

**A STUDY OF THE INDIAN APPAREL MARKET AND THE CONSUMER  
PURCHASE BEHAVIOUR OF APPAREL AMONG MANAGEMENT STUDENTS IN  
MUMBAI AND NAVI MUMBAI**

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**Abstract:**

Apparel is one of the basic necessities of human civilization along with food, water and shelter. The Apparel Industry reflects people's lifestyles and shows their social and economic status. The Apparel and Textile industry is India's second largest industry after the IT Industry. College students as a young consumer group have gained significant importance from marketers in recent years because of their growing purchasing power. They have easy access to credit cards (Schor, 1998) and income from part-time jobs to spend. Students tend to spend money on clothing and beauty products, and find these items to be important. Therefore, college students' apparel shopping orientation is important to research because it is an important sector of consumer behaviour. The purpose of the study is to understand the Indian apparel market in terms of market size and growth and to study the important demographic, psychological and socio-economic factors which influence the consumer purchase behaviour for apparel with reference to college going students, especially management students. First a secondary study was done on the apparel market in India through books and the internet. Then a questionnaire was prepared to collect primary data from management students of different areas, family income, gender and attitude regarding purchase behaviour of apparel. The collected data was then analysed using various quantitative tools. The relation between various demographic variables and consumer behaviour on apparel is expected to be understood. Apparel companies can target the right target segment in terms of gender, age group, family income, personality, culture etc. by understanding the preferences of the students and can devise strategies to enable the students to access their products easily.

**Keywords:** Apparel, Consumer Behaviour, Management Students

## **1. Introduction:**

**1.1 Apparel Industry:** Apparel is one of the basic necessities of human civilization along with food, water and shelter. The Apparel Industry reflects people's lifestyles and shows their social and economic status. The Apparel and Textile industry is India's second largest industry after IT Industry. At present, it is amongst the fastest growing industry segment and is also the second largest foreign exchange earner for the country. The apparel industry accounts for 26% of all Indian exports. The Indian government has targeted the apparel and textiles industry segments to reach \$50 billion by the year 2015.

One of the most interesting features of the apparel industry is that, it migrates from high cost nations to the low cost nations. The growth of the domestic demand for clothing in India is linked with the success of the retailing sector. India presently has entered the second phase of growth and is witnessing a massive rise in the domestic demand. This is primarily due to the rise in the standard of living caused by the rise in the middle-income groups. In our present economic world of demand and supply, price and quality are the key factors, which determine the success of any business. The key element here though, is the cost of labour. India and China have a comparative advantage in this industry though, their vast labour forces and the relatively low cost of labour.

Since, India and China have the advantage of making textiles and so fabric costs are lower than in other countries, they have become the Apparel sourcing choice for many international companies. Sourcing choices arise from profitability. This includes considering costs, such as, buying factors of production, like land, buildings and machines versus factors affecting revenues, including pricing, marketing, and distribution. The issues of labour, material, shipping costs and tariffs structure also affect the sourcing choices. Since, apparel production is a labour-intensive activity, wage rates are also a major factor in sourcing decisions. This gives immediate competitive advantage to producers in countries like India and China to export to more developed and high cost countries like the United States and the European Union.

**1.2 Consumer purchase behaviour:** The actions a person takes in purchasing and using products and services, including the mental and social processes that precede and follow these actions can be called as consumer behaviour. It helps us to answer questions such as:

(i) Why people choose one product or brand over another?

(ii) How they make these choices, and

(iii) How companies use this knowledge to provide value to consumers

Consumer purchase decision process: Behind the visible act of making a purchase, lies a decision that must be investigated. The purchase decision process is the stages a buyer passes through in making choices about which products and services to buy. There are five stages of consumer behaviour: (i) problem recognition (ii) information search (iii) alternative evaluation (iv) purchase decision (v) post purchase behaviour

**1.3 Consumer purchase behaviour of apparel :** The Indian economy has grown over the last 10 years with new jobs created in the ITES sector, Biomedical, Automotive engineering, Apparel manufacturing and Civil engineering. The growth is strongly led by Information Technology Enabled Services (ITES); this is 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.

