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# Chapter

## EMPOWERING THE INDIAN ECONOMY: FASHION INDUSTRY'S IMPACT AND CONTRIBUTION

**Shweta Saini\***

*Assistant Professor, Faculty of Fashion &  
Design, SGT University, Gurugram*

*\*Correspondence to: [ssaini3617@gmail.com](mailto:ssaini3617@gmail.com)*

**Dr. Anamika Shukla**

*Assistant Professor, Department of  
Commerce, IISE College, Lucknow*

**Dr. Reshma Tahir**

*Assistant Professor, Glocal Law School  
Glocal University, Saharanpur*

*Email Id: [reshma@theglobaluniversity.in](mailto:reshma@theglobaluniversity.in)*

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## **ABSTRACT**

*The fashion industry in India has experienced remarkable growth and transformation over the past few decades. This abstract provides an overview of the current state of the Indian fashion industry, highlighting its key trends, challenges, and the numerous opportunities it presents for both domestic and global stakeholders. The Indian fashion landscape is characterized by a unique blend of traditional and contemporary elements, reflecting the country's rich cultural heritage and diverse demographics. Home to a multitude of skilled artisans, designers, and manufacturers, India has emerged as a global hub for fashion production and export. The industry has witnessed an upsurge in the popularity of indigenous textiles, handloom crafts, and sustainable practices, showcasing a growing preference for ethically conscious and environmentally friendly fashion. Moreover, the advent of e-commerce and social media has revolutionized the way consumers interact with fashion, fostering the rise of online retail platforms and influencer-driven marketing strategies. The accessibility of smartphones and the internet has enabled the Indian population, particularly the youth, to actively participate in fashion trends, thereby fueling the demand for fast fashion and affordable apparel.*

**Keywords:** Stakeholders, Demographics, Sustainable practices, Cultural heritage

## **7.1 INTRODUCTION**

The fashion industry in India has embarked on a transformative journey, reflecting the diverse cultural tapestry and the modernization of the nation. With a rich heritage steeped in centuries-old craftsmanship and artisanal traditions, India's fashion landscape is a colourful tapestry of innovation and creativity. As the country continues to embrace global influences while celebrating its unique identity, the Indian fashion industry has grown into a powerhouse, impacting the global stage and redefining the very essence of style. From traditional ensembles adorned with intricate embroideries to contemporary designs influenced by cutting-edge technology, India's fashion industry has witnessed a remarkable evolution. Gone are the days when Indian fashion was synonymous only with ethnic wear; today, it encompasses a wide array of styles, ranging from haute couture and luxury to streetwear and sustainable fashion. One of the defining factors behind the industry's growth is the amalgamation of India's diverse cultural heritage. Each region boasts its distinctive textiles, patterns, and craftsmanship techniques, infusing the designs with narratives that stretch back in time. From the vibrant phulkari of Punjab to the graceful Banarasi weaves of Uttar Pradesh, and the intricate kantha of West Bengal, each piece of clothing carries a piece of India's history. Moreover, the fashion industry in India has embraced inclusivity, moving beyond conventional beauty standards to celebrate body positivity and individuality. This

progressive shift has not only broadened the definition of beauty but also provided a platform for budding designers and models to make their mark (Ceccato, 2018).

Another driving force behind the expansion of the Indian fashion industry is its strong connection with Bollywood and the entertainment industry. Celebrities' fashion choices and designers' collaborations with film productions have significantly impacted consumer trends, leading to a rapid increase in the demand for designer labels and luxury brands. As India's economy continues to grow, there is a burgeoning middle class with increased purchasing power, driving the consumption of fashion products across the spectrum. Online shopping platforms and social media have played a pivotal role in democratizing fashion, bringing it closer to the masses and catalysing the industry's growth (Bhanot, 2018). However, alongside these advancements, the industry grapples with challenges, such as sustainability and ethical practices. With a newfound emphasis on eco-friendly and ethical fashion, the industry is striving to strike a balance between commerce and conscious consumption. In this captivating and dynamic era, the Indian fashion industry stands at the cusp of a global breakthrough. As designers and brands embrace innovation and sustainability, and as consumers become more discerning in their choices, India's fashion industry is poised to carve a unique space on the global stage, leaving an indelible mark on the world of style (Nair and Kumar, 2020).

