2001.)

The range comprises polyester viscose finishes such as PV Twill, PV Matte, Melange and Pic-n-Pic, which have formal styling and twin pleats, while its Easy Care polyester-cotton range and 100-per cent wrinkle-free cotton offerings come in flat-fronts and pleats. They also boast comfort features such
as 'extended two piece waistbands' for a snugger fit with interlining to prevent sagging and pockets that claim not to flare.

Trousers in India are still the domain of the friendly neighbourhood tailor. Currently the penetration of readymade trousers is very low, especially in the mid-priced segment. Despite this, the market is flooded with a large number of regional and local brands, apart from national brands such as Newport, Live-In, San Frisco and Parx.

Currently, the annual Indian market for mid-priced readymade trousers is placed at six million pairs and Peter England aims to achieve 10 per cent market share in the first year. It also aims to catalyze the growth of this segment through large-scale conversion from tailor-made trousers (and up gradation from regional brand), to reach sales of Rs. 200 crore in three years. Peter England has already created a distinct position in consumer mind space with its promise of 'International Quality at honest-to-goodness prices'.

1.8.5 **Pepe:**

As a youth symbol, denim has for long, done what khadi was trying once in India - erase needless distinctions of class and credo.
Pepe is a European brand of jeans (and casual wear). It entered the Indian market in 1991, and spent the first five years working on distribution. In the next five years, it shifted focus to retailing, with distinctly branded 'shop-in-shop' zones selling Pepe. Today Pepe has some 250 such counters, though it is available at 400 retail outlets across India. (Source: Pittabiraman Shalini, Euro Denim, Advertising and Marketing, 15th Sept., 2001.) In next few years, three exclusive Pepe stores each in Delhi, Mumbai, Bangalore, Chennai and Thiruvananthapuram apart from one each in Jaipur, Chandigarh, Ahmedabad, Vadodara, Indore, Bhopal and Lucknow were franchised. The idea of this network was to penetrate the market deeper (at that moment, the brand was not available widely). It also gave the brand an opportunity to widen its range of casual wear products - something rival brands such as Lee, Levi's and Wrangler did aggressively in the late 1990's when denim lost some of its appeal in urban India.

As a lifestyle brand targeting the 16-25 age group, Pepe has introduced premium denim and non-denim outfits, and accessories to support the range. All united by Pepe's personality - young, funky and futuristic. The product range now includes casual cotton shirts, denim shirts, light weight jeans,
T-shirts, shirts, jackets and accessories such as duffel bags, caps and most recently, cotton casual pants.

The Pepe Jeans London and Khaki Deluxe Collections are priced with top wear ranging from Rs. 349 to Rs 999, bottom wear Rs 999 onwards and accessories at Rs. 149 onwards.

Domestic production will carry on; the idea being to keep costs lower (some 75 per cent of the products available in India are made here). About 45 per cent of the production is for the denim range, and the rest for the non-denim products. Some of the mills being used for production are Mafatlal Burlington and Raymond for denim and Ashima and Century for non-denim.

1.8.6 From Wills to Wills Sport:

Wills has been in the cigarettes business for over three decades. In terms of visuals, Wills conjures up images of a couple-young and sporty (now)-in perfect harmony. It signified a polished, sporty, educated, user image profile.

Globally, the cigarette industry is under strong pressure. ITC relying on the tremendous equity of Wills brand launched Wills Sport Wear in July 2000. The brand conveyed comfort, bright colours, typical Wills user activities, an aura of sportiness. The
result, within two weeks of launch the stocks at New Delhi Wills Sport outlet completely vanished. So phenomenal was the response that the company actually had to stop advertising. It demonstrated the power of a brand. If extended with care a brand can draw from its equity to push a product that is far removed for its original category. The cigarettes are not in any way similar to apparels. Wills association with sports has been age old. The brand always appeared on shirts that the Indian cricket team wore. An ad copy of Wills ran like 'fibre to fashion' as headline and message reading as "A Unique Wills sport philosophy that involves selecting the right grade of fibre, impeccable garment construction, comfort engineered fits and trend-spotting to stay in touch with world fashion. Ensuring that every single stitch adds to the joy of stretch-bend-jumping living". The sign off read as 'Introducing Wills Sport, for men and women. Active relaxed wear that plays with you.'

The brand communication physical campaign used the sports lingo against the backdrop of a typical urban setting with typical urban people, both men and women. For instance, the ad with headline 'rely' shows a woman crossing the street in a hurry (virtually running), while speaking on cell phone and a young man passing on a packet to her (also on-the move). The brand
urged its intended audience to 'be a sport'. (Source: Varma Harsh V., Brand Management, 1st Edn., Excel Books, Anurag Jain, New Delhi, 2002.)

