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**INDIAN MEN'S
INNERWEAR
SEGMENT**

insights
and
perspectives



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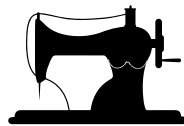
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Make in India

CONTENTS

1. Indian Innerwear Market	3
1.1 Indian Innerwear-Market Size and Segmentation	3
1.2 Men's Innerwear Market	4
2. 4 Ps of the Innerwear Industry	6
2.1 Product	6
2.2 Price	7
2.3 Place	9
2.4 Promotion	10
3. Consumer Trends	12
3.1 Decision Influencers impacting Buying Behavior	12
3.1.1. Consumers' Inclination towards innerwear	12
3.1.2 Growing Consciousness	13
3.1.3. Shopping Pattern	14
3.1.4. Channel Preferences	15
3.1.5 Influence of Advertisement	16
3.2 New Emerging Categories	17
3.2.1 Sleepwear	17
3.2.2 Loungewear	18
3.2.3 Thermals	18



4. Manufacturing Scenario	19
4.1 Industry Structure	19
4.2 Geographical Spread	20
4.3 Key Issues faced by the manufacturers in India	21
4.4 Profile of Key Men's Innerwear Players in the Indian market	22
Dollar Industries Ltd.	22
Page Industries Ltd	22
Rupa & Company Limited	23
Maxwell Industries Limited	24
5. Way Forward	25
5.1 Future Growth Drivers	25
5.1.1. Indian middle-class consumer: Moving up the ladder	25
5.1.2. Change from Need-Driven to Aspiration-driven Buying	25
5.1.3. Enhancing Exports	26
5.2 Emerging opportunities	26
5.2.1 Focus on Product Development	26
5.2.2 Up-gradation in Technology	27
5.2.3 Forming Joint ventures with International Manufacturers	28
About Wazir	29
About IAAI	30



CHAPTER {01

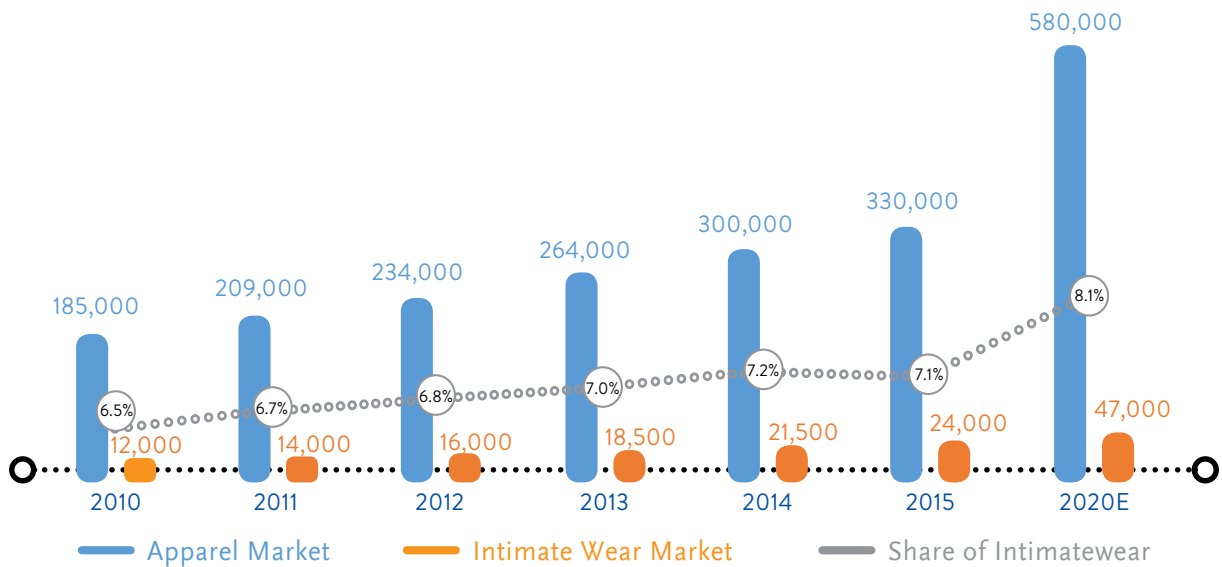
INDIAN INNERWEAR MARKET



1.1 INDIAN INNERWEAR - MARKET SIZE AND SEGMENTATION

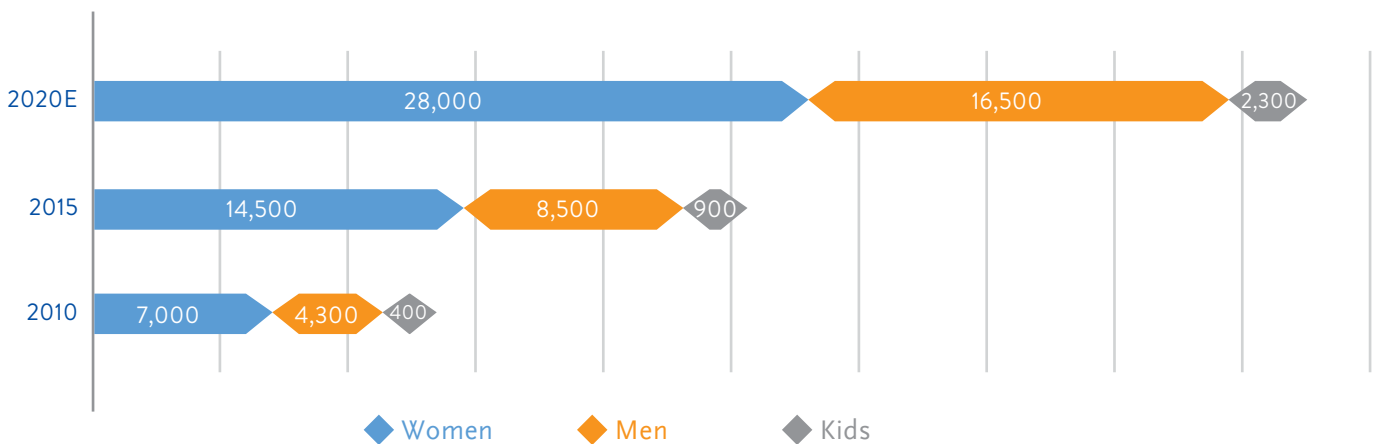
The Indian innerwear market is currently estimated at Rs. 24,000 crore. The segment has grown at 15% during the period from 2010 to 2015. During this period, the share of intimate wear in the total apparel market increased from 6.4% to 7.1%. The innerwear market is estimated to continue at the same growth rate over the next five years and expected to become a Rs. 47,000 crore market which is nearly 8% of the total estimated apparel market, by the year 2020.

Figure 1: Indian Innerwear - Market Size Values (₹/Crore)



Indian intimate wear market is dominated by women’s segment which currently forms over 60% of the overall market and is valued at Rs. 14,500 crores. This segment has outperformed the overall market as well as men’s segment, which currently holds ~ 35% of the total market. Kid’s intimate wear market merely has a 4% share in total market.

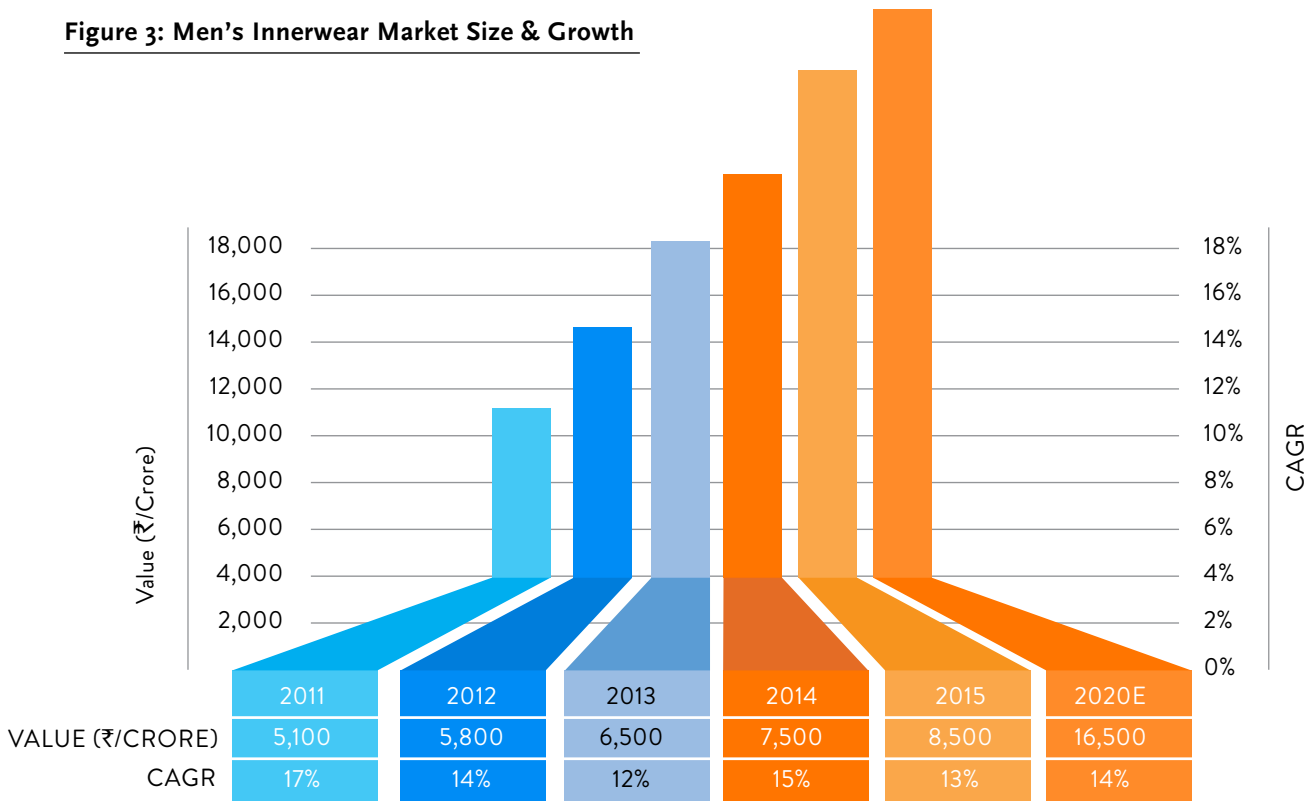
Figure 2: Category wise Market Size (Values - ₹/Crore)



