



CONSUMER MARKET – Lifestyle, Fashion & Retail

New Market Entries & Partnerships

- Aspiring to be “the best selling retailer in India”, Uniqlo CEO Tadashi Yanai has confirmed the ambitious plan for India to become the biggest market in the world for the brand, surpassing China and its home market. While claiming that there is no potential investment cap for India, the brand expects India to be its biggest market and one of its most important sourcing hubs in the next decade.
- The Australian fashion retailer Cotton On has entered the Indian market through e-commerce platform Flipkart and their subsidiary companies (Myntra, Jabong). The Company also aims to open its first India brick-and-mortar store next year; no official announcement has been made on the mode with which it will enter the offline space.
- Cravatex Brands Limited (CBL) has entered into a partnership with VF Corporation to manage the India operations of footwear brand Vans. Cravatex will strengthen Vans presence in India by opening around 50 stores over the next five years.
- 6Degree, one of India’s leading fashion platforms, has entered the brick and mortar space with the opening of its first multi-designer store ‘Closet’.
- Aero Club’s premium brand Woods is looking to enter the apparel market in India with the launch of formal and semi-formal wear range for both men and women this year. The company will also invest around \$8.7 million on the expansion of its standalone retail presence.
- Tablez, the retail arm of Lulu Group International, has acquired exclusive rights to launch the French brand Go Sport in the Indian market. Tablez, which has already launched international brands Toys’R’Us and Springfield, is looking to tap the fast growing sporting goods retail segment, as evidenced by the resounding success of Decathlon, the global market leader in the space, which in India is clocking higher sales than Adidas, Nike and Puma. Go Sport aims to differentiate itself from Decathlon by building relatively smaller formats closer to urban centers that can still satisfy the breadth and depth of demand coming from curious and new sports enthusiasts as well as professional athletes.
- Reliance Brands has signed up Armani’s sportswear brand EA7, making it the Partner for all of the Armani Group’s brands including Giorgio Armani, Emporio Armani and Armani Exchange. Reliance Brands has also signed British high-street labels All Saints and Kurt Geiger to ramp up its portfolio of high-end brands before the much anticipated launch of its e-commerce initiative which is expected to disrupt the market and take the incumbent titans Flipkart and Amazon head on.
- It is rumoured that Flipkart is looking to ramp up its global fashion portfolio and is in talks to purchase the India franchisee rights for Gant, Nautica and Ed Hardy, among other labels. Flipkart has tried its hand at the offline space as it looks to entrench itself as an omnichannel player, albeit it has struggle to do so thus far with the lower than expected results arising from its foray with Mango and Esprit. The Company, which holds great potential owing to the unparalleled data on Indian consumer buying behaviour and patterns that it has amassed as India’s leading online fashion portal, still needs to configure itself for a completely different set of dynamics which are faced in the offline space.
- Tata Group, Zara’s partner in India, is building its own apparel empire as trend-focused as Zara, but at half the price. Its retail arm, Trent Ltd., has fine tuned its local supply chain to deliver “extreme fast fashion” which can get runway styles to customers in just 12 days. The target audience is the consumer population that is newly trend-conscious and globalized, but whose low average incomes means that clothing from Zara itself is still mostly out of reach. Albeit Tata has been particularly careful in portraying the foray as a different proposition to Zara, time will only tell how much cannibalisation actually takes place and how Zara will react to any such conflict of interest which we believe may arise.

Growth & Retail Development

- Nykaa’s nascent fashion arm is seeing 30% month-on-month growth, as the vertical expands independently from its beauty business. Nykaa Fashion currently offers a portfolio of 250 brands.
- Denim brand Spykar will expand its retail network across the country and plans to open around 120 exclusive brand outlets in the next three years to boost sales.
- Despite the onslaught of e-commerce, malls remain of great importance in India, with ~ 6 Million Sq. Mt. of expected new mall capacity by 2022.
- US-based e-commerce giant Amazon has invested around Euro 355.8 million into its Indian marketplace to further strengthen its presence in the Indian market. Outside of the US, Amazon India is the most important market for the company which is why it has so far made over Euro 4.4 billion (\$5 billion) investment in the country.
- Indian fashion retail chain Shoppers Stop has strengthened its retail presence by entering the northeast market with the opening of its first store in the city of Guwahati, Assam. Shoppers Stop currently has 84 stores spread across 40 cities in the country. Shoppers Stop is now focusing on tier 2, 3 cities in India to drive the next phase of growth and will be further expanding in these cities in the coming months.
- Aditya Birla Fashion and Retail has acquired ethnic apparel and lifestyle retailer Jaypore. This diversifies the company into the fast growing ethnic apparel segment via Jaypore which sells via B2B to over 60 countries.
- Miniso, which has 102 stores in India (24 Miniso-owned and 78 franchise stores) has decided to now focus on the online route for growth as opposed to further aggressive offline expansion. The brand has now created the offline experience in key markets, built its brand equity and will now look to spread its reach to all pin codes in India via the online route thanks to a strategic partnership with online platform Snapdeal.



