



The Silver Word

**Trends in Resort Apparel and Swimwear
Key Findings**

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Trends To Watch: Apparel & Fashion Retailers

- Competitive pressure from other retail channels, such as department stores, hypermarkets, mass merchant discounters and home shopping venues, will probably continue to increase, thereby limiting market growth.
- In the market as a whole, leading players are forecast to continue building on cost-cutting consolidations, and will focus on expanding into new markets. The aim will be to consolidate existing outlets in saturated markets, while gaining ground in unexploited markets by adding stores. Continuing consolidation is likely to further concentrate the share of sales into the operations of leading fashion and apparel chains.
- The increasing diversity of the US population is likely to prompt retailers to market goods aimed directly at growing ethnic populations. Continued growth in the Hispanic, African-American and Asian ethnic markets is likely to encourage retailers to tailor merchandise lines in stores based in ethnically dominated localities.
- Independent fashion and apparel retailers are expected to continue a strategy of stocking high-end goods, in order to maintain profit margins in the face of declining volume sales.
- The increasing use of credit cards, store cards and other non-traditional forms of payment is expected to continue benefiting retailers over the long term, increasing consumers' purchasing power and improving the efficiency of receipt collection. In addition, the further development of electronic point of sale equipment (EPOS) will continue to strengthen the competitive edge held by large chains over smaller competitors. By monitoring purchases on an item-by-item basis, retailers are able to micro-analyse profit, leading to the most efficient stocking and merchandising strategy available based on the data.
- Private label is likely to grow as a percentage of both units sold and value generated. Private label growth will be directly tied to the continued expansion of large national chains and the successful private label lines which have already been established.
- Consumers are likely to remain very value-conscious and opportunistic when purchasing fashion and apparel by waiting for items to go on sale. The consumer desire for price discounts is likely to continue to hamper value growth for the market.

- 2001 marked the most financially successful year for women's and girl's swimwear markets.
- US retail sales for women's and girl's swimsuits totaled \$2.4 billion in 2001, up from \$2.0 billion in 1999 - an increase of 19% from 1999.
- US domestic production was 48 million units, valued at \$790 million, a 4.3% increase in units and 5% increase in dollars versus 2000.

US Production of Women's & Girls' Swimwear

(In Thousands of Units and Millions of Dollars)

Year	Women's (Age 14+)		Girls (Ages 3-13)		Total	
	Units	Dollars	Units	Dollars	Units	Dollars
1991	38,712	\$537	8,124	\$57	46,836	\$594
1992	39,804	\$565	9,396	\$77	49,200	\$642
1993	42,300	\$615	13,260	\$88	55,560	\$703
1994	37,560	\$591	13,080	\$92	50,640	\$683
1995	35,720	\$583	14,361	\$88	50,081	\$671
1996	37,324	\$632	14,529	\$125	51,853	\$757
1997	43,141	\$824	12,705	\$115	55,846	\$939
1998	43,872	\$747	14,355	\$87	58,227	\$834
1999	41,693	\$639	10,947	\$86	52,640	\$725
2000	46,103	\$753	10,772	\$90	56,875	\$843
2001	47,963	\$790	9,446	\$79	57,409	\$869
%2000/2001	4%	5%	-12%	-12%	1%	3%

Source: Industrial Reports, U.S. Census Bureau

- Exports declined by 22% from 2001 to 2000.

US Exports of Women's & Girls' Swimwear

(In Thousands of Dozens and Millions of Dollars)

Country	1999		2000		2001		% Change 2000/2001	
	Dozens	Dollars	Dozens	Dollars	Dozens	Dollars	Dozens	Dollars
Domin Rep	147	\$5.9	371	\$17.5	630	\$20.4	70%	17%
Mexico	941	\$41.7	604	\$27.9	249	\$11.5	-59%	-59%
Canada	66	\$12.9	79	\$13.2	64	\$10.6	-19%	-20%
Colombia	256	\$8.5	179	\$6.3	36	\$1.0	-80%	-84%
Taiwan	0	\$0.0	0	\$0.0	12	\$0.5	N/A	N/A
Honduras	26	\$1.4	27	\$1.2	9	\$0.3	-67%	-75%
UK	4	\$0.2	7	\$0.8	7	\$1.0	0%	25%
Ecuador	0	\$0.0	12	\$0.4	7	\$0.3	-42%	-25%
St. Kitts-Nevis	3	\$0.2	13	\$1.4	7	\$0.9	-46%	-36%
Hong Kong	1	\$0.1	1	\$0.1	5	\$0.3	N/A	N/A
Other	62	\$4.7	67	\$3.8	34	\$2.6	-49%	-32%
Total Exports	1,506	\$75.6	1,360	\$72.6	1,060	\$49.4	-22%	-32%

Source: US International Trade Commission

US Customs Service

US Census Bureau

- Imports increased by 10% in volume and 4% in dollars.
- In 2001, imports of women's and girls' swimwear were 36% greater (57,409 versus 78,084) than US domestic production.

US Imports of Women's & Girls' Swimwear

(In Thousands of Units and Millions of Dollars)

Year	Units	Dollars
1991	14,604	\$73.8
1992	16,332	\$88.0
1993	18,324	\$99.7
1994	23,244	\$128.7
1995	27,552	\$157.6
1996	30,780	\$187.6
1997	41,436	\$232.2
1998	46,788	\$270.2
1999	56,508	\$334.1
2000	71,004	\$407.1
2001	78,084	\$425.1
%2000/2001	10%	4%

Source: US International Trade Commission

US Customs Service

US Census Bureau

Source: Retail Sector Report February 2000: US Apparel & Fashion Retailers