



“Very interesting times”

It's been a long tiring day at the office and while most of the work is done, a little something continues to nag away at the back of my mind. And then, suddenly I remember. Ah! The Impact anniversary issue article. I am supposed to write on the trends in the innerwear market. Okay, so here goes.

One thing is for certain the Indian innerwear industry is going through “very interesting times”. For all these years, the landscape of the innerwear market has been dotted with strong regional players and a huge army of unorganized players. For example, we have always been one of the stronger player in UP and Bihar. Likewise, Lux has been strong in M.P. & Maharashtra, VIP also in certain parts of western India and so on and so forth. It was primarily since each of us started our business with these markets. The last decade has witnessed some of these strong regional players catapulting into national brands.

Now if we set our eyes to the year 2010 one trend appears to be making quite an impact on the industry is the “enhancement of brand value”. It would be apt to say that while brand names existed on the packs, it was largely a commodity market. The consumer asked for ‘an underwear’ and rarely for a brand by name. Expectedly, the shopkeeper had a virtual stranglehold on the sale and could convert any customer to the brand of his bias. But with the advent of vehicles of mass media and along with it mass communications, these brands developed consumer familiarity on a national scale and succeeded in creating demand pull.

Contrast the last few decades with the reality of the markets today. Even the remotest corners of the country have customers asking for their favourite brands by name. The shopkeeper may still attempt to steer him towards a brand where his margins lie but will back off the moment he even remotely senses that he may lose the sale. Probe him further and he will admit with a shrug. “Television ka zamana hai sahib, ads logon ke zahen par chhaye huan hain.” This process is only going to become stronger by the day. But there is another side to the story, these brands have to rise above the “me too” image that they collectively share and create its own unique brand identity. Whoever takes the initial steps towards the journey will be the winner ultimately.

Secondly, the rapidly changing socio-economic condition of the country is changing the very definition of the product. From being just a necessity, uncared and hidden in the closet, to an important fashion requirement.

In the moneyed pockets of the metros you have lingerie

priced upwards of Rs. 1000. With enough takers flocking the malls and other up-market shopping destinations. And while the phenomenon is fairly niche, the value sales of such brands may in the years to come acquire a decent quantum in the market.

The change in attitude looks more evident if we just look at the women's innerwear market which is poised to go through the roof (if it hasn't already.). From the demure, awkward woman to the no-nonsense lady who purchases her own panties without a male escorting her. It has been a rapid transformation.

The next big trend is the coming of the multinationals in the market place. The multinationals who are trying hard to put in place their own distribution and retail models. To give you an example, to manage a sale at MRP is a quest that has still not been realized by anyone. And while I can't help but applaud their efforts to break age old trade habits it also makes me wonder. Would the multinationals have gone the path of marketing to the smaller high end niches if they had the ability and the infrastructure to manufacture at the low prices that we the old Indian players can? Probably not. The size of the mass markets is far more lucrative than the “small but high in value sales” niches of urban India.

What is definitely very healthy for the market is the variety and choice the multinationals are bringing to the market. Anyone who hopes to compete even in the medium term will have to expand the width of his offering.

Just like in the consumer electronics space, the Videocons, Onida and BPLs held fort against the Japanese onslaught with good quality at the right price point, I suspect the innerwear market will witness a similar episode.

Lastly, coming to organized retail. While no one can predict with certainty the impact of big retail, some trends are obvious for an Amul, Rupa, Lux, Paris Beauty or VIP to be picked up off these shelves we will have to command greater salience in the minds of the consumer.

The other day I happened to read a comment on India from an expat manager who described us as part silicon valley and part stone age. An apt summation of the dichotomy that is India, so while in the years to come we will see the rich urban consumer shell out in four figures for his innerwear, in the smaller poorer towns the sale of panties will continue to be bolstered by males purchasing it. Only because it is cheaper than their male briefs.!



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