1.2 MEN'S INNERWEAR WEAR MARKET

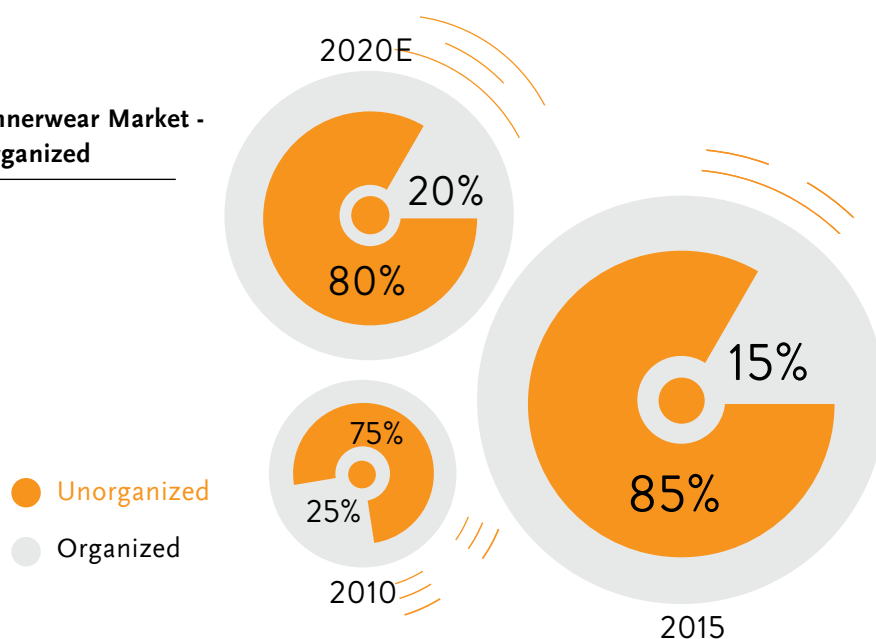
The men's innerwear market is currently valued at around Rs. 8,500 crore. It has grown at a CAGR of 14% since 2010. With increasing disposable income and changing consumers' attitude towards the category, the segment is expected to maintain the growth to reach Rs 16,500 crore by 2020.

Figure 3: Men's Innerwear Market Size & Growth



Almost 80% of this market is unorganized as the market is very fragmented, with large number of small-scale players operating in this segment. A lot of manufacturers have been very local area centric and supplying only in their vicinity. However, the market structure is evolving and gradually moving towards the organized retail structure.

Figure 4: Men's Innerwear Market - organized vs unorganized





Until 1970s, the men's innerwear market was dominated by local and unorganized players as innerwear was considered just an essential commodity. However by 1990s, some national and foreign brands were introduced in the market by the organized players and there was a gradual increase in the demand for such brands. The 21st century saw the foray of several international brands in Indian market where the diversity in product range was the main focus.

The present market trends show an inclination amongst Indian men to spend more on innerwear, leading to an aggressive growth in this category, especially in the premium, super premium and luxury price segments. Though, MBOs are still considered to be the most preferred channel for buying innerwear, the organized retail formats such as EBOs (Exclusive Brand Outlets), departmental stores and LFS (Large Format Stores) are also gaining traction and popularity as more and more brands are entering into the premium range. The recent popularity of online retail, especially for apparel shopping has also permeated into the innerwear category giving much more exposure to the consumer. The online retail is giving consumers the accessibility to high end brands in the cities where these brands have no physical presence yet.



CHAPTER {02

THE 4Ps OF THE INNERWEAR INDUSTRY



The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four Ps: product, price, place and promotion.

These four Ps determine the future of the brand in the market. The success of Jockey is one of the example for the same. The brand and its Indian partner company have got all these aspects right to become the favorite brand of the people.



2.1 PRODUCT

The brands that are present in the men's innerwear segment have a portfolio that consists of the products for wide range of consumers i.e. women, teens and kids unlike that of the brands that are present solely in the women innerwear. Several brands are looking at various growth avenues such as increasing the target customer base, adding more product categories and offerings within innerwear or diversifying into the different segments like that of thermal wear, active wear etc.

Men's innerwear category is primarily driven by vests and briefs only while the others i.e. shorts/pajamas, sleepwear form a very small fraction and are in the nascent stage. A snapshot of various brands and the product categories they offer within briefs and vests is given in the table below:



Brand Diversification	BRANDS	Lower Wear				Upper Wear		
		Trunks	Briefs	Boxer Trunk	Boxer	Cotton Sleeveless	With Sleeves	Designer
Innerwear Only	Rupa Frontline							
	TT Garments							
	Dollar							
	VIP							
	Amul							
	Playboy							
	Hanes							
	Rupa Euro							
	Jockey							
Fashion Brands	Levis							
	UCB							
	M&S							
	FCUK							
	CK							
	Armani							
	Tommy Hilfiger							

As it is clear from the table that Trunks and Briefs are the basic of the men's innerwear industry and are present in all the brands with boxer trunk being the next most accepted type. The sub category which are yet to be fully accepted in the Indian market is Boxer, mostly available in the foreign brands and now an emerging category for the Indian market.

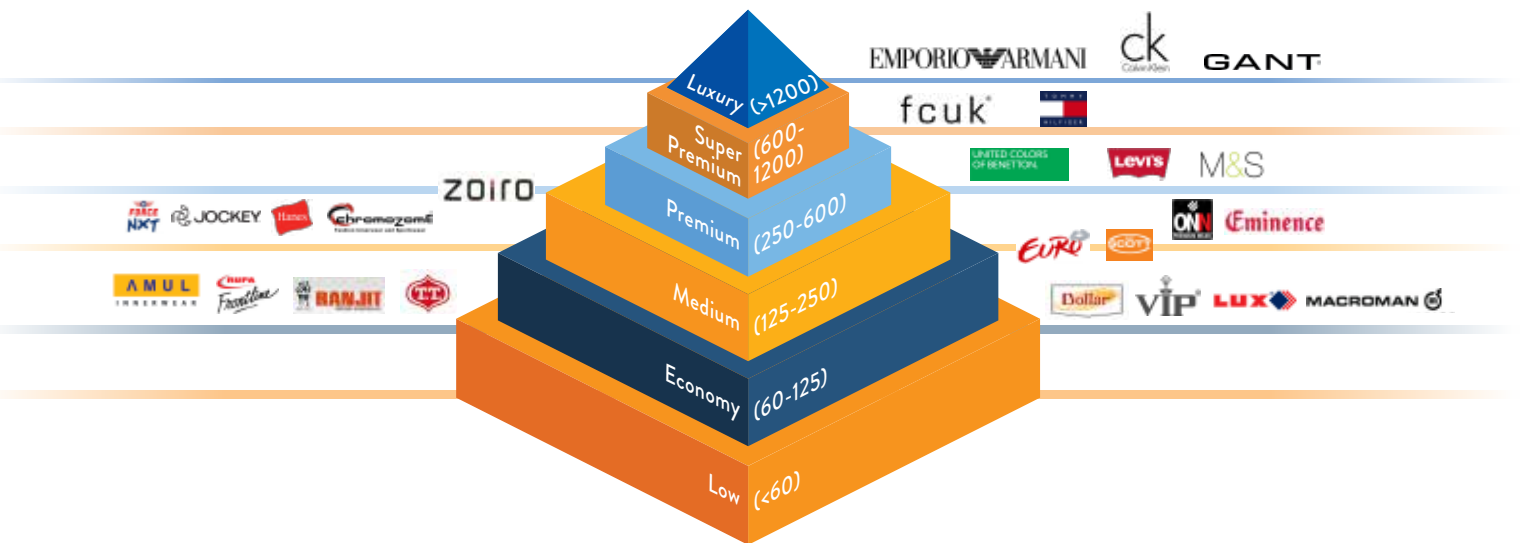
Cotton sleeve and without sleeve vest are present across the brands along with the designer ones like muscle vest, active wear vests etc.

2.2 PRICE

Price of the product affects the profit margins, supply, demand and marketing strategy for the company. The cost is imperative as it decides the organization's benefit and thus, survival.

