

# Entering the European market for women's underwear

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Some of the world's most interesting apparel markets are in Europe. However, establishing a business relationship with European buyers can be challenging. This report will help you understand what the most important requirements and opportunities are in the European market. You will learn about the legal requirements for exporting women's underwear to Europe, about the best channels to get your product to market, about the countries where your competitors are and the best way to quote prices for potential buyers.

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## 1. What requirements must women's underwear comply with to be allowed on the European market?

If you want to sell women's underwear in the European market, you need to comply with several requirements, some of which are mandatory, whether they are legal requirements or not. Others are voluntary, but meeting them can give you a competitive advantage. Some requirements only apply to certain niches in the women's underwear market.

### Mandatory requirements

There are several legal requirements you need to comply with if you want to export women's underwear to Europe, including requirements concerning product safety, the use of chemicals (REACH), quality and labelling. Additionally, many buyers have created non-negotiable terms and conditions for all their suppliers to comply with. These requirements are not required by law, but still mandatory.

### Product safety

Any item of women's underwear for sale in the EU must comply with the EU's General Product Safety Directive ([GPSD: 2001/95/EC](#)). European Union Member Countries will check if your product meets the applicable safety requirements.

If your buyer has supplied the product design, it is their responsibility to make sure it is legally safe for consumers to use. However, if you have any doubts about whether a design is not compliant with the EU's General Product Safety Directive, discuss it with your buyer before you start the production process.

### REACH

The best known legal requirement for exporting apparel to the EU is [REACH](#) (Registration, Evaluation, Authorisation and Restriction of Chemicals). This regulation restricts the use of a large selection of chemicals in

apparel (fabrics, accessories and trims). Restricted chemicals that are sometimes used in apparel include (among others): certain Azo-dyes; flame retardants; waterproofing and stain-repelling chemicals and nickel (in metal trims and accessories). Check the [complete list of chemicals restricted by REACH](#) here.

Some EU countries have additional national regulation on specific chemicals. For example, Austria, Finland, Germany, Norway and the Netherlands have specific regulations for formaldehyde in textiles; Austria, Denmark, Germany and the Netherlands also have specific regulations for pentachlorophenolpreservatives (PCP), while Germany also has regulations for disperse dyes in textiles. Switzerland has its own regulation on chemicals, the [ORRChem](#).

## Restricted Substances Lists (RSL's)

On top of REACH, many (larger) brands and retailers have formulated Restricted Substances Lists (RSL's) of their own, which are stricter than REACH. They are often inspired by the Zero Discharge of Hazardous Chemicals (ZDHC) guideline on safe chemicals use. Download the ZDHC [Conformance Guide](#) to learn how to comply with the ZDHC guideline.

### Tips:

Familiarise yourself with the [complete list of chemicals restricted by REACH](#). For more background information on the characteristics of all types of chemicals, check the freely accessible [Chemexper database](#).

Check the [Q&A section on the website of the European Chemicals Agency](#) for answers to the most common questions about REACH and the use of chemicals in textiles and leather.

Check [H&M's restricted substances list 2020](#) to get an idea of the specific requirements fashion brands can have.

## Flammability

The EU has no specific legal requirements regarding apparel flammability, but several EU Member Countries have their own, including [the UK](#), [Ireland](#), [the Netherlands](#). Switzerland, not a member of the EU but part of the EU single market, also has its [own requirements](#). If you use flame-retardant chemicals in your apparel, be aware that you need to comply with the REACH Regulation for the use of chemicals (see above).

## Labelling your product

You must specify the material content of every item of underwear that you export to the EU, in accordance with [EU Regulation 1007/2011](#). Check the [EU Access2Markets online helpdesk](#) to find out which apparel items need to be labelled and how to do it. A fibre that accounts for up to 5% of the total weight of your product, or fibres that collectively account for up to 15% of the total weight, may be designated by the term 'other fibres', immediately preceded or followed by their total percentage by weight.

Please note that the care label symbols are property of the company [GINETEX](#). If you export to countries like Belgium, Luxembourg, France or Switzerland, you need to pay a fixed compensation to GINETEX for the use of these symbols.

## Intellectual property rights

If you are selling your own designs in the European market, you must make sure you are not violating any intellectual property (IP) rights. If your buyer provides the design, they will also be liable in case the item is

found to violate a property right.

Complying with intellectual property rights also means you cannot copy nor share designs from one buyer with another. European buyers expect you to handle their designs prudently.

## Non-legal mandatory requirements

In addition to the legal requirements mentioned above, you may be required to comply with non-negotiable terms and conditions that buyers have created for their suppliers. Such requirements are not required by law, but they are still mandatory.

