

‘Brands inching ahead with styles and price points’

Indeed, brand play in T-shirt market is still small as unbranded players are able to lure away consumers with better pricing. However, brands have fought back with innovations, style and now even pricing. As New Age India warms up to brands, the tug of war continues for bigger market share, write **Perna Sharma and Ajay Goswami**



- **Non brands still have larger hold of market**
- **New Age consumers have increased demand for brands**
- **Domestic brands to face two-way competition from unorganized players and global brands**
- **Brands lose out due to price points to smaller players**
- **Brands responding to market with innovations and catering to indigenous tastes**

The well-heeled and well-travelled New Age Indian consumer has exposure to latest global fashion trends. And with higher disposable incomes and their growing traction towards brands this has created a new wave of growth for branded apparel makers in India.

In fact, brand awareness is comparatively higher in India than other developing nations. Indeed rural India is still far behind urban centres in terms of brand awareness yet, the conversion ratio from nonbrands to brands is rising due to increasing urbanisation, rise in per capita income of the middle class, spread of mass media, and the desire to wear labels. Together these have worked

as a major growth driver for branded T-shirt segment.

Of course, it's the unbranded small player who has a strong hold of the T-shirt segment. However, many brands have entered this space with their innovative lines, designs, colors. And, consumers these days prefer branded wear and don't mind shelling out extra for a quality/premium T-shirt.

The branded T-shirt market has seen major traction over the decade and is consistently growing. Highlighting the reasons for brands not becoming successful in the T-shirt segment, Harkirat Singh, MD, Woodland, says, "The prime reason for brands lagging behind is that unbranded players have a good understanding of the psychology and local preferences.

However, brands are not far behind. Increased connectivity, technology and research have helped brands to understand the need and psyche of locals. They have now learned to adjust their formats to suit local tastes and buying behaviour. Besides this, increasing brand consciousness and

search for exclusivity has worked in favour of national brands."

While the T-shirt market is one of the fastest growing men's wear segments in India. It's fragmented and dominated by unorganized trade. Indeed, brand play is increasing as more and more organized players as well as foreign entrants are focusing on this category. Experts say, branded players are segmenting the market well to grow and build their leadership in certain categories. Polos and Henleys have come out as two categories which are being made popular by organized players.

BRANDS ASSERTING THEIR PRESENCE

T-shirt is an attractive category and is popular across age groups. When it comes to fashion, knitwear has an edge over woven as it operates mostly in casual side of the business. With casual fashion or 'Friday Dressing' concept having entered boardrooms and young upwardly mobile executives pairing denim with T-shirts and a smart casual jacket for meetings, demand for





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fashionable knitwear is on the rise. This shift towards casualisation has provided a boost to the T-shirt segment. As Sanjay Davar, Managing Director, Bodycare Creations says, “About 70 per cent consumers are aware of brands and trends. Price plays a very important role in knitwear products. Customers look for discounts and offers. Many companies give large discounts like a flat discount, buy one, get one free etc.”

The approximately Rs 12,200 crores-worth T-shirt market in India, is expected to grow at an impressive CAGR of 12 per cent and to touch Rs 21,250 crores by 2018.

This market, which includes knit shirts, polo shirts, knit tops, etc, is presently dominated by the men’s segment, which contributes 85 per cent of the market share. The women’s segment, on the other hand, is expected to register a higher CAGR of 14 per cent over the next few years. The ratio of shirts versus T-shirt is 2.5. The higher market size of shirts is because of higher demand of stitched garments. The high demand for



T-shirts will reduce the market ratio to 2.1 in the next five years from its present value of 2.5, believes Singh. According to Kuntal Raj Jain, Director, Duke, “The T-shirts category is one of the high-growth categories in men’s, women’s and kids’ apparel in India.

Their greater level of comfort, superior feel, affordability and fashionableness makes T-shirts an attractive apparel category across consumer segments. T-shirts have graduated from being a uniform category to a multipurpose, multiuse, all-occasion apparel category across the India and the globe.”

And as Singh points out, the branded segment is not restricted to the metros anymore. Tier II and III cities have now emerged as new growth centres for people from small towns do not want to stay behind

their metro counterparts in fashion which has led to a surge in demand of branded products in these cities and with growing demand, brands are penetrating deeper in these markets.

Neha Shah-Head, Marketing, Pepe Jeans has a different take as she says, “The market is a cluttered as there are many brands, private labels, and online medium vying for customer attention. Quality, right pricing, and trendy items will be the major growth contributors in the long run.”

