

CAPTIVATING THE INDIAN APPAREL SHOPPER

DIVERSITY IN THE INDIAN APPAREL MARKET

For international retailers entering the Indian apparel market and for domestic players with plans for expansion, it is crucial to understand that consumers' apparel shopping habits and needs differ greatly by geographical location.

MUMBAI

- Shop most frequently, most fashion-forward, and most inspired by celebrity trends
- More "organized" shoppers

BANGALORE

- Most "unorganized" shoppers, show a strong preference for independent stores and street markets, may pose more of a challenge for organized retailers
- Impulsive
- Quality-driven

DELHI

- Most scrutinizing apparel shoppers/consider many factors to determine quality
- Draw clothing inspiration from people they know and the media

KOLKATA

- Preference for shopping for required items (i.e., food and housing)
- Focused on value and price needs

CHENNAI

- Fashion-forward
- Influenced by endorsements from celebrities or credible sources
- Quality-driven

INSIGHTS

CAPTIVATING THE INDIAN APPAREL SHOPPER

Apparel and home textile expenditures are projected to more than double in India by 2020, while growing at a faster rate than overall spending.¹

Increased apparel and home purchases will be bolstered by an Indian population that will be larger, richer, better educated, and more urban within the next decade.

India is projected to become the 3rd largest apparel market by 2020

KEY INSIGHTS

- Robust economic growth coupled with positive demographic trends will result in more affluent Indian apparel shoppers.
- Indians stand-out globally in their preferences for clothes shopping, fashion, and quality apparel.
- Indian shoppers are bothered by fiber substitution away from cotton in their clothing and are willing to pay more to keep cotton in their apparel.

RETAIL ORGANIZATION & COMPETITION RISE

"Unorganized" Channels
Independent stores, Street Markets, and Tailor Made



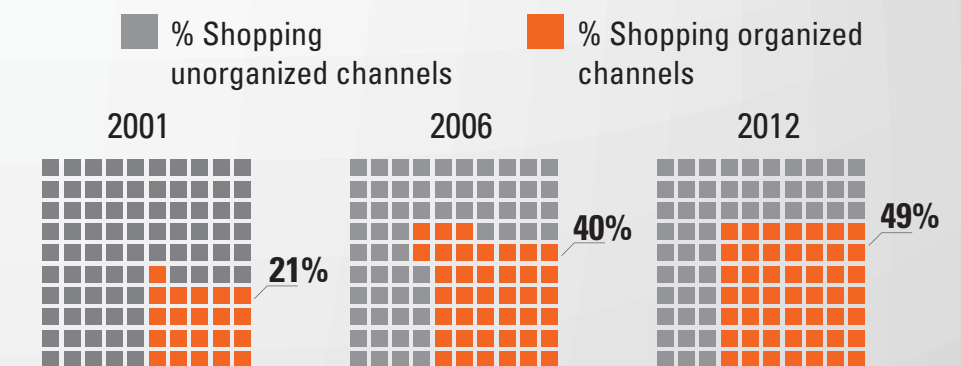
"Organized" Channels
Department stores, Specialty stores, and Hypermarkets

Shoppers choosing organized retail channels are a lucrative segment and will drive growth in this apparel market.

Preference for organized retail channels has been on the rise in the past decade.

Organized retailers will still have to compete with unorganized retail channels.

Retail Channels Shopped for Most Apparel



70% of organized shoppers continue to shop for clothing at independent stores



Sources: CCI & Cotton Incorporated's Global Lifestyle Monitor Survey, CCI & Cotton Incorporated's Indian Consumer Survey, and CCI & Cotton Incorporated's Indian Retail Audit. External Source: Euromonitor International¹

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APPAREL MARKET OPPORTUNITIES



Savvy Indian apparel shoppers seek the perfect combination of quality and value when shopping

PAISA VASOOL (/pīsā va-sool/)
A Hindi term meaning a good price for a good value or “I got my money’s worth” is the experience that Indian shoppers desire and that retailers and brand can help them achieve.

Recognize the importance of paisa vasool: Indian consumers are on par with consumers in Italy and China as some of the most scrutinizing apparel shoppers globally.

Provide Indian consumers with a reason to spend their money by understanding what shoppers are looking for when buying apparel and how to meet their value and quality expectations.

Favorable market conditions and enthusiastic shoppers are defining features of the Indian apparel market



Indian consumers’ per capita disposable income is predicted to rise from 65,000 rupees in 2012 to 116,000 rupees in 2020, an 80% increase.

INDIAN APPAREL SHOPPER PROFILE

Indian Consumers Global Consumers



QUALITY: AN ESSENTIAL FACTOR IN APPAREL PURCHASES

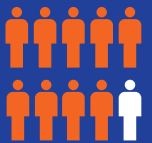


Almost all Indian shoppers say quality is important in their apparel purchase decisions.

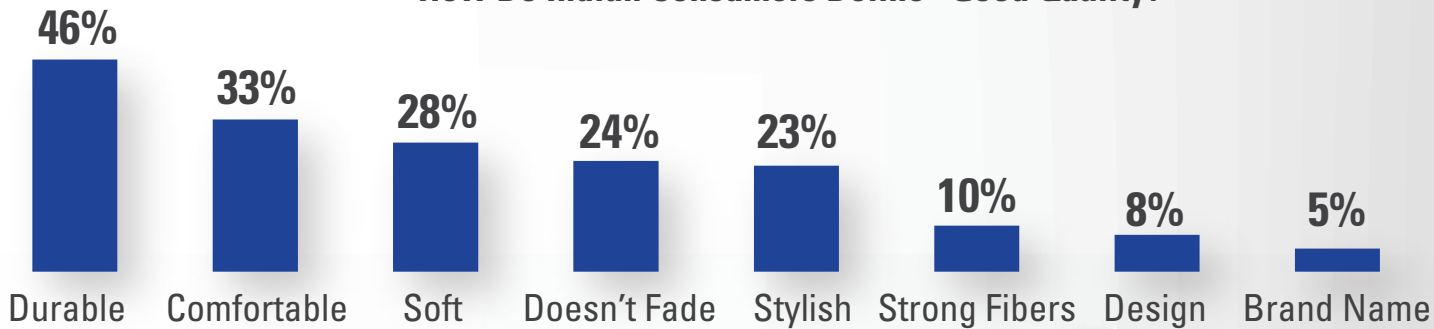


More than 8 out of 10 consumers say they are willing to pay a premium for better quality clothing.

More than 9 out of 10 consumers say cotton is good quality



How Do Indian Consumers Define “Good Quality?”



Change in clothing at retail causes concern

Despite high consumer affinity for cotton, Indians say they have noticed fiber substitution away from cotton in apparel.

% Saying they are bothered by declines of cotton in their clothing:



% Willing to pay a premium to keep cotton from being substituted in their clothing:



COTTON APPAREL is PAISA VASOOL

Over 90% of Indian consumers use these words to describe cotton apparel:

Good Quality
Natural Comfortable
Traditional Soft
Keeps You Cool Breathable
Environmentally Friendly

Fiber substitution away from cotton in apparel may be viewed as a move away from good quality in the minds of Indians.