## Sustainable production and social responsibility

Many buyers in Europe are increasing their demands in relation to sustainable production and social responsibility. At the very least, buyers will ask you to open your factory doors for them, so they can conduct personal inspections of your factory. Ideally, your supply chain is fully transparent. Additionally, you may be requested to comply with the following independent standards:

- Standard 100 by [Oeko-Tex](#) is the most widely required standard regarding harmful substances and sustainable production. European buyers may also require standards such as the [EU Ecolabel](#), [BCI](#) (Better Cotton Initiative), [GOTS](#) (Global Organic Textile Standard) and [Bluesign](#).
- Regarding social responsibility, [Amfori BSCI](#) (Business Social Compliance Initiative) is the most popular certification that European buyers require. Other popular CSR standards include [FWF](#), [WRAP](#), [SEDEX](#), [ETI](#), [SA8000](#), [ISO 26000](#), and [Fair Trade](#).

Supply chain transparency is another increasingly popular topic in the European apparel industry. Both the German national fashion industry [sustainability agreement](#) and the similar Dutch [fashion industry agreement](#) call for members to disclose their factories, preferably all the way down to the raw material suppliers. Many companies have already published their suppliers in the [Open Apparel Registry](#). Fashion Revolution rates European brands in a [transparency index](#).

### Tips:

Read how to comply with transparency requirements on the website of the [Clean Clothes Campaign](#) and [Human Rights Watch](#).

Provide buyers with as much information on your product as possible. The more information you can give about the origin of your materials, the better.

Other sustainability requirements may be:

Use of organic cotton. This is cotton grown without the use of GMOs ('genetically modified organisms') and synthetic chemicals. Read more about organic cotton in the [CBI study on Sustainable cotton](#).

Use of regenerated fibres such as Tencel®, Modal® and Refibra™ (by yarn manufacturer [Lenzing](#)); or other sustainable fibres such as [Recover](#), [REPREVE](#) or [Infinited Fiber](#) or even with innovative bio-based polymer fibres such as PLA, milk, seaweed and soy.

Fabrics dyed with only natural ingredients such as [Rubia](#), [Fibre Bio](#) or [Greendyes](#) or dyestuffs made from recycled materials such as [Recycrom](#).

## Packaging requirements

In most cases, your buyer will give you instructions on how to package the order, specified in a supplier's manual. If you agree with your buyer that he or she will clear customs in the country of import (which is the norm in the apparel industry), it is his or her responsibility to make sure the instructions comply with EU import procedures. Your buyer will also appreciate any efforts you make to reduce the environmental impact (and financial cost) of the use of packaging materials.

## Payment terms

For a first-time order, European buyers may agree with a down payment (e.g. 30%). They will pay the rest (70%) after the order has been completed. The safest payment method for you as a manufacturer is the LC ([Letter of Credit](#)). An LC obligates a buyer's bank to pay the supplier when the conditions that both parties have agreed upon are met. However, many buyers no longer favour LC payments, as this will block their cash flow. Be aware that LC's don't offer financial protection against bankruptcies.

For any further orders, most European buyers will ask for a TT (Telegraphic Transfer) after 30, 60, 90 or sometimes even 120 days. This means you as a manufacturer finish the production and hand over the shipment to the buyer, including the original documents, before payment is due. The payment will be made after the number of days that you have agreed on with the buyer. This is a risky payment agreement because you are taking the full financial risk.

### Tips:

Read the CBI report [on buyer's requirements](#) for an extensive overview of the legal, non-legal and niche requirements you will need to comply with as an exporter of women's underwear to Europe.

Familiarise yourself with the [complete list of chemicals restricted under REACH](#). Make sure you only work with suppliers of fabrics and trims that are REACH compliant. Ask for proof that they are.

Check the [EU's Access2Markets online helpdesk](#) for an overview of all legal requirements set for your product. There you can identify your product code to get a list of the applicable requirements.

COVID-19 has shown the negative impact of extended payment conditions for manufacturers. It is advisable to negotiate a down payment on every order and a balance payment before handover. This reduces the risk of a cancellation due to a lockdown.

## Additional requirements

In addition to non-legal, but mandatory requirements like standards and certifications, there are many services that buyers implicitly expect or at least highly appreciate if you want to do business with them. These requirements can differ from buyer to buyer.

## Product design and development

European buyers of women's underwear appreciate manufacturers that have their own ideas on product design and development. This service will help buyers to create unique products in their assortment. Ease of washing and resistance to staining during wear are product features that are highly appreciated. Such features would traditionally be achieved by using synthetic fibres, but new technology allows producers to combine natural fibres with high-performance fabric finishes to achieve the same results, including:

- odour repellence

- breathability
- sweat wicking
- thermal properties
- stain release
- easy iron
- quick drying
- colour fastness
- anti-yellowing for white underwear

To ensure quality, and in some cases also environmentally friendly production methods, buyers may require you to source your base materials from a preferred supplier, such as:

- [Lenzing](#) for Tencel, viscose and Modal
- [Mitsubishi Rayon Group](#) for Saolon
- [DuPont](#) for Lycra

## Styles

There are many sub-categories in underwear, such as bras, briefs, bodies and bustiers. There is currently a trend that sees different categories entering the underwear segment that people would normally not associate with underwear, such as: sports underwear, T-shirts, kimonos and dresses. If you are a manufacturer of underwear, adding these new categories to your collection can give you a competitive advantage.

