



E-COMMERCE AND APPAREL MARKET: TRENDING CHANGES IN ONLINE SELLING BY GARMENT PRODUCTION HOUSES IN INDIA

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Abstract

The way India shops for fashion have changed substantially since the outbreak of the Covid-19 pandemic. Online purchase of shirts, jackets, dresses, tops, jeans, sneakers and boots now accounts for 26-50% for some of the largest fashion brands in the country, busting the myth that touch and feel are critical factors in the fashion purchase decision.

Online retail platforms or e-commerce markets have emerged as a unifying force in the Indian retail space. There is certain homogeneity in customer behavior as shoppers from smaller towns have begun displaying the same traits when it comes to shopping for fashion, readymade garments, jewelry, accessories, electronics or daily essentials.

Keywords- Ecommerce, online, production process, brand, Ready-made garments.

Introduction

The Indian e-commerce market is predicted to grow to a whopping \$325 billion and by the same year the country's digital economy to reach an astounding \$800 billion. With 881 million users, India has the second-largest Internet user base in the world, and by 2030, it is expected to rise to the third position in the online retail industry, according to Invest India.

With a growing digital economy and internet user base, India is poised to become a worldwide e-

commerce powerhouse by 2030 and is expected to lead the way in online shopping with 500 million buyers. At present, the e-commerce market in India is valued at \$70 billion, which accounts for around 7% of the nation's overall retail market. The internet penetration has witnessed significant growth, with 52% of the Indian population, approximately 759 million people, accessing the internet in 2022.

One of the primary drivers is the increasing internet penetration, with around 87% of Indian households expected to have internet connections by 2025. However, the duration of internet access through mobiles has seen a 21% rise compared to 2019. The number of online shoppers in India is projected to increase with a compound annual growth rate (CAGR) of 22% to 88 million in rural India and 15% to 263 million across urban India between 2019 and 2026. India's affordability in data prices also plays

a pivotal role, with one gigabyte of data costing approximately \$0.17 (Rs 13.5), driving the majority of the population online.

Further, the rise in smartphone users, projected to reach 1.18 billion by 2026, coupled with an increase in average data consumption per user, further propels the digital economy. Mobile data traffic has tripled from 2018 to 2023, showcasing the increasing reliance on digital platforms for various needs.

Unified Payments Interface (UPI) has emerged as a significant player in digital payments, accounting for \$1.5 trillion transactions in 2022. By 2026, 81 per cent of India's population is expected to have access to smartphones.

The availability of local language and mobile-first content has seen a surge, with approximately 73% of India's internet subscribers using Indian languages. This has led to an estimated regional language base of 540 million, offering a market size of \$53 billion.

Digital infrastructure such as UPI, EKYC, and Aadhaar has reduced the time taken to onboard consumers by 80%, further streamlining the digital experience. A significant shift is observed towards rural-led value e-commerce, with over 60% of demand expected to be driven by tier 2-4 towns and rural India by 2026. Government initiatives like the National Logistics Policy aim to smoothen deliveries to hinterlands, making logistics efficient and cost-effective.

Developments in e-commerce

Further, social commerce is expected to reach a market size of \$ 70 billion by 2030, with small video applications gaining wide appeal. Key mergers and acquisitions in the e-commerce sector have been notable in fashion clothes and readymade garments.

With drivers of growth such as digital channels, increased online access through mobile devices and technological innovations, it's no wonder that the online fashion industry has skyrocketed — and if you're an entrepreneur with an eye for fashion, there's plenty of room to join in on the action. For startups and large enterprises alike, e-commerce offers a huge opportunity to get your business off the ground without the overhead that can come with traditional brick-and-mortar operations.

However, starting a new business rarely happened overnight post covid 19 . And especially for business owners in the garment industry with little or no technical expertise, going digital may seem like more work than it's worth. Many aspects they needed to know about starting their own online clothing chain and how their production business can reach its fullest potential. Although brick-and-mortar stores still retain a strong foothold in the industry, the grip on offline stores has been weakening: online apparel sales now seem to be the future. That is why garment manufacturers started understanding the demands of the younger generation who are mobile and internet friendly as well as more comfortable to buy clothes online.

