A Market Analysis of the Performance Textile Segment

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By most accounts, the sportswear market, also called the active sportswear or the performance apparel market, is one that has been a healthy segment of the larger textile complex. This market has exhibited many signs of growth due to an increase in public awareness of healthier lifestyles which comes with an up-tick in the number of consumers who exercise regularly. Adding to the increase in exercise is the increase in the efforts of the industry to provide the apparel the consumer wants. This is taking form in technological and stylistic advancements in the clothing being used as compared to the traditional clothing for exercise in years past. As performance increases for the these products, the competition grows to become the best in order to capture the growing market which is accustomed to features in addition to function.

The best way to look at the landscapes of this market is to have a look at the money being spent on this product in the US. The size of the US market for this product category will give some indication as to how much of an impact this product category has on the apparel and textile markets in general. One source of such information is the book *Household Spending*, which is a reference source that provides information on the amount of money the average American consumer is spending on all types of products. A textile section is included in the book, and within this section there is data for “active sportswear” (New Strategist Publications, Inc, 2005).
The data presented below from the *Household Spending* book was collected in 2003, and is divided along lines of age and before tax income. In the spending data broken down by age, there are seven groupings, beginning with under 25 and ranging as high as 75 and up. The spending numbers for the full population is also given. The numbers shown in the charts below are the annual per person spending figures in US dollars. The numbers reported in the *Household Spending* book are reported as annual spending in US dollars per ‘consumer unit’. This book also gives the number of people per consumer unit. This number was multiplied by the figures for spending per consumer unit in order to obtain the per person spending figures which are represented in the tables below.

One thing that is obvious by looking at the numbers for the total population is that the money being spent on female active sportswear is greater than the money being spent on male active sportswear. However, the numbers do not indicate whether this is the case due to higher prices of female sportswear garments, or if it indicates that females on average are buying more activewear than are their male counterparts. In one age group, age 35 to 44, more money was spent on male activewear than on female activewear. The rest of the groups reflected the same picture as the total population being that more money was spent on female rather than male activewear.

In analysis of the age data, it is clear to see that the highest purchasers are those who are old enough to hold a career level job yet are young enough that they are likely to exercise regularly. Ages 25-54 are the top purchasers of these garments. This may be, to some degree, that these groups are buying higher end versions of these products rather than a higher quantity of these products. The lowest spending age group are those age 75
and above. This is likely attributable to the fact that those in this age category are unable to exercise or are simply exercising less. It may also be attributable to the fact that persons from this generation still consider cotton T-shirts to be the standard bearer for athletic apparel.

### Household Spending on Active Sportswear By Age (2003)

<table>
<thead>
<tr>
<th>Category</th>
<th>Under 25</th>
<th>25 to 34</th>
<th>35 to 44</th>
<th>45 to 54</th>
<th>55 to 64</th>
<th>65 to 74</th>
<th>75+</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men’s Active Sportswear</td>
<td>$28.40</td>
<td>$34.54</td>
<td>$80.93</td>
<td>$68.30</td>
<td>$29.78</td>
<td>$30.61</td>
<td>$6.27</td>
<td>$44.93</td>
</tr>
<tr>
<td>Women’s Active Sportswear</td>
<td>$49.87</td>
<td>$98.46</td>
<td>$74.72</td>
<td>$70.49</td>
<td>$41.24</td>
<td>$59.49</td>
<td>$26.51</td>
<td>$65.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$78.27</strong></td>
<td><strong>$133.00</strong></td>
<td><strong>$155.65</strong></td>
<td><strong>$138.79</strong></td>
<td><strong>$71.02</strong></td>
<td><strong>$90.10</strong></td>
<td><strong>$32.78</strong></td>
<td><strong>$110.03</strong></td>
</tr>
</tbody>
</table>

Turning to the tables organized by annual household income, it is again clear to see that far more money per person is being spent on female activewear as compared to male activewear. Again, since this is raw data, no insight is given as to the reason for the disparity in money spent on female active sportswear as contrasted to the amount being spent on male active sportswear. All of the income groups in the annual household income table reflected this trend of greater expenditure on female active sportswear with the exception of one. The top earning income group, those earning $100,000 per year and above, spent more money on male active sportswear than on female active sportswear. Conventional wisdom says that with more spending power comes more spending; therefore, as would be expected the spending on active sportswear increases with increased income. There was one group that was ‘out of order’ for this trend; the
income range of $40,000 to $49,000 actually spent slightly less money, at an average of $82.63 per person, than the group of those who earned $20,000 to $39,000 annually, who spent an average of $98.95 per person.

