

INDIA
BUSINESS OF
FASHION
REPORT
2018

*The
Blending
of the
Worlds*

IMAGES
YEARBOOK
VOLUME XV. NO.1



FOREWORD >>

Let's face it. The fashion consumer has evolved leaps and bounds, faster than the industry that was trying to woo her. She has blended effortlessly in the new digital world, even as the retailers and brands furiously struggle to re-educate and reinvent themselves.

Old schoolers may lament and consider this a shift from a seller's market to a buyer's one, but truth be told, the customer was always queen. It is just that the industry did not have the tools to either understand or satisfy her. Today we do, and so the whole concept of intuition, inspiration and intelligence stands re-defined. It is now possible to assess the design salience of both the product and the experience, and the relevance of trends as they shift in real-time. This lends incredible muscle to the possibilities of extremely sharp personalisation.

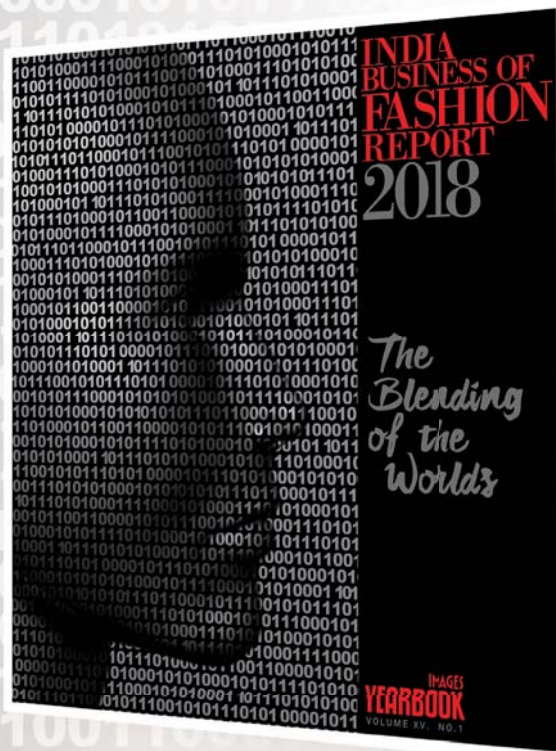
And, as the glorious lady see-saws and transfers from her infinite interactions online and on mobile and on physical channels, the immense wealth of transactional data she generates is also a huge challenge to decode. And for that matter, data is also a whole new thing. Data now has not just numbers but colours, fits, designs, shapes, nay...even smells and emotions.

In India, the above factors, which are in-essence, global are magnified manifold by our own rich cultural diversity, and the emotive ethos of a very functional and thriving democracy. Consider further, the world's largest force of experimental emancipated millennials just waiting to take charge of both their own destinies and of their nation, and issues like fitness and well-being come to the fore. All these portents the emergence of a beautifully blended and powerfully indigenous model of cent percent Indian Fashion, with a rainbow of bright new fashion categories and experiential retailing models.

Indian Fashion stands at the throes of a coming revolution! This, the *15th edition of the India Business of Fashion Report*, seeks to look at some of these very critical issues both in their current perspective and as what they imply for *the future of fashion business in India*.

Amitabh Taneja

CMD and Editor in Chief, Images Group



CONTENTS

SECTION 1: INTELLIGENCE & INSPIRATION..... 36

- 1.1** Fashion 2.0: The need for Artificial Intelligence for Fashion and Lifestyle Businesses38
– *Ganesh Subramanian, Founder & CEO, Stylumia*
- 1.2** Intuition versus Artificial Intelligence46
– *David R Shah, Trendforsker and Publisher – Metropolitan Publishing BV*
- 1.3** How Blockchain Is Disrupting Fashion.....52
– *Susanna Koelblin, Business Development Manager - Textiles, Eastman Chemical Company*
- 1.4** The Human-Centric Resolution56
– *David R Shah, Trendforsker and Publisher – Metropolitan Publishing BV*
- 1.5** Blending of the Worlds: Fashion consumption in India through millennial perspective60
– *Kaustav SenGupta, Associate Professor, Link Chairperson and Centre Coordinator, NIFT Chennai*
- 1.6** The Localists: The Future Consumer Breed68
– *A WGSN Report*

