



# Co-creation: A Study of Indian Apparel Brands

Natwarlal M Bhattad

Dr. Ajit Kumar Khare

Professor, National Institute of Fashion Technology (NIFT), Mumbai

## Abstract:

The Research paper aims to delve into the co-creation process within the Indian apparel value supply chain, focusing on how brands collaborate to develop new products for better consumer experience. The paper, based on doctoral research study, explores how Indian apparel brands stakeholders work together, manage their operations, adhere to guidelines, and enhance value in new product development to build innovation. Additionally, it seeks to identify the benefits derived from this collaborative approach. The findings of this study provide foundational understanding of the co-creation to decision makers of Indian apparel brands.

**Keywords:** Apparel Value Supply Chain, Brand Collaboration, Co-creation, Innovation, New Product Development.

## 1.0 Introduction:

The apparel industry is evolving with increased competition and a focus on innovation over pricing strategies. Brands must balance competitive pricing, rising production costs, and sustainability demands. Co-creation offers a solution by fostering collaboration among stakeholders in the apparel value supply chain. While widely studied in the West, co-creation in India's apparel industry remains underexplored. This research aims to fill this gap by assessing the current extent of co-creation process in apparel brands in India, through exploratory semi-structured interviews, offering insights for improved collaboration and value generation. The Rise of Co-Creation involves a participative approach where multiple stakeholders collaboratively contribute to product and service development. This process is characterized by empathy mapping and the recognition of stakeholders as essential contributors to value creation. It extends beyond traditional product development process, encompassing interpretation and innovation. Co-creation involves interactive processes where customers, designers, product development teams, and manufacturers collaboratively generate ideas in togetherness and develop innovative products and services. It emphasizes the importance of idea generation by stakeholder in collaboration to build value added products addressing end consumer needs.

## 2.0 Review of Literature:

To understand the current scope of co-creation in Indian apparel supply chain industry, several scholarly research papers, articles, and books, have been reviewed. Most relevant publications reviewed for a comprehensive outlook towards co-creation in different scenarios, enlisted as follows:

Ramaswamy and Guillard (2010) stated in their research that through co-creation the brands are able to develop new systems, products or services by collaborating with various stakeholders.

Maltzahn (2016) felt that co-creation refers to multiple ways through which companies connect with their target consumers by incorporating key consumer values into retail concepts and marketing strategies. He further stated in his research that co-creation also attempts to find out about what motivations led consumers or communities to purchase acts and what are the value connections that they think that are the most important ones.

Prahalad & Ramaswamy (2004) brought out difference between what is Co-creation and what is not Co-creation as per the table below:

**Table I**

WHAT CO-CREATION IS	WHAT CO-CREATION IS NOT
<ul style="list-style-type: none"> <li>• Co-creation is about joint creation of value by the company and its stakeholders.</li> <li>• It is not the firm trying to please the stakeholders</li> <li>• Allowing the stakeholders to co-construct the product/service</li> <li>• Joint problem definition and problem solving</li> <li>• Creating an experience environment in which stakeholders can have active dialogue and co-construct personalized experiences</li> <li>• Experience variety</li> <li>• Experience of one</li> <li>• Experiencing the business as consumers do in real time</li> <li>• Continuous dialogue</li> <li>• Co-constructing personalized experiences</li> <li>• Innovating experience environments for new co-creation experiences</li> </ul>	<ul style="list-style-type: none"> <li>• Customer focus</li> <li>• Customer is king or customer is always right</li> <li>• Delivering good customer service or pampering the customer with lavish customer service</li> <li>• Mass customization of offerings that suit the industry's supply chain</li> <li>• Transfer of activities from the firm to the customer as in self-service</li> <li>• Customer as product manager or codesigning products and services</li> <li>• Product variety</li> <li>• Segment of one</li> <li>• Meticulous market research</li> <li>• Staging experiences Demand-side innovation for new products and services</li> </ul>

Maltzahn (2016), Prahalad & Ramaswamy (2004) in their research have emphasised that the most important aspects in the co-creation process are dialogue, access, risk-return and transparency.

