CONSUMER BEHAVIOR AND PREFERENCES OF INDIAN CONSUMERS TOWARDS APPAREL PURCHASE IN RETAIL MARKETS OF INDIA

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ABSTRACT

The growth of Indian economy and markets has given birth to a new range of customers who is inclined towards the purchase of branded and quality products specially the apparels as the youth of the country is now exposed to various business and professional situations. The economy has resulted in to the development of markets with new jobs created in the ITES sector, Biomedical, Automotive engineering, Apparel manufacturing and Civil engineering. The growth is strongly supported by the education sector with increase in the number of students enrolling for higher education and large numbers of students graduating every year thus creating a large pool of technical and managerial manpower. The working class people segment has grown since the economic growth and it has benefited middle class and upper middle class people. Due to the increase in the number of working people and substantial raise in income, spending power has increased over the years, and particularly the young Indians in the age of 15 – 25 like to shop more. The Government of India has laid down strict rules to protect the environment and avoiding child labor but there is no legality followed by companies in providing an ethical environment in means of working time and salary. This study focuses on the consumer behavior of young Indians in the age of 15 – 25 to understand and know their perception towards spending and to show a new path for the society and the industry for a sustainable economic and social environment.

INTRODUCTION

Globally, the Indian retail market is the fifth largest in the world. Further proof of its growth has been indicated by various indicators of development. For example, AT Kearney's seventh annual Global Retail Development Index (GRDI) has ranked Indian market as one of the most attractive emerging market for investment after China in the retail sector in 2013. The share of retail trade in the country's gross domestic product (GDP) was a highly healthy 15 - 18 percent in 2012. Going by market estimates, it is currently around 21 percent and the future expansion of the Indian market is elucidated in a McKinsey report named 'The rise of Indian Consumer Market' which estimates that the Indian consumer market is likely to grow four times by 2025. Sectors like Banks, capital goods, engineering, fast moving consumer goods (FMCG), software services, oil marketing, power, two-wheelers and telecom companies were leading the sales and profit growth of India Inc. India continues to be among the most attractive countries for global retailers and as per CB Richard Ellis' findings India's retail market is currently valued at US$ 700 billion. India's overall retail sector is expected to rise to US$ 900 billion by 2015 and to US$ 1.3 trillion by 2018, at a compound annual growth rate (CAGR) of 10 percent. As a democratic country with high growth rates, the consumer spending has risen sharply as the youth population (33 percent of India's population is below the age of 15) has seen a significant increase in its disposable income. Consumer spending rose an impressive 75 percent in the past four years alone.

India's retailing business is largely unorganized and it does not have the vision of supply chain management perspective. According to a survey done recently, an overwhelming proportion of the US$ 870 billion worth retail markets are unorganised. In fact, only a US$ 435 million worth segment of the market is organised. In fact, only a US$ 435 million worth segment of the market is organised. As much as 96 percent of the 5 million plus outlets are smaller than 500 square feet in area. This means that India per capita retailing space is about 2 square feet (compared to 16 square feet in the United States). Just over 8 percent of India's population is engaged in retailing (compared to 20 percent in the United States).
India's per capita retailing space is, thus the lowest in the world.

The organized retailing (Interconnected branded retail shop) in India has an annual growth rate of 8.5 percent. During 2010 - 11, it swept past Rs.200 billion marks (US$4.5 billion). This is a comparatively small figure when considering the extent of the total market. Organized retail, at present comprises merely 2 percent of the total market in India. This means that the untapped segment amounts to a whopping Rs. 9,800 billion (approximately US$225 billion). The share of modern retail is likely to grow from its current 2 percent to 15-20 percent over the next decade. The above facts clearly shows that in India, though retailing is a developing industry, it is going to be a very big industry in India and retailing is going to contribute a lot to India's development. It is predicted that the real GDP is expected to grow at 8 to 10 percent every year in the next five years. It is also estimated that the consuming class with annual household income of Rs 90,000 and above is expected to rise from 370 million in 2010-2011 to 620 million in 2015-2016. As a result, the organized retail business in India is estimated to grow at 13 percent annually from USD 322 billion in 2010-2011 to USD 590 billion in 2015-2016, as reported by the Indian Council for Research on International Economic Relations (ICRIER).

