

IMAGES

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EXCLUSIVE
DIGITAL
ISSUE



**FASHION
RETAIL
MANAGEMENT
AMID GLOBAL
CRISIS**

Dear all,

We all are amidst a global crisis without any real clarity on how soon we will see normalcy. The COVID-19 pandemic has ravaged economies across the world and has left businesses grappling with disruptions, with many anticipating financial and operational consequences.

The fashion retail sector is no exception to these unforeseen circumstances. Players across the value chain are struggling to find ways to contend with the full range of effects - to their operations, communities and supply chains. The disruption is felt across all businesses, and as a business owner myself, I know how incredibly hard it is for everyone.

It's been more than 40 days since the last fashion product was sold in India. Stores are closed, manufacturing is on a grinding halt and e-commerce has been limited to essentials only. While the pandemic has reduced our businesses to rubble, the onus is on us to ensure that we do not allow this crisis to narrow our field of vision because, it is still just a temporary challenge. Sooner or later the crisis will end and all that will matter is - how businesses endured this unprecedented phase to prepare their contingency plan for the future.

And this is where this one off issue of IMAGES Business of Fashion is going to help you. This issue brings forth a wealth of knowledge for players across the fashion retail value chain - right from financial statistics of the pandemic on the sector, marketing and communication strategies employed by smart brands as well as insights into post-pandemic consumer behavior drawn from global markets where operations have resumed. We also have a slew of fashion leaders who expatiate on the strategies they have utilized for their respective brands, so that we can adopt them in our own capacities to help stabilize our businesses now and fortify it for the future.

Finally, in precarious times such, I would personally want to harness the power of optimism. Let us all take this as a rare opportunity to reflect, introspect and bring about the overdue changes required to take our businesses and the industry to the next level. Let us all take a step beyond the otherwise fairly transactional relationship with our consumers and make an indelible impression beyond what they knew was fashion retail.

Wising you all the best,



Amitabh Taneja

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– RAKESH BIYANI, PRESIDENT CMAI

CMAI PRESIDENT RAKESH BIYANI APPEALS FOR GOVERNMENT AID TO KEEP MSMES AFLOAT

The hard truth is that small enterprises and brands are finding it tough to adhere to Prime Minister Narendra Modi's directive to be considerate of employees and not to fire them or force them to take pay cuts during the lockdown period, especially since a lot of these companies are unsure whether they will survive closure for too long...

IMAGES Fashion Bureau



India's economy is suffering one of the worst economic slowdowns in its history, in line with the global destruction caused by the COVID-19 pandemic. The companies/factories coming under Ministry of Micro, Small and Medium Enterprises (MSEMs) have been severely affected by the nationwide lockdown which has been extended till May 3, 2020. The production in these industries has completely stopped, making it a concern for both the employers, companies and the labourers.

The hard truth is that small enterprises and brands are finding it tough to adhere to Prime Minister Narendra Modi's directive to be considerate of employees and not to fire them or force them to take pay cuts during the lockdown period, especially since a lot of these companies are unsure whether they will survive closure for too long.

One sector which is badly hit is the garment trade sector. In a letter to Santosh Kumar Gangwar, Hon. Minister of State for Labour and Employment, Rakesh Biyani, President, Clothing Manufacturers Association of India (CMAI), appealed on the Government's advisory to continue paying full wages to the employee in this crisis situation.

CMAI which represents the domestic garment manufacturing industry, is one of the highest employers after agriculture, which directly employs close to 12 million employees, with close to 40 percent being women. More than 90 percent of garment manufacturers

in the country are in the MSME sector, with more than half of these being in the micro-segment.

"COVID-19 has plunged the industry into a crisis of unprecedented proportions, threatening the very survival of many of our smaller manufacturers. In a recent survey conducted by CMAI, it has emerged that at least 20 percent of our members believe they may consider closing down their business, unless some Government assistance is provided.

There has been zero revenue for the last 30 days, and if the country tends to remain in lockdown for another 60-90 days, it will be impossible for a small entrepreneur to continue paying wages and salaries to his employees," states Biyani in the letter.

CMAI, true to its reputation of being most important employment generating industries, has urged both the Central and State Governments to come up with innovative ways of protecting the interests of the workers without causing irreparable losses to the Industry and possibly leading to massive financial bankruptcies in the MSME Sector.

