



# Happy Diwali



## Branding: Need of the hour for Textile & Apparel in India

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### What is a Brand?

In a market full of product and services with similar attributes and price points, brands are the way out of commoditization and a guiding light in a market full of products. They are about “choice” and channelize consumer behavior in a certain way, guiding him or her in an otherwise crowded marketplace full of me toos.

Consumers would be lost if there were no brands, but just pools and pools of products. While there are many definitions of what a brand is, essentially it is the consumer’s perception about a product, services, and organization. While companies and markets may define the brand in a particular way, the real defining factor is how the consumer defines it.

Brand have become an integral part of our daily lives, buying behaviours and product perceptions. Brand is nothing but an assortment of memories in customers mind. However, some brands manage to stand out of the competition by leaving a lasting impression and earning the tag of being Iconic. To understand what makes these brands iconic, one needs to understand what constitutes of a brand.

A successful brand is made up of strong values and ideologies, which help the brands survive the competition and evolve when required. What a brands means to a consumer varies from what a consumer perceives it to be. For a consumer, a brand would mean source of product that the manufacturer takes responsibility of and ensures the quality. Buying from a brand reduces the risk for the customer of trying and testing the products as well as lessens the time and money spent in search of the perfect product. Furthermore, brands have been considered as synonyms for quality and consistency.

However, for a seller the definition of a brand would be a way of gaining competitive advantage and bestowing products with unique associations and attributes. A brand is also a way to provide legal protection to the seller’s product features.

### What do brands offer?

The basic needs of customers can be catalogued to only a handful of properties and can be defined as, “A customer requires a product that reflects quality, is durable, is likeable and fits his desired price point”. However simple the definition may sound, the interpretations of this statements could be infinite and brands have to tweak their strategies to cover most of the permutations of the same.

To tackle the customer needs, a brand offers a promise of

belief that they are purchasing quality every time they make a transaction with the brand and gives birth to Branding.

### Branding

The process of giving a meaning to specific company, products or services by creating and shaping a brand in consumers’ minds is known as Branding. It is a strategy designed by companies to help people to quickly identify their products and organization, and give them a reason to choose their products over the competition’s, by clarifying what this particular brand is and is not.

### Benefits of Branding:

- \* Helps you to differentiate your business, making you to stand out in your customers’ minds
- \* Gives your business a personality and identity that people can relate to
- \* Effectively delivers and reinforces your key messaging
- \* Drives authority and trust in your business
- \* Drives customer loyalty and brand evangelism
- \* Positioning your brand correctly can help you to achieve higher prices for your product or service

Branding enables a brand to provide the customers with:

### Standardization

A major part of product offering by a brand is to create products with a uniform characteristic quality and features, which is known as standardization. Product standardization among the goods provided by different businesses operating in technology-based industries can be useful for consumers since it permits competition among the various suppliers. This gives the customer the confidence of buying the product of a certain brand and expecting quality, regardless of the geography and distribution channel.

The advantages of Standardization are:

**Reduction in costs:** Standardization of a product allows an enterprise to sell its product in large quantities. The business thus benefits from both the economics of buying products in bulk, which results in a lower cost per unit purchase and selling products in large quantities. The business also benefits from reduced costs in terms of advertisement of their product since standardization allows for mass advertising, as the business does not have to provide a marketing budget for all its different samples.

**Building the Product Image:** The ability to identify itself with similar characteristics regardless of where the consumer is helps create a positive image of the product and attract customer loyalty. Additionally, the positive review by customers is beneficial

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for your product as they can easily market the product's customized qualities through word of mouth.

**Simplified Operations:** Selling a standardized product reduces complexity of operations in the business in terms of production process, taking inventory, storage facilities for different products and distribution of the products. Additionally, the presence of one product number regardless of its location in the market assists in reducing inventory errors or delivery of the wrong product. This also simplifies the communication process in the business departments or in the exportation process, as there is reference to only one product and one product number.

**Improved Quality:** A business that supplies a standardized product has a high potential for producing good quality products since the production operations concentrate on one product. The business also has the opportunity to research on techniques to input on the product to increase its quality standards and improve the consumer base. The enterprise can easily identify the statistics of the product's popularity in the market and the factors contributing to its decline and success in the market thus allowing it to look for the most suitable strategy to rectify any negative feedback.

### Consistency

Brand Consistency means providing products, services and experiences complying the standards set by the enterprise at all the times. Consistency is the key to successful branding and goes beyond the product itself. The brand promise must be clear with every interaction each stakeholder experiences. That means every part of the organization has a role to play in branding from research and development to finance to talent development.

But being consistent doesn't mean that you can't change. In fact, consistency gives you a firm foundation for evolving into offering even more options for even more people. Once you have built a reputation through the consistent delivery of your brand promise, you have permission to evolve and expand.

Consistency of a brand goes the farthest when it comes to make a brand more recognizable to the customers. Brand recognition is not just about getting your name out there, it's about helping consumers get to know your brand on a personal level. It is a long-standing concept that purchasing is more an emotional decision than a practical one.

