

# Growing up fast as brand play rises

The kids' T-shirt segment has seen a spurt with parents more willing to spend and kids having big say in purchase decisions.

While it maybe tough to build a brand just on knits in kids' segment yet most brands have extended their adult lines to incorporate kids' wear to meet growing demand, find out **Ajanta Ganguly and Ajay Goswami**



**K**ids are their families' centrepieces around whom parent's lives revolve. Whether at home, play or at special occasions, these little ones are now knitted out in the latest and trendiest fashion. Double incomes and smaller nuclear families have made this not only possible but also doable. Distinct factors like changes in the family system, increased spending on children, growing brand awareness among kids from the internet and the media has brought about this transformation. Along with this, a greater focus and understanding of the kids' wear market by organized players has contributed significantly to the growth of this niche segment.

It's not just about branded clothes for special occasions; it's also about looking Facebook ready for just about any casual setting. Children are now an active participator in purchase decisions and aware of trending brand names.

Organized retailers and brands have also contributed immensely to the growth of the kids' knitwear market. They attract consumers through the right product assortment, better visual merchandising, and focused advertising and promotional strategies.

However, the knitwear market was and will always remain, a largely unbranded market in India, with products sold mostly through unorganized retail channels. This is mainly because of the different income levels across society, the geographical location of these target groups and of course, the low average lifespan of children's apparel as a result of growing height, unlike all other

- Kids knits market has emerged strong with parents willing to splurge
- Tough to build a brand based only on knits in kids' segment
- Character licensing a big plus in T-shirts for kids
- Small players have bigger hold of market
- Big brands have entered this space more as an extension of their brand offerings
- Fabric awareness is crucial in kid's wear which is the USP of knitwear
- Global brands too offering lines just for kids

garment segments. Also, kids knitwear is also an extremely seasonal market, making the window of opportunities even smaller for both the global and the domestic brands.

## KID'S APPAREL A NICHE SEGMENT

With trendy designs, cuts and colours, it is T-shirts and shorts for boys and blouses and dresses for girls, which form the main staple of in knitwear portfolio of most brands. There are two important factors to be considered for making a kids' apparel brand a success - variety and price. A children's apparel collection should have variety that will appeal to kids. Moreover since kids outgrow their clothes very rapidly, it is necessary that this segment should be reasonably priced.

Industry analysts feel that with the current rise in spending power in urban India, sales

in the kids wear segment are expected to reach Rs 1.6 trillion by 2020 as an average estimate.

"The kids market is perhaps even bigger than the unisex or women's market in knits in many ways. It is not difficult to build a brand on a capability of knits, but it requires focus to build a strong player. This is because the kid's buying pattern is segmented, via age parameters, thus creative designs for a 2-year-old is vastly different to that for a 8-year-old.

There is no such problem for the unisex or women's category. Kids have their own world/universe so their clothing is generally mutually exclusive from adults. Future prospect of this category in India is huge, provided it is exploited intelligently. Due to serious lacunae in this field, many global players have now stepped into this



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Director, Tantra

“The kids market is perhaps even bigger than the unisex market in knits in many ways. It is not difficult to build a brand on the capability of knits, but it requires focus to build a strong player. This is because the kid’s buying pattern is hugely segmented, via age parameters, and thus creative designs for a 2 year old is vastly different to that for an 8 year old. The future prospect of this category in India is huge, provided it is exploited intelligently. Due to serious lacunae in this field, many global players have now stepped into this vacuum. “



vacuum,” explains Ranjiv Ramchandani, Director, Tantra.

Knits use has shot up over the years, with a change in Indian climate and lifestyle and clothing sensibilities. Since comfort factor is much higher compared to other fabrics, it is extremely popular in the kids segments, whereas adult lines focus more on fit and cut. While brands may use the same retailers and distributors for both adults and kids categories, everything else is different.

Licensing is also an important part in kids branded knitwear segment and whether tactical or strategic, allows a brand to fetch an extra premium, which is a lucrative option for the global and the bigger domestic brands. Kids are influenced by cartoon icons of TV, movies and super heroes and these help dictate the licensing and marketing spectrum to forecast which will sell best and where.

While most mid-size domestic players are not into licensing as it’s an expensive proposition, a few are planning to start soon since it helps the brand grow rapidly.

**CURRENT STYLE TRENDS**

Market researches indicate there is a boom in the domestic kids wear market. Along with global brands making an entry, there has been a diversification into the domestic retail sector. The organized sector has the advantage and capability to make the best use of trend forecasting facilities while the unorganized sector still relies on what sells better in a year to year basis. Tirupur remains the main hub for sourcing all kids knitwear products, having retained its advantageous position year on year, in terms of infrastructure, manufacturing capabilities and knowledge of the current fashion trends.