"The garment industry, with great difficulty, has managed to pay March 2020 salaries to its employees. However, going forward, in a situation where there is no income for such an extended period, it will be impossible for many of our smaller members to continue paying full salaries and wages, unless we receive some government support," Biyani further wrote in the letter.





STORE CLOSING

DUE TO COVID-19

IMPACT OF THE CORONAVIRUS PANDEMIC ON THE INDIAN APPAREL & TEXTILE SECTOR

Manufacturing is at a halt, brand stores are temporarily closed, retail jobs are in jeopardy and consumer confidence is shaking – all of this is due to the COVID-19 pandemic. The Indian apparel and textile sector is reeling under the impact of the novel coronavirus...

IMAGES Business of Fashion

Due to the nation-wide lockdown to prevent the spread of novel coronavirus, the Indian apparel and textile sector is going through some extremely trying times. The central government had announced a 21-day lock-down starting March 24 to contain the pandemic. On Tuesday, this lockdown was further stretched up to May 3. The sector – which comes in the non-essential category – is likely to be impacted most due to declining demand and restricted supply-chain.

The Indian apparel and textile sector is the fourth largest producer of textile and garments in the world. The sector contributes 2 percent to the total GDP, employing more than 45 million

workers and nurture manufacturing and retail businesses under it. The increase in the lockdown period has only added to the misery of the sector.

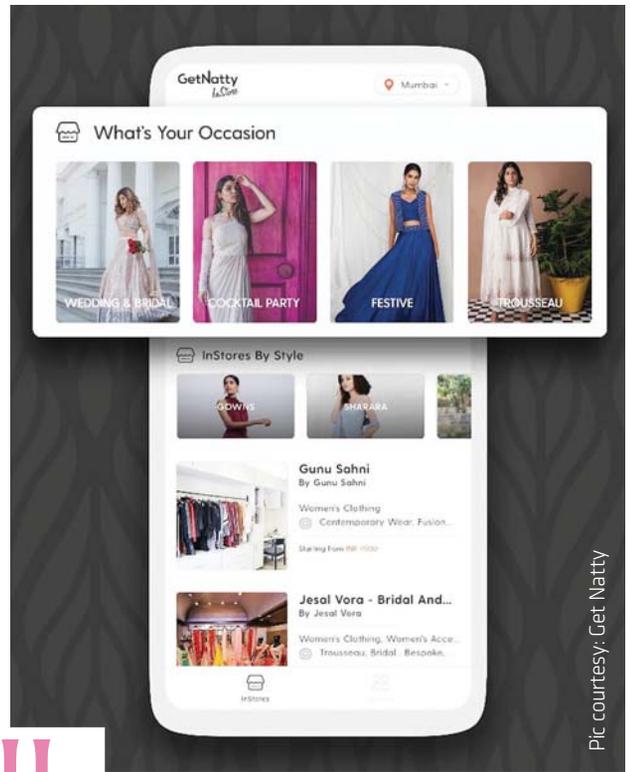
According to the Confederation of All India Traders (CAIT), the country's retail sector, comprising 70 million small, medium and big traders employing 450 million people, undertakes a monthly business of about USD 70 billion (approximately ₹ 5.2 lakh crore), and is one of the most impacted due to the global pandemic.

With around 80 percent of the garment industry mostly micro, small and medium enterprises, which has around 3,700 members employing over 7 lakh people, the Clothing Manufacturers

Association of India (CMAI) asserts that most of its members do not have the kind of reserves to see them through 3-6 months.

While Retailers Association of India (RAI) confirms that about 40 percent of the 6 million employees working in India's modern, rather than traditional, retail sector could likely lose their jobs in the next 4 months if the government does not intervene.

Furthermore, CAIT has warned that retail markets in urban centres will face an acute shortage of labour which have migrated to their towns and villages amid the coronavirus outbreak and the nationwide lockdown.



Pic courtesy: Get Natty

FASHION RETAIL SHIFTING ONLINE AMID COVID-19 BLACK SWAN EVENT

Self-quarantine and non-contact norms during the COVID-19 pandemic have restricted consumers to their homes. As a result, they are engaging more and more online, on e-commerce platforms. In tandem with this, businesses are updating themselves -live-streaming promotions and engaging consumers in more ways than one. IMAGES Business of Fashion explores how brands - which were not following the Omnichannel route earlier - are looking to establish online platforms and how even the most prosperous of brick-and-mortar stores have been forced to experiment with digital channels...

