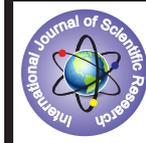


## Marketing Opportunities for Readymade Apparel Industry in New Era of Globalization



### Management

**KEYWORDS :** Apparel, Brand, Customer Satisfaction

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### ABSTRACT

*India has been ranked as the top retail destination globally for retail investment attractiveness among 30 emerging markets in the world. The Indian retail sector is the second largest untapped market after China. Readymade garment is a part of the textile industry and it accounts for about half of India's textile exports. India's consumer market for readymade apparel has become varied by surge of more designer brands. India is becoming the most preferred destination for sourcing readymade garments for the international market. Many international brands are also source from Indian readymade apparel market. This research paper aims to study the new marketing opportunities for readymade apparel industry in the new era of globalization.*

### Introduction

"Those establishments which do not make fabrics or knitted fabrics but only cut and make garments out of them, could be covered under the garment industry" - **International Standard Industrial Classification, United Nations.**

Clothing is considered to be a second skin of the body and interest in clothing is higher during the whole life. Clothes are one of the key aspects in assessing one's personality. Today we live in consumer based society where consumer is known as the king of the market. The behavior of the customer affects the market size, brand name, fashion. The apparel industry has stretched the boundaries of its creativity and imagination to find new ways to increase selling opportunities, reduce operating costs, achieve competitive advantage and improve the bottom line.

Clothes or in others words, a person's wardrobe is one of the key aspects in assessing one's personality. Clothes and mood are two inter related constituents also affecting the overall personality of an individual. In daily routine, one can observe the contrasts of mood in different types of clothing that can be either positive or negative. Through experiential studies, it is observed that individual feels happy by wearing new clothing. Physiologically, when an individual wears new clothing, they experience the sense of confidence about their self which drives positive mood and emotions (Subhani et al, 2011).

The world garment market is a global and competitive market at present moment. Export marketing is an integrated market effort to discover the overseas market. Competition in export marketing means contending against the strength of the other and in the export market competition continues. Export marketing decision should be based on thorough knowledge of products, their current and future prospects, understanding of various countries business conditions and finally the numerous prospects of the customers.

### Apparel

Apparel is defined as the relationship between the size and contour of the garment and those of the human body. Fit problems arise as an incongruent relationship between the garment and the human body occurs (Huckabay, 1992).

The apparel industry has stretched the boundaries of its creativity and imagination to find new ways to increase selling opportunities, reduce operating costs, achieve competitive advantage and improve the bottom line. Apparel retailers and brand-owners are stepping up their efforts to improvements in business processes with innovative technology that touches every step in their workflows.

Readymade garments were among India's leading export sectors during the last financial year, according to preliminary figures released by the Ministry of Commerce. During the fiscal year that runs from April 2011 to March 2012, shipments of ready-made garments, yarns and fabrics rose 18 per cent to

\$13.7 billion (Rs.71, 692 crores).

Garment is one of the sectors that provide a gateway for developing countries to the global market. It offers important opportunities to countries to start industrializing their economies and in course of time diversify away from commodity dependence.

### Table Showing the Apparels Contribution to India's GDP

Contribution	Figures (in billion\$)
GDP	1370.00
Apparel Export	23.50
Apparel Sales	33.00
Non Retail	360.00
Retail	435.00
Private Consumption	795.00
Public spending & Investment	575.00

Source: India Retail Apparel Research, January 2011

### Opportunities

Indian textiles industry plays an important role in the country's economic growth. India's rank in world trade is 7th in textiles and 6th in clothing. The industry is important in terms of output, employment and foreign exchange earnings. It contributes around 14% to industrial production, 17% to the country's export earnings and 4% to GDP. The textile manufacturing is the second largest source of employment after agriculture and providing employment to over 20 million people in India. According to the India Ministry of Textile, apparel sales for 2008 were \$ 20 billion and expected to reach an estimated \$25 billion this year, having grown in excess of 10 percent over the past 5 years.

The Indian market for domestic readymade apparel is estimated at Rs.200 billion to 300 billion annually. Trade sources estimate that menswear accounts for 25 percent of the readymade apparel market, 48 percent for women's wear and 17 percent for children's wear. Approximately 20 percent of the apparel produced in India consists of brands which are ready-to-wear garments. Brands are more prominent in menswear particularly shirts, trousers, and jackets. Most national and regional brands are supplied by the large organized apparel firms.

According to U.S International Trade Commission Report, the textile and apparel industry is one of the leading segments of the Indian economy and the largest source of foreign exchange earnings for India. This industry accounts for 4 percent of the gross domestic product (GDP), 20 percent of industrial output and 30 percent of export earnings. The textile and apparel industry employs about 38 million people, making it the largest source of industrial employment in India.

Today, garments exports from India have made inroads into the international market for their durability, quality and beauty. One of the reasons for the economical pricing of India's ready-made garments and apparels is the availability of highly skilled, cheap labor in the country. The superiority of India's Garment Industry has been acknowledged in the National Textile Policy (NTP) of India 2000.

India has emerged as the fifth most favorable destination for international retailers, outpacing UAE, Russia, Indonesia and Saudi Arabia. According to A.T.Kearney's Global Retail Development Index (GRDI) 2012, "India remains a high potential market with accelerated retail growth of 15-20 per cent expected over the next five years."

The Indian textile and apparel industry is the largest foreign exchange earner for the country. It is also the second largest employment provider after agriculture and plays a key role in the development of the economy. The fashion industry is also the fastest growing industry in the world. This industry profile on the 'Textile and Apparel Sector in India' provides a gainful insight of the industry (Rajput et al, 2012).

The growth of India's retail sector is not only limited to urban areas but also growing in rural areas. In the next five years, it is expected that, India's retail industry will expand more than 80%. In India, retail business contributes around 11 percent of India's GDP. Retailing as a sector is witnessing revolution in India. Retailing in India is gradually becoming the next boom industry.

In recent years, the readymade garment segment has seen vertical growth. Accounting nearly Rs. 20,000 crores, this industry is growing at the rate of 20 percent, with massive visibility and consideration margins. The largest segment for the readymade garment segment includes the age-group of 16-35 that is very brand conscious and gives priority to high quality. Branded readymade garments account over 21 percent of the readymade garment industry (Fibre2Fashion.com).

According to Fashion Design Council of India (FDCI), apparels created by Indian designers are going to play a major role in the growth of the apparel industry in the next few years. These changes will have far-reaching implications for designers, manufacturers, and retailers targeting the Indian apparel market. Spanish fashion Giant Inditex (Zara) has announced plans to enter India this year. The growth rate of the fashion market as per consumer's attitude for branded apparel in future would increase drastically by more than 10 to 15%.

### Conclusion

In the era of globalization the marketing activities of the entrepreneurs need to be integrated in order to capture the global market. As some of the units are small, it is almost imperative that collective marketing is done in order to capture the large export orders. This will not only provide benefit of economies of scale but also develop accountability of the entrepreneurs. Export can be formed to ensure brand building by participating in international fairs, negotiating with buyers, competing with other countries on quality and price fronts.

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