

Cotton Incorporated

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Consumer Purchasing Trends

Older Boomers: Apparel Purchases Are Up

For the first six months of 2006, total apparel purchases increased 6.1% in units and 7.6% in dollars over the same period last year, according to NPD Fashionworld's AccuPanel. On average, consumers paid \$14.81 per item, a 1.4% increase from the first half of 2005. Purchases of men's apparel grew faster than those of women's apparel, increasing 10.5% in units, compared with 3.1% for women's. Similarly, dollar purchases of men's apparel were up 8.9%, compared with 6.7% for women's. The overall increase in apparel purchases can be attributed primarily to older baby boomers, aged 55 to 65, as purchases of apparel for this age group showed double-digit growth from the first half of 2005 to the first half of 2006.

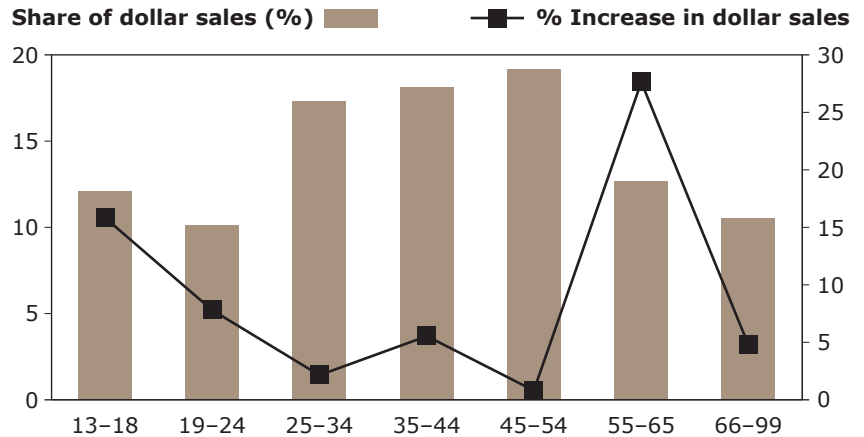
A Spike in Spending

Older boomers are a powerful group of spenders, with disposable income of about \$1 trillion. Clothes for older boomers accounted for 12.7% of all dollars spent on apparel in the first half of 2006, and this age group showed the largest growth in share of dollar sales. By age group, sales of older boomers' apparel also grew the fastest in units and dollars (17.1% and 27.6%, respectively), followed by sales of apparel for 13- to 18-year-olds (which grew 12.8% in units and 15.8% in dollars). Among older boomers, apparel sales growth was driven by purchases for men, which grew 34.7% in dollars, compared with 23.4% for women.

About the Data

Consumer purchase data are from NPD Fashionworld's AccuPanel survey and cover purchases for men and women aged 13 years and older. The items tracked by Cotton Incorporated include knit and woven shirts, sweaters, sweat apparel, slacks, jeans, shorts, skirts, dresses, and intimate apparel.

Spending on apparel increased the most among consumers aged 55 to 65 (Jan.–June, 2005 to 2006)



Source: NPD Fashionworld's AccuPanel.

Price-Conscious Consumers

Compared with other age groups, consumers aged 55 to 65 are more price-conscious when it comes to apparel shopping. Although consumers in this age group reported the largest increase in average price paid for apparel, 8.9%, they still paid less than other consumers. Older boomers paid an average of \$13.77 for a garment, while consumers aged 19 to 24 spent \$16.33, the highest average price paid. The average price reflects the retail channels where consumers shop. Older consumers purchased more of their clothing at mass merchants (35.6%) than at other retail channels, followed by chain stores

Mass merchants are the most popular retail channel among older consumers (Jan.–June 2006)

	Share (%) of unit sales	Avg. price (\$)	% Change in price*
Mass merchants	35.6	7.25	7.7
National chains	16.9	14.48	8.6
Specialty stores	11.9	21.21	9.8
Department stores	9.8	21.29	1.4

Source: NPD Fashionworld AccuPanel. *From Jan.–June 2005.

(16.9%). At mass merchants, they paid an average of \$7.25, an increase of 7.7% from the first six months of 2005.

What Did They Purchase?