## **7.2 LITERATURE REVIEW**

Saluja (2018) did a study called "Consumer Buying Behaviour towards Fashion Apparels." The data showed that people who buy more often and who have more category requirements are more likely to give brand loyalty associations. The results also showed that the share of category needs was a bigger factor in how people felt about a brand than how often they bought it. Consumer behaviour, which used to be called "overt behaviour," is an ongoing process that includes things that happen before, during, and after a purchase. Based on five dimensions – consumer traits, reference groups, store attributes, promotion, and product attributes – this study made a model of how people buy clothes. All of these dimensions are made based on different customer behaviour studies and the opinions of experts from both the business world and academic institutions.

Bhanot (2018) did "A study on how people buy clothes in the Mumbai apparel industry." This research paper looks at how people in Mumbai and Navi Mumbai make clothing purchases. It was found that most people would rather buy clothing with a brand name than one without. More than half of the people in the sample liked private label products better than other brands because they were cheaper. They didn't care as much about what their friends and family did. Also, more than 50% of customers are unhappy

with the service after the sale, which is a big deal for them. The exchange time for a product is also a big part of how a customer decides what to buy. Their pay also has a big effect on how they buy things. Most of the people who answered said they would rather buy ready-made clothes than ones that had to be sewn, and they might switch brands if their first choice wasn't available. Most of them like to wear western clothes more than Indian clothes.

Patil (2020) conducted a study titled "Post Covid-19 Scenario of Fashion Industry & Fashion Trends." In the midst of this global pandemic, as the world experiences a shared sense of isolation, Fashion Revolution aims to examine the impact of the evolving situation on the individuals involved in clothing production. With retail establishments across the globe closing their physical stores, there is a growing emphasis on online shopping. The current demand necessitates a strong focus on e-commerce, compelling retailers to establish a presence in the virtual market to prevent their brands from facing decline and to effectively retain their customer base.

### **7.3 OBJECTIVES OF THE STUDY**

1. To understand the trends of fashion industry in India
2. To study the scope & challenges of fashion industry in India

### **7.4 HISTORY OF THE FASHION INDUSTRY IN INDIA**

The history of the fashion industry in India is a journey that spans centuries, reflecting the rich cultural diversity and heritage of the country. From traditional attire to modern couture, India's fashion industry has evolved significantly over time. Here's a brief overview of its history:

- **Ancient and Medieval Periods:** India has a long history of textiles and clothing production, dating back to ancient civilizations. The Indus Valley Civilization (around 3300–1300 BCE) provides evidence of sophisticated weaving techniques and the use of various fabrics. The mention of clothing and textiles can also be found in ancient Indian scriptures and texts like the Vedas and the Ramayana (Nosch et al., 2014).
- **Mughal Influence:** The Mughal era (16th to 19th centuries) played a crucial role in shaping India's fashion. The Mughals introduced luxurious textiles, intricate embroidery, and elaborate designs. This period saw the emergence of iconic garments like the saree and the sherwani. The royal courts of the Mughals were

known for their opulent clothing and accessories, influencing the broader society's fashion trends.

- **Colonial Period:** With the advent of colonial rule, the fashion landscape in India began to change. British influence brought about a fusion of Western and Indian styles. European clothing started to gain popularity among the elite, while traditional attire continued to be worn by the majority. The Indian textile industry also suffered due to the influx of cheap imported textiles (Sahney, 2016).
- **Post-Independence Era:** After India gained independence in 1947, there was a renewed focus on promoting indigenous textiles and reviving traditional craftsmanship. The government-initiated efforts to support handloom industries and promote khadi (handspun and handwoven fabric), as championed by Mahatma Gandhi.
- **1960s and 1970s:** The 1960s marked a period of modernization in Indian fashion. Designers like Ritu Kumar and Bhanu Athaiya worked to create a blend of traditional Indian aesthetics with contemporary designs. The 1970s saw the rise of fashion shows and a more experimental approach to clothing design.
- **Late 20th Century:** The late 20th century witnessed the emergence of Indian designers who gained international recognition. Names like Manish Malhotra, Ritu Beri, and Rohit Bal played pivotal roles in bringing Indian fashion onto the global stage. Bollywood also significantly influenced fashion trends, with actors' styles often inspiring the masses.
- **21st Century:** The 21st century has been marked by a surge in creativity and diversity within the Indian fashion industry. Traditional Indian garments like sarees, lehengas, and anarkalis continue to coexist with contemporary clothing. Fashion weeks in major cities like Mumbai and Delhi have become significant platforms for showcasing the latest trends and designs.
- **Sustainability and Revival:** In recent years, there's been a growing emphasis on sustainable fashion and reviving traditional techniques. Designers are incorporating eco-friendly practices, handlooms, and handicrafts into their collections. This movement aims to promote ethical fashion choices and support local artisans.
- **Global Influence:** Indian designers and fashion houses have gained prominence on the global stage, participating in international fashion weeks and collaborating with renowned brands. The likes of Sabyasachi Mukherjee and Anita Dongre

