

A Study on Online Fashion Shopping Business in India

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Abstract: The Fashion market is growing at a CAGR (Compound Annual Growth Rate) of 11% with online fashion growing the fastest, at a CAGR of ~32% Published in Nov 2019. Consumers across India have been gradually veering towards organized and online retail. Online shopping has become a major disruptor in the retail industry. India is expected to become one of the world's fastest-growing e-tail (a retailer selling goods via electronic transactions on the Internet) markets, driven by robust investment in the sector and a rapid increase in the number of internet users. Online Fashion Industry is experiencing high growth year after year. The competition in the fashion market is extremely high, majorly dominated by a few big companies like Myntra, Flipkart, AJIO, Amazon, shein, etc. To stand out in competition, Flipkart has acquired myntra in 2014 and acquired jabong in 2016 through its myntra unit in a deal that reportedly values the fashion e-tailer at \$70 million. This exploration is going to study the market share of various online fashion sites and how they are capturing the market. According to Statista, revenue in the fashion segment is projected to reach US\$11,404m in 2020, making India the 8th biggest Fashion industry in the world. This research is being done to find out which company is dominating the online fashion market and why?

Keywords - OnlineShopping, Fashion, Flipkart, Amazon, Myntra, Apparel, India

I. INTRODUCTION

E-commerce has brought about a revolution in the shopping model of India. With over 120 million Indian consumers shopping online for commodities other than electronics, this sector is growing at a great pace. Opportunities for web exclusive brands are coming up in apparel, accessories, shoes, etc. and also gathering momentum across all market segments with each passing day. Increasingly consumers feel stressed to drive to a crowded mall and navigate through it to buy a garment. Rather, they prefer the convenience of shopping at home and getting the goods home-delivered. For them, this allows a comparison of designs and prices at

their leisure, and in the privacy of their homes, without having to deal with either hovering sales staff or the rush of the stores. Fashion companies are trying their best to meet the expectations of their customers and to take an edge over their competitors in the segment. Technology has also played a major role in addressing some key concerns of apparel retailing on the web. High-resolution graphics, streaming videos of garments donned by models, virtual dressing rooms, and 360° viewing, and zoom tools have made online shopping an interesting exercise. Customers can key in their vital measurements to find the right fit,

and can also browse through multiple brands for

the perfect dress.

II. OBJECTIVE OF THE STUDY

- » To find out the market share of various online fashion shopping sites.
- » To study the factors influencing the decision to purchase on an online fashion shopping site.
- » To examine the impact of those factors in the context of the online fashion market leader.

Indian online apparel industry is the second largest contributor in the retail industry after electronics and grocery.

-Business of fashion

According to the Hindu Article-

Stalwarts in the fashion industry are not looking forward to 2020. With most executives across apparel and clothing and the wider fashion world bracing for stagnation in global economic growth, the only beacon amidst the gloom appears to be the Indian market. Despite the current slowdown in the economy, the Indian clothing market is expected to be worth \$53.7 billion in 2020, making it the sixth-largest globally.

III. LITERATURE REVIEW

India's Online fashion market will be worth \$59.3 billion in 2022, making it the sixth-largest in the world, comparable to the United Kingdom's (\$65 billion) and Germany's (\$63.1 billion)

- McKinsey's Fashion scope

The online fashion retailing industry is burgeoning. Numerous sites have cropped up in the past few years to claim their share of a very satisfying retail pie. This competition has also resulted in small and big ventures innovating to try and stay ahead of a ferocious pack.

- BusinessToday

Goldsmith and Fynn (2004) found that adventurous buyers and regular catalogue buyers were more inclined towards online apparel purchase. Brand familiarity and previous experience with online shopping were found to be an important factor for clothing purchases done online.

According to a website that claims that Myntra is 1st favorite destination of customers followed by Jabong on 2nd and Ajio on 3rd position among the top online fashion shopping destinations.