VPC Sectors

.....Continued - Growth & Retail Development

- The Dubai-based Landmark Group's fashion arm Lifestyle International is targeting the growing tween (early teen 9-15) clothing market in India and has recently brought tween lines to its stores in the country.
- Tata Group's retail arm Trent Ltd is looking to strengthen its fashion vertical in India and plans to add 40 Westside flagship stores every year.
- Los Angeles-based fast fashion brand Forever 21 enters the northeastern market with the opening of an 1,000 sq. mt. store in Guwahati.
- H&M sales have grown 39% YoY for the quarter ended in May, with a turnover of Euro 48 Millions.
- American sports lifestyle brand Skechers is planning to enter new categories like apparel and accessories to fuel future growth in the Indian market.
- Bath & Body Works has expanded its retail presence by entering the southern state of Tamil Nadu with the opening of its first store in the city of Chennai. The store is located at Express Avenue Mall and is spread across more than 95 sq. mt.
- Pernia's Pop-Up Shop will host the global women's business community Mind Her Biz at its multi-brand store in Bandra, Mumbai and debut a range of the brands' summer collections.
- Korean lifestyle brand Ximi Vogue is planning to open as many as 200 stores across the country over the next two years.
- Online fashion retailer Myntra has set up five experience centres in Bengaluru, Delhi, and Hyderabad to enhance customer experience and boost sales during its upcoming End of Reason Sale (EORS).
- South Korean brand Beccos has strengthened its retail footprint in the Indian market with the opening of its store in the northern state of Punjab.
- India's largest omni-channel platform for kids Firstcry is on an expansion spree and will be opening up as many as 70 stores across the country.
- Indian realty developer DLF and Singaporean sovereign fund GIC's joint venture plans to build India's largest mall on a 23 acre plot in Gurugram.
- Value fashion retailer V-Mart Retail Ltd has strengthened its retail presence with the opening of its 88th store in the state of Uttar Pradesh.
- Leading kid's retail chain Toonz Retail is looking to strengthen its retail presence by planning to add around 200 stores in the next three years.
- Major Brands has planned massive expansion for all its brands over the next four years. The company has earmarked an investment of Euro 35 million on retail expansion for all its international brands across India.

Marketing & Promotion

- Indian lingerie brand Clovia has collaborated with entertainment channel Colors TV for an exclusive sleepwear collection 'Starlit'. The new collection will be worn by television actors from the shows on Colors.
- Club Factory, a clothing retailer that sells products ranging from apparels to beauty products and gadgets, has collaborated with Bollywood actor Ranveer Singh to launch its newest summer collection.

Trends & Patterns

- India's tweens and high-schoolers are craving for options that go beyond cartoon character printed t-shirts. Aged between 9-15 years and practically born with smartphones and social media accounts, they are the new target segment for brands geared towards these young consumers who are beginning to make their own style choices. "Increasing access, double-income households, brand consciousness and independent mindset shift in kids have contributed to the growth of this category. This age bracket has also nudged out hand-me-downs and cheaper export-reject options," said Vineet Gautam, CEO of Bestseller India, referring to high-schoolers as fashion influencers and opinion-makers of the future.

Market Numbers & Figures

- Childrenswear market for ages 0-14 is expected to grow at ~ 18.2% CAGR from 2018 to 2023
- The 10th edition of Myntra's flagship End of Reason Sale saw over 2.2 million customers ordering more than 9 million items over the course of 4 days. T-shirts were the most popular product among men, with 1.45 million units sold, while kurtis were a favourite among women with 1.05 million units. One in every three customers was a member of Myntra's Loyalty Program, Myntra Insiders, and contributed about 42 percent to the overall sale.
- The Indian innerwear market is worth ~ Euro 4.2 Billion, accounting for ~9 % of the total domestic fashion retail market (~ Euro 46.3 Billion), and is expected to grow 12.5 % CAGR over the next decade to reach ~ Euro 8.7 Billion by 2028. Women innerwear accounts for ~ 65% of the pie.

Spotlight

- Andrea Dini, CEO and President of Paul & Shark, was recently in India for the launch of its reformatted store in DLF Emporio Mall, New Delhi. With the new opening, the company has also launched Me and My Paul & Shark, an in store personalization service where customers can choose from an array of customizable options. The service not only offers the traditional initials that can be placed on the garments, but a host of options such as embroidery on the front and back pockets of denims, cuffs of a shirt, engraving on metal brackets of shoes, zippers, application of patches, embellishments and badges. Furthermore, the company also has an India specific capsule with an Indian designee on the cards in the coming year. Mr. Dini, emphasized that constant innovation is required to maintain loyalty amongst its customers and customizable options are required to keep them engaged. India represents 5% of the company's global business, and Mr. Dini is investing resources to ensure that it garners an ever increasing share with the belief that India will be the next major growth driver of the global fashion / apparel industry.