Apparel is a highly symbolic product category due to its high visibility. Individuals will often make assumptions about a person's self-concept simply on the basis of his/her clothing (Soloman & Rabolt, 1999). Self-concept is a dynamic structure that changes according to the nature of the social surroundings or situation (Banister & Hogg, 2006). Consumers will change their consumption behavior based on a current change in their self-concepts (Banister & Hogg, 2006). The symbolic nature of clothing as a visual expression of self-concept can incorporate various clothing styles, brands, retailer outlets and memberships in particular subcultures (Soloman & Rabolt, 1999).

**1.4 Consumer purchase behavior of apparel among college going students:** College students as a young consumer group have gained significant importance from marketers in recent years because of their growing purchasing power. They have easy access to credit cards (Schor, 1998) and income from part-time jobs to spend. Students tend to spend money on clothing and beauty products, and find these items to be important. Therefore, college students' apparel shopping orientation is important to research because it is an important sector of consumer behavior.

## **2. Literature review:**

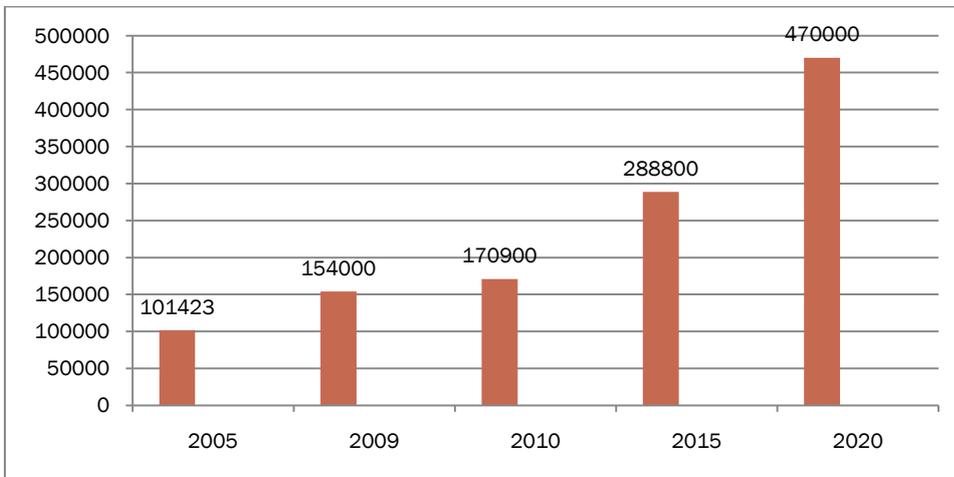
**2.1 Consumer behaviour of apparel:** Gupta (2004) investigated the factors influencing the choice of private label in departmental stores of Hyderabad for two product categories - processed food and toiletries. A study was conducted by Memon (2006), to trace the impact of private level brands on retailing dealing in garments. This work considered only two retail brands Westside and Pantaloons in Ahmedabad city and accepted the hypothesis that people are ready to switch over to other brands if the same facilities are available. Jinhee Nam et al (2007) in their study examined the apparel and shopping preferences of mature women in America. Independent living residents were surveyed concerning fashion consciousness, fashion information sources and shopping behaviours. Young and mature consumers' reactions to female apparel ensembles were compared. Mature subjects purchased apparel for pleasure or need, but less for conformity. Recently, Radha Krishna and Shylajan (2007) proposed a conceptual model and considered the influence of various marketing and demographic factors on consumers' habitual buying behaviour towards branded articles. But identification of factors, existence of which indulges consumers to go for organized retail apparel brands are still left unturned. Lahiri, Isita et al (2010) in their study make an attempt to identify the factors of the consumers' buying behavior that is influenced by retail apparel segment, and to assess the importance of each of them to consumers in selecting apparel from organized retail outlets. Krishna, C. V. (2011) says that Indian retail is in an expansion spree and many companies are joining the retail landscape. After food and groceries segment apparel is the next large retail segment and the consumption of apparel is also very large in volume. Previously the manufacturing brands used to lead the apparel category in the early days and the penetration of the private label brands was very small. But now things have changed and private label brands are leading in every segment. In the apparel segment also many private label brands are leading the competition. Consumer buying behaviour is mainly affected by many determinant factors and this paper aims at understanding and identifying the important determinant factors affecting the consumer buying behaviour towards private label apparel. Sullivan, Pauline et al (2012) say that despite Generation Y (Gen Y) consumers' significant role as a decision maker in the market, it is increasingly challenging for retailers to understand these consumers' behaviour and psychology. To enhance an in-depth understanding of Gen Y consumers, this study examined the effect of fashion involvement (FI) and perceived experiential value (EV) on Gen Y consumers' retail apparel patronage behaviour.