Some of biggest advantages of selling online versus offline:

1. Lower barriers to entry:

Post Covid it was realized establishing a storefront can take a few days or weeks online, while getting started in a more traditional environment can take a lot longer with a much higher initial investment. After

2020 garment manufacturers had already faced a lot amount of financial crisis so little or no investment on physical store was their first and foremost concern.

2. Lower overhead costs:

Opening a brick-and-mortar store can cost between 10, 00000 to 50, 000, 00 while most online clothing business models require substantially less. Even can be started from their homes or lesser space required for production only.

3. Convenience for shoppers:

Customers can shop at any time of day, and it's more convenient than traveling to shop in-store. As mentioned earlier after covid 19 priorities of customers have changed.

4. Omni channel marketing:

Omni channel commerce helps connect all channels, both in-store and online, to create a seamless customer experience, which could result in a 33% increase in revenue.

Starting an Online Clothing brand

The perfect time to start selling clothes online was about 15 years ago when the market first began to grow — but the second best time is right now.

With so much potential on the horizon, taking a leap into the world of e-commerce now can help garment manufacturers capitalize on trends rather than letting an opportunity pass them by. But before they start listing their wares for sale, one needs a foundation that will steer a company of garment manufacturing in the right direction from the start.

These seven steps a garment manufacturer prepares in the best way possible for e-commerce success.

1. Choose a clothing niche.

Instead of making it a mission to sell clothing for everyone across every demographic, A garment manufacturer has hone in on something a little more specific that's based on his personal interests and business goals.

When considering his options, keep these four points in mind:

(a) Be unique .Ecommerce stores are a dime a dozen, and if his clothing brand is the same as every other, he will likely get lost in the crowd.

(b) Choose a niche that a manufacturer is passionate about. Think about the kinds of clothes target customers buy, the items they love to see on the market and what types of products your customers are eager to share with friends or family.

(c) Ask yourself whether your clothing brand can add value and position itself as an authority. Examine where there are holes in the current market in which your clothing brand can make a difference or add value. For example, if a manufacturer has an experience in sustainability or social work, consider a fair trade or nonprofit clothing line.

(d) Make sure the niche has earning potential. Find a place to insert your brand — or a unique value proposition — that allows for quicker growth and the ability to earn money.

2. Determining a business plan.

A well-thought-out plan is a must for starting any big or small online business — and a good business plan goes far beyond “sell items, make more money” Instead, it delves into the specifics of how a new style of business will operate, including:

- A high-level executive summary that provides an overview of what a company hopes to accomplish.
- A company description, including product lines, customer demographics and plans to remain competitive.
- A market analysis that looks into the data and statistics of the marketplace, including average sales, the number of other sellers and projected growth rates.
- A competitive analysis that focuses explicitly on competitors in the same space.
- A marketing plan covering details of online and offline sales and marketing strategies.
- Financial projects both for the near future and from a long-term perspective.

Another big part of creating a garment / fashion online retail business plan involves choosing a business model. In the ecommerce clothing retail world, there are four common choices: Print-on-demand, custom cut and sew, private label clothing and drop shipping.

(a) Print-on-demand.

A print-on-demand business prints or otherwise alters pre-existing clothing, such as t-shirts or hoodies, based on customer orders. This can be a custom process — for example, company logos — or based on a predetermined selection of designs. When a customer places an order, either you or a third-party printer will create products as ordered.

Print-on-demand is a good idea for business owners who have minimal retail experience or a limited budget to help build up profit margin.

(b) Process of production: Custom cut and sews.

Custom cut and sew, as the name implies, refers to companies that design and sell their own products. Some custom cut and sew businesses produce all clothing in-house. While this business model is a great opportunity to launch a truly unique brand, keep in mind that starting this kind of online clothing store may require more funding and a deeper understanding of design principles.

