



EMERGENCE OF NEW STRATEGIES IN FASHION RETAIL DURING COVID-19 PANDEMIC AND CONSUMER'S RESPONSE

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ABSTRACT

After the initial covid 19 outbreak fashion retail has been one of the most affected sectors. Retailers saw a decline in sales even before the lockdown as less people turned up at stores to shop. After the lockdown was initiated, stores were obviously shut down and sales came down to zero. People could still order online but since most of them were stuck at home buying clothes and accessories was the least of their concerns. People started working from home, students enrolled in online classes, people couldn't attend social gatherings so as the Indian culture is there's no need to wear new stuff at home.

Online shopping has reached an all-time high after the lockdown was initiated but fashion retail was still struggling as people have started spending more consciously i.e., they bought stuff that they really needed as a lot of people lost their jobs, got pay cuts and job security is uncertain. So in order to tackle these challenges fashion brands came up with new marketing and management strategies.

This research paper is an attempt to cover up all the new strategies that these brands opted from training their employees virtually to setting up temporary mini stores in housing societies, on the other hand we tend to analyse how the consumer preferences has changed in the pandemic when it comes to clothes and accessory shopping and what brands and section of brands (such as luxury, budget etc) were able to get the customers to buy from them and their reasons to choose that brand.

The pandemic has made the brands adapt to new strategies and change as per the change in consumer behaviour from making an omnipresence channel before the pandemic to focusing more on upgrading their online presence during the pandemic.

KEYWORDS :

INTRODUCTION

Fashion and apparel industry has been on the rise ever since social media became a major part of everyone's life. Since the beginning of the COVID-19 outbreak (early 2020), consumers displayed stockpiling behaviours that significantly deviate from their usual shopping behaviour. People were accepting new fashion and trends all round the globe and were willing to change their dress sense in order to stay up to date as per the trends. In the pre covid times brands were aiming to create their omnipresence channels but since the lockdown was initiated their sales either came down to zero or most of it is through online channels. According to (Hamilton et al. 2019) perceived scarcity of products can significantly affect consumer choices. Albeit agreeing that scarcity enhances the relevance of the unavailable good (Verhallen and Robben 1994), literature has pointed out that the scarcity of products, as opposed to resources, leads -respectively- to an increase in the perceived value of the scarce products (Cialdini 1993) or to a decrease of the relevance of the context of purchase (Shah et al., 2015).

Most of the brands in India work similarly i.e. Most of them have similar discounts and offers during the same time of year. It was obvious most now most of their sales would be through their own channels whether their own websites or through amazon, flipkart etc. This paper is an attempt to analyse what all brands did so that the consumer chose their brands during the covid scenario along with the trends in from work from home essentials to fancy face masks.

Rationale

With the increasing competition and huge number of brands operating in the market, marketing strategies have always been the top most aspect that these brands work upon. Such strategies are often used to attract customers and influence their buying behaviours. So, in those tough times when people didn't have a reason to buy from these brands it became even more necessary to come up with new strategies to cut costs

and increase sales. Keeping these things in mind this paper is an attempt to study what all the brands did along with their never seen before measures that they adopted in the covid-19 scenario.

Objectives

- To analyse what factors affect the consumer buying behaviour.
- To study how consumers responded to new marketing strategies adopted by fashion brands.
- To analyse how brands dealt with the piled-up stock due to the lockdown

Methodology

In this paper we have used both primary and secondary research to get to know how consumer preferences have changed in covid-19 scenario and analysed how they responded to the marketing strategies opted by fashion brands. In order to analyse the consumer responses, we conducted a primary research through online surveys, interviewed various employees working at these stores both at management level and as salesmen, and looked at already existing data on various trusted online sources regarding new marketing strategies opted by fashion brands in the covid-19 scenario.

Interviews

- In order to tackle the challenges brands came up with never before seen strategies, so to get to know about these strategies and the thought process behind them we talked to a few employees of Landmark Group and Pantaloon's telephonically. Further we talked to a few sales people at various mini stores set up in housing societies. This allowed us to get the most accurate data to conduct our research.

Online Survey

A google form was sent across to people in multiple cities, from age group 16-50 to record their responses regarding their

shopping preferences and brands they shop from in the pandemic.

from a highly diverse audience from various cities and different age groups, as even the fashion brands have huge customer bases in almost every city and every age group.

