1.0 Chapter Introduction:
This chapter provides background information about the Apparel Industry in general and Hosiery Industry in specific in Indian scenario. The chapter also elaborates on Indian innerwear market and segregates the intimate wear market into men’s and women's wear market. The chapter at the end talks about the future prospects of Indian innerwear market.

1.1 Apparel Industry:
With the evolution of human civilization, food shelter and clothing has been the necessities of human beings. Thus, apparel holds its own unique importance in civilized human society. Apparel is the reflection of social and economic status of people in modern society and also is the discloser of one’s lifestyle. Apparel and textile industry is the second largest industry of India after IT industry and also is one of the fastest growing industries of the county.

Not only this, Textile and Apparel industry which contribute 26% of the total foreign exchange of India is the second largest foreign exchange earner for the country. The industry has done extremely well in the past few years and is expected to reach $ 75 billion by the year 2020.
Figure: 1.1: India’s textile market growth rate

Interestingly the apparel industry is shifting from the high per capita income nations to the nations with low per head earnings. The reason for such a shift is simply the cost advantage which these nations can offer. The growth of domestic clothing and apparel demand can be associated with the success of the retail sector. India has now crossed the first phase of growth and has entered the second phase where it is witnessing an enormous rise in the domestic apparel demand. The credit for such rise goes to the gradual rise in the standard of living of middle income class of the country. In the present economic scenario, the success of any business is determined by the forces of demand and supply supplemented by the price and quality of the product. Thus India, China, Bangladesh and other eastern countries are the clear winner of comparative advantage offering cheap labor.

Textile is a labor-intensive industry wage rate constitutes a major part of production apart from cost of other factors of production like land building machine and other
expenses related to marketing and distribution. Thus, countries offering cheap labor become obvious choice of apparel producers. This gives immediate competitive advantages to counties like China and India which has become an apparel sourcing choice of many top apparel producers across the globe.

With the higher disposable income and availability of online platforms the apparel market is all set to see further growth in the coming days. Same is true with the hosiery products also. With the increased shelf space and window dressing by the modern retail formats like supermarkets, discount stores, specialty stores etc. hosiery market has also pulled many customers who were earlier use to buy hosiery products. With the rise of more convenient hosiery stores the market, is bound to further strengthen in the coming future.

The typical definition of hosiery is legwear, which is specially worn over legs and feet. The various products that fall under the category of hosiery are stockings, compression stockings, hold-ups, knee highs, leggings, socks, stockings, tights, toe socks and legwarmers. The term hosiery is also being used for the type of knitted fabric, its weight and thickness. But for the purpose of present study only men and women inner where are considered.

The global hosiery market is growing at a very high pace and will keep on growing in the further pertaining to the growing consciousness of individual towards its personal grooming. This market has shown rapid expansion in the men’s segment also over the past few years owing to rise of self-awareness among men in the society.

1.2: Hosiery Industry mapping of innerwear for Men and Women in India:
Hosiery apparels in India has shown a considerable growth according to the survey done by the Market Research Wing of the Textile Committee, the hosiery market has increased from 7753 million in 1985 to 12431 to in just two years. This stood as 60% rise in the market in terms of value. The report also suggests that the period registered a growth of 27.8% in quantity terms. In volume terms, the share of hosiery goods has
gone up from 6.4% to 7.46%. The industry did considerably well in the period of just two years and looking at the kind of growth shown by the industry, experts were expecting same trend in the years to come. Though the cotton hosiery product had an increased demand for its variety of products in the period i.e. 78.55% contributing 29% of the total hosiery demand of India. The demand for woolen hosiery garments had gone down by 67% in terms of quantity and 50% in terms of value.

Joining the band wagon in the year 1987, Indian hosiery market also registered a hike to 0.65 crores and the export to Rs.399 crores, and then it never looked back, in the year 1988-89 the hosiery industry stood at Rest. 491 crores and moved to 550 crores in 1989-90. It is estimated that in terms of quantity the export of cotton hosiery rose from 29% in 1987 to 33% in 1989 but the share of synthetic has remained static at about 1% and woolen hosiery at 2% in 1989.