The apparels are not designed as sports wear. Rather they are demonstrated to have properties that would make the sport easy and joyful, i.e. living in the modern environment - a jet set life style.

1.8.7 Pioneering role of Raymond:

Garment companies have been successful in the Indian market using approaches and distribution methods. Raymond, with its history of more than 75 years, relies on its long standing reputation, loyal customer base and well established, extensive retail network in over 400 towns through 30,000 retailers and over 270 exclusive Raymond shops.

In fact Raymond initiated the entire business of developing the menswear apparel business. It started the development work through the introduction of its first brand, Park Avenue. The readymade garments division has since then grown rapidly. It has created many a pioneering trend such as ready to wear suits. Raymonds has now become the leader among ready-mades, in India, achieving a business turnover of over Rs. 200 crores with its three brand- Park Avenue formal wear, Parx casual wear
and Manzoni, a premium range of shirts, suits and ties.

Raymond as a group enjoys a huge advantage over the competition—that of vertical integration—right from manufacturing to ready-to-wear to distribution. The main components of a successful integrated ready-made garments manufacture are:

- Fabric design
- Garments design
- State-of-the-art manufacturing systems
- Integrated logistic

To participate on a global platform, one cannot do without any one of these components. Logistic has to do with supply chain management. It starts from the procurement of the basic raw material till the finished product reaches the end consumer. In the ready-to-wear segment the maintenance of the logistical chain is challenging due to the various fits, collection and seasonalities and also the challenges in terms of colour and design, as requirements of both design and fabric change with season. At Raymond, the entire supply chain management is managed through a state-of-art software system, developed and tailored to specific needs.
1.8.8 Indian fashion designers:

Indian fashion designers have begun to follow the footsteps of their international counterparts including Givenchy, Karl Lagerfield, Christian Dior and Gianni Versace who designed uniforms for the corporate world.

Indian fashion designers now open their own design services firms that target corporate clients. Ravi Bajaj Institutional Design services has designed and manufactured uniforms for the Taj group of hotels and Jet Airways and has worked as design consultant for Hero motors and trading company Intercraft. Tarun Tahiliani, who designed the Oberoi group's uniforms, plans to set up a unit exclusively to design and produce uniforms after having worked with the Oberoi group for the past five years.

1.9 CHANGING HABIT OF INDIAN MEN

Young Indian men are adopting a different look. Brands that are highlighting a relaxed, cool look are becoming more and more popular. The table shows the sales turnover of the men's casual wear manufacturing company. These don't include traditional men's formal wear companies like Allen Solly, Zodiac etc.
As the number of products and brands are increasing in the market, so are the retail outlets, and it becomes very confusing for the customer to choose the retail stores. The selecting of a retail store also involves almost the same process as selecting a brand. A retail outlet relates to a service or a product that caters to the consumer. The retail trade occurs from the stores, but it also occurs from catalogues, direct mail, via print media, television and radio. Retailing is also done in weekly markets that are put up in different areas of a city on different days. It is also done from consumer to consumer by means of various media. It has become very challenging and exciting, both for consumers and marketers. The consumers may
give first preference to the store or the product or he may give equal importance to both. Sometimes one prefers a store's first, where he can get friendly and logical advice to buy the product, and prefers to buy a product/brand of second priority, if he is assured of proper service and proper guidance, rather than buying a product of his choice on first priority and missing out on other important aspects of purchase. The selection of retail outlet therefore, can be made considering a number of factors. These are advertising, outlet image, outlet location and size, consumer characteristics, shopping orientation, point of purchase displays, price reduction, store layout and store atmosphere.

1.9.1 Advertising
Retailers use price advertising and attract people to stores. People usually come to buy the advertised items and also end up buying other products. Sales of additional items are known as spillover sales. Price is also an important factor for purchasing the product.

