



Impact of e-commerce and omni channel on apparel logistics

▼ JASJIT SETHI

India's garment industry, which ranks the second-largest in the world, plays a major role in country's economic health. The industry is expected to grow to the size of \$223 billion by 2021, according to a report by Technopak Advisors. This has implications on several parameters of progress. The sector already contributes about 14 percent to industrial production and four percent

to the gross domestic product (GDP).

Over the years Indians have been exposed to the concept of fashion, with its cycles of seasonal trends. Consumers are becoming increasingly concerned with the relevance of prints, cuts and silhouettes with regard to the current style. While our garment industry felt the effects of globalisation after independence,

the economic liberalisation of 1991 further revolutionized the way garments were viewed, and consumed, domestically. The emergence of celebrity designers, the fashion weeks, glamour industry and fashion icons whose sartorial choices are broadcast via the media, has played a big role in priming the public consciousness for the modern concept of fashion.

Not only has this phenomena helped our garment industry grow, but also made it crucial for manufacturers to be highly competitive. Quality, price-points and design are important. However what's most crucial, and basic, to the success of a garment business is the ability to "have the right product, at the right time, in the right place, at the right price."



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of time products spend in transit. One way to ensure that the items consumers want to buy are available when they want them is to develop methods for intelligent segmentation of products that allow manufacturers to fast-track trendy items that need to hit the shelves quickly, and develop strong replenishment logic, processes, and systems that cut costs by using more efficient processes for basic products that their stores always carry, and only refresh on a periodic basis.

Once products have been segmented, companies can determine the quantities of each item to produce at a time based on demand forecasting. All this has to be supported by linking a lean retail environment to a lean supply network that can replenish required inventories as

they are needed. The services of a good Logistics' Service Provider (LSP) comes in here.

The TCI Group, with revenues of over Rs. 2,500 Crores, is India's leading integrated supply-chain and logistics' solutions provider. With expertise developed over five decades, it has a network of over 1,000 company-owned offices, 10 million square-feet of warehousing space, and a team of over 5,000 trained employees. Textile and apparel, one of TCI's major verticals, employs a dedicated team to service this facility.

The advent of technology, combined with the omni-channel assault and social networking, has made India's garment industry a furious retail environment. This has put the power to dictate the market into the hands of the end-consumer. Given the growing importance of e-commerce in Indian fashion, LSP's are playing a vital role for the garment sector now, more than ever before. With e-commerce making trends, and consumption, more instantaneous, the entire value chain focus has to be shifted, from cutting production costs to meeting a consumer's requirements. No matter how vast an online or offline retailer's inventory may be, profits are only achieved once an item is in the consumer's hands or better yet in their closet.

A good LSP has to anticipate the evolving challenges, due-diligences and solutions for the garment sector's supply-chain needs. This is specially so in the age of information technology, and instant gratification. At TCI, the endeavor is to constantly provide our partners in the garment sector this support, which enables them to stay on top of a stunningly dynamic market.▲

The author is the CEO of Transport Corporation of India Supply Chain Solutions

This is what supply chain management (SCM) deals with. Many companies consider logistics and supply-chain management the last frontier in achieving corporate leanness and maximising profits. Logistics plays an important role in ensuring that the right products reach the retailers at the right time.

Like other industries, the textile and garment sector has its challenges. As with all

other consumer goods, the textile product cycle is getting progressively shorter. Consumer tastes are fickle, and what sells today may be shunned tomorrow. Shrinking product cycles, multiple vendors and manufacturing locations, rising expenses, and lack of process visibility, among others, are hurdles this industry must contend with.

The logistics sector is looking for ways to reduce the amount