**2.2 Consumer behaviour for apparel with reference to college going students:** McKinney, Letecia et al (2004) conducted a research to examine the influence of selected social factors on the clothing buying behaviour patterns of black college consumers. The sample consisted of 333 students from two US universities. Results showed that social participation was significantly related to store patronage. No difference was found in patronage behaviour for the variables of reference group, social involvement, fashion involvement, clothing benefits sought, and social environment. Mohamadou L Fadiga et al (2005) in their study identify sources of demand growth for apparel in the US based on consumer demographic profiles, regions, and product characteristics. Cowart, Kelly O.; Goldsmith, Ronald E. (2007) investigate motivations for online apparel consumption using the Consumer Styles Inventory. Data from a sample of 357 US college students showed that quality consciousness, brand consciousness, fashion consciousness, hedonistic shopping, impulsiveness and brand loyalty were positively correlated with online apparel shopping. Price sensitivity was negatively correlated with online spending. Min-Young Lee et al (2008) in their paper on Mexican college students aim to examine the effects of general consumer variables (i.e. normative interpersonal influence and brand consciousness) and brand-specific variables (i.e. perceived quality and emotional value) on purchase intention toward a US apparel brand. Kumar, Archana et al (2009), examined the direct and indirect effects of individuals' self-concept, product-oriented variables (i.e. consumer's need for uniqueness (NFU), and clothing interest), and brand-specific variables (i.e. perceived quality and emotional value) on purchase intention toward a US retail brand versus a local brand that are available in the Indian market. Kaushal, Shailesh K. (2011) examined the teenagers behaviour in reference to fashion apparel purchase intentions and fashion marketing strategies in Lucknow with survey among 700 teenagers regarding their attitudes toward apparels purchase. The paper first uses both exploratory and confirmatory factor analysis to examine the factor structure and psychometric properties of these items.

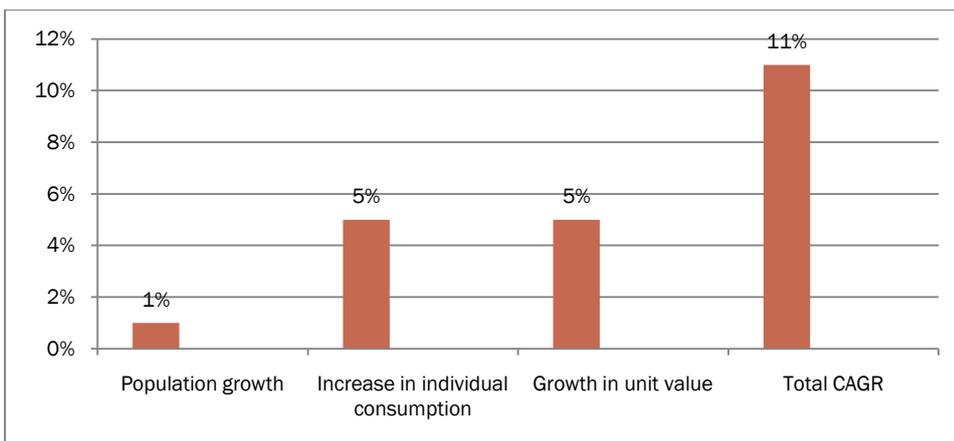
From secondary data, it is seen that the overall size of textile and apparel industry, including the domestic market and exports, is currently estimated at Rs. 327000 crore (US \$ 70 bn). It is pegged to grow at Rs. 1032000 crore (US \$ 220 bn) by 2020, with a CAGR of 11%. As per the latest report by Technopak, Indian Textile & Apparel Compendium 2010, the Indian domestic textile and apparel market size in 2009 was Rs. 218570 crore (US \$ 47bn) and is expected to grow at the rate of 11% CAGR to reach Rs. 656000 crore (US \$ 140 bn) by 2020.

