



Indian Fashion Industry Analysis

Present & Future

fashion
SUGGEST.IN

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Indians spent
₹5408bn
on purchasing
clothes in 2018

This growth is largely attributed to:



Higher
incomes

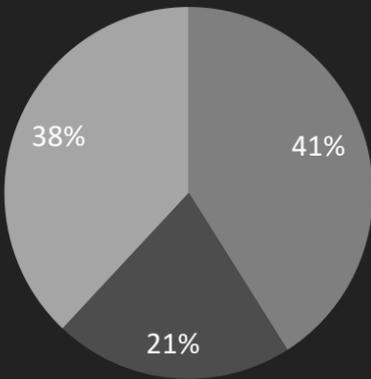


Migration
to cities



Brands entry
in non-metros

Apparel Sales



■ Men's clothing ■ Kid's wear
■ Women's clothing

Men's clothing (41%)

Shirts & Trousers form the primary segments; Denim & fitness wear are yet another rapidly growing segment

Women's clothing (38%)

Traditional/Ethnic wear accounted for the major sale, contributing almost 70% of the sales in 2017

Kid's wear (21%)

Yet another small segment witnessing rapid growth; especially, school uniforms that accounted for a major part

Shopping behaviour

Youngsters
within 18-25
age group
shop more



18-25

- ▶ Women tend to be more selective and prefers online shopping, esp niche sites & social media, than brick & mortar stores
- ▶ Medium priced apparel holds the predominant share followed by economy range. This reflects the consumers value-conscious mentality



Customers expect more personalised experience both in store and online. People favours curated items based on their individual tastes and preferences



Artificial Intelligence is shaping fashion in terms of providing automatic recommendations to customers, and reducing customer queries around the products



Youth, today, seek newness, and these cohorts are highly likely to embrace a churn in their wardrobes



Even consumers with six-figure incomes are looking for discounts. Luxury brands are increasing prices, significantly

What are the challenges?



India ranks 81st in terms of Corruption Perception Index, reflecting high income disparity rates



Significant number of licences are required for new entrants. Also stringent Government regulations



Almost 40% of the Indian road network was unpaved as of 2016. Poor infrastructure makes last-mile delivery difficult

The future

- ▶ By 2022, 690mn people are expected to be online on smart devices, attributing to elevated exposure to e-commerce portals
- ▶ 300+ international fashion brands are expected to open stores in India in the upcoming two years
- ▶ Desire for Western styles are likely to increase, even though traditional wear will still be expected to account for a 65% market share by 2023
- ▶ Luxury spending in Delhi, Mumbai and Bangalore is expected to increase. Kolkata, Chennai, Pune and Hyderabad have emerged as new centres of luxury consumption

References

- ▶ McKinsey – The State of Fashion 2019 report
- ▶ Technopak - Indian Ready Made Garments (Apparel) Industry
- ▶ CMAI Apparel Magazine