Part of engaging the right emotions with your consumers is making them feel like they know your brand and that your brand can be trusted. Brand consistency is part of building trust. This is the reason you buy the same brand of oil every time you out to buy oil, because it is predictable that you are most likely to be

satisfied by the product.

### Case Study: Myntra

In 2016, Myntra reported that more than half of its returns were due to size problems. While buying merchandise online, most people feel uncomfortable, owing to the fact that the sizes listed online might not fit properly and ultimately will lead to returns. Myntra rolled out a standardized size chart for its apparel in a bid to reduce the product returns by 30%.

The quest to achieve consistency was not limited to just the products, Myntra in order to improve its service recently acquired a startup Inlogg, which specializes in providing end-to-end solution for e-commerce platforms and increases their reach to tier II, III cities and towns.

### Lack of Branding in Indian Textile & Apparel Industry

The Indian manufacturers on a whole have not yet realized the potential of branding their products. The Indian brands should learn from large global and domestic players in recognizing the potential of branding the products. India is the largest producer and exporter of cotton in the world, still the quality of Indian cotton doesn't match up to the levels of that of Supima of USA and Giza of Egypt.

The Supima cotton is the promotional name of American Pima cotton. The goal of the branding is to make Supima profitable for their licensed brands & retailers, while generating the demand of cotton in the industry.

\* The brand has an extensive marketing strategy to achieve these goals that range from advertising at fashion industry events, to working closely with retailers to help brand promote their Supima collections.

\* Supima markets the licensed partners by showcasing them on their website. Thus, creating a market for these brands, which in turn increases the Supima sales.

Similarly, the National Cotton Council of America brands the medium staple cotton of USA as "Cotton USA", which creates a perception in the customers' minds that the product is made of high quality raw material

Taking the example of Cotton USA and Supima, Indian cotton could be marketed in a similar way to enable retailers to market their products with Made-in India cotton tags which eventually will drive the demand of cotton in India.

### Benefits of Branding in the Indian Scenario:

#### *High Brand Awareness and Positive Association*

Branding a product not only creates a positive image of the brand in the eyes of the customers, but also enhances their association with it. Customers are well aware about what the brand

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delivers and the brand values. In many cases these brands have now become the default category names or a verb in itself.

### **Low Market Risks:**

Branding creates such a positive association and connect with consumers, that their market risks are far lower than others. Consumers recognize the brands even in markets it may not be present it and hence entry into new markets is much easier and brand adoption is much faster. Even if some of their products or extensions fail, or they err in some aspects, consumers are open to giving them another chance.

**Low Customers Acquisitions Cost:** Branding gives an added benefit of low customer acquisition cost as consumers act as brand ambassadors as they refer and add others to the league with the power of “word of mouth”. Thus successful brands do not need to invest as much in marketing and advertising as others in the category, and have much superior marketing ROIs.

**High Market Share:** High awareness, low customer acquisition cost and easier entry into new markets and product categories forms the basis for capturing a high market share. This in turn creates an entry barrier for competitors trying to enter the same market and gives the brand an early-mover’s edge over competition.

### **Case Study**

A few early movers have created a name for their products in the industry and have shown reasonable success in recent times. These include:

#### **1. RAYMOND**

Trust, Excellence, Quality - these are some of the values that have been associated with Raymond over decades. Raymond is amongst the world’s largest integrated producers of worsted (wool-based) suiting fabrics. It is also one of the largest and the most loved textile and apparel brands in India.

Raymond started in 1925 and began selling suiting over the counter as early as 1958. Raymond Apparel was formed in 1969 (as a 100% subsidiary of Raymond Limited), and the company accelerated its business eighties onwards.

Raymond has always been a learning and evolving company, guiding consumers to dress better. It was one of the first to sell suiting fabrics over the counter, one of the first companies to launch readymade apparel, first to launch custom tailored ‘Made to Measure’ and ‘Made to Fit’ clothing and now one of the first few brands to have new age digital stores. Raymond has always been ahead of the learning curve and has hence remained relevant to the consumers.

### **How did they do it?**

**Superior Quality Products:** Raymond operates across a very wide price segment in its core fabric business, but across each segment Raymond’s products are the best in class and hence desirable and aspirational. It has always been extremely focused on its product superiority and has a vast portfolio of more than 20,000 designs and is the only company producing super fine wool from 80s to 250s count. This product superiority was also maintained when the company extended the range from fabrics to apparel and launched Park Avenue, and later Parx and other apparel brands.

While product continued to be the focus area, Raymond also clearly and consistently communicated with the consumers to establish the differentiation and maintain the aspiration.

**Consistency:** The Company has consistently delivered on its core promise of helping men dress dapper, not just by providing premium quality products and services, but by also sticking to “Classics” and now “Contemporary” look and staying away from fads. It is not by fate but by meticulous effort that Raymond has maintained its leadership position in the worsted fabric market, while many large players entered and faded away into oblivion.