INNOVATIONS TO STAY RELEVANT AND ON TOP

Top clothing companies, in order to keep their loyal customer base and attract more, are launching newer products in short span of time. The well informed and trendy Indian youth now seek stylish looks, design, colours fits when shopping for their favourite brand. So along with cotton tees the market is inundated with a variety of mixed and blended fabrics like polyester-cotton blended T-shirts, Lycra-based T-shirts etc, in various designs.

“In future, demand for organic cotton-based T-shirts, and those made from recycled products, etc, is expected to pick up across cities. Such products are already in demand in many western countries,” explains Jain.

So brands have introduced trendy lines for this season. Pepe Jeans for example has introduced athleisure. “Given our busy schedules, athleisure blurs the line between functional and casual, comfortable clothing. The true beauty of this trend is that it combines both the practical aspect as well



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Head – Marketing,
Pepe Jeans

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Sanjay K Jain,
Managing Director, T T Ltd,

“The entry of global brands has affected the knits category at least in the premium segment. Consumers prefer buying foreign brands even if local brands offer better value for money. This advantage will stay as long as Indian brands’ standards of service, consistency and detailing don’t improve dramatically.”

as wearability. More than a trend, athleisure marks the change in lifestyle, moving towards health consciousness, with relaxed and comfortable outfits.

What makes this unique is that Pepe Jeans has incorporated technology to make this last all day long with these two

unique features incorporated in this high-performance fabric. Athleisure is currently available only in menswear and will soon be extended to women’s wear in the coming seasons,” says Shah.

The collection sees a host of colours from basic blacks, whites, greys, navy blues to brighter shades of reds, blues and greens. The range consists of sweat pants, t-shirts and sleeveless tees.

PRICE POINTS – A WORRY?

Brands face stiff competition from smaller unbranded players due to their price points. Branded T-shirts are high priced which is why they sell comparatively less in a price sensitive market like India. Moreover, established big brands also give tough competition to domestic brands due to their deep-rooted base of loyal customers.

Shah feels it’s not about the price alone, it’s about the value always. “What is the price, what is the product that you are buying? It’s always dependent on the value of the product. For example, you will see value in products that are on the expensive and the cheap side depending on what one wants.

Our pricing strategy is fundamentally based on the value we are offering to the consumers, the right product, the tees which are classic and also have a long shelf life,” she says.

Jain offers an interesting perspective on the price war, “Premium and super premium T-shirts are emerging in India and Indian top brands are also doing high scale business in this category as today’s youth is smart and conscious about dressing and aware about brands. Increasing brand awareness among the Indian youth will drive penetration of T-shirt brands into smaller cities and rural



India, thus increasing the share of brands within the market.” Singh too says the Indian consumer is price conscious and this is one of the prime reasons why branded T-shirt market is facing growth issues. “But there





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Managing Director

“In India this sector contributes about 14 per cent to industrial production, four per cent to the GDP and 11 per cent to the country’s total export earnings, of which 45 per cent comes through the share of knitted garments. Over 95 per cent of the nation’s output of woolen and acrylic hosiery comes from Ludhiana. But in the absence of any recognizable brand, consumers mostly make their selection entirely based on the liking of styles, fits and range of prices. There is absolutely no assurance of product quality.”

Offering a global perspective Shah explains, “We are a global brand, a lot of inputs we put in our strategy come from our in-house designers who work closely with our global teams, so we are able to work on trends and keep up with fast moving culture. There are two parts when evaluating, one is global and the other is Indian; when it comes to identifying our Indian target group that is almost on par with global consumers. They are a lot more evolved with their shopping choices, they are very fashion conscious.”

Indeed, the knitwear industry all over the world is at the threshold of far-reaching changes. Removal of quantitative restrictions has thrown open both opportunities and threats, especially for low-income economies seeking to industrialise through the garment sector. As Saxena says “In India this sector contributes about 14 per cent to industrial production, four per cent to the GDP and 11 per cent to the country’s total export earnings, of which 45 per cent comes through the share of knitted garments. Over 95 per cent of the nation’s output of woolen and acrylic hosiery comes from Ludhiana. But in the absence of any recognizable brand, consumers mostly make their selection entirely based on the liking of styles, fits and range of prices. There is absolutely no assurance of product quality.”

Riding on the growth of omnichannel retailing, companies in India are all set to capture growth momentum and as Shah says, “Though the market is cluttered with many private labels as well as the online medium vying for customer attention, it’s quality, right pricing, and trendy items that will see us through towards attracting major customers.”



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