### Tips:

Invest in Research and Development and constantly investigate different ways to improve the fit, functionality and comfortability of your product.

Each item of underwear can consist out of many different elements and qualities, especially in the higher price segments. This requires an efficient sourcing strategy and high level of production expertise, especially in case of lower volume orders.

## Communication

Smooth communication is an implicit requirement of all buyers. Always reply to every email within 24 hours. Even if it is just to confirm that you have received the email and will send a more complete reply later. If you have a problem with a production order, immediately notify the customer and try to offer a solution. Another good tip is to create a T&A (time and arrival) of every order and share it with your buyer. This file will help you to manage expectations, monitor the approval progress and is the best guarantee of on-time delivery.

## Flexibility

Many factories focus only on getting convenient orders: simple designs, large quantities and long delivery times. However, if you want to start a business relationship with a European buyer, be prepared to accept complicated orders first. Buyers will want to test your factory before giving you large, easy orders. Make sure at the start that a buyer will not continue to place only difficult orders with you and convenient orders elsewhere. Every business starts with solving a buyer's problem.

Expect a European buyer to require in their first order:

- high material quality and impeccable workmanship;
- order quantities below your normal minimum order quantity (MOQ);

- a price level that is lower than you normally would accept for small quantity orders.

## Tips:

To learn more about the latest trends and developments in women's underwear, visit (online) international fairs, such as:

- [Interfilière](#) (France) for underwear, activewear, materials and accessories;
- [Salon International de la Underwear](#) (France) for underwear, loungewear and homewear;
- [Supreme Body & Beach](#) (Germany) for shapewear, nightwear, underwear and swimwear.

For more information, read our report on [trends in the European apparel market](#) or sign up for trend forecaster [WGSN's newsletter](#).

Be proactive and prompt in your communication. Provide short updates to your buyer via text, photo or video, using [WeChat](#), [WhatsApp](#) or [Signal](#). To make free video calls, try [Skype](#) or [Google Meet](#). Register all confirmations to prevent any unclarity in a later stage.

## Niche requirements

The following niche segments, although relatively small, are experiencing growth and generally belong to the upper-middle and premium price segments.

### Erotic underwear

Erotic underwear typically involves the use of lace, mesh or fishnet fabrics and special materials such as leather-look textiles and metal or plastic trims and accessories. This category originated from the erotic industry and used to be sold only in niche stores. Now it has been adopted by mainstream retailers. Some of the first companies that brought erotic underwear to the mainstream market are [Agent Provocateur](#) and [Marlies Dekkers](#). The complex designs require high-level craftsmanship and the ability to work with different materials.

### Shapewear

Shapewear offers constructions that allow underwear items to move better with the body and therefore be less restrictive. [Heist](#), for example, uses film technology rather than sewn seams and elastic bands. Shapewear should not only improve the body figure, but should also be comfortable to wear.

### Bridal underwear

Although statistics show a decrease in marriages in many European markets, underwear in the bridal category can be an interesting niche. Price pressure is less high than in regular underwear segments, but so are order quantities. Women buying bridal underwear are looking for products focused on design and quality.

### Maternity underwear

Maternity underwear is catered to the needs of women during and after pregnancy. Price pressure is less high than in regular underwear segments, but so are order quantities. This segment requires extensive product development, market knowledge and efficient sourcing.

### Anti-bacterial and anti-viral underwear

Underwear with anti-bacterial and anti-viral properties is a small but growing niche. The fabrics used for such items usually have a special finish, or metals woven or knitted into the fabric. Metals like silver and copper have been used for centuries to kill microbes. Check out, for instance, Swedish company [Polygiene](#), which developed

a fabric treatment that stops viral activity.

### Tips:

If you decide to focus on a niche, investigate the specific requirements and make sure you can comply. Be aware that order quantities in niche markets are usually smaller than in mainstream markets.

Try to think ahead in your product development if you service niche markets. New innovations are introduced almost daily. Try to find workable innovations that will not only give you the tools to diversify but also to cut expenses.

Read more about voluntary standards including fair production in the [ITC Standards Map database](#)

## 2. Through what channels can you get women's underwear on the European market?

Before you start to approach European women's underwear buyers, you need to determine what market segment fits your company best and through what channels you want to sell your product. It is now easier than ever to skip intermediaries and supply brands and retailers directly, even end consumers, at high margins. However, this comes with greater risk, as requirements become more stringent the higher you go up the value chain.