“We are currently preparing for summer 2018, which is still in the R&D stage as things are not finalised yet. Under Octave, we do boys wear only. We have a separate brand for girls wear named as ‘Mettle.’ When it comes to type of necks preferred in kids wear, round neck and collars are obviously popular. It is as same as men’s segment. Winters demands a change in strategy, like demand for hoodies T-shirts goes up during. The rest of the year does not make much difference. We are using a variety of fabrics such as pique fabric, melange fabrics coupled with different textures,” explains Balbir Kumar, Director, Octave, a leading domestic kids garment manufacturer.

Kumar says the response from the kids segment has been encouraging. They make products for middle class segment. As far as spending on kids is concerned, there has been a change in consumer’s mindset. Although pricing is still a concern for them as the old perception that kids outgrow clothes fast still does exist. “In Octave, we have been very clear as to who we target and how. We have a right combination of



**Abhishek Agarwal,**  
Director, UFO

Kids T-shirt market is dominated by unorganized players. It is a price sensitive, high volumes and low margins category. It is difficult to build a brand on the capability of knits. A consumer may be ready to spend Rs 1,500 or more in the adult category for good quality and unique products. In kids’ segments, this is hard as its price sensitive but there is a market for the same which is very niche. The role of licensing is rapidly evolving in India and this is a huge segment and a great opportunity for organized brands to cash on.”



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Most brands feel although usually, the higher the MRP, the lower is the consumptions. But that is not an impediment for spending as modern parent want the best for their kids, as they no longer have a brood. T-shirts work for both boys and girls in the knitwear section, with round neck and polos selling best for boys, while V-neck and round necks with modified work for girls. The bigger domestic brands as well as the global ones regularly release season-wise and age-wise knit wear offerings in the kids range.

**SHORT LIFESPAN HINDERS  
LARGE SPENDS**

Fabric awareness among customers is crucial in kid’s wear which is the USP of knitwear. The Indian middle class may go to a variety of retail outlets and check several collections, but will only buy the garment, if they realise that if it is even worn after 4-5 months, it would still look new and retain its shape and be on-trend. Most children clothes are bought with just a year’s value of wearing before they are outgrown. As in adult clothing, it cannot be taken out of the closet and worn over the years, whenever the wearer fancies it. Brand manufacturers need to stress on good designs, in terms of fabric, colors, silhouettes, embellishments

and prints that will last over the one or two years, the child is actually able to wear it. Domestic brands are able to supply good value for money in their knitwear collections. One of the reasons for failure of big brands is their high pricing and lesser garment choices in the kids knitwear segment.

“We launched two brands in 2012 named ‘Wow Mom’ and ‘Super Young’. We started off with retail stores but seeing the dearth of brands in the kids segment, we came up with these two brands. ‘Wow Mom’ is intended for infants and Super Young taps the toddler segment. Currently ‘Wow Mom’ is growing exponentially owing to a high demand in this segment. The consumption in toddler segment is not much because this segment deals with high pricing and high value product, the target audience in this segment wear less but wear good quality products. This particular segment requires your product to be innovative, quality oriented and fashionable,” points out Deepak Pareek, head of sales and operation of Toonz retail.

“As far as spending on kids knitwear is concerned, it has increased over the years. The market was not so good in the past because people had three to four kids so they could not afford to spend too much on their clothes and appearance. Today, things are different with both parents earning and having just two kids. It will take another ten years for the market to get matured. But the kids segment is no doubt evolving. The growth of the segment can be judged by the fact that Toonz Retail started off with first store in 2010 and today it has more than 100 stores. But it is also a fact that failure rate is very high in the kids segment as there are cost related issues. Margins are not as good as that we have in women and men’s segments,” he adds.

**INNOVATION IS THE NAME OF  
THE GAME**

Bringing in a fashion element to children early-specially girls- and giving them a wider portfolio of garment choices that are comfortable yet fashionable is what probably drives the market most. Innovation is in terms of fabrics, cuts, washes and style. Indian markets in kids wear even have an unique style in choosing colours as per the market requirement and according to the states. So the color keeps on changing from different states or cities. This is mainly due to skin tones as well as climate differences across pan India. While most people in South Indian states like Chennai may prefer colors like yellow and orange, those in Delhi may prefer black or a lighter palette.



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The kids’ knitwear section has a high potential to become the fabric of choice. Light, easy maintenance, versatile, it’s only a matter of time and innovative thinking that will help both branded and the unbranded players establish a firmer hold on the category.

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