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back to roots

Consumption pattern: ethnicwear
an Images report

MARKET WATCH

Ethnicwear players take the cautious route through MBOs

DESIGNER WEAVES

- >> Lakmé Fashion Week Winter Festive 2011
- >> Van Heusen Men's Fashion Week

cover story presented by:



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Private consumption in India is growing at about 20 per cent. While Indian consumers are expected to spend ₹55 trillion this fiscal, total retail would be over ₹25 trillion growing at 15 per cent plus and the share of modern retail would be over ₹2.06 trillion growing at more than 30 per cent. Maintaining and pushing this growth in consumption will be extremely vital for overall economic growth of the country.

How much will fashion retail contribute towards this will pave the way for its future growth. At the just-concluded India Retail Forum 2011 we had experts thrashing various issues that impact the growth and path of fashion brands in India among other key topics of discussion. What is the right model for international brands venturing into India? Should they only cut, copy and paste what is followed in the West? Or with India being such a large demography do they need to customise solutions to suit the market here? I see so many international players foraying into the market and being stumped by the diverse psychographic segmentation of our country.

Another key topic of discussion was brand positioning. Enough can never be said about its importance for a successful retailing story. It was an interesting insight into what brand's do to capture markets. North Face, an adventure sports clothing manufacturer chose to simulate conditions through mobile technology to woo the unlikely Chinese customers while Uniqlo, a Japanese brand, let its stores and online campaigns do the talking to reposition itself in the minds of its target group. Our next issue of the *Business of Fashion* will analyse the key findings of the IRF.

In this issue we bring to our readers a research-based study of the ethnicwear market. With increasing number of consumers going back to roots in terms of clothing why do we have so few specialised ethnicwear brands? Read on to understand the industry's psyche...