<table>
<thead>
<tr>
<th>Category</th>
<th>Under $20,000</th>
<th>$20,000 to $39,999</th>
<th>$40,000 to $49,999</th>
<th>$50,000 to $69,999</th>
<th>$70,000 to $79,999</th>
<th>$80,000 to $99,999</th>
<th>$100,000 and above</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men’s Active Sportswear</td>
<td>$15.03</td>
<td>$26.47</td>
<td>$19.06</td>
<td>$52.86</td>
<td>$91.11</td>
<td>$79.89</td>
<td>$216.78</td>
<td>$49.20</td>
</tr>
<tr>
<td>Women’s Active Sportswear</td>
<td>$34.27</td>
<td>$72.48</td>
<td>$63.57</td>
<td>$75.18</td>
<td>$80.13</td>
<td>$116.88</td>
<td>$157.07</td>
<td>$71.85</td>
</tr>
<tr>
<td>Total</td>
<td>$49.30</td>
<td>$98.95</td>
<td>$82.63</td>
<td>$128.04</td>
<td>$171.24</td>
<td>$196.77</td>
<td>$373.85</td>
<td>$121.05</td>
</tr>
</tbody>
</table>

Another means of gauging the strength of the athletic performance apparel market is to look at other markets outside the United States for this textile market category. Work done by Subhash Anand, also in 2003, analyzes the European market for activewear and sportswear. Anand states that the market is very broad with an extremely wide range of applications for various sports as well as a wide range of levels of sophistication, noting that products exist for everyone from the professional athlete, who has customized performance wear, to the average customer, who may only wear the apparel for its fashion appeal (Anand, 2003). Anand also attributes this as a catalyst to much of the growth within this market.

Anand learns from Peirre Duffar, DuPont’s European sportswear manager that sportswear sales in the European EU15 market were worth $21.1 billion at the time of the report, and that $18 billion of that was representative of sports apparel sales, with the rest being footwear. A Key Note survey was also profiled by Anand that reports that in 2002,
sales in the United Kingdom alone were £4.05 billion ($7.3 billion) and £2.9 billion ($4.73 billion) of that was spent on the sportswear apparel portion of that market. The Key Note study continues to say that the £4.05 billion figure represents 10.3% of the entire UK apparel and footwear market.

It is also important to gain a global perspective and dig deeper within the broad sportswear market to the performance apparel sector within the sportswear category. This is the precise category with which this study is concerned. A report released by just-style.com states that the performance apparel segment is responsible for 10% of the overall global sportswear market. Just-Style states that this segment is still in its growth phase and is ‘coming of age’ (Global market review of performance apparel - forecast to 1212 - 2006 edition2006), suggesting significant room for growth.

One factor pointing to the ‘coming of age’ of the performance sector of sportswear is, as Just-Style reports it, that consumers are beginning to move away from being surprised or impressed by performance in their activewear and are moving toward developing an expectation of these performance characteristics when they go to purchase athletic apparel (Global market review of performance apparel - forecast to 1212 - 2006 edition2006). This fact alone points to the growth of the segment, as any product seeks to one day achieve ubiquitous status in the mind of the consumer. Finally, Just-Style makes a market forecast for the performance apparel market in the United States, predicting that the performance apparel segment of the sportswear market category will be worth $4.29 billion by the year 2012 (Global market review of performance apparel - forecast to 1212 - 2006 edition2006). This report was published in 2006, and makes predictions for the year 2012 based on growth and market trends.
One final thought on the growth of athletic performance apparel markets around the world is provided by Anand, as he notes that there is an increased importance placed on athletic performance apparel for fashion purposes. Anand notes that of the sportswear purchased, only 25% of it was actually used for active or athletic purposes (Anand, 2003).
References


Just-Style.com.