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Democratising Trade

Business-to-business platforms are changing how apparel business happens in the country as they bridge gaps between manufacturers, traders, brands, and retailers. **Bindu Gopal Rao** writes.

The apparel industry is a huge contributor to the Indian economy, in terms of both its share within the country, as well as exports. Investments in the digital segment have helped sectors such as beauty and clothing retail so apparel brands can take some learning from their successes and benefit from these online platforms. There are various online B2B marketplaces in India that help the apparel segment in trading and conducting their business transactions.

THE CONCEPT

B2B (business-to-business) platforms are online marketplaces wherein business practices such as exchange of products, services, and information are conducted between various manufacturers and vendors rather than between businesses and consumers. They can also be defined as portals

on the internet where products and services are bought and sold from a variety of suppliers. Apparel designers, manufacturers, and retailers connect with other product or service providers on various online B2B portals, looking to get the best deal, convenience, and easy processing.

Harsh Bhotika, Founder, Warp 'n Weft, says, "B2B apparel platforms are like online wholesalers who provide their customers, i.e. designers, retailers, and stores, to buy from a varied range of services and products across categories like menswear, womenswear, kids' wear, etc. It works upon networking and collaborating with manufacturers and vendors across cities and makes it simpler for both the parties to get connected and do business together. Buyers on the B2B platform get to make their choices from a range of required products such as garments,



fabrics, accessories, etc., which is available to them across registered vendors on the portal. This also offers security to both transacting parties since both are registered on the portal.”

CONVENIENCE MATTERS

According to Anil Agrawal, Co-founder, Ensologic Commerce, B2B is a technology-based supply chain ecosystem, which connects manufacturers and retailers directly by adding multiple values for any industry. “B2B platforms give retailers an opportunity to have vast catalogue choices. It frees them of the geographic distances of the supply chain, hence opening up possibilities for brands to sell worldwide. Another point is that it gives them scope to supply at a reasonable price. This makes the credit facility easy, depending on the platform,” avers Agarwal. Along with retailers, manufacturers also have an edge when it comes to conducting digital business due to a vast trading network; there is less deadstock as there is a wide supply chain, better pricing, and a direct approach to market trends. Udaan is among the most prominent business-to-business marketplaces for brands, manufacturers, and traders, who engage in free-trade with retailers. With over 10,000 traders and manufacturers and

“B2B PLATFORMS GIVE RETAILERS AN OPPORTUNITY TO HAVE VAST CATALOGUE CHOICES.”

three lakh+ retailers with nine lakh+ designs on the platform, Udaan transacts over 2,000 tonnes of clothing orders everyday, with one order placed every two seconds. It boasts a total of 1.12 lakh orders, of which two out of three orders are dispatched the same day. Apparel brands such as Gajiwala, Mahaveer Fashion, Bahubali, Tejoo Fashion, Lux, Rupa, Lyra, Toodles, Magic Train, Maple, Kinder Choice, Krazy Girl, Ahhaaaaa, Ruf & Tuf, Newport, Mafatlal, Advance-18, among many others, are available on the platform.

Shraiya Aggarwal, Senior Marketing Manager, Udaan says, “Access to an already engaged audience is the primary advantage of this platform. Also, Udaan has an extremely low cost of entry. Expanding the reach of products to new customers nationally and testing out new products with different markets is possible too.”

ONLINE B2B PLATFORMS ARE A BOON FOR SMALL- AND MEDIUM-SCALE APPAREL BUSINESSES AND MANUFACTURERS OF THE COUNTRY.

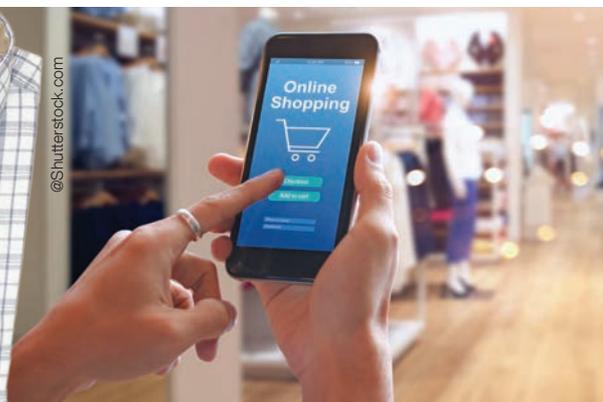
DEMAND DRIVERS

Apparel nowadays is becoming an important part of the purchasing decision as far as grooming is concerned. This is the result of the plethora of choices, which are accessible now more than ever before. Add to that the attractive discounts that platforms offer today, leading apparel to continue to drive a lot of business. “Due to the fact that B2B is fast and quick, has an organised auto-approach system for better planning that will eventually make the scaling of businesses easy, this segment is certainly growing the market,” says Aggarwal.