SECTION 2: MARKETS & MOVEMENTS..... 72

- 2.1** The Indian Fashion Market 201774
– *Amit Gugnani, Senior VP; supported by Goutham Jain, Principal Consultant; and Niharika, Associate Consultant for Fashion - Textile & Apparel, Technopak*
- 2.2** Apparel Market Polarisation and New Opportunities86
– *Baqar Naqvi, Business Director and Willson Anand, Associate Consultant, Wazir Advisors*

CONTENTS

2.3	Online Fashion Consumer Behaviour learnings from 2017.....	94
	– Nitin Bawankule , Director Sales, Google India	
2.4	Omni-Channel: The Future of Fashion Retail.....	100
	– Amit Gugnani , Senior VP; Goutham Jain , Principal Consultant; and Niharika , Associate Consultant for Fashion - Textile & Apparel, Technopak	
2.5	Investment Themes in the Indian Fashion Industry.....	106
	– Mohit Jain , Business Head – Transaction Advisory, Wazir Advisors	
2.6	Supply Chain in the Fashion Industry and its Upcoming Future.....	110
	– Vineet Kanaujia , Vice President – Marketing, Safexpress	
2.7	Fashion - The Prime Driver of Shopping Space in India.....	114
	– Pankaj Renjhen , Managing Director-Retail Services, JLL India	
2.8	Driving Success through 'Social media'.....	122
	– Suraj Nagappa , Vice President, Isobar	
2.9	Retail Design for Fashion: Purposeful & Personal.....	136
	– Sanjay Agarwal , Managing Director, FRDC (Future Research Design Company) with inputs from Heather Klee , JGA and Nimmi Elizabeth , FRDC	
2.10	Click to Brick: Flipping the Script.....	144
	– Team IMAGES BoF	
2.11	The Future of the Business of Women's Wear.....	152
	– Jaydeep Shetty , Founder & CEO, Mineral Fashions Ltd	
2.12	The New World Order: Curated Commerce.....	156
	– Debangini Nath , Fashion Director at Creyate	
2.13	The Indian Luxury Market - An Overview.....	162
	– Nandini Kelkar , Research Director, Customer Research Practice, Frost & Sullivan	
2.14	Beyond Disruption: Fashioning success in India's luxury market.....	166
	– Abhay Gupta , Founder & CEO, Luxury Connect & Luxury Connect B School	
2.15	Private Labels: A Changing Perspective in Indian Retail.....	174
	– Amit Gugnani , Senior VP; Goutham Jain , Principal Consultant and Niharika , Associate Consultant	
2.16	BeSpoke Fashion and the Technology Influences on it.....	178
	– Tejinder Singh , COO, Arvind Limited	
2.17	The Big Opportunity in Licensing in the Indian Fashion Market.....	182
	– Jiggy George , Head of India, Licensing Industry Merchandisers Association (LIMA); Founder and CEO, Dream Theatre.	

CONTENTS

SECTION 3: ETHOS & INITIATIVES 184

3.1	INDIAsize: India's Sizing Survey is Finally Here.....	186
	– <i>Dr. Noopur Anand, Professor - Department of Fashion Technology, NIFT</i>	
3.2	A Glimpse at Indian Ethnic Wear 2018 Trends.....	190
	– <i>Namita Bhagat</i>	
3.3	A Creative Fashion Merger.....	196
	– <i>Meher Castelino</i>	
3.4	Underpinning the Ethos of Indian Fabrics.....	204
	– <i>Anupam Arya, Director, Fabriclore</i>	
3.5	2017: The Indian Designer Fashion Kaleidoscope.....	208
	– <i>Meher Castelino</i>	
3.6	Newage Bridal Wear.....	216
	– <i>Meher Castelino</i>	