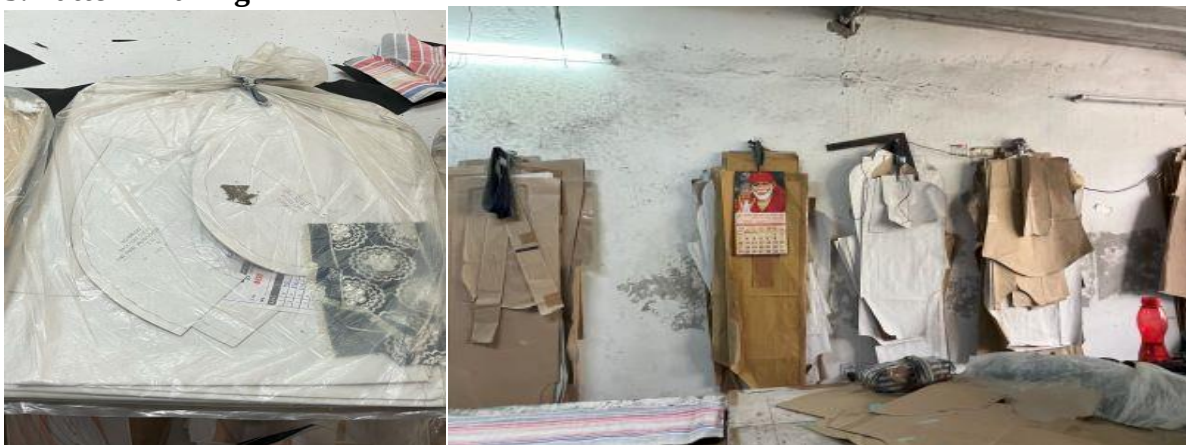
1. Designing of dresses
2. Procurement of raw material from wholesale market
3. Storage of fabrics and stitching accessories