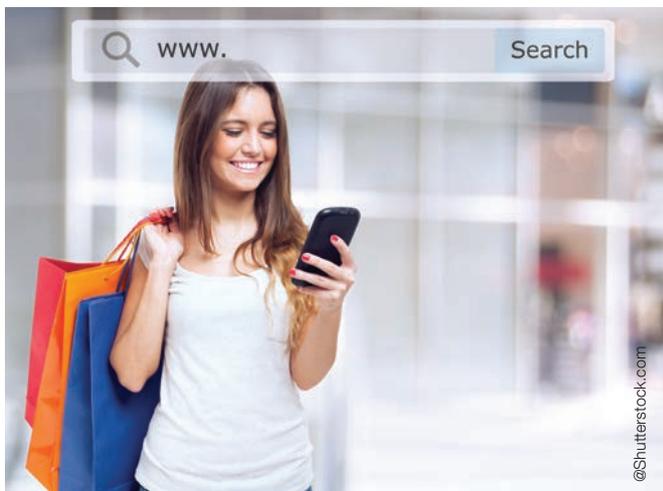
Ester John Mathew, owner of Esthu Willys, a newly launched formal and casual shirts brand, says, “The apparel business is growing in India, especially through online platforms.” The brand

has recently launched a range of formal and casual shirts, which are made from Giza cotton. “Though many cotton brands are highly priced, we offer affordable prices for our products. Our shirts will be available through online platforms in the forthcoming festive seasons.”

Online B2B platforms are a boon for small- and medium-scale apparel businesses and manufacturers of the country, in terms of generating revenue. They are crucial because they connect the industry globally and are major venues for global wholesale trade too. B2B platforms are prominent marketplaces for cross-border trade in the apparel business, helping small and medium businesses to expand to overseas markets. “B2B platforms are a great opportunity for the overall apparel market, wherein businesses can showcase products ranging from raw materials to finished goods. This also means that manufacturers do not have to go through the physical hassles of importing as they can procure raw materials on the click of a button. The sellers can display most of their products online and buyers would have a variety to choose from at competitive prices since it is a single platform, which is common for small, medium, and large enterprises, as well as individuals,” explains Bhotika.



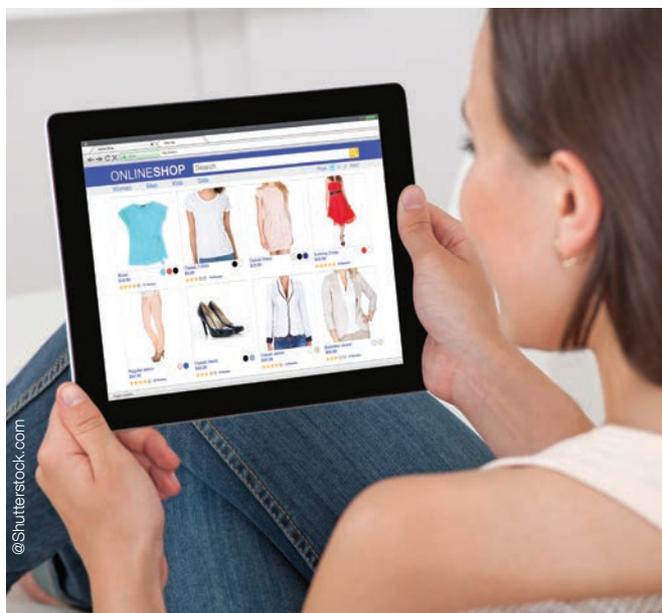
FEATURE



THE PROCESS INVOLVES VARIOUS STAKEHOLDERS, AND PURCHASE MANAGERS RARELY MAKE AN INDEPENDENT BUYING DECISION.

NOW TRENDING

B2B platforms such as Meesho and GlowRoad have seen sizeable growth only due to their ability to make global trends accessible to Indian sellers. Additionally, Meesho has received a funding of US\$25 million from Facebook. "B2B apparel portals work according to the latest fashion trends prevailing in the industry and are also based on consumers' requirements. Some of the trends are seen in forms of ruffles, frills, asymmetrical designs, capes, layers, one-shoulders, pastel shades, zardozi, Kashmiri handwork, *gota* work, lightweight embellishments, and intricate embroidery," opines Bhotika. In fact, one of India's largest textile conglomerates, Raymond, is said to enter a B2B e-commerce stint with the intention to connect over 2,500 retailers across India; it will be making an extensive use of artificial intelligence (AI) as well.



OVERCOMING CHALLENGES

The biggest challenge when it comes to the current scenario is that the Indian apparel industry is largely unorganised, with more than 50 per cent of the players in the unorganised sector. Conversion to an organised sector, though possible, is time-consuming. Other challenges include lack of maturity in the market and problems involved in the initial stage of B2B. Quite some work is required in areas like provision of credit facility, quality authentication, and government policies that include a complicated tax structure. "In spite of the advantages reaped by apparel businesses in the country, there are various challenges faced by them on the B2B front. The first and most important challenge being, the difficulty of accurately accessing products through images, as pivotal aspects such as colour, touch, feel, etc. are difficult to be communicated online, thus affecting the decision-making process of the buyer. Another issue is the difficulty in describing the product since the web is flooded with industry experts and reviews based on individual experiences. Thirdly, the process involves various stakeholders, and purchase managers rarely make an independent buying decision, which leads to delays. Lastly, the impulse buying factor is missing in B2B platforms, as organisations purchase products based on the needs of their buyers," says Bhotika. India's domestic apparel market size is projected to grow at 11-12 per cent compound annual growth rate (CAGR) and reach about US\$160 billion by 2025. B2B platforms are certainly helping in fuelling this demand, further pushing the industry to reach these numbers. ■