SECTION 4: INVEST & INNOVATE 184

4.1	10 Reasons to Invest in the Textile Sector in India.....	226
	– <i>Disha Acharya, Consultant and Ayushi Puri, Associate Consultant, Wazir Advisors</i>	
4.2	Indian Textile Industry: Present Scenario, Challenges and Way Ahead.....	232
	– <i>Anubha Sehgal, Senior Consultant and Ayushi Puri, Associate Consultant, Wazir Advisors</i>	
4.3	Key Issues Holding Back Textile & Apparel Manufacturing In India.....	240
	– <i>Mausmi Ambastha, COO & Co-founder, Threadsol Pvt. Ltd.</i>	
4.4	Polyester Innovation, Efficiency & Competitiveness - Walk Hand-in-Hand.....	244
	– <i>Rakesh Bali, Senior Vice President & Head Marketing, RIL</i>	
4.5	Fitting India in Fashion Industry 4.0.....	250
	– <i>Ram Sareen, CEO, Tukatech</i>	
4.6	Jewellery: A Re-Evolving Fashion Sector.....	254
	– <i>Sunil Nayak, CEO, Reliance Jewels</i>	

Contributors.....	258
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IN AN AGE WHERE TECHNOLOGY HAS ENABLED CONSUMERS TO BE WELL AWARE OF THE ACTION AROUND, ARTIFICIAL INTELLIGENCE HAS EMERGED AS AN INDISPENSABLE TOOL FOR FASHION PLAYERS TO GET CLOSER TO CONSUMER AND STAY IN TUNE WITH THEIR TASTE ALWAYS.

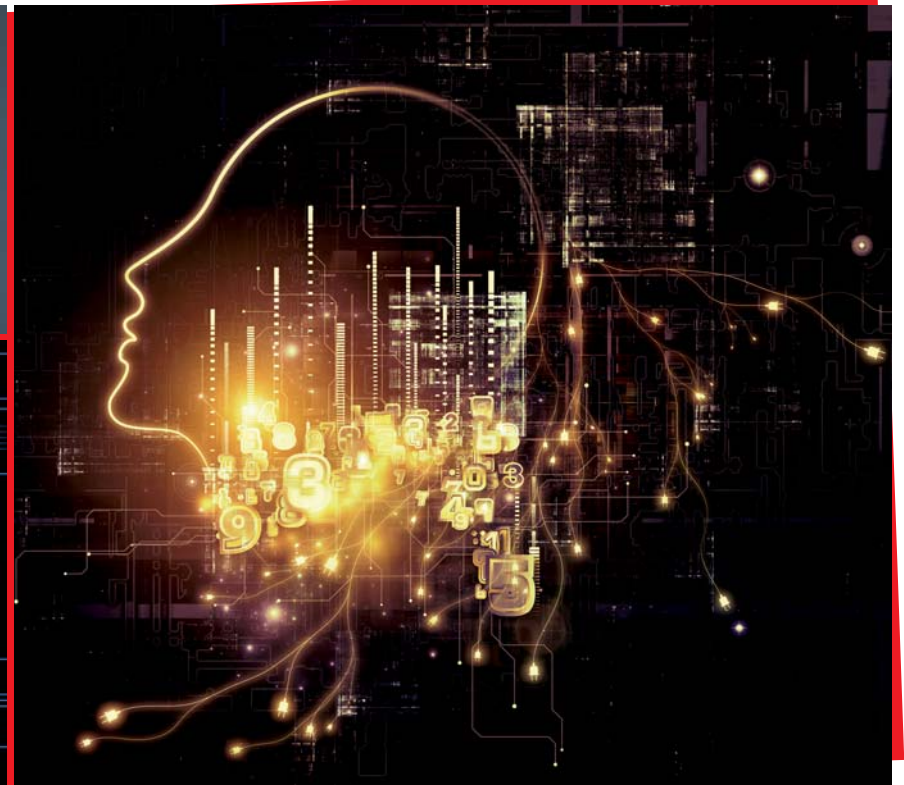
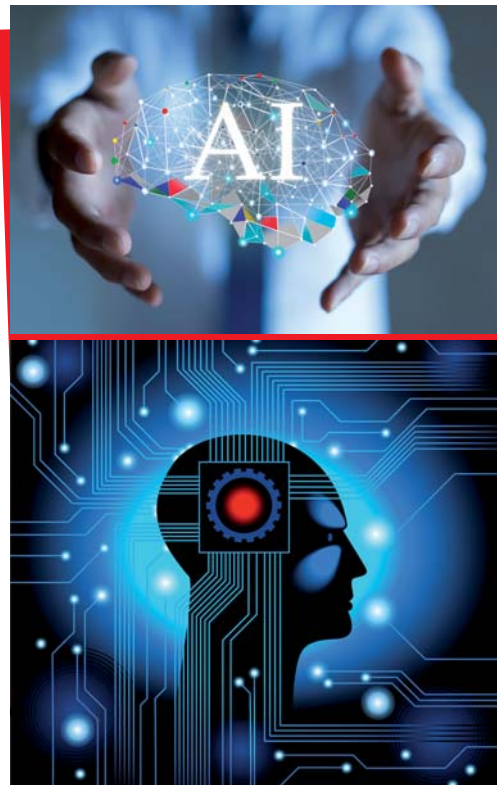
“ *The greatest enemy of knowledge is not ignorance, it is the illusion of knowledge* ”
– Stephen Hawking