Online surveys allowed us to record and analyse responses

Literature Review

Sr. No.	Author	Yr. of publication	Title	Objective	Major Findings	Variables
1	Mohan & Gupta	2007	Consumer preference pattern in apparel retailing in India	This paper presents the results of a survey-based analysis of consumer preference patterns for apparel retailing in India by fully exploring the multivariate realities of the big picture of consumer preferences.	The emergence of personalised attention and services as the most important factor with a total of 69% of the respondents showing interest in it implies that traditional apparel stores, which specialise in personalised attention would continue to benefit from this preference.	Brand loyalty
2	Hale Pete and Seshadri Iyer	2009	Multidimensional investigation of apparel retailing in India	The main purposes of this paper are to perform a micro and macro dimensional analysis, and to apply the theory of eclectic firms to understand the investment dimension in the apparel retail environment in India.	The key findings of the study are that foreign retailers are looking to successfully capitalize on India's impressive growth and need to understand several driving attributes such as strong and distinctive culture, population, distribution, and local conditions, and risks that are indeed unique to India.	Brand association
3	Kumar, Lee & Kim	2010	Indian consumers' brand equity toward a United state vs Local brand.	The purpose of this study is to examine effects of gender, need for uniqueness, and attitude toward American products on dimensions of brand equity for a US and local apparel brand in the Indian market.	The empirical tests show that, for a US apparel brand, there are direct and indirect effects of Indian consumers' gender, need for uniqueness (NFU), and attitude toward American products on three dimensions of brand equity: perceived quality, brand loyalty, and brand associations with brand awareness.	Brand equity
4	Bhardwaj Kumar & Kim	2010	Brand Analyses of US Global and Local Brands in India: The case of Levi's	This study investigates differences between US global and local brands in the Indian market. Attitudes toward American products and the brand equity of US global and local casual apparel brands in the Indian market are examined.	The findings demonstrate that Indian consumers do perceive US global and local brands differently based on the components of brand analysis. It is evident that Indian consumers lack faith in the quality of local brands and hence are more loyal toward global brands.	Brand loyalty
5	Dr. K. Balanaga Gurunathan M. Krishnakumar	2013	Factor influencing appeal buying behaviour in India	Effect of the buying behaviour on retail segment different strategies to be followed to retain customers	To examine the apparel buying behaviour of Indian consumers through five dimensions viz. consumer characteristics, reference groups, store attributes, promotion and product attributes. The findings show that the store attributes promotion and reference groups are the important dimensions of apparel buying behaviour.	Price and promotion
6	Shah Johir Rayhan Sajeeb Saha Mohammad Masud ul Hassan	2014	Factor affecting the customer buying behaviour in relation to readymade garments in Bangladesh	To study the socio-economic demography of the potential buyers of Readymade garments. 2) To find out the factors affecting customers' Purchase Intention towards Readymade garments. 3) To study the satisfaction level of customers of Ready-Made Garments 4) To offer suitable suggestions for Readymade garments business.	To study an attempt is made to describe the existing situation regarding only Bangladeshi customers buying behaviour about Readymade garments in this study they only study qualitative method not tell quantitative like 4 pics of marketing – price, place promotion, product in this focus on readymade garments, we have focus on full retail market.	Buying behaviour
7	S.Muthu Kumar* and Dr. T. R. Guru Moorthy**	2016	Consumer Attitude Towards Online Purchase-A Study with Reference to Branded Readymade Garments	1) to study the factors influencing purchase of branded readymade garments 2). to analyse relationship between social variables and purchase of branded readymade garments during online	factors which influence customers in purchase of branded readymade garments are, Price, advertisement and Discount/Offers. Garment manufacturers, fashion designers and marketers might use price, promotion to segment consumers according to the shopping styles, in order to target and position their products more effectively	Price and promotion