Amitabh Taneja

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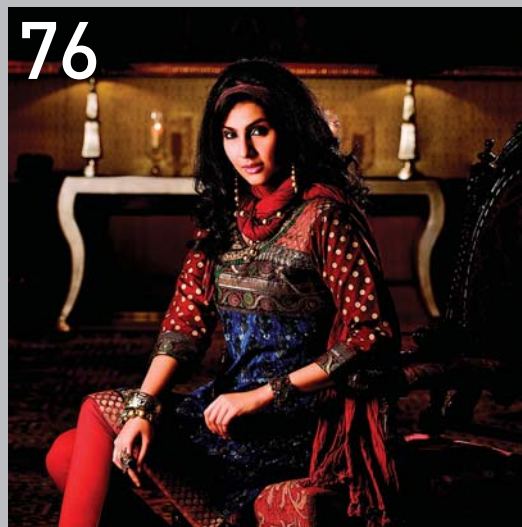
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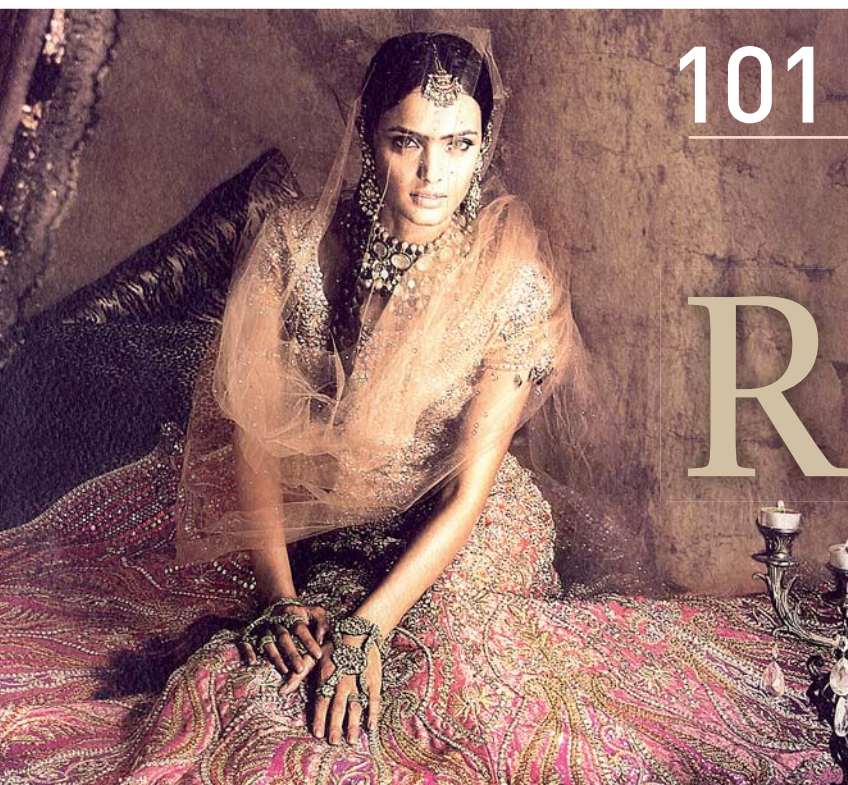
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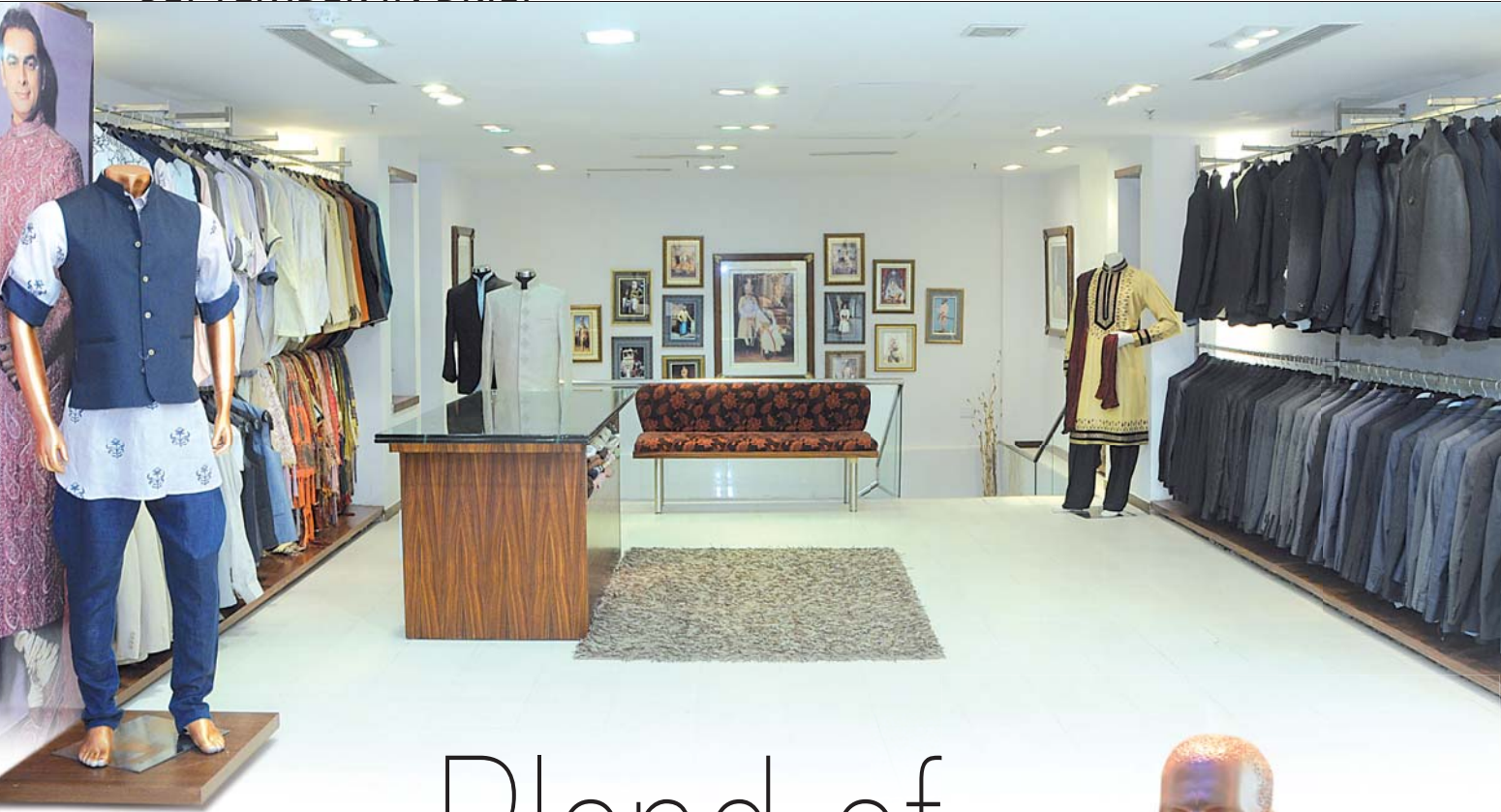
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Taking the Ethnic Route