Rowley, Kupiec-Teahan and Leeming (2007) mentioned that co-creation expects to be able to discontinue

this company-centric model and has already been recognized as an area of consumer behaviour that can't be ignored in the process of gathering information.

Fontana et al. (2012 & 2020) refers that some authors have been researching about the difficulties that the co-creation process has been facing that can influence the success of the project being one of them.

Venkat Ramaswamy (2006) presented four different scenarios to define 'value' as a function of user experience in his paper. The research paper addresses traditional view of value creation as a process where value emerges from interactions between brands and customers, and firms had more knowledge than consumers, and a comparison is laid with customers of today who seek to use their power of influence in each step of value chain. The research analyses customer experience scenarios, derives UX interfaces, and provides event- centric information infrastructures.

Pravina Jayapal and Azizah Omar (2007) assessed the role of Small Medium Enterprises (SMEs) in socio-economic development of Malaysia. The difficulty faced by SMEs in sustaining themselves at an ever-evolving marketplace has been highlighted with the perspective of need for co-creation. The study found lack of value co-creation acting as a barrier for the smaller enterprises, and identified issues effecting a strong brand image through value creation. The authors have developed a framework to improvise understanding on contribution of value co-creation in the development of stronger brand image and greater market performance.

Rowley et al. (2007) studied co-creation for experience marketing (a central element in emerging paradigm) as a suitable strategy for favouring sustainability in the fashion industry, and at the same time one that favours consumers' identity needs. Further, the paper explores experience approach providing firms a sustainable competitive advantage, because unlike physical garments, the emotional experiences and the values associated with brands cannot be commodified.

C.K. Prahalad and Ramaswamy (2009) in their research paper on co-creation paradigm reviewed the fundamental expansion of value creation entailing the shift in resource space and opportunity space. The research describes co-creation as a mindset of thinking, with largely 10 components, and a co-creative company as a formidable productivity engine which can invest on itself and co-creation depending on three elements- customers, employees, and larger stakeholders.

Pravina Jayapal and Azizah Omar (2017) studied the existence of Small Medium Enterprises (SMEs) as key players in the socioeconomic development of the country. The proliferation of SMEs in Malaysia shows that a better understanding on this SMEs is needed. According to the research, even though the SME market is booming, these SMEs face difficulties in sustaining in the constantly evolving marketplace. In order to continuously flourish in this industry, the firms should understand the role of value co-creation in improving their market performance. The value co-creation implementation was found to prove as a potential solution for development of these SMEs.

Frances Ross (London College of Fashion, UK) (2020) focussed on co-creation as a key business model for Bespoke and Semi-Bespoke menswear tailoring and women & swimwear brands. Main idea of the study was use of innovative concepts and processes to create premium products for a younger and more demanding consumer segment. The study explores Millennials, Generation Z and Generation C as customer segments likely to co-create products for their own body-shape fit and product design preferences.

Eric Kennedy & Francisco Guzman, Journal of Consumer Marketing (2016) in their paper highlights to develop an understanding of the phenomena of co-creation and how this practice is used in shaping brand

identities. This research provides answers to questions on both the consumer and industry sides of co-creation. First, a qualitative study is used to gain insight from key decision-makers with responsibility for a brand. Second, a study of millennial consumers is used to develop the antecedents of consumer motivations of co-creation of brand identities. The study was limited to millennials. Although this group of consumers is identified as highly engaged with brands, the study could have benefited from a more general consumer sample. This research contributes to theory and practice by analysing the process of stakeholder brand identity co-creation.

### 3.0 Research Design and Methodology:

The research is exploratory in nature, employing both primary and secondary data. Secondary data comes from published research papers in national and international journals, while primary data is collected through semi-structured interviews with key stakeholders, including Designers, Product Merchandisers, Buyers, Sourcing Managers. Purposive/judgmental sampling was used, and the data collection involved open-ended interviews.