FASHION 2.0:

THE NEED FOR ARTIFICIAL INTELLIGENCE FOR FASHION AND LIFESTYLE BUSINESSES

– By Ganesh Subramanian, Founder & CEO, Stylumia



FROM DRIVERLESS CARS TO KILLER DRONES, ROBOTICS AND ARTIFICIAL INTELLIGENCE (AI) ARE ABOUT TO TRANSFORM NOT JUST SOCIETY BUT HUMAN CIVILISATION. IN THE FASHION BUSINESS, WE ARE PRETTY CONFIDENT THAT AI COULD NEVER REPLACE US, ESPECIALLY ON THE DESIGN AND MARKETING FRONT – BUT COULD THAT CONFIDENCE BE MISPLACED?

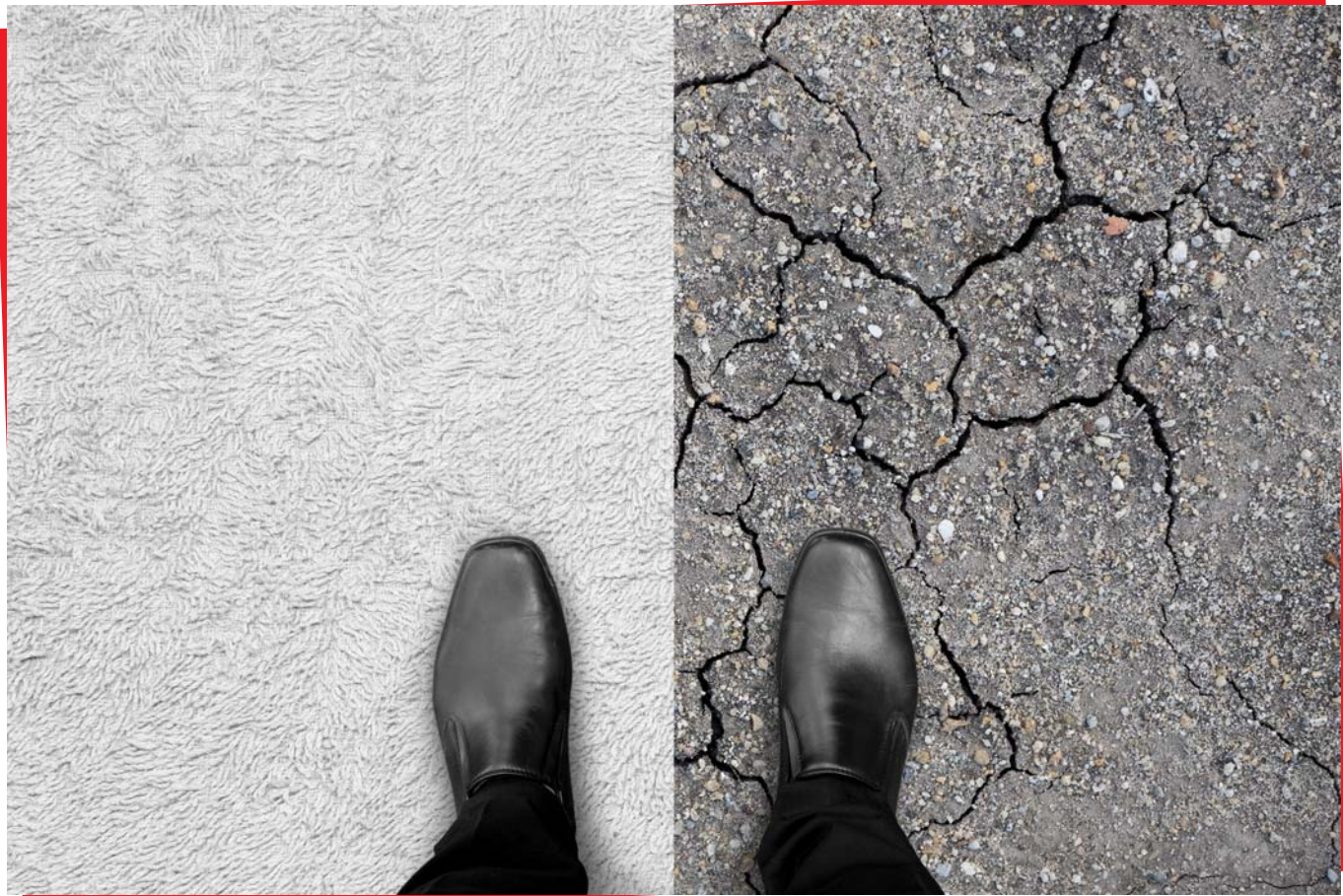
INTUITION VERSUS ARTIFICIAL INTELLIGENCE