1.9.2 Outlet image
It is perception of the consumer about the store. It concerns all the attributes associated with the store. It can be perceived on the following dimensions.
Table 1.3: Attribute perception relationship

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise services</td>
<td>Quality, selection, styles, price, place, sales personnel, easy return, credit and delivery.</td>
</tr>
<tr>
<td>Clientele</td>
<td>Types of customers frequenting the store.</td>
</tr>
<tr>
<td>Physical facilities</td>
<td>Cleanliness, store layout, shopping ease and attractiveness.</td>
</tr>
<tr>
<td>Convenience</td>
<td>Location and parking</td>
</tr>
<tr>
<td>Promotion</td>
<td>Advertising P.O.P. displays</td>
</tr>
<tr>
<td>Stores atmosphere</td>
<td>Atmospherics, ambience, fun, excitement, comfort etc.</td>
</tr>
<tr>
<td>Institutional</td>
<td>Store reputation</td>
</tr>
<tr>
<td>Post-transaction</td>
<td>Satisfaction</td>
</tr>
</tbody>
</table>


1.9.3 Outlet location and size

For the location of the store, convenience is the important factor. The consumers tend to buy from the store that is closest to them. All other things being equal, larger stores are preferred to smaller stores. People will go to smaller stores or nearby stores for minor items, but for purchasing items of high value, or speciality items, people will take the trouble of going to distant places and choose the best.

Consumers like ample space to move around and want to see the displays and the products closely. Location of the store may not be of so much importance to many as may be other variables
like the price, the variety, store quality and cleanliness and the ambience of the store. Stores in attractive surroundings are preferred to those in unattractive surroundings.

1.9.4 Consumer characteristics

Consumer characteristics must be studied because it gives an idea of the consumers. Different consumers have different reasons and different desires for shopping. Some buy for convenience others for an image.

1.9.5 Shopping orientation

There are many reasons for shopping. It may be for acquiring a product, or for making social interaction, or for exercise, or just for looking around and gaining more product knowledge. It can also be for exercising the physical parts and mental faculties. These motives may be different for individuals and the purpose for shopping may also vary.

Thus, by shopping orientation we mean, what emphasis is put on various activities or, the reasons we have for shopping. Shoppers are therefore categorised into seven different categories as given below:

- **Inactive shoppers:** They do not enjoy shopping and are not concerned much with price, product selection etc.
They have a restricted lifestyle and restricted interest in shopping.

- **Actives shoppers**: They enjoy shopping, and like to find out about various products. They are knowledgeable and balance price with quality, fashion, attributes etc.

- **Service shoppers**: They give importance to service by the shopkeepers. Both in-store and after-sales service is their main consideration.

- **Traditional shoppers**: They are active shoppers and engage in outdoor activities. They are knowledgeable and not price sensitive.

- **Price shoppers**: They are price conscious. They make a lot of search and find the lowest prices available. They take the help of the media for this purpose.

- **Delicate fringe shoppers**: They are catalogue shoppers and have little interest in television and radio. Not store loyal. They are not heavy socialist and do things by themselves.

- **Transitional shoppers**: They are experimental and keep changing stores and products. They do not go for low prices and buy products that interest them most.
There are also a numbers of influences that alter brand choices as shown in fig. 1.2

![Diagram showing factors influencing brand choices](image)

Fig. 1.2: Factors influencing brand choices


Sometimes unplanned purchases take place. These are purchases that have not been planned from before. These are also known as impulse purchases that the consumers had not planned or thought of before entering the store. This can mean a lack of rationality in decision-making.

1.9.6 Point of purchase displays

These are important influences in helping the customers to make a decision. They become very effective in case of snacks, foods etc. and the impact of these displays is tremendous and can be enhanced when combined with advertising.
1.9.7 **Price reduction**

Prices reduction can be in the form of discounts, coupons and gifts. When price reduction is given to the consumer the preferences for these brands becomes more enhanced and the brand moves faster than the competing brands. This is a great motivation that acts in multiple ways. The consumers may buy the products because he is getting it cheaper, and may stock the product in a greater quantity than is desired. This is known as stockpiling. The users of competing brands may switch to the low price brand for the time being and may or may not become permanent buyers of the brands. It is not necessary that all householders and consumers may respond to prices reduction.

1.9.8 **Store layout**

This is an important factor in store retailing. Prominently displayed products with good lighting and visibility, attract attention of buyers and have more chances of being sold. The store layout should not be monotonous and be changed after intervals of time to give it more innovative look. The principle of store displays and various types of displays must be practiced.
1.9.9 Store atmosphere

A congenial atmosphere influences a person psychologically, and good environment makes the customer stay a longer time in the shop, which enhances the chances of sales. In atmospherics the importance is given to lighting, floor layout, presentation fixtures, colours, sound dress, behavior of salesman. The atmospherics apply to a number of services, such as banks, hospitals, restaurant etc. The types of racks used, and the way the merchandise is displayed on them, also influences the atmosphere. It is the setting that is enjoyed by the consumers. The consumers feel happy in a good atmosphere that also constitutes the types of clientele visiting the store.

1.10 LEATHER GARMENTS

In the past decade, India has moved itself from the position of a raw material supplier to a player in the international finished leather products market.

