CLOTHING AND APPAREL RETAIL BUSINESS

1. INTRODUCTION

The clothing and apparel industry forms an integral part of the global retail sector, driven by constant consumer demand for new styles, functionality, and personal expression. Opening a retail clothing store offers an exciting and profitable business opportunity, catering to different market segments — from daily wear to fashion-forward customers.

This project proposes the establishment of a professionally managed apparel retail store, offering curated collections of men's, women's, and children's wear, with scope for online and offline expansion.

2. INDUSTRY OVERVIEW

- India's apparel market is projected to grow to USD 190 billion by 2025, growing at a CAGR of 10–12%.
- Rising middle-class incomes, urbanization, fast fashion trends, and increased spending on lifestyle products are driving growth.
- Organized retail penetration is steadily increasing with malls, shopping streets, and online marketplaces booming.
- Ethnic wear, casual wear, and kidswear segments are showing the highest growth rates.

3. PRODUCT RANGE AND SERVICES

- **Men's Apparel:**
  Formal shirts, casual wear, ethnic wear (kurta sets), jeans, and trousers.
- **Women's Apparel:**
  Kurtis, sarees, dresses, tops, tunics, jeans, ethnic, and western fusion wear.
- **Kidswear:**
  T-shirts, frocks, party wear, school uniforms (optional).
- **Accessories (Optional Expansion):**
  Belts, scarves, stoles, handbags, and wallets.
- **Value-added Services:**
  Gift wrapping, festive sales, and personal styling advice (Phase 2).

4. RAW MATERIAL / INVENTORY REQUIRED

- Ready-made garments from branded manufacturers and wholesalers.
- Designer collections (tie-ups with boutique designers, optional).
- Stock of seasonal clothing: summer, winter, festive, and wedding collections.

- Accessories stock (optional expansion).

5. SETUP PROCESS

1. Market research and location finalization (high-footfall area preferred).
2. Retail store interior setup and brand concept design.
3. Supplier tie-ups and inventory procurement.
4. Recruitment of sales and store management staff.
5. Launch of marketing, branding, and grand opening event.

6. LIST OF EQUIPMENT AND FURNISHINGS

Equipment/Furnishing	Purpose
Display racks and mannequins	Product display
Cash counter and billing software	Billing and inventory control
Trial rooms with mirrors and lighting	Customer convenience
CCTV cameras	Security
Lighting fixtures and decorative setup	Store ambience enhancement
Seating area for customers	Comfort while shopping
Air conditioning and ventilation	Store environment

7. COST OF PROJECT

Particulars	Estimated Cost (₹ Lakhs)
Store Interior Setup and Furnishings	8.00
Display Racks, POS System, Trial Rooms	2.50
Initial Inventory Procurement	10.00
Marketing and Branding Launch	2.00
Software (Billing + Inventory)	0.50
Licenses and Registrations	0.50
Working Capital (First 3 Months)	5.00
Total Estimated Project Cost	**28.00 Lakhs**

8. REVENUE STREAMS

- Sale of men's, women's, and kids' clothing
- Sale of accessories (scarves, handbags, wallets)
- Customized clothing orders (optional)
- Online sales through website or marketplaces (Phase 2)
- Gift voucher and festive combo sales

9. MANPOWER REQUIREMENT

Role	Number	Monthly Salary (₹)	Annual Cost (₹)
Store Manager	1	30,000	3,60,000
Sales Executives	3	15,000	5,40,000
Cashier	1	18,000	2,16,000
Inventory Handler	1	15,000	1,80,000
Total	6 Staff		12,96,000

10. MARKETING STRATEGY

- Launch with a grand opening sale.
- Loyalty programs and repeat customer discounts.
- Seasonal and festive promotions (Diwali, Eid, Christmas, Wedding Season).
- Tie-ups with fashion bloggers and Instagram influencers.
- Google My Business, local SEO optimization.
- Participating in local exhibitions and community events.