— By David R Shah, Trendforsker and Publisher — Metropolitan Publishing BV

Thanks to huge leaps in machine learning, speech recognition, mapping and visual-recognition technology, artificial intelligence will soon be integrated into almost everything we touch. We are witnessing the start of the fourth industrial revolution – the first being mechanical production with steam engines, the second being mass production with oil and electricity, and the third being automated production incorporating electronics and IT. The difference, analysts say, is that this new revolution is likely to be 10 times faster, at 300 times the scale and have 3,000 times the impact of everything before.

The advantages

With robotics and AI come massive advantages. Robots are faster and more efficient than humans, and experience no frustration, fatigue or boredom. They can perform lights-out manufacturing, 24/7, without food and rest breaks. They can work (and fight) in hazardous conditions, unaffected by poor lighting, toxic chemicals



INDIA'S FASHION CONSUMPTION STORY HAS TAKEN OFF TO NEWER HEIGHTS ALTERING THE SIZE AND SHAPE OF THE MARKET. TODAY, THE INDIAN APPAREL MARKET IS BEING POLARISED BETWEEN THE "ECONOMY AND VALUE" SEGMENT ON ONE SIDE AND THE "PREMIUM AND SUPER-PREMIUM" SEGMENT ON THE OTHER.

APPAREL MARKET POLARISATION AND NEW OPPORTUNITIES

— By *Baqar Naqvi, Business Director and Willson Anand Associate Consultant, Wazir Advisors*

More Conscious More Demanding More Unpredictable

These words are best suited to Indian consumers whose apparel preferences are constantly being democratised. The apparel preferences which were an outcome of inherited traditions and lifestyles have pivoted to modernity, aspirations and trendiness. Contemporary Indian consumers are more conscious about the modern synchronicity of occasion and dressing, more demanding in fashion versus price balance and more unpredictable as they see apparel as a form of self-expression. This shift is due to the changing demographic and psychographic profile of the Indian consumers.

The Indian consumers comprise of 75 percent population with less than 40 years of age. Increasing number of these consumers are shifting from rural to urban areas in search of



THE INDIAN FASHION INDUSTRY IS AT THE THRESHOLD OF A GROWTH REVOLUTION AND IS A BANKABLE ASSURANCE FOR INVESTORS ROUND THE GLOBE. A DETAILED LOOK AT THE THEMES THAT HAVE HITHERTO INFLUENCED INVESTORS AS WELL AS SOME THAT ARE MOST LIKELY TO PLAY OUT IN THE NEAR FUTURE.

INVESTMENT THEMES IN THE INDIAN FASHION INDUSTRY

— By Mohit Jain, Business Head - Transaction Advisory, Wazir Advisors

If one looks from the macro perspective, Indian economy in the recent past has witnessed two major events namely demonetization and GST. The tremors of both were felt from consumers to manufacturers. While, the consumer demand slowed down due to Demonetization, GST pricked the supply chain of manufacturers. However, each industry which got affected has moved on. The same is the case with the Indian fashion industry which is turning a new corner. As a result, there is a renewed sense of optimism among investors also.