### How is the end market segmented?

European buyers in the women's underwear market can best be classified by price-quality level. During 2020, many segments struggled due to COVID-19 restrictions, but at the end of 2020, most market segments showed figures growing to pre-COVID-19 levels.

Supermarkets in the six biggest EU markets for women's underwear are now offering a range of basics at very competitive prices. Specialised women's underwear chains, which cater mostly to the middle market, have also been growing recently.

The women's underwear market, Europe's biggest, is segmented as follows:

Table 1: Women's underwear market segmentation

Consumer type	Price level	Fashionability	Materials used	Functionality	Order quantities
Luxury consumer	Very high retail prices	Highly fashionable, unique designs	Luxury materials	Very high requirements regarding washability, durability, fit and cut	Low order quantities

Fashion conscious consumer	High retail prices	Styles in line with latest trends	High quality, sometimes organic materials	High requirements regarding washability, durability and fit	Low to medium order quantities
Practical consumer	Medium retail prices	Practical, fashion conscious designs	Medium quality, sometimes organic materials	Requirements include easy-to-wash, safety	High order quantities
Price conscious consumer	Low and extremely low retail prices	Basic and functional styles	Medium-low quality materials	Requirements include easy-to-wash, safety	High order quantities

### The luxury consumer

In the luxury market, European brands like [La Perla](#), [Eres](#), [Aubade](#) and [Versace](#) sell highly fashionable, luxurious briefs, bras, slips, corsets, accessories, bridalwear and shapewear at very high retail prices. Buyers in this segment have extremely high standards regarding design, brand image, washability, durability, fit, cut and use of luxury materials, such as high-quality lace. Order quantities are low. This market is stagnant.

### The fashion-conscious consumer

The upper-middle market caters to fashion conscious consumers. It is home to brands and retailers such as [Chantelle](#), [Gossard](#), [Marie-Jo](#) and [Triumph](#) selling briefs, bras, slips, shapewear, limited bridalwear and functional underwear. Styles are fashionable, minimalistic or with extensive use of good-quality lace. Focus is on washability, durability, fit, cut and high-quality materials, including organic. Retail prices are high, order quantities are low to medium. This segment is growing.

### The middle market

Practical consumers shop in the middle market. Here you will find brands and retailers such as [M&S](#), [Sloggi](#), [Intimissimi](#) and [Ten Cate](#) selling functional and fashionable briefs, bras, slips and basic shapewear. Focus is on safety, washability, durability, fit and medium-quality materials. Buyers will sometimes require organic fabrics. Order quantities are high, retail prices low to medium. This segment is growing.

### The budget market

The budget market has brands and retailers such as [Sainbury's](#), [HEMA](#), [H&M](#) and [Carrefour](#) catering to price-conscious consumers who are looking for basic and functional briefs, bras and slips that have good quality, are easy to wash and safe. Organic materials are in small demand in this market, with notable exceptions such as [C&A](#) and [Zeeman](#). Order quantities are high and retail prices are low, so your margins are too. This market is stable.

Table 2: Selected European women's underwear companies and their position in the market



Company name	Price-quality level	Fashionability	Order quantities						
	low	mid	high	basic	mid	high	low	mid	high
La Perla			x			x		x	
Eres			x			x		x	
Aubade			x			x	x		
Versace			x			x	x		
Chantelle		x	x		x	x		x	
Schiesser		x			x			x	
Lise Charmel		x	x		x	x	x		
Gossard		x	x		x	x	x		
Marie-Jo		x	x		x	x	x		
Triumph		x	x		x	x		x	
Hunkemöller		x				x		x	
M&S		x			x				x
Marlies Dekkers			x			x	x		
Intimissimi		x			x			x	
Ten Cate		x			x			x	
Sainbury's	x			x				x	
HEMA	x			x				x	
H&M	x				x				x
C&A	x			x					x
Mey		x			x			x	
Tesco	x			x					x
Carrefour	x			x					x

### Tips:

Check online shopping platforms, such as [Printemps](#) (luxury market), [Zalando](#) (all market segments)

and Otto (budget and middle market), for inspiration on women's underwear styles and colours.

Add value for higher segments which offer higher profit margins. Focus on design, quality and materials. Watch, for instance, [this video by Simone Pérèle about the design and production of a high-end bra](#).