Apparel Retailing: Indian Scenario

The apparel market has seen considerable churning with respect to dressing pattern, style, usage of branded items, and choice of fibres and awareness of latest trends. The Indian textile industry is a sector which has generated employment in large scale and it stands next only to agriculture by providing employment to about 15 million people across rural as well as urban areas. India has emerged as the third most attractive market destination for apparel retailers, according to a new study by global management consulting firm AT Kearney. It further says that in India, apparel is the second largest retail category, representing 10 percent of the US$ 37 billion global retail market. It is expected to grow 12-15 percent per year. Apparel, along with food and grocery, will lead the organised retailing in India. The apparel fashion plays a paramount role in shaping apparel consumerism. As lifestyles change, fashion in India is becoming more diversified, as in the Western countries. Technology, ideas and lifestyles are moving concurrently and quickly. Companies and brands that offered monotonous and mundane products for years, have now multiplied their product ranges and new appealing styles, shapes and forms are being launched each season by them.

A report by Images Retail estimated the number of operational malls to grow more than two-fold to cross 412 by 2015 which has happening very fast. It also has predicted a further 715 malls to be added by 2017, with major retail developments even in tier-II and tier-III cities in India.

- Marks & Spencer Reliance India is planning to open 35 more stores over the next five years, according to Mark Ashman, CEO of the company. The 51:49 joint ventures between UK's Marks and Spencer and Reliance Retail Ltd already have 15 stores in India.
- Future Group plans to bring in up to US$ 148.7 million in foreign investment. Although Foreign Direct Investment (FDI) is permitted only in single-brand retail and not permitted in multi-brand retail businesses like Future Group's. The conglomerate has created two layers of operations to take advantage of incentives given by the government which allow Foreign Direct Investment (FDI) up to 49 percent in operating-cum-investment companies as long as they are owned and controlled by Indians.

- Jewellery manufacturer and retailer, Gitanjali Group and MMTC are jointly setting up a chain of exclusive retail outlets called Shuddi–SampurnaVishwas. The joint venture, which plans to open around 60 stores across India by end of this year, will retail hallmarked gold and diamond jewellery.(IMaCS VIRTUS)
- Number of shopping malls is expected to increase at a CAGR of more than 18.9 percent from 2007 to 2015.
- The rural market is projected to dominate the retail industry landscape in India by 2015 with total market share of above 50 percent.
- The third party logistic market (driven by the expanding retail market) is forecasted to reach US$ 20 billion by the end of 2015.

According to the experts from industry, the next phase of growth is expected to be contributed by rural markets. Rural India will account for almost half of the domestic retail market, valued over US$ 300 billion. It is set to witness an economic boom, with per capita income having grown by 50 percent over the last 10 years, on account of rising commodity prices and improved productivity. According to retail and consumer products division of E&Y India, basic infrastructure, generation of employment guarantee schemes by the government, better information services, improved connectivity and access to funding are also bringing prosperity to rural households. According to KPMG India, the rural market, product design will need to go beyond ideas like smaller sizes (such as single use small packets) to create genuinely new products.

Review of Literature

The concepts relevant to the present study are compiled and presented in a logical order. To support and enrich the theoretical orientation of the present study, an attempt was made to review similar and relevant past studies and literature available in books, scholarly journals, magazines, newspapers and other resources. The retailing concept has been comprised with the Retailing, Retailer, Promotion, Sales promotion, Consumer, Buying behavior, Awareness, Consumer service, Consumer preference, Consumer satisfaction. Berman defined retailing as business activities encompassing the sale of goods and services to the end consumer for personal, family or household usage. Retailing involves the sale of goods/merchandise for personal or household use, may be from a fixed location such as a division store or kiosk, or away from a fixed location and related sub-linked services. Retailing is performing business activity which involves in selling goods or services to the final consumer depicted by Dale M. Lewison. Retailing comprises of crucial action and steps required to deliver the final product or services to the consumer as per the version of Patrick M. Dunne. It is defined as an established business activity, which adds value to the products and services sold to the consumer for their private or domestic use according
to Michael Levy. India has family run retail stores, they are small and it did not have interconnected branded shops until late 1990s in rural and some urban areas sales people would carry all the textile products in a bicycle and sell it to people at their homes. After 1990s, India witnessed growth in branded retail shops, which opened up their retail outlet in cities and people started to visit the stores to buy clothing and fashion. The branded retail shops are opening up in both cities and villages creating brand awareness among consumer with their changing lifestyle. Kotler defined the retailing as the sales promotion which is short-term incentive to encourage purchase or sale of a product or services. Sales promotion is used by manufacturers to assist the movement of products to wholesalers and retailers are called internal sales promotion, and movement of products from the retailer to the ultimate consumer are called as external sales promotion. Chaten Bajaj refers it to communication strategies which are designed to attract, an added value, or incentive for the product to customers. Sales promotion assists with other promotional activities carried out by the store. The media Industry in India is growing at a very faster rate in the recent years with advancement in technologies, providing a wide range of choice in terms of region, religion and language to the audience. The increasing literate population, growth in the economy has assisted to an increase in the consumer using different mass media form like newspaper, radio and television. New media such as Internet and mobile phones had made a significant impact for sales promotion since 2000. India is a secular country; there are many people with different religions. The retailers give special discount on different festival occasions and attract consumer accordingly. The Indian consumers are regarded more value-conscious compared to western customers. Bhatt defined consumer as an individual who consumes goods, whether produced by business unit or created by nature resources such as air, water, food and utilities offered by the government and business organizations like hospitals, religious, educational and other voluntary organization, etc. Consumers are represented by people in families and other kinds of household who buy and use products and service to meet their need and wants as clarified by Cravens.