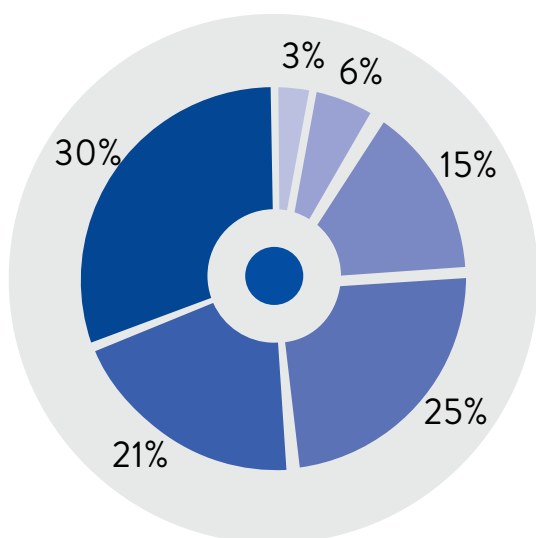


Figure 5: Price Segmentation of Men's Innerwear market (Numbers in bracket indicate prices in Rs for Briefs)



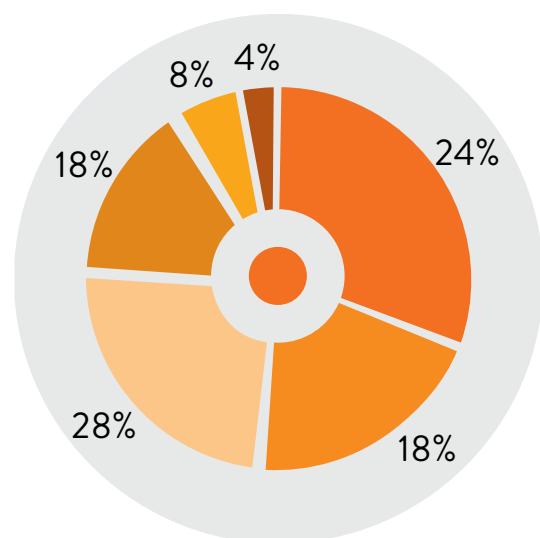
All the major Indian brands are primarily in the mass to medium segment while the foreign brands dominate the higher price segments. The Indian market is highly price sensitive and people are cautious while spending much on this category. But lately, with the changing trend of men indulging in innerwear buying and willing to spend more for better and designer products, the Indian players are also responding to these changing consumer preferences. Some Indian brands like Rupa, Amul have introduced their premium brand extensions like Rupa Euro, Rupa Macroman, Amul Macho in order to span their product range across the price ladder and cater to the rising numbers of indulgent customers, without losing their core customers.

Figure 6: Price Segment wise % Share (2015)



- Luxury
- Super Premium
- Premium
- Medium
- Economy
- Low

Figure 7: Price Segment wise % Share (2020E)



- Luxury
- Super Premium
- Premium
- Medium
- Economy
- Low

As visible in the graph above that the top three segments that is Luxury, Super Premium and Premium are expected to grow at a higher pace in the future as the consumers are willing to spend more in the future owing to the increasing buying power and rising brand consciousness.

Comparatively the Economy and Low price segment though will grow in the volume and value terms but their share in the total innerwear market pie will reduce. It is also expected that the brands in the low segment will try to move up the pyramid while diversifying into new product categories.

2.3 PLACE

Distribution channel plays a very crucial role in the success and acceptance of the product. Putting the right item, at the right cost, at the correct spot, at the opportune time. Today it is becoming increasingly important for the brands to be available where their consumers are and not waiting for their consumers to come to them.

Brand Diversification	BRANDS	Channels				
		MBO	LFS	EBO	Own Website	Online Marketplaces
Innerwear Only	Rupa Frontline					
	TT Garments					
	Dollar					
	VIP					
	Amul					
	Playboy					
	Hanes					
	Rupa Euro					
	Jockey					
Fashion Brands	Levis					
	UCB					
	M&S					
	FCUK					
	CK					
	Armani					
	Tommy Hilfiger					

As MBO is the most preferred channel of sales in this category, so all the brands which are exclusively for innerwear are available there. LFS has a particular section for the men’s innerwear and it is dominated with the famous brand names which mostly fall into medium price segments and above.

Several fashion brands are increasing their focus on this category to grab higher share of wallet of their target consumers. They have leveraged their store network and have a dedicated shelf within their stores for innerwear. However, in the case of Innerwear only brands, exclusive brand outlets is an emerging concept with only two of them present in EBOs right now with Jockey being an old player and VIP with newly opened stores.

Brands with large product portfolio have their own online portals and are gaining popularity as the reach of these stores is much wider than those of the physical stores. The presence of all the brands across online marketplaces shows how rigorous all these brands are about their visibility, awareness and popularity across the emerging channels to cater to the evolving Indian consumer.



2.4 PROMOTION

Due to the emerging competition, the companies have to be pretty rigorous in promotional activities to maintain the present share in the market and to gain new customers.

The category is highly advertised and the core innerwear brands are focusing majorly on the TV commercials by roping in the Brand ambassadors from Bollywood viz. Akshay Kumar, Hrithik Roshan, Shahrukh Khan etc. In addition to TV advertisements they are exploiting other media:- print media with full page advertisements especially on weekends, activities on social media, event sponsorship, in-shop branding, product posters, dealer board branding, retail gate branding et al.

Despite these promotional activities, the customer engagement in the innerwear brands is not that high, the reason is low interaction between the brand and the target audience. This can be overcome by customized marketing activities by keeping into view the previous purchases of the consumers and tapping them for the new products launches and targeting the new customer base depending on the portfolio. The fragmented and unorganised distribution structure do increase the complexities for brand's interaction with the target consumers but marketers need to re-strategise and chalk out their marketing plans in line with evolving consumer needs.



CONSUMER TRENDS



With rising consumerism, the Indian consumers are in the middle of a transitional phase. The new age Indian customer is radically different from what one could have imagined only a few years ago. The changes are reflected in both the core value system, the general lifestyle as well as the purchase choices. And this change has also trickled down to intimate wear, a category earlier perceived as 'hidden'.

The new age customers of intimate wear are indulgent and include everyone from 'pocket-money to pension'. These consumers belong to the aspirational class, a segment constantly striving for a better lifestyle and upper class, those who have high disposable incomes and can afford better products & lifestyle.

To explore and understand purchase behavior and preferences of Indian men towards innerwear, Wazir Advisors and Intimate Apparel Association of India (IAAI) conducted a survey of over 300 Indian men across the major metro cities. The consumers covered under the survey belonged to the age group of 18-50 years across upper middle class, middle class and lower class. These consumers were asked about their buying preferences in terms of place, quantity, frequency and other decision parameters and influencers.

3.1 DECISION INFLUENCERS IMPACTING BUYING BEHAVIOR

3.1.1. Consumers' Inclination towards innerwear



It is an inevitable truth that the Indian intimate wear industry has come a long way in the last decade and credit for this transformation goes to the changing perception of today's consumers towards intimate wear category. The category is no more considered just as a basic necessity but a fashion indulgence which gives them confidence and feel good factor. Today, Indian men are more fashion conscious and are spending more on their looks and grooming and as well as on their intimate wear needs. Primarily we segmented all kinds of intimate wear buyers into two types:-

- **I am a need based buyer**

Around 75% of the consumers buy innerwear only when they feel the need to replenish their old stock. It is because consumers find it as an unnecessary expenditure to spend more for something which is not even visible to others.

- **I am an aspirational buyer**

The growth of innerwear industry is also driving men towards aspirational buying. For 25% consumers, innerwear is now not just a utility based product rather a segment where they pay attention to its fashion instinct too. This inclination towards trend in this category is evenly spread across all age groups.

It has to be noted that a lot of lower class customers also show aspiration towards this category and intend to buy better brands. At the same time, a lot of affluent upper class customers are also price sensitive with respect to their buying preferences.

3.1.2 Growing Consciousness

SHAPE, FIT AND BRAND ARE THE MOST DOMINANT FACTORS WHILE MAKING A PURCHASE DECISION

JOCKEY IS THE MOST PREFERRED BRAND BY CONSUMERS.

Shape and fit are the most important criteria being looked upon by consumers while buying innerwear. Though very limited brands are recognized in the market, brand is still the second most important factor and it is almost in par with the shape and fit.

The innerwear is also called second skin because it is in direct contact with the skin. Owing to the importance of this aspect, the fabric of the innerwear is the next important criteria that is considered while buying innerwear. The price and design equally affect a consumer's purchase because apart from the functionality factors, aesthetics and economic factors also influence the buying behavior. The category being an essentials one, is usually not much on discounts and thus, discounts and size of pack do not create much difference to a consumer. Amongst various brands, Jockey is the most preferred brand by three-fourth of the consumers.

Figure 8: Influencing Parameters



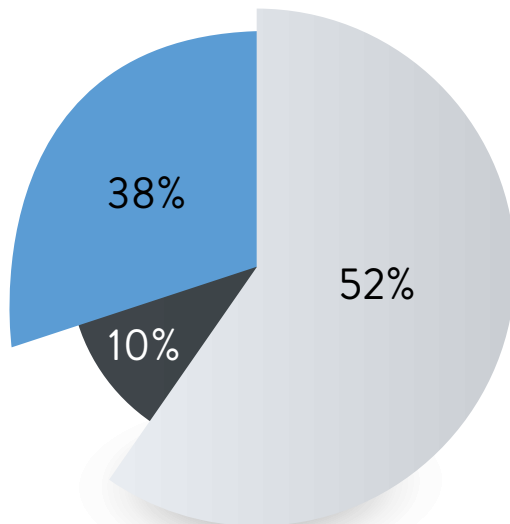
3.1.3. Shopping Patterns - Frequency and Quantity of purchase

90%

OF THE CONSUMERS SHOP FOR INNERWEAR MORE THAN TWO TIMES A YEAR AND BUY MORE THAN TWO PAIRS OF INNERWEAR AT A TIME.