8	P. M. Renuka, Dharwad Sadhana D. Kulloli	2016	A study on consumer buying behaviour in retail readymade garment shops	To study on attitude of consumers on buying garments from store and study the market during festival season	In conclusion we can say that consumers more often purchased readymade garments which were purchased during festivals. Most of the consumers considered price as the most preferred factor while purchasing readymade garments and gave least preference to care labels.	Price
9	Dr. N.R.Vembu, Dharani, S.Dhivya & R.Chandra Lakshmi	2018	Attitude of Consumers on buying Readymade Garments through Online mode	To study the attitude of consumers on buying readymade garments through online mode paves a vision on identifying the hidden variable which facilitate the growth of this sector In general, garments industry in particular.	On buying the garments through online mode the „Sturdiness“ is considered to be a significant factor for purchase. It is followed by the Colour, Price, and Advertisement. The garment manufacturers and online sellers might use this finding for their progressive segmentation and possible reach to cater the needs of the potential consumers. Suitable promotional strategies may be used for reaching the hidden opportunities available in the cities.	
10	Dr A. Hamil K. Ahamed Anis Fathima	2019	Analysis of factor affecting buying behaviour of woman on ready-made garments in Tirunelveli municipal corporation	To know the demographic profile of Readymade Garment buyers in Tirunelveli. 2. To identify the factors considered while buying women Readymade Garments. 3. To know the purchasing quantity of the buyer	Identifying the factors that affect the buying behaviour of women especially in readymade garments	Buying behaviour
11	Taylor, Brydges	2020	Garment Worker rights & the fashion industry's response to covid19	To understand the response of fashion industry	We found a stark contrast to how brands have responded to a crisis at their doorstep while failing to address the implications of covid19 across globalisation, multimediated, Global production network.	
12	Julia Koch, Brita Frommeyer	2020	Online shopping motives during the covid-19 pandemic	To analyse the online shopping motive during the covid-19.	We found that external normative pressure influences individuals purchase intentions, while a close social network consisting of family and friends does not.	Motive
13	Abdullah Promis, Opute, Chux Gervase Iwu, Victor Virimai Mugobo, Ogechee Adeola	2020	Retail Marketing Retail Marketing during and after the COVID-19 Crisis The covid-19-pandemic and implications for businesses: innovative retail marketing viewpoint	Retail Marketing Retail Marketing during and after the COVID-19 Crisis To study retail market during and after covid 19	Retail marketers need to view the current crisis not as the beginning of the end but more as an opportunity to refocus, rebuild (through innovation) and recover from the crisis. Indeed, retail marketers should not only be aiming to recover from the shocks from the Covid-19 pandemic but should be consciously aware of the glaring paradigm shift in marketing practice where the internet and digital technologies are defining the new order	Innovation
14	Eleonora Pantano, Daniele Scarpi, Charles Dennis	2020	Competing during a pandemic "Retailers" ups and downs during the COVID-19 outbreak	This study aims to synthesize the challenges retailers are facing during the COVID-19 emergency from the perspective of both consumers and managers.	Retailers should make it clear that their priority is ensuring consumers safety and health, not profit, while providing the products they need in a reasonable amount of time. To this end, more personal and sensitive information about customers might be needed, but consumers might show an unprecedented willingness to disclose such information in exchange for these benefits.	safety

15	Accent ure team	2020	COVID-19: New habits are here to stay for retail consumers	To study about the change of retail market and shopping and customers behaviour	Consumers' personal situations are influencing attitudes and behaviour, including levels of comfort venturing out. Consumers are shopping mindfully and cost-consciously, with demand for local, sustainable and value brands rising.	comfort
16	Suchari ta Debnat h	2020	Impact of COVID-19 on Consumer Purchase Behavior in Retail Sector	This study attempts to analyse the impact of novel coronavirus in the areas of awareness level of buyers, online services and huge price rise of products on consumer purchase behaviour in retail sector	delayed online services and sudden price rise of products have a noticeable effect on purchase behaviour of consumers. It is also crystal clear from the lockdown situation that the buying behaviour of consumers has been immensely affected. Now consumers are trying to buy products online but due to delayed delivery they became dissatisfied with the option of online shopping	Price

Exploratory Research

Even before the lockdown was initiated brands had to work on their strategies to clear up their stock and find a way to maintain their sales. They had to come up with new measures to boost sales after the covid-19 pandemic hit the globe.

Turnover of people in malls, and other shopping markets had declined which eventually came to zero because of the lockdown.

Lockdown restrictions were eased in phases, first online deliveries were allowed and then after a while stores reopened in some areas but again the same problem, people turnover was low. People were still working from home and even students were enrolled in online classes. Thus it was a challenge to make them buy new clothes and accessories.

So through our qualitative research i.e. the interviews we conducted telephonically with some of the employees working with brands such as Lifestyles, Pantaloons and Levi's and our secondary research i.e. newspaper articles certain conclusions came up regarding what all strategies the brands adopted to attract the customers to buy from them.

Pre-lockdown Operations

Retailers realised in early March they need to cut down their operating expenses in order to make profits or survive this covid-19 strain.

“ So leading retailers such as Landmark Group, future group, spencer's, shopperstop approached malls for rent exemptions or rebate in rents to overcome the massive hit in sales due to Covid-19.

These stores don't pay a specific amount as rent but share a part of their profits, generally it is 7%-9% and may go down to 6% or go up till 10% depending upon the scope of a particular mall

During Lockdown

“ Stores were completely shut down which led to no revenues at all so unfortunately many brands had to lay off people.

Laying off in most brands were on the basis of performance reports and employees who scored 1 or 2 out of 5 were let go.

“ Remaining employees from sales people to top management had to take pay cuts till the end of September 2020.