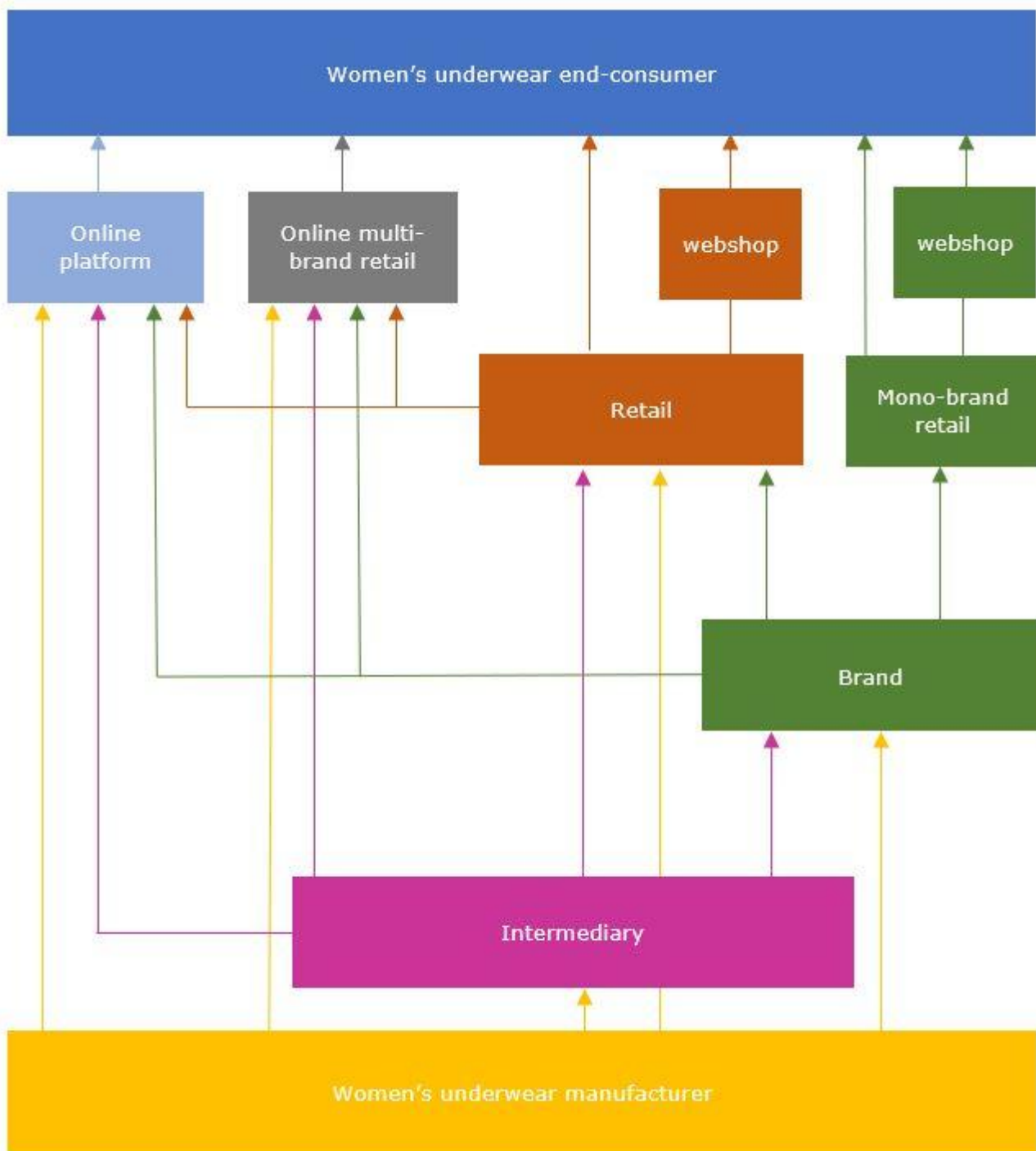
## Through what channels does the product end up on the end market?

The most marked difference among your potential buyers is their place up the value chain, because that will determine how they do business with you. Within each part of the value chain, you will find buyers of different market size, with different requirements regarding certification, quality MOQ and price.

Each type of buyer requires a specific approach. Always try to find out in what part of the value chain your buyer is operating, what challenges they face in the market and how you can contribute to their sales strategy.

- If you want to target European end consumers, try selling via platforms, such as [Alibaba](#), [Wish](#) and [Amazon](#). Most online consumers can be found in countries in Europe's northwest. You will need to invest in a web shop, stock, order management and customer service. Your biggest challenge will be return policies and lack of brand awareness, making it difficult to find buyers outside the budget market.
- Online multi-brand retailers such as [Zalando](#), [Asos](#) and [Yoox](#) sell apparel brands. Although currently not many are focused on developing their own women's underwear collections, that could change. Such platforms detect market interest fast and will immediately react upon sales data. Usually such companies place a small test order first. If the item is selling well, they will place the actual production order. Fast delivery is crucial.
- If you want to sell to retailers, the biggest names in women's underwear are [H&M](#) and [Zara](#). Many large supermarket chains, such as [Tesco](#), also sell basic women's underwear. As developer and buyer, retailers can place an order relatively fast and easy, as they only need one development sample for order confirmation. However, their buying behaviour can be unpredictable. Order quantities are high if you service Europe's large retail chains, but so is the price pressure.
- Women's underwear brands such as [Schiesser](#) and [Lise Charmel](#) typically develop a collection 12 months in advance. You will need a large sample room as brands require salesman samples (SMS) of each collection style. Every sample needs to be actual, meaning it must look exactly like the product will in the shop, with branded hangtags and accessories. It may take many months before orders are placed.
- Intermediaries such as agents, traders, importers and private label companies, sell your product on to buyers up the value chain. They are price focused and require flexibility in quantities and qualities. Some are located near or in the production countries and primarily do sourcing and logistics, such as [Li & Fung](#). Others, such as [Dewhirst](#), [Crystal Martin](#) or [Mas Holdings](#) work from Europe and also do market research, design and stock keeping. Their service level determines the commission rate they charge.