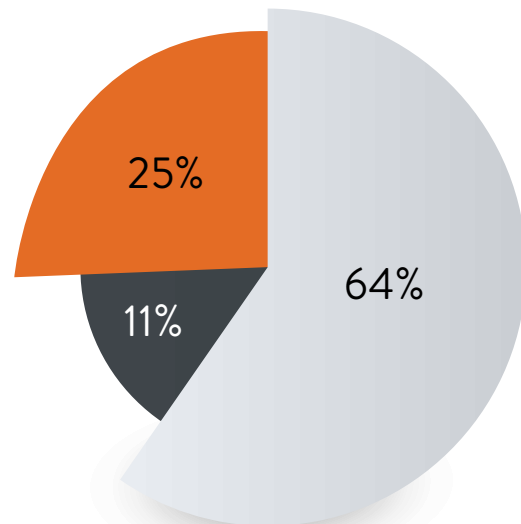
90% of the consumers buy innerwear more than two times in a year and the rest prefer to buy once in a year. The majority of people who shop once a year buy more than 3 pairs at a time. This is because of consumer's reluctance to shop often who believe in maintaining the stock at a time. The category is usually purchased as replenishment of existing stocks and thus bought in packs or 2 or 3. However, with fashion element coming in, the impulsive buying is increasing and consumers have started purchasing singles as well.

Figure 9: Shopping Frequency



- 2-3 Times a Year
- More Than 3 Times in a Year
- Once a Year

Figure 10: Quantity Purchased per Shopping Trip



- 2-3 Pairs
- More Than 3 Pairs
- 1 Pairs





3.1.4. Channel Preferences

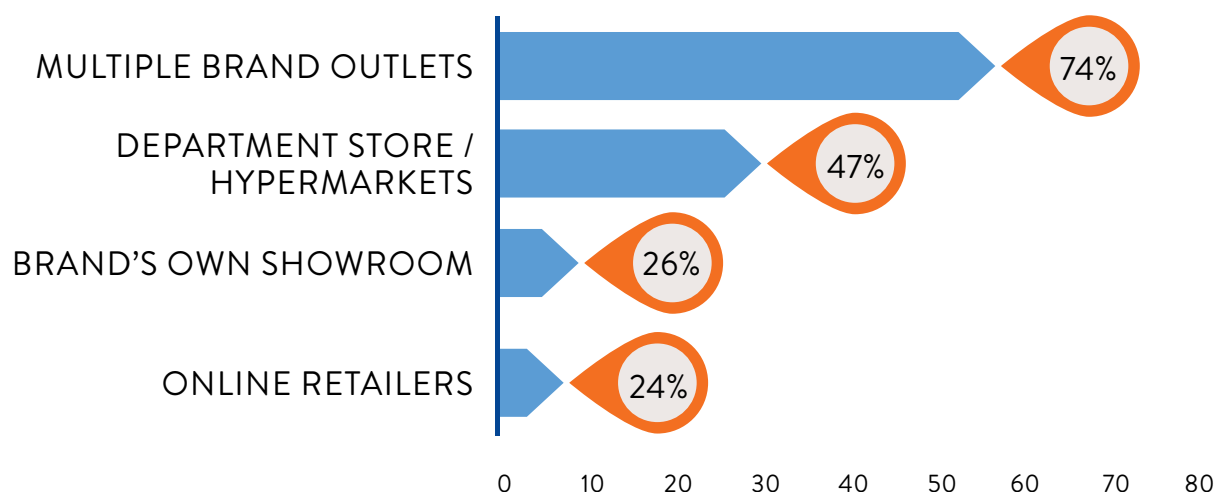
THREE-FOURTH OF THE CONSUMERS PREFER BUYING FROM MBOS.

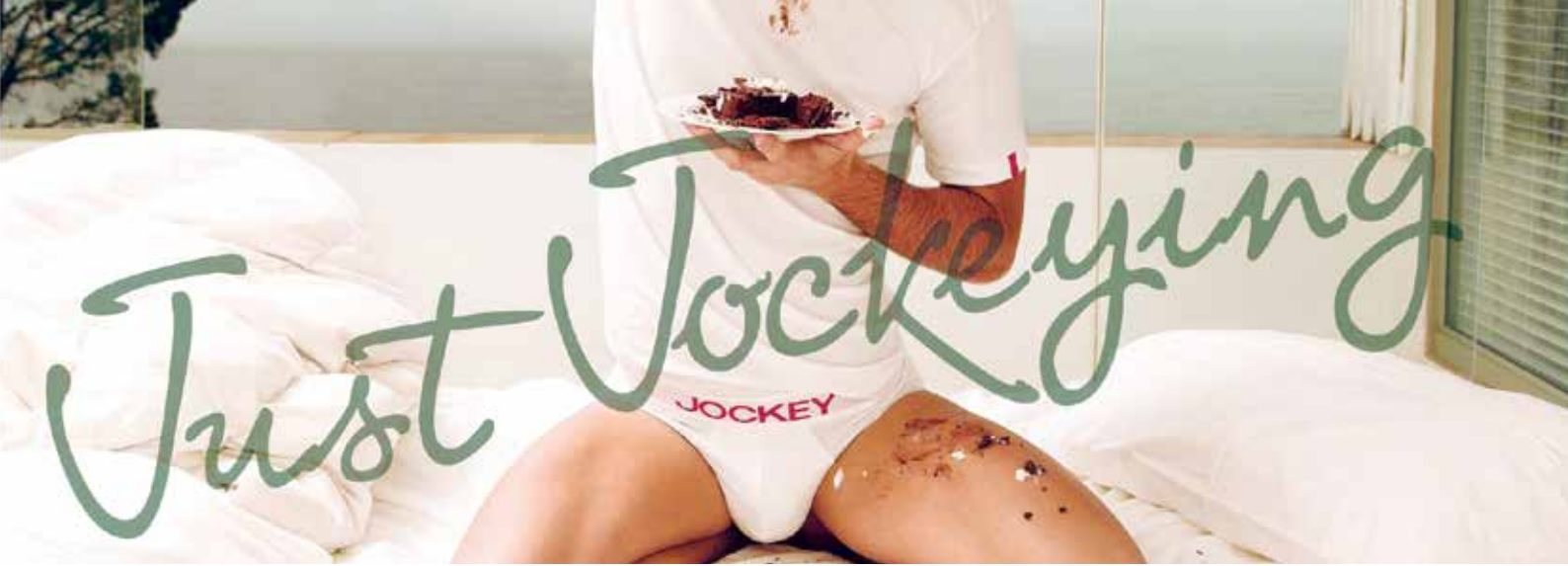
It is evident that Indian consumer has come a long way as far as their intimate wear needs are concerned. The consumers are moving from stocking just basic daily wear intimate apparel to trend based fashion ones. They are more brand & fashion conscious and majority of them prefer organized MBOs over other stores. Consumers prefer buying from MBOs as these MBOs are accessible and also provide diversity in options. One can choose from the different brands, price range, designs etc.

Department stores and hypermarkets are the next most sought option, especially owing to the fact that the customers interviewed resided in the metro cities. In addition to wide assortment of products and brands, consumers get the right shopping experience as well at these channels.

Brand's own showrooms are preferred by consumers who are brand conscious or have clung to a particular brand suiting their needs. Though online retailing is also gaining a thrust, however return policies of innerwear in online marketplace still poses a problem because of which consumers don't opt for online much. This evolution in the new age consumer is the key to growth of Indian intimate wear market.

Figure 11: Channels Preferred





3.1.5 Influence of Advertisements

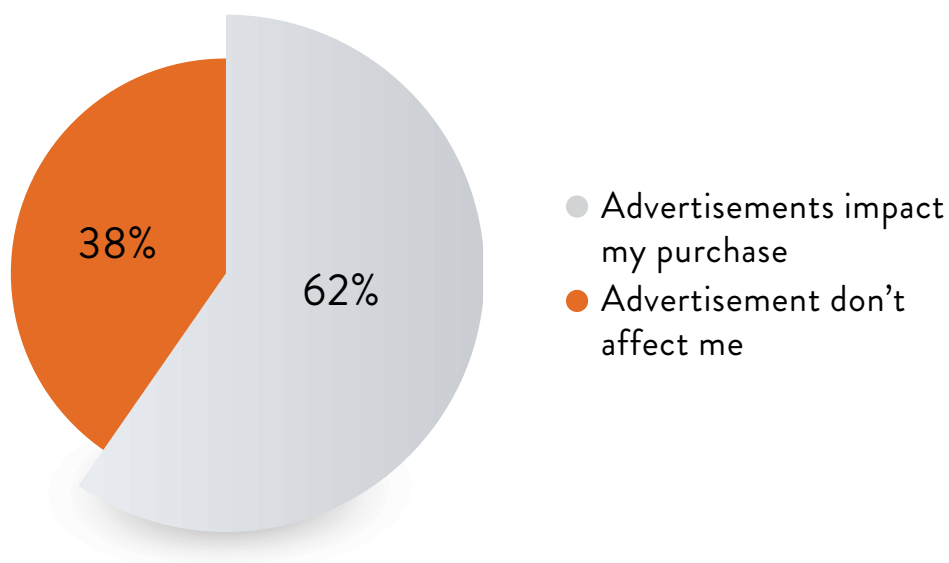
OVER

60% OF THE CONSUMERS' SAY THAT THEIR PURCHASES ARE AFFECTED BY ADVERTISEMENTS.