INDIAN ETHNICWEAR INDUSTRY HOLDS TREMENDOUS GROWTH OPPORTUNITY FOR ALL PLAYERS. **SIDDHARTHA BINDRA**, MD, BIBA, TALKS ABOUT THE FUTURE OF THE SEGMENT AND CHALLENGES FACED BY VARIOUS BRANDS.

Ethnicity can be termed as the true essence of Indian tradition and culture. And ethnicwear today comprises 70 per cent of the total womenswear market in India. It is because of its popularity that ethnicwear holds a strong shelf space in a woman's wardrobe and is





Blend of Tradition

STUDY BY JANAK RECENTLY INAUGURATED ITS EXCLUSIVE STORE IN GURGAON. THE TASTEFULLY DESIGNED STORE CAN BE TERMED AS A MENSWEAR HAVEN.

Study by Janak (SBJ), primarily an ethnicwear brand for men, opened a new store in August in Gurgaon. Located at Grand Mall at MG Road this is SBJ's fifth outlet in the country and first in Haryana. The brand also has a factory outlet in Noida.

The store reflects its brand value as a lot of attention has been given to finer details of the store interior such as wooden shelves, spotlights, flooring, walls, et cetera. The store sports a dedicated



WITH THE ADVENT OF GLOBALISATION AND WESTERN INFLUENCES, INDIAN ETHNICWEAR NOW IS MOSTLY ASSOCIATED WITH WEDDINGS, FESTIVALS AND RITUALS. HOWEVER, THE MINDSET CHANGE OCCURRED WITH THE INTRODUCTION OF FUSIONWEAR. **IMAGES BOF** CONDUCTED A SURVEY TO UNDERSTAND THE CONSUMPTION PATTERN IN THE ETHNICWEAR CATEGORY.

Change is one thing that is always constant in the fashion industry and over the years Indian fashion retail industry has been through dramatic changes. Youth has emerged as the next generation consumer with global fashion knowledge, and high disposable income. India has evolved to offer a huge consumer base for international brands and this phenomenon is becoming prominent with the huge number of foreign brands entering the domestic market. Every change has its pros and cons and this constant influx of international brands has made a strong impact on the Indian fashion retail industry.

There is no denying that Westernwear such as jeans, tops, et cetera have emerged as favourites among consumers across all the age groups, yet Indian ethnicwear still holds the ground firmly through mass popularity. Indianwear constitutes the major portion in the womenswear industry, however, in menswear segment it's lagging behind mainly because of its limited utility on special occasions only.

In our research we have considered kurta pyjama, kurta churidar, mundu or lungi, dhoti,

by **Nalini Singh** _____

Back to Roots



MAHESH CHAND MOHNANI,
MD, VASARI INDIA PVT LTD,
TALKS ABOUT THE PRESENT
SCENARIO OF ETHNICWEAR
RETAILING IN INDIA AND HOW
ORGANISED RETAIL PLAYERS
CAN TAP THE MARKET.

Retailing Ethnicity

The Indian apparel retail scenario is seeing many evolving trends across various sectors. One of the most prominent aspects has been the emerging trend of working women opting for traditional wear, which comprises primarily saris and salwar kameez and other regional attire as their dailywear. However, ethnicwear from the unorganised retail sector dominates the wardrobe of Indian women and there are very few branded players.