Indian hosiery industry completed its first centenary in the year 1992. Hosiery industry constitutes an important section of Indian textiles industry. Thus, it is therefore; appropriate to make an assessment of the performance of the Indian textiles industry in the global market on the occasion of the anniversary celebrations.

**Table 1.1**

**Major hosiery and knitwear companies in India**

<table>
<thead>
<tr>
<th>List of Indian Textile Hosiery and Knitwear</th>
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<tr>
<td>Rupa and Company</td>
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<tr>
<td>Atlas Jeweler</td>
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<td>Nahar Spinning</td>
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<td>TT</td>
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<td>Riba Textiles</td>
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By the year 1995 the textile trade in the world reached $ 295. The planning commission foresees the export of hosiery to increase from Rs. 966 crores in 1991-92 to Rs. 1158 crores in 1994-95.

The industry on an average consumes 20000 tons of acrylic fiber in the knitwear segment which is still was increasing. In the year 1998 this industry used 113 million kg of cotton yarn and 11.3 million of woolen yarn which works out to be Rs. 565 crores, and Rs 282 crores at the rate of Rs 50/- and Rs. 250/- per kg respectively. Paving to the seasonal nature of knitwear industry, the demand for woolen yarn differ in summers and winters. The Indian knitwear industry required around 20,000 tons for summer and 36000 tons of acrylic yarns during winter season. The consumption of nylon filament yarn of the industry is 4200 tons and requirement of polypropylene yarn was around 1200 tons in the year 1998. The industry also required 1800 tons of viscose and rayon filament yarn and nearly 1500 tons of polyester yarn in volume which value nearly Rs.320 crores. The total raw material consumption of the industry during the year 1988-89 should be around Rs. 1100 to 1200 crores. This means that the total value of the product should be anywhere between Rs.2300 to Rs 2400 crores.
Many noticeable changes have been introduced in government’s export policy during the year 1998. The new export policy introduced in the year 1998 was refreshingly bold and enthusing for the exporting community. Earlier economic policies in India use to give less weight age to exports as it used to consider that trade was biased against developing countries. Moreover, the export prospects for Indian products were severely limited to very few countries. In view of that India’s export performance was not appreciable as compared to other counties of same size and features. It is the year 1998 when the export policy was made friendlier to the business houses in India and was given its due importance in the balance of payments positions. The policy was made simple and encouraging to both the traditional and nontraditional industries to get involved in export businesses and explore new markets.
Tripur emerged as the production hub of cotton hosiery industry which generated more than Rs. 550 crores of business for the industry, followed by Kolkata which contributed Rs. 300 crores to the cotton hosiery business in India. The synthetic hosiery products were mainly produced in Delhi which produced nearly Rs. 200 crores of synthetic fiber.
hosiery products followed by Ludhiana which also contributed considerably to the total fiber hosiery production of 450 crores.

With the encouragement given by government through its economic policies the Indian hosiery industry also started to gear up for the new opportunities available in the markets abroad. Disappointingly, in that period India’s share in the global textile market was negligible (2%) which valued at $ 177 billion as compare to China which contributed 15% to the world’s textile market. The other eastern counties like south Korea and Taiwan has better market share than India with 6% and 5% contribution in the total textile market.

If we look at the industry performance it has grown at an average rate of around 12% per annum during the year 2001 and 2009. The industry showed a highest growth rate of 29.93% in the year 2002-03 which gone down to 19.05 in the year 2005-06 and to 15.88% in the very next year. 2004-05 was the least growth was registered by the industry with (-4.41%) owing to declined export of hosiery products due to the introduction of quota regime in India which was implemented with the expectation of increasing exports of Indian hosiery products but ironically gave reverse results. The reason was the strong export of hosiery products by China which also came out of quota regime on recently on 1st Jan 2005. Owing to the regime the hosiery export in China grown dramatically to 2000% in the short span of 8 months. And the credit of such growth goes to India. But the very next year Indian hosiery market recovered from the setback and regained a positive growth rate of 19.5% in the year 2005-06 but again dipped to 15.88% in the year 2006-07 which further declined to 5.10 % in the year 2007-08. Amazingly in the year 2008-09 when the world economy was passing through the financial turmoil, Indian hosiery export registered a growth of 12.83%.