Advertising, public relations, sales promotion, and personal selling all are essential parts of the promotional mix of a marketing plan. Getting iconic celebs speak about innerwear brands seems like a piece of cake nowadays. All these initiatives by brands create a positive impact on consumers as the purchase behavior of a major chunk of Indian population is affected by the television ads they watch.

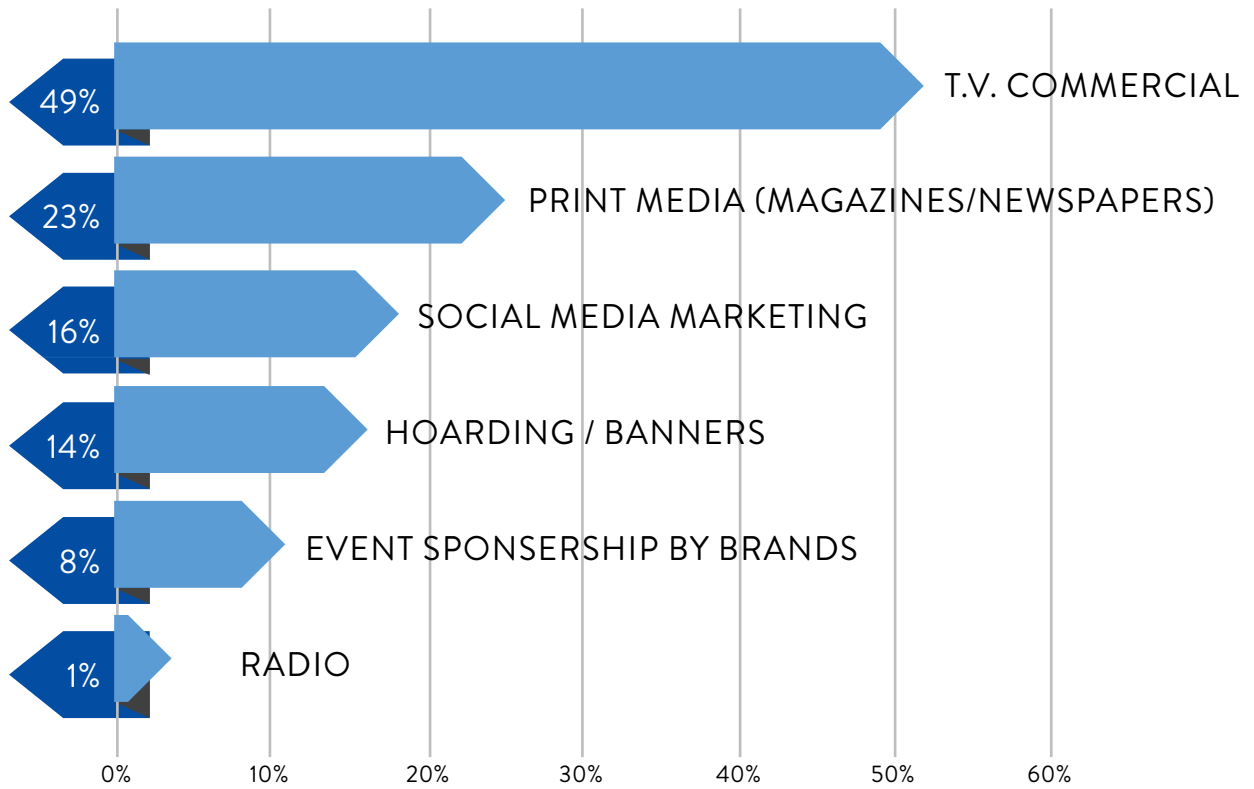
However, there still are some consumers who are not affected by any form of advertisements. Such consumers buy innerwear just to replenish their stock and prefer wearing their conventional brands or there are those who will be loyal to a particular brand in spite of any promotions by the competing brands.

Figure 12: Influence of Advertisements



Since this category is highly advertised, consumers could reckon TV Commercials and thus, rated that as the most powerful tool followed by print media in newspapers and magazines.

Figure 13: Most impactful advertisement medium



Around half of the consumers who are affected by social media fall into the young working population aged between 25 and 35.

3.2 NEW EMERGING CATEGORIES

With the Indian consumer becoming more and more aware and conscious about choosing the right attire and outfit for every purpose, the intimate apparel market in India is seeing an emergence of new categories like sleepwear, shapewear, active wear, swimwear etc. Some of these new categories which have a huge untouched potential include sleepwear, loungewear and thermals.



3.2.1 Sleepwear

In the Indian intimate wear market, the sleepwear market is emerging quickly as an essential fashion segment, and has, over the last decade, observed organized players entering this segment. The segment is growing fast with manufacturers investing heavily in R&D to raise the range and functions of designs. From the basic kurta pajamas, the category is moving towards fashionable sleepwear like stylish shorts, tees, capris etc. The fabrics used include cotton blends in varied prints like geometrical, superhero prints, camouflage, stripes etc. One of the major players in this category is Sweet Dreams which offers a wide range of products for consumers belonging to all income categories varying from mass, mid to premium. Monte Carlo and Duke are also present in this segment. However, still a large part of this segment is catered by unorganized players who sell sleepwear through unorganized retail outlets.

Unlike the past scenario which was dominated by women consumers, men have also started to make significant purchases and own stylish, better quality sleepwear.



3.2.2 Loungewear

Nightwear is now becoming more cozy and multi-functional. This has led to nightwear moving to the next higher level with the extension of nightwear to loungewear which has taken space in some households due to its extended functionalities of usage like workouts, morning walks, etc. This fashion awareness amongst consumers is increasing in every part of the country and there is still a lot of unexploited potential in cities other than the metros. The growth in this segment is leading to an increased demand for man-made fibers such as modal fiber. Loungewear brings with it a great potential in the segment as consumers want to relax in luxury dressing. Some global brands which have already marked their presence in this segment are Calvin Klein and Gap.



3.2.3 Thermals

Thermals is an emerging segment with national and international brands diversifying their products in this range. The presence of various key players like Jockey, Monte Carlo, Rupa, Chromozome, Hanes and Dixcy in this segment shows the potential in this emerging category. The product categories in thermals are half/ full sleeved T-shirt and full skinny pants. Several large players have already entered the category and are looking at strengthening their presence in the category.



CHAPTER {04

MANUFACTURING SCENARIO





4.1 INDUSTRY STRUCTURE

The manufacturing industry of intimate wear can be broadly categorized as follows:

1. Indian small scale manufacturers

In India, the intimate wear manufacturing is very fragmented and dispersed with reference to manufacturing. The Small Scale Industrial (SSI) units dominate this market and act as a supply base for sourcing products at a low cost. On an average, such units have 15-20 machines and focus to develop simple and inexpensive products which would cater to the local neighborhood market.

2. Indian Large scale manufacturers without any foreign tie-up

With the large scale production infrastructure, these manufacturers deliver products which are sold in domestic market as well as are exported to different markets in the world. Such companies generally have more than one operating unit and sometimes operate from different locations in the state or country. With adherence to BIS specifications and deployment of automatic and semi-automatic machineries, these branded products have been successful in Indian markets. With more product diversity than the local indigenous manufacturers, the products offered mainly fall in medium and economy price segments; while may be extending their offerings to premium segment as well. Some of the key players in manufacturing of men's intimate wear in this segment are Rupa & Company Ltd., Lux, TT Garments, Bodycare Creations Pvt. Ltd., Dollar Industries Limited and Groversons Apparel Pvt. Ltd.