The reason may be because operating costs in the organised sector is considerably more. The fixed as well as the variable expenses in the unorganised sector are extremely low as compared to that of the organised sector. Also, there is a lot of variation in the materials used for fabrication which again creates a difference in the cost of manufacturing.

Today's Indian consumers buy ethnicwear for special occasion, such as weddings and festivals, and they tend to spend more as compared to Westernwear. Therefore, the unorganised segment is preferred and people normally purchase it from shops which their parents trusted and bought from over the years.

The number of garments manufactured by various local brands in the unorganised sectors is comparatively less in number than those in the organised sector which again reduces their investment in stock. Mostly, they keep one piece per designer and they also custom make. But this is something which retailers in the organised sector cannot follow. The organised retail works on a different business model and they have to stock enough ready-to-sell pieces.

So, what is the way out? Players in organised retail can have outlets which are not high maintenance and therefore, ensure correct investment in stock, manpower, electricity as well as interiors. Brands should emphasise more on reaching clients directly through various mediums. In today's world internet is perhaps one of the best way to interact. Its reach is enormous specially when today's consumer is highly tech savvy. Also, there are numerous ways through which a brand can effectively reach its consumer.

Value addition is a highly effective marketing tool, which helps brands to continue to live in the minds of consumers beyond store experience. Offering gift vouchers, discount coupons or holding contests in store, at events, et cetera

and presenting complimentary vouchers can be very rewarding for brands. Also, coming out with special schemes for loyal customers and being a part of their special days such as birthdays are few value additions that help a brand to build a loyal consumer base.

There are many e-portals through which brands can make their presence felt internationally. Also, creating tie-ups with various complimentary product brands such as beauty parlours, spas, health clubs, et cetera will help them to attract customers to the store once and then convert them into loyal customers. These initiatives help widen the customer base for brands.

With increasing influence and awareness of global fashion, Indian consumers are beginning to experiment and fuse Westernwear with Indian designer clothing. And more designers are catering to this demand. However, they need to understand the consumer requirement and customise. We need to convince customers and gain their confidence by building a relation with them. As Indian consumers are always value-conscious, designers should also justifying their high price. There is a lot of opportunity that can be tapped in this segment. Players in the organised retail should innovate to appeal to the massive consumer base of youngsters and working women who include traditionalwear in their dailywear. **BoF**

BRANDS ARE LOOKING AT WAYS TO TAP THE BENEFITS OF ORGANISED RETAILING BUT WHERE DOES THE FUTURE LIE - EBOs OR MBOs? IMAGES BOF TALKS TO VARIOUS BRANDS FOR THEIR TAKE ON EXPANSION ROUTES.



Being Cautious

EBOs OR MBOs - a better retail format?

by Aakriti Agarwal

Ethnicity in India has always been preserved and ethnicwear plays a dominant role in the Indian culture. But one cannot ignore the extremely diverse cultural heritage that is influenced by the diversity of traditions, customs, clothes and rituals. With the recent upswing trend of ethnicwear, in the India fashion retail industry, many brands, retailers and designers are focusing more towards this segment to grab the growing market share.

Many regional ethnicwear brands are expanding and making a mark on

the organised retail map. These brands are moving out of their regional markets either on their own by setting up EBOs or riding on the back of modern retail format, that is MBO. Interestingly, it has been observed that ethnicwear brands are majorly opting for multi-brand outlets and there are only few who are willing to take the EBO route.

Recently launched ethnicwear brand Seven East has presence in both EBO and MBO. Sanjay Bindra, owner of the brand, says, "The ethnicwear category is more product driven than being brand driven and thus MBOs work well in this segment.