Figure 1: Women's underwear market value chain



## Tips:

Read [the CBI study on finding buyers](#) for an extensive overview of European fashion market segments, channels and requirements.

Do a thorough research of the market where your ideal buyer operates and adjust your proposition to their requirements and ambitions.

The underwear segment includes a large variety of products. Try to expand your product range and expertise, so you can service multiple departments at the same buyer. Read this article about the most [interesting market segments and product subcategories](#) in the women's underwear market by trend forecaster Edited.

## What is the most interesting channel for you?

If you are a small to medium-sized manufacturer in a developing country, intermediaries such as traders, agents, and private label companies and retailers with a local buying office are likely the most interesting type of buyers for you. End consumers are a difficult target group because of complicated customer service demands and your lack of brand awareness in Europe.

### Intermediaries

Intermediaries are the most adventurous type of buyer and are usually the first to investigate new sourcing destinations and factories. By working for this type of buyer, you will have access to many different buyers up the value chain and you can learn how to service them by following their instructions.

### Retailers

Selling to a European retailer with a local buying office in your region gives you the advantage of doing business with a partner that knows the trends and requirements in the European market.

The choice between doing business with an intermediary or a retailer mainly depends on your experience and capability of understanding and servicing the retailer. As requirements are difficult and complicated, it might be a better idea to start business with an intermediary first before starting direct business with a retailer.

#### Tips:

You can find intermediaries specialised in women's underwear by using an online search engine. Use keywords such as 'full service', 'garment' or 'women's underwear' plus 'solution'. Traders' websites usually show the brands they work with.

Check the online [Retail-Index](#), which offer profiles of major apparel retailers in Europe, including women's underwear.

Find potential buyers by visiting trade fairs specialised in women's underwear, such as [Interfilère](#) (France) for underwear, activewear, materials and accessories, the [Salon International de la Underwear](#) (France) for underwear, loungewear and home wear, and [Supreme Body & Beach](#) (Germany) for shapewear, nightwear, underwear and swimwear.

## 3. What competition do you face on the European women's underwear market?

Many leading European women's underwear brands have been in business for decades. They have built strong positions in the market and they usually work with a fixed selection of suppliers, making it difficult for newcomers to enter. If you want to be competitive, it is very beneficial if you have local availability of export-quality cotton, synthetic fibres and materials, flexible MOQs and an innovative mindset regarding materials, concepts and techniques.

### Which countries are you competing with?

#### China

China is the largest exporter of women's underwear to Europe. Technical innovation, high efficiency, excellent customer service and the local availability of fabrics and trims give Chinese manufacturers an advantage over competitors in developing countries. Most factories in China are compliant with European requirements

regarding quality and sustainability, but they face (sometimes) high MOQs, rising labour and production costs. China does not benefit from the [Generalised Scheme of Preferences](#) (GSP).

## Bangladesh

Producers in Bangladesh focus on manufacturing volume orders, including women's underwear. The country benefits from a large, fairly skilled workforce, low labour costs and the GSP tariff scheme. Production has traditionally been dominated by brand and retailer buying houses, which provide all marketing intelligence. Bangladeshi producers have been catching up on the service level. Still, the biggest challenges are sales and marketing, technical expertise, flexibility in MOQs and compliance with international safety and sustainability standards.

## Sri Lanka

Although wages are increasing, Sri Lanka remains a low-cost sourcing origin with a skilled workforce and efficient, compliant factories. The country's producers are focused on higher added value products including - next to women's underwear - upper market casualwear, nightwear, swimwear and embellished products. Sri Lanka lacks locally produced fabrics, but it benefits from the [GSP+](#) tariff scheme.

## Vietnam

Vietnam's apparel industry has experienced high growth in recent years, developing a large capacity and achieving good efficiency levels, thanks to investments from mainly Chinese factory owners looking to benefit from the low production costs and a new free trade agreement with the EU. In the coming years, production of higher value and complex products in large volumes is likely to shift increasingly from China to Vietnam. Vietnam's main challenges are the lack of capacity, local fabrics and rising wages.