SOCIAL MEDIA IS BRINGING FASHION BRANDS AND CONSUMERS CLOSER LIKE NEVER BEFORE. IT ALLOWS THE BRANDS TO STRIKE A PERSONAL RAPPORT WITH PEOPLE, INVOLVE THEM EMOTIONALLY AND EVEN PERSUADE THEIR SELECTIONS AND PURCHASE DECISIONS. IN FACT, IN TODAY'S DIGITAL ERA, NO BUSINESS CAN AFFORD TO IGNORE SOCIAL MEDIA, WHICH HAS EMERGED AS ONE OF THE MOST INFLUENTIAL MARKETING TOOLS OUT THERE.

DRIVING SUCCESS THROUGH 'SOCIAL MEDIA'

- By Suraj Nagappa, Vice President, Isobar

In the times we live in, the world is forever more interconnected: mobile phones and internet technology help us to stay connected with each other 24x7. Interpersonal communication and networking via social media platforms like Twitter, Facebook, Instagram, Pinterest, etc., is fostering highly interactive and powerful online communities of people who share common ideas, views and impressions. Meaningful connections and conversations are important to all. Not just people, even businesses are going now 'social'. Today when almost everything is available with a click of a button, social media is bringing brands and people closer like never before. It allows brands to strike a personal rapport with consumers, involve them emotionally and even persuade their product selections and purchase decisions.

In fact, in today's digital era, no business can afford to ignore social media, which has emerged as one of the most influential marketing tools out there. Hardly surprising, the fashion companies across the world, including India, are increasingly leveraging this amazing 'online' tool to build strong customer engagement, raise brand awareness and recall, enhance brand loyalty and grow sales.

Enabling Access, Engagement

Social media usage and its impact are consistently growing and the phenomenon invariably has aided in the democratization of fashion as well. Earlier, only the selected few had an access to the fashion runways and latest trends; however, the digitization of fashion events and product launches has

AS CONSUMERS GET MORE DEMANDING, THERE IS A PRESSING NEED FOR FASHION RETAILERS TO INVEST AND CONCENTRATE ON MAKING THEIR RETAIL LAYOUT MORE PERSONAL AND PURPOSEFUL. SMART DESIGN DECISIONS MAKE A SIGNIFICANT DIFFERENCE TO WHETHER YOU MAKE A SALE OR NOT.



RETAIL DESIGN FOR FASHION: PURPOSEFUL & PERSONAL

— By Sanjay Agarwal, Managing Director, FRDC (Future Research Design Company) with inputs from Heather Klee, JGA and Nimmi Elizabeth, FRDC

Fashion is an expression. Retail design reflects and fosters these expressions as one acknowledges that today; shopping experience is driven by the consumer rather than the retailer. With the rise in competition to reach the consumer, people have multiple channels to buy from. Physical stores must provide an experience beyond that which can be achieved behind a screen. Retailers need to recognize this new shopping cue and respond to their mutated needs.

To define this new shopping experience, and redefine the psyche of the store, we should first determine what makes shopping a meaningful task for them. And analysing the consumers' lifestyle and affinity towards individualistic enterprises, we respond with 'Purposeful' and 'Personal' experiences. The new shopping experience should be perfectly designed to be 'Purposeful and Personal'.

PRIVATE LABELS IN INDIA HAVE WITNESSED A NEW ERA OF GROWTH BUTTRESSING ON THE DATA HARBOURED BY E-COMMERCE PLAYERS. THE RICH CUSTOMER INSIGHTS TRANSLATES TO A SLEW OF SIGNIFICANT ADVANTAGES, ALL RESULTING IN SHORTER SHELF-TIME OF PRODUCTS.

PRIVATE LABELS: A CHANGING PERSPECTIVE IN INDIAN RETAIL

— By Amit Gugnani, Senior VP, Goutham Jain, Principal Consultant and Niharika, Associate Consultant.

The Indian Retail Market is growing at an astonishing pace. The retail market is estimated at ₹46,15,000 crore (US\$ 710 billion) in 2017, and is expected to grow at a CAGR of 9 percent to reach ₹1,08,58,000 crore (US\$ 1,672 billion) by 2027. Share of unorganised sector in retail market is 89 percent, whereas organised brick-and-mortar retail accounts only for 9 percent and e-retail has share of 2 percent. The dynamics of Indian retail market is changing at a phenomenal pace. After the implementation of unified taxation under GST regime, it is expected that the share of organised retail will increase at higher rate. Apparel sector has one of the highest percentages of organised penetration at approximately 24 percent which is expected to reach 36 percent by 2021.





