

DIGITAL CHANNEL SELECTION STRATEGY FOR INDIAN FASHION E-TAILERS: A STUDY

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ABSTRACT

Selection of app or website or store or a combination of these is a major strategic problem for a number of fashion retailers in India. Waves were created when Myntra.com, India's leading online fashion store decided to go for a mobile app-only channel. On the other hand of the spectrum are retailers such as Zara, which want to focus on customer experience and fitting and thus are not going online. This research focuses on the online players in the Indian fashion industry and strategies that may work for them as they inch towards profitability.

Digital is making the real unattractive and companies now want to reach the consumer as closely as possible. Treating each channel as a silo cannot work now and this has been the traditional approach. They need to make a solo customer strategy across all digital and real platforms, offer uniform experiences to avoid confusion in the minds of customers. Big data analytical platforms and web and mobile technologies need to be married with innovative thinking with the underlying fervor of revolutionizing e-tail or retail. What is required for Omni channel is a seamless fashion retail universe across the web, mobile, tablet and bricks and mortar channels.

Fashion e-tailing differs from regular E-commerce as it has higher margins and is impulse-driven. Prior to making the app-only decision, Myntra conducted a study on their customer segments and found that around 70% of their sales were mobile-based. Thus, they decided that they will focus on the fashion conscious. Other cheaper sites like Zovi and Snapdeal focus on the Tier-2 and 3 segments and sell low-cost products such as sleepwear. Thus, their focus is on their websites.

Our research did a segmented study on Indians' preferences across the various market segments. Some astonishing results were the demand in the rural hinterlands for designer wear, irrelevance of channel for females and excessive interest in young males. Another finding was the liking of mobile app based shopping in North and West India due to better mobile connectivity. Some predictable results were preference for website and price sensitivity amongst older people, shopping of formal wear over website than app and female preference for better designs.

It was thus noted that regional tastes, city size and gender creates significant changes in the marketing strategies of online fashion e-tailers in India. It isn't a flat market like the USA and segmentation, targeting and positioning is important. Retailers like Flipkart and Amazon are

expanding at any cost in all channels and this is the right way as they want market share now. There are also some niche players like Bewakoof.com and Koovs.com with their focused strategies. It has been observed that there is not much traction towards omni-channel retailing except in the Tier-1 cities.

KEYWORDS: Website or App, Channel Selection, Strategy.

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