## Myanmar

Myanmar has established itself in the last ten years as a production country for women's underwear. Foreign investors have been setting up new factories and supply chain expertise, which raises expectations for efficient and reliable production of high-quality underwear. The country (still) benefits from the GSP, but in 2020, the EU seriously considered removing this trade privilege due to [social compliancy](#) concerns and the persecution of the Rohingya people.

## Cambodia

Cambodia is another upcoming production country for apparel, including women's underwear. Just as in Myanmar, many factories are being set up by foreign investors, who also supply their expertise. Downsides: sub-optimal production quality due to an inexperienced and relatively small workforce. Just as Myanmar, Cambodia has caught attention in Europe over social compliancy concerns and political repression. As a result, Cambodia [lost its duty-free GSP status in 2020](#), seriously affecting trade.

### Tips:

Most online search engines will let you create a news alert on a topic, so you can automatically follow the latest developments in the apparel industry in a specific country.

Before you approach any buyer, determine your USPs and define your ideal buyer. Note that selling your company is even more important than selling your product, so focus on certifications and CSR. For more information, read our report on [trends in the European apparel market](#).

Opportunities exist for low-cost manufacturers that can also offer value-added services and smooth and consistent supply, particularly regarding quality and on-trend materials. Build up your knowledge on fabrics and create a reliable network of mills by visiting relevant trade shows.

Focus on a niche within the women's underwear market, such as shapewear, organic products or maternity underwear.

Study the countries where your competitors are, compare their strengths and weaknesses to yours and promote the advantages of doing business with you. Besides GSP, consider factors such as distance to Europe, [ease of doing business](#), [transparency](#) and occurrence of [CSR risks](#).

## Which companies are you competing with?

Many large Chinese manufacturers in the women's underwear industry have shifted parts or all of their production to other developing countries to take advantage of even lower production costs and duty-free access to the European market. These manufacturers have well-developed raw materials sourcing networks. They can deliver fast, they are flexible in MOQs and offer high service levels and product development to their buyers.

Some manufacturers have even moved up the value chain by opening retail stores or selling their own branded product. This gives them valuable insights into consumer behaviour and wider market trends.

[The Hoplun Group](#) from China started out as a trading office in Hong Kong in 1992, serving the European underwear market. Within seven years, it built its first manufacturing plant in southern China. Today, the company employs 30,000 people, operates nine manufacturing plants across three production countries, including China, Bangladesh and Indonesia, plus an office in Germany, Europe's largest underwear market. Hoplun also has its own wholesale brand, Dorina, and a retail brand, 6IXTY8IGHT, which has over 140 stores across Asia.

Hoplun is strong in sales and merchandising and provides value-added services, including materials sourcing and its own ready-made collection. Its decades of experience manufacturing for the EU market gives Hoplun the market knowledge and network to offer its buyers quality, best-selling designs with speed to market and flexibility in MOQs. The company advertises its certifications, including BSCI, Sedex, Global Recycled standard, Better Work, Oeko-Tex, GOTS and The Sustainable Apparel Coalition.

[Mas Holding](#) is a large manufacturing group that originated in Sri Lanka. Currently, the company has several privately owned factories in various countries such as Sri Lanka, Vietnam and Jordan. This organisation is well-known internationally and famous for their product design, innovative approach and high-efficiency manufacturing skills.

[Horizon group](#) from Bangladesh is a vertically organised underwear manufacturer focusing on manufacturing large volumes of mainly knitted items for the European and US markets. Horizon offers design service and fabric development, but the setup of their organisation shows relatively low flexibility on MOQs, as their focus is on larger retailers and brands. Horizon promotes its compliance with certifications such as BSCI, Oeko-Tex, ACCORD and GOTS.

### Tips:

Check the free online database [Open Apparel Registry](#). This website lets you look up the suppliers of hundreds of European fashion brands, including buyers of women's underwear.

Read the CBI study [10 Tips for Doing Business with European Buyers](#) to learn how to approach and engage with buyers. This report also describes how you can get practical help with understanding European business culture, analysing your USPs and doing business with European buyers.

Explore possibilities for different types of collaborative partnerships that can offer market access

opportunities and raise your knowledge and service level. In the highly competitive European market, companies are looking for a competitive edge that may enable them to stand out from the competition. Co-creation and new ideas from partners are usually welcome.

## Which products are you competing with?

The underwear market has moved from mainly supplying traditional basics towards fashionable items that may be seen by consumers while being worn. The trend of partly creating a visible underwear collection has resulted in a change of product in which, design, material quality and fit have all evolved to a higher level.

Women's underwear is highly diversified, so it offers lots of entry options. Women's briefs are especially competitive, sold by supermarkets and middle segment in sets or multipacks at very low prices. The upper-middle segments are offering quality, comfortable and sustainable options using materials such as [Modal and Micromodal](#), organic cotton and bamboo, as well as clean or seamless aesthetics.

