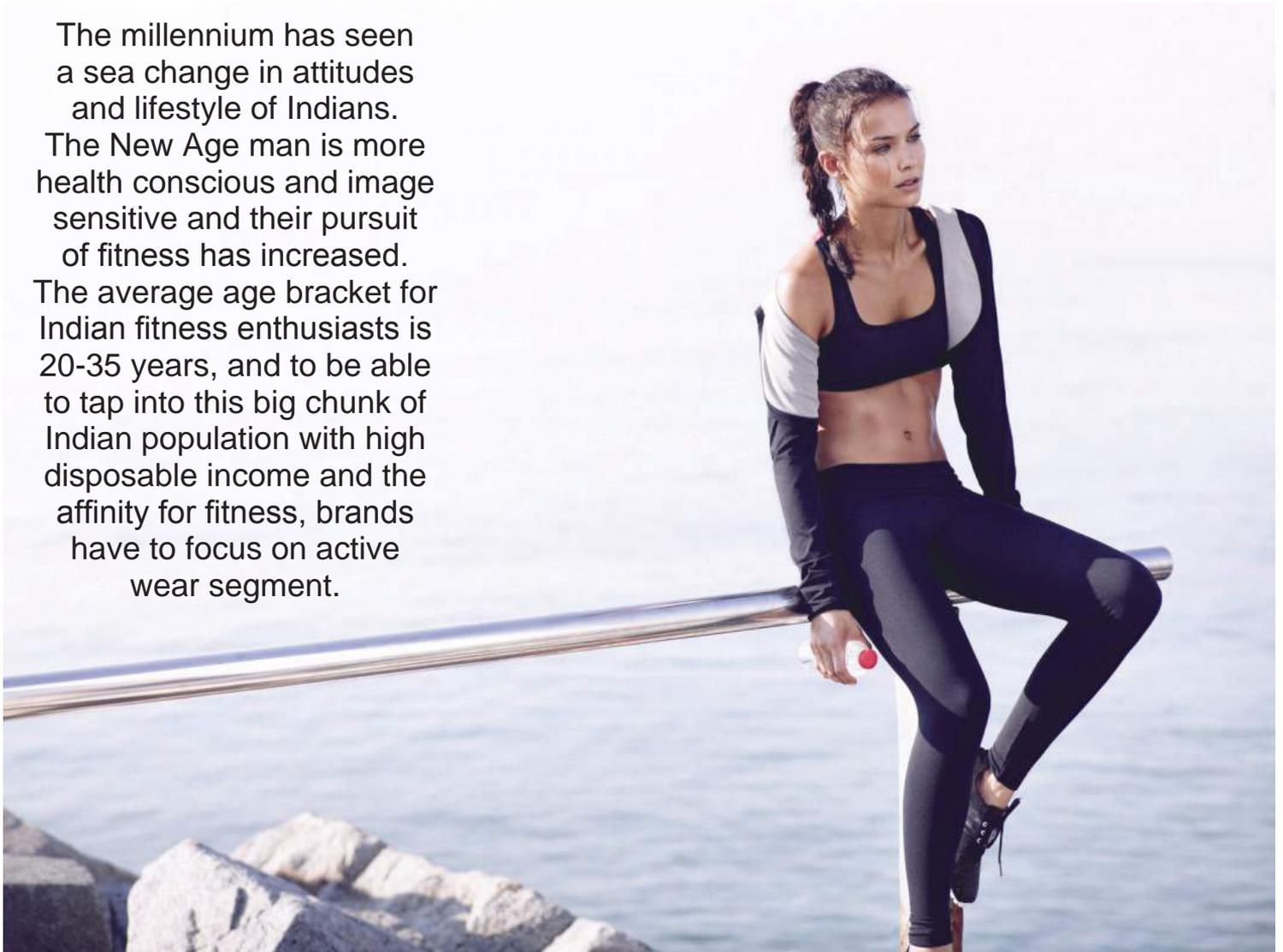


Sprinting ahead with millennials steering growth

The millennium has seen a sea change in attitudes and lifestyle of Indians. The New Age man is more health conscious and image sensitive and their pursuit of fitness has increased. The average age bracket for Indian fitness enthusiasts is 20-35 years, and to be able to tap into this big chunk of Indian population with high disposable income and the affinity for fitness, brands have to focus on active wear segment.