Indian leather garments are consolidating there position, growing by over 46 per cent in the first half of 2000-01. (Source: Rajshekhar M., Bullish on Leather, Business India, Feb 5-18, 2001) According to industry sources, this has been made possible by the international market leaning more towards formal wear in leather and the demand
for casual leather wear is weakening. But the major leather export segments of the country, namely, leather footwear and leather goods, were quick to join the leap forward.

1.11 READYMADES UP THEIR SHARE

The TEXTILE industry is one of the oldest industries in India. The sector has made significant contributions in terms of forex earnings and employment and is one of the mainstays of the economy.

Both international and national players have been vying for a share of the Indian clothing market. This segment offers a high potential in terms of volume as India has a substantial middle and upper income consumer class. A precisely estimated market for branded readymade garments is difficult to obtain given its highly fragmented nature. There is intense and often price led competition. Cheap imports from countries like China, Taiwan, Thailand and Bangladesh are a threat to local manufacturing.

Comprising many sectors, the clothing industry is characterized by a high percentage of small and medium size business and faces drastic changes. One recent estimation of the domestic clothing market by KSA Technopak puts it at Rs. 43,100 crores of which the share of ready-mades (including traditional wear like dhotis, pajama kurtas,
sarees, sherwanis etc) is Rs. 30,000 crores. Of this branded ready to wear market is estimated at Rs. 9,000 crores.

As of now menswear still constitutes the largest component (approximately 60 per cent) of the branded ready-mades market. Within menswear, the largest segment is shirts at 35 per cent and trousers around 15 per cent. Innerwear, T-shirts and jeans are other significant components of the market.

Preference for readymade garments is increasing. With urbanization on the rise, growth in the ready-to-wear sector is inevitable. At the same time organized apparel retailing is expected to grow fivefold in the next five years with the arrival of international brands and already existing cutthroat competition from the domestic brands. The 15-34 age group is the largest consuming class for clothing in India. According to NCAER estimates, this age group is expected to grow at a higher rate than the rest of the population and will act as a major growth catalyst for the clothing market.

The growth in the branded wear category can also be attributed to the fast paced changes in the retail scenario. The evolution of retail channels in India is being driven by the evolving preferences of the consumers whose awareness level of fashion trends, disposable income and consumerism are all high. A significant positive shift is
taking place in Indian consumer's buying behaviour and expectations that no longer follow traditional retail practices. This can be attributed to the following factors:

- Change in lifestyle
- Entry of leading international brands
- Greater awareness and exposure to international media
- Foreign travel

The Indian consumers today wants different new merchandise at shorter intervals complemented by a great shopping ambience, service with speed and above all convenience of shopping. Above all there is an increasing urge to create a positive image of oneself given the overall environment of professionalism and competition. Serious marketers have identified this trait and worked to increase the variety and quality of products offered, along with meaningful lifestyles led advertising. New retail formats that are more consumer friendly and offer a significantly enhanced ambience and overall shopping experience have also contributed greatly. Today the retail structure in India, as it moves from disparate and unorganized sectors to a more concentrated system, has many players getting inspired and drawn to retails magnet.

With a tenfold rise in sales in the past decade, readymade trousers are the hottest item in the men's apparel market. As per a five-years
fact file the trouser market in India has grown at three per cent every year over the past 5 years. From 14, the number of national brands has grown to 25, a 75 per cent growth. From Rs. 385 crore five years ago, the estimated worth of the branded trouser market has grown to more than Rs. 800 crores today.

Another segment growing at a fast pace is the women's wear market (at about 9 per cent) at much higher pace than both men's and kid's wear. The reason is obvious - more and more women are now working and rising disposable incomes in general. At present this category contributes a little over 37 per cent to the total apparel sales in value terms and 33 percent in quantity terms. With the ongoing branding in this segment, particularly in sarees and other traditional wear, the value increase will be much higher in the coming years.

In India, the clothing market, even today is predominantly skewed towards tailored clothes. There has been a shift in urban markets with significant progression towards ready-to-wear clothes, especially in shirts.

For the garments segment, the most important factors are 'Fit and Finish'. While tailored garments are custom made and hence the fit is taken care of, the garment finish is the main challenge. On the other
hand, merchandised processes take care of the finish for ready-to-wear garments and focus is on individual fits.

The key differentiating factor between success and failure of the ready-to-wear apparel industry in future would be distribution, logistics (including supply chain management), commitment and dedication to quality. Elements of design will play an increasing role but standards overseas and in India will disappear in the next one to two years. The real differentiation for success would remain distribution.
A. Buyer Behaviour
B. Review of Literature