Women innerwear market which is driven value-added innerwear products constitute 60% of the total innerwear market of India which was of Rs. 15,870 crores ($2.9 billion) in the year 2010 and reached to Rs. 27,900 crores ($5.1 billion) by 2016-17. The category is also growing at an impressive CAGR of 12 per cent. The women’s
innerwear market, which is driven by value-added innerwear products, contributes around 60 per cent to the market.

The hosiery market growth basically depends upon the urban market. The fresh trend of outfit based innerwear has increased the demand of inner wear which offer different fits for western and Indian wear. People are now looking for higher comfort and utility value in the innerwear products also and thus such functionalities are being used by many of the well-known innerwear brands as their USP. The market for innerwear product variations like seamless intimates, plus size inner wear, body shape enhancers, etc., is burgeoning both in the metros and mini-metros.

Indian innerwear market is crowded with many Indian as well as international brands. The inside story got its first stylish boost when Associated Apparels Pvt. Ltd. makers of Liberty shirts, launched the world famous Maiden Form bras, Jockey men’s underwear and swimwear in 1962 in India. The brands were an instant success with their style and quality. Later in 1972 due to change in government policies the company gave the broke up with its foreign partner and thus has to change its name to Libertina for lingerie and Liberty for men’s underwear. The success of Libertina and Liberty set an example for the new entrants and encouraged branding in the innerwear market. It was the time when many Indian companies moved into lingerie bandwagon. During 70s Peter Pan from Dawn Mills made its entry in Indian market and soon it become the hot favorite of Indian women, but very soon within a short span of two decades the brand vanished from the market. Than VIP which command the lion’s share in the men’s segment launched an innovative product in the women segment by the name Petals, it was a lycra molded cup bra with motifs, though it was an innovative product, but at that time Indian market was not ready for that kind of a change and thus VIP had to discontinue its product. Later in the year 1996 VIP again came up with a sub brand Lovable which proved to be a great success for the company. Lovable was a foreign brand but made in India. After that VIP launched many sub brands like Feelings, and Daisy Dee which was VIP’s domestic offerings. Vanity Fair launched in India in the year 2004 and finally a Korean brand Try for men and women in 2004. one bigger name in Indian lingerie
market was Rupa and Co. which was launched in the year 1985. It not only produces men and women innerwear but also has innerwear for kids. This was precisely the reason that Rupa was the largest player in Indian innerwear market. Many other brands that are playing in the Indian market Amul, Lux Cozi and Dollar, Swagat, etc. These brands are particularly meant for men’s innerwear, whereas the lingerie segment is full of local players, like Neva, Bodycare, Softy, Lady Care, Little Lacy, Red Rose, Sonari and many more.

Indian customer was largely depended on the local brands for their intimate wear requirements till late 80s but the fad of foreign brands started in 90s with the entry of Jockey re-entering the Indian market. Later Calida and liberty Blu also started to spread their business in Indian market. Looking at the Indian market attractiveness a very high fashioned “Gossard” entered the Indian market but could not survive for a longer period. The entry of the Marks and Spencer chain stores created a stir. Another big entry was Triumph. Gokaldas Exports brought another foreign brand to the country ie. Enamor, and A French origin brand by the name “Chic” exclusively stated with Mumbai with its first showroom in the city.

1.3: Men’s Innerwear Market
The Indian men’s innerwear market, is worth Rs. 6,330 crores ($1.2 billion) in the year ended 2017. The Indian men’s innerwear market is quite attractive to many national and international sellers. Many bands looking at the attractiveness of this market extended their brand in this segment to reap the benefit of men’s innerwear market. But the exclusive brands still have the benefit of a better recall value among customers.