Moreover, there are only few players in the market and there should be at least 10 to 15 players to have a healthy competition in order to provide more variety." Also, an EBO requires higher investment in terms of infrastructure, back-end software, et cetera. It is challenging for a new player to find the right location for setting up an EBO and then manage it without any prior retail experience. "Therefore, many find it easier to retail through MBOs. It is a game of return-on-space in multi-brand outlets. Lot of MBOs today are expanding their ethnicwear section within their spaces because it is becoming more profitable for them," he adds.

boy, OH boy!

by Nalini Singh

THE RECENTLY CONCLUDED THIRD EDITION OF VAN HEUSEN INDIA MEN'S WEEK – 2011 AT THE GRAND, NEW DELHI SHOWCASED SOME EXQUISITE WORK BY DESIGNERS. IMAGES BOF SPOTS TOP 10 DESIGN TRENDS. ALTHOUGH, THE SHOW DID NOT ATTRACT MANY BUYERS, DESIGNERS WERE SATISFIED.

Classic Accessories



Krishna Mehta

The display of extremely fashionable and classic accessories was one of the prime highlights of the show. This time shoes and bags were one of the most creative aspect of designers – starting from innovative socks with laces by Ankita and Anjana Bhargava to classic loafers by Ashish N. Soni and Troy Costa's brogues. Designers have experimented giving interesting variations to military boots, kolhapuris and showcased fashionable sandals with strings. Twist in bags drew a lot of attention. One could find a lot of variations in terms of design and colours given to clutch bags, shoulder bags, holdalls, barrel bags and newsboy bags. Classic black and brown, plain white and pink with shibori effects on it, adding the metrosexual touch.

Touch of ETHNICITY



KOLKATA-BASED ETHNICWEAR BRAND PRAPTI HAS CARVED A NICHE IN THE ETHNICWEAR INDUSTRY. **AKASHDEEP AGARWAL**, DIRECTOR, PRAPTI FASHIONS, TALKS TO **IMAGES BOF** ABOUT RETAIL STRATEGIES.

Prapti Group is an established business house operating out of Kolkata with offices in North Bengal and Sikkim. It was in the year 1990 that Prapti emerged as an established brand in the Indian retail industry for men and women's ethnic garments. The brand specialises in designer salwar suits, saris, sherwanis, lehenga-choli, unstitched dress material and bridal attire in opulent designs and 100 per cent cotton



MANAGING HUMAN RESOURCE EFFICIENTLY IS THE KEY TO SUCCESSFUL BRAND POSITIONING. RAVI MODI, MANAGING DIRECTOR, VEDANT FASHIONS BELIEVES IN ALIGNING ITS HR POLICES WITH TRADITIONAL INDIAN VALUES.

by Vasantasena Biswas

Ethnicwear brand Manyavar paved its successful growth path from humble beginnings. The company started retailing menswear since the year 1976 through their outlet in AC Market, Kolkata. Ethnicwear became the most successful merchandise category. Gradually the brand identified huge scope in men's ethnicwear retail segment and decided to specialise in this category. "This segment is largely unorganised and

there are issues of untimely supplies, lack of creativity and over pricing and so we decided to fill in these gaps by starting our own company Vedant Fashions Pvt Ltd and label Manyavar in the year 2001," says Ravi Modi, Managing Director, Vedant Fashions. The brand retails men's ethnicwear, primarily sherwani, kurta, Indo-Western, suits and accessories. Since its inception there was no looking back for Manyavar as it grew in strength and entered into LFS through Pantaloons and by 2005 it had its presence in all

Stitching Strength



the major MBOs across the country. Successfully carving a niche for itself, the brand opened its 100th store in 2010.

With many stores and extensive ethnicwear merchandise, the brand manages a vast employee population. And managing human resource efficiently is the key to successful brand positioning believes Manyavar. The core of human resource policies are aligned with Indian traditional values and aptly has a tagline – Earn Your Respect. Living up to the company's core values, every employee greets customers with a namaskar reflecting true Indian values. The company closely associates itself with its employees and the principle focus of Manyavar's human resource department is to improve people-organisation relationship. The brand seeks to fulfill both employee needs and organisational objectives and the HR department aims at creating an environment that enables every employee to discover, develop and use his or her capabilities to the fullest extent in order to bridge the two.

Employee recruitment has an interesting aspect in this company –