have garnered international attention for their unique blend of tradition and modernity (Sandhu, 2014).

- In conclusion, the history of the fashion industry in India is a testament to the country's rich cultural heritage, showcasing its ability to adapt and innovate while maintaining a strong connection to its roots. From ancient civilizations to modern runways, Indian fashion continues to evolve, contributing to the global fashion landscape.

## **7.5 MARKET SIZE AND SCOPE**

The fashion industry in India was valued at around \$70 billion in 2019 and was projected to grow at a compound annual growth rate (CAGR) of approximately 10-12%. It was expected to reach a market value of \$100-110 billion by 2025.

### **i. Scope and Segments**

- **Apparel Segment:** The apparel sector is one of the largest components of the Indian fashion industry. It includes both traditional ethnic wear and western clothing. India's diverse cultural heritage leads to a demand for a wide variety of clothing styles. Brands ranging from luxury to affordable cater to this demand.
- **Textiles:** India is a major player in the global textiles market. It produces a wide range of fabrics including cotton, silk, wool, and synthetic fibers. The textile industry supports various sub-sectors such as weaving, dyeing, printing, and garment manufacturing.
- **Jewellery and Accessories:** India has a strong tradition of jewellery-making, with both traditional and contemporary designs. This segment includes precious metals, gemstones, and fashion accessories like handbags, scarves, and belts.
- **Footwear:** The footwear industry has seen significant growth with a focus on both traditional footwear styles and modern designs. International and domestic brands offer a range of options to consumers.
- **Beauty and Cosmetics:** The beauty and cosmetics industry has witnessed substantial growth with the rising awareness of grooming and personal care. This includes skincare, makeup, hair care, and fragrance products.

- **E-Commerce and Retail:** The growth of e-commerce has significantly impacted the fashion industry in India. Online platforms have provided consumers with easy access to a wide variety of fashion products, contributing to the industry's expansion.
- **Luxury and Designer Brands:** India's growing affluent class has led to the rise of luxury and designer fashion brands opening stores in major cities.
- **Exports:** India's fashion industry also contributes significantly to exports, with textiles and garments being major export items.

## ii. Fashion Trends in India

- **Sustainable Fashion:** In recent years, there has been a growing awareness and emphasis on sustainable and eco-friendly fashion in India. Consumers have been showing a preference for brands that incorporate environmentally-friendly practices, use organic materials, and promote fair trade and ethical manufacturing processes.
- **Ethnic Fusion:** Indian fashion has been witnessing a blend of traditional ethnic wear with contemporary elements, creating unique and stylish fusion outfits. Designers have been experimenting with combining Indian textiles, embroidery, and craftsmanship with modern cuts and silhouettes.
- **Gender-Fluid Fashion:** The fashion industry in India has been witnessing a shift towards gender-fluid or gender-neutral fashion. Designers have been breaking traditional norms by creating collections that cater to a wider range of audiences and blur the lines between men's and women's clothing.
- **Digital and Tech-Driven Experiences:** With the increasing adoption of technology, the fashion industry in India has seen a rise in virtual fashion shows, augmented reality (AR) shopping experiences, and social media campaigns. Brands are leveraging digital platforms to reach a larger audience and engage with consumers in innovative ways.
- **Pastel and Earthy Tones:** Soft pastel colors and earthy tones have been popular in both traditional and contemporary Indian fashion. These colors not only exude elegance but also align with the sustainability trend as they often use natural dyes.
- **Handloom Revival:** Indian handloom fabrics and textiles have made a significant comeback in the fashion industry. Consumers are showing a

renewed interest in supporting local weavers and artisans by embracing traditional handcrafted garments.