3. Indian Large scale manufacturers with foreign tie-up/Collaboration

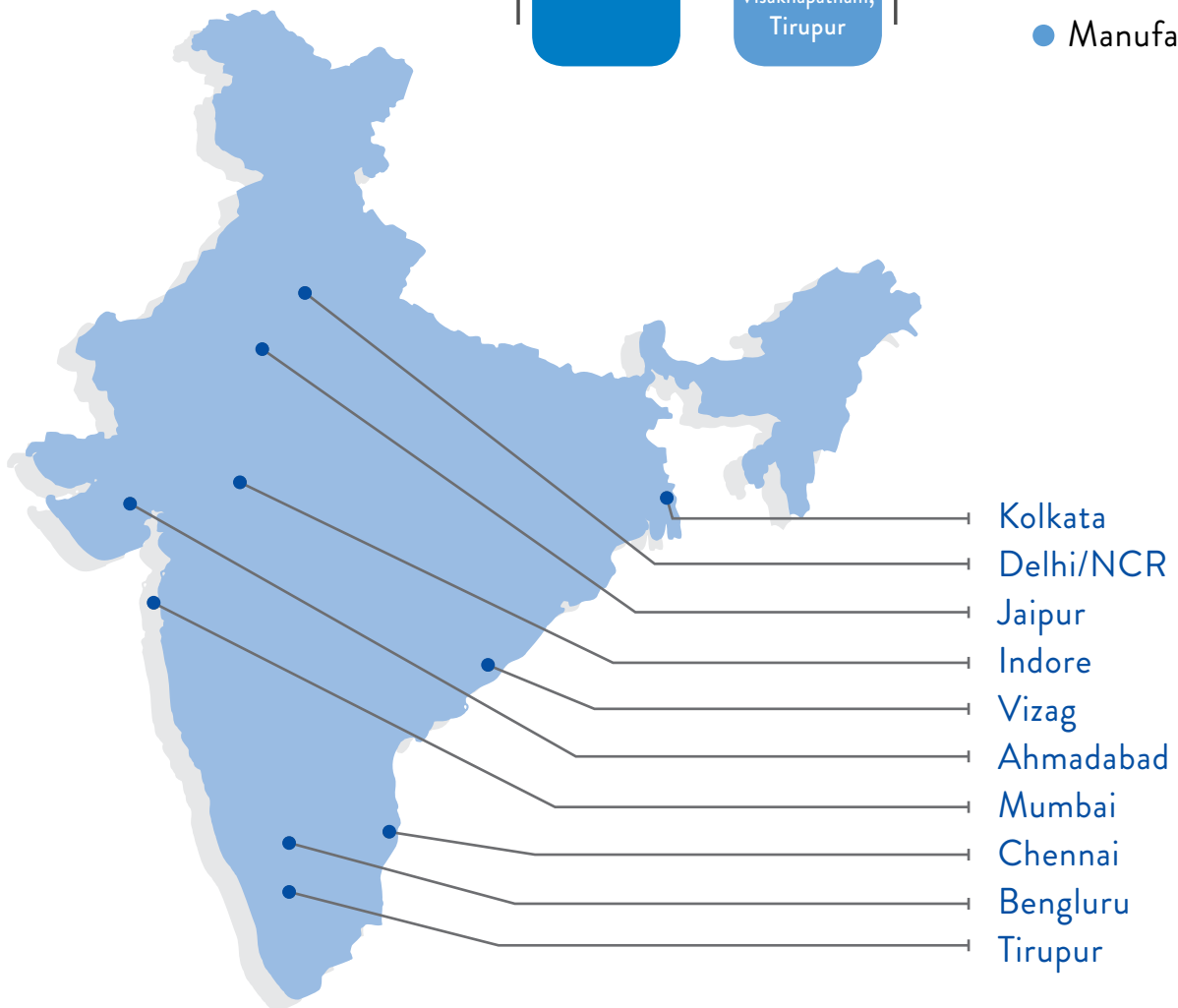
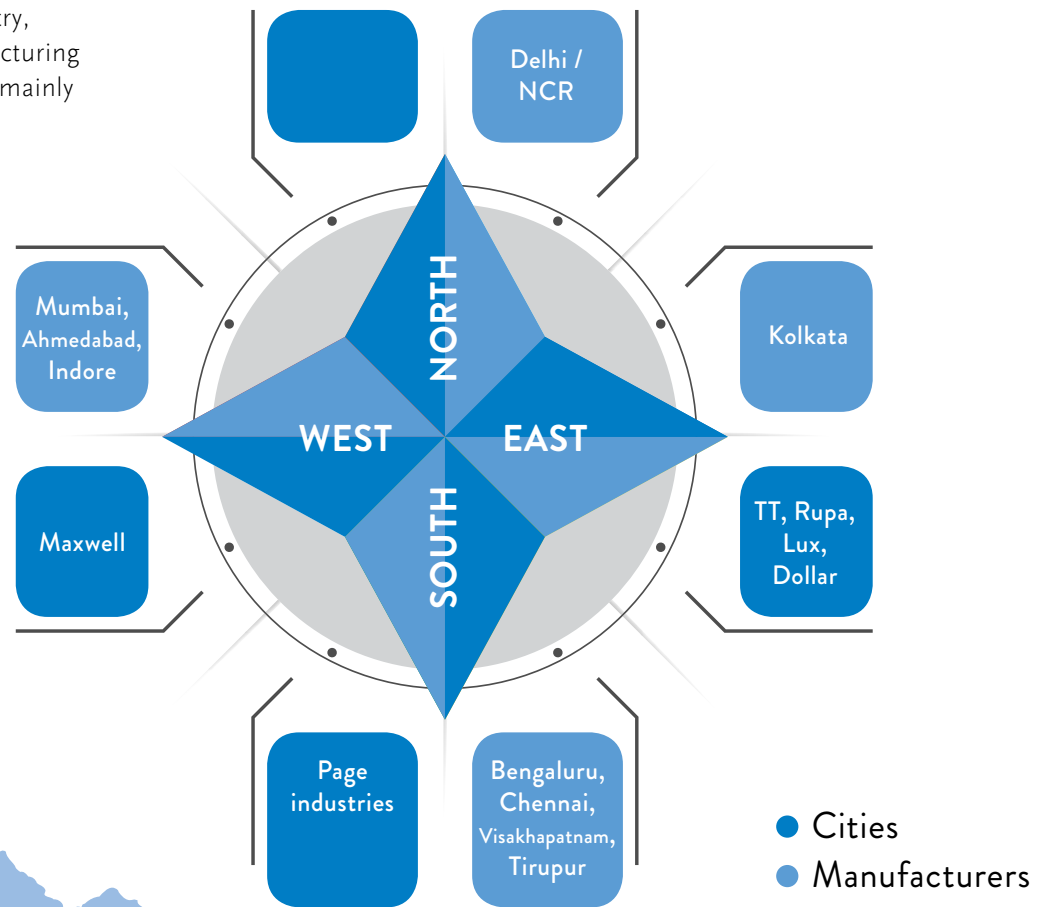
With focus on domestic as well as export markets, many companies have entered into manufacturing, marketing or brand licensing tie-ups with international players. These collaborations bring with them the latest technical know-how and continuous flow of recent designs that helps manufacturers keep their products at par with world fashions. The manufacturer's role is changing from a product supplier to a service provider as costs and quality are not the only competing parameters, timeliness, consistency, flexibility, and understanding the buyer's perspective have become equally important. These tie-ups are primarily a result of relaxation of FDI norms and buoyant demand for quality intimate wear in India. With the help of these collaborations, the manufacturers are able to position their products in premium and super premium range. Some of the players in this category are Page Industries which has a brand licensing arrangement with Jockey (USA), Maxwell Industries which has a license for Eminence- a French brand for men's and women's intimate wear and Sri S R Mill which is the India licensee of the Playboy Men's Innerwear and Accessories.

4. International manufacturers who have invested in Indian intimate wear manufacturing

The attractiveness of the Indian domestic market and export competitiveness have initiated international intimate wear manufacturers like Quantum Clothing (Marks & Spencer) and Intimate Fashion India Pvt. Ltd. (Triumph) to invest in the Indian intimate wear manufacturing set-up. These high end intimate wear manufacturers source raw materials such as fabric, elastic & other accessories from international suppliers, whereas the final product development takes place in India. The offerings of these companies majorly come into premium and super premium range.

4.2 GEOGRAPHICAL SPREAD

Spread over the country, intimate wear manufacturing in India is conducted mainly in clusters.



4.3 KEY ISSUES FACED BY THE MANUFACTURERS IN INDIA

1. Lack of Skilled Manpower

The innerwear manufacturing industry is a labor intensive industry and the great shortage in skilled manpower is already plaguing the sector. Such a shortage has emerged as a major constraint to realization of the innerwear sector to its full potential, in terms of productivity and production of high end garments. This in turn, is slowing down the up-gradation and transformation in this sector. There is a need for more vocational and technical institutes to create skilled and technically sound workforce to cater to the emerging needs of this segment. The majority of the workers receive on the job training only at the basic level in regional sewing schools and the vocational training institutions for garments, especially for innerwear, are not present. In addition to this, the industry itself has also not invested its time and effort in developing training initiatives which could help them improve their productivity.

2. Lack of Designers

There is a lack of educational institutions which offer special courses on inner wear designing. The need for product innovation and design brings with it the need of technical education in this domain. Therefore, it is high time that the design schools also start focusing on this growing segment and introduce modules specifically for the development, pattern making and designing of innerwear.

3. Low focus on compliance by Indian manufacturers

Despite the immense potential of intimate wear in global markets, Indian manufacturers are yet to position themselves as the preferred suppliers to international brands. One of the reasons is that international brands look for a compliant vendor in terms of social, ethical and environmental norms. In India, there are very few manufacturers who comply with such norms. Most of these norms are in fact law of the land (e.g. Prohibition of child labour), and others are meant to provide a good working environment which in long term help the manufacturers themselves. Due to lack of compliances, Indian manufacturers lose out on the opportunity to the competing nations. The prime example of compliant manufacturing is Sri Lanka which has come up with the concept of 'Guilt Free Manufacturing' where all factories not just comply with State norms but also practice guidelines given by its buyers.

4. Labor Laws

Several entrepreneurs do not invest in larger manufacturing set-ups mainly to avoid threat of labor unions. In addition, the hiring norms as mandated removed the flexibility to downsize or expand the manpower in line with business requirements. This either leads to profit erosion in lean seasons or to losing the business in times of high demand.