4. Sampling



5. Pattern making



6. Cutting of garments



7. Accessories and machine embroideries on fabrics



8. Fusing fabrics



9. Stitching of garments



10. Finishing and pressing



11. Labeling and packing the finished garment



12. Tagging of e-commerce platform



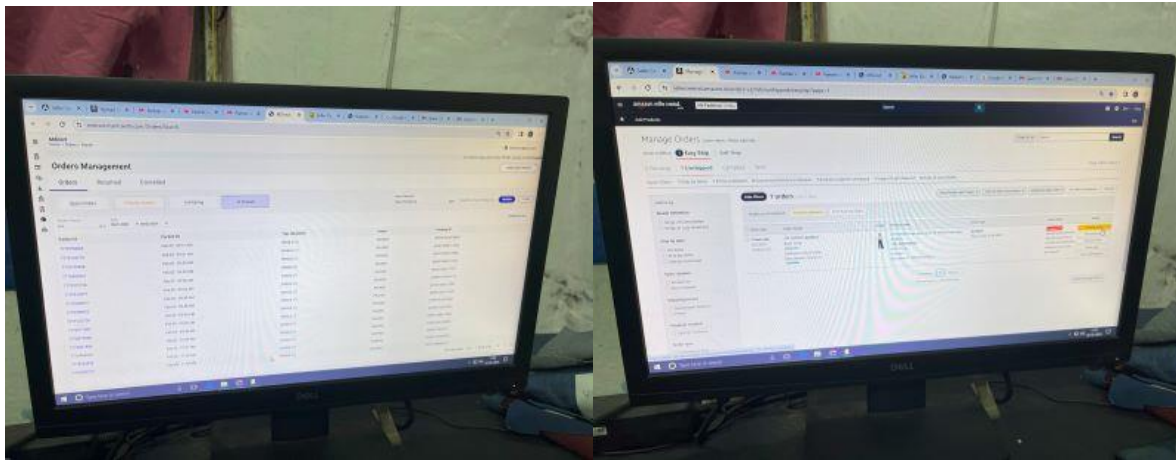
13. Packets ready for delivery



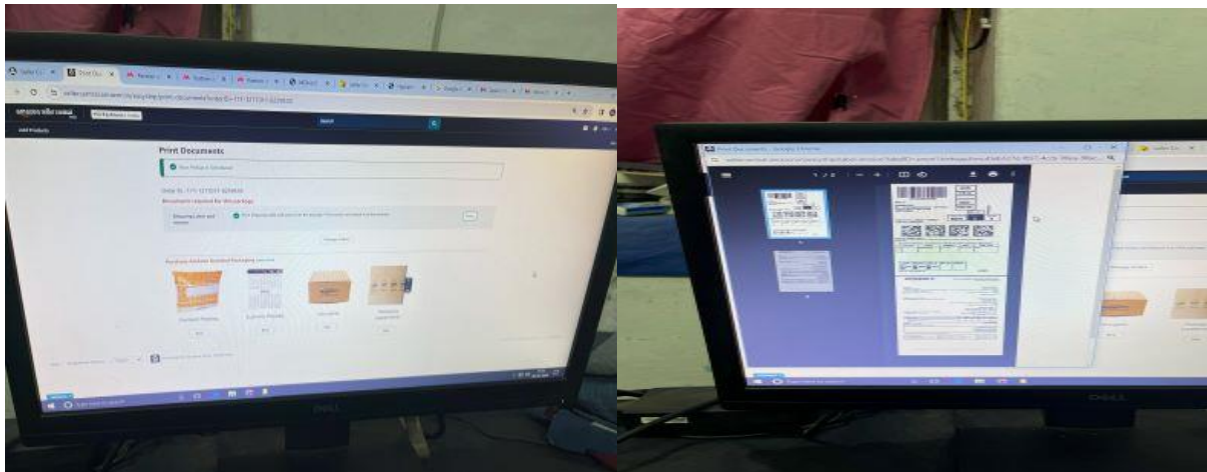
14. Storage



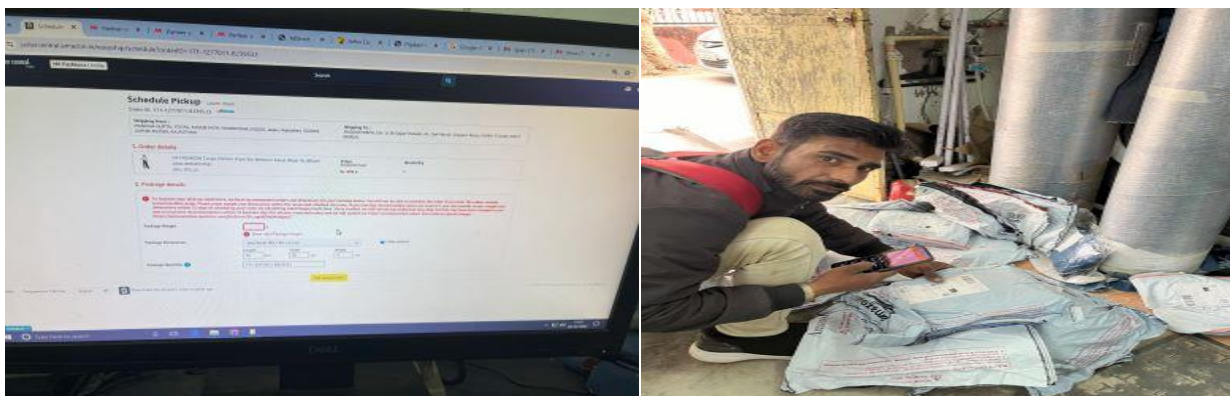
15. Order management- managing lists and individual orders on e-commerce platform



16. Print documents



17. Schedule Pickup from garment production house and delivery through courier services



(c) Private label clothing. As a private label clothing company, a new manufacturer can partner with established manufacturers to order unique products marketed under your brand. Instead of being designed in-house, products are designed, produced and branded for individual sale by a selected third party.

The investment in private label clothing can be higher, because it requires finding a reliable manufacturing partner and paying any charge for branding. However, this method can allow for more flexibility in batch size and sampling, letting stores evaluate products and fine-tune strategy without breaking the bank.