Bras is the most diversified product category with options including shaping, nursing, everyday and sports bras. Push-up bras' numbers have gone down, while bralettes (triangle bras) and sports bras, which are simpler to produce and have lower price points than push-up bras, have grown across all segments.

### Tips:

Explore trends within a trend, for example bralettes and sports bras, and present to your buyers seasonal colour palettes, design variations and fabric options that provide additional comfort.

Focus on comfortable, high-quality or sustainable fabrics to differentiate your offer, especially for the middle, upper-middle and luxury markets.

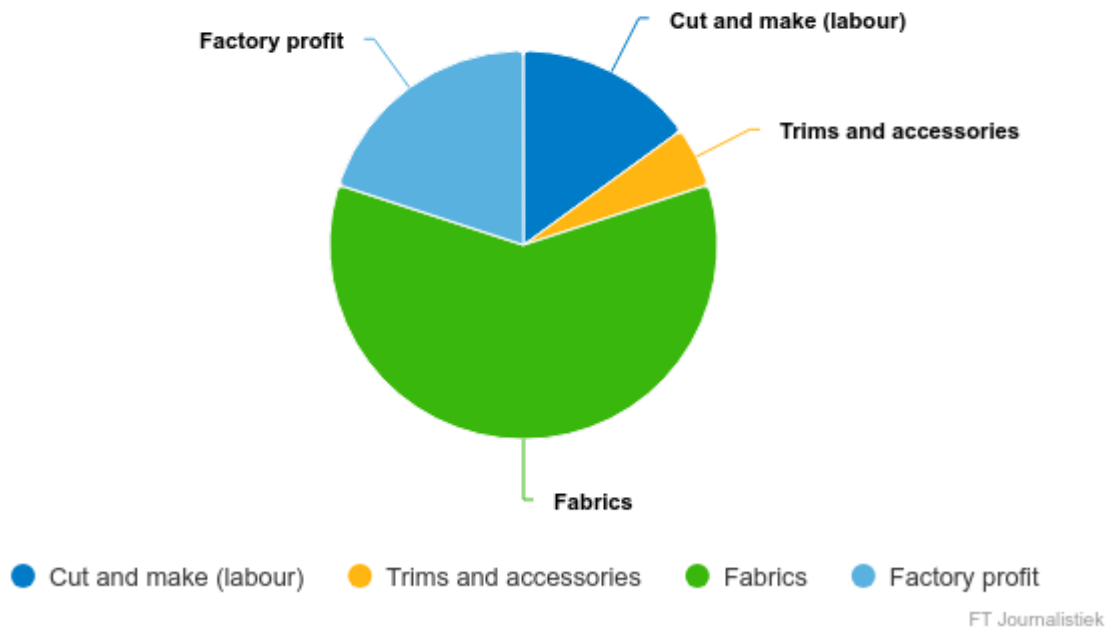
Create and present your own collection of original stretch lace designs on quality fabrications for women's underwear.

## 4. What are the prices for women's underwear on the European market?

The price of your product, in fashion jargon often indicated as the FOB price (for [free on board](#)), is influenced by many factors, including the cost of materials, the efficiency of your employees, your overhead and profit margin.

The following chart shows the average cost breakdown of a typical FOB price:

**Figure 2: Breakdown of a typical FOB price**



Note that these percentages may vary per factory and per order. Some factories accept lower profit margins during offseason periods, or when order volumes are high. In addition, the percentages for labour versus fabrics may differ, depending on the efficiency and wage level of the workforce and the price of the materials. Efficiency goes up and material prices go down when producing large volume orders.

## Retail pricing

The retail price of a sportswear item is on average four to eight times the FOB price, which is called retail markup. It follows that the FOB price is on average 12,5%–25% of the retail price of the product. Exceptions do exist. In the budget market, some large European retail chains may sell products for a markup of just twice the FOB price. Retailers mark the FOB price up four to eight times because they need to account for import duties, transport, rent, marketing, overhead, stock keeping, markdowns, VAT (15%–27% in EU countries), among other costs.

According to [Eurostat's 2019 comparison of retail prices for apparel](#), of the top six European importers of apparel and footwear, France has the highest price level at 107.7 points, compared to the European average of 100, followed by the Netherlands (105.6), Italy (99.1), Germany (98.8), Spain (91.4) and the UK (90.7). Note that brands and retailers that sell in multiple European countries usually keep prices equal or deviate only slightly from the standard retail price.

Online commerce and a strong budget segment intensely competitive have made consumers in Europe accustomed to low prices. Focus on sustainability and increasing production costs have, at the same time, put manufacturers, suppliers and buyers under enormous price pressure. However, prices are expected to remain stable in the next three years thanks to increased efficiency, automation and production shifting to low-wage countries.

This study was carried out on behalf of CBI by Frans Tilstra and Giovanni Beatrice for [FT Journalistiek](#).

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