Purchases of apparel for older boomers were up in all product categories. Purchases of skirts increased the most (31.5%), followed by woven shirts and slacks (both up 26.5%). Jeans purchases for this group increased 18.2%, and a similar trend was seen in ownership of denim jeans among consumers aged 56 to 70, which rose from 5.9 pairs in 2005 to 6.5 pairs in 2006, according to Cotton Incorporated's Lifestyle Monitor™.

Labels Are Important

Cotton is an integral part of older consumers' wardrobes, and they seek out cotton in the apparel marketplace. From the first half of 2005 to the first half of 2006, cotton's share (on a fiber-weight basis) grew 1.5 percentage points, to 72.0%. Of all garments purchased by this age group, two thirds were cotton-dominant (containing

Older consumers: A closer look*

They make an average of 15.6 clothes-shopping trips a year.

They spend an average of 83 minutes in the store shopping for clothing.

They spent \$61.33 per month on apparel in the first half of 2006.

53% plan to purchase more or the same amount of apparel in the next three months.

34% love or enjoy clothes shopping.

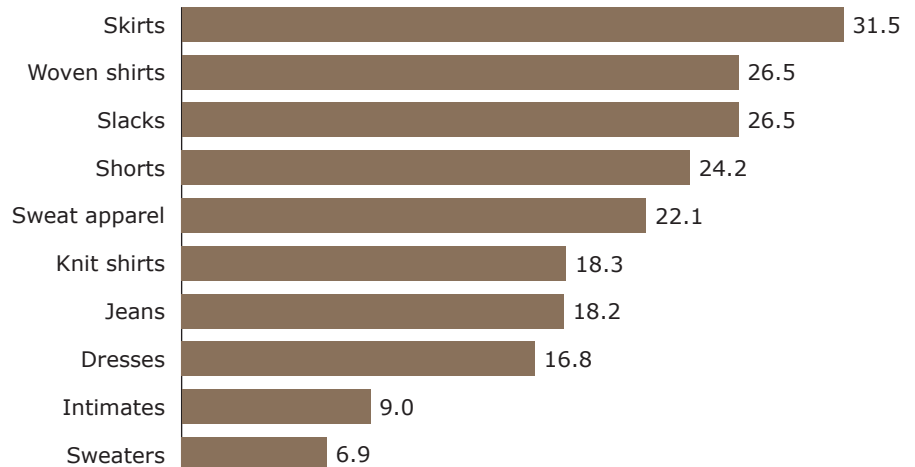
73% get clothing ideas from what they already like or own.

49% get clothing ideas from store displays or window shopping.

*Consumers aged 56 to 70.

Source: Cotton Incorporated's Lifestyle Monitor™.

Unit purchases for older consumers* grew in all product categories (Jan.–June, 2005 to 2006)



Source: NPD Fashionworld's AccuPanel. *Consumers aged 55 to 65.

60% to 100% cotton), reflecting a 19.1% increase from the first half of 2005. This affinity for cotton is evident in attitudinal data from the Lifestyle Monitor, which shows that consumers aged 56 to 70 are more likely than younger shoppers to check fiber content labels: nearly three quarters say they always or sometimes check the label, compared with less than a third of consumers aged 16 to 24.

Attitudes Toward Shopping

Older boomers are most likely to purchase clothing similar to what they already own. To get ideas for clothing, almost three quarters rely on what they already have in their wardrobes, compared with 70% of all other consumers. The next most popular idea source is store displays, which are consulted by nearly half of older boomers. Although fashion magazines, celebrities, and television provide key inspiration for young consumers and fashion innovators, only 14% of older boomers refer to these sources, indicating that these shoppers do not relate well to the fashions featured in these media.

Finding the right fit and style are two key problems older consumers face when shopping for apparel. According to the Lifestyle Monitor, 45% of boomers say they cannot find clothing that fits in the styles they like, and 58% say that current styles do not flatter their shape. Women are the most likely to experience these problems, with 52% saying they cannot find the right fit and 62% saying current styles do not flatter them. The fact that 65% of older female shoppers wear a size 12 or larger could be one reason they have difficulty finding the right fit. Older consumers might be enticed to shop even more if they could find the apparel that suited them best.

