

## Gati's Advantage in Fashion Supply Chain

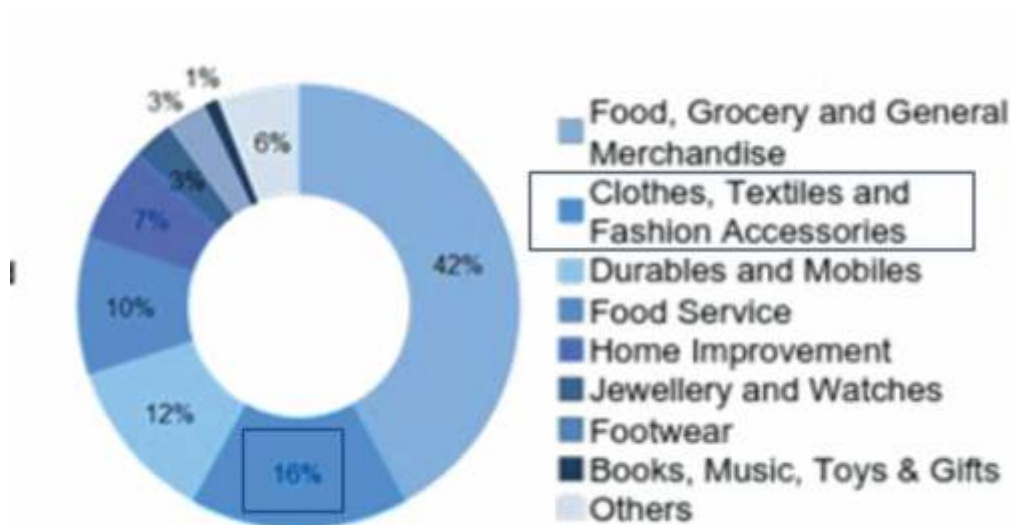


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### Indian Fashion Market and Expected Growth:

According to industry reports, India is the fastest growing emerging market for luxury fashion goods. The Indian apparel industry is the 2<sup>nd</sup> largest contributor in the retail industry after food and grocery. Also the Textile industry contributes 14 percent to Industrial production, 4 % to GDP and accounts 63 percent of Global market share of textile and garments. With a strong domestic consumption as

well as export demands, the Indian textile industry is set for a strong growth. Social demographics, economic growth, rise of affluent population, high aspirational lifestyle, entry of international brands, urbanisation are fuelling higher growth of textile segment. Favourable trade policies and increased penetration of organised retail among other factors contribute in making Indian fashion industry attractive for investors.



Source: Indian Retail Report, TechSci Research

### **Changing Consumer Behaviour with IT advancement:**

In today's business environment, consumer is the king. It is becoming a tougher job for manufacturers and retailers to cater to the consumers according to their dynamic preferences and choice of products. And with advancement in the field of IT and competition of Smartphone manufacturers, E-commerce players and network service providers have decreased the cost of Smartphones, Online Products and Internet. Subsequently we have seen an increase in the penetration of internet in the rural and middle income sectors primarily focusing on the young generations, which was clearly visible when India stood up as the 2<sup>nd</sup> largest country in most number of internet users right after China.

### **Challenges faced by Fashion Market in both B2B and B2C Model:**

Keeping the above in mind, we can foresee the young generation moving to an online shopping experience as it gives more varieties and attractive offers. The rural apparel market in India is still primarily catered by unbranded and unorganised local players. This makes the branded players to explore and spreading over Rural and Tier II / III cities. With this there is an urgent demand for textile makers to enhance stock visibility online and through outlet models.

The Key Challenges faced by Textile players are:

- Reverse logistics of merchandise returns when they sell online which constitutes 25 - 35% returns of fashion products
- Refurbishing of return products for resale
- Return logistics for End customer on timely manner.
- Limited Stocking options in Tier I and Tier II Cities as store rentals are extremely high
- Excess inventory holdings to cater B2B and B2C customers and buffers stock for refurbishing activities
- Long Lead times and Timely delivery to end customer.

- Advanced Enterprises Resource planning to operate both B2B and B2C Orders with Global inventory visibility.

### **Supply Chain Solution for the Fashion Sector:**

Gati has recently launched an integrated warehousing solution to cater B2B, B2C and refurbishing units from a single fulfilment facility with real-time linking of multiple marketplace enabling hassle-free fulfilment and inventory management for multiple marketplaces through a single window fulfilment system. This will inline avoid pile-up for inventory where storage will be done on a piece basis enabling our system for unit level tracking within the warehouse process activities, it will also act as an advantage to fulfil both B2B and B2C as well as multiline orders from a single facility. The returns of apparel are approximately 25%-40% of the outbound. This integration will also support organisations to process such value added services from the same facility again leading to decrease in additional setup required to handle refurbished products. Hence, it is reducing the operating cost of the customer with more transparency in inventory movement within the same facility.

Gati is a leader in end to end supply chain solutions, and has a number of service offerings such as Express Distribution, Warehousing Solutions, M-VATS (Bulk Load, Point to Point), Cold Chain Solution, E-commerce Logistics, Fulfilment Services, Freight Forwarding, and Trading Solutions. Gati serves the top leading organizations across FMCG, Auto, Textile, Engineering, Pharma, IT, Retail, Electrical Electronics among others. For more information and updates, please visit the website [www.gati.com](http://www.gati.com) or write to [businessenquiry@gati.com](mailto:businessenquiry@gati.com)