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Formalwear segment branches out to work-from-home apparel for survival

By: Sheena Sachdeva

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As a result, the growth of casual wear options has accelerated, with formalwear brands like Raymond, Van Heusen and Peter England launching new clothing ranges in this space. Companies are also focusing on digitising the customer experience by going D2C (direct to consumer sales, or sales through their own websites).



With work-from-home (WFH) having become the norm for corporate India for more than a year, the formalwear segment has taken a beating. During the first wave of the pandemic, revenue for lifestyle brands, mainly formalwear, declined by 81% in the first quarter of FY21, abetted by store closures during lockdown, as per industry estimates.

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“Brands are expanding their online presence with the incorporation of 3D technology, and are innovating with spandex-comfort fabrics,” Prashant Agarwal, co-founder and joint managing director, Wazir Advisors, said.

For instance, Raymond has launched a virtual shopping experience through [WhatsApp](#) and Zoom video calls, with a concierge service for tailored garments from the comfort of consumers’ homes. Its readymade segment, on the other hand, is focusing on comfort and “casualisation” with the infusion of cotton-based fabrics.

“While lightweight fabrics are receiving more demand, we have introduced active formalwear with mild stretch and autofit, along with functionalities, in our bottom wear range,” Ganesh Kumar, COO, lifestyle business, Raymond. said.

ABFRL’s Van Heusen recently launched a sub-brand, Denim Labs, to sell more t-shirts, denim shirts, jeans, casual jackets and casual shirts. Bombay Shirt Company, too, has launched two brands: Cityof, a casual wear shirt brand, and Korra, a denim brand. Launched in the second half of

Anand Ramanathan, partner, Deloitte India, said, “Although for this category, a majority of e-commerce revenue is still coming from marketplaces like Myntra and Amazon, the D2C channels are experiencing high growth with a smaller client base.”

ABFRL also witnessed a strong e-commerce performance with double-digit growth, from 7% in FY20 to 15% in FY21, as per company data.

With the summer wedding season getting postponed to the second half of this year, brands are anticipating an early recovery in formal/ ethnic wear. Raymond has also introduced Shubharambh, a wedding advisory solution service, for weddings and celebrations across the year. “The industry had reached pre-Covid sales in January and February this year, after a fillip provided by last year’s pent-up demand and Diwali sales,” Ramanathan said.

Brands see this trend of shifting from formalwear to casual/ semi-casual as ‘temporary’ because the pandemic may not change buying behaviour overnight. According to Wazir Advisors, in FY19-20, the formalwear market was pegged at `1,400 crore and next year onwards, the segment could grow between 8-10% over the next four years. “As there are no blanket restrictions nationally this year, 2021 could prove to be more of a stabilising period for the industry,” Agarwal said.

Furthermore, brands are prioritising tier II and tier III markets for offline store expansion, by leveraging lower rentals egged on by the pandemic.



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