The sub-categories in men's innerwear can be vests, briefs / boxers, basic T-shirts, shorts /pajamas, sleepwear and active wear and sportswear. Indian men have recently developed brand consciousness and generally prefers branded ones in the sub category of r vests and brief / boxers, which are the largest category offerings from leading innerwear brands.
The pricing of these products ranges from super premium products charging heavy prices for the luxury and comfort to economy class segment catering the needs of lower and middle-income people. The market for men’s innerwear is mainly driven by the low-income economy class which constitutes 56% of the total men's innerwear market. Medium class contribute approx. 30% of the total market, and finally the remaining 14 per cent of the market is shared by premium class and super premium class. Though the economy class is the main driver of growth in Indian men’s innerwear market. The forecast is that the premium and mid-price segments of the market will show better growth in the years to come which target brand conscious comfort loving and fashionable.

Indian men’s innerwear market is different, here Tier-I cities pose good demand both premium and economy products. Where premium segment basically proposes the aspirational value to customers, medium and economy segment brands offer value for money, easy availability and comfort.

The Indian men’s innerwear’s market can be subdivided in four categories on the basis of consumer attitude and their buying pattern. These are: Young Aspirers, Discerning Urbanites, Optimistic Pursuers and Corporate Climbers. The Young Aspirer are those with high-paying with a high disposable income. Having the spending power, these are an ambitious lot with a keenness to purchase branded innerwear.

The Discerning Urbanite: these are the men with a settled job and earns well. But these are calculative people who value the benefit and convenience and do not base their purchase decision only on price. They rely on brand quality promises and ready to pay premium for a better quality precuts.

Optimistic Pursuer Group: These are people who belongs to smaller cities who are eager to pursue a prosperous lifestyle. They want to live a metro-like life and find opportunities to experiment with aspirational brands.
The Corporate Climber Group: The man in this group is daring who think big and live his dream. He is high in aspiration and get engaged with high value brands but at the same time they buy very cautiously owing to their limited disposable incomes.

![Figure 1.3: Major Men's innerwear product](image)

1.4: Women’s Innerwear Market

The Indian women’s innerwear market is a considerable contributor to total Indian apparel market. The innerwear market in India was worth Rs. 9,540 crores ($1.7 billion) in the year 2012 and has grown to Rs. 18,380 crores ($3.4 billion) by 2017. This is one of the fastest growing category of women apparel market with CAGR of 14 per cent.

Keeping in view the women’s choice criteria, this market is full of variety and designs and also keeps on innovating new things in the market. In contrast to men’s innerwear market this segment does not rely on advertisement of its products. This is mainly due to the cultural constraints in the Indian market.

The sub-categories in women's innerwear include brassieres, panties, camisoles, basic T-shirts, shorts / pajamas, sleepwear, activewear and maternity wear. The innerwear consumption pattern of India shows that the women in India mostly buys branded brassieres and panties, which constitute more than 90 per cent of the category mix. But other categories have a very small market and low growth rate.
Women in India are price conscious and this mentality of them is visible in their purchase behavior also. They generally buy mid-price or even economy class products not. 80% of the total purchase made in this market is of these products only whereas the rest 20% sales come from the premium and super premium segments charging premium for their luxury products. Similar to the men’s innerwear market, women innerwear market also is expected to show a better growth in the mid-price and premium segments.

On the basis of demographics, behavior traits, lifestyle activities and purchase patterns, the typical consumers of the women’s innerwear market can be divided into three distinct categories: Urbane Enthusiasts, Exuberant Seekers and Thriving Homemakers.

The Urbane Enthusiasts: These are working ladies earning handsome salary who believes in branded products. They generally buy branded innerwear and also make suggestions to their known ones about brands.

Exuberant Seekers: These ladies are enthusiastic seekers and reside in mini metros. These are the ones who want to show their caliber to the world and are quite ambitious. Experts observed that these ladies try to experiment with their purchasing place and experiences thus try new outlets and retail formats for their innerwear purchase.