The active wear market in more developed economies is obviously more mature from a product, distribution, and quality perspective because these countries have multiple sports categories and are extremely brand conscious. The Indian market is slowly gearing up as traditional relaxed wear gives way to western active wear, especially in the women's category.

POSITIVE GROWTH BOOSTS ACTIVE WEAR

Active wear industry in India is estimated at a huge Rs 8,500 crore and is expected to continue growing at an average CAGR of 12 per cent every year and touch sales worth Rs 54,000 crore by 2020. "Indian active wear market has evolved significantly over the last couple of years. The industry has witnessed rapid growth, driven by rising income levels and changing lifestyles. Internationally, the active wear trend is still going strong as

- Active wear segment in India estimated at Rs 8,500 crore
- Expected to grow at an average CAGR of 12 per cent a year
- Touch sales worth Rs 54,000 crore by 2020
- Men's segment has the bigger share
- Growth in women's branded segment on the rise
- Domestic brands offering pocket friendly products

people turn focus to exercise and healthy living," points out Kuntal Raj Jain, Director, Duke Fashions.

Over the past few years, India has rapidly caught up with the global fitness trend. Driven by the growing wealth, changing lifestyles, and rising urbanisation, an increasing amount of Indian consumers are

becoming more health conscious and as a result, adding new health and wellness routines to their hectic lifestyles.

"Indian sportswear brands are rapidly proliferating and possess some emotional value and attachment for the Indian consumer. HRX by Hrithik Roshan today is a household name in the active wear

category,” opines Afsar Zaidi, CEO and Founder, Exceed Entertainment, HRX. “Fitness should be democratised by making it available to everyone in the country. With that intent, we work on improving the quality everyday under strict quality assurance and make it more affordable for average consumers. Indian sportswear brands have the potential to supersede international ones if we are able to increase presence in organised retail and improve marketing and sales strategy,” he adds.

This niche market comprises performance sports brand as well as active wear sub brands, which take off on outerwear or innerwear brands. There are sophisticated performance sportswear brands and brand extensions from those in the apparel categories. Performance sportswear brands sell in the premium category.

MENSWEAR - THE DOMINATING MARKET

Active wear market is galloping ahead in both men's and women's section. Overall the segment is rapidly growing at around 40 per cent because the base is too small. Branding has to grow in the women's category, as many unorganised players are flooding the market with low priced products. Another constraint is that it is only



Kuntal Raj Jain,
Director, Duke Fashions

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in the urban areas that women are wearing active wear in casual settings; the rest of the market is dominated by comfortable and loose-fitting ethnic wear.

“At Alcis Sports, we are witnessing demand for both men's as well as women's segment. The demand for women active wear is growing at a much faster rate compared to men's though overall the men's market is bigger,” says Roshan Baid, Managing Director of Alcis Sports. “Several factors are sparking growth in this segment from relaxed dress codes at work place to a remarkable rise in people indulging in various recreational and amateur sports, fitness and outdoor activities. As a direct consequence, the active wear market is growing at a healthy pace,” he adds.

Globally, casual wear is the only one which is largely in trend. Formal wear has taken a backseat even in the corporate sector. The complete lifestyle has become lighter, even in the women's segment, where dressing down for casual get-togethers has taken precedence over dressing up. “At HRX, we see a 65 per cent men and 35 per cent women split in sales but we are certain that woman's contribution will go up to 45 per cent this year,” adds Zaidi observes.

BIG BRANDS MAKING A MARK

There are different categories in active wear space. Performance wear, which is highly technical and used for athletics; fitness inspired casual wear worn to the gym, around the house and in casual settings. This space is the most popular comprising of items that can be worn both to the gym, or out during the day as well. Currently, this space is dominated by international brands such as Nike, Puma, and Reebok with no strong competition from Indian brands who are mainly medium sized players. However, it is the unorganised smaller players which are most popular.