(d) Drop shipping.

This is arguably the easiest of the ecommerce business models. Drop shippers essentially act as middlemen; when a customer orders an item, the drop shipper then orders from a wholesaler for delivery directly to the customer. There's little investment required to start this kind of business as there's no inventory kept in stock or a need to spend money on orders in advance of customer activities.

3. Selection of an e-commerce platform.

If a garment manufacturer wants to sell online, an ecommerce platform is a must-have. Luckily, the market is full of high-performing e-commerce platforms in India for fashion clothes and readymade garments for eg- Amazon.in, Nykaa Fashions, Myntra, Meesho etc. that can support your storefront.

Some platforms are bare-bones, providing a blank canvas, so to speak, to customize a storefront these are often referred to as open source. With open-source solutions, the user has full control over the source code, thus allowing for complete customization, all the way from product pages to themes to check-out experiences. However, with more customization often comes more complexity, so any technical changes are best handled by certified web developers.

The other option, SaaS (software-as-a-service), is a subscription-based solution that is built and maintained by a third-party provider so that users can essentially "rent" the software, without the added complexity of building and developing the platform. Simply by paying a monthly or yearly subscription, SaaS users have access to an array of pre-designed themes, plugins, modules, templates and add-ons that allow users to quickly and easily customize their storefront.



4. Choose the company's domain name.

The manufacturing company's domain name should align with its brand name as well as their ultimate business goals and available products. So a manufacturer chooses a domain name that's logical, easy to remember and easy to access. Short names are always better than long ones, and confusing names with multiple repeating letters or letter sequences can leave prospective buyers lost on the web.

5. Choose templates and customize the brand.

Most ecommerce website builders have templates that can help a new manufacturer to get started with customization options to meet their unique needs. Quality templates can make it easy to put together a store, offering ways to customize everything from navigation to product pages for a site that works well and speaks to its vision as a brand.

6. List all the products available for sale.

Once you've established the framework of your site, you're ready to list the products a manufacturer has for sale. Remember that the display of products, the quality of descriptions and even the navigation of ecommerce pages can directly influence a garment manufacturer's sales.

(a) Product descriptions.

This may sound mundane, but quality content can make a huge difference. On ecommerce sites, product descriptions are a primary driver for increasing sales, and they also play an incredibly important part in telling customers what you have to offer and why they should buy from you. Use of colorful, high-quality language that paints a picture for customers. Since buyers can't physically handle all the merchandise, product descriptions are effectively the next best thing.

(b) Product display.

Product display should complement product descriptions completely, providing a way to show and tell shoppers what to expect. A single photo won't cut it; provide images of clothing items from all angles, up close and at a distance, so that customers can make an informed decision.

Photographed clothing on models is done where possible, or a mannequin when not. Photos taken are high quality and showcase fabrics, front, back and side details and even styling options when possible.

(c) Navigation on sites

As per reports maximum customers say that a poor experience on one site will lead them to search for another to meet their needs — which go to show that site navigation is an integral part of making sales.

When a site visitor is completely overwhelmed with menus, dropdowns and navigation options, going through the effort to find the right products can be very overwhelming. Regardless of how many different products you sell or categories you have, keep navigation simple and easy to use.

(d) Checkout.