Sample Size: 22 senior people from apparel industry (across 07 brands and 05 labels)

### 4.0 Research Findings:

The outcome of semi-structured interview conducted with Designers, Product Merchandisers, Buyers, Sourcing Managers has led to following top 3 Trends:

#### Trend 1: Global Apparel Consumption Reaching US\$ in Trillion

- Opportunity: Expand domestic market reach and boost exports.
- Challenge: Designing fresh and sustainable quality apparel.
- Solutions: Invest in R&D for sustainable fabrics, use AI and IoT, strengthen manufacturing relationships, and engage consumers in sustainability.

#### Trend 2: Growing Domestic Market and Major Investment happening in India

- Opportunity: The growing middle class and youthful demographic.
- Challenge: Balancing social, economic, and environmental pillars.
- Solutions: Implement circular economy practices, foster social responsibility, and ensure economic viability through optimized operations.

#### Trend 3: Manufacturing Competitiveness as a Key to Trade

- Opportunity: Enhance competitiveness for market access.
- Challenge: Serving domestic and international needs and preferences.
- Solutions: Design collections reflecting local traditions as well as international collection, implement flexibility.

The respondents in the semi-structured exploratory interviews exhibited a strong awareness of the term "co-creation" within the apparel value supply chain. Out of 22 respondents, 14 emphasized that co-creation is

crucial for driving innovation and developing products that resonate with consumers, leading to increased sales and volume. These respondents highlighted the importance of aligning internal strategic, tactical, and operational collaboration processes with external, unpredictable factors that impact the industry.

Nine respondents elaborated on co-creation as a joint development process involving both customers and consumers. They noted that today's customers are well-informed due to virtual interfaces, advanced technology, and easy access to detailed information about the brands they follow. In the digital age, customers constantly seek new designs and the latest fashion trends, with growing influence from sustainability initiatives in other industries.

All respondents explained fashion customers now expect more from brands and labels each season, including innovation and sustainability elements. This trend pushes brands to meet these increasing expectations while maintaining competitive pricing. At the same time, brands face rising production costs and added investments in digital and social media, addressing environmental impacts from apparel processing materials, improving labour practices, and ensuring better working conditions.

These factors have led to higher compliance and development costs for brands. As a result, many respondents suggested that co-creation could offer a solution to innovate within the apparel value supply chain, helping brands meet dynamic consumer needs while staying competitive in a market where consumers have numerous options.

The semi-structured interviews with apparel industry respondents revealed several key insights into the awareness, practices, and potential of co-creation within the value supply chain. These insights can be summarized as follows:

#### **Awareness and Interpretation of Co-Creation:**

- All respondents demonstrated awareness of "co-creation" and its processes, though their understanding varied.
- Co-creation was commonly interpreted as a collaborative process involving all stakeholders—both internal (brands) and external (consumer-driven market forces).
- It is viewed as a strategic, active, creative, and social process initiated by brands, aimed at improving product development and production processes.
- Respondents highlighted that co-creation drives larger ideas for seasonal innovations and fosters long-term customer appreciation for value and innovation.

#### **Current Practices and Perceived Benefits:**

- Co-creation practices are somewhat in place, but there is no formalized process or framework guiding these efforts.
- 18 out of 22 respondents emphasized co-creation's role in fostering innovation, building mutual confidence in brands and enhancing product development.
- Knowledge-based manufacturing setups, particularly those serving multiple brands, were recognized as playing a key role in facilitating co-creation efforts.

**Need for Broader Collaboration:**

- 9 out of 22 respondents advocated for a broader involvement of stakeholders, such as retailers and customers, to co-create new products based on evolving customer expectations.
- Social media was highlighted as a potential tool for gathering customer feedback, which can be used to inform product design and innovation.

