

T-SHIRTS MARKET IN INDIA ON A HIGH GROWTH TRAJECTORY

WITH THE INCREASING PENETRATION OF T-SHIRTS INTO THE INDIAN CUSTOMER'S WARDROBE AND HUGE UNEXPLORED POTENTIAL IN THE KIDS AND WOMEN'S CATEGORIES, THE OPPORTUNITIES ARE IMMENSE. **AMIT GUGNANI** (SENIOR VICE PRESIDENT, FASHION) AND **KANTI PRAKASH BRAHMA** (PRINCIPAL CONSULTANT, FASHION), TECHNOPAK SHED LIGHT INTO THE LATENT POTENTIAL OF T-SHIRTS IN INDIA.

 The consumer wardrobe in international as well as in the Indian market is witnessing a constant shift from formal to casual attire. Consequently, casual wear categories like t-shirts, denims, casual shirts and trousers are witnessing a comparatively higher growth rate. The Indian consumer is no longer restricted to same combo of woven shirt and trouser for all occasions. Wardrobe of an Indian consumer has evolved with time and now it is a combination of various different kinds of clothing for different occasions like office, gym, shopping, morning or evening walk, marriage and social gatherings etc. This trend of occasion specific clothing has also provided an additional impetus for the growth of the adaptable casual wear categories like t-shirts.

T-shirt market size and growth

T-shirt market of India that includes knit shirts, polos, knit tops etc. is estimated to be ₹13,830 crore in 2014. This market is expected to grow at an impressive compound annual growth rate of 13 percent to reach ₹24,940 crore in 2019. This market remains dominated by the men's/boys' segment that contributes 83 percent to the total market. However the women's/girls' segment is expected to growth faster than the men's/boys' segment owing to increasing acceptance of t-shirts among women and girls.

T-shirt vs. woven shirts in India

The ratio of woven shirts market in India to t-shirts market is 2.5, i.e., the woven shirts market is 2.5 times of the t-shirts market. The higher market size of woven shirts is because of higher penetration of woven garments in general, owing to traditional factors. In India there are a lot of households who have been traditionally depending upon hand loom or power loom for their basic earning. On the other hand, t-shirts is relatively new apparel category that came into existence in the twentieth century only and unlike looms knitting industry still remains clustered around selective areas like



Ludhiana, Tirupur, Kolkata, Delhi NCR, etc.

Owing to the higher growth of t-shirts demand, it is expected that the woven shirts market to t-shirts market ratio will reduce to 2.1 in the next five years from its present value of 2.5.

T-shirt vs. woven shirts in other major consuming markets

As discussed earlier, the shift towards t-shirts is a global phenomena and is reflected in the consumption pattern of all major apparel consuming countries. Considering the high import and low domestic production of apparel in developed countries like the USA, EU and Japan, the ratio of imports of woven shirts to t-shirts is a useful indication of consumption pattern of these two categories in these countries.

Import data of woven and knit shirts or blouses indicates increasing demand of knit shirts or blouses compared to the woven ones which is reflected in the decrease of the ratio of woven to knits in all the three major consumption hubs

Geographic distribution of t-shirts market in India

T-shirts market remains dominated by urban India which contribute more than two-thirds of the total market. Penetration of t-shirts among women and girls is mostly an urban phenomenon and is very limited in rural areas. Within urban India, the market growth in metros and mini-metros are primarily driven by value and brands whereas rest of the market is being driven by increasing penetration leading to volume growth.

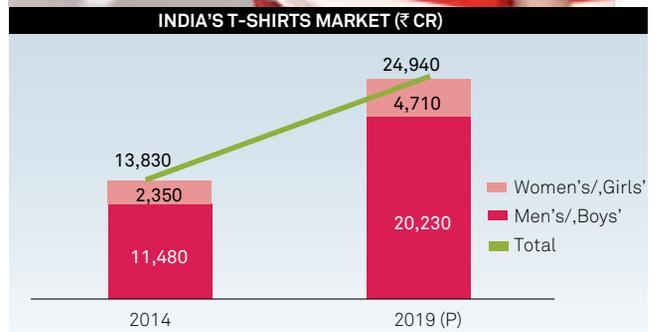
Online retailing of t-shirts

T-shirts have also emerged as one of the most favourable categories for online sales. All the leading fashion online sites have thousands of styles coming from more than 100 brands on their websites. Availability of t-shirts of a wide price range on online sites attracts consumers of all price segments and all age groups. Though there is not much difference in the highest price of woven shirts and t-shirts offered by online retailers, the lower price range of a t-shirt or polo is almost half of than that of a woven shirt. Availability of low range t-shirts attracts many students, first time online consumers and young consumers to online fashion sites.

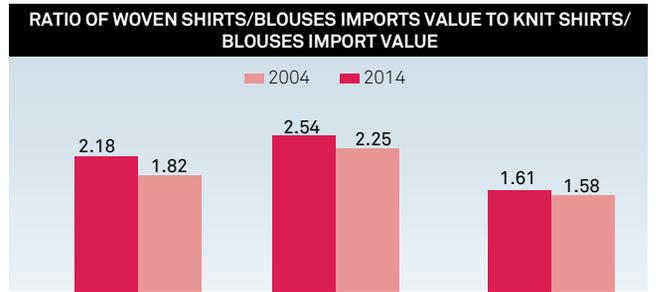
Select trends in t-shirt market of India

The promising t-shirt market is also marked by its dynamism. Indian t-shirt market has witnessed several interesting and distinct trends in the recent times.