Consumer behavior is associated with the culture and economy of a country. Economic growths in India and young Indian population over 21 years have influenced the consumers to spend and buy more. Consumers are influenced by their friends and socio cultural environment. More spending options are growing among Indian consumers which induce higher spending on gaining status. Indian consumers were more careful in lending and now this attitude is changing with more credit options in the form of Credit cards and loans. The behavior has western influence among the Indian consumers; foreign brands have penetrated the market and acquire a good share. In recent years, there is a large shift in consumer behavior among Indians due to enhanced awareness and information technology. Lifestyle among rural consumers has changed dramatically with influence of socio-economic conditions, cultural environment, education level, occupation and wide media coverage. There is an increase in working women after 1990's, they are proving to be equally good as men, and make their own decision to buy things which they need. Yet Indian consumers think before they buy, they are more cautious in spending. Retail was successful in west during late 90s to 2007; people spend more as they had credit cards and finance options available for them. Western people spend more than what they use to earn and with less money to save, Indians on the other hand are always cautious of what they buy and spend less and save more for their family and spouse. International branded retailers are successful to some extent in the Indian market of this reason and they could not cash out more profits as expected. Even though westernized culture has impact on Indian consumers still the bridge of spending is more cautious and keeps the International brands guessing what is going to be the future on how the sustainability of business is taking effect on them. Elling (1984) explained consumer preference as that—character of a consumer which, when the product preferred by him was not available with one dealer, made him to walk to other dealer for the same product. The way consumer is fulfilled or unhappy about a product after his purchase is called as customers'preference. Once the customer likes the product there are more chances of purchasing it again as derived by Kotler. International brands like Diesel, Armani, Gucci etc., have opened up stores in all major cities, these stores have a wide range of collections which are suitable for the Indian consumers. Domestic brands have also stepped into the market with different variety of products according to the region and culture. Brands are expanding their presence from urban market to rural market to reach the consumers. In the past consumers were not provided with comprehensive list of products and so there were no special preferences. In today's context, there is wide range of variety and brands for the consumer to choose and hence the preferences of consumer have a wider importance. It was sellers'market during 1990s and now its buyers' market.

Problem Focus
While the fastest growth and development of retailing environment, understanding the psyche of customer is critical for today's business and environment. Aggregate or macro level information may mislead, so understanding at individual customer level is desirable. It is generally observed that customers have a wide range of choices for purchasing apparels and they have no clear vision to what they buy. Today's consumption in young Indian consumer has no limits - they work hard and spend money for more non-essential products and it is been a driving factor and evolution in the Indian Apparel Retail sector.

Objectives of the Study
Fashion changes rapidly from time to time. The consumer demand varies from demographic, geographic and social cues. The aim is to understand consumer behavior of Indian consumer's in the age of 15 – 25. It is divided into two sub groups, 15 – 20 College going consumers and the second one is 21 – 25 young and employed consumers. This study brings the difference between the two groups of consumers and to understand their preference. The study also aims to determine the awareness of social responsibility and green fashion among Indian consumers.