Afsar Zaidi,
CEO and Founder, Exceed
Entertainment, HRX

“Indian sportswear brands are rapidly proliferating and possess some emotional value and attachment for the Indian consumer. HRX by Hrithik Roshan today is a household name in the active wear category in India.”

“Many big brands are focusing on active wear and its different components. People in India are becoming increasingly more health-conscious. Not restricted to professional sportsperson anymore, sports today are perceived as a ‘lifestyle’ by people across age groups, and they seek suitable clothing and footwear,” adds Jain.

There is growth in the active wear segment across pan India. Smaller towns with a smaller base are demonstrating higher

growth rates and the contribution of Tier I remain significant. With the internet access through smart phones and laptops on the rise, a new wave of brand consciousness is sweeping the country. The average age bracket for Indian fitness enthusiasts is 20-35 years, which makes for the majority of population of young students and professionals. And to be able to tap into this big chunk, brands have to focus on active wear segment.

SMALL CITIES REARING TO GROW

The future prospects in this category in India look good, though challenging as customers expect global quality, latest technology at affordable price points. Experts feel creating product lines suited to Indian fits and for disparate weather conditions at these price points is going to be a challenge. There is growth in Tier I-II-III cities and is currently almost 50 per cent in this category.

“There is a massive surge in demand for quality sportswear across the country, not only among the urban youth but those in the Tier II, III, towns as well. Today, even small cities like Tezpur will have a large number of gyms with consumers demanding



aspirational sports apparel. We saw a huge gap where on one hand the clothes available in sportswear segment from global brands were often out of reach for the masses, on the other the stuff made by local manufacturers was below-par in terms of quality and technology. Hence, Alcis Sports was born as a premium cutting-edge Indian brand, priced aggressively,” Baid says.



Outdoor-wear like sportswear comprises functional product lines but the main differentiator is in the application of technology. Sportswear focuses on specific activities such as running, and swimming while the outdoor wear lines focuses on creating multi-activity ranges like hiking. This is mainly limited to the urban elite but the general active wear for lounging and walking sells well across a pan India market.

ACTIVE WEAR VERSUS PERFORMANCE WEAR

Active wear is normally studio to street clothing. They are meant to exercise, live in, move about and be comfortable as well as fashionable. Performance wear, however, are clothes particularly designed for the purpose of sports with special inbuilt features or technology aids that helps in absorbing sweat, is long lasting, does not fade easily and helps an athlete improve performance in the sport.

The product mix is important in this category. Another fundamental differentiation is the retailing and the sports company will need to control the retail ambience. These companies have to either choose the EBO route or have to have good selling points at certain LFS. It is expensive creating a brand

in the performance sports category, which is why most domestic players have stuck to the easier active wear category, which is an extension of their casual segment.

Active wear clothes serve the purpose of an active life mixed with a casual social life. They can be used for exercising and then transition into a casual wear. These clothes have more flexibility and more style and comfort. Sportswear is sports specific and is more focused on comfort, functionality, and thermal functions of a fabric. A particular sport demands a particular type of gear and clothes.

The bottomline is: The fitness industry in India is a sunrise sector poised for at least 30 per cent growth year on year. The active wear culture is just entering India and is yet to evolve in smaller towns. People are changing their mindset and opting out of comfortable ethnic wear to western active wear when dressing down. The market for performance wear is lucrative but the products are expensive. Hence, the off-take gets reduced. However, active wear will be up and running against all odds as the domestic bigger brands make it an integral part of their portfolio.



Roshan Baid,
Managing Director,
Alcis Sports

“Several factors are sparking growth in this segment from relaxed dress codes at work place to a remarkable rise in people indulging in various recreational as well as amateur sports, fitness and outdoor activities. As a direct consequence, the active wear market is also growing in the country at a healthy pace, with more and more people opting for an active lifestyle.”