

Indian Clothing Retail Trade Offers Big Opportunities for Western Fashion Brands


India is currently – after China – worldwide the most attractive growing economy for foreign investments. According to the governmental budget the GNP will grow in 2010/11 in comparison to the period before, expecting a growth of 7.2 %. The country encompasses an area like Germany, Finland, Italy, Poland, Great Britain, Spain and the Ukraine taken together, and has a population of more than 1.1 Bill people, with an average age of under 25. India offers a great potential for Western products for the local growing middle class of estimated 150 Mill consumers. This stated Susanne Weller, Director Marketing & Promotion Europe of the Indian Images Group/New Delhi (www.imagesgroup.in), on the occasion of the information day "GermanFashion goes India" in Düsseldorf.

The Indian retail business is dominated by family companies and is among the ten largest international markets: According to the last Global Retail Development Index (GRDI) of AT Kearney their local retail trade place for investments is after Vietnam the second most important and attractive market. Overseas direct investments are now possible. Foreign retailers with mono-brands are allowed currently to hold up to 51% own share of their Indian companies. The Indian organized retail trade with shopping malls and supermarkets is momentarily with 5% still only small, however, it should grow in the next years considerably.



The domestic consumers namely desire better quality products and better prices in the future, an optimal customer service and more favorable shopping possibilities. Indian industrial conglomerates like Reliance and Tata Group have recognized this potential and invest in the retail trade sector.

Additionally there is the fact that the urban growth and the rural exodus are currently going



ing on much faster than in the rest of the world. By 2030 more than 40.7% of the total population live in urban areas. By 2025,

more than 70 cities will have a population of more than 1 million people. For 2009 the Indian retail market is estimated to 291 billion euros, malls and supermarkets account for only € 20 billion - less than 7% of the total, in China there are already about 35%.

Last year there existed in India 172 malls with 52 Mill sqm selling space. Until 2011 the number shall grow to 300 malls with about 120 Mio sqm. These sales areas have to be filled. Meanwhile there are more than 200 international fashion brands present here, like Adidas, Reebok, Nike, Puma, Triumph, Wrangler, Esprit, S.Oliver, Benetton, Levi's, Tommy Hilfinger, Marks & Spencer, Louis Vuitton etc..



The Indian clothing market amounted in 2009



to 27.4 Bill Euro and grows annually by 13.5% - much faster than the other retail trade sectors of the country.

There men's wear had a share of 36.1%, women's wear of 32.2%, kid's wear 24.8% and unisex-confection 6.9%. More and more Indian women are getting employed and demand comfortable and cool Western fashion. This market is taxed to 0.49 Bill Euro – at a total value for the Indian women's wear-market in 2009 of 8.8 Bill Euro. Trendy are especially Western ladies' suits / ladies' pants / blouses. The Indian kid's wear market amounts in 2009 to 6.8 Bill Euro and grows annually by 17.3%.

The Indian imports of European confection have more than doubled from 10 Mill Euro in 2005-06 to 22 Mill Euro in 2009 with a yearly growth rate of 48% in the short timespan of three years. Of the total clothing imports of the country only around 11 to 12% in volume are coming from Europe – therefore there are still considerable opportunities for sale available for German fashion companies.

Already in 2002 Puma and Triumph founded its own subsidiary in India. Triumph in India



operates six own stores in franchise system, and is also present in department stores,

multi brand outlets and exclusive partner stores. Right now the sporting goods group has more than 50 shops in 15 cities. Adidas came even in 1996 with an subsidiary of their own

own to India and is here represented with the brands Reebok (market leader in the athletic products area in India) and adidas. The brand Reebok is currently present with more than 800 mono-brand stores in market, the brand adidas with more than 600 stores. The predominant share of these stores are franchise-shops. Moreover, the products of the adidas group are available in so-called multi-brand stores.



S. Weller also pointed out in her presentation the exhibition "German Superior Fashion Brands", which is integrated into the 11th Indian Fashion Forum from 17 to 18 February 2011 (www.indiafashionforum.co.in) in Mumbai in the Renaissance Hotel & Convention Center. The India Fashion Forum (IFF) including conference, exhibition, fashion shows and Images Fashion Awards is the leading event of its kind in India and one of the greatest fashion events in the retail trade sector of Asia. They are expecting about 1,500 delegates, more than 100 speakers and 100 exhibitors.

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