11. BUSINESS OUTLOOK AND TRENDS

- Growing preference for branded and curated apparel stores.
- Shift toward ethnic-fusion, Indo-western wear.
- High growth in Tier II and Tier III cities for lifestyle fashion.
- Omnichannel retailing (offline + online) becoming essential.

12. MARKET POTENTIAL AND MARKETING ISSUES

Market Potential

- Rising disposable income and aspirational buying behavior.
- Growth in occasion-driven shopping: weddings, festivals, officewear.
- E-commerce expansion allows rural and urban cross-selling.

Marketing Issues

- Intense competition from online marketplaces (Amazon, Flipkart, Myntra).
- Fast-changing fashion trends require regular inventory refresh.
- Inventory risk if seasonal collections are not sold promptly.

13. RISK FACTORS

- Unsold stock leading to heavy discounting and margin erosion.
- Shifts in customer preferences or fashion trends.
- Increased operational expenses (rent, salaries, marketing).
- Threat from organized retail chains and large malls.

14. REGULATORY REQUIREMENTS

- Shop and Establishment Act Registration
- GST Registration
- Trademark Registration (for own brand, optional)
- Fire Safety NOC (for larger stores)
- FSSAI License (if offering packaged clothing gift hampers with edibles, optional)

15. TRAINING CENTRES AND COURSES

- Retail Management courses (Institutes like NIFT, Pearl Academy)
- Customer Service Workshops (Retailers Association of India)
- Visual Merchandising and Display Training
- Basic Billing Software (POS) Training
- Digital Marketing Courses (for e-commerce expansion)

16. DESIRED QUALIFICATIONS FOR PROMOTERS

- Background in Fashion, Retail Management, or Business Administration preferred.
- Strong interest in fashion trends and consumer behavior.
- Understanding of merchandising, pricing, and inventory turnover.
- Basic knowledge of GST billing, POS systems, and digital marketing.

17. IMPLEMENTATION SCHEDULE

Activity	Timeline
Location Selection and Lease Finalization	Month 1
Store Setup, Interiors, and Branding	Month 1–2
Hiring and Staff Training	Month 2
Inventory Procurement and Stocking	Month 2
Grand Opening Launch	Start of Month 3

18. MEANS OF FINANCE

Source	Amount (₹ Lakhs)	Percentage (%)
Promoters' Equity Investment	11.20	40%
Bank Term Loan	16.80	60%
Total	28.00	100%

19. PROFITABILITY CALCULATION

Particulars	Year 1 (₹ Lakhs)	Year 2 (₹ Lakhs)	Year 3 (₹ Lakhs)
Revenue	50.00	75.00	100.00
Operating Expenses	38.00	50.00	65.00
EBITDA	12.00	25.00	35.00
Interest and Depreciation	3.00	2.50	2.00
Net Profit Before Tax (PBT)	9.00	22.50	33.00
Income Tax (@25%)	2.25	5.63	8.25
Net Profit After Tax (PAT)	6.75	16.87	24.75

20. BREAK-EVEN ANALYSIS

Particulars	Value
Annual Fixed Costs	₹12.96 Lakhs
Average Gross Margin on Sales	35–40%
Annual Sales Target to Break Even	₹30–32 Lakhs
Expected Break-even Time	Within 12–14 months

21. STATUTORY / GOVERNMENT APPROVALS REQUIRED

- **Shop and Establishment License:** Registration under municipal authorities.
- **GST Registration:** For tax compliance.
- **Trade License:** Required from the municipal corporation.
- **Professional Tax Registration:** (If applicable as per the state).
- **Fire Safety NOC:** If the store exceeds the specified area.
- **Trademark Registration (Optional):** To protect the brand identity.
- **Import Export Code (IEC):** (If planning for clothing export, optional).

The Swayam portal (link: https://swayam.gov.in/) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

Entrepreneurship programs that help run businesses successfully are also available from institutes like the Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer

Only a few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not Bikery any recommendation.