



Designs *On* Denim

Bindu Gopal Rao shares some insights on the ever-growing and popular denim market in India.

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he Indian denim wear market is growing rapidly and is currently estimated at \$1 billion and expected to reach \$2.1 billion by 2015. The capacity for denim is expected to grow at 12 per cent annually to reach 1,130 million metres by 2015 from the current capacity of 640 metres. The combined capacity of denim fabric production by various mills in India is set to cross the 1.2 billion metres per annum by 2015, as several companies are going in for capacity expansion. As a fabric with great versatility, denim has little competition.

According to the Research and Markets report titled 'Indian Denim Jeans Market: Trends and Opportunities (2012-2017)', the demand for denim jeans from the Asia-Pacific region is dominated by countries like India and China. The retail industry (though unorganised) in India has been witnessing healthy, positive growth for the last few years. Denim is changing beyond its conventional avatar and is being used in novel ways.

CHANGING CONVENTION

Denim is constantly evolving and customers are getting more innovative and experimental with denims. The trend of coloured denims amongst men and women is becoming popular. People are willing to try different washes on their denims apart from the clean dark-blue look. There are now dozens of washes and colours, hundreds of brands and thousands of fits. Denim is no longer only used in jeans or shirts, but in accessories as well. "Jeggings, which is an adaptation of denim into the leggings' fit and functionality, is another variation of denim which is a hot trend among

women today. Further, the denim look has been extended even to knits, that is, indigo-dyed knitted fabrics that are used for making t-shirts, sweats and even jeans, which are constructed and washed just like denims," explains Narinder Singh, Founder & MD, Numero Uno Clothing Ltd. A recent report by Global Industry Analysts forecasts the global market for denim jeans to reach \$56 billion by the year 2018. The Indian market has evolved at a fast pace to compete with international standards. "Different weaves like satin denim, simple weave and low-weight denims are now popular. Manufacturers have started experimenting with washes to



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Denim Story



Pepe Jeans



Denim Story

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make them look like coated denims, organic denims and khadi denims. Denim manufacturers have made bold attempts to create new markets with the introduction of functional features into denim jeans. Although customers are new to most of the functional features, such as water resistance, wrinkle resistance, moisture wicking, i-Pad friendliness and stain resistance, they are still interested in purchasing such functional denims. Ripped jeans and bright-coloured, embroidered, mineral or acid-washed denim jeans have become a rage,” says Punit Agarwal, CEO, Promart.



Rigid denim which is just 100 per cent cotton; stretch denim either containing elastane or lycra; selvedge denim which has selvedge of fabric showing on pockets, not leaving them uncut with raw edges; organic denim; knitted denim and many more varieties are gaining popularity. Earlier, denim was meant for just casual wear, now it is used for party wear, active wear and even as semi-formal styles at workplaces. "Although denim is said to be a casual material and is not usually worn for more formal occasions, it is not unusual to see people sporting jeans at high-end night clubs. The comfort level people find in a denim garment is probably second to none. Denim is also being used in uniforms nowadays; for instance, denim is being used in Army uniforms for fatigue duties," says Paritosh Agarwal, M.D.,

Suryalakshmi Cotton Mills Ltd. Today, denim is also increasingly being used in home furnishings as well. Being durable and in vogue, the fabric adds a touch of comfort and beauty to any space. Denim easily fits in with the furnishings of a cosy, rural house, as well as in an urban city apartment. Being naturally durable and attractive, apart from versatile in function, manufacturers today use it in making a wide range of soft home furnishings.

GROWTH DRIVERS

The denim market in India is growing at a fast pace. The market for branded jeans constitutes to over ₹2,000 crore in India and is growing at the rate of 10-15 per cent per year. All the international brands in the market are catering to Sec A, A+ consumers and hence competition is fierce as

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compared to other segments. During earlier times, the use of denim was only restricted to denim pants or jeans. However, with the changing times the usage of denim also went through a revolution. "The denims were converted into jackets, stone washes, skirts, boots and dresses. In today's era, there is no limit in the use of denims," says Neha Shah, Manager – Marketing, Pepe Jeans India Private Limited. The acceptance of denim in India has grown tremendously over the years. While metros have been the key drivers



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of growth in the initial phase for most denim wear brands in the country, the largest growth is now expected to come from a more deep penetration of denim in India. Denim brands in India see potential in all market segments—lower medium, medium and semi-premium/premium. With China and the US significantly cutting their denim capacity over the last year, Indian denim makers' businesses have seen a surge lately. While the domestic market has been growing by 10 per cent, the foreign order books have risen between 10-15 per cent, say experts. Meanwhile, India has added about 100 million metres of capacity over a year.

HANDLOOM FACTOR

Handloom fabrics have a unique texture and style unmatched by machine-made fabrics. Apart from this, handloom fabrics are made mainly using natural dyes which make the apparel eco-friendly. "Denim apparels and other accessories made from handloom denim fabrics are now gaining attention," says Singh. Handloom denim is an eco-friendly, hand-spun denim that uses plant-based dyes. Handloom denim has a lot of potential in the Indian market.

"Presently, the weight of handloom denims ranges from 6-7.5 ozs per sq. yard in the market. The handloom denim is a great innovation, with the sustainable methods and materials making it appealing to the eco-friendly and fashion conscious customers," says Agarwal. However, Paritosh Agarwal says this is not a practical idea for a denim mill. "It is a concept for a small niche of the market. While conventional industry-based denim is manufactured at high volumes for a mass market, handloom denim is manufactured at the painstaking rate of three metres in eight hours. This makes the handloom model unsustainable in the long run."



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NUMBER CRUNCHING

The industry has shown an average constant growth of 15 per cent in the last three years. With the Indian youth becoming more fashion conscious and the spread of the western culture to smaller towns, there has been huge potential for the denim industry to expand in India. The denim production capacity is expected to grow at 12 per cent annually, increasing to 1,130 million metres by 2015 from the existing denim production capacity of 640 metres. While elsewhere in the world denim started as a work-wear apparel, the denim story in India started as the youth story, which found denim wear to be fashionable, comfortable to wear to most occasions and gave the necessary style quotient. The current market size of denim wear in India is largely skewed towards the metros and mini metros—about seven per cent of population contributing to about 50 per cent of the market share in denim wear. The tier II and tier III cities, which again constitute about eight per cent of the population, contribute only 16 per cent of the market share in denim wear.

PRICE FACTOR

According to reports, India imports about 7,000 tons of indigo dye, amounting to more than \$42 million (₹2,000 crores), per annum. Denim gets its colour because of indigo dye and an increase in price of indigo dye results in increase in cost of production. “India imports almost 100 per cent of the raw material from China. Dwindling rupee value has led to an increase of 25-30 per cent in import costs of indigo dye in the last one month, forcing denim makers to hike their product prices. This has impacted the consumers and consequently, the denim business. However, on a nominal basis, other colours are also now making their way into denim making, such as sulphur colours of red, green, blue, pink and yellow, which are used in non-jeans products,” says Singh. The indigo dye has recently started pinching the pockets of domestic manufacturers. The rupee depreciation has led to around a 24-30 per cent increase in the costs of dye. However, the outlook for denim continues to remain bullish and India is all set to take denim to another level. ♣