### 3. Indian apparel market size and growth:

**Figure-1: Total Apparel market (Rs. Crore)**



**Figure-2: Components of apparel market CAGR**

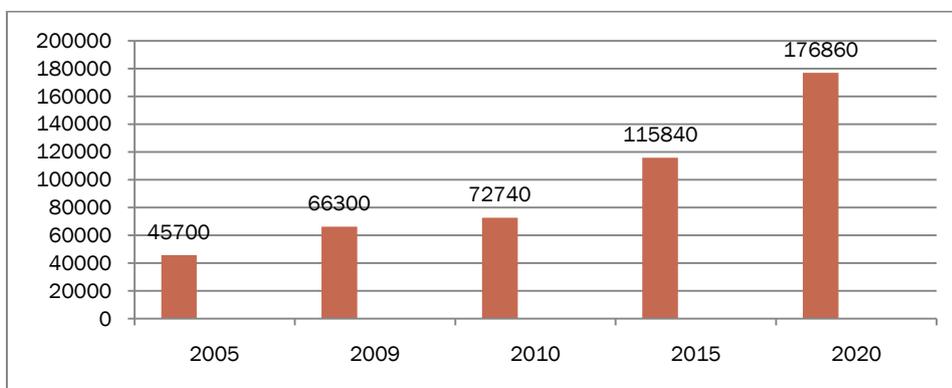


**3.1The domestic market:** The domestic apparel retail market has been estimated at Rs. 154000 crore (US \$ 33 bn) for 2009 and is expected to reach Rs. 470000 crore (US \$ 100 bn) by 2020, as per the Technopak report. It is highly fragmented, as the organised sector contributed only 14% of the total sales in 2009. The share of the organised sector, however, reached 17% in 2010. The same would reach 25% in 2015 and 40% in 2020, according to the Technopak report. So it is clear that the industry is moving towards higher penetration of organised sector players. Another interesting trend is that the market is shifting from ready to switch (RTS) to ready to wear (RTW) as RTS's current share of about 23% is projected to come down to 21% next year and 16% in 2015. Further it is expected to reduce to 12% by 2020.

**3.2 Men’s and women’s wear:** Currently menswear is the biggest segment of the domestic market with 43% share of the total pie, while women’s wear constitutes 38%. About 10% comes from boys wear while girls bring in the remaining 9% sale. The growth rate of women’s wear, however, is higher than menswear, and is supposed to surpass the market size of menswear by 2015, when women’s wear will capture 41% compared to 40% of menswear as per Technopak estimates. By 2020, women’s wear would reach 43% compared to 37% of menswear, as projected by Technopak. Out of the total Rs. 66300 crore menswear market in 2009, shirts contributed to Rs. 20550 crore while Rs. 16720 crore came from sale of trousers. In the women’s wear market of Rs. 57745 crore, saree sales formed the largest category at Rs. 24020 crore worth of sales, while salwar kameez and ethnic dresses contributed Rs. 16660 crore. School uniforms formed the largest category for both boy’s wear and girl’s wear.

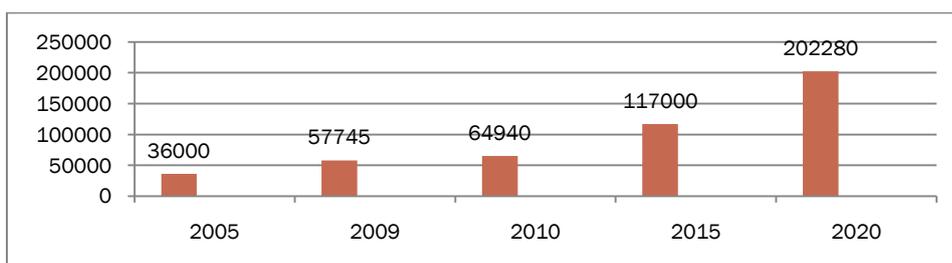
High growth categories in men’s market include active-wear, T shirts, inner wear and shirts. High growth categories in the women’s market include innerwear, woven tops/shirts and t-shirts. Ethnic wear categories like sarees and salwaar kameezes also have high growth potential.

**Figure-3: Men’s apparel market (Rs. Crore)**



Source: Technopak Analysis

**Figure-4: Women’s apparel market (Rs. Crore)**



**4. Objectives:** (i) To study the Indian apparel market in terms of market size and growth, focusing on men's apparel market, women's apparel market, boys' and girls' apparel market.

(ii) To study the important demographic, psychological and socio-economic factors which influence the consumer purchase behaviour for apparel with reference to college going students, especially management students.

(iii) To study how consumer behaviour for apparel is influenced by factors like family income, gender and peer influence. This will help companies to devise different strategies to promote their apparel brands based on preferences of the students.

#### **5. Research Methodology:**

(i) **Research Design:** First a secondary study was done on the apparel market in India through books and the internet. Then a questionnaire was prepared to collect primary data from management students of different areas, family income, gender, and attitude regarding purchase behaviour of apparel.