IV. RESEARCH METHODOLOGY

The primary data is collected by a survey in which a questionnaire is circulated among 250 people of distinct age groups. The questionnaire consists of several questions including shopping destinations like Flipkart, myntra, amazon, ajio, shein, jabong, etc. Participants are asked questions about their

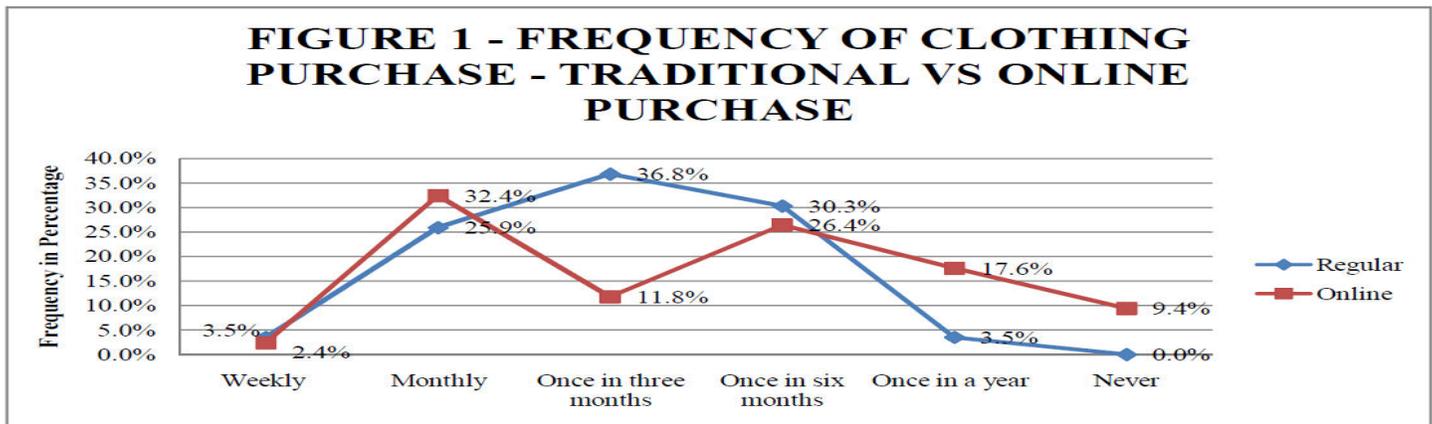
experiences and their preferences during the purchase.

Secondary Data is gathered from various fashion websites, journals, newspapers, books, business magazines, and research papers.

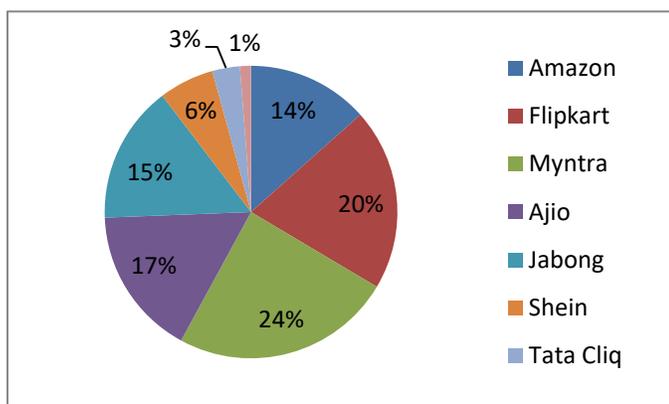
V. DATA ANALYSIS

Analysis of data and the information compiled from both the primary and secondary sources were made keeping the objectives of the study in mind.

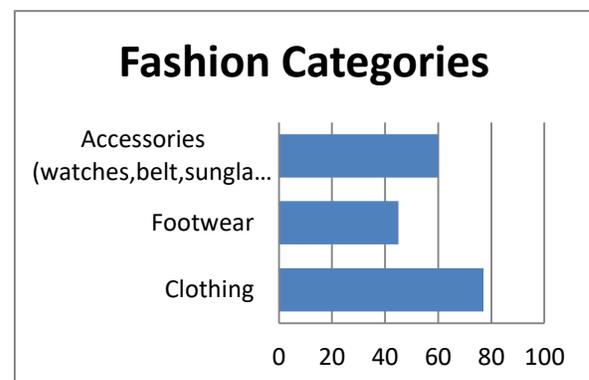
- Below is the line graph showing how often do a customer shop on an online fashion shopping site according to a fashion journal.