Diganta Talukdar / Shutterstock.com

THE RICH HANDLOOM CRAFT OF INDIA IS GRADUALLY GAINING A BRAND VALUE OF ITS OWN. YET IT STILL IS CONFINED BY THE OLD SHACKLES THAT MANIFEST IN TERMS OF LEGACY TRADE MECHANICS AND HIGHLY UNORGANIZED PRODUCTION AND DISTRIBUTION. AN ONLINE PLATFORM EMPOWERING BOTH THE ARTISANS AND THE CONSUMER MAY JUST BE THE ANSWER.

UNDERPINNING THE ETHOS OF INDIAN FABRICS

— By Anupam Arya, Director, Fabriclore

The vibrant heritage that India is mirrored in has forever been woven with yarns of colorful culture intertwined with those of now urbanized rural imagery. What better example can one give apart from that of our handloom industry, an entity which has seen an unprecedented amount of popularity in the recent times. From social media campaigns to designers and celebrities opting for it, handloom has weaved deeply into the heart of the masses and is here to stay.

The handloom industry today is not just a source of employment for the weaving community but is gradually gaining a brand value of its own. Our rich handloom crafts and fabrics are taking us to global platforms, with presence in prestigious awards. Yet, things weren't this wonderful for handloom in the past. It was relegated to a substandard level, with masses asking to style their apparels out of western fabrics.



MODERN BRIDAL WEAR FLAUNTS SHARP CONTRASTS BETWEEN OUTMODED TRADITIONS AND UBER MODERNITY. INDIAN DESIGNERS ARE BRIDGING THE GAP BY LETTING THEIR COLLECTIVE IMAGINATIONS SOAR THROUGH SEAMLESS BLEND OF INDIGENOUS SKILLS WITH WESTERN SILHOUETTES AND STYLING.

NEWAGE BRIDAL WEAR

— By Meher Castelino

There was a time a few decades ago when Indian bridal wear meant the traditional red ghagra or chaniya, choli and dupatta in which the young blushing bride took her saat pheras and never raised her eyes to look at her groom during the ceremony or even at the other wedding functions like the mehendi or sangeet. Turn to the 21st century and bridal wear has taken a leap into the future and there are several eliminations and some contemporary additions that are now part of the wedding outfits for a new age futuristic look with brides being more bold and daring as far as their sartorial preferences are concerned.

So the first thing that's out is the dupatta. Next on the list is the choli and last but not the least, the ghagra/chaniya gives way to the lehenga, sharara or long maxi skirts. Of course the colours are no longer restricted to sindhoor red but everything that the designers desire and the bride wants to make a fashion statement with. Replacing the ethnic wear — lehenga, choli, dupatta and sari, the gown is now one of the most wanted fashion items for the bride. So designers have moved into this glamorous western wear category and given the traditional Indian bride more options to choose from.

At Lakmé Fashion Week Winter/Festive 2017, which is an event where Indian designers exhibit their best creations for bridal and festive wear, the collections were truly very adventurous.





MANUFACTURING IN THE INDIAN TEXTILES AND APPAREL INDUSTRY HAS MADE A STRONG CONTRIBUTION TO SPURRING NATIONAL GROWTH OVER THE YEARS. ALTHOUGH THE FUTURE GROWTH SEEMS OPTIMISTIC, THE TREMENDOUS POTENTIAL OF THIS SECTOR IS STILL PLAGUED BY A MULTITUDE OF FACTORS.

KEY ISSUES HOLDING BACK Textile & Apparel Manufacturing In India

— By Mausmi Ambastha, COO & Co-founder, Threadsol Pvt. Ltd.

If we talk about textile and apparel industry in India, it needs to be mentioned here that this sector alone is the second highest employment generator for the country, employing 51 million people directly and 68 million indirectly, in 2015-16. Textile and apparel industry is a major contributor to India's GDP and a key investment destination under India's "Make in India" program.

This sector accounts for 10 percent of the country's manufacturing production, 5 percent of GDP, and 13 percent of its export earnings. No wonder the current government has strong focus



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