- **Athleisure and Comfort Wear:** The athleisure trend, combining athletic wear with casual fashion, has gained popularity in India. Comfortable and functional clothing, such as loungewear and activewear, have become more relevant, especially considering the impact of the pandemic on lifestyle and work patterns.
- **Statement Accessories:** Bold and unique accessories, such as statement earrings, chunky necklaces, and oversized sunglasses, have become go-to choices to elevate outfits and make a fashion statement.
- **Slow Fashion Movement:** Along with sustainable fashion, the slow fashion movement has been gaining momentum in India. The focus is on producing high-quality, long-lasting garments that stand the test of time and reduce the environmental impact of the fashion industry.
- **Inclusive Sizing and Body Positivity:** Indian fashion brands have started to acknowledge the need for inclusive sizing and body positivity. There has been a positive shift towards celebrating diverse body types and offering a wide range of sizes to cater to a broader customer base (Sarker, 2019).

## **7.6 CHALLENGES FACED BY THE FASHION INDUSTRY IN INDIA**

- **Rapidly Changing Consumer Preferences:** Indian consumers' tastes and preferences were evolving rapidly, driven by factors such as globalization, exposure to international fashion trends, and the influence of social media. Keeping up with these constantly changing preferences was a challenge for the fashion industry.
- **Competition from International Brands:** The entry and expansion of international fashion brands in the Indian market posed a significant challenge to domestic players. These brands often had well-established global supply chains, marketing budgets, and recognition, making it tough for local brands to compete effectively.
- **Supply Chain and Infrastructure Issues:** India's fashion industry struggled with supply chain inefficiencies, including logistics, transportation, and warehousing challenges. These issues could lead to delays in production and delivery, impacting the industry's competitiveness.

- **Sustainability and Ethical Concerns:** With growing awareness about environmental and ethical issues, consumers were increasingly demanding sustainable and ethically produced fashion products. Many Indian fashion companies faced difficulties in adopting and implementing sustainable practices due to cost considerations and limited consumer willingness to pay premium prices for sustainable products.
- **Counterfeit and Piracy:** The fashion industry in India faced rampant counterfeiting and piracy, resulting in revenue losses for legitimate brands and undermining consumer trust.
- **Regulatory and Policy Hurdles:** Complex and sometimes ambiguous regulatory frameworks, import/export policies, and taxation issues posed challenges to the fashion industry's growth and development.
- **Skill Gap and Labor Challenges:** Despite being a labor-intensive industry, there was a lack of skilled workforce in certain areas of fashion production, particularly in advanced design and technology-oriented fields.
- **E-commerce and Online Retail:** While e-commerce presented opportunities for the fashion industry to reach a wider audience, it also brought its share of challenges, including intense competition, price wars, and the need to adopt efficient online marketing and customer service strategies.
- **Infrastructure for Research and Development:** The fashion industry required continuous research and development to innovate and stay ahead in the market. The lack of dedicated infrastructure and funding for fashion research and development was a hindrance.
- **Seasonal Variability:** India experiences diverse climatic conditions across regions, making it challenging for the fashion industry to manage and forecast seasonal demands and trends effectively (Steele, 2005).

## **7.7 GOVERNMENT POLICIES AND INITIATIVES**

- **Textile Policy:** The Indian government has implemented various textile policies aimed at boosting the entire textile and apparel sector, including the fashion industry. These policies focus on promoting investments, technology upgradation, export promotion, and encouraging sustainable practices in the textile and garment manufacturing.