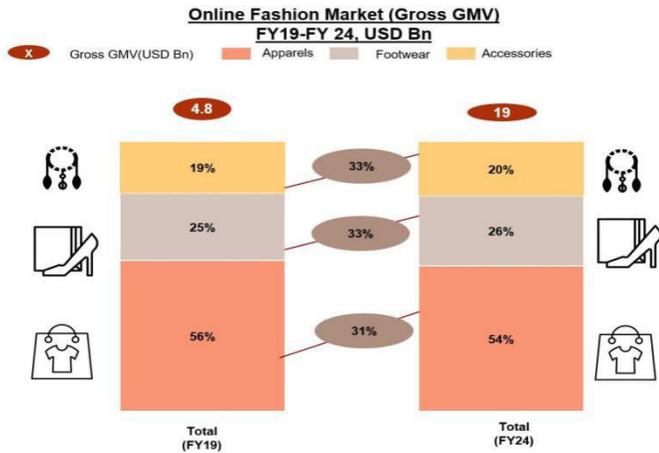
- During data collection, I discovered that myntra has an edge over its competitors in the fashion market as also mentioned by various websites and fashion magazines, where Flipkart holds the second stand in the online fashion market and reliance owned Ajo is at the third position.



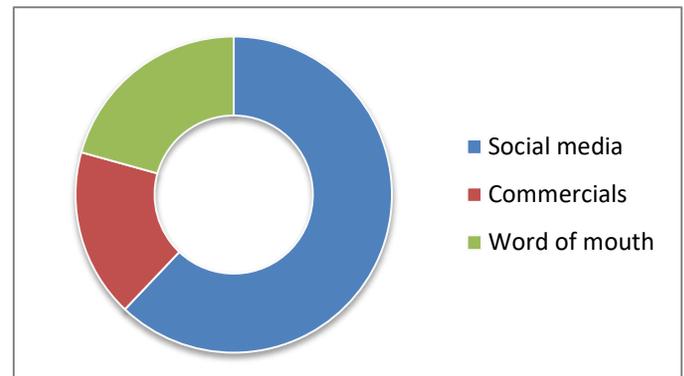
- When I collected the data, I noticed that fashion shopping includes some subcategories under which customers make the purchase. It is broadly divided into three sections namely clothing, footwear, and Accessories.



- The below data is obtained from secondary sources to show the growth of the online fashion industry within its sections.

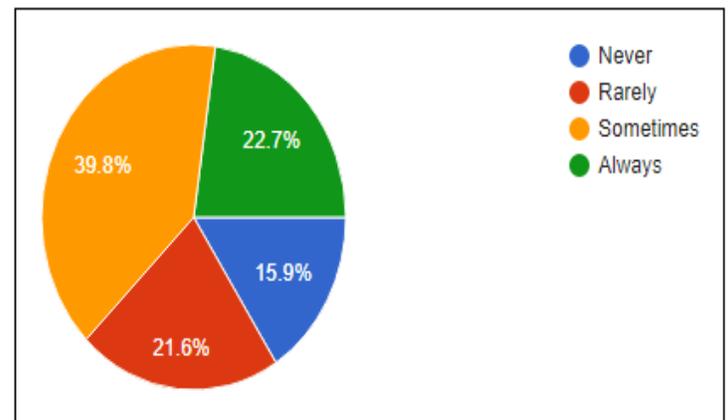
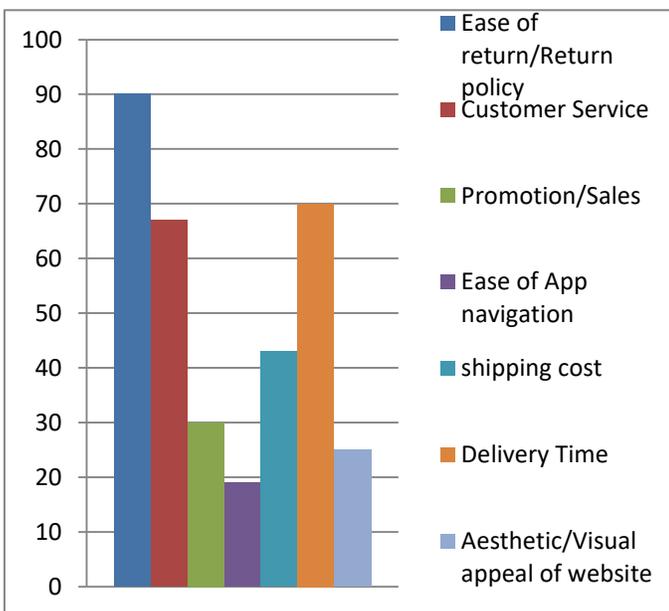


media, commercials, and word of mouth are considered as influencing factors.