**Upstream and Downstream Co-Creation:**

- 14 out of 22 respondents stressed that co-creation should occur both upstream (brand-manufacturer collaboration) and downstream (retailer-customer engagement).
- Upstream collaboration was particularly noted for its role in driving sustainable material usage, innovative product development, and the incorporation of new technologies.
- Downstream co-creation was viewed as a way to engage consumers and retailers to better meet market demands and trends.

**Impact of Digital Technology:**

- 10 out of 22 respondents highlighted the growing importance of co-creation in the context of digital technology and the shift towards online platforms in India.
- Respondents noted the need for increased customer awareness and strategic reforms before fully realizing the benefits of co-creation initiatives in the digital era.

These insights suggest that while co-creation is recognized and practiced to a degree, there is a need for formalized framework and broader collaboration across the value chain to fully leverage its potential.

The insights from the semi-structured interviews indicate that while collaboration and co-creation are present in the Indian apparel value supply chain, they tend to focus on immediate economic needs and are often linear in nature, with brands typically taking the lead. The following are the key findings from the respondents' perspectives:

**Economic Focus and Linear Co-Creation:**

- 16 out of 22 respondents emphasized that current collaborations in brands are heavily driven by economic considerations and short-term business needs.
- This type of collaboration is termed "linear co-creation," where brands dominate the product development process.
- The collaboration is often fixed and contracted, with a primary focus on quality and timely supply chain management.

**Innovation through Textile Raw Material Focus:**

- Designers opined that the raw materials, finishes, colours, textures and functionality are key for developing innovative products.

- In knits and denim, apparel manufacturers play a more dominant role, contributing to innovation through aspects such as fit, quality, washes, and creativity.

### **Need for Strategic Collaboration:**

- Majority of the respondents, including brand design heads, product merchandisers highlighted the need for strategic collaboration with manufacturers identifying common goals and long-term commitments to foster innovation.
- The shift towards open innovation, sustainability, and clear communication across the value supply chain was seen as critical to address issues like environmental impact, which India, as both a consuming and manufacturing country, must prioritize.

### **Fragmented Collaboration:**

- Many respondents expressed that collaboration in the value supply chain is fragmented. Each brand and label have its own reasons for collaborating, resulting in a lack of uniformity.
- However, the three recurring themes that emerged across the interviews were priority, communication, and commitment.

### **Strategic vs. Tactical and Operational Collaboration:**

- Designers and brand heads saw the need for co-creation at a strategic level to align broader goals and innovation strategies.
- On the other hand, respondents in sourcing and quality emphasized the operational and tactical aspects of collaboration, focusing on ensuring quality control and timely supply chain execution.

### **Role of Government, Academics, and NGOs:**

- 7 out of 22 respondents suggested that the co-creation process could benefit from the involvement of government bodies, academic institutions, manufacturers and NGOs. These stakeholders could foster collaborative innovation and address common industry challenges.

### **Initiatives like Bharat Tex and VisioNxt:**

- Respondents highlighted the Bharat Tex show as a notable initiative by the Government of India to boost collaboration in the apparel industry, leveraging India's heritage and culture.
- 9 respondents discussed technology platforms like VisioNxt – Trend Insights and Forecasting Lab, set up at NIFT under the Ministry of Textiles. This AI-enabled platform is seen as a valuable tool for brands to collaborate on forecasting trends and understanding consumer behaviour.

VisioNxt uses an indigenous deep learning AI model and an Indian taxonomy of over 50+ Indian products, offering a much-needed service for India-specific trend forecasting. The tool's 54,000+ primary images and 33,000+ secondary images are used to identify fashion patterns in key attributes like style, colour, and regional accents. Respondents viewed this as an essential platform for brands to align with the trends and collaborate more effectively.

## Challenges in Formalizing Collaboration with Technology Platforms:

Although platforms like VisioNxt provide great opportunities, brands must make continuous efforts to formally collaborate with such technology platforms to keep pace with real-time consumer trends and concept development. Respondents underscored the importance of ongoing engagement with these platforms to adapt to the dynamic demands of fashion and stay competitive in the market.