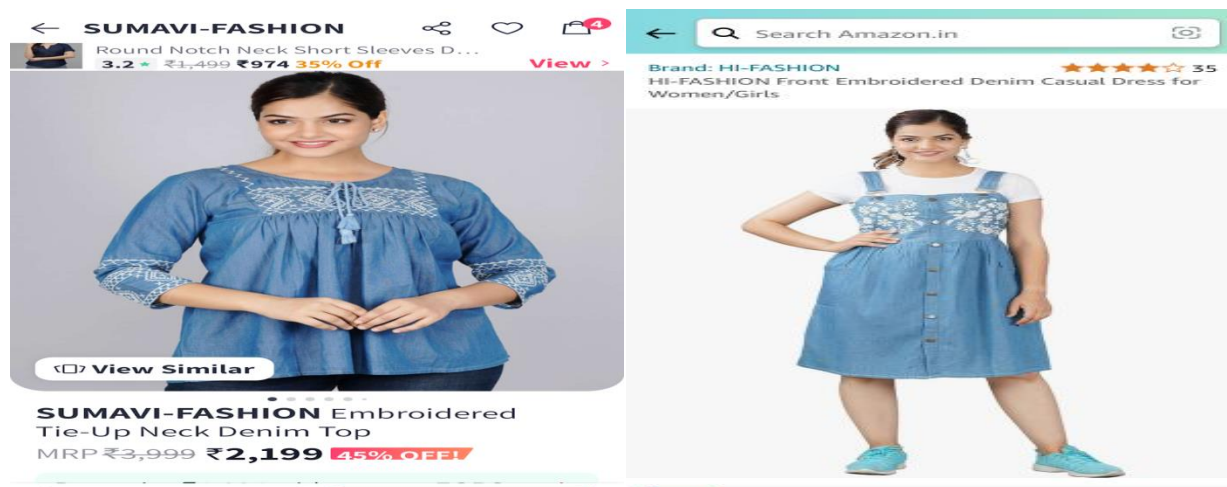
The checkout process is a crucial part of making money; after all, if your shoppers don't finish a transaction, you're not going to make a sale. In fact as per reports 21% of online shoppers usually have abandoned their shopping cart due to a long, complicated checkout process. The manufacturers now accept auto-filled details when possible, like credit card info stored in Chrome. They also accept a variety of payment processors, including gift cards, credit cards, debit cards; PayPal and buy now, pay later options.

(e) Site search.

When customers want access to information quickly, a search is the easiest way to do so. To minimize the frustration felt by customers who just want to know more about the brand or its products, the manufacturer makes sure that the search function is effective and easy to use.

7.Publish and market the company's clothing brand.

Finally the clothing store is up and running, your product descriptions and photos are stellar and your page is optimized for success .In an ecommerce marketplace, the best way to get the target customer is through top-notch digital marketing.

**Best Practices for a Successful Online Clothing Brand**

In a new modern era where traditional garment manufacturers are preparing themselves to launch their own online clothing store, these best practices will help them keep their business on track.

Simplify Navigation.

If you've ever clicked on a dropdown on a website and found yourself confused by menus inside of menus, you're not alone. Massive, complex menus can be downright confusing, scaring customers off before they ever have a chance to see your products.

When in doubt, simple menus are always the best. Narrowing the focus down to the key points, even if this means artificially simplifying product categories.

Prioritize SEO.

Utilizing search engine optimization techniques can ensure potential customers find you on search engines when looking for your products. From your homepage to your product descriptions, be sure your content prioritizes the keywords and phrases that align with your products and branding.

Have engaging web design.

It may sound a bit shallow, but appearance matters a lot online, and poor site design can cost you more than you realize. To help keep customers coming back, make sure your design is engaging, responsive and attractive. Think personalized recommendations and mobile compatibility.

Provide popular payment options.

Credit cards have long reigned supreme in the world of online payments, but they are no longer the only option on the market. With new payment methods such as UPI , PayPal and mobile wallets, just the basics won't do.

Another emerging payment trend is buy now, pay later, which gives customers the option to choose a financing plan and pay in installments instead of having to pay the entire cost up-front.

Advertise where your audience is.

Unlike the old days of advertising, where customers from all demographics saw ads on TV or heard them on the radio, today's marketing methods are more targeted than ever before. When you want to make sure your advertising goes toward the right people, you want to advertise in the right place. Rather than throwing money into the wind, figure out where your customers are and follow them there, whether it's Instagram or facebook.

The Final Word-Conclusion.

Starting any kind of business can be a big gamble, but the online clothing market is a good place to be. With upward trends that allow for flexibility (and affordable), starting an online brand of garment company can be an easy recipe for success. When backed by the perfect online platform and a strong business plan, there's never been a better time to bring your clothing store dreams to life.

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