The aims of this study are:

- To understand some of the driving factors of consumerism in India.
• To understand the buying decision by individual in the groups (a. 15 -20 b. 21 – 25).
• To study the attributes or sensory feelings of consumers towards Indian and western apparel.
• To know whether and how some demographic variable of the respondents have influence in buying brand or non-branded apparel products.
• To know the role of family members, friends and peers in information search about the apparels.
• To understand the lifestyle and consumption pattern of Indian consumers and what the future might look like.

Research Methodology
A study can be initiated with a proper design and methodology to bring out the suitable findings which are reliable and applicable to solve the problems and useful to carry out further research of interest. It needs a careful analysis of the consumer through which the results for the present study can be crystallized for framing suitable solutions. This study was conducted in 4 cities across Delhi NCR covering Delhi, Faridabad, Gurgaon, Noida and Gaziabad. Delhi is one of the biggest market and the full area of NCR has a wide range of industries from Automobile, Electronics, Information Technology parks, Textile parks and Engineering product manufacturers. Literacy rate in the state has grown up and it houses largest number of educational institutions in India. The sample population was the consumers, in the age of 15 – 25. The sampling was adopted to cover a sample size of 200 in each segment (100 male and 100 female). The survey was done through social networking sites/online link to consumers working in different companies to have stability of response. The sample was heterogeneous to some extent as it includes male, female, and people from different distances, educational status, and occupation and income group of regular and occasional buyers. Well-structured questionnaire was framed and used for collection of data (Appendix). The consumers were contacted through e-mail and in person. They were given a brief introduction about the purpose and importance of the study. Enough time was given to them to think over the answers for the questions to have reliability of response. Details regarding demographic, economic, social, physiographic and behavioral characteristics of the consumer, consumer’s awareness, buying behavior and preferences for buying apparels were taken as part of the survey.

Results and Discussion
The data collected from 200 respondents were analyzed in accordance with objectives of the study. The results are presented and discussed in this chapter. For the effective presentation of results, different sections were framed as furnished hereunder. As stated in the methodology, questionnaire were given to 200 respondents and it is inferred
• That consumer in the age of 20 – 25 (34% Male and 50% Female) purchase monthly and second purchase behavior was once in three months with 28.5% male and 22.5% female choosing it. Likewise consumers in the age of 15 – 20 preferred to do shopping once in 3 month once i.e., 26% male and 50% female. It shows that majority of female in both the age group buy frequently. It could also be derived from the data that Consumer in both the age group do not buy apparels regularly (once in a month) as they feel that the expected range of apparels are not available. Second factor could be seen as the price of apparels, which is high. Therefore, it could be concluded that majority of the consumers look for more product variety with average price.

• Buying behaviors towards type of brand by the consumer’s mainly depend upon their awareness, perceived quality and brand loyalty about the brand. On an average, 63 percent of the consumers prefer domestic brand, which was followed by international brand (37 percent). Thus, it is well understood that female consumers prefer to buy domestic brand. Domestic brand understands and manufacture according to the desires of Indian women. It is achieved by combining the traditional style with modern western style; domestic brand gives a new outlook to the dress without taking the pride of Indian culture which makes them more competitive against western dress.

• With regard to source of information, majority of the consumers get data from friends and neighbors and second most information source is mass media which has hit every corner of the house in India.

• The features of the brand supplemented with quality, value for money, range of apparels and convenience of many items may influence the purchase decisions and directly related with the expenditure on apparels with a specific brand of consumers choice. It could be inferred that consumers think about the quality first and value for money followed by wide range of products when they choose a brand. Female consumers look for good quality and value for money apparels.

• It is very much necessary to know what consumers thinking about the term ethical fashion for a sustainable market with a green environment. It is inferred that an average of 27.5 percent of respondents knew about ethical fashion by the term production using green energy, followed by the term avoiding child labor with the average percentage of 23.5. Respondents In the age group of 20 – 25 has said they know products which are manufactured by avoiding child labor are ethical fashion. As there are fewer players in the market with ethical and sustainable products, the pricing of the garments is also a main factor. It is seen that on an average 77 percent of the consumer felt the price of ethical fashion products are high and an average of 10 percent of the consumer think it is a value for money product. It is inferred that prices are one of the major factor which influence purchase behavior towards ethical fashion.

• Many international brands have started their operation in India; still domestic brands are selling more because of its cost and style. It is seen that both male and female of all age group would like to wear Indian clothing. In the age group of 15 – 20 there is
an average of 35 percent respondents who like to wear international clothing.