Never Seen Before Measures Training Employees Virtually

“ For the first time employees from all brands that are a part of these conglomerate stores were trained virtually and of course their own employees.

“ To keep the employees motivated retailers came up with a plan to divide employees into groups and gave them projects on topics such as

- How to increase sales when the store reopens
- How to increase sales in the lockdown and how to ensure safety of employees when the store reopens. Etc

Mini Stores

June- when lockdown restrictions were eased

As a result of the virtual projects done by employees, one project was about if the customers can't come to the stores why not take the stores to the customers.

This is how mini stores came into action. Retail brands such as Levi's Lifestyle, Pepe Jeans, Bata etc set up mini stores in societies, colonies etc. in cities such as Gurugram, Bangalore etc.

Reason behind choosing these cities was simple, rising corporate culture and their willingness to buy at these stores.

New Measures To Increase Sales

After the lockdown restrictions were eased malls and stores started opening from July onwards but as expected the customer turnover was low. So brands started a new feature on their websites where customers can use WhatsApp (message and video call) at their nearby stores and expect delivery within 4 hours.

Another new thing that happened in the covid scenario was, every employee in the store was asked to make a certain number of calls to their customers asking if they needed to buy anything. If the customer replied in positive then a salesman would video call them and show them whatever the customer asked. Once the customer finalised his order the store would deliver it in 4 hours. Stores already had size measurements from their past purchases and the exchange of merchandise was easy.

Covid-19 Precautions

Precautionary measures have to be taken care of for not only their customers but their employees as well. So fashion brands came with ways to prioritise their employees' health and to decrease their stress levels as they were the ones who were right amidst the coronavirus scare.

- Retailers have had to change their business models significantly and reconsider their financial forecasts for the year - all in the space of less than a month.
- During these unsettling times, they have made employee health, safety and wellness a priority, along with enhanced communication.
- For example, they have kept emergency food kits ready for

the employees who may be quarantined, conducted exclusive emotional well-being and medical webinars for their employees, and created HR and Marshal Groups across their stores, warehouses and offices to ensure all employees are kept updated on the latest developments and reassured at all times.

- When the stores reopened, like any other place they installed sanitizer stands and established social distancing norms. Along with this every clothing item that was tried by the customers was steam ironed in order to contain the spread of coronavirus.

Measures To Increase Online Sales

In cities where they can't set up mini stores because customers won't turn up, as a result brand's targeted customers with high discounts, no delivery charges and easy return and exchange policies.

Brands tied up with amazon and flipkart and amazon along with their existing ecommerce websites.

The partnership aligned with Flipkart's priority to expand its fashion portfolio and make the affordable trends accessible to consumers across small towns. Promotion was mostly through Online ads through influencers, social appeal, and made them aware about safety measures taken. Pre Diwali sales, offers such as Buy 1 Get 1.

Measures were taken just to stay relevant and mostly to increase their online presence in contrast to the pre covid times in which their goal was to create an omnichannel presence.

Online Sales Statistics

- Puma India MD Abhishek Ganguly said e-commerce sales have grown 40% over last year. "Several first-time online buyers who bought essentials are now buying other categories.
- China, ever the leader in this area, could see online retail amount to 27.3% of its total retail sales, followed by the UK (19.9%) and the US (16.2%).

Twenty-five percent of brands will see 'statistically significant' advances to their Customer experience quality next year, despite budget cuts, thanks to increasingly improving customer experience competencies on the back of short-term fixes generated at the peak of the coronavirus outbreak. As a result, this move could save companies hundreds of thousands, or even millions, of dollars, the data forecasted.

Store Reopening In Early July

" Stores started opening up in phases according to the sales they made generally. Profitable stores were functional first.

" Again the rent debate, Big mall owners such as DLF allowed malls to operate at a lesser rent percentage which in turn made other mall owners reduce the rents. Broadly profitable stores with rent rebates opened first.

Piled Up Stock

" Fashion changes as the season changes. After the lockdown was initiated, production was completely stopped. At that time brands had huge stocks of spring summer collections.

" So, fashion retailers such as Tommy Hilfiger, Calvin Klein, Arrow and Jack and Jones pushed their spring collection till October after stores opened in July and on online platforms till October and DIWALI sale to clear up inventory that piled-up in the lockdown

" Prices were similar in stores as pre lockdown situations and even less discounts were offered because of the hypothesis that if people are going to stores in such times they want to buy

and won't look to save.

Future group, Landmark group Aditya Birla group and Reliance fashion also skipped pre-fall clothing completely and produced autumn and winter. Diwali gave them an extended summer as it was in November.

" Production stabilized in February- March 2021.