Homemaker: women belong to this group are those who lives in smaller cities and does not pursue any career. Being homemakers, their disposable income is not much thus they look for products which offer them value for money. Hence does not buy expensive branded innerwear.
1.5: Future of Inner Wear Market:

As population of India is growing along with standard of living, future of hosiery market is bound to grow in future. Some hindrances are visible in the hosiery market in India. First are the skyrocketing real estate costs, increasing cost of power and pathetic supply chain conditions are major issues that Indian Hosiery markets have to address. Indian Hosiery market will definitely gain momentum but it requires the global best management practices and strategies then only it can make full use of the available market opportunity. Indian market is full of national and international players who is offering huge variety but one constant challenge is in front of all the hosiery players are to optimize their business efficiency and operations. At the last one who can face the challenges and can fully exploit the available opportunities emerges as winner. Another big challenge is in front of the multinationals is to understanding the psyche of the Indian consumer and react accordingly. It is never the easy task. With the growing competition and availability of huge options, Brand Loyalty is gradually diminishing. Indians easily attracts towards the western culture and adopt International brand but are not ready to totally leave the Indian culture, thus success of International brand lies in maintain the balance and find out a way in-between to capture the market. Some International brands are quite successfully managing it. Another issue is unavailability of high quality raw material in the local or national market thus companies are forced to buy from the abroad which cause high cost of the product. Overall Indian innerwear market witnessed more number of brands in the male innerwear segment as compare to lady’s segment and company’s communication mix targets more on men’s wear but this is not totally true with hosiery market. The Innerwear Category is one of the fastest
growing categories in the apparel market and future is bright with lots of growth and innovation. With the increase in income and higher standard of living, along with more discretionary spending power, growing fashion consciousness of consumers and lots of product innovations by the marketer have turned innerwear from a traditionally utilitarian item to an essential fashion requirement. The women innerwear market is driven by innovative and value-added innerwear products which consist around 60 per cent to the total Indian innerwear market. It must be noted that performance of Indian apparel market has registered a phenomenal growth and has grown to Rs. 12,700 crores by the year 2012 even if economic growth was not satisfactory in the year 2010 and it is expected to maintain average growth rate of 9% nine per cent over the next decade. The present market size of Indian innerwear is Rs. 15870 crores and it is expected to cross approximately 68270 crores by 2024. But some of the recent Government of India reforms such as demonetization and implementation of GST is increasing worry of overall apparel or innerwear market. With these decisions, Government of India is targeting higher rank in Ease of doing Business list still these decisions are in very early stage and its positive or adverse impact can be realized in future.
1.6: Presence of Organized Brand in Indian Women’s Inner Wear Market

In the last decade most of the International brand has entered in the Indian women’s inner wear market due to market’s phenomenal growth potential. Rising women incomes leads to higher discretionary spending with continuously increasing number of working women and high fashion consciousness assures bright future of the market. Retail channels of innerwear market have evolved from different phases in last couple of decades. Till 1980, the entire market was highly divided and was controlled by local and unorganized players. Local MBOs controlled the entire Indian innerwear market until the 1990. Once the Indian economy became liberal and open with the implementation of 1990 economic policy lots of new domestic and International players entered in the entire economy across different sectors and same is the consequence of
Indian women's inner wear market with the influx of many Indian and foreign brands. The growth of retail formats for men's and women's such as EBOs, LFS and other departmental stores in the year ranging 2000 and 2008 is due to the entry of premium international brands. E-commerce has disrupted many existing channel and grown as one of the most important, comparatively cheaper and faster channel for many new entrants of the market to get new consumer base, and reach markets which have limited offline distribution. Gradually the old or existing market players also realized that they can't dare to overlook online channel. The large customer base of Indian women innerwear market mainly constitutes young women who are very much comfortable in shopping online. Most of the online lingerie boutique offers customized and niche designed for the women with the availability of wide range of lingerie. One of the American brands “Elegant Moments” and Canada-based lingerie brand “Blush” have entered in Indian market foray via The Lingerie Store (TLS), a lingerie aggregator. Entry of various international brands in Indian Market with better strategy of current organized players, and better-quality products and most importantly higher consumers buying power leads to increase in Brands’ consciousness and styles for their intimate wear.

With lingerie, night wear, swimwear and active wear and many more product extensions, Indian innerwear market has crossed the boundary of metro and covers most of the urban population. Kids and teens products should also be targeted and proper products should be made available to introduce brand comfort and loyalty from a lower age. Proper pricing of product is helping in fast increasing of customer base. Indian consumers are now cautious and very clearly understand the available product categories. Now it is no longer mainly about the cost, but it is more about comfort, quality and design.