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THE EVOLVING INDIAN LUXURY MARKET

India every year is a growth story, despite complaints and gripes, the market grows! In the past 5 years, India has seen the beginning of a new cultural emergence from the perspective of retailers, manufacturers and the customer and consumer. The span 2017-2020 appears to be the decade quarter of evolution. There are number of small yet critical factors which clearly demonstrate the decade quarter of evolution that has continued in India and more importantly the way the luxury fashion market is developing on a fiscal and cultural prospective.

There was a time when purchases in fashion were either need based or one off aspirational purchases. As we have seen, especially since 2015, fashion purchases have evolved to a more desire and aspiration based activity. Across the luxury pyramid 4 categories are seen as more than a basic need. The items worn reflect the consumer's personality, and is perceived by them as a status symbols. With the growth of international influence and more correctly put, the emergence of a pan-global target audience, each brand, regardless of its tier, price and country of manufacturing, represents an aspirational value.

Its not just international brands we are referring to, the growing demand and redefined allocation of flexible income towards fashion, along with the newly restored pride in 'Made in India', has opened the doors for domestic brands today. With three of the largest department stores launching their own private labels, while not all are a luxury to the better travelled among us, nearly 28 percent of retail clothing sales from structured retail today comes from the department store segment including Shoppers Stop, Pantaloons and Westside among others. These department stores have effectively

The new Indian consumer is eager and open to new brands that are ultra fashionable, globally noted and promise to lend him a social status. This new generation disposition is fuelling the luxury fashion market in India to bloom further by the day.

By Rahul Kapoor, Co-Founder, Excedo Luxuria



who want a shirt from a brand which is different and cares as much about the process and the end creation as much as the consumer does about the taste of the food they eat.



offered home grown alternatives to international high street fashion brands such as Zara and H&M. With Westside planning to expand beyond Indian borders, the coming years could very well give a much needed impetus to manufacturing in India.

The currency advantages, higher quality of manufacturing and lower manufacturing costs in India, provide a key advantage to all brands that are manufacturing in India and selling globally today.

KK Shirts launched in 2014, is a small outfit selling a limited run of 1,000 shirts globally every year, proudly 'Made in India', matching the quality of ready-to-wear shirts provided by far more established European brands. The shirts are priced modestly between ₹6,000 to ₹18,000 (45 GBP to 200 GBP) whereas a big boxed store would sell a similar quality and care for at least 2.5x, using sustainable textiles and environmentally friendly dyes and prints. The brand, in 2017, was sold out of all its shirts in a record 8 months period. It's surprisingly good for a brand which neither banks on social media nor advertises, but just relies on the word-of-mouth from its customers and targets consumers

International brand launches are not to be left behind, while we have H&M open up across the country in the premium affordable market, we have also seen brands such as Ted Baker, which back in London, is a common department store and non-luxurious brand, in India's newest luxury mall, The Chanakya. Ironically ultra luxury or haute luxury niche shoe brand, EL Chaussure decided that malls in India are not yet luxurious enough to match their other stockists such as Harrods in London and chose to continue to offer their designed-to-desire shoe service online and through a partnership with Excedo Luxuria in India. They allow customers to design and order their own shoes online and then have them hand made by craftsman in Great Britain, Italy and Spain.

The latest launches clearly show the consumer and customer of today is ever willing to look at newer brands and they are open to new brands, both international and domestic, which can provide value for money (that's different from being cheap), support in defining a social status, is globally appealing and most importantly, is fashionable and in season.

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With the increase of foreign investment as well as local investment, local businesses infrastructure continues to develop driving down the mid-term cost of operations, logistics and even top level manufacturing costs.

Given the global opportunity, e-commerce shopping continues to grow specifically when looking at the omni-channel strategy. Investments in retail will continue largely focused on providing the customer an unbeatable personalised customer service. It was estimated that 2,00,000 crores was invested in retail in 2016 and by 2020 its expected to double. With core and inter-market consolidation such as Reliance Brands' acquisition of 40 percent of Genesis Luxury, it is making way for the original founders to pursue wider opportunities and growth, and giving Reliance the 'influence' to align benefits and market strategies.

With investments being made in retail, we can expect the contribution of tier-II and -III cities' towards total luxury fashion spending increase, though in our experience, many key buyers are driven by the psychology of buying the best and buying better than those in the metropolitan cities, a higher status symbol and far better value for money. This mind set gives way to a list of haute luxury brands such as Swiss Luxury, Laurent Ferrier, along with higher end industrial luxury brands such as Kiton, a luxury made-to-measure clothing from Italy. These niche labels entice new customers and educate them in their own brands' prospectives; without them being over exposed to Massitige and mass luxury fashion brands advertising such as Louis Vuitton or Christian Dior.



The least obvious but one of the most critical evolutionary points, is the definition of luxury fashion. Fashion, till recently, was limited largely to clothes and immediate clothing accessories. As time progressed, categories such as shoes, jewellery, watches and accessories have been included, in the truest term. Today, the luxury fashion market includes a full wardrobe from innerwear to watches like Versace or the more niche Lytt Labs. With a variety of options and each design bearing in mind the modern day buyers' wardrobe, lifestyle and functionality; the interchangeable straps on a Lytt Labs represents this exact mindset, with over 300 different

straps available, from black leather to green, red and blue tartan, all changeable within a minute at home.

Overall, the immense growth charted for the luxury fashion segment in India is nothing short of exciting; but with all enticing opportunities come challenges. There are not insurmountable challenges though. Consolidation is a wise move and I would expect to see further mergers and some inter-market investments reducing the competition domestically and increasing competition for international brands, providing the end customer and consumer with better service.

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ABOUT RAHUL KAPOOR

Born in Kent (England), Rahul Kapoor is the co-founder of Excedo Luxuria that specialises in bespoke and haute luxury labels. With the luxury market as his forte, Kapoor curates and retails niche luxury brands in India, that are sourced from Europe and North America. An international entrepreneur, he has been a recipient of numerous prestigious entrepreneurial and business elite awards.