- Factors like the design, aesthetic appearance, price and wearability of the garment will make choices and decision in the minds of the consumer. Most of the consumers want their garment to be fashion/stylish and with modest price. But on an average 27 percent of female prefer to have a better wearability characteristic to the garment.

- Teen and youth around the world have a common approach, behavior, interest and opinion when they buy apparels among the age group of 15 - 25. The study represents that in the age group of 15 – 20 the respondents are influenced by friends on an average of 33 percent and 32 percent follow the trend. It is also inferred that respondents in the age group (20 – 25) are attracted towards trends with 60 percent and secondly they change their style from word of mouth information from friends (19 percent). Some of the respondents of both the age group are looking into people of same age to keep them update.

**Findings and Conclusion**

Growing economy has made Indian consumers more prosperous. An indication of this is clearly given by the investigation on consumer behaviour of young Indian consumers in the age of 15-25. This study has focused on how the buying behaviour varies between the age group of 15-20 and 21-25. Based on the investigations and the findings the following conclusions can be drawn on the consumer behaviour for this particular group.

- In the surveyed age group of 15-20 Indian consumers, buy less than age group of 21-25 and this trend exists because 21-25 is the age where people start to work.

- India has managed recession better and studies indicate the buying power in India amidst global recession was higher than European countries.

- Apparel were once purchased once a year or based on necessity and today this scenario has completely changed and in the age group of 15-20 frequent buying is seen with a gap of three months. This can be attributed to increased buying power.

- An interesting outcome of this study is the influence of domestic apparel manufacturers on the young consumers. The young consumers prefer domestic products than international products and that is because the domestic products understand the consumer better and products are based on nativity and suits their needs than international products. Although international products possess more quality, consumers still consider those as luxurious ones with high price.

- The surveyed age group of 15-20 is very particular about the brands and they judge brands based on perceived quality, value for money and availability of range of apparels.

- The study also shows that in the age group of 15-20, there is a huge buying seen and more amounts is spent on buying apparels. This can be because of unplanned purchases and directionless purchases.

This age group sometimes lack clarity and spend on non-essential products.

- There is a correlation of Indian consumers with European consumers when it comes to increased unplanned purchases or buying non-essential items especially in the age group of 15-20.

- In Indian consumers it is interesting to note that some of them don’t know what ethical fashion is and they do not buy ethical fashion products.

- Consumers consider that ethical fashion products cost more and they have very less knowledge about the qualities of ethical fashion products.

- The studies reveal that consumers of age group 15-20 should be advised about ethical fashion products as they are the prime buyers of those products in the future. It is very important to get this group understand the benefit of ethical fashion products.

- The study reveals that age group of 15-20 is more inclined towards casual wear and that is due to the impact of westernization. In India there was only traditional wear (dhoties, sarees, salwar and trousers) and there were no casual and formal wears. However the latest advancements in information technology have shown the Indian consumers what is casual wear and formal wear.

- Consumers of the age group 15-20 who are the pioneers of next generation are interested in western outfits and that has led to decline in traditional wear in India.

- With reference to the above point, the Indian consumers of age group 15-20 are not thinking about sustainable products and that leads to lot of usage of natural resources. At some point these resources are going to be extinct and so traditional methods of manufacturing apparels should be resorted to.

- Usage of traditional methods also has a disadvantage that production is less so to obtain a win-win situation, new ways should be find out to make sustainable products.

- The 15-20 age group consumers should look for sustainable products as that will lead to a better living.

- Indigenous technologies should be developed to ensure sustainability. In depth analysis and introspection is necessary for apparel manufacturers in India to develop sustainable products as that will be the main factor to drive the consumer in buying an apparel in the future especially of the age group of 15-20 in India.

- There should be balance between sustainability and demand. A new empirical method has to be worked out to maintain a sustainable business. A more detailed study has to be carried out to find perception from consumers in different state to develop a new sustainability model.

- In my views the responses from the 200 participants gives a great insight into how actually the age group of 15-25 purchase apparel and fashion products. The study correlates with the population of age group of
15-25 in the urban areas of South India though it may correlate with the whole Indian population of age group of 15-25 with minor deviations.

- Facebook and blogs are used by young Indians to just pass time; these media can be used to promote awareness on ethical/sustainable fashion.

REFERENCES