#### **2. VARDHMAN**

Vardhman is a name in the yarns and fabric industry which is synonymous with quality and consistency. The association of these attributes with the brand name were not formed overnight, but are results of the company’s relentless efforts to achieve excellence.

Vardhman Group has emerged as one of the largest integrated textile manufacturing groups in India. The group has the largest installed spindle count in India. It is also India’s second largest producer of sewing threads, largest manufacturer of hand-knitting yarn, one of the top manufacturer-exporters of cotton yarn and a prominent manufacturer of piece-dyed fabric.

With manufacturing facilities spread across 25 manufacturing locations, the group employs over 25,000 people directly the group has its presence in more than 75 countries across the globe. The group has joint ventures with leading international textile companies such as American & Efird Global LLC (USA), Marubeni Corporation (Japan) and Nisshinbo Textile, Inc. (Japan). Over the years, the group has worked towards achieving the mission of producing new and new products and manufacturing them with the latest technology acquired by their strategic alliances.

**Superior Quality Products:** Even with such huge operation levels, the attention to the details and quality to the minutest level is what has helped the group stand out among numerous

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textile oriented players in the country. The group is known in the industry for their unmatched quality of yarns and is one of the largest exporter of high quality yarns to USA, EU and Middle-East. Approximately 70% of the yarn revenues of the company are relationship-based, providing long-term revenue visibility.

The company's yarn business is the largest revenue generator and accounts for nearly 60 per cent of its total sales. Its yarn consumption is divided equally among domestic, international and internal fabric consumption. To achieve high standards of quality, the company takes help of the international alliances made and uses the state-of-the-art technologies associated with them.

**Consistency:** Vardhman is the perfect example of how a brand evolves over the years while still consistently following the standards set by the company. The company is known to consistently delivering quality products on-time. The company with the help of strategic planning & sourcing of raw materials and minimizing the delays in the supply chain by vigilantly optimizing their systems and processes, has been able to abide by the delivery deadlines. Another important factor for delivering products on time is the ergonomic allocation of plant & machinery for the specific product. The brand is not just a name, it's a promise and for Vardhman "A promise is a promise" that has to be delivered at any cost and this is what has made the brand an iconic brand.

### 3. LIVA

In 2015, the Aditya Birla Group's Birla Cellulose launched their own viscose based fabric brand under the name Liva.

The fabric is manufactured by using viscose staple fibre from the Aditya Birla Group with eco-friendly non-polluting process and passed through an accredited value chain for quality, has a strong sense of social responsibility in terms of sustainability of raw material while ensuring a comfortable feel and wear. It easily blends with any other fibre man-made or cotton while delivering a fashionable fabric all by itself.

The company manufactures the product in the most eco-friendly manufacturing process possible which include not polluting rivers and implementation of social forestry for the cultivation of trees. Jump to 2018, Liva now advertises in every major fashion magazine and highlights the number of brands and retailers that are associated with the brand.

The advertisements promise after-sales support, quality assurance, versatility & flow of the fabric and the Liva tag that the retailers will be eligible to use.

The brand was launched when there were no established

viscose fabric manufacturers in the country and the amount of resources put behind the development of brand created an entry barrier for the competitors. Also, the fact that the brand originated from the prestigious Aditya Birla Group was in itself a return on time and resources invested in the parent brand. Thus, branding not only helps the current product line-up but also gives you an edge while foraying into new waters.

### 4. R|ELAN

Reliance Polyester is the largest integrated producer of polyester fibre and yarns in the world, with an annual production capacity of 2.5 million tons. Reliance India Limited in 2017, came up with a polyester brand R|Elan. Created by the company's polyester division, R|Elan is a B2B2C initiative which creates co-branded polyester apparel range.

The company along with the launch of the brand created a robust fibre-to-fabric value chain in the back-end to ensure that these innovations match commercial expectations of fashion brands. At the launch the company managed to associate with 22 manufacturing facilities across India to create active wear range of products.

The fabrics offered by R|Elan have the properties of sustainability, functionality and ease-of-care at their heart and are marketed likewise. The fabrics are further branded based on their properties and categorized into High Performance fabrics, Eco-friendly fabrics and Aesthetic fabrics. The company has evolved its approach with the changing mindset of consumers towards sustainability and created products that are environment-friendly along with being functional and requiring less care.

In less than a year, R|Elan fabrics are now being manufactured by 32 manufacturers, which means a growth of 45%. With a legacy of producing quality polyester fibre associated with the Reliance Industries helped them enter into the segment. The company checked all the essential boxes while launching the brand; identified the market trend and customer needs, trusted their competence by taking use of their enormous production capacity and providing assurance of product quality.

What is evident from these case studies is that Branding is an essential part of offering products and services at the same time drawing customers towards them. Be it sustenance of the current portfolio like in the case of Raymond and Vardhman or venturing into new markets with new products, the importance of the brand name is unbeatable.

It is high time that the Indian Textile & Apparel industry start branding their products and invest extensively towards process development and capacity building to market their products with a strong backing.