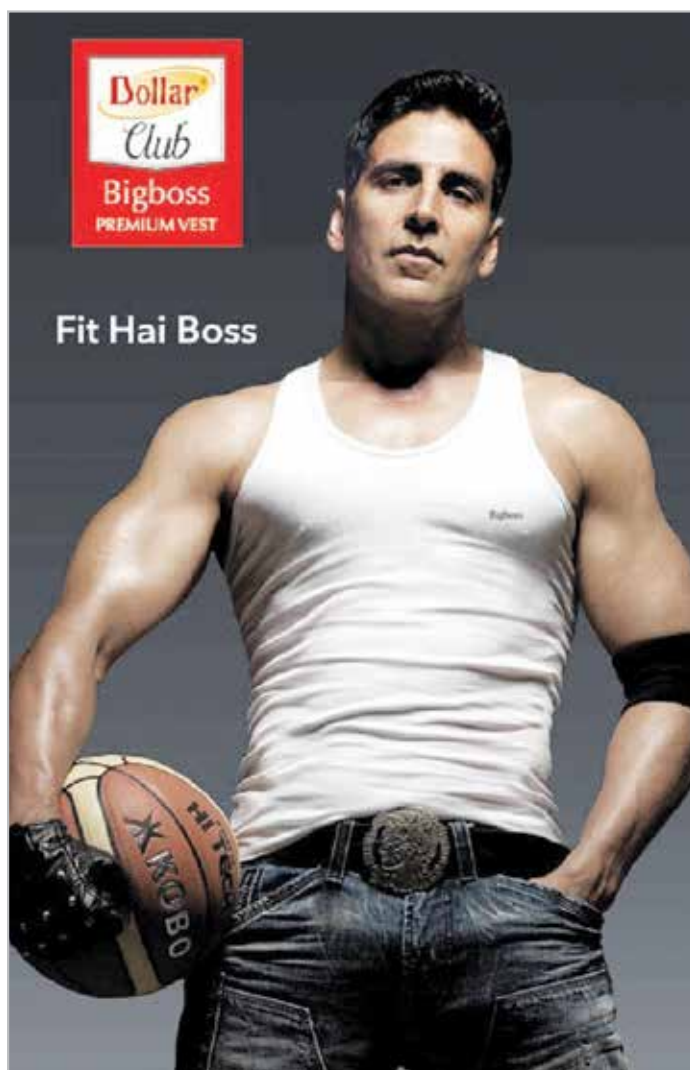


4.4 PROFILES OF KEY MEN'S INNER WEAR PLAYERS IN THE INDIAN MARKET

4.4.1 Dollar Industries Ltd.

Dollar Industries Limited is today amongst the main 3 hosiery brands in India. It has 15% market share in the branded hosiery segment in India. To promote the premium brand Dollar Bigboss, they renewed their association with Bollywood superstar Akshay Kumar for three summer seasons starting 2012.

Year of Establishment	1972-73
Headquarters	Kolkata, West Bengal
Turnover (Rs.)	830 crore
Manufacturing Plants	Kolkata, Tirupur, Delhi, Ludhiana
Major Segments	Men, Women, Kids
Production Capacity	170 mn. pcs per annum
Brands	Dollar Bigboss, Dollar Club, MyMe, Dollar Force
Channel Presence	Online, MBOs



The brand has a pan-India retail presence of over 80,000 Multi-Brand Outlets (MBO) in 26 states of the country. Apart from this, the brand has positioned itself in Gulf countries and has expansion plans to Africa.

The export revenue for the company stood at Rs. 69 crore witnessing a 13% growth. The brand has doubled its turnover in the past six years.

The company spends almost 8% of total budget on brand's promotional and marketing strategies, its planning and execution.

4.4.2 Page Industries Ltd

Page Industries Limited located in Bangalore, India is the exclusive licensee of JOCKEY International Inc. (USA) for manufacture, distribution and marketing of the JOCKEY brand in India, Sri Lanka, Bangladesh, Nepal and the UAE. Page Industries is also the exclusive licensee of Speedo International Ltd. for the manufacture, marketing and distribution of the Speedo brand in India. Its promoters are the Genomal family, who have been associated with JOCKEY International Inc. for 50 years as their sole licensee in the Philippines.

Year of Establishment	1994
Headquarters	Bangalore, Karnataka
Turnover (Rs.)	1750 crore
Manufacturing Plants	Bangalore, Hassan, Mysore, Gauribidanur and Tiptur
Major Segments	Men, Women, Kids
Production Capacity	230 mn. pcs per annum
Brands	Jockey, Speedo
Channel Presence	Online, Offline, MBOs, Own Stores



JOCKEY was also the first innerwear brand in India to set up Exclusive Brand Outlets across the country. As of March 2016, the brand has 265 Exclusive Brand Outlets across India with 197 stores on high streets and 68 stores in shopping malls with heavy footfalls.

Page Industry's (licensee and franchisee) Jockey brand continues to be the market leader in the innerwear product category with its product-focused positioning strategies over the decades. The company is in a sweet spot and has a robust distribution network and a good pricing strategy.

4.4.3 Rupa & Company Limited

Rupa and Company limited located in Kolkata, are incorporated over the hosiery value chain with quality and durability. Rupa has become an umbrella brand for the firm and has successful sub-brands like Rupa Frontline, Jon, Macroman, Euro and Bumchums. In accordance with advancing consumer preferences and market demands, Rupa periodically presents new assortments in every sub-brand. These items consolidate the most recent fabric developments, bleeding edge creation systems, and propelled outline components to give the finest experience of style and solace to the end-client.

Year of Establishment	1985
Headquarters	Kolkata, West Bengal
Turnover (Rs.)	960 crore
Manufacturing Plants	Howrah, Tirupur
Major Segments	Men, Women, Kids
Production Capacity	245 million pcs per annum
Brands	Frontline, Softline, Softline Leggings, Euro, Bumchums, Torrido, Thermocot, Macroman, Footline, Jon
Channel Presence	Online, Offline, MBOs, Own web portal

The brand has been awarded by “Limca Book of Records” eleven times for being the largest hosiery manufacturer in India in terms of volume. M/s. Oban Fashions Private Limited, a wholly-owned subsidiary of Rupa & Company has acquired the exclusive license from French Connection to develop, manufacture, marketing and sale of the innerwear and related products with the Brand name 'FCUK' in India.



4.4.4 Maxwell Industries Limited

Maxwell Industries Limited located in Mumbai, is a leading Indian company which is present throughout the spectrum of innerwear industry, with VIP innerwear in budget and economy segment, Frenchie as the generic brand in briefs market and Frenchie X in the premium segment for youth. The company holds market leader position in different segments of innerwear market in the Middle East. It also caters in Germany, Austria, UK, the Netherlands, Czech Republic, Greece, Korea and the USA.

Year of Establishment	1991
Headquarters	Mumbai, Maharashtra
Turnover (Rs.)	250 crore
Manufacturing Plants	Mumbai, Thane, Tarapur, Umergaon (Gujarat), Daman, Bangalore, Tirupur, New Delhi and Gobichettipalayam (Tamilnadu)
Major Segments	Men, Women
Production Capacity	480 million pieces per annum
Brands	VIP Innerwear, Frenchie, Frenchie X, VIP Leader and Eminence
Channel Presence	Online, Offline, MBOs, Own web portal



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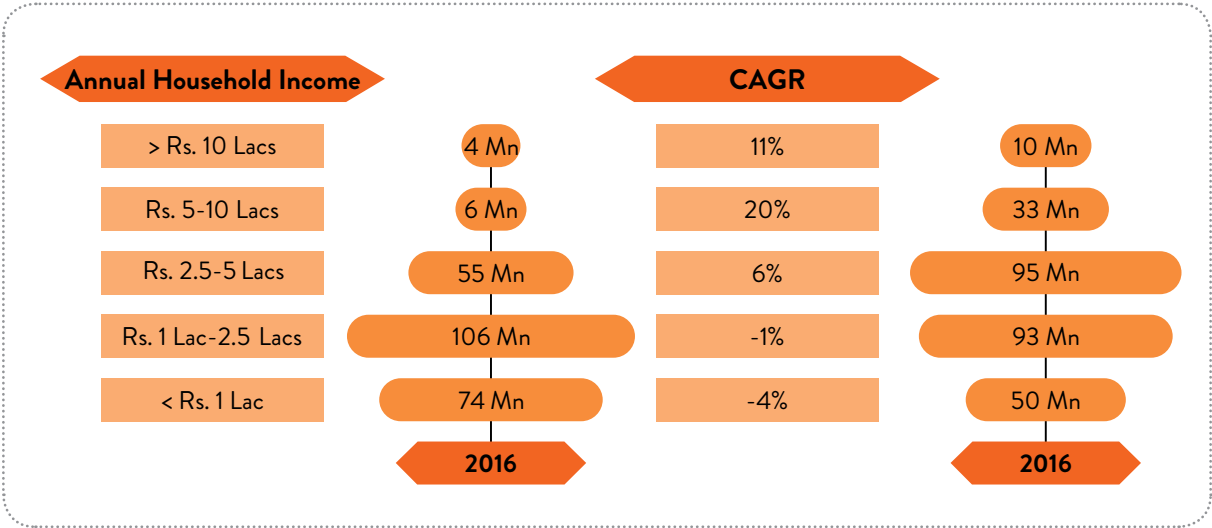
WAY FORWARD



5.1 FUTURE GROWTH DRIVERS

5.1.1. Indian middle-class consumer: Moving up the ladder

India accounts for 3% of the global middle class with 65 million households. The consumer population belonging to middle and upper class is expected to grow at 8% to reach 140 million households by year 2026.