IMAGES Fashion Bureau



With the novel coronavirus pandemic gripping the world and the government implementing a lockdown - including shutting down of all malls and high streets except essentials - while advocating social distancing, people have been confined to homes, isolating themselves, working from home and going to marketplaces only for essentials. Retailers and fashion brands across the country have had to temporarily shut down stores providing a distinct opportunity for e-commerce businesses to take over. And the shift has been imperative.

With no social spaces, the internet has become, for many, the only link to society. As a result, greater use of the internet, social media, and e-commerce touchpoints have led to digitisation of the consumer shopping behaviour.

This non-contact norm during the coronavirus pandemic has boosted engagement and sales online.

Boon for E-commerce Players

Most corporates have implemented the 'work from home' policy - a trend which was growing earlier as well but has caught on almost instantaneously now.

HOSIERY SECTOR REQUIRES CONCERTED EFFORT TO ENSURE SURVIVAL & SUSTAINABILITY: FOHMA

Under the present circumstances, the demand for hosiery products has come down and the time ahead will only be more challenging. Therefore, concerted efforts - both by the Government and by business owners - would have to be made to ensure survival and sustainability...

IMAGES Fashion Bureau



The Federation of Hosiery Manufacturers' Association of India (FOHMA) has been representing to the various authorities about the difficulties being faced by businesses due to COVID 19 pandemic. According to K B Agarwala, President, FOHMA, the COVID-19 pandemic has brought about an upheaval, which is unprecedented in nature. "It has upset everything, turning the economic scenario from boom to gloom," he said.

He further said, "The government has been trying to take remedial steps to mitigate the hardships - a lot more needs to be done to support the fraternity in these extremely difficult times now. It goes without saying that extensive economic losses are anticipated now and in the foreseeable future."

Under the present circumstances, the demand for hosiery products has come down and the time ahead will only be more challenging. Therefore, concerted efforts - both by the Government and by business owners - would have to be made to ensure survival and sustainability.

Agarwala further stated that the ways of doing business will change drastically post the COVID-19 crisis. "While clothing will still remain a basic necessity, the consumption may not be very high," he said.

He stressed on three major points that would take precedence. Firstly, the element of "safety" would play a major role in all businesses and commercial activities. Secondly, short/long-term planning, budgeting and identification of focus areas in businesses would have to be given top priority. And thirdly, there would be a need to increase more reliance on "technology", which has so far helped the businesses to understand

and keep track of the developments around the world.

"We have to learn new ways of working and remote working would possibly become an acceptable norm in the days ahead," he said.

On a positive note and given the changes taking place, he anticipates that many global companies would shift their focus on buying and sourcing products from India country. And once life returns to normalcy in the next couple of months, "people will get back to shopping/purchasing to enable the 'feel-good factor' back into their lives," he concluded.





COVID-19

HOW FASHION RETAILERS CAN RESPOND TO THE LOCKDOWN

With manufacturing coming to a standstill, not only fashion retailers but also ancillary businesses – like those supplying buttons, trimming etc., as well as the large number of workers employed in this sector are feeling the heat of the lockdown...

Barkha Bhatnagar Das, Founder, Greendigo



The COVID-19 crisis is proving to be a test for businesses with the government announcing a complete nationwide lockdown. While it is hard to predict what the ultimate economic impact of this crisis will be, retail businesses will have to safeguard themselves on three key parameters:

- disrupted supply chain
- delayed or unfulfilled customer orders
- safeguarding internal stakeholders

On the supply side, with manufacturing coming to a standstill, not only fashion retailers but also ancillary businesses – like those supplying buttons, trimming etc., as well as the large number of workers employed in this sector are feeling the heat of the lockdown.

Manufacturing units are struggling with unprocessed orders and this is bound to impact future deliveries. Most often, orders are dispatched through surface or sea which means that it may take months before they are fulfilled, and the real impact of this delay be ascertained.