- **Skill Development Programs:** To enhance the skill sets of workers in the fashion industry, the government has introduced various skill development programs. These initiatives aim to train and empower the workforce with the latest techniques, machinery, and design concepts, ensuring they meet global standards and increasing employability.
- **Make in India Campaign:** The Make in India campaign was launched to promote manufacturing and production within India. This initiative aims to make the country a global manufacturing hub, including for the fashion industry. The government offers incentives and support to businesses that invest in manufacturing facilities within the country.
- **Design and Innovation Support:** The Indian government has set up various organizations and institutions that offer design and innovation support to fashion entrepreneurs and designers. These centers provide mentorship, financial assistance, and resources to promote innovation and creativity in the industry.
- **Financial Schemes and Incentives:** The government has introduced various financial schemes and incentives to support the fashion industry, particularly small and medium-sized enterprises (SMEs). These schemes often include access to credit at subsidized rates, tax benefits, and support for market expansion and exports.
- **Intellectual Property Rights (IPR) Protection:** To safeguard the intellectual property of designers and fashion businesses, the government has taken measures to strengthen IPR protection. This helps protect original designs and prevents counterfeiting.
- **E-commerce and Digital Initiatives:** The government has introduced digital initiatives to promote e-commerce and online selling platforms, which have become vital for the growth of the fashion industry. These initiatives focus on providing a conducive digital ecosystem, ensuring ease of doing business online.
- **Handloom and Handicraft Promotion:** India's rich heritage of handloom and handicrafts is promoted through various government schemes. These initiatives aim to preserve traditional crafts and techniques, while also providing economic opportunities for artisans in the fashion industry.

## **7.8 OPPORTUNITIES AND FUTURE PROSPECTS**

- **Growing Middle Class:** India's expanding middle class has been a significant driver of growth in the fashion industry. As more people move up the income ladder, there is an increasing demand for fashionable and trendy clothing, accessories, and footwear.
- **E-commerce Boom:** The rise of e-commerce platforms has revolutionized the way fashion is consumed in India. Online shopping has become popular among consumers due to convenience, a wide range of choices, and competitive pricing. The fashion industry can capitalize on this trend by focusing on online marketing and sales.
- **Export Opportunities:** India has been a major player in the global fashion export market. The country's rich textile heritage and skilled workforce give it a competitive edge in producing garments and textiles for international brands. Export opportunities continue to grow, especially in emerging markets and niche segments.
- **Regional Diversity:** India's diverse culture and regional variations offer unique design aesthetics and traditional craftsmanship. The industry can leverage this diversity to create a wide range of fashion products that appeal to both domestic and international markets.
- **Technology Integration:** As technology continues to advance, the fashion industry in India can benefit from integrating innovations like virtual reality, augmented reality, and artificial intelligence into various aspects of the design, manufacturing, and retail processes.
- **Influencer Marketing:** Social media influencers play a crucial role in shaping consumer preferences and trends. The fashion industry can collaborate with influencers to promote their products and reach a broader audience.
- **Increased Focus on Men's Fashion:** Traditionally, the Indian fashion industry has been focused on women's wear. However, there has been a growing interest in men's fashion, offering opportunities for designers and brands to cater to this segment.
- **Government Initiatives:** The Indian government has been taking various initiatives to promote the textile and fashion industries. These initiatives include

favorable policies, financial support, and infrastructure development, which can further boost the growth of the sector.

- **Rising Urbanization:** With increasing urbanization, fashion-conscious consumers in cities are driving the demand for trendy and fashionable clothing and accessories (Venkatasamyhas, 2019).

## **7.9 CONCLUSION**

By itself, the Indian fashion business employs tens of thousands of people, most of whom are young women. So, you can't say that the Indian garment business isn't important when it comes to creating jobs and making money from foreign exchange. The growth of the Indian economy will be helped by the growth of the clothing business. At the moment, India is seen as the next leader in the export business for ready-made clothes. It is clear that foreign buyers want to buy clothes from Indian sellers. In order to meet this demand, Indian clothing makers and exporters have to keep the quality of their finished products high and keep coming up with new styles and designs to catch the eye of potential buyers. With CAD and its many programmed features, there are now a lot more options than ever before. And as a result, not only is the process faster, but it is also more accurate than when it was done by hand. It's no surprise that even small companies that create and make textiles use CAD systems. The way artists all over the world work is changing because of computers. The goal of fashion design is not just to be fashionable and look good. It is a design art that includes many different fields. With the help of science and technology, we are entering a new era that will take the growth of industry to new heights.

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