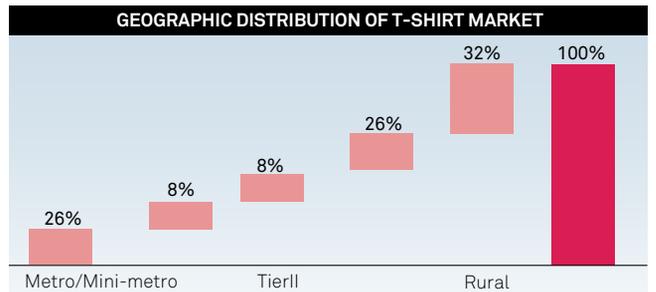
Increasing acceptance of t-shirts by corporates is one of the most noticeable trend. Even professional services companies, over the years, have relaxed their dress code to allow business casual t-shirts to office. Initially, t-shirts were being permitted only on Fridays, but with time such relaxations have been extended to all working days by some companies and are expected to be followed by many others. In June 2015, one of the leading software giants of India officially announced its relaxation of dress code to permit smart business casuals all week long. It is interesting to note that the same company, a few years ago, used to mandate employees to wear formal shirts with ties.



Source: Technopak Analysis, P: Projected



Source: UN Comtrade, Technopak Analysis



Source: Technopak Analysis

Price Range of Shirt and T-Shirt of Select Online Retailers

Online Retailer	Lowest Price (₹)		Highest Price (₹)	
	T-shirts	Shirt	T-shirts	Shirt
A	110	200	11,000	9,000
B	200	300	8,000	11,500
C	120	210	7,000	7,000



IN A GROWING MARKET, THERE IS ENOUGH SCOPE FOR ALL THESE BRANDS AND RETAILERS. BUT AS THE MARKET STARTS MOVING TOWARDS MORE MATURED STAGE IN THE COMING YEARS, IT IS EXPECTED TO WITNESS CUT THROAT COMPETITION

The Indian consumer is also increasingly more conscious about the kind of t-shirt she or he is wearing for occasions like gym, yoga and sports. This has provided a boost to the demand of sportswear t-shirts. Many sportswear brands have launched distinct sportswear t-shirts depending on the nature of sport. Consequently the t-shirts displayed in a retail outlet for football varies from that displayed for running and exercise.

Consumption of t-shirts is no longer limited to youth. No doubt, youth remain a huge base of consumers, but owing to its comfort and ease of handling properties t-shirt has managed to create a niche for itself even in the wardrobes of middle aged and older consumers.

Printed t-shirts have managed to grab attention of Indian consumers. Print and design of t-shirts have evolved to reflect tourist locations, mythological stories, cartoon characters, architectural monuments, famous personalities and attractive slogans. Demand of t-shirts with embellishments, fluorescent colours, etc., have gained momentum among the youth in recent times.

Basic t-shirts have become a natural product expansion option for most innerwear brands. Most of the men's innerwear brands and a few women innerwear brands have started offering basic t-shirts as a part of their product offering and branded basic t-shirts from these innerwear brands have managed to gain consumer acceptance.

Demand of customised t-shirts is on an increasing trend, especially among the students, youth and corporate houses. Students in various educational institutes have an inclination towards t-shirts with customised logos and slogans that are specifically created for them to reflect their educational stream, hostel ethos, student societies, etc. Corporate houses also provide t-shirts to employees with corporate logos incorporated with them. Recently many retailers of customised t-shirts have started using the online retail channel to attract their young technology savvy consumer base.

The supply side of t-shirts in India

India, owing to its integrated cotton value chain, has the advantage in t-shirt production. However, there are many t-shirt manufacturers in the market making the market highly competitive. Relatively low requirement of technological knowhow and low investment requirements make t-shirt manufacturing a lucrative option for entrepreneurs with fund limitations. However, shorter orders sizes, frequent lot changes, high number of product designs, difficulties in trend forecasting etc. make t-shirt manufacturing a daunting task

India depends on imports for polyester based t-shirts or t-shirt fabric due to the relatively underdeveloped polyester value chain within the country. Polyester based products, which have high applications in active wear categories, imported from China, Taiwan, Korea, etc., are cheaper compared to India made products, despite the high import duty levied on such products.

Conclusion

T-shirts market in India has huge opportunities for industry players due to increasing penetration of the category into smaller towns, rural areas, middle aged consumers and women. The untapped potentials of t-shirts market come with its own set of challenges. Introducing innovative product design to cater to various sub-segments of t-shirt consumers, managing product design and product innovation, ability to handle a large number of SKUs, ensuring dimensional stability of knit apparel, etc., will be the key to tackle such challenges.

Brands that were traditionally focused on woven products have now started venturing into t-shirts as well. In a growing market, there is enough scope for all these brands and retailers. But as the market starts moving towards more matured stage in the coming years, it is expected to witness cut throat competition. Manufacturers, brands and retailers that could innovate and cater to consumer needs with business prudence are expected to lead the t-shirts market in future. 