Securing Employees

The financial fallout of this crisis will also have a far-reaching impact on livelihoods of daily wage earners who are employed in large numbers by the apparel industry. Often workers are paid on a per piece basis and with factories shut, these workers are rendered jobless with no source of income to make ends meet. In tough times like these, it is imperative for all business owners to be



HOW RETAIL INDUSTRY IS PREPARING TO RESUME OPERATIONS AFTER LOCKDOWN

Post COVID-19 it will be all about the consumer and what s/he wants. Retailers will need to understand that convenience is the new normal and will have to invest in it...

Akhil Jain, Executive Director, Madame

Not so long-ago various analysts and industry experts were of the opinion that the Indian retail industry would grow to US\$ 1400 billion by FY24. The e-commerce market too was estimated to grow to US\$ 98 billion in FY24. Alas! A black swan event, the likes of which have never been seen before, hit the world, causing all growth to stagger globally.

Innumerable stores that were catering to the non-essential have been temporarily shut since mid-March 2020 due to the

government's response to the pandemic – a lockdown – in what is undoubtedly the most difficult crisis faced by not just the retail industry but every other industry in the world.

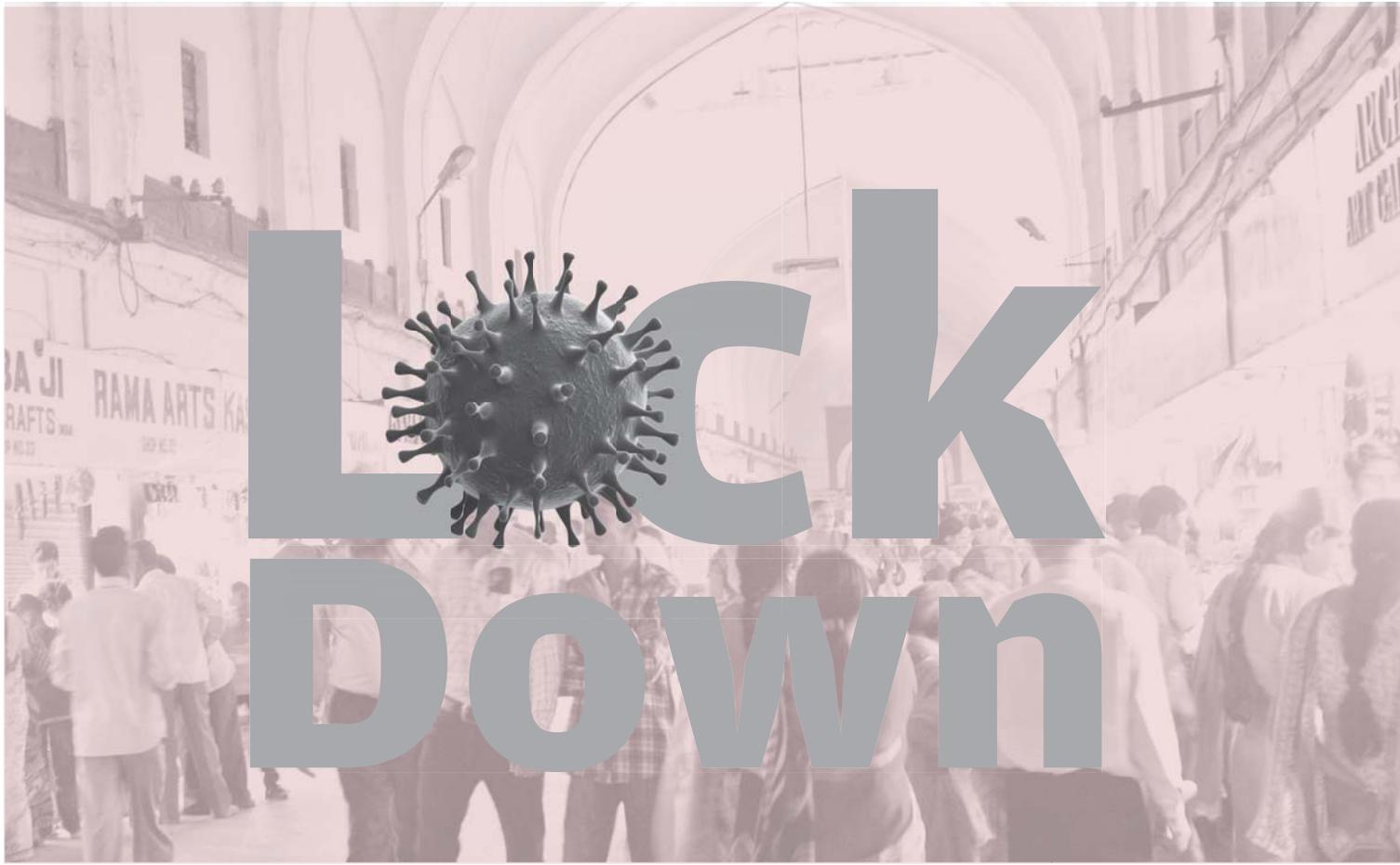
The Pre-Pandemic Struggle

Currently brands/companies are faced with a daunting challenge of staying relevant in consumers' minds as they stare at a bleak future. But it is important to note that even before the global coronavirus pandemic, traditional retailers were struggling to get customers to visit their stores instead of shopping online.

But many mall-based clothing retailers that were already struggling before the pandemic haven't been successful in converting their businesses online. Also, their businesses are not built for their stores to remain shut for such a long period. Financially, nobody knows what the economic situation is going to look like in the next few months, and this will certainly have a big impact on retail.

What Retailers Must Do Post COVID-19

So, what can we expect post COVID-19? Amid the certain economic downturn



COVID-19 VS. INDIAN RETAIL

Ameet Panchal, CEO, Ethnicity Retail

COVID-19 a.k.a. the Novel Coronavirus is one of the biggest global crises which compels us to imagine a world completely changed in its wake. The severity of the situation brings with it uncertainty about the future and a need for a fundamental shift in approach. The pace at which Covid-19 is affecting people and the world economies is a historical chaos that looks to bring a major change in the way businesses function from hereon.

Collectively as a nation, India is battling the pandemic by adhering to globally successful preventative strategies of containment, such as a nationwide lockdown and by enforcing strict social distancing and proactive contact-tracing to control the spread in our country. As a contributing factor we, at Ethnicity, stand in solidarity for every person and every nation affected by this catastrophe and we have taken some key measures to fight this shared challenge.