- In my survey, I found out that the Fashion industry is very dynamic and customer service oriented. Some factors are important for a better online shopping experience. Customers tend to switch to other shopping sites if they are not having a good experience during their purchase. Below is the graph we tried to show the major factors which determine the choice of the customers while purchasing.

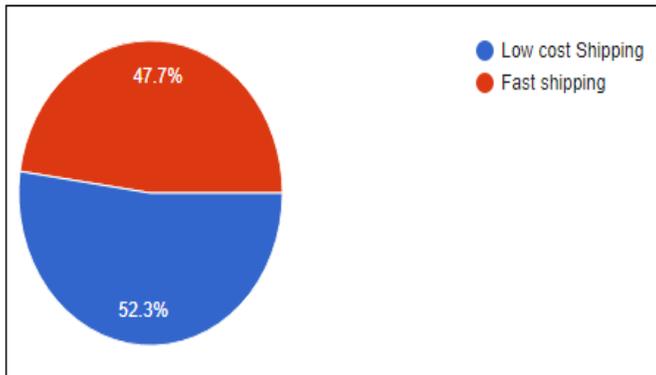
- In my study on online fashion shopping sites, I found out that purchasers often search for sales or coupons before they purchase a product. The fashion market has a very high race and to stand out in the competition and to attract the customers, companies usually come up with very attractive and exciting offers and vouchers. Below is the graph showing that do customers often look for sales and coupons before doing a purchase or they take it anyway.



- During the analysis of primary data, I also came to know that there are secondary factors that also affect the buying decision of a customer; which is the Brand image and the campaigns run by the companies to cater to a large pool of customers. Social

- After analyzing the data collected through primary sources, we found that Shipment time and cost also play a very important role in decision making before investing. customers are very excited to get the product as soon as possible after carrying out the purchase. The graph shown below is

the percentage of customers asks for low-cost shipping or fast shipping of their product.



industry as it also owns Myntra and Jabong. "Fashion remains the only category where Flipkart has a significant edge due to its acquisition of Myntra and Jabong," Satish Meena, a senior forecast analyst at Forrester told BloombergQuint. Flipkart Group has a 70 percent market share in the online fashion retail market, according to Business Standard.

After examining the elements which directly influence the decisions of the customers and also proven as the factors which affect the market of the Fashion companies, I extracted the following observations and findings from our primary data.

- » Customers are now purchasing in different categories other than apparel and those categories market shares are growing rapidly day by day. Flipkart group (including Myntra & jabong) offers a long range of products within these sections, makes it the customer's first choice for purchase.
- » The overall online shopping experience of customers also affects their purchasing decisions. Factors like Return policy,

Therefore, huge opportunities lie ahead for online fashion companies currently. Companies that ensure that their customers are happy are sure to receive success in the field.

VI. RESULT

As a result, I found that Myntra dominates the online fashion market in India, followed by Flipkart and Ajo. Since many other fashion companies have a strong customer base in the market, Flipkart is having major superiority in the online fashion

customer service, ease of app navigation, delivery time & cost, promotion and sales influences the opinions of the customers to a great extent. Flipkart group has a significant edge over its competitors in serving these factors, making it the industry leader.

- » Secondary factors like product and brand awareness, sales and coupons, fast delivery, or low-cost shipment have a greater impact on the mind of the purchasers. In my study, social media comes out to be the best platform to engage the audiences. Coupons and sales are lucrative offers made to attract potential clients as 85% of the customers' search for ongoing sales and coupons. The cost of shipment and time of shipment is also a key factor for making the purchase experience better. Flipkart group undeniably fulfills the expectation of purchasers by offering quick and low-cost delivery, offering frequent and considerable saving sales like big billion days, end of season sale, etc.