(ii) **Sampling design:** A random sample of 60 management students residing in Mumbai and Navi Mumbai was taken and would cover people of different incomes and gender.

(iii) **Data collection:** The primary data was collected using a structured questionnaire.

(iv) **Data analysis:** The collected data was then analysed using various quantitative tools.

#### **6. Data analysis and findings:**

A sample of 60 management students was taken out of which 33 were male and 27 were female.

Following were the findings among the students:

(a). In case of male students, approximately equal number of students purchased their apparel from retail stores and malls, while in case of female students, majority of them purchased apparel from malls.

(b). Majority of male and female students purchased casual apparel rather than formal apparel.

(c). Majority of male and female students purchased readymade apparel rather than stitched clothes.

(d). All the male students went for western apparel while majority of female students went for western apparel.

(e). The number of male and female students buying local and foreign brands were almost equal.

(f). For both male and female students, if their brand is not available, majority of them either shift to another brand or buy whichever is available.

(g). Majority of male and female students said that discount offers or promotion gimmicks influence their choice of apparel.

(h). Most of the male students and all the female students purchased apparel by actually visiting the store and not through e-commerce.

(i). Majority of male students purchased apparel based on their own choice or on the opinion of their friends. Majority of female students purchased apparel based on their own choice.

(j). 70% of male students were not influenced by their friends' choice of brand or type of apparel, while around half of the female students were influenced by their friends' choice of brand or type of apparel.

(k). Majority of the male and female students spent between Rs. 500 and Rs. 2000 on apparel.

(l). About 18% of male students and about 25% of female students said that they got influenced by movies in their choice of apparel.

(m). In case of male students, about 50% of them had their expenditure on apparel funded by parents and 50 % by their pocket money. In case of female students, 67% of them had their expenditure on apparel funded by parents and 33 % by their pocket money.

(n) The most important factors considered while buying apparel were

1. Good quality

2. Reasonable price
3. Suiting the personality
4. Convenient to wear

Various factors were considered which influence the purchase of apparel. These were given ratings from 1 to 5 on a Likert scale with 1 as highest and 5 as lowest.

**Table-1: Mean of Factors**

	Mean
Buying apparel is not expensive here	2.92
It saves money	3.00
Many options are available	1.62
Latest designs are available	1.69
It is fashionable to buy from here	2.85
Outlet name carries extra weightage	3.08
Clothes bought are of high quality	2.00
I buy because other people come here	4.23
Attracted by ads	3.77
Convenient to buy because It offers pick and choice	1.92
Buying here increases social recognition	3.62
Various discount offers attract me	2.38

Then average rating was found for these factors. It was found that the **most important factors** were

- (a) Many options are available
- (b) Latest designs are available
- (c) Clothes bought are of high quality
- (d) Convenient to buy

**Table-2: Chi square test-1**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.170 <sup>a</sup>	1	.279
Continuity Correction <sup>b</sup>	.090	1	.764
Likelihood Ratio	1.828	1	.176
Fisher's Exact Test			
Linear-by-Linear Association	1.080	1	.299
N of Valid Cases	13		

Ho: There is no relation between gender and type of apparel bought

H1: There is a relation between gender and type of apparel bought

Since the significance value is greater than the level of significance 0.05, hence we accept Ho and conclude that **there is no relation between gender and type of apparel bought.**

**Table-3: Chi-square tests-2**

	Value	df	Asymp.Sig.(2 sided)
Pearson Chi-square	2.672	3	.445
Likelihood ratio	3.093	3	.377
Linear-by-linear association	.182	1	.670
N of valid cases	13		

Ho: There is no relation between income group and type of apparel bought

H1: There is a relation between income group and type of apparel bought.

Since the significance value is greater than 0.05, we accept Ho and conclude that **there is no relation between income group and type of apparel bought.**

**Table-4: Chi-square tests-3**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.355 <sup>a</sup>	3	.148
Likelihood Ratio	5.531	3	.137
Linear-by-Linear Association	.083	1	.773
N of Valid Cases	13		

Ho: There is no significant difference between the average expenditure on apparel among different income groups.

H1: There is a significant difference between the average expenditure on apparel among different income groups.

Since the significance level is greater than 0.05, we accept Ho and conclude that **there is no significant difference between the average expenditure on apparel among different income groups.**

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