The interviews reveal a clear recognition of the potential for co-creation to drive innovation, particularly in fabric and material development, but also highlight challenges in formalizing these collaborative efforts. Respondents agree on the need for more strategic and integrated collaboration across the value supply chain, involving technology, sustainability, and external stakeholders such as government and academia. Tools like VisioNxt provide an exciting pathway for brands to stay ahead of trends, but formalizing their use requires sustained commitment and alignment with long-term goals.

## Key Contributions to Literature:

**Emerging Co-Creation Practices:** The study sheds light on the early stages of co-creation in the Indian apparel sector. While co-creation is recognized as essential, it is still emerging as a structured practice, making the research particularly valuable for understanding how it is currently being implemented and how it can evolve.

**Strategic, Tactical, and Operational Collaboration:** The findings emphasize the importance of multilevel collaboration (strategic, tactical, and operational) across the value supply chain. These highlights the potential for improved resource management, enhanced product quality, and increased customer satisfaction when co-creation is approached in a more structured and integrated manner.

**Opportunities for Broader Collaboration:** The research points to opportunities for future collaboration between brands, government bodies, academic institutions, NGOs, technical textiles experts, IT partners, and global sustainability organizations. Such partnerships could address challenges related to innovation, sustainability, and market competitiveness.

**Practical Guide for Industry Practitioners:** The findings can serve as a practical guide for industry professionals, offering insights on how to implement effective co-creation processes to drive innovation and respond to changing market demands.

**Limitations and Future Research: Contextual Focus:** Since the research focuses on Indian apparel brands, the findings may not fully apply to other regions or industries. Future research could explore co-creation practices across different cultural and economic environments.

**Further Exploration:** The research opens the door for more in-depth studies on the role of digital technologies, collaboration process with manufacturer across apparel value supply chain, consumer engagement, and the growing emphasis on sustainability in co-creation.

## 5.0 Conclusion:

This study provides a foundational understanding of co-creation term in the Indian apparel brands, highlighting both its current limitations and opportunities for growth to build innovation. The research's insights



on collaborative strategies, innovative practices, and the evolving role of technology in apparel value supply chain set the stage for future developments in the apparel industry. These findings will contribute to ongoing discussions about how brands and manufacturers can work together more effectively to meet evolving consumer demands and embrace sustainability. This exploratory research into the co-creation processes within the Indian apparel value supply chain reveals that the concept of co-creation is not only recognized but also steadily emerging as an essential strategic tool for innovation, sustainability, and competitiveness. The study, based on semi-structured interviews with senior professionals from the apparel industry, highlights several critical trends, challenges, and opportunities that shape the collaborative efforts between brands, manufacturers, and consumers.

### **Implications for Industry and Future Research:**

The research emphasizes the importance of aligning internal processes with external market forces. It advocates for broader stakeholder engagement, including the involvement of government bodies, academic institutions, and technology platforms, to drive innovation and sustainability across the value supply chain. This opens up significant potential for future collaborations in areas such as circular economy practices, sustainable raw material development, and consumer engagement via social media.

While the study provides valuable insights into the co-creation processes in the Indian apparel sector, it acknowledges limitations such as its focus on a specific sample of Indian brands and labels. Further, the use of purposive sampling limits the generalizability of the findings, as it does not capture all possible scenarios or nuances. However, future research could benefit from expanding the scope with larger sample sizes and broader geographical contexts, potentially offering a more comprehensive view of co-creation processes across diverse markets.

Co-creation represents a transformative force for the Indian apparel brands with the potential to enhance innovation, sustainability, and competitiveness. By fostering collaboration across the value chain and leveraging digital technologies, brands and manufacturers can co-develop products that resonate with consumers' evolving preferences. However, to fully realize the potential of co-creation, stakeholders must adopt more formalized frameworks and engage in broader, long-term partnerships that address both the immediate and future needs of the industry.

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