Nowadays the lower class is moving towards the middle class and in the future the present middle class will shift to the status of upper middle class, this shift is because of the economic growth, increasing disposable incomes, dual income households etc. This has brought remarkable changes in the lifestyle of the people. They have more income to spare, becoming more brand conscious and opting for better products and services. Men are choosing branded suits and jackets over the tailored ones and women are moving from ethnic Indian wear to the western wear.

These lifestyle changes have recently percolated down to the both men’s and women’s innerwear segment as well and owing to this fact the innerwear industry in India is expected grow at a very healthy pace in the next decade or so.





5.1.2. Change from Need-Driven to Aspiration-driven Buying

With the changing social dynamics and buying power, men are becoming conscious of brands in intimate apparels too. While they still shop with mom and pop stores, they have also started exploring newer avenues like brand EBOs, LFS and online platforms. This paradigm shift in this sector can be attributed to aggressive marketing techniques of innerwear brands targeted at the aspiring and open-minded young middle class population. With increasing disposable incomes, they have shifted from need based shopping to splurging on styles. Many fashion brands have expanded their brand labels in menswear to men's innerwear as well. Displaying the waistband of innerwear above the low-waist trousers is now considered a fashion statement.

The consumer trends show that price is no more the most important criteria that is looked upon while buying innerwear. For evolving consumers, looking good has become an important aspect of life therefore, spending on apparel, personal care & grooming is on the rise.

Youth is experimenting with colors & styles as they do not see intimate wear as a dull & boring necessity which remains unseen. Be it the latest fads to flaunt the brief bands or lounging around the house in comfortable boxer shorts & trendy vests, the youth of today is comfortable in his skin & has started to view intimate wear more & more as fashion. For them, the brand, design & colors are of paramount importance as opposed to previous generations who were satisfied with merely comfort and bought only traditional products.

The acceptance of various innerwear products from different brands impart a positive growth to the aspirational buying. For example-Diesel's under denim boxer, Jockey's performance boxer brief etc.

5.1.3. Enhancing Exports

Exports play an important role in the economy, influencing the level of economic growth, employment and the balance of payments. Many Indian originated innerwear brands have marked their presence in other countries like Africa and Middle East. For example, Dollar Industries Ltd. has become one of the most selling brands in the Gulf countries and has expansion plans to Africa. Similarly, Page industries Ltd. Located in Bengaluru manufactures and markets Jockey brand in India, Sri Lanka, Bangladesh, Nepal and the UAE. The competitiveness of these brands in other countries highlights the hidden growth in exports of intimate wear from India.

In order to promote export oriented manufacturing of intimate wear in India, such products may be provided with special duty rewards in addition to standard drawback rates. If India is able to enter into FTAs with key markets of intimate wear – USA and EU; then the competitiveness of India exports will automatically increase immensely without need for any direct rebates.

For export promotion, it is required that Indian participation in intimate wear trade exhibitions and shows abroad should be boosted. There are several markets where Indian intimate wear products may have good scope, but the exporters need to be made aware of such opportunities. Hence, market studies and research work needs to be supported both by government and industry associations

5.2 EMERGING OPPORTUNITIES

5.2.1 Focus on Product Development

Product development involves modification of an existing product or its presentation, or formulation of an entirely new product that satisfies a newly defined customer want or market niche by offering additional benefits. The elastic band with the brand name, initially the unheard trend, took the industry by storm.

Indian men are more inclined towards the economical range which widens the gap between the super-premium and luxury due to lack of players. That particular gap can be filled by a niche category with appealing price and products. There are many trends that are common in the global market and have the potential to bring a change in the Indian industry.

Few examples of such trends are:

- **Jockstraps**
- **Men's Bikini Bottoms**
- **Long Underwear**
- **G-strings**

A new attractive line of men's vest can always be included in the new product innovation. India is moving from plain cotton white vest to designer vest with advanced fabrics that serve the purpose of active wear too for example muscle vest that is included in Jockey's portfolio. The other trends which can be utilized in the Indian markets are weighted vests, biker vests, cowboy vests etc.

5.2.2 Up-gradation in Technology

The men's clothing industry is filled with advancements and innovation. The amount of various types of innerwear and the variations are huge in number. For example, briefs come in low-ascent, medium-ascent, skyscraper, and numerous cuts that can uncover or stow away different parts of your body. Men's innerwear styles, now additionally, highlight an endless rundown of clothing "add-ons" including:

- **Midsection minimizing belts.**
- **Butt upgrading cuts.**
- **Bundle boosting pockets.**
- **Quick drying fabrics.**
- **Anatomically right outlines.**

The men's underwear category is quickly fusing innovation into its articles of clothing. We have recognized three energizing innovative advances in the men's innerwear industry that could change the way we consider underwear and apparel.





1. Stretchable fabrics:

The new emerging trend in the innerwear industry is the new stretch fabric that is used for the briefs as well as vests. People are preferring these fabrics due to the comfort as well as the fit of the same. Few players are already working in this direction like Jockey who has stretchable briefs and others are also planning to by looking at the growing segment for this type of style.

2. Quick Drying Fabric:

Fabrics are becoming very advanced, rapidly. Brands like adidas and Under Armor are making superior fabrics with dampness wicking capacities,

a need, which addresses the significance of savvy and quick drying fabric in the clothing business. C-in2 (American men's underwear brand) has done some experiments in the same field for making such fabrics which can dry very quickly and easily.

3. Thinking and Armored Underwear:

U.S. government is designing the innerwear which can assemble data about troopers on the cutting edge, by a kind of clothing equipped with a system of sensors that would transmit back data about fighters' wellbeing and the protected clothing innerwear in response to the rising rate of pelvic area injuries on the war zone.

With some of these technologies being incorporated in the innerwear segment, the future of this industry looks too promising. The concept can be utilized by the players in this industry for designing undergarments that can track the health issues as well as for the extra protection.



5.2.3 Forming Joint ventures with International Manufacturers

With an emphasis on product development, many companies have started exploring potential tie-ups or partnerships with International players be it for manufacturing, marketing or brand licensing. Such collaborations help the company upgrade in terms of skill sets, manufacturing capacity, design and operational efficiency as they get an access to the partner company's valuable resources. Several established fashion and textile brands are also exploring such opportunities. Raymond, India's largest suiting fabrics brand, has entered into multiple joint ventures with European apparel and textile firms for upgrading its infrastructure and product development.

Similarly, the key players in the manufacturing of innerwear should also explore such partnerships as the sector offers tremendous potential and is almost doubling every 5 years.



ABOUT WAZIR

Wazir Advisors is a management consulting firm with a special focus on textile value chain assisting clients in strategy formulation and implementation, forming alliances and joint ventures, investments, market understanding, sector analysis and due diligence – thereby providing end to end solution spanning the complete business cycle in textile sector.

Having worked with leading national and international companies, public sector organizations, Government departments, development agencies, trade bodies etc., Wazir has a deep understanding of business dynamics and right connect with people in the sector.

Wazir's team of sector experts possess experience across functions – projects, operations, sourcing and marketing. The team members have worked on strategy and implementation assignments in all major textile and apparel manufacturing and consumption bases across the globe.

Wazir leverages its body of knowledge, contacts and combined expertise of its team to deliver value to the clients. Wazir offer services in following areas:

Strategic Advisory Services

- Corporate strategy
- Business performance enhancement strategy
- Market entry strategy
- Marketing and distribution strategy

Market research

- Consumer surveys
- Trade research
- Market intelligence
- Customer feedback & relationship management

Services for Govt. and Development Agencies

- Sector growth strategy
- Export and trade promotion
- Policy formulation
- Policy evaluation
- Establishment of industry support centers

Implementation Assistance

- Apparel factory re-engineering
- Productivity improvement for apparel factories
- Supply chain optimization
- Training for operators, supervisors and middle management

Support for investments

- Cross border investments
- Company due-diligence
- Location analysis
- Partner search - M&A and JV, other forms of business partnerships
- Feasibility studies and bankable Detailed Project Report (DPR) preparation

Thought leadership

- Conference Knowledge partner
- Sector whitepapers

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ABOUT IAAI

Intimate Apparel Association of India (IAAI), founded on 30th May 2010, is the apex body striving to bring success and development to the intimate apparel industry of India. IAAI's vision is to: "To promote, advance, expand and develop Indian intimate apparel industry such that it may soon be a force to reckon with not only in Indian markets, but also globally."

Since its inception, the association has grown rapidly, gaining momentum over the years and as a result, propelling the industry to greater heights. In a span of four years, IAAI has developed a membership base of 500+ manufacturers and 2000+ trade and distribution partners.

IAAI's mission includes:

1. To raise and improve the standard of manufacturing, distribution and retailing of intimate apparel products by all practical means.
2. To conduct publicity campaign regularly and continuously, so as to increase the consumption of Intimate Apparel products.
3. To establish design centers, to evolve improved design and patterns and arrange for exhibition and displays.
4. To undertake necessary research in market study, fashions, designs, techniques, consumption pattern, etc.
5. To co-operate with Government and other various organizations in the Country and abroad with a view to further promote Intimate Apparels in India.
6. To organize and participate in trade fairs, exhibitions and shows for the promotion of intimate apparels in India and all parts of the world, so as to promote the intimate apparel category and maximize the exports of intimate apparel from India.
7. To advice or represent to Government, Local Authorities, Public Bodies on the policies adopted by them in relation to the control on industry or commerce and other measures, like direct and indirect taxation, which are directly related to the intimate wear trade.

Intimate Apparel Association of India

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