We have been closely monitoring the situation and are in constant contact with our team and retail fraternity across the country as the well-being of our patrons, colleagues and communities are our topmost priority. Our decisions are made in accordance with the World Health Organisation's precautionary measures to avoid contamination and our Government authorities' rules to ensure safety. As a means to respond to the rapidly changing situation at hand we have taken the following steps collectively as a brand:

5 WAYS FASHION BRANDS CAN UTILIZE THE LOCKDOWN TO RAMP UP BUSINESS POST THE COVID-19 PANDEMIC

As extended lockdowns, social distancing and working from the confines of homes have become the new reality, fashion brands and retailers across the world are struggling to mitigate disruptions and cope up with revenue reductions. Here are a few basic steps that can help you prepare your brand/business to get ahead in times of uncertainty...

Shivam Gautam



The novel coronavirus pandemic has brought the world to its knees and it is proving to be a testing time for businesses across the globe. As extended lockdowns, social distancing and working from the confines of homes have become the new reality, fashion brands and retailers across the world are struggling to mitigate disruptions and cope up with revenue reductions.

We are in uncharted territory where nothing is certain. Nobody knows when businesses will come back to normal. We aren't even sure if the ongoing all-India lockdown will be lifted after May 3, 2020 or simply be extended again.

While it is hard to predict the post pandemic scenario, it can safely be stated it will take some time before things to come back to normal. In the meanwhile, players across the value chain can definitely utilise this time to up their career skills. We bring you a few basic steps that will help you prepare your brand/business to shine through the times of uncertainty that awaits us all.

KEEP UP THE COMMUNICATION

The COVID-19 pandemic has tagged along massive shifts in consumer behaviour and it is utterly important for brands to change their behaviour with it. The foremost responsibility of any smart brand or retailer amidst this crisis is to keep communication lines open and build a relationship with both consumers and staff.

Brands and retailers will have to ramp up their digital footprint – it's the biggest lifeline in these times of crisis. Use social media to assure your existing consumers and advertise your product and services to new consumers. Expand your google search marketing by keeping a close tab on keyword ranking and searches. Check your PPC too because keywords targeted yesterday may not be the most relevant today.

Brands can use SMSs, emails and social media platforms for direct interaction with customers and gatherable data on their preferences. They should also focus on changing campaign strategies, providing digital entertainment, and coming up with products that are relevant to the times. These will go miles in establishing a deeper connect with consumers and ensure positive returns in the long run.

Modern consumers tend to resonate with brands with strong sense of social responsibility. Hence, you can also consider delivering simple messages that address the support for efforts the ongoing pandemic.

Similarly, it is equally crucial for brands and retailers to keep communicating

with staff members and employees. Just like everyone else, they are scared too and are banking on their employers for some semblance of support or security. This will give them a sense of belonging thereby boosting their morale and optimism is in uncertain times as such, which in turn will ensure high loyalty and dedication in the turbulent times that lay ahead.

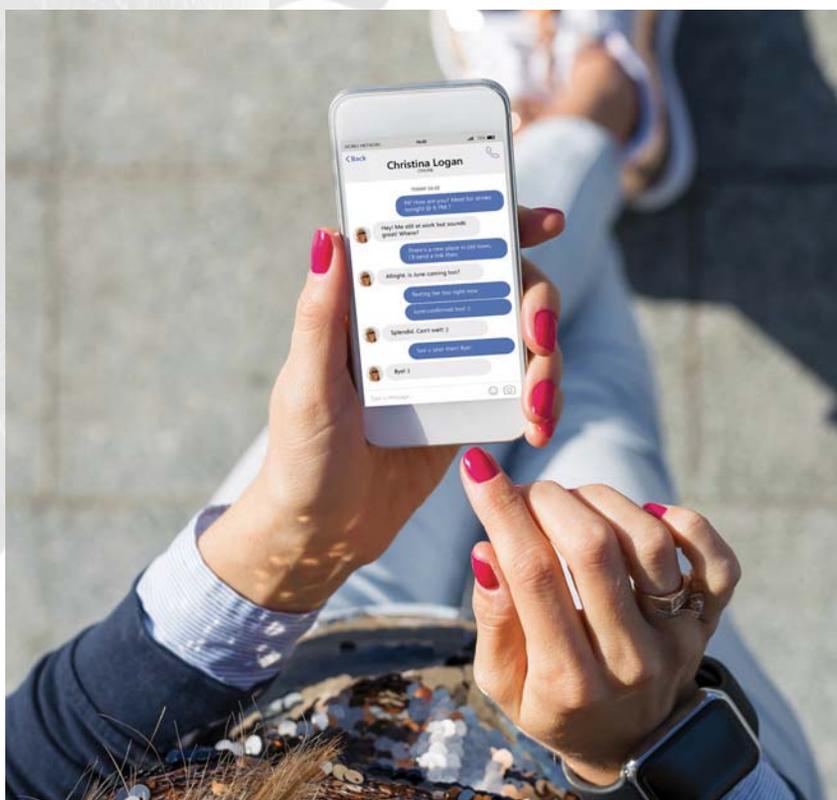
Even after the lock down ends the footfall is expected to be thin. Hence, this also is great opportunity to encourage employees learn new skills and grow in their professional front.

INCREASE SOCIAL MEDIA ACTIVITY

With no social spaces, the internet has become, for almost everyone, the only link to society today. The COVID-19 crisis has resulted in increased online shopping globally. Globally, there has been a 70 percent increase in internet time and 60 percent spike in engagement across various social media platforms over the past month. According to data revealed by Facebook recently, the company has seen up to 70 percent more time spent across their apps, with Instagram and Facebook Live views doubling in just a week.

Even in India, the pandemic and subsequent lockdown has unfolded a welcoming phenomenon – a sharp rise in the number of first-time e-commerce users, who had been so far uncomfortable with shopping online.

Brands and retailers will have to ramp up their digital footprint – their main lifeline in these times of crisis. Use social media to assure your existing consumers and advertise your product and services to new consumers. Expand your google search marketing by keeping a close tab on keyword ranking and searches. Check your PPC too



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North India

Partha Ganguly | parthaganguly@imagesgroup.in, +91 9873859916

West India

Santosh Menezes | santoshmenezes@imagesgroup.in, +91 9820371767

South India

Suvir Jaggi | suvirjaggi@imagesgroup.in, +91 9611127470

East India

Piyali Oberoi | piyalioberoi@imagesgroup.in, +91 9331171388

Editorial Contacts**Surabhi Khosla**

surabhikhosla@imagesgroup